

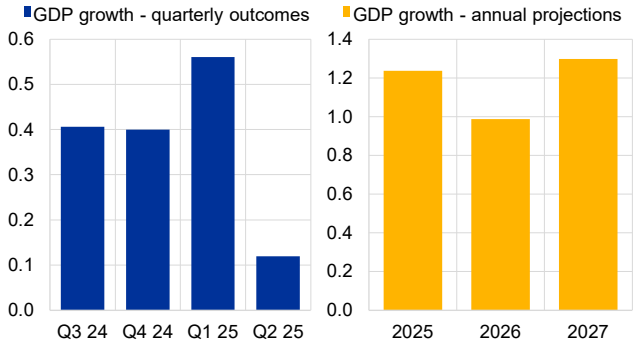


# Introductory statement in three charts

ECON hearing with the ECB President on 6 October 2025

## Real GDP growth

(left hand: quarter-on-quarter percentage changes; right hand: annual percentage changes)



Sources: Eurostat and September 2025 ECB staff macroeconomic projections for the euro area.  
Note: The latest observation for real GDP is for the second quarter of 2025.

## Economic activity

**The economy grew by 0.7% in cumulative terms over the first half of 2025.**

- In the first quarter, firms frontloaded global trade ahead of expected tariff increases. Growth was lower in the second quarter as this effect reversed.

**The economy is projected to grow by 1.2% in 2025, by 1.0% in 2026 and by 1.3% in 2027.**

- Sluggish export performance is holding growth back for the remainder of 2025. The effect should then fade.
- A strong labour market, past interest rate cuts and substantial government spending should support consumer spending and investment.

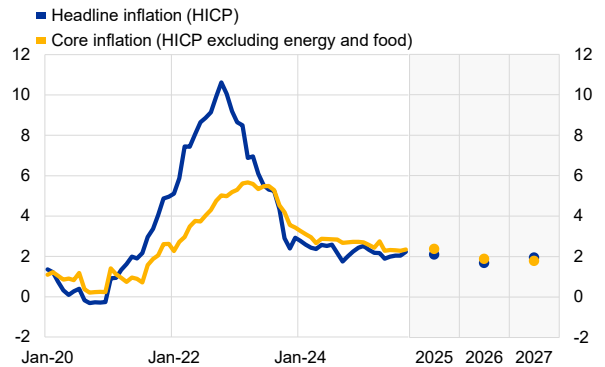
## Inflation

**Inflation remains close to our 2% target.**

- Headline inflation edged up to 2.2% in September, from 2.0% in the previous three months, mainly due to higher energy inflation. Core inflation – excluding energy and food – remained at 2.3%.
- Services inflation edged up to 3.2% (from 3.1% in August) and goods inflation was unchanged at 0.8%.
- ECB staff projections expect headline inflation to average 2.1% in 2025, 1.7% in 2026 and 1.9% in 2027.
- The outlook remains more uncertain than usual, with a still volatile global trade policy environment responsible for both upside and downside risks.

## Headline and core inflation

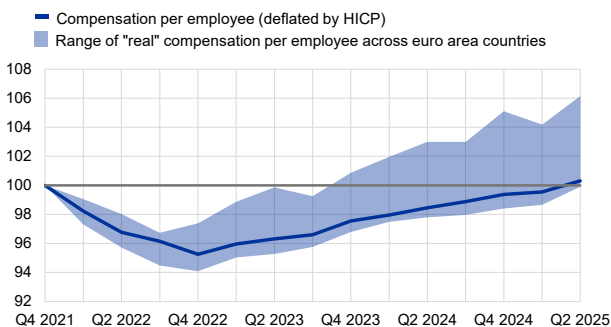
(annual percentage changes)



Sources: Eurostat and September 2025 ECB staff macroeconomic projections for the euro area.  
Note: The latest observations are for September 2025 (flash estimate).

## Real wages

(index: Q4 2021 = 100)



Sources: Eurostat and ECB calculations.  
Note: The range reflects the interquartile range. The latest observations are for the second quarter of 2025.

## Wages

**Real wages have recovered, while nominal wage growth continues to moderate.**

- Real wages have caught up with levels seen before the inflation surge.
- Nominal wage growth was 3.9% in the second quarter, down from 4.0% in the previous quarter and 4.8% in the second quarter of last year.
- The ECB's wage tracker indicates a further moderation in wage growth to below 3% in the medium term, helping ease domestic price pressures.

## WANT TO KNOW MORE?

- [Monetary Policy Statement, ECB Press Conference, 11 September 2025.](#)
- [ECB staff macroeconomic projections for the euro area, 11 September 2025.](#)



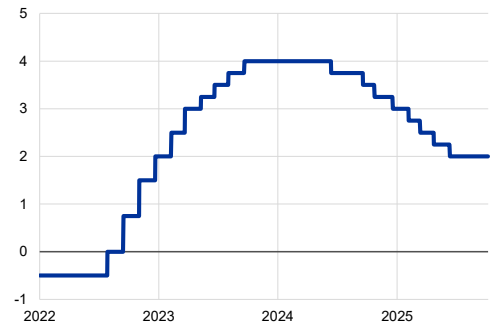
## Topic 1: Monetary policy stance

### The ECB kept its key interest rates stable.

- ECB key interest rates were kept unchanged in September, as had also been the case in July.
- The ECB will continue to follow a data-dependent and meeting-by-meeting approach to determining the appropriate monetary policy stance.
- In particular, our interest rate decisions will be based on the assessment of the inflation outlook and the risks surrounding it, as well as the dynamics of underlying inflation and the strength of monetary policy transmission.
- The ECB is not pre-committing to a particular rate path.

### Deposit facility rate

(percentages)



Source: ECB.  
Note: The latest observation is for 6 October 2025.

## Topic 2: International role of the euro

### The euro has firmly established itself as the world's second most used currency.

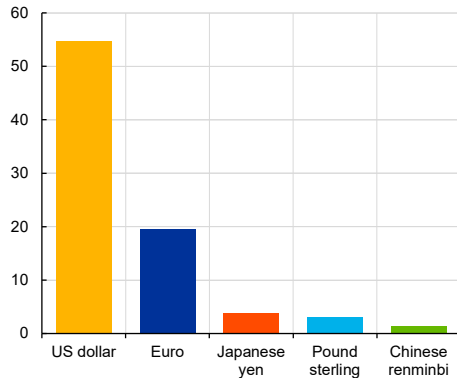
- A composite index of the international role of the euro remains broadly stable and stands at around 20%.
- The US dollar remains the dominant global currency, accounting for around 58% of global foreign exchange reserves, with the euro accounting for around 20%.
- Around 40% of global trade is invoiced in euro, on par with the share of the US dollar.

### The changing global landscape offers an opportunity to create conditions to strengthen the euro's global role.

- To seize the benefits of a stronger international role of the euro while avoiding the risks, Europe must strengthen its geopolitical, economic and institutional foundations.

### The international role of major currencies

(percentages)



Sources: Bank for International Settlements, International Monetary Fund and ECB staff calculations.

Notes: Arithmetic average of the share of currencies across foreign exchange reserves, international debt, international loans and international deposits, as detailed in Chart 2 of the ECB's International role of the euro report published on 11 June 2025 (for the Chinese renminbi, only the shares in first two indicators – foreign exchange reserves and international debt – are available). The latest observations are for the first quarter of 2025.

### A greater international role for the euro must be earned



Source: ECB.

### WANT TO KNOW MORE?

- [The international role of the euro, 11 June 2025, ECB.](#)