

IMF AND WORLD BANK SPRING MEETINGS

3 Key Themes

MAY 1, 2025



Global financial leaders gathered in Washington, D.C. last week for the IMF and World Bank Spring Meetings where the Trump Administration and the direction of U.S. policy were top of mind. BNY spent the week engaging with clients and policymakers and came away believing that businesses and governments are settling in for a longer period of heightened uncertainty. Within an evolving geopolitical, economic and market environment, three key themes were consistent across our conversations.

1. THE PURSUIT OF GROWTH IS UNIVERSAL, BUT INCREASINGLY REGIONAL

At the beginning of the year, our experts wrote about the megatrends driving the growth outlook and how each are changing economies, both advanced and emerging. The world has shifted significantly since, but across jurisdictions the focus remains on pursuing policies that boost growth. That pursuit is taking place within the context of changes in trade routes, monetary and fiscal policies, regulatory approaches, industrial support and the impact of AI and blockchain.

In response, public and private sector leaders are looking to boost domestic sources of growth while reshoring, or “friendshoring,” industries to protect against an uncertain global landscape. In the first four months of the year, home bias is apparent. Japanese investors are buying JGBs over U.S. Bonds. EU investors are buying German Bunds. The consequence of increased volatility since March has shifted risk and reward ratios making EUR and JPY compete with the USD as safe havens. U.S. asset selling has been notable since the start of the year and doesn’t look done yet, despite the relief rally in bonds and stocks in April. We expect more regionalization moving forward, but we also expect global investment flows to remain an important component of the growth story.

2. ADAPTABILITY MATTERS

For countries and businesses large and small, navigating this evolving landscape will require adaptability. What came through in our conversations last week was the importance of dynamic budgeting, scenario planning and risk management. During periods of heightened uncertainty and volatility, it is critical to be prepared for all outcomes, particularly as global economic and geopolitical shocks become more of the norm and less so outlier events.

On the global stage, some countries have already quickly recognized their new reality and moved to secure opportunities that elevate their own geopolitical standing, boost economic growth and drive prosperity.

Business leaders face similar risk and reward moments, particularly as innovative technologies — such as AI and blockchain — look to fundamentally change how we live and work. Positioning a business — its balance sheet, operational structure and global footprint and its employees — to remain flexible and adjust quickly to evolving geopolitical, economic and market developments is now table stakes. Failing to do so will leave businesses caught flat-footed and unable to meet their growth potential.

3. ‘OPTING OUT’ IS NOT AN OPTION

Operating in this new environment also means that “opting out” of change is not an option. Every day at BNY, we see our clients around the world who are increasingly adopting pragmatism, new operating models and partnerships with each other. They are doing this to increase their own resilience, to scale and to achieve profitability in the world as it exists now, not the way they wish it to be.

That sentiment has now permeated the public sector. Across our conversations last week, officials recognize that maintaining the status quo is impossible. Change is necessary, expected by their constituencies and needs to move at pace. A good case study is what has transpired in Europe over the first four months of this year: simplifying regulation, boosting market connectivity and driving further investment into economies. Many of these changes will take time to materialize in the data, but we see the appetite for change having a durable impact on business and the public sector for the foreseeable future.



BNY is the corporate brand of The Bank of New York Mellon Corporation and may be used to reference the corporation as a whole and/or its various subsidiaries generally. This material does not constitute a recommendation by BNY of any kind. The information herein is not intended to provide tax, legal, investment, accounting, financial or other professional advice on any matter, and should not be used or relied upon as such. The views expressed within this material are those of the contributors and not necessarily those of BNY. BNY has not independently verified the information contained in this material and makes no representation as to the accuracy, completeness, timeliness, merchantability or fitness for a specific purpose of the information provided in this material. BNY assumes no direct or consequential liability for any errors in or reliance upon this material.

This material may not be reproduced or disseminated in any form without the express prior written permission of BNY. BNY will not be responsible for updating any information contained within this material and opinions and information contained herein are subject to change without notice. Trademarks, service marks, logos and other intellectual property marks belong to their respective owners.

© 2025 The Bank of New York Mellon. All rights reserved. Member FDIC.