

A blockbuster plot worth following

It's not every day I compare the global economy to Tom Cruise's blockbuster movies. But amid the noise, the stunts and the audience's appreciation and shock, this is a plot worth following



What are we watching?

As a self-declared movie buff, I love nothing more than settling into any new movie. Recently, I watched the latest instalment in the seemingly endless Mission: Impossible series: The Final Reckoning. Tom Cruise, still sprinting like it's 1996, takes on a new villain: AI. The film delivers what you'd expect: high-octane stunts, explosions, and a plot so elusive it might as well have been classified. I left the theatre wondering what exactly I had just watched. Lots of action, very little story.

And that's when it hit me: this felt oddly familiar. Welcome to the global economy in 2025

No shortage of drama

We're nearly halfway through an action-packed year. There's been no shortage of drama, some meaningful, much of it not. However, unlike Mission: Impossible, the global economy does have a storyline, it's just not always easy to follow.

Let's rewind: tariffs - some more charming than others - market volatility, questions about Fed independence, a U.S. credit downgrade, fiscal stimulus on steroids, rising debt, deportations, visa restrictions for foreign students, the war in Ukraine entering its fourth year, and Germany doing a fiscal U-turn with a likely doubling of defence spending. And that's just the highlights reel.

This isn't another Hollywood sequel. Even if not every policy twist is meaningful, we're clearly in the middle of a structural shift. And it's still too early to separate noise from narrative, but some

themes are emerging:

- the highest global tariff levels since the 1930s,
- growing investor concerns about America's debt sustainability, and
- rule of law, and a geopolitical landscape that's anything but stable.

Germany's fiscal mindset has changed—at least for now (they prefer calling it “fiscal investing”). Europe is waking up to the reality that it can no longer rely on the U.S. for its security. ECB President Christine Lagarde has dubbed this a “*global euro moment*.” That might be a touch too Ethan Hunt for some, but the message is clear: Europe needs to step up.

A nail-biting ending

But let's be honest; this 'moment' won't materialise through speeches alone. Europe must build a fully integrated financial and capital market, foster a competitive and innovative economy, and be ready to act as a global backstop in times of crisis, be that financial, geopolitical, or even military. Let's hope this time there's more follow-through than there was with the [Lisbon Strategy](#), which once promised to make Europe “*the most competitive and dynamic knowledge-based economy in the world*.” We all know how that movie ended.

So, while the global economy may not have Tom Cruise dangling from helicopters, it does offer a plot worth following, one with real consequences. And for the record, my favourite Cruise moment isn't from Mission: Impossible at all. It's from Magnolia. But drawing parallels between that and today's economy would definitely earn this update an X rating.

Author

Carsten Brzeski

Global Head of Macro

carsten.brzeski@ing.de

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. (“ING”) solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and

which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit www.ing.com.