

GLOBAL CRISIS OF XXI century

SOME POSITIVE ASPECTS

GENERAL DIMENSIONS OF GLOBAL CRISIS IN SECOND DECADE OF XXI CENTURY

1. FINANCIAL TURBULENCES government debt ,inflation
2. USA – CHINA TRADE WAR growing protectionism
3. COVID19 PANDEMIC supply chain disruption, free labour flow BLOCKED
4. UKRAINA WAR energy resources limitations, transport roads breaking

POLYCRISIS

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S&P **POLYCRISIS** recognition

Commercial Impacts of the Geopolitical Landscape

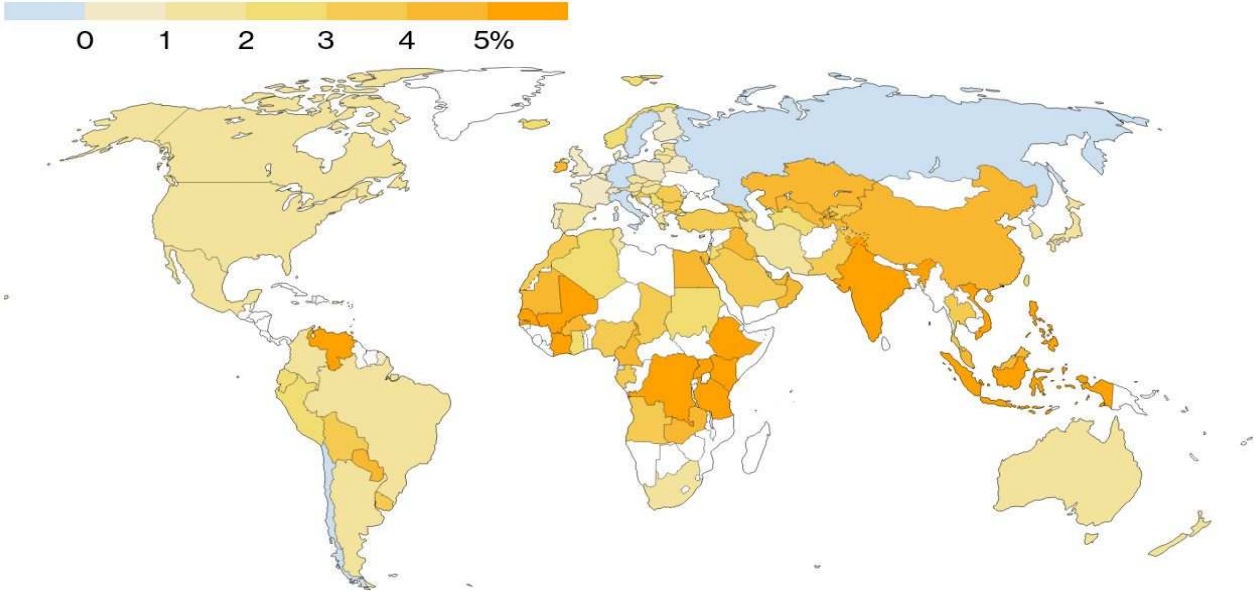
HOWEVER DIFFICULT FOR ALL ACTORS IN GLOBAL
ECONOMY;
IT REVEALS SOME OPPORTUNITIES AND WINNERS

• ACTORS

- **GOVERNMENTS, STATES, REGIONS- generally growing role of state**
 - (expectations during covid, foreign trade protectionism, subsidising businesses and individuals *this refers to pandemic and trade war , also Ukraine war*)
- **BUSINESSES AND EMPLOYERS** -Subsidies for certain sectors of economy (medicine , IT – microchip industry)
- **Workers (EMPLOYEE) in some sectors of economy-** hybrid style of work, online job, growing demand for certain profession,

IMF FORECAST

Global Economy in 2023
Annual change in gross domestic product



Source: International Monetary Fund
Note: Data for distinct economies

Bloomberg

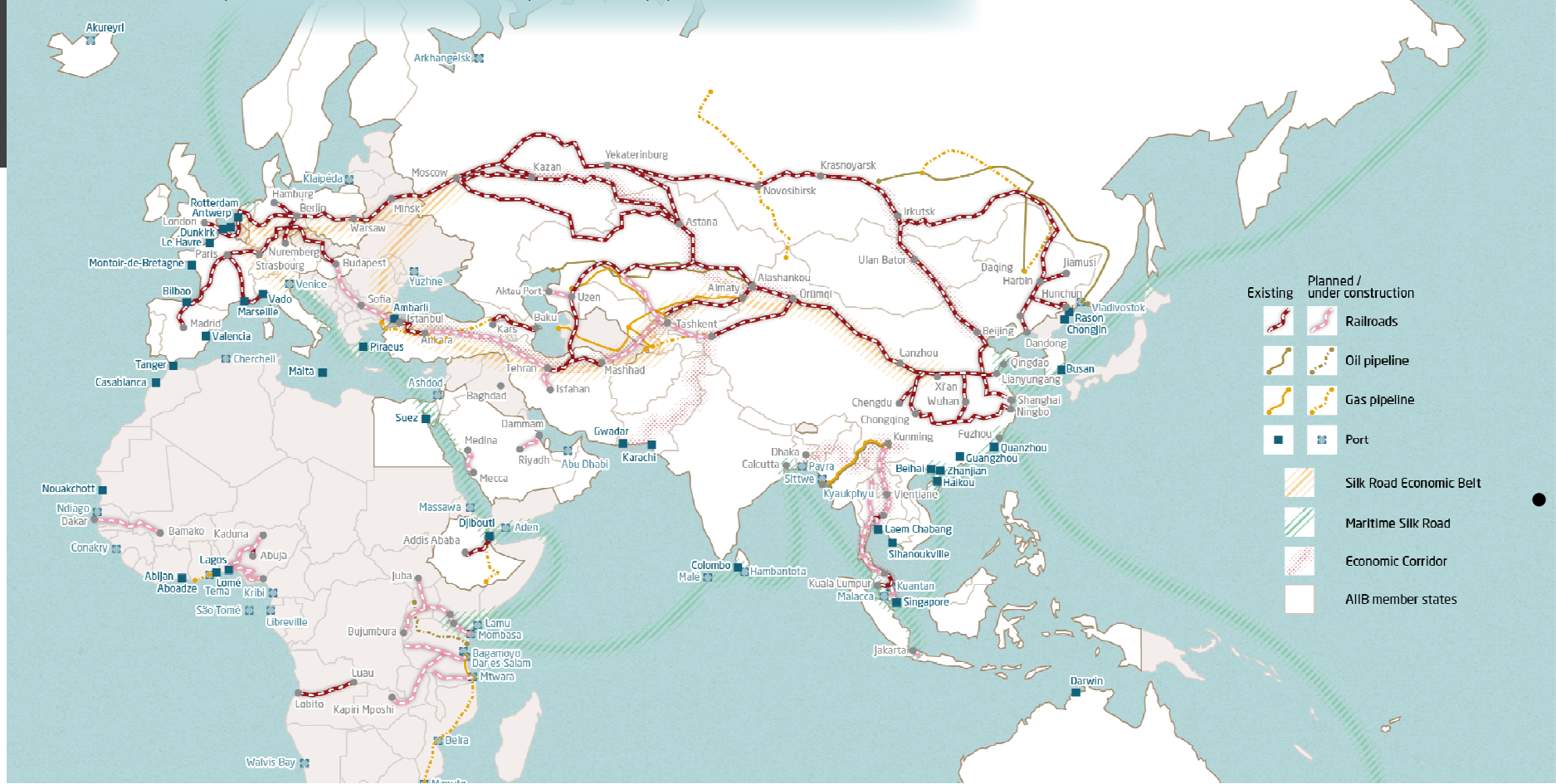
EXTRA OPPORTUNITIES

UKRANE WAR, USA-CHINA TRADE WAR

- **Advantages for chosen countries and regions because of transport roads breaking
(CENTRAL ASIA, ASEAN ,OPEC)**
- **BRI RUTES SHIFTED –**
- **China BRI (Belt and Road Initiative)-** that initiated gigantic project of infrastructure construction from China to Europe. (further on to Africa and and Middle East) now focusing on a shorter alternative route to Europe through **Kyrgyzstan and Uzbekistan that would bypass Russia.**
- **Thus creating extra advantages for all Central Asia countries and Turkey.**
- **ASEAN –VIETNAM AND INDONESIA TAKING OVER WESTERN FDI AND TRADE FROM CHINA**

The Belt and Road Initiative creates a global infrastructure network

China uses, acquires and builds railroads, ports and pipelines



Russia's War Turns Neighbouring Currencies Into World's Best

- Georgia and Armenia in the Caucasus mountains
- Tajikistan in Central Asia, are among the best performers against the US dollar after [tens of thousands](#) of Russian citizens settled there since February, bringing the equivalent of billions of dollars in savings with them.

Central Asia



EXCHANGE RATE UP IN CENTRAL ASIA

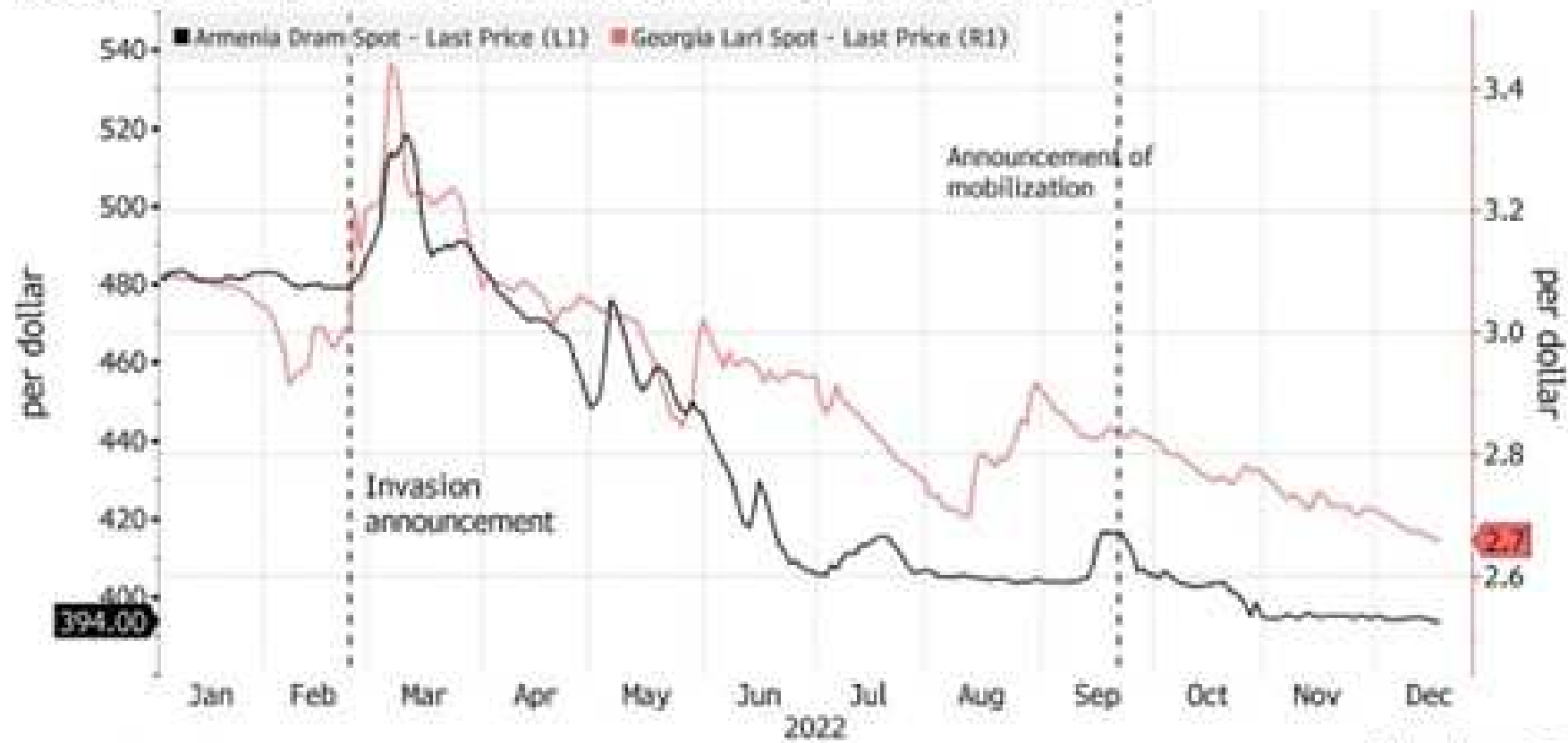
- Armenia's dram is up 22% against the dollar since the start of the year, the top gainer among currencies worldwide, data compiled by Bloomberg show.
- Georgia's lari IS UP 16%
- Tajik somoni IS stronger by more 10%,
- Russians, moving to these countries for a long time due to geopolitical issues keep their money in such currencies and push up the exchange rate

GDP GROWTH

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- For Tajikistan, money transfers surged at least 50% in the first half of the year, says BCS Financial Group, citing balance-of-payment data. That's put the landlocked nation's [economy](#) on track to **expand 7%** this year, compared with earlier predictions for 4-5%.
- The International Monetary Fund [raised](#) Georgia's full-year economic growth **forecast to 10%**, pointing to "a surge in immigration and financial inflows triggered by the war."
- Armenia's central bank lifted its GDP growth forecast to **13%** from 4.9% due to the influx of Russians

CIS Currencies Benefit From Capital Inflows

Russians fleeing war transfer money to neighboring countries



Source: Bloomberg

Bloomberg

REMITTANCES INFLOW

- The war explains the fivefold increase in remittances entering Georgia from Russia so far this year, equivalent to more than 60% of all transfers and exceeding \$1.75 billion, [according to](#) the National Bank of Georgia.
- Money transfers to Armenia [amounted to](#) \$2.8 billion in the first ten months, a near-quadrupling compared with the same period of 2021. In October, they hit the highest level since at least 2004, the Armenian central bank said.
- At the same time, the currency impact from the waves of Russian arrivals is bigger in the smaller ex-republics.
- Kazakhstan, whose population of 19 million is around 6 times that of Armenia and Georgia, has also received Russian [inflows](#) — but **the tenge** is on track to end the year with a loss of more than 7% against the dollar.

Workers opportunities

- **hybrid fashion work, online job**
- **Growing demand for certain jobs (medicine , it)**

SOME EXTRAS

FOR EXTRA RICH

- **BIGGEST MARKET FOR LUXURY GOODS**

- **MOST LUXURY YACHTS**

- **PROPERTIES**

- **ART AUCTIONS**

- Christie's, Sotheby's and Phillips have just released superlative-filled yearend reports. Christie's global sales hit \$8.4 billion, the highest annual total in art-market history, the auction house claims. Sotheby's was close behind with \$8 billion in sales, also its highest (though it comes with some major caveats) and the much smaller Phillips reported its best year ever too, with a final tally of \$1.3 billion.

USA- GDP and microchip war

USA- 1960, making up nearly 40% of global dollar gdp.

Today its share of output has fallen to 25% and

America needs friends more than ever.

Its ban on exports to China's chipmakers will work only if

the Dutch firm ASML asml and Japan's Tokyo Electron

also refuse to supply them with equipment.

Battery supply chains will likewise be more secure if

the democratic world operates as one bloc.

Yet America's protectionism is [irking allies](#) in Europe and Asia.

EMERGING ECONOMIES

- By 2050 India and Indonesia will be the world's third- and fourth-largest economies,
- that the more economic conflict proliferates, the harder it becomes to solve problems that demand global collaboration

The Impact of Wars, Tarriffs and Sanctions on GDP

- China
- Russia
- US
- World
- Italy
- Germany
- Australia
- France
- Korea
- UK
- Brazil
- Taiwan
- Japan
- RoW
- Turkey
- Indonesia
- Canada
- India
- Mexico

-6.0% -4.0% -2.0% 0.0% 2.0% 4.0%

Impact on Total Trade From Current Disruptions (Relative to Baseline)

The Uneven Impact of Covid-19 on GDP

● 2020

● 2021

● 2022

World

Advanced
economies

Middle-income
emerging market

Low-income
developing
economies