



# The Future of Europe

Macro challenges and market opportunities in a more dangerous world

Investor sentiment toward Europe is more positive than it has been in years. Yet beneath this surface optimism there still lies a set of deeper, more intractable challenges. Our 2025 series on “The Future of Europe” explores whether the continent can navigate its way through these economic, technological and geopolitical tests.

The Future of Europe series



## **The Future of Europe**

Group Chief Economist Neil Shearing introduces the Future of Europe series.



## **Is the current optimism about Europe justified?**

What's gone right for Europe - and what will continue to hold it back.



## **Fiscal stimulus won't fix Germany's economy**

Germany's fiscal easing has lifted sentiment toward Europe, but it won't fix the country's long-term outlook or Europe's global competitiveness.



## **Three key questions on European markets**

Is the repricing of European risk assets sustainable? This analysis grapples with one of the big themes in global markets this year.





## **Euro-zone debt dynamics: no longer core vs periphery**

Here's why euro-zone governments are likely to continue running large budget deficits, and what that means for interest rates.



## **The UK's future in Europe**

From defence to trade to reversing Brexit, here's how far the UK's "EU reset" will – and won't – go.



## **Is the euro's share of global FX reserves set to rise?**

How looser fiscal policy could set the stage for the euro to expand its role as a reserve currency over the coming years.





## **A European defence revolution?**

We've seen the initial steps - but here's why a defence revolution won't transform Europe's prospects just yet.



### **Three key questions on the outlook for Europe's financial markets**

We think European equities have turned a corner, while euro-zone bond markets look more robust, and the euro will hold on to some of its recent gains.



## **Expansion & integration: the future of EU enlargement**

The EU's expansion in the coming years won't be anywhere near as impactful – nor as beneficial for its new members – as its enlargement was in the 2000s.



### **Is one policy rate appropriate for all of the euro-zone?**

At present, there seems to be no major differences between the appropriate interest rate in the four largest euro-zone economies.





## **ECB strategy review not just a formality**

The ECB's forthcoming assessment of its 2021 strategy review won't lead to immediate policy changes but we think it will commit policymakers to acting differently in future.



# Europe in data



**Euro-zone Debt Sustainability Monitor**



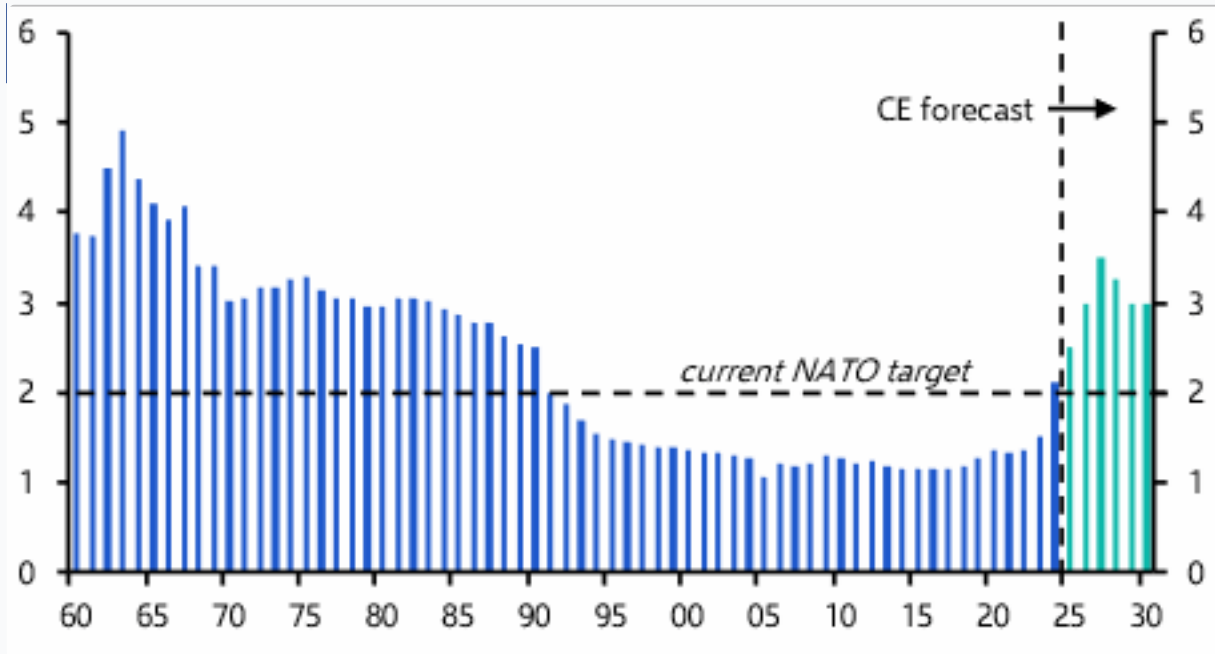
## Europe's Macro Imbalances



**Europe Macro Database**

Other key Europe analysis

[See our Europe page](#)

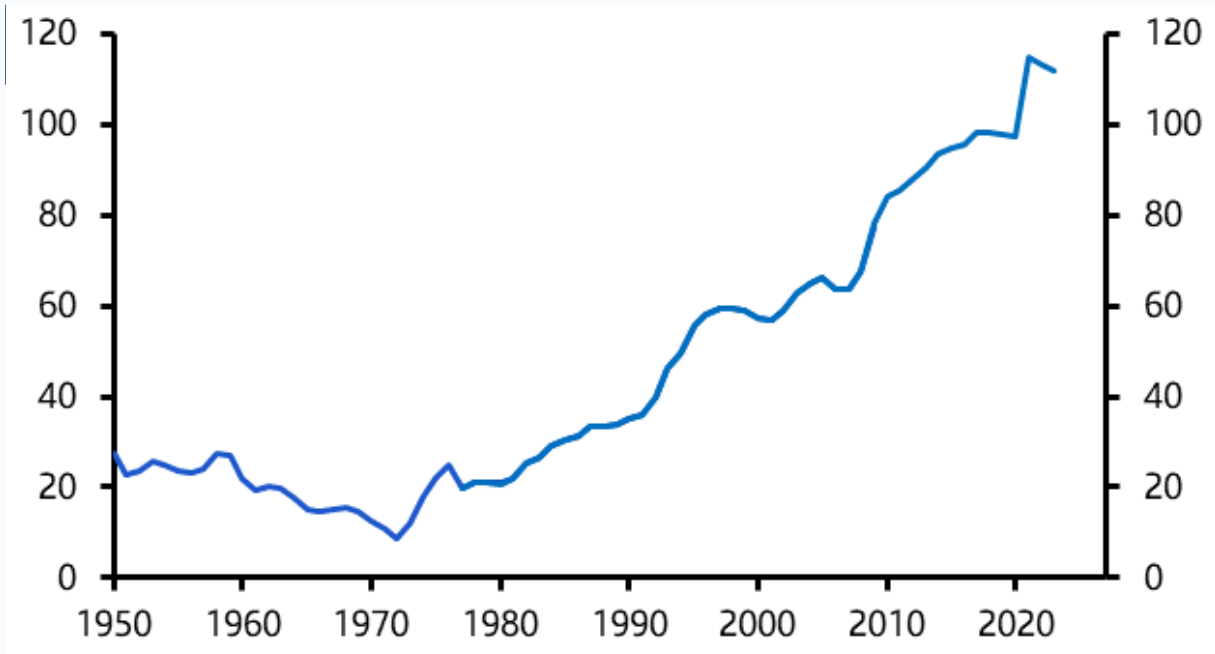


## EUROPE ECONOMICS FOCUS

### Defence and growth in Germany: a closer look

We think Germany is likely to raise defence spending by around 1.5% of GDP between 2024 and 2027. With the government unlikely to cut other spending much and the defence industry well placed to raise...

2nd April 2025 · 18 mins read



## EUROPE ECONOMICS FOCUS

### ??French public debt: trouble brewing?

Developments over the past year have put France's public debt on a steeper upward path, with the debt ratio now likely to rise from 113% of GDP last year to around 126% by 2030. We see little chance...

21st January 2025 (Updated 15th July 2025) · 14 mins read



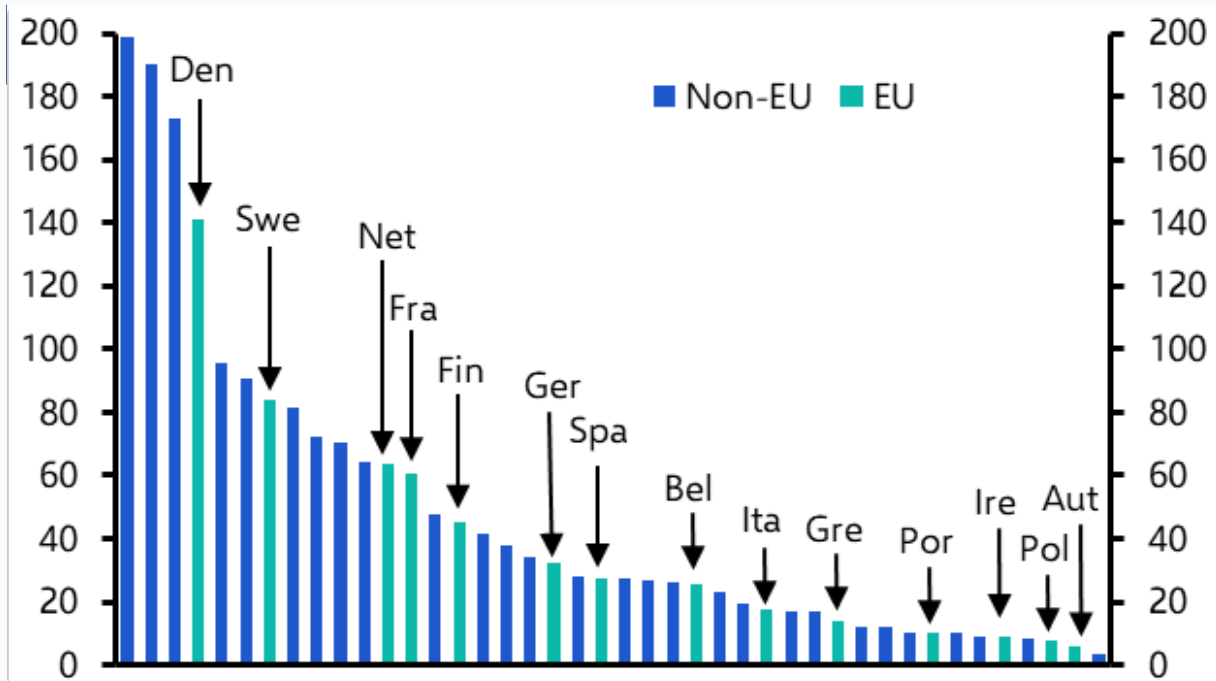


## EUROPE ECONOMIC OUTLOOK

### Europe Outlook: Inflation at the target but growth will be weak

The euro-zone's strong first-quarter growth rate was a result of tariff front-running and will be reversed in Q2 and be followed by weak growth in the second half of the year. Further ahead, we think...

23rd June 2025 · 28 mins read



## EUROPE ECONOMICS FOCUS

### How far will the EU go on Capital Markets Union?

EU policymakers have stepped up their calls for progress towards Capital Markets Union and there will be steps in that direction in the coming years. But we aren't holding our breath for major change...

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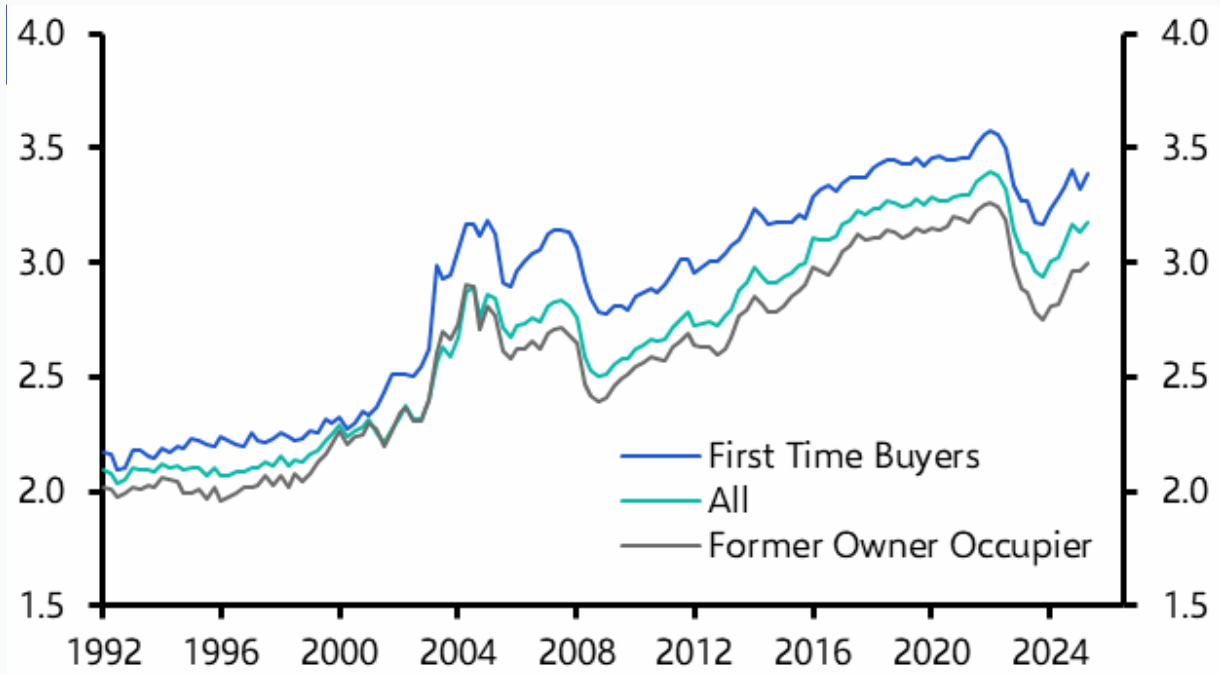
#### EMERGING EUROPE ECONOMICS UPDATE

### Turkey's rebalancing process enters a more difficult phase

4th February 2026 · 5 mins read

## Poland Interest Rate Announcement (Feb.)

4th February 2026 · 2 mins read

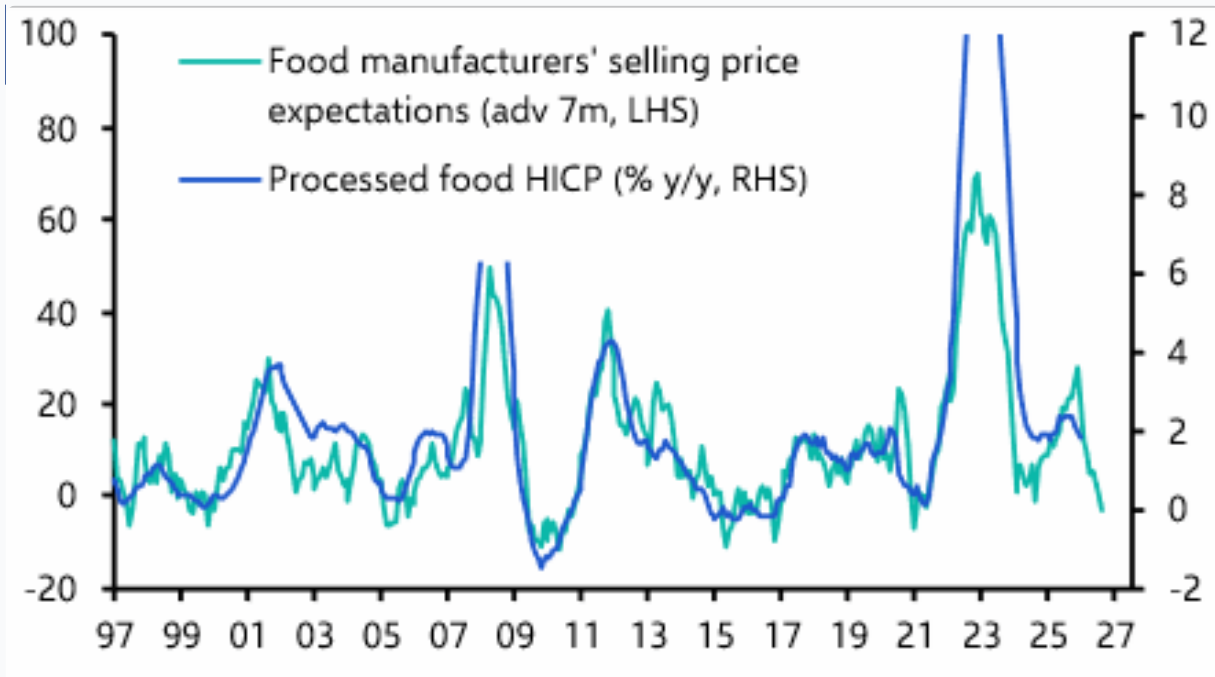


## UK HOUSING MARKET UPDATE

### Higher LTI ratios to boost UK mortgage lending

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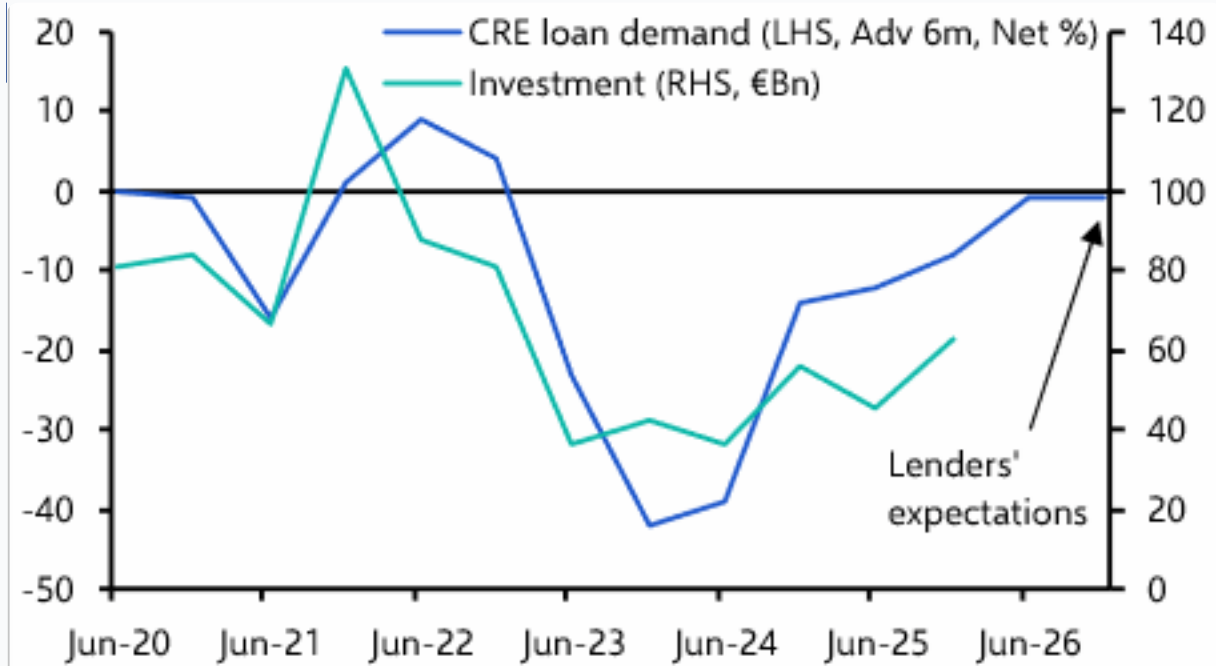




EUROPE RAPID RESPONSE

## Euro-zone HICP (January 2026)

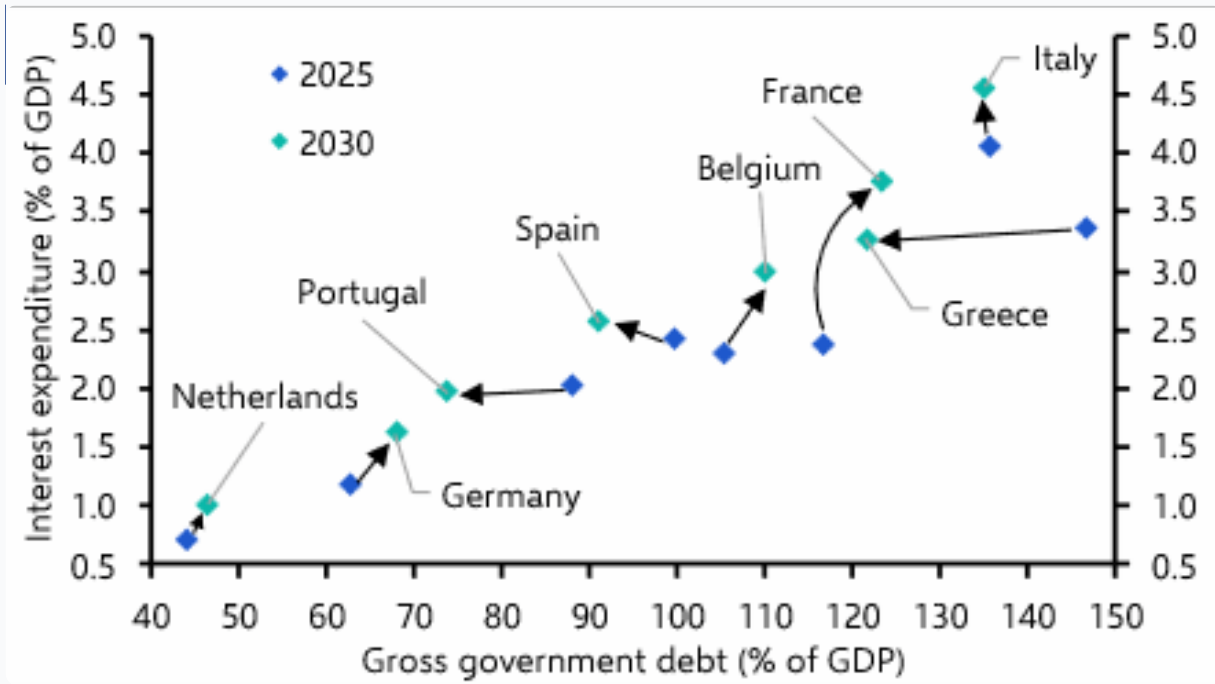
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## EUROPE COMMERCIAL PROPERTY UPDATE

### Lending conditions improving, but refinancing challenges to persist

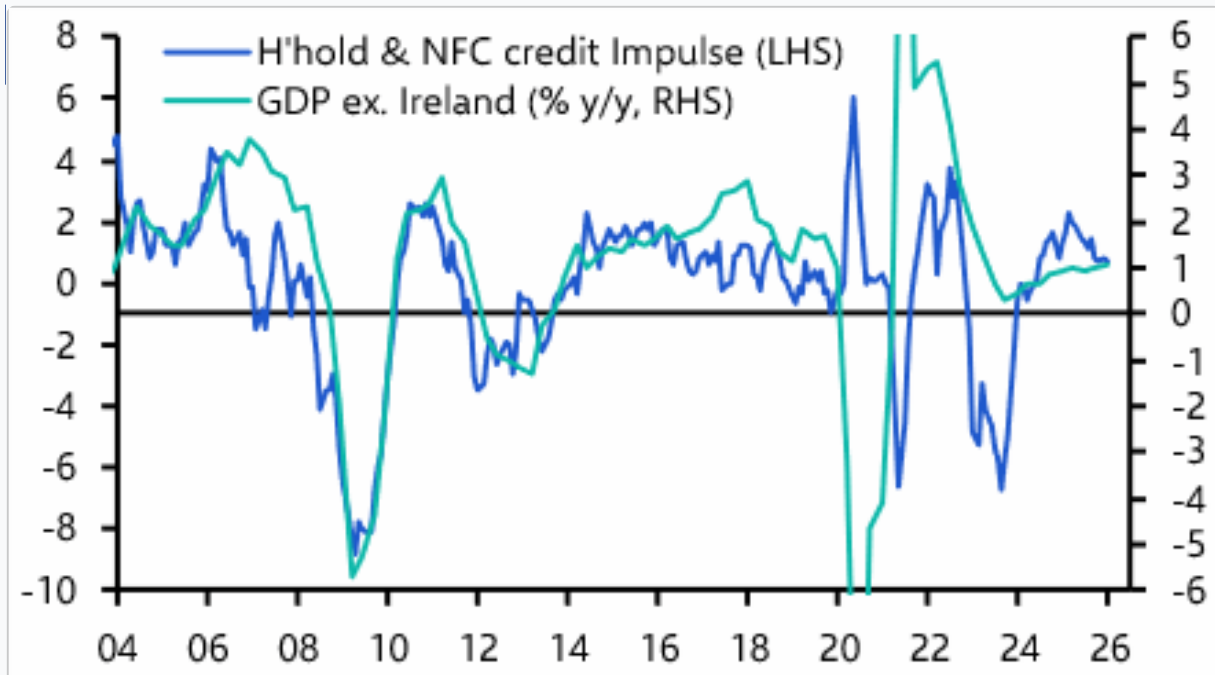
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## EUROPE ECONOMICS UPDATE

### Analysing public debt sustainability in the euro-zone

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## EUROPE ECONOMICS UPDATE

### ECB Bank Lending Survey (Q4 2025)

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## EUROPE ECONOMICS UPDATE

### How the EU-India trade deal will affect the euro-zone

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