THE GEOPOLITCS OF SUPPLY CHAINS

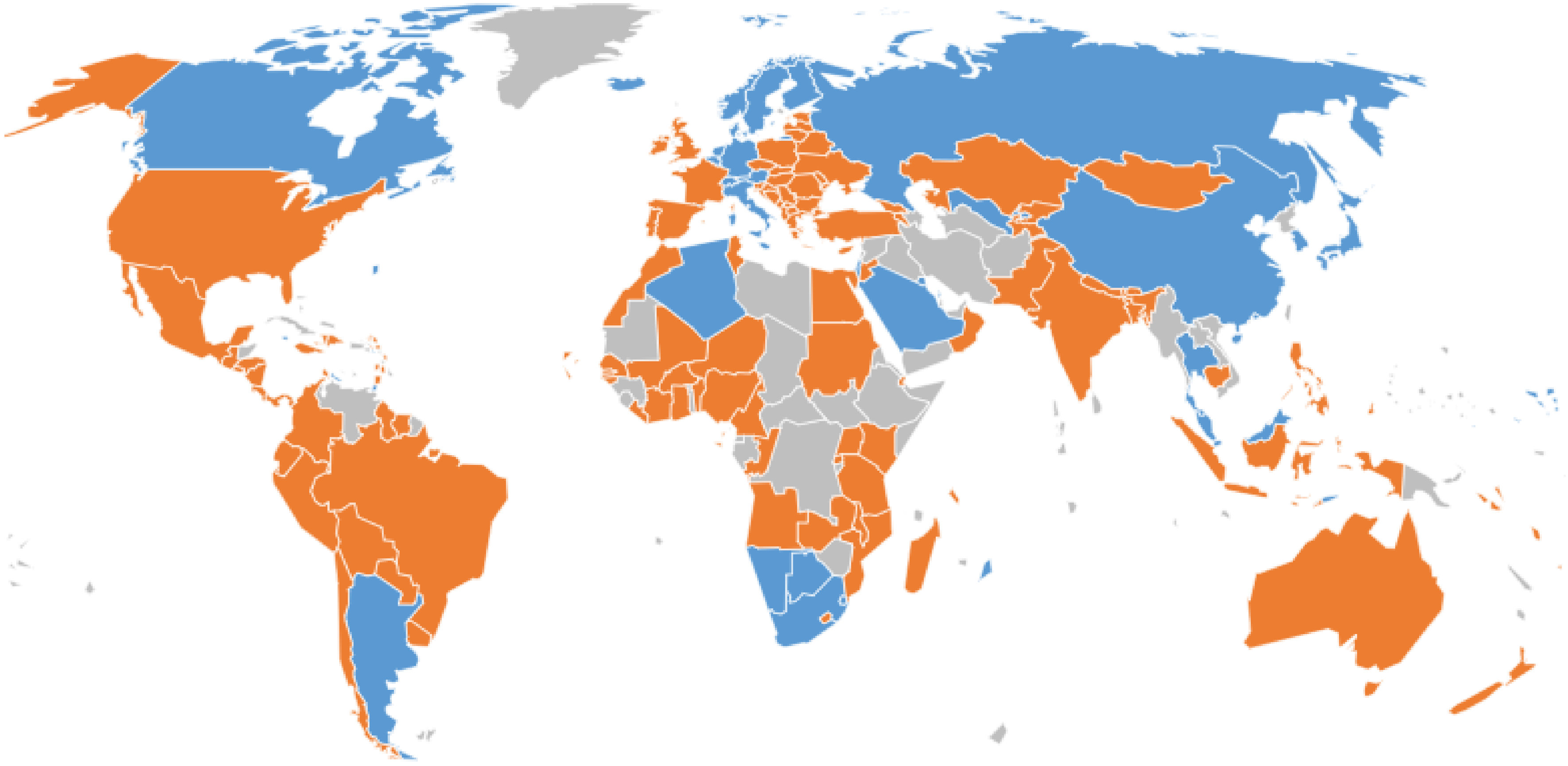
Carlo Altomonte

SDA Bocconi
SCHOOL OF MANAGEMENT

RESEARCH
RETHINK
REIMAGINE

THE NEED FOR REBALANCING THE MODEL

(NIIP value in $bn across countries - 2024)

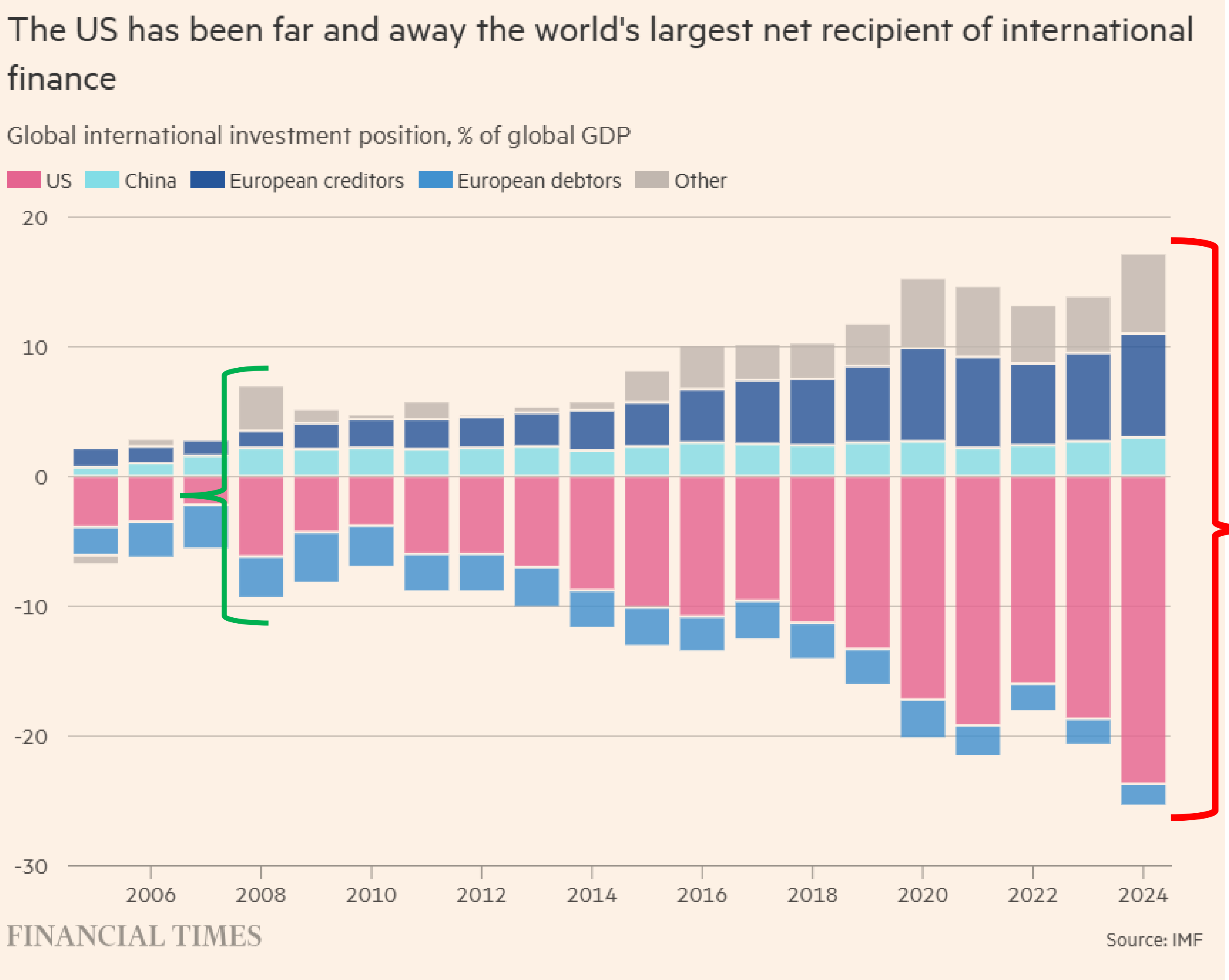


NIIP – VARIOUS COUNTRIES

	Mld $
Germany	**3,636**
Japan	3,493
China	3,296
Hong Kong	2,044
Euro Area	1,721
Russia	**949**
Saudi Arabia	**735**
Italy	**347**
UK	- 351
India	**- 368**
France	**- 617**
Brazil	- 750
Spain	**- 727**
USA	- 26,232

Source IMF

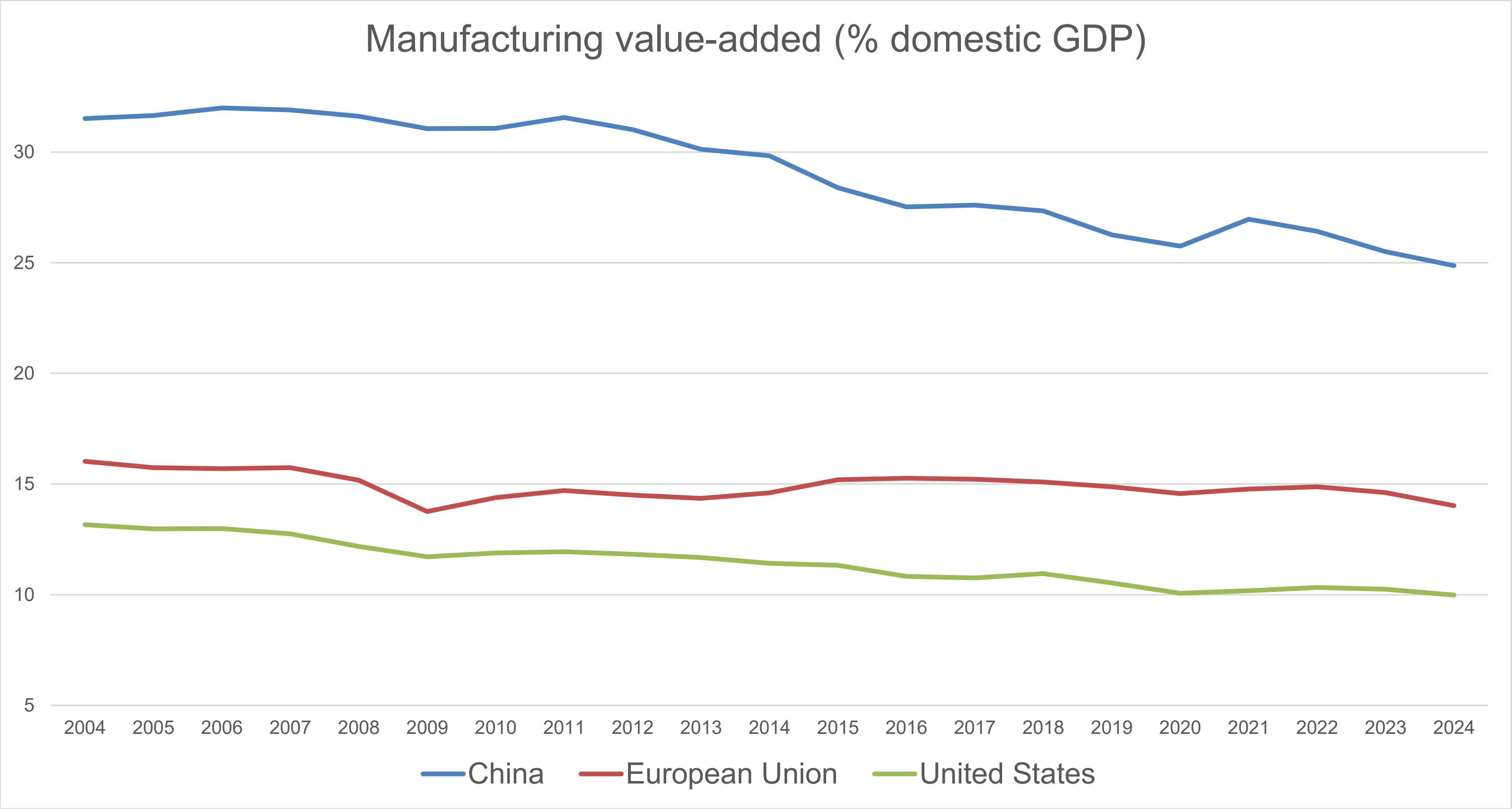
THE NEED FOR REBALANCING: US vs. Others
(% global GDP)



Global imbalances have <u>three consequences</u> for the US, affecting in turn:

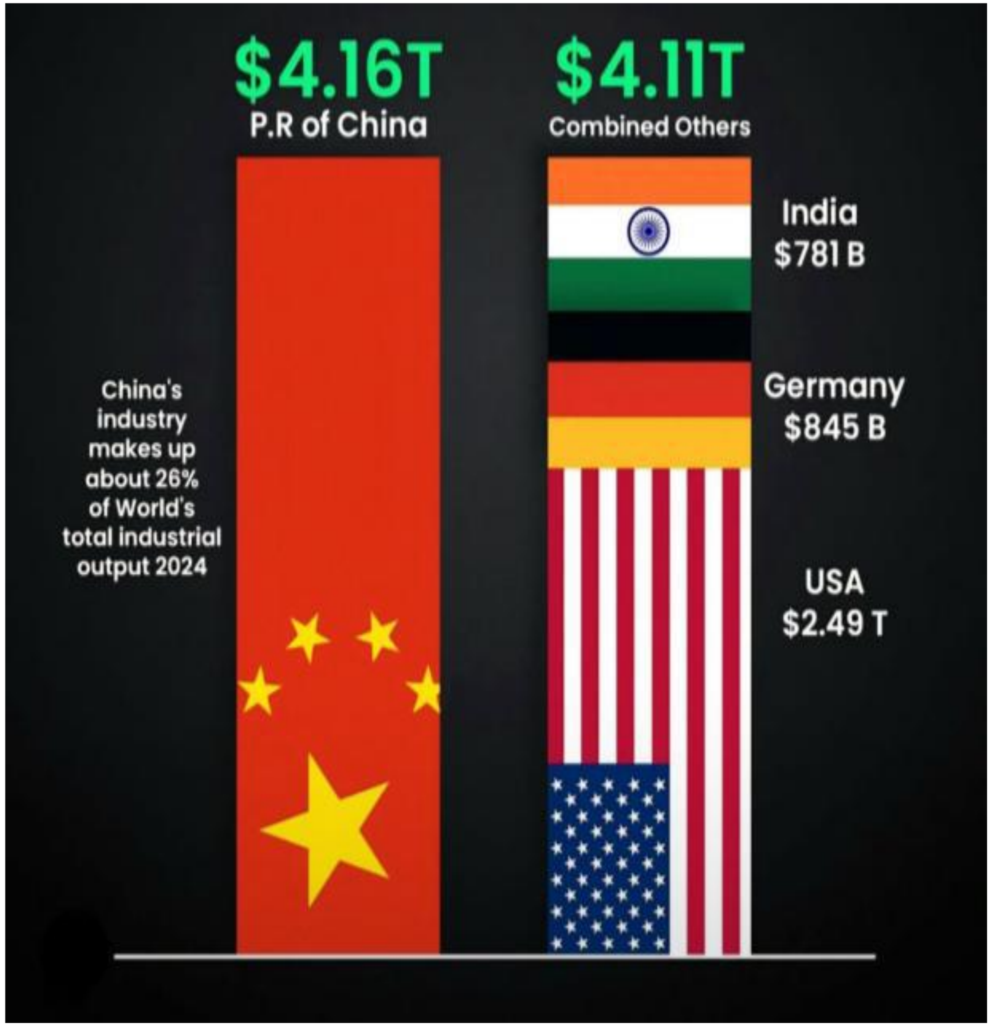
- Internal inequality
- Financial stability
- Industrial production

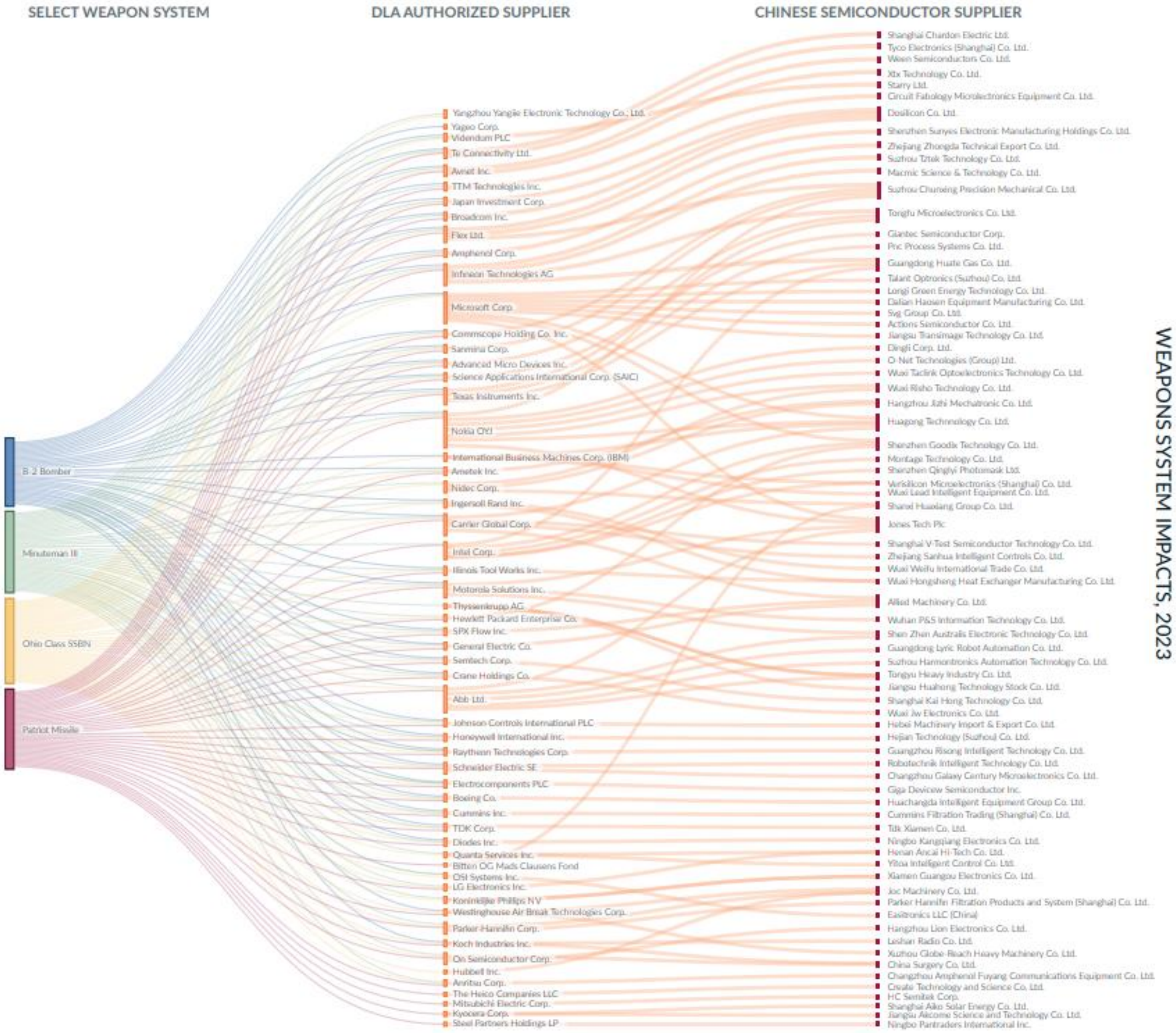
US REBALANCING: INDUSTRIAL PRODUCTION



Source: authors' elaboration on World Bank data

US VS. CHINA INDUSTRIAL PRODUCTION





US RESPONSE: TARIFFS

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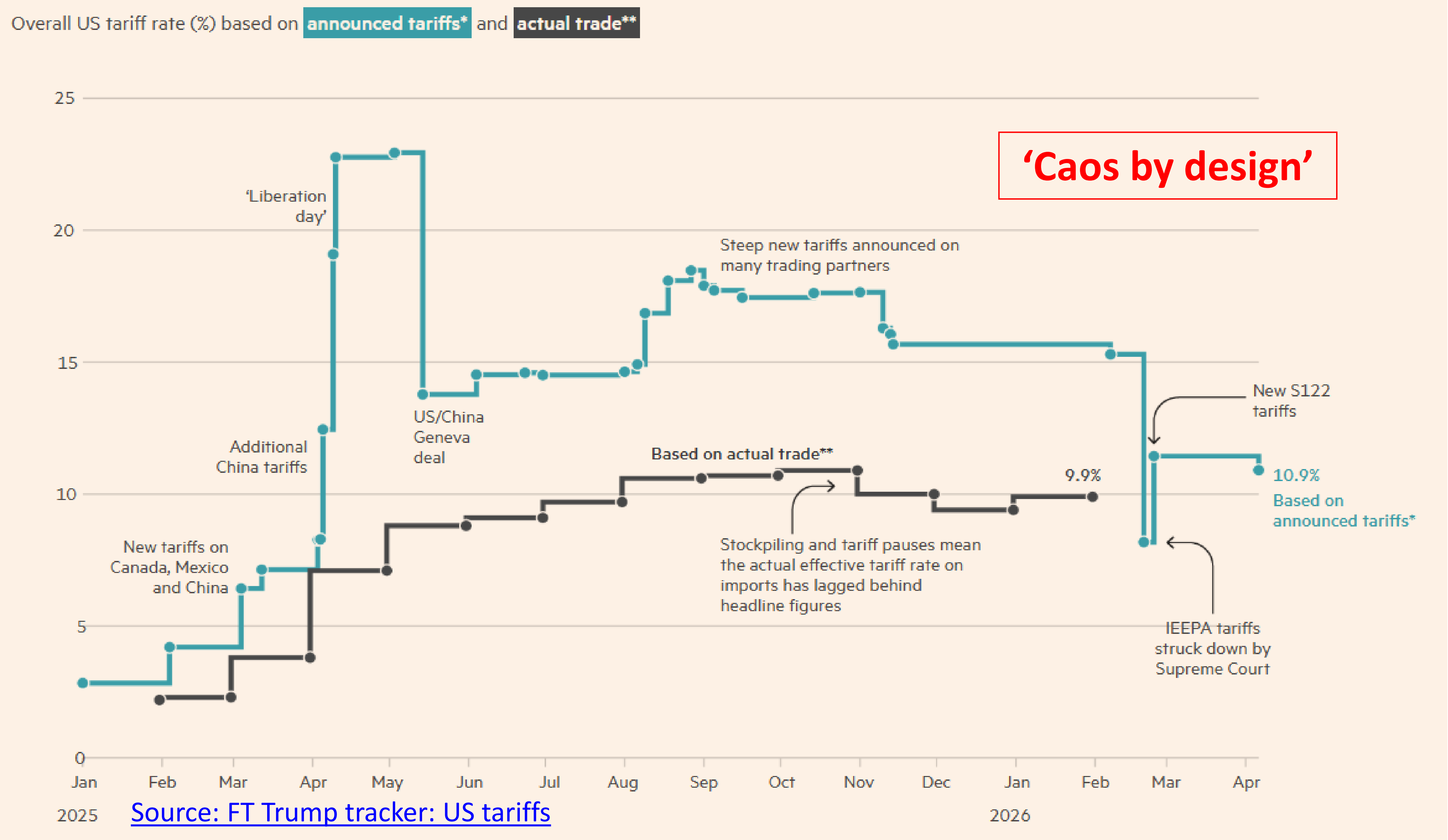
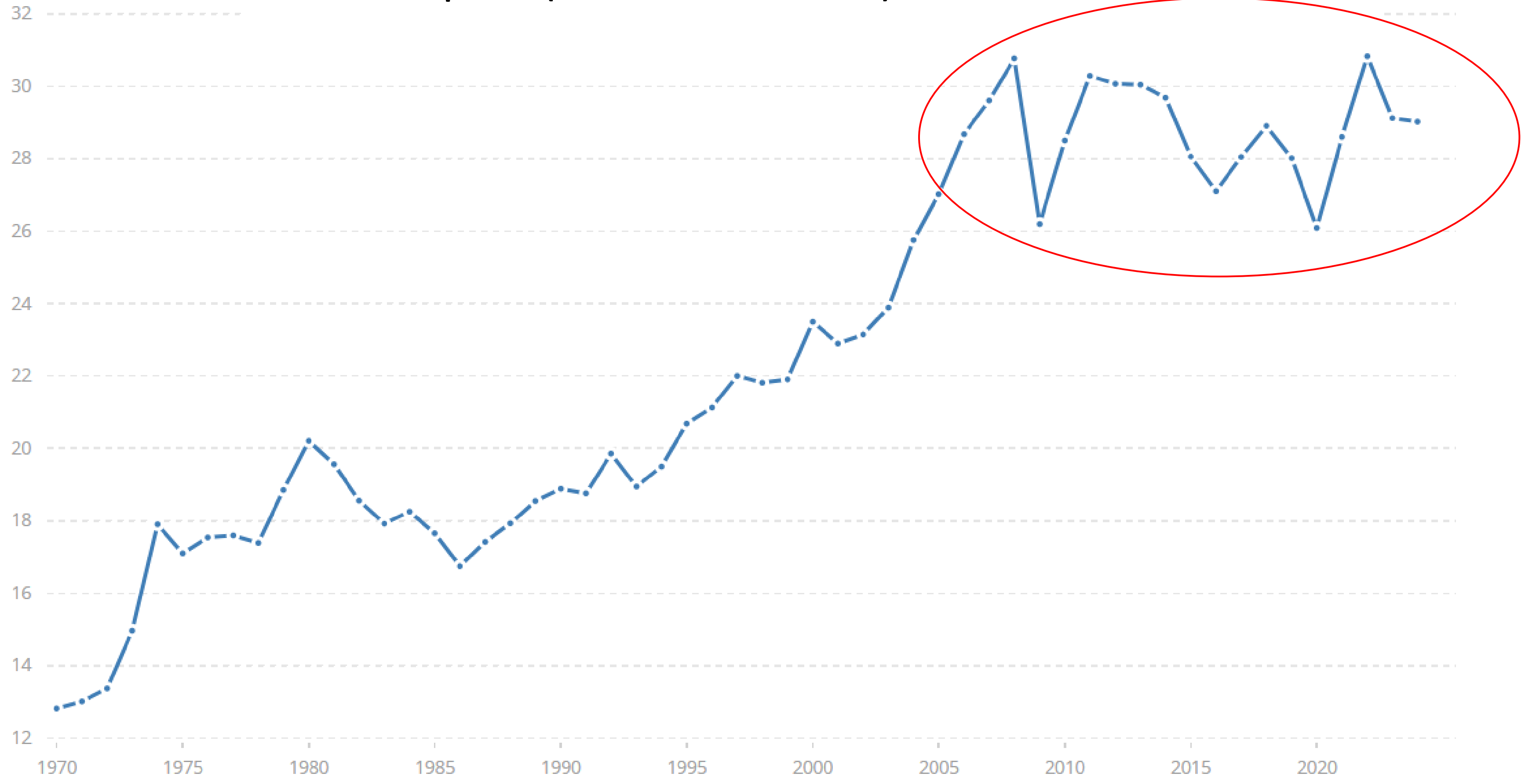


[Source: FT Trump tracker: US tariffs]

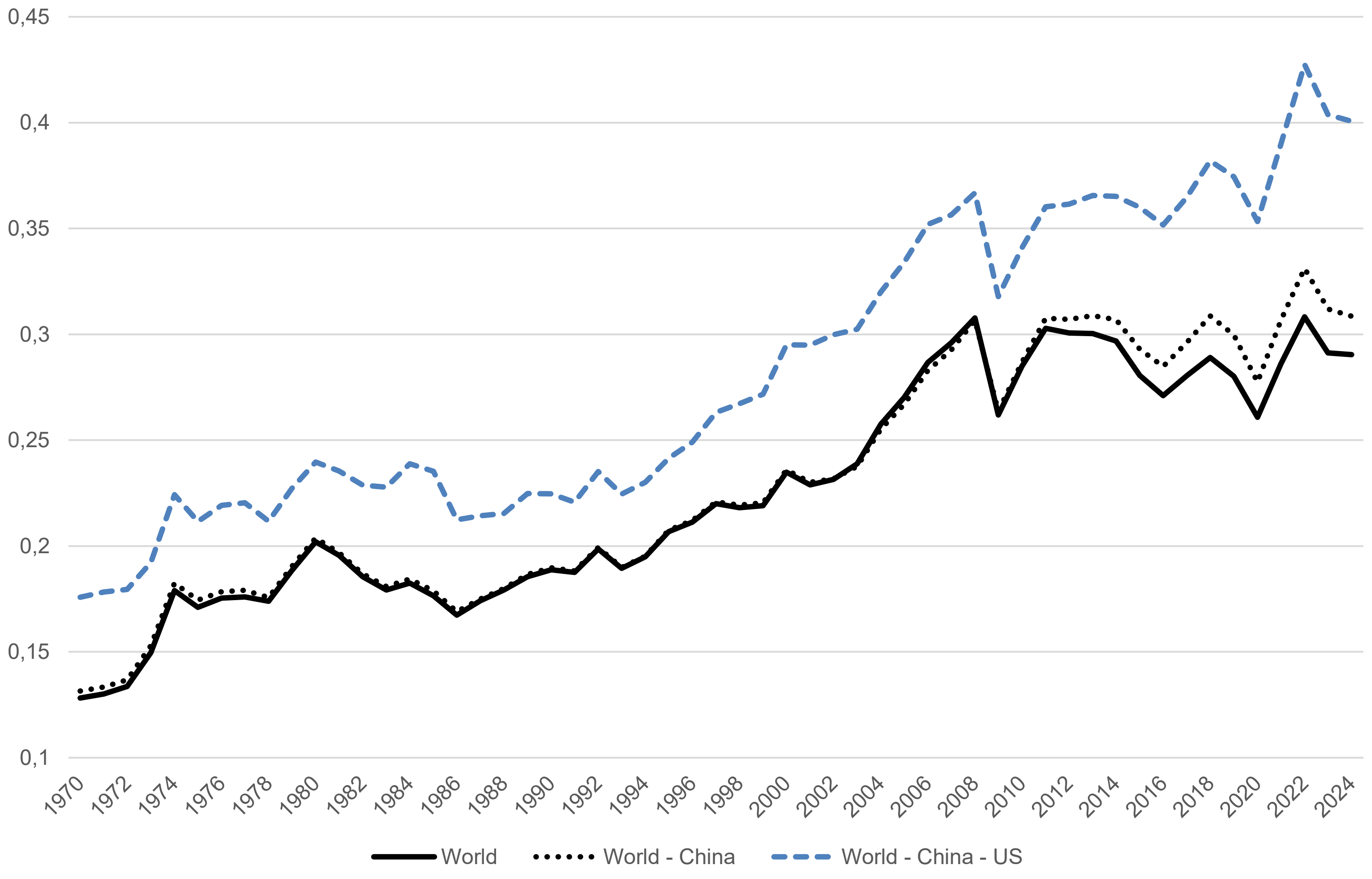
Is Globalization over ?

World Export (% of World GDP), 1970-2023



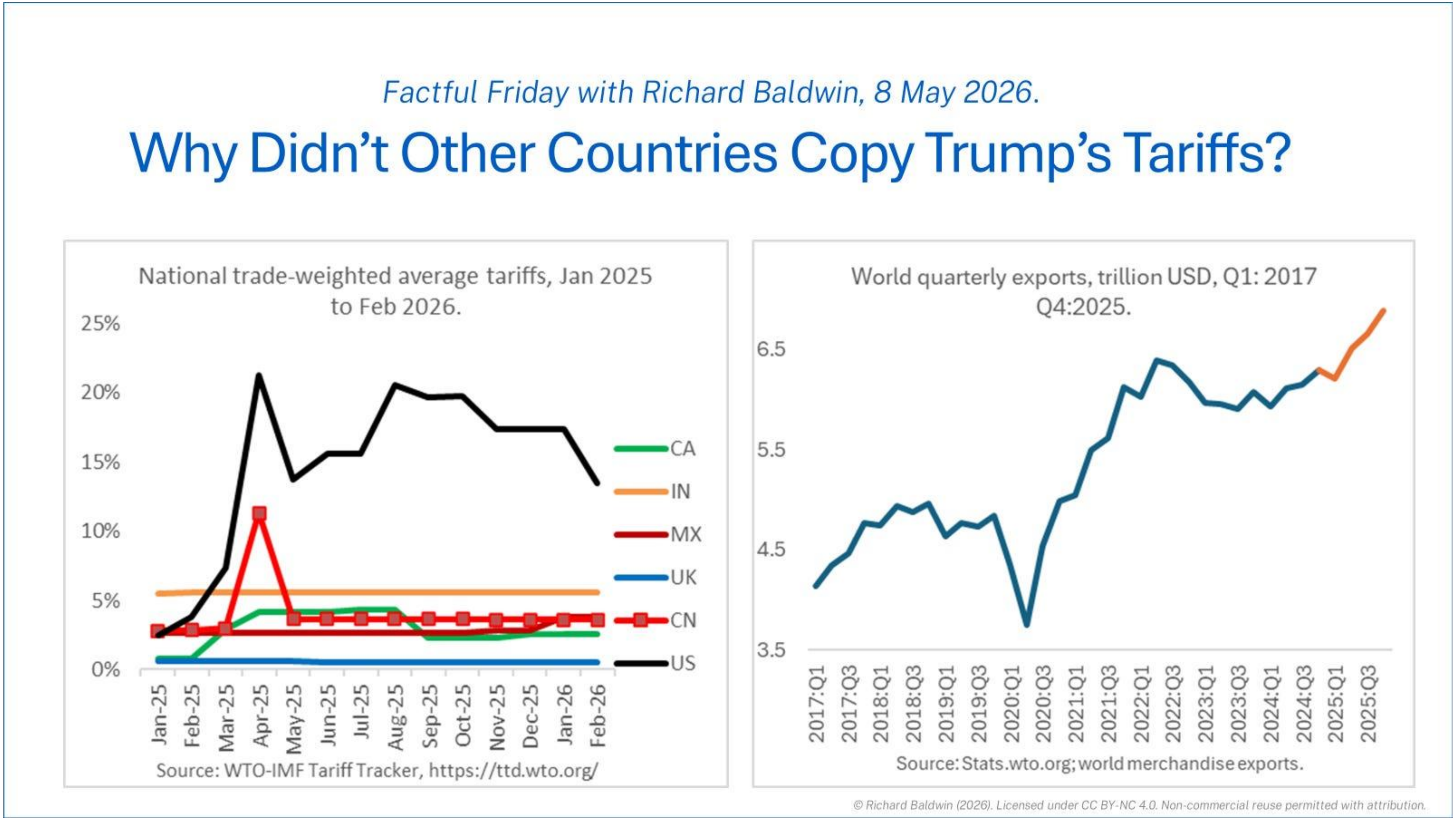
Source: World Bank, WDI

World trade and the role of China and US

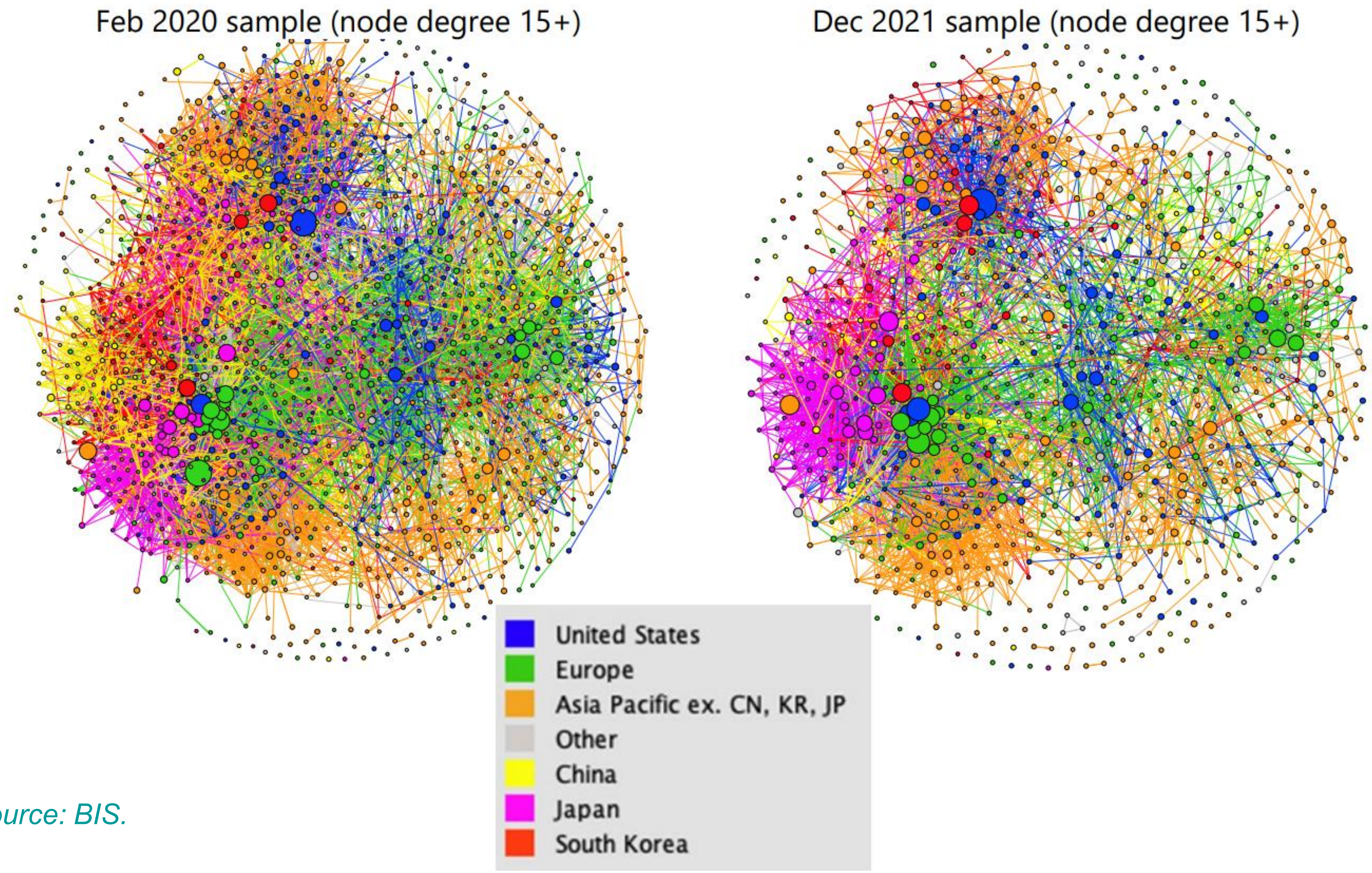


Source: author's elaboration on World Bank data.

World trade and the role of interdependencies



GVCs’ reshuffling during the pandemic

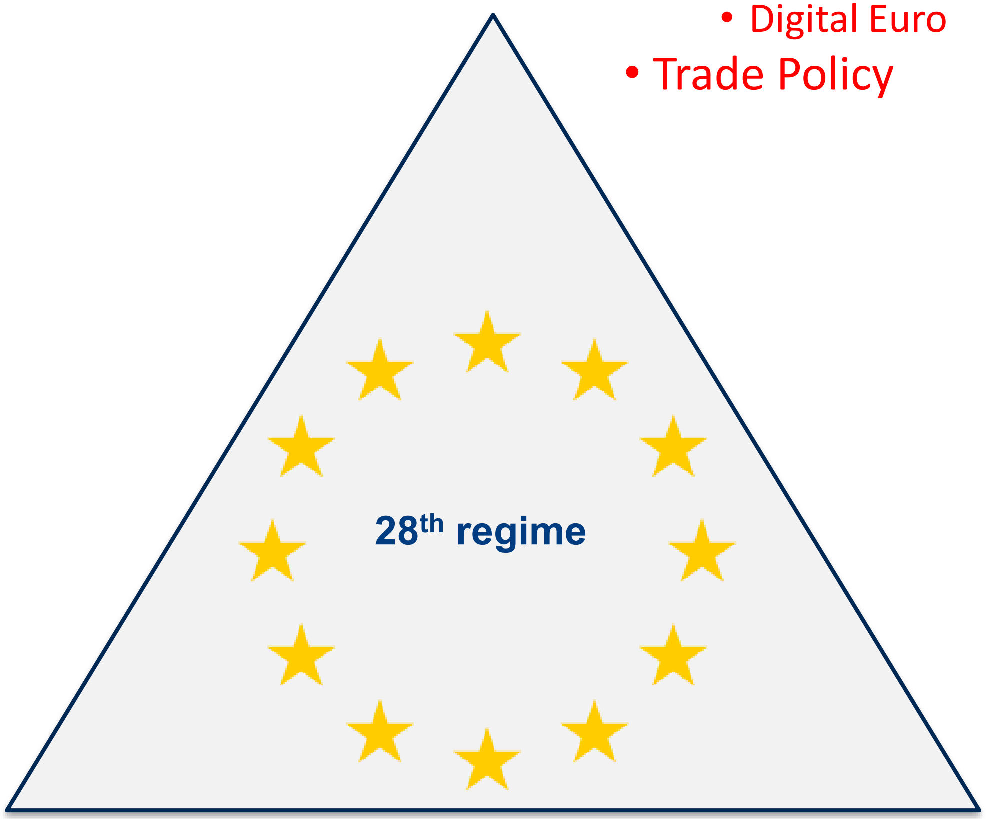


Source: BIS.

THE EU & THE NEW GLOBAL GOVERNANCE

Markets

- Innovation & High Tech
  - Savings and Investment Union
  - Single Market (Energy / Telecom)
  - Digital Euro
- Trade Policy



Inputs

- Decarbonization
  - Clean Industrial Policy

Security

- Common Defence Policy
  - EDIS / EDIP