



EUROPEAN CENTRAL BANK

EUROSYSTEM

The ECB Survey of Professional Forecasters

Fourth quarter of 2025

October 2025



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Summary

In the ECB's Survey of Professional Forecasters (SPF) for the fourth quarter of 2025,¹ expectations for headline HICP inflation were revised slightly upwards for 2025 but remained unchanged for 2026, 2027 and the longer term. Expectations for core inflation expectations, as measured by the HICP excluding energy and food (HICPX), followed the same pattern. In both cases the upward revisions for 2025 mainly reflected recent incoming data.

Headline inflation was expected to decline from 2.4% in 2024 to 2.1% in 2025, 1.8% in 2026 and 2.0% in 2027. These expectations represent a slight upward revision of 0.1 percentage points for 2025 but no change for 2026 and 2027. Longer-term HICP inflation expectations (for 2030) were unchanged at 2.0%. Expectations for HICPX were revised up by 0.1 percentage points for 2025 but were otherwise unchanged. They now stand at 2.4% for 2025 and at 2.0% for 2026, 2027 and the longer term. Respondents expect real GDP growth of 1.2% in 2025, 1.1% in 2026 and 1.4% in 2027. These figures were revised upwards by 0.1 percentage points for 2025 but were unrevised for 2026 and 2027. Longer-term GDP growth expectations were unchanged at 1.3%. The trajectory of respondents' unemployment rate expectations was unchanged. The unemployment rate is expected to average 6.3% in 2025 and 2026 and then to fall to 6.2% in 2027, where it is expected to remain in the longer term.

¹ The survey was conducted between 1 and 7 October 2025 and 58 responses were received. All participants were provided with the same set of the latest available data for annual HICP inflation (September 2025: overall inflation, 2.2%; underlying inflation, 2.3%), annual GDP growth (second quarter of 2025: 1.5%) and unemployment (August 2025: 6.2%). This report was drafted on the basis of data available on 17 October 2025.

Table 1**Results of the SPF in comparison with other expectations and projections**

(annual percentage changes, unless otherwise indicated)

	Survey horizon			
	2025	2026	2027	Longer term ¹⁾
HICP inflation				
Q4 2025 SPF	2.1	1.8	2.0	2.0
Previous SPF (Q3 2025)	2.0	1.8	2.0	2.0
ECB staff macroeconomic projections (September 2025)	2.1	1.7	1.9	-
Consensus Economics (October 2025)	2.1	1.8	1.9	2.0
HICP inflation excluding energy, food, alcohol and tobacco				
Q4 2025 SPF	2.4	2.0	2.0	2.0
Previous SPF (Q3 2025)	2.3	2.0	2.0	2.0
ECB staff macroeconomic projections (September 2025)	2.4	1.9	1.8	-
Consensus Economics (October 2025)	2.4	1.9	-	-
Real GDP growth				
Q4 2025 SPF	1.2	1.1	1.4	1.3
Previous SPF (Q3 2025)	1.1	1.1	1.4	1.3
ECB staff macroeconomic projections (September 2025)	1.2	1.0	1.3	-
Consensus Economics (October 2025)	1.3	1.0	1.4	1.3
Unemployment rate²⁾				
Q4 2025 SPF	6.3	6.3	6.2	6.2
Previous SPF (Q3 2025)	6.3	6.3	6.2	6.2
ECB staff macroeconomic projections (September 2025)	6.4	6.3	6.1	-
Consensus Economics (October 2025)	6.3	6.3	-	-

1) Longer-term expectations refer to 2030.

2) As a percentage of the labour force.

Box 1

Updated assessment of the impact of tariffs

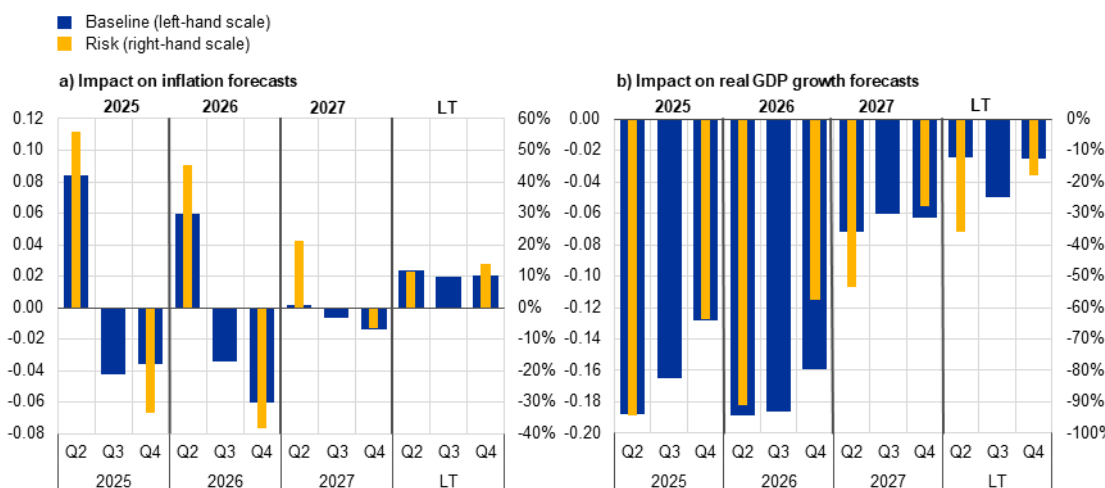
Like in the two previous SPF rounds, in this round, respondents were asked a special question related to the impact of tariffs and protectionism. They were asked to state the impact of these factors on their baseline expectations for inflation and real GDP, and whether they represented an upside, balanced or downside risk for each of the calendar year horizons (2025, 2026, 2027 and 2029).² Chart A illustrates how these assessments have evolved over the last three SPF rounds.

Regarding baseline inflation expectations, tariffs were expected to have a minor downward impact in the nearer term (-0.04 and -0.06 percentage points for 2025 and 2026 respectively), but to be broadly neutral on balance in 2027 and over the longer-term (2030) horizon (Chart A, panel a, blue line). Compared with the previous SPF round, this represents relatively small revisions across all horizons.

Chart A

Estimated impact of tariffs on inflation and real GDP growth – baseline expectations and risk assessment

(left-hand scale: percentage points; right-hand scale: percentages)



Note: On the lower x-axis, Q2, Q3 and Q4 refer to the SPF round. On the upper x-axis, 2025, 2026, 2027 and longer term to the forecast horizon. Risk balance is calculated as net percentage of respondents indicating upward and downward risks. This was not asked in the Q3 2025 SPF round.

In terms of the baseline real GDP growth expectations, tariffs were expected to have a downward impact across all horizons, and in the nearer term (2025 and 2026) in particular (Chart A, panel b, blue line). However, in the latest SPF round the extent of the downward impact was revised to be less negative for both 2025 and 2026.

² Respondents could choose from seven responses: 0 denoting < 0.1; + ≈ 0.1 percentage points; ++ = 0.2 to 0.3 percentage points; +++ ≥ 0.4 percentage points; - ≈ -0.1 percentage points; -- = -0.2 to -0.3 percentage points; --- ≤ -0.4 percentage points. For the question regarding risk, respondents were asked to select “up”, “balanced” or “down” depending on whether they considered that the factor represented an upside, balanced or downside risk to their baseline expectations.

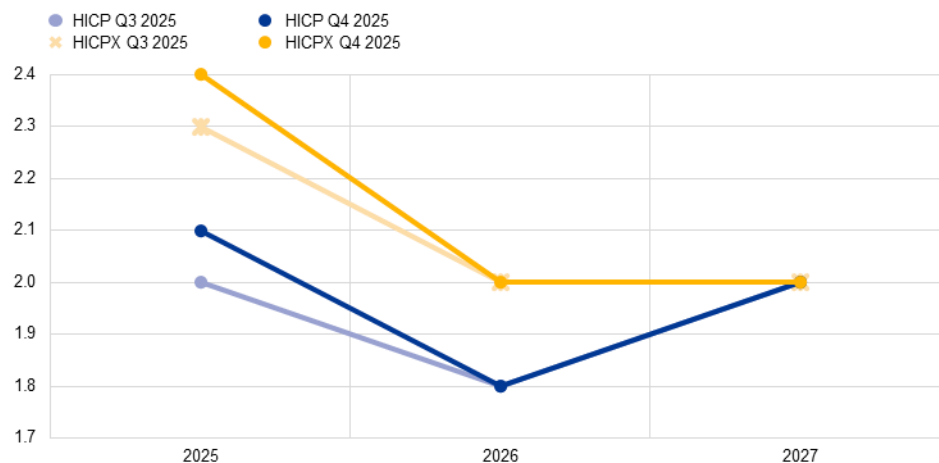
1 Headline HICP inflation expectations for 2025 revised up slightly but unchanged thereafter

SPF respondents' headline inflation expectations were revised upwards slightly for 2025, mainly reflecting recent incoming data, but were unchanged thereafter. HICP inflation was expected to decline from the 2.4% recorded in 2024 to 2.1% in 2025 and 1.8% in 2026 before returning to 2.0% in 2027. These expectations were revised up by 0.1 percentage points for 2025 (mainly reflecting recent incoming data) but unrevised for 2026 and 2027 (**Chart 1**). Respondents highlighted that modest energy price dynamics, particularly for Brent crude oil and natural gas, should act as a moderating factor for headline inflation over the forecast horizon. In addition, the stronger euro was expected to have a disinflationary impact. Compared with the September 2025 ECB staff macroeconomic projections, inflation expectations in this SPF round were the same for 2025 but 0.1 percentage points higher for 2026 and 2027 (**Table 1**).

Chart 1

Inflation expectations: overall HICP inflation and HICPX inflation

(annual percentage changes)



HICPX expectations were revised up by 0.1 percentage points for 2025, also mainly reflecting recent incoming data, but were unchanged thereafter. They stood at 2.4% for 2025 and at 2.0% for 2026-27. Respondents noted that the pattern of moderate non-energy industrial goods inflation was expected to persist given the further appreciation of the euro. Services inflation is higher, underpinned by the continuing pass-through of past cost shocks, relatively tight labour markets and ongoing robust wage growth. However, respondents noted that, although there is some persistence, services inflation momentum is continuing to moderate. Compared with the September 2025 ECB staff macroeconomic projections, SPF

forecasts for HICPX were the same for 2025 but 0.1 and 0.2 percentage points higher for 2026 and 2027 respectively ([Table 1](#)).

Uncertainty surrounding the medium-term inflation outlook has eased somewhat this round, while the balance of risks was less tilted to the upside.^{3,4}

Having eased substantially since the peak of inflation observed around the turn of 2022-23, quantitative indicators of uncertainty surrounding the two-year-ahead inflation outlook eased somewhat further this round, albeit remaining at levels higher than those observed prior to the invasion of Ukraine. The decrease in aggregate uncertainty stems from both lower disagreement between respondents and lower individual uncertainty. The evolution of US tariff policies continued to be mentioned as a source of uncertainty. Aggregate probability distributions for the calendar years 2025, 2026 and 2027 are presented in [Chart 2](#). The balance of risk indicator (showing risks around the baseline expectations) for the two-year-ahead horizon remained positive (to the upside) but less so. According to the qualitative remarks, upside risks to the inflation forecasts stem from geopolitical developments and commodity prices, higher than expected wage growth and stickier core inflation. On the downside, a stronger than expected euro, weaker global demand and possible disinflationary pressures from a redirection of Chinese exports towards the euro area pose risks.

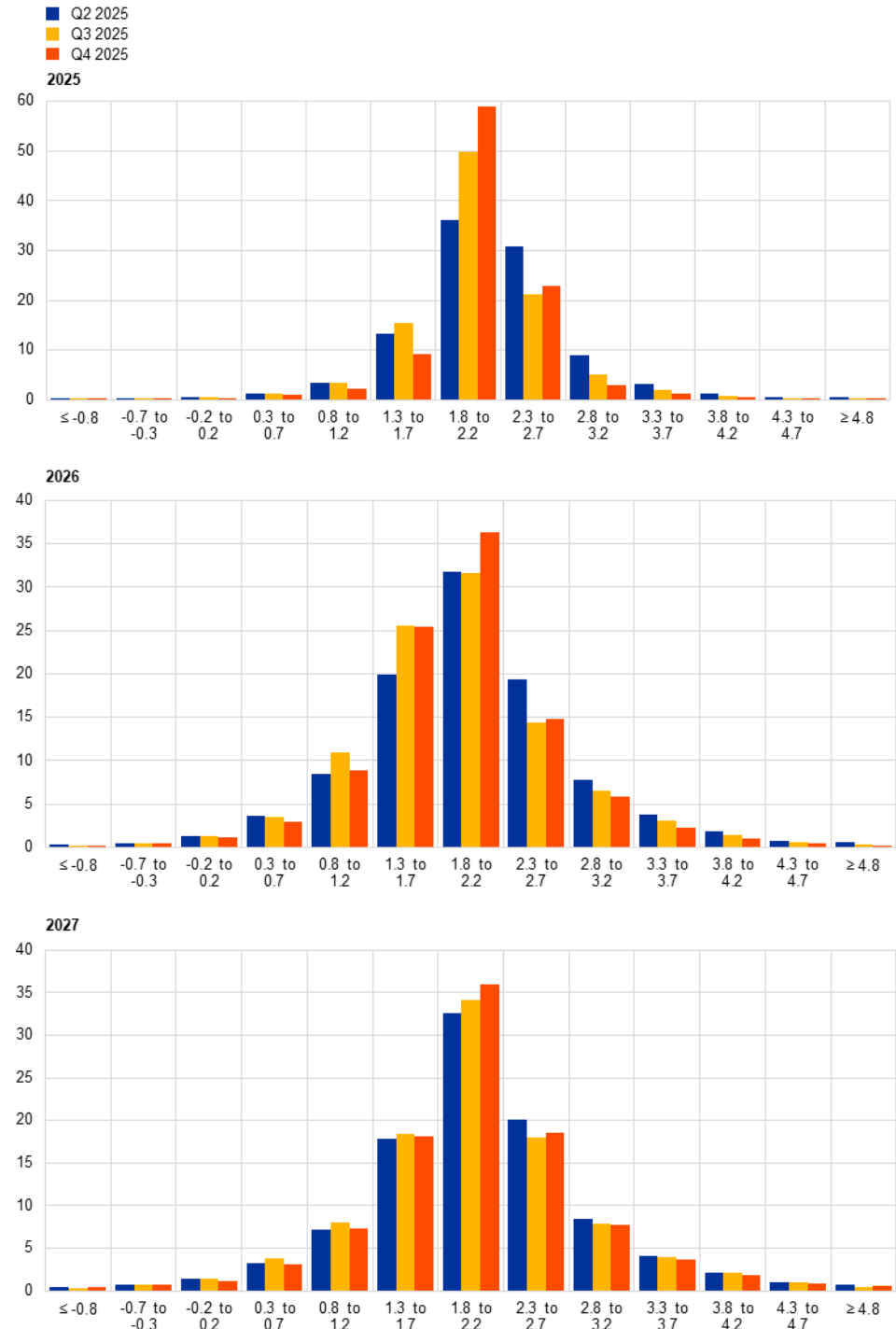
³ The width of the reported probability distributions indicates the perceived degree of overall uncertainty, whereas the asymmetry of the distributions indicates whether that uncertainty is more concentrated on higher or lower outturns, i.e. it measures the perceived balance of risks. As regards uncertainty, the width (or standard deviation) of the aggregate probability distribution (i.e. “aggregate uncertainty”) is a function of the average width (or standard deviation) of the individual probability distributions (i.e. “individual uncertainty”) and the standard deviation of the individual point forecasts (i.e. “disagreement”).

⁴ The balance of risk indicator is defined as the mean of the aggregate probability distribution minus the mean of the individual point forecasts.

Chart 2

Aggregate probability distributions for expected inflation in 2025, 2026 and 2027

(x-axis: HICP inflation expectations, annual percentage changes; y-axis: probability, percentages)



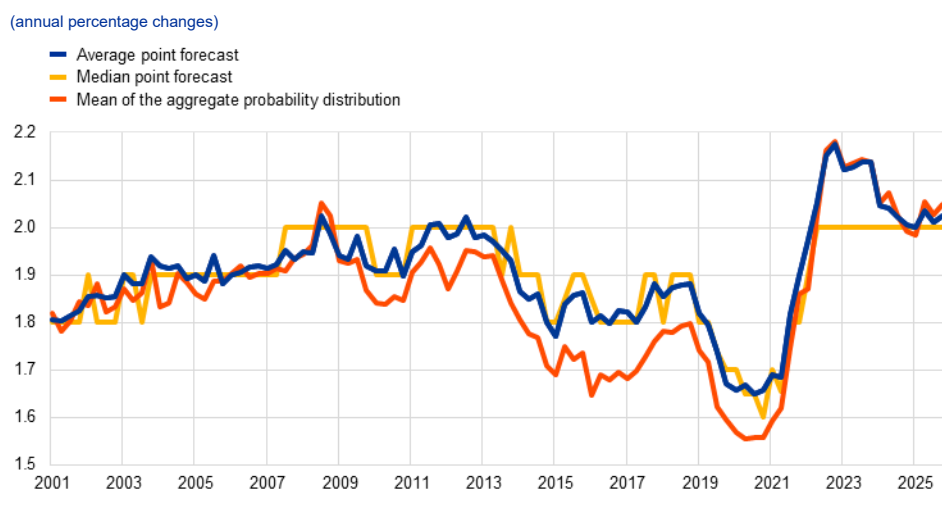
Notes: The SPF asks respondents to report their point forecasts and to separately assign probabilities to different ranges of outcomes. This chart shows the average probabilities assigned to different ranges of inflation outcomes in 2025, 2026 and 2027.

2 Longer-term inflation expectations unchanged at 2.0%

Longer-term inflation expectations were unchanged at 2.0%, and more respondents saw headline inflation at 2.0% in 2030 (see Chart 3). The modal

and median values of the distribution of individual point forecasts were both unchanged at 2.0%, and the shape of the cross-sectional distribution was also largely unaltered ([Chart 4](#)).⁵ The majority of respondents continue to see inflation at the 2% target in the longer term: for the eighth consecutive round, more than half of the respondents reported longer-term inflation expectations of 2.0% (63% in this round, compared with 60% in the previous round). Compared to the previous round, the histogram of individual point forecasts was largely similar, with around three-quarters of participants reporting expectations between 1.9% and 2.1%, while 14% reported values above this range and 12% below.

Chart 3
Longer-term inflation expectations

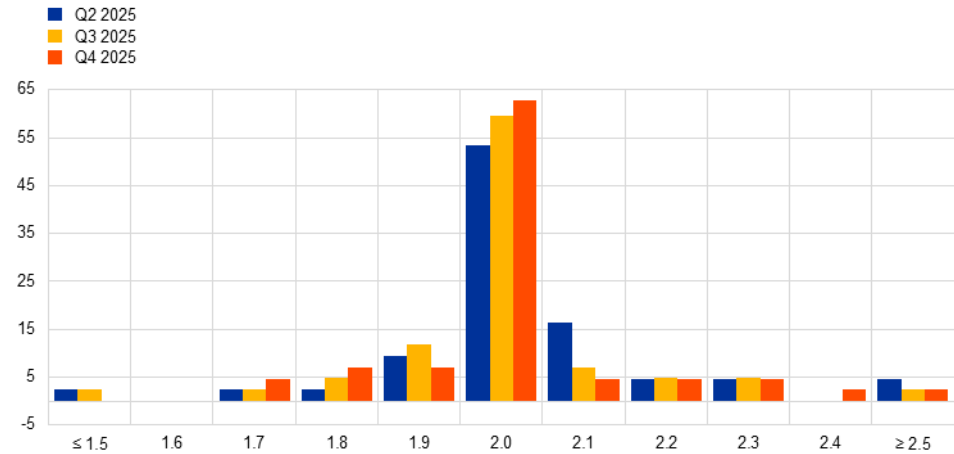


⁵ Of a balanced panel of 39 respondents who also replied to the survey in the third quarter of 2025, four-fifths left their long-term inflation expectations unchanged, five revised them down and three revised them up.

Chart 4

Distribution of point expectations for HICP inflation in the longer term

(x-axis: longer-term HICP inflation expectations, annual percentage changes; y-axis: percentages of respondents)



Notes: The SPF asks respondents to report their point forecasts and to separately assign probabilities to different ranges of outcomes. This chart shows the spread of point forecast responses. Longer-term expectations refer to 2030 in the SPF for the third and fourth quarters of 2025; they referred to 2029 in the SPF round for the second quarter of 2025.

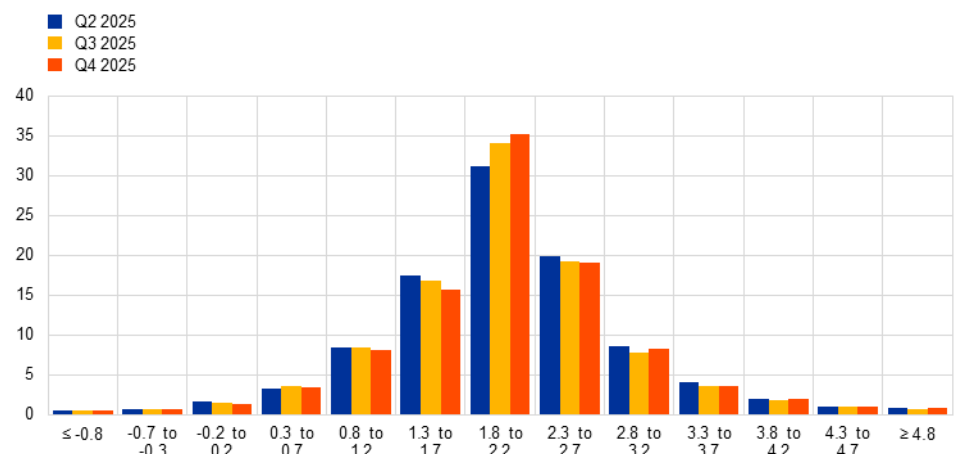
Uncertainty surrounding longer-term inflation expectations was largely unchanged and the balance of risks remained close to being broadly balanced.

Aggregate uncertainty (the standard deviation of the aggregate probability distribution) was largely unchanged in this round (Chart 5). The balance of risk indicator increased slightly but remained close to being broadly balanced.

Chart 5

Aggregate probability distribution for longer-term inflation expectations

(x-axis: HICP inflation expectations, annual percentage changes; y-axis: probability, percentages)



Notes: The SPF asks respondents to report their point forecasts and to separately assign probabilities to different ranges of outcomes. This chart shows the average probabilities assigned to different ranges of inflation outcomes in the longer term. Longer-term expectations refer to 2030 in the SPF for the third and fourth quarters of 2025; they referred to 2029 in the SPF round for the second quarter of 2025.

The mean longer-term expectation for HICPX inflation was unchanged at 2.0%.

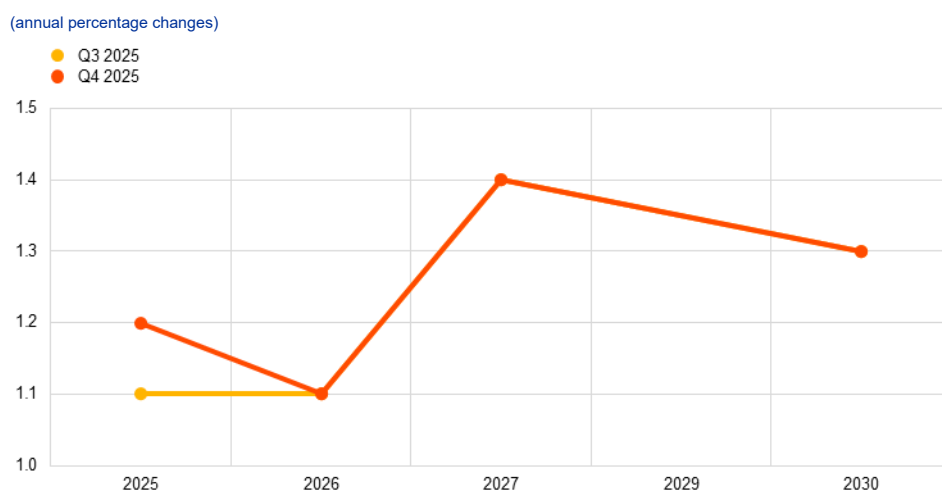
The median (and modal) longer-term point expectations for HICPX were also unchanged at 2.0%. While the evolution of longer-term expectations for HICP and HICPX inflation has been broadly similar since the fourth quarter of 2016 (when

respondents were first asked about their expectations for HICPX inflation), there has been a narrowing of the gap (previously 0.1 percentage points) since the first quarter of 2024. In the past three rounds, both measures were virtually identical.

3 Real GDP growth expectations revised up slightly for 2025, but unchanged thereafter

GDP growth expectations stood at 1.2% for 2025, 1.1% for 2026 and 1.4% for 2027 (Chart 6). Compared with the previous round, these figures imply a slight upward revision of 0.1 percentage points for 2025, while the outlook for 2026 and 2027 remained broadly unchanged. The figure for 2025 is in line with the September 2025 ECB staff macroeconomic projections, while the figures for 2026 and 2027 are both 0.1 percentage points higher. The longer-term growth expectations (referring to 2030) were unchanged at 1.3%.

Chart 6
Expectations for real GDP growth



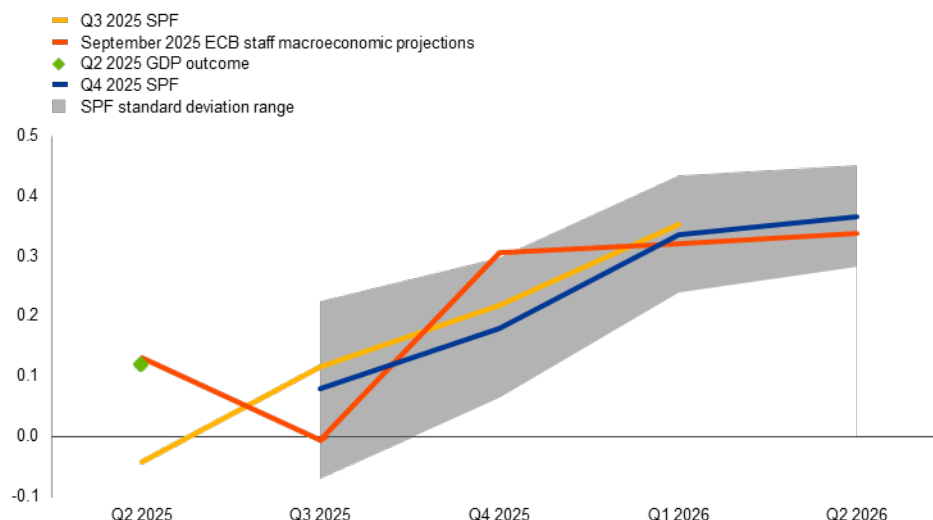
The upward revisions to euro area growth expectations for 2025 were largely driven by new data and revisions to historical data. The upward revisions to the annual growth rate for 2025 stemmed from a stronger than expected growth outturn in the second quarter of 2025, which more than offset a marginally weaker than expected quarterly profile over the remainder of the year (expected growth over the third quarter of 2025 to the first quarter of 2026 was revised down very slightly by a cumulative 0.1 percentage points). Overall, respondents continued to expect real GDP growth to solidify and strengthen over the nearer-term horizons. After the realised growth rate of 0.1%, quarter on quarter, in the second quarter of 2025, respondents expected similar modest growth in the third quarter (**Chart 7**). Thereafter, respondents expect a gradual strengthening of real GDP growth over the following three quarters. Growth expectations for the first half of 2026 were, on average, broadly in line with the latest ECB staff projections. While the higher US tariffs agreed in the recent EU-US trade deal were expected to negatively affect euro

area growth, some respondents noted a decrease in trade policy uncertainty. Over the longer horizon, looser fiscal policy, especially in Germany, and public defence spending were expected to lift GDP growth, counterbalancing the downward impact caused by the tariffs. However, some forecasters were sceptical as to whether the fiscal stimulus would materialise as strongly and as quickly as planned.

Chart 7

Expected profile of quarter-on-quarter GDP growth

(quarter-on-quarter percentage changes)



Note: The grey area indicates one standard deviation (of individual expectations) around average SPF expectations.

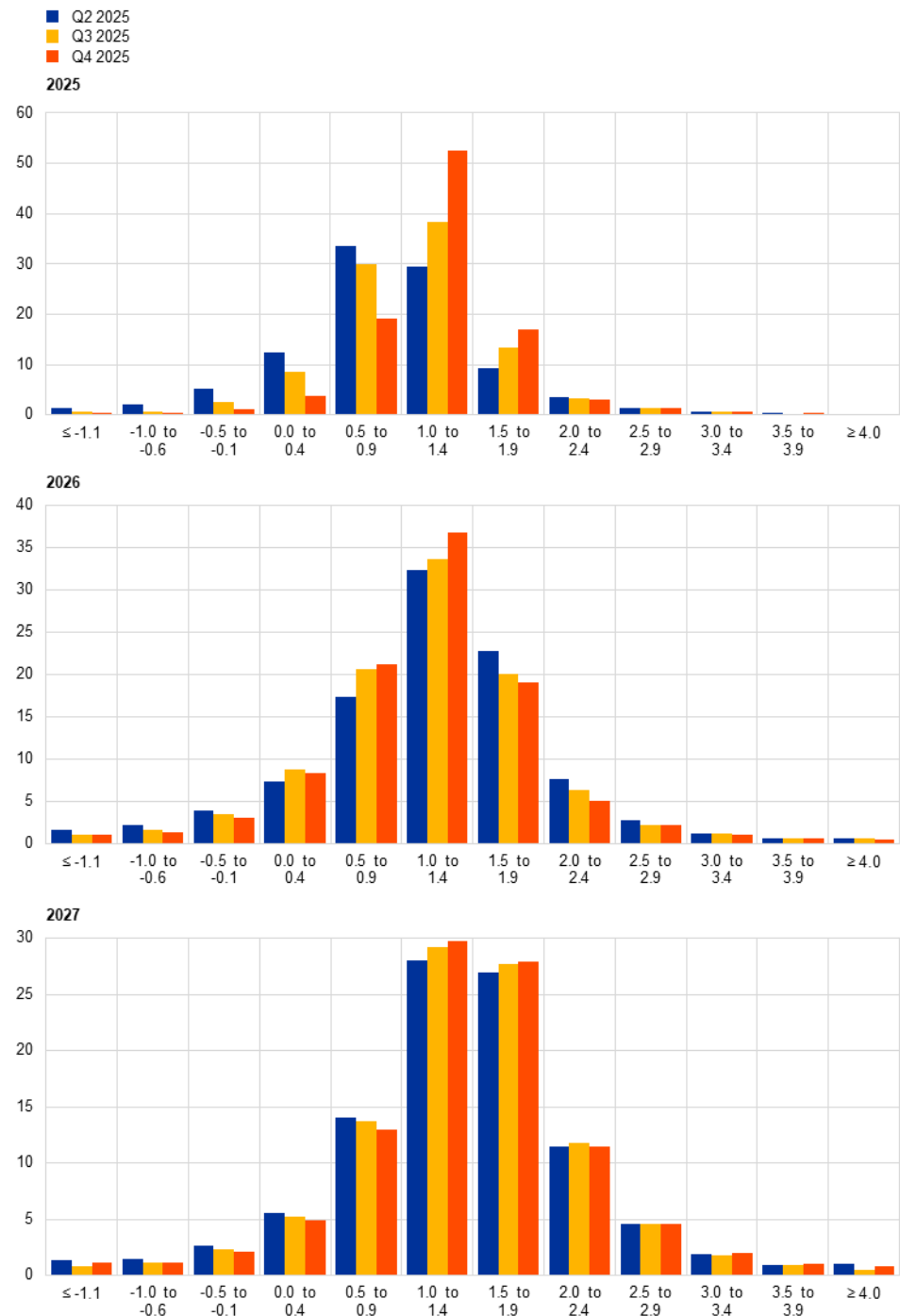
Uncertainty surrounding the growth outlook remained broadly stable for both the two-year and the five-year horizons (Chart 8 and Chart 9), while the balance of risks became slightly more negative (to the downside) for the two-year horizon and remained slightly positive (to the upside) for the longer term.

While aggregate uncertainty is currently lower than before the invasion of Ukraine for both horizons – especially for the two-year-ahead horizon – it is still above pre-pandemic levels. Continued trade policy uncertainty was cited as a downside risk, as were domestic factors. Upside risks from fiscal expansion were mentioned, although some respondents also included downside risks as regards potential delays in implementation.

Chart 8

Aggregate probability distributions for GDP growth expectations for 2025, 2026 and 2027

(x-axis: real GDP growth expectations, annual percentage changes; y-axis: probability, percentages)

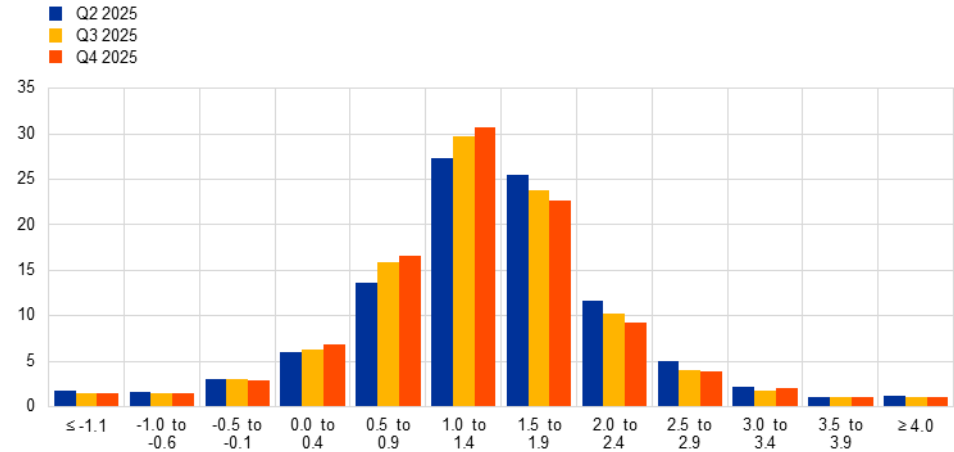


Notes: The SPF asks respondents to report their point forecasts and to separately assign probabilities to different ranges of outcomes. This chart shows the average probabilities assigned to different ranges of real GDP growth outcomes in 2025, 2026 and 2027.

Chart 9

Aggregate probability distributions for longer-term GDP growth expectations

(x-axis: real GDP growth expectations, annual percentage changes; y-axis: probability, percentages)



Notes: The SPF asks respondents to report their point forecasts and to separately assign probabilities to different ranges of outcomes. This chart shows the average probabilities assigned to different ranges of real GDP growth outcomes in the longer term. Longer-term expectations refer to 2030 in the SPF for the third and fourth quarters of 2025; they referred to 2029 in the SPF round for the second quarter of 2025.

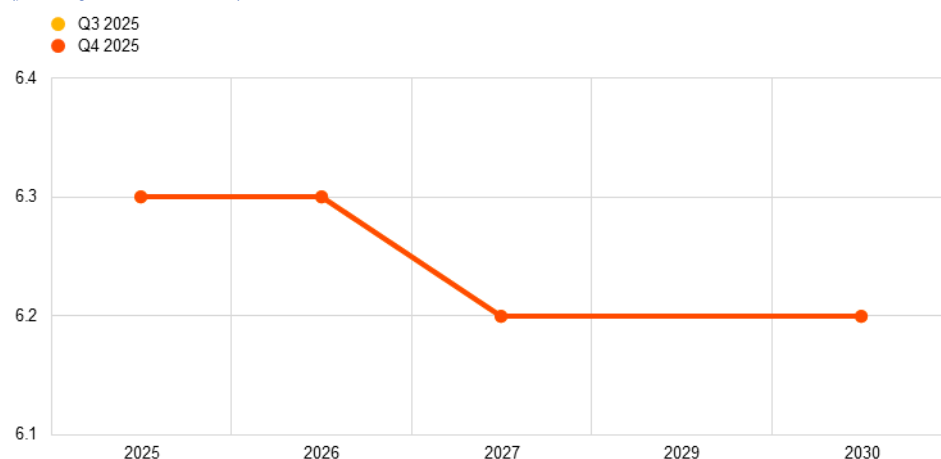
4 Unemployment rate expectations unchanged

In the fourth quarter of 2025 survey round, respondents expected the unemployment rate to be 6.3% for 2025 and 2026 and 6.2% for 2027. Compared with the previous survey round, the expected trajectory of the unemployment rate was unchanged for all horizons (**Chart 10**). Respondents generally observed that labour market conditions have remained resilient and relatively stable in recent months, although some signs of a potential weakening have been noticed. The SPF expectations are broadly in line with the September 2025 ECB staff macroeconomic projections: they are 0.1 percentage points lower for 2025, the same for 2026 and 0.1 percentage points higher for 2027. Longer-term expectations for the unemployment rate (for 2030) remained unchanged at 6.2%.

Chart 10

Expectations for the unemployment rate

(percentages of the labour force)



Compared with the previous survey round, the level of uncertainty surrounding unemployment rate expectations decreased. Aggregate uncertainty, as measured by the standard deviation of the aggregate distributions, decreased slightly for 2025-27 (**Chart 11**) and for the longer term (**Chart 12**). Some respondents highlighted upside risks (i.e. higher unemployment) arising from weaker labour demand in manufacturing and uncertainty from trade conflicts and US tariffs. Others highlighted downside risks (i.e. lower unemployment), pointing to the persistence of tight labour markets and structural constraints on labour supply.

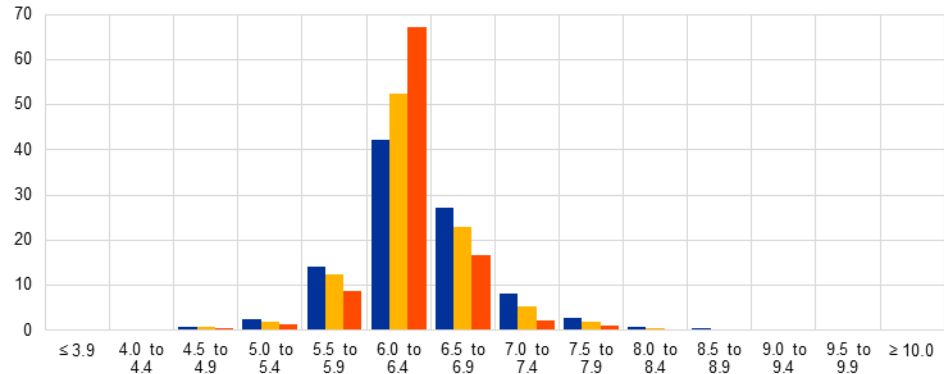
Chart 11

Aggregate probability distributions for the unemployment rate in 2025, 2026 and 2027

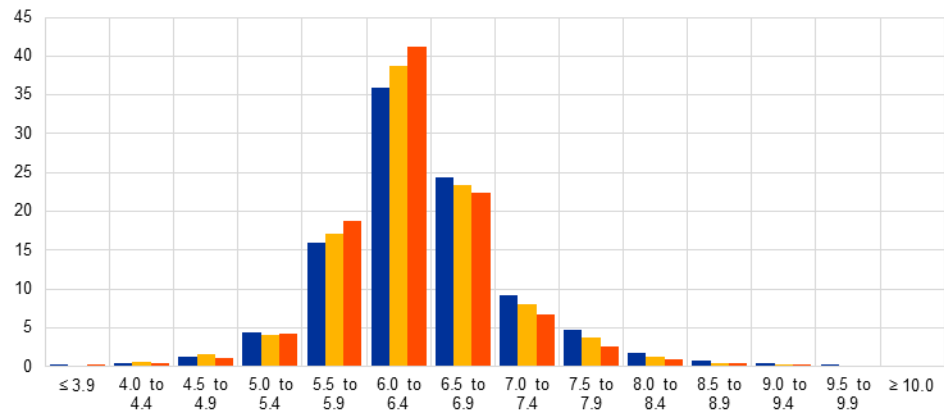
(x-axis: unemployment rate expectations, percentages of the labour force; y-axis: probability, percentages)

■ Q2 2025
■ Q3 2025
■ Q4 2025

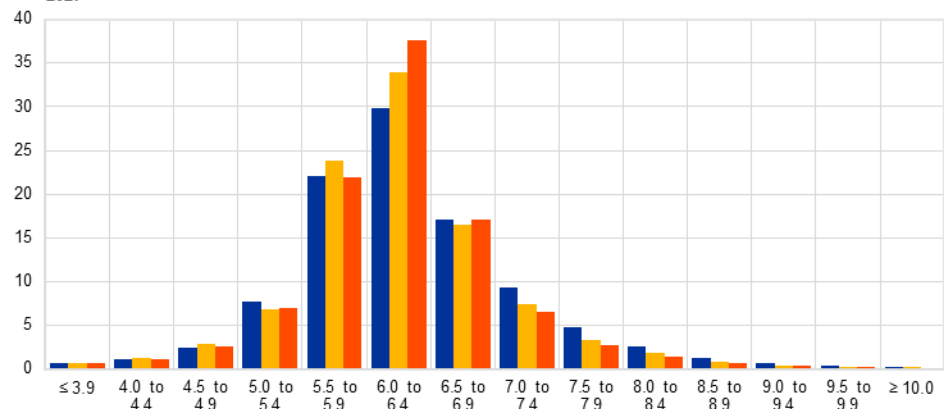
2025



2026



2027

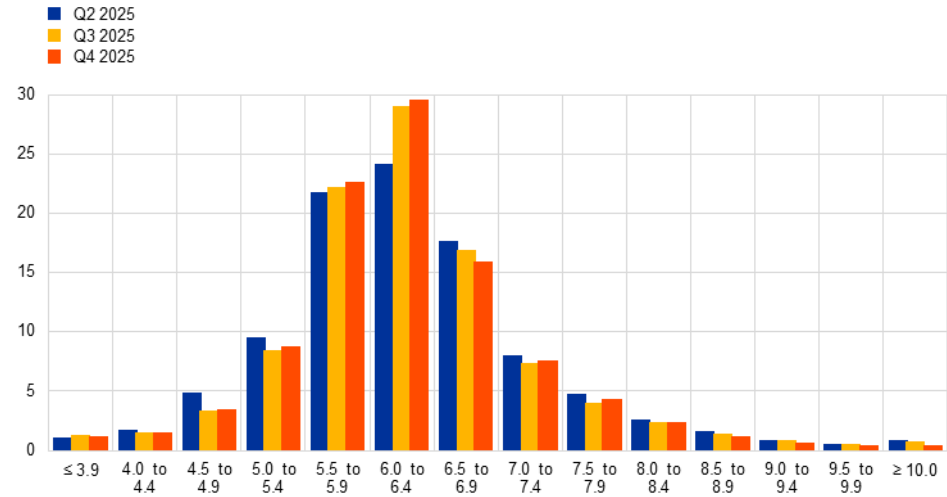


Notes: The SPF asks respondents to report their point forecasts and to separately assign probabilities to different ranges of outcomes. This chart shows the average probabilities assigned to different ranges of unemployment rate outcomes for 2025, 2026 and 2027.

Chart 12

Aggregate probability distribution for the unemployment rate in the longer term

(x-axis: unemployment rate expectations, percentages of the labour force; y-axis: probability, percentages)



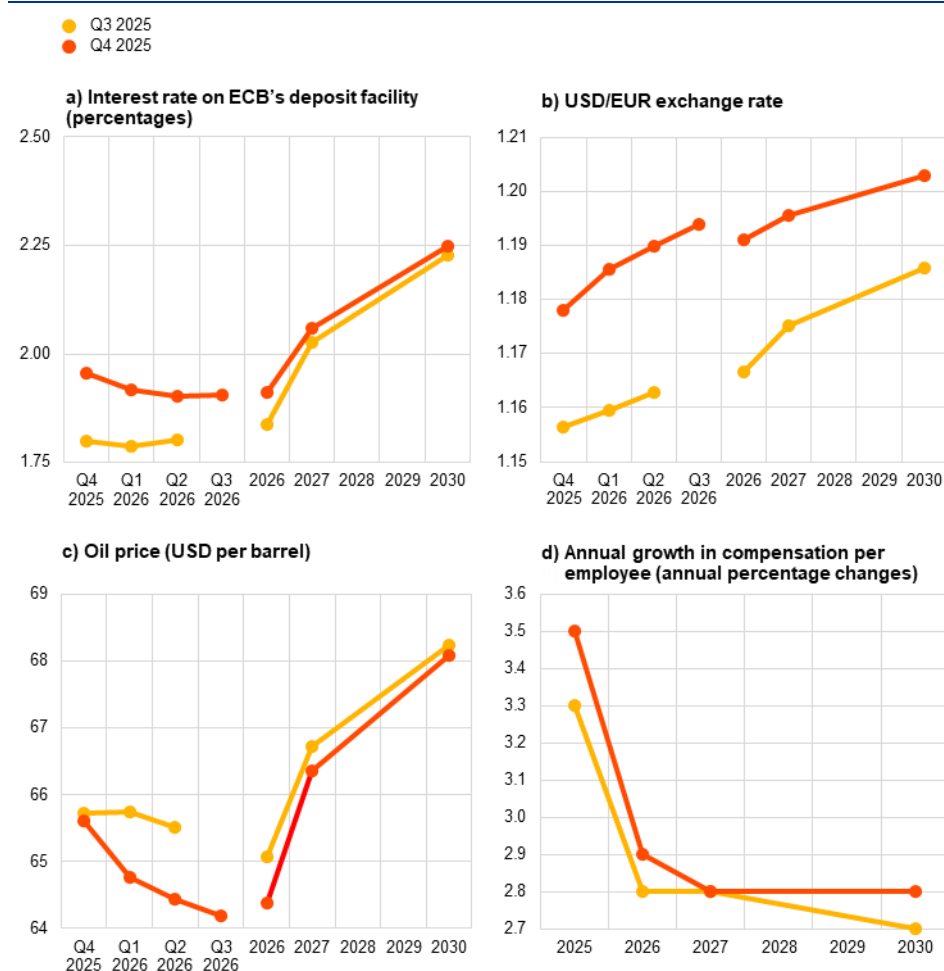
Notes: The SPF asks respondents to report their point forecasts and to separately assign probabilities to different ranges of outcomes. This chart shows the average probabilities assigned to different ranges of unemployment rate outcomes in the longer term. Longer-term expectations refer to 2030 in the SPF for the third and fourth quarters of 2025; they referred to 2029 in the SPF round for the second quarter of 2025.

5 Expectations for other variables

On average, forecasters expected the ECB's deposit facility rate to stay at around 2.0% in the fourth quarter of 2025 and to decrease, to around 1.9%, in the first quarter of 2026 before increasing to 2.1% by 2027 and further to 2.25% by 2030. They continued to expect the euro to appreciate against the US dollar, from 1.18 in the fourth quarter of 2025 to 1.19 in 2026 and further to 1.20 in 2030, and oil prices to remain around USD 64-68 per barrel from the fourth quarter of 2025 through to 2030. They also expected the growth rate of nominal wages to moderate from 4.5% in 2024 to 3.5% in 2025, 2.9% in 2026 and 2027 and 2.8% in the longer term.

Chart 13

Expectations for other variables



On average, respondents expected the **deposit facility rate** to remain at its current level of 2.00% in the fourth quarter of 2025. The rate was then projected to decline to 1.90% on average in the first quarter of 2026 and remain more or less stable at that level through 2026. Compared with the previous round, expectations were, on

balance, adjusted upwards (**Chart 13, panel a**). Longer-term expectations for the deposit facility rate were also revised slightly upwards to 2.25%, with 2.00% being the most common (modal) response among respondents (although 50% reported 2.25% or a higher figure). For all horizons, the modal value was 2.0%, although for the nearer term (up to the third quarter of 2026 and the calendar year 2026) there was a downward tilt below 2.0% in the histogram of expectations, whereas for 2027 and the longer term (2030), there was an upward tilt above 2.0%.

On average, the **USD/EUR exchange rate** was expected to rise from 1.18 in the fourth quarter of 2025 to 1.19 in 2026 and further to 1.20 in 2030 (**Chart 13, panel b**). Compared with the previous round, expectations have shifted upwards and still point to future euro appreciation over the survey horizon.

Compared with the previous survey round, the expected level of **US dollar-denominated oil prices** was revised very slightly downwards to around USD 64-68 per barrel over the entire survey horizon (**Chart 13, panel c**).

Expectations for annual growth in **compensation per employee** were revised upwards by 0.2 percentage points for 2025 (mainly reflecting recent incoming data), by 0.1 percentage points for 2026 and the long term, and were unrevised for 2027 (**Chart 13, panel d**).

Annex (chart data)

Excel data for all charts can be downloaded [here](#).

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