

Listen: Europe's road to rearmament

In this podcast, ING's Carsten Brzeski and Bert Colijn discuss plans to rearm Europe following President Trump's recent actions and demands, and the impact this could have on the economy, monetary policy and financial markets.



President Trump's decision to temporarily suspend military support for Ukraine, coupled with his implicit threat to withdraw US forces from Europe unless Nato allies increase their defence spending, has upended the near 80-year transatlantic alliance, and left European countries scrambling to respond.

European Commission President Ursula von der Leyen has called for a 'surge' in defence spending and said nothing is off the table when it comes to raising money. Last week, she unveiled an €800bn plan to allow member states to increase spending and borrow money for defence purposes without violating the bloc's strict budget rules.

But some EU member states have already pushed back, with highly indebted countries like Italy worried about the financial strain of the plan and Germany concerned about the implications for its fiscal conservatism.

So who will pay, how much will they pay, and what will it [all mean for Europe's economy, markets, and security?](#)

In this podcast, ING's Global Head of Macro Carsten Brzeski and Netherlands' Chief Economist Bert

Colijn discuss the hard political and financial choices ahead for Europe and the chances of success.

Author

Carsten Brzeski

Global Head of Macro

carsten.brzeski@ing.de

Bert Colijn

Chief Economist, Netherlands

bert.colijn@ing.com

Rebecca Byrne

Senior Editor and Supervisory Analyst

rebecca.byrne@ing.com

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.