



Geopolitical Tensions and Economic Fragmentation

Matteo Maggiori

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BCC Annual Conference
Dinner speaker



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Geopolitics and Economic Coercion

NOBEL REVENGE

Norway wants China to forget about the human rights thing and eat salmon instead



G7 leaders agree to new initiative to fight economic coercion

Reuters

May 20, 2023 1:56 AM EDT · Updated 3 months ago



Ukraine conflict: What is Swift and why is banning Russia so significant?

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Press release | 6 June 2023 | Brussels

Political agreement on new Anti-Coercion Instrument to better defend EU interests on global stage

The European Parliament and the Council have today reached a final political agreement on the Anti-Coercion Instrument (ACI). This new tool will enable the EU to respond to economic coercion, and therefore to better defend its interests and those of its Member States on the global stage.

National Power and the Structure of Foreign Trade

Deny, Deflect, Deter

Countering China's Economic Coercion

AUTHORS
Matthew Reynolds
Matthew P. Goodman

A Report of the CSIS Economics Program

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US hits all of Iran's financial sector with sanctions



The CHIPS Act Is About More Than Just Chips: Here's What's in It

A sprawling new program for the semiconductor industry is foremost about national security, but it will try to address other priorities as well.

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DIPLOMACY A HAND MAID OF COMMERCIAL INTERESTS

The diplomacy of the present administration has sought to restore commercial intercourse. This policy has been characterized by sound policy and strategy, and to legitimate commercial intercourse directed to the increase of American trade upon the axis of the Government of the United States shall extend all proper measures to the benefit of American enterprise abroad. How great have been the results coupled with the maximum and minimum provision of 1

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Goldman Sachs bought UK and US companies using Chinese state funds

Deals tapped private equity 'partnership fund' that the bank set up with China's CIC



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DIPLOMACY A HAND MAID OF COMMERCIAL INTERCOURSE AND PEACE

The diplomacy of the present administration has sought to respond to modern ideas of commercial intercourse. This policy has been characterized as substituting dollars for bullets. It is one that appeals alike to idealistic humanitarian sentiments, to the dictates of sound policy and strategy, and to legitimate commercial aims. It is an effort frankly directed to the increase of American trade upon the axiomatic principle that the Government of the United States shall extend all proper support to every legitimate and beneficial American enterprise abroad. How great have been the results of this diplomacy, coupled with the maximum and minimum provision of the tariff law, will be seen by some consideration of the wonderful increase in the export trade of the United States. Because

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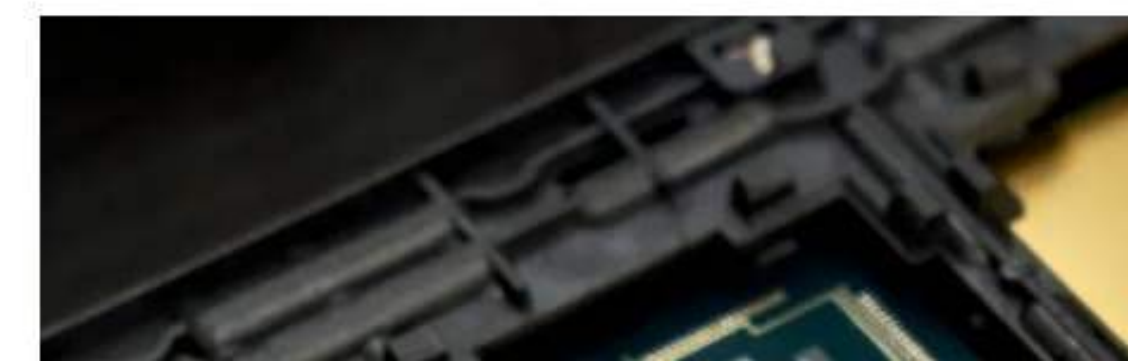
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Geoeconomics

Theory

- Input output and network structures
- Public good externalities from national security
- Limited enforceability and commitment problems
- Threats to induce good behavior
- Market power arising from strategic industries and dominant positions
- Increasing return to scale and natural world hegemons

Large Scale Data and New Facts

- Who owns what around the world
- Who trades with whom and in which goods industries
- Which industries feed into strategic public goods
- Role of the State Entities
- Offshore finance and opaque ownership
- How to measure strategic externalities

Policy Impact

- Vast policy interest: modern economics has good advice to offer
- Define the nature of externalities and the scope for government intervention
- Zero-sum versus positive sum policies. Even when positive sum, which countries benefit most
- Evidence on what is happening, systematic evaluation of policies