

# BI-ANNUAL CONFERENCE | GLOBAL ECONOMY: LOOKING BACK AT 2025, LOOKING AHEAD TO 2026

## TRANSCRIPTION

00:00:06 - Emmanuel Laborde

Hello everyone and thank you for joining us live for this new half-yearly conference of BNP Paribas Economic Studies, our half-yearly meeting which allows us to get together every six months to discuss, for over an hour, the major economic issues of the period. Thank you very much for joining us in ever-increasing numbers. We are always pleasantly surprised to see the audience attendance figures. So thank you to all BNP Paribas employees and customers who participate in and promote this event. It enables us to achieve unparalleled ratings each time.

In this regard, as this event has been ongoing for just over a year, we would like to include a disclaimer in French. Please be advised that, in compliance with the Markets in Financial Instruments Directive (MiFID II), we wish to point out that the various presentations you will be attending this afternoon, as well as the speeches that will be made at this conference, do not constitute investment advice.

Today's agenda will, as always, be aligned with current trends and will reflect the realities of our lives, both in professional and personal contexts. The conclusion of the year is invariably a crucial moment when we reflect on the significant events of the past year and begin to envision what 2026 may hold. We will approach this on a macroeconomic scale with three key topics, divided into three chapters. The first chapter will focus on advanced economies in 2026, which we will discuss with Stéphane Colliac and Lucie Barrette. The second chapter will concentrate on emerging economies, which we will examine with Christine Peltier and Cynthia Kalasopatan Antoine.

As usual, any questions you may have are welcome. However, there will be a slight alteration in format: we will not be addressing them live, but you will have the opportunity to submit your questions in the chat. The moderators, who are already in position, will be able to respond to you promptly.

We are doing this to save a little time, as we have made an editorial decision to introduce a third topic, which we will revisit at the conclusion of the programme. We are privileged to have with us the Chairman of the Board of Directors of BNP Paribas, Jean Lemierre, alongside Isabelle Mateos y Lago, Chief Economist at BNP Paribas, who will engage in a forward-looking discussion that will elevate our perspective, particularly as we look ahead to 2026.

00:02:15 - Emmanuel Laborde

You have received the instructions.

00:02:19 - Emmanuel Laborde

It's time to get started because we have a lot to share with you today. So, before we transition to 2026, let us summarise the key events that shaped the news in 2025. We will do this immediately with the Deputy Head of the Economic Research, Hélène Baudchon, who I will be joining right after this jingle. Please allow me a moment to quickly drink a glass of water, as it is quite warm on set, and I would like to greet Hélène. Good morning.

00:02:49 - Hélène Baudchon

Good morning, Emmanuel, and hello to everyone watching us live or on replay.

00:02:52 - Emmanuel Laborde

It is a pleasure to have you with us today. You've taken on the challenge of summarising an entire business year in just 10 minutes. Let us begin by reflecting on events from 11 months ago. It is important to remember that the entire world, not just the economy, was in turmoil as President Trump commenced his second term, initiating it by announcing a massive increase in tariffs affecting all countries in the world and numerous economic sectors. These announcements were unprecedented in both their content and delivery. 11 months later, the situation has stabilised. What stands out in your memory?

00:03:27 - Hélène Baudchon

The fact is that Donald Trump's return to the White House marks a significant turning point and presents a double shock: a tariff shock and a shock of uncertainty. It is true that this more protectionist trade policy was in Trump's economic



programme during the presidential campaign. So the uncertainty arises from the numerous reversals in President Trump's announcements since Liberation Day on 2 April. On that day, remember, the announcement was made regarding 1/ the introduction of so-called "reciprocal" tariffs on almost all countries in the world, which were reciprocal in name only, accompanied by 2/ a significant increase in these tariffs, varying in magnitude depending on the country and based on a fairly incomprehensible logic.

00:04:12 - Emmanuel Laborde

Indeed, we are still struggling to have a clear understanding of the situation. Considering that this was 11 months ago, a lot has happened since then, and we could even say that we have experienced a gradual de-escalation, which is rather positive news, wouldn't you agree?

00:04:22 - Hélène Baudchon

Certainly, it is quite positive news. Currently, US tariffs have landed at a lower level than we initially feared at the beginning of April. However, the tariff shock is still there, and it is substantial. For instance, we are witnessing an approximate sevenfold increase in the average effective customs duty on US imports of goods. The average effective tariff rate is now estimated to be around 17% compared to 2.3% in 2024. Furthermore, significant uncertainties remain, and the tariff schedule has become extremely complex due to various exemptions. All of this adversely affects global economic activity, with the United States likely being the most vulnerable.

00:05:11 - Emmanuel Laborde

So a protectionist shock occurred, accompanied by a noteworthy cooling in transatlantic relations at that time, which we still remember. The good news is that Europe did not remain idle. Reactions emerged quite swiftly, marking the second key event of this year. What reactions did you observe from Europe?

00:05:25 - Hélène Baudchon

Indeed, the good news is that Europe clearly heeded the warning signals in 2024, particularly those embedded in the Draghi, Letta and Noyer reports. And this revival of Europe is really a positive shock that counteracts the negative shock coming from the US mentioned earlier. It is true that Europe must now transition from this phase of recognition to one of action. For now, this action is progressing slowly, with insufficient advancements, as Mario Draghi recently noted. Christine Lagarde also reminded us of the urgent need to act so as not to lose more ground and, in particular, by making the single market a truly single market. However, on this matter and other fronts – the multifaceted nature of the European response is a significant strength that should be highlighted – there has been progress, and we believe that this new momentum should continue to expand.

00:06:17 - Emmanuel Laborde

You mentioned that progress has been achieved. Could you provide some specific examples?

00:06:20 - Hélène Baudchon

We should have in mind, for instance, the initiatives aimed at simplifying and making European regulatory frameworks more pragmatic (whether in technology, finance or competition sectors). We should also recognise the gradual advancements towards a more integrated savings and investment union. Additionally, we should underscore the willingness to balance competitiveness with sovereignty, while also addressing the challenge of decarbonisation. Lastly, I believe we should commend the speed and significance of the EU's dual response, evidenced by the notable planned increase in military spending in European countries and the substantial German investment plan. All of these actions have conveyed a positive signal for growth.

00:07:03 - Emmanuel Laborde

In summary, the beginning of 2025 was rather tumultuous, characterised by both pessimism and optimism, resembling an emotional rollercoaster, particularly in economic terms. Ultimately, how can we account for the resilience observed in the global economy?

00:07:17 - Hélène Baudchon

First, let's try to identify the signs of this resilience of the global economy. It encompasses both advanced and emerging markets. This is particularly evident in the upward adjustments of growth projections for 2025, especially when we compare the forecasts from spring with the current assessments. Another sign is that, for the majority of the countries we cover, growth only slowed slightly between the second half of 2024 and the first half of 2025. The growth figures available for the third quarter of 2025 are also rather positive. Business confidence surveys have also been relatively well oriented, especially in the manufacturing sector. However, this is less true when we have a look at consumer confidence, which remained rather weak. Lastly, it is worth noting that, despite its fragility, growth in the euro zone has been on the rise for 2025, whereas growth in the United States has experienced a slowdown compared to 2024.

00:08:16 - Emmanuel Laborde

So, you have illustrated "the how" of this growth resilience. What about the why? These signs of resilience are somewhat

counterintuitive. My question, once again, is how can we explain this growth?

00:08:23 - Hélène Baudchon

I would like to highlight three primary explanatory factors that, once again, are relevant to both advanced and emerging economies. Firstly, there has been a continued easing of monetary policy overall. Secondly, and closely related to this, global financial conditions have remained favourable, characterised by booming equity markets, a downward trend in the dollar and oil prices, and tightening credit spreads. Lastly, and perhaps most crucially, global trade has proven to be more resilient than anticipated. That said, I will immediately add that we believe that the full impact of the US tariff shock is likely still ahead of us. But so far, global trade has benefited from the rapid reorientation of trade flows in response to the tariff shock. The shock may also not be as biting as suggested by Donald Trump's announcements. Numerous exemptions have been granted, as I previously mentioned, and many trade agreements have been negotiated. Ultimately, between the resilience of global trade and the rise in equity markets, there exists one significant common factor: the boom in AI.

00:09:25 - Emmanuel Laborde

We will have the opportunity to discuss that later. Now, let us return to monetary policy, specifically regarding the Fed and the ECB, which are of particular interest to us. This is advantageous, as you and your teams closely monitor this subject, and we have often discussed about it during the previous editions of this conference. 2025 marks a rather intriguing and notable shift in stance for these two major central banks. First, could you clarify what changes each of them has implemented?

00:09:47 - Hélène Baudchon

In fact, what we have seen recently is that they have effectively swapped position. Since July, the European Central Bank has assumed the monetary status quo position that was previously held by the Fed until August, while the Fed has changed its stance and resumed its rate cuts, a position that was previously held by the ECB until June.

00:10:08 - Emmanuel Laborde

What prompted such a change?

00:10:10 - Hélène Baudchon

This reversal is due to a shift in the balance of risks and its assessment. On the US side, the Fed is now more concerned about downside risks to employment rather than upside risks to inflation (those due to higher tariffs). The fact is that the US labour market has shown clear signs of a slowdown, in both labour demand and supply. The unemployment rate has only risen slightly as a result, but the risk of a sharper deterioration cannot be ruled out, which the Fed is trying to prevent by adopting a less restrictive monetary policy. Regarding inflation, it is indeed hovering approximately one percentage point above the 2% target and it is on an upward trajectory; however, the recent increase has been relatively modest and is expected to remain so, to the extent that the Fed does not need to respond to this elevated inflation. It is also important to highlight that the Fed is somewhat divided on these various topics and faces an additional challenge, specifically the political threats to its autonomy.

00:11:16 - Emmanuel Laborde

It's true that it is already a delicate balancing act, as you frequently point out, but with Trump applying pressure, the situation will not be straightforward. This will provide us with ample discussion points. What changes have we observed on the ECB side?

00:11:27 - Hélène Baudchon

In fact, it is worth noting that the ECB is in a more comfortable position than the US Federal Reserve, which is not often the case. It was able to continue lowering its policy interest rates until June to accompany the reduction in inflation and its return to close to the 2% target, thereby bolstering growth. Subsequently, with the reduction in downside risks to growth since this summer and inflation remaining near the target, the European Central Bank was able to maintain a status quo in its monetary policy. As a result, it finds itself in a good place, close to neutrality, while the Fed has not yet reached that stage.

00:12:07 - Emmanuel Laborde

This will be my last question on this overview of the year today. As we approach the end of 2025, we have several indicators that could be significant: the US markets are very high, the CAC 40 is also at record highs. Trends on the bond markets, energy prices and the price of gold are also of interest. These are all indicators that usually help us to better understand a situation, but right now it feels like they are all telling slightly different stories. Do you share this view?

00:12:33 - Hélène Baudchon

The fact is that these indicators are progressing in a rather disjointed fashion; they don't tell the same story. It illustrates quite well, let's say, the complexity and diversity of the contemporary world and the changes that are taking place. So, on the one hand, we have the optimism, which has been unwavering so far, of the equity markets, particularly in the United States, which have for the most part demonstrated a rather astonishing ability to see the glass as half full. However, this

enthusiasm is accompanied by an increasing risk of a market correction. In the oil sector, a similar sense of optimism has emerged in a way, as geopolitical tensions have not significantly influenced the market. The market has remained driven by its fundamentals, with an oversupply exerting downward pressure on prices. Conversely, the bond markets have been more responsive to the deteriorated fiscal conditions in several advanced economies. This vigilance, while selective and contained, raises genuine concerns regarding the potential for increased upward pressure on long-term interest rates. Lastly, the soaring gold prices, which have reached unprecedented levels, serve as a clear yet isolated indicator of risk aversion.

00:13:44 - Emmanuel Laborde

So we will need economists to interpret the economic landscape of 2026.

Thank you very much, Hélène.

00:13:50 - Emmanuel Laborde

We look forward to the coming year, beginning with the advanced economies. We have two subjects to discuss, giving me a fifty-fifty chance. This discussion will involve Stéphane and Lucie, who will be joining us shortly. Please allow me a moment to move across the set and change my tablet.

Hello everyone, hello Stéphane and Lucie.

Stephane Colliac & Lucie Barette

Hello Emmanuel, hello everyone.

Emmanuel Laborde

Together, we will examine the advanced economies in 2026. Various indicators will provide insight into the trends, and we will begin with Europe, which is of significant interest to us, starting with a key indicator that is typically very revealing: growth. Stéphane, what does this indicator tell us?

00:14:40 - Stephane Colliac

It conveys a rather optimistic message. If we look at Europe, especially Germany, Italy and France, growth was below 1% in 2025. We anticipate at least reaching this threshold in Italy and potentially surpassing it in Germany and France in 2026. This is a positive sign. It suggests a growth rate of 1.5% in the euro zone. In the United Kingdom, which is not part of the European Union, we also expect growth slightly above 1%, specifically 1.1%. And then let's not forget Spain, which is currently leading and is expected to maintain a growth rate exceeding 2% again in 2026.

00:15:13 - Emmanuel Laborde

So, these are indeed very promising indicators to begin with. How can we explain this outlook?

00:15:18 - Stephane Colliac

This is primarily due to fiscal support, especially in Germany, associated with the rearmament initiative and the infrastructure investment programme specifically in Germany. This is an important element and will ramp up from the fourth quarter of 2025, but especially in 2026, and it should also facilitate growth in other countries. The ECB has reduced interest rates, and this reduction has been passed on to the rates that banks impose on non-financial companies, as well as to market interest rates. So, this should have a positive impact on business investments. Furthermore, if we concentrate on France, there is an additional aspect, which is the increase in aeronautical production, which over the past four months has accounted for three-quarters of its pre-COVID backlog, indicating a 16% rise in production.

00:16:06 - Emmanuel Laborde

We are indeed looking at extremely positive figures. We are only at the end of 2025, the year is not completely over, and yet we are already beginning to see the developments you mention. Can we sense a shift?

00:16:19 - Lucie Barette

Yes, indeed. In the private sector, there is a moderate but visible improvement in economic surveys. And the tech sector is also contributing to this dynamic. In the manufacturing sector, European companies have significant advantages in leveraging big data, artificial intelligence and automation through robotics. Per capita, Europe has 30% more artificial intelligence specialists in its workforce compared to the United States. This is evident in the labour market as, since the end of 2019, nearly one-third of net job creation in the euro zone has occurred within the high-tech sector.

00:16:54 - Emmanuel Laborde

When discussing AI, our initial instinct is naturally to turn our attention to the United States, which is indeed leading in this field. Regarding the US, what are your predictions for the coming year?

00:17:04 - Stephane Colliac

We anticipate a growth rate of approximately 2%, which is considered a relatively good level of growth since the Trump

administration took office. That's still good growth. Nevertheless, it is still unevenly distributed, presenting a rather optimistic outlook regarding investments, particularly in artificial intelligence, which we will discuss further. However, the outlook appears more cautious when we examine household confidence, especially in terms of spending intentions, which have recently become slightly less optimistic.

00:17:30 - Emmanuel Laborde

What is the significance of this investment in AI? To reiterate, when we pay attention to economic news, and the media often echoes this sentiment, the investments are in the hundreds or even thousands of dollars. It is truly staggering and can be challenging to grasp, sometimes even for a human being. More broadly, investment seems to be the new catalyst for American growth today. Is that accurate? Is that the essential factor?

00:17:52 - Stephane Colliac

Yes, in the United States and elsewhere, investment is a direct outcome of the industrial policies currently being implemented. While these policies are labelled as industrial, they also encompass elements of protectionism. With the US policy of raising tariffs, one of the forthcoming goals is to bring activities back to the United States. In this context, China serves as a model, as evidenced by the China 2025 plan, which illustrates the country's advancement and consistently high investment levels relative to GDP. In Europe, we have the Draghi plan that has been introduced, along with rearmament initiatives through "Readiness 2030", which also contribute to bolstering investment. Overall, we find ourselves in a favourable environment for investment. Monetary policy is also playing a role because, with declining interest rates, which we will come back to, we are facilitating business investment, given that business lending rates have decreased following the ECB's rate reduction. This is another positive aspect. We are already witnessing a resurgence in investment when we consider the French context. Over the past year, European non-financial companies have experienced a 1.2% increase in real investment. So, to answer the initial part of your question about artificial intelligence, it is responsible for a significant portion of the investment growth in the United States, serving as a crucial factor in the country's economic expansion. So it would be crazy to claim that it has no role to play. It plays a very positive role in US growth. This investment is substantial, as it is aimed at fostering potential growth. While there may be some adverse market effects, which we have previously examined, it is essential not to exaggerate this impact, as we rely heavily on various inputs, especially those sourced from Asia, like semiconductors. Consequently, the influence on growth should not be overstated, as this is the element that mitigates the overall impact.

00:19:46 - Emmanuel Laborde

Taking a broader perspective, household consumption has long been the primary engine of growth in the United States. We have observed this trend. Now, as we approach 2026, has there been a shift in this paradigm? Has household consumption become the less significant contributor to growth? Am I justified in making this comparison?

00:20:03 - Lucie Barette

Not yet, but the exceptional performance of the US in terms of consumption is likely nearing its conclusion. This was partially driven by wealth effects, which are now being challenged by the elevated valuations of companies associated with artificial intelligence development. Furthermore, the cooling labour market in the US is expected to dampen the spending enthusiasm of American households. Conversely, in Europe, the improving growth outlook should facilitate a rebound in consumption. Moreover, the labour market is proving more resilient than anticipated, with the unemployment rate close to its low point of 6.3% in September. Nevertheless, the outlook for consumption in Europe continues to be constrained, primarily due to the only modest recovery in real wages, which is unlikely to compensate for the losses incurred during the inflationary phase.

00:20:47 - Emmanuel Laborde

Another aspect that will command our complete focus and assist us in gaining a clearer understanding of what 2026 may entail is, of course, the progression of interest rates. Key rates have decreased, albeit in a somewhat uneven fashion. What consequences might this have for long-term rates? Can we identify a few regions globally and attempt to estimate these rates, tentatively, of course?

00:21:07 - Lucie Barette

Yes. Central banks have reduced their key interest rates, particularly the ECB. This has facilitated a decrease in the borrowing rates for non-financial companies and households. However, this trend of rate cuts is nearing its conclusion, as the ECB is expected to maintain its monetary policy unchanged in 2026 with a key interest rate of 2%, according to our projections, due to the stabilisation of inflationary risks around the 2% target. In the United States and the United Kingdom, monetary policy remains geared towards easing, but this chapter is expected to come to an end in 2026 with a final cut of 25 basis points. In the United States, the deterioration in the labour market has warranted this monetary easing, yet the Fed's flexibility is likely to be constrained by the economy's resilience and inflationary risks.

00:21:57 - Emmanuel Laborde

Furthermore, we must also consider Japan, which has been a significant topic of discussion as we approach the end of this year. Do you agree? It is certainly in the limelight.

00:22:03 - Stephane Colliac



Absolutely. For good reasons, Japan stands out regarding its monetary policy, as the conversation has shifted back to the potential increase in interest rates. This had previously been deferred due to the trade tensions with the United States, the imposition of US tariffs, and the resulting uncertainty. But inflation has not slowed particularly in Japan. Unemployment is very low, structurally very low, around 2%. Migration is tightly regulated, meaning it cannot be relied upon to alleviate labour shortages. Therefore, we find ourselves in a highly constrained economic environment where an increase in interest rates is necessary. Consequently, growth in 2026 is projected to be limited, reaching merely 0.7% in Japan.

00:22:48 - Emmanuel Laborde

Now, let us discuss sovereign rates, Lucie.

00:22:53 - Lucie Barette

Of course. Despite these accommodative measures, long-term sovereign rates are experiencing upward pressure due to the rising public debt in advanced economies. This trend is expected to continue in the euro zone, particularly with the expected rise in German debt. Nevertheless, this will not result in a widening of spreads, including in France.

00:23:10 - Emmanuel Laborde

In the scenario you have outlined, is it plausible that, similarly to early 2025, US policy could again be a source of uncertainty in 2026? Might we witness a recurrence of this situation?

00:23:26 - Stephane Colliac

It is possible, so we need to look at which aspect to consider. The trade policy was the one where US policy was most disruptive in 2025. Typically, this should be a resolved matter, as agreements have been signed, including trade agreements like the one between the European Union and the United States, which also served as a model for other agreements signed later around the world. However, if the Supreme Court were to cancel these agreements, particularly the so-called reciprocal tariffs, we would undoubtedly have to reopen that issue. Nevertheless, we believe that, for the most part, that issue was addressed in 2025. Conversely, there are two additional factors that could significantly influence the United States policy. One factor could be energy policy and the pursuit of low energy prices, which was already highlighted in 2025 by the administration and has led to subsidies promoting the development of coal mining. However, we see that, alongside the advancement of artificial intelligence, electricity consumption is on the rise, electricity prices are also increasing, and therefore there is clearly more work to be done to lower energy costs. Additionally, global conflict resolution could also be influential, particularly given the conflict in the Middle East, which was resolved in 2025. There is a conflict between Russia and Ukraine, two countries that produce vast quantities of various raw materials, including energy resources. Resolving these conflicts could potentially contribute to lowering energy prices.

00:25:05 - Emmanuel Laborde

We will also be monitoring the Fed, as we briefly discussed with Hélène. The Fed will be active in its policy decisions, and additionally, there is a new dynamic in its interactions with President Trump.

00:25:15 - Stephane Colliac

Indeed. Already in 2025, we observed a clear inclination to push the Fed towards lowering interest rates, potentially even below what economic fundamentals would typically support. Since the Fed's actions are guided by these fundamentals, it refrained from reducing rates to the extent desired by the US administration. In 2026, there may arise an opportunity for the administration to exert greater influence over the Fed, coinciding with the conclusion of Jerome Powell's term as governor. Consequently, a new governor will assume office. With the changes in the monetary policy committee in the United States, we might witness increased oversight and, as a result, lower interest rates. The impact of lower energy prices coupled with lower interest rates could foster short-term growth. This is a potential outcome we could anticipate. However, if achieving this involves undermining the Fed's credibility, it could lead to adverse consequences in the medium term. We have to remind the successes that Paul Volcker achieved in the early 1980s by raising interest rates in front of high inflation, which ultimately resulted in reduced inflation and sustainable growth. Conversely, pursuing the opposite strategy could incur significant costs.

00:26:19 - Emmanuel Laborde

Let us take lessons from history and strive to avoid repeating past mistakes. Our focus is on the euro-dollar exchange rate. If we analyse it over the year, smoothing out fluctuations, we project an 11% variation in the euro's value against the dollar in 2025, which is still quite significant. For individuals of my generation, this evokes memories of the era of a strong euro, which is quite advantageous for travel to the United States, yet poses concerns from an economist's perspective, especially regarding European exports. What scenarios might we encounter, Lucie?

00:26:48 - Lucie Barette

Initially, the dollar experienced a decline in the first half of 2025 as a result of the new US economic policy. At the same time, the euro gained from enhanced growth and the rise in long-term interest rates, especially in Germany. The exchange rate stabilised at \$1.15 per euro and continues to hold at that level today. Looking ahead to 2026, we expect it

to approach \$1.20 per euro. This situation leads to two significant outcomes. The first outcome is that the strength of the euro bolsters disinflation. For instance, from January to November 2025, the price of a barrel of oil in euros decreased by 25%. The second outcome is less advantageous and concerns European competitiveness, with an appreciation of more than 10% against the dollar and currencies that move with it, including the Chinese yuan.

00:27:38 - Emmanuel Laborde

You mentioned the Chinese currency, which provides an excellent introduction to our second topic regarding emerging economies. I have one final question for you, Stéphane, on this matter. From a trade perspective, could China in 2026 potentially become, and I put this in quotation marks, a greater challenge for Europe than the United States has been over the past year?

00:27:59 - Stephane Colliac

Yes, perhaps already, as we have noted that with the rise in US customs tariffs, China is now primarily targeting European for new market opportunities. This could certainly lead to complications, as it presents an industrial challenge, with heightened Chinese competition against Germany, the emergence of high-end Chinese products, and the issues this creates. Additionally, there are challenges related to retail and wholesale trade, with the reduction of intermediaries in trade, which constitutes approximately 20% of an economy. Consequently, by minimising the number of intermediaries, this inherently competes with traditional wholesale and retail channels. If we assess the cost disparity between China and the European Union, various studies estimate this difference to be approximately 30%. Consequently, in direct competition, copying with a significant gap is evidently challenging. How can the European Union address this competition? Clearly, in front of clear distortions and evident dumping, imposing customs duties may serve as a viable response, but this should only apply in specific contexts rather than as a blanket increase in customs duties. At the same time, the implementation of the Draghi plan is essential. Additionally, fostering locally produced content within European manufacturing is another strategy. Therefore, any measures that facilitate this will serve as a counter to the increasing competition from China.

00:29:27 - Emmanuel Laborde

This topic has been previously addressed and will undoubtedly resurface in the news concerning all Economic Studies publications. Thank you both. We will now move onto 2026 in the emerging regions. Following a brief jingle, we will be joined by Christine and Cynthia. Hello both.

00:29:55 - Christine Peltier and Cynthia Kalasopatan Antoine

Christine Peltier and Cynthia Kalasopatan Antoine: Hello Emmanuel, hello everyone.

00:29:58 - Emmanuel Laborde

With you, we will look ahead to 2026 through the perspective of the emerging economies that you monitor throughout the year for the Economic Research. We will begin with a broad overview. Hélène mentioned that the global growth figures for 2025 were quite favourable. How does growth, which remained relatively stable in 2025, appear for the upcoming year in the economies you observe?

00:30:23 - Christine Peltier

The initial part of the response is that emerging economies will indeed continue to perform well. However, the average economic growth rate is expected to decelerate slightly. This average growth was 4.2% in 2024. It is expected to reach 4.1% in 2025 and to dip just below 4% in 2026.

00:30:39 - Emmanuel Laborde

You are providing us with the averages, and we understand the principle that there will always be rates both above and below. Let us attempt to analyse this further by dividing it into two groups. In the first group, which regions or countries are expected to experience a slowdown in growth?

00:30:59 - Christine Peltier

Two main regions are projected to undergo a slowdown in 2026: Asia and Latin America. To begin with, Asia is expected to experience a fairly marked slowdown, yet it will continue to be the most dynamic region. Asia's economies are heavily reliant on the export sector. Exports have performed much better than expected since the beginning of the year and are expected to slow in the short term. In addition, the most advanced countries in emerging Asia are vulnerable to the risk of a cyclical downturn in the AI sector.

00:31:31 - Christine Peltier

So we expect a slowdown next year.

00:31:33 - Emmanuel Laborde

When we talk about Asia, it is essential to take a moment to reflect on the two major players, India and China. What is the prevailing trend?

00:31:40 - Christine Peltier

In India, growth is expected to remain among the strongest in the region, nearing 6.5% in 2026. In China, in an external environment that is becoming less favourable, growth will increasingly rely on the authorities' ability to strengthen confidence and stimulate household consumption. However, we hold a rather pessimistic view regarding the rebalancing of China's growth sources, at least in the short term. Consequently, growth will experience a moderate slowdown. At the same time, the export sector will continue to be, on the one hand, a key driver of Chinese growth and, on the other hand, a strategic tool in the competition with the United States. This reliance on exports will undoubtedly have repercussions for the rest of the world.

00:32:23 - Emmanuel Laborde

Another region of interest for us is Latin America?

00:32:26 - Christine Peltier

Yes, growth will slow in Latin America. It is a region that is less exposed to the impact of US tariffs or the slowdown in global trade compared to Asia. However, it remains vulnerable to commodity price fluctuations. Most importantly, significant macroeconomic vulnerabilities, especially in public finances, will constrain economic policy-making.

00:32:51 - Emmanuel Laborde

There exists another group where growth is projected to accelerate. We are now examining them. Which regions of the world will be affected, Cynthia?

00:33:00 - Cynthia Kalasopatan Antoine

Two regions are expected to experience acceleration: Africa-Middle East and Central Europe. Let's start with the Africa-Middle East region, which merits attention. Economic growth is forecasted to rise in 2026, driven by the strong performance of the Gulf countries. These countries have, thus far, remained largely insulated from the economic consequences of geopolitical unrest and US tariff policies. They are reaping the benefits of both economic diversification initiatives and the increase in oil production mandated by OPEC+.

00:33:39 - Emmanuel Laborde

Another region you mentioned is Central Europe. Will consumption once again serve as the main driver of growth in this region?

00:33:48 - Cynthia Kalasopatan Antoine

Yes. In Central Europe, economic growth is expected to improve further in 2026. Indeed, it will be primarily fuelled by consumption.

00:33:59 - Cynthia Kalasopatan Antoine

And that's not all.

Investment, which has weakened significantly over the last few quarters, is expected to recover, aided by European funds. This is a crucial point. We must remember that a substantial amount of the recovery and resilience funds are still pending transfer to Central European countries. These funds must be disbursed by the end of 2026.

00:34:20 - Emmanuel Laborde

Central Europe encompasses a large area. Can we focus on a few countries that are particularly noteworthy?

00:34:28 - Cynthia Kalasopatan Antoine

Absolutely. In the region, one country that particularly stands out is Poland. The Polish economy has been one of the top performers in the region during the post-COVID era, driven by strong domestic demand. And this momentum is expected to continue into 2026. Additionally, Bulgaria will be in the limelight as it is set to join the euro zone on 1 January 2026. Furthermore, we should not overlook Türkiye, which is projected to experience significant growth next year, provided that the political climate does not hinder monetary policy easing.

00:35:12 - Emmanuel Laborde

Monetary policy is an area of interest for us. It serves as an excellent indicator for forecasting and understanding what these regions can expect. We will examine both monetary and fiscal policies. Let us begin with monetary policies, which should be supportive overall. Can we be fairly optimistic?

00:35:29 - Christine Peltier

Yes. In fact, certain external factors that supported disinflation and the easing of monetary policy in emerging markets during 2025 are expected to continue. Therefore, we expect monetary easing in emerging markets to continue. Policy loosening is even likely to extend to more countries, especially as initial policy rate cuts are expected in Brazil and



Hungary. However, the average extent of the policy rate decline in 2026 is projected to be more conservative than that of 2025. Firstly, this is due to the uneven pace of disinflation. For instance, inflation rates are already low in Asia, and they could rise again in some countries, such as India. In China, deflationary pressures are expected to ease somewhat. Conversely, in Central Europe, wage pressures remain high, and in countries like the Czech Republic and Hungary, for example, increasing property prices may also lead central banks to keep a more cautious stance. Moreover, while the risks linked to international financial conditions appear to be limited in the short term, capital flows may experience greater volatility, and episodes of currency depreciation in emerging markets could be more frequent in 2026, especially in the lead-up to elections or due to concerns regarding public finances. In this context, Colombia and Brazil will be countries to monitor.

00:36:52 - Emmanuel Laborde

Another significant point is fiscal policy.

00:36:55 - Cynthia Kalasopatan Antoine

Budget deficits and public debt levels are generally higher than they were prior to the COVID crisis. As a result, fiscal policies are constrained by the necessity to halt or at least mitigate the increase in debt ratios. Therefore, fiscal support for growth is likely to diminish in the coming years.

00:37:18 - Emmanuel Laborde

Could you provide us with a few examples to illustrate this?

00:37:20 - Cynthia Kalasopatan Antoine

In Central Europe, the fiscal adjustment process is expected to be quite gradual. In Türkiye, the state of public finances offers some room for manoeuvre if necessary, despite an increase in the budget deficit. In India, public finances exhibit considerable structural weaknesses; however, the government is focusing on growth and has recently reduced VAT rates. In China, public finances have been deteriorating for several years, yet both the central and local governments still have some policy flexibility to support growth in 2026.

00:37:58 - Emmanuel Laborde

You have just mentioned China, and we will undoubtedly continue to concentrate on this major player. Developments in global trade and China's actions are crucial for understanding what may transpire in the upcoming year. Will China maintain its aggressive approach in gaining new export market shares?

00:38:14 - Christine Peltier

Indeed, since the start of the year, Chinese firms have adopted strategies to address the US tariff shock and to respond to weak domestic demand within China. Consequently, these companies have redirected their exports to other markets. They have increased their market share thanks to substantial price reductions and robust non-price competitiveness. Will this trend continue in 2026? Chinese firms may not possess the same ability to sustain their aggressive pricing strategies. The yuan is currently slightly less weak than it was at the beginning of the year. Furthermore, for several months, Chinese authorities have been working to reduce production overcapacity.

00:38:58 - Christine Peltier

There is also the US tariff issue.

00:39:04 - Christine Peltier

Although the US has recently lowered tariffs on Chinese products, these tariffs are still high. Additionally, other trading partners may impose more protectionist measures. Therefore, we can expect that Chinese exports will be somewhat less dynamic in the coming months.

00:39:21 - Emmanuel Laborde

Thus, while somewhat less dynamic, Beijing's political aspirations remain exceedingly ambitious and aggressive.

00:39:29 - Christine Peltier

Yes, that's the "problem". We have already mentioned the significance of exports as a key growth driver for China. The next five-year plan, set to commence in March 2026, will continue to prioritise emerging industries, innovation and China's technological autonomy. China will therefore continue to focus on sectors such as advanced technologies, green energy, artificial intelligence and aerospace. And it can be expected that certain Chinese firms will continue to be highly competitive on the global stage.

00:40:06 - Emmanuel Laborde

Continuing with the topic of China, which is undeniably a focal point. Another question arises: How will China navigate its trade relationships, especially with Central Europe?

00:40:17 - Cynthia Kalasopatan Antoine

It is true that China is both a competitor and a partner. It is true that competition is very intense, as evidenced by China's increasing market share in Central Europe. However, China is also establishing itself as a significant partner in the region, particularly through increased foreign direct investment, especially in the automotive sector in Slovakia and Hungary.

00:40:48 - Emmanuel Laborde

You mentioned the automotive industry, which serves as an excellent segue for me, given that this sector is a cornerstone of the economy in Central Europe. How is it going?

00:40:58 - Cynthia Kalasopatan Antoine

In Central Europe, the trend diverges significantly from that observed in Western Europe. In fact, exports of vehicles and spare parts have held up well in the region since the beginning of the year, due to a strong intra-European dynamic. Support also comes from the diversification of markets, particularly the UK and Türkiye.

00:41:25 - Emmanuel Laborde

What does the outlook for 2026 in this sector look like?

00:41:29 - Cynthia Kalasopatan Antoine

In the short term, I would say that there is some resilience in exports, especially for automotive products. Central Europe continues to be competitive, despite the appreciation of local currencies. The production costs are favourable, as wages in Central Europe are lower than in Western European countries. Furthermore, it is important to note that the fears of a global shortage of spare parts, which escalated last October, have begun to ease. However, it is important to keep in mind that the automotive industry remains highly integrated in the global production chain. In any case, it is vulnerable to a potential supply shock. We have recently seen tensions surrounding Nexperia.

00:42:26 - Emmanuel Laborde

Thank you very much. It's now 4:44 p.m. for those of you watching us live. Let us take a moment to consider other points that we will need to monitor next year before moving on to our third panel. In just a moment, Christine.

00:42:39 - Christine Peltier

Obviously, geopolitical risks remain high. Additionally, I would like to highlight the various elections that are scheduled to take place in emerging countries.

00:42:46 - Christine Peltier

The election calendar for 2026 will be quite busy.

00:42:47 - Emmanuel Laborde

Cynthia?

00:42:49 - Cynthia Kalasopatan Antoine

In Central Europe, defence spending will be a priority in 2026. We will also be keeping an eye on the progress of investments in artificial intelligence.

00:43:01 - Emmanuel Laborde

Thank you very much. It's now time to move on to our third and rather unique panel. The chief economist of BNP Paribas is pleased to welcome Jean Lemierre. This will follow shortly after this jingle.

00:43:12 - Isabelle Mateos y Lago

Hello Jean Lemierre, thank you for being with us to conclude this Economic Studies conference.

00:43:26 - Isabelle Mateos y Lago

After hearing a very comprehensive overview provided by our colleagues, we'll try and take a step back with you. Starting with a look back at 2025, which signifies the end of the first quarter of the century.

00:43:40 - Isabelle Mateos y Lago

In many ways, it appears to me that

00:43:43 - Isabelle Mateos y Lago

there will be a distinct before and after, although I understand you may have a slightly different viewpoint. However, from my perspective, there are at least four critical dimensions where we are now on new grounds. In terms of the international economic order, we once believed there were established rules governing trade. It now seems that such rules are no longer in place. In terms of geopolitics, we previously had a fairly clear understanding of our allies and adversaries. Once again, the situation has become more complex. Concerning artificial intelligence, it has existed since the 1950s and Chat GPT has been around for three years, but I believe this year marks a significant moment when artificial intelligence has truly integrated into our professional and personal lives.

00:44:24 - Isabelle Mateos y Lago

Lastly, the topic of stablecoins, which, with the "Genius Act", are transitioning from a shadowy area of finance to potentially a more central role.

00:44:34 - Isabelle Mateos y Lago

So there you have it, to kick off this question about what to remember from 2025. But let us know what you think.

00:44:40 - Jean Lemierre

Hello there.

00:44:43 - Jean Lemierre

You have presented a rather extensive overview of 2025. In my view, the primary aspect I would highlight regarding 2025 pertains to the decisions taken within American politics. US policy decisions are structural. For me, there are two significant areas: trade policy and deregulation, which notably impacts our banking sector. Let us briefly examine tariff policies. Tariff policies encompass two key elements. Firstly, they express a commitment to reindustrialising the United States. This relates to trade. Indeed, it disrupts conventional practices and alters our discussions. But fundamentally, it conveys a crucial message: the United States has relinquished too much of its industrial capacity. While it has enjoyed low prices and high-quality goods, there is a desire to reindustrialise. The implications of this can be debated, yet I contend that the initial message is profoundly significant. Therefore, I would like to make two observations. The first is, this is not new. Mr Biden articulated a similar sentiment with the IRA; although he did not impose tariffs, he did provide subsidies. I am not sure that his predecessors, in particular Mr Obama, did not express similar views regarding the pivot to Asia, which is not a recent development, particularly concerning China and its leadership.

00:46:20 - Jean Lemierre

So, the reindustrialisation of the United States is being asserted in the spring of 2025 in a strong, significant way. We'll see if this happens, but in any case, it stands as a fundamental aspect of US policy. The second is deregulation. Deregulation can be viewed as a continuation of the events of 2008. In 2008, there was considerable apprehension, leading to extensive protective measures and the establishment of stringent regulations; but then suddenly, the US acknowledged the need to reverse some of that. That summarises my perspective for 2025. These represent two significantly structural trends, far more substantial than commonly perceived, as I previously mentioned regarding tariff policy. These are enduring and deep-seated trends. Concerning industrial policy, it is important to note that China has been implementing an industrial policy since the era of Deng Xiaoping. China's focus is not on consumption but rather on industrial policy. Europe is the only one that thinks differently today. Indeed. This presents a serious challenge for Europe. What actions should Europe undertake in a landscape characterised by North American reindustrialisation and Chinese industrialisation, particularly in the realm of artificial intelligence, as you pointed out? Similarly, with respect to deregulation, Europe is a continent that knows how to regulate, which knows how to implement it, which has done so extensively across various sectors, and is currently facing a notable transatlantic divide. Therefore, for me, 2025 encapsulates the essence of reindustrialisation, deregulation and a critical examination of the European system. The European system has recognised these dynamics, as evidenced by the Draghi report and the Letta report. The European system has responded, European brains have kicked into gear, and we will await developments in 2026 to determine whether the brains have successfully addressed these challenges.

00:48:14 - Isabelle Mateos y Lago

Very well, but actually, European brains, specifically referencing Draghi and Letta, kicked off already in 2024.

00:48:20 - Isabelle Mateos y Lago

So, in a sense, they saw the US turning point coming. In 2025, there was considerable discussion emanating from Europe, proclaiming, "Ah yes, Draghi's report, it's great, we're moving forward."

00:48:33 - Isabelle Mateos y Lago

Moreover, there are numerous projects currently in progress, both regarding industrial policy and administrative simplification, per the terminology employed. However, can we trust that Europe has genuinely woken up, that it has grasped the message, and that this newly initiated effort will persist and yield results, or are you still skeptical?

00:48:58 - Jean Lemierre

Well, first of all, we said it.

00:49:00 - Jean Lemierre  
We said it in spring 2025.

00:49:02 - Jean Lemierre  
Not only did we say it, but investors did too. It was a sort of awakening for Europe, Europe's moment.

00:49:10 - Jean Lemierre  
Indeed.

00:49:10 - Jean Lemierre  
However, it has somewhat diminished. What we referred to as Europe's moment still exists, albeit in a less vigorous form. Perhaps, in order to answer your question, we need to mention another critical issue for Europe, which is war, specifically the threat it poses. For 20 years, Europe has been under a genuine threat, that of terrorism. Terrorism has presented numerous challenges and, regrettably, inflicted suffering on European soil, alongside significant commitments beyond European borders. Today, Europe faces a threat at its borders, particularly concerning Ukraine and Gaza. These are all issues that have suddenly become central to European concerns, leading to questions about the nature of defence, solidarity, support, military capabilities, equipment and industry. And we can see how these issues have been taken into account, by Germany in particular. Consequently, there are three or four major European challenges that Europe is endeavouring to tackle. As to the responses, first of all, I would be positive. There are components of a response. We can see that. In my view, the most significant component of the response is Germany. Germany, demonstrating considerable budgetary ingenuity and political boldness, is contravening several German regulations and adhering to the recommendations of the International Monetary Fund and the OECD, which have been urging it for 20 years to allocate funds, incur a modest amount of debt and invest as necessary. Afterwards, we can have a debate about how to do it and how long it will take, but in any case, the decision has been made in 2025 and that is quite remarkable. The European Commission has launched a number of initiatives on the Capital Markets Union and industrialisation. But fundamentally, Europe has not yet delivered what it should be doing. And there are reasons for that. The first reason is that Europe still sees itself as an open market, where the focus is on ensuring compliance with the principles of a transparent and competitive market. That's all well and good, I agree, except that we are probably the only ones. With US reindustrialisation and the continued industrialisation of China, Europe is confronted with this challenge. Basically, what should be done? Should we continue to manage these rules, or should we introduce not protectionism, but – and I will come back to this – safeguard clauses? In the face of significant pressure, should we not just negotiate, protect, renegotiate, and strive for agreements? That is what Europe must do, and it knows how to do it relatively well; there is no difficulty there. But for the moment, Europe is still finding its feet on these issues.

00:52:31 - Jean Lemierre  
Why?

00:52:31 - Jean Lemierre  
Essentially, there is a relatively straightforward debate. When discussing remanufacturing, we refer to both consumers and producers. Both China and the United States have now prioritised producers over consumers. This remains a contentious issue. We can clearly see what is happening in the United States and the political risks of putting consumers too far to one side. Europe has chosen consumers. There is an ongoing debate in Europe regarding striking the right balance between supporting consumers, which is justified, and simultaneously helping producers. Numerous demands, ideas and opinions have been voiced. The new balance has not yet been achieved. So I hope it will happen fairly quickly. Regarding the Capital Markets Union, we find ourselves in a similar predicament; discussions have been ongoing for 10 years.

00:53:22 - Jean Lemierre  
Europe is a prosperous continent,

00:53:24 - Jean Lemierre  
where we have considerable long-term savings.

00:53:26 - Jean Lemierre  
It is difficult to mobilise European long-term savings for Europe's long-term needs.

00:53:31 - Jean Lemierre  
Europe has substantial long-term needs in research and corporate equity funds. We encounter considerable difficulties in raising equity in the American sense, especially for technological innovation. And then we have a defence initiative to pursue.

00:53:49 - Jean Lemierre  
There are many demands.

00:53:50 - Jean Lemierre

So I'm fairly confident. I believe that 2026 will be a year of significant accomplishments.

00:53:57 - Jean Lemierre

Europe is a democracy.

00:53:58 - Jean Lemierre

It is essential for the Member States, the Commission, and the European Parliament to reach a consensus. We need to move forward step by step. I am fairly confident that we can achieve this. Honestly, the challenges confronting Europe are immense. The external pressures on Europe are very strong. If we aim to maintain our European social model, which is our collective aspiration, and fund our social protection in an ageing continent, we must take decisive action. We must act.

00:54:33 - Jean Lemierre

We have the means to do so.

00:54:34 - Isabelle Mateos y Lago

Perhaps this is where there is a little less opposition between the consumer dimension and the producer dimension, since ultimately, consumers also want to keep their social protection model.

00:54:44 - Jean Lemierre

This is where, typically, we should be able to reconcile things.

00:54:49 - Isabelle Mateos y Lago

You mentioned China. This year, China has faced the near closure, or at least the obstruction, of the US market, which has redirected its focus to other markets, especially Europe, which now has a significant trade deficit with China. You are departing tomorrow as part of the French President's delegation. In your opinion, what message should Europe convey to China?

00:55:18 - Jean Lemierre

One of partnership. This partnership was established long ago, initiated by Deng Xiaoping, who opened up China and began to build a partnership with Western capital, technology, expertise and markets. However, this partnership must not remain static. It is evolving. Today's China is not Deng Xiaoping's China. In a few years, China is projected to represent approximately 50% of global industrial capacity. This is a crucial factor to consider. The level of innovation is significant. Progress in artificial intelligence is notable. One of China's major strengths is its ability to leverage artificial intelligence in manufacturing. These are formidable competitive elements. At the same time, China needs to move forward. So, we can see that there is a balance between complete openness and the risk of being overwhelmed by industrial production, and complete closure, which risks creating significant conflicts, losing opportunities and generating unemployment. This is in no one's interest. So we need to rethink this balance. If we set aside the issue of leadership,---Europe does not qualify as a continent of leadership. The United States is engaged in a struggle for leadership, aspiring to keep the lead. In contrast, Europe lacks this ambition, or at least it seems to have moved past it. After numerous attempts, it has come to realise that pursuing political leadership may not be the most suitable direction for Europe. The world frequently reminds Europe of this fact, and rightly so. However, Europe remains a wealthy continent, characterised by substantial savings, a wealth of talent, and a readiness to collaborate.

00:57:16 - Jean Lemierre

So we need to find a balance. This, in my view, represents the challenge at hand.

00:57:20 - Jean Lemierre

In essence, the trade balance is made up of export volumes, tariffs, quotas, investment volumes and partnerships. There are two quite evident areas to consider. Opening the market... Why not? And technology is necessary. Therefore, it is clear that there are several strong components at play. I firmly believe that, regardless of differing opinions, this partnership serves our interests. Europe stands to gain from technology and expertise. Conversely, China benefits from having a viable market. In a global landscape where trade and investment are not only centered in Europe but also in Southeast Asia, a significant destination for Chinese exports, we can identify potential for balance. Unfortunately, achieving this rebalancing requires time and may involve challenging phases, as evidenced by unexpected developments, such as cognac being caught in a dispute over electric vehicles. Nevertheless, this is the essence of repositioning, and I hope that the European Commission, heads of state in Europe, and European enterprises – at least that is the message I intend to convey to French companies – will engage in this rebalancing effort.

00:58:44 - Isabelle Mateos y Lago



This rebalancing bears some resemblance to the terminology employed by President Trump when he initiated his significant trade offensive at the start of the year. In your opinion, could this result in a phase of tension and discord between the European Union and China? Or do you think that, in the end, both sides will be clever enough to maintain a relatively harmonious relationship?

00:59:10 - Jean Lemierre

Let us prioritise cleverness. If we prioritise cleverness, we should typically observe fairly rapid developments... Perhaps there is an underlying challenge in your question, indicating a European difficulty. Europe consists of 27 states, and we do not necessarily share the same interpretations or interests; this is not solely a Chinese matter, but rather a European concern. To achieve a favourable outcome, as the Chinese say, we require harmony over time. Once again, there are ample reasons for such harmony to exist, enabling us Europeans to remain consistent and united. Here too, intelligence must prevail.

00:59:55 - Isabelle Mateos y Lago

Very well. And perhaps to conclude on a note that I hope will be optimistic. Ukraine, you were there not so long ago. This is crucial for us, for the BNPPP group, for everyone, for Europe, a significant issue. In the last few days, it seems that things are moving in a slightly less, slightly more promising direction, shall we say, than in previous weeks and months. How do you see the situation evolving and what opportunities do you see for Europe as we hopefully move closer to an end to this conflict?

01:00:36 - Jean Lemierre

First and foremost, Ukraine. The situation in Ukraine is a tragedy. And, how can I put it, the fight for Ukraine is a fight for Europe. The reason for mobilising in support of Ukraine is Europe. Of course, it's for the Ukrainians, we agree, but it's also for Europe. And this is an extraordinarily important European issue. I do not see any distinction between the interests of Ukraine and those of Europe regarding peace. My second observation is that peace, as you noted, along with reconstruction... the political, economic, and financial rebuilding of Ukraine requires a stable, enduring peace, which is challenging. The history of Europe is full of such debates. It is a debate that Europe has had to face several times in its recent history. So we understand... And I believe that Europeans possess insights and, regrettably, experiences to impart. And there can be no reconstruction without the prospect of lasting peace. Unfortunately, we are all too aware of this. And we need, Ukraine needs to rebuild itself, it needs to rebuild its infrastructure, its electricity system, its water supply system, its transport system, and then to develop economic activity. It has the resources to achieve this. It has a population of remarkable resilience, which is extraordinarily strong, imaginative, creative, and rich in technological capabilities. So Ukraine knows how to do this. We know how to support it. However, the framework must be one of stability and peace, not uncertainty and potential conflict. That is an easy wish to express. I know how difficult it is to implement, how much tension and how many issues lie behind all this. But for the European continent, for all of us, it is absolutely vital.

01:02:52 - Isabelle Mateos y Lago

Very well.

01:02:54 - Isabelle Mateos y Lago

Thank you very much for sharing these insights and concluding with the term resilience, a concept that I believe has truly become the hallmark of the system.

01:03:03 - Jean Lemierre

If you will allow me, I would like to make a comment, as you referred to it. I recently visited Ukraine. I would describe the resilience I observed as rooted in an extraordinary sense of loyalty among the Ukrainian people. Whether among those on the frontlines or behind them, those who work, and those who endure hardship, there is a deep internal loyalty within society, and remarkable vitality. I think that more than resilience, the Ukrainian message is vitality.

01:03:40 - Isabelle Mateos y Lago

Very well. Let us conclude at this point.

01:03:43 - Isabelle Mateos y Lago

Thank you for joining us.

01:03:44 - Emmanuel Laborde

I extend my heartfelt thanks to Jean Lemierre and Isabelle Mateos y Lago for this interview, which brings our half-yearly Economic Research conference to a close. A big thank you also goes to all the economists who worked on preparing and presenting this conference.

Thank you for joining us. Please feel free to promote this event so that the Replay continues to be a great success. Wishing you a wonderful end to the year, and I look forward to seeing you in 2026 for more conferences.

We look forward to seeing you soon.