International Economic Outlook for Dec. 19, 2025

A Publication of BMO Capital Markets Economic Research • Douglas Porter, CFA, Chief Economist, BMO Financial Group

		2024				2025				2026							
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2024	2025	2026	2027
Global GDP Growth	y/y % chng													3.3	**3.2**	**3.1**	**3.2**
Japan																	
Real GDP	saar : %	-2.1	1.0	2.7	1.4	1.5	2.1	-2.3	**0.5**	**0.8**	**1.0**	**1.0**	**1.0**	-0.2	**1.2**	**0.5**	**0.9**
	y/y % chng	-1.2	-1.2	0.8	0.7	1.6	1.9	0.7	**0.4**	**0.3**	**0.0**	**0.8**	**0.9**				
CPI All Items	y/y % chng	2.5	2.7	2.8	2.9	3.8	3.4	2.9	**3.0**	**2.8**	**2.9**	**3.2**	**2.6**	2.7	**3.3**	**2.9**	**2.2**
Unemployment Rate	%	2.6	2.6	2.5	2.5	2.5	2.5	2.6	**2.6**	**2.5**	**2.5**	**2.5**	**2.5**	2.5	**2.5**	**2.5**	**2.4**
3-Month Interest Rate	%	0.1	0.3	0.4	0.5	0.8	0.8	0.8	**0.9**	**1.2**	**1.4**	**1.5**	**1.5**	0.3	**0.8**	**1.4**	**1.5**
10-Year Government Bond	%	0.7	0.9	0.9	1.0	1.4	1.4	1.6	**1.8**	**2.1**	**2.1**	**2.2**	**2.3**	0.9	**1.5**	**2.2**	**2.4**
United Kingdom																	
Real GDP	saar : %	3.4	2.5	1.0	1.0	2.7	1.1	0.3	**-0.1**	**0.5**	**1.0**	**1.0**	**1.0**	1.1	**1.4**	**0.6**	**1.0**
	y/y % chng	0.3	0.9	1.4	1.9	1.8	1.4	1.3	**1.0**	**0.5**	**0.4**	**0.6**	**0.9**				
CPI All Items	y/y % chng	3.5	2.1	2.1	2.5	2.8	3.5	3.8	**3.4**	**3.0**	**2.6**	**2.1**	**2.2**	2.5	**3.4**	**2.5**	**2.0**
Unemployment Rate	%	4.3	4.3	4.2	4.4	4.5	4.7	5.0	**5.1**	**5.1**	**5.0**	**4.9**	**4.9**	4.3	**4.8**	**5.0**	**4.8**
3-Month Interest Rate	%	5.2	5.2	4.9	4.7	4.5	4.2	4.0	**3.8**	**3.6**	**3.6**	**3.6**	**3.6**	5.0	**4.1**	**3.6**	**3.6**
10-Year Government Bond	%	4.0	4.2	4.0	4.3	4.6	4.6	4.6	**4.5**	**4.6**	**4.6**	**4.5**	**4.5**	4.1	**4.6**	**4.5**	**4.7**
Euro Area																	
Real GDP	saar : %	1.1	0.9	1.8	1.5	2.3	0.6	1.1	**0.9**	**1.4**	**1.3**	**1.3**	**1.4**	0.8	**1.4**	**1.2**	**1.3**
	y/y % chng	0.5	0.5	1.0	1.3	1.6	1.6	1.4	**1.2**	**1.0**	**1.1**	**1.2**	**1.3**				
CPI All Items	y/y % chng	2.6	2.5	2.2	2.2	2.3	2.0	2.1	**2.1**	**1.9**	**1.9**	**2.1**	**2.1**	2.4	**2.1**	**2.0**	**2.0**
Unemployment Rate	%	6.6	6.4	6.3	6.3	6.3	6.4	6.4	**6.3**	**6.3**	**6.2**	**6.2**	**6.2**	6.4	**6.4**	**6.2**	**6.1**
3-Month Interest Rate	%	3.9	3.8	3.6	3.0	2.6	2.1	2.0	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	3.6	**2.2**	**2.0**	**2.0**
10-Year Government Bond	%	2.3	2.5	2.3	2.3	2.6	2.5	2.7	**2.7**	**2.8**	**2.7**	**2.6**	**2.5**	2.3	**2.6**	**2.6**	**2.6**
Germany																	
Real GDP	saar : %	-0.4	-1.0	0.1	0.7	1.2	-0.8	0.0	**1.0**	**1.8**	**1.0**	**1.0**	**1.2**	-0.5	**0.3**	**1.0**	**1.9**
	y/y % chng	-0.5	-0.6	-0.6	-0.2	0.2	0.3	0.3	**0.3**	**0.5**	**0.9**	**1.2**	**1.2**				
CPI All Items	y/y % chng	2.7	2.6	2.2	2.5	2.6	2.1	2.1	**2.5**	**2.5**	**2.0**	**1.9**	**2.0**	2.5	**2.3**	**2.1**	**2.0**
Unemployment Rate	%	5.9	5.9	6.0	6.1	6.2	6.3	6.3	**6.3**	**6.2**	**6.0**	**6.0**	**6.0**	6.0	**6.3**	**6.1**	**6.0**
France																	
Real GDP	saar : %	0.5	0.8	1.5	-0.2	0.4	1.3	2.2	**0.1**	**0.4**	**0.8**	**1.0**	**1.0**	1.1	**0.8**	**0.8**	**1.1**
	y/y % chng	1.7	1.0	1.1	0.6	0.6	0.7	0.9	**1.0**	**1.0**	**0.9**	**0.6**	**0.8**				
CPI All Items	y/y % chng	3.0	2.5	2.1	1.7	1.2	0.8	0.9	**0.9**	**1.2**	**1.3**	**1.1**	**1.4**	2.3	**1.0**	**1.2**	**1.9**
Unemployment Rate	%	7.5	7.4	7.4	7.3	7.5	7.6	7.7	**7.7**	**7.6**	**7.5**	**7.5**	**7.5**	7.4	**7.6**	**7.5**	**7.5**
Italy																	
Real GDP	saar : %	0.3	0.9	0.1	0.7	1.3	-0.3	0.5	**0.6**	**1.0**	**1.0**	**1.0**	**1.0**	0.5	**0.6**	**0.8**	**1.0**
	y/y % chng	0.3	0.6	0.6	0.5	0.8	0.5	0.6	**0.5**	**0.4**	**0.8**	**0.9**	**1.0**				
CPI All Items	y/y % chng	1.0	1.0	1.1	1.3	1.9	1.8	1.7	**1.5**	**0.9**	**0.9**	**0.8**	**1.5**	1.1	**1.7**	**1.0**	**1.6**
Unemployment Rate	%	7.1	6.7	6.3	6.2	6.3	6.3	6.1	**6.2**	**6.2**	**6.3**	**6.3**	**6.2**	6.6	**6.2**	**6.3**	**6.2**
China																	
Real GDP	y/y % chng	5.3	4.7	4.6	5.4	5.4	5.2	4.8	**4.5**	**4.3**	**4.5**	**4.6**	**4.6**	5.0	**5.0**	**4.5**	**4.5**
CPI All Items	y/y % chng	0.0	0.3	0.5	0.2	-0.1	0.0	-0.2	**0.5**	**0.5**	**1.0**	**1.1**	**1.2**	0.2	**0.0**	**1.0**	**1.5**
Current Account Balance	% of GDP													2.3	**3.3**	**2.8**	**2.5**
Exchange Rates																	
Yen	¥/US$	149	156	149	152	152	144	148	**154**	**155**	**154**	**153**	**152**	151	**150**	**154**	**148**
Euro	US$/€	1.09	1.08	1.10	1.07	1.05	1.13	1.17	**1.16**	**1.18**	**1.18**	**1.19**	**1.20**	1.08	**1.13**	**1.19**	**1.21**
Pound	US$/£	1.27	1.26	1.30	1.28	1.26	1.34	1.35	**1.33**	**1.34**	**1.34**	**1.35**	**1.35**	1.28	**1.32**	**1.35**	**1.36**
Pound/Euro	£/€	0.86	0.85	0.84	0.83	0.84	0.85	0.87	**0.87**	**0.88**	**0.88**	**0.88**	**0.89**	0.85	**0.86**	**0.88**	**0.89**
Yen/Euro	¥/€	161	168	164	163	160	164	172	**179**	**183**	**182**	**182**	**182**	164	**169**	**182**	**179**
Yuan	CNY/US$	7.19	7.24	7.16	7.19	7.27	7.23	7.16	**7.09**	**7.04**	**7.03**	**7.02**	**7.00**	7.20	**7.19**	**7.02**	**6.97**

Bolded values represent forecasts

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