

# The world rewired: America's shifting role in the global economy

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# Agenda

1 The United States' strategic repositioning

2 The rise of the rest

3 America's exceptionalism

4 Democracy in retreat

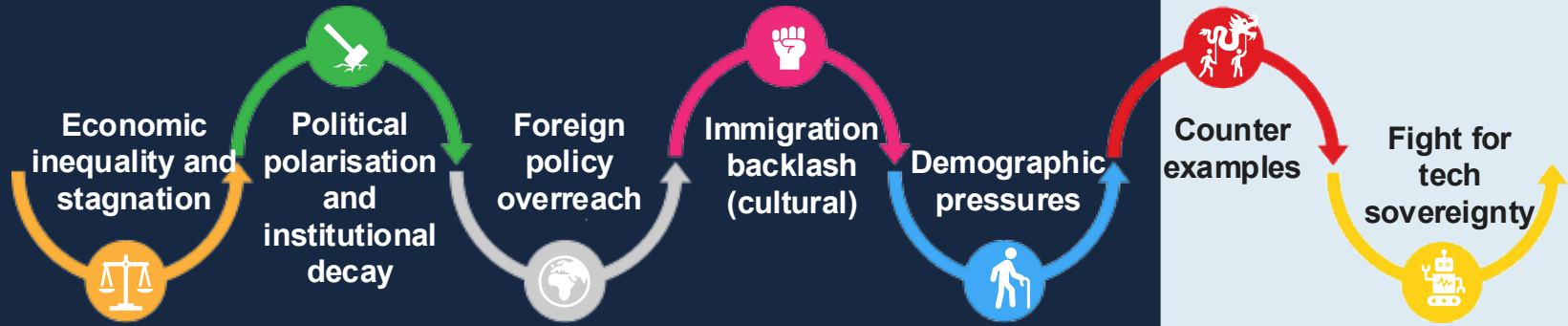
5 The world ahead



# The US's strategic repositioning

The re-evaluation of  
US foreign policy

# Why the Western model failed

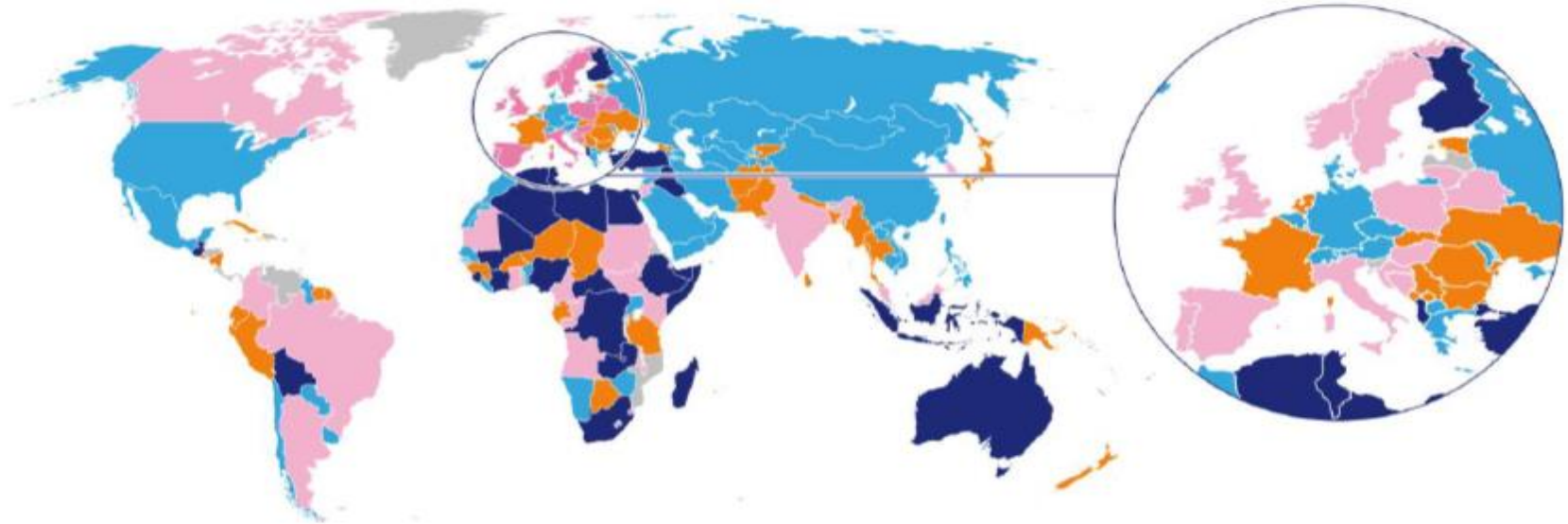


- It did not provide enough middle-class jobs
- Inequality is too high
- It is perceived that self-serving elites control politics

# The post-war liberal order is unravelling

A number of Western democratic governments were ousted in 2024, but geopolitical risks, the need for economic reform and political polarisation still exist and need to be dealt with

## Government stability data (change in risk since Q4 2020)

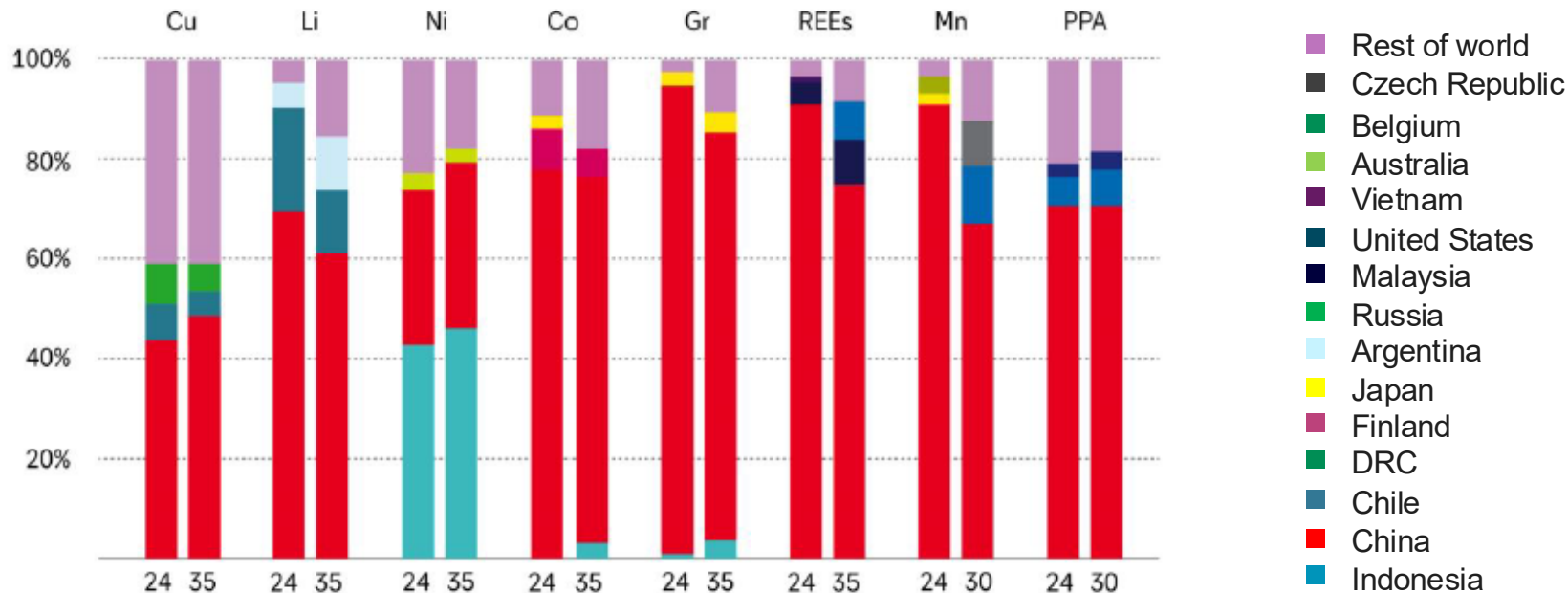


■ Significant increase   ■ Slight increase   ■ No change   ■ Slight decrease   ■ Significant decrease

# Resource imperialism is driving the war with China

US foreign policy is gearing towards a new era of geo-economic supremacy and resource imperialism, as the definition of the Western hemisphere expands

## Geographical distribution of refined material production for key minerals (latest for 2024 and forecasts for 2035)



Source: Deutsche Bank, International Energy Agency

Cu=copper, Li=Lithium, Ni=Nickel, Co=Cobalt, Gr=Graphite, REEs=Rare earth elements, Mn=Manganese sulphate, PPA=Purified phosphoric acid

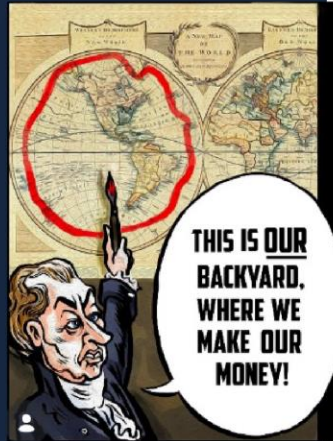
# The US's next big political stick

National security replaces tariffs as the next big global political stick, given the effect tariffs are having on sentiment and the cost of living in the run up to US mid-terms



MILESTONES OF US FOREIGN POLICY

1823



The MUNROE Doctrine

1947



The TRUMAN Doctrine

2025



The TRUMP Doctrine



# The rise of the rest

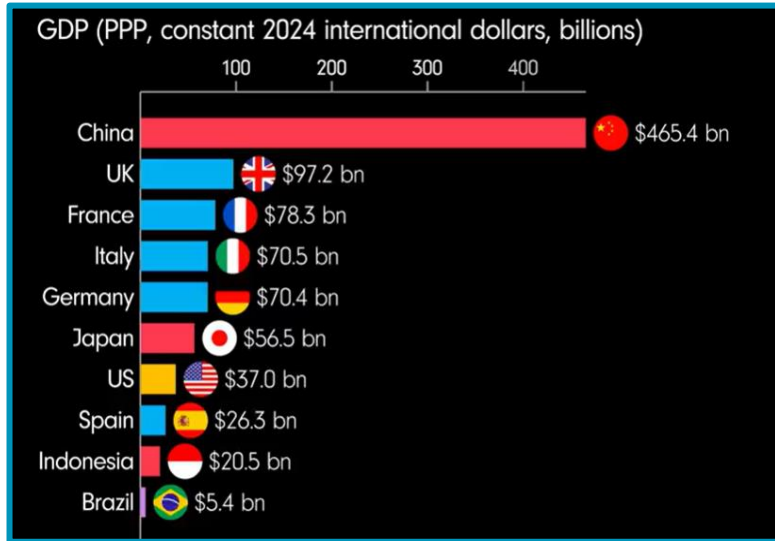
## Shifting economic centre of gravity

Source: Defence Connect

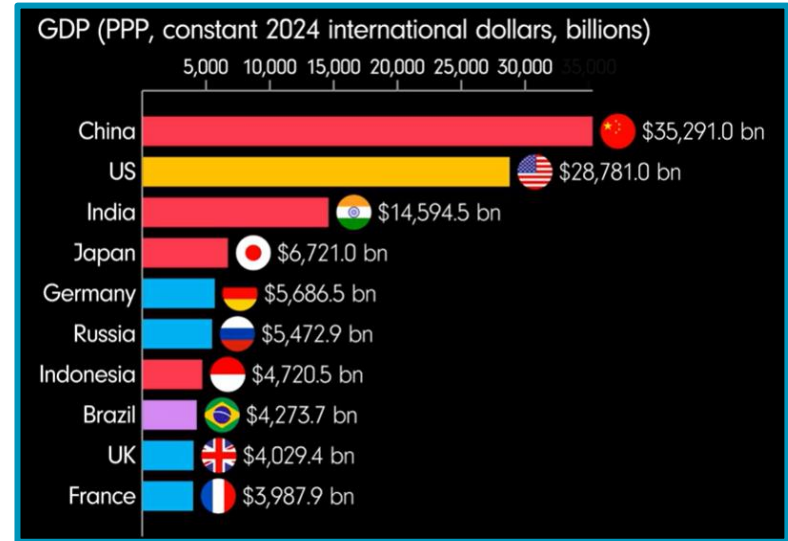
# The past appears to be reasserting itself

The real economic titans are making a comeback

## 1820



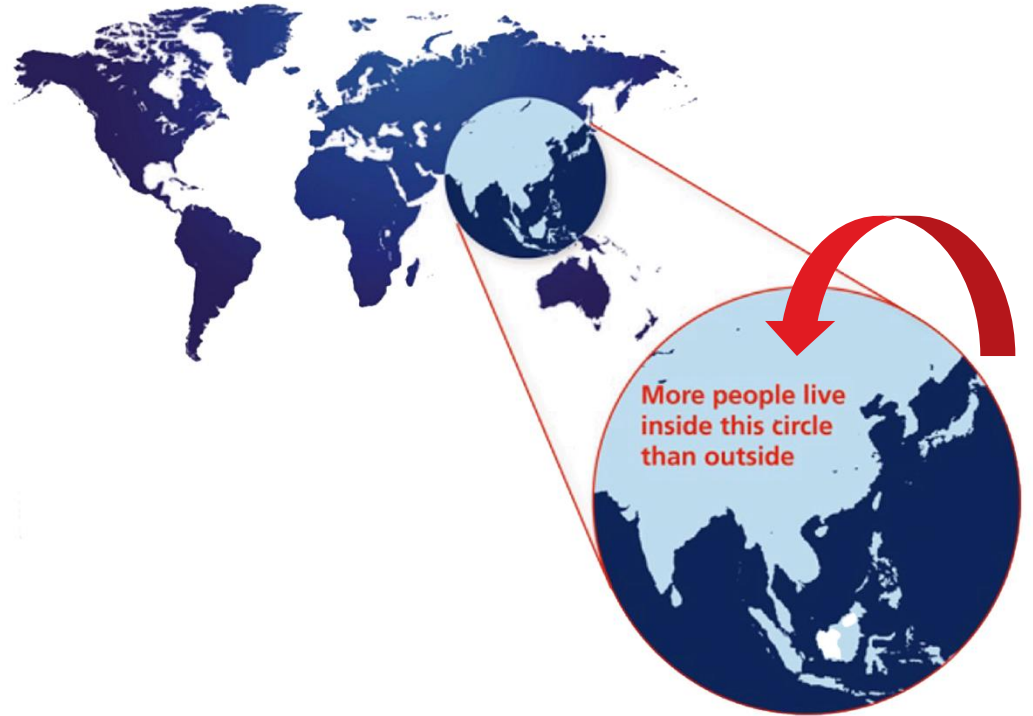
## 2024



■ Asia ■ Europe ■ North America ■ South America

# Half the world in a tiny circle

The Valeriepieris Circle is a population powerhouse that covers a mere 2% of the world's surface



Source: LSE Blog

# Middle powers punching far above their weight

Economic, cultural and environmental weight of a relatively small portion of the planet

## Valereipieris Circle

c.10% of land area of the world

21 countries

52.4% of the world's population and a fertility rate of 2.04

86 people per km sq.\*

Nominal GDP of US\$34.25 trillion

Nominal GDP per capita of US\$8,164

c.1020 billionaires and 2.77 billion internet users

## Rest of the world

c.90% of land area of the world

174 countries

47.6% of the world's population and a fertility rate of 2.24

9 people per km sq.

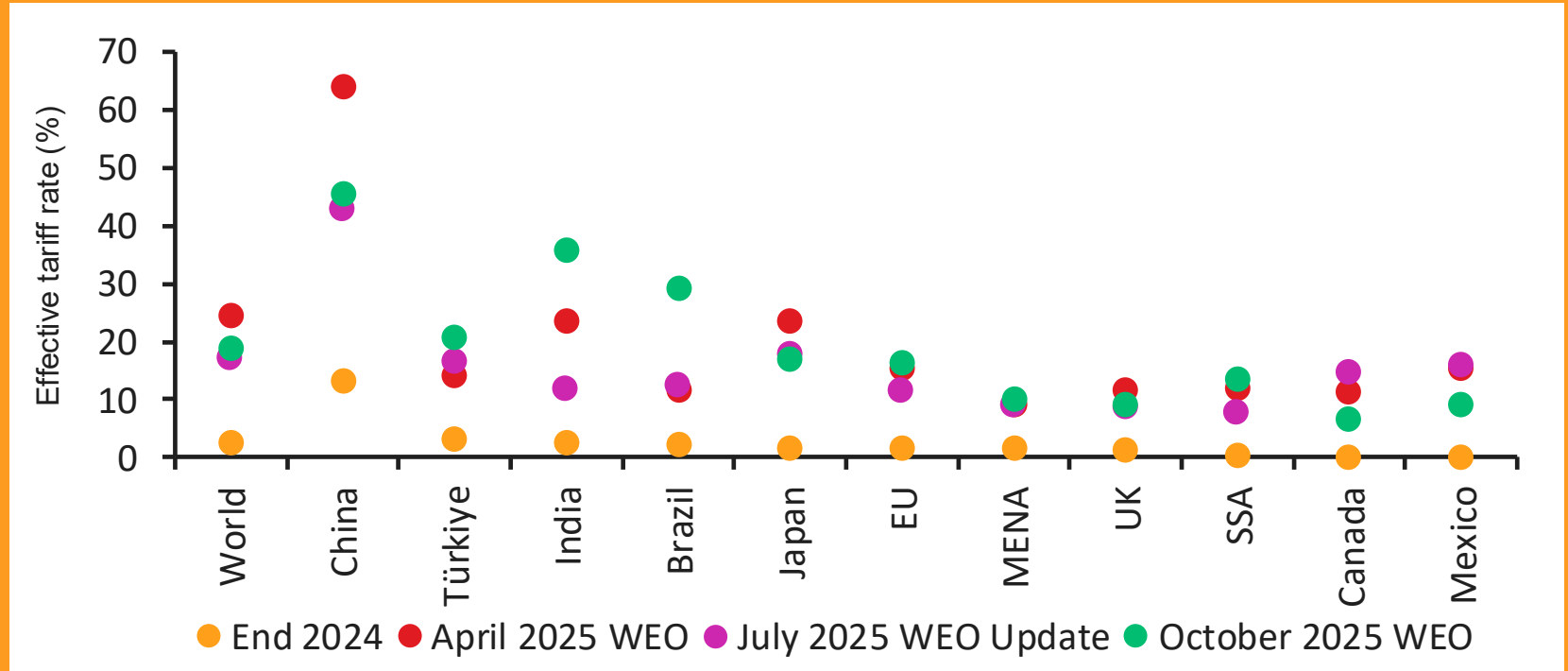
Nominal GDP of US\$75.75 trillion

Nominal GDP per capita of US\$19,524

c. 1980 billionaires and 2.88 billion internet users

# Surviving the highest tariffs since the 1930s

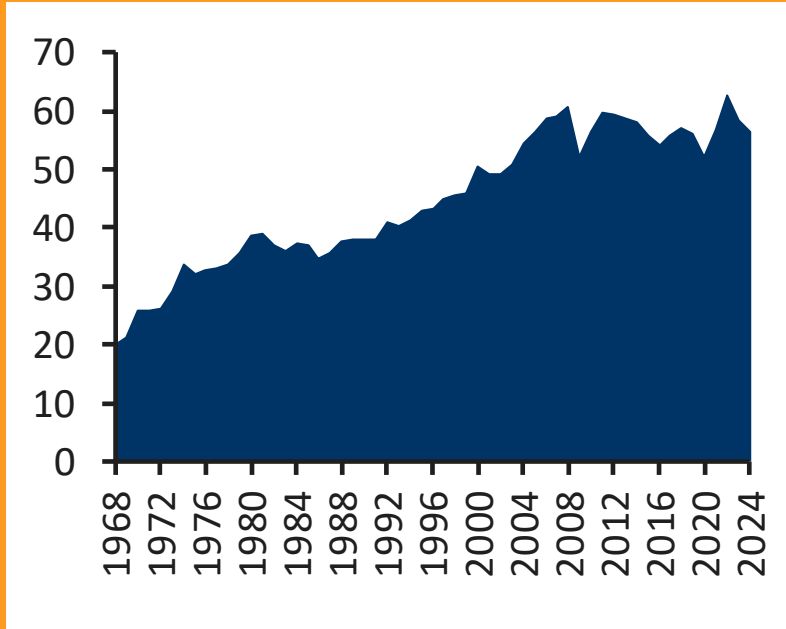
A more fractured trade environment as protectionist policies take centre stage



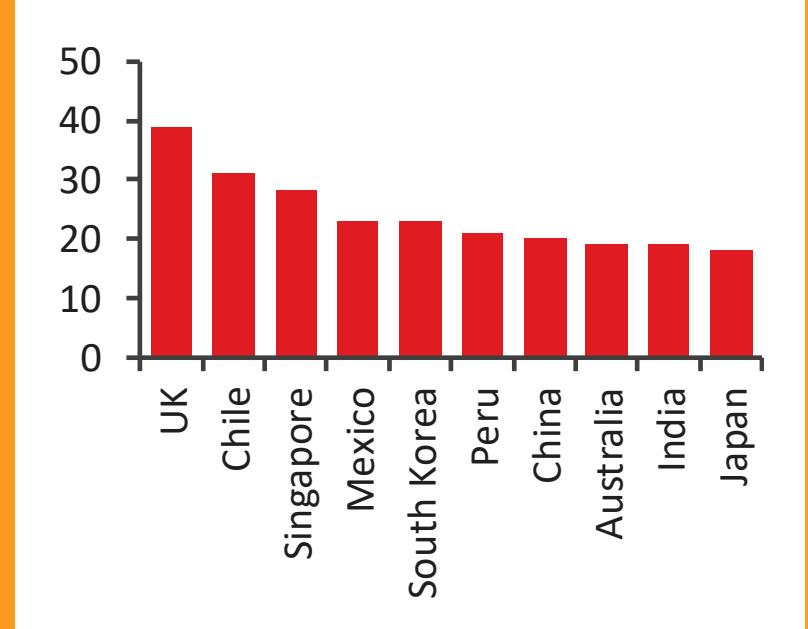
# This has not been the death of globalisation

But global trade patterns are shifting in line with power politics and economic reorganisation

## Trade (% of GDP)



## Number of free trade agreements (2025)



# America's exceptionalism

Dominance remains,  
but is no longer  
assured



# American exceptionalism is still alive, but it's evolving

1



## **DOLLAR DOMINANCE**

Despite  
de-dollarisation  
talks, no viable  
alternative exists

2



3

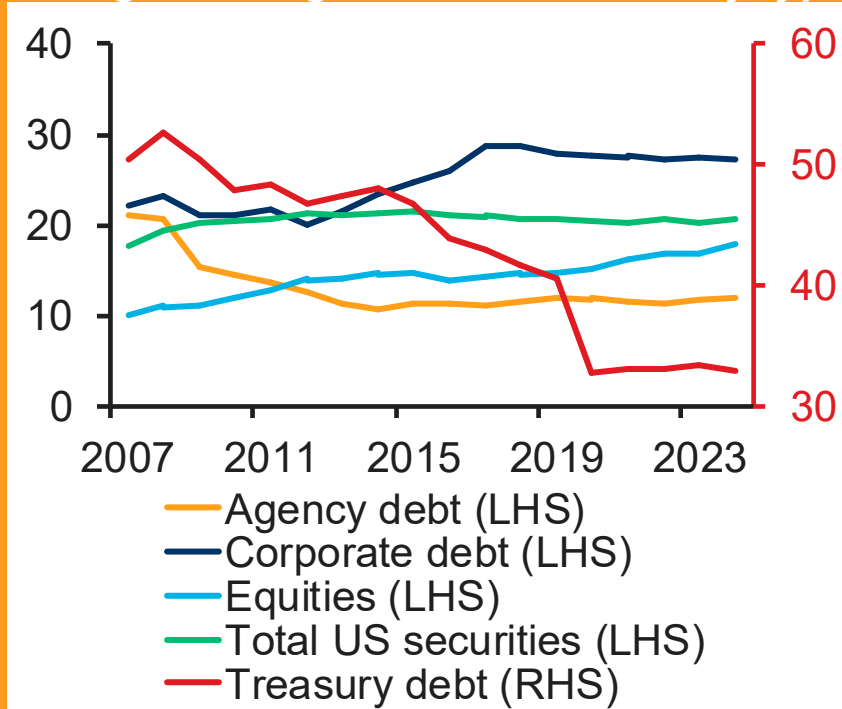


America's innovation,  
military and capital  
markets remain  
unmatched

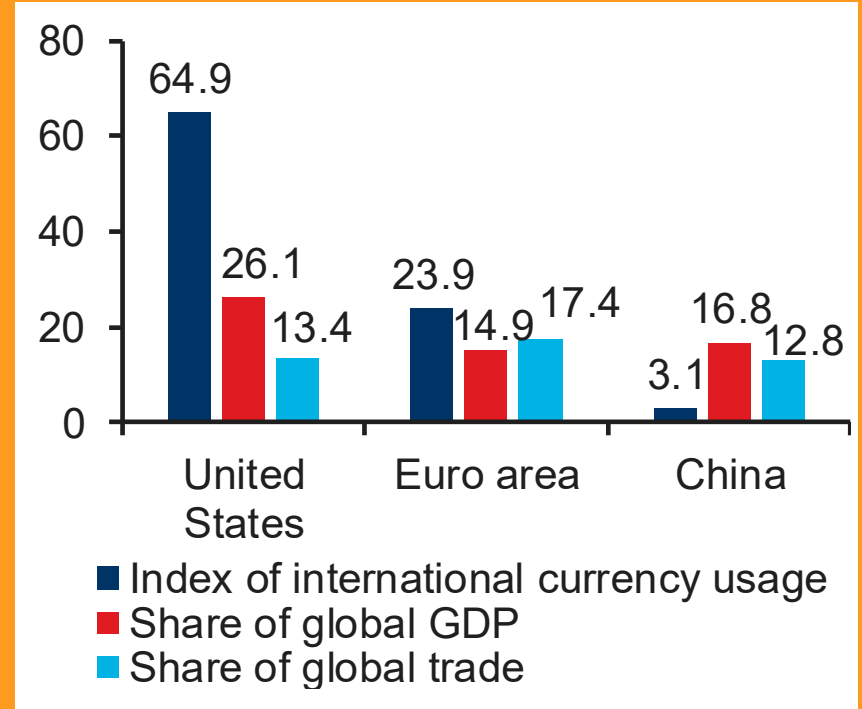
# Markets are questioning the global financial anchor

But have not yet abandoned it

## Foreign holdings of US securities by type

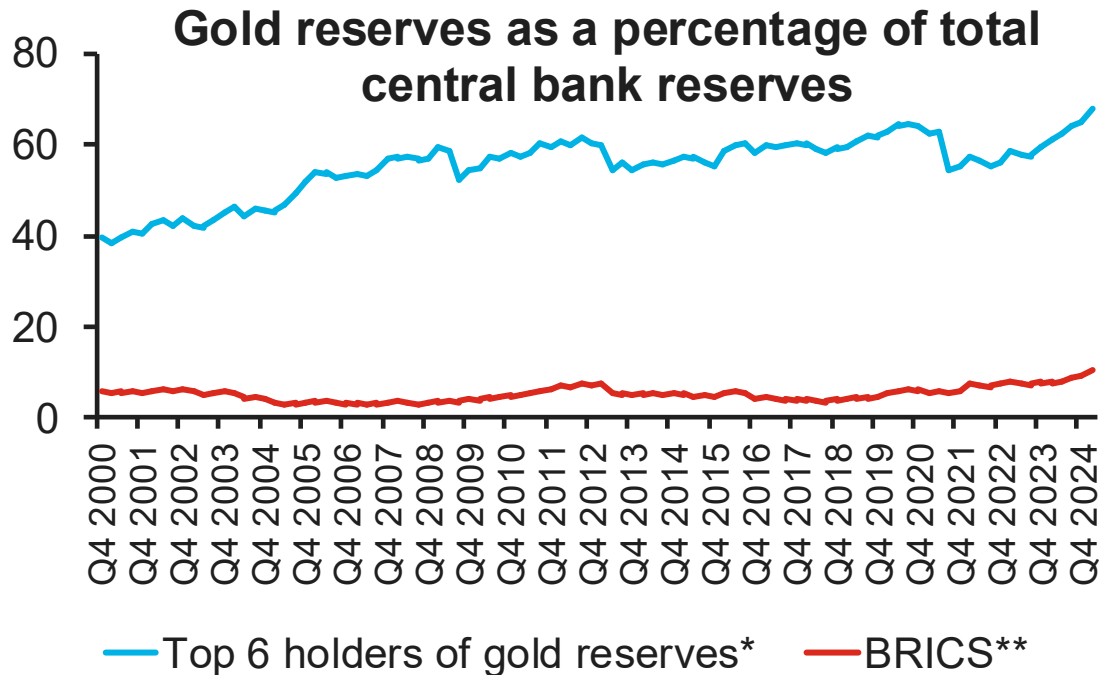


## International role vs size of economy (2024)



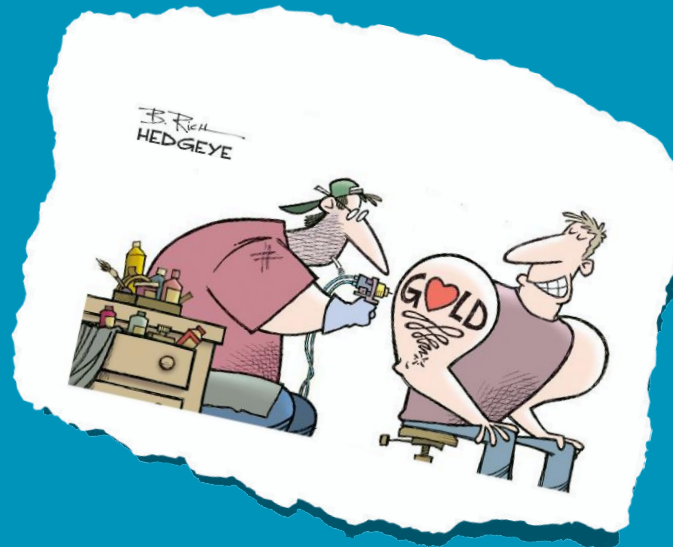
# Central banks hedging a multipolar world

Rising powers are using gold bullion to hedge against dollar dominance



Source: World Gold Council, Momentum Investments, data up to Q1 2025

Top 6 holders = United States, France, Italy, Germany, Netherlands and Russia; \*\*BRICS = excluding Russia, Ethiopia and Iran



# American exceptionalism is still alive, but it's evolving



## **DOLLAR DOMINANCE**

Despite de-dollarisation talks, no viable alternative exists

**2**



## **MILITARY PROJECTION**

Global reach, key alliances and a technological edge

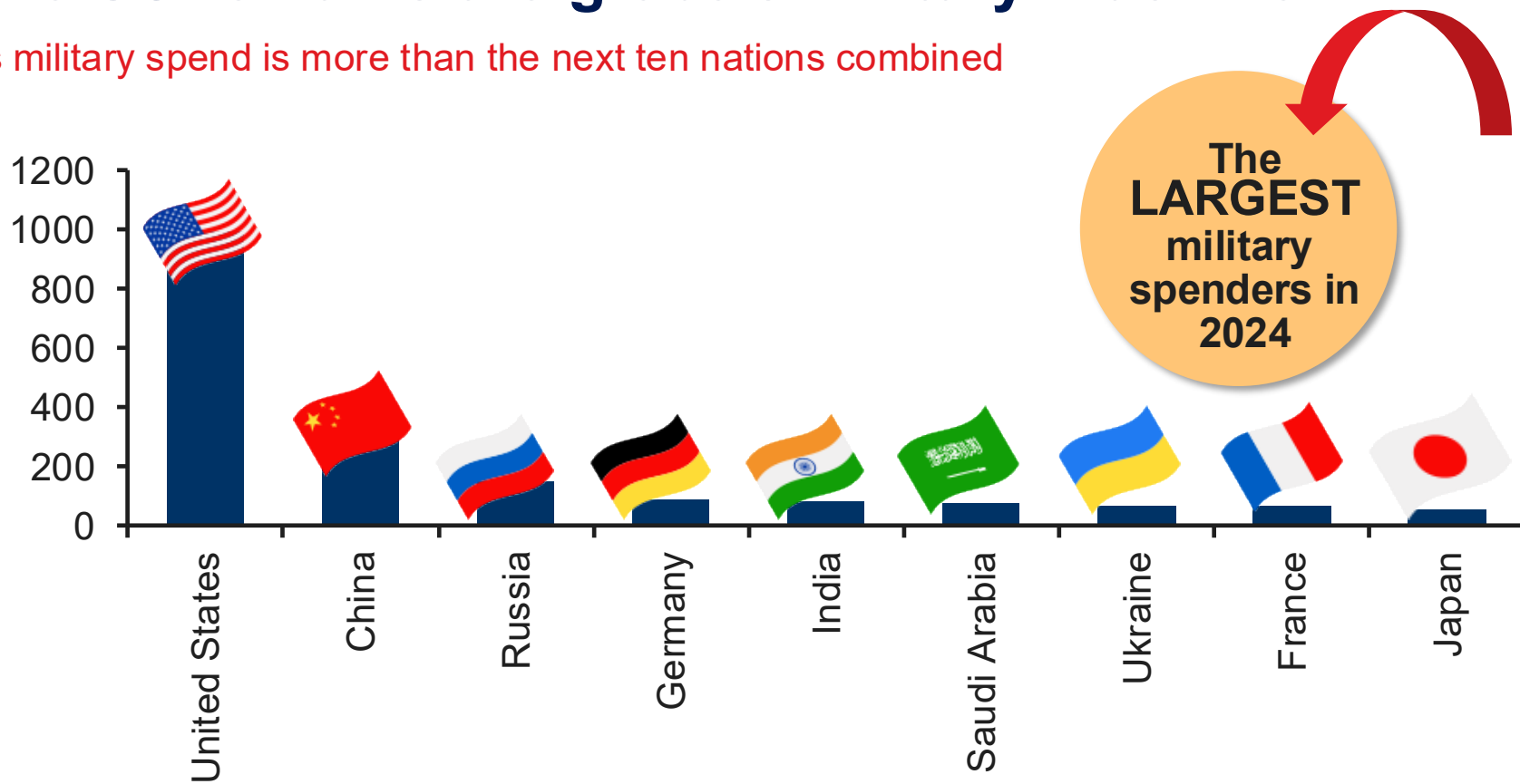
**3**



America's innovation, military and capital markets remain unmatched

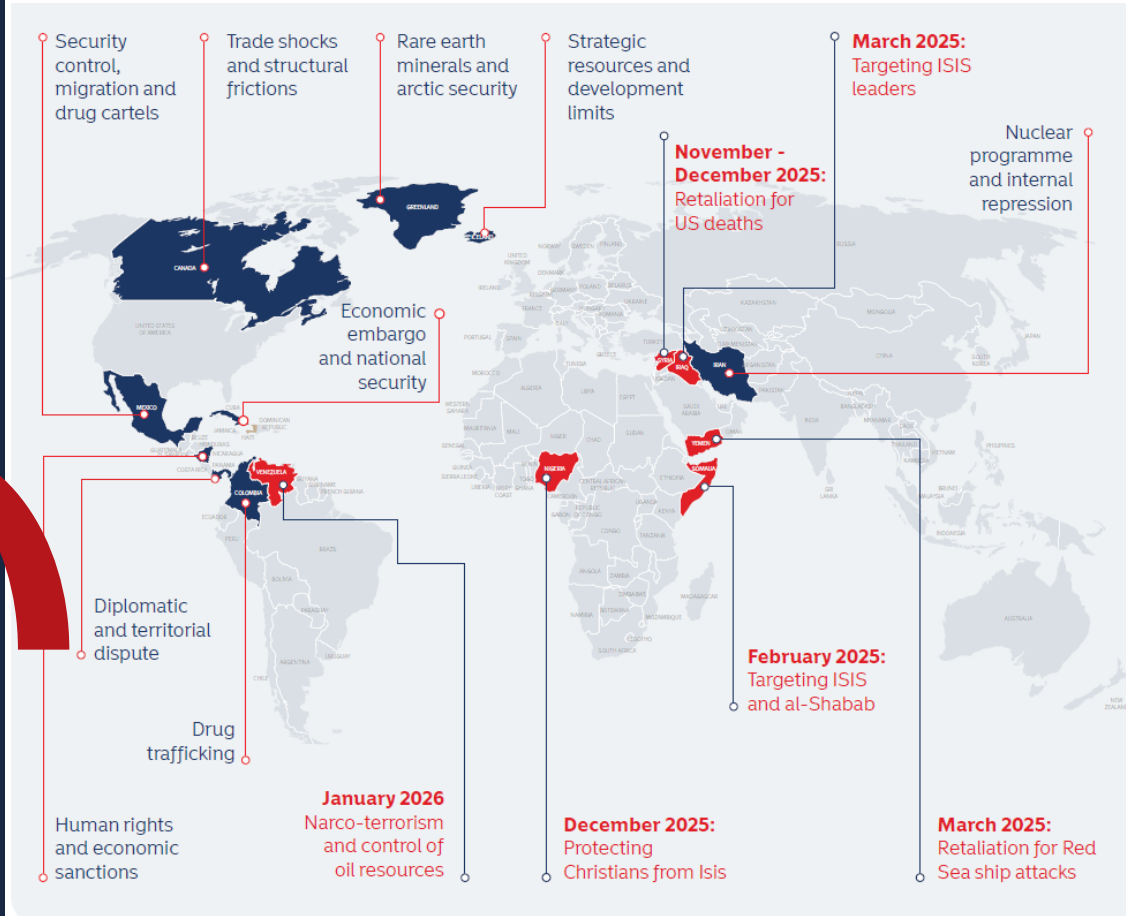
# The US remains the globe's military machine

Its military spend is more than the next ten nations combined



# America power redeployed in a multipolar world order

The US has moved to securing its immediate neighbourhood, protecting strategic chokepoints and constraining rivals



# American exceptionalism is still alive, but it's evolving



## **DOLLAR DOMINANCE**

Despite  
de-dollarisation talks,  
no viable alternative  
exists



## **MILITARY PROJECTION**

Global reach, key  
alliances and a  
technological edge



## **INNOVATION ENGINE**

Technological  
platforms,  
universities,  
biotech, space,  
entrepreneurial  
churn

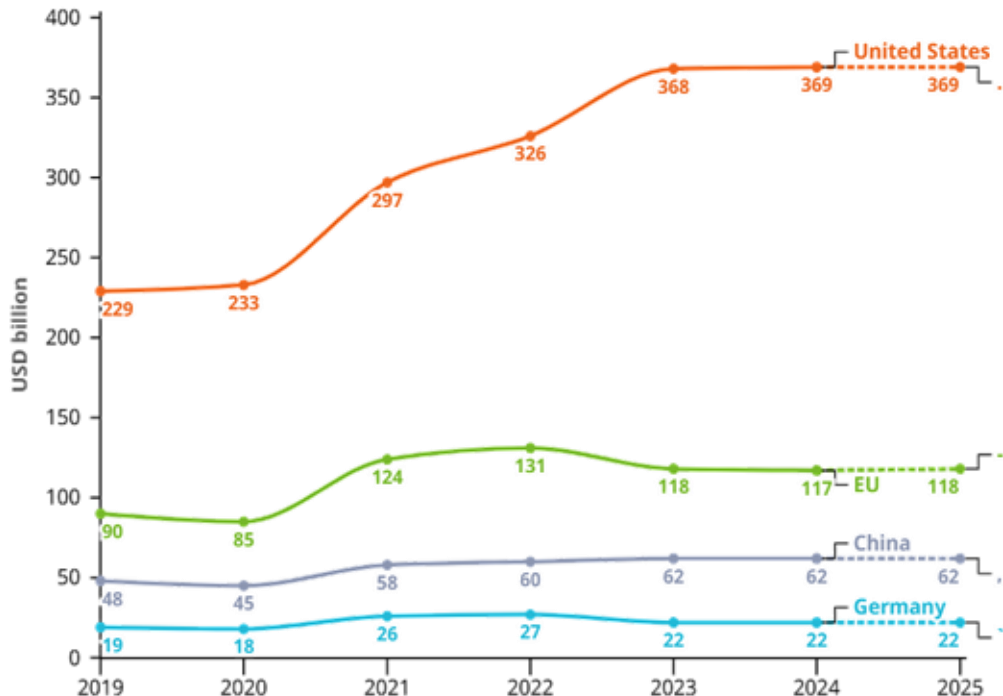
**3**

America's innovation,  
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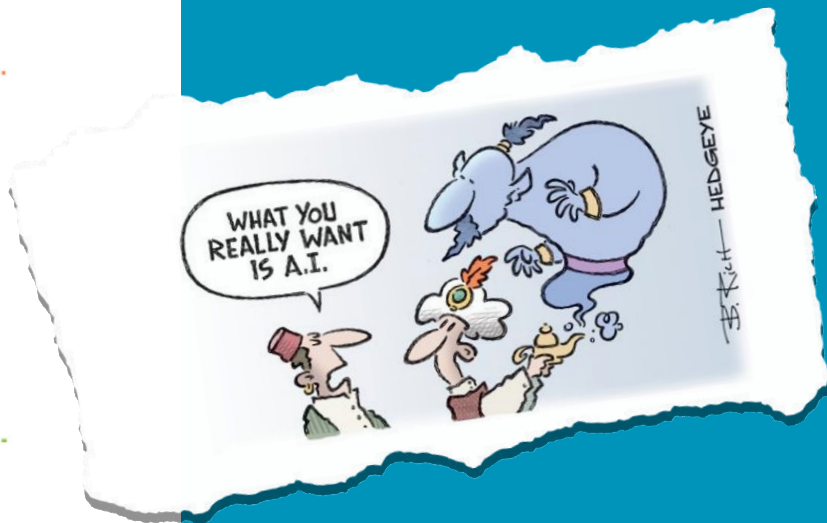
# US widens its lead in software investment

The US accounted for 54% of the global expenditure on software in 2024

## Software spending by top economies (US\$ billion)



Source: WIPO Global Innovation Index





# Democracy in retreat

Polarised politics, fiscal brinkmanship and populism eroding institutions

# Sliding democracy in the US



Deeply rooted democratic norms and institutions but the speed and aggressiveness of Trump's executive aggrandisement agenda is cause for concern

## Presidential concentration of power

- Weakened accountability institutions
- Purged perceived opponents
- Tightened presidential control over independent agencies and the executive bureaucracy



## Executive branch dominance

- Dominance over the judiciary, Congress and states
- Defying court orders, criticism of judicial rulings
- Circumventing congressional policies



## Weakening societal constraints on executive power

- Civil society opposition stymied
- Independent media attacked
- Civic and educational organisations constrained
- Voting rights weakened



Source: Carnegie Endowment for Peace, Momentum Investments

# Central bank autonomy under siege

The Federal Reserve's retreat from political insulation

1

## The Fed's Role: The Bank for Banks



The Federal Reserve is the U.S. central bank. Its job is economic stability:

1. Fight inflation (keep prices stable).
2. Keep unemployment low.

2

## How It Works: Interest Rates

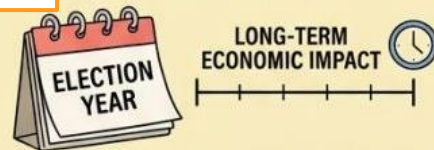


Cheaper borrowing =  
buying, business growth  
= economy speeds up.

Expensive borrowing =  
slower spending =  
inflation cools off.

3

## The Independence Problem



Economic decisions take years. Elections happen every 2-4 years. Politicians want the economy to feel good right now.

4

## The Risk of Political Control



Pressure to slash rates for elections → short-term boom, then inflation explodes. Savings lose value. Rent & groceries cost more.

5

## Independence = Tough Calls



Independence allows the Fed to make unpopular but necessary choices, like raising rates to fight inflation, even during election years.

6

## 2026 & The Future

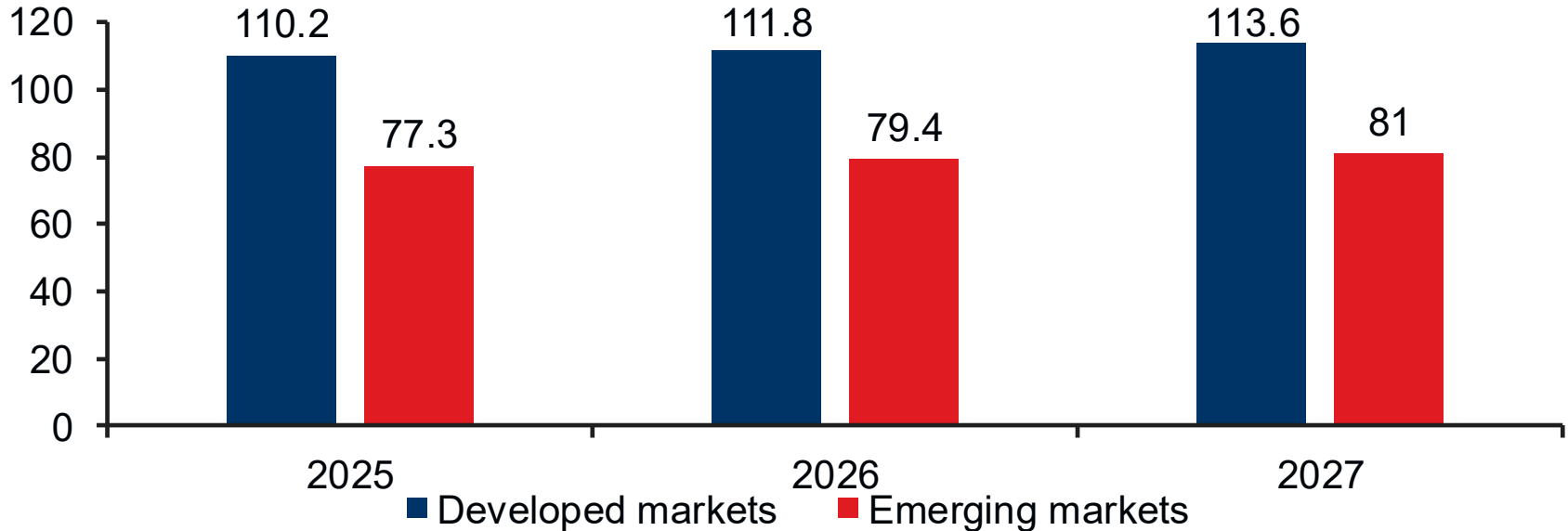


Independence is being tested. It's about whether the price of everything you buy stays stable or becomes a political football. Worth understanding.

# Bonds markets are beginning to write the cheque

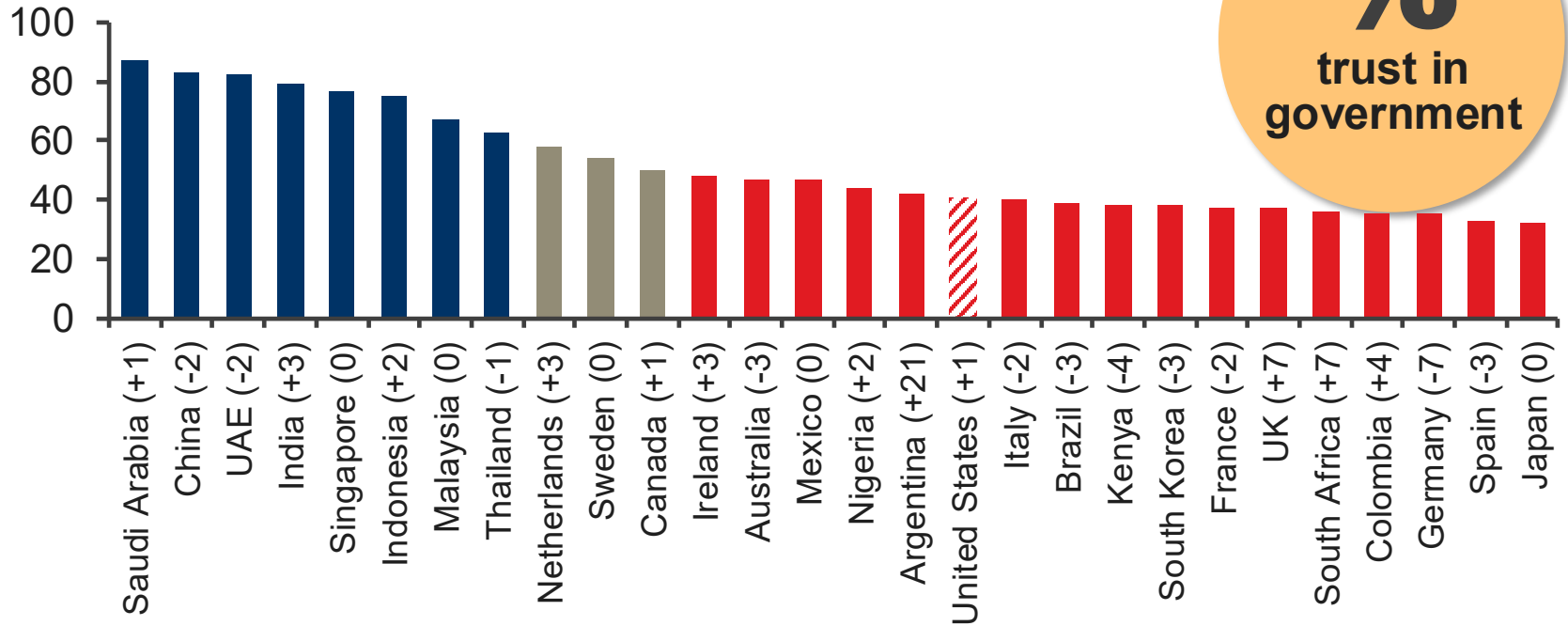
Those continuing to run large government budget deficits are finding that the bill for past excesses is finally coming due

## Gross government debt to GDP (%)



# In government we distrust

Trust in government is eroding worldwide, fuelling populism and political fragmentation

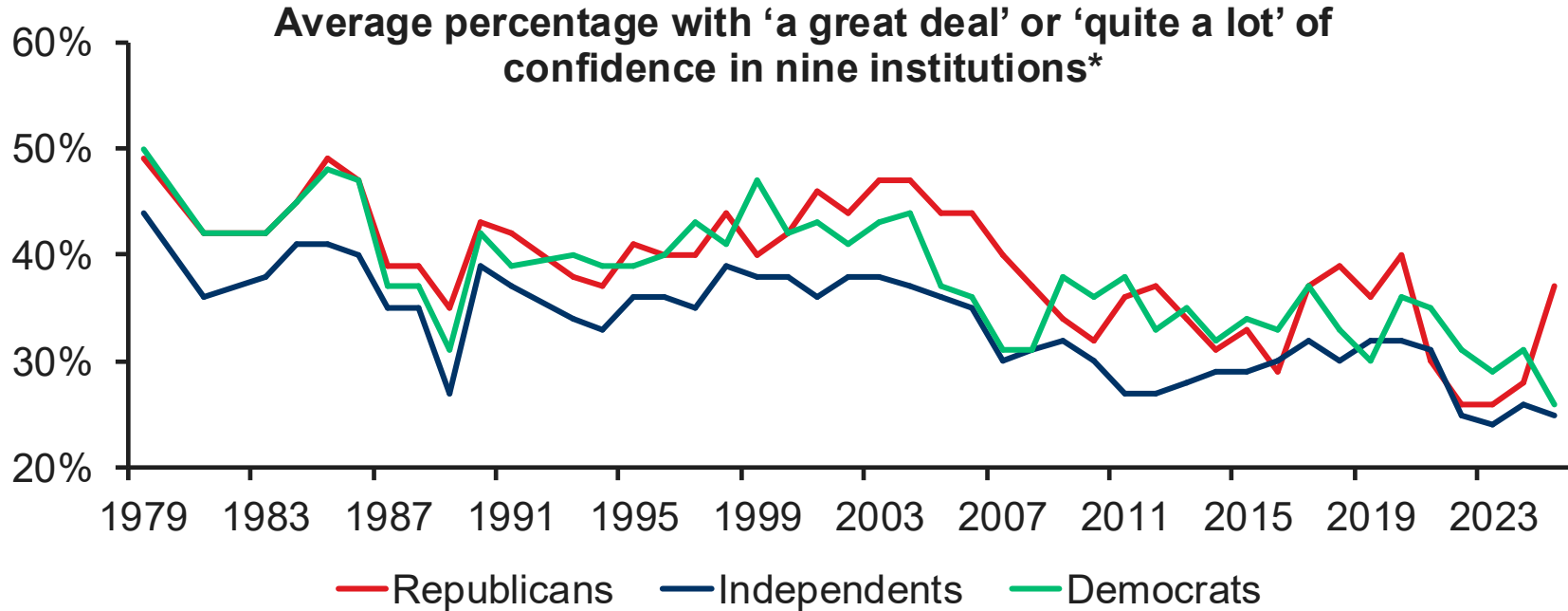


Source: Edelman Trust Barometer 2025

Trust (blue) = 60 – 100, neutral (grey) = 50 – 59, distrust (red) = 1 – 49, Numbers in brackets indicate the change from the previous year (2024)

# America's institutional stress test

Rising political interference in key US institutions



Source: Gallup, Momentum Investments

\*FBI, Homeland Security, Defense, CIA, Disease Control, Emergency Management Agency, Environmental, Food and Drug, Veterans, Federal Reserve, Secret Service, Internal Revenue Service

# The world ahead

From globalisation to bloc-alisation



*Source: World Affairs Council*

# Scenario thinking

Managed polarity would deliver the most efficiency global growth outcome

01



Managed  
multipolarity

02



Divide and  
conquer

03



Global (chaotic)  
fragmentation

04



Sudden  
crisis

# Strategic promiscuity in a multi-aligned world

Active diplomacy = pursuing flexible, multi-directional relationships to maximise economic, diplomatic and security benefits without committing to a single bloc

Source: Atlantic Council, Momentum Investments



**India**



**United Arab Emirates**



**Indonesia**



**Nigeria**



**Brazil**

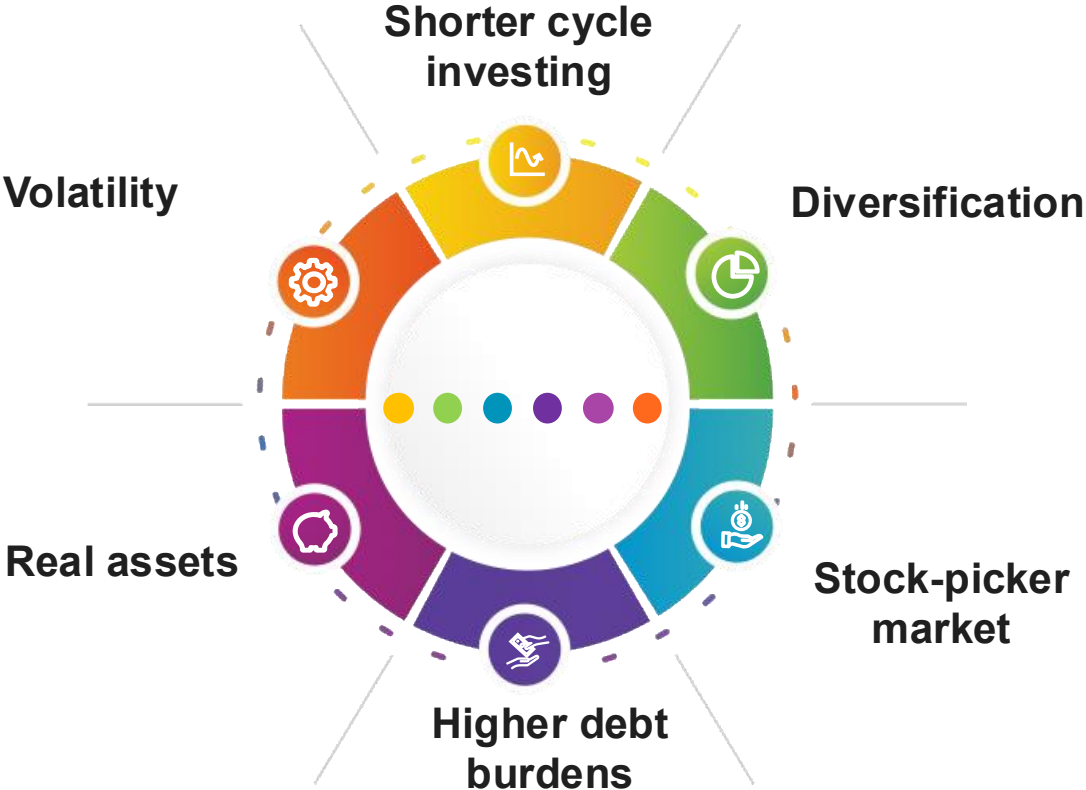


**Mexico**



**Saudi Arabia**

# Allocating in a multipolar world



Source: International Peace Institute, Institute for Economics and Peace

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# Putting it all together



# Summary



**The world has shifted to fragmented multipolarity**



**Politics has become a core economic driver**



**Geopolitics is rewriting global trade and investment**



**Divergence is a defining macroeconomic theme**



**Resilience masks rising fragility in the global macro environment**



**Policy space is narrower and more politicised**

A close-up, artistic photograph of the United States flag waving. The flag's colors are vibrant, with the blue field of stars and the red and white stripes clearly visible. The background is dark, featuring several out-of-focus, glowing circular light spots (bokeh) in shades of orange and yellow, creating a dramatic and celebratory atmosphere.

**Thank you**