



Insuring success



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Macroeconomic and geopolitical environment

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1. The new geopolitical context

Motor of change and conflict

Geopolitical upheaval: when, how and why

Motors of change



1. Rise of China as hegemonic rival power
2. Questioning of the liberal order.
3. Security vs. economic efficiency

Drivers of change



1. COVID
2. War in Ukraine

Re-establishment of international order



Loss of Western hegemony. Western values are no longer universal. Systemic rivalry and new Global South.

**Confrontation as a driver of change and conflict.
End of an unprecedented era of peace.**

**Weakening of multilateral organisations
in a world facing global challenges.**

Why is geopolitics the topic of the day?

Transmission channels



1

Multiplication of Uncertainty: catastrophic scenarios



2

Increase in the risk of conflict: impacts on supply chains, prices and financing



3

Fragmentation of trade. Neoprotectionism



4

Shortening value chains: derisking, decoupling, near shoring, friendly shoring



2. In the spotlight

Main geopolitical events

China vs United States: the decisive decade

Technology

Trade

Defence

Diplomacy



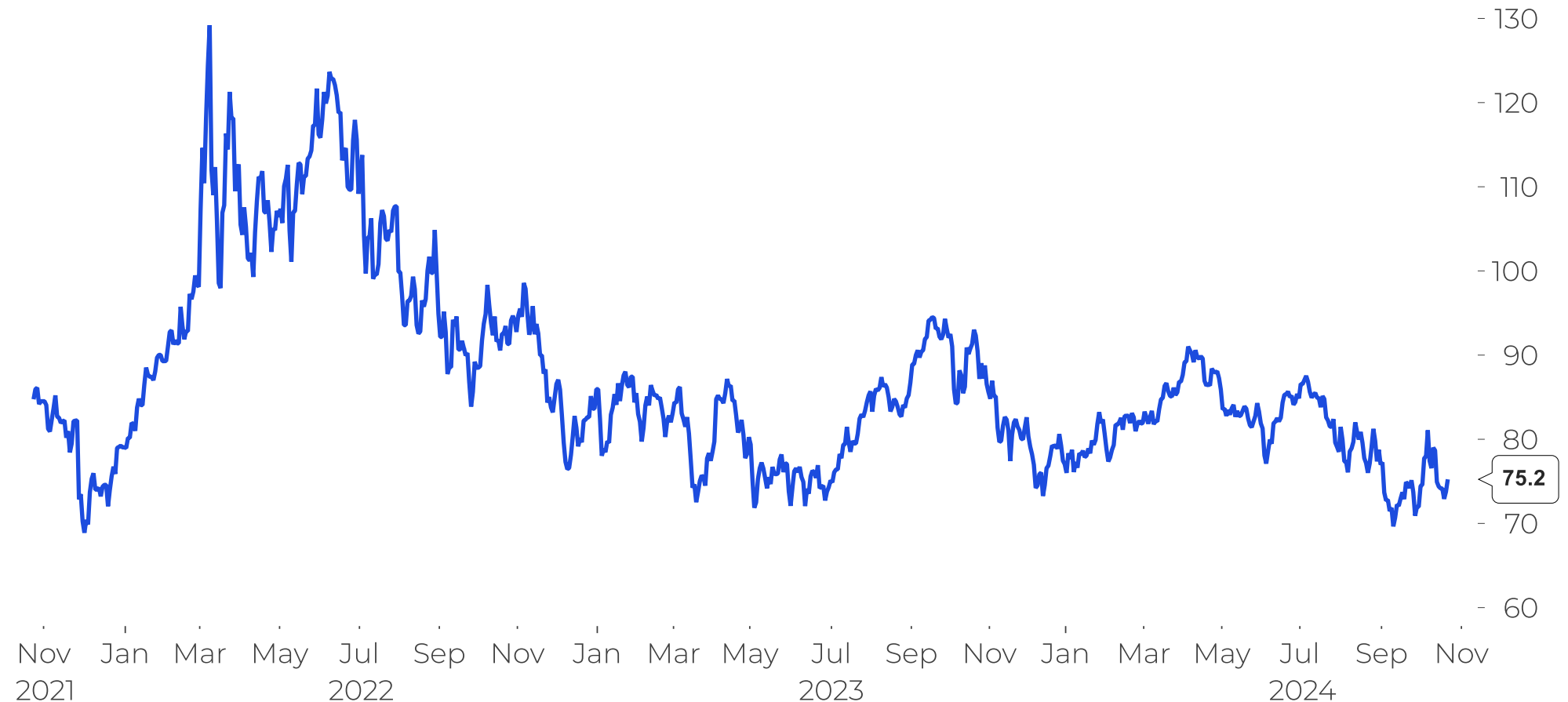
War in the Middle East

REGIONAL WAR?



The conflict in the Middle East unsettles the oil market

Oil, Brent (\$/barrel)



Source: ICE

War in Ukraine

**Ukraine
invades Russia**

What has this achieved?

**Are there any red
lines left to cross?**



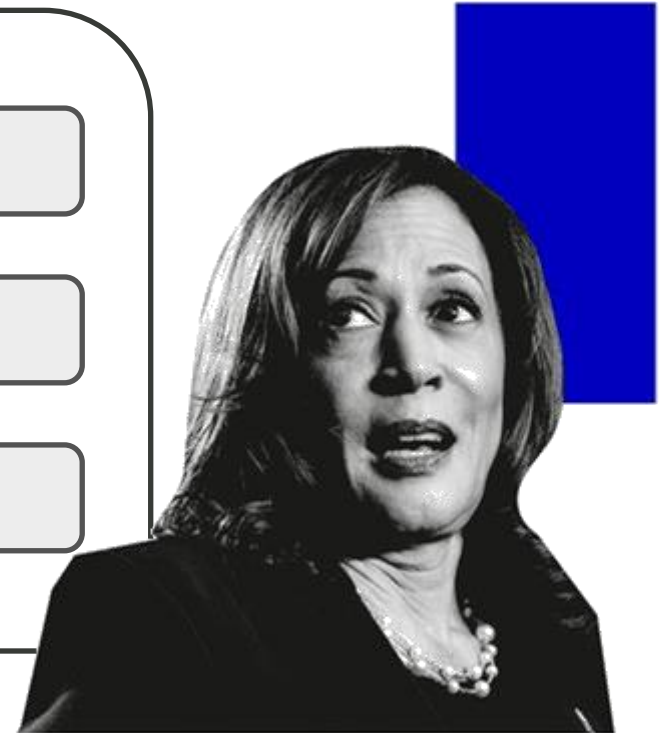
Trump vs Harris



What can we expect in..?

Foreign policy

The economy

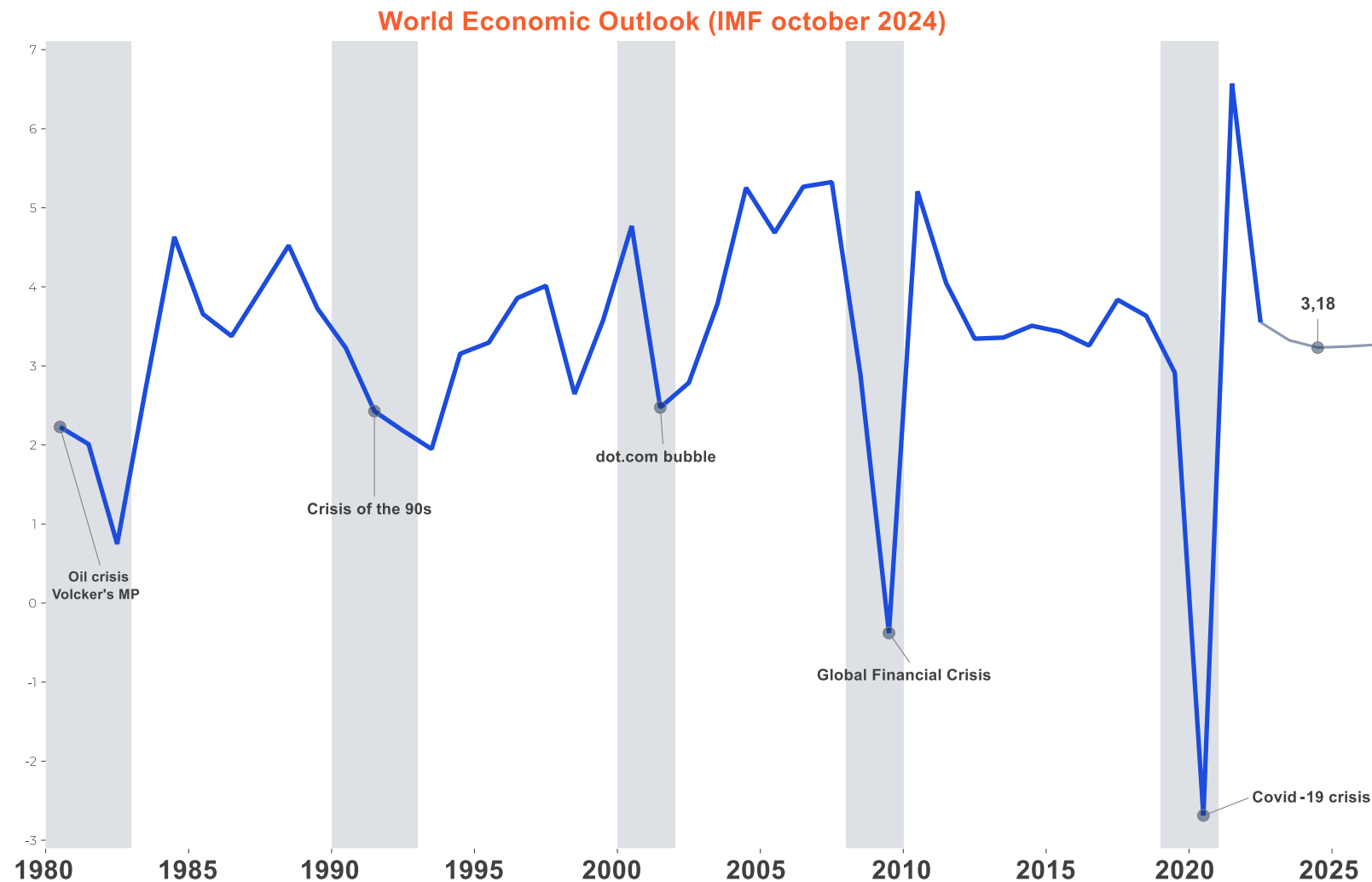




3. Economic outlook

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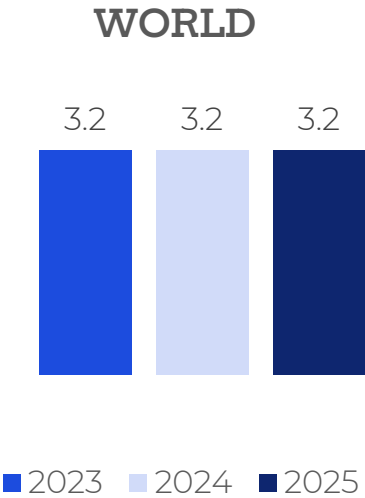
Growth prospects



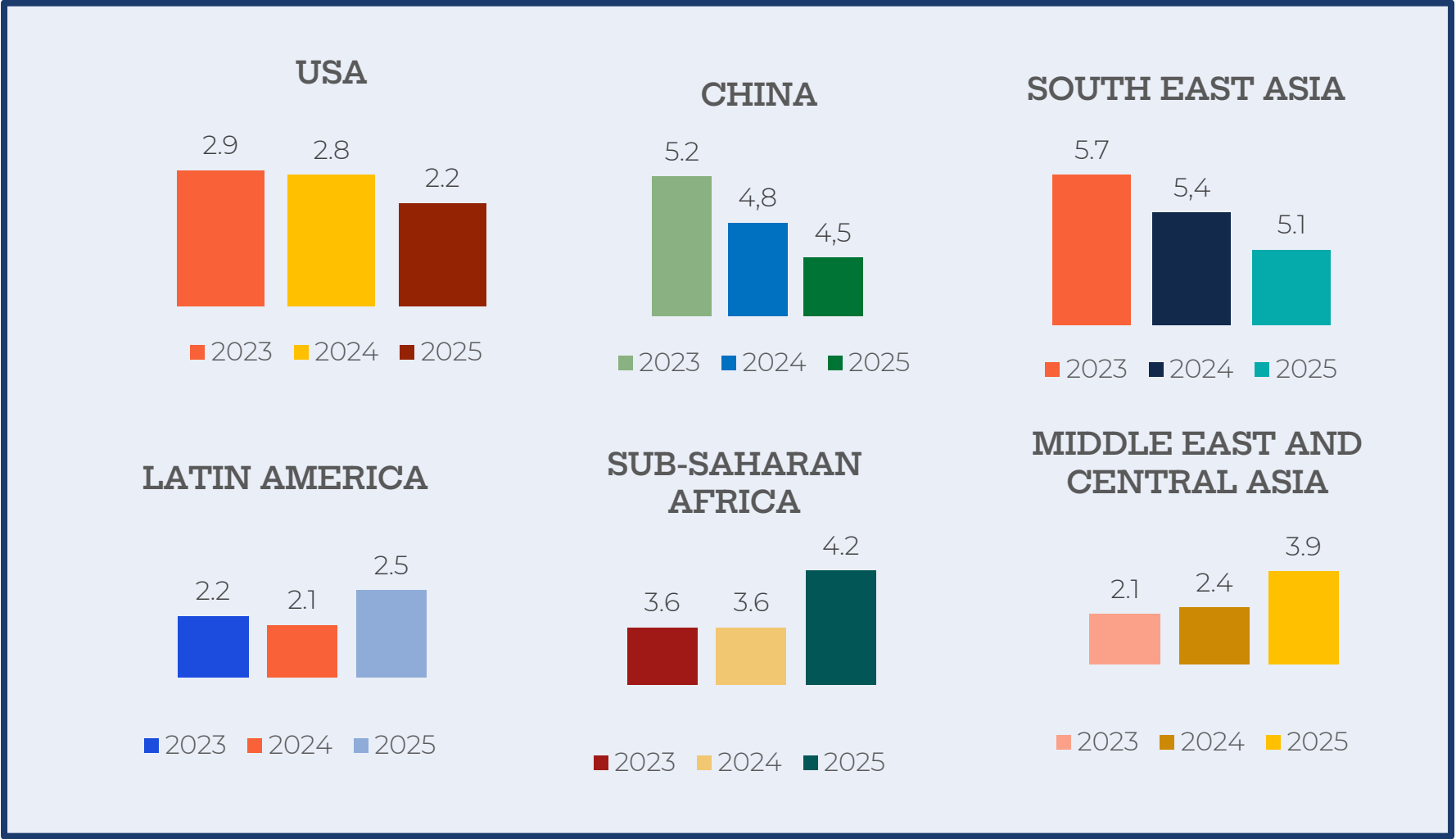
The world economy comes to a standstill

Source: IMF

Growth prospects



Source: IMF



USA, end of a bullish cycle?

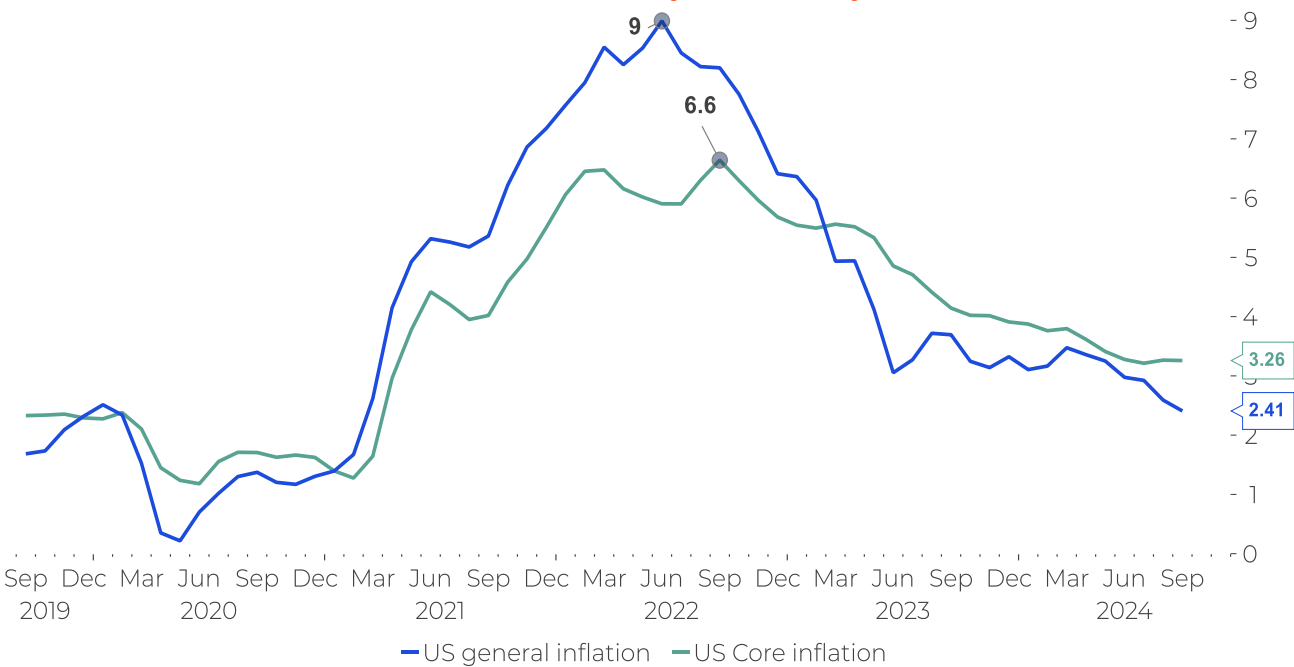
GDP growth 2.8%

**Unemployment
rate: 4.1%**

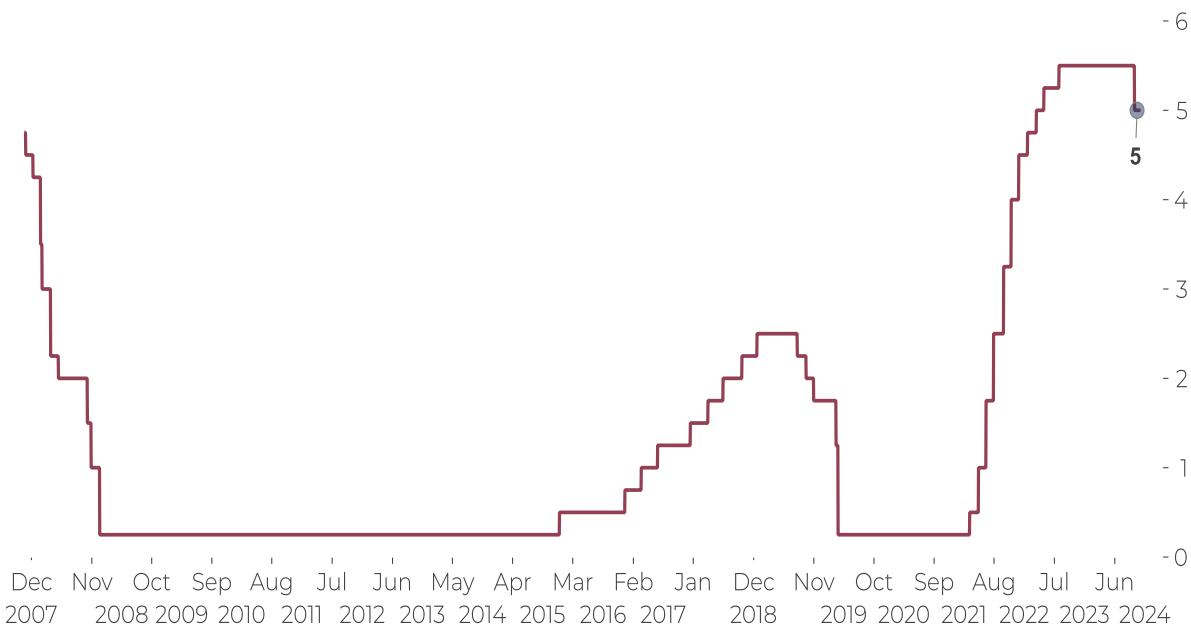


US inflation

US Inflation (% annual)



US Interest Rates



China slows down



Source: IMF

China, reasons for concern?



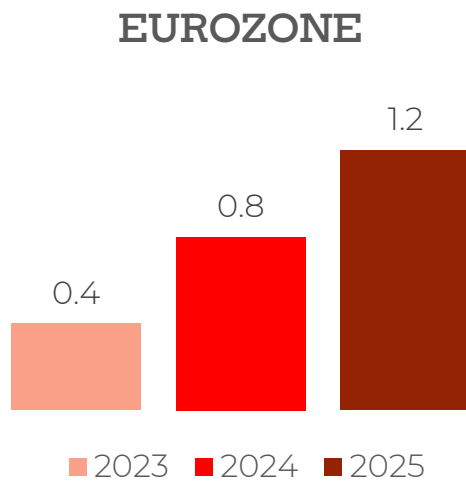
Real-estate crisis

Export sector

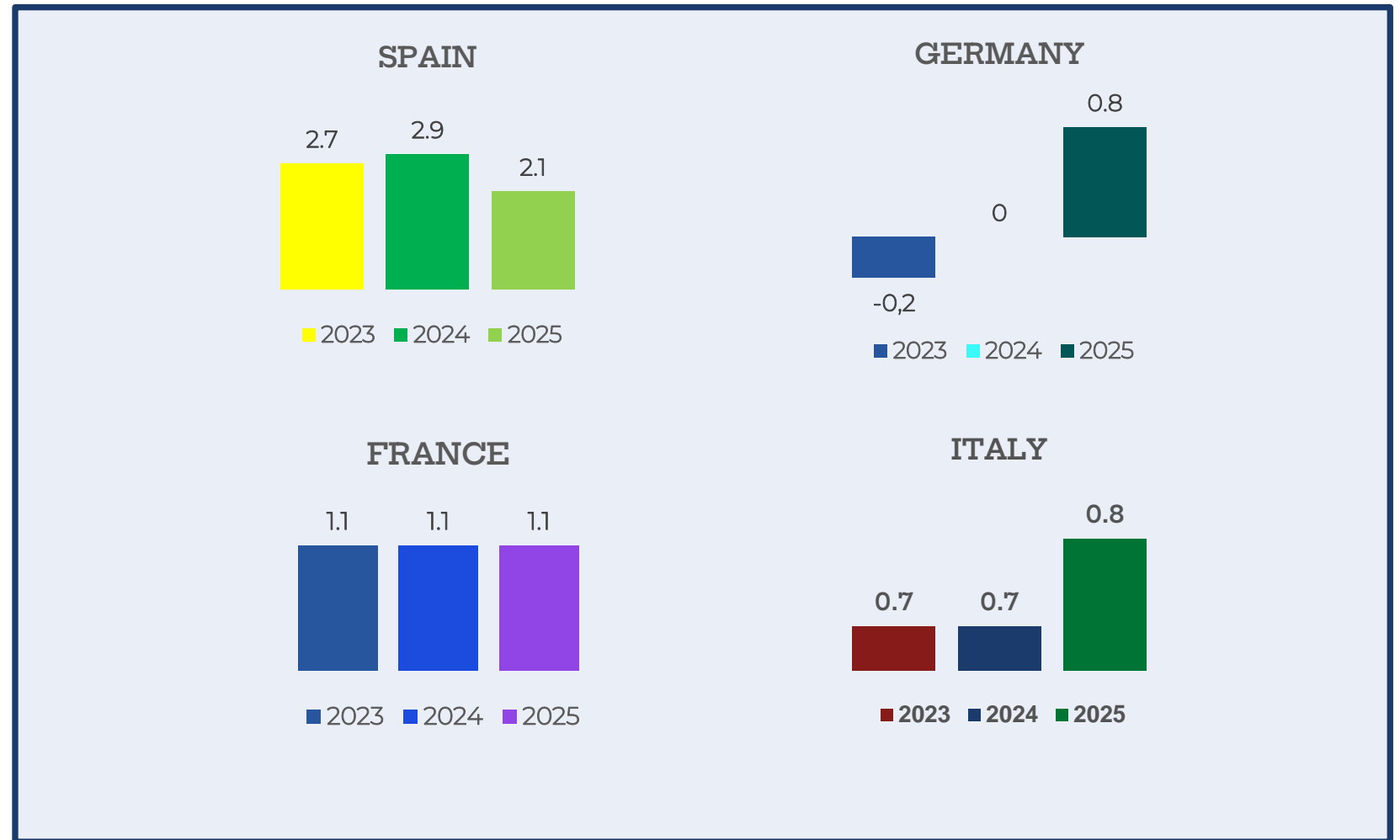
Local government debt

Finance sector

Growth prospects

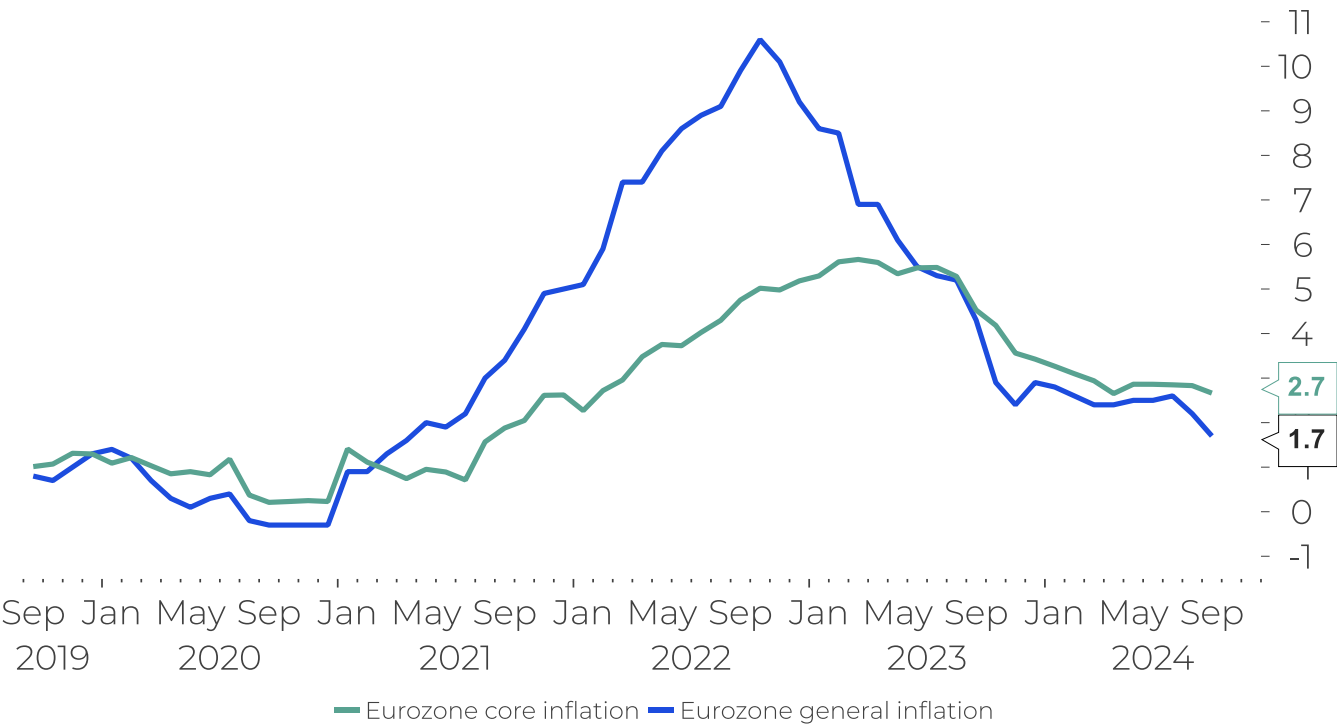


Source: IMF

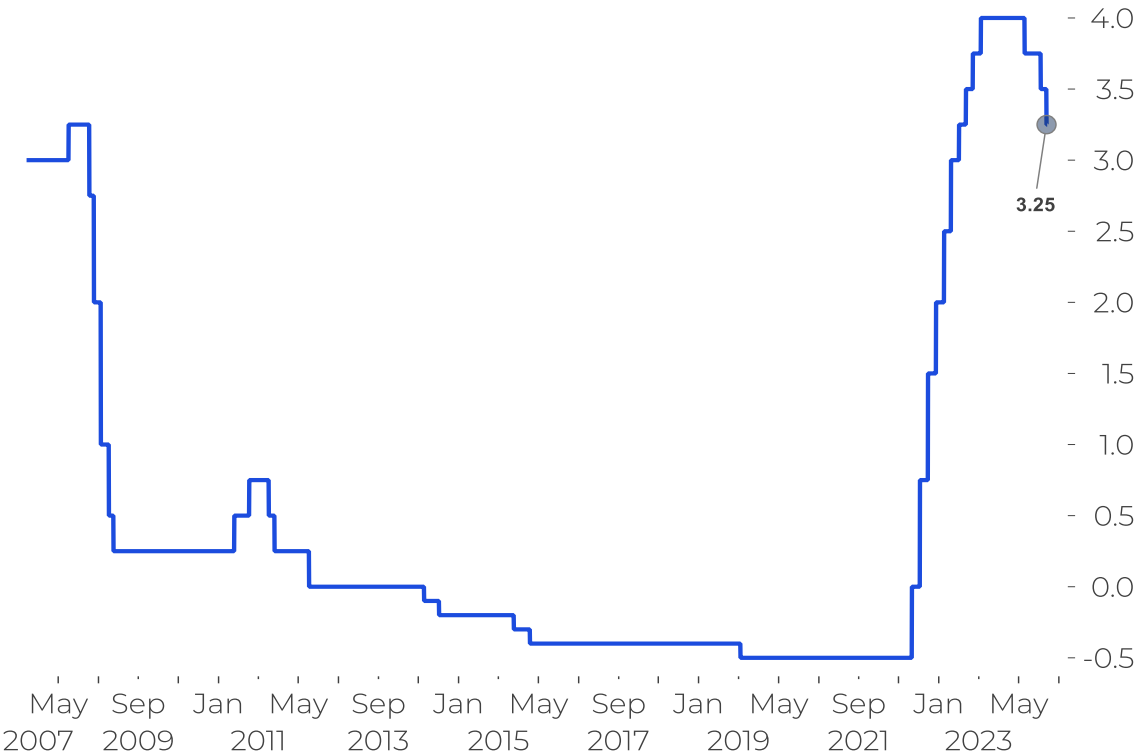


EMU inflation: below the target

Eurozone inflation (% annual)



Eurozone Interest Rates

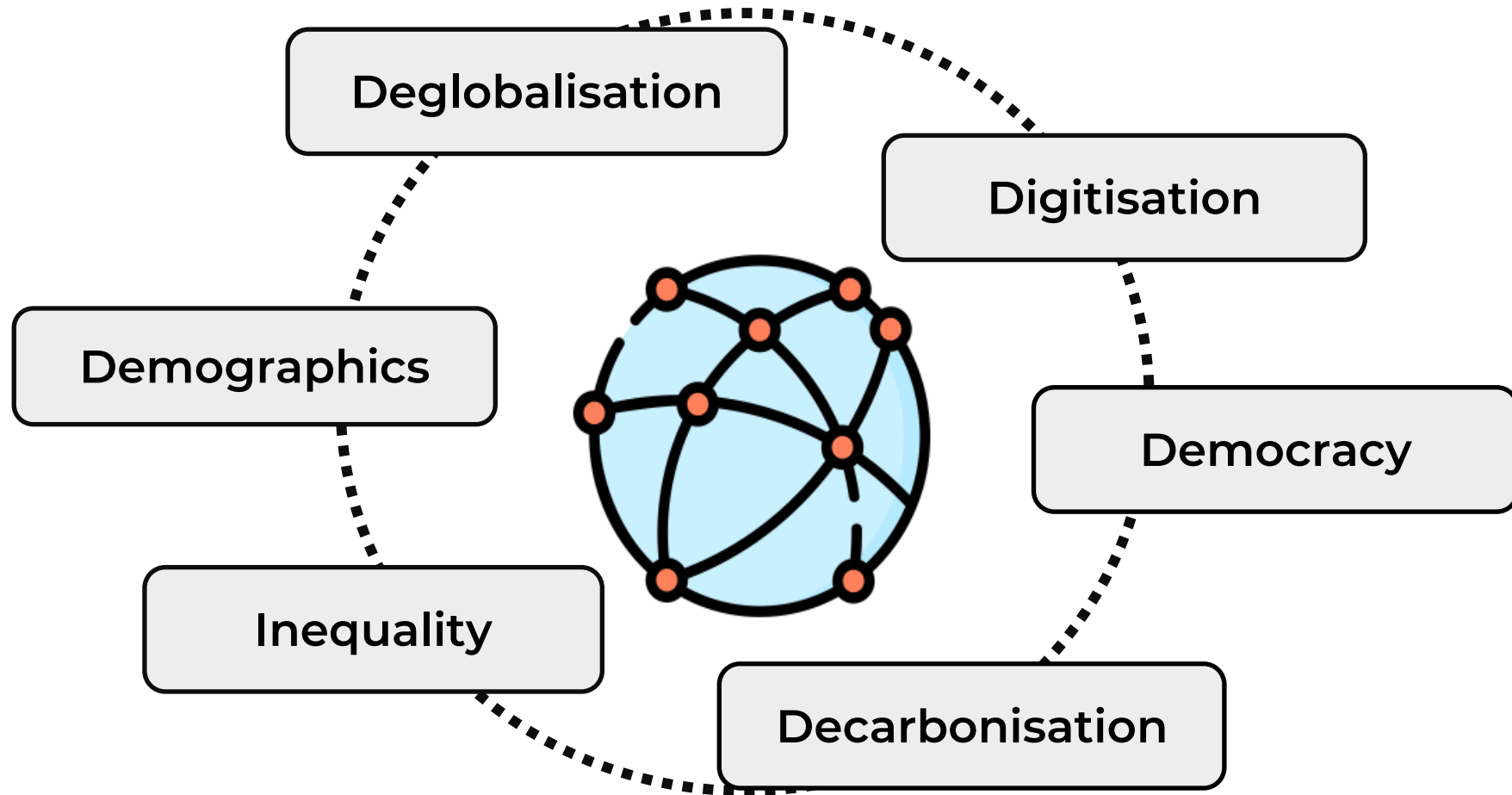


Source: Eurostat and ECB



4. Long-term challenges

Structural factors



What about Europe? Challenges for the New Commission

How to decarbonise without the resources to do so



DECARBONISATION

VS

**STRATEGIC
AUTONOMY**

VS

**FISCAL
CONSOLIDATION**



**Industrial
policy
returns**

Draghi report: a roadmap for Europe

PROBLEMS

Growth model that
has run its course

Competitive gap vs.
USA and China

Need for financing



SOLUTIONS

Greater integration

Restructuring of supply

**How to move
forward in this
political context?**

Conclusions

1

Geopolitics has become the key determining factor in terms of economic development and business decisions.

2

The new emerging international order will be based on systemic rivalry and conflict as an engine of change.

3

From an economic perspective, all regions are recording moderate rates of growth. Who could replace China as an the main driver of global growth?

4

Long-term challenges will change the course of the planet in the coming decades. Will the EU be up to the tackle them?

Thank you!



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