

# INFLATION MONITOR

July 21, 2025

Economic Analysis and Research Department

## Macroeconomic indicators:

### • Inflation

- Euro area: HICP headline inflation ticked up to 2.0% in June from 1.9% in May. Marginal increases in services and unprocessed food inflation together with a less negative energy inflation were partially offset by the decline in processed food inflation and in non-energy industrial goods' inflation. Core inflation (HICP excluding energy and food) remained unchanged at 2.3% as higher services inflation was offset by lower non-energy industrial goods' inflation.
  - US: CPI inflation rose for the second consecutive month reaching 2.7% in June, from 2.4 % in May, while core CPI inflation increased to 2.9% from 2.8%.
  - Greece: HICP headline inflation increased to 3.6% in June from 3.3% in May, due to increases in energy inflation and in services inflation. Similarly, core inflation picked up to 4.2% in June from 4.0% in May, attributed to the increase in services inflation which was partially offset by the marginal decline in non-energy industrial goods' inflation. The inflation differentials for both headline and core inflation between Greece and the euro area widened further in June.
- **Labour markets developments**: Compensation per employee growth has been easing in major euro area countries although notable differences in the rates of unemployment among the euro area countries persist.
  - **Commodity prices**: Energy and metal commodity prices exhibited significant volatility last month, marked by a surge due to escalating Middle East tensions and a subsequent correction. Conversely, agricultural commodity prices have been decreasing.

## Market-based indicators:

- **Euro area market-based expected inflation for a medium-term horizon stands firmly at levels below 2%**, rising somewhat over the previous month; bond yields increased mainly due to a rise in the real component of nominal yields, amid increased fiscal spending plans in Germany and stronger-than-expected economic activity indicators. In the **US, bond yields were broadly unchanged**, as a rise in the market-based expected inflation rate, which is substantially higher in the medium-term horizon from the 2% target, offset a fall in the real component.
- **Markets expect further policy rate cuts in the euro area and in the US**; investor expectations about the level of ECB policy rates by the end of 2025 were broadly unchanged compared to one month ago, while the level of Fed policy rates by year-end moved slightly higher after a higher-than-expected US headline CPI figure for June.
  - The ECB has, so far in 2025, reduced rates by 100 bps. Markets currently expect no change of ECB's rates at its next three monetary policy meetings (July, September and October). A 25 bps rate cut is expected in December 2025 with 68% probability, after which rates are expected to remain stable.
  - The Fed has kept the Fed funds rate (FFR) unchanged in 2025 to date. Markets expect no rate change at the July FOMC, and a 25 bps rate cut either in September or in October, while one month ago a rate cut in September was seen as more likely. A second 25 bps rate cut is expected in the December FOMC meeting, but with a lower probability (62% vs. 77% one month ago).

## Key statements and news:

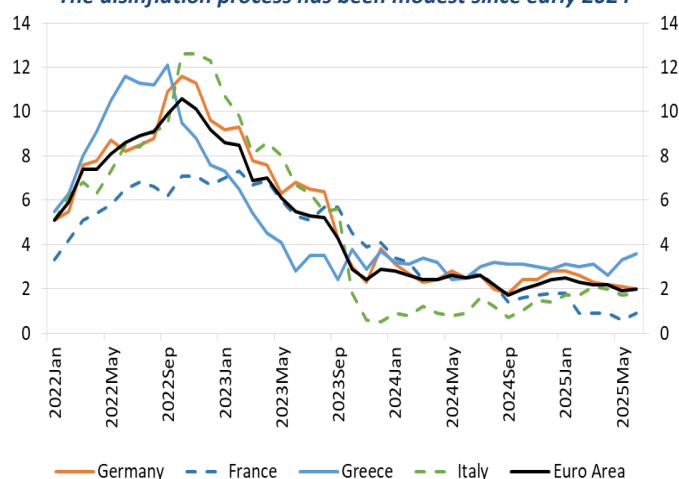
- On 18 June 2025, the FOMC maintained the target rate for the federal funds rate (FFR) unchanged for a fourth consecutive meeting at 4.25-4.50%, citing diminished but still "elevated" uncertainty about the economic outlook.
- Both ECB President C. Lagarde and Fed Chair J. Powell reiterated a flexible, data-driven approach to navigate through the current uncertainty in the economic environment.

## Section 1: HICP inflation developments

- Inflation in the euro area hovered around 2.3% in the first quarter of 2025 and retreated to 2.0% in the second quarter. Core inflation followed a similar pattern slowing to 2.4% in 2025Q2 from 2.6% in 2025Q1.
- In Greece, since the second half of 2024 headline inflation moves sideways but increased in June 2025. Core inflation remains elevated, exhibiting a significant positive difference to the euro area which widened further in June 2025 due to the increase of the Greek rate.

## HICP Headline inflation for selected euro area countries

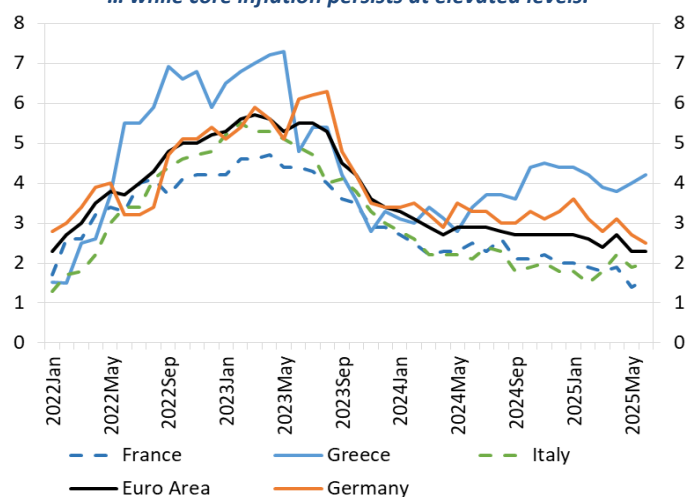
(annual % changes)

*The disinflation process has been modest since early 2024*

Source: Eurostat. Latest observation: June 2025.

## Core inflation for selected euro area countries (HICP excluding energy &amp; food)

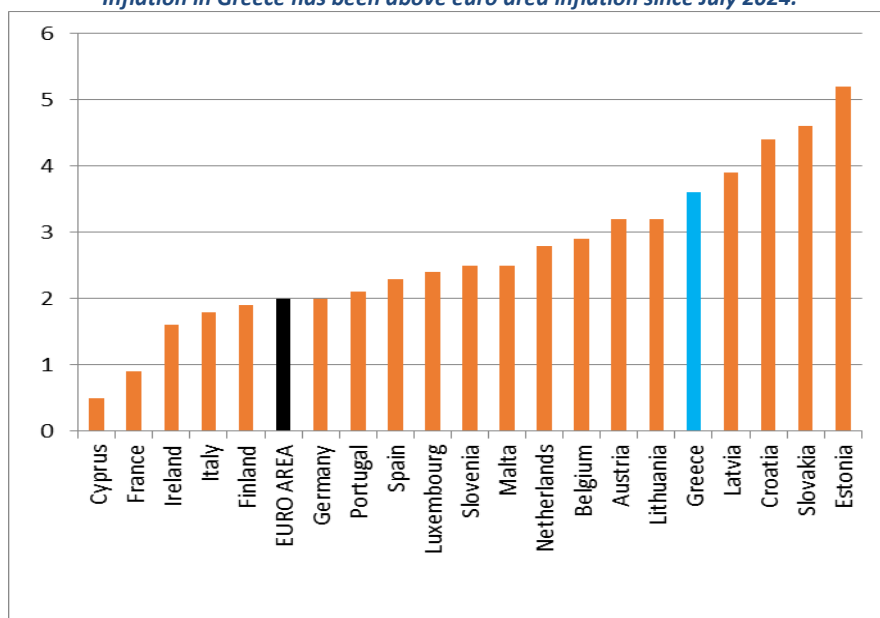
(annual % changes)

*... while core inflation persists at elevated levels.*

Source: Eurostat. Latest observation: June 2025.

## HICP Headline inflation for the euro area countries – June 2025

(annual % changes)

*Inflation in Greece has been above euro area inflation since July 2024.*

Source: Eurostat.

## Price developments in the euro area and Greece

(annual % changes)

*Core inflation in Greece remains at elevated levels due to services inflation. The differential of the Greek core inflation with the corresponding Euro Area figure widened as the two moved in opposite directions in the last two months.*

EURO AREA	2025 weights (%)	2022	2023	2024	2024		2025		2024	2025					
					Q3	Q4	Q1	Q2	Dec	Jan	Feb	Mar	Apr	May	Jun
Harmonised Index of Consumer Prices (HICP)															
Overall index	100.00	8.4	5.4	2.4	2.2	2.2	2.3	2.0	2.4	2.5	2.3	2.2	2.2	1.9	2.0
Goods	54.37	11.9	5.7	1.1	0.6	0.8	1.2	0.8	1.2	1.4	1.2	1.1	0.7	0.8	0.9
Processed food (including alcohol and tobacco)	15.04	8.6	11.4	3.2	2.7	2.8	2.6	2.7	2.9	2.6	2.6	2.6	2.4	2.9	2.6
Unprocessed food	4.24	10.4	9.1	1.9	1.2	2.3	2.9	4.6	1.6	1.4	3.0	4.2	4.9	4.3	4.6
Non-energy industrial goods	25.66	4.6	5.0	0.8	0.5	0.6	0.6	0.6	0.5	0.5	0.6	0.6	0.6	0.6	0.5
Energy	9.43	37.0	-2.0	-2.2	-2.7	-2.2	0.4	-3.2	0.1	1.9	0.2	-1.0	-3.6	-3.6	-2.6
Services	45.63	3.5	4.9	4.0	4.0	3.9	3.7	3.5	4.0	3.9	3.7	3.5	4.0	3.2	3.3
Core Inflation (HICP less energy, food, alcohol and tobacco)	71.29	3.9	4.9	2.8	2.8	2.7	2.6	2.4	2.7	2.7	2.6	2.4	2.7	2.3	2.3
GREECE															
Harmonised Index of Consumer Prices (HICP)															
Overall index	100.00	9.3	4.2	3.0	3.1	3.0	3.1	3.2	2.9	3.1	3.0	3.1	2.6	3.3	3.6
Goods	51.30	12.9	3.8	1.7	1.6	0.7	1.1	1.2	0.7	1.0	1.0	1.3	0.2	1.6	1.8
Processed food (including alcohol and tobacco)	15.93	9.5	9.3	2.5	2.3	0.2	0.2	-0.1	-0.3	-0.3	0.5	0.5	-0.6	0.2	0.0
Unprocessed food	7.00	10.1	11.1	3.4	1.7	1.1	2.2	8.0	0.0	0.8	0.2	5.7	7.2	9.0	7.8
Non-energy industrial goods	20.06	5.0	6.4	1.7	1.4	1.8	1.2	1.0	1.7	1.4	1.4	0.8	0.4	1.4	1.3
Energy	8.31	41.0	-13.4	-1.4	1.0	-1.1	1.5	-1.5	0.7	2.6	1.6	0.2	-4.7	-1.5	2.0
Services	48.70	4.5	4.5	4.4	4.7	5.6	5.3	5.3	5.6	5.6	5.3	5.1	5.3	5.2	5.4
Core Inflation (HICP less energy, food, alcohol and tobacco)	68.76	4.6	5.3	3.6	3.7	4.4	4.1	4.0	4.4	4.4	4.2	3.9	3.8	4.0	4.2

Sources: Eurostat, ELSTAT and BoG calculations.

## Price developments in the energy component of the Greek HICP and its subcomponents

(annual % changes)

*Energy price inflation was negative in April and in May 2025 and turned positive in June mainly because of a stronger rate in electricity and less negative motor fuel inflation.*

GREECE	2025 weights (%)	2022	2023	2024	2024		2025		2024	2025					
					Q3	Q4	Q1	Q2	Dec	Jan	Feb	Mar	Apr	May	Jun
Harmonised Index of Consumer Prices (HICP)															
Overall HICP index	100.00	9.3	4.2	3.0	3.1	3.0	3.1	3.2	2.9	3.1	3.0	3.1	2.6	3.3	3.6
ENERGY	8.31	41.0	-13.4	-1.4	1.0	-1.1	1.5	-1.5	0.7	2.6	1.6	0.2	-4.7	-1.5	2.0
Electricity	2.80	43.1	-15.0	0.5	6.4	9.2	7.6	15.1	7.6	5.9	6.7	10.4	4.7	18.0	23.1
Natural gas and town gas	0.45	127.0	-49	-17.4	23.7	6.0	40.1	14.7	8.7	26.5	41.1	54.5	29.9	11.1	4.4
Liquefied hydrocarbons	0.08	11.5	7.6	-0.3	-2.2	0.6	-2.9	-1.6	2.3	-0.4	-3.5	-4.7	-0.5	-1.7	-2.6
Liquid fuels	1.19	45.1	-11.8	1.6	6.3	-12.5	-5.9	-12.9	-7.6	-2.8	-6.0	-8.8	-12.9	-12.9	-12.9
Solid fuels	0.19	11.0	21.2	0.4	-1.5	-3.8	-3.2	-3.7	-3.4	-4.2	-2.6	-2.9	-3.8	-3.9	-3.4
Fuels for personal transport equipment	3.60	25.5	-7.8	-2.7	-6.4	-5.3	-2.9	-9.1	-2.2	0.6	-2.1	-7.1	-10.6	-10.6	-6.2

Sources: ELSTAT and Bank of Greece computations.

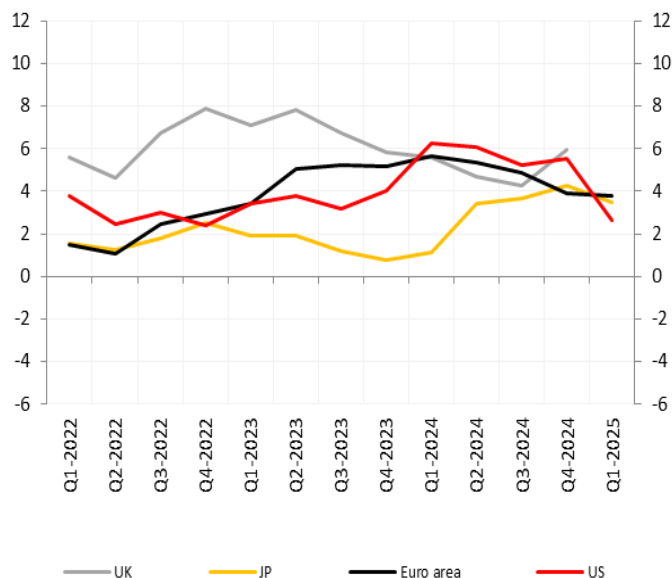
## Section 2: Labour market developments

- Labour market tightness in the euro area is slowly easing.
- Although nominal wage growth in the euro area has slowed, it remains elevated.

### Compensation per employee – major regions globally

(y-o-y % change; sa)

*Growth in compensation per employee moderated in major advanced economies, except for the UK.*

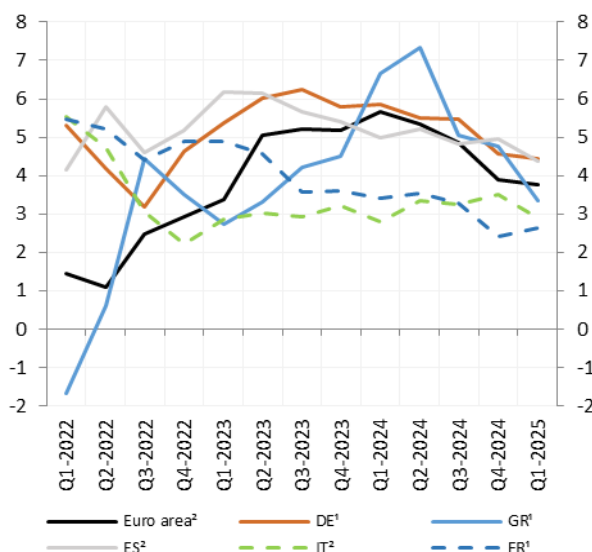


Sources: OECD and ECB. Latest observation: 2025:Q1 except for the UK, 2024:Q4.

### Compensation per employee – selected euro area countries

(y-o-y % change; sa)

*Compensation per employee growth has eased recently in major euro area countries, except for France where it increased slightly. In Greece, compensation per employee has contracted further.*

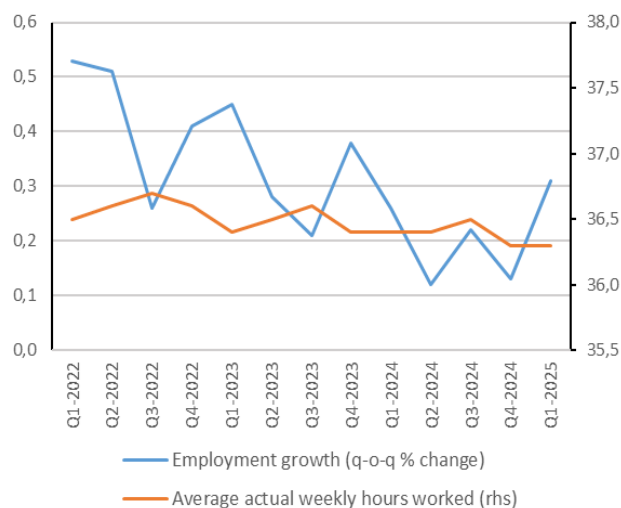


Sources: ECB. Latest observation: 2025:Q1.

Note: 1 data are not calendar adjusted, 2 are calendar adjusted

### Employment and hours worked – euro area

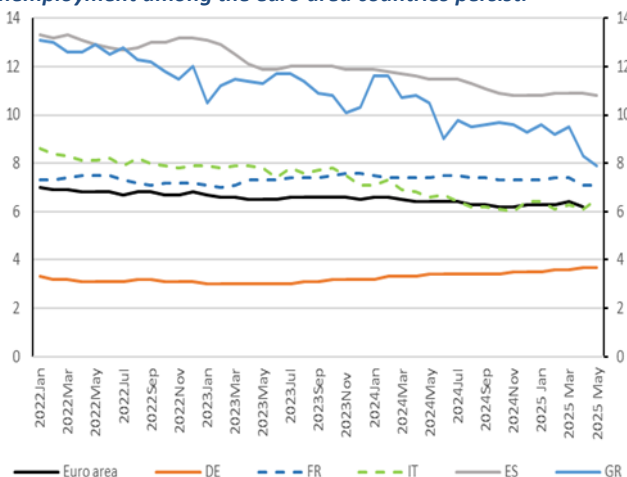
*Employment growth is on a volatile but easing path.*



Source: Eurostat. Latest observation: 2025:Q1.

### Unemployment rate – selected euro area countries (%)

*In May 2025, the unemployment rate in the euro area ticked up to 6.3% (+0.1pp). Unemployment in Greece has declined further, falling below 8% for the first time since 2008. Notable differences in the rates of unemployment among the euro area countries persist.*



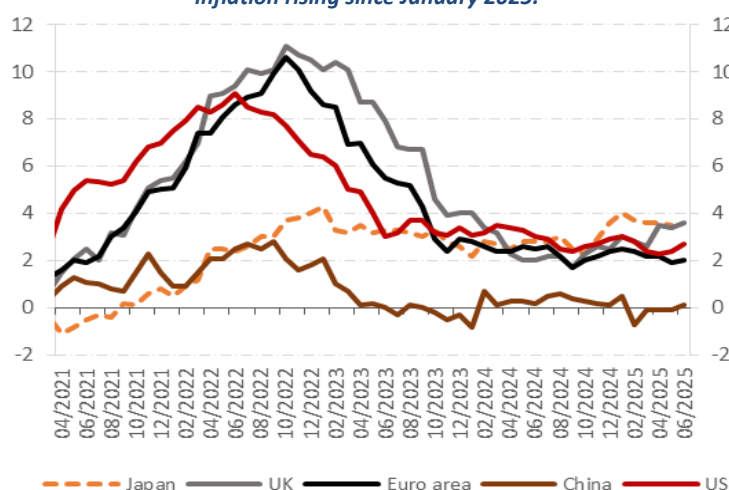
Source: Eurostat. Latest observation: May 2025.

### Section 3: Global prices

- Inflation data for May and June 2025 indicate that the major economies are experiencing a plateau, underscoring persistent challenges in some of them to achieve price stability.
- Energy and metal commodity prices have been highly volatile since mid-June due to countervailing influences. Upward pressures from geopolitical tensions in the Middle East and the associated risk of supply disruptions in the second half of June have been effectively counterbalanced in early July by ample global supply and softening economic demand. A decrease in agricultural commodity prices reflects a well-supplied market.
- For more than two years, the transportation costs have been hovering at relatively high levels due to the attacks on vessels in the Red Sea/Gulf of Aden by Houthi rebels that led several containership companies to suspend transit through that region. Despite the recent increase in the freight rates and the voyage time, there are already signs of moderation supported by increasing vessel availability.

#### Headline consumer price inflation (annual % change)

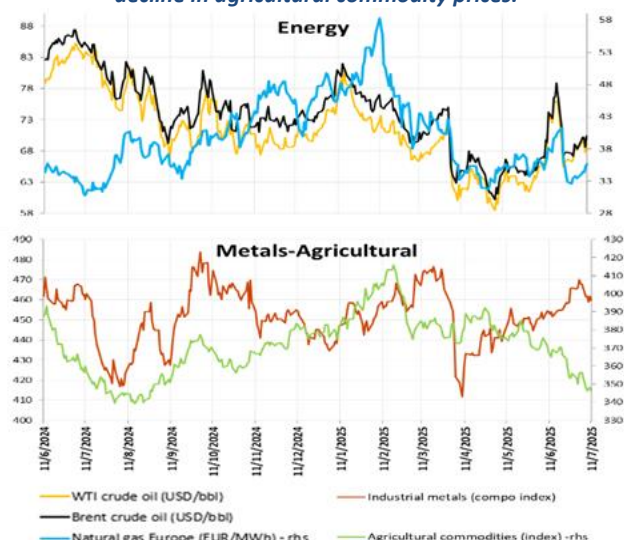
The global inflation landscape indicates that certain major economies have reached a plateau in their progress toward price stability. Concurrently, China's deflationary trend has been reversed, with inflation rising since January 2025.



Sources: OECD, Eurostat, UK ONS. Latest observation June 2025 except for Japan, May 2025.

#### Daily commodity prices

Energy and metal commodity prices exhibited significant volatility last month, marked by a surge due to escalating Middle East tensions and subsequent correction. Conversely, strong global supplies led to a decline in agricultural commodity prices.

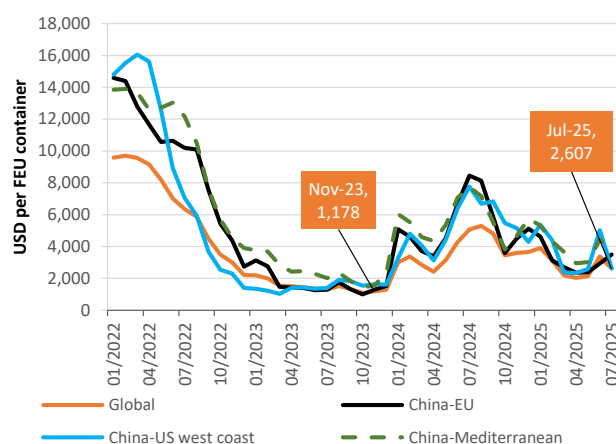


Source: LSEG. Latest observation: 11.7.2025.

Note: S&P Goldman Sachs Commodity spot price indices for industrial metals and agricultural commodities.

#### Containers transportation cost – Freightos Index

Global sea transportation costs started to show signs of moderation supported by an increasing vessel availability.

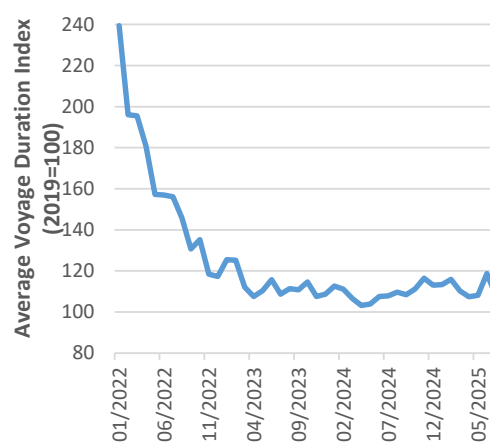


Sources: Freightos and LSEG. Latest observation: 15.07.2025.

Notes: Freightos Baltic Indices reflect the ocean container transport spot freight rates (port to port) for a standard forty-foot container (FEU). Monthly average of daily data.

#### China-US West Coast containership voyage time

The average voyage time has broadly declined to its pre-pandemic level.



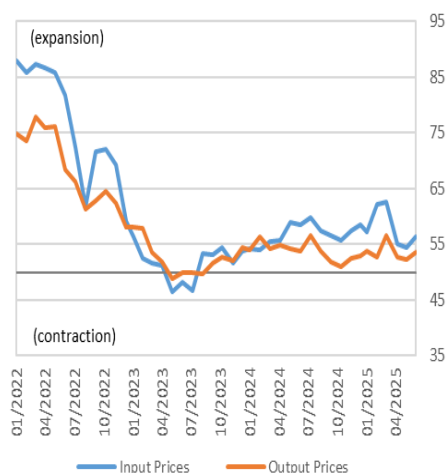
Source: Clarkson Research Services. Bank of Greece's calculations. Latest observation: 15.07.2025

### Section 4: Leading price indicators for the Greek economy

- *The June PMI pointed to higher inflationary pressures in the Greek manufacturing sector, as input prices rose at the steepest rate for three months due to higher energy and food prices. Selling prices also increased, as firms sought to pass-through higher costs to customers.*
- *June leading price indicators point to higher inflation expectations in all business sectors, except for the manufacturing sector.*

#### PMI input and output prices in Greek manufacturing

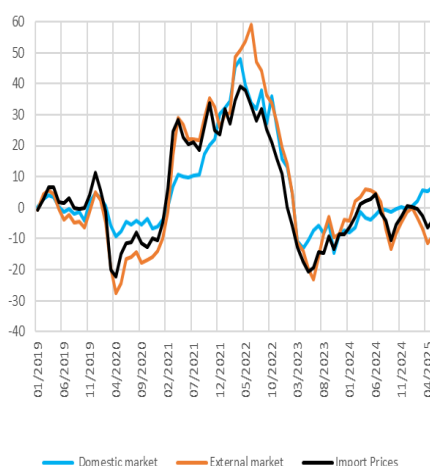
*Input and output prices increased at an accelerating pace in June 2025...*



Source: S&P Global. Latest observation: June 2025.

#### Producer Price Index and import prices in Greece (annual % change)

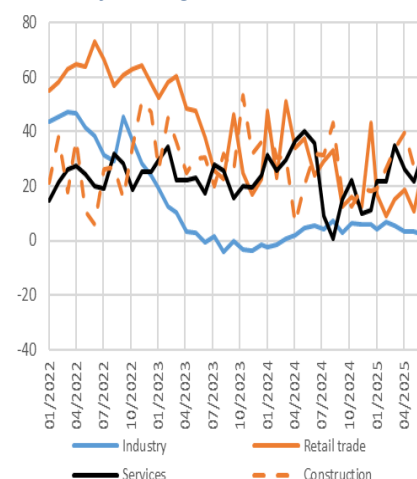
*.....while producer prices show a mixed picture.*



Source: ELSTAT. Latest observation: May 2025.

#### Selling price expectations in business sectors in Greece (for the next 3 months)

*Selling price expectations increased across all business sectors, except for the manufacturing sector, in June 2025.*



Source: European Commission. Latest observation: June 2025.

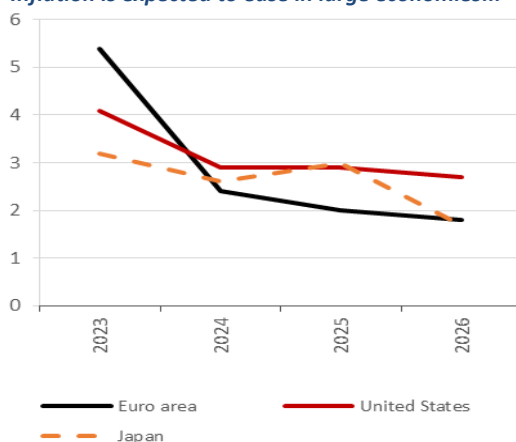
Note: Data is obtained from the closed-ended question about expectations of inflation over the next 3 months. The chart shows the net balances i.e. the share of consumers expecting higher inflation minus the share of consumers expecting lower inflation.

### Section 5: Inflation expectations

- *Professionals' inflation expectations: According to Consensus Forecasts released in July, inflation expectations for 2025 and 2026 remained stable for the euro area at 2.0% and 1.8% but marginally decreased to 2.9% and 2.7% for the US.*

#### Inflation expectations

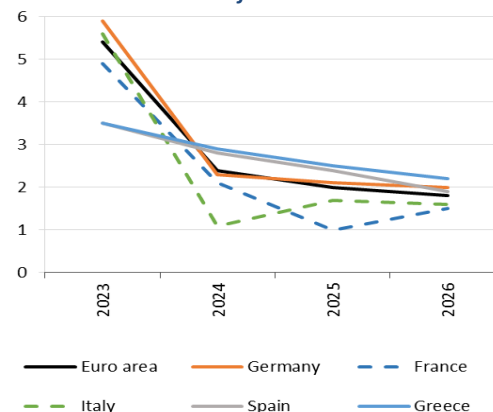
*Inflation is expected to ease in large economies...*



Source: Consensus Forecasts (July 2025).

#### Inflation expectations

*...including euro area countries, although discrepancies persist at the level of the rates.*



Source: Consensus Forecasts (July 2025).

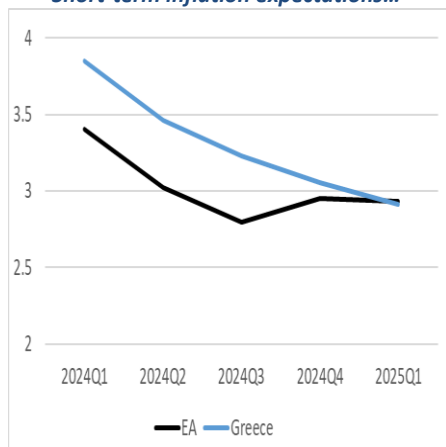


- Firms' inflation expectations:** Firms' median one year ahead inflation expectations in Greece decreased to 2.9% in 2025 Q1 from 3.1% in 2024Q4 and in the euro area to 2.9% from 3% over the same period. Firms' median three year ahead inflation expectations in Greece decreased to 2.7% in 2025 Q1 from 2.9% in 2024Q4 whereas in the euro area remained stable at 3.0%. Firms' median five years ahead inflation expectations in Greece increased to 2.5% in 2025 Q1 from 2.1% in 2024Q4, whereas in the euro area remained stable at 3.0%.

## Inflation expectations

## 12 months ahead

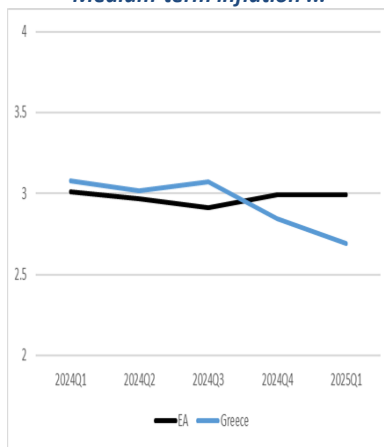
Short-term inflation expectations...



## Inflation expectations

## 3 years ahead

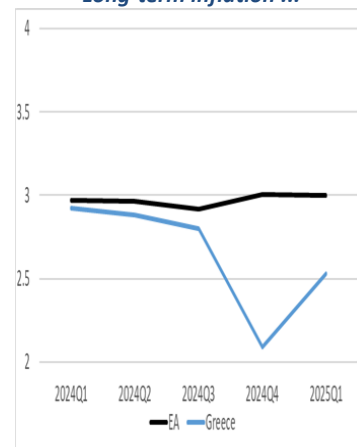
Medium-term inflation ...



## Inflation expectations

## 5 years ahead

Long-term inflation ...



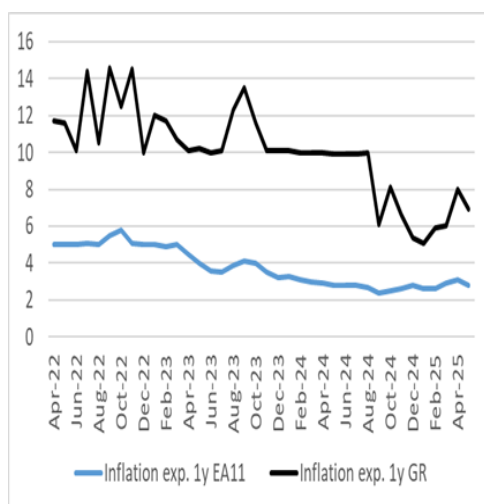
Source: ECB Survey on the Access to Finance of Enterprises (SAFE).

Note: Survey weighted median. Median is computed by linear interpolation of the mid-distribution function. The statistics are computed after trimming the data at the country-specific 1<sup>st</sup> and 99<sup>th</sup> percentiles. The data included in the chart refers to questions 31\_a, 31\_b and 31\_c of the survey regarding firms' inflation expectations one year ahead, three years ahead and five years ahead. All enterprises in the sample are included. The chart refers to survey rounds 30 to 34 (2024Q1 to 2025Q1).

- Consumers' inflation expectations:** The ECB's Consumer Expectations Survey (CES) shows that in May median inflation expectations over the next 12 months decreased in Greece and the euro area to 6.9% from 8% in April and to 2.8% from 3.1% respectively. Median inflation expectations three years ahead in Greece increased to 7.5% from 7% in the previous month whereas in the euro area they remained broadly stable at 2.4%. Median inflation expectations five years ahead remained broadly stable in Greece at 5% and at 2.1% in the euro area.

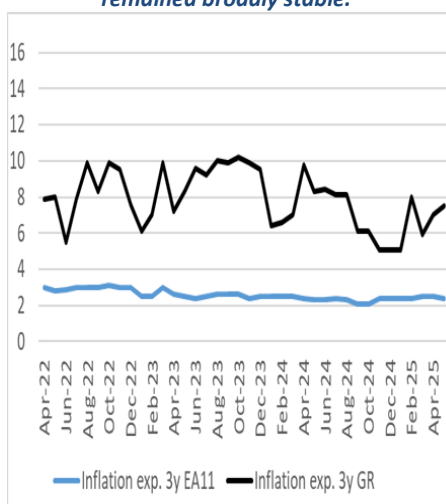
## Inflation expectations 12 months ahead and inflation uncertainty

Short-term inflation expectations in Greece and in the EA decreased in May 2025.



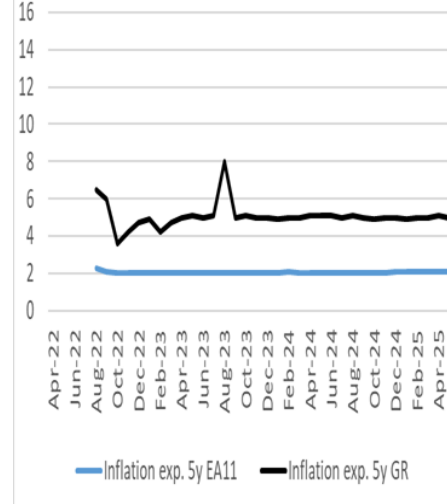
## Inflation expectations 3 years ahead

Medium-term inflation expectations in Greece increased whereas in the EA remained broadly stable.



## Inflation expectations 5 years ahead

Long-term inflation expectations in Greece and in the EA remained stable.



Source: ECB Consumer Expectations Survey (CES).

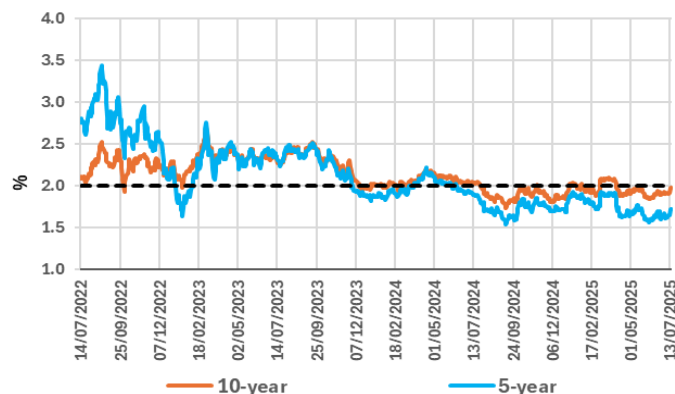
Note: Using weighted data. Median short-term inflation expectations are obtained from the open-ended question about individuals' expectations of changes in prices in general over the next 12 months, between 2 and 3 years between 4 and 5 years respectively. The sample period is from August 2022 to May 2025.

**Financial markets' inflation expectations:**

- *Market-based inflation expectations over the medium-term rose somewhat for the euro area, and increased significantly in the US. Currently, medium-term breakeven inflation is below 2% in the euro area and higher than 2% in the US (on 15.7.2025 vs. 13.6.2025, 5-year breakeven inflation rates: EA: 1.72%, +7 bps; US: 2.50%, +17 bps; 10-year breakeven inflation rates: EA: 1.97%, +7 bps; US: 2.42%, +11 bps).*
- *Over the short-term horizon (2-year), market-based inflation expectations fell in the euro area and rose in the US (on 15.7.2025 vs. 13.6.2025, EA-2Y inflation linked-swap rate: 1.72% -14 bps, US-2Y inflation linked-swap rate: 2.88% +24 bps).*
- *Real yields rose in the EA and retreated in the US across all horizons (on 15.7.2025 vs 13.6.2025: EA-2y: 0.15%, +15 bps, EA-5y: 0.55%, +6 bps, EA-10y: 0.74%, +11 bps; US-2y: 1.08%, -24 bps, US-5y: 1.55%, -14 bps, US-10y: 2.07%, -5 bps).*

**Euro-area breakeven inflation rates**

*Market-based expectations for euro-area inflation, over a medium- to long-term horizon rose mildly over the last month, being somewhat below the medium-term target level of 2%.*

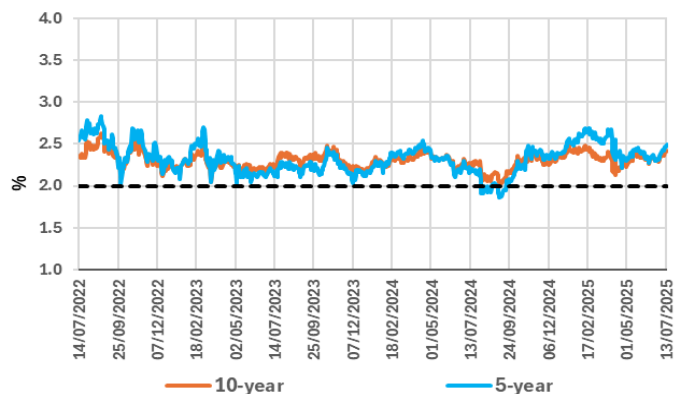


Sources: LSEG, Bank of Greece. Latest observation: 15.7.2025.

Note: The chart illustrates daily developments in the yield differential between nominal and inflation-linked EA benchmark bonds with a maturity of 5 (blue line) and 10 (orange line) years.

**US breakeven inflation rates**

*Market-based expectations for US inflation rose since last month, remaining above the 2% inflation target.*



Sources: LSEG, Bank of Greece. Latest observation: 15.7.2025.

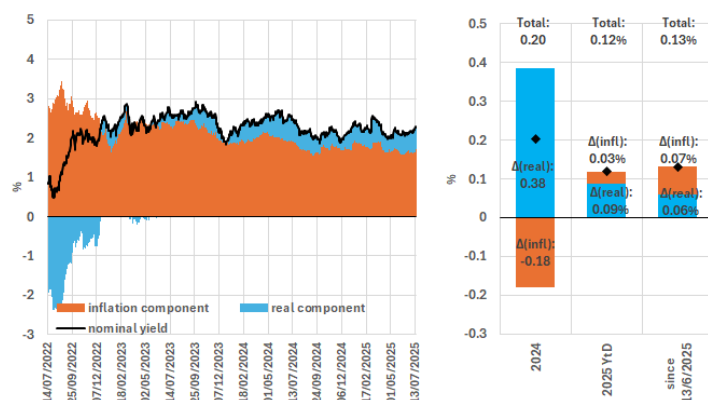
Note: The chart illustrates daily developments in the yield differential between nominal and inflation-linked US Treasury bonds with a maturity of 5 (blue line) and 10 (orange line) years.

**Euro area: Decomposition of nominal 5y yields into real yield and inflation component**

*In the EA, nominal yields rose somewhat in the past month, driven by higher real yields (i.e. inflation-linked bond yields which compensate investors for inflation), and by a higher inflation component.*

Left graph: levels (%)

Right graph: changes (pp)



Sources: LSEG, Bank of Greece. Latest observation: 15.7.2025.

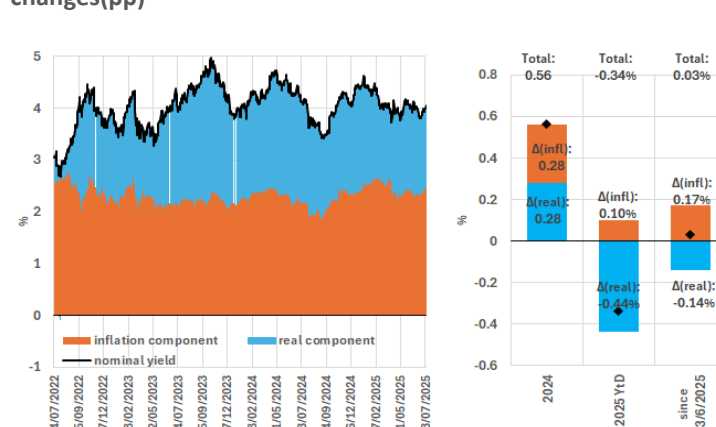
Note: The chart shows the decomposition of the 5-year EA benchmark bond yield (black line) into its real (blue bars) and inflation-linked (orange bars) components. The inflation component is the breakeven inflation rate and the real component is the yield of the bond that compensates bondholders for inflation (i.e. the 5-year German inflation-linked federal bond).

**US: Decomposition of nominal 5y yields into real yield and inflation component**

*In the US, nominal yields on medium-term bonds rose during the past month, driven by the inflation component, while real (i.e. inflation-adjusted) yields fell.*

Left graph: levels (%)  
changes(pp)

Right graph:



Sources: LSEG, Bank of Greece. Latest observation: 15.7.2025.

Note: The chart shows the decomposition of the 5-year US Treasury bond yield (black line) into its real (blue bars) and inflation-linked (orange bars) components. The inflation component is the breakeven inflation rate and the real component is the yield of the bond that compensates bondholders for inflation (i.e. the 5-year US Treasury Inflation-Protected Security).

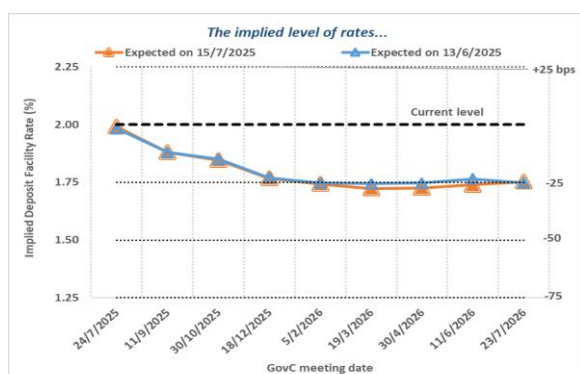


## Section 6: Policy interest rates expectations

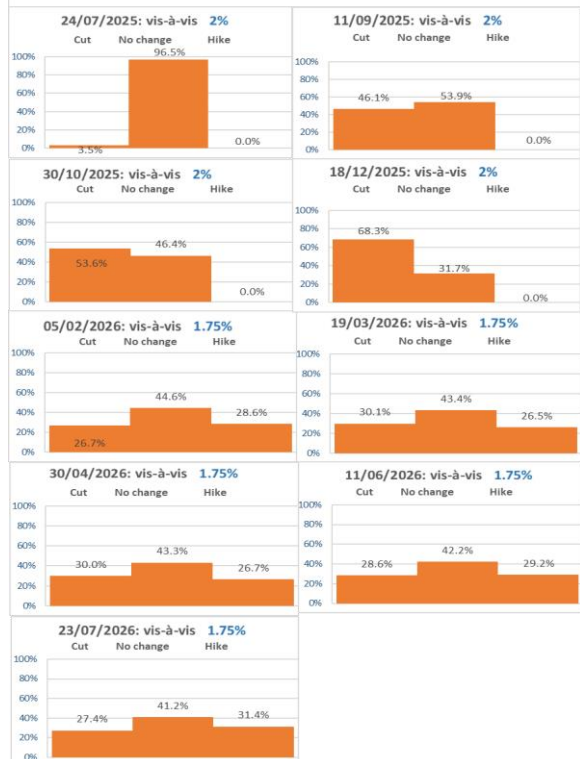
- The ECB has cut its policy rates by a total of 100 bps in 2025 to date, following four rate cuts in 2024 that also amounted to 100 bps. Markets expect with near certainty that the ECB will not change its rates at the next GovC meeting in July. Markets expect a 25 bps rate cut by the ECB in December with 68% probability, after which rates are expected to stabilize.
- The Fed left the Fed funds rate (FFR) unchanged in 2025 to date, after having cut its rate three times in 2024 by a total of 75 bps. The Fed is expected with near certainty to keep rates unchanged at the next FOMC meeting in July. A 25 bps rate cut is seen as likely in either September or October, while one month ago markets saw as likely a cut in September. A second 25 bps rate cut is expected in December, however with a lower probability compared to one month ago amid a higher-than-expected US headline CPI June figure (62% now vs. 77% one month ago).

## Short-term rates in the euro area

The outlook for ECB rates has been highly volatile amid uncertainty over US trade policy. Currently, markets expect one more rate cut until the end of 2025, after which rates are expected to stabilize.

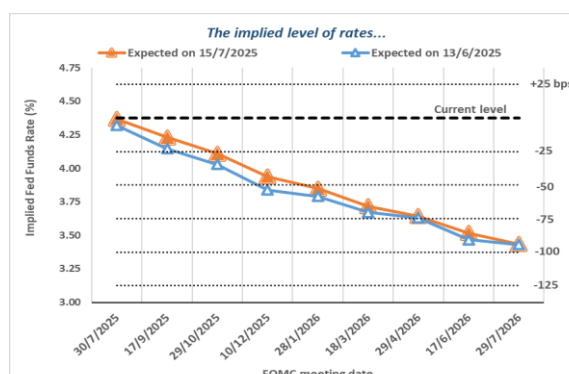


...the likelihood of moves per GovC meeting vis-à-vis the central probability for the rate at the previous meeting

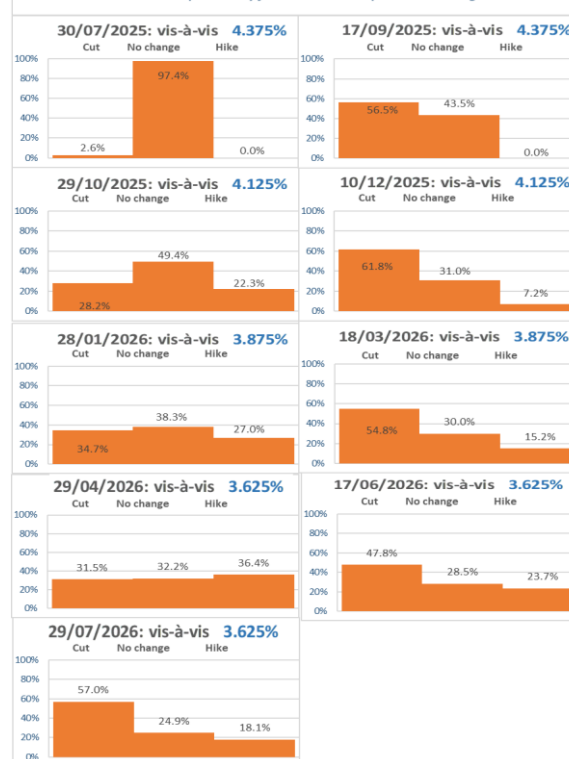


## Short-term rates in the US

The outlook for the Fed funds rate has seen significant volatility amid ongoing uncertainty over US tariffs. At present, markets expect two rate cuts until the end of 2025.



...and the likelihood of moves per FOMC meeting vis-à-vis the central probability for the rate at the previous meeting



Sources: LSEG. Latest observation: 15.7.2025.

**Notes: Upper charts:** The orange line shows the most recent expectation about the level of the policy rate (ECB: Deposit Facility Rate, Fed: Fed funds rate), as implied by the OIS rates' yield curve (ECB) or the pricing in futures contracts (Fed) for each meeting from today until December 2025. The blue line shows the expectation one month ago and the blue dotted line the expectation three months ago. The horizontal axis shows the date of each meeting. The dashed lines show the present level of the policy rate and its expected level given the market's view about upcoming rate moves by the ECB (charts in the left) or the Fed (charts on the right). **Lower charts:** The bars show the level of likelihood (i.e. implied probabilities) for the event of a rate move (from left to right: cut, no change, hike). The graphs correspond to monetary policy meetings (GovC for the ECB and FOMC for the Fed) during 2025 and 2026 up to July. The probabilities for each move are calculated as the sum of the probabilities for rates lower, equal or higher, respectively, vis-à-vis the central probability for the rate at the previous meeting as inferred by the latest OIS yield curve (ECB) or futures contracts for different delivery dates (Fed).

## Section 7: Eurosystem's latest published inflation projections (June 2025)

Euro area

- The disinflation process will be intensified, and headline inflation will temporarily fall below the target, driven by energy price developments. Headline HICP inflation is projected to decline in the course of 2025 and to reach a trough of 1.4% in the first quarter of 2026 before recovering to 2.0% in 2027. The decline in headline inflation over 2025-26 is seen to be driven in part by negative energy inflation. Energy inflation is expected to remain negative until 2027 when new climate change mitigation measures (namely the EU Emissions Trading System 2 – ETS2) come into effect. Food inflation is expected to fall further to rates slightly above 2% in 2027.
- HICP inflation excluding energy and food (HICPX) is expected to decline, driven by the services component, as the effects of past price increases for some items fade out, wage pressures recede, and lower energy prices feed through the pricing chain.
- Wage growth should continue to follow its downward path, as pressures to recoup past real wage losses fade. Coupled with a recovery in productivity growth, this is expected to lead to significantly slower unit labour cost growth.

Greece

- HICP inflation will continue to decelerate over the forecast period. In 2025, it is expected to remain high at 2.5%, reflecting the persistence of services inflation, mainly due to expected increases in wages and rents, pressures from high tourism demand and increases in indirect taxes. In 2026, inflation will decline to 2.1%, while in 2027, a one-off acceleration to 2.4% is expected, due to the incorporation of the impact of the emissions trading system into the energy component of the HICP.
- Core inflation (HICP excluding energy and food) is at high levels, showing a significant deviation from the euro area. It is expected to decline to 2.2% by 2027, reflecting mainly the easing of non-energy industrial goods inflation.
- In view of data releases after the completion of the June exercise, the projected inflation rate for 2025 may be revised upwards to some extent.

## Macroeconomic projections, June 2025

Euro area

	HICP	HICP ex energy and food	HICP energy	Comp. per employee	Productivity	ULC
Rate of changes						
2025	2.0	2.4	-2.3	3.2	0.4	2.8
2026	1.6	1.9	-2.1	2.8	0.7	2.1
2027	2.0	1.9	2.7	2.8	0.8	2.0

Greece

	HICP	HICP ex energy and food	HICP energy	Comp. per employee	Productivity	ULC
Rate of changes						
2025	2.5	3.6	-2.0	5.5	0.8	4.6
2026	2.1	2.4	-0.4	4.8	0.7	4.1
2027	2.4	2.2	5.1	4.3	0.9	3.3

## Table of news and statements on inflation (period: 9/5/2025-13/6/2025)

## Statements by central bankers and other officials

- **11.7.2025: ECB Executive Board Member I. Schnabel, Interview with Econostream Media:** “Disinflation is proceeding broadly as expected, even if services inflation and food inflation remain somewhat elevated. We are now close to having successfully tackled past inflation shocks, which is good news. Over the medium term, inflation is projected to be at 2% and inflation expectations are well anchored. In view of this, our interest rates are also in a good place, and the bar for another rate cut is very high. [...]”
- **09.07.2025: ECB Executive Board Member P. Lane, Remarks at the House of the Euro:** “[...] Guarding against the risk of temporary deviations from target turning into longer-term deviations was an important factor in our June decision to cut rates by 25 basis points. By supporting the pricing pressure needed to generate target-consistent inflation in the medium term, this cut helps ensure that the projected negative inflation deviation over the next eighteen months remains temporary and does not convert into a longer-term deviation of inflation from the target. [...]”
- **24.06.2025: Fed Chair J. Powell in the [Semiannual Monetary Policy Report to the Congress](#):** “for the time being, we are well positioned to wait to learn more about the likely course of the economy before considering any adjustments to our policy stance.[...]”
- **23.6.2025: ECB President C. Lagarde, Hearing of the Committee on Economic and Monetary Affairs of the European Parliament:** “[...] With inflation set to stabilise around our 2% target on a sustained basis, earlier this month the Governing Council decided to lower the key interest rates again, by 25 basis points. At the current interest rate levels, we believe that we are in a good position to navigate the uncertain circumstances [...].”
- **18.06.2025: FOMC meeting statement:** “Although swings in net exports have affected the data, recent indicators suggest that economic activity has continued to expand at a solid pace. The unemployment rate remains low, and labor market conditions remain solid. Inflation remains somewhat elevated. The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. Uncertainty about the economic outlook has diminished but remains elevated. [...]”. In [Minutes of the FOMC meeting](#) released on **09.07.2025**, it was revealed that “[...] while a few participants noted that tariffs would lead to a one-time increase in prices and would not affect longer-term inflation expectations, most participants noted the risk that tariffs could have more persistent effects on inflation, and some highlighted the fact that such persistence could also affect inflation expectations. [...]”

## Data releases

Date	Announcement	Actual	Expected*	Actual vs Expected	Previous reading
16 June 2025	Italy CPI (%ΔYoY May Final)	1.6%	1.7%	-0.1%	1.7%
16 June 2025	Italy HICP (%ΔYoY May Final)	1.7%	1.9%	-0.2%	1.9%
17 June 2025	United States Import Prices (%ΔYoY May )	0.2%		--	0.1%
18 June 2025	EZ HICP (%ΔYoY May Final)	1.9%	1.9%	0.0%	1.9%
18 June 2025	EZ HICP exc. Food, Energy, Alcohol & Tob. (%ΔYoY May Final)	2.3%	2.3%	0.0%	2.3%
20 June 2025	Germany PPI (%ΔYoY May )	-1.2%	-1.2%	0.0%	-0.9%
27 June 2025	France HICP (%ΔYoY Jun Preliminary)	0.8%	0.7%	0.1%	0.6%
27 June 2025	France CPI (%ΔYoY Jun Preliminary)	0.9%	0.7%	0.2%	0.7%
27 June 2025	United States Core PCE (%ΔYoY May )	2.7%	2.6%	0.1%	2.6%
27 June 2025	United States PCE (%ΔYoY May )	2.3%	2.3%	0.0%	2.2%
30 June 2025	Germany Import Prices (%ΔYoY May )	-1.1%	-0.8%	-0.3%	-0.4%
30 June 2025	Italy CPI (%ΔYoY Jun Preliminary)	1.7%	1.7%	0.0%	1.6%
30 June 2025	Italy HICP (%ΔYoY Jun Preliminary)	1.7%	1.8%	-0.1%	1.7%
30 June 2025	Germany CPI (%ΔYoY Jun Preliminary)	2.0%	2.2%	-0.2%	2.1%
1 July 2025	Euro Zone HICP (%ΔYoY Jun Flash)	2.0%	2.0%	0.0%	1.9%
1 July 2025	EZ HICP exc. Food, Energy, Alcohol & Tob. (%ΔYoY Jun Flash)	2.3%	2.3%	0.0%	2.3%
4 July 2025	Euro Zone PPI (%ΔYoY May )	0.3%	0.3%	0.0%	0.7%
9 July 2025	Greece HICP (%ΔYoY Jun )	3.6%	--	--	3.3%
9 July 2025	Greece CPI (%ΔYoY Jun )	2.8%	--	--	2.5%
10 July 2025	Germany CPI (%ΔYoY Jun Final)	2.0%	2.0%	0.0%	2.0%
10 July 2025	Germany HICP (%ΔYoY Jun Final)	2.0%	2.0%	0.0%	2.0%
11 July 2025	France HICP (%ΔYoY Jun Final)	0.9%	0.8%	0.1%	0.8%
11 July 2025	France CPI (%ΔYoY Jun )	1.0%	0.9%	0.1%	0.9%
15 July 2025	United States Core CPI (%ΔYoY Jun )	2.9%	3.0%	-0.1%	2.8%
15 July 2025	United States CPI (%ΔYoY Jun )	2.7%	2.6%	0.1%	2.4%
16 July 2025	Italy CPI (%ΔYoY Jun Final)	1.7%	1.7%	0.0%	1.7%
16 July 2025	Italy HICP (%ΔYoY Jun Final)	1.8%	1.7%	0.1%	1.7%
17 July 2025	Euro Zone HICP (%ΔYoY Jun Final)	2.0%	2.0%	0.0%	2.0%
17 July 2025	EZ HICP exc. Food, Energy, Alcohol & Tob. (%ΔYoY Jun Final)	2.3%	2.3%	0.0%	2.3%
17 July 2025	United States Import Prices (%ΔYoY Jun )	-0.2%	--	--	-0.2%

Source: LSEG. \*Expected figures are based on opinion polls among financial sector experts.

### *Disclaimer*

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