Statement following the Governing Council of 29-30 October 2025

Statement by the Governor of the Banque de France, François Villeroy de Galhau, on growth and inflation, following the ECB Governing Council meeting of 29-30 October 2025

In a highly uncertain environment, we have just received two pieces of good news for the French economy: resilient third quarter growth of 0.5%, thanks to the commitment of French entrepreneurs and workers; and inflation that is well under control at 0.9% at the end of October (harmonized index), which is boosting purchasing power. At the same time, as has been the case over the past six months, inflation in the euro area remains close to our target of 2%, at 2.1%.

Yesterday, our Governing Council, presided over by Christine Lagarde, decided to maintain its key interest rate at 2%, which is significantly lower than the US Federal Reserve and the Bank of England (at 4%). While this is a good position, naturally, it is not a fixed position. In view of the various risks, including financial market risks, we must preserve full optionality to act as much as needed. More than ever, agile pragmatism based on data and forecasts will be required at our upcoming meetings.