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Is Globalisation Dying?

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The Era of Globalisation (1980-2010)

- Fast growth in trade/FDI – esp. goods
 - Rise of China/EMs
 - Fragmentation of supply/value chains
- Global wave of progressive liberalization
 - GATT/WTO, EU SM, Nafta, China joining the WTO, market reforms
 - Stable macroeconomics
- Strong political premium on interdependence

New Era of Globalisation

- New sources of growth in economic integration
 - Data flows grow fast – changing services/VCs
 - Flows more regional than global
- Paradigm of “managed trade” returns
 - More trade/competition managerialism in services, data regulation, corporate taxation.
 - Trade “un-multilateralised”/ less rules-covered
- More sources of instability
 - Macroeconomics and Politics

And then there is this guy



Trump Trade Policy

General

- Grievance based
- Exculpatory
- Cost free

Policy

- Accepts renegotiated agreements
- Not committed to rules/predictability

Going from here...

- Europe:
 - Italy challenges FTAs (and everything else...)
 - Next Commission/Parliament – less outward oriented
- Brexit – best guess:
 - Fudge on withdrawal agreement, will pass Parliament without second referendum.
 - Future agreement – Canada+++

Is Globalisation Dying?

- No.
- New sources of growth in globalization
- More regionalisation in supply/value chains
- Stronger impulses from politics – macro and trade
- From corporate globalism to global corporatism