

# International Economic Outlook for July 25, 2025

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

		2024				2025				2026				2023	2024	2025	2026
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
<b>Global GDP Growth</b>	y/y % chng													3.5	3.3	2.9	2.9
<b>Japan</b>																	
Real GDP	saar : %	-1.3	3.9	0.9	2.2	-0.2	<b>0.1</b>	<b>0.3</b>	<b>0.3</b>	<b>1.0</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	1.4	0.2	<b>0.8</b>	<b>0.8</b>
	y/y % chng	-0.9	-0.5	0.7	1.4	1.7	<b>0.8</b>	<b>0.6</b>	<b>0.1</b>	<b>0.4</b>	<b>0.7</b>	<b>0.9</b>	<b>1.1</b>				
CPI All Items	y/y % chng	2.5	2.7	2.8	2.9	3.8	3.4	<b>3.1</b>	<b>2.5</b>	<b>2.2</b>	<b>2.2</b>	<b>2.4</b>	<b>2.5</b>	3.3	2.7	<b>3.2</b>	<b>2.3</b>
Unemployment Rate	%	2.6	2.6	2.5	2.5	2.5	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	2.6	2.5	<b>2.5</b>	<b>2.5</b>
3-Month Interest Rate	%	0.1	0.3	0.4	0.5	0.8	0.8	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	0.1	0.3	<b>0.9</b>	<b>1.0</b>
10-Year Government Bond	%	0.7	0.9	0.9	1.0	1.4	1.4	<b>1.4</b>	<b>1.4</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.2</b>	0.6	0.9	<b>1.4</b>	<b>1.3</b>
<b>United Kingdom</b>																	
Real GDP	saar : %	3.7	1.8	0.0	0.4	3.0	<b>0.0</b>	<b>0.4</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	0.4	1.1	<b>1.0</b>	<b>0.8</b>
	y/y % chng	0.7	1.1	1.2	1.5	1.3	<b>0.8</b>	<b>0.9</b>	<b>1.1</b>	<b>0.6</b>	<b>0.8</b>	<b>1.0</b>	<b>1.0</b>				
CPI All Items	y/y % chng	3.5	2.1	2.1	2.5	2.8	3.5	<b>3.5</b>	<b>3.5</b>	<b>2.8</b>	<b>2.4</b>	<b>2.2</b>	<b>1.9</b>	7.3	2.5	<b>3.3</b>	<b>2.4</b>
Unemployment Rate	%	4.3	4.3	4.2	4.4	4.5	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	4.1	4.3	<b>4.5</b>	<b>4.5</b>
3-Month Interest Rate	%	5.2	5.2	4.9	4.7	4.5	4.2	<b>4.0</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	4.8	5.0	<b>4.1</b>	<b>3.9</b>
10-Year Government Bond	%	4.0	4.2	4.0	4.3	4.6	4.6	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.4</b>	<b>4.3</b>	<b>4.3</b>	4.0	4.1	<b>4.6</b>	<b>4.4</b>
<b>Euro Area</b>																	
Real GDP	saar : %	1.5	0.8	1.7	1.2	2.3	<b>0.2</b>	<b>0.8</b>	<b>1.3</b>	<b>1.2</b>	<b>0.7</b>	<b>0.6</b>	<b>0.6</b>	0.7	0.9	<b>1.3</b>	<b>0.9</b>
	y/y % chng	0.6	0.6	1.0	1.3	1.5	<b>1.4</b>	<b>1.1</b>	<b>1.2</b>	<b>0.9</b>	<b>1.0</b>	<b>0.9</b>	<b>0.8</b>				
CPI All Items	y/y % chng	2.6	2.5	2.2	2.2	2.3	2.0	<b>2.1</b>	<b>2.1</b>	<b>1.9</b>	<b>1.9</b>	<b>2.1</b>	<b>2.1</b>	5.4	2.4	<b>2.1</b>	<b>2.0</b>
Unemployment Rate	%	6.6	6.4	6.3	6.2	6.3	<b>6.2</b>	<b>6.2</b>	<b>6.2</b>	<b>6.2</b>	<b>6.2</b>	<b>6.2</b>	<b>6.2</b>	6.6	6.4	<b>6.2</b>	<b>6.2</b>
3-Month Interest Rate	%	3.9	3.8	3.6	3.0	2.6	2.1	<b>1.9</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	3.4	3.6	<b>2.1</b>	<b>1.7</b>
10-Year Government Bond	%	2.3	2.5	2.3	2.3	2.6	2.5	<b>2.6</b>	<b>2.6</b>	<b>2.5</b>	<b>2.4</b>	<b>2.4</b>	<b>2.3</b>	2.5	2.3	<b>2.6</b>	<b>2.4</b>
<b>Germany</b>																	
Real GDP	saar : %	1.0	-1.2	0.4	-0.8	1.7	<b>0.1</b>	<b>1.5</b>	<b>2.5</b>	<b>2.2</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>	-0.1	-0.2	<b>0.6</b>	<b>1.3</b>
	y/y % chng	-0.1	-0.2	-0.3	-0.2	0.0	<b>0.3</b>	<b>0.6</b>	<b>1.4</b>	<b>1.6</b>	<b>1.6</b>	<b>1.3</b>	<b>0.7</b>				
CPI All Items	y/y % chng	2.7	2.6	2.2	2.5	2.6	2.1	<b>1.9</b>	<b>2.2</b>	<b>2.3</b>	<b>1.7</b>	<b>1.9</b>	<b>2.0</b>	6.0	2.5	<b>2.2</b>	<b>2.0</b>
Unemployment Rate	%	5.9	5.9	6.0	6.1	6.2	6.3	<b>6.2</b>	<b>6.1</b>	<b>6.0</b>	<b>5.9</b>	<b>5.9</b>	<b>5.9</b>	5.7	6.0	<b>6.2</b>	<b>5.9</b>
<b>France</b>																	
Real GDP	saar : %	0.4	0.8	1.5	-0.3	0.5	<b>0.2</b>	<b>0.4</b>	<b>0.5</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	1.6	1.1	<b>0.4</b>	<b>0.6</b>
	y/y % chng	1.7	1.0	1.1	0.6	0.6	<b>0.5</b>	<b>0.2</b>	<b>0.4</b>	<b>0.4</b>	<b>0.6</b>	<b>0.6</b>	<b>0.7</b>				
CPI All Items	y/y % chng	3.0	2.5	2.1	1.7	1.2	0.8	<b>0.9</b>	<b>1.0</b>	<b>1.4</b>	<b>1.5</b>	<b>1.4</b>	<b>1.5</b>	5.7	2.3	<b>1.0</b>	<b>1.5</b>
Unemployment Rate	%	7.4	7.4	7.4	7.3	7.4	<b>7.2</b>	<b>7.3</b>	<b>7.3</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>	7.3	7.4	<b>7.3</b>	<b>7.5</b>
<b>Italy</b>																	
Real GDP	saar : %	0.7	0.8	0.0	0.8	1.1	<b>0.2</b>	<b>0.4</b>	<b>0.5</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	0.8	0.5	<b>0.6</b>	<b>0.8</b>
	y/y % chng	0.3	0.7	0.6	0.6	0.7	<b>0.5</b>	<b>0.6</b>	<b>0.5</b>	<b>0.5</b>	<b>0.7</b>	<b>0.9</b>	<b>1.0</b>				
CPI All Items	y/y % chng	1.0	1.0	1.1	1.3	1.9	1.8	<b>1.9</b>	<b>2.1</b>	<b>1.6</b>	<b>1.5</b>	<b>1.2</b>	<b>1.5</b>	5.9	1.1	<b>1.9</b>	<b>1.4</b>
Unemployment Rate	%	7.1	6.7	6.3	6.2	6.3	<b>6.3</b>	<b>6.3</b>	<b>6.3</b>	<b>6.4</b>	<b>6.4</b>	<b>6.3</b>	<b>6.2</b>	7.7	6.6	<b>6.3</b>	<b>6.3</b>
<b>China</b>																	
Real GDP	y/y % chng	5.3	4.7	4.6	5.4	5.4	5.2	<b>4.9</b>	<b>4.0</b>	<b>4.1</b>	<b>4.3</b>	<b>4.7</b>	<b>4.8</b>	5.4	5.0	<b>4.8</b>	<b>4.5</b>
CPI All Items	y/y % chng	0.0	0.3	0.5	0.2	-0.1	0.0	<b>0.0</b>	<b>0.5</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>	<b>1.2</b>	0.2	0.2	<b>0.1</b>	<b>1.1</b>
Current Account Balance	% of GDP													1.4	2.3	<b>1.8</b>	<b>1.4</b>
<b>Exchange Rates</b>																	
Yen	¥/US\$	149	156	149	152	152	144	<b>146</b>	<b>143</b>	<b>142</b>	<b>141</b>	<b>141</b>	<b>140</b>	140	151	<b>146</b>	<b>141</b>
Euro	US\$/€	1.09	1.08	1.10	1.07	1.05	1.13	<b>1.17</b>	<b>1.19</b>	<b>1.19</b>	<b>1.20</b>	<b>1.20</b>	<b>1.21</b>	1.08	1.08	<b>1.14</b>	<b>1.20</b>
Pound	US\$/£	1.27	1.26	1.30	1.28	1.26	1.34	<b>1.36</b>	<b>1.37</b>	<b>1.37</b>	<b>1.38</b>	<b>1.38</b>	<b>1.39</b>	1.24	1.28	<b>1.33</b>	<b>1.38</b>
Pound/Euro	£/€	0.86	0.85	0.84	0.83	0.84	0.85	<b>0.86</b>	<b>0.87</b>	<b>0.87</b>	<b>0.87</b>	<b>0.87</b>	<b>0.87</b>	0.87	0.85	<b>0.85</b>	<b>0.87</b>
Yen/Euro	¥/€	161	168	164	163	160	164	<b>171</b>	<b>170</b>	<b>169</b>	<b>169</b>	<b>169</b>	<b>169</b>	152	164	<b>166</b>	<b>169</b>
Yuan	CNY/US\$	7.19	7.24	7.16	7.19	7.27	7.23	<b>7.17</b>	<b>7.16</b>	<b>7.14</b>	<b>7.13</b>	<b>7.12</b>	<b>7.10</b>	7.08	7.20	<b>7.21</b>	<b>7.12</b>

Bolded values represent forecasts

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