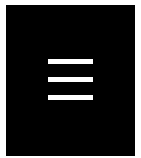
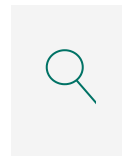


**BNP PARIBAS**

CHARTPACK | ADVANCED ECONOMIES: RESILIENCE TO SHOCK AFTER SHOCK

10/06/2026

PDF



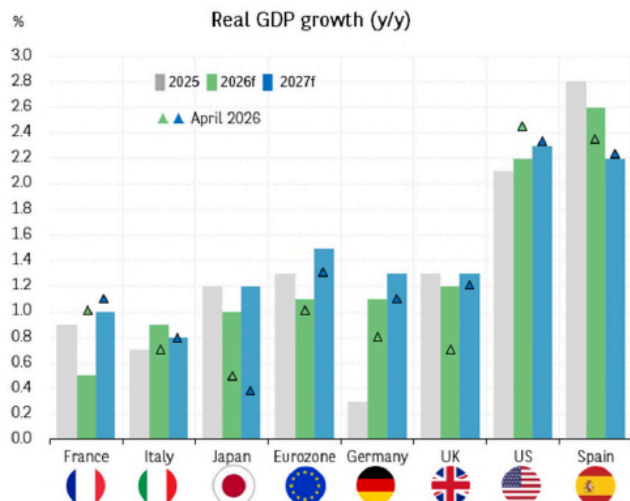
- The global economy is in the midst of a growth cycle. As a result, GDP growth is more resilient to shocks than initially anticipated.
- The figures for the second quarter bear this out, despite the sharp rise in oil prices, whose negative impact on growth is offset by a series of reflationary forces.
- The driving force behind the current growth cycle is clear: artificial intelligence (AI).
- The world's major economies are currently engaged in a broader push to expand their capital goods investment.
- While European and US households are experiencing more or less the same energy price shock, inflation and household consumption remain higher in the US.
- Higher and above-target inflation calls for monetary tightening.
- Inflation is exceeding the target set by three of the four central banks examined in this publication (US, UK, Eurozone). Inflation is currently expected to peak in Q4 2026 or Q1 2027, but there is a significant risk that energy inflation will spread further to other components of inflation in the future.
- Inflation can also be a sign of (too much) economic strength (in the US).
- Monetary policies also have to offset the inflationary effects of fiscal policy (particularly in Japan).
- The outbreak of the conflict in Iran acted as a catalyst: the ensuing rise in energy prices contributes to the recent increase in long-term rates (which had been trending downwards at the start of the year) to levels close to those of 2002.
- The other issue is the high level of fiscal deficits (too high for a period of growth), with various situations. In the US, the UK, France and Germany the public debt-to-GDP ratio is increasing, while it has stabilized in Italy and decreased in Spain and Japan.
- The rise in long-term interest rates will weigh on public finances. The fiscal arithmetic is simpler today than it will be in 2030. By 2030, the effective rate will have risen and caught up with GDP growth.

For more information, please refer to our publication: EcoPerspectives – Advanced Economies | 3rd quarter of 2026, as of September 24, 2026– Economic Research – BNP Paribas

Advanced Economies: Resilience to shock after shock (forecasts as of 30 September 2026)

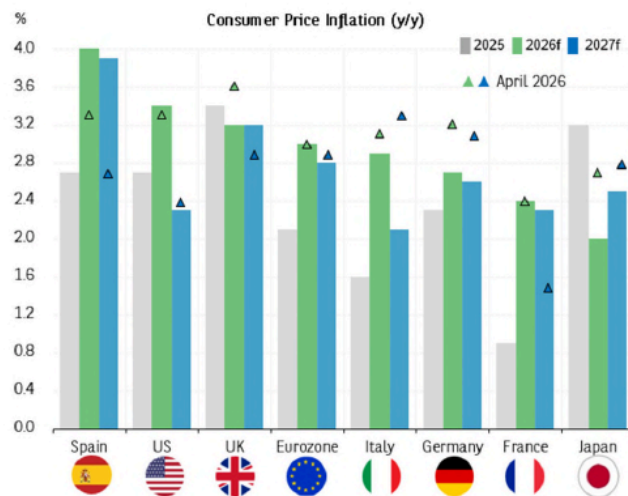
GDP growth is expected to strengthen in 2027

Inflation is expected to remain above central bank targets in the coming months



Countries sorted in ascending order in 2026

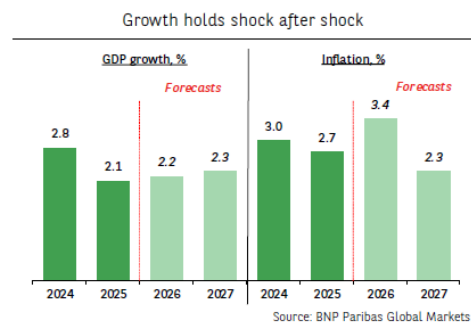
Source: LSEG, BNP Paribas forecasts



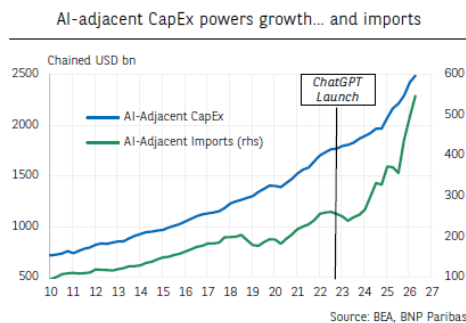
Countries sorted in descending order in 2026

Source: LSEG, BNP Paribas forecasts

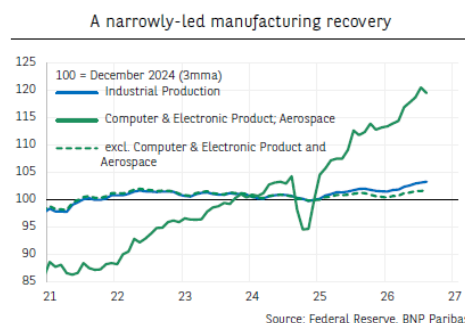
United States: Expansion intact through successive shocks (updated on 2 October 2026)



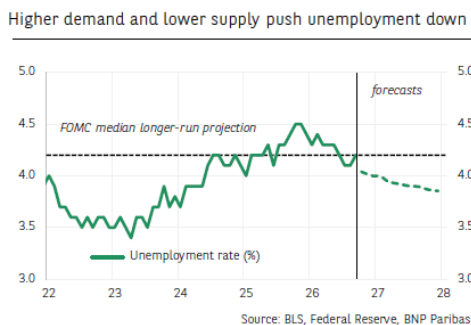
Source: BNP Paribas Global Markets



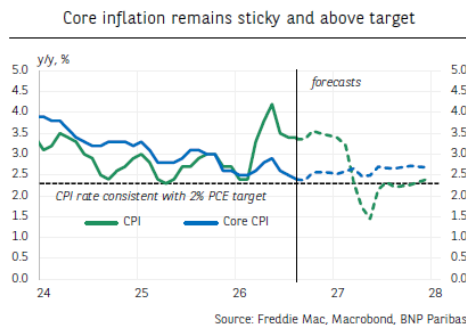
Source: BEA, BNP Paribas



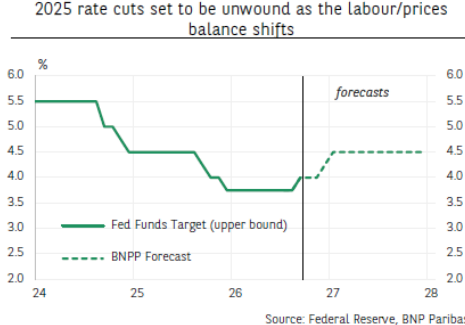
Source: Federal Reserve, BNP Paribas



Source: BLS, Federal Reserve, BNP Paribas

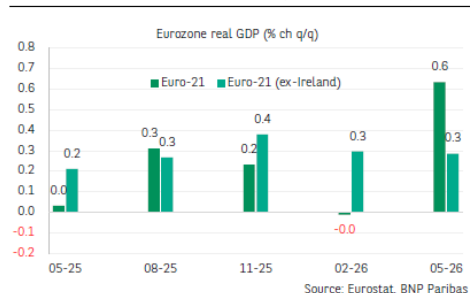
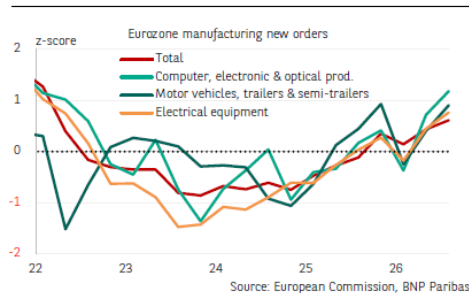
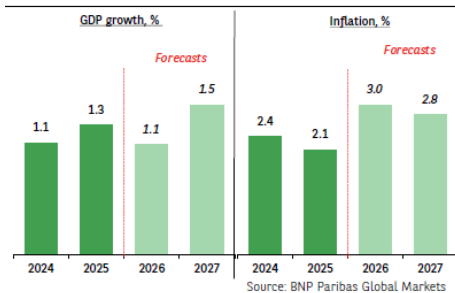


Source: Freddie Mac, Macrobond, BNP Paribas

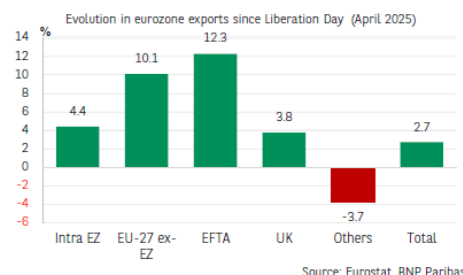


Source: Federal Reserve, BNP Paribas

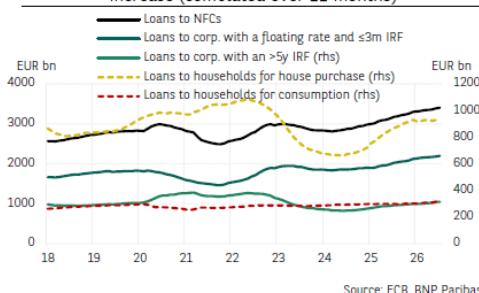
Eurozone: Growth on track despite the turbulence (updated on 1 October 2026)



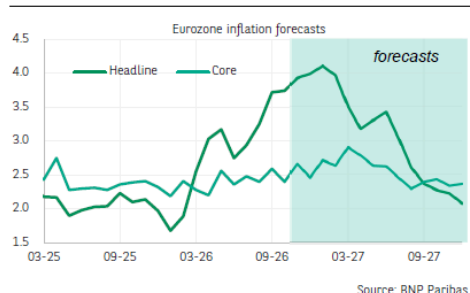
Exports to Europe help offset weaknesses in other markets



New loans remain favorable despite interest rates' increase (cumulated over 12 months)

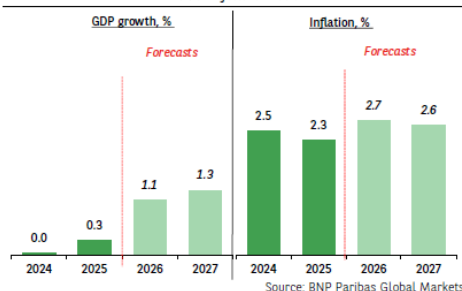


Peak in inflation expected at the beginning of 2027

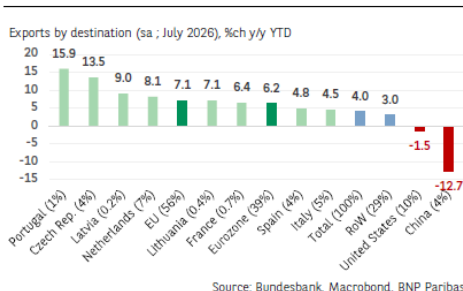


Germany: An export-driven recovery (updated on 1 October 2026)

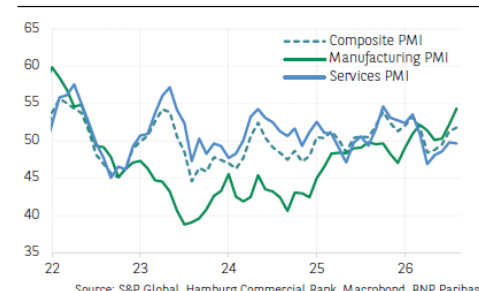
German growth should strengthen in 2026 and 2027, but inflation too



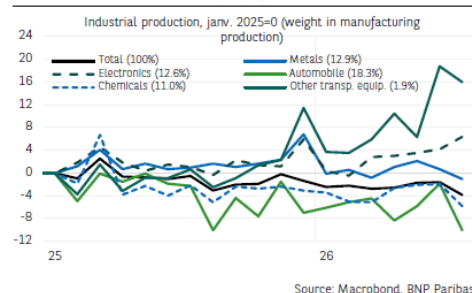
The intra-European reorientation of German exports is underway



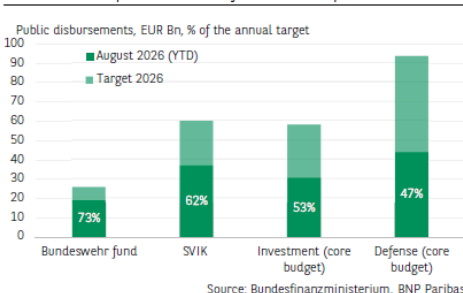
From a sectoral perspective, industry's restructuring has been leading the recovery ...



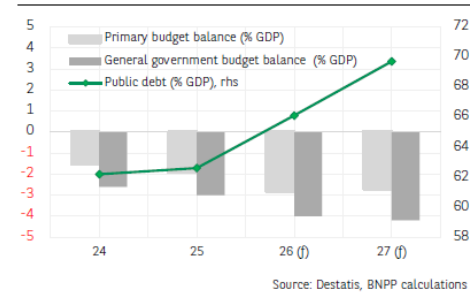
... driven by AI investments and intra-European momentum



The increase in public expenditure reflects the implementation of investment plans

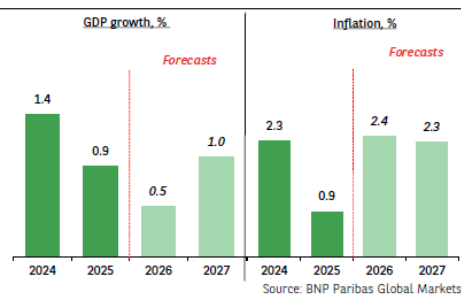


Fiscal stimulus continues

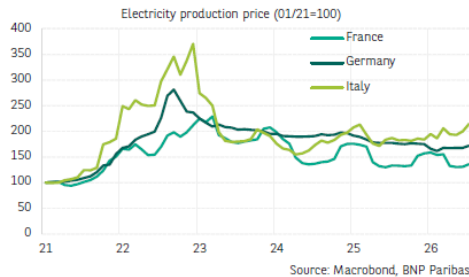


France: Growth is bending, but not breaking (updated on 1 October 2026)

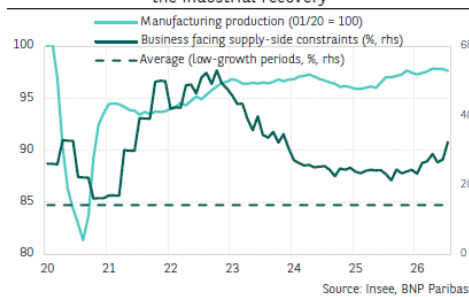
French growth should pick up



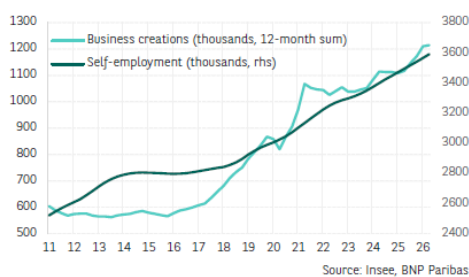
France produces more abundant and cheaper electricity



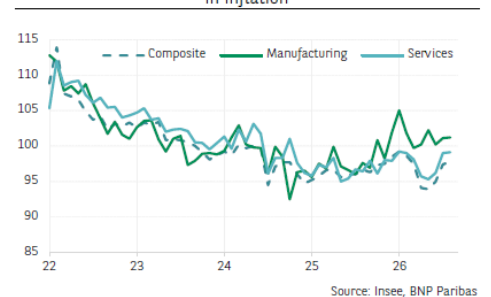
Renewed supply constraints have interrupted the industrial recovery



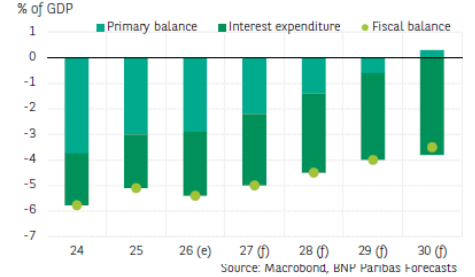
Business creations and self-employment are developing



The business climate has well absorbed the rise in inflation

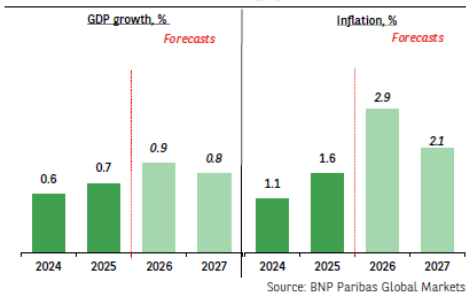


The rise in interest payments will put pressure on the fiscal deficit

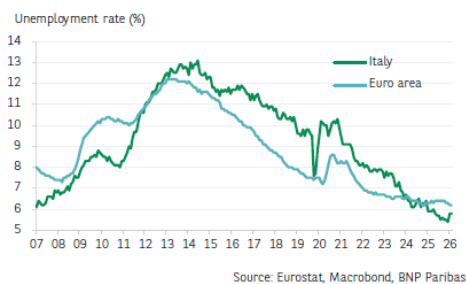


Italy: European funds bolster growth, while debt constraints persist (updated on 1 October 2026)

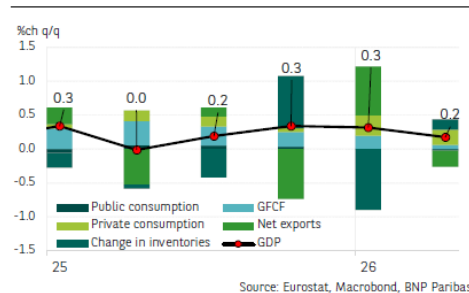
Growth is expected to remain stable and inflation to rise in 2026



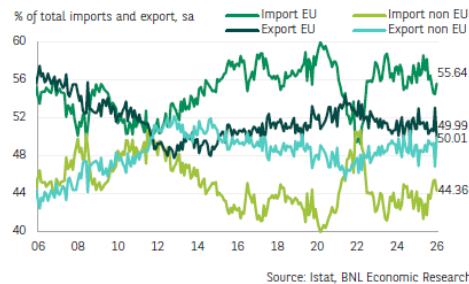
The labour market is tight and demographic prospects add further constraint



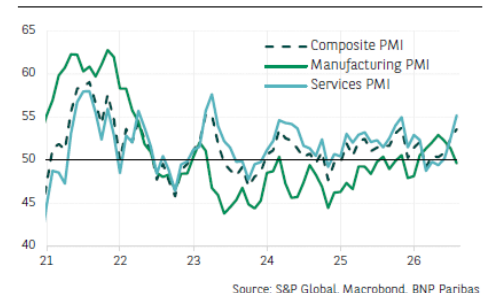
Private consumption and NRRP spending drove GDP growth



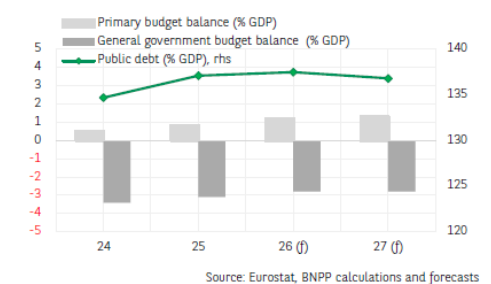
Italian foreign trade is holding up well



The manufacturing sector lags behind

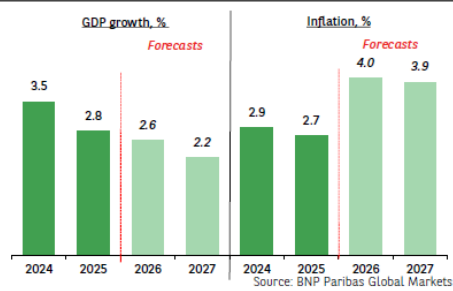


A lower fiscal deficit, but limited room for manoeuvre

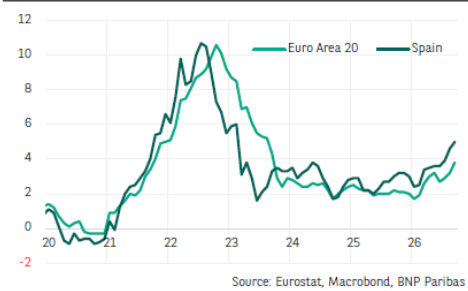


Spain: Robust growth (updated on 5 October 2026)

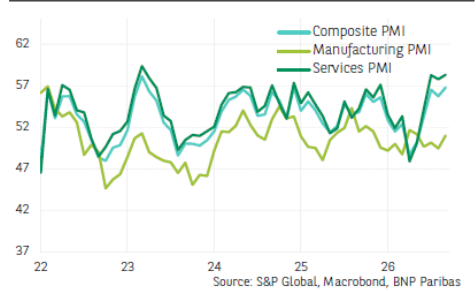
Growth is expected to remain stable at a high level



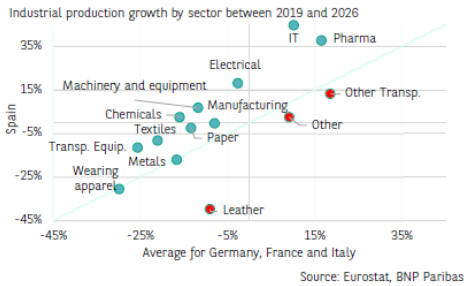
Spain inflation is above Eurozone average



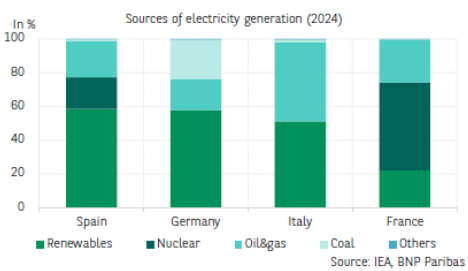
Despite geopolitical uncertainty, the business climate remains resilient



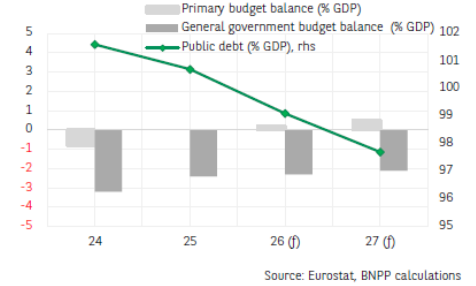
Industry is more competitive than elsewhere in Europe...



... thanks to a sustainable energy advantage

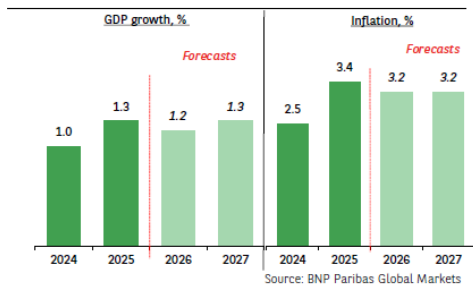


The fiscal trajectory remains favorable

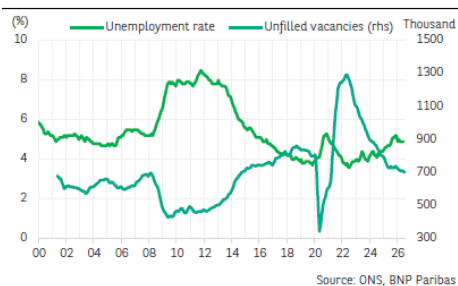


United Kingdom: Growth remains resilient in front of shocks (updated on 1 October 2026)

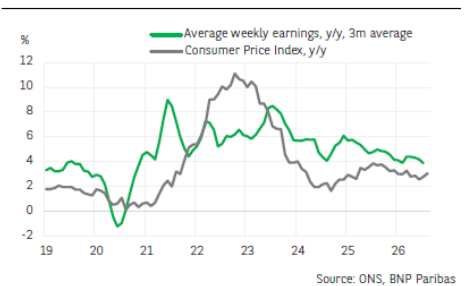
UK growth remains steady, despite a series of shocks



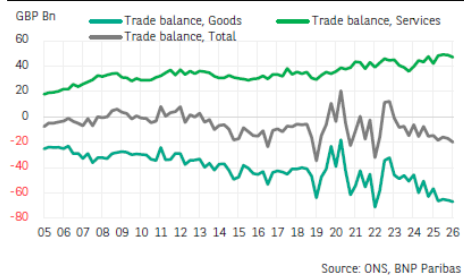
UK labor market: fragile stability amidst weakening demand



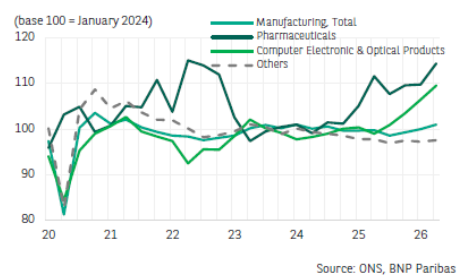
Inflationary pressures are softening on the labor market



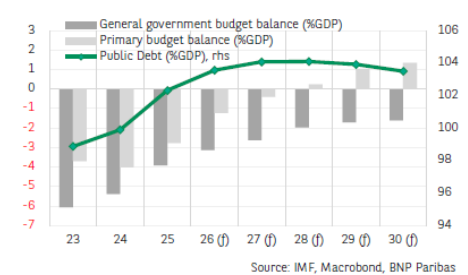
The balance of goods and services remains structurally in deficit



Manufacturing output rebounds, driven by the acceleration of the AI cycle

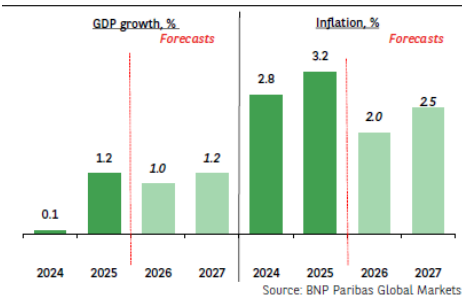


Room for manoeuvre to continue fiscal consolidation is limited

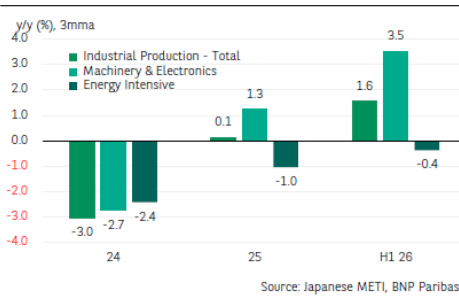


Japan: Growth under strains (updated on 1 October 2026)

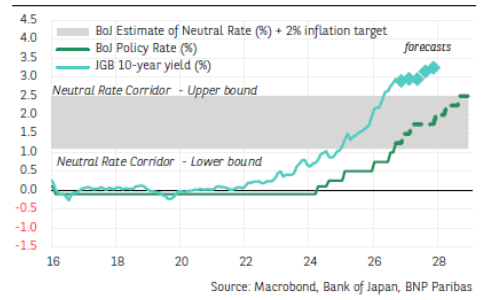
Growth above potential, inflation above target



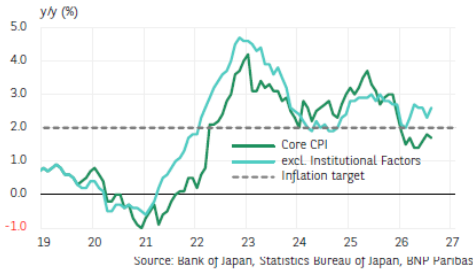
Machinery & Electronics lead the manufacturing recovery



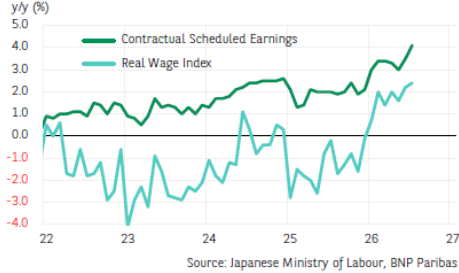
The bond market is tightening faster than the BoJ



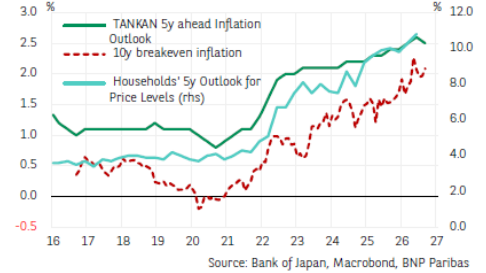
Energy subsidies mask Japan's underlying price pressures



Nominal wage growth firmly anchored above 3%



Inflation expectations confirm the end of deflation



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ECONOMIC RESEARCH

Three teams of economists (OECD economies, emerging economies and country risk, banking economics) form the BNP Paribas Economic Research Department. This web site presents their analyses.



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