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Analysis of today
Assessment of tomorrow

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IMF warns – stability has become the only goal

The International Monetary Fund has published its latest World Economic Outlook. Global growth in 2025 is projected at 3.2%, and in 2026 at 3.1%.

At first glance, this appears to be cautious optimism, but the underlying message is more complex: growth exists, but its foundation is fragile.

The IMF expects global inflation to decline gradually – to 4.2% in 2025 and 3.7% in 2026 – but in several developed economies, it remains above central bank targets.

In many economies, particularly in the service sector, price pressures remain high. The IMF warns that monetary policy must not be relaxed too quickly, as this could undermine previous progress. In short, growth is present, but stability is not assured.

The projection for the United States has been raised to 2%, while for the Eurozone it is around 1.2%.

This indicates that Western economies are no longer stagnant, but they have yet to demonstrate the strength to drive global demand.

Japan is dealing with slow growth and demographic constraints, while China is recovering more slowly than anticipated.

Saudi Arabia stands out, with its expected growth raised to 4% due to higher oil production. This also influences the broader outlook for the Middle East and Central Asia, where the energy sector remains the main driver.

From calm markets to hidden risks

Along with the main report, the IMF also published the Global Financial Stability Report, a document that discusses risks in the financial system.

At first glance, markets appear calm, but the Fund warns that problems have accumulated beneath the surface: rising bond prices, excessive indebtedness, and the spread of so-called "non-bank" financing—investment funds, insurers, and other entities that are not subject to the same supervision as banks.

This is an area that, in the event of a shock, can transmit instability much faster than before.

Developing countries performed unexpectedly well in this edition of the WEO.

If tensions between the US and China deepen, and the trade war leads to real disruption in supply chains, growth could be significantly lower than the currently projected 3.2%

The IMF states that many of them, from Indonesia to Kenya, have shown resilience due to tighter fiscal frameworks and improved revenue collection.

However, it warns that their fiscal space is limited: rising interest rates in the US and the EU increase borrowing costs and reduce the scope for public investment.

In the section related to trade, the IMF notes that new tariffs and trade barriers have so far had less impact than expected, as companies have successfully found alternative routes and markets.

However, that resilience is not unlimited. If tensions between the US and China deepen, and the trade war leads to real disruption in supply chains, growth could be significantly lower than the currently projected 3.2%.

The margin for error is narrowing

For the British and European economies, the message from the new IMF report remains clear.

Global demand is holding up, but the margin for error is narrowing. Inflation is no longer the main source of shock, but its decline is slow and requires caution in conducting monetary policy.

At the same time, the growth of public spending, defence costs, and investments in the energy transition is putting increasing pressure on budgets.

Europe and the United Kingdom are entering a phase in which stability will depend on discipline, not on the speed of growth.

In Europe, the IMF notes that growth is slightly above expectations but adds that it comes at a high price.

> The world is transitioning into a phase of steady yet depleted growth

Subsidies and public spending have boosted the economy but depleted fiscal reserves. In the future, without clear reforms and cost rationalisation, this policy will not be sustainable.

The report shows that most global growth is now being generated in Asia, Africa, and Latin America, where domestic reforms and more stable public finances are yielding results.

In contrast, Europe and North America are maintaining growth mainly through consumption and borrowing, making them more sensitive to changes in interest rates and the cost of capital.

In summary, the IMF asserts that the world is transitioning into a phase of steady yet depleted growth.

The numbers do not indicate a recession, but neither do they suggest a new cycle of expansion. The Fund increasingly refers to a "structural slowdown"—the point at which the limits of growth have reached a level that can no longer be raised by monetary or fiscal measures but only by increased productivity and innovation.

A significant change compared to the last decade

The slow decline in inflation means that interest rates will remain high for longer than markets expect.

This is a significant change compared to the last decade. Companies accustomed to cheap capital will have to operate with more expensive money and stricter investment rules. Banks will have less room for risk, and states will have less flexibility to spend.

Such a shift in the environment also alters capital flows. The IMF warns that some capital will leave markets with slow growth and move to countries offering political stability and real returns.

This means that economies slow to implement reforms will lose investments, not because of crisis, but due to saturation.

> The IMF predicts that global growth will remain below 3.5% until the end of the decade

For Europe, this means one thing: if 1% growth becomes the norm, it will be due to its own limitations, not external pressure. Britain, with modest growth of 1.3%, faces a similar problem—the economy is functioning but lacks momentum.

The IMF predicts that global growth will remain below 3.5% until the end of the decade. The reasons are well known: demographics, high energy costs, market fragmentation, and slow digital transformation in government sectors.

If trade relations between the major powers deteriorate, it will immediately affect industries dependent on imported components and raw materials—electronics, automobiles, and pharmaceuticals.

The IMF estimates that in such a case, the decline in global trade could reduce growth by an additional 0.3% per year.

A signal to investors and countries

A joint reading of the World Economic Outlook and the Global Financial Stability Report indicates that the IMF is sending a consistent message to countries: now is not the time to take risks.

Excessive public spending can reignite inflation, while sharply lower interest rates can weaken currencies and increase debt pressures. The world economy remains balanced, but there is no room for error.

The global economy is no longer measured by speed but by the ability to withstand pressure. Stability is no longer the opposite of ambition—it has become its other name

For the private sector, the message is clear. The next two years will not be a period for broad expansion but for consolidation—conserving capital, investing in stable markets, and diversifying supply.

The IMF, which rarely adopts a warning tone, is now doing so with restraint: the world is not falling apart, but it is entering a phase of prolonged caution.

Growth of 3.2% indicates vitality, but not certainty. If the global trading system becomes further fragmented and the cost of capital remains high, this could become the new normal.

The report does not offer optimism but a realistic assessment. Economies that recognise this in time will maintain stability.

After ten years of continuous shocks, from the pandemic to the inflation wave, the world is entering a phase where growth will depend not on political promises, but on the ability to maintain financial order and trust in institutions.

The IMF, therefore, does not offer optimism but defines the limits of what is possible.

Countries that manage interest rates, public debt, and consumption in line with reality will maintain stability. The rest will have to learn from the consequences.

If there is a shared message from this WEO, it is that the global economy is no longer measured by speed but by the ability to withstand pressure. Stability is no longer the opposite of ambition—it has become its other name.