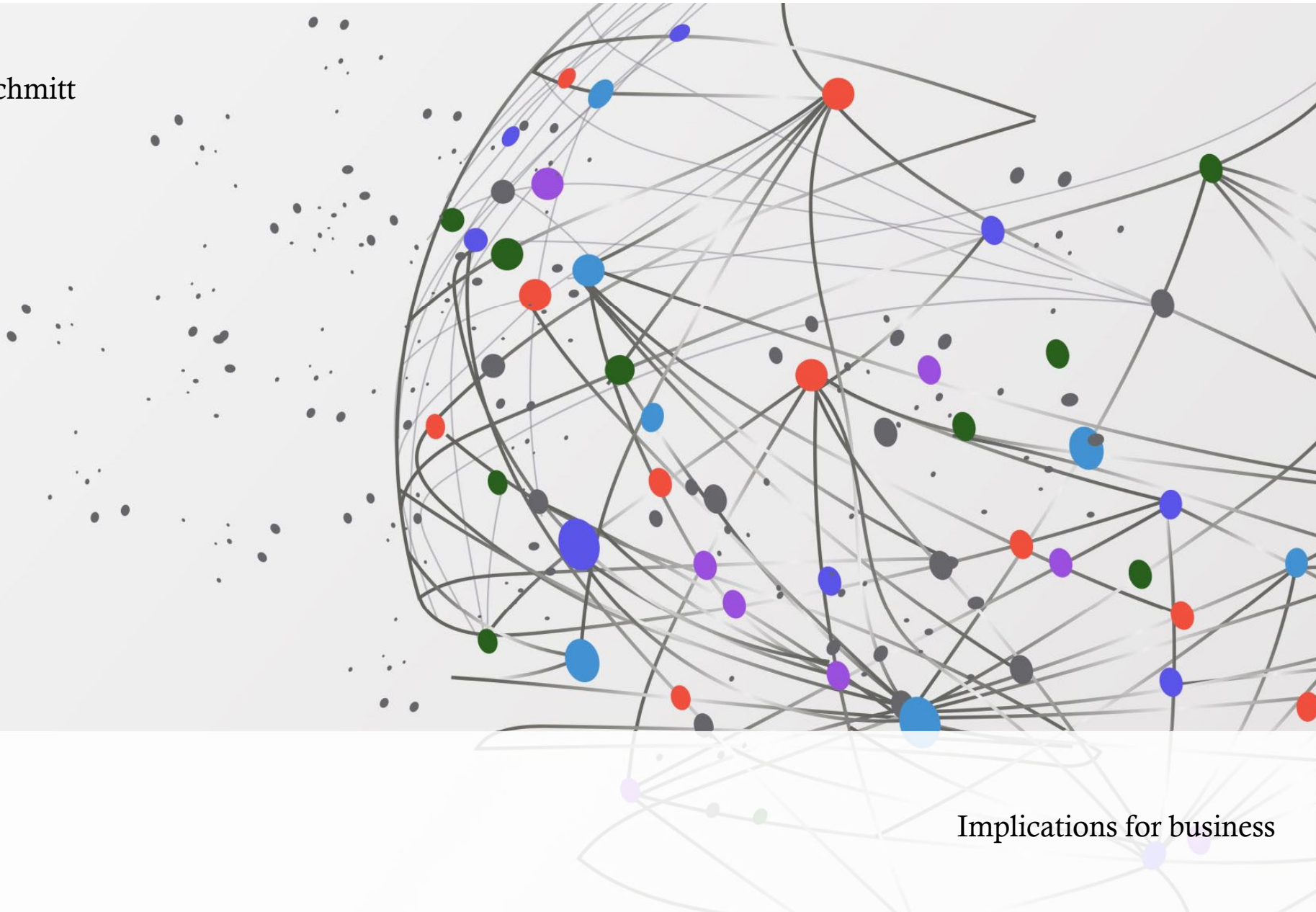


Professor Olivier Schmitt
Forsvarsakademiet
olsc@fak.dk



Implications for business

American security guarantees

Globalized free trade

Integration of new markets (China/Russia)

Global supply chains (just in time)

Liberal democracy as normative consensus

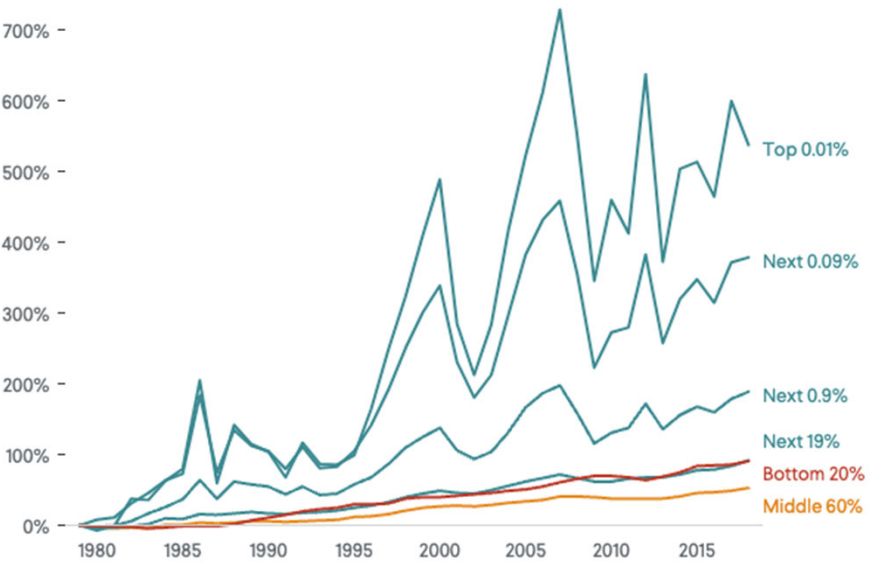
The global revolt against liberal democracy

The revolt of Western middle classes

In Europe: an ageing continent

Income Gains Since 1979 Have Skewed Heavily Toward the Top

Cumulative growth of household income after taxes and transfers

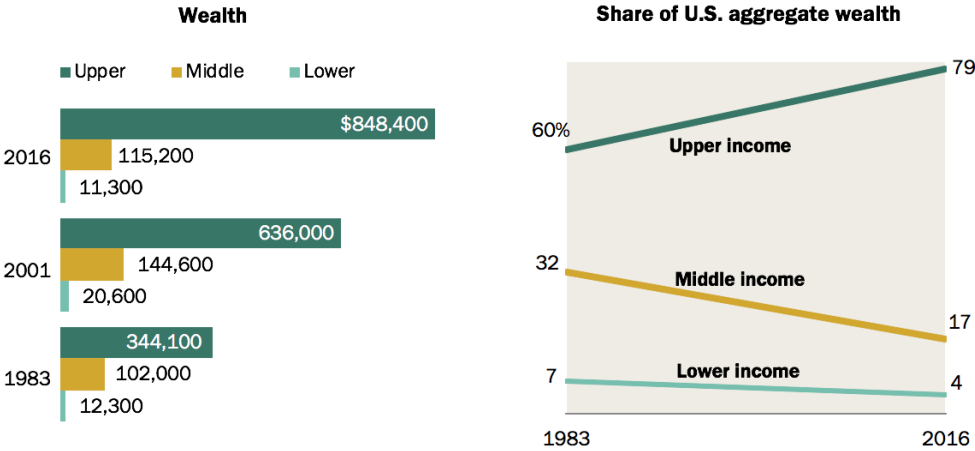


Source: Congressional Budget Office.

COUNCIL OF
FOREIGN
RELATIONS

The gaps in wealth between upper-income and middle- and lower-income families are rising, and the share held by middle-income families is falling

Median family wealth, in 2018 dollars, and share of U.S. aggregate family wealth, by income tier



Note: Families are assigned to income tiers based on their size-adjusted income.
Source: Pew Research Center analysis of the Survey of Consumer Finances.
"Most Americans Say There Is Too Much Economic Inequality in the U.S., but Fewer Than Half Call It a Top Priority"

PEW RESEARCH CENTER

G7 global economic clout
diminished

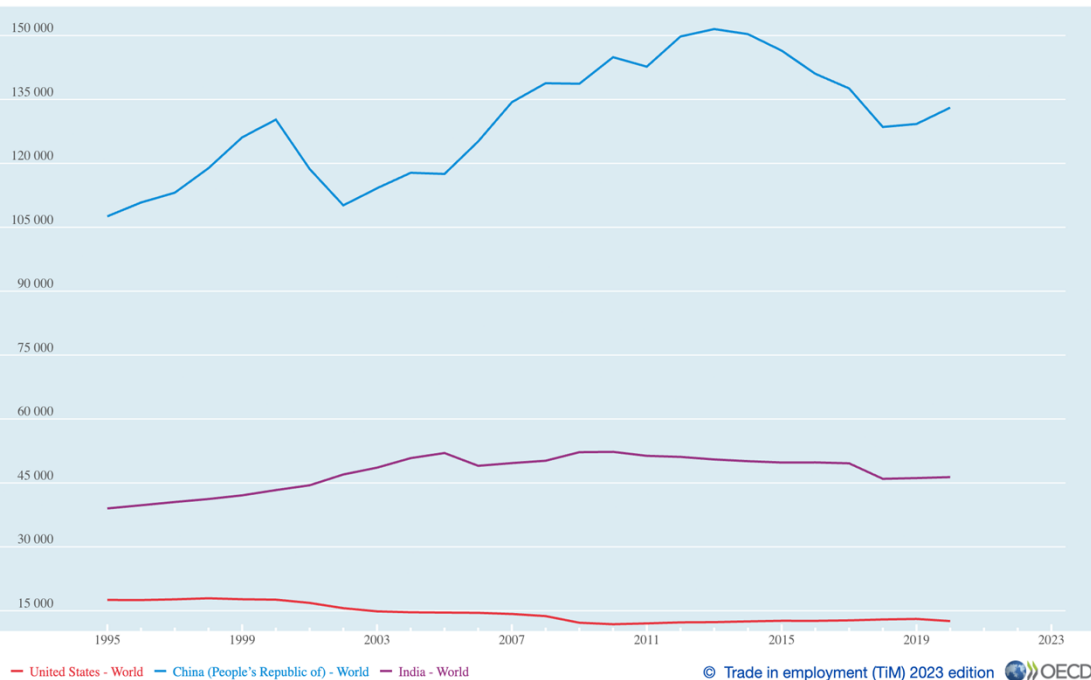
China becomes sole
manufacturing superpower

US remains financial
superpower

Trade in employment (TiM) 2023 edition [i](#)

Measure: Employment • **Economic activity:** Manufacturing

Combined unit of measure: Persons, Thousands

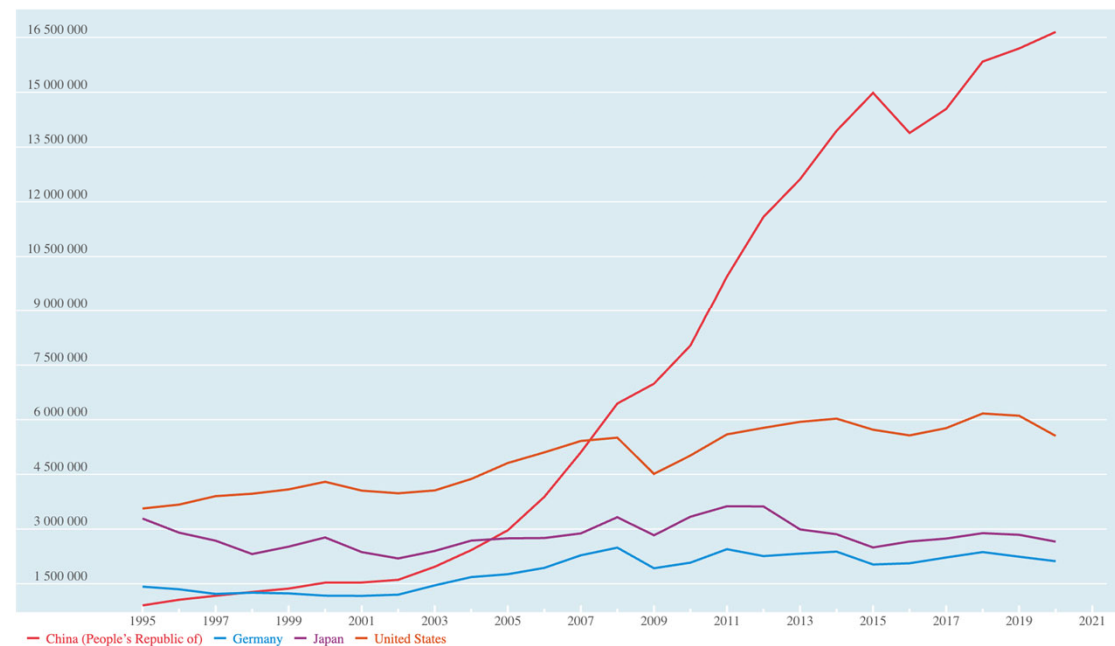


© Trade in employment (TiM) 2023 edition OECD

Trade in Value Added (TiVA) 2023 edition: Principal Indicators, levels [cloud replica] [i](#)

Measure: Production, gross output • **Economic activity:** Manufacturing • **Counterpart area:** World

Combined unit of measure: US dollar, Millions



© Trade in Value Added (TiVA) 2023 edition: Principal Indicators, levels [cloud replica] OECD

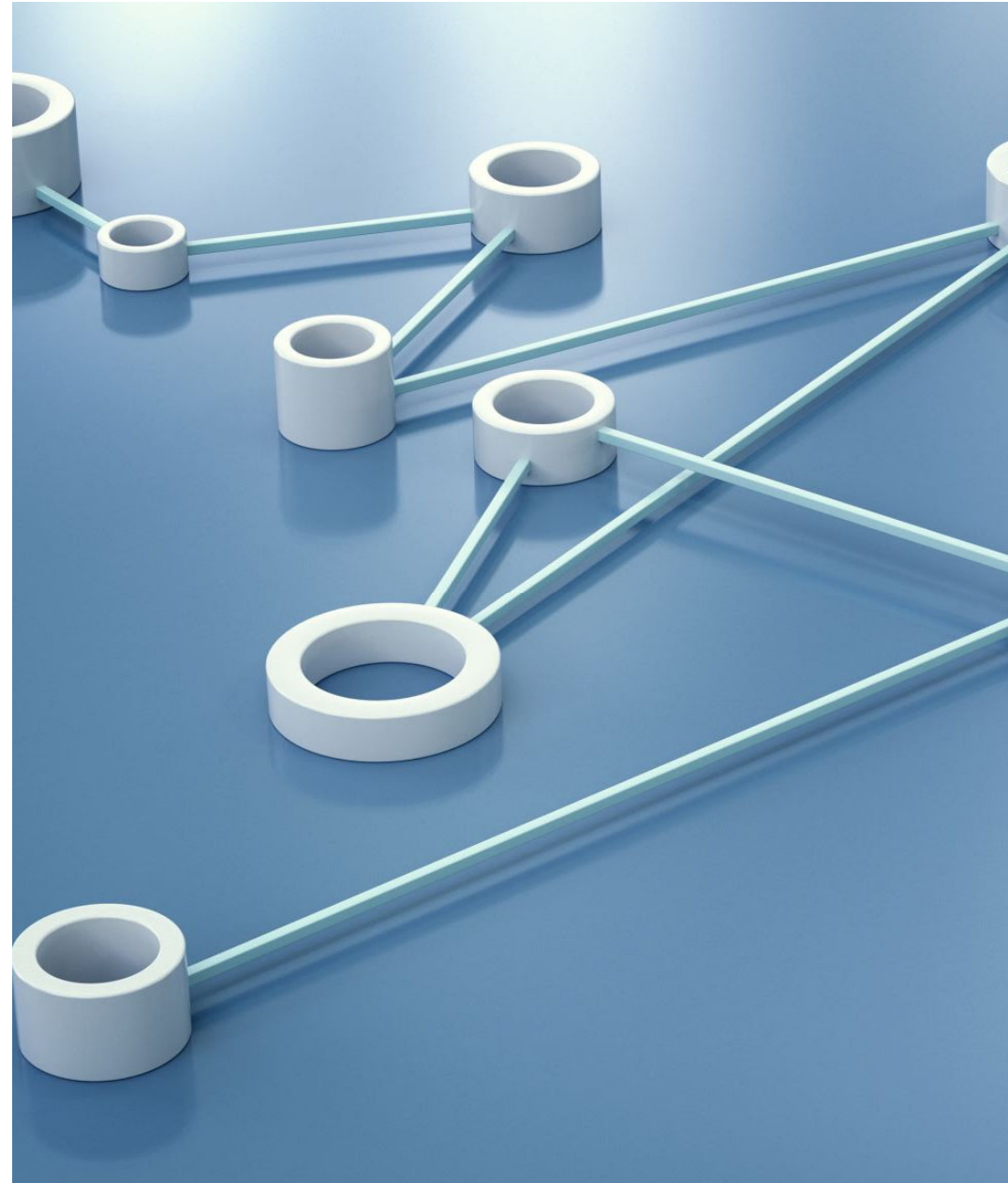
The digitalisation of society

The return of war

The weaponization of supply
chains



-
- Trade is a political issue
 - Supply chains are at risk because of geopolitical events
 - Cyber risks are intensifying as criminality and power competition overlap





-
- A US-China trade war is coming
 - It will be about manufacturing (not services or commodities)
 - Europe will be in crossfire (China is 38% of EU external trade, but Europe depends on the US for security)

=> Assess stocks, prices and supply chains

US-China relations [+ Add to myFT](#)

Chinese sanctions hit US drone maker supplying Ukraine

Beijing's move leaves California company rushing to find new battery providers



Skydio said Ukraine had requested thousands of its X10 drone, which is hard to jam © Yoshio Tsunoda/AFLO via Reuters

Demetri Sevastopulo in Washington, Kathrin Hille in Taipei and Ryan McMorro in Beijing
OCTOBER 31 2024



World ▾ US Election Business ▾ Markets ▾ Sustainability ▾ Legal ▾ Breakingviews ▾ Technology ▾ More ▾

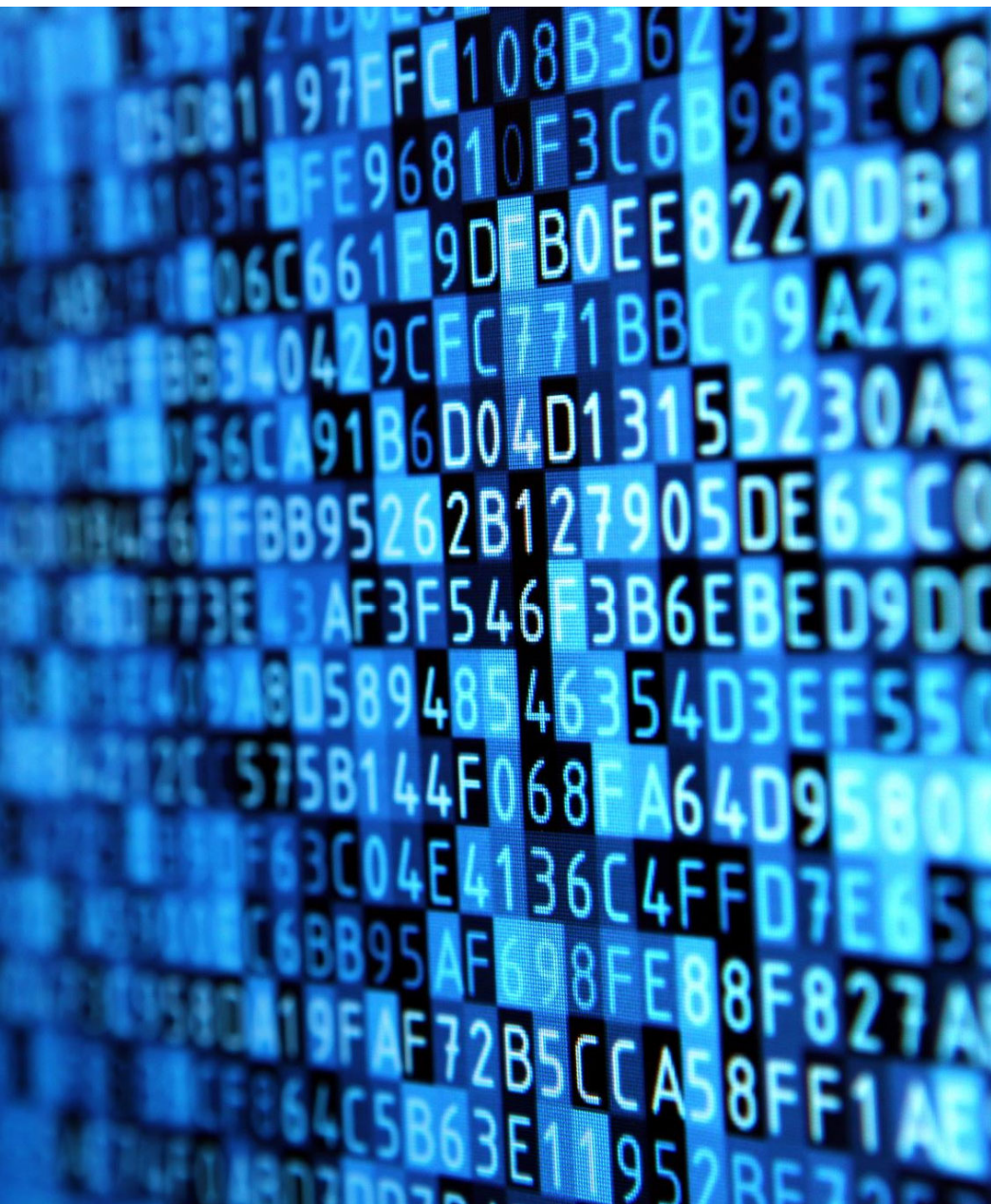
Top NATO official calls on business leaders to prepare for 'wartime scenario'

By Reuters

November 25, 2024 5:12 PM GMT+1 · Updated 6 days ago



NATO Military Committee Chief Admiral Rob Bauer listens to the media as Latvia celebrates the anniversary of joining the alliance in Riga, Latvia March 28, 2024. REUTERS/Ints Kalnins/File Photo [Purchase Licensing Rights](#)



-
- The average cost of a ransomware recovery is nearly \$2 million
 - Last year, ransomware attacks increased by 93 percent year-over-year
 - 13 percent of small and medium businesses experienced a ransomware attack in the past year

European officials cry sabotage after two internet cables are cut in the Baltic Sea



By Ivana Kottasová, CNN

🕒 7 minute read · Updated 2:18 PM EST, Wed November 20, 2024



- Attacks on critical infrastructures mirror political tensions
- Espionage and sabotage activities are on the rise





Trade patterns will change within the next five years: companies need to identify markets and assess costs



Supply chains are increasingly weaponized: companies need to build resilience



Cybersecurity incidents will only increase
