

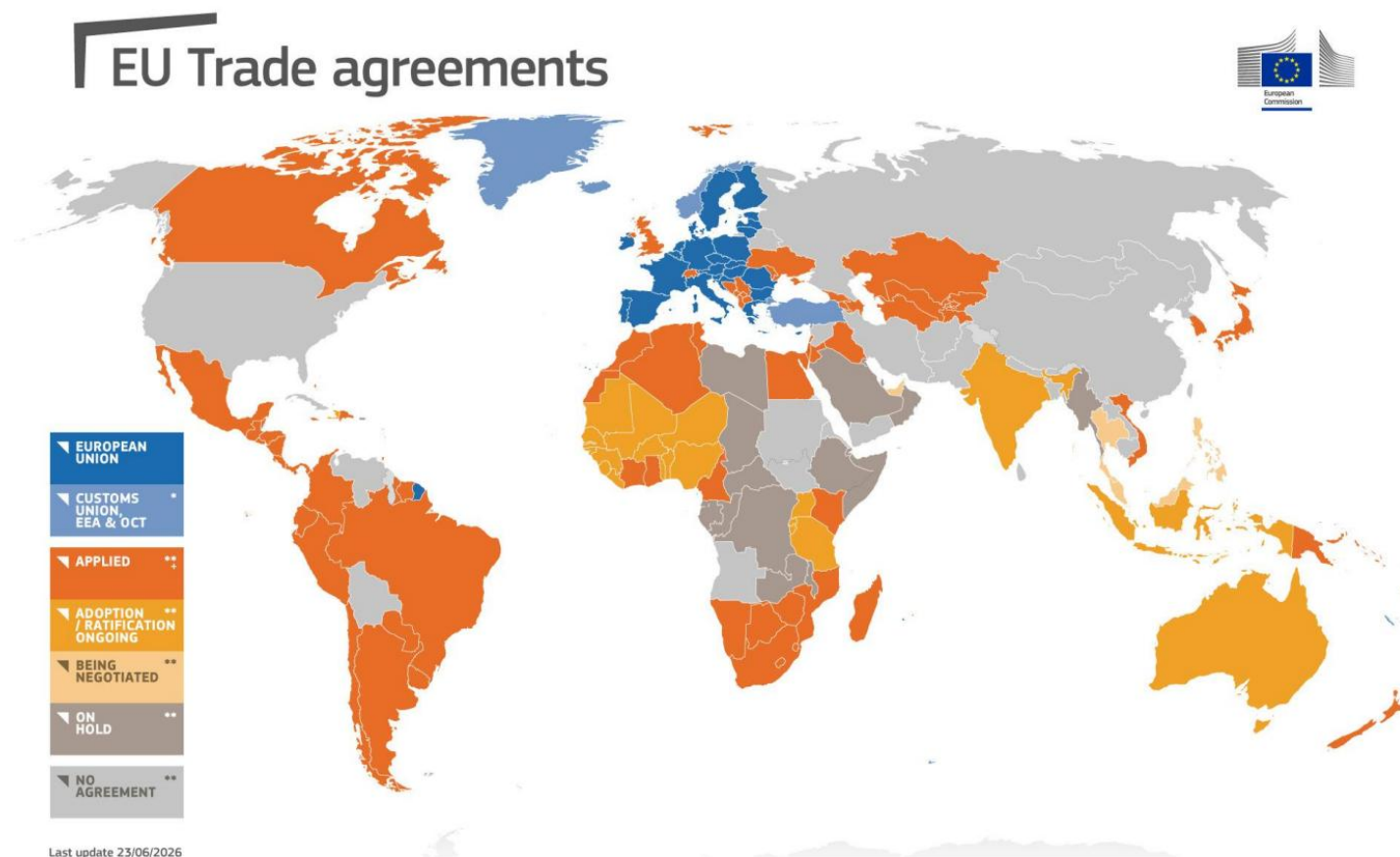


Asia-Pacific and Europe: Building resilience and growth in an age of geopolitics and fragmentation

OMFIF Seminar
Bangkok, 17 October 2026

Governor Olli Rehn
Bank of Finland

The EU's free trade agreements cover 87 countries

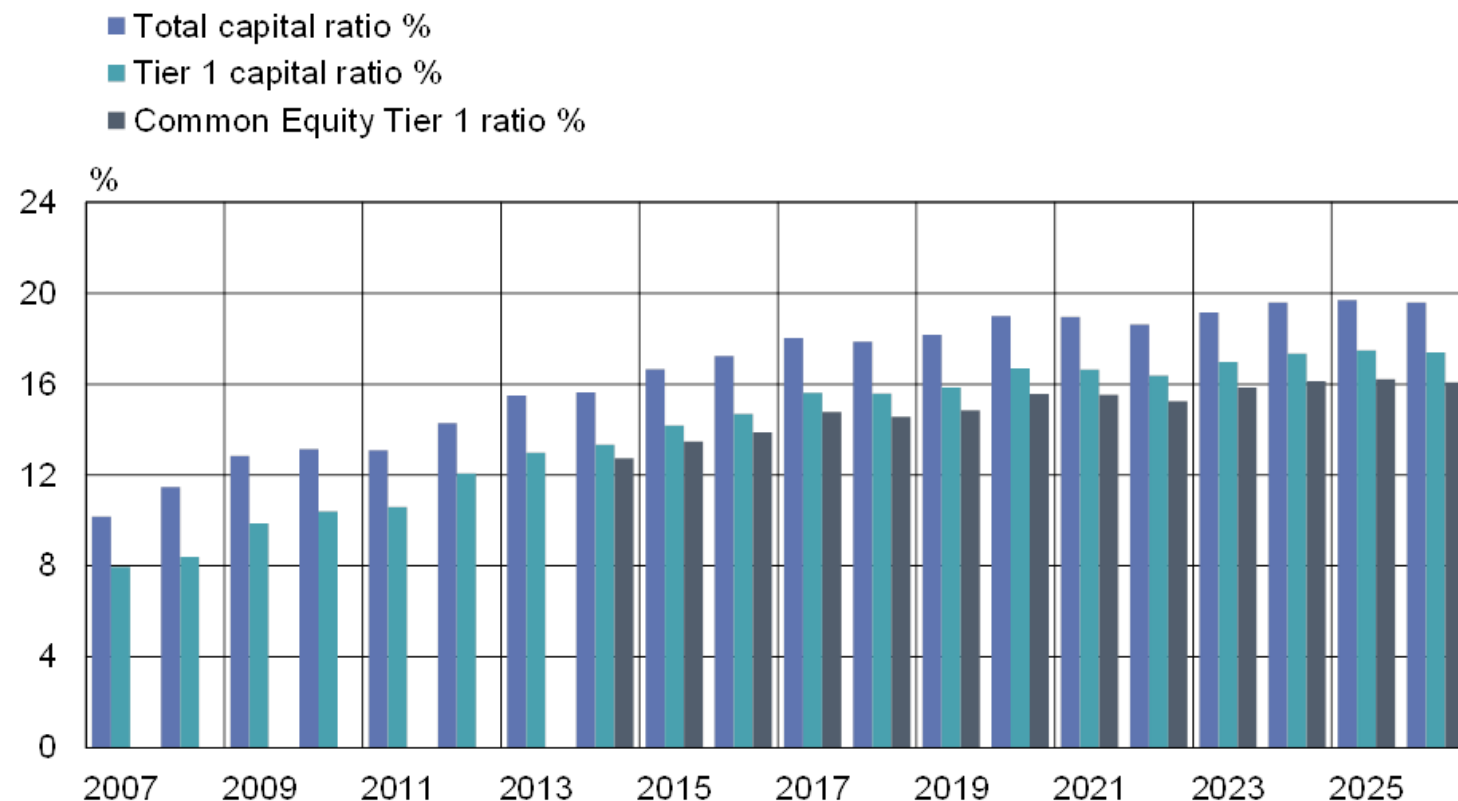


* European Economic Area (EEA) / Overseas Countries and Territories (OCT).
** Free Trade Agreement (FTA), Deep and Comprehensive Free Trade Agreement (DCFTA), Enhanced Partnership and Cooperation Agreement (EPCA), Partnership and Co-operation Agreement with preferential element (PCA).
+ The updated agreements with Tunisia, and Eastern and Southern Africa are currently being updated; the updated agreement with Chile is under ratification. The DCFTA with Georgia does not apply in South Ossetia and Abkhazia.
Mercosur: The interim trade agreement applies as of 1 May 2026. The interim trade agreement will be superseded by the EU-Mercosur Partnership Agreement, once the latter enters into force.

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European banks have been resilient through the shocks

Capital adequacy of euro area banking sector, 2007–2026/1



Source: ECB.

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The risk environment has become more complex



Geopolitical tensions and climate risks.



AI: concentrated financial exposures and cyber threats.



High public debt and rising financing needs.

→ Financial resilience must not breed complacency

Europe's triple test

01

Common defense

Take greater responsibility for Europe's security, including through joint investment and procurement.

SECURITY

02

Green transition

Build a decarbonised energy system that is resilient, competitive and less exposed to shocks.

ENERGY RESILIENCE

03

Productivity

Lift long-term growth through investments in the digital transformation, human capital and innovation, and by removing regulatory barriers.

GROWTH POTENTIAL

The Draghi Report estimates that additional investments of €750-800 bn annually are needed, close to 5% of GDP. To mobilise that amount of public and private investment, capital markets must become less fragmented and better at channelling savings into investments.



” *Securing stability,
in science we trust.*
– Bank of Finland

