RESILIENCE AMID UNCERTAINTY

Amid rising global uncertainty, regional integration offers one route to resilience

GLOBAL UNCERTAINTY has surged to new highs, yet world sentiment is holding up—it's a paradoxical mix of "anxiety and resilience," as Kristalina Georgieva, the IMF's managing director, put it in a recent speech. And it's within this context that policymakers must chart a course toward sustained growth. Among the medium-term priorities the IMF identifies—repairing public finances, addressing internal and external imbalances, and lifting trend growth—regional integration stands out as a key lever for resilience.

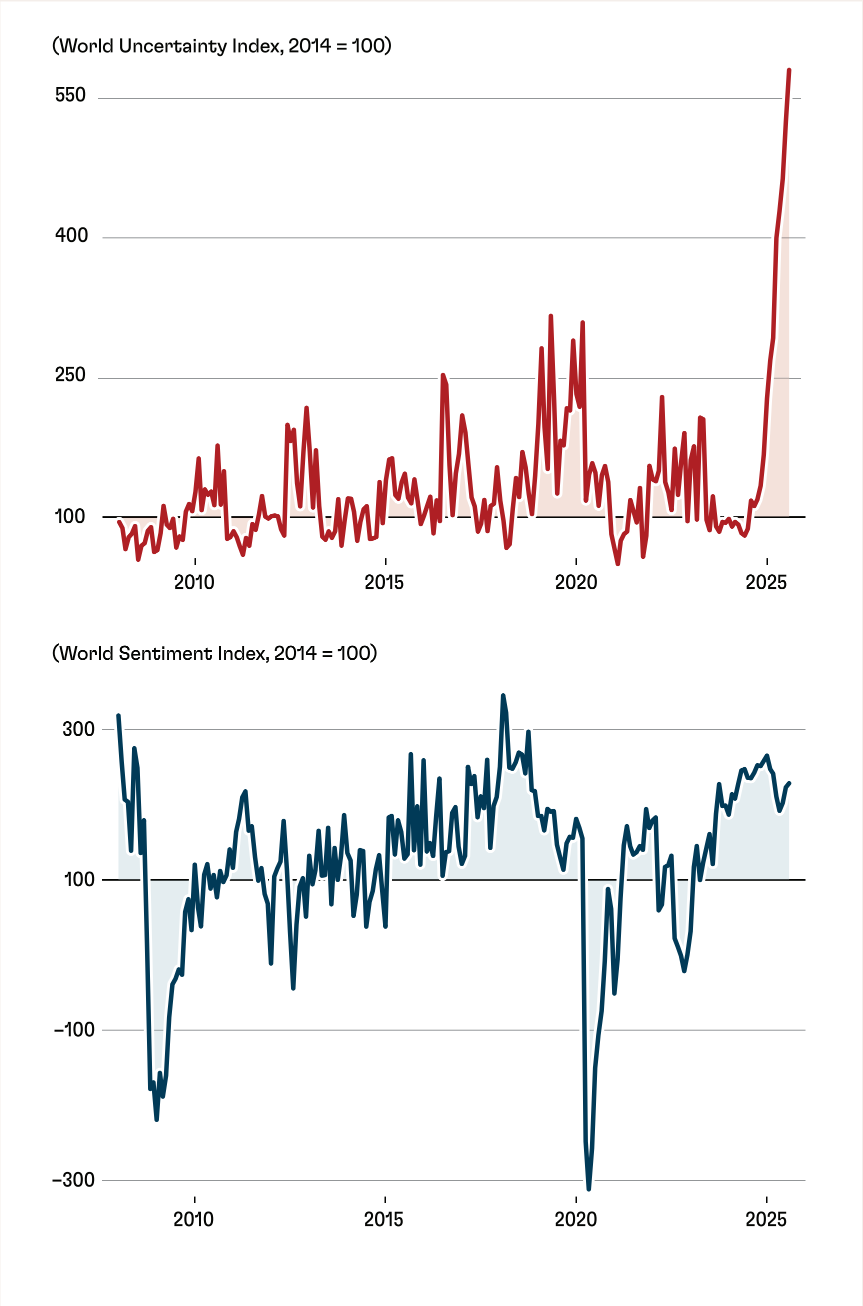
The world's trading system, once a pillar of openness, is being reshaped by shifting alliances and new barriers. Smaller, export-dependent economies often find themselves disadvantaged, while larger and relatively less open ones—or those that control critical inputs to global supply chains—wield greater negotiating power. The global trade map reflects this imbalance: Many of the biggest economies cluster as large but inwardly focused, while many smaller nations are more open to trade and rely on it more for growth, making them more vulnerable to changing conditions.

In response, many countries are seeking to build strength and find voice through cohesion. By joining forces in regional blocs, they gain scale and stability that no single economy can achieve alone. "Reduce your internal frictions and press forward with integration for resilience and growth," Georgieva advises. In an uncertain world, regional cooperation is not just a shield—it is a strategy for confidence and lasting prosperity. **F&D**

This article draws on an October 17, 2025, speech by IMF Managing Director
KRISTALINA GEORGIEVA

Anxiety and resilience

Global uncertainty keeps rising; sentiment is holding up.

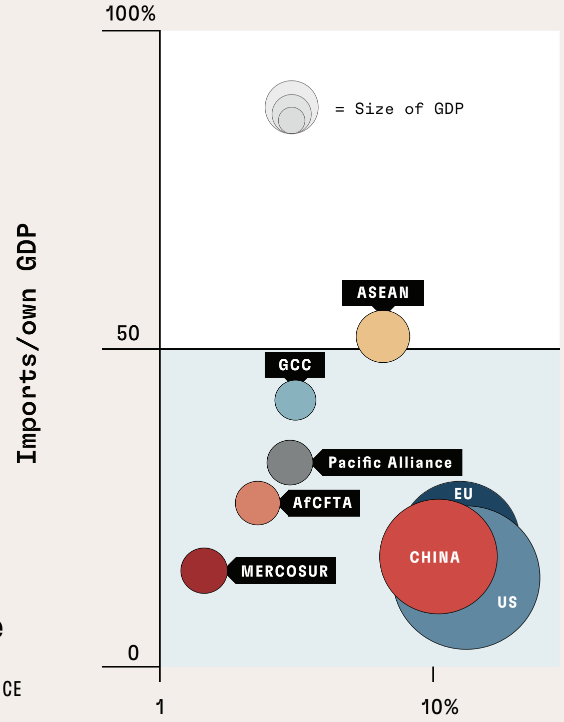


SOURCES: World Uncertainty Index. www.worlduncertaintyindex.com; and IMF staff calculations.

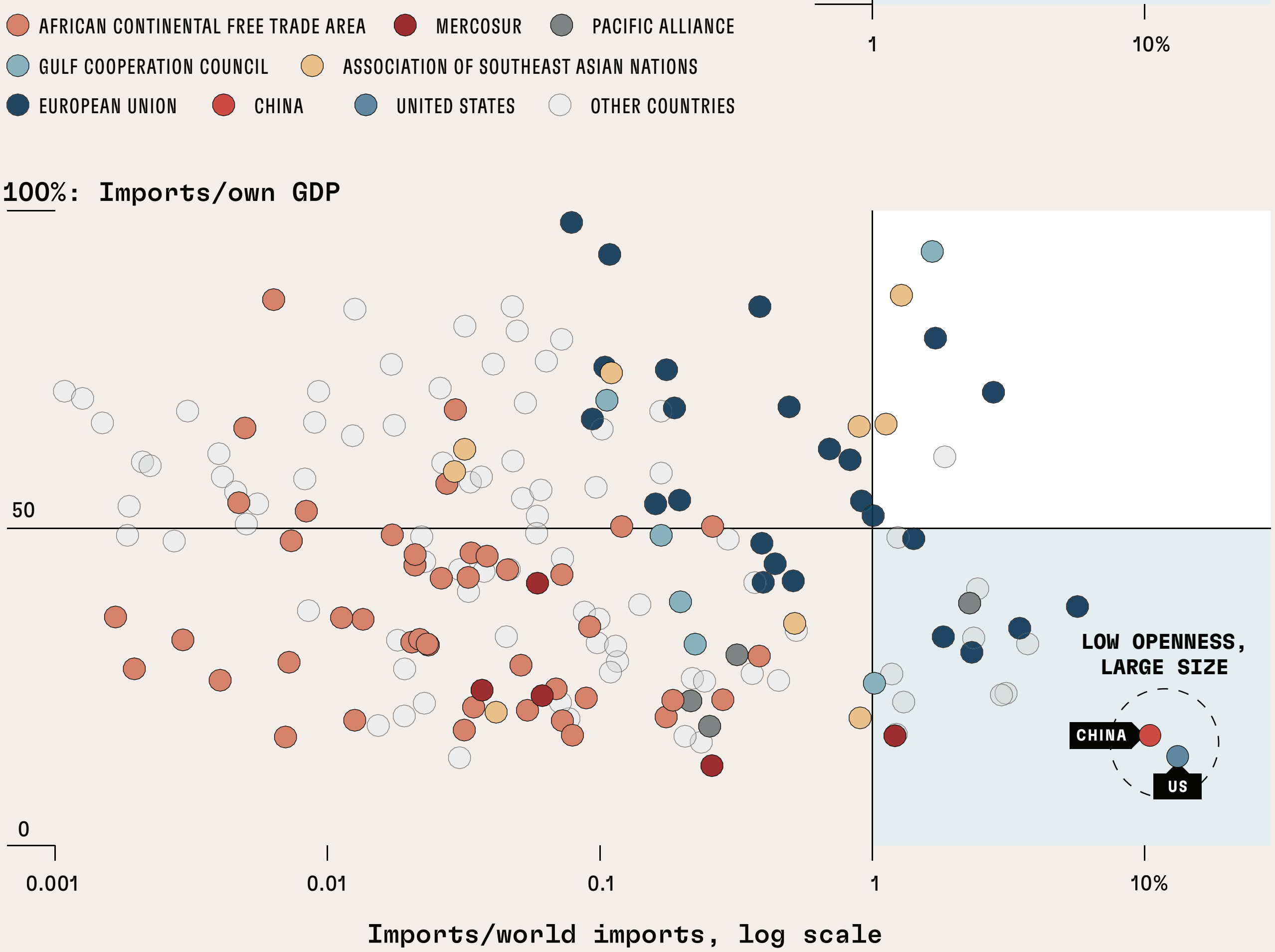
Strength in numbers

The scatterplot below shows how economies differed in trade openness and size in 2024. Each dot represents a country's share of world imports and imports as a share of its GDP. Larger economies such as the United States and China dominate world trade but are relatively less open, while many smaller economies are open yet carry less influence. The pattern shows how size matters: Larger economies shape global trade, while smaller, more open ones are more exposed to shifting conditions.

On the right, the same data are regrouped into selected regional trading blocs and scaled by their combined GDP. Viewed collectively, these blocs move closer to the world's largest economies on the trade map, illustrating how integration can magnify both economic heft and resilience.



Trade openness vs. economic size



SOURCES: ASEANstats; Eurostat; IMF, *Direction of Trade Statistics* and *World Economic Outlook*; World Bank; and IMF staff calculations.
NOTE: Imports for trading blocs exclude intra-bloc imports.