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World Economy In 2025: Trump Factor, Hostility and Uncertainty as Certainty

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In 2025 Donald Trump turned out to be the main factor in changes in the global economy. The role of an individual person again seemed to outweigh economic laws. Trump came to power under the banner of return of the USA to the “Golden Age”, but he has unleashed a flurry of unexpected, radical and ill-conceived measures on the world. He has caused an impact on trade, cooperation in blocs (OPEC+, BRICS, SCO), EU finances and oil prices, sliding once again. Trade wars are coming in series. However, the basic development trends have not changed, but became even less favorable for the USA and the West.

Early in 2025, a few key trends continued to dominate the world economy.

First, the EU continued moving along the path of dwindling industry and the resulting erosion of the middle class. This could have still been attributed to building “green economy” and “post-industrial society” development, provoking ridicule, but has caused disrespect for the terms themselves. The policy of fighting Russia and direct financing of the war against it in the territory of former Soviet Ukraine remained in place. During the year this was expanded with the ban on the imports of aluminum from Russia and a potential threat of fertilizer and hydrocarbons imports.

Second, the Joe Biden Administration policy failed in the USA. The new economy, Bidenomics, did not impress the population,

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which voted for Donald Trump and the dream of prosperity. There has been no significant transfer of industry from the EU to the USA, despite preferences by the American state and destructive steps of Eurocracy in the EU economy. Americans are tired both of the social consequences of decades of neo-liberalism, including government corruption, widespread drug problems and strange genders, pushed upon children. Higher housing and rent costs have not been supported by higher personal incomes. This contributed to stronger anti-migration sentiment.

Third, the price depression in the raw materials and food market, excluding coffee and cocoa, which serve as popular anti-depressants during economic instability, had continued. The year of 2025 kicked off the explosive growth of coffee prices, and global oil prices slid from $80 per barrel in January to $67 in September. Trump's tariff policy has played a significant role in this, because he has shown that the USA and the West in general are capable of sustaining a prolonged stagnation or decline in mass consumption, as it had happened, for instance, back in 1979-1985. The difference from that situation today is that now there is a strong alternative to the Western core in the global economy — the East.

Fourth, developing economies have clearly split into the East and the Global South. And now they are saying that it would be more accurate to refer to the economies of the West as "non-developing", instead of "developed". The East, specifically represented by Russia and China, have emerged as a new center of global capitalism, alternative to the West and dynamically developing. The global economy system has turned out to be bi-centric. History has needed Trump to reinforce the Eastern pole of the world by pushing India and Brazil towards it.

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In these realities, everyone expected further growth in the economies of developing countries and further issues in Europe. Trump has proven that he can influence the process with the goal of improving the economic situation in the USA. He has displayed his desire to take over Greenland and Canada, and then unleashed a series of trade wars, putting them on hold from time to time. China had turned out to be his first major target. The USA had lost the trade war and had to covertly beg Beijing to give them back the right to buy Chinese rare-earth metals. This resulted in deep mutual distrust between the USA and China. The US Administration found out that China is two times stronger than the USA in terms of industry.

In August-September Trump started a trade war against the moderate faction in the BRICS — Brazil and India. Prohibitive 50% duties were imposed on goods from these countries. Trump demanded India to stop buying Russian oil, which was equivalent to a demand to stop the development and growth of the country's domestic market. The necessary product groups from these countries were supposed to be excluded from the tariff, as is usually done by the USA. But India’s authorities achieved rapid convergence with China and Russia, which has played a significant role in the process.

With a single tariff act, Trump destroyed several decades of American diplomatic activities to tame India. But the convergence of India with China and Russia at the Shanghai Cooperation Organization (SCO) and a demonstrative refusal of the head of the government of India to talk to Trump looked rather impressive. Essentially, this rapprochement showed that a new global pole is rapidly emerging. This pole in 2025 generated economic growth, pulling along the Global South countries.

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The global economy owes two more important changes to Trump: soaring gold prices with fading appeal of the dollar and lower rates of global economic growth. The main outcome here is slower GDP growth. In 2024 this indicator had increased, despite all the difficulties (sanction wars and higher rates of Western central banks), by 2,9%. According to Fitch Ratings, by 2025 results the growth will be 2,4% at best. At the same time the outlook for China's GDP growth has been raised to 4,7% from 4,2%. The GDP of the Eurozone will gain 1,1%, and of the USA — 1,6%, which is a modest figure, insignificantly different from the troubled Europe.

Throughout 2025 Trump has been creating or allowing stress situations to happen in the Western zone of the world. He has also abandoned major projects unfinished, further reducing transparency and predictability of processes. Ultimately, by 2026 uncertainty has become a form of certainty, of something which will by all means continue to become a usual state for the global economy. It is likely the years of 2026-2028 will be like this. And the economic situation in Europe will keep deteriorating.

In 2024 one troy ounce of gold sold for $2630. In September 2025 its price soared to $3674. Apparently, this growth will continue in 2026, may be not at as fast a rate, but still it will be rather swift. The US budget policy in the form of increasing unfunded expenditures and growing government debt, central banks increasingly reluctant to buy US Treasuries and growing gold reserves, use of digital currencies of all kinds (including dollar versions by American banks) in settlements — all this will work to further strengthen the East and developing countries of the Global South. The basic reason is that these economies have lower costs, meaning they are more efficient.

In the first half of 2025 Russia has seen its GDP growth slow down. But the manufacturing sector grew by 4,2%, adding 18% over three years. This QIII the economic growth has intensified and good final results could be expected. The GDP forecast by Rosstat is 3,8%. The key rate of the Bank of Russia was reduced down to 17% in September. It is only logical to expect further reductions of the rate. An agreement with the PRC launches construction of a new Power of Siberia-2 gas pipeline. India has ramped up its Russian oil purchases, which will not be reduced in 2026.

The world economy is undergoing transformation. Trump's attempts to manage its processes add up stress, but do not bring any changes of the future.

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