



INFLATION MONITOR

September 15, 2025

Economic Analysis and Research Department

Macroeconomic indicators:

• Inflation

- Euro area: HICP headline inflation picked up slightly to 2.1% in August 2025 from 2.0% in June and July. The marginal increase in unprocessed food inflation together with a less negative energy inflation were partially offset by the decline in processed food and services inflation. Core inflation (HICP excluding energy and food) remained unchanged at 2.3% for the fourth consecutive month.
- US: CPI inflation increased to 2.9% in August, the highest since January 2025, from 2.7% in both June and July, while core CPI inflation remained steady at 3.1%, the same as in July, a five-month high.
- Greece: HICP headline inflation declined to 3.1% in August 2025 (after peaking at 3.7% in July), due to decline in all its components. Similarly, core inflation, after peaking at 4.3% in July, dropped to 3.9% in August, due to both its components, services and non-energy industrial goods. The inflation differentials for both headline and core inflation between Greece and the EA shrunk significantly in August, although they remain sizeable.
- New Eurosystem's projections: HICP inflation in Greece is projected at 3.1% and 2.6% in 2025 and 2026 respectively, significantly revised up due to higher than expected services inflation and food inflation, while for the EA it is marginally increased to 2.1% and 1.7% respectively.
- **Labour markets developments**: Compensation per employee growth has been moderating in major euro area countries. In Greece, deceleration continues bringing growth rate close to that of its EA peers. Labor market tightness in the EA has eased from its peak, but it remains a key factor explaining persistent services inflation.
- **Commodity prices**: Crude oil prices faced conflicting pressures, resulting in volatility and a net decline by the end of August. Natural gas prices have been decreasing since mid-July 2025 due to improved supply conditions and high stock levels. Prices for industrial metals and agricultural commodities have been highly volatile.

Market-based indicators:

- **Euro area market-based expected inflation for a medium-term horizon stands firmly at levels below 2%**, falling somewhat over the previous two months. **In the US**, market-based expected inflation also edged lower, but **bond yields fell significantly**, driven by a fall in the real component amid weaker-than-expected labour market data.
- **Market expectations for ECB rates rose somewhat versus two months ago, while for US rates were significantly repriced downwards.**
 - The ECB has, so far in 2025, reduced rates by 100 bps. Markets expect no change in ECB rates in October and December 2025 (with around 90% and 80% probability, respectively), while two months ago a 25 bps rate cut was expected in December 2025 with 68% probability. Looking further ahead, markets assign a somewhat higher probability to rates remaining unchanged (around 60%) than of a 25 bps cut by mid-2026.
 - The Fed has kept the Fed funds rate (FFR) unchanged in 2025 to date. Expectations for Fed policy rates moved lower after weaker-than-expected labour market data with markets now expecting three 25 bps rate cuts at each of the remaining FOMC meetings by year-end, versus a total of two cuts expected two months ago. Markets also anticipate further easing in 2026, with two more rate cuts expected up to mid-2026.

Key statements and news:

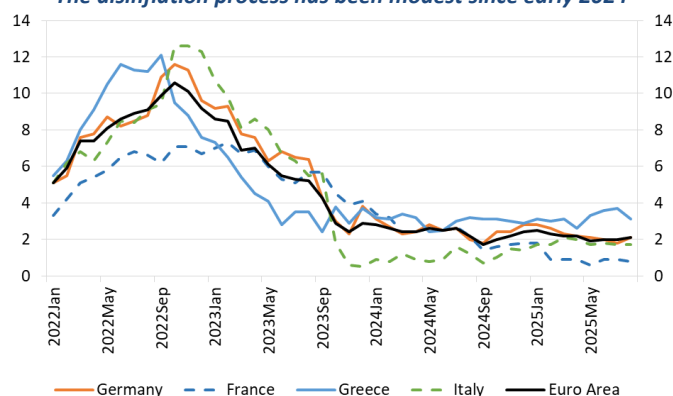
- On 11 September 2025, the ECB maintained its rates unchanged (DFR at 2%) for the second consecutive meeting, as the inflation rate continues to be “in a good place” and the medium-term inflation outlook is broadly unchanged.
- The FOMC has maintained the target rate for the FFR unchanged at 4.25-4.50% since the beginning of the year. On 22 August, Fed Chair J. Powell signaled in Jackson Hole that the shifting balance of risks may “warrant adjusting” the policy stance. The next FOMC meeting is scheduled for 16-17 September.

Section 1: HICP inflation developments

- Inflation in the euro area decelerated from 2.3% in 2025Q1 to 2.0% in 2025Q2. For the first eight months of 2025 it stands at 2.1%. Core inflation followed a similar pattern slowing to 2.4% in 2025Q2 from 2.6% in 2025Q1 and standing at 2.4% in the January-August 2025 period.
- In Greece, headline inflation de-escalated in August after the high rates of June and July. Core inflation remains elevated, exhibiting a sizeable and persistent positive difference to the euro area.

HICP Headline inflation for selected euro area countries (annual % changes)

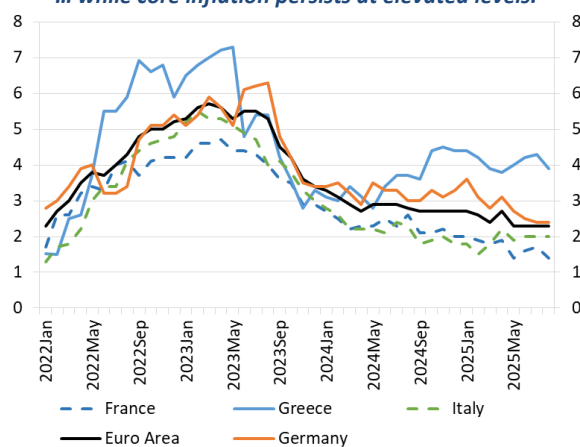
The disinflation process has been modest since early 2024



Source: Eurostat. Latest observation: August 2025.

Core inflation for selected euro area countries (HICP excluding energy & food) (annual % changes)

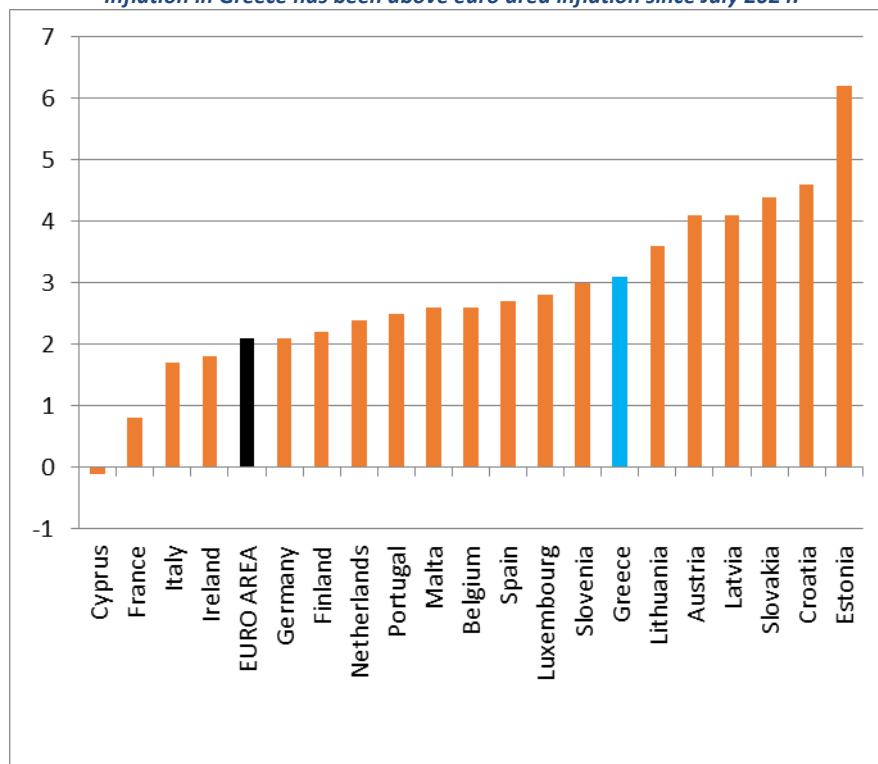
... while core inflation persists at elevated levels.



Source: Eurostat. Latest observation: August 2025.

HICP Headline inflation for the euro area countries – August 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 persists.

EURO AREA	2025 weights (%)	2022	2023	2024	2024		2025		2025							
					Q3	Q4	Q1	Q2	Feb	Mar	Apr	May	Jun	Jul	Aug	
Harmonised Index of Consumer Prices (HICP)																
Overall index	100.00	8.4	5.4	2.4	2.2	2.2	2.3	2.0	2.3	2.2	2.2	1.9	2.0	2.0	2.1	
Goods	54.37	11.9	5.7	1.1	0.6	0.8	1.2	0.8	1.2	1.1	0.7	0.8	0.9	1.1	1.2	
Processed food (including alcohol and tobacco)	15.04	8.6	11.4	3.2	2.7	2.8	2.6	2.7	2.6	2.6	2.4	2.9	2.6	2.7	2.6	
Unprocessed food	4.24	10.4	9.1	1.9	1.2	2.3	2.9	4.6	3.0	4.2	4.9	4.3	4.6	5.4	5.5	
Non-energy industrial goods	25.66	4.6	5.0	0.8	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.8	0.8	
Energy	9.43	37.0	-2.0	-2.2	-2.7	-2.2	0.4	-3.2	0.2	-1.0	-3.6	-3.6	-2.6	-2.4	-1.9	
Services	45.63	3.5	4.9	4.0	4.0	3.9	3.7	3.5	3.7	3.5	4.0	3.2	3.3	3.2	3.1	
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	2.6	2.4	2.7	2.3	2.3	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	3.0	3.1	2.6	3.3	3.6	3.7	3.1	
Goods	51.30	12.9	3.8	1.7	1.6	0.7	1.1	1.2	1.0	1.3	0.2	1.6	1.8	2.2	1.2	
Processed food (including alcohol and tobacco)	15.93	9.5	9.3	2.5	2.3	0.2	0.2	-0.1	0.5	0.5	-0.6	0.2	0.0	0.3	0.2	
Unprocessed food	7.00	10.1	11.1	3.4	1.7	1.1	2.2	8.0	0.2	5.7	7.2	9.0	7.8	10.4	7.4	
Non-energy industrial goods	20.06	5.0	6.4	1.7	1.4	1.8	1.2	1.0	1.4	0.8	0.4	1.4	1.3	1.3	1.0	
Energy	8.31	41.0	-13.4	-1.4	1.0	-1.1	1.5	-1.5	1.6	0.2	-4.7	-1.5	2.0	0.7	-1.9	
Services	48.70	4.5	4.5	4.4	4.7	5.6	5.3	5.3	5.3	5.1	5.3	5.2	5.4	5.2	4.9	
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	4.2	3.9	3.8	4.0	4.2	4.3	3.9	

Sources: Eurostat, ELSTAT and BoG calculations.

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

(annual % changes)

Energy price inflation oscillated in the first eight months of 2025; it stands at -0.1%.

GREECE	2025 weights (%)	2022	2023	2024	2024		2025		2025							
					Q3	Q4	Q1	Q2	Feb	Mar	Apr	May	Jun	Jul	Aug	
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	3.0	3.1	2.6	3.3	3.6	3.7	3.1	
ENERGY	8.31	41.0	-13.4	-1.4	1.0	-1.1	1.5	-1.5	1.6	0.2	-4.7	-1.5	2.0	0.7	-1.9	
Electricity	2.80	43.1	-15.0	0.5	6.4	9.2	7.6	15.1	6.7	10.4	4.7	18.0	23.1	18.9	7.7	
Natural gas and town gas	0.45	127.0	-49	-17.4	23.7	6.0	40.1	14.7	41.1	54.5	29.9	11.1	4.4	4.4	-2.0	
Liquefied hydrocarbons	0.08	11.5	7.6	-0.3	-2.2	0.6	-2.9	-1.6	-3.5	-4.7	-0.5	-1.7	-2.6	-3.3	-1.0	
Liquid fuels	1.19	45.1	-11.8	1.6	6.3	-12.5	-5.9	-12.9	-6.0	-8.8	-12.9	-12.9	-12.9	-12.9	-12.9	
Solid fuels	0.19	11.0	21.2	0.4	-1.5	-3.8	-3.2	-3.7	-2.6	-2.9	-3.8	-3.9	-3.4	-2.9	-3.1	
Fuels for personal transport equipment	3.60	25.5	-7.8	-2.7	-6.4	-5.3	-2.9	-9.1	-2.1	-7.1	-10.6	-10.6	-6.2	-6.9	-4.8	

Sources: ELSTAT and Bank of Greece computations.

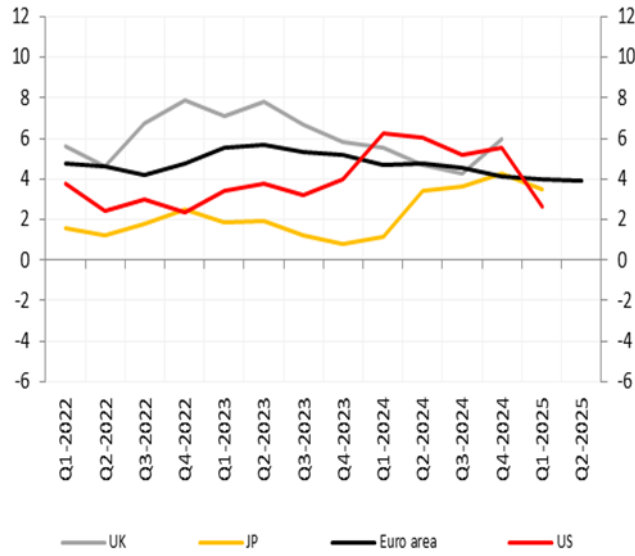
Section 2: Labour market developments

- Labour markets in major economies are generally showing signs of cooling.
- Wage growth has been moderating. Labor market tightness has eased from its peaks, but it remains a key factor explaining persistent services inflation.

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.

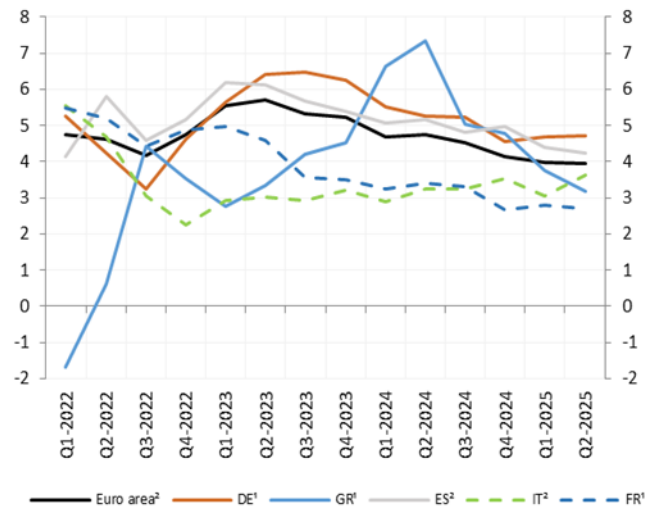


Sources: OECD and ECB. Latest observation: 2025:Q1 except for the EA, 2025:Q2 and the UK, 2024:Q4.

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 Italy where it increased. In Greece, contraction continues bringing growth rate close to that of its EA peers.

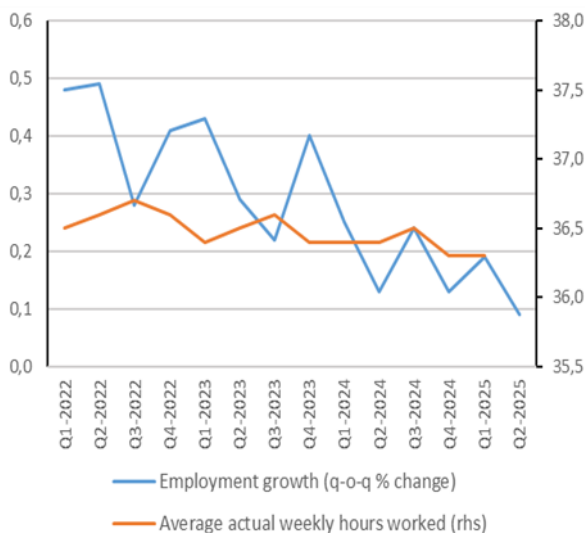


Sources: ECB. Latest observation: 2025:Q2.

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

Employment and hours worked – euro area

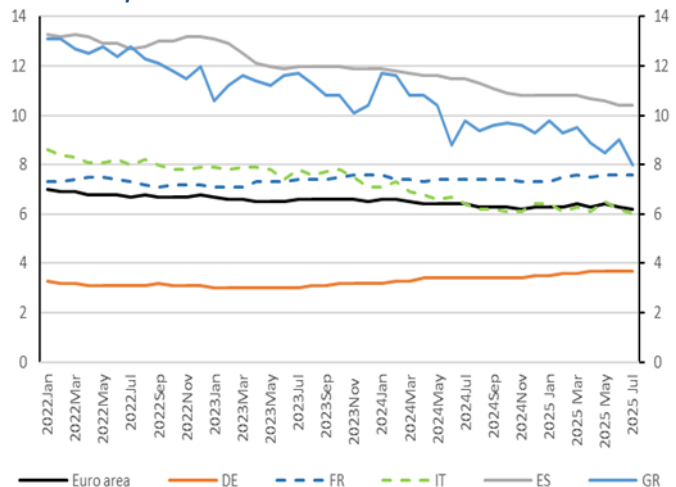
Employment growth is on a volatile but easing path.



Source: Eurostat. Latest observation: 2025:Q2.

Unemployment rate – selected euro area countries (%)

In July 2025, the unemployment rate in the euro area ticked down to 6.2% (-0.1pp, MoM). Unemployment in Greece has declined further, to 8%. Notable differences in the rates of unemployment among the euro area countries persist.



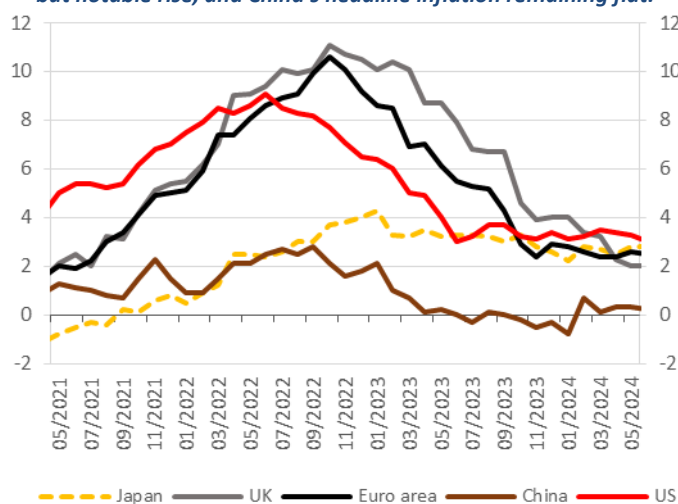
Source: Eurostat. Latest observation: July 2025.

Section 3: Global prices

- Inflation data from July and August 2025 reveals a divergent global landscape, with some major economies seeing inflation challenges persisting while others are approaching or have reached their inflation targets.
- Crude oil prices faced conflicting pressures, with geopolitical tensions and sanctions against Russia pushing prices up, while increased supply and demand concerns pushed them down, resulting in volatility and a net decline by the end of August. Natural gas prices depicted a downward trend since mid-July 2025 due to improved supply conditions and high stock levels. Prices for industrial metals and agricultural commodities have been highly volatile, with a slight overall upward movement observed.
- 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 increase in the freight rates and the voyage time in the first half of 2025, there are already signs of moderation since July 2025.

Headline consumer price inflation (annual % change)

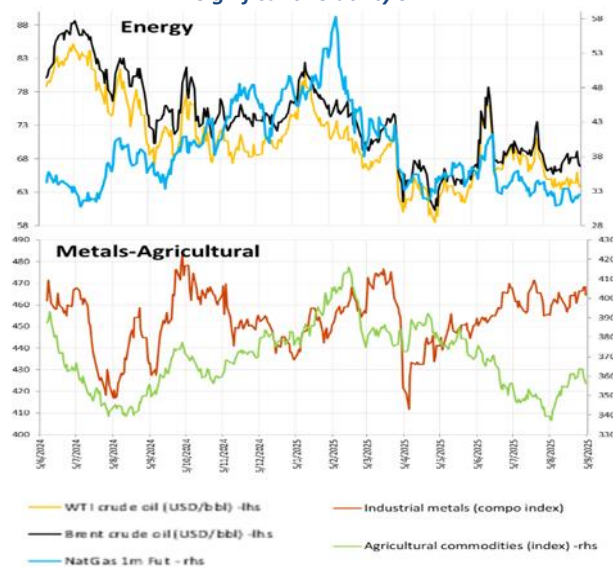
In July and August 2025, the global inflation landscape was divergent, with the Euro Area seeing inflation hovering at its 2% target, the US and Japan facing persistent inflation above their targets, the UK experiencing a modest but notable rise, and China's headline inflation remaining flat.



Sources: OECD, Eurostat, UK ONS. Latest observation July 2025 except for EA, August 2025.

Daily commodity prices

Strong global supplies and concerns about demand contributed to a net decline in energy commodity prices in the last two month while agricultural and metal commodity prices exhibited significant volatility s.

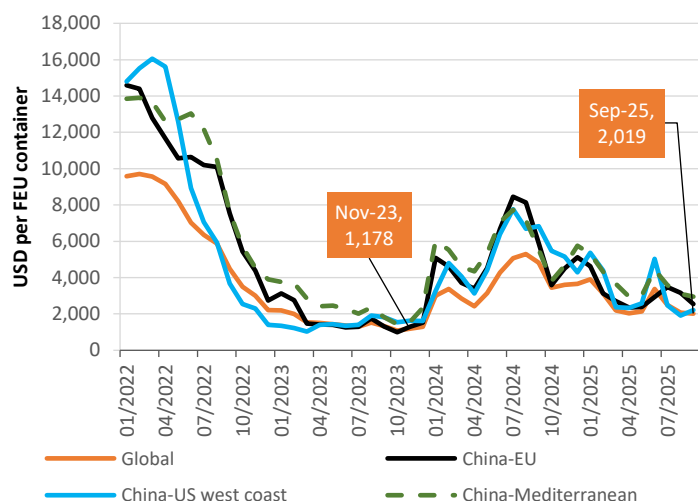


Source: LSEG. Latest observation: 5.9.2025.

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

Containers transportation cost – Freightos Index

Global sea transportation costs show signs of moderation since July 2025.

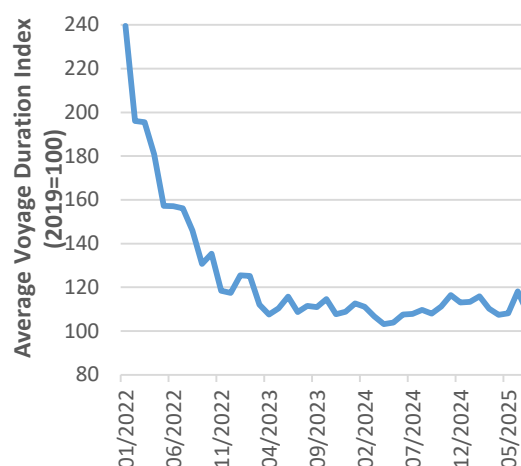


Sources: Freightos and LSEG. Latest observation: 10.09.2025.

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.



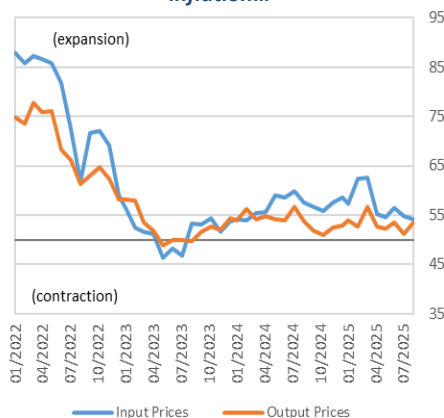
Source: Clarkson Research Services. Bank of Greece's calculations. Latest observation: 10.09.2025

Section 4: Leading price indicators for the Greek economy

- According to the August PMI, input price inflation in manufacturing softened to the weakest in a year-and-a-half, but more favourable demand conditions enabled Greek manufacturers to raise output charges at the fastest - but still slow- pace in five months.
- August leading price indicators point to lower inflation expectations in all business sectors.

PMI input and output prices in Greek manufacturing

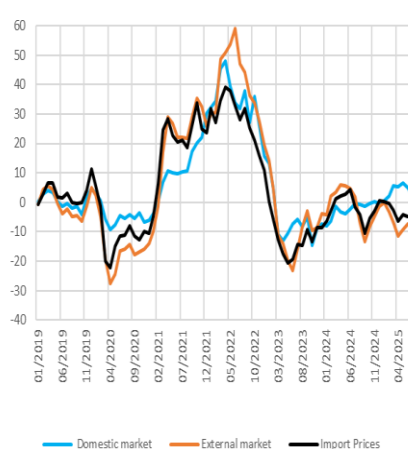
In August 2025, output prices increased at an accelerating pace despite subdued input cost inflation...



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

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

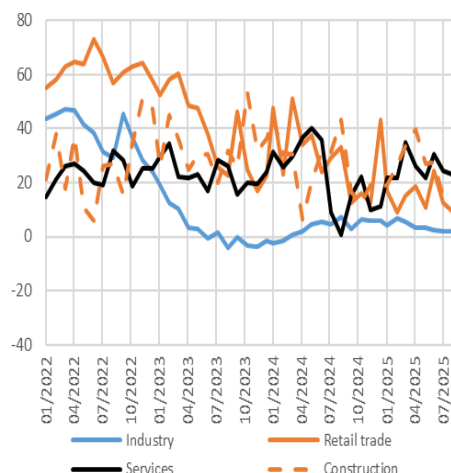
.....while producer prices show a mixed picture.



Source: ELSTAT. Latest observation: May 2025.

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

Selling price expectations declined across all business sectors in August 2025.



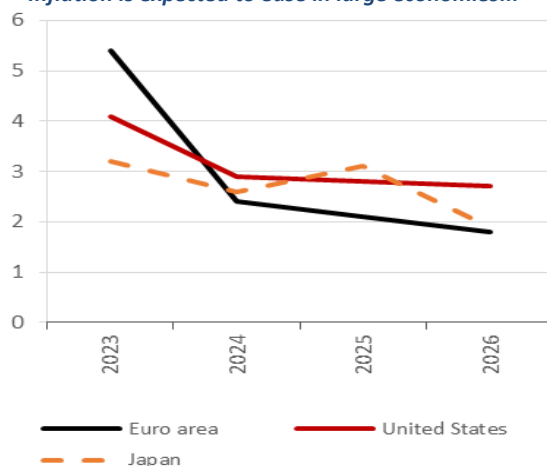
Source: European Commission. Latest observation: August 2025.

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

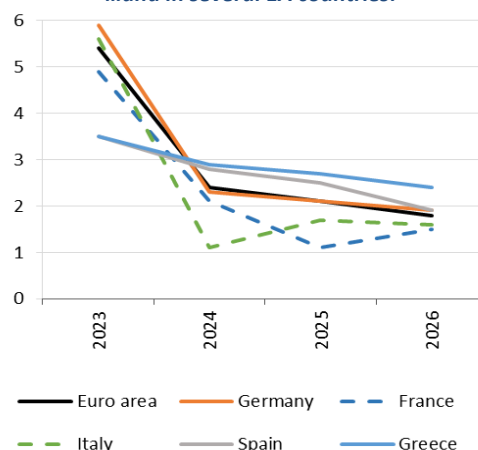
- **Professionals' inflation expectations:** According to Consensus Forecasts released in September, inflation expectations for 2025 and 2026 decreased for the EA to 2.1% and 1.8%, correcting after an opposing shift in August. For the US expectations remained unchanged at 2.8% and 2.7% for the same years.

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



Source: Consensus Forecasts (September 2025).

Inflation expectations *...and in several EA countries.*

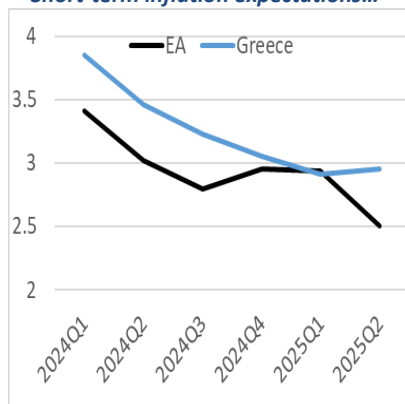


Source: Consensus Forecasts (September 2025).

- Firms' inflation expectations:** Firms' median one year ahead inflation expectations in Greece remained broadly stable at 3% in 2025 Q2 whereas in the euro area they decreased to 2.5% from 2.9% in the previous quarter. Three years ahead expectations remained broadly stable at 2.8% and 3% in Greece and in the euro area respectively while for five years ahead increased to 2.9% in 2025 Q2 from 2.5% in 2025Q1 in Greece , and remained stable at 3.0% in the euro area.

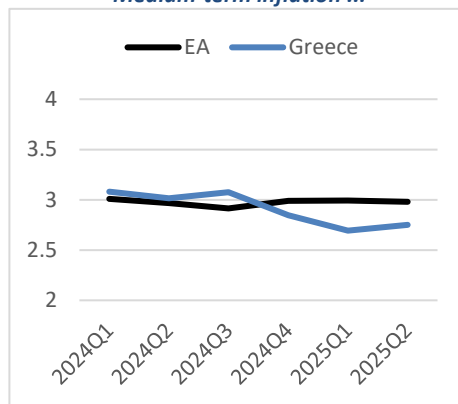
Inflation expectations 12 months ahead

Short-term inflation expectations...



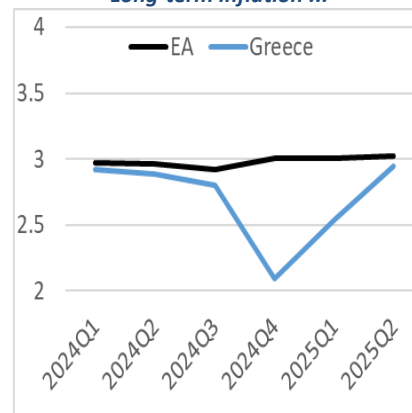
Inflation expectations 3 years ahead

Medium-term inflation ...



Inflation expectations 5 years ahead

Long-term inflation ...



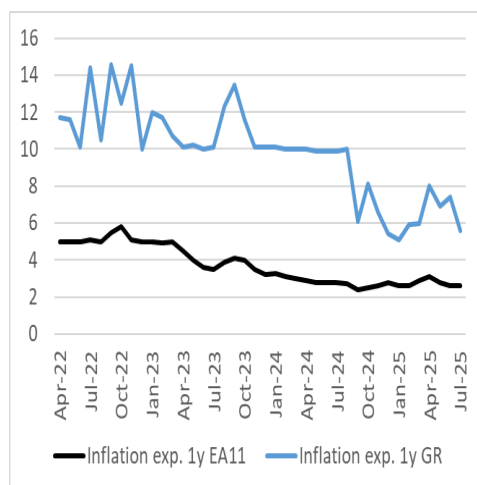
Source: ECB Survey on the Access to Finance of Enterprises (SAFE).

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 1st and 99th 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 2025Q2).

- Consumers' inflation expectations:** The ECB's Consumer Expectations Survey (CES) shows that in July median inflation expectations over the next 12 months decreased in Greece to 5.6% from 7.4% in June whereas in the euro area they remained stable at 2.6%. Median inflation expectations three years ahead in Greece decreased to 5.4% from 5.6% in the previous month whereas in the euro area they remained broadly stable at 2.5%. Median inflation expectations five years ahead remained stable in Greece at 5% and at 2.1% in the euro area.

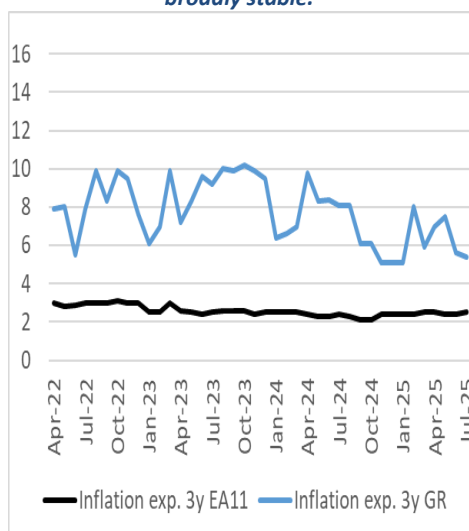
Inflation expectations 12 months ahead

Short-term inflation expectations in Greece decreased whereas in the EA remained stable.



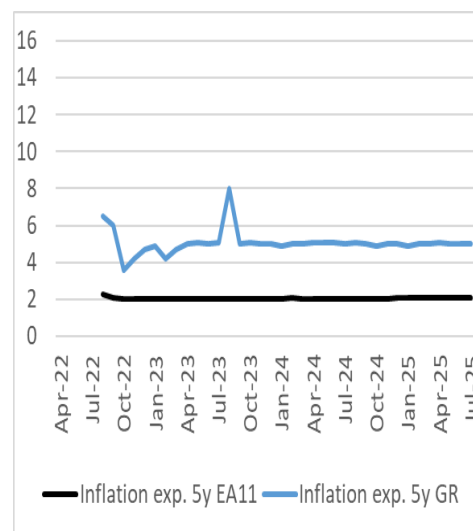
Inflation expectations 3 years ahead

Medium-term inflation expectations in Greece decreased 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).

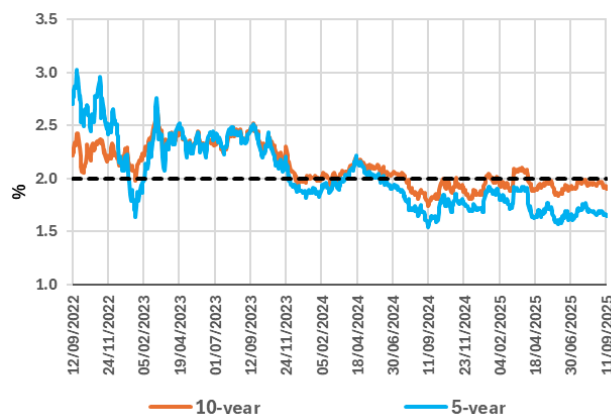
Note: Using weighted data. Median short-term inflation expectations are obtained from the open-ended question about individuals' expectations of changes in prices in general over the next 12 months, between 2 and 3 years between 4 and 5 years respectively. The sample period is from August 2022 to July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

Financial markets' inflation expectations:

- **Market-based inflation expectations over the medium- and long-term fell somewhat in the euro area and in the US. Currently, medium-term breakeven inflation is below 2% in the euro area and higher than 2% in the US (on 11.9.2025 vs. 15.7.2025, 5-year breakeven inflation rates: EA: 1.65%, -7 bps; US: 2.43%, -7 bps; 10-year breakeven inflation rates: EA: 1.90%, -7 bps; US: 2.34%, -8 bps).**
- **Over the short-term horizon (2-year), market-based inflation expectations rose somewhat in the euro area and retreated slightly in the US (on 11.9.2025 vs. 15.7.2025, EA-2Y inflation linked-swap rate: 1.76% +5 bps, US-2Y inflation linked-swap rate: 2.80% -7 bps).**
- **Real yields rose somewhat in the EA and retreated significantly in the US across all horizons (on 11.9.2025 vs 15.7.2025: EA-2y: 0.22%, +7 bps, EA-5y: 0.61%, +6 bps, EA-10y: 0.75%, +1 bp; US-2y: 0.73%, -35 bps, US-5y: 1.15%, -40 bps, US-10y: 1.67%: -40 bps).**

Euro-area breakeven inflation rates

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

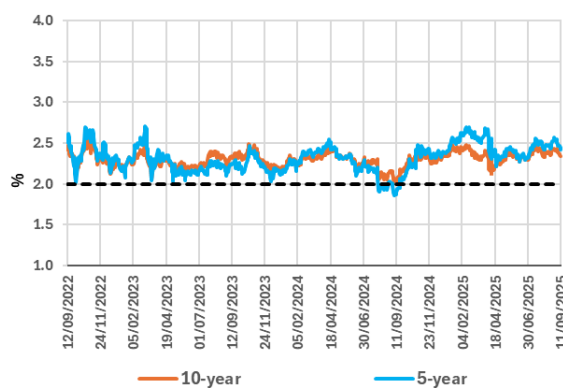


Sources: LSEG, Bank of Greece. Latest observation: 11.9.2025.

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 fell slightly over the last two months although they remain above the 2% inflation target.



Sources: LSEG, Bank of Greece. Latest observation: 11.9.2025.

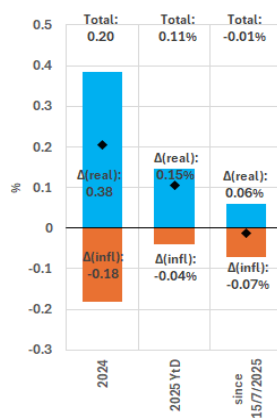
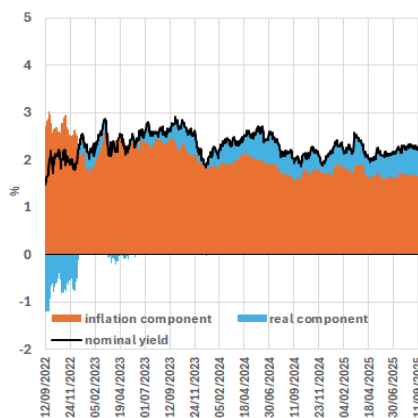
Note: The chart illustrates daily developments in the yield differential between nominal and inflation-linked US Treasury bonds with a maturity of 5 (blue line) and 10 (orange line) years.

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

In the EA, nominal yields were broadly unchanged in the past two months. Real yields (i.e. inflation-linked bond yields which compensates investors for inflation) rose modestly, and the inflation component fell somewhat.

Left graph: levels (%)

Right graph: changes (pp)



Sources: LSEG, Bank of Greece. Latest observation: 11.9.2025.

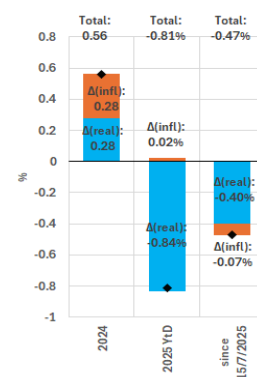
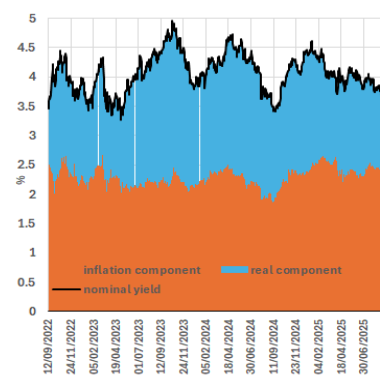
Note: The chart shows the decomposition of the 5-year EA benchmark bond yield (black line) into its real (blue bars) and inflation-linked (orange bars) components. The inflation component is the breakeven inflation rate and the real component is the yield of the bond that compensates bondholders for 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 fell significantly during the past two months, driven by real (i.e. inflation-adjusted) yields, with the inflation component edging lower.

Left graph: levels (%)

Right graph: changes (pp)



Sources: LSEG, Bank of Greece. Latest observation: 11.9.2025.

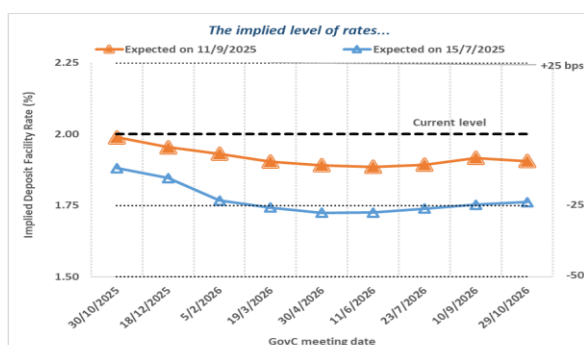
Note: The chart shows the decomposition of the 5-year US Treasury bond yield (black line) into its real (blue bars) and inflation-linked (orange bars) components. The inflation component is the breakeven inflation rate and the real component is the yield of the bond that compensates bondholders for inflation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

Section 6: Policy interest rates expectations

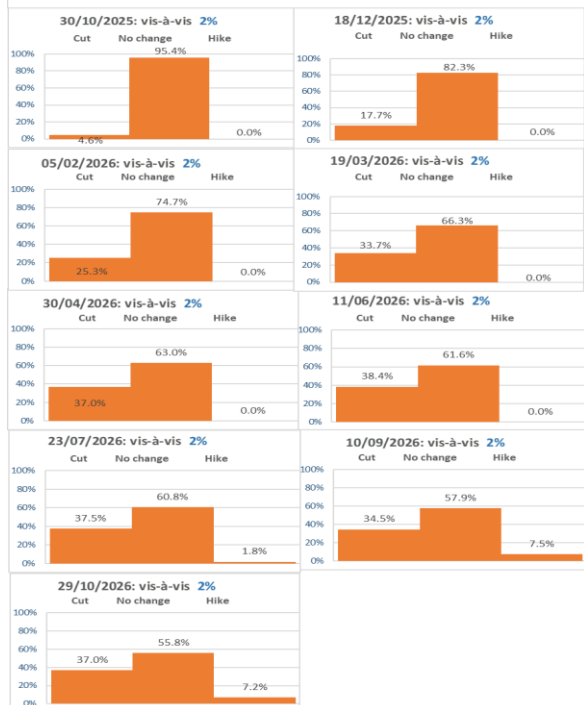
- The ECB has cut its policy rates by a total of 100 bps in 2025 to date, following four rate cuts in 2024 that also amounted to 100 bps. Markets expect that the ECB will not change its rates at the next GovC meeting in October (around 90% probability) and in December (around 80% probability), while two months ago a 25 bps rate cut by the ECB in December was expected with 68% probability. Markets assign a somewhat higher probability to ECB rates remaining unchanged (around 60%) than to a 25 bps cut by mid-2026.
- 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 certainty to cut rates at the next FOMC meeting in September, followed by two additional 25 bps cuts at the October (around 90% probability) and December (around 85% probability) FOMC meetings. Two months ago, however, markets anticipated two cuts in total up to year-end. Looking ahead, markets expect the Fed to continue easing in 2026, with two more rate cuts expected up to June or July 2026.

Short-term rates in the euro area

Markets expect stable ECB rates until the end of 2025 and a somewhat greater likelihood of rates remaining unchanged (around 60%) than of a 25 bps cut by mid-2026.

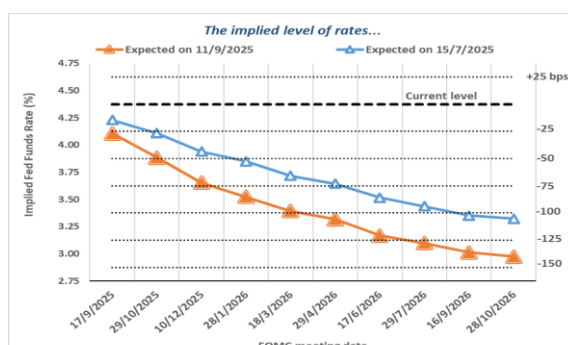


...the likelihood of moves per GovC meeting vis-à-vis the central probability for the rate at the previous meeting

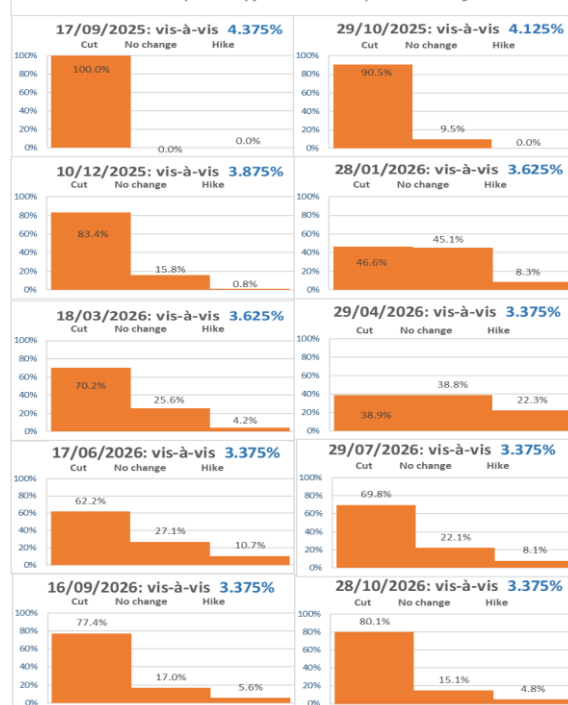


Short-term rates in the US

The outlook for the Fed funds rate has seen significant volatility amid ongoing uncertainty over US tariffs and weaker-than-expected labour market data. At present, markets expect three rate cuts until the end of 2025 and further easing in 2026.



...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: 11.9.2025.

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 October 2026. 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 October. 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 (September 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 1.6% in the first quarter of 2026 before recovering to 1.9% 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 3.1%, 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), high inflation of unprocessed food and less negative energy inflation rates (due to high inflation rates in electricity). In 2026, inflation will decline to 2.6%, while in 2027, inflation is expected to stand at 2.4%, due to the incorporation of the impact of the emissions trading system into the energy component of the HICP.
- HICP inflation is significantly revised up to 3.1% (from 2.5%) in 2025 and to 2.6% (from 2.1%) in 2026. These revisions are due to higher (and more persistent than expected) services inflation and food inflation.
- Core inflation (HICP excluding energy and food) is at high levels, showing a significant deviation from the euro area mainly due to high persistence of services inflation. It is expected to decline to 2.3% by 2027, reflecting mainly the easing of non-energy industrial goods inflation.

Macroeconomic projections, September 2025

Euro area

	HICP	HICP ex energy and food	HICP energy	Comp. per employee	Productivity	ULC
Rate of changes						
2025	2.1	2.4	-1.6	3.4	0.6	2.8
2026	1.7	1.9	-1.1	2.7	0.5	2.2
2027	1.9	1.8	2.4	2.7	0.8	1.9

Greece

	HICP	HICP ex energy and food	HICP energy	Comp. per employee	Productivity	ULC
Rate of changes						
2025	3.1	4.0	-0.9	5.5	0.8	4.7
2026	2.6	3.2	-0.9	4.9	0.6	4.3
2027	2.4	2.3	4.3	4.4	0.9	3.4

Table of news and statements on inflation (period: 15/7/2025-12/9/2025)

Statements by central bankers and other officials

- **11.9.2025: ECB meeting statement and press conference:** “The Governing Council today decided to keep the three key ECB interest rates unchanged. Inflation is currently at around our two per cent medium-term target and our assessment of the inflation outlook is broadly unchanged. [...] the disinflationary process is over, and I’m referring here to the causes for inflation that we have experienced in the last few quarters. So, in anticipation of the possible questions, are we still in a good place? Well, we continue to be in a good place. Now, why do I say that? Because inflation is where we want it to be. Latest reading: 2.1%, 2% to 2.1%. Medium-term outlook: on target. The domestic economy is showing resilience, the labour market is solid, and risks are more balanced. [...]”
- **22.8.2025: Fed Chair J. Powell, Speech at the Jackson Hole:** “Over the course of this year, the U.S. economy has shown resilience in a context of sweeping changes in economic policy. In terms of the Fed’s dual-mandate goals, the labor market remains near maximum employment, and inflation, though still somewhat elevated, has come down a great deal from its post-pandemic highs. At the same time, the balance of risks appears to be shifting. [...] In the near term, risks to inflation are tilted to the upside, and risks to employment to the downside—a challenging situation. When our goals are in tension like this, our framework calls for us to balance both sides of our dual mandate. Our policy rate is now 100 basis points closer to neutral than it was a year ago, and the stability of the unemployment rate and other labor market measures allows us to proceed carefully as we consider changes to our policy stance. Nonetheless, with policy in restrictive territory, the baseline outlook and the shifting balance of risks may warrant adjusting our policy stance. [...]”

Data releases

Date	Announcement	Actual	Expected*	Actual vs Expected	Previous reading
17 July 2025	Euro Zone HICP (%ΔYoY Jun Final)	2.0%	2.0%	0.0%	2.0%
17 July 2025	Euro Zone HICP exc. Food, Energy, Alcohol & Tob. (%ΔYoY Jun Final)	2.3%	2.3%	0.0%	2.3%
31 July 2025	France HICP (%ΔYoY Jul Preliminary)	0.9%	0.8%	0.1%	0.9%
31 July 2025	France CPI (%ΔYoY Jul Preliminary)	1.0%	1.0%	0.0%	1.0%
31 July 2025	Italy CPI (%ΔYoY Jul Preliminary)	1.7%	1.5%	0.2%	1.7%
31 July 2025	Italy HICP (%ΔYoY Jul Preliminary)	1.7%	1.6%	0.1%	1.8%
31 July 2025	Germany CPI (%ΔYoY Jul Preliminary)	2.0%	1.9%	0.1%	2.0%
31 July 2025	Germany HICP (%ΔYoY Jul Preliminary)	1.8%	1.9%	-0.1%	2.0%
31 July 2025	United States Core PCE (%ΔYoY Jun)	2.8%	2.7%	0.1%	2.7%
31 July 2025	United States PCE (%ΔYoY Jun)	2.6%	2.5%	0.1%	2.4%
1 August 2025	Euro Zone HICP Flash (%ΔYoY Jul Flash)	2.0%	1.9%	0.1%	2.0%
1 August 2025	Euro Zone HICP exc. Food, Energy, Alcohol & Tob. (%ΔYoY Jul Flash)	2.3%	2.2%	0.1%	2.3%
8 August 2025	Greece HICP (%ΔYoY Jul)	3.7%	--	--	3.6%
8 August 2025	Greece CPI (%ΔYoY Jul)	3.1%	--	--	2.8%
11 August 2025	Italy HICP (%ΔYoY Jul Final)	1.7%	1.7%	0.0%	1.7%
12 August 2025	United States Core CPI (%ΔYoY Jul)	3.1%	3.0%	0.1%	2.9%
12 August 2025	United States CPI (%ΔYoY Jul)	2.7%	2.8%	-0.1%	2.7%
13 August 2025	Germany CPI (%ΔYoY Jul Final)	2.0%	2.0%	0.0%	2.0%
13 August 2025	Germany HICP (%ΔYoY Jul Final)	1.8%	1.8%	0.0%	1.8%
14 August 2025	France HICP (%ΔYoY Jul Final)	0.9%	0.9%	0.0%	0.9%
14 August 2025	France CPI (%ΔYoY Jul)	1.0%	1.0%	0.0%	1.0%
20 August 2025	Euro Zone HICP (%ΔYoY Jul Final)	2.0%	2.0%	0.0%	2.0%
20 August 2025	Euro Zone HICP exc. Food, Energy, Alcohol & Tob. (%ΔYoY Jul Final)	2.3%	2.3%	0.0%	2.3%
29 August 2025	France HICP (%ΔYoY Aug Preliminary)	0.8%	0.9%	-0.1%	0.9%
29 August 2025	France CPI (%ΔYoY Aug Preliminary)	0.9%	1.0%	-0.1%	1.0%
29 August 2025	Italy CPI (%ΔYoY Aug Preliminary)	1.6%	1.7%	-0.1%	1.7%
29 August 2025	Italy HICP (%ΔYoY Aug Preliminary)	1.7%	1.8%	-0.1%	1.7%
29 August 2025	Germany CPI (%ΔYoY Aug Preliminary)	2.2%	2.1%	0.1%	2.0%
29 August 2025	Germany HICP (%ΔYoY Aug Preliminary)	2.1%	2.0%	0.1%	1.8%
29 August 2025	United States Core PCE (%ΔYoY Jul)	2.9%	2.9%	0.0%	2.8%
29 August 2025	United States PCE (%ΔYoY Jul)	2.6%	2.6%	0.0%	2.6%
2 September 2025	Euro Zone HICP Flash (%ΔYoY Aug Flash)	2.1%	2.0%	0.1%	2.0%
2 September 2025	Euro Zone HICP exc. Food, Energy, Alcohol & Tob. (%ΔYoY Aug Flash)	2.3%	2.2%	0.1%	2.3%
10 September 2025	Greece HICP (%ΔYoY Aug)	3.1%	--	--	3.7%
10 September 2025	Greece CPI (%ΔYoY Aug)	2.9%	--	--	3.1%
11 September 2025	United States Core CPI (%ΔYoY Aug)	3.1%	3.1%	0.0%	3.1%
11 September 2025	United States CPI (%ΔYoY Aug)	2.9%	2.9%	0.0%	2.7%
12 September 2025	Germany CPI (%ΔYoY Aug Final)	2.2%	2.2%	0.0%	2.2%
12 September 2025	Germany HICP (%ΔYoY Aug Final)	2.1%	2.1%	0.0%	2.1%
12 September 2025	France HICP (%ΔYoY Aug Final)	0.8%	0.8%	0.0%	0.8%
12 September 2025	France CPI (%ΔYoY Aug)	0.9%	0.9%	0.0%	0.9%

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

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