Title: Risks and Outlook for the Financial System (November 2025)

Motion graphics text

Global financial risks remain high despite short-term clarity on **tariff levels** and a **resilient global economy**.
Government spending in some advanced economies is leading to **higher sovereign debt burdens**.
Ireland's **economic growth remains strong** but there are **downside risks** due to **geopolitical and trade uncertainty**.

[Onscreen caption] Vasileios Madouros, Deputy Governor, Monetary and Financial Stability, Central Bank of Ireland

Since our last Review, the global economic outlook has improved somewhat following greater clarity on tariff levels between the US and its trading partners. But measures of uncertainty are still well above normal levels.

In global financial markets, there is an apparent disconnect between the pricing of risk on one hand and the level of economic uncertainty on the other. And valuations in some segments of global markets are stretched.

These external risks remain particularly relevant for Ireland, given our economic openness and the strong links between our economy and the US.

Households, businesses and the domestic banking system have built up resilience against adverse shocks over the past decade.

Government finances remain overly reliant on corporation tax receipts, and the necessary investment in infrastructure must be balanced with sustainable spending growth.

Find out more: centralbank.ie/FSR