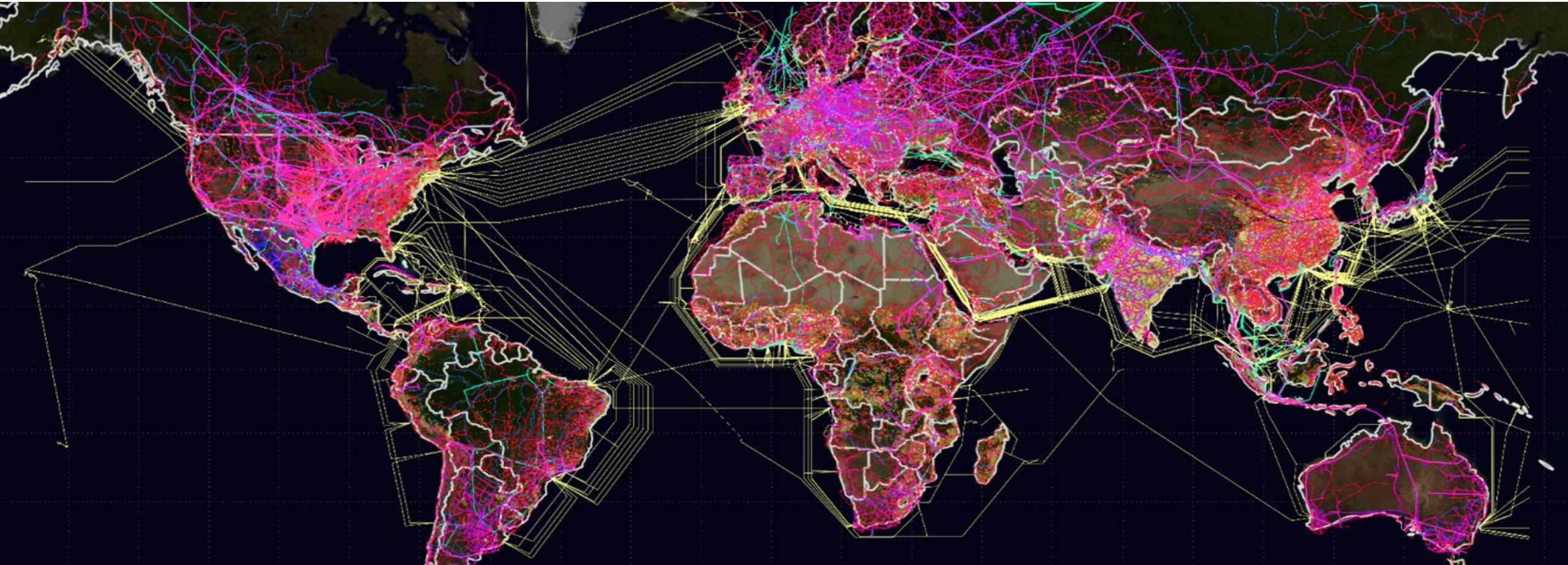
Sovereigns of the world, unite! A roadmap to global resilience

Dr. Parag Khanna
Founder and CEO, AlphaGeo

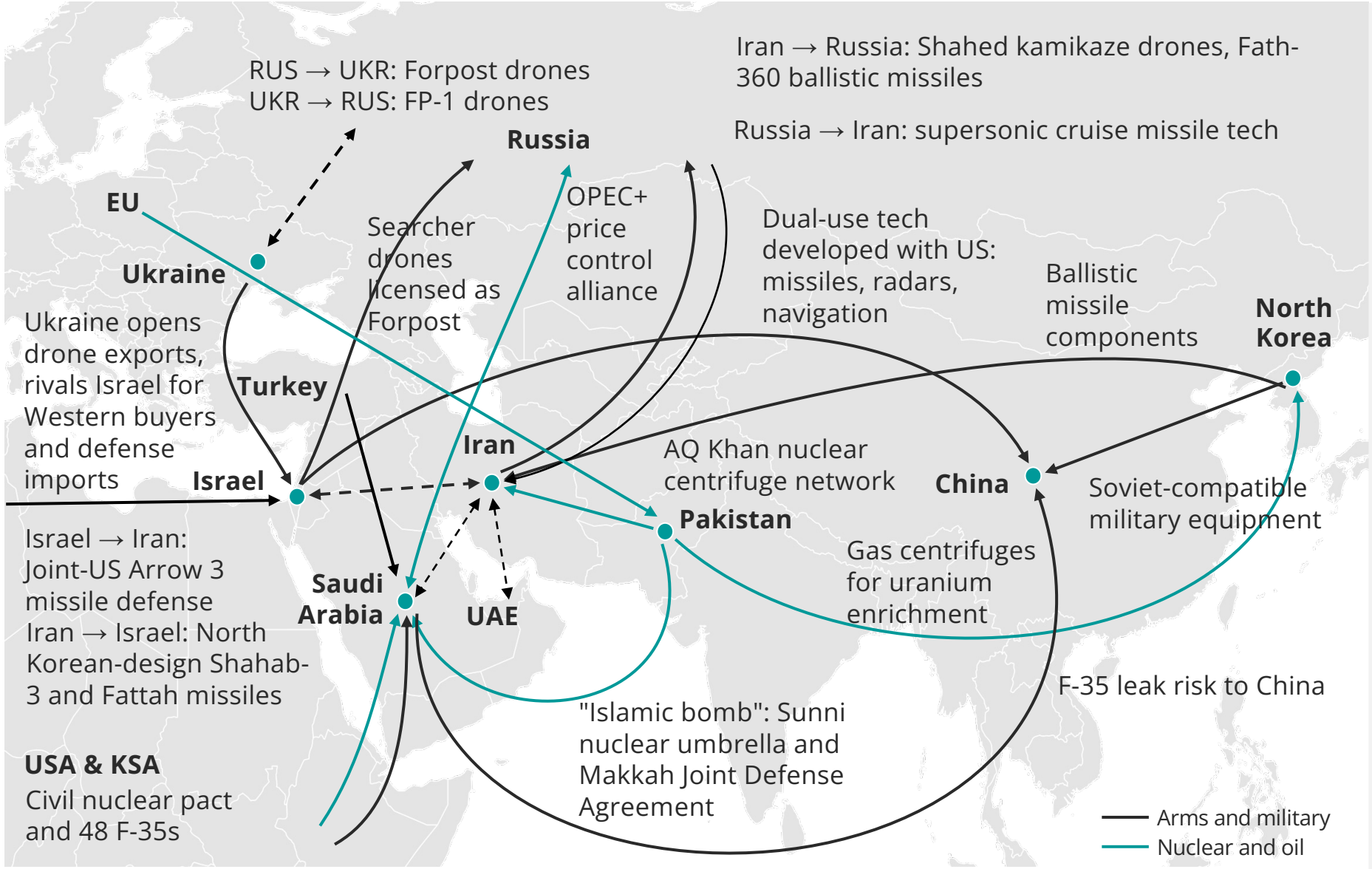
www.alphageo.ai
info@alphageo.ai





Competitive connectivity: The geopolitics of the 21st century

Boomerangs and blowback: Geopolitical chain reactions and feedback loops



Oh, the irony: The enemy of my friend is my … customer

Israel leaks US tech to China, which modifies it for Iran, which fires it at Israel.

Saudi Arabia sets oil output with Russia in OPEC+, while Russia arms Saudi rival Iran.

Israel's drone tech spurred Russia's drones attacking Ukraine, which now competes with Israel for defense imports.

Pakistan sold nuclear tech to Iran, and now offers a nuclear shield to Saudi Arabia against Iran.

US F-35s for Saudi Arabia risk leaking to China, which will challenge the US in the Pacific.

Israel and Saudi Arabia backed regime change in Iran, but could Gulf states reconcile with Iran to resist Israeli expansionism?

WWIII?



The case for



The case against

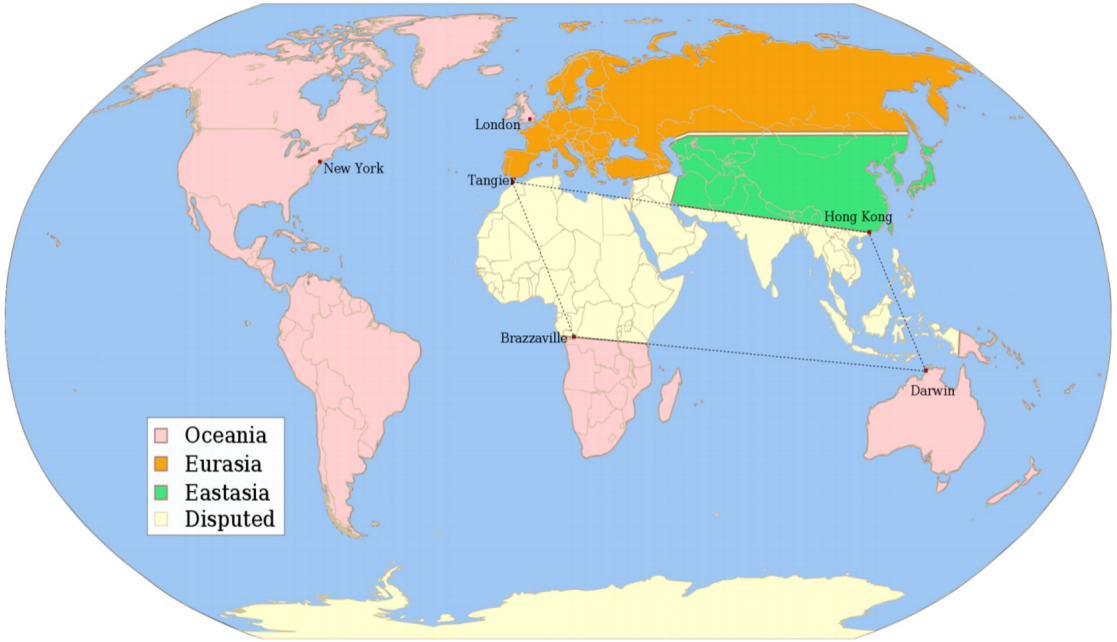
Globe-spanning	Participation from all regions
Great powers	All major powers insinuated
Interconnected	Matériel supplied globally
Intractable	Hot and hyrid war with no lasting ceasefire
Escalatory	Record expenditure on rearmament

Multi-aligned	Hedging supersedes reliable alliances
Deterred	MAD limits escalation scenarios
Interdependent	Robust trade and capital flows continue
Negotiable	Peace efforts persist
Contained	No spillover across regional complexes

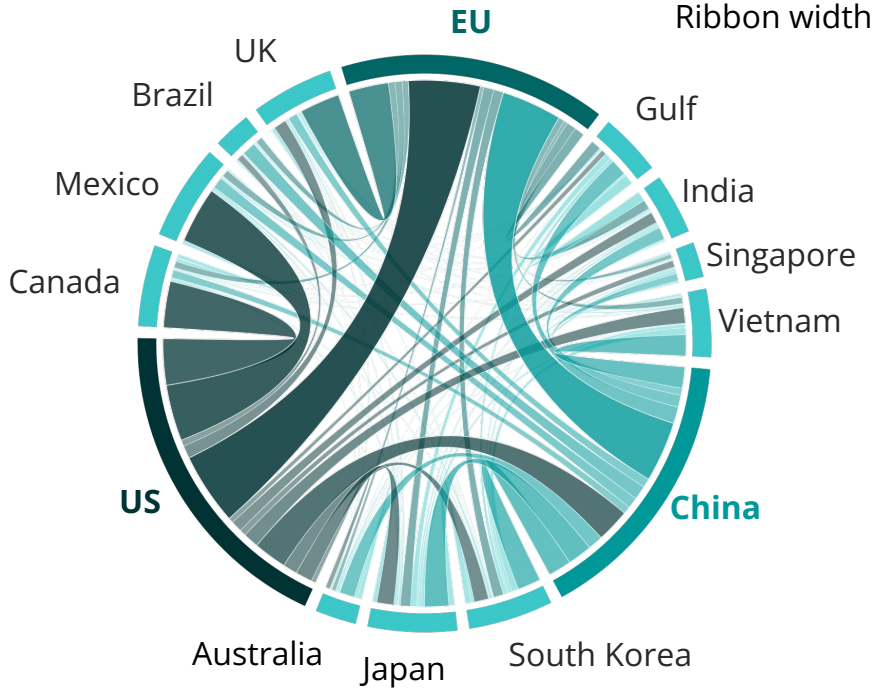
Verdict: *Tug-of-war is already the global reality over infrastructure, supply chains, technology and markets*

Tripwires: *Direct US–China fire in the Taiwan Strait, NATO–Russia fire on the eastern flank, Persian/Arabian Gulf escalation*

"Who Rules the Supply Chain, Rules the World"



Goods trade (2025)
Ribbon width = value



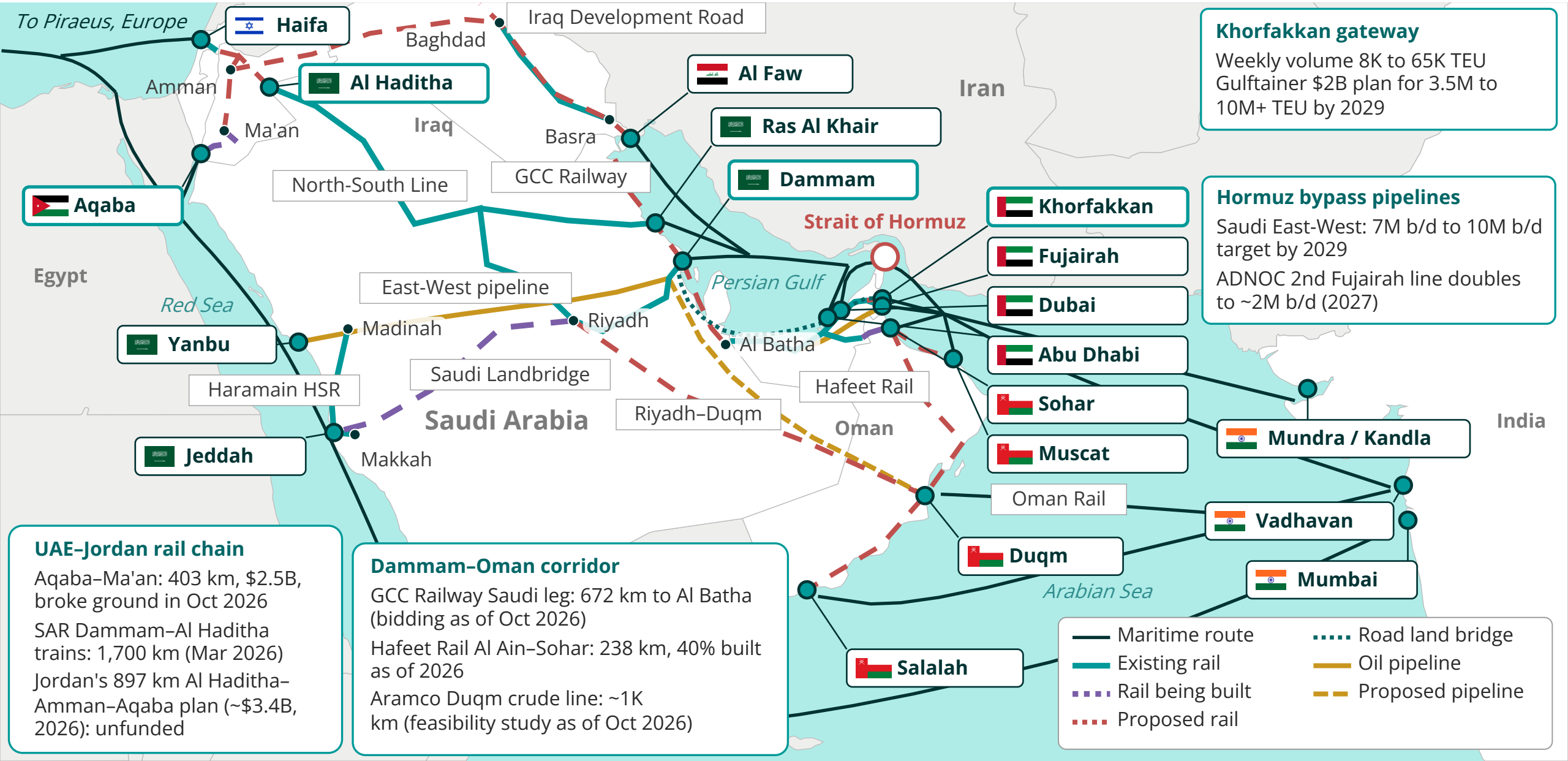
War b/w systems (capitalism versus communism) ➡ Tug-of-war within the collective supply chain matrix

Mackinder modified: War over territory ➡ War over connectivity

Characteristics of "connectivity wars"

- Securitized trade / investment / supply chain nexus: Industrial policy and mercantilism
- Global trade remains additive, not substitutive
- Coalitions of capabilities: US chip design, Dutch lithography, Taiwanese fabs, Korean memory
- Infrastructure as extended sovereignty: Mixed allied asset ownership of key trade corridors

India–Middle East–Europe Economic Corridor (IMEC)





Markets at war:
Finding returns in a fragmented world

Continental drift: The new economic geography



North American Union

"America First" decoupling — US–Canada >$800B, US–Mexico >$840B

USMCA+ expands supply chains: autos, agriculture, electronics, minerals

Tariffs + tax credits drive nearshoring to a continental food–energy–water nexus



European Commonwealth

~70% internal trade with deep single market and specialized clusters

Fiscal union: >€1T budget; Eurobonds fund strategic autonomy (defense, energy, banking, ago)

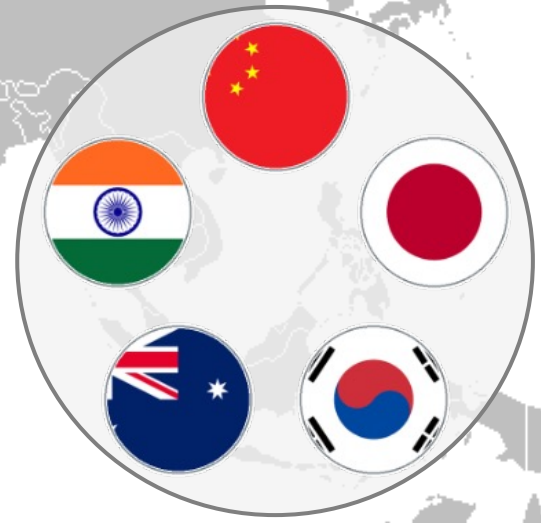
"Whatever it takes" — buy European, shield industry, digital sovereignty (EuroStack)

Asia for Asians

Post-AFC/GFC/Covid reforms offset external demand shocks

Internal trade >60% post-RCEP
China–ASEAN trade >$1T (2025)

China–SK–Japan triangle reviving
"China+1" makes ASEAN the new factory



Seven drivers repricing risk – and pointing to resilient returns

Interest rates

The risk-free rate is no longer zero, and the term premium is rising

Inflation

Supply-side and structural due to tariffs, industrial policies, labor costs, regulations

Geopolitics

Chokepoints raising energy and transport costs up-front rather than as a tail risk

Populism

Policy risk to investment in strategic and non-strategic sectors across DMs and EMs

Debt

$110T of government debt (nearly 100% debt/GDP) signaling monetary debasement

Climate

Insurance repricing followed by stranded assets and collapsing collateral values

Concentration

Economy, stock market, and concentrated market of key stocks no longer correlated

What it adds up to

Higher discount rates and shorter horizons — and a premium for contracted cash flow

Relative value comes down to three questions

1 What is the after-tax return?

Headline corporate rates have converged but effective rates have not, shifting competition to credits and free zones

Benefits accrue to low-corporate tax centers: GCC, Singapore, Ireland, Hong Kong, Switzerland

2 What multiple is being paid?

Europe ex-UK trades ~35% below the US on forward earnings, Japan at ~14.7x, Korea cheapest at ~10.6x

But a discount only represents value if earnings eventually converge

3 Is productivity actually rising?

Tech-driven services set the wage ceiling while trading sector catches up in terms of efficiency and output

Headroom for India, Vietnam, Poland, Gulf and reforms in Japan and Korea



The future of humanity: Demographics and urbanization

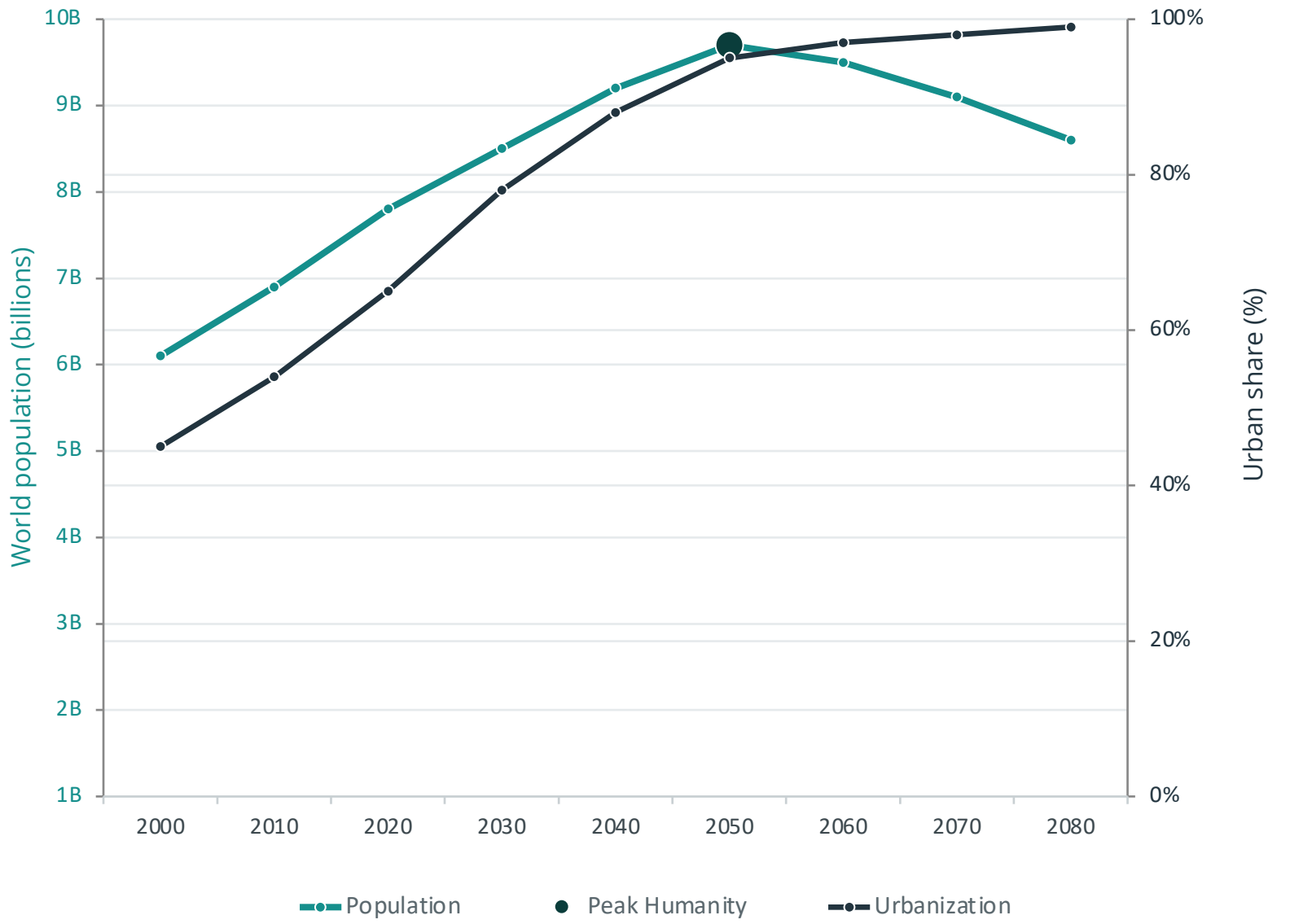
Peak Humanity meets Peak Urbanization

~2050

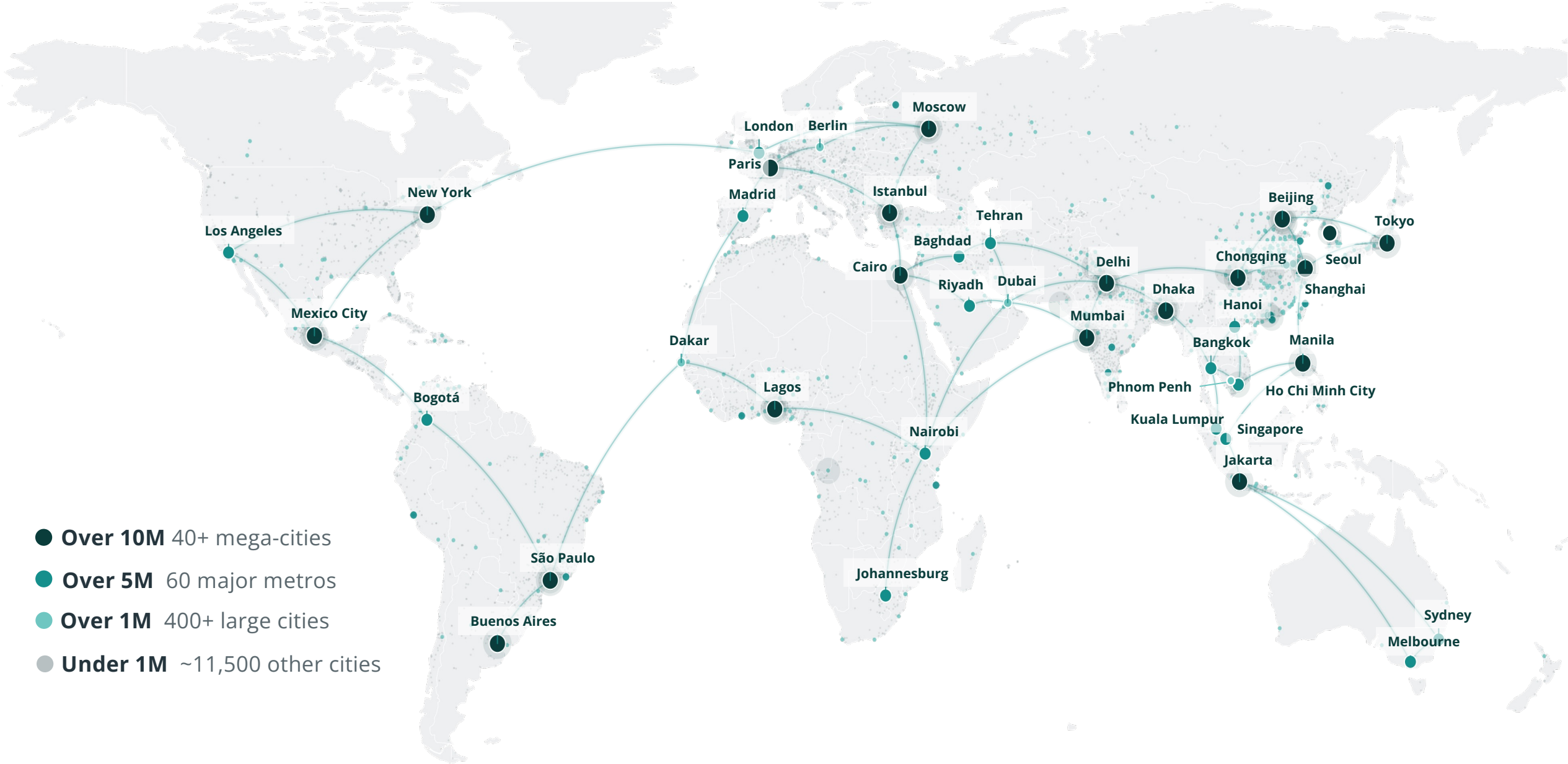
World population peaks @ ~9.7B

50% →~100%

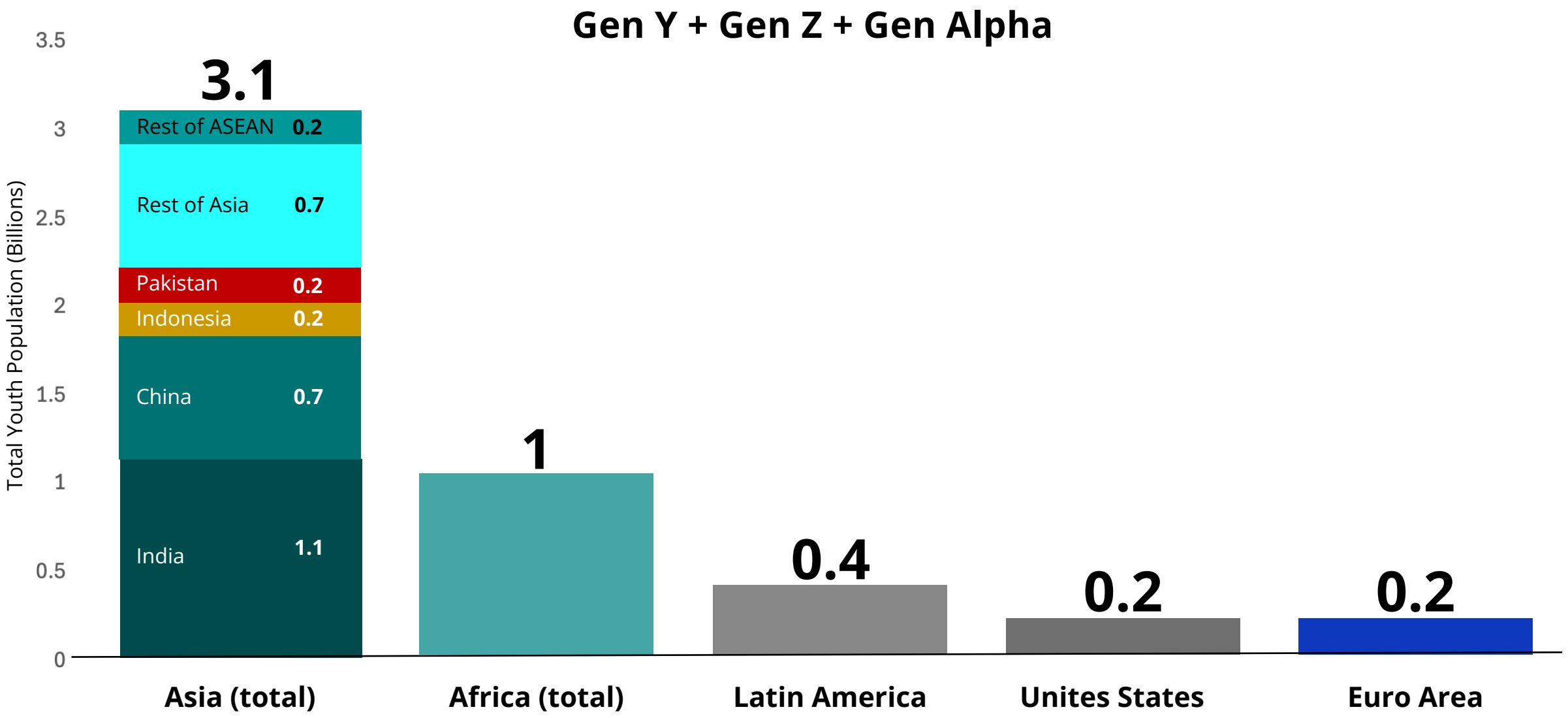
Urban population 2010-2050



The World's Cities in 2050



Asian youth are the future of humanity



Who will work for – and pay for – Europe's aging future?

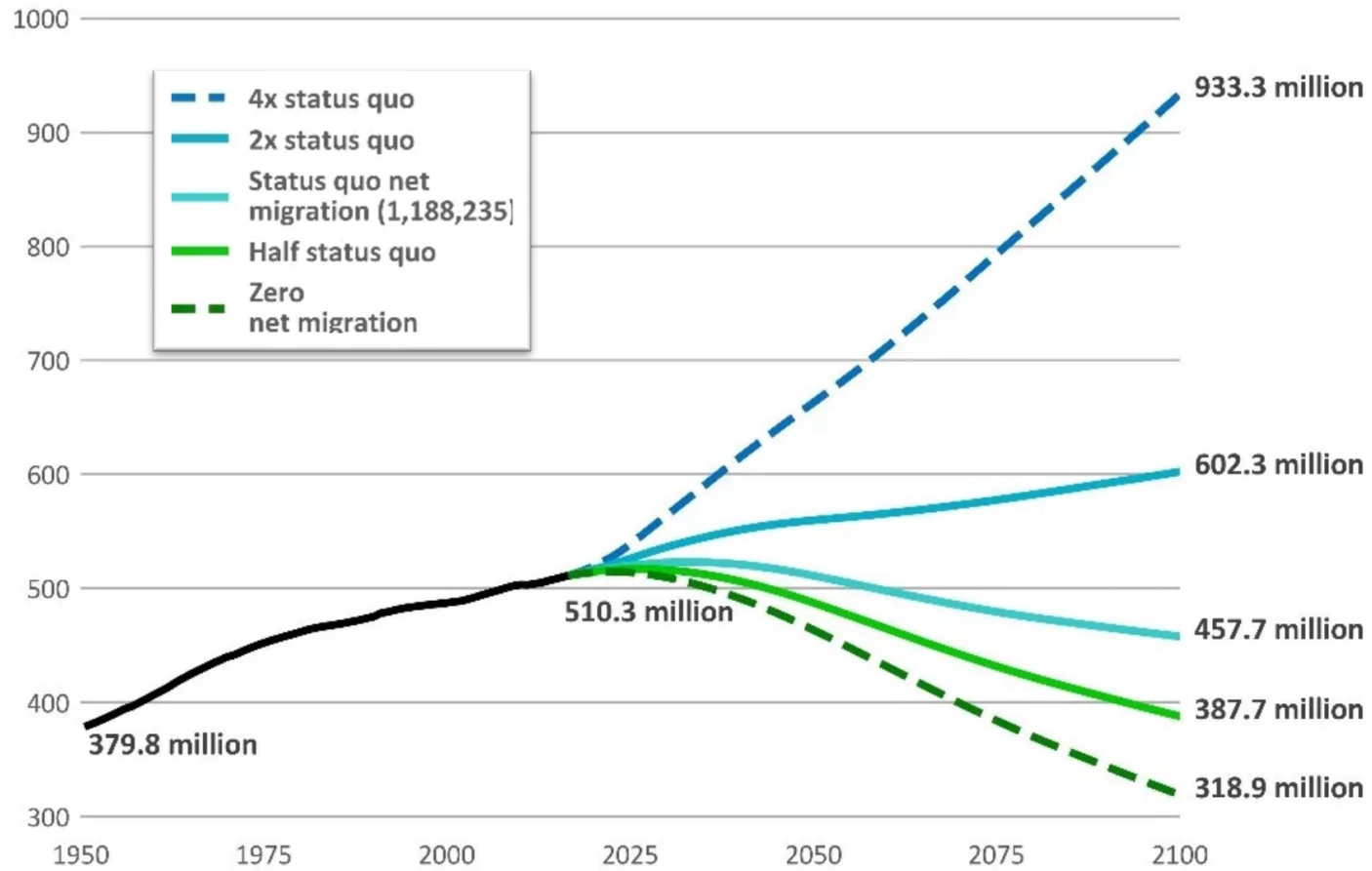
Workforce collapse
Without migration, EU workforces and population plunge by up to 200M lost by 2100

Support ratio falls
Even with migration, Germany, France, and Sweden dip to just 2 workers per senior by 2050

Massive labor gap and pension shortfall
EU risks having 44m fewer workers by 2050, increasing dependence on immigrant labor

Value chain protection
Strong wage laws mean low-wage immigrants don't depress pay — instead, locals move up to higher-skilled, better-paying jobs

EU population projections under five migration scenarios



The biomarker for locations

Are you attracting young talent?

~332K

Dubai

New residents in 2025, taking the population to ~4.6M; ~54% aged 20–39

~230K

Hong Kong

Talent-scheme arrivals, end-2022 to August 2025; ~70% under age 40

+37%

Japan

Skilled workers, 2025, to ~390K; foreign residents a record ~4.1M

Are you losing young talent?

−21K

Italy

Net loss of graduates aged 25–34, 2024: ~25K left, ~4K came back

−47K

New Zealand

Record net loss of citizens, 2024; ~38% of leavers aged 18–30

−17%

United States

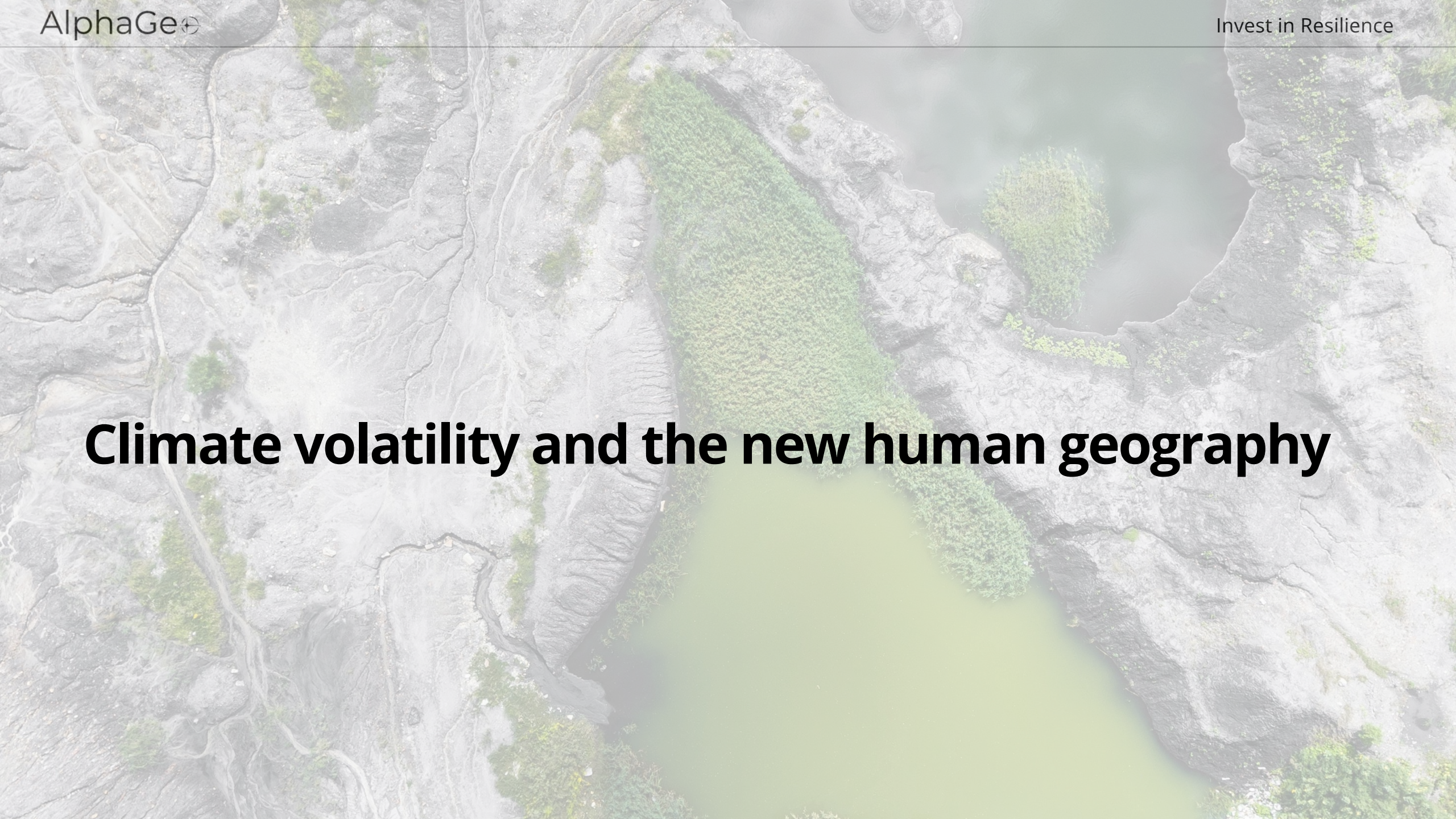
New international enrollment, fall 2025; graduate students −12%

Young talent moves first. Rents, tax base and capital follow

The vital signs

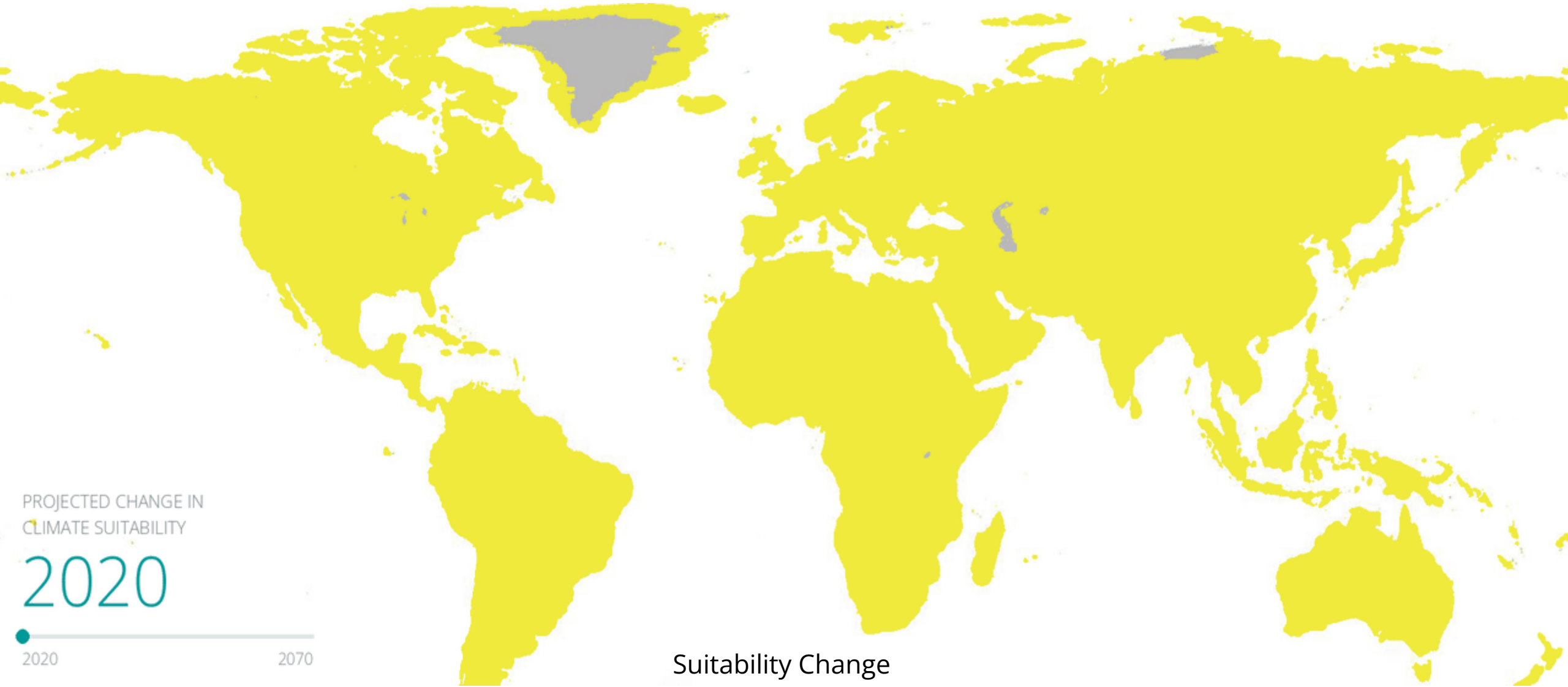
- **Affordable housing**
  Rent as a share of young-adult pay
- **Openness to talent**
  Graduate, founder and skilled-worker visas
- **Political stability**
  World Bank Governance Indicators
- **Social openness**
  Tolerance, English use, foreign-born share
- **Education opportunities**
  University places, post-study work rights
- **Climate resilience**
  Heat, flood and water-stress exposure
- **Connectivity to other cities**
  Direct flights and high-speed rail links
- **Jobs and wages**
  Graduate pay against cost of living

Modeled in AlphaGeo's Global Migration Modeler across 20k+ corridor pairs



Climate volatility and the new human geography

Suitability to Change: People move from red zones to green zones



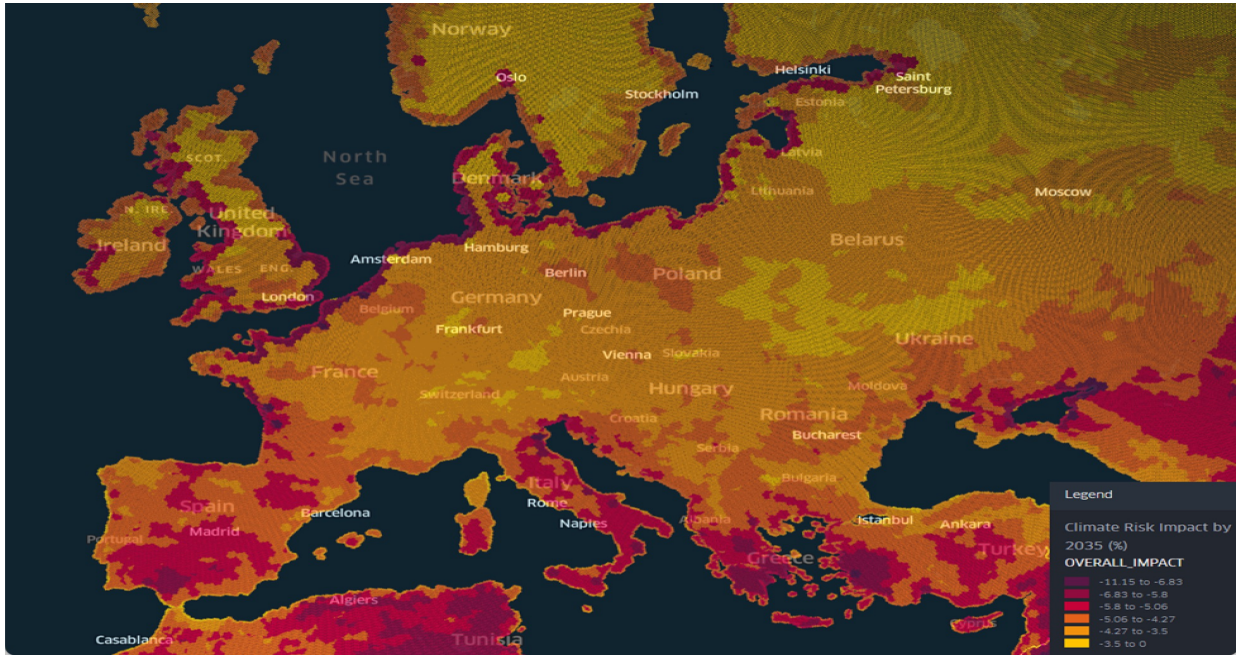
Manhattan Projects for mitigation... and adaptation

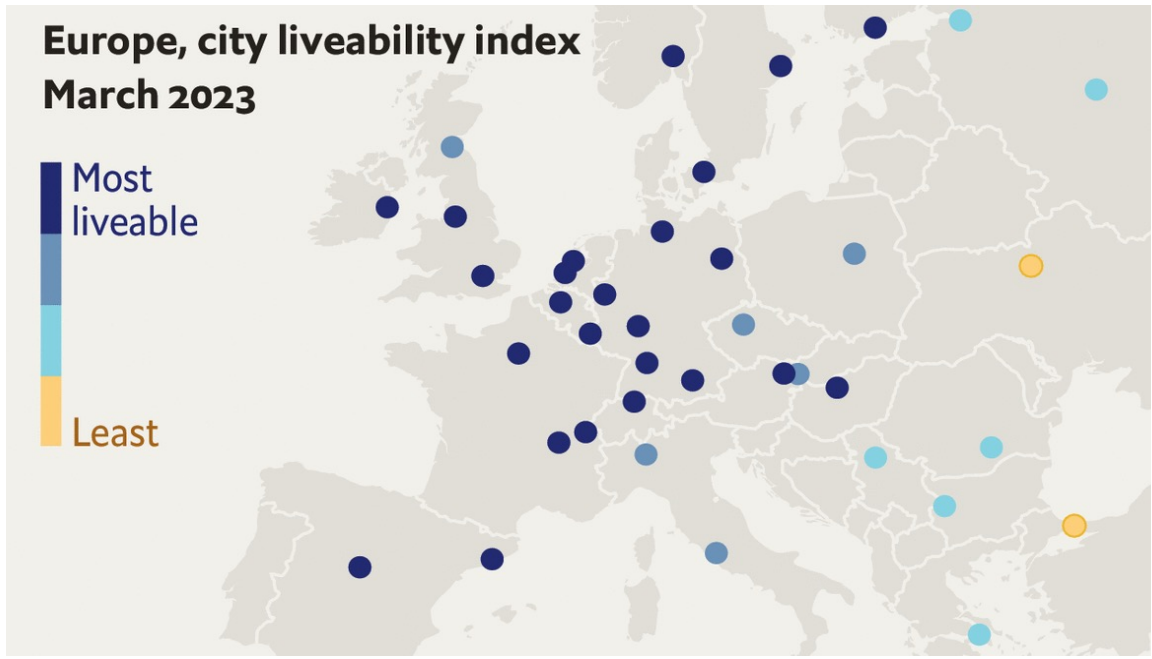
Mitigation (Global Public Good)	Adaptation (Local Private Good)
Decarbonization of industry and supply chains (e.g. green cement, cell-based meat, etc.)	Climate proofing: Land reform, disaster management, coastal flood protection
Large-scale renewable energy generation	Reducing urban heat island effects: Sustainable building design (e.g. biomimicry)
Carbon removal and sequestration (e.g. afforestation, Direct air capture)	Movable cities: modular and mobile homes, buildings, and infrastructure
Solar radiation management and other speculative geoengineering concepts	Population resettlement (last-resort adaptation measure)

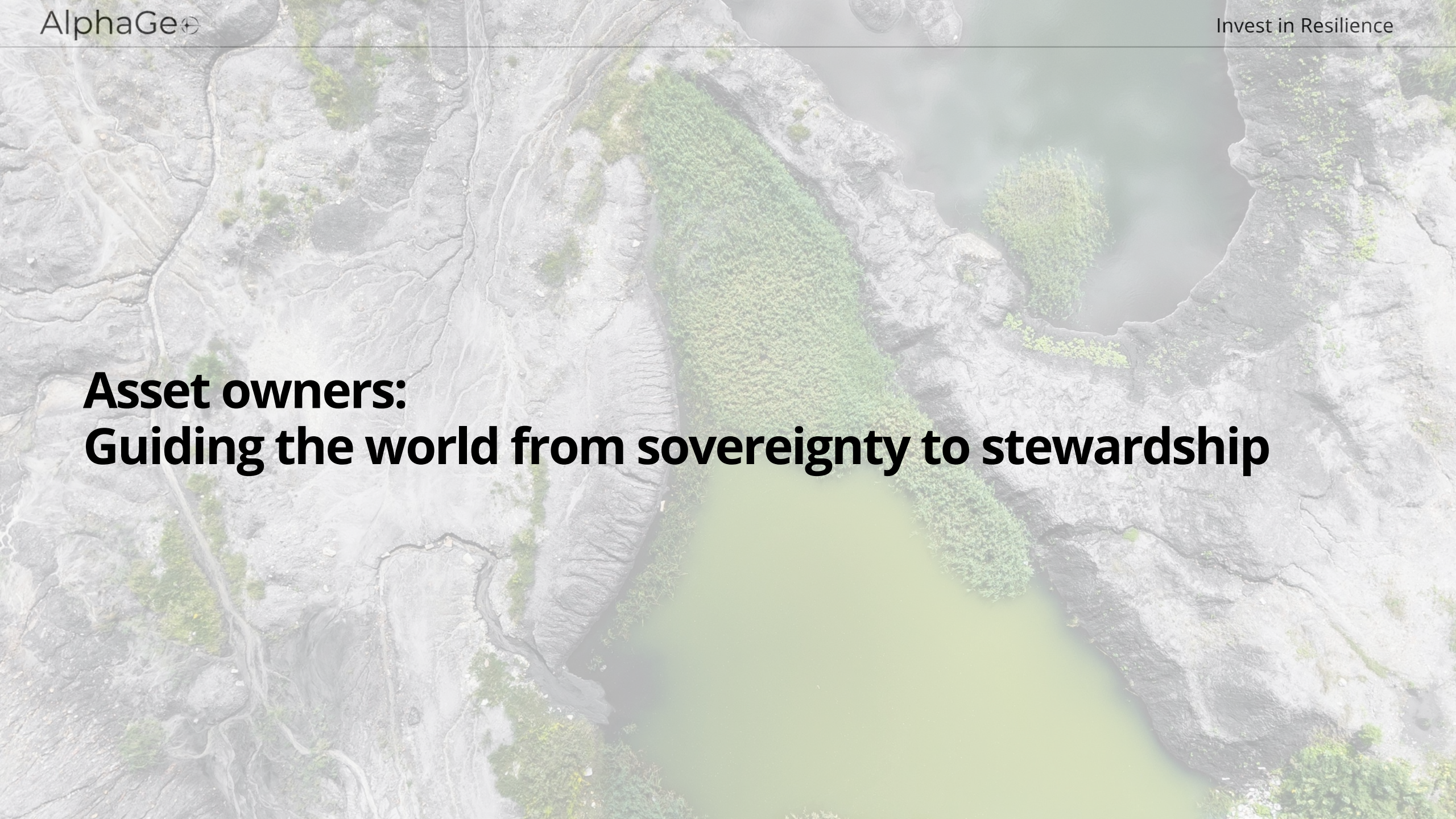
The new European commonwealth

- Europe has >2x the US population with far higher density and inevitable mass migration
- Markets along Trans-European Transport Network (TEN-T) and logistics/trade corridors to West Asia
- Locations developing sustainable micro-climates through energy self-sufficiency and agro-tech industries
- Network of connected "Ecopolis" hubs
- Massive deficits in affordable social housing, healthcare and retirement colonies









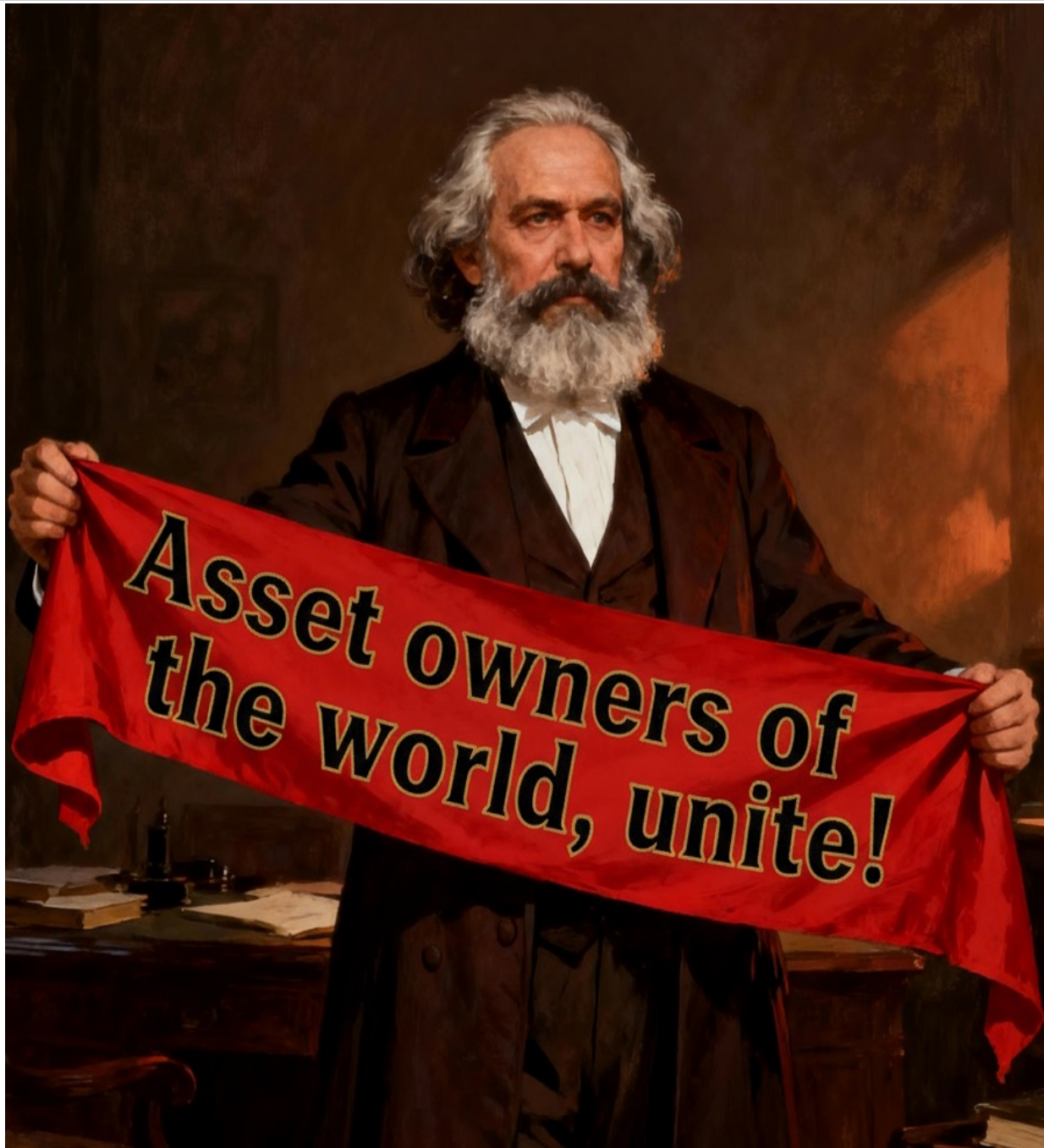
Asset owners:
Guiding the world from sovereignty to stewardship

“Asset owners of the world, unite!”

Engage in self-fulfilling future-proofing
Diversify away from over-concentrated portfolios to unlock growth in EMs / DMs – capacity building via stabilization funds

Be a bridge to overcome market failures
Leverage innovations such as stablecoins and blockchain to manage monetary (currency) and financial (markets) transition while unlocking transparency and efficiency

Embrace stewardship
LPs must steer GPs to manage capital for the benefit of both investors and ecosystems



Bridging the governance gap: Asset owners as rule makers

Sovereignty

The state owns the asset and sets the rule inside its own borders

Ownership

The fund holds cross-border claims across dozens of jurisdictions

Stewardship

Allocation becomes governance — capital sets terms w/ or w/o treaties



Standards travel with money

Disclosure and audit requirements imposed as a condition of capital elevate regulatory standards



Capital as a sanction

Exit and covenant enforcement move faster than any legal process in investor-state disputes

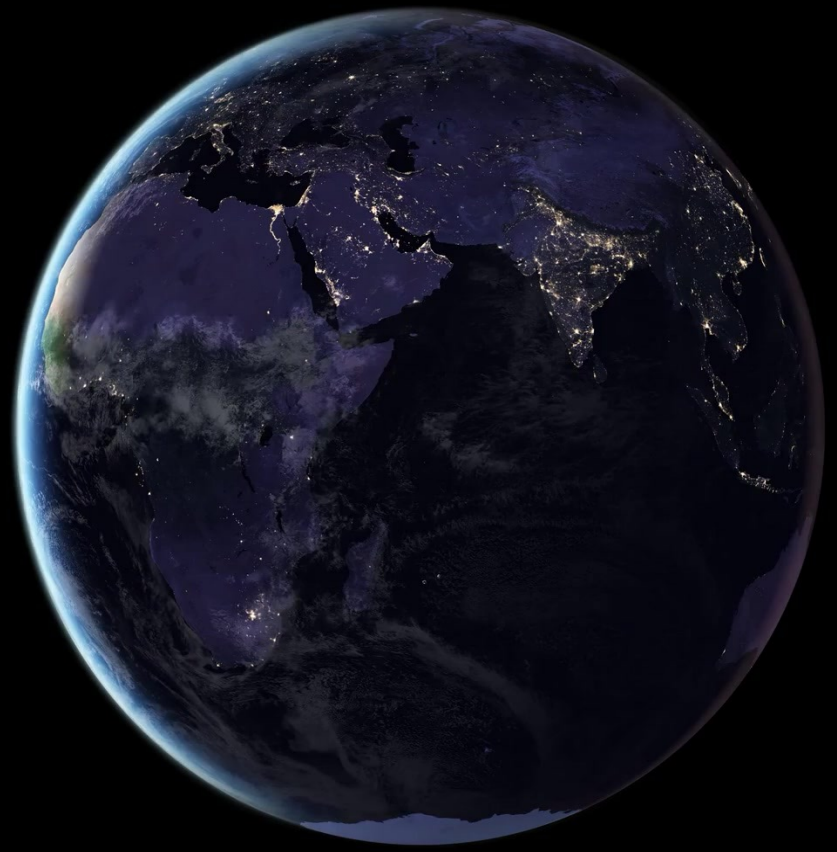


The mandate outlasts the cycle

Liability-matched thirty-year underwriting of deep market development across FI, equity and debt markets, real assets

The new reality of hybrid governance across jurisdictions, markets and supply chains

New Equilibrium



Be an agent, not a bystander: Rectifying market failures

Chokepoints → **Corridors**

- 7 Hormuz bypass lines capturing ~60% of flows by 2028
- New trans-Eurasian trade routes: BRI, Arctic

Scarcity → **Abundance**

- Record 692 GW of renewables added worldwide in 2025
- Regional self-sufficiency: Asia building ~74% of global capacity

Decoupling → **Rewiring**

- Global trade hit a record ~$35T in 2025 (up ~7%)
- Intra-Asian trade rising to >60% as with Europe and NA

Sovereignty → **Stewardship**

- State-owned investors hold record ~$60T and exercise leverage
- Shared global priorities: climate adaptation, democratizing AI, affordable housing, managing mass migrations

AlphaGeo

Dr. Parag Khanna

Founder & CEO
parag@alphageo.ai

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