

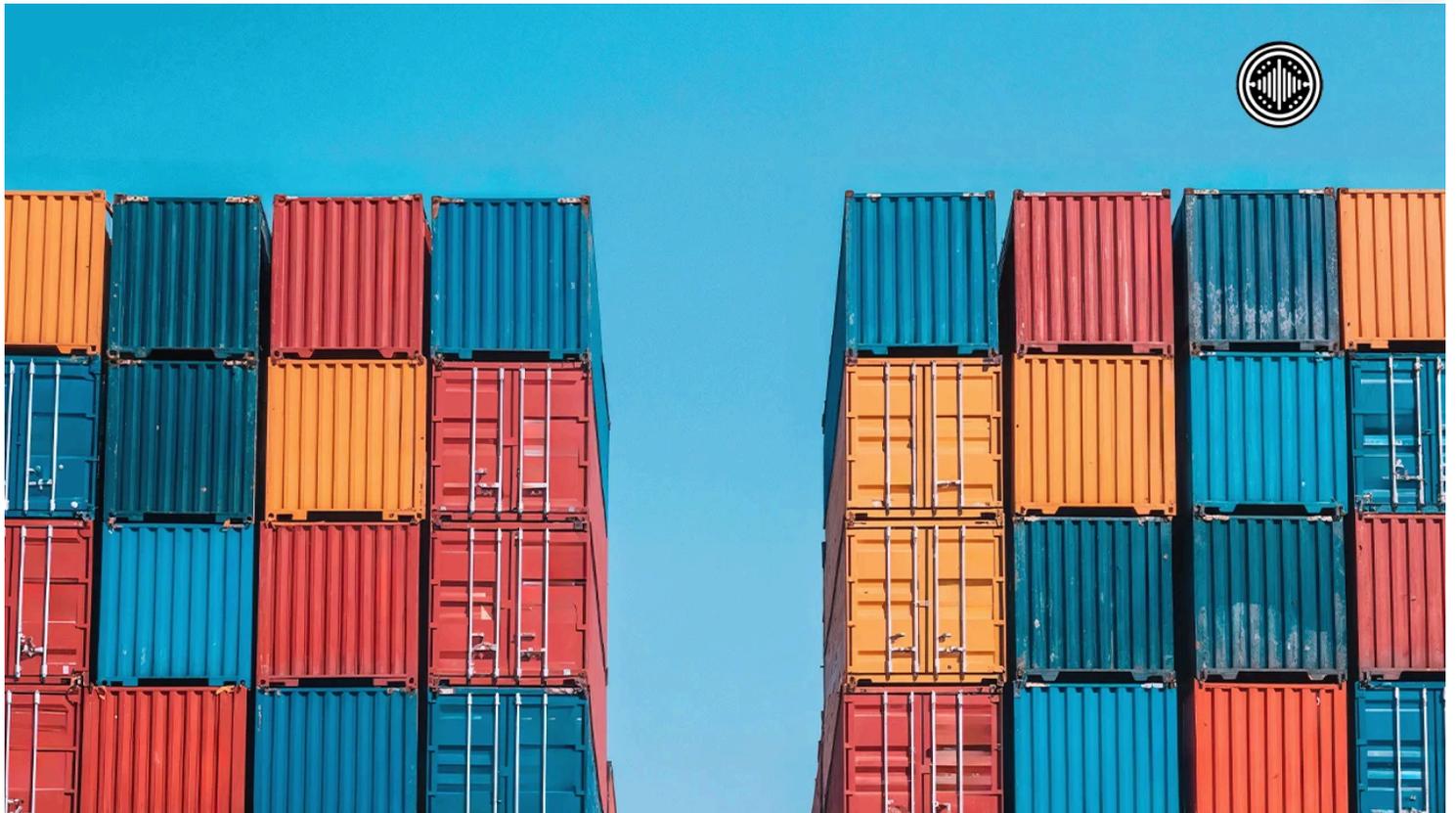
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IMF Upgrades Australia's Growth Amid Global Strains

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Australia's economic outlook has received a boost from the International Monetary Fund (IMF), which has revised its growth forecasts upwards despite the global uncertainties surrounding renewed trade tariffs. In its latest global report, the IMF raised Australia's projected Gross Domestic Product (GDP) growth to 1.8 percent for 2025, up from 1.6 percent in April, and to 2.2 percent in 2026. These upgraded forecasts come as the

global economy grapples with slowing momentum, persistent inflation pressures, and renewed trade tensions, particularly related to former United States President Donald Trump's proposed tariff policies.

The IMF, an international financial institution responsible for monitoring global economic stability, noted that while economic headwinds remain, Australia has demonstrated solid resilience. The report credits consistent domestic demand and strong export performance as key drivers of the improved outlook. The country's performance appears to reflect a broader pattern of moderate global economic resilience, with the IMF also increasing its global growth estimates slightly for 2025 and 2026. However, the Fund continues to caution against complacency, stating that the risks to global recovery remain firmly tilted to the downside, citing geopolitical tensions and the threat of escalating trade disputes.

Australia's ability to weather international market pressures underscores the importance of sound economic management, especially in times of global instability. The IMF's assessment did not highlight any new policy measures from the current federal government, which remains under scrutiny for its handling of domestic cost-of-living challenges and its unclear stance on future fiscal reforms. Economists have raised concerns that while external demand and commodity exports are providing short-term buffers, sustained growth will require deeper structural policies focused on productivity and business confidence.

The IMF's report delivers a timely reminder of Australia's underlying economic strengths, particularly in sectors like mining and services, which have continued to perform despite external volatility. While global conditions remain unpredictable, Australia appears better positioned than many advanced economies to manage these pressures. Maintaining this

trajectory will depend heavily on stable policy environments and encouraging private sector investment. The IMF's positive revision offers cautious optimism, but it also serves as a call for stronger and more strategic economic leadership to secure long-term growth.

