



A change is underway which may become the most significant monetary, geopolitical and even economical change that the world has seen in decades.

When change comes it usually means that something has to die or simply fade away. This current change is being driven by the effect of the invasion of Ukraine and accelerating changes influence both geopolitics and the capitalist mindsets that are deeply inimical to globalization. While the West is doing everything they can to basically cancel Russia from the global economic system, the Western policymakers remark that they have no intention of changing or closing down the global order.

The US and its allies account for 60% of global gross domestic product at current exchange rates; China, Russia and the autocracies amount to barely a third of that. For the first time in years the West is coming together to promote change, rather than falling apart.

This period may soon be seen as a turning point. Although a change looks certain it can still lead in several directions depending on the war and how it ends. The chances of a regime change in the Kremlin remain unlikely given Putin's popularity and terror machine.

I would comment that it doesn't matter whether China decides to side with Putin or not. What does matter, and what is the real issue, is the fact that this invasion of Ukraine has almost certainly accelerated Xi's medium-term imperative of "decoupling" and insulating China from dependence on the West.

After all, Xi has clearly focused much of his rule building a Sinocentric economic order through the Belt and Road Initiative. China has joined the 15-member Regional Comprehensive Economic Partnership (RCEP) and applied to join the 11-member Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a free-trade bloc that the US first invented, then abandoned.

The young Chinese nationalists who support Xi will certainly have a negative view of the West's sanctions and could rally to say that these are yet another powerful argument for self-sufficiency. Many would agree that China has had aspirations of invading Taiwan for a number of years. Recent events may have China seeing their significant US dollar holdings and assets as a liability since America has clearly weaponized the dollar, and shown a willingness to confiscate assets of anyone who steps out of line. What if China is truly considering invading Taiwan? Several times they have claimed that the island is culturally, and legally part of China which is frighteningly similar to Russia's claims regarding Ukraine. Recently there has been increased invasion of Taiwan's air space by Chinese military jets, with the rhetoric from both sides escalating.

As always, with change comes opportunity.

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