

# The challenges in a «post-» world

*Post-global, post-green, post-digital...*

CIO Leaders Summit 14.3.2025

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*SDA Bocconi School of Management*

# THE GEOPOLITICAL, MACROECONOMIC, AND TECHNOLOGICAL DRIVERS OF CHANGE

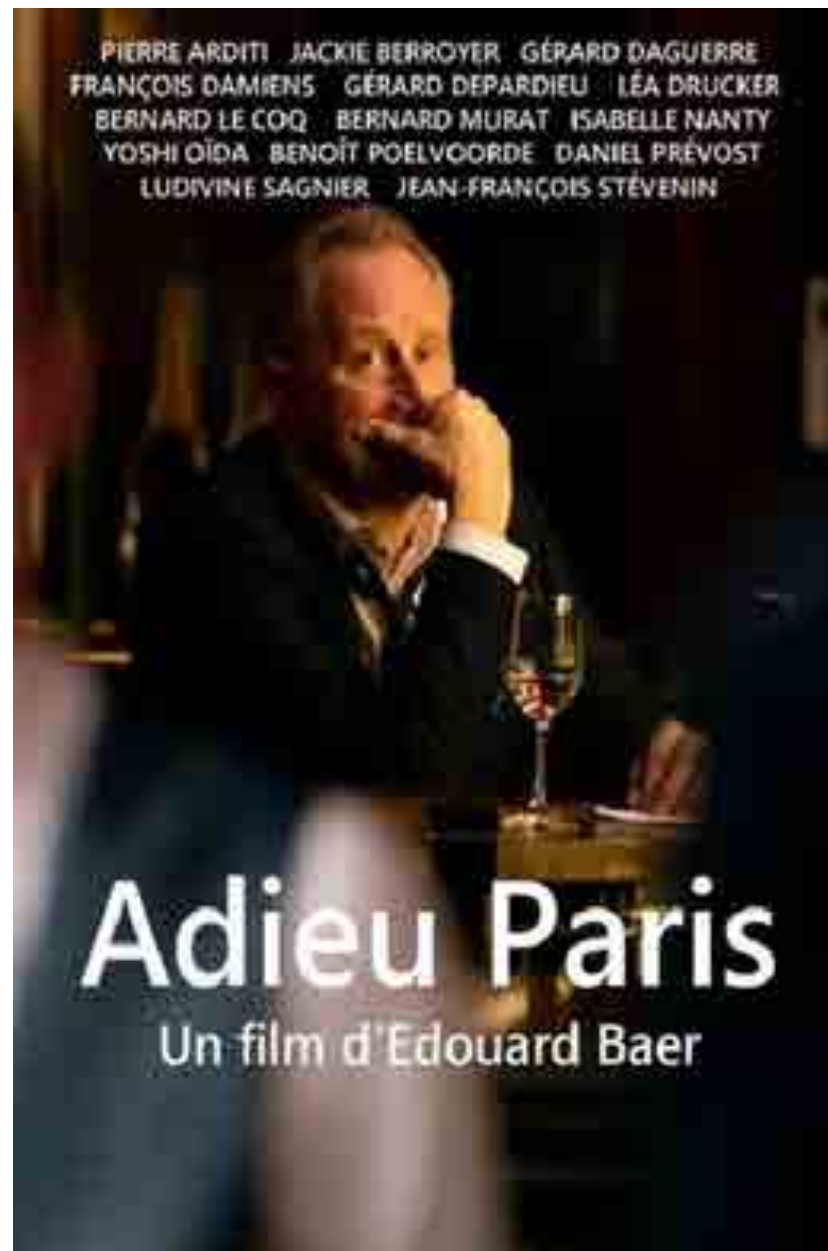
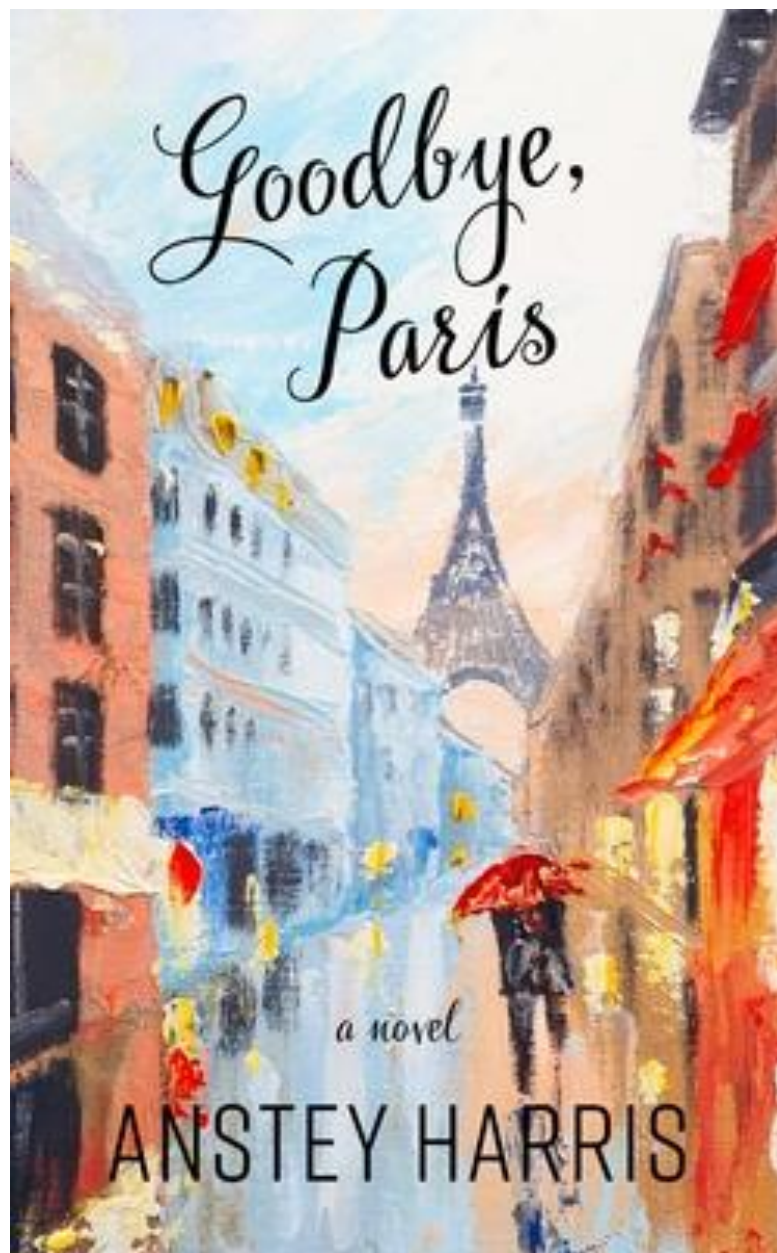
1. A post-global world
2. A post-green world
3. A post-digital world
4. Challenges and opportunities for CIOs





**Donald vs. Greta**





**Goodbye,  
Paris...**





# Trumponomics 2.0

*«It looks like it's going to be extremely disruptive, it's going to be a big change and, probably, according to a lot of estimates, higher inflation»*

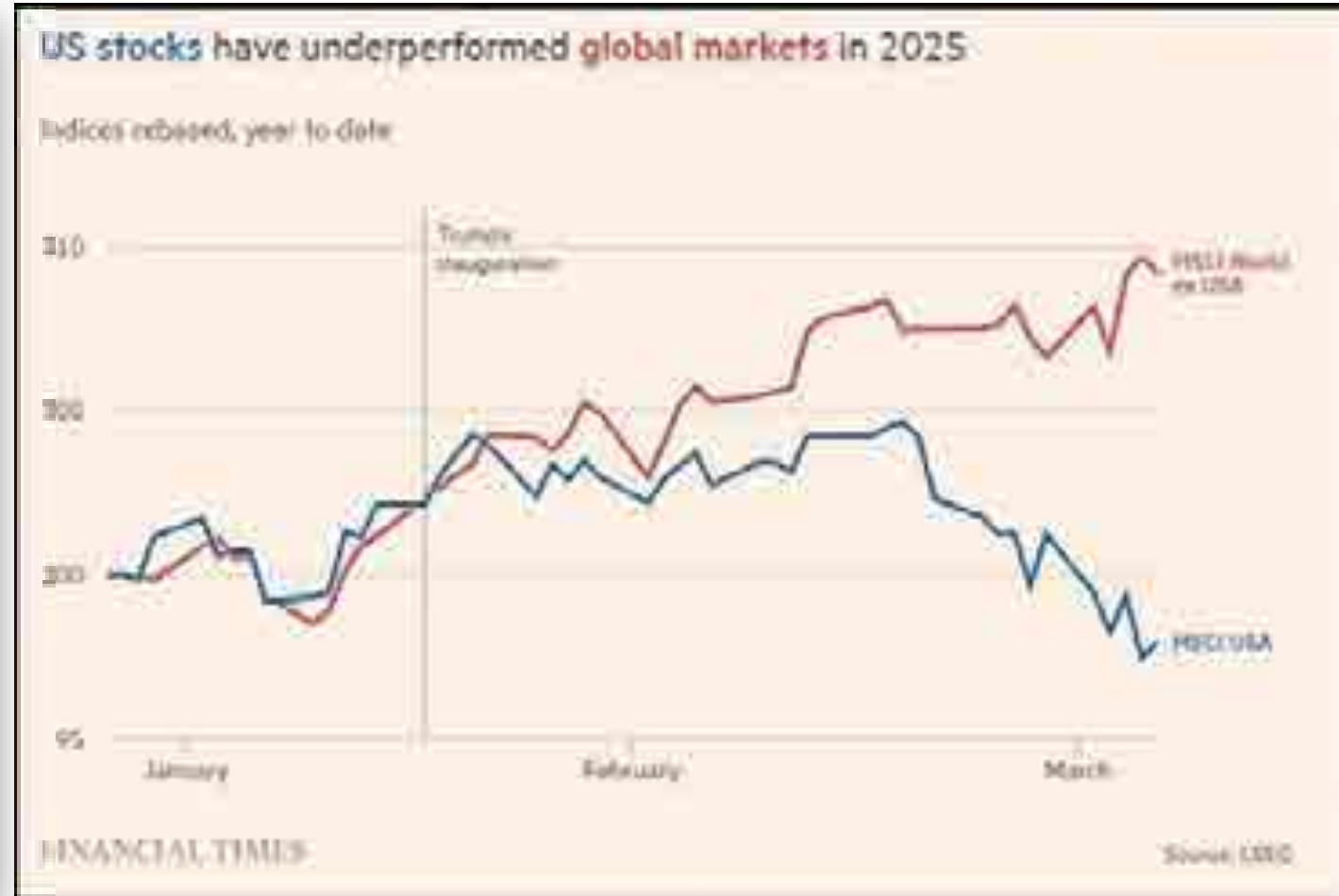
J. Politi, Financial Times



**Trump vows to leave Paris climate agreement and 'drill, baby, drill'**

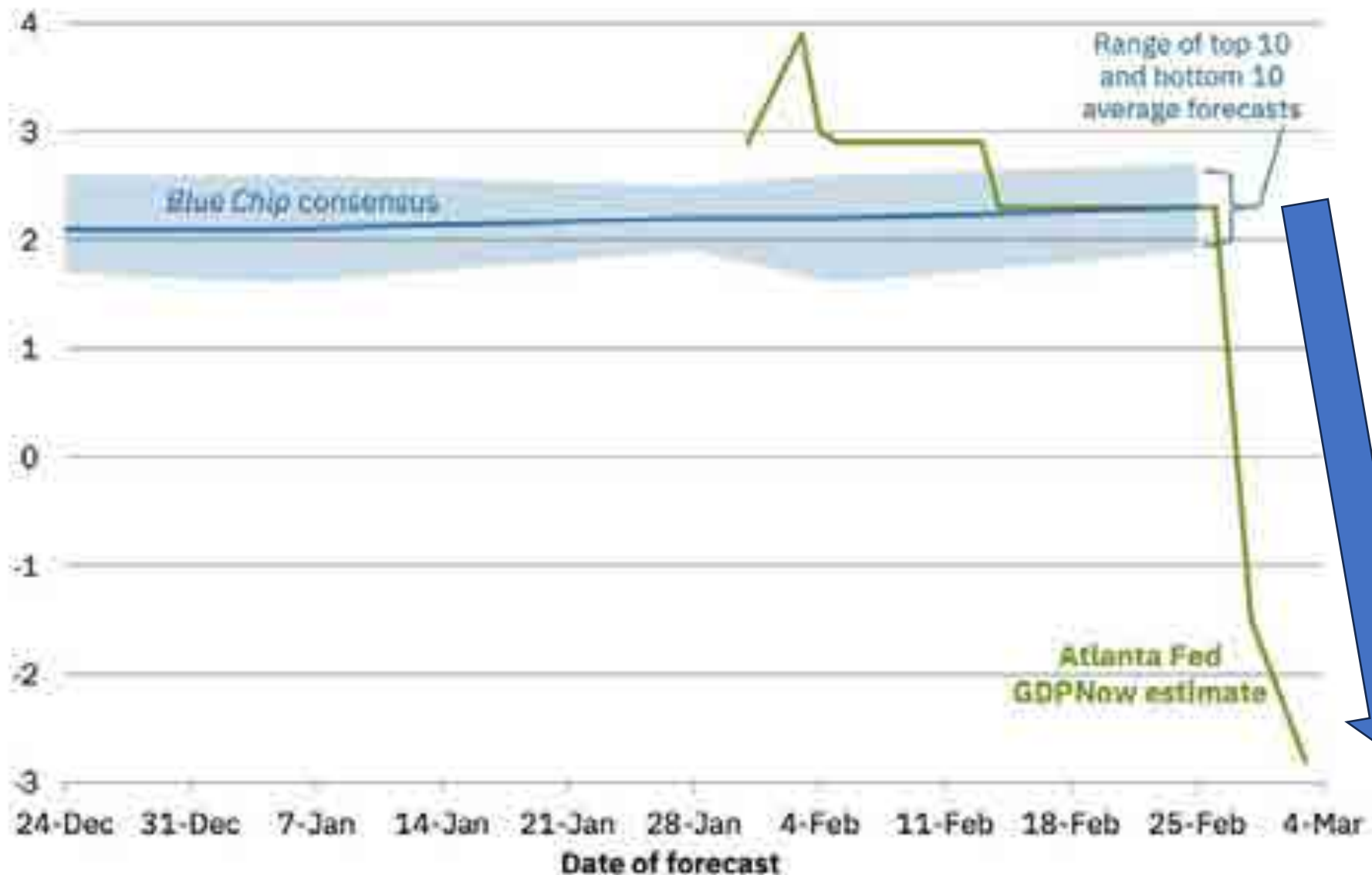


# Make America Shoot Again...



## Evolution of Atlanta Fed GDPNow real GDP estimate for 2025: Q1

Quarterly percent change (SAAR)



**US GDP:  
Steering  
into the  
abyss**

# **WHO & CO2: a war against the institutional and the environmental symbols of globalization**



**World Health  
Organization**





# THE GEOPOLITICAL, MACROECONOMIC, AND TECHNOLOGICAL DRIVERS OF CHANGE

1. A post-global world
2. A post-green world
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4. Challenges and opportunities for CIOs





TEXTS ADOPTED

P10\_TA(2025)0034

White paper on the future of European defence

European Parliament resolution of 13 March 2025 on the white paper on the future of European defence

## White Paper on Defense: Joint EU procurement and industrial integration with Ukraine

The European Commission has today announced the 'White Paper on Defense' which sets out a vision for a 'single market for defence' and where EU countries needed to prioritise spending.



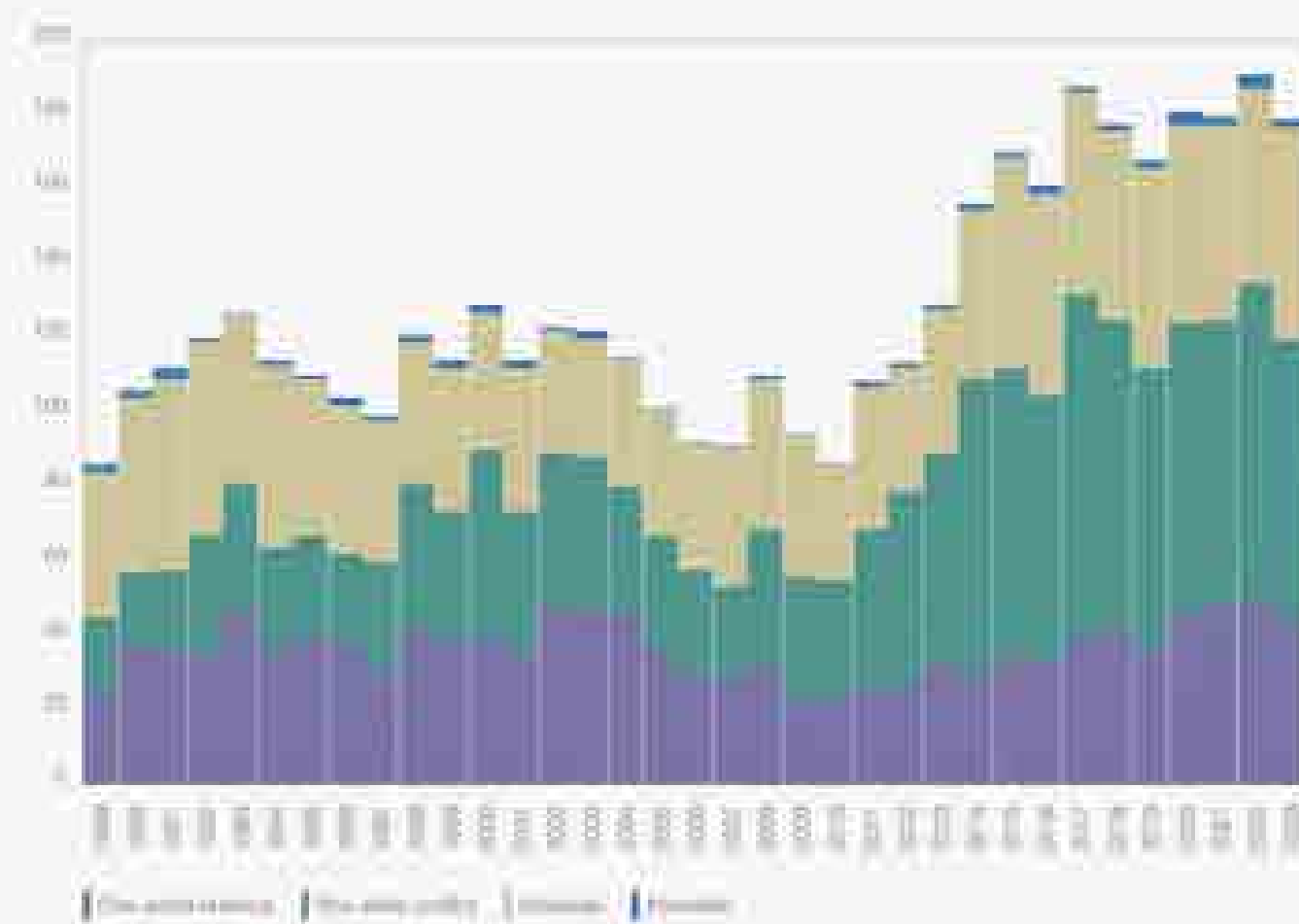
# EU Defense: The Paper is White...

## EU Commission White Paper sets out steps for 'single market for defence'

The Commission has today announced the 'White Paper on Defense' which sets out a vision for a 'single market for defence' and where EU countries needed to prioritise spending.



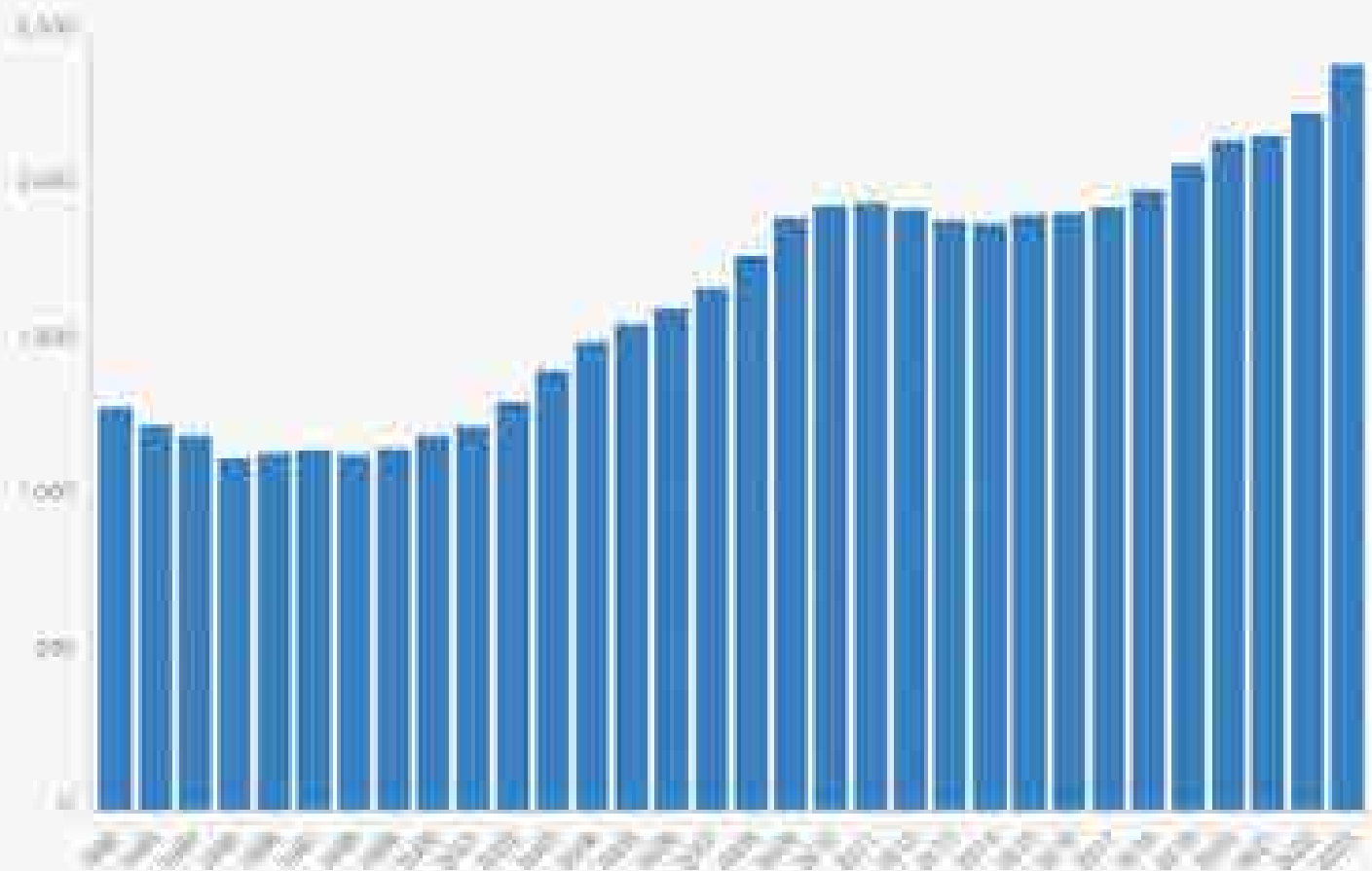
FIGURE 1.12 Number of armed conflicts since the end of the Cold War (1989-2023)



**Armed conflicts:  
+60% in 10 years.**

Since 2014, the number of armed conflicts has been elevated compared to the period from the 1990s to the early 2010s. Interstate conflicts, while they tend to present the greatest threats to global stability, only constitute a small proportion of the total number of armed conflicts, which also include one-sided, nonstate and intrastate armed conflicts.

FIGURE 1.13 World military expenditure (billion \$), 1992-2023



**In 2023 the historical record of military expenditure: \$2.4 trillion**

World military expenditure increased for the ninth consecutive year in 2023, reaching a total of \$2.4 trillion, with 2023 seeing a steep rise over 2022 (see Figure 1.13). The top five countries accounted for 61% of the total. As governments with strengthening militaries perceive that multilateral constraints on unilateral military action are weaker, there could be more instances of cross-border military interventions in the coming years.



## Export of Major Arms: Russia: -53%. France: +47%

The 25 largest suppliers accounted for 98 per cent of the total volume of exports, and the top 5—the United States, France, Russia, China and Germany—accounted for 75 per cent.

In recent years the USA's share of global exports has increased while Russia's share has decreased. In 2019–23 the **USA's arms exports were 17 per cent higher than in 2014–18** and its share of the global total increased from 34 to 42 per cent.

In contrast, **Russia's arms exports decreased by 53 per cent** and its share of the global total dropped from 21 to 11 per cent.

Exports by **France rose by 47 per cent between 2014–18 and 2019–23**, resulting in France becoming the second largest exporter of major arms in 2019–23.

### THE MAIN EXPORTERS AND IMPORTERS OF MAJOR ARMS, 2019–23

Exporter	Global share (%)	Importer	Global share (%)
1 USA	42	1 India	9.8
2 France	11	2 Saudi Arabia	8.4
3 Russia	11	3 Qatar	7.6
4 China	5.8	4 Ukraine	4.9
5 Germany	5.6	5 Pakistan	4.3
6 Italy	4.3	6 Japan	4.1
7 UK	3.7	7 Egypt	4.0
8 Spain	2.7	8 Australia	3.7
9 Israel	2.4	9 South Korea	3.1
10 South Korea	2.0	10 China	2.9

# The fragmentation of EU defense industry

	EU	United States
Defence Expenditure	€227bn	€545bn
%age of GDP	1.3%	3.3%
Investment per soldier	€27,639	€108,302
Duplication of Systems		
Number of weapons systems	178	30
Main Battle Tanks	17	1
Destroyers/Frigates	29	4
Fighter Planes	20	6

Table 1: Comparison of US and EU systems\*

**Figure 4. Defence investment and 20% Defence Investment Benchmark**

*\*Figures are in constant 2023 prices*

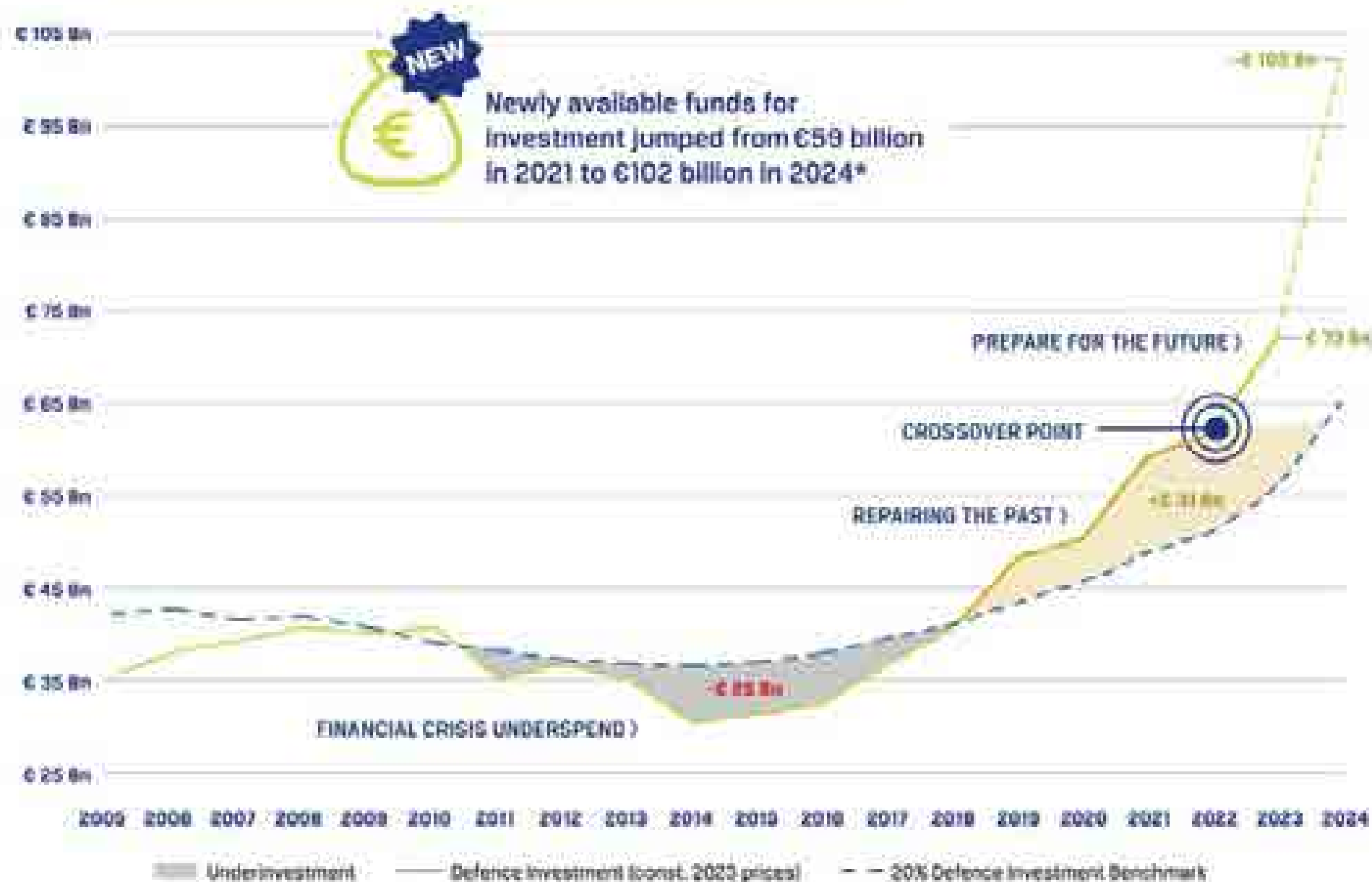


Figure S. Share of Total Defence Expenditure Allocated to Defence Investment

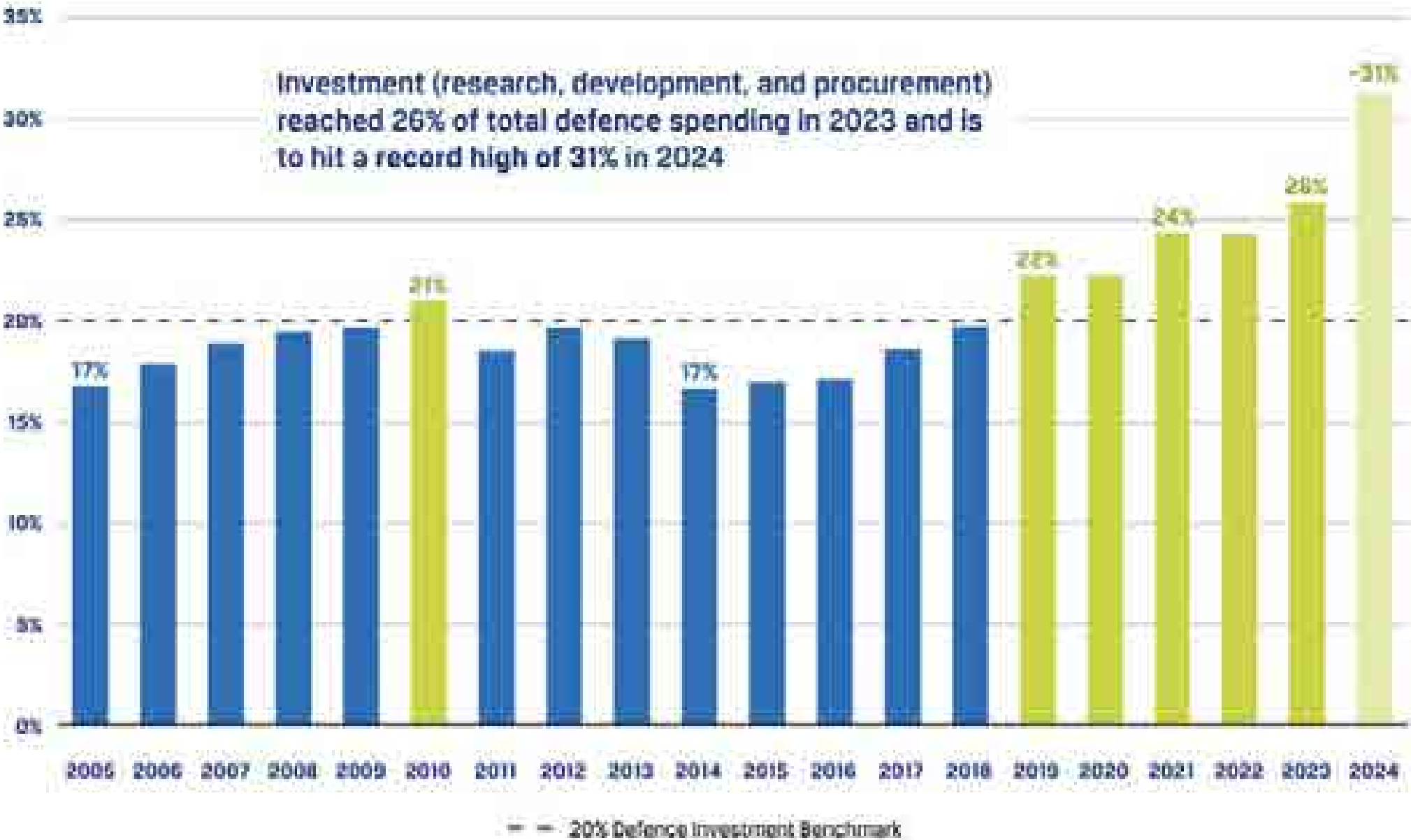




Figure 6. Defence Equipment Procurement

Figures are in constant 2023 prices



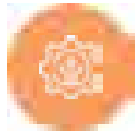
Figure 8. European Collaborative Defence R&D under the EDF"

Figures are in current prices



# Exploring Dual-Use Opportunities

Leveraging Defense Technologies for Civilian Use



**Understanding  
Dual-Use  
Technology**



**Drones: Versatile  
Applications**



**Satellites: Bridging  
Sectors**

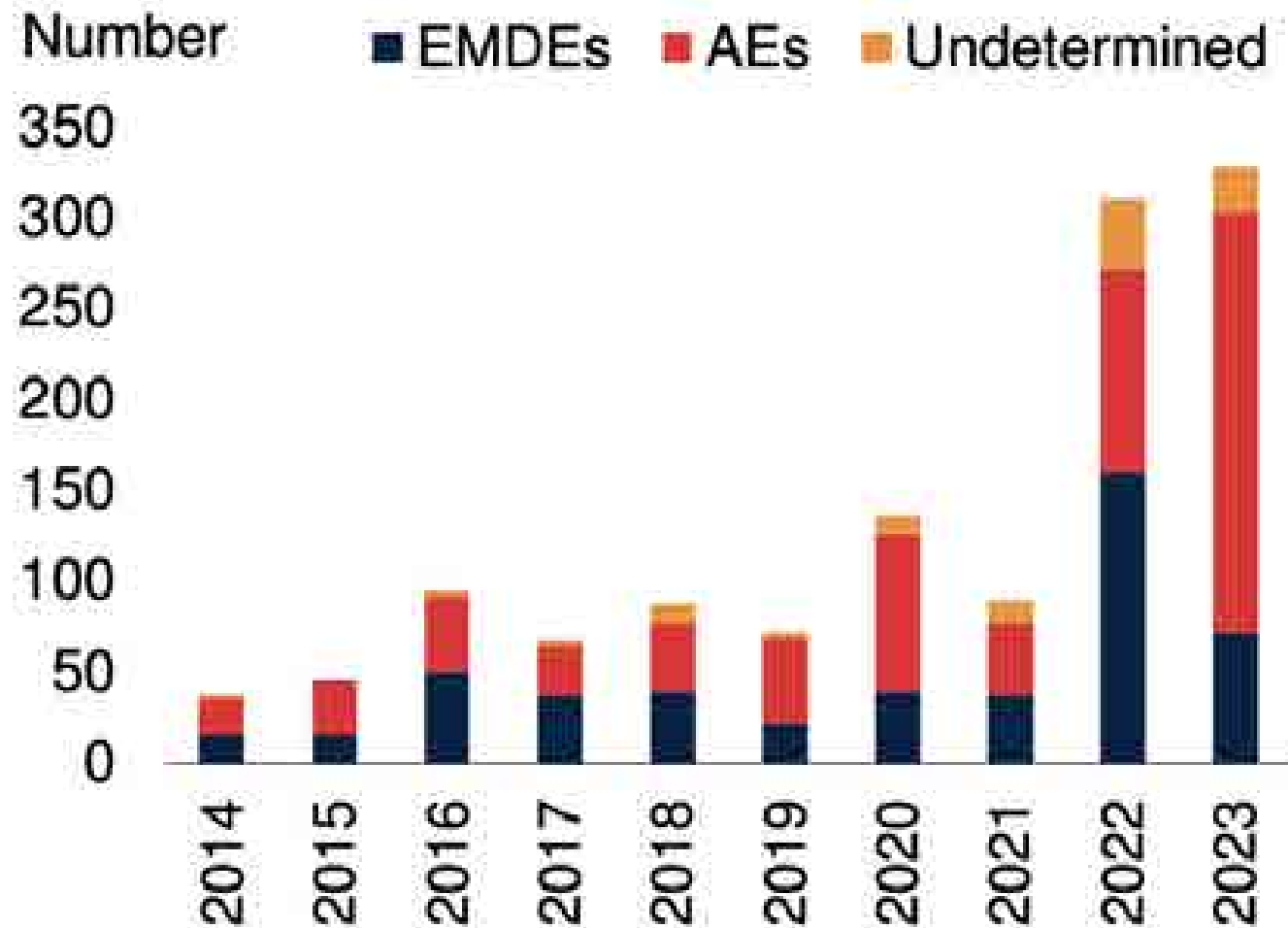


**Artificial  
Intelligence: A  
Dual Role**



**Quantum  
Computing: Future  
Potential**

## D. Frequency of cyber events in the financial and insurance sector

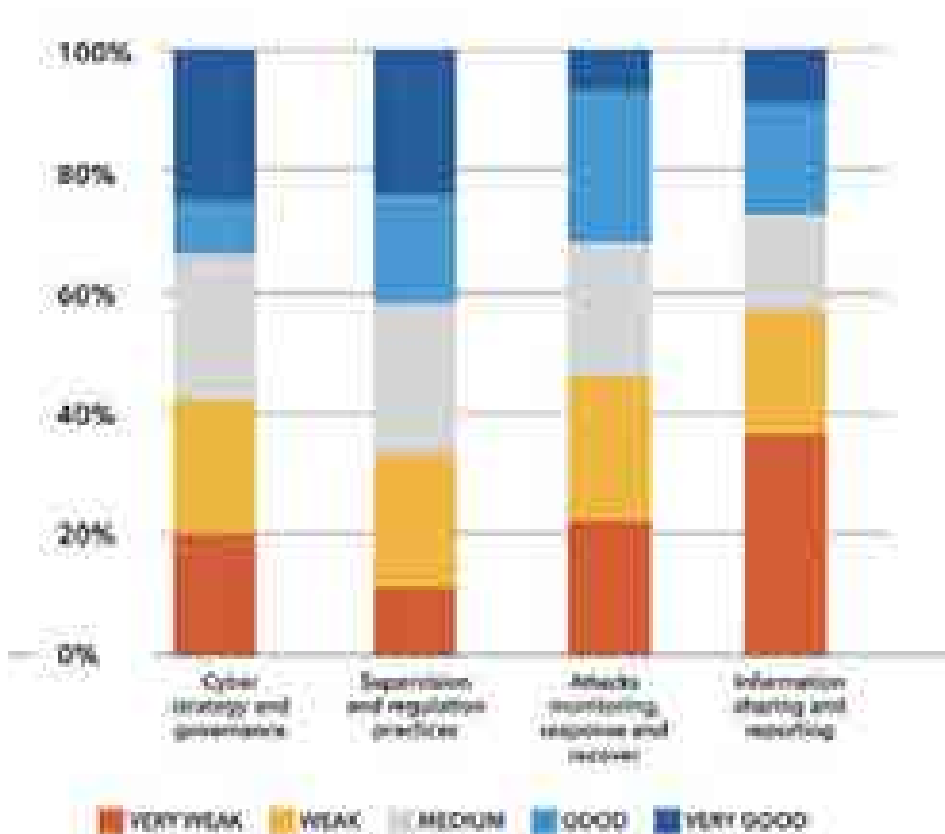


**Cyber-attacks against financial institutions have tripled in the past 2 years**



**Figure 1.6 Cyber Gaps**

(state of cyber risk oversight at supervisory authorities;  
share of surveyed countries)



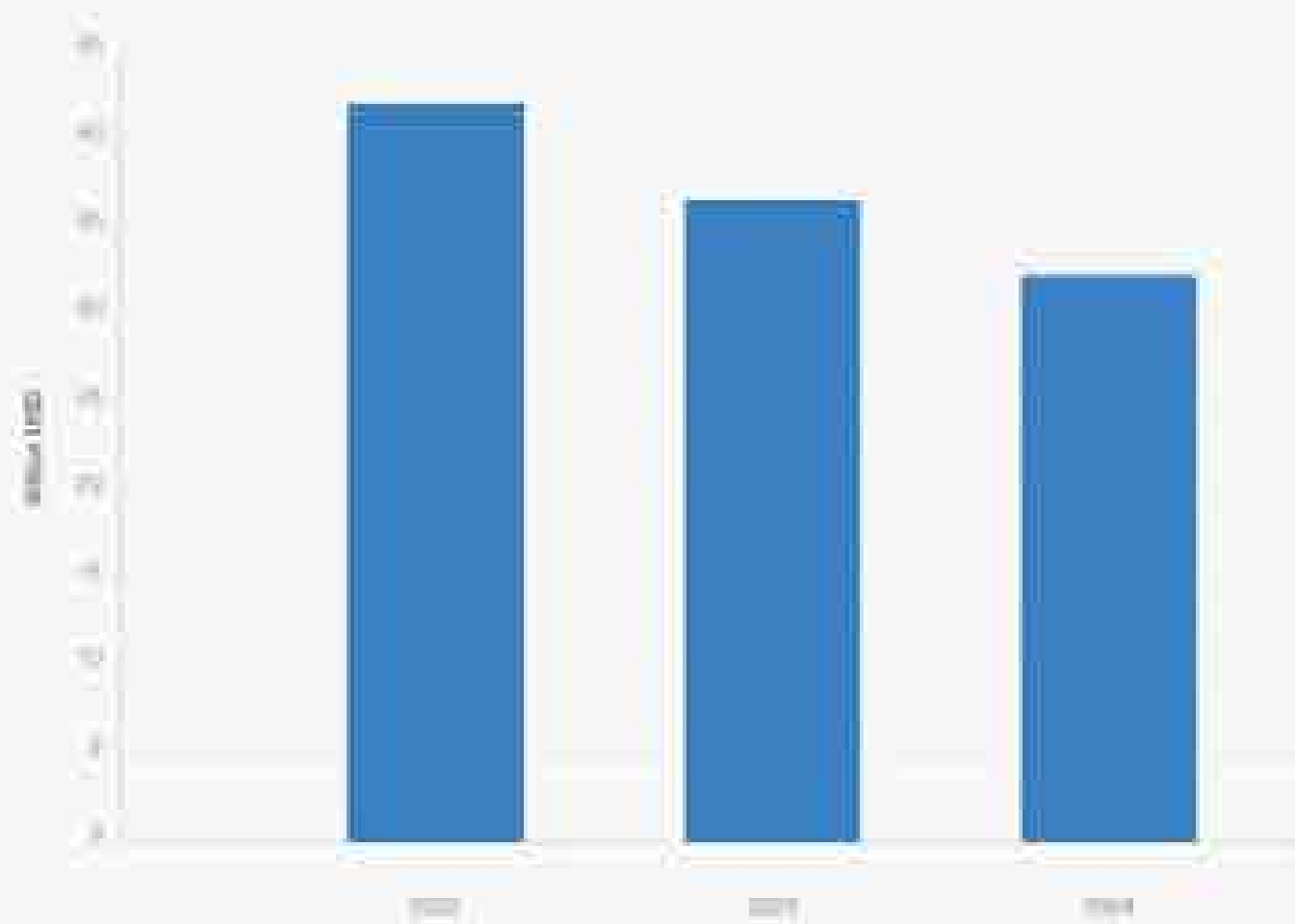
Weak defenses against attacks put the financial sector at risk, but collective action could help thwart these costly threats.

Source: IMF staff survey, state of play at supervisory authorities.

Note: IMF staff surveyed 51 emerging markets and developing economies between December 2021 and March 2022. The classification of the practices are based solely on survey responses and do not include qualitative evaluation by IMF staff.

**Almost 60% of financial institution have weak or very weak defenses against cyberattacks.**

FIGURE 1.14 Humanitarian funding (billion \$), 2022-2024



Source:  
The Humanitarian Response to UN OCHA

## Humanitarian funding: -20% in 2 years + USAID cancelled in 2025

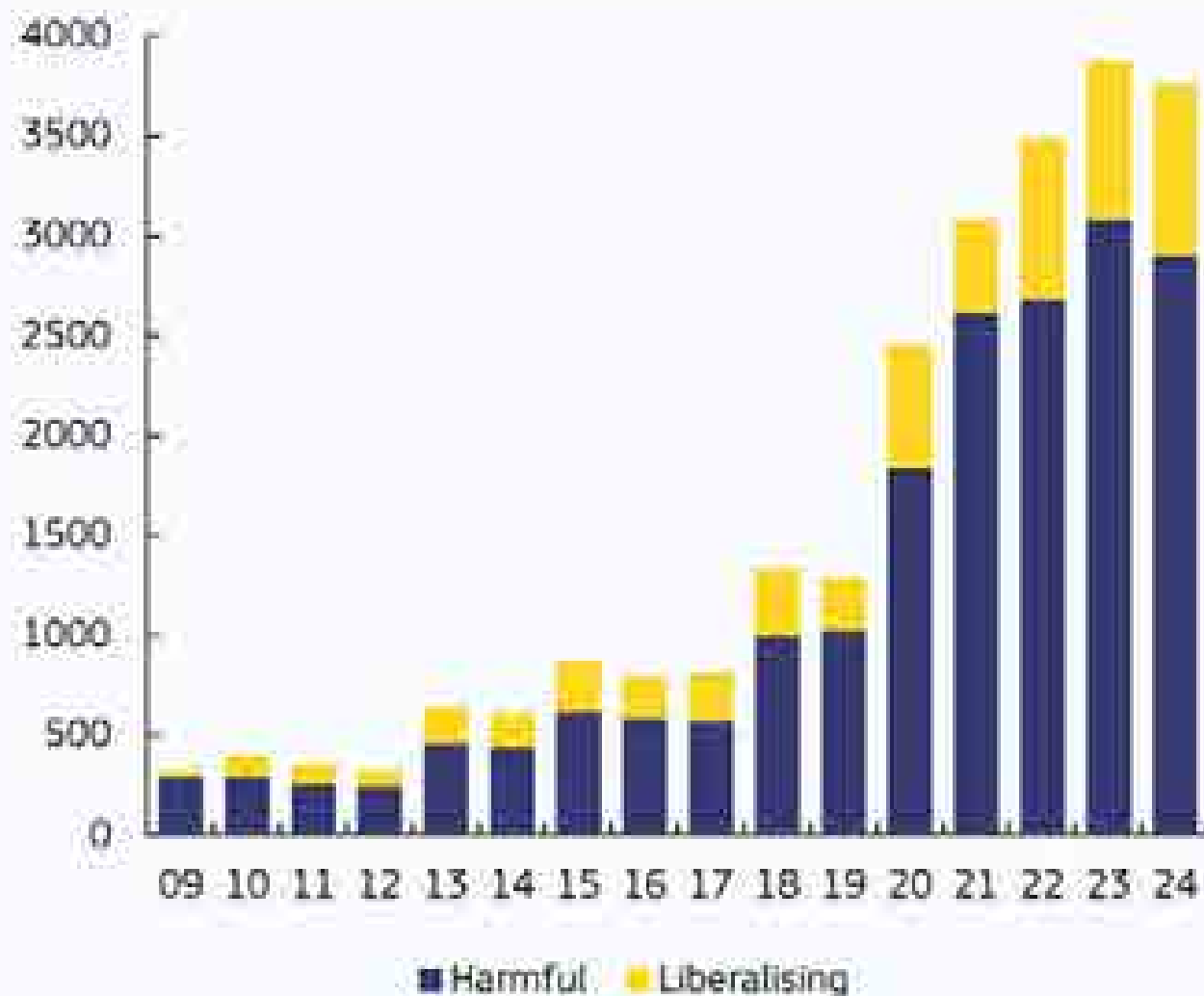
Even beyond global security considerations, multilateralism appears set to endure its most difficult period since the founding of the UN in 1945. Over the next two years, more questions are likely to be asked by national governments about the roles and priorities of key multilateral institutions, and there could be constraints placed on their funding. The outlook for this broader weakening of multilateralism is associated with declining global budgets for humanitarian aid

**CUSTOMS DUTY**

Once upon a time, it never really existed a world of «free trade»...



Graph 1: New trade policy interventions

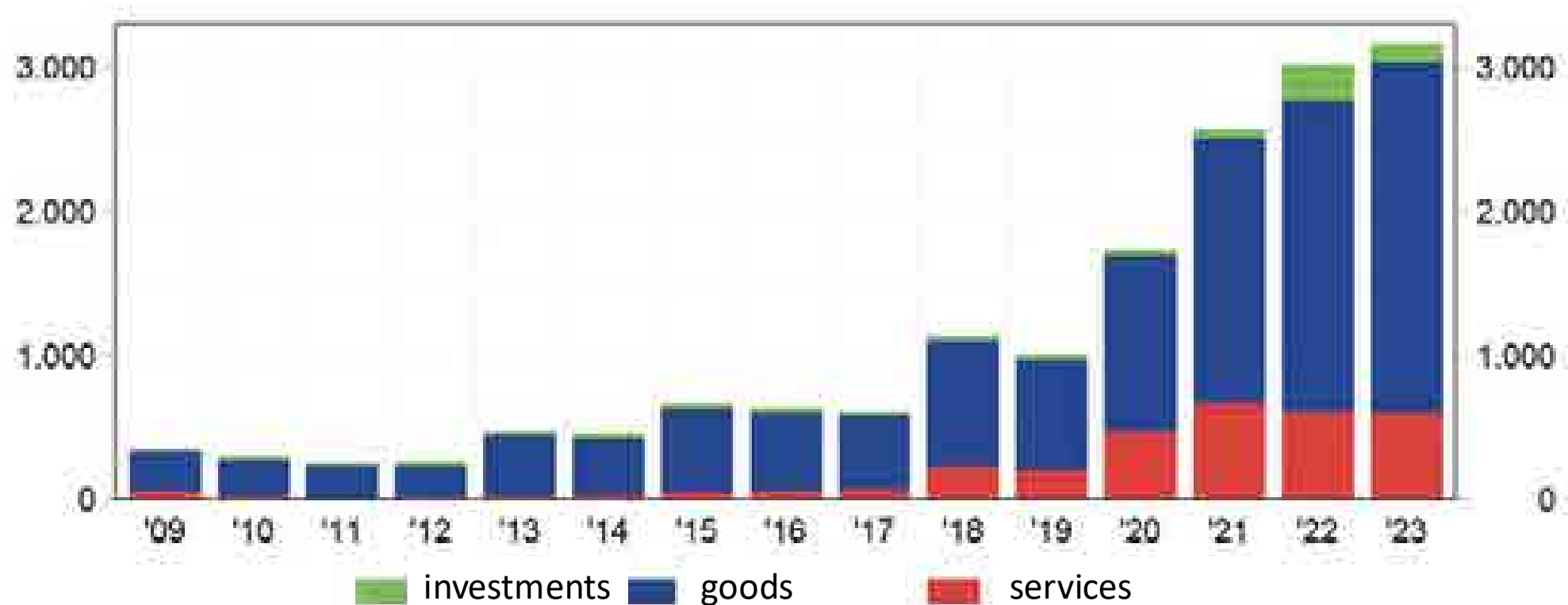


**More than 10.000  
harmful interventions  
on trade just in the  
last 4 years**

**Source:** <https://www.globaltradealert.org/>



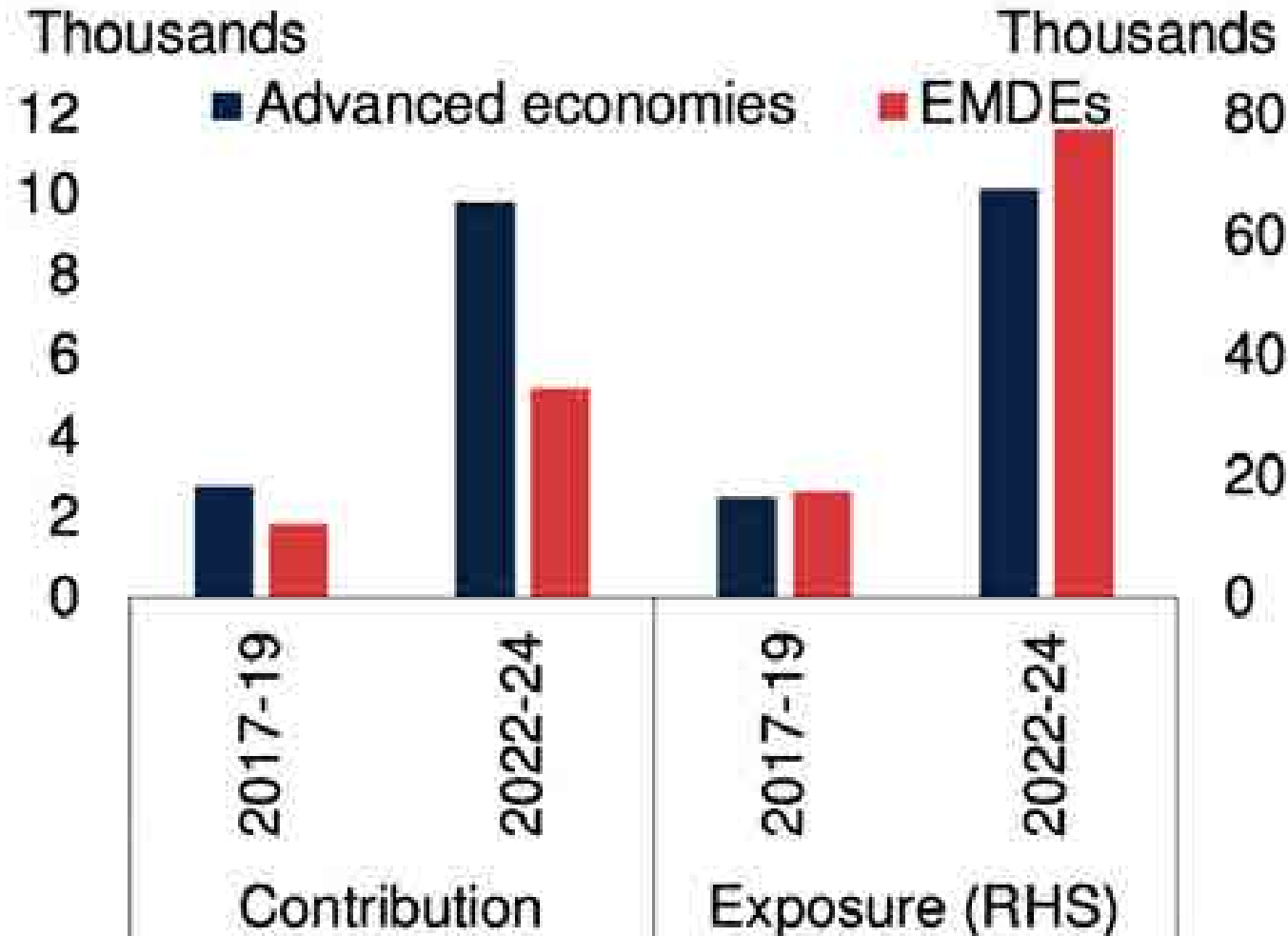
# Unilateral commercial and investment restrictions at global level have tripled



Fonte: Global Trade Alert.

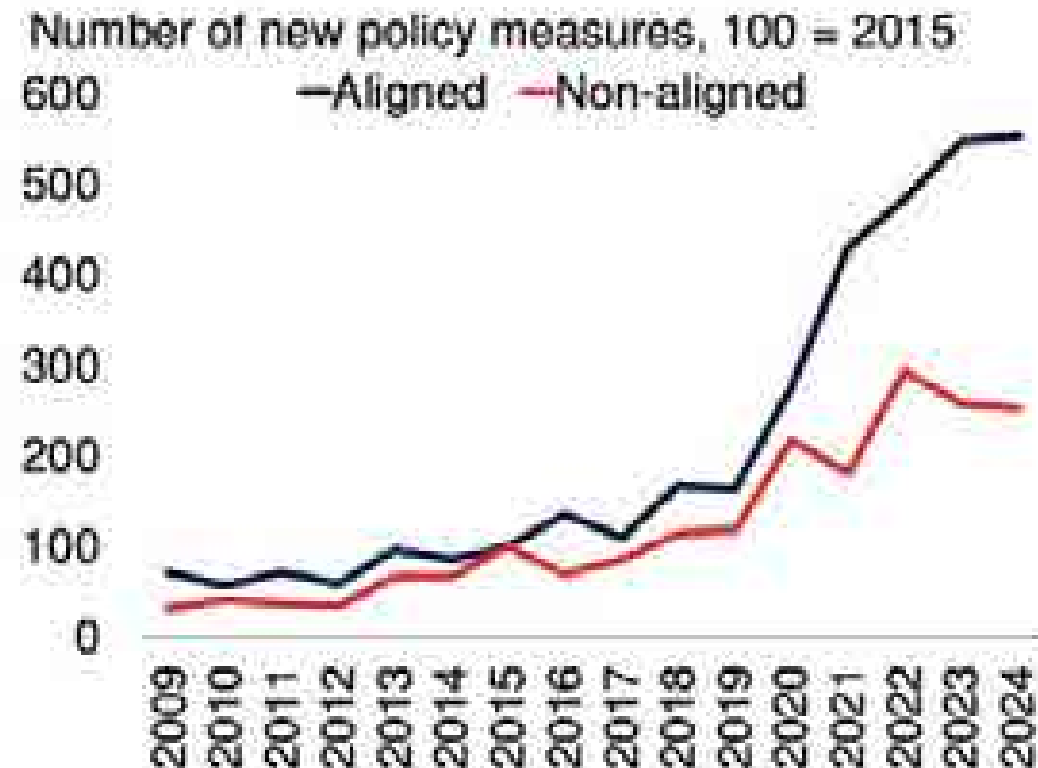
(1) Modifiche unilaterali nel trattamento relativo degli interessi commerciali esteri rispetto a quelli nazionali. I dati si riferiscono sia ai flussi commerciali sia agli investimenti esteri diretti.

## A. New trade-distorting policy measures

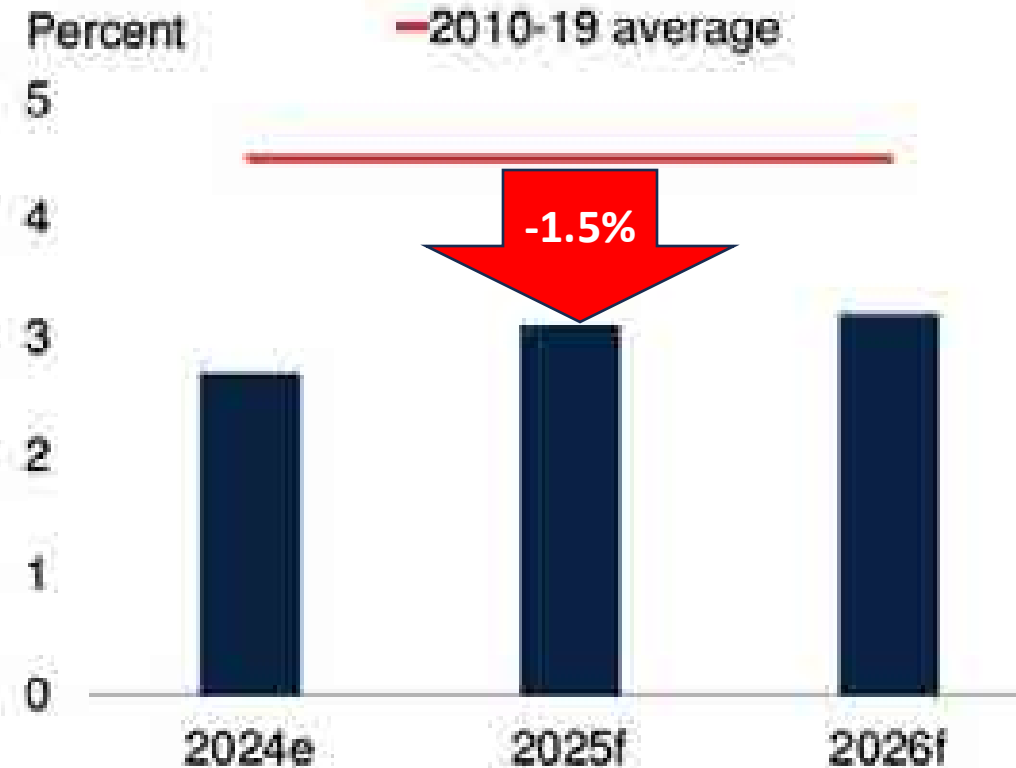


**Neo-mercantilism:  
Advanced Economies  
are imposing 2x tariffs  
than Emerging  
Economies, impacted  
by approx 80.000 trade-  
distorting policies**

### C. Trade-distorting policy measures, by UN voting alignment

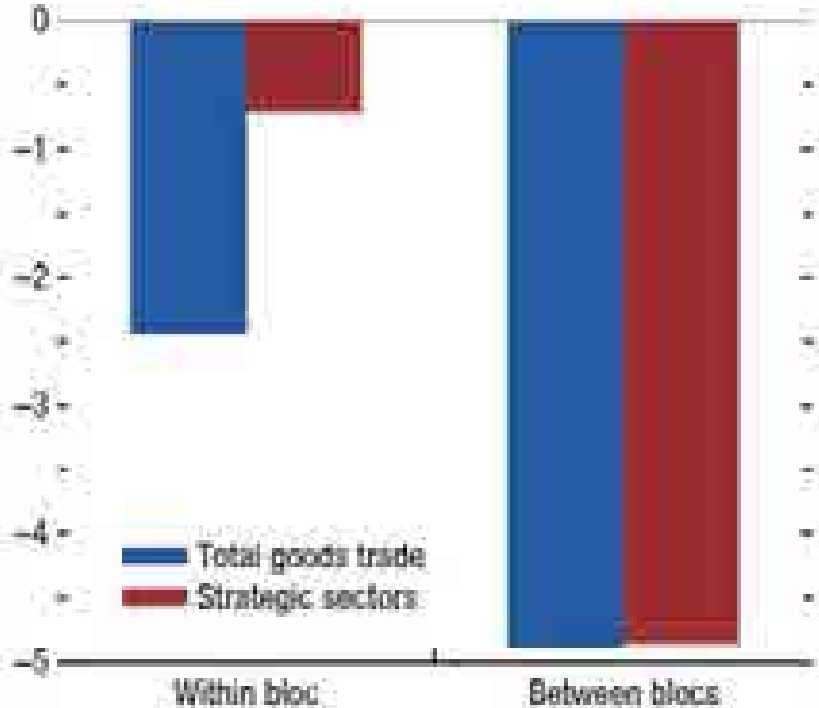


### D. Global trade growth



Sources: Aiyar, Malacrino, and Presbitero (2024); Bailey, Strezhnev, and Voeten (2017); CPB Netherlands Bureau of Economic Policy Analysis; Global Trade Alert (database); Haver Analytics; World Bank.

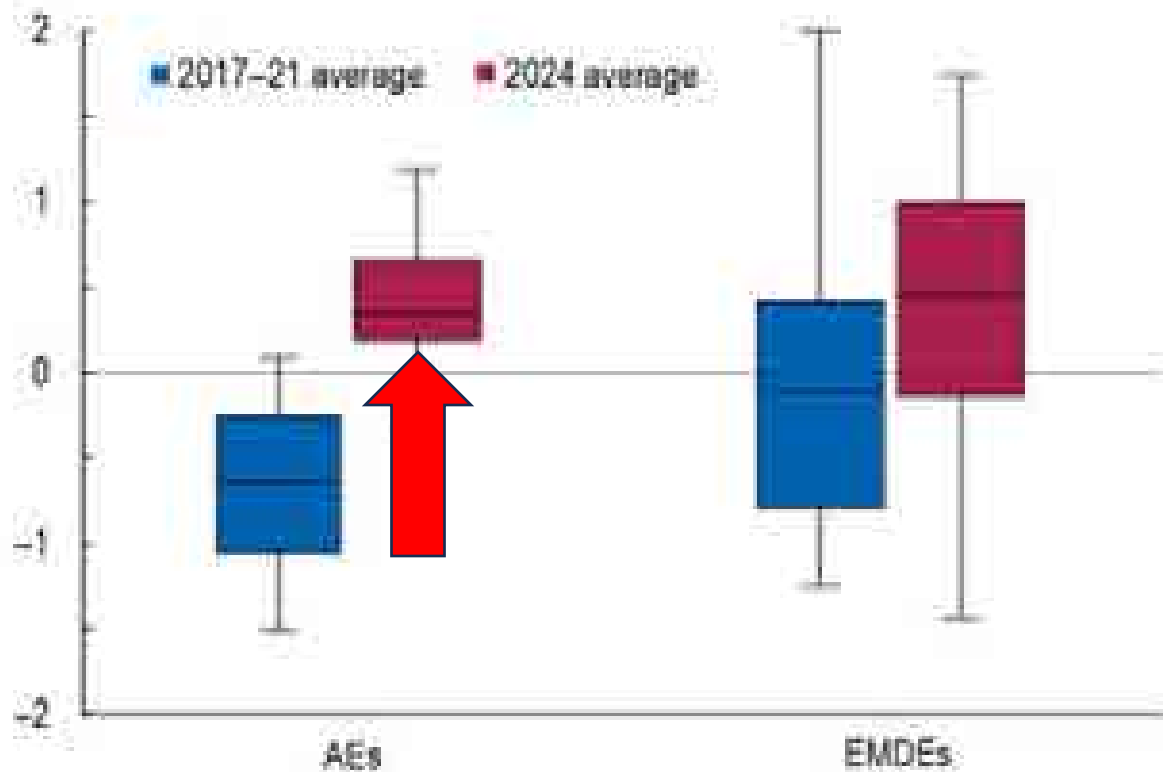
**Figure 1.1.1. Fragmentation Affecting Trade**  
(Percentage points; difference in trade growth before and after war)



Sources: Trade Data Monitor; and IMF staff calculations.  
Note: Bilateral quarterly growth rates are computed as the difference in log bilateral trade averaged using weights equal to the bilateral nominal trade. Strategic sectors include the following Harmonized System two-digit chapters: 28, 29, 30, 38, 84, 85, 87, 88, 90, and 93. Before the war is between 2017:Q1 and 2021:Q4. The bloc definition is based on a hypothetical bloc comprising Australia, Canada, Europe, New Zealand, and the US and a hypothetical bloc including China, Russia, and countries siding with Russia during the March 2, 2022, UN General Assembly vote on the war in Ukraine. Other countries are considered nonaligned.

# Geopolitical fragmentation and global trade

**Figure 3. Cross-Country Inflation Expectations**  
(Percentage point deviation from target, next 12 months)



Sources: Central bank websites; Consensus Economics; Haver Analytics; and IMF staff calculations.

Note: The horizontal lines in the middle of the boxes are the medians, and the upper (lower) limits of the boxes are the third (first) quartiles. The whiskers show the maximum and minimum within a boundary of 1.5 times the interquartile range from the upper and lower quartiles, respectively. AEs = advanced economies; EMDEs = emerging market and developing economies.

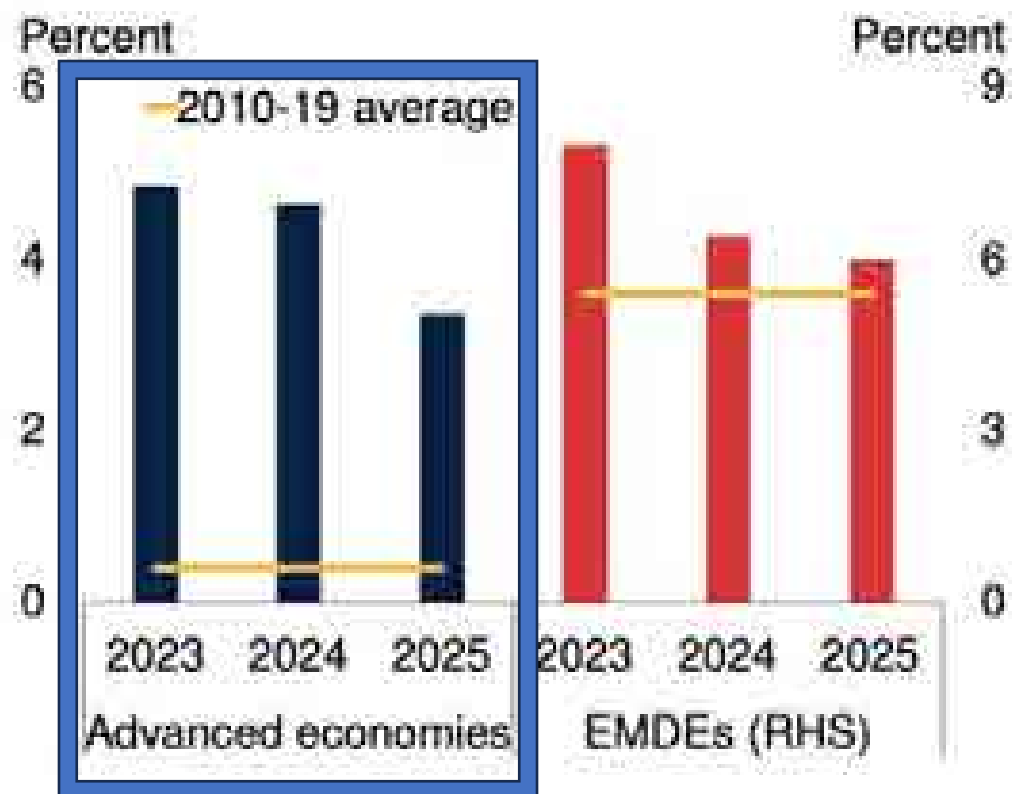
The magnitude of the inflationary effect from tariffs is especially uncertain. While recent empirical studies find high pass-through to import prices, estimates of pass-through to consumer prices are lower and subject to significant uncertainty. Nevertheless, compared with what took place in earlier episodes of trade disputes, several factors suggest that upside risks to inflation from tariff hikes could be higher this time.

**First**, the global economy is coming out of the most significant inflation surge in recent memory. Inflation expectations, especially in many advanced economies, are farther above the central bank target today than in 2017–21 (Figure 3).

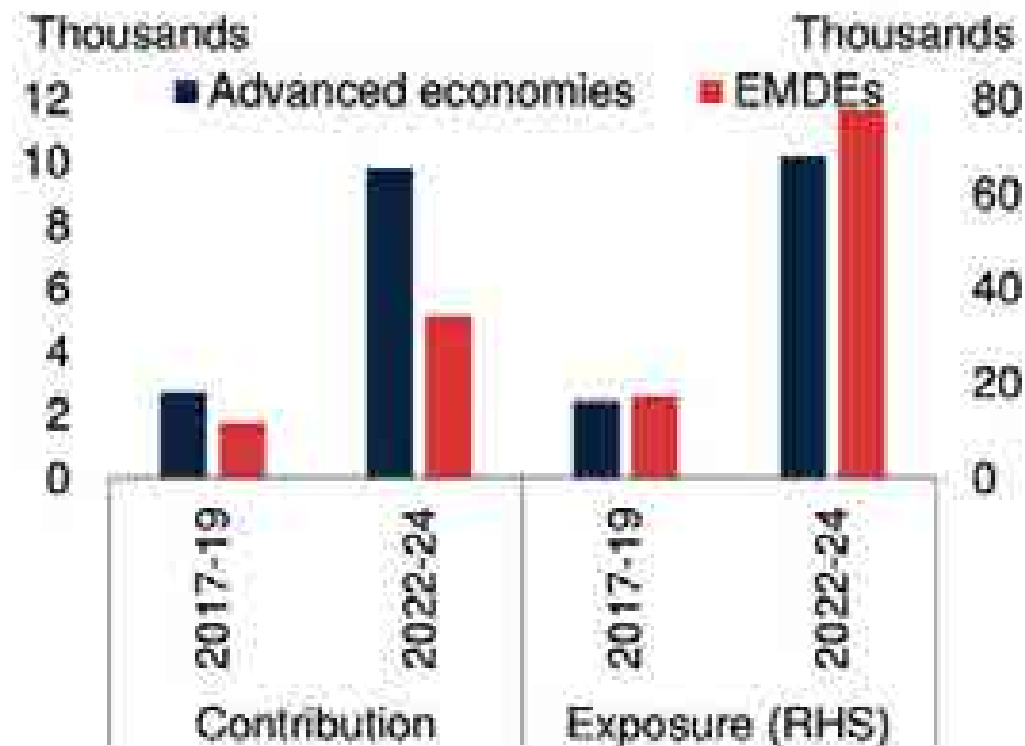
**Second**, the cyclical positions of many major economies are more conducive to higher inflation today than in 2016.

**Third**, retaliation in the form of restrictions on specific, difficult-to-substitute materials or intermediate goods may have an outsized impact on aggregate inflation.

## E. Policy rates in advanced economies and EMDEs



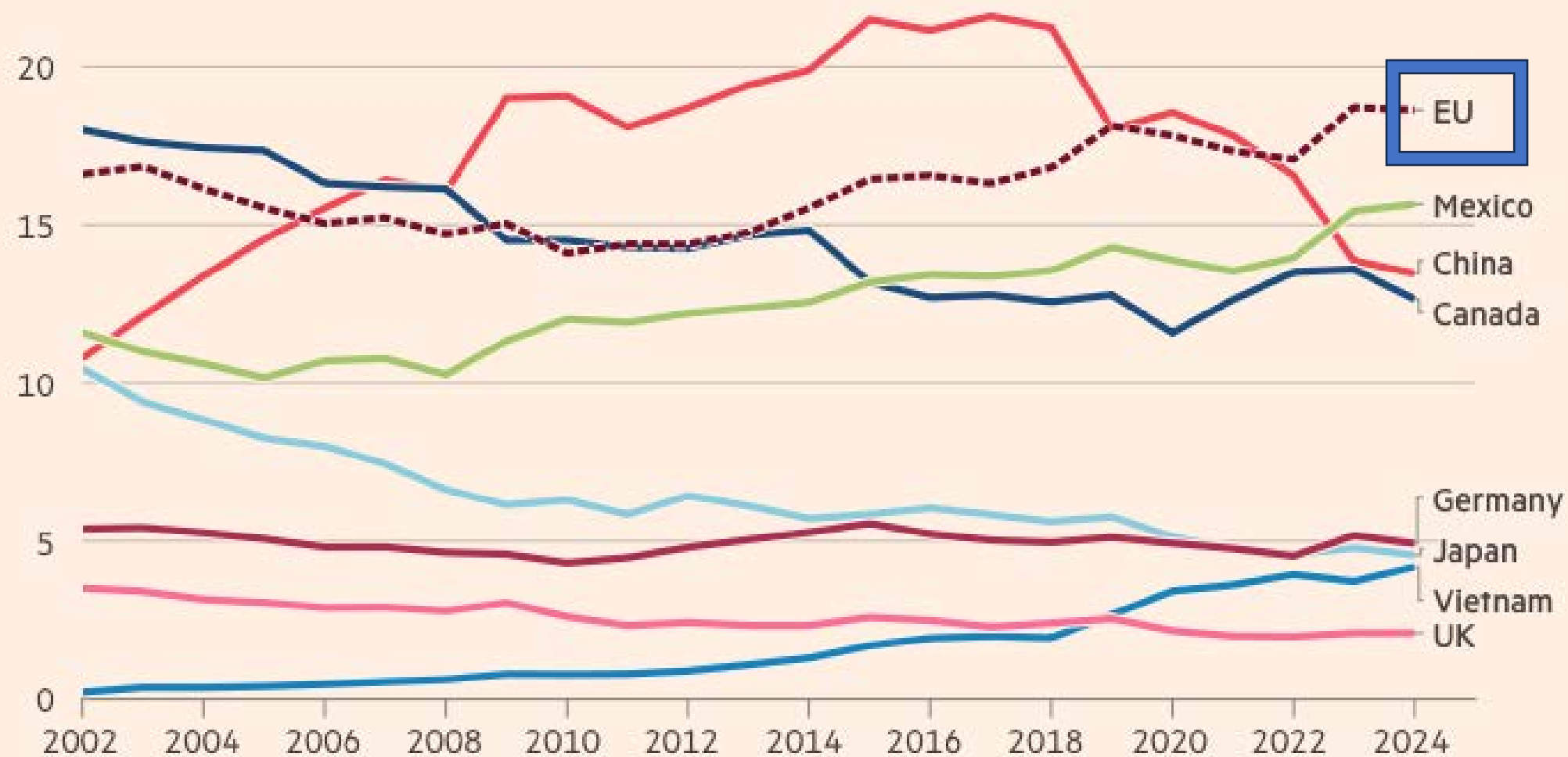
## F. New trade-distorting policy measures



Sources: Bloomberg; Consensus Economics; Global Trade Alert (database); Haver Analytics; International Energy Agency (IEA); World Bank.

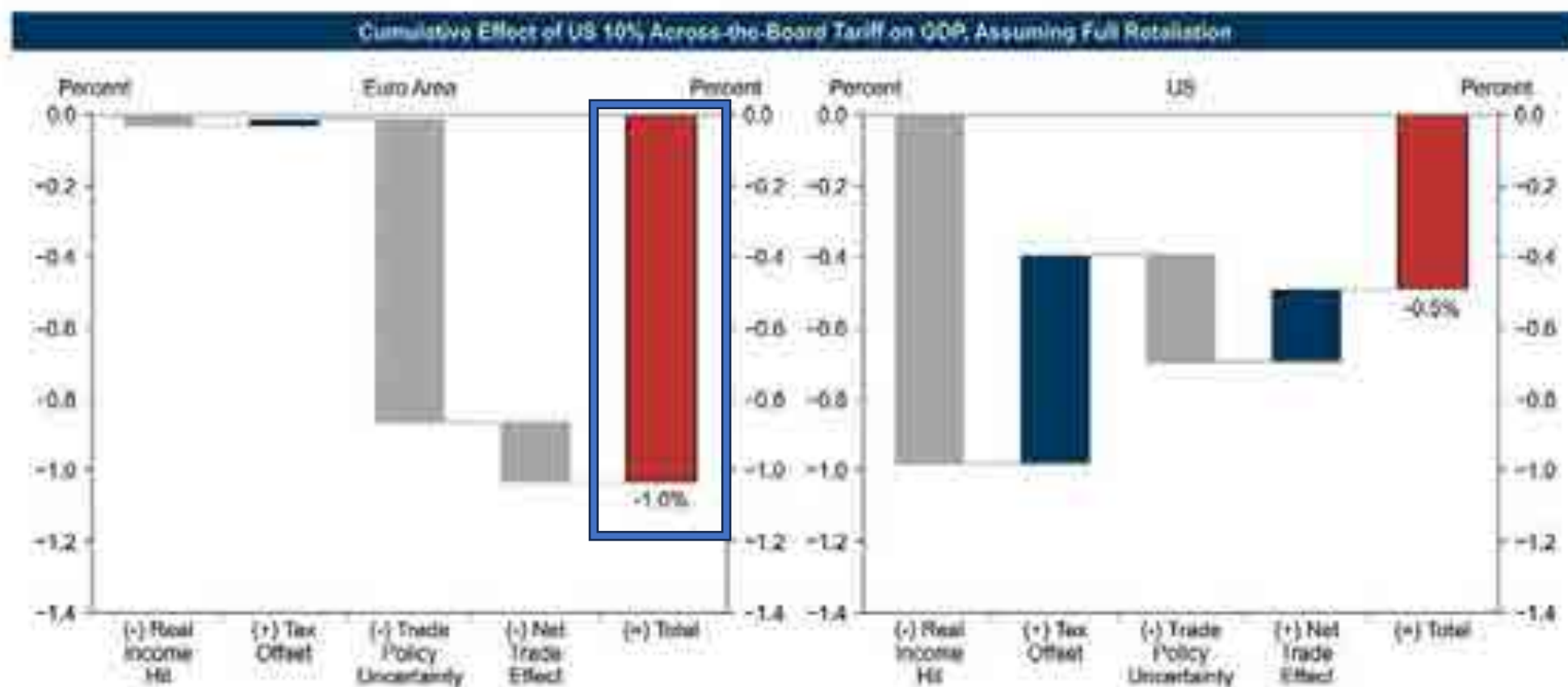
Note: AEs = advanced economies; avg. = average; e = estimate; EMDEs = emerging market and developing economies; f = forecast; RHS = right-hand scale. Unless otherwise indicated, aggregates are calculated using real U.S. dollar GDP weights at average 2010-19 prices and market exchange rates.

# Share of all US goods imports (%)\*

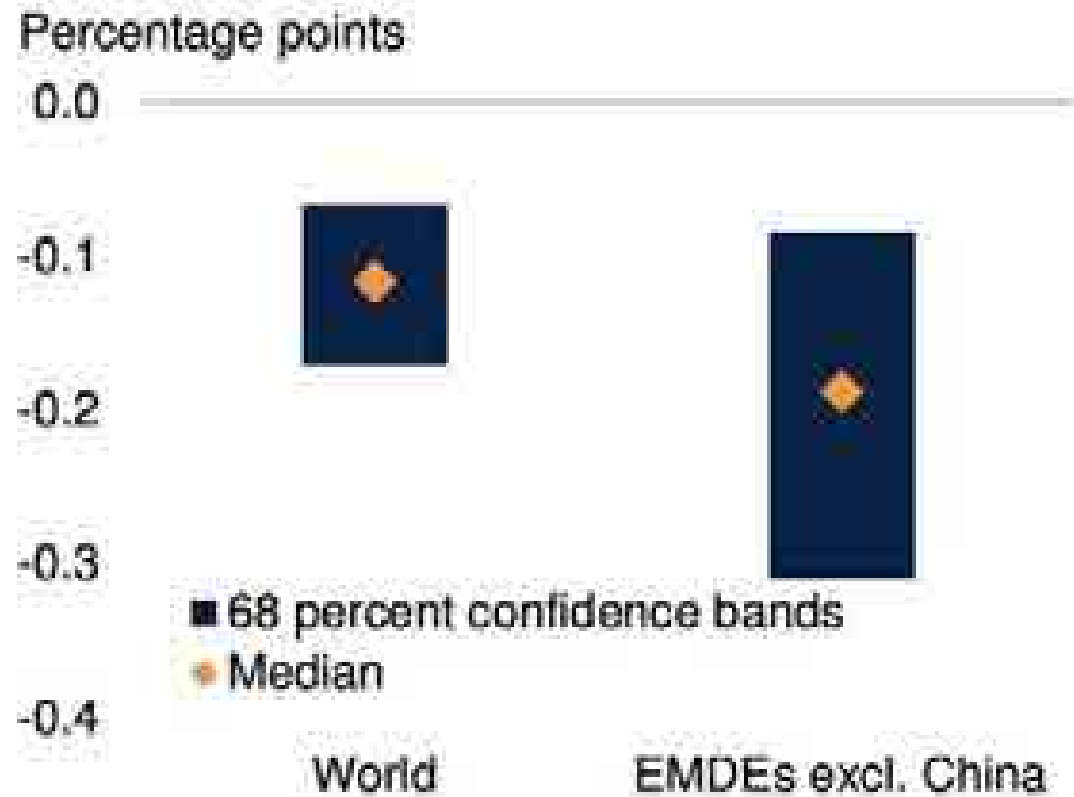




# Proposed Tariffs Would Likely Lower GDP by More in the Euro Area than the US



### A. Cumulative impact of a 10 percent rise in global economic policy uncertainty on output growth



### B. Impact of a 10-percentage-point increase in U.S. tariffs on global and EMDE growth

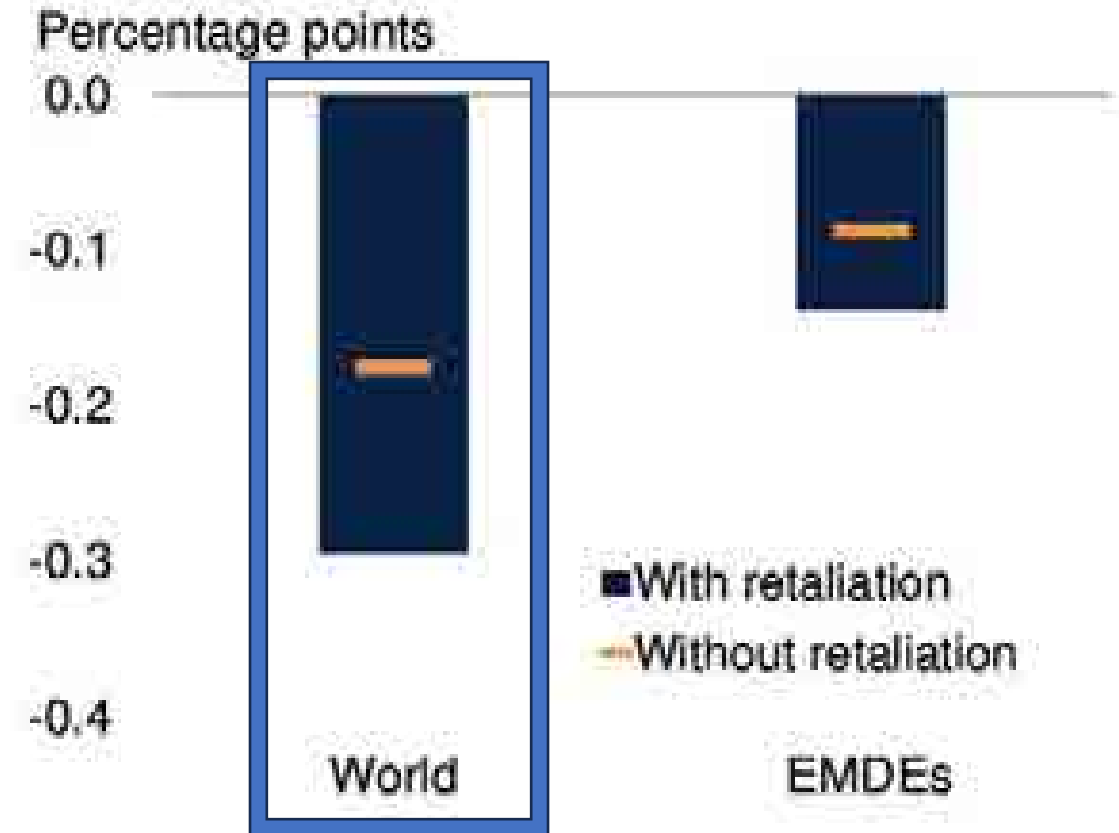
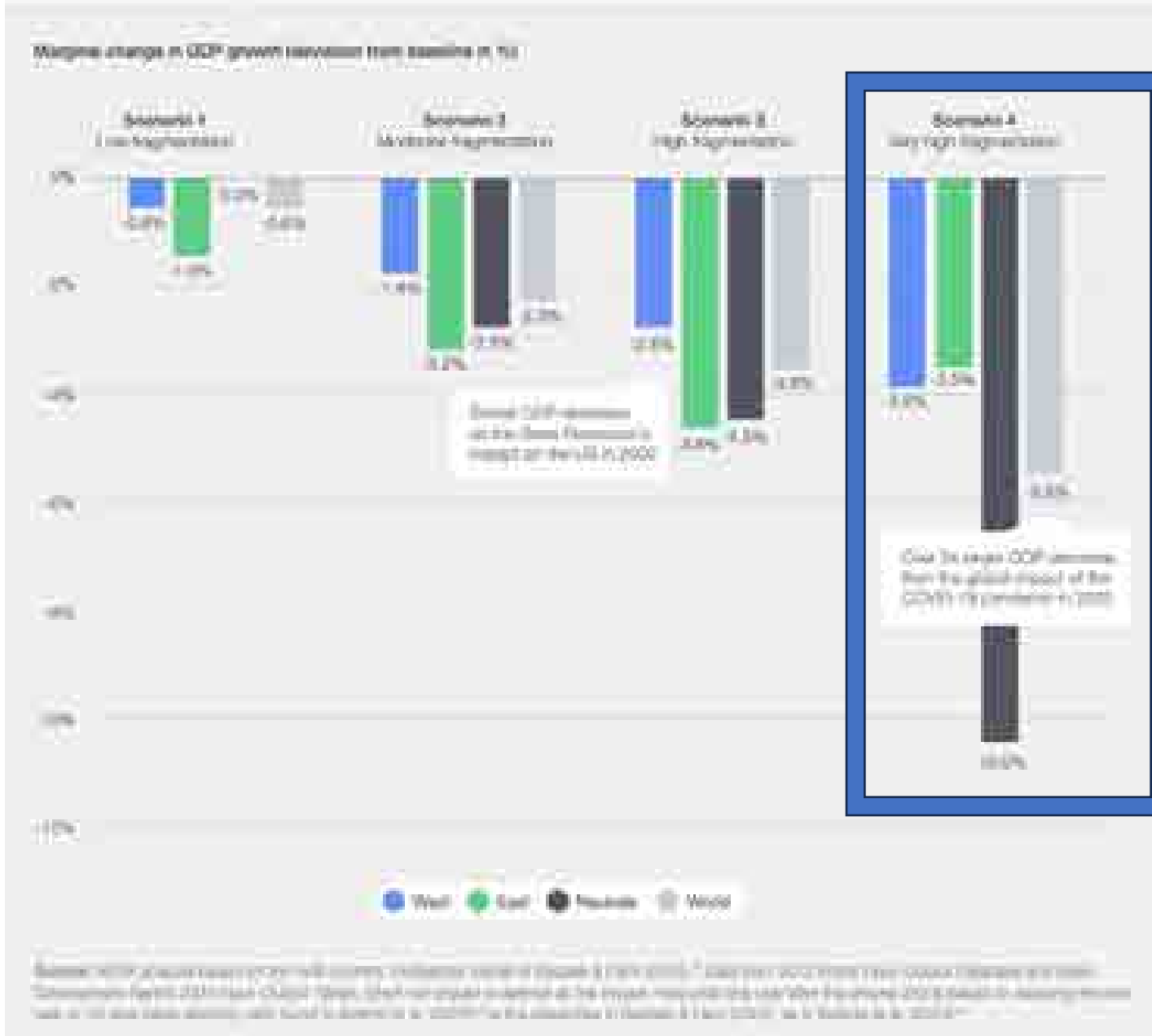


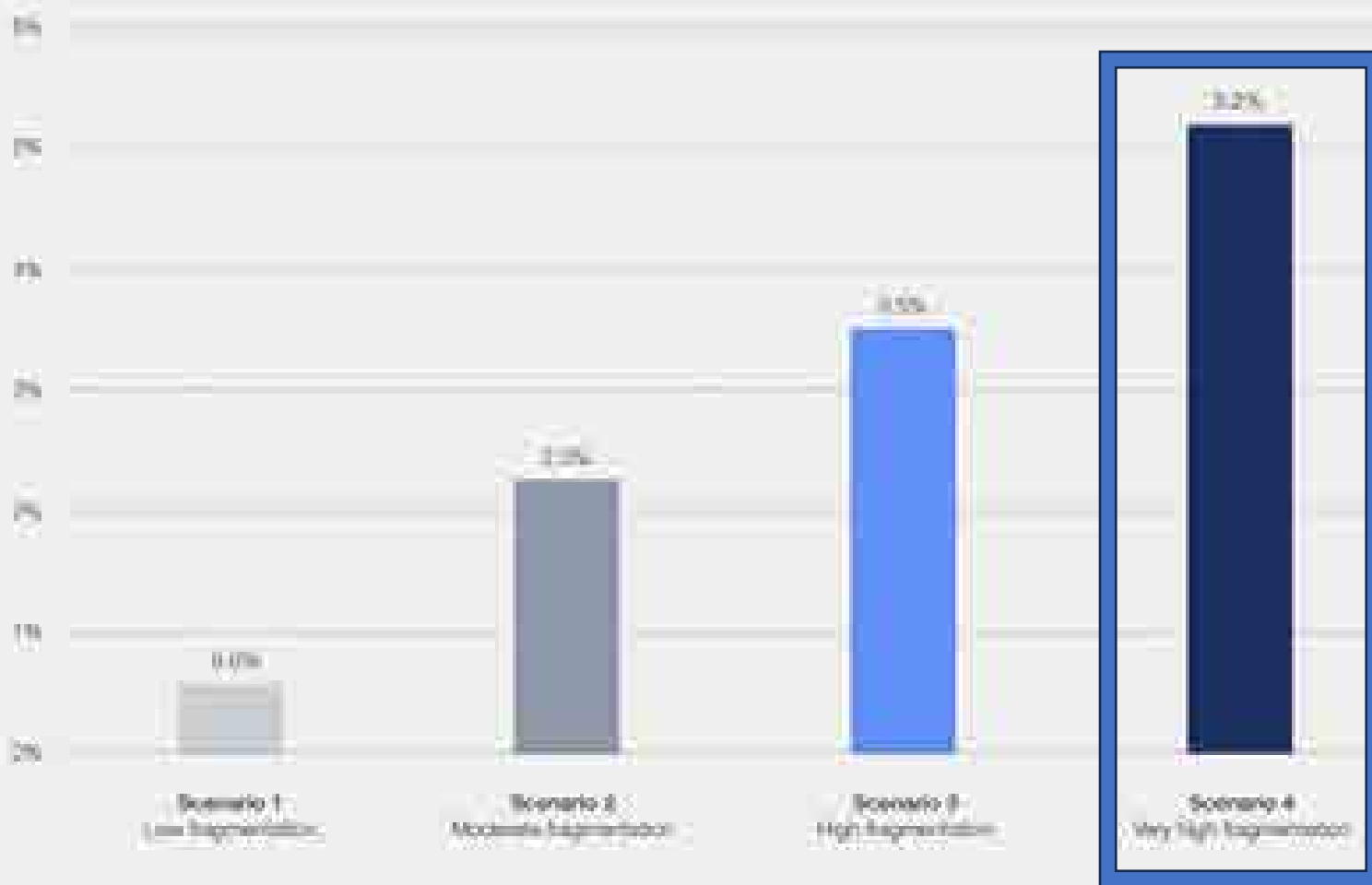
FIGURE 7

Short-run impact of financial fragmentation on gross domestic product across geopolitical blocs



**Very high fragmentation will have 2x larger GDP decrease than the COVID-19 pandemic**

FIGURE 8 Short-run impact of geoeconomic fragmentation on global inflation



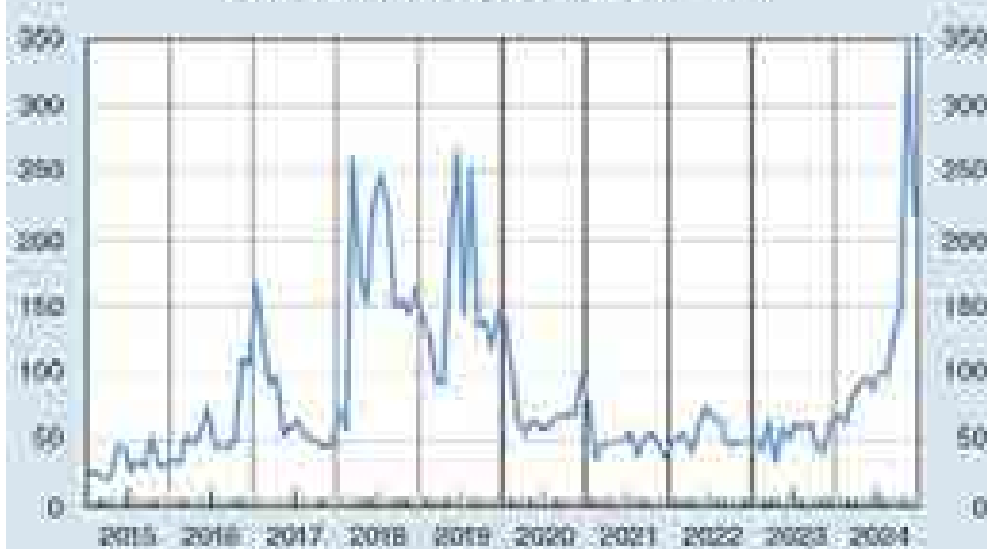
**Very high fragmentation will have up to 5.2% marginal impact on global inflation**

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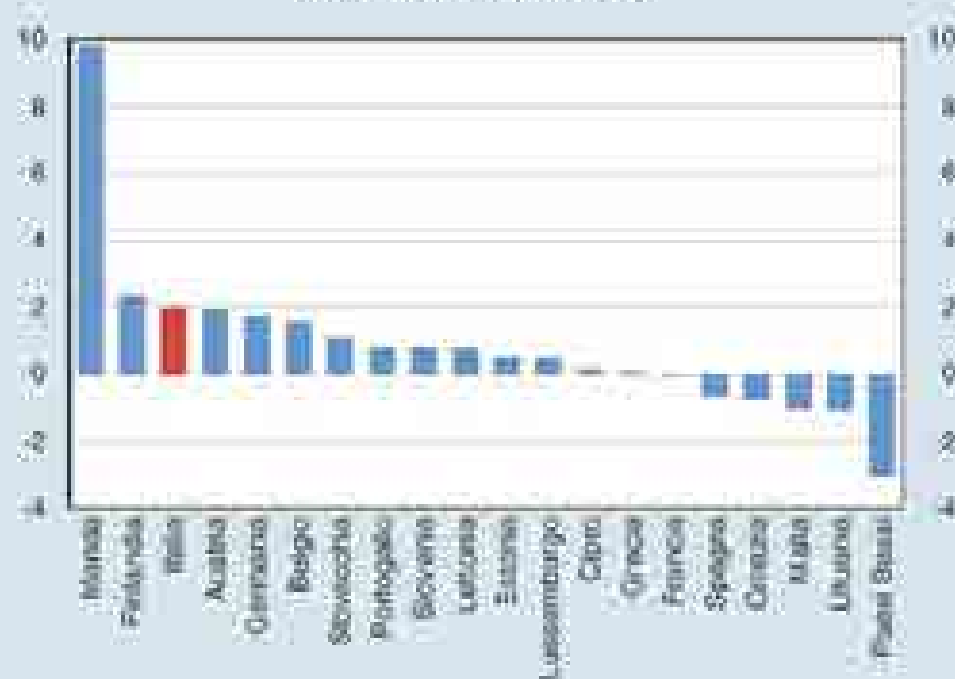
# US Tariffs: Italy is at maximum risk

## Incertezza sulle politiche commerciali e saldo bilaterale del commercio di beni con gli Stati Uniti

(a) indicatore di incertezza sulle politiche commerciali  
(numero indice, gennaio 2021 = 100)



(b) saldi bilaterali del commercio di beni con gli Stati Uniti  
(in percentuale del PIL)



Fonte: trade policy uncertainty index ed elaborazioni su dati Eurostat di bilancia dei pagamenti relativi al 2023.

# Italian SMEs are the most exposed to tariffs: 27% of their exports go to the US market



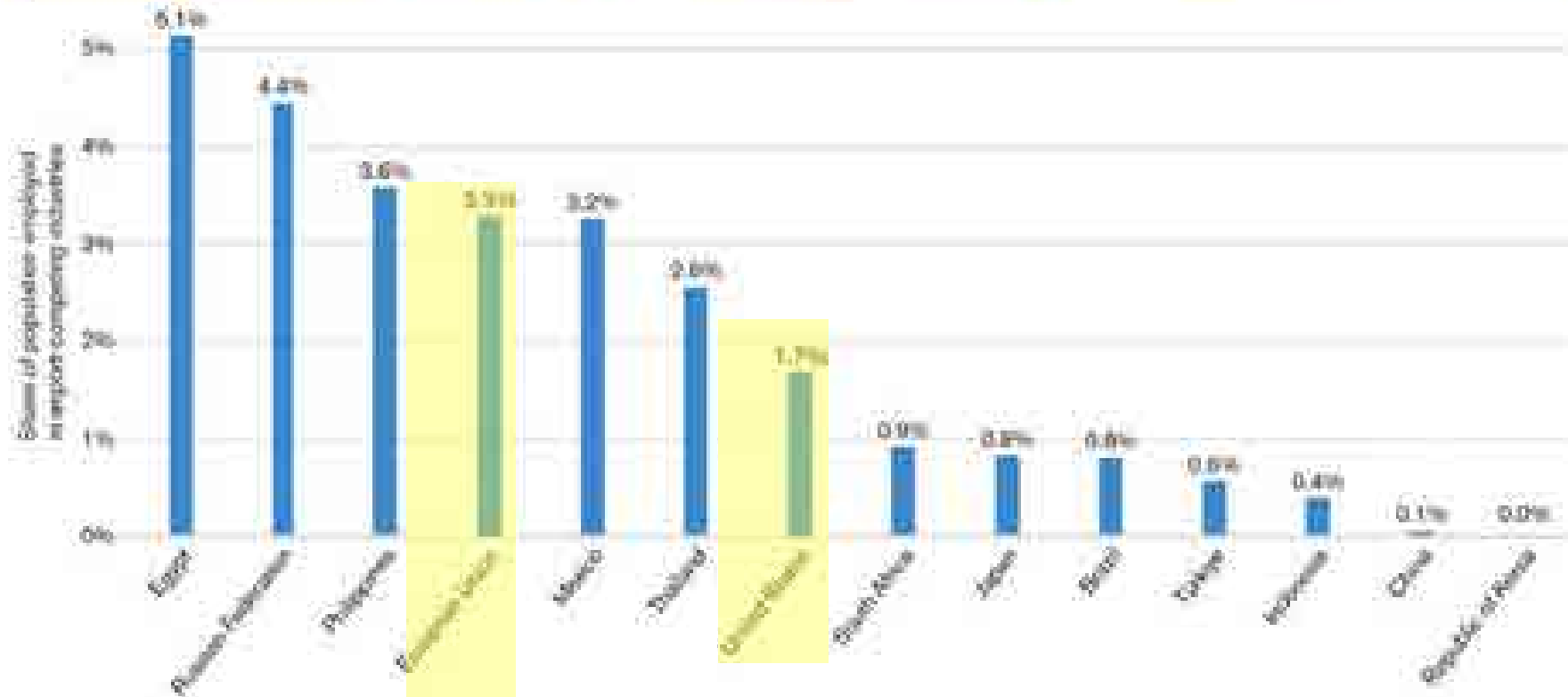
Gli Stati Uniti costituiscono un mercato di destinazione per quasi un terzo delle aziende esportatrici italiane<sup>4</sup>. Poco più della metà delle vendite verso questo paese è realizzata da grandi imprese (con almeno 250 addetti), con un'esposizione media pari al 5 per cento del fatturato e al 15 per cento delle proprie esportazioni. Per le imprese piccole e medie il mercato americano risulta relativamente più rilevante (in media, circa il 7 per cento del fatturato e il 27 per cento delle esportazioni). A questa classe dimensionale appartiene inoltre la quasi totalità degli esportatori caratterizzati da un'esposizione particolarmente elevata verso gli Stati Uniti.

In conclusione, un inasprimento dei dazi avrebbe effetti significativi sulle aziende italiane che esportano verso il mercato statunitense, soprattutto le piccole e le medie. In aggiunta agli effetti diretti, le restrizioni commerciali potrebbero colpire anche i produttori che, pur non esportando direttamente, forniscono input intermedi incorporati nei beni destinati agli Stati Uniti<sup>6</sup>. Peraltro, l'elevata incertezza sulle politiche commerciali può costituire di per sé un freno consistente agli investimenti.

# Protectionism is just baseless populism

*Only 1.7% of US workers and 3.3% of EU workers are employed in import-competing industries*

Figure C.7: Relatively limited share of workers in import-competing industries, 2019



Source: Authors' calculations, based on OECD Trade in Value Added (TIVA) and Trade in Employment databases.

Note: The figure shows the employment share in import-competing industries for selected economies with large population and available data in 2019. Import-competing industries are defined as those with gross imports exceeding 15 per cent of output, representing the top 25 per cent of industries in terms of import penetration in the database.

A large share of workers in economies at all income levels, but particularly in high income economies with large public services sectors, do not face import competition. In fact, based on data by the Organisation for Economic Co-operation and Development (OECD), the average population share affected by import competition was only 1.85 per cent in 2019 for the 14 most populous economies covered in the database (see Figure C.7), and has hardly changed relative to 1995. (WTO, 2024)



# Volume of world merchandise trade is expected to grow in 2025

Chart 1: Volume of world merchandise trade, 2015Q1-2025Q4

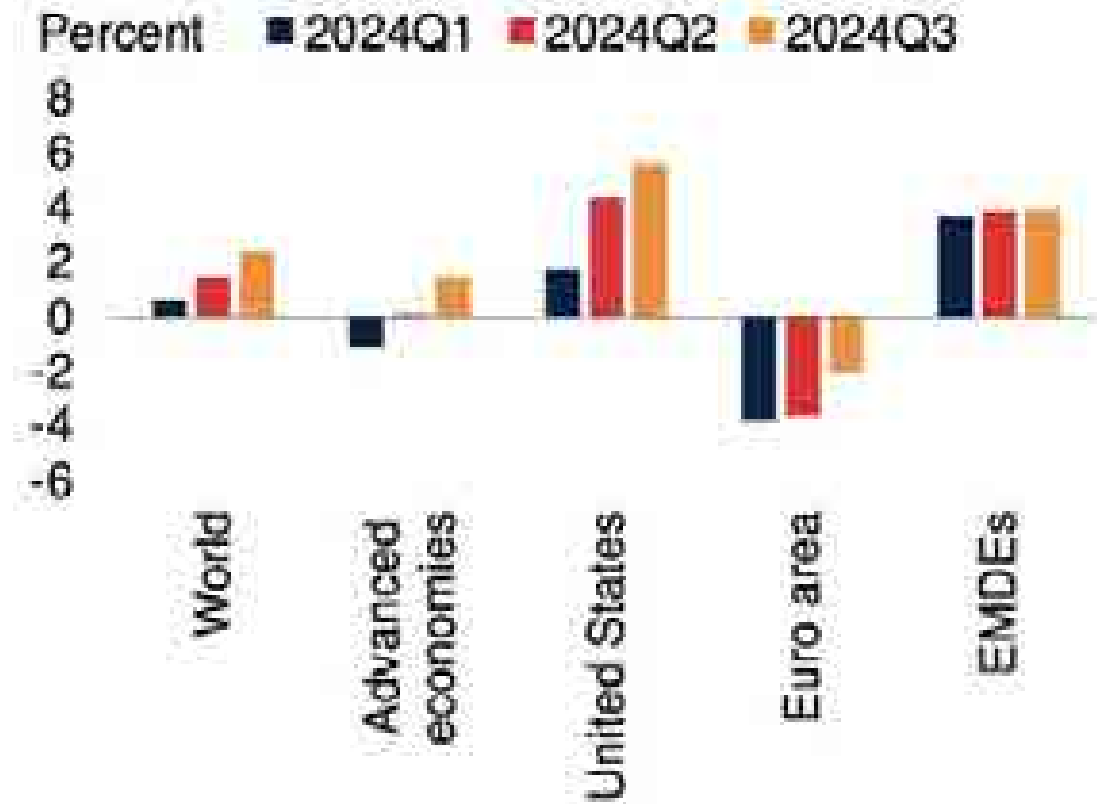
Seasonally-adjusted volume index, 2015=100



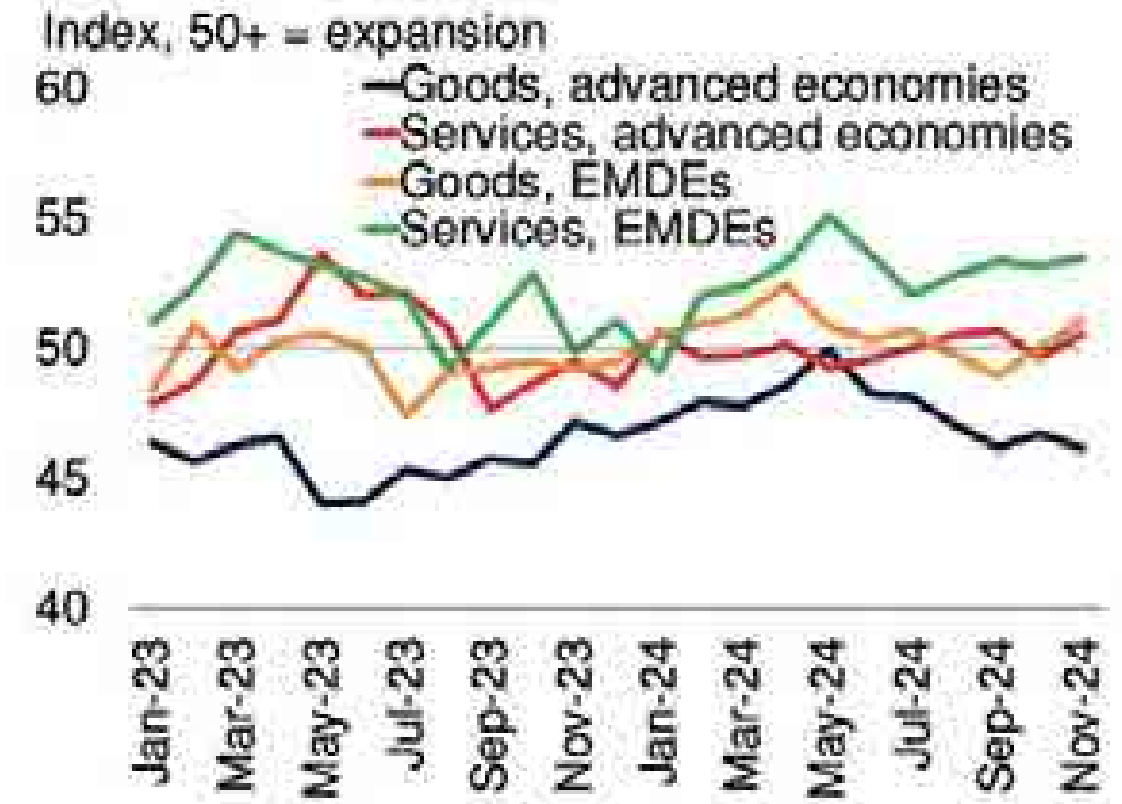
Note: The shaded region represents both random variation and subjective assessment of risk.

Source: WTO and UNCTAD for historical data, WTO Secretariat estimates for forecasts.

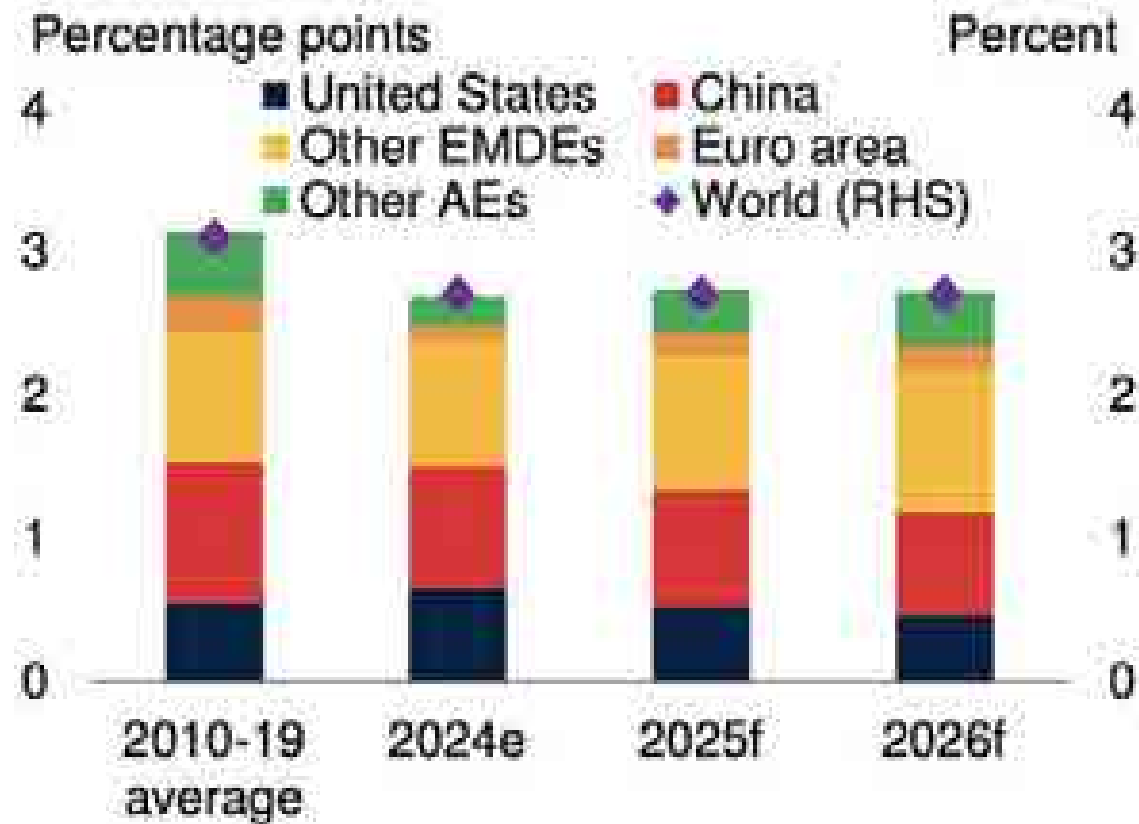
## A. Goods trade growth



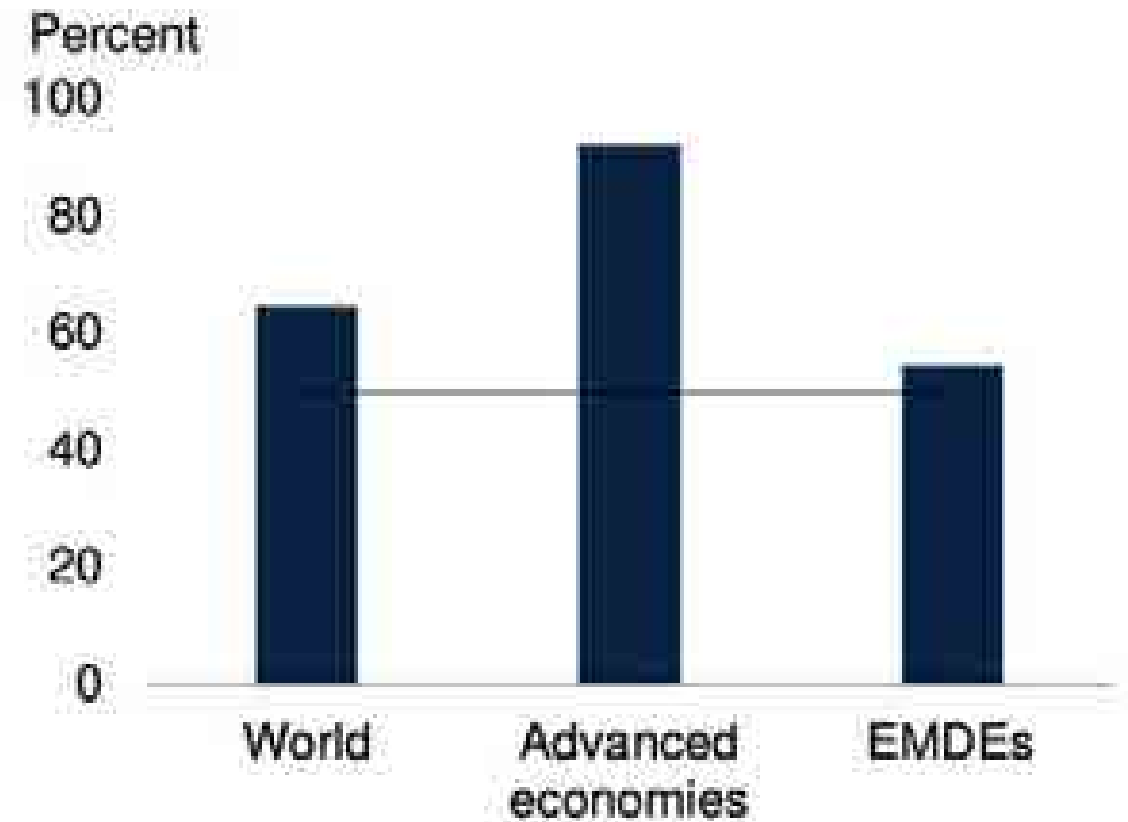
## B. Global PMI: New export orders



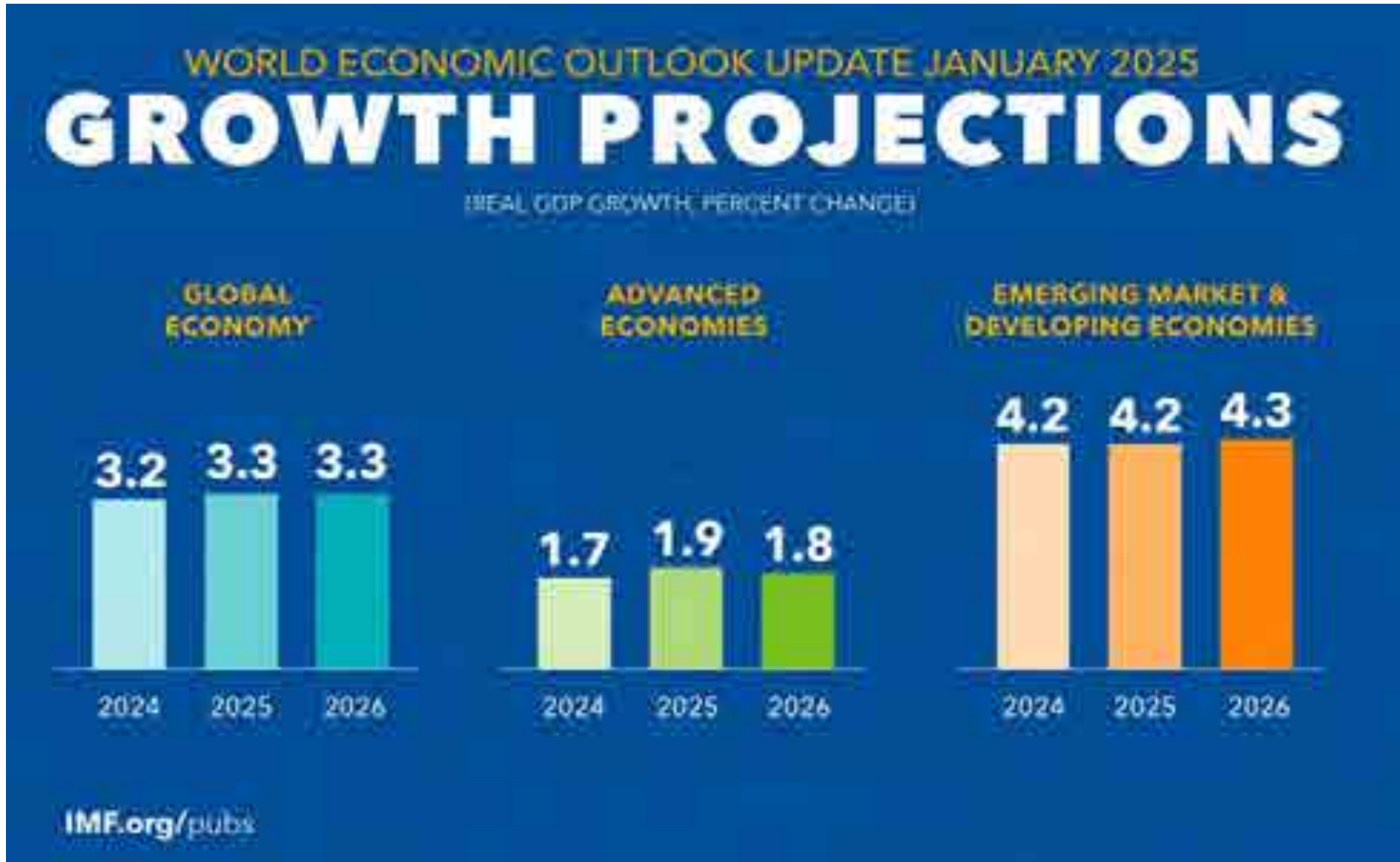
## A. Contributions to global growth



## B. Share of economies with average trade growth in 2025-26 lower than in 2010-19



# Crisis? Which crisis?



(Source: IMF, January 2025)

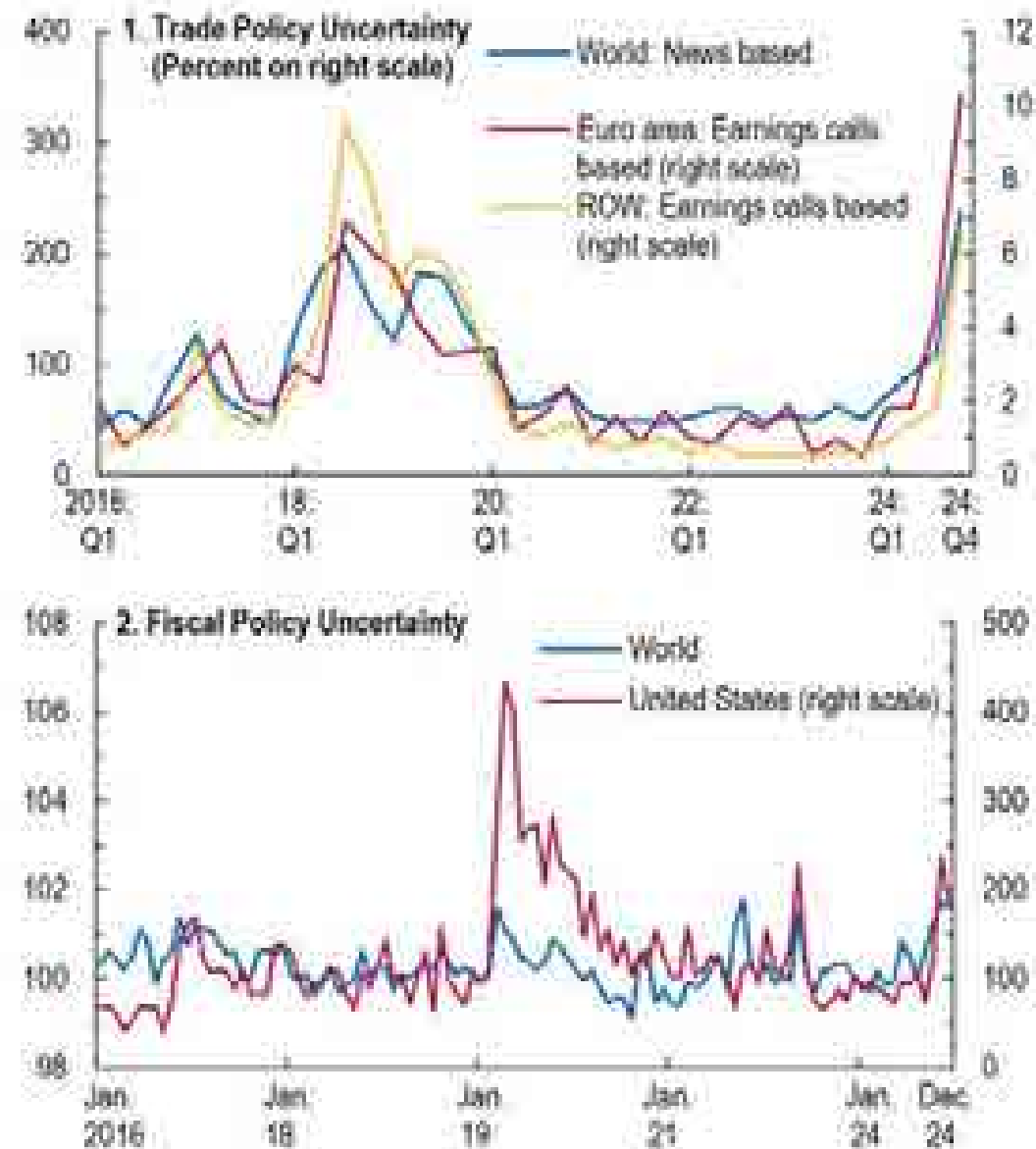
# World Economic Outlook Growth Projections

	ESTIMATE	PROJECTIONS	
(Real GDP, annual percent change)	2024	2025	2026
<b>World Output</b>	<b>3.3</b>	<b>3.3</b>	<b>3.3</b>
<b>Advanced Economies</b>	<b>1.7</b>	<b>1.9</b>	<b>1.8</b>
United States	2.8	2.7	2.1
Euro Area	0.8	1.0	1.4
Germany	-0.2	0.3	1.1
France	1.1	0.8	1.1
Italy	0.6	0.7	0.9
Spain	3.1	2.3	1.8
Japan	-0.2	1.1	0.8
United Kingdom	0.9	1.6	1.5
Canada	1.3	2.0	2.0
Other Advanced Economies	2.0	2.1	2.3
<b>Emerging Market and Developing Economies</b>	<b>4.2</b>	<b>4.2</b>	<b>4.3</b>
Emerging and Developing Asia	5.2	5.1	5.1
China	4.8	4.6	4.5
India	6.5	6.5	6.5
Emerging and Developing Europe	3.2	2.2	2.4
Russia	3.8	1.4	1.2
Latin America and the Caribbean	2.4	2.5	2.7
Brazil	3.7	2.2	2.2
Mexico	1.8	1.4	2.0
Middle East and Central Asia	2.4	3.6	3.9
Saudi Arabia	1.4	3.3	4.1

**All major countries are (slowly) growing...**

(Source: IMF, January 2025)

**Figure 1. Policy Uncertainty**  
(Index, unless noted otherwise)



Sources: Baker, Bloom, and Davis 2016; Caldara and others 2020; Refinitiv Eikon, and IMF staff calculations.

# WORLD ECONOMIC OUTLOOK UPDATE

Global Growth:  
Divergent and Uncertain



## Export market shares

(volume indices; January 2010 = 100)



Sources: CPB World Trade Monitor, Eurostat (via Haver Analytics) and ECB staff calculations.

Notes: The indicators refer to export market shares in volumes of global goods. All series are seasonally adjusted by Haver Analytics. The latest observations are for February 2024.

**China's share of export markets has increased (through dumping...?), while Europe has lost ground.**