



Monthly Pulse of the Economic Conjoncture

Eurozone Germany France Italy Spain
United Kingdom United States Japan China

Nowcast

Eurozone France United States



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Our nowcasts for Q2 2025 deliver a positive message, with significant growth in the Eurozone (+0.3% q/q, after a very solid Q1 at 0.6% q/q), accelerating in France (+0.2% q/q) and rebounding in the United States. For the latter, the Atlanta Federal Reserve's GDPNow (+0.9% q/q) shows a strong improvement due to the highly atypical profile of imports.

Furthermore, exports were buoyed in Q1 in many countries by the imminent announcement of US tariff increases. A backlash is likely to weigh on growth in Q2, particularly in China and Germany. It should also affect UK growth. The same downward trend is expected, albeit more moderate, in Spain and Italy, while Japan should return to positive growth (after a negative Q1).

Business climate: Improvement in Europe

May surveys show an improvement in Europe (except in France, according to INSEE) and thus confirm the positive surprises seen in recent months, particularly in industry. The outlook is less favorable in the US, Japan, and China.

Household confidence: Upturn

Surveys show an improvement in May, particularly in the US (Conference Board survey) and to a lesser extent elsewhere (Europe, Japan). France is the exception, however, with a decline in household confidence. In China, consumption data is more mixed in April than in March.

Labour market: Positive, but more mixed than before

Unemployment remains low in most countries. However, it is rising in the United Kingdom (to its highest level since summer 2021), where net job losses are continuing (as in France). In the US, net job creations continued at a more moderate pace. In the Eurozone, households are more concerned about unemployment (particularly in France). In Japan, real wages are falling further.

Inflation: Mainly positive surprises

Inflation fell back below 2% y/y in the Eurozone according to preliminary estimates for May (it had already crossed this threshold in September 2024). In the US, inflation remains stable according to April data. China is still in deflation. Conversely, inflationary pressures have increased in Japan and in the UK. They could do the same in the US (at least that is what households and economists are expecting) due to higher tariffs.

Monetary policy: Easing continues in Europe and China

After the June 5 cut, the ECB is expected to end its monetary easing cycle with a final 25 bp rate cut in September. The BoE is expected to cut its rate by 25bp per quarter until Q1 2026. China is expected to ease its policy rate by 10bp per quarter from Q2 to Q4. In the US, the policy rate is expected to remain unchanged in 2025. In Japan, the policy rate is expected to be raised by 25bp in Q4.

Completed on June 6, 2025

Indicators Q3 2025				
	Business climate	Households	Labour market	Inflation
Eurozone				
Germany				
France				
Italy				
Spain				
United Kingdom				
United States				
Japan				
China				

Source: BNP Paribas

CONTENT

Eurozone

Limited growth, lasting trade tensions

Germany

The economic upturn continues

France

Decline in private sector confidence

Italy

Growth expected to remain limited

Spain

Growth on track

United Kingdom

Consumption rises, so does unemployment

United States

Pick-up in Household Sentiment

Japan

Stagflation

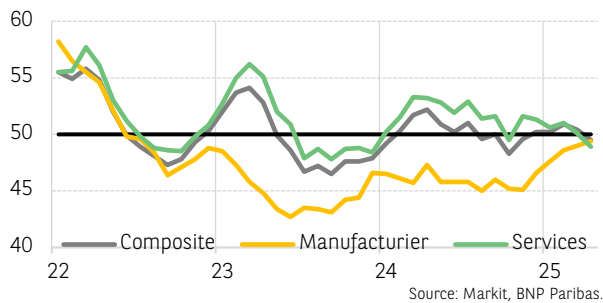
China

Slowdown



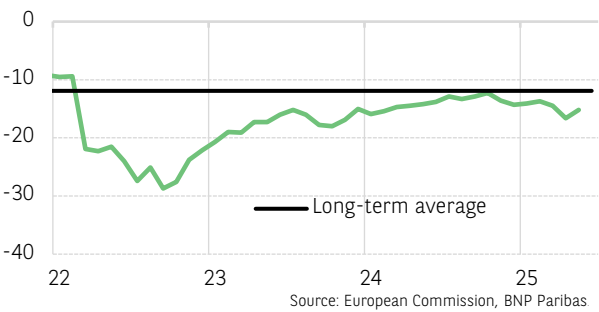
Eurozone: Limited growth, lasting trade tensions

Business climate: PMI



Stabilisation in manufacturing, deterioration in services. The manufacturing PMI continues to improve in May, rising above the services index for the first time since March 2022. The composite indicator fell back below 50. The European Commission's economic sentiment index climbed in May (+1 pt to 94.8) but remains well below its long-term average (100).

Household confidence



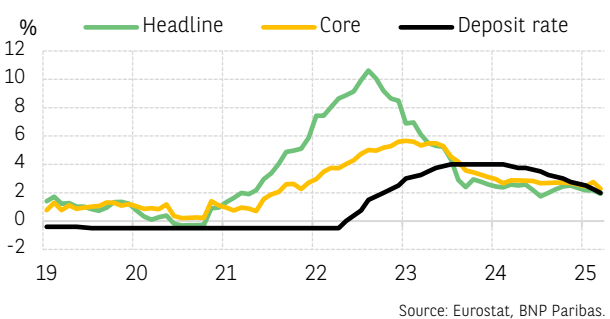
Household confidence rose in May (+1.4 pt to 15.2), regaining some of the ground lost in the previous two months. Indices for the economic situation for the next year, major purchases and price trends all improved. Conversely, the unemployment expectations indicator is deteriorating.

Labour market: unemployment rate



The resilience of the labour market continues. The number of unemployed workers decreased by 207,000 in April, the biggest monthly decline since September 2021. The unemployment rate fell back to 6.2% in April, a record low. Negotiated wages slowed to 2.4% y/y in Q1 2025, from 2.4% in Q4 2024. The ECB's negotiated wage tracker foreseen pay to rise by 1.6% y/y and 2.9% y/y excluding one-off payments in December 2025.

Inflation (y/y) and policy rate



Headline inflation fell from 2.2% to 1.9% in May. The core measure dipped by 0.4 pp to 2.3%. Inflation dynamics remain contrasted within the Eurozone: from 0.6% (May) in France to 4.3% in Croatia and Estonia (April). Eurozone inflation is expected to stabilise at around 2% in Q3, allowing the ECB to proceed with a further 25 basis point rate cut in September, following the reduction in June.

GDP growth q/q: actual, carry-over and forecasts

Actual				Carry-over	Actual	Nowcast	Forecast		Annual forecasts (y/y)		
Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q4 2024	Q1 2025	Q2 2025	Q2 2025	Q3 2025	2024 (observed)	2025	2026
0,3	0,2	0,4	0,3	0,5	0,6	0,3	-0,1	0,2	0,9	1,2	1,3

See the Nowcast methodology. [Contact: Tarik Rharrab](#)

Source: Refinitiv, BNP Paribas

Limited growth in the short term. After a strong rebound to 0.6% q/q in Q1, growth should ease in Q2 (0.3% according to our nowcast and -0.1% according to our forecasts, after a very strong growth of exports particularly in Ireland during the Q1). Although the uncertainty linked to trade tensions may weigh on activity, growth should nevertheless strengthen on an annual average basis in 2025, and even more so in 2026 (notably with the ramp-up of investment in rearmament).

Guillaume Derrien (completed on June 6, 2025)

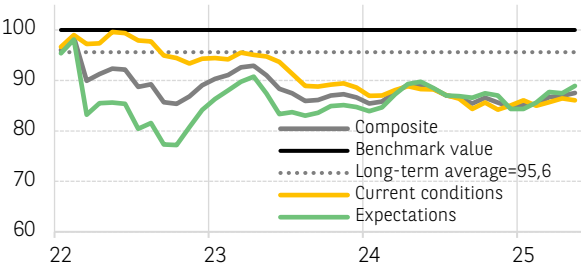


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Germany: The economic upturn continues

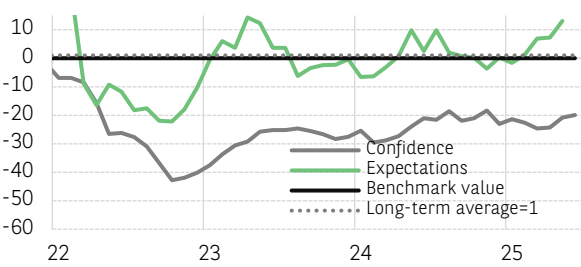
IFO's Business climate



Source: IFO, BNP Paribas

Business climate: better prospects. According to the Ifo survey, the business climate continued to improve in May (+0.6 points m/m to 87.5), driven by the improvement in the economic outlook (+1.5 points). The services index declined for the second consecutive month, while the manufacturing sector continued to show signs of improvement. Nevertheless, the index remains below its long-term average (95.6), signaling a fragile recovery amid high uncertainty.

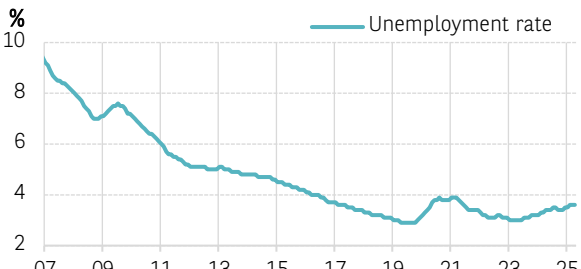
Household confidence



Source: GfK, BNP Paribas

Household confidence rises slightly. Household confidence improved in May (+0.9 points m/m, to -19.9) but remains relatively depressed. On the one hand, sentiment regarding the economic outlook improved, reaching a two-year high of 13.1 points (+5.9 points m/m). On the other hand, caution persists, given the decline in spending intentions (after a rebound in the previous month) and the increase in the propensity to save.

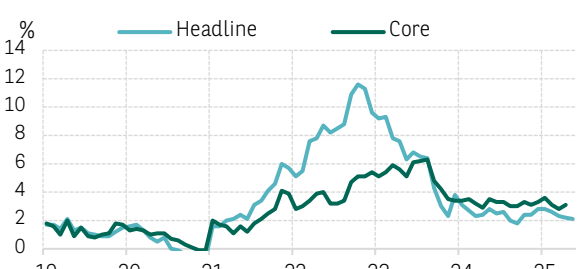
Labour market: unemployment rate



Source: Destatis, BNP Paribas

Labor market: stabilization. The unemployment rate remained stable at 3.6% in April, having reached 3% in the first half of 2023 (the previous low). After three consecutive quarters of net job losses since Q3 2024, mainly in the manufacturing industry, employment picked up slightly in April. The IAB barometer improved slightly, reflecting the slightly more favorable business climate for employment.

Inflation



Source: Destatis, BNP Paribas

Gradual disinflation. Inflation (harmonized index) stood at 2.1% y/y in May (preliminary estimate), compared with 2.8% in January 2025. Energy prices continued to fall, while inflation in services declined (-0.5 ppt to 3.4%), leading to a decline in core inflation (-0.1 ppt to 2.8%). Inflation is expected to stabilize in the coming months and average 2.3% for 2025.

GDP growth q/q: actual, carry-over, forecasts

Actual				Carry-over	Actual	Forecast		Annual forecasts (y/y)		
Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	2024 (observed)	2025	2026
0,2	-0,3	0,1	-0,2	-0,2	0,4	0,1	0,3	-0,2	0,5	1,0

Source: Refinitiv, BNP Paribas

Revision of first-quarter growth. Growth in Q1 2025 has been revised upward to +0.4% q/q (previously +0.2%), supported by household consumption and a significant rebound in exports (+3.2%, after -3.1% q/q in Q4 2024). This revision is explained by an exceptional month of March, supported by an influx of exports ahead of the tariff increases announced by the Trump administration, as well as by military equipment deliveries. This is therefore a one-off boost to growth and a backlash is to be expected in Q2 2025 (we forecast 0.1% q/q).

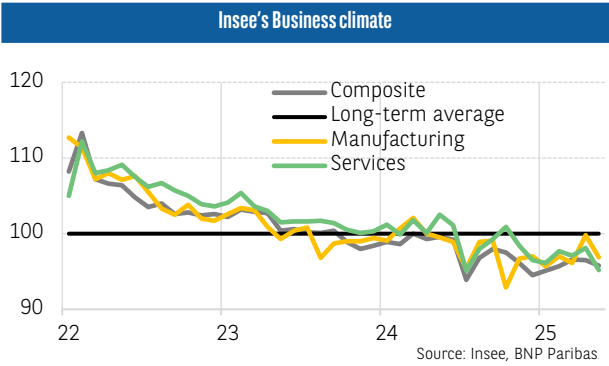
Marianne Mueller (completed on June 5, 2025)



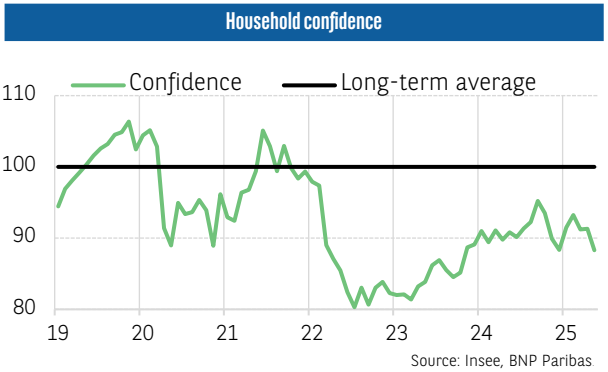
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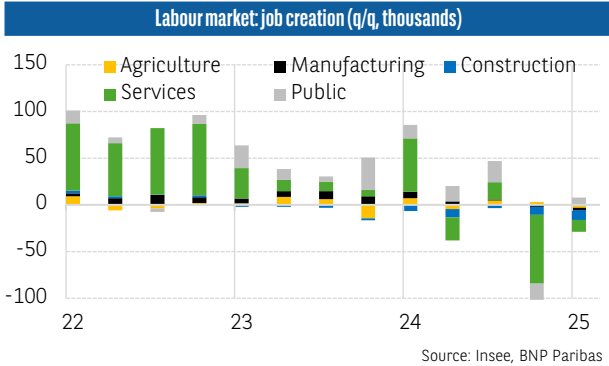
France: Decline in private sector confidence



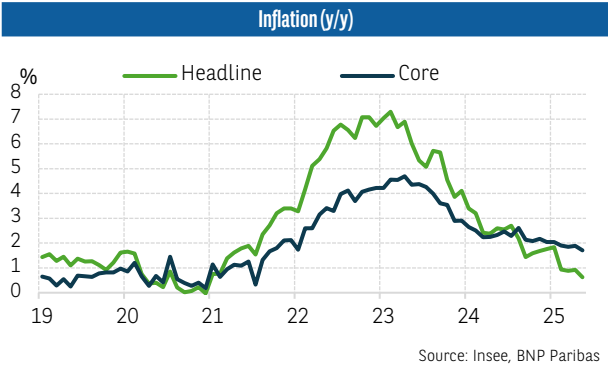
Business climate slightly down. The deterioration was slight in May (from 97 to 96). The more pronounced decline in industry and services was offset by a slight improvement in construction and retail trade. The composite index remained in a corridor between 95 and 98 over the last three quarters, consistent with a weak, but positive growth.



Household confidence deteriorated significantly to 88 in May, compared with 91 in April. The balance of opinion on past living standards is hovering around 20 points below its historical average (around -30 points for the outlook, -5 points over one month and -11 points over three months). The balance of opinion on the outlook for unemployment rose further (+61 in May versus +33 on historical average, +9 points over one month).



Moderate deterioration in the labor market. Payroll employment contracted by 0.1% q/q (-0.3% y/y) in the first quarter of 2025, with job losses particularly in services and construction. However, the unemployment rate remained moderate (7.4%) in Q1 2025, at the same level as in Q3 2023 and Q3 2024. The employment climate, which has been slightly below its historical average (100) since October 2024 (95 in May), points to a continued moderate pace of job losses in the coming months.



Disinflation increasingly pronounced. Harmonized inflation fell to 0.6% y/y in May 2025, dragged down by lower energy prices. Core inflation remains above its pre-COVID level but is below 2%, due to services, where more gradual disinflation accelerated in May.

GDP growth q/q: actual, carry-over and forecasts											
Actual				Carry-over	Actual	Nowcast	Forecast		Annual forecasts (y/y)		
Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q4 2024	Q1 2025	Q2 2025	Q2 2025	Q3 2025	2024 (observed)	2025	2026
0,1	0,2	0,4	-0,1	0,2	0,1	0,2	0,2	0,2	1,1	0,6	1,1

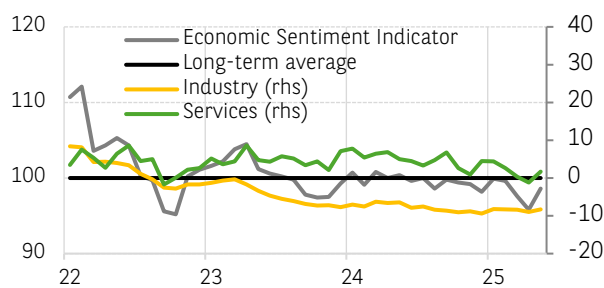
See the Nowcast methodology [Contact Tarik Rharrab](#) Source: Refinitiv, BNP Paribas

A slight improvement in growth in Q2 2025? Growth reached 0.1% q/q in Q1 2025, weighed down by weaker household consumption and exports. Our nowcast suggests a slight acceleration to 0.2% q/q in Q2. This would be supported by a rebound in exports (aeronautics) and public consumption, which was penalized in Q1 by the late adoption of the budget.

Stéphane Colliac (completed on June 3, 2025)

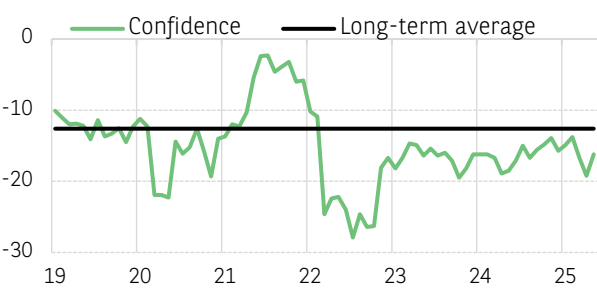
Italy: Growth expected to remain limited

Business climate: Economic Sentiment Survey



Source: European commission, BNP Paribas.

Household Confidence

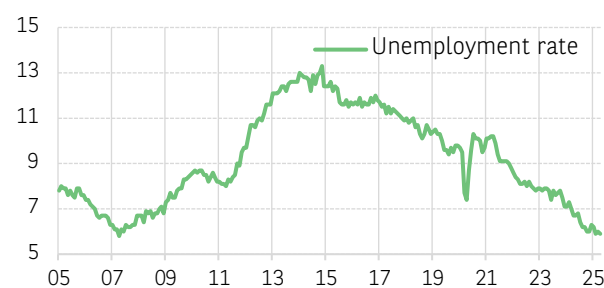


Source: European Commission, BNP Paribas.

A slow improvement. The business climate indices improved slightly in May for all sectors (industry, services, retail, construction). The economic sentiment index is close to its long-term average (+2.8 points to 98.6). Industrial production recorded a modest rise in Q1 (+0.5% q/q), putting an end to five consecutive quarters of contraction.

Household confidence rose by 3 points in May. This rebound only partially erases the decline of the previous months. Retail sales fell in March (-0.5% m/m) to their lowest level in four and a half years. This has not prevented household consumption of goods and services (national accounts) from rising over the last three quarters (Q3 2024-Q1 2025), with an increase of 0.2% q/q in Q1.

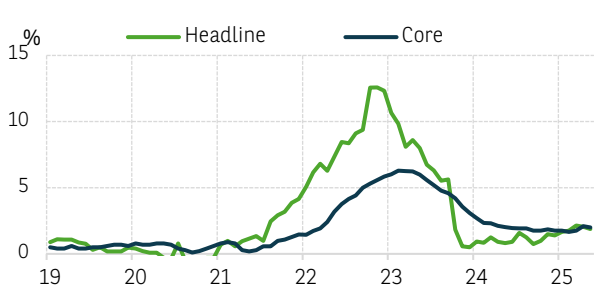
Labour market: Unemployment Rate



Source: Eurostat, BNP Paribas.

The labour market remains buoyant. The unemployment rate decreased from 6.0% in March to 5.9% in April, the lowest level for over 20 years. Employment remained stable, while the employment rate (15-64 year-olds) dropped very slightly to 62.75%. Basic hourly wages have slowed (3.6% y/y) but are moving well above inflation. They are thus supporting household purchasing power.

Inflation (% change y/y)



Source: Istat, BNP Paribas.

Harmonised inflation fell back below 2% y/y in May (1.9%) as a result of greater energy deflation (-1.8%) and a slowdown in services (2.6%). Core inflation also went back to 2%. Producer prices slowed, from 3.9% y/y in March to 2.6% y/y in April.

GDP growth q/q: actual, carry-over, forecasts

Actual				Carry-over	Actual	Forecast		Annual forecasts (y/y)		
Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	2024 (observed)	2025	2026
0,2	0,2	-0,0	0,2	0,2	0,3	0,2	0,3	0,5	0,8	1,3

Source: Refinitiv, BNP Paribas

Growth is expected to remain limited and relatively stable throughout 2025. The final estimate for Q1 confirmed a 0.3% growth, highlighting the good performance of investment (+1.6% q/q and a ratio to GDP at its highest since 1996). As in 2024, and despite strengthening, growth should remain below the European average in 2025, before matching it in 2026.

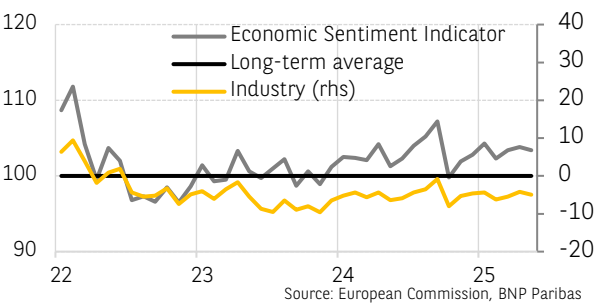
Guillaume Derrien (completed on June 5, 2025)



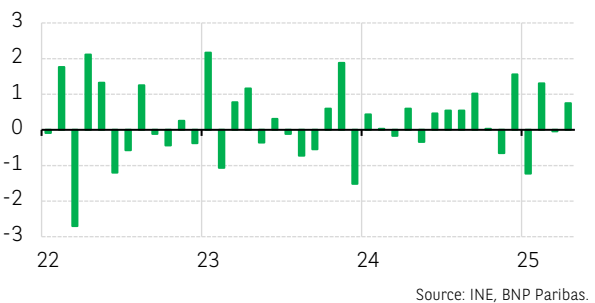
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Business climate: Economic Sentiment Survey



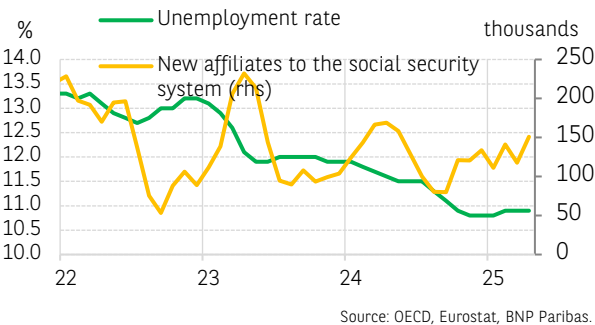
Households: Retail trade (% change m/m, volume)



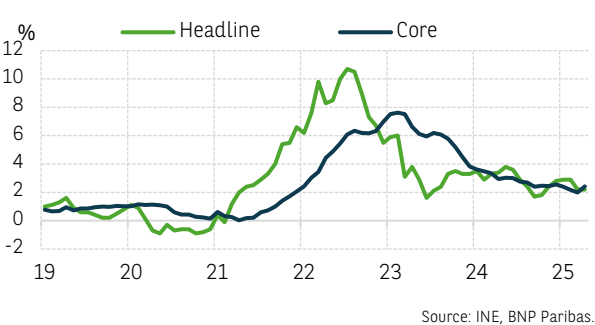
Spanish outperformance. Business sentiment contracted by 0.4 points in May, but remains above its long-term average and Eurozone's (94.8). The industrial indicator dropped by 0.8 points, after 3 months of improvement, but also remained above the European average (at -10.3). While the export orders index improved, those for production and employment weakened slightly.

Household consumption and confidence are picking up. Retail sales grew by +0.7% m/m in April, supported by a very sharp increase in food spending (+2.7% m/m). The Ipsos index of household economic sentiment rose for the second month in a row (+1.3 pt to 50.2) and is close to the peak reached in July 2024 (50.8).

Labour market:



Inflation (% change y/y)



The labour market continues to perform well. The number of new workers affiliated to the social security system recorded its biggest monthly increase in two years in April (+69,200), with rises in all three major sectors (services, industry and construction). The unemployment rate remained below 11%, at 10.9%, as in the previous month. The increase in negotiated wage strengthened to +3.4% y/y in April, compared with +3.3% y/y in March.

Back to target. Harmonised inflation continues to slow: +1.9% y/y in May compared with 2.2% in April. Core inflation also declined (-0.3 pp to 2.1%). Risks seem clearly on the downside: producer prices fell sharply in March-April (-6.9% cumulatively, the biggest fall ever recorded in two months).

GDP growth q/q: actual, carry-over, forecasts

Actual				Carry-over	Actual	Forecast		Annual forecasts (y/y)		
Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	2024 (observed)	2025	2026
1,0	0,8	0,7	0,7	1,1	0,6	0,5	0,5	3,2	2,5	2,2

Source: Refinitiv, BNP Paribas

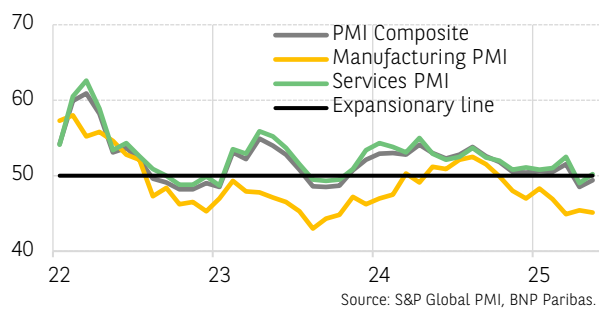
Overperformance to continue. Growth forecasts for Q2 and Q3 remain robust (+0.5% q/q) despite a slight slowdown compared with the first quarter (+0.6%). This would take average annual growth to 2.5% in 2025. We anticipate a slowdown in 2026, but growth would still be well above the Eurozone average (+2.2% compared with 1.3%).

Guillaume Derrien, with the help of Leslie Huynh (Intern, completed on June 5, 2025)



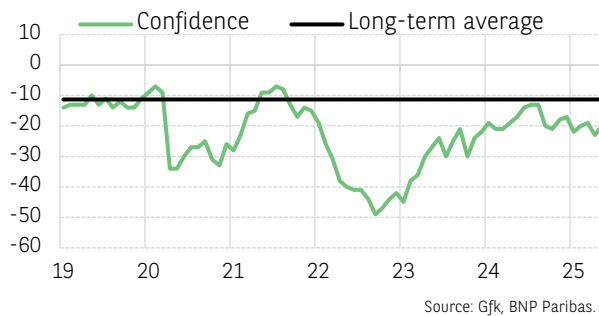
United Kingdom: Consumption rises, so does unemployment

Business climate: PMI



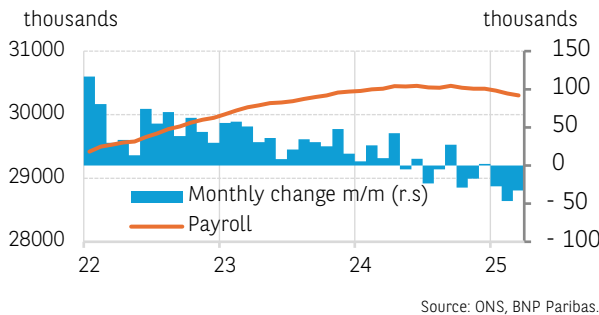
Industry stalls, services resist. The May PMI flash estimate for services returns in expansion territory (50.2). However, the flash composite index remains below this threshold (49.4) due to a deterioration in industry (-0.3 points to 45.1). Industrial production fell by 0.7% m/m in April.

Consumer confidence



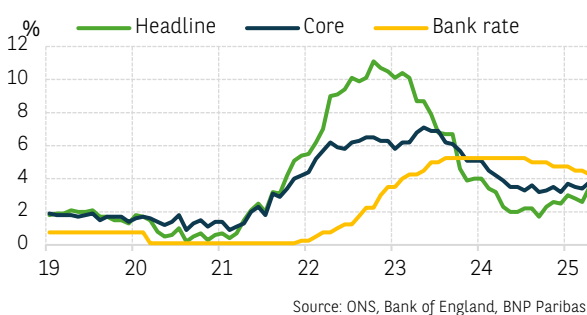
Consumer spending is picking up again. Retail sales rose more sharply in April (+1.3% m/m and 5.0% y/y), and the BRC index grew by 6.8% y/y in the same month. Household confidence recovered slightly (+3 points to -20) in May. However, the balance of opinion remains below its long-term average.

Labour market: payrolls



Fall in payroll employment. Payroll employment recorded a 3rd consecutive fall in April (-33,000). As a result, the unemployment rate, although still low, reached its highest point since the summer of 2021 (4.5% 3m/3m). However, regular wages are still rising at a very brisk pace, albeit at a lower rate than in the previous month (+5.0% y/y).

Inflation (y/y) and bank rate



Inflation rose sharply in April to 3.5% y/y. This rebound was due to the introduction of a number of budgetary measures (increase in the rate of employers' national insurance contributions, excise duty on cars), as well as less deflation in energy prices. Household inflation expectations have risen (+4.2% over one year and 5-10 years).

GDP growth q/q: actual, carry-over, forecasts

Actual				Carry-over	Actual	Forecast		Annual forecasts (y/y)		
Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	2024 (estimate)	2025	2026
0,9	0,5	0,0	0,1	0,2	0,7	0,1	0,2	1,1	1,2	1,0

Source: Refinitiv, BNP Paribas

Growth in Q1 surprised favourably at 0.7% q/q, supported by investment and net exports. We have revised down our forecast for Q2 (+ 0.1%) but raised Q3 2025 (+0.2%) to incorporate the effects of the trade agreement with the US. Growth will remain moderate in 2025, at 1.2%, before slowing again in 2026 to 1%.

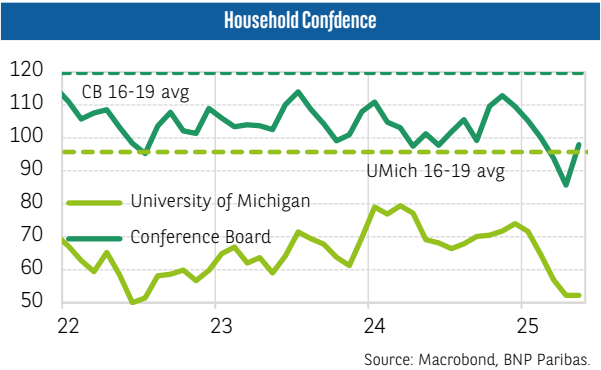
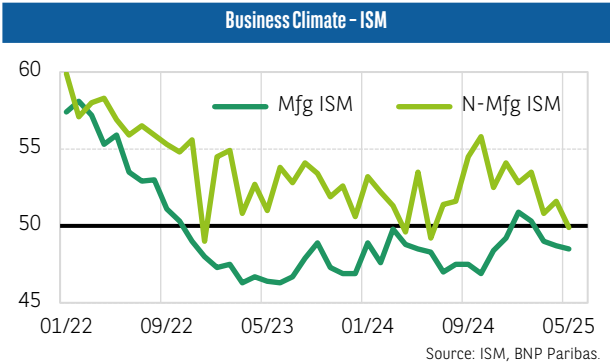
Guillaume Derrien, with the help of Leslie Huynh (Intern). Completed on June 5, 2025)



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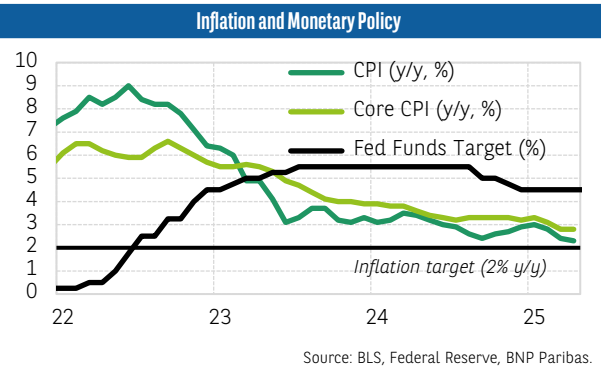
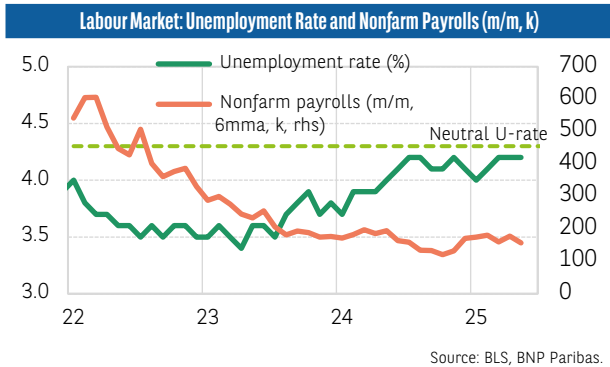
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United States: Pick-up in Household Sentiment



Bad Signs For The Business Climate. The ISM manufacturing index fell for a fourth consecutive month in May, to 48.5 (-0.2pp). Trade tensions were reflected in the slowdown in supplier deliveries (56.1, +3.9pp inverted indicator) and the contraction in inventories (46.7, -4.1pp). Most notably, imports reached their lowest since 2009 (39.9, -7.2pp) and new export orders their lowest since spring 2020 (40.1, -3.0pp). The ISM non-manufacturing index contracted (49.9, -1.7pp) on the back of the fall in new orders (46.4, -5.9pp).

Pick-up in Household Sentiment. The strong rebound in consumer confidence in May, as measured by the Conference Board, ended six months of decline. The index stood at 98.7 (+12.7 pts). The improvement was driven by the expectations sub-component, which, nevertheless, remained in contraction area (72.8, +17.4 pts). In the University of Michigan survey, the index consumer sentiment was stable (52.2) and the rise in 1-year inflation expectations slowed (+6.6% y/y, +0.1pp).



A Slightly More Mixed Picture for the Labour Market. In May, nonfarm payrolls slowed marginally to +139k (-8k). In addition, March and April were revised downwards, for a cumulative total of -95k. At the same time, the participation rate fell to 62.4% (-0.2pp). By contrast, the unemployment rate was stable at 4.2%, while wage growth accelerated (+0.4% m/m, +0.2pp).

Inflation: Good and Not So Good. CPI slowed in April to +2.3% y/y (-0.1pp, the lowest since February 2021). Core CPI (excluding food and energy) was stable (+2.8% y/y). The report was positive overall, but the three components of Core CPI (i.e. goods, non-housing services and housing services) were accelerating on a monthly basis. Given the renewed uncertainty and risks surrounding the dual mandate, the Fed has decided to maintain the target rate at +4.25% - +4.5% at its 7-8 May meeting.

GDP growth q/q: actual, carry-over and forecasts											
Actual				Carry-over	Actual*	GDP Now	Forecast			Annual forecasts (y/y)	
Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q4 2024	Q1 2025	Q2 2025	Q2 2025	Q3 2025		2024 (observed)	2025
0.4	0.7	0.8	0.6	1.0	-0.1	0.9	0.9	0.0		2.8	1.7

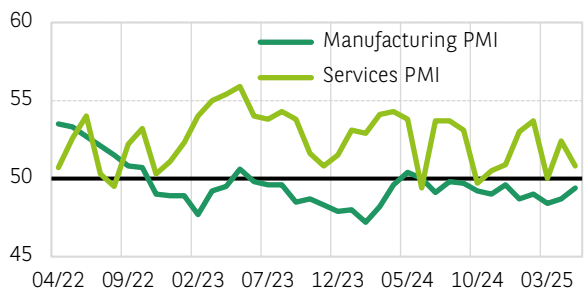
* Q1 2025 preliminary estimation

Source: BEA, Atlanta Fed, BNP Paribas

Towards Positive GDP Growth in Q2. We expect GDP to grow by 0.9% q/q in Q2 2025, after a -0.1% q/q contraction in Q1. The Atlanta Fed's GDP Now (+0.9% q/q as well) shows a markedly positive contribution from external trade.

Anis Bensaidani (completed on June 6, 2025)

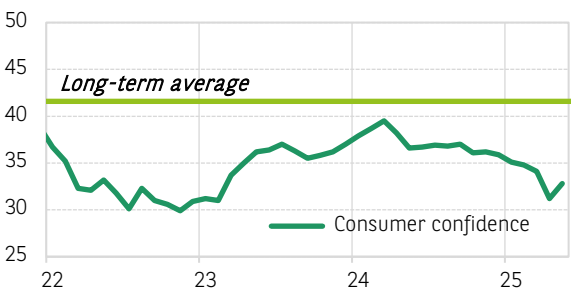
Business climate - PMI



Source: S&P Global, BNP Paribas.

Poor trend in business surveys. According to the May JibunBank survey, the Composite PMI moved into contraction at 49.8 (-1.4pp). The slight rise in the manufacturing PMI – still in contraction territory at 49.0 (+0.3pp) -- was not enough to offset the steep decline in the services PMI (50.8, -1.6pp).

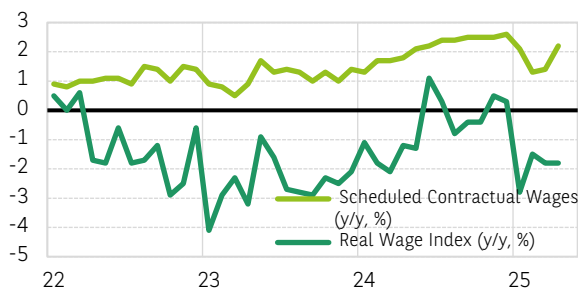
Household confidence



Source: Cabinet Office, BNP Paribas.

Household confidence up. According to the Cabinet Office survey, the household confidence index rose by 1.6 points to 32.8 in May. The largest improvement (+2.9 points) was in the “overall livelihood” sub-component, while the most favorable sentiment was “income growth”.

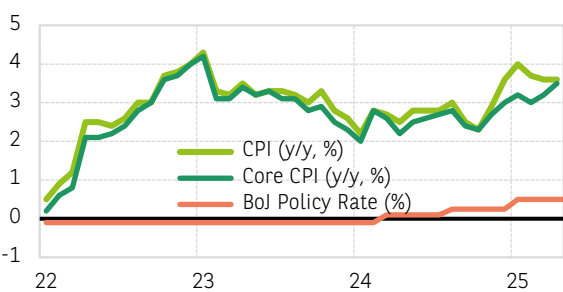
Labour market



Source: Cabinet Office, BNP Paribas.

A subdued Q1 end on the salary front. In March, growth in scheduled contractual wages rose marginally to +1.4% y/y (+0.1pp). At the same time, total earnings slowed (+2.3% y/y, -0.4pp) and the fall in the real wage index accelerated (-1.8% y/y, -0.3pp). The unemployment rate was stable at +2.5%.

Inflation



Source: Macrobond, BNP Paribas.

Tension on inflation. Core inflation accelerated (+0.7% m/m, +0.3pp) in May and reached +3.5% y/y (+0.3pp) -- the highest since January 2023. The cost of rice (+98.4% y/y) is a cause for concern. Overall, headline inflation came in at +3.6% y/y. However, services inflation has slowed to +1.3% y/y (-0.1pp). The BoJ's Summary of Opinions (May) reported expectations of a fall in core inflation against the backdrop of a slowing economy, with risks nevertheless tilted to the upside.

GDP growth q/q: actual, carry-over, forecasts

Actual				Carry-over	Actual	Forecast		Annual forecasts (y/y)		
Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	2024 (observed)	2025	2026
-0.4	+0.9	+0.2	+0.6	+0.8	-0.2	+0.1	-0.1	+0.2	+0.7	+0.4

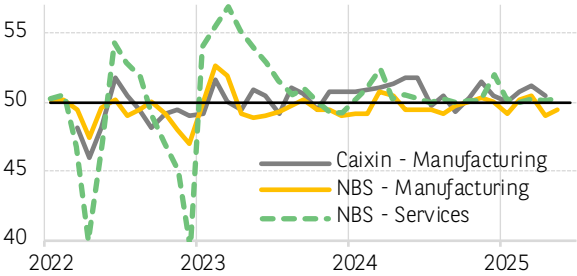
Source: Cabinet Office, BNP Paribas

GDP contraction. Growth was negative in Q1 2025, at -0.2% q/q (compared with +0.6% in Q4 2024). Falling exports (-0.6% q/q) and a sharp rise in imports (+2.9% q/q) were the main negative forces at work, while household consumption stagnated. Conversely, investment and changes in inventories made a positive contribution. We expect GDP growth to rebound modestly by 0.1% q/q in Q2.

Anis Bensaidani (completed on June 2, 2025)

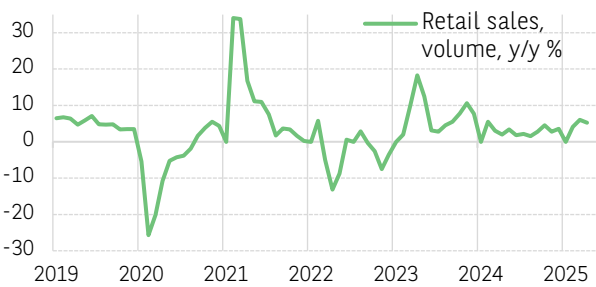


Business climate: PMIs



Source: NBS, BNP Paribas

Households: retail sales



Source: NBS, BNP Paribas

Fragility of the manufacturing sector. The official manufacturing PMI improved slightly in May (to 49.5 from 49 in April) but remained in contraction territory. The Caixin manufacturing PMI fell sharply from 50.4 in April to 48.3 in May, its lowest level since September 2022. Caixin covers a smaller sample of companies than the NBS but includes more private-sector SMEs. These are particularly vulnerable to US tariff policy and the deterioration in export prospects.

Consumers are worried. The strengthening of private consumption observed in March did not continue in April. Retail sales growth slowed (+5.2% yoy in volume terms vs. +6.0% in March). The contraction in housing sales continued (-2.9% yoy in April).

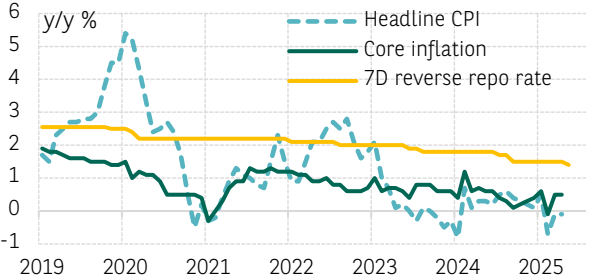
Labour market: unemployment rate



Source: NBS, BNP Paribas

Unemployment fell in April but is expected to rise again by the summer. The average unemployment rate fell slightly in April for the second consecutive month (to 5.1%), and the unemployment rate for 16-24-year-olds improved to 15.8% (vs. 16.5% in March). However, labor market conditions are expected to deteriorate rapidly given the expected slowdown in exports and weak domestic consumption.

Inflation and monetary policy



Source: NBS, BNP Paribas

Deflation and continued monetary policy easing. The CPI index continued to fall in April (-0.1% yoy, as in March), and core inflation remained at +0.5%. Fuel prices were the CPI sub-component that recorded the sharpest decline (-10.2% yoy). The decline in producer prices accelerated (-2.7% vs. -2.5% in March). In early May, the PBOC announced a series of easing measures (cutting policy rates and reserve requirement ratios and enhancing bank refinancing facilities).

Real GDP growth q/q: actual, carry-over, forecasts

Actual				Carry-over	Actual	Forecast		Annual forecasts (y/y)		
Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	2024 (observed)	2025	2026
1,3	1,0	1,4	1,6	0,3	1,2	0,8	1,1	5,0	4,8	4,5

Source: Refinitiv, BNP Paribas

Economic slowdown expected in the short term. Real GDP growth stood at +1.6% q/q in Q4 2024 and +1.2% q/q in Q1 2025 (remaining stable at +5.4% y/y). It is forecast at +0.8% q/q in Q2. The expected slowdown will be driven by weaker exports (which held up well in April, rising by +8% y/y in current USD). The authorities hope to contain negative effects on other sectors by continuing monetary and fiscal policy easing.

Christine Peltier (completed on June 3, 2025)



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