

# A snapshot of the world economy in April 2025



Marketing material

## Big questions remain where US tariffs will eventually settle

**7.7%**  
Effective tariff rate  
on US imports assumed by  
Schroders' forecasts from  
before "Liberation Day"



It seems all countries will face  
at least a 10% baseline tariff  
until the end of the 90-day pause...

...so the levies certainly still  
have potential to stoke inflation  
and suppress growth versus  
our forecasts...

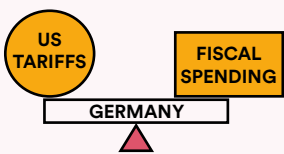
### US inflation ▲

...and, given the much higher  
tariffs on Chinese goods, maybe  
even to a similar extent as the  
initial **Liberation Day** plans

### US growth ▼

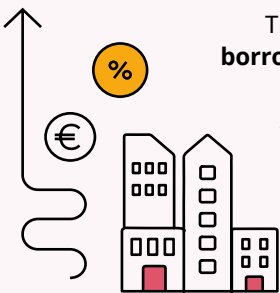


## German fiscal policy may help offset impact of US tariffs



### 1 percentage point

Potential boost to German  
growth in 2026 and 2027



The German government's plans to **loosen  
borrowing** limits are set to boost investment...

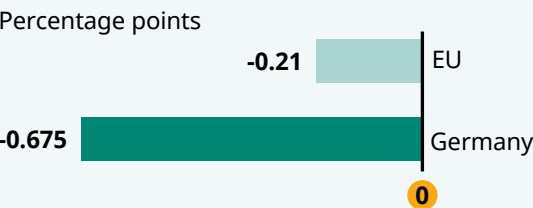
...possibly **driving up** growth and helping  
offset the impact of US tariffs...



...as new funds are focussed  
on **infrastructure and Europe's  
defence sector**

## Economic reforms key to Germany's long-term economic outlook

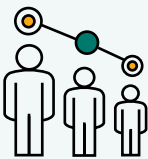
### Projected change in working-age population (15-64 year olds)



Annual growth rate, 2019-2023 to 2025-2029.  
Source: OECD and Schroders Economics Group as at March 2025.

**Economic reforms** alongside measures  
to loosen borrowing limits are key  
to Germany's long-term success...

...these would **incentivise** German  
businesses to invest domestically again...



...they should include measures to  
address a **shrinking** working-age  
population and **declining** productivity

Source: Schroders as at April 2025.

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