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More than ten years ago, I gave a presentation to clients where I replaced the flags of the EMU countries¹ with coats of arms. Instantly, the atmosphere changed - the presentation became more gripping, somehow more laden with real interests. In that talk, I explained how freshly printed central bank money flows into society, first inflating asset prices and later leading to broader inflation.

Let's continue with a similar thought today: imagine sitting behind one of those coats of arms as the keeper of the treasury - the CFO of a nation. You hold in your hands the balance sheet of the entire economy: its assets and its debts. Across the table you meet the other CFOs, each seated behind their own coat of arms. Everyone has one vote in the meeting, and decisions are made democratically by majority. Almost all of these CFOs are struggling with cash flow. In 2023, as many as 85% of euro-area countries ran budget deficits² - some for decades already, like Italy (since at least the 1980s), and others for "only" a little over ten years, like Finland (since 2009). Altogether, public debt amounts to roughly €12.81 trillion (2023).³ This economic council has chosen the euro as its common currency. Yet

every member is in debt – not a single nation is debt-free. Only a few manage to run surpluses, i.e. generate a real profit.

On the table now is a vote:

- a) bring cash flow under control and start genuinely reducing debt, or
- b) continue as before – running deficits and piling on debt, trusting that more money can always be printed when it runs out.

The first option means strict fiscal discipline. The message would be clear: cuts must be made. Targets would include student aid, housing subsidies, business subsidies, and practically every area of government spending. In some countries, taxes might also be raised. The second option is to keep distributing money to whatever is politically fashionable at the time. More is promised for the green transition, student aid is increased, government budgets are not cut but expanded, and defense spending is boosted – because everyone agrees those need more money. The CFOs glance at their balance sheets... and which path will they choose? Perhaps the answer is already clear: option (a) – discipline and debt reduction – never truly had political will behind it in the first place.

The euro area giants – Germany, Italy, and France – still hold vast gold reserves in their central bank vaults⁴, reserves that continue to rise in value relative to their euro-denominated debt. And then there is small but “brave” Finland: at the end of 2024, the Bank of Finland decided to go its own way and sold 5,000 kilos of gold. The proceeds were directed into expanding the foreign exchange reserves – mainly into U.S. dollars, but also into British pounds and Japanese yen. When the gold was sold, the price stood at about USD 2,589 per troy ounce, or roughly €83,000 per kilo. Today, gold trades closer to €100,000 per kilo. The missed appreciation already amounts to nearly €100 million – in just nine months. What, then, will be missed over the coming decades? And the chosen currencies have offered no consolation: since the start of 2024, the yen has lost -30.5%, the pound -28.2%, and the dollar even -38.9% against gold.

Gold will remain on the balance sheet – but what will remain of the euro’s purchasing power? We have taken a different path: we have already helped households and companies increase their purchasing power by about €100 million. Of course, that is only a drop in the ocean – but it is a good beginning. Fortunately, we still live in a relatively free market economy, and every household, company and institution has the opportunity to make wise choices – no matter what the CFOs decide.⁵

–Marko Viinikka
Founder, CEO

¹ Countries using the euro

² Figures are based on Eurostat, national statistical offices and central bank publications for 2023. The budget balance is expressed as a share of GDP, and debt refers to the gross general government debt.

Netherlands: -0.3% of GDP, debt €481bn (CBS Netherlands, Eurostat 2024). Belgium: -5.2% of GDP, debt €555.9bn (Statbel, Eurostat 2024). Spain: -3.6% of GDP, debt €1,570bn (AIReF, Eurostat 2024). Ireland: +1.7% of GDP (surplus), debt €225.2bn (CSO Ireland, NTMA 2024). Italy: -7.2% of GDP, debt €2,862bn (Istat, MEF Italy, Eurostat 2024). Austria: -2.7% of GDP, debt €353bn (Statistik Austria, Eurostat 2024). Greece: -1.4% of GDP, debt €356bn (ELSTAT, Bank of Greece, Eurostat 2024). Croatia: -0.8% of GDP, debt €46.5bn (DZS Croatia, Eurostat 2025). Cyprus: +2.0% of GDP (surplus), debt €24.9bn (CyStat, Eurostat 2024). Latvia: -2.2% of GDP, debt €17.0bn (CSB Latvia, Eurostat 2024). Lithuania: -0.7% of GDP, debt ~€30bn or 36.9% of GDP (Statistics Lithuania, Eurostat 2024; FRED, osp.stat.gov.lt). Luxembourg: -1.3% of GDP, debt €18.6bn (STATEC, Eurostat 2024). Malta: -5.0% of GDP, debt €9.7bn (NSO Malta, Eurostat 2024). Portugal: +1.2% of GDP (surplus), debt €269.6bn (INE Portugal, Eurostat 2024). France: -5.5% of GDP, debt €3,088bn (Insee, Eurostat 2024). Germany: -2.5% of GDP, debt €2,621bn (Destatis, Eurostat 2024). Slovakia: -4.9% of GDP, debt €69.1bn (MF Slovakia, Eurostat 2024). Slovenia: -2.5% of GDP, debt €43.2bn (Stat Slovenia, Eurostat 2024). Finland: -2.6% of GDP, debt €163.9bn (Statistics Finland, Eurostat 2024). Estonia: -3.4% of GDP, debt €6.5bn (Statistics Estonia, Eurostat 2024).

Important: The budget balance shows only a single year’s outcome – that spending exceeded revenue in that year. For the broader picture, equally important are the current account balance (external position of trade, services, income and transfers), the level of interest costs, and the relationship between economic growth and inflation versus debt growth. One deficit year does not determine sustainability, but persistent deficits combined with a high debt ratio form a structural risk.

³ <https://tradingeconomics.com/euro-area/government-debt>

⁴ The largest gold reserves in the euro area are held by Germany (approx. 3,361 tonnes), Italy (approx. 2,452 tonnes) and France (approx. 2,437 tonnes). Source: World Gold Council, Gold Reserves by Country, February 2025 (gold.org).

⁵ I found myself wondering what I would do if I were Finland’s keeper of the treasury. First, I would feel remorse – probably for both my own and my predecessors’ decisions – and I would pray for wisdom. My first step would likely be to issue more government bonds, sell them to institutional investors, and use part of the proceeds to buy gold – unless a different, explicit instruction had come from above. In other words, debt in itself is not something to fear if there is something sensible on the other side of the balance sheet. In addition, gold sales could be made tax-exempt under certain conditions, as has been done in the United Kingdom and Germany.

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Gold performance table

Currency	1W	1M	3M	1Y	3Y	5Y	
EUROPE							
 EUR	-0.63%	8.51%	6.01%	34.70%	85.40%	88.21%	
 GBP	-0.25%	9.01%	7.79%	38.94%	83.53%	78.25%	
 CHF	-0.78%	7.61%	5.06%	33.59%	78.96%	62.73%	
 DKK	-0.62%	8.51%	6.08%	34.75%	86.15%	88.84%	
 NOK	-0.84%	5.41%	5.91%	32.53%	110.29%	102.49%	
 SEK	-0.21%	6.95%	4.80%	30.44%	88.60%	99.00%	
 CZK	-0.96%	7.83%	3.77%	30.43%	83.43%	71.18%	
 HUF	-1.48%	7.24%	2.36%	32.68%	81.01%	103.12%	
 PLN	-0.84%	8.79%	5.77%	34.17%	67.70%	79.40%	
NORTH AMERICA							
 USD	0.51%	9.77%	8.80%	43.18%	118.63%	87.91%	
 CAD	-0.22%	9.55%	9.34%	45.06%	127.41%	96.13%	
 MXN	-1.69%	6.47%	4.18%	35.27%	99.89%	62.05%	
MIDDLE EAST							
 ILS	0.45%	8.41%	4.51%	26.25%	112.20%	83.51%	
 TRY	0.55%	10.95%	13.25%	73.28%	393.97%	926.11%	
ASIA							
 CNY	0.23%	8.64%	7.71%	43.65%	121.67%	97.21%	
 INR	0.15%	11.03%	10.72%	50.80%	141.65%	125.13%	
 JPY	0.21%	9.61%	10.25%	48.43%	125.16%	165.03%	
 HKD	0.33%	9.43%	7.79%	42.87%	116.62%	88.53%	
 KRW	0.51%	9.77%	10.31%	50.53%	118.40%	124.02%	

 MYR	-0.11%	9.06%	7.35%	41.55%	101.64%	91.60%
 SGD	0.10%	9.49%	8.36%	41.48%	98.80%	76.86%
 THB	0.51%	7.46%	5.62%	36.44%	88.26%	92.30%
 IDR	2.18%	13.43%	10.62%	55.60%	143.26%	112.53%
 PHP	0.33%	9.64%	8.62%	46.63%	117.55%	121.28%
AFRICA						
 ZAR	-0.61%	8.13%	4.95%	41.47%	114.53%	99.55%
SOUTH AMERICA						
 BRL	-2.17%	6.38%	4.62%	38.24%	123.07%	83.90%
OCEANIA						
 AUD	-0.15%	7.22%	6.17%	45.69%	121.28%	106.08%
 NZD	0.97%	10.25%	10.42%	50.65%	120.87%	115.26%

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