

## Olli Rehn: On Nordic influence in Europe

Remarks by Mr Olli Rehn, Governor of the Bank of Finland, at the Trilateral Commission Nordic Seminar dinner, Helsinki, 23 October 2025.

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Dear Trilateral Colleagues, Dear Friends,

Bästa nordiska vänner,

Varmt välkomna till Finland och Finlands Bank!

May I first wish you a very warm welcome to the Bank of Finland! It is a pleasure and an honour to host this Nordic evening of the Trilateral Commission, which exists for one very simple reason: to help liberal democracies on three continents talk to each other.

Our theme tonight and tomorrow is as practical as it is ambitious: **What can the Nordic countries do better together?** My warmest thanks to our keynote speakers, our other participants, and the many helping hands seen and unseen who made this gathering possible.

As we Finns say, good planning means the job is half done already. This evening, the other half of the job is, I trust, an enjoyable dinner in good company.

Following my welcoming words, I give the floor to Dr. Iikka Korhonen, Head of BOFIT, The Bank of Finland Institute for Emerging Economies. He will provide us with a state-of-the-art analysis on "Geopolitics, the Global Economy, China and Russia", followed by a Q&A.

Let me first set the table with a few historical details.

The Bank of Finland was founded in **1811**, which makes us the fourth oldest central bank in the world. We also think we have a certain claim the oldest central bank, the Riksbank, because when it started its operations in **1668**, Finland was still an integral part of Sweden.

The Bank of Finland, in the newly created Grand Duchy under Russian rule, from 1809 until 1917, was founded by Tsar Alexander I, who had two aims: to strengthen the Finnish economy and to loosen our monetary ties with Sweden.

The Russian rouble, however, was no model of stability. It was badly shaken by the Crimean War of 1853-1856. So, on the Bank of Finland's proposal, Finland introduced the **markka**, the Finnish mark, in **1860**, linking it to **silver** rather than the rouble. It was a polite way of saying: "Thank you, but we'll do this our way."

If you look across the street, you will see the **House of the Estates**, now just emerging from a long renovation. In **1868**, the Bank of Finland was placed under the authority of the Diet following the Swedish parliamentary tradition rather than under the Ministry of

Finance, as in Imperial Russia. Above the entrance are the years **1734** and **1772**: the years in which Sweden's Civil Code and Constitution were written. In effect, even after our forced divorce from Sweden, much of the legal system stayed with us. Swedish law was **our law of the land**.

Fast-forward to the late 19th century, a time of economic liberalism and rapid growth. Finland adopted the **gold standard** in **1878**. That anchor held until the First World War. It gave us credibility, capital and access to markets. Many a railroad or factory was built on that foundation.

Much has happened since, of course. Today Finland is a **confident and, surveys suggest, a fairly content member of the Eurosystem**. Households value price transparency and easy travel. Businesses value cheaper, convenient trade across the euro area. And as geopolitical risks have risen, another benefit stands out: a large currency union provides insulation in turbulent times. The euro enhances **resilience** a quality this country does appreciate.

Indeed, one of the Eurosystem's core tasks is to provide **secure, efficient and resilient payment and settlement systems**. We have made real progress: since **2008**, **SEPA** has been enabling seamless euro transfers between bank accounts across Europe. Our **TIPS** platform has supported **instant payments** since **2018**. From **2024**, both **Denmark** and **Sweden** have used TIPS as the base for their domestic instant payments. This is simple economics: payment systems are expensive to build and maintain; sharing the rails is cheaper and smarter especially when Nordic banks already operate across borders.

The bedrock of any currency is **central bank money**. Today, this is cash and reserves; tomorrow, cash will be **complemented by** not replaced by a digital form of cash.

The **digital euro** will digitalise legal tender and offer a sovereign, pan-European way to pay. It will open fresh possibilities for the Nordics: if we already share the rails (TIPS), we can also share the reach achieving a common user experience for people and businesses.

As to governance, in the ECB's **Governing Council** members represent **the euro area as a whole**, not their home capitals. Each has **one vote**. The ECB's **independence** is anchored in EU law. Membership of the euro brings influence in these structures and access to the Eurosystem's full resilience and contingency toolkit. In a world where shocks travel in the blink of an eye, this is not a theoretical advantage.

You can no doubt see where I am heading. **Denmark and Sweden** already live in the euro's neighbourhood; **Denmark** even keeps the **krone** firmly pegged to the euro. We are all members of NATO. Joining the euro would not mean giving up a seat at the table it would mean **gaining** one, in the room where the decisions are actually made.

This is, of course, a sovereign matter of the Danish and Swedish people and parliaments. I am merely underlining that for Nordic influence in Europe, it is a matter of undeniable relevance.

Let's face it, alone we are small players, but together we would punch above our weight in the Eurosystem, and in the wider EU.

I often say to my colleagues, Erik and Christian: "I miss you guys! I miss you on the table at the ECB Governing Council."

On that note, I shall finish. Enjoy the evening and **skål på den saken!**