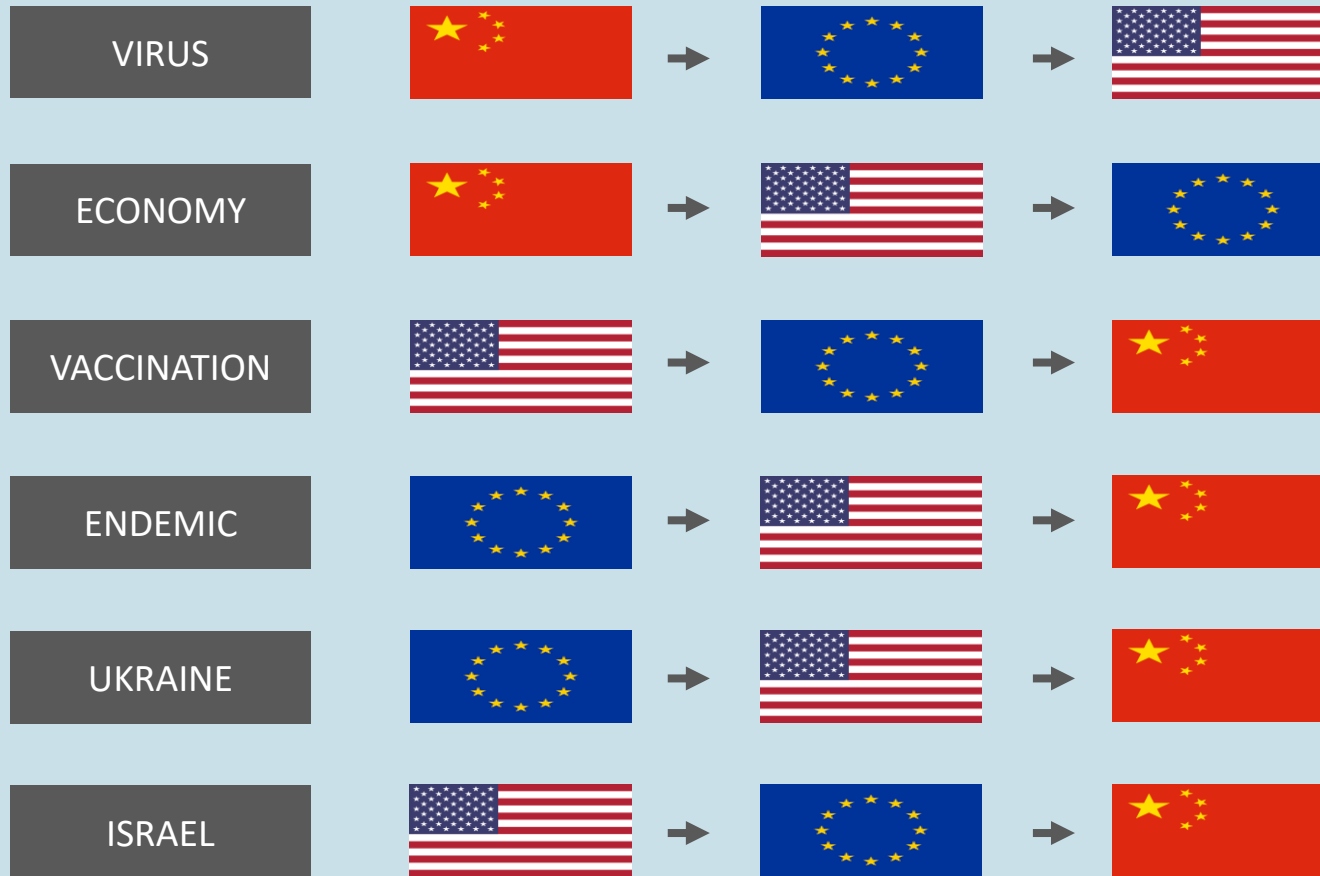


# TENDÊNCIAS GEOPOLÍTICAS E GEOECONÓMICAS NUM MUNDO EM MUDANÇA



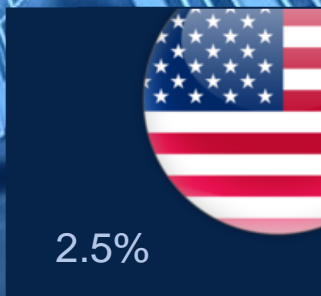
**PAULO PORTAS**  
**LISBOA, 07 DE MARÇO 2024**

# SIX DIFFERENT TIMELINES

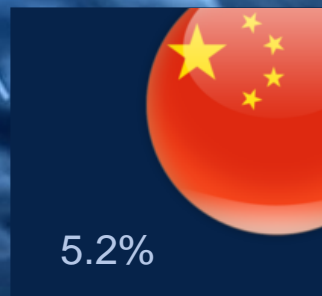


# 2023: US ABOVE EXPECTATIONS, CHINA TROUBLING CASE, EUROPE GOT AWAY FROM RECESSION (MODESTLY)

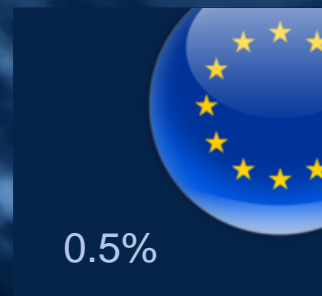
USA was the good surprise of 2023 widening the gap with China (chinese nominal GDP was 75% of the American; now 65%)



January 25



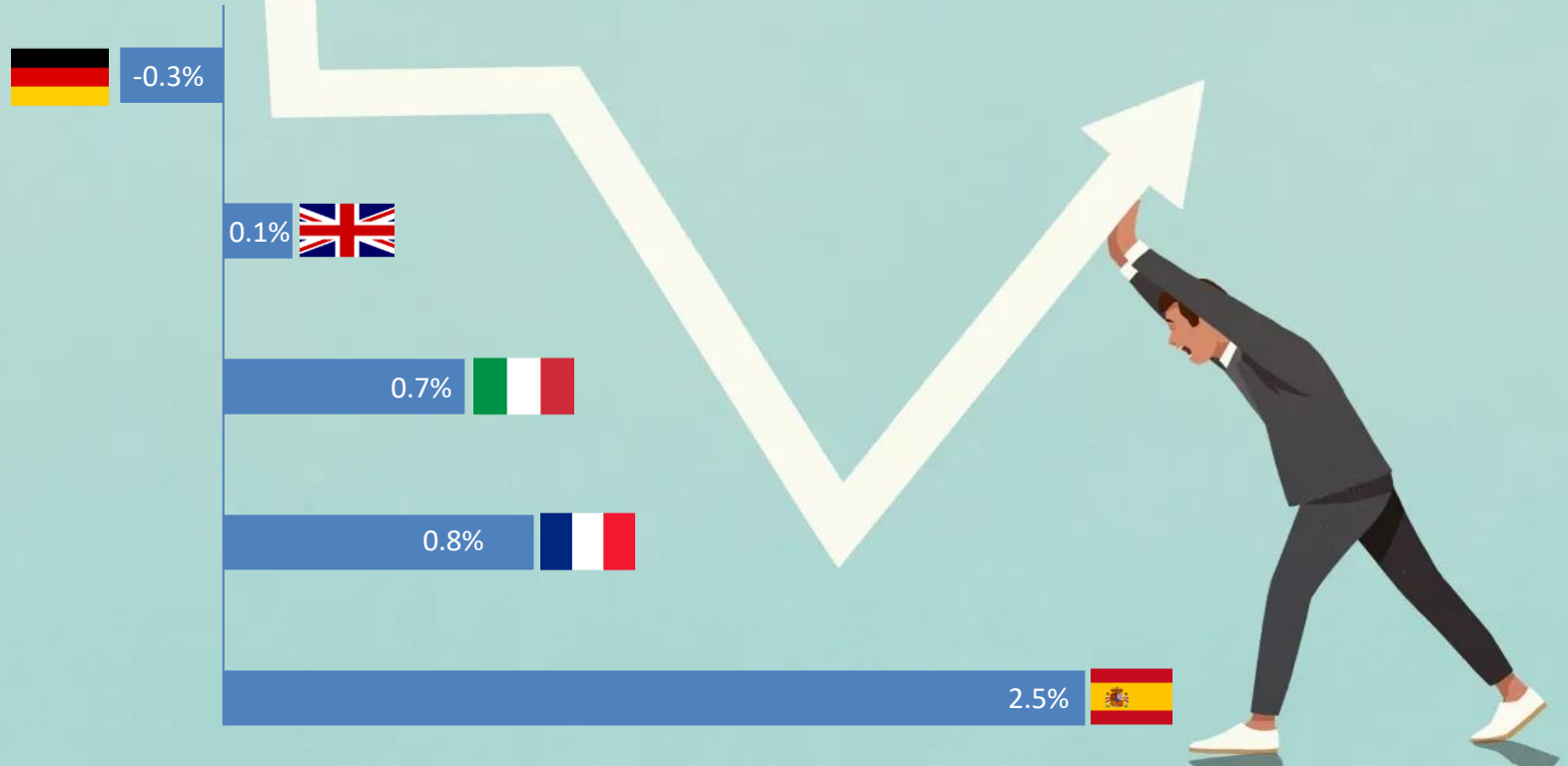
January 17



January 30

# RECESSION : FROM INITIAL PESSIMISM TO FINAL REALISM

Growth in Europe was modest: 0.5% in 2023. In the European major economies, Germany was the only contraction confirmed by facts (UK is now in technical recession)





# 4 FACTORS HELPED PORTUGAL (AND OUR DEBT) IN 2023: ARE THEY SUSTAINABLE FOR 2024?

GDP growth in Portugal was 2.3% in 2023, well above eurozone average Some specific factors stand for 2024, others are less evident

TOURISM



ASSETS



ENERGY

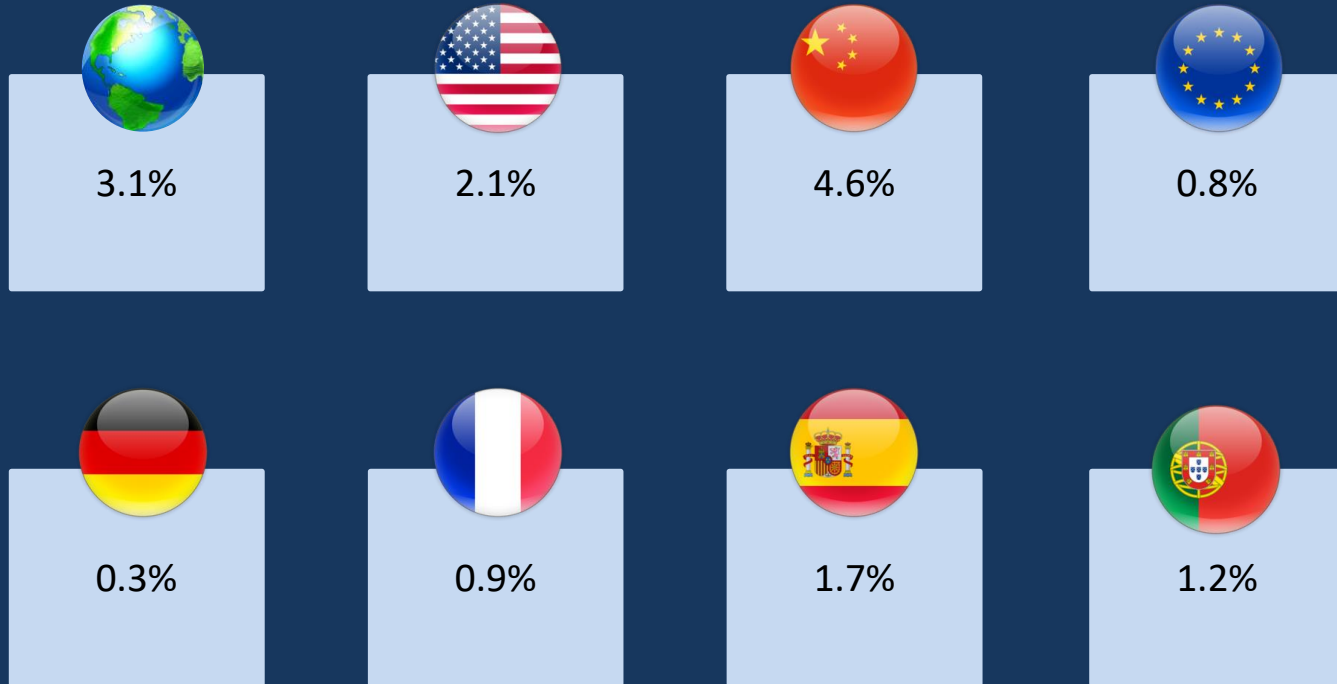


BAZOOKA



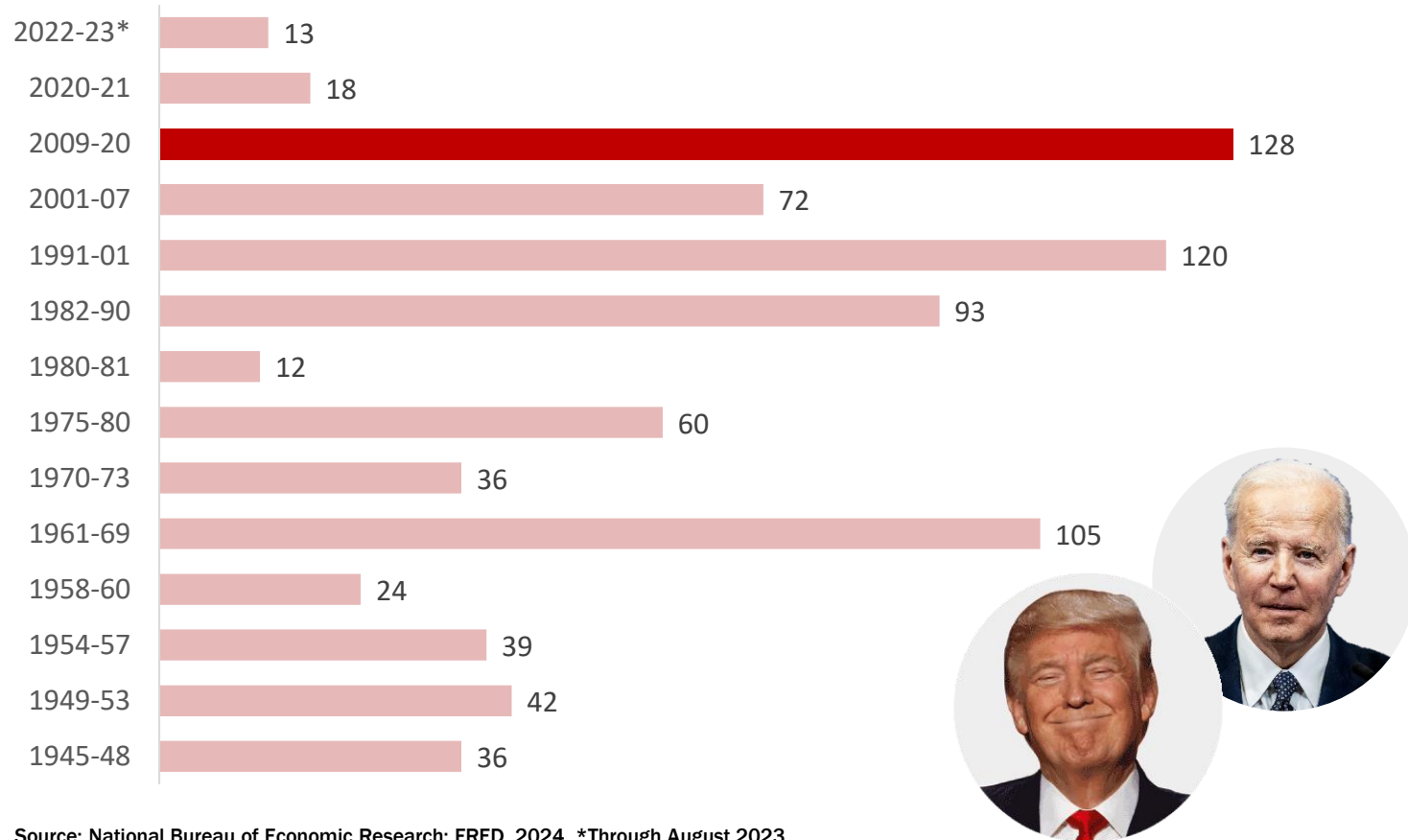
# FORECAST 2024: IMF MORE OPTIMISTIC THAN OTHER MULTILATERAL INSTITUTIONS

Geopolitical and geoeconomic tensions are threatening economic global performance in 2024. Reality may be better than current outlooks



# LONGEST ECONOMIC EXPANSION ON RECORD ENDED BY COVID-19

Length of economic expansions, in months



Source: National Bureau of Economic Research; FRED, 2024. \*Through August 2023.

# CHINA FROM 2 DIGITS TO UNDER 5 GROWTH MODEL?



COVID zero policy was a turning point and recovery was not that high.



Source: IMF, 2024.



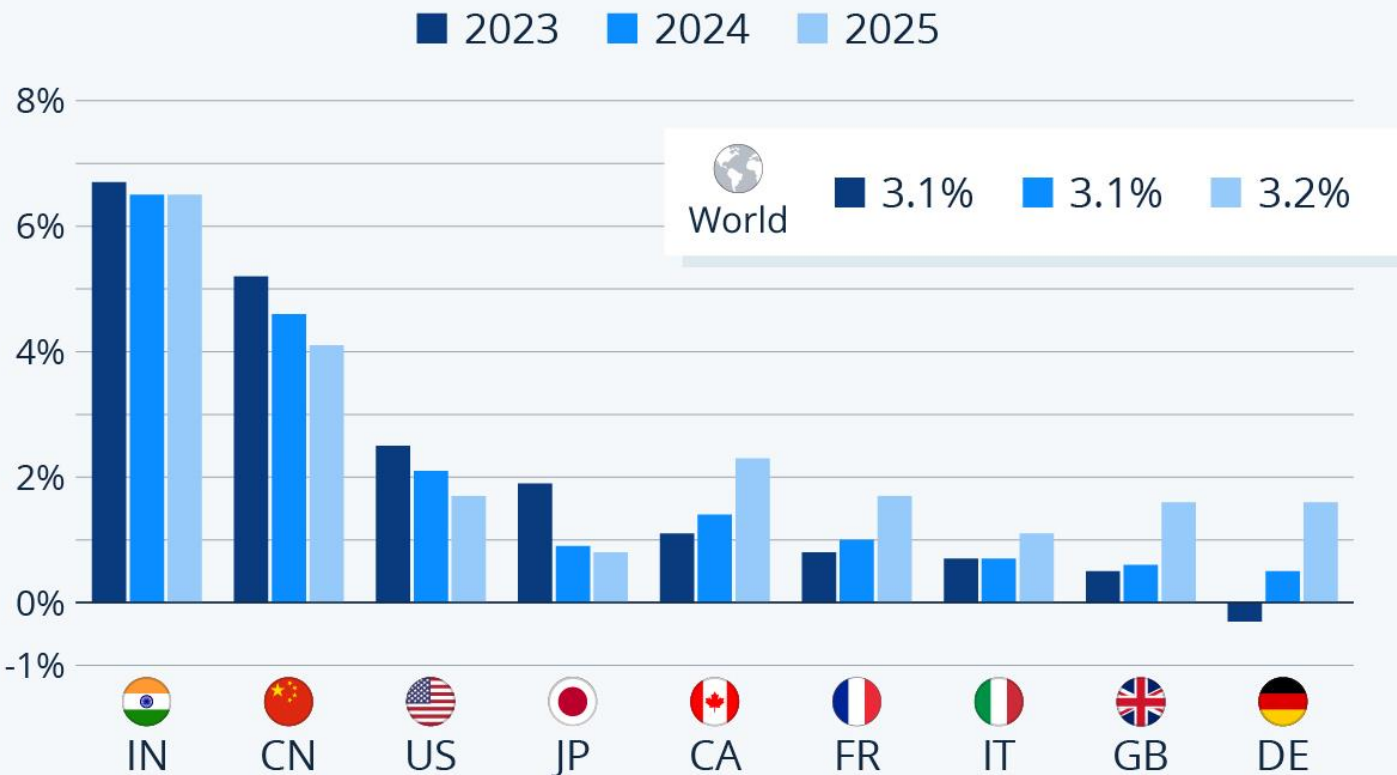
# 2023 REVEALED “UNDISCLOSED” STRUCTURAL PROBLEMS IN THE CHINESE ECONOMY

The Chinese “social contract”, with a trade-off between Party and Society, may be challenged by new standards of growth (with GDP projected to grow below 5%)



# INDIA SET TO CEMENT ROLE AS NEW GDP GROWTH CHAMPION

Estimated real GDP growth of the world's largest economies in selected years (in %)



Source: IMF, January 2024.

# WHAT'S HAPPENING WITH EUROPEAN ECONOMIES?

The manufacturing PMI – Purchase Managers Index – of big economies in Europe deteriorated for months. Data from December and January shows the beginning of better news. PMI evaluates new orders, employment, delivery times, stocks...



47

54.3



48.5

51.2



45.5

47.7



43.1

45.4

 MANUFACTURING

 SERVICES

# FIRST TIME SINCE 2016: “REMAINERS” ARE NOW MORE THAN 50% OF UK CITIZENS (LABOUR VOTERS 81%, TORIES 22%)

British public opinion turned on Brexit since July last year. Sunak is trying “minimalist” Brexit: he solved NI issue and decided UK will be back to Horizon. Labour talks: “review the Brexit pact”...

51%

REJOIN

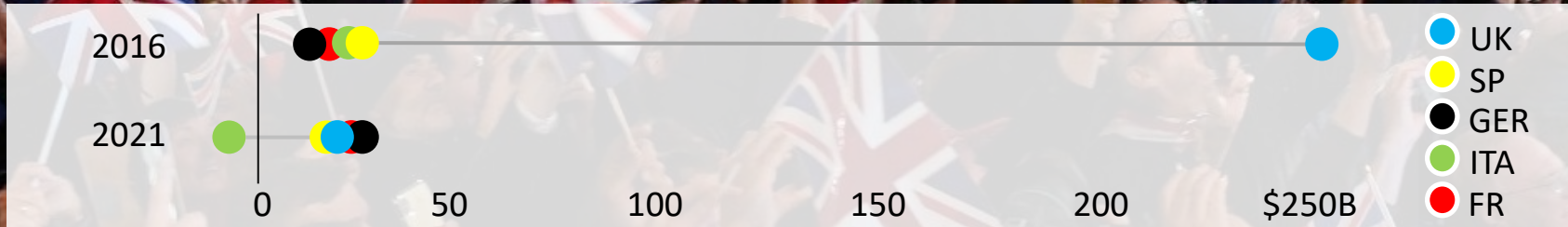
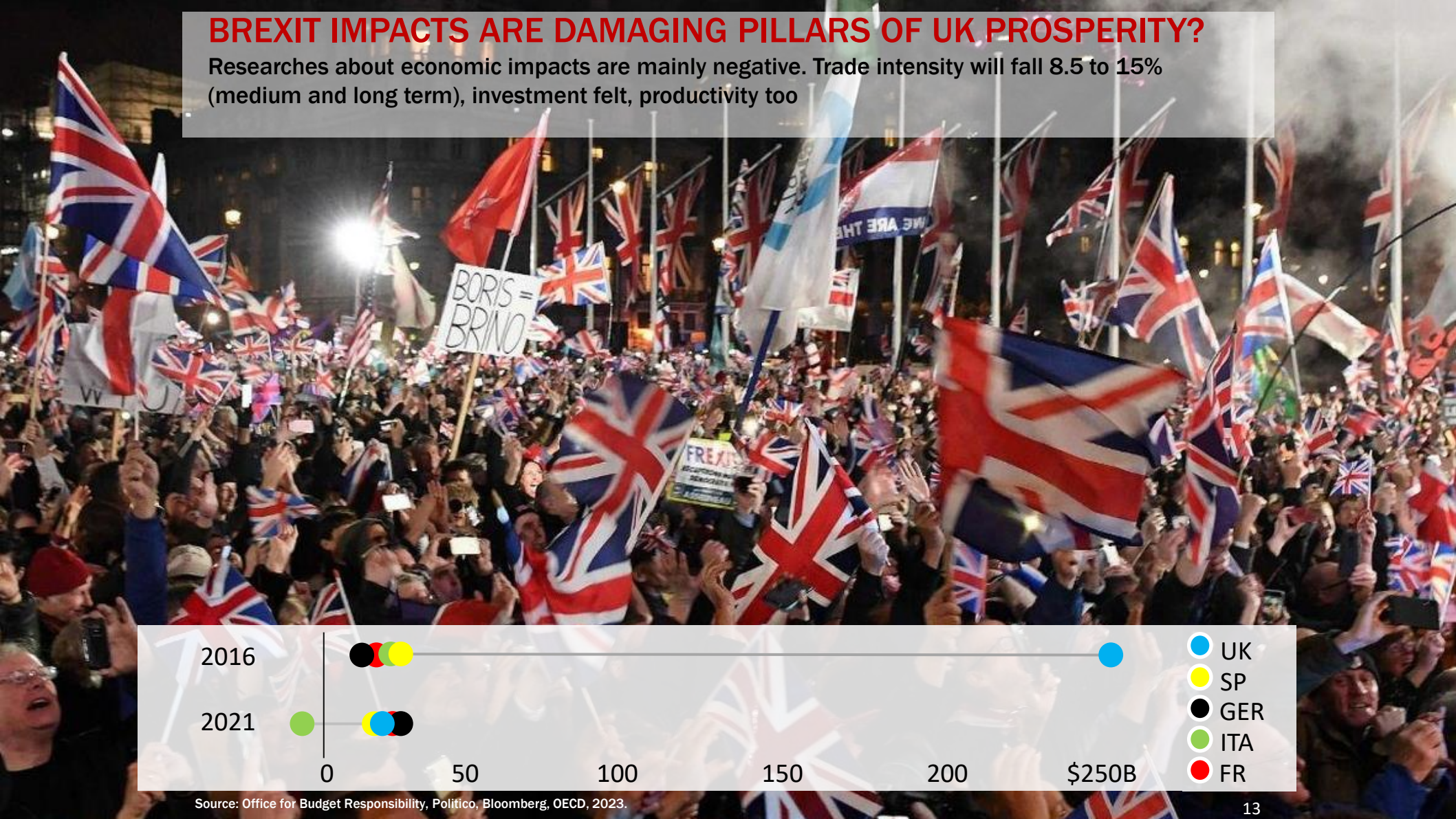
36%

KEEP EXIT



# BREXIT IMPACTS ARE DAMAGING PILLARS OF UK PROSPERITY?

Researches about economic impacts are mainly negative. Trade intensity will fall 8.5 to 15% (medium and long term), investment felt, productivity too



Source: Office for Budget Responsibility, Politico, Bloomberg, OECD, 2023.



# TWO YEARS AFTER PUTIN'S INVASION OF UKRAINE (AND 6,3M REFUGEES)



PEACE

DEFENSE

NATO

TRANSATLANTIC

ENERGY

NORDICS

GERMANY

EAST

# PUTIN: 22 YEARS IN POWER AND 8 MILITARY INTERVENTIONS IN FORMER USSR REPUBLICS

Putin's plan A, B and C for Ukraine failed and Zelensky got back 50% of the invaded zones. But the counter offensive wasn't effective, and Kiev is dependent on USA supply...

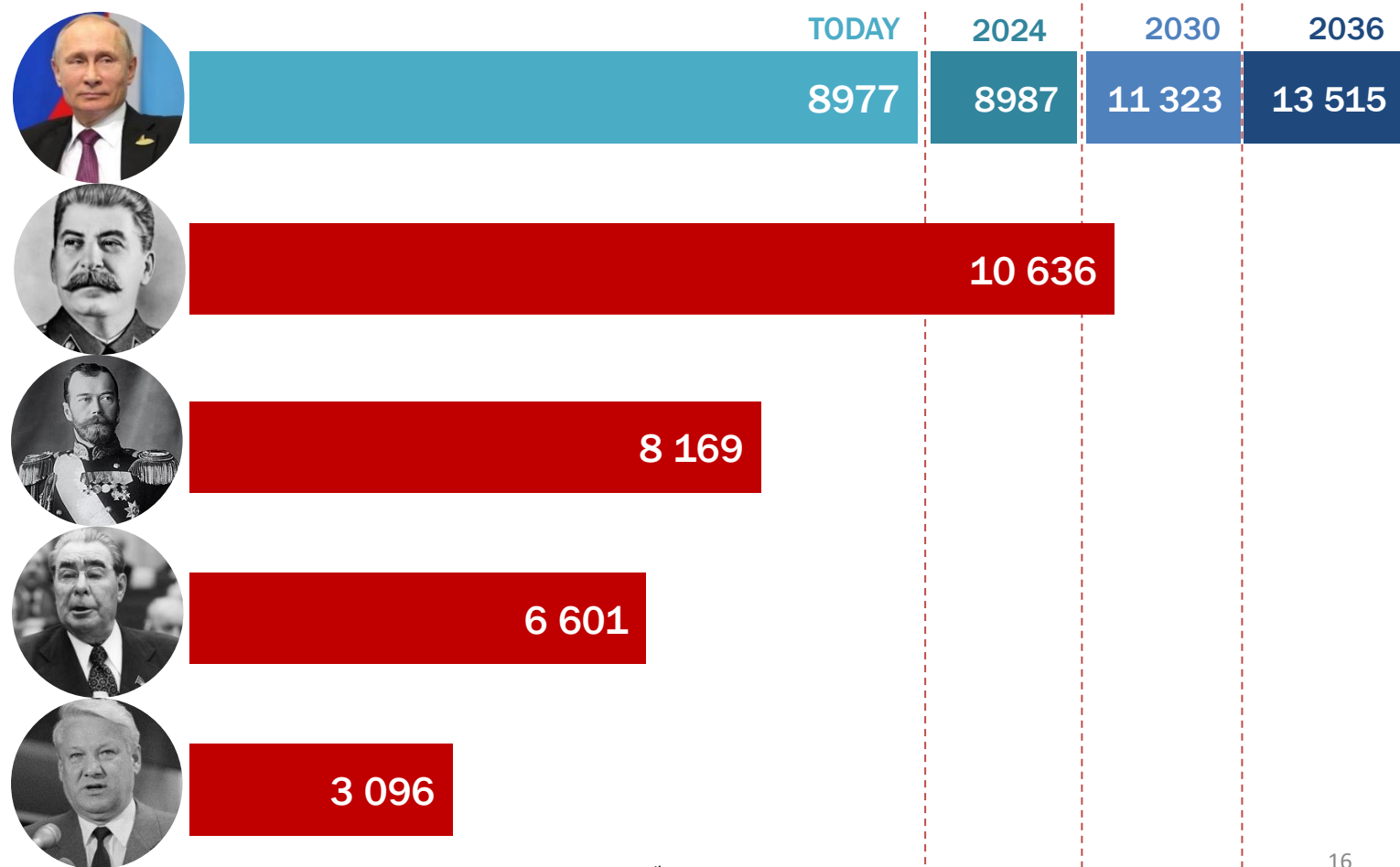
KAZAKHSTAN	2022
TAJIKISTAN	2021
BELARUS	2021
AZERBAIJAN	2020
DONBASS	2014
CRIMEA	2014
GEORGIA	2008



# PUTIN ADMIRES STALIN METHODS BUT WANTS TO OVERCOME HIS RECORD OF VETERANY IN POWER



After constitutional referendum, Putin can be President until 2036. Number of days in power since taking office.



Source: Russian Constitution, 2023. As of March 7<sup>th</sup>, 2024



# NEW GAZA WAR: INITIAL ESTIMATIONS

The economic global impact depends on the level of escalation of the conflict

LOCAL	
OIL	+4USD
GDP	- 0.1%
INF	+0.1%

BY PROXY	
OIL	+8USD
GDP	- 0.3%
INF	+0.2%

REGIONAL	
OIL	+64USD
GDP	- 1.0%
INF	+1.2%





# WORLD ECONOMIC FORUM: HUGE CHANGE IN THE SHORTTERM RISK LIST

The very respected WEF changed significantly its survey for 2024 and 2025: disinformation and misinformation (including AI) are the top risks...

## GLOBAL RISKS: 2 YEARS

- 1 Misinformation and disinformation
- 2 Extreme weather events
- 3 Societal polarization
- 4 Cyber insecurity
- 5 Interstate armed conflict

## GLOBAL RISKS: 10 YEARS

- 1 Extreme weather events
- 2 Critical change to Earth systems
- 3 Biodiversity loss, ecosystem collapse
- 4 Natural resources shortage
- 5 Misinformation and disinformation



# TRUMP IS LEADING POLLS FOR NOVEMBER AVERAGING +1.9%

The US Presidential election will be decided in 7 “swing states”:

Arizona, Georgia, Michigan, Nevada, North Carolina, Pennsylvania and Wisconsin.



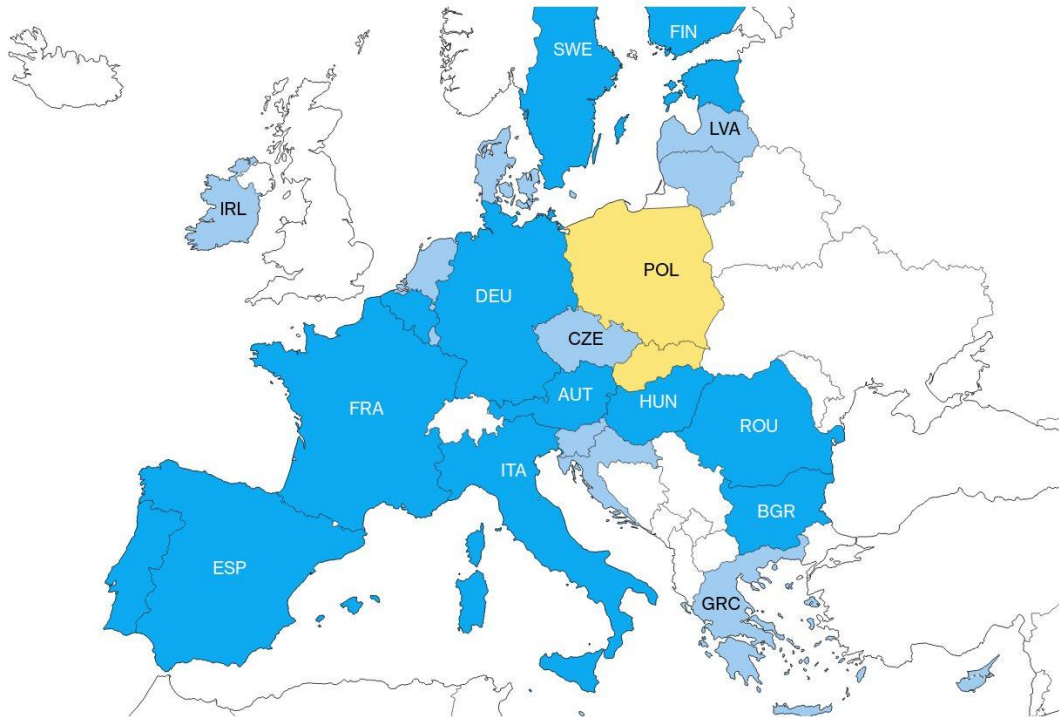


# FAR-RIGHT PARTIES GAIN MOMENTUM ACROSS EUROPE

In nearly half of the EU countries, a far-right or nationalist party is among the 3 most popular.

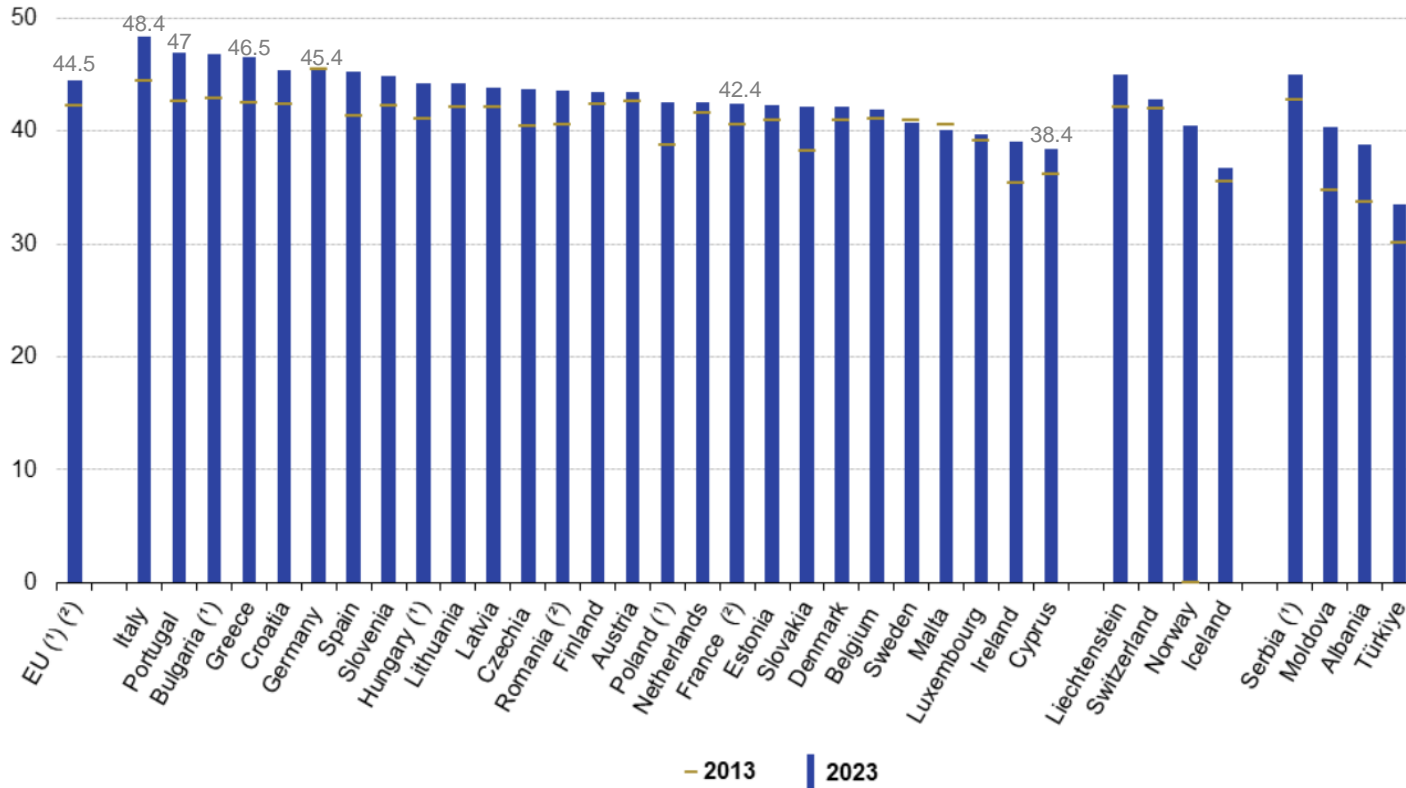
Share of seats held by the main far-right party in the national parliament of selected EU countries

- EU members with far-right party in the top three
- EU members holding election this fall, with far-right parties rising in polls



# EUROPE GETTING PROGRESSIVELY OLDER

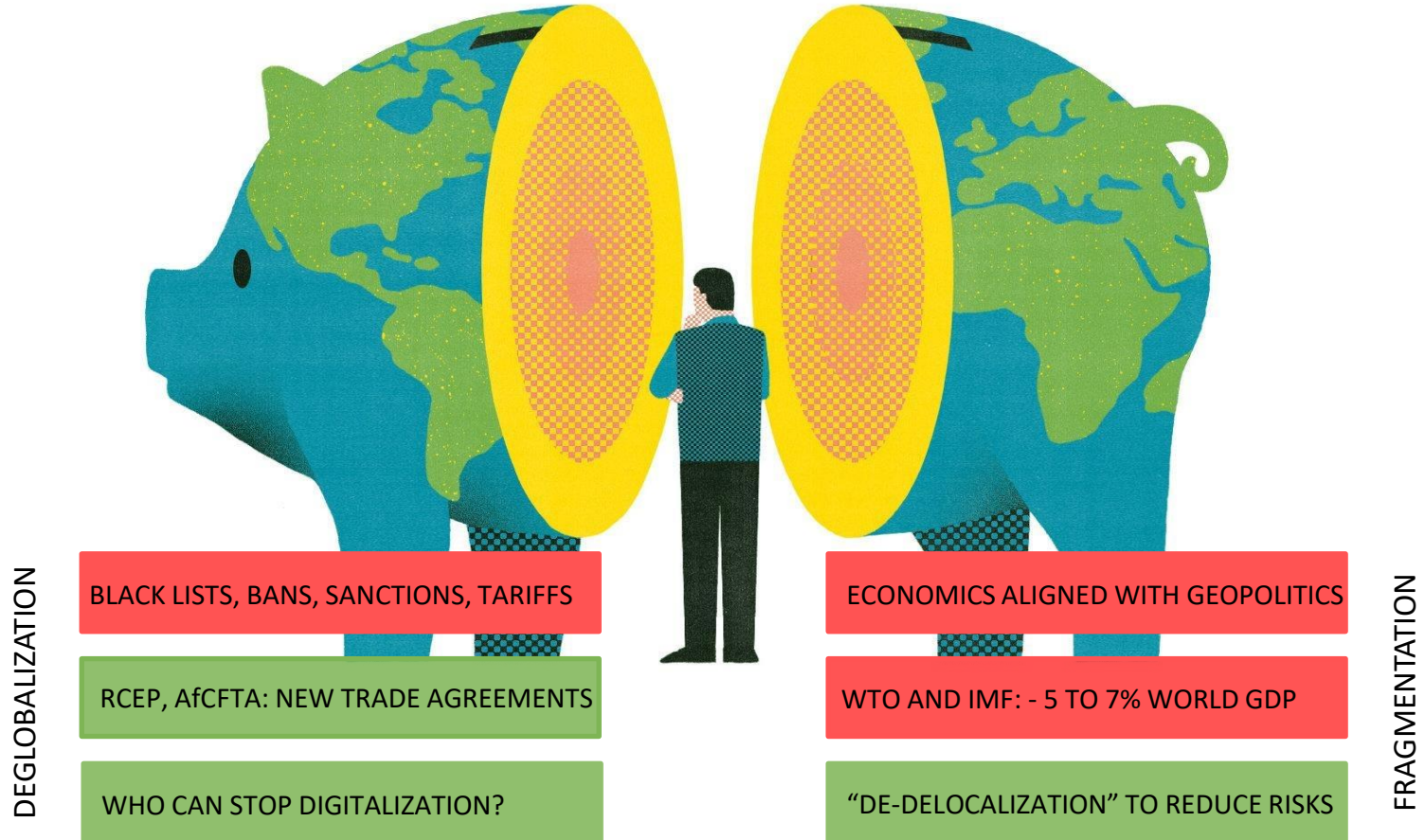
Median age of population, 2013 and 2023 (years)



Source: Eurostat, February 2024.

# DEGLOBALIZATION OR FRAGMENTATION ARE REAL RISKS TO THE GLOBAL ORDER?

Trend to fragmentation is more consistent. US bets on “regulated competition” and “friend-shoring” supply chains. But trade is very strong in world GDP: from 31% in 1975 to 61% in 2008 and 74% in 2022...





# BIDEN WITH TWO “COMMERCIAL WARS” OPEN: CHINA (CHIPS) AND EU (CARS)

US President promised to be “tough on China” and very “made in America” committed. He kept his word. Two major examples.



THE NEW CHIPS ACT (280 BILLION)

LARGER “BLACKLISTER” THAN TRUMP

INFLATION REDUCTION ACT (369 BILLION)

7500 USD PER EV (BUT MADE IN USA)

# **PRESSED BY FRANCE (WITH GERMANY RELUCTANT) THE COMMISSION OPENED AN ANTI-SUBSIDY PROBE ON CHINESE CARS**

Europeans didn't forget lessons from solar panels story. Currently - on electric cars – EU has problems both with US and China...

**STATE SUBSIDIES**

**CURRENT SHARE: FROM 0.5 TO 8%**

**RETALIATION RISK**

**9 MONTHS, FIRST DUTIES**



# DE-DOLLARIZATION: ALTERNATIVES TO THE USD?

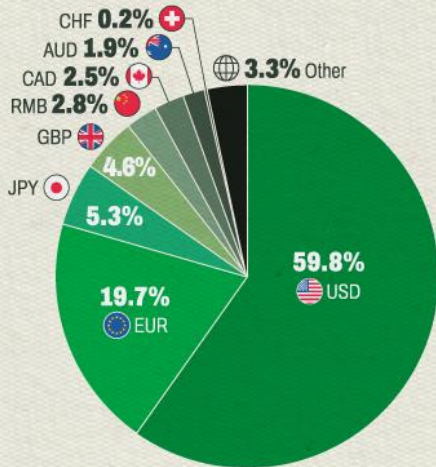
Janet Yellen said US will act decisively to safeguard national security and human rights, but also that the US does not seek to “decouple” its economy from China, not to destabilize the world

## 2023

- Brazil and Argentina discuss the **creation of a common currency**.
- The UAE and India explore the use of rupees to **trade non-oil commodities**.
- Russia and Iran are working together to launch a **cryptocurrency backed by gold**.

Despite these movements, few expect to see the end of the dollar's global sovereign status anytime soon. Currently, central banks still hold about **60%** of their foreign exchange reserves in dollars.

### WORLD FOREIGN EXCHANGE RESERVES

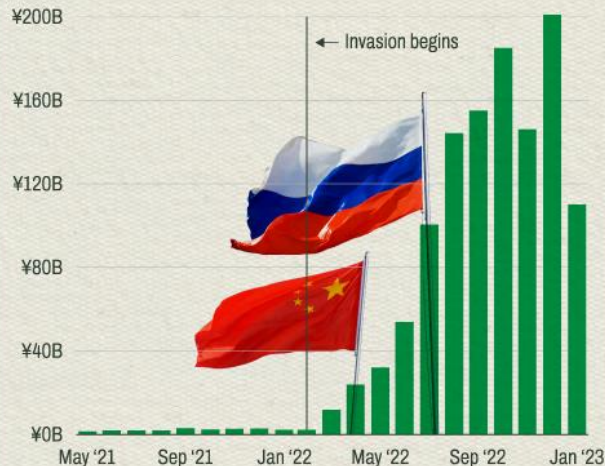


## 2022

Central banks buy gold at the **fastest pace since 1967** as countries diversify their reserves away from the dollar.

The war in Ukraine results in Western sanctions against Russia. As a result, Russia and China deepen cooperation between their financial systems, with ruble-yuan trade **increasing 80x in eight months**.

### VOLUME OF CHINESE-RUSSIAN TRADE IN YUAN





# US, CHINA AND EUROPE: DIFFERENT VISIONS OF AI, ITS PURPOSE AND LIMITATIONS



INFORM THE GOVERNMENT

5 FRONTRUNNER PLAYERS



“CORE SOCIALIST VALUES”

ERNIE BOT AND SOME MORE



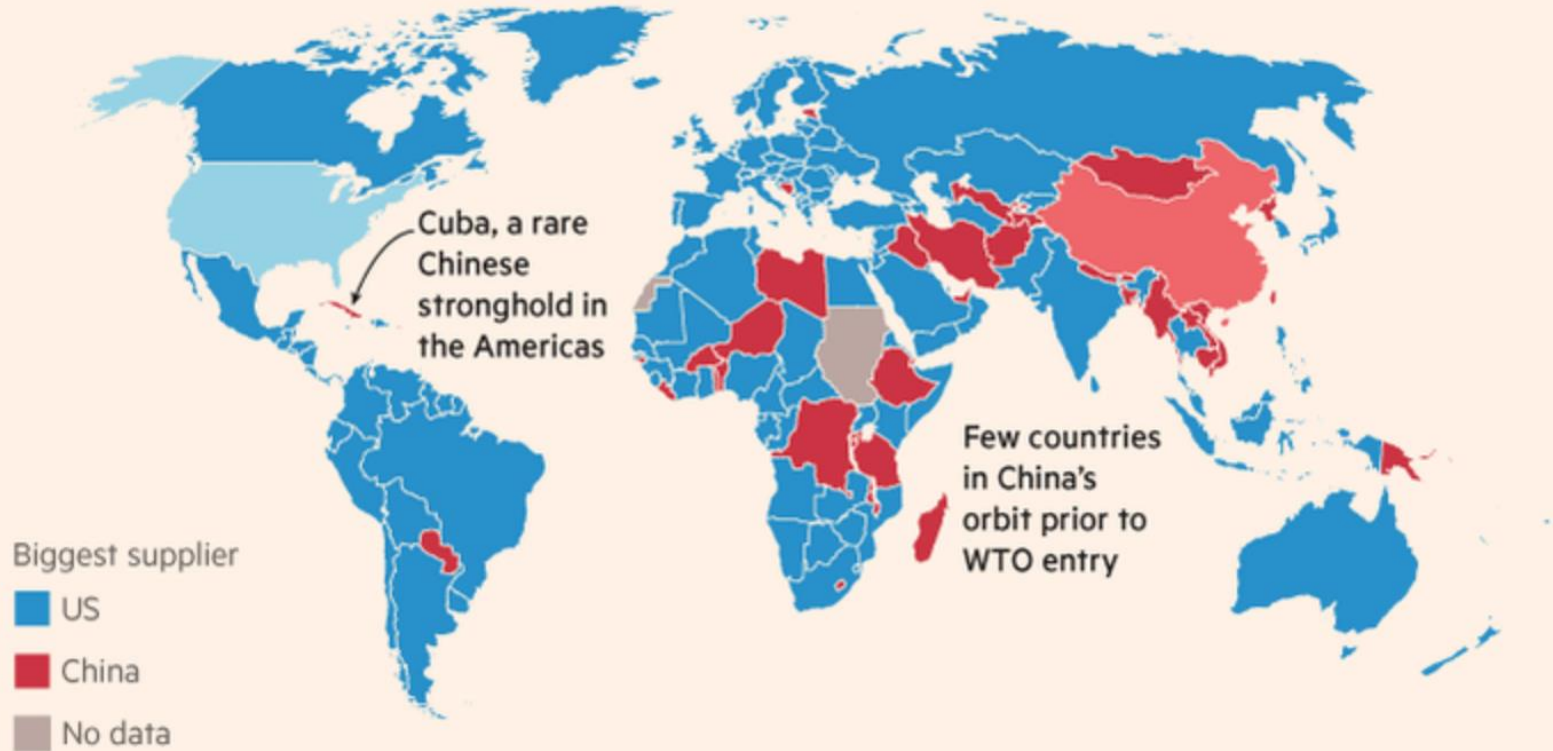
DISCLOSING, DESIGN, PUBLISHING

NO RELEVANT COMPETITORS

# CHINA USURPS THE US AS DOMINANT EXPORTER (I)

US or China as larger supplier of goods, 2000

# 2000



Source: FT, 2020.

# CHINA USURPS THE US AS DOMINANT EXPORTER (II)

US or China as larger supplier of goods, 2019

# 2019

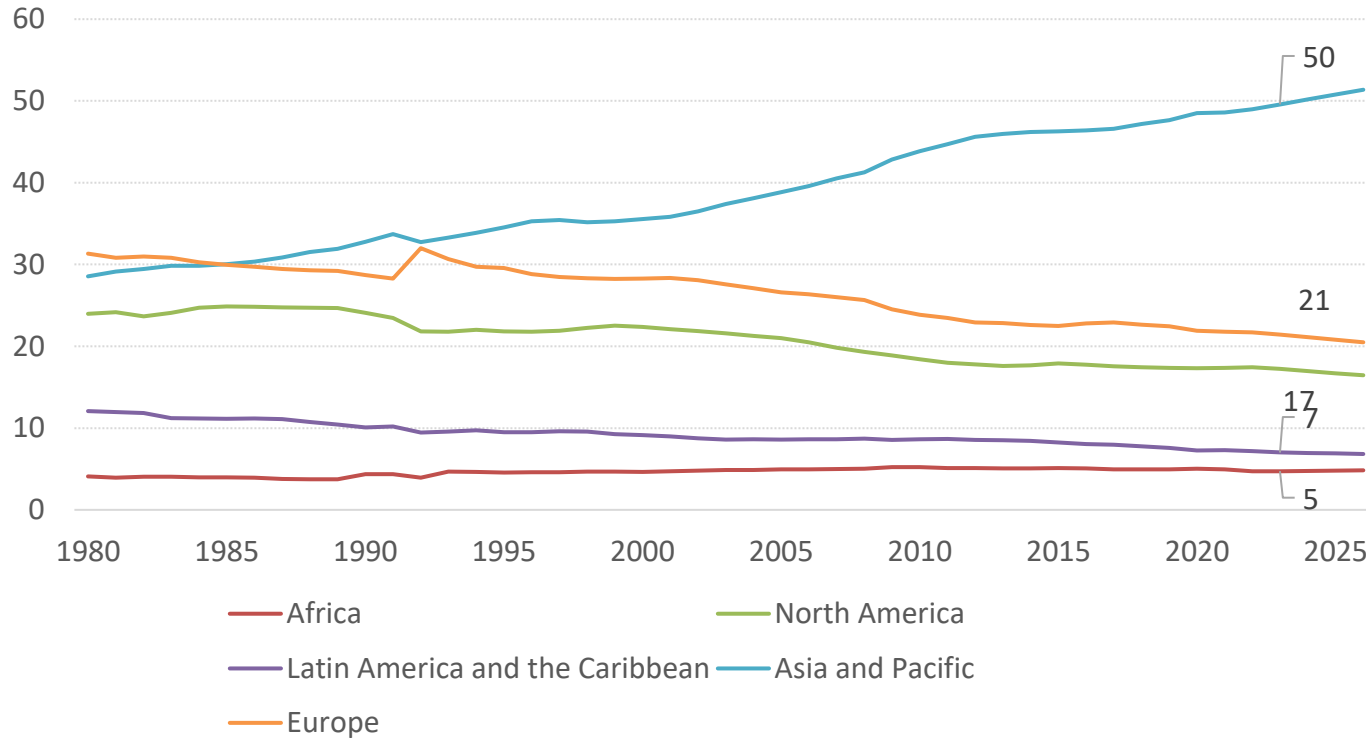


Source: FT, 2020.



# THE NEW SHARE OF WORLD GDP

Share of global real GDP PPP, % (1980-2026)



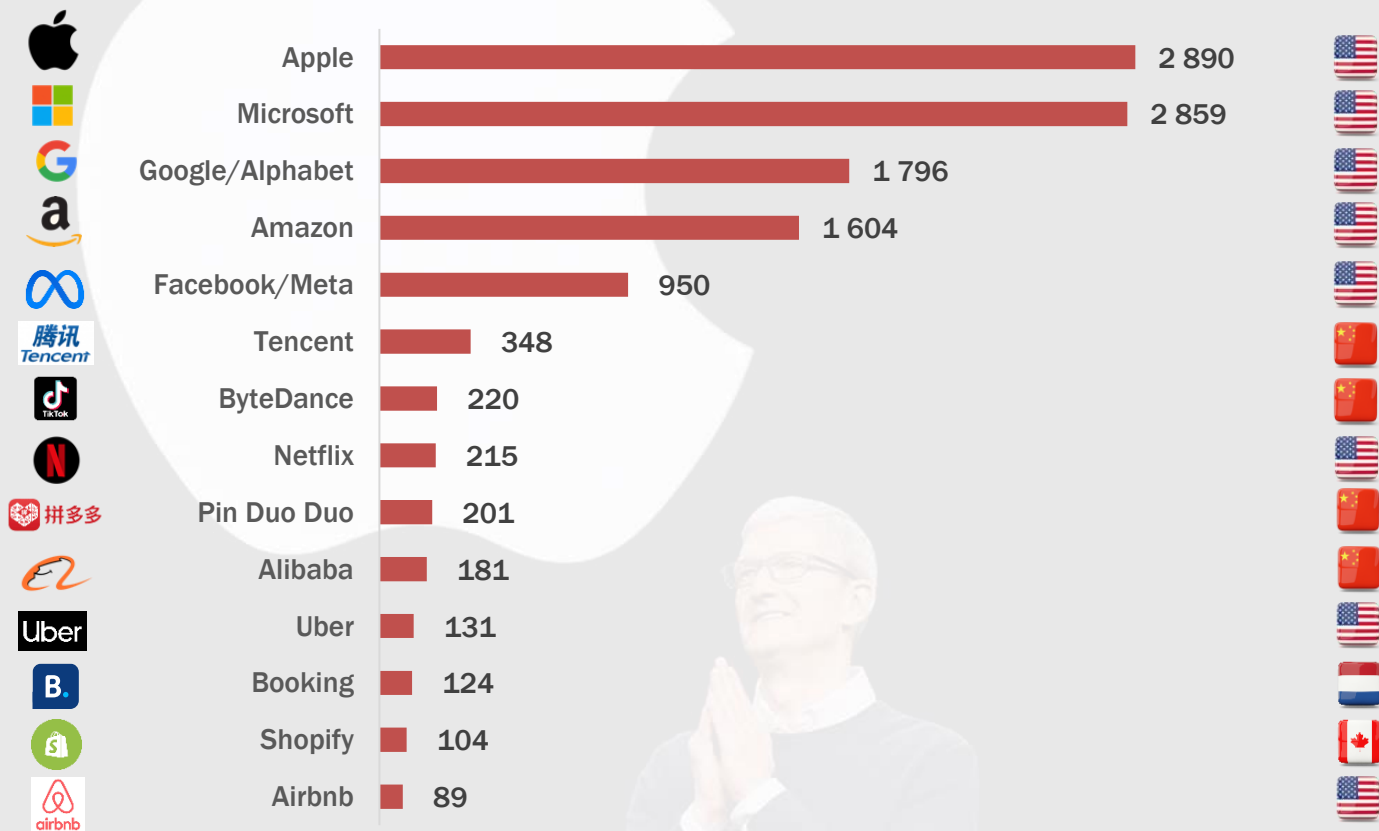
The chart above shows the percentage share of world's real GDP split by continents and illustrates that the share of world's real GDP in the Asian region grew considerably faster than all other continents, from 16.8% in 1960 to 50% in 2023. Highlighted number for 2023. Projections until 2026 show trends being reinforced.

Source: IMF, 2024.



# E-WORLD: GUESS WHO?

Market capitalization of the largest internet companies worldwide (bn USD)

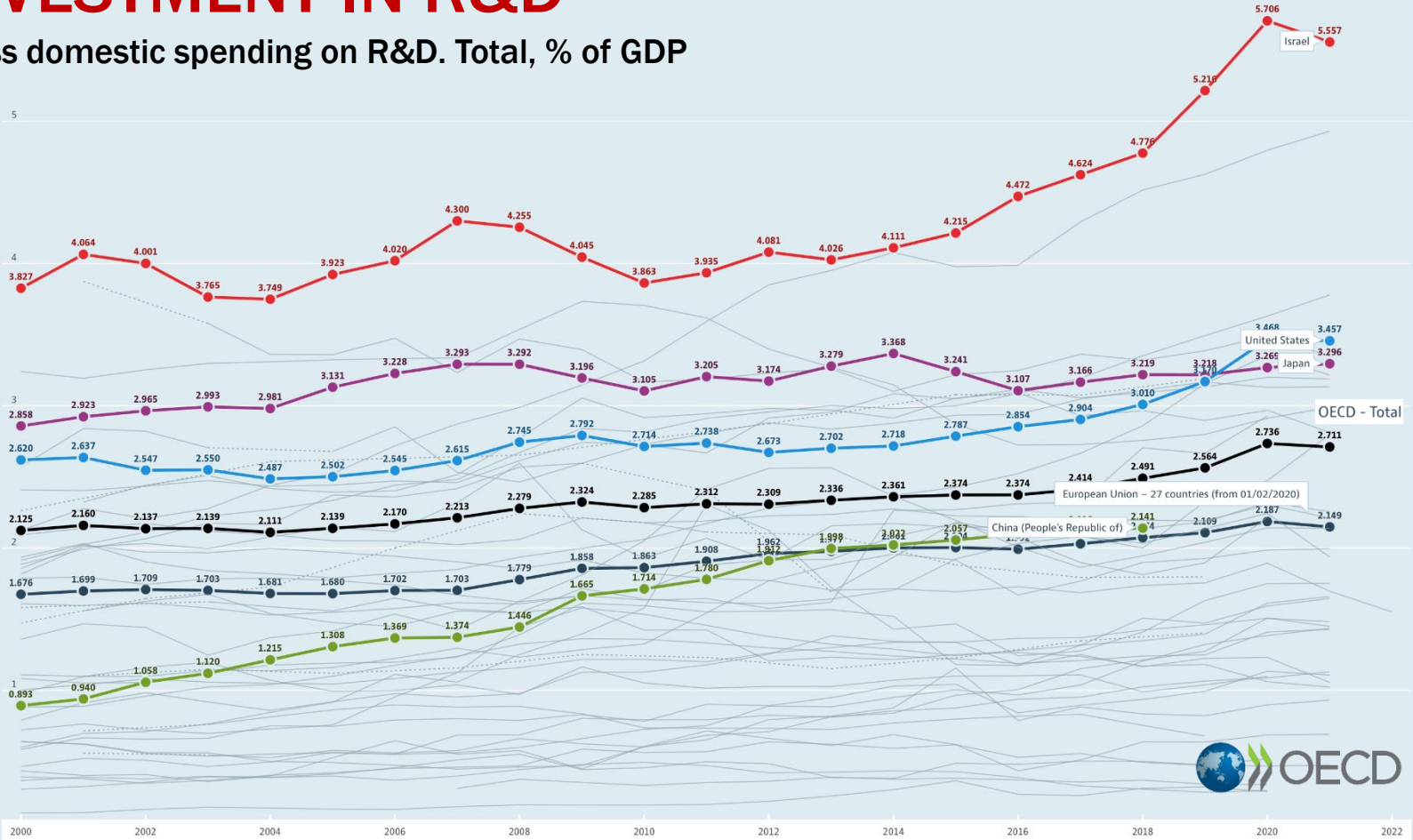


Source: YCharts, 2024. As of January 11, 2024.

Note: ByteDance average valuation in 2023.

# “IL SORPASSO”: CHINA’S OVERCOMED EU ON INVESTMENT IN R&D

Gross domestic spending on R&D. Total, % of GDP



Source: OECD, 2024.





# WHERE WILL THE NEXT 1000 BABIES BE BORN?

Asia and Africa together account for more than 82% births

