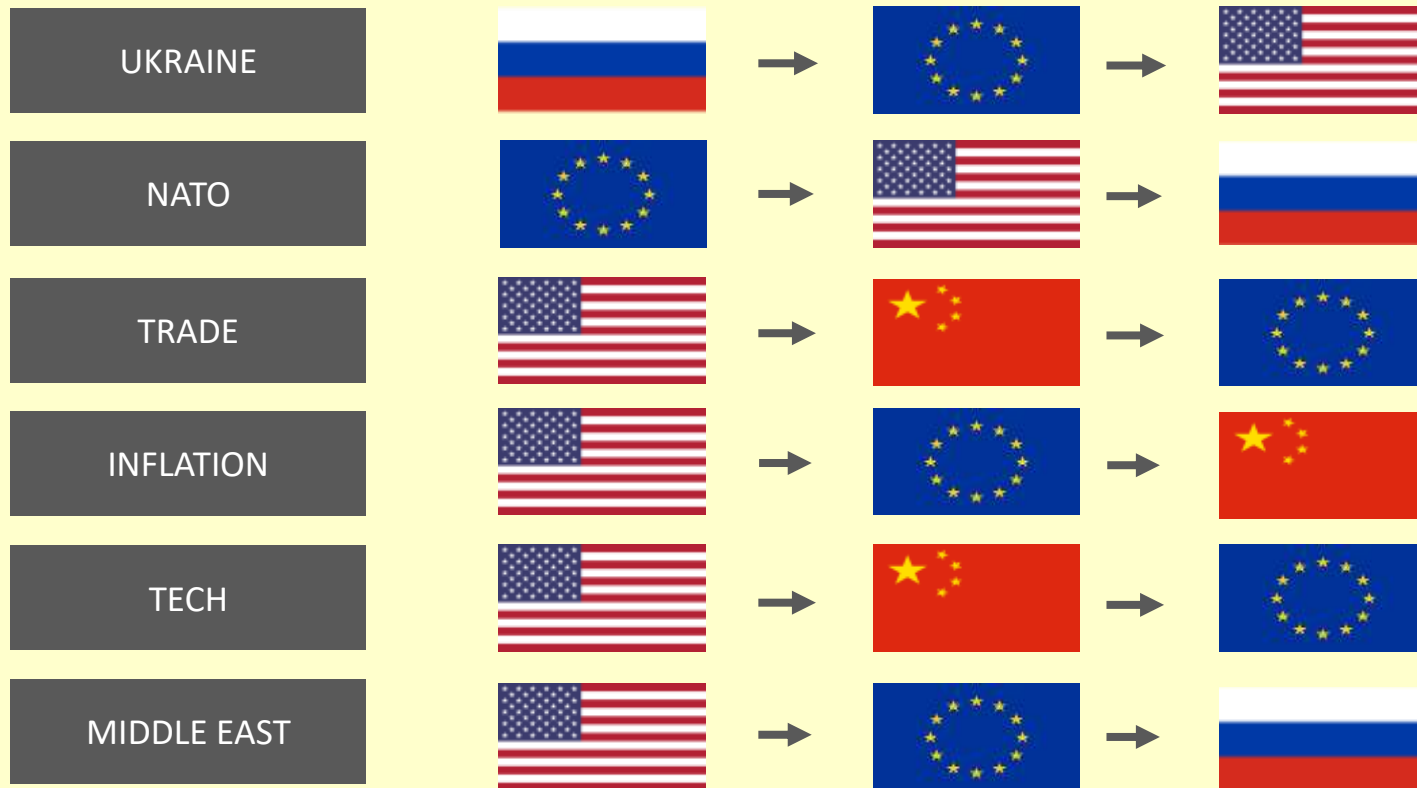


TENDÊNCIAS GEOPOLÍTICAS E GEOECONÓMICAS DE 2025-2026



Paulo Portas
Lisboa, 8 de Outubro 2025

5 YEARS OF GLOBAL AND ASYMMETRIC CRISIS

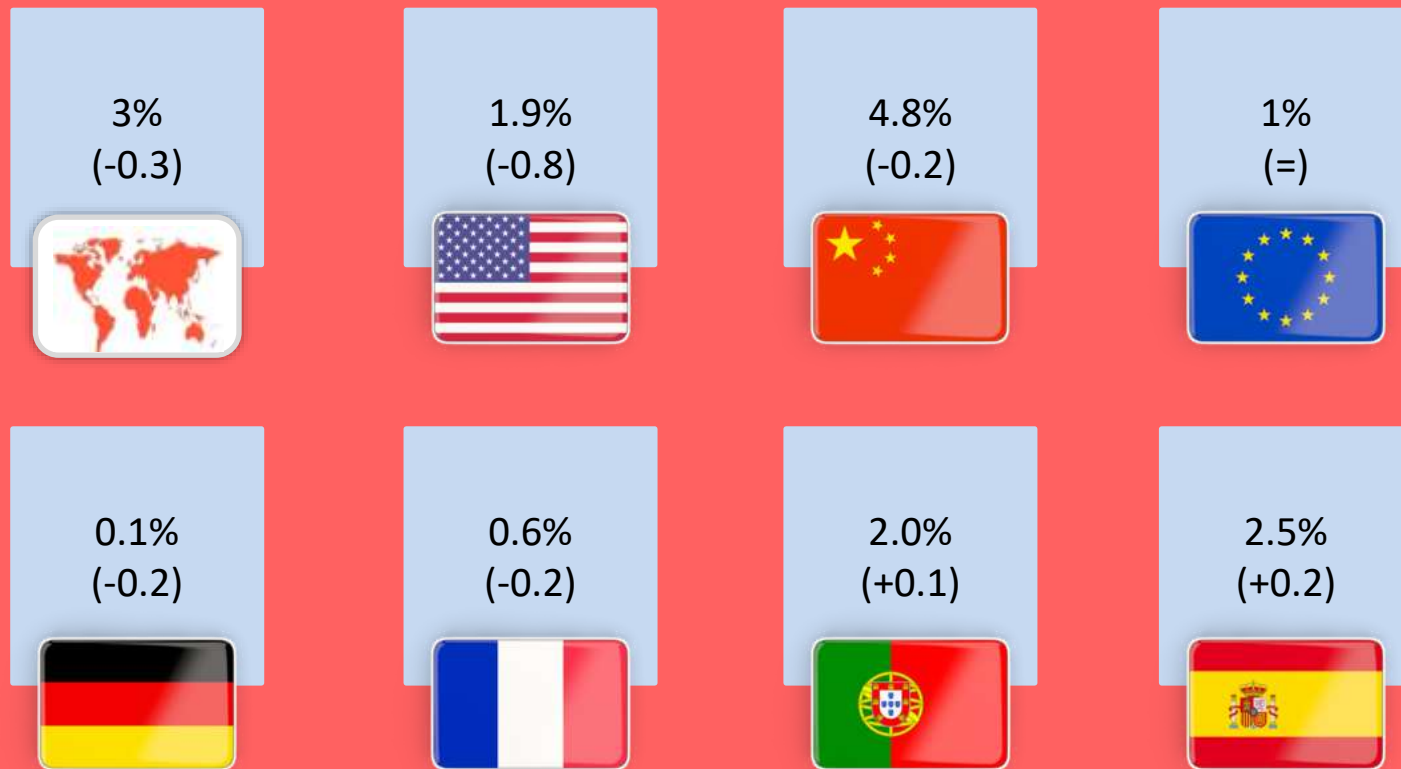


2023 AND 2024: US ABOVE EXPECTATIONS, CHINA TROUBLING CASE, EUROPE HAS A PROBLEM (OF COMPETITIVENESS)



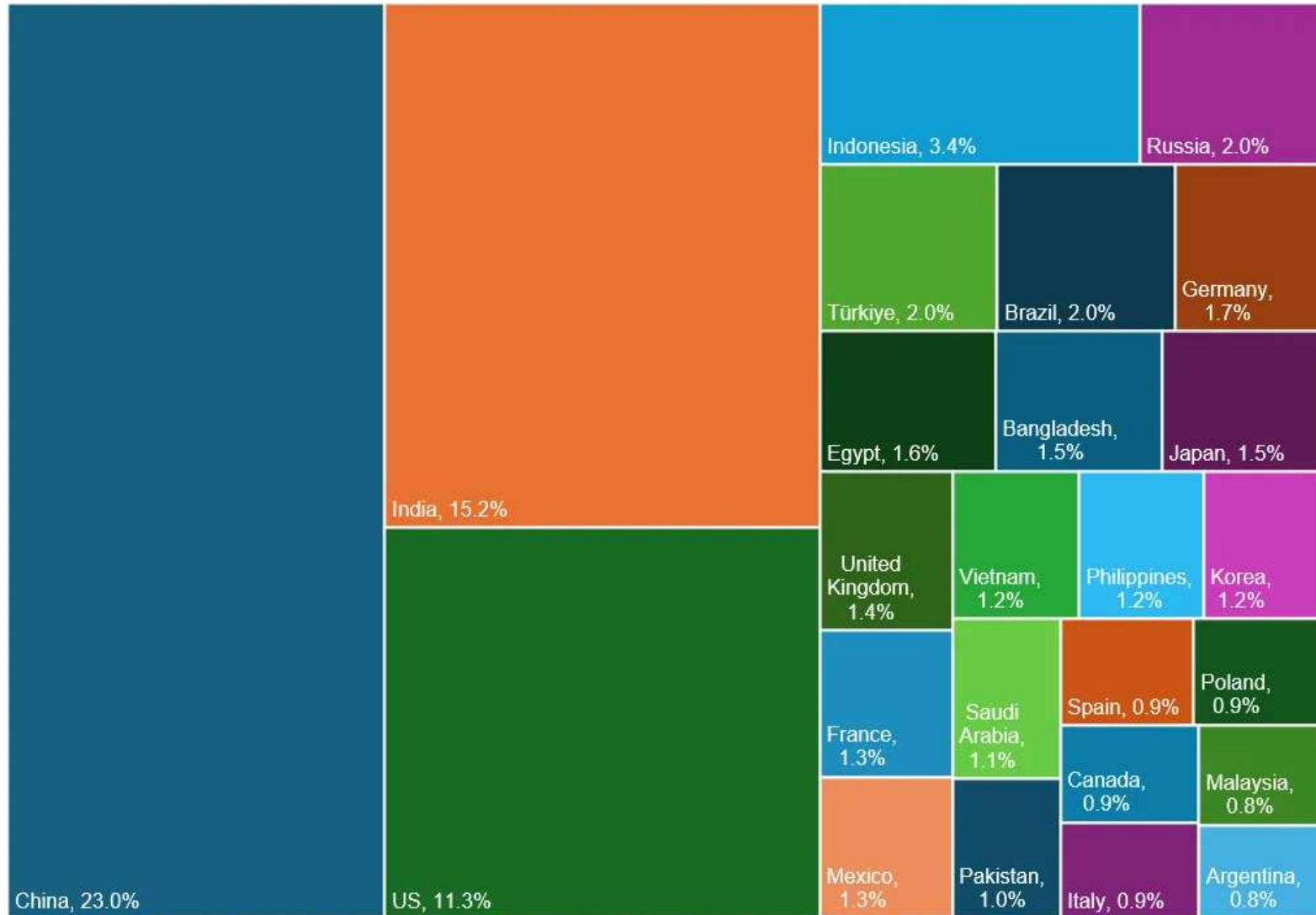
2025 IS THE YEAR OF UNCERTAINTY. “TRUMPECONOMICS” (PHASE ONE) HITS USA GDP, TENSION WITH CHINA THREATS SUPPLY CHAIN, EU DILEMA IS REFORM OR REFORM...

The economic policy of the new US Administration changed the FED roadmap: fearing inflation with tariffs, just 2 rate cuts instead of 4. ECB “less restrictive”. China faces deflation risk?



WORLD ECONOMIC GROWTH CONTRIBUTION (2025-2030)

Multipolar era: India, Indonesia, Brazil, Türkiye, Egypt, Vietnam, KSA, Mexico, Bangladesh and Philippines matters considerably more (30.5%)



5 FACTORS ARE HELPING PORTUGAL AND SPAIN TO INCREASE GROWTH AND REDUCE DEBT

GDP growth of Portugal was 2.3%, Spain 2.5% (2023), well above eurozone average. In 2024, 1.9 and 3.2. In 2025 both close or above 2% (2nd Q of 2025 the two were the best in eurozone). Why?

TOURISM



ASSETS



ENERGY



BAZOOKA



IMMIGRATION



THE TROUBLING SITUATION OF MANUFACTURING PURCHASES IN EUROPE: SERVICES BETTER, THE PROBLEM IS THE INDUSTRY

PMI - Purchase Managers Index - is an economic indicator comprised of monthly reports and surveys from private sector (manufacturing and services). Categories include new orders, inventories, supplier deliveries, employment data, sector production



M	51.5	49.5	49	46.2	48.2
S	54.3	51.5	52.5	50.8	48.5



 Score in September 2025 (above or under 50)

M – Manufacturing

S - Services

M A G A W O R L D



FED: “SOFT LANDING” ACHIEVED (11 HIKES), 3 CUTS AND PAUSE. SEEMS RATIONAL. POLITICAL HARASSMENT TO REMOVE POWELL

Jerome Powell tough on inflation: from 9.1% in 2022 to 2.9% in 2024. But he's cautious about “Trumpeconomics” impact in monetary policy... Trump wants to “fire” Powell but fears markets...



POWELL 2026 OR 2028

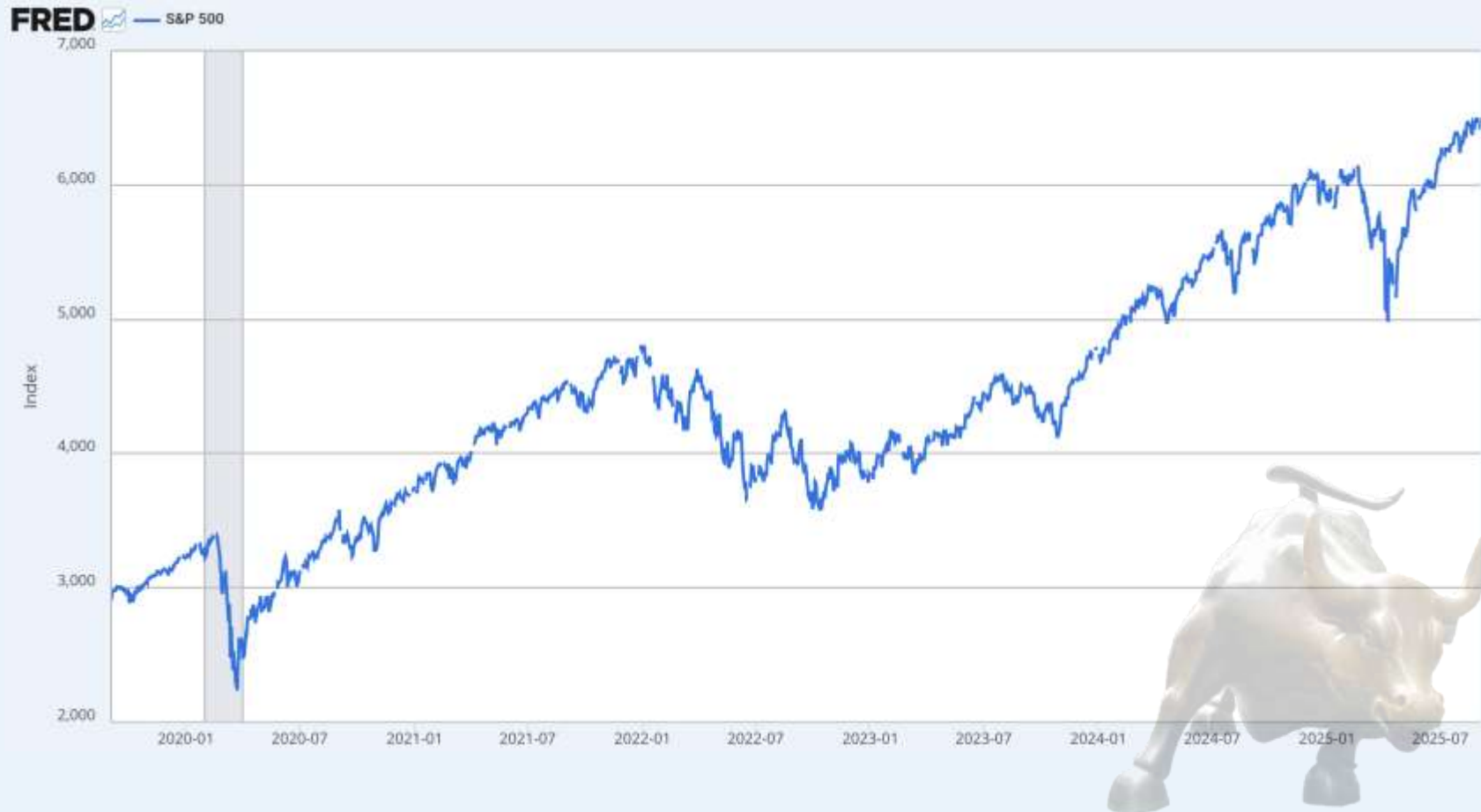
DROP 0.25 PLUS 1 OR 2

CUT, CUT, CUT RATES!

INFLATION NOT STABILIZED

S&P 500 STILL RISING TO RECORD-HIGHS ON STRONG TECH EARNINGS & PROSPECT OF FED RATE CUT

Data about inflation and economic growth will determine Wall Street's prospects



JOB OPENINGS GOING DOWN, BELOW JOBLESS. ECONOMISTS BLAME TARIFFS: MORE PEOPLE LOOKING FOR JOBS

US labor market is softening as job openings hit 10-month low, hiring remains tepid: number of unemployed persons (7.24M) is higher than job openings (7.18M)



Source: US Bureau of Labor Statistics, 2025. As of 5 September 2025.

“MASSIVE DEPORTATIONS” LABOUR PROBLEM: SCARCITY OF WORKERS TO REPLACE THE UNDOCUMENTED (AROUND 10M)

Number of undocumented immigrants in USA reached **11 million**. Around **10M** are working and contributing. Between **5 and 6%** of labor force, but much more in some sectors. Farmers and hotels pressure forced Trump to zig zag...



AGRICULTURE
28%

MAIDES, HOUSE
20%

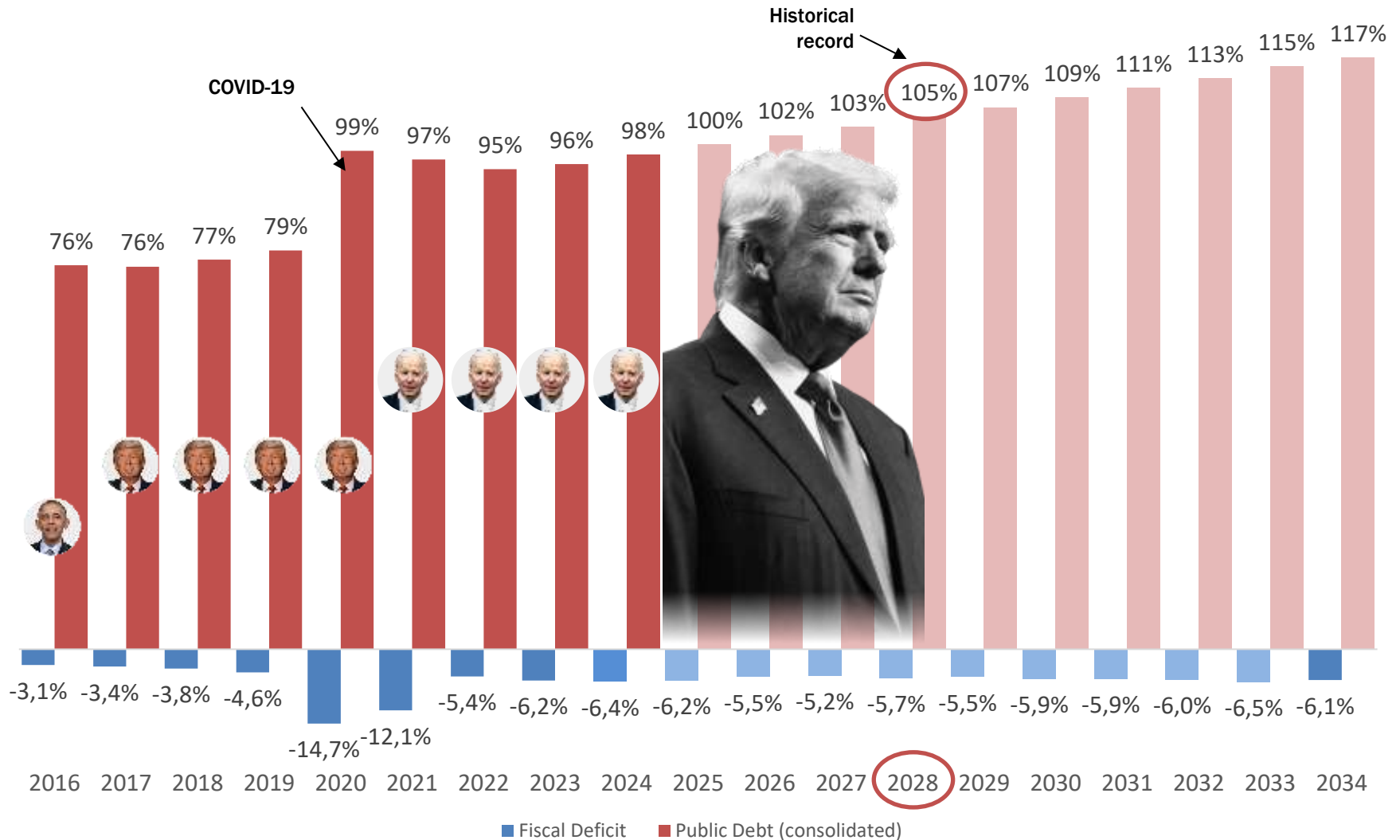
CONSTRUCTION
17%

MAINTENANCE
17%

CARPENTER
14%

FISCAL EXPANSIONISM LED TO GROWING DEBT

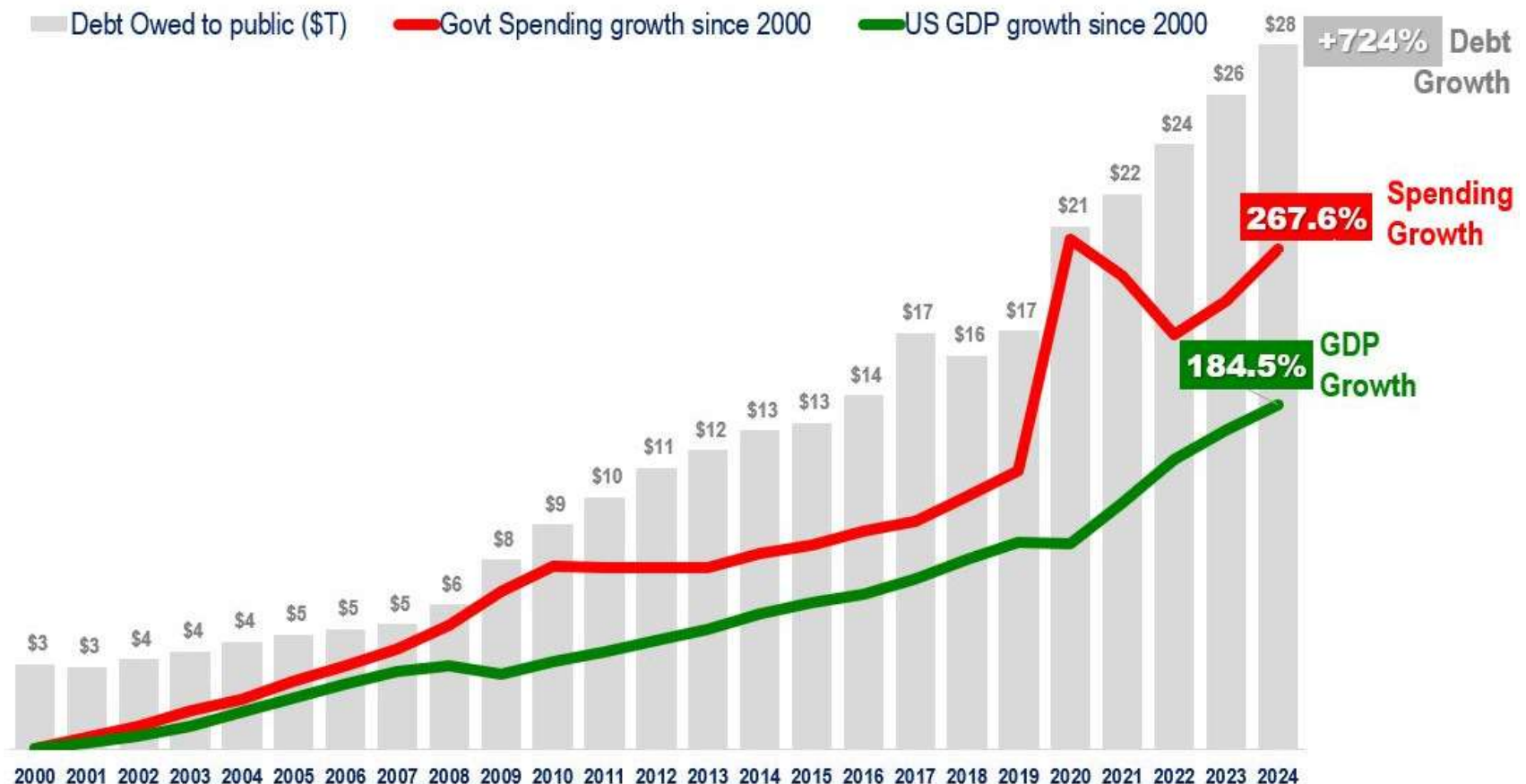
Trump inherited significant budget gap and rising debt... but his policies don't reflect any relief



Source: US Congressional Budget Office, 2025. Data: 10-year budget projections. Latest long-term projections available.

US GOVERNMENT DEBT AND SPENDING VASTLY OUTPACE GDP GROWTH

Debt held by the public was 98% of GDP in 2024. In 2029, federal debt will rise above the nation's all-time high of 106%, which was reached just after World War II. CBO projects that debt will continue rising, reaching 118.5% of GDP by 2035.



DANGEROUS GAMES: MOODY'S DOWNGRADED USA RATING AFTER TAX BILL CONFIRMED DEBT CEILING RISE

After S&P (2011) and Fitch (2023), Moody's issued the downgrade forecasting deficits from 6.4% to 9% next ten years. "No will of change" financial responsibility, Moody's states

CURRENT

\$36.2
TRILLION

+\$3.4
TRILLION

NEXT



TARIFFS: LESSONS FROM A BRUTAL RETREAT (ON CHINA)

Paying the price of tariffs or the price of uncertainty? China won – relatively – on the two fields



FIRST MEET IN SEUL

2 CHINA “WEAPONS”

NVIDIA: U-TURN CHINA

“DEALS” LIKE 2018

AGREEMENT WITH EU: CAPITULATION FOR SOME, AVOIDING “THE WORST-CASE SCENARIO” FOR OTHERS

God and devil are in the details. The “agreement” is more a pause (for certainty) than a fair solution. Berlin and Rome pushed for “quick deal”. Some terms are pure “economic socialism”



15% BETTER
THAN 20%

CARS AND
PLANES RELIEF

STEEL, PHARMA,
FOOD: DETAILS

DIGITAL: NEXT
CRASH?

MIDDLE EAST TRUMP-BLAIR PLAN: FIRST COMPREHENSIVE FOREIGN POLICY PAPER OF THE NEW POTUS. IT'S VIABLE?

With surprise effect, Trump issued a peace plan that is balanced, regional and international. Negotiations started in Egypt. Past attempts recommend a realistic approach



US, ISRAEL, HAMAS, PA CHANGE

SAUDI-FRANCE + EGYPT PLANS

HAMAS: NO FUTURE ROLE

ISRAEL: END EXPANSIONISM

GAZA: ISF AND BLAIR BOARD

PUTIN: 25 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 US support...

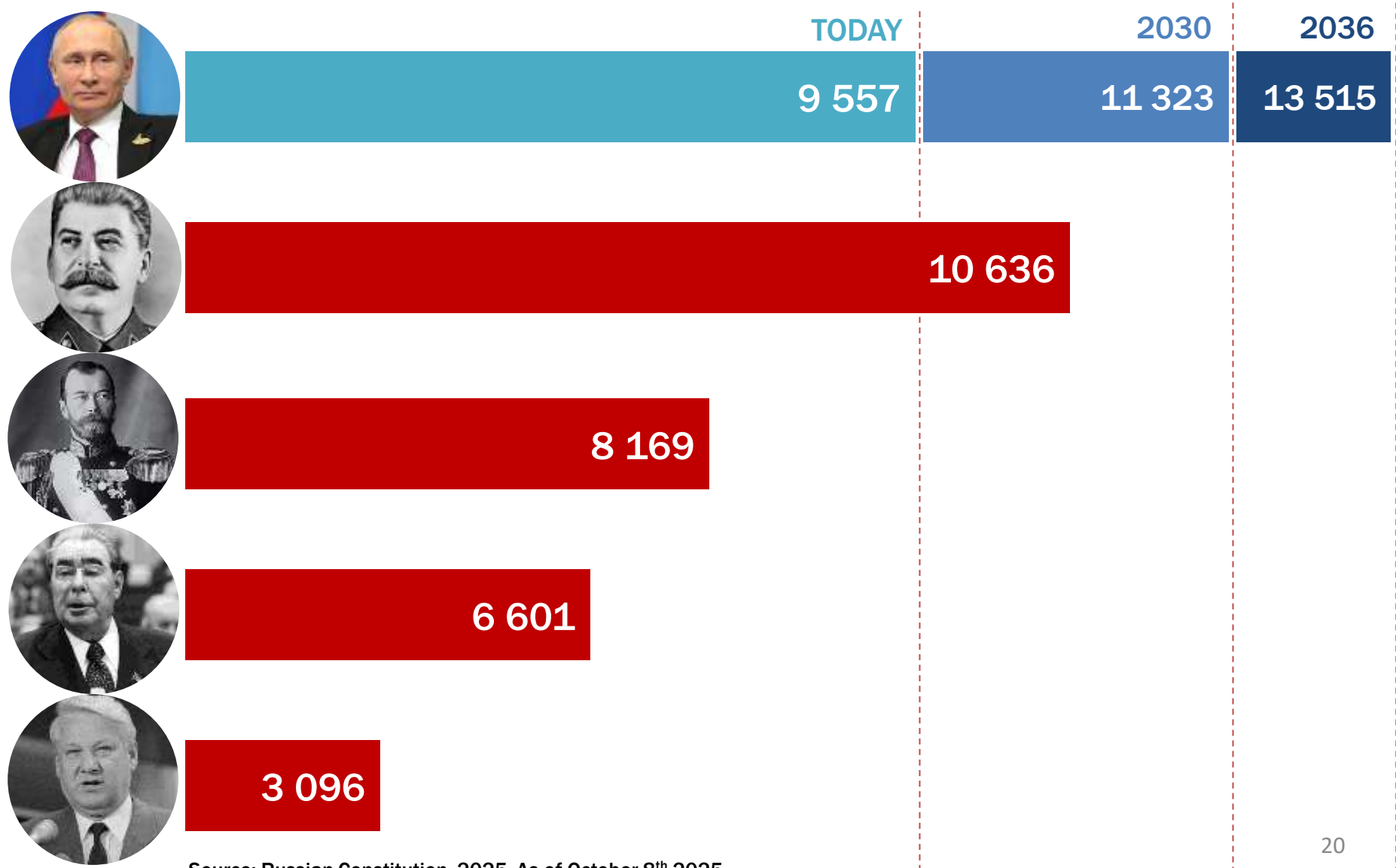
KAZAKHSTAN	2022
TAJIKISTAN	2021
BELARUS	2021
AZERBAIJAN	2020
DONBASS	2014
CRIMEA	2014
GEORGIA	2008



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.



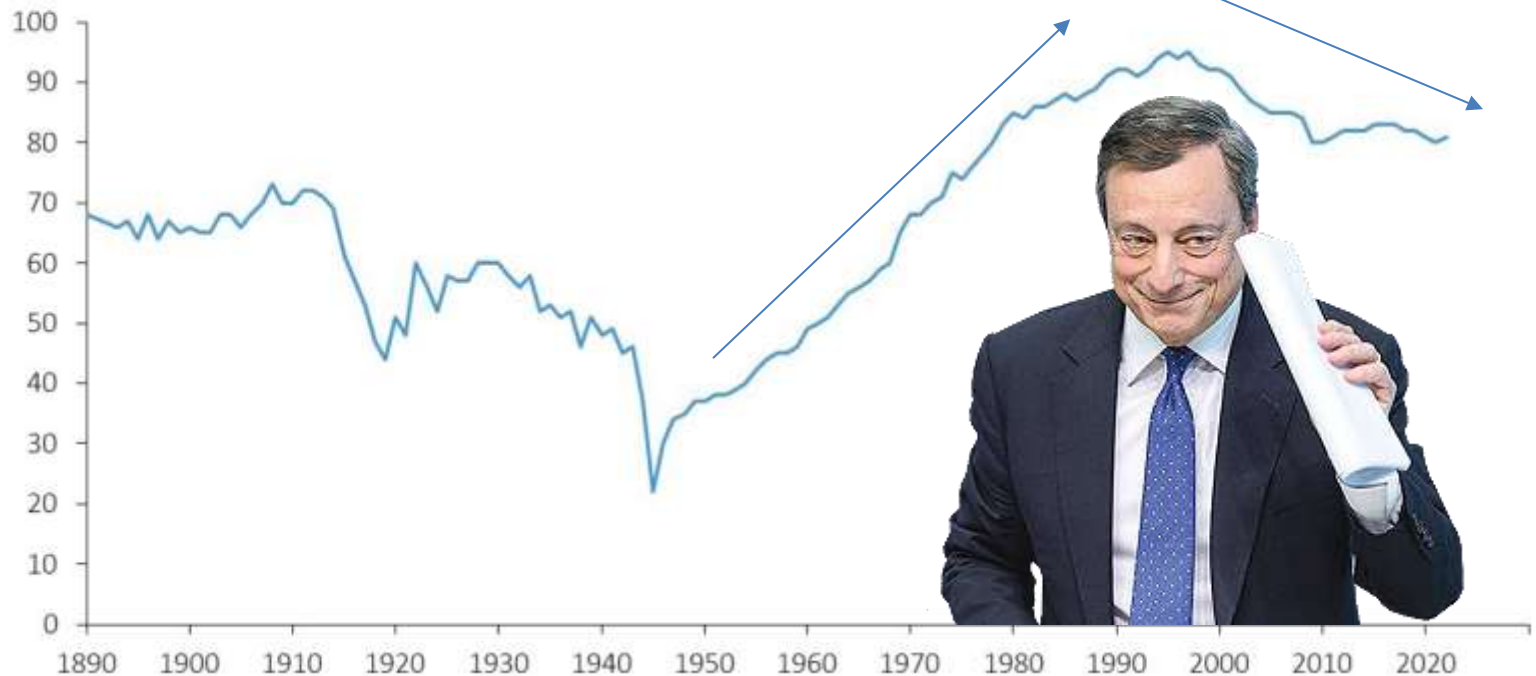
Source: Russian Constitution, 2025. As of October 8th 2025.

CLOSING THE INNOVATION GAP

Europe needs faster productivity growth to maintain sustainable growth rates in the face of adverse demographics

EU versus US labour productivity 1890-2022

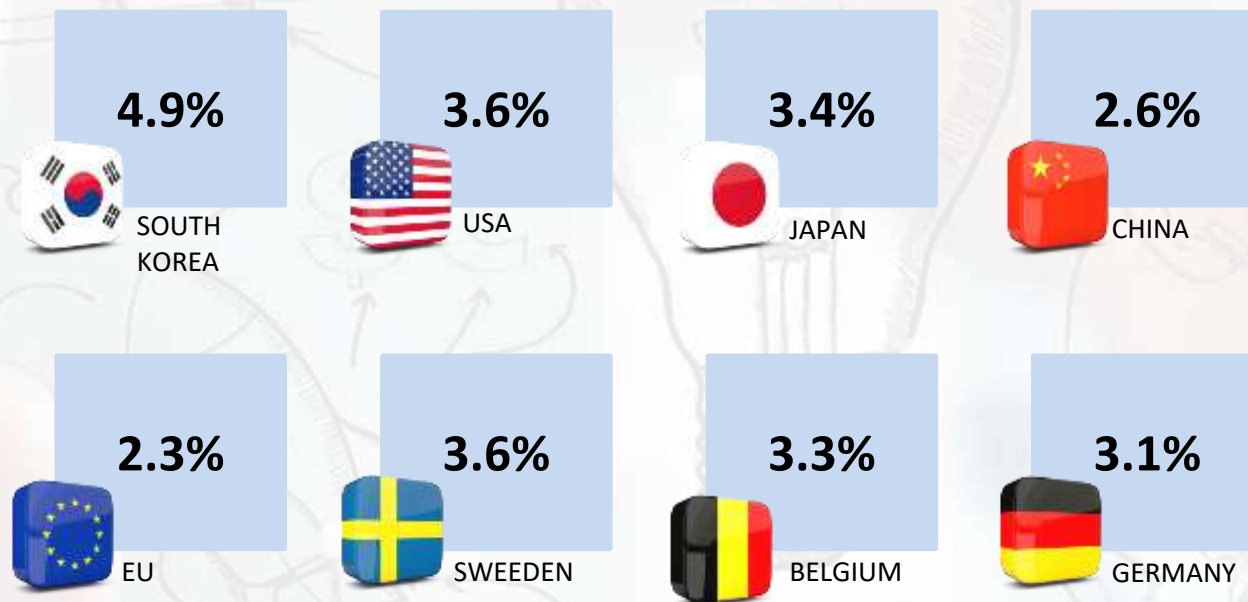
Index (US=100)



EU labour productivity converged from 22% of the US level in 1945 to 95% in 1995 but labour productivity growth has subsequently slowed by more than in the US and fallen back around 80% of the US level

EUROPEAN STATE OF THE ART: ONLY 5 COUNTRIES ABOVE 3% R&D INVESTMENT

Data shows that innovation commitment of European countries grew only by 0.1% in the last decade. Sweden, Belgium, Austria, Germany and Finland ahead

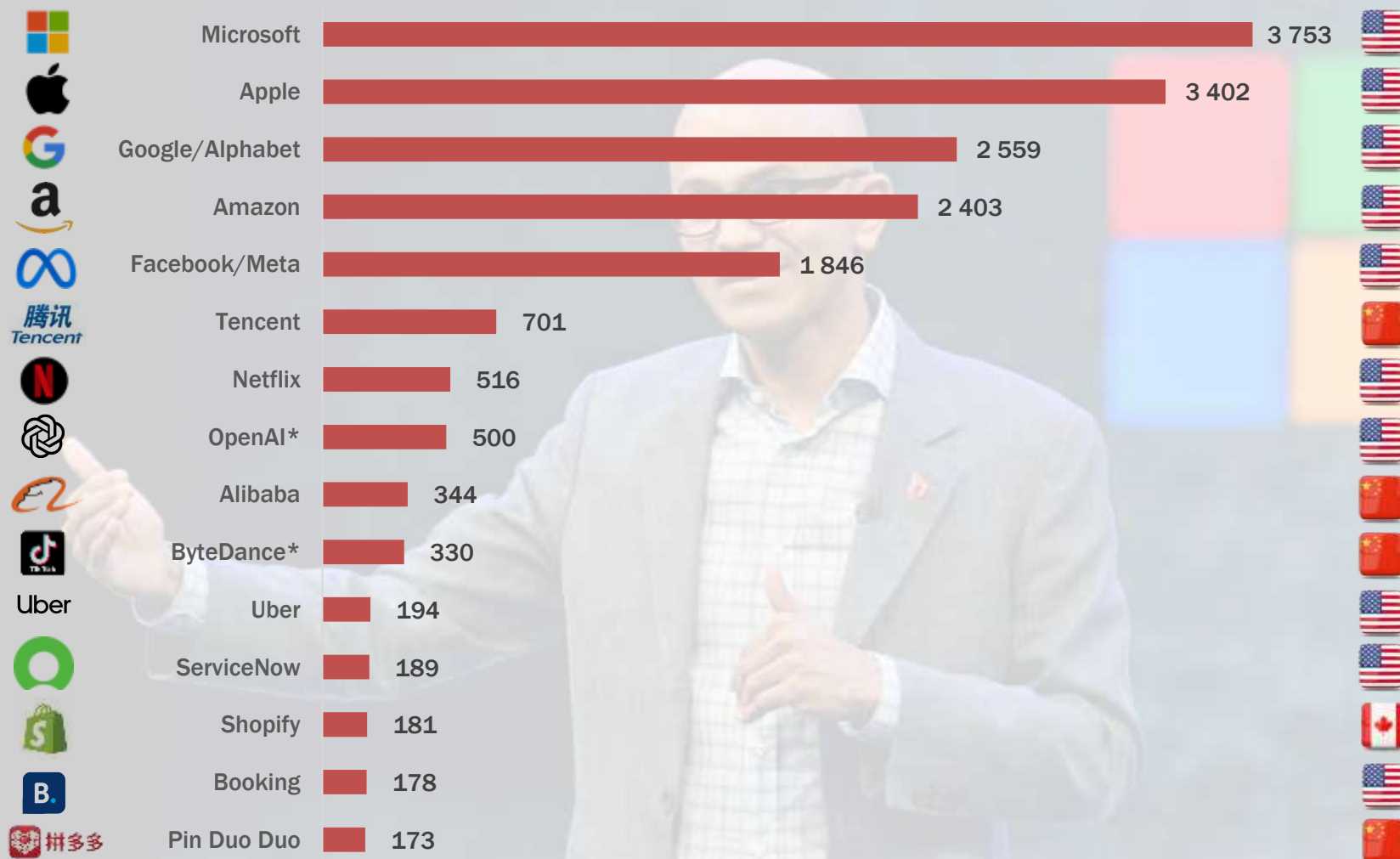


Expenditure on Research and Development (% GDP)

E-WORLD: GUESS WHO?

YCHARTS

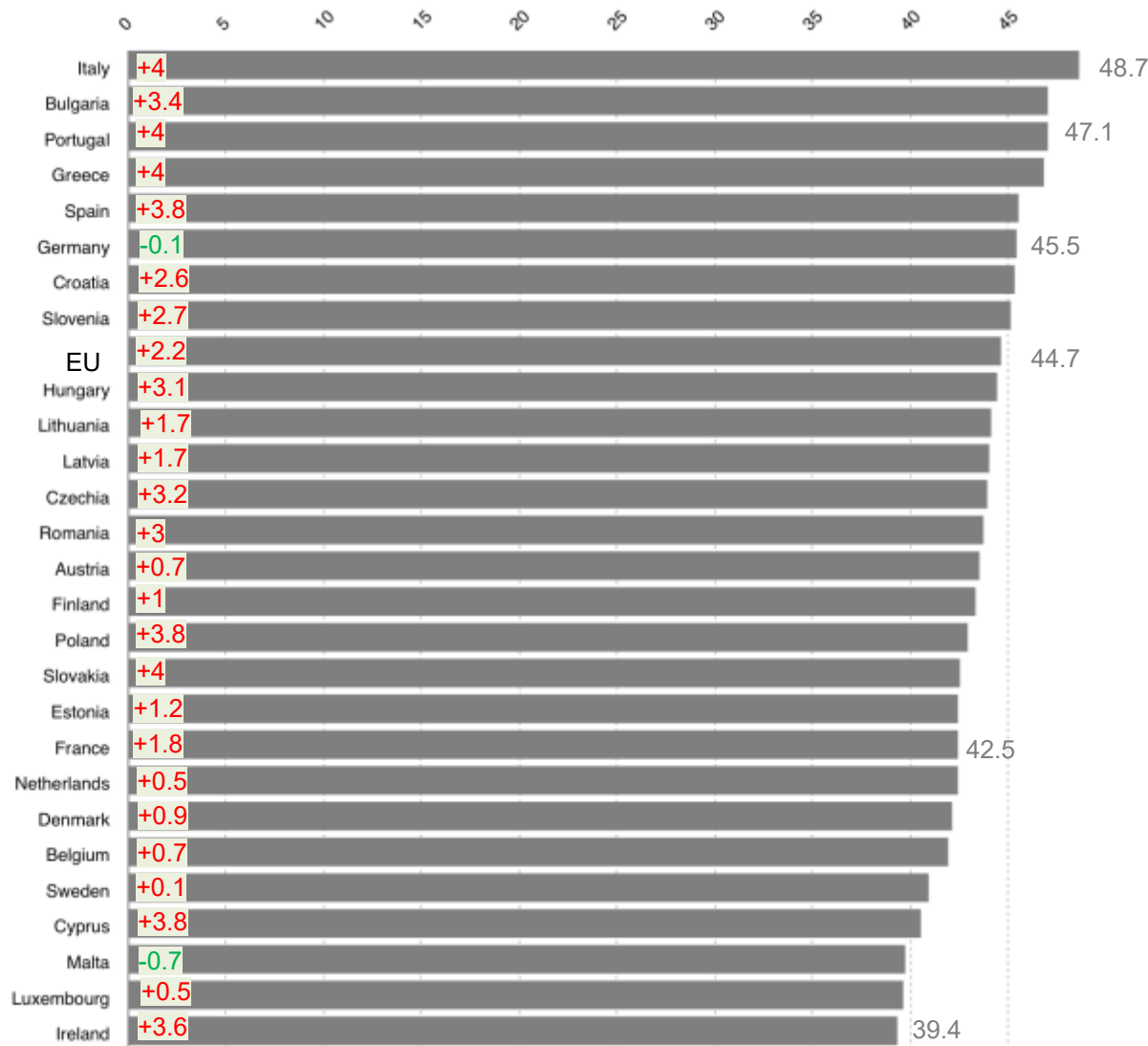
Market capitalization of the largest internet companies worldwide (bn USD)



Source: YCharts, 2025. As of 2 September 2025. *Note: ByteDance and OpenAI (potential) valuation in August 2025.

EUROPE GETTING PROGRESSIVELY OLDER

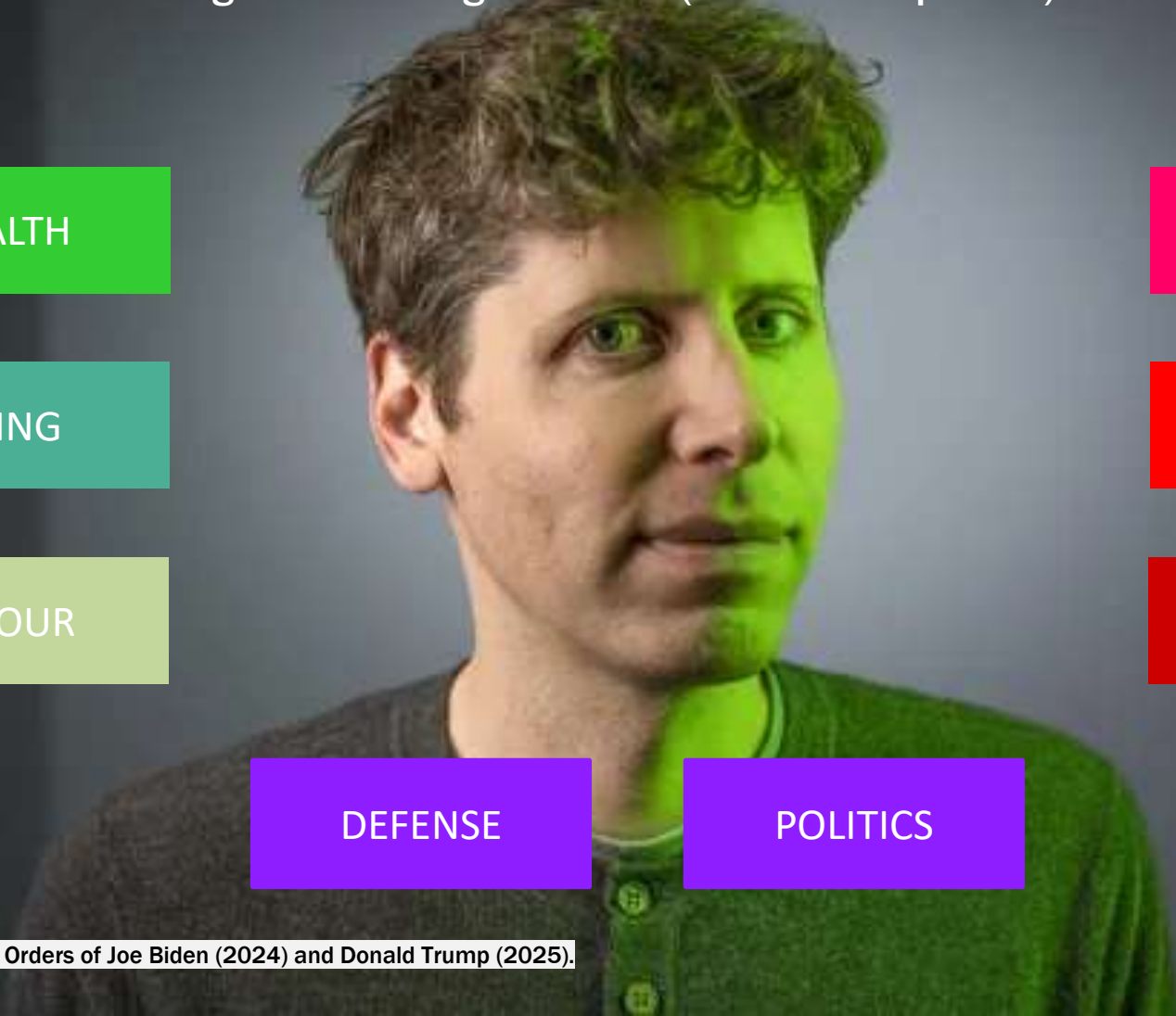
Median age of population, 2024 (years); compared vs 2004 (+ years)



Source: Eurostat, February 2025.

ARTIFICIAL INTELLIGENCE: THE RUPTURE IS FANTASTIC OR DANGEROUS? BOTH AT THE SAME TIME...

ChatGPT and Generative AI were “gamechangers”. Remember the call for “pause giant AI experiments”? Almost nothing happened. Microsoft took control of Open AI and China issued Deepseek. AI technologies are driving US stocks (and also US politics)



HEALTH

UNIVERSITY

AGING

JUSTICE

LABOUR

CULTURE

DEFENSE

POLITICS

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



TOTAL DEREGULATION

8 OF 10 LEADERS



“CORE SOCIALIST VALUES”

DEEPSEEK & ERNIE BOT

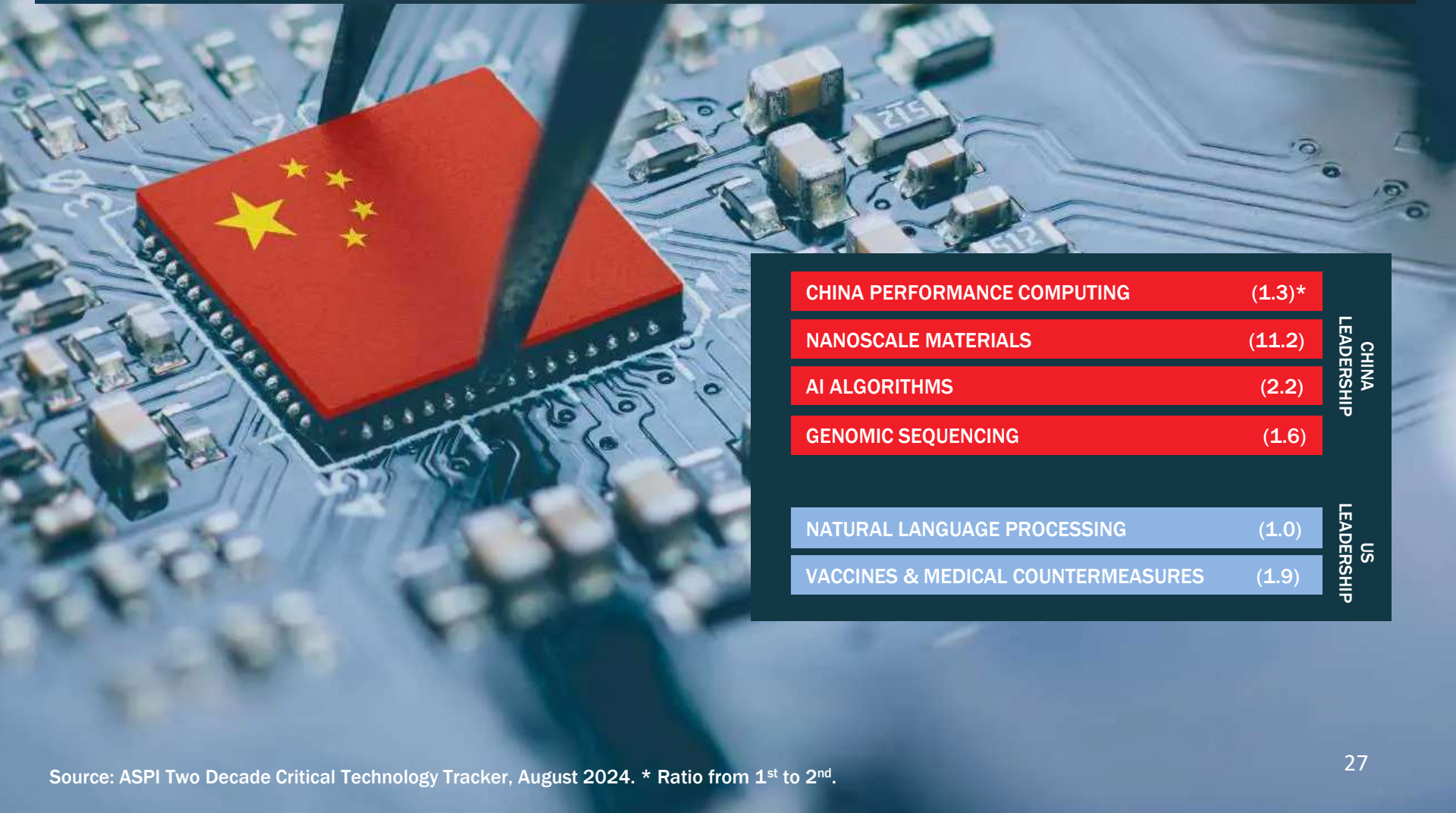


FIRST TO REGULATE (EU A.I. ACT)

NO LEADERS, MISTRAL RISE

IS CHINA AHEAD OF THE US IN THE CRITICAL FACTORS OF TECHNOLOGY?

Huge change: alert come from ASPI very respected tracker. In 21 years, China overcome USA: from lead of just 3 technologies to 57. The Americans were surprised and dropped from 60 to 7. Europe as a block ranks first in 2 technologies and second in 30...



CHINA PERFORMANCE COMPUTING (1.3)*

NANOSCALE MATERIALS (11.2)

AI ALGORITHMS (2.2)

GENOMIC SEQUENCING (1.6)

CHINA
LEADERSHIP

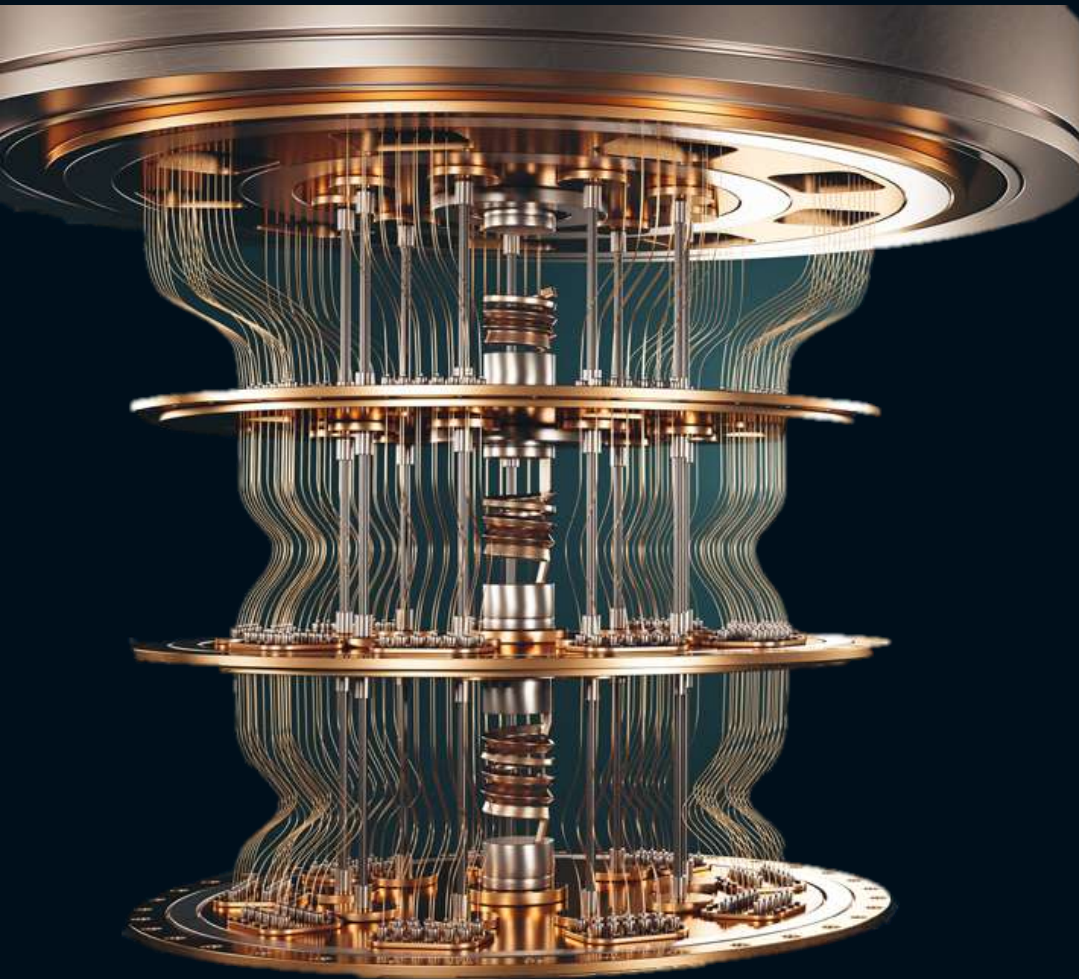
NATURAL LANGUAGE PROCESSING (1.0)

VACCINES & MEDICAL COUNTERMEASURES (1.9)

US
LEADERSHIP

BRUEGEL VISION: THE RACE IS (VERY) TIGHT IN 3 MAJOR TECHNOLOGIES: AI, QUANTUM COMPUTING AND SEMICONDUCTORS

Based on WIPO – “radical novelty in patented technologies” - Bruegel conclusions are good for China in AI, much better for US in quantum computing. EU companies rank 2nd in semi-conductors, 8th in AI and 13th in quantum



AI BAIDU, TENCENT, PING AN, IBM

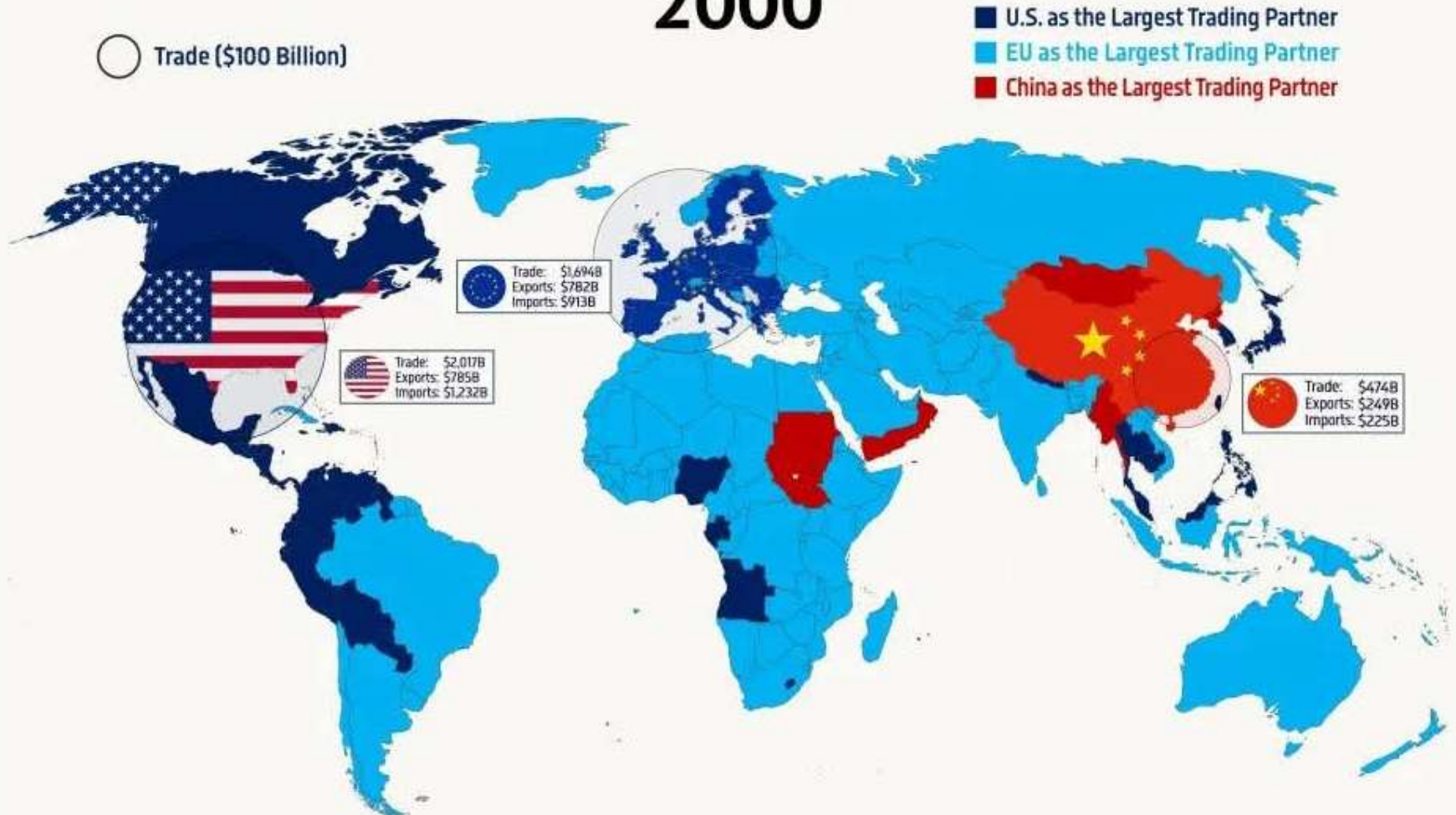
SC IBM, OSRAM, MICRON, SMIC

Q IBM, ORIGIN, GOOGLE, MICROSOFT

GLOBAL TRADE DOMINANCE

US, EU, or China?

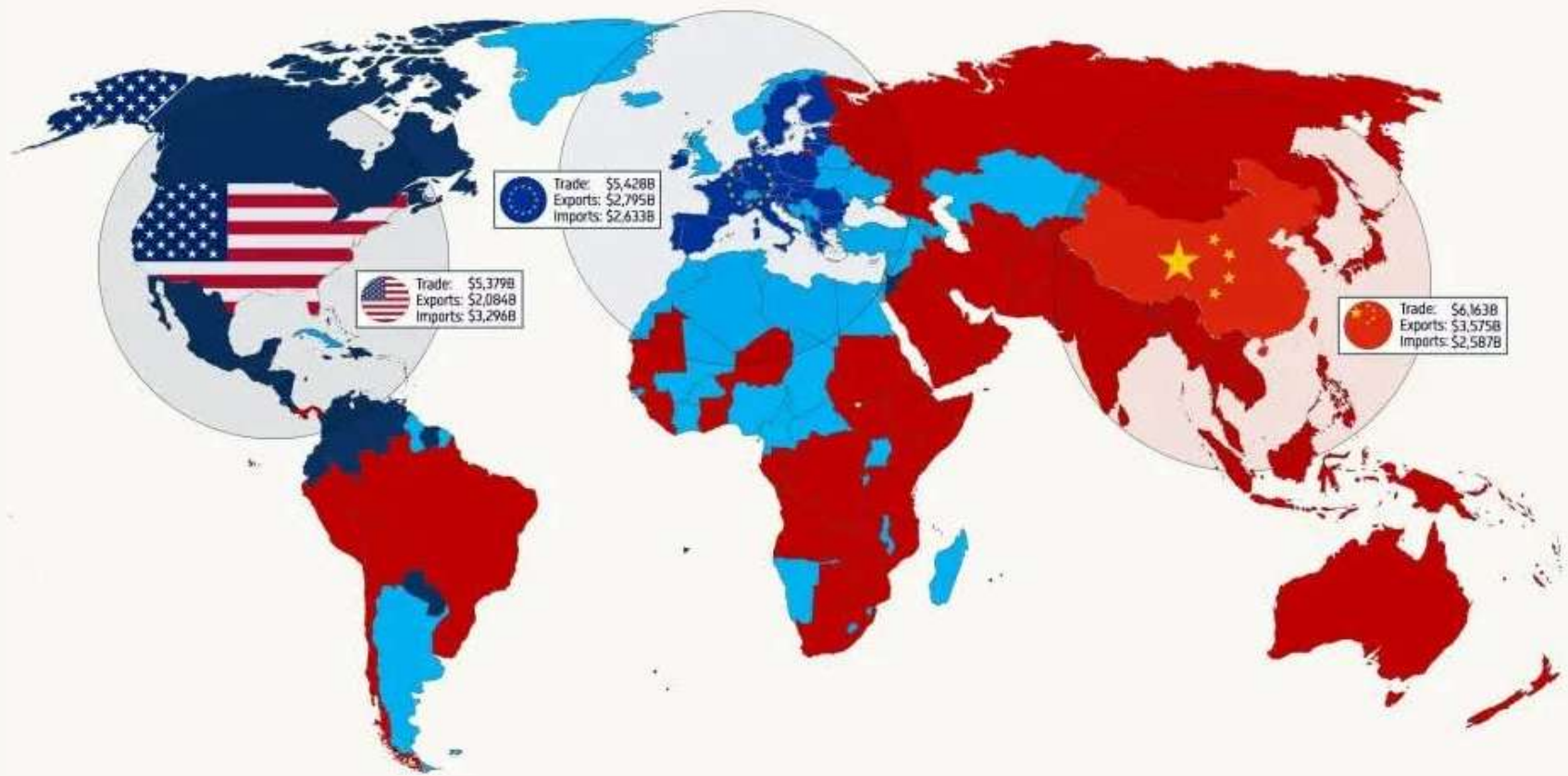
2000



GLOBAL TRADE DOMINANCE

US, EU, or China?

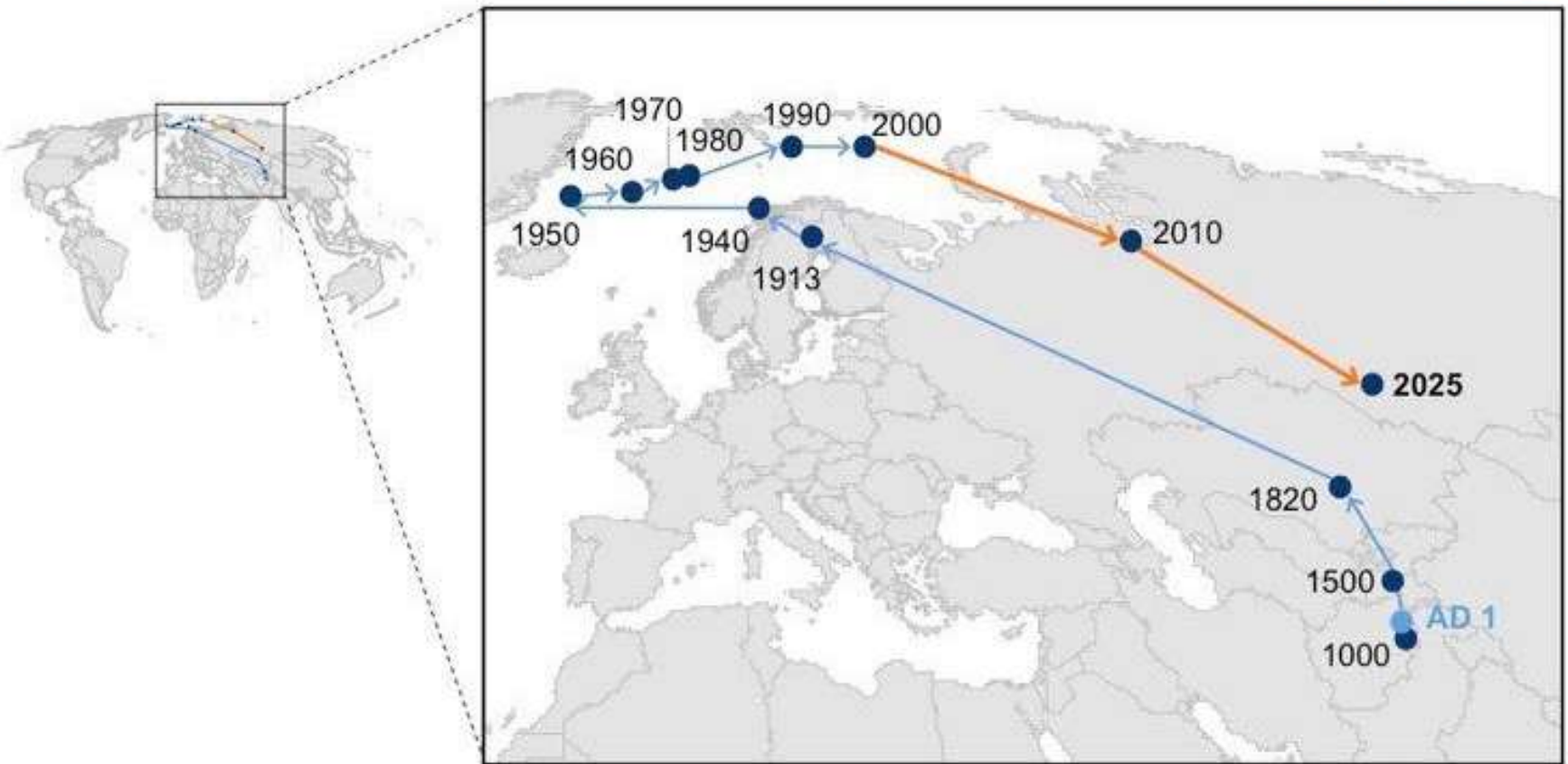
2024



THE MOST RAPID SHIFT IN THE WORLD'S ECONOMIC CENTER OF GRAVITY

Evolution of the earth's economic centre of gravity (AD 1 to 2025)

McKinsey&Company
MCKINSEY GLOBAL INSTITUTE



The economic center of gravity is calculated by weighting locations by GDP in 3 dimensions and projected to the nearest point on the earth's surface. The surface projection of the center of gravity shifts north over the course of the century, reflecting the fact that in 3-dimensional space America and Asia are not only "next" to each other, but also "across" from each other.