Projections for GDP growth in 2025 and 2026

The projection for GDP growth in 2025 was revised from 2.1% to 2.0%, while the initial estimate for 2026 is 1.5%. The expectation remains that the moderation of economic activity will continue throughout the second half of 2025, a trend likely to extend into the following year.

The central projection for GDP growth in 2025 was revised from 2.1% in the June 2025 Monetary Policy Report (MPR) to 2.0%. The slight reduction stems from the still uncertain effects of the increase of higher import tariffs imposed by the United States of America (U.S.), as well as signs of moderation in economic activity in 2025Q3. These factors were partially offset by more favorable forecasts for agriculture and mining.

For 2026, growth of 1.5% is projected, with moderate increases expected in both supply and aggregate demand components. The projection assumes the continuation of the monetary policy in restrictive territory, the low level of slack in production factors, the prospect of a slowdown of global economy, and the absence of the agricultural impulse observed in 2025.

Revision of the 2025 GDP projection

From the supply side, there was an increase in the projection for agriculture, a reduction for industry, and stability for the services sector. The projection for less cyclical sectors increased, mainly reflecting expectations of greater expansions in agriculture and mining, as already mentioned, as well as in the segment of financial intermediation services, which performed robustly in the first half of the year. In contrast, the estimate for the sectors that are more sensitive to the economic cycle declined, pointing to the prospect of moderation in activity.[1]

The estimate for agricultural growth increased from 8.0% to 9.0%, a revision that mainly reflects further increases in harvest estimates by the Brazilian Institute of Geography and Statistics (IBGE). The estimated annual grain production growth has been updated from 13.6% to 16.6% since the June 2025 RPM, with a significant revision in the corn estimate, according to the Systematic Survey of Agricultural Production (LSPA – IBGE).

The forecast for industry has been adjusted from 1.9% to 1.0%. The revision reflects worsening forecasts for manufacturing, construction, and utilities, impacted by lower-than-expected performance in 2025Q2 and the first results of monthly indicators for 2025Q3. Conversely, the annual growth estimate for mining increased significantly, driven by the sharp rise recorded in 2025Q2, which particularly reflected the significant increase in oil production.

For the services sector, the growth projection remained at 1.8%, although significant revisions have been made in specific segments. Particularly noteworthy is the significant increase in the estimate for financial intermediation services, offset by a reduction in forecasts for public administration, health, and education services. The changes in the tertiary sector segments reflect the surprises observed in 2025Q2 results, as well as the first signs captured by the monthly indicators for 2025Q3.

1/ Classification also used in the "Economic activity" section. Less cyclical activities: agriculture; mining; financial activities, insurance, and related services; real estate activities; and public administration, defense, health and education, and social security. More cyclical: other activities.

As for domestic demand, the projection for annual growth in household consumption was revised from 2.1% to 1.8%. This revision is mainly due to the incorporation of more recent data for 2025Q3, particularly indicators for retail trade, consumer goods production, and services provided to households, which point to a more moderate consumption dynamics than previously estimated. However, household consumption is still expected to expand in the second half of the year. The labor market is still resilient, which is expected to contribute to sustaining household income. Although there is some uncertainty about its effects, the increase in consumption during this period should be partially sustained by the impact of court-ordered payments, concentrated this year in 2025Q3, on household income, and by the higher level of payroll-deducted loans to private sector workers already observed since July.

The estimated government consumption growth was also reduced, from 1.2% to 0.5%, reflecting the lower-than-expected performance observed in 2025Q2 results. In contrast, the projection for the change in Gross Fixed Capital Formation (GFCF) was raised from 2.8% to 3.3%, driven by the expected import of another oil rig, scheduled to arrive until the end of the year.

The projection for the annual change in exports was revised from 3.5% to 3.0%, reflecting expectations of a slowdown in shipments during the second half of the year, partly influenced by the U.S. increase in import tariffs. Conversely, the estimate for imports increased from 3.5% to 4.5%, a result that incorporates a higher-than-expected volume observed in 2025Q2, in addition to the aforementioned expectation of the arrival of a new oil rig. Given the estimated changes for the components of aggregate demand, the contributions of the domestic demand and the external sector to GDP growth in 2025 are 2.2% and -0.2%, respectively.

Table 1 – Gross Domestic Product

Accumulated in the year

% growth

Itemization	2024	2025[1]	
		Previous	Current
Agriculture	-3.2	8.0	9.0
Industry	3.3	1.9	1.0
Mining	0.5	4.5	6.5
Manufacturing	3.8	1.0	-0.2
Construction	4.3	2.5	1.0
Utilities (EGAER)[2]	3.6	1.5	-1.5
Services	3.7	1.8	1.8
Trade	3.8	1.8	1.0
Transport and storage	1.9	1.7	1.4
Information services	6.2	5.8	6.5
Financial and related services	3.7	0.7	3.0
Other services	5.3	2.0	2.1
Real estate	3.3	2.1	2.1
Public admin., health, and education (APU)	1.8	1.0	0.4
More cyclical components	4.3	1.9	1.3
Less cyclical components	1.5	2.4	3.1
Value added at basic prices	3.1	2.2	2.1
Taxes on products	5.5	1.7	1.4
GDP at market prices	**3.4**	**2.1**	**2.0**
Household consumption	4.8	2.1	1.8
Government consumption	1.9	1.2	0.5
Gross Fixed Capital Formation	7.3	2.8	3.3
Exports	2.9	3.5	3.0
Imports	14.7	3.5	4.5

Sources: IBGE and BCB

1/ Estimated.

2/ Electricity and gas, water, sewage, waste management activities.

Projection for the 2026 GDP

On the supply side, the agriculture, industry, and services sectors are expected to grow 1.0%, 1.4%, and 1.5%, respectively.

The strong comparison basis is likely to limit agricultural growth in 2026. The record grain harvest in 2025 benefited from very favorable weather conditions, which may not be repeated in 2026. In addition, higher relative prices of pesticides and fertilizers tend to reduce their use, with a negative impact on productivity. In livestock, a moderate pace of cattle slaughter is projected, reflecting the growing share of females in slaughters in recent years, a factor that could reduce the availability of animals.

In the secondary and tertiary sectors, moderate growth is projected in most segments. In industry, mining stands out as an exception, with forecasts of another significant expansion, supported by favorable outlooks from the main oil and iron ore producers. In the services sector, robust growth is expected – albeit lower than in 2025 – in information and communication services, a segment that has shown high dynamism in recent years.

In domestic demand, the expected change rates for household consumption, government consumption, and GFCF are 1.4%, 1.0%, and 0.3%, respectively.

The slowdown in household consumption should reflect, among other factors, a slower pace of expansion in the employed population, in a context of already very low unemployment and high household debt-to-income and debt service levels. Conversely, resilient household disposable income is expected to contribute to partially mitigate the loss of consumption dynamism.

The reduction in GFCF growth compared with the 2025 projection reflects both the expectation of a moderate pace of expansion throughout the year, under the effects of a contractionary monetary policy, and the forecast of a limited statistical carry-over effect from 2025Q4 to 2026. Moreover, the projection foresees a lower volume of imports of oil rigs, a relevant factor for investment expansion in 2025.

Exports and imports of goods and services are expected to grow 2.5% and 1.0%, respectively – rates lower than those projected for 2025. This more moderate performance in exports is influenced by several factors, such as the expectation of lower global growth than predicted for 2025, some level of restriction on access to the U.S. market, and the forecast of only a modest increase in agricultural production. The estimated slowdown in imports reflects the expected slowdown of domestic demand and, as already mentioned, the reduction in imports of oil rigs. The contributions of domestic and foreign demand are estimated at 1.2% and 0.3%, respectively.

Table 2 – Gross Domestic Product
Accumulated in the year

% growth

Itemization	2024	2025[1]	2026[1]
Agriculture	-3.2	9.0	1.0
Industry	3.3	1.0	1.4
Services	3.7	1.8	1.5
Value added at basic prices	3.1	2.1	1.5
Taxes on products	5.5	1.4	1.4
GDP at market prices	**3.4**	**2.0**	**1.5**
Household consumption	4.8	1.8	1.4
Government consumption	1.9	0.5	1.0
Gross Fixed Capital Formation	7.3	3.3	0.3
Exports	2.9	3.0	2.5
Imports	14.7	4.5	1.0

Sources: IBGE and BCB
1/ Estimated.