



“In fact, the issue is always between two points”

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"COLLABORATION IN THE AGE OF REASON" AT DAVOS WEF 2025 AND TRUMP EFFECT¹

Ken Rogoff's statement, "The consensus at Davos is always wrong," highlights the historical inaccuracy of predictions made at the World Economic Forum. For instance, in 2016, participants at the WEF believed it was impossible for Trump to win the U.S. presidency or for the Brexit referendum to succeed. In January 2008, apart from a few economists like Roubini, no one among the Davos elite foresaw the financial crisis.

The 2025 Forum aims to strengthen global cooperation during a period of rapid technological advancements. This year's meeting, organized under five main themes, had the following goals:

- Rebuilding trust: Seeking new paths for international and societal solutions.
- Redesigning growth: Identifying sources of growth in the new global economy.
- Investing in people: Encouraging public and private sector investments in human capital and quality jobs.
- Protecting the planet: Accelerating energy, climate, and nature projects.
- Industries in the age of intelligence: Balancing short-term goals with long-term necessities.

Advocates of "Globalization 2.0" discussed various topics, while leaders gathered at Davos urgently called on Europe to reevaluate its economic and regulatory strategies, especially with Trump's return to power in the U.S. Nations considered as "primary superpowers" signaled plans to deepen cooperation with their "deep allies" in four key areas: artificial intelligence, semiconductors and chips, critical minerals, and space technology. There was even talk of "saving the world together."^{2,3}

While they emphasized "cooperation" for transitioning into the "age of intelligence," President Trump highlighted the accelerating transition to a multipolar and fragmented international system. These signals indicate an impending deepening of the AI-related "war" between the U.S. and China, which will directly exacerbate the existing competition in semiconductors and chips. Expectations include mutual restrictions, embargoes, and operations. Clearly, these expectations suggest that Russia, China, and countries trading with them may face CAATSA 2.0 regulations or even stricter actions by the U.S.⁴

In the AI domain, advancements are closely tied to the level of technology developed in AI-compatible chips. This means that each actor in the multipolar system will take every measure to hinder the progress of others, with deeper counteroperations and interventions expected. It is evident that the U.S. will advance its strategic cooperation with the UK, Australia, Japan, Taiwan, and the EU. Developments in France and Germany's domestic politics are becoming increasingly influential in U.S.-EU strategic cooperation. For the U.S., Italy and Hungary's positions appear ideal. The primary goal is for at least 75% of technological advancements in the AI field to be achieved in collaboration with this group of "deep allies."

President Donald Trump participated in the Davos Forum via video conference and delivered significant messages. His speech reflected a focus on national interests rather than global cooperation, causing concern among other leaders. Trump emphasized that the U.S. is once again open for business and invited global companies to relocate their production to the U.S. He announced low tax rates for companies producing domestically, warning of import tariffs otherwise. BRICS+ countries, however, face the threat of 100% additional customs tariffs, making them a clear target. It seems that economic and technological fragmentation in areas such as AI, semiconductors, chips, critical minerals, and space technology will deepen.⁵

On energy, Trump called on Saudi Arabia and OPEC to lower oil prices, arguing that high oil prices support Russia's war in Ukraine and that lowering prices would help end the war. Trump's Davos 2025 messages may create short-term positive effects for the U.S. economy, but they could increase uncertainty and risks for the global economy. Slower global trade, volatility in energy prices, and rising geopolitical tensions are emerging as factors that could heighten the fragility of the global economy.

¹ <https://www.ekonomim.com/kose-yazisi/acaba-milyarderler-bu-hafta-davosta-milyonerlere-neler-anlatacak/794230>

² <https://tr.euronews.com/business/2025/01/22/davosta-kapali-kapilar-ardinda-liderler-trump-ile-avrupanin-yolunu-tartisiyor>

³ <https://www.sabah.com.tr/yazarlar/kerem-alkin/2025/01/24/ekonomik-ve-teknolojik-parcalanma-hizliyor>

⁴ ibid

⁵ ibid

DONALD TRUMP’S EVENT-IMPACT-PROBABILITY ANALYSIS ON THE GLOBAL ECONOMY (MEDIUM TERM 1-2 YEARS)

	Event	Impact	Probability
5.	Efforts to Bring Production to the US and Customs Duties	Companies may consider moving production to the US to take advantage of tax incentives, but this could lead to changes in global supply chains and increase costs.	C
		Threats of tariffs could trigger trade wars with other countries and reduce international trade volumes.	B
		Investment in the US could increase, but this could negatively impact the ability of other emerging markets to attract foreign investment.	E
4.	Tensions with the European Union	Relations could be strained, which could negatively impact cooperation in the technology, energy and financial sectors.	E
		Tariffs could slow economic growth by reducing EU countries’ export revenues.	A
3.	OPEC and Oil Prices	Lower oil prices could curb global inflation by reducing energy costs.	D
		Russia, which is dependent on oil revenues, could have fewer economic resources, but it seems unlikely that OPEC countries will heed this call.	A
		Lower oil prices could negatively impact renewable energy investments in the short term.	C
2.	Emphasis on Artificial Intelligence and Cryptocurrency	The US’s increased technological leadership could shift competition with China and the EU to the Pacific, escalating geopolitical tensions.	B
		U.S. regulation reductions could boost crypto adoption, but could also pose risks in financial markets.	D
1.	Lack of Global Cooperation	Emphasizing national policies over multilateral solutions could make it harder to address global issues like climate change, poverty, and post-pandemic recovery.	A
		Businesses could become more cautious amid rising geopolitical tensions and uncertainty.	C

