

OpenVoiceNews U.S.

Transparent. Unbiased. Yours.

IMF Projects 1.9% U.S. Growth in 2025; Euro Area and China Also See Upward Revisions

July 30, 2025

— Categories: Economics



Download IPFS

The International Monetary Fund (IMF) has raised its growth outlook for the United States economy, forecasting a 1.9% expansion in 2025, slightly above its earlier estimate. In its latest World Economic Outlook (WEO), released in July, the IMF also adjusted its projections upward for the euro area and China, reflecting shifts in trade dynamics and stronger-than-expected economic data in early 2025.

Global economic growth is anticipated to slow, with the IMF now projecting worldwide output to expand by 3.0% in 2025 and 3.1% in 2026. These figures fall short of the 3.3% expected for 2024 and remain below the pre-pandemic historical average of 3.7%. However, they represent a modest improvement compared to the IMF's April forecasts.

In the United States, the revised 2025 forecast of 1.9%, up 0.1 percentage point from April, reflects looser financial conditions and a rollback of certain tariffs that were initially proposed on April 2. Although there is some drag from cooling private demand and reduced immigration, the report notes a slight increase in momentum heading into 2026, when growth is projected to reach 2.0%.

The euro area is expected to grow by 1.0% in 2025 and 1.2% in 2026. The 2025 estimate marks a 0.2 percentage point increase from the previous outlook, driven largely by stronger-than-anticipated gross domestic product (GDP) results in Ireland during the first quarter of the year. However, the IMF notes that Ireland comprises less than 5% of the eurozone's overall GDP, suggesting a limited impact on the broader region.

In emerging markets and developing economies, the IMF expects growth to hold steady at 4.1% in 2025 and 4.0% in 2026. Notably, China's growth outlook for 2025 has been revised significantly higher, by 0.8 percentage point to 4.8%. This upward revision stems from a robust performance in the first half of the year and a marked reduction in tariffs between China and the United States, which has improved trade conditions. The strong GDP figures from the first quarter alone contributed to a mechanical upgrade of 0.6 percentage points in China's annual forecast.

Despite the slight uptick in forecasts, the IMF cautions that global economic resilience is fading, especially as earlier trade distortions unwind. While advanced economies are projected to grow at 1.5% in 2025 and 1.6% in 2026, the broader picture remains one of cautious optimism, with multiple economies navigating post-pandemic structural shifts and geopolitical headwinds.