

Main Street's war against Wall Street

Birth of a new paradigm "Industrial Economy 2.0"

This study analyses the large-scale transition from **financial capitalism** (dominant since 1980) to a new paradigm, the '**Industrial Economy 2.0**'.

The main reason for this transition is that the old model, based on a large US trade deficit, rising government debt and external financing mainly from China, is no longer viable.

- The old economic model ("deficit→ debt→ external financing") ceased to function after China withdrew from the agreement to buy U.S. government debt.
- The US was faced with a choice: either continue the old model with rising inflation and the risk of a financial crisis, or bring manufacturing back to the country and rebuild the economy.
- The new paradigm "Industrial Economy 2.0" implies the development of domestic production, technological leadership and active government intervention.
- The conflict manifests itself on three fronts: political, geopolitical and financial and economic.

The presented model is analytical in nature and intentionally simplifies the understanding of an extremely complex and confusing situation. In reality, the conflict between Main Street and Wall Street is much deeper and more multifaceted, and its development will be accompanied by the emergence of new nuances and factors.

The main purpose of this research is not just to describe the situation, but to analyse it from as practical a perspective as possible. I aim to use the findings and forecasts to make concrete, effective and long-term investment decisions that successfully adapt investors' strategies to the new economic reality.

Paradigm shift

Financial capitalism (1980-2024)	Industrial Economy 2.0 (from 2025)
Dominance of short-term financial instruments, globalisation and minimal government intervention.	Focused on domestic production, protectionism, long-term investment and an active role of the state.

The Old Paradigm (1980-2024): "Deficit→ debt→ external financing"

The old paradigm formula:

1. The US has a **huge trade deficit** (imports exceed exports, especially with China).
2. To cover the trade deficit, the U.S. is building up **government debt**.
3. China and other countries with trade surpluses are investing dollars back into the US by buying government debt.
4. The US gets to live with high consumption with low inflation and relatively low interest rates.

This allowed the US to "tolerate" huge trade deficits and government debt - as long as China played by those rules and reinvested dollars back into the US economy.

Turning Point (2011-2013): China quietly withdraws from the deal

In 2011, China stopped increasing its investments in US government debt, and since 2013 it has even started to reduce them. At its peak in 2011-13, China officially held \$1317bn of US government debt, and at the beginning of 2025 it will hold only [\\$761bn](#). Not an increase, but even a decrease of 42%!

The US has lost a major foreign creditor, the old scheme is no longer working:

- The strain on the Fed and domestic funding sources has increased dramatically.
- The US had to switch on the printing press (QE) to compensate for the lack of external bond buyers.
- The outcome, amplified by a pandemic shock: a spike in inflation and interest rates in 2022-2023, exacerbating internal contradictions between the real economy (Main Street) and the financial sector (Wall Street).

The U.S. was faced with a critical choice:

- Continue to live in the old paradigm:
 - Continuous growth in government debt and deficits that there is no one to finance anymore.
 - Further inclusion of QE with inevitable inflation and dollar devaluation.
 - The collapse of the financial system or loss of economic independence.

- Trump (and the forces that support him) decided to take a chance and change the system:
 - o Reduce the trade deficit, bring manufacturing back to the US.
 - o Even if it causes inflation in consumer goods even temporarily, it will be paid for by the service sector (rent, housing, entertainment, etc.).
 - o In the long term, this reduces the need for the growth of public debt and the dependence on external creditors. Public debt will remain an important instrument, but its role and financing structure will change.

A new paradigm ("Industrial Economy 2.0"):

1. Reducing the trade deficit:

- o High tariffs and protectionism.
- o Return of industries (reshoring), higher domestic prices, but reduced dependence on imports.

2. Reduced dependence on external financing:

- o There is less need to build up government debt.
- o The diminishing role of US government bonds as a mechanism for attracting external capital.

3. Redirecting domestic capital:

- o Capital from the financial sector and real estate is being channelled into industry and infrastructure.
- o The service sector has to pay for the restructuring of the economy through higher costs and lower profits.

1880-1933	1933-1969	1980-2024	2025-...
Industrial capitalism	State capitalism (New Deal)	Financial capitalism	Industrial economy 2.0
	1929-39	1970-79	2011-24
	Crisis of the model	Crisis of the model	Crisis of the model

Conflict manifests itself on three interrelated fronts

The three fronts reinforce and complement each other, making the confrontation deeper and more systemic than it appears at first glance.

- **Political: leftists/Democrats vs rightists/Republicans,**
- **Geopolitical: globalisation vs protectionism,**
- **Financial and economic: high interest rates and financial rents vs low interest rates and industrialisation**

Political front

The political confrontation between Main Street and Wall Street is expressed in the victory of the right-wing and populist forces (Republicans) over the Democrats (left-wing globalists).

- **Democrats** have historically been more closely associated with large financial institutions, technology giants, multinational corporations and global elites. It is they who have supported globalisation and international trade agreements.
- **The Republicans (especially the right wing)** have recently been actively advocating the return of jobs to the US, protectionism, industrialisation, reducing the power of the bureaucracy and financial elites. They are the spokespeople for Main Street.
- **The colourful figures** - Trump, Musk, Peter Thiel - openly oppose the 'deep state', bureaucracy, Wall Street and Silicon Valley as symbols of finance capitalism.

Geopolitical front

Trump's tariff wars are a tool against global finance capitalism.

- High tariffs are a direct way to force businesses to bring production back to the US (reshoring), limiting the benefits of globalisation.
- This weakens multinational corporations and banks dependent on international trade and financial flows.
- Geopolitically, it is an attempt by the US to regain economic sovereignty, end its dependence on China, and weaken global elites.

Financial and economic front

The front is expressed in pressure on the Fed to lower interest rates and liberalise cryptocurrencies to weaken the power of the financial sector.

- High interest rates (4-5%) are favourable to financial capitalism because they allow them to make money on risk-free financial instruments (T-bills, MMFs), keeping capital away from the real economy.
- Main Street requires capital and low interest rates (1-3%) to provide cheap credit for infrastructure, factories, automation.
- Liberalisation of cryptocurrency is another blow to traditional banks and Wall Street. It is an alternative channel for financing the economy beyond the control of bureaucracy.

Larry Fink (letter to [Blackrock](#) shareholders, 31 March 2025): "In fact, there is more capital idle today than at any time in my career. In the U.S. alone, some \$25 trillion is sitting in banks and money market funds."

The main risks today are a repetition of the mistakes of the 1930s with over-aggressive protectionism, which could lead to a global recession and deflationary crisis.

Globalisation has had both positive and negative effects. For example, it has provided consumers with cheap goods and helped to improve the living standards of millions of people.

The **new paradigm** is not a complete rejection of globalisation, but rather a search for a balance between global and domestic interests.

The new paradigm is not a rejection of globalisation but a battle to control it.

The US is not going to completely abandon globalisation, world trade and global supply chains. Rather, it is an attempt to seize the initiative and leadership from China and regain control over global financial and production flows.

In fact, the fight is not against globalisation, but over **who will manage it: Washington or Beijing.**

The US wants to take the position of the main technological and economic centre of the new stage of globalisation. That is why it is returning production, developing technology and infrastructure, and introducing protectionist measures. In response, China is also trying to take this position by increasing its technological leadership and influencing global markets ("soft power").

The PayPal Club: Ideological and technological leaders of the new paradigm

The **PayPal Club** is an informal community of entrepreneurs, investors and politicians who promote the ideas of new industrialisation, US technological leadership and bringing manufacturing back to America. It includes both the original members of the famous "PayPal mob" and their new ideological allies and political partners.

The PayPal Club plays a critical role in the transition from financial capitalism to the new industrial economy, forming the intellectual and political foundation of the new paradigm. Club members actively promote reshoring, technological sovereignty and protectionism, exerting a powerful influence on changing the economic course of the United States.

Peter Thiel.

Entrepreneur, investor, founder of PayPal and Palantir, one of the main ideologues of technological nationalism



"Globalisation has been good for the world's elites, but bad for workers and the middle class in the US. We need a new paradigm where America will once again be the leader in technology and manufacturing."

"We want technology to serve America, not America to serve technology."

Elon Musk.



The founder of Tesla, SpaceX and co-founder of PayPal, is a strong supporter of manufacturing and innovation within the US.

"America must once again become a nation of engineers, creators and makers, not just financiers and lawyers."

"If we don't build factories and create technology here, we will lose global competition."

David Sacks.



Former COO of PayPal, investor and entrepreneur, strong supporter of reshoring and critic of globalisation.

"It's time for us to admit that globalisation has proved too expensive for American industry. It's time to bring factories back to the United States."

"America must choose national interest and local manufacturing over endless outsourcing and dependence on other countries."

J.D. Vance.



Vice-President of the United States, author of Hillbilly Elegy, political ally of Peter Thiel, advocate of the new industrial policy.

"The American dream won't come back until we start producing things again here in America."

"Politics must once again put the interests of the American worker and manufacturer above the interests of multinational corporations and global financial elites."

Alex Karp.



Co-founder and CEO of Palantir, promotes the idea of using technology to enhance national security and economic autonomy.

"Technology and data should serve U.S. national interests, not be traded with rivals."
"It's time to use our technological capabilities to strengthen America, not outsource production and influence."

Assessing the realism of the hypothesis

In my view, the latent conflict between Main Street (the real economy) and Wall Street (the financial system) is already happening and has a high probability of further escalation.

Since 2023, the Fed Funds rate has been consistently [above 4%](#), making risk-free assets: T-bills and money market funds (MMFs) attractive. As a result, the volume of MMFs has reached record levels [\(\\$7.2 trillion in early 2025\)](#), capital is locked up in short instruments, and long-term investments in infrastructure, new production and technology are underfunded.

The Trump administration and figures such as Elon Musk are pushing for an industrial renaissance, the return of manufacturing to the US (reshoring), robotisation and infrastructure development. The real economy requires cheap long money (long-term loans and investments with yields of 5-7% and maturities of 10 years or more). But the current market structure and Fed policy support short-term investments with minimal risk and high liquidity, as well as short-term financial speculation.

This creates a systemic imbalance and conflict of interest between the two models of capitalism:

- **Industrial:** long-term investments, production development, infrastructure, employment.
- **Financial:** short-term profits, high liquidity, minimal risk.

The conflict is already evident in the political rhetoric and actual support of the crypto industry as an alternative to the traditional banking and financial system.

A logical model of conflict development. Three scenarios

1. **Preservation of status quo (~20% probability)**
 - Fed rates are high ($\geq 4-5\%$), capital remains in MMFs and T-bills.
 - Real economy investment weak, gradual slowdown in growth.
 - Pressure from Main Street is building.
 - Conflict moves into political phase: rise of populism, political crises.
2. **Compromise and capital reallocation (~40% probability)**
 - Partial reduction of interest rates (3-4%).
 - Creation of new government programmes and tax incentives for long-term investments.
 - Gradual inflow of capital into infrastructure and real economy.
3. **Complete paradigm shift (~40% probability)**
 - Sharp decline in interest rates (below 3%).
 - Large-scale government investment in infrastructure and robotisation.
 - Creation of an alternative financial system based on crypto.
 - Major reallocation of capital from Wall Street to Main Street.

Following Trump's tariff hike on 2 April 2025, the likelihood of a complete paradigm shift has risen from 30% to 40% in my estimation.

However, a complete paradigm shift scenario requires extremely high political determination and its realisation could face serious difficulties if economic or geopolitical instability weakens this determination. Therefore, **many may recognise a compromise scenario as the most realistic.**

Compromise model: co-operation between the financial sector and the industrial economy

The idea of a conflict between Main Street and Wall Street does not necessarily mean a violent confrontation. There is a realistic compromise scenario in which the financial sector begins to actively support industrialisation rather than fight it.

Yes, Main Street and Trump are demanding low interest rates, which is not something big banks usually like. However, the largest financial players already understand the challenges and demands of the current moment:

JPMorgan Chase, one of the largest banks in the US, has already started to refocus on lending to infrastructure projects, supporting the construction of new factories, roads, energy facilities and grids.

BlackRock, the world's largest asset manager, has also publicly called for investment in infrastructure, energy projects and domestic manufacturing, believing these are essential for sustainable growth.

Thus, the financial sector realises that the new reality requires them to **cooperate** with the real economy rather than oppose it. Banks and funds are beginning to actively support long-term, strategic projects that create stable jobs and strengthen US economic leadership.

If this approach becomes dominant, the conflict between Main Street and Wall Street will be significantly mitigated. Instead of war, we will see a partnership in which financial capital supports national interests and long-term projects, and the real economy receives resources for sustainable growth and technological breakthroughs.

Current paradigm: Financial capitalism

Financial capitalism is characterised by the dominance of financial services and assets in the economy and a significant increase in the share of financial in US GDP. It began to take shape in the US from the late 1970s and early 1980s.

How the transition happened:

The Volcker Revolution (1979-1982)

- In 1979, Paul Volcker (head of the US Fed) raised interest rates sharply to fight inflation (to ~20% in 1980-81).
- High interest rates have made the financial sector very attractive, pulling capital from real production into financial instruments.

Reagan Deregulation (1981-1989)

- President Ronald Reagan launched a policy of sweeping financial market deregulation in the early 1980s.
- In 1980, the **Depository Institutions Deregulation and Monetary Control Act** (DIDMCA) was passed, paving the way for financial innovation and the dramatic growth of the financial sector.

Transition from the real sector to the financial sector

- In the early 1980s, the share of profits of financial companies began to rise sharply, outpacing the non-financial sector.
- The growth of bonds, derivatives and other financial instruments has also accelerated dramatically since the early 1980s.

Consequences:

Growth in financial assets:

- From 1980 to 2007, financial assets grew about four times faster than real GDP, indicating a significant disconnect between the financial sector and the real economy. [Levi of Economics](#)

Increasing the share of the financial sector in GDP:

- In 1978, the financial sector accounted for 3.5% of the U.S. economy, and by 2007 its share had increased to 5.9%. [Wikipedia](#)

Financial sector earnings growth:

- From 1980 to 2005, financial sector profits grew by 800 per cent, adjusted for inflation, while non-financial sector profits grew by 250 per cent over the same period. [Wikipedia](#)

Development of new financial instruments:

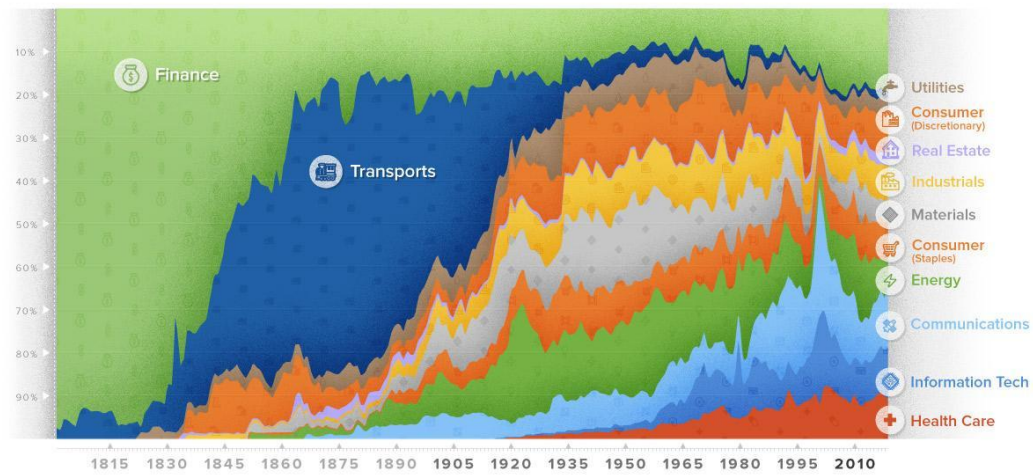
- The 1980s saw a boom in the market for derivatives and other complex financial instruments, further financialising the economy.

Change in the structure of the economy

- U.S. GDP has become increasingly dependent on financial transactions, credit, consumer credit, the mortgage market, and the stock market, rather than industrial production.
- Globalisation and the shift of production to China also began at this time.

VISUALIZING 200 YEARS OF U.S. STOCK MARKET HISTORY

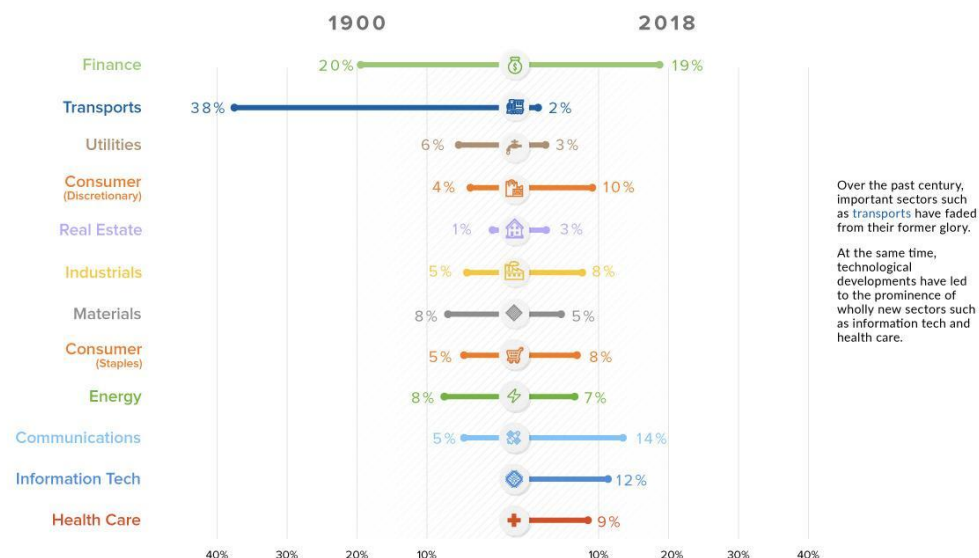
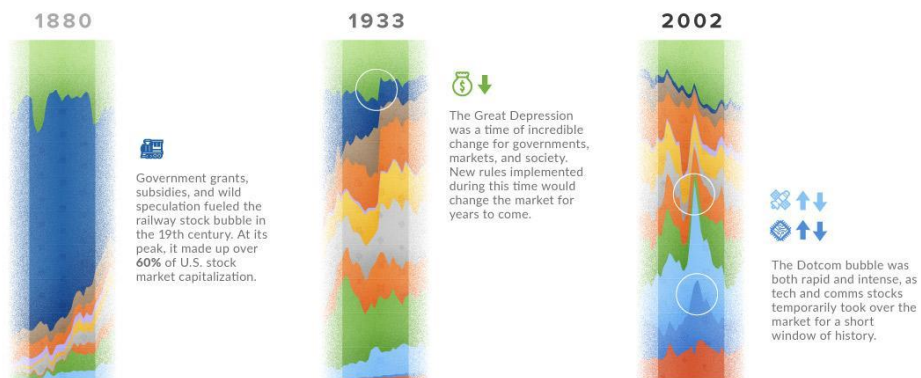
How sectors have changed in relative importance over the years



20/20 Hindsight

This 200-year long timeline of relative U.S. sector weights provides a useful window to the past, while also showing how hard it can be to predict the future of the market.

Global Financial Data divides the stock market into twelve sectors. The 12 sectors include 11 sectors similar to the 11 sectors in the GICS, but adds a twelfth sector for Transportation stocks since these were historically important to the US, UK and other economies. The Communications sector includes not only Telecommunications stocks, but general communications such as Media and Publishing. The Real Estate sector is separated from the Financial Sector throughout its history.



Over the past century, important sectors such as transports have faded from their former glory.

At the same time, technological developments have led to the prominence of wholly new sectors such as information tech and health care.

SOURCE: Global Financial Data

visualcapitalist.com



China's role in the development of finance capitalism

China's role in the development of US financial capitalism was **very significant**, although at first glance it may appear that China was only a "factory of the world". In reality, it played a key role in setting the stage for the dominance of the financial sector in the US and the West.

China is a factory of cheap goods (reducing inflation)

- Beginning with Deng Xiaoping's reforms (late 1970s and early 1980s), China actively opened its economy to foreign investors and manufacturers.
- Production chains of Western corporations were massively shifted to China because of cheap labour and low costs.
- This has led to lower global inflation as it has become much cheaper to produce.
- Low inflation has helped the US and other Western countries keep interest rates relatively low over the long term, fuelling a consumer credit boom.

China provided the basis for low production costs and consumer credit, becoming the foundation for the US financial boom.

Trade imbalance and the return of dollars to the US financial system

- The US began importing goods from China en masse, creating a huge trade deficit.
- China received dollars and invested them back in US Treasuries (Treasuries), keeping long-term interest rates low (until 2011-13).
- This phenomenon is known as "dollar recycling": China financed the US budget deficit, allowing the US financial sector to obtain cheap financing for various speculative and credit operations.

China at one point became the largest creditor of the US and a "sponsor" of US finance capitalism.

Separation of the financial sphere from real production

- By moving production to China, the US has gradually gotten rid of its own industrial assets and production risks.
- American corporations, deprived of the need to maintain factories and plants, began to generate profits solely through branding, marketing, and financial operations.
- The financial sector came to dominate the structure of corporate profits as production and all its associated risks were shifted offshore.

China has "taken over" the real sector, freeing the US to dominate finance and innovation.

Enabling financial globalisation

- The massive shift of production to China has made globalisation not only possible but also extremely profitable.
- Financial companies and investors were given a global marketplace of assets and industries on which to speculate, manage risk and earn huge profits.
- The lowering of trade barriers and China's accession to the WTO (2001) further accelerated financial globalisation.

Without China's integration into the global economy, the modern form of finance capitalism would not be possible.

Increasing inequality and income redistribution

- The relocation of manufacturing to China has drastically reduced the jobs and incomes of the American working class.
- The incomes of the middle class in the US have stagnated or fallen while the incomes of financial asset owners (investors, bankers, financiers) have risen sharply.
- This has exacerbated inequality and increased middle class dependence on credit and loans, which has also played into the hands of the financial sector.

China has indirectly contributed to the redistribution of income from the real economy to the financial elite.

A brief chronology:

Period	Event	Effect
Late 1970s to 1980s	The beginning of Deng Xiaoping's reforms, opening up China's economy	Transfer of production to China
1990s-2000s	China's accession to the WTO (2001), peak of globalisation	Massive growth in trade, credit boom
2000s - 2010s	Global US-China trade imbalance	Recycling dollars, financing the U.S. deficit
2010s - 2020s	Emergence of conflict, attempts to re-industrialise the US	Paradigm shift, the end of the "China is the factory of the world" era

China was an active and important component of American finance capitalism. With its cheap labour and scale of production, China created a base of low interest rates.

However, since 2011, China has stopped increasing its position in US government debt, and since 2013 has even started to reduce it.

This required the US financial sector, led by the Fed, to switch on the printing press, resulting in a spike in inflation and interest rates in 2022-23.

Conclusion: China **has played a key role** in shaping and developing the era of financial capitalism since the 1980s and it has also stopped it.

China - Total Holdings of US Treasury Bonds

2025-01
760.80 b ▲ 1.80



A New Paradigm: Industrial Capitalism 2.0

The new paradigm is a fundamental shift from the globalised financial capitalism of the last 45 years to a model of economy focused on domestic production and independence.

The essence of the new paradigm: "Industrial Capitalism 2.0"

	The old paradigm (1980-2024)	A new paradigm (2025+)
Key economic sectors	Financial markets, services, consumption, short-term profits	Production, infrastructure, technological leadership, long-term growth
Economic objective	Maximum return on equity	Employment growth, rising middle class living standards, technological superiority
Type of capital	Short money (liquidity, bonds, money market)	Long money (long-term investments in factories, robots, technology, infrastructure)
Role of the state	Minimum intervention, deregulation, globalisation	Active intervention, protectionism, subsidies to domestic production
Trade policy	Free trade (low tariffs, globalisation)	Protectionism, high tariffs, reshoring (bringing back production from China)
Monetary policy	High rates in crisis, low rates in growth (capital protection, inflation control)	Low or moderate interest rates, providing cheap long money (stimulating production)
Relations with China	China is the factory of the world, a major partner and creditor	China is a strategic competitor, bringing manufacturing back to the U.S.

Prerequisites:

- **Public Policy Demand:** Middle class dissatisfaction with globalisation, declining living standards and the withdrawal of manufacturing from the US. The positive effects of globalisation in the form of cheap goods have become less important than the loss of jobs. And elites became fearful of dependence on China.
- **Geopolitical confrontation with China:** Seeking to return strategic manufacturing and technological leadership (semiconductors, space, AI, quantum computers, biotechnology, etc.) back to the US.
- **Reduced competitive advantage in China:** The cost of labour, logistics and trade conflicts have reduced the benefits of shifting production to China.
- **New Technology:** Robots and automation have made manufacturing in the US economically viable even with expensive labour.

Key goals of the new paradigm:

- **Return and localisation of production facilities** (reshoring).
- **Robotisation and technological leadership.**

- **Energy and technological independence.**
- **Rebuilding infrastructure** (new roads, ports, power grids, logistics).
- **Reducing the economy's dependence on financial markets** (reducing Wall Street's "interest rents").

Expected sweeping changes:

- Massive relocation of manufacturing from China and Asia to the US and neighbouring countries.
- Growing investment in robotic and automated factories.
- Large-scale infrastructure projects (roads, bridges, railways, port infrastructure, energy).
- Decrease in attractiveness of short-term financial instruments due to lower interest rates.
- Creation of alternative financial systems (e.g. crypto industry) that compete with traditional banks.

What has to happen to make the new paradigm work (what will Trump do)?

- **Macro-conditions:**
 - Stabilisation of inflation at the level of 2-3%.
 - Reducing interest rates to 2-3% to encourage long-term investment.
 - Increased state investment in infrastructure and technology.
- **Political conditions:**
 - Protectionism (tariffs, subsidies to domestic producers).
 - State programmes and tax incentives for robotisation and reshoring.
 - Reducing the regulatory burden for real business and industry.

Historical analogies of the new paradigm:

- **America in the 1940s (wartime and post-war industrialisation):**
 - Massive state funding of production.
 - Low interest rates, infrastructure investment, strong economic growth.
- **The Roosevelt Era and the New Deal (1930s):**
 - Strong state, protectionism, infrastructure building.
- **Late nineteenth century ("Gilded Age"):**
 - Industrial growth, protectionism, infrastructure boom (railways).

Who wins, who loses:

Winning	Losing
Industrial companies (robotics, electronics, mechanical engineering)	Financial giants (banks, insurance companies, money market funds)
Infrastructure companies	Import-oriented global corporations (Apple, Nike, Amazon, Walmart)
Energy (nuclear, green energy)	Companies dependent on cheap Chinese imports
Military-industrial complex	Multinational corporations with operations in Asia
Crypto-industry (as an alternative to financial bureaucracy)	Major international banks

The main barriers and risks of the new paradigm:

- High risks of trade wars and global economic slowdown.
- Growth of inflation risks in case of too aggressive stimulation. Inflation should be controlled, otherwise its excessive growth may create additional risks for the real sector and financial stability.
- Confronting financial elites and global corporations.
- Possible instability in financial markets.
- The feasibility of mass reshoring is questionable due to high costs, lack of skilled labour, lack of infrastructure in the US and lack of raw material supply. Mass reshoring of production facilities is not a quick and costly process. In the short term, the U.S. will face rising costs and lack of skilled labour, which may slow down the positive effects of the new paradigm. Reshoring of semiconductors may take 5-7 years at an investment of \$200bn (TSMC estimate), while the textile industry will require 15-20 years due to low profitability.

Implications of the new paradigm for investors:

- The need to change the structure of portfolios:
 - **Take political and geopolitical factors into account** much more than before.
 - **Increased share of:** industrial companies, energy, infrastructure and new technologies. domestic companies (US) with a focus on industry, energy, infrastructure and technology.
 - **Reduced share of:** short-term financial instruments, banking sector, global multinationals with high dependence on China.
 - **Growth of alternative assets:** cryptocurrencies, real estate, gold as a hedge against risk.

Bottom line:

The new paradigm of Industrial Capitalism 2.0 is a strategic return from globalisation to domestic production, from short-term financial speculation to long-term technological investment and from a minimal role of the state to protectionism and active industrial policy.

It replaces financial capitalism because the previous model had exhausted its growth resources and became unsustainable without external creditors (especially China). China, which initially helped the old model to develop, eventually provoked its crisis by ceasing to finance US deficits.

Thus, the new paradigm is designed to restore US industrial and technological strength, strengthen the domestic market, reduce dependence on external factors and ensure sustainable long-term growth of the real economy.

At least that's how the statements from the White House read.

Tariff war as a factor of paradigm shift

Trump's imposition of high import tariffs significantly **strengthens the hypothesis of** a systemic conflict between Main Street and Wall Street and even moves it into a more acute phase.

Tariffs are exacerbating the split between Main Street and Wall Street.

High import tariffs are aimed at supporting domestic production, bringing industry back to the US (reshoring), which is a key demand of Main Street.

Trump is openly stimulating the real economy and industry, creating favourable conditions for it to compete with imports, especially from China and Europe. At the same time, Wall Street, accustomed to globalisation, freedom of movement of capital and goods, is at a disadvantage:

- Trade wars threaten international trade and globalisation, reducing the profits of multinational companies.
- Banks and financial institutions are losing global investment opportunities and suffering from increased uncertainty.

Tariffs lead to a more violent confrontation between the two models of capitalism.

It's no longer just a "long money vs. short money" conflict, but a battle between two philosophies of economics:

- **Industrial capitalism (Main Street):** production, national interests, protectionism, state incentives.
- **Financial capitalism (Wall Street):** globalisation, free movement of capital, maximum return on invested capital in the short term.

This struggle is now becoming more violent and politicised, including the defence of the national economy and the creation of local employment. Tariffs increase the conflict and make it more explicit and systemic.

The possibility of a repeat of the 1930s scenario amplifies the risks and could prevent positive effects for Main Street.

A historical analogy with the 1930 Smoot-Hawley tariff shows that high tariffs then led to retaliatory measures from other countries, reducing world trade by 66% and exacerbating the Great Depression. This means that:

- Short term, the US will be stimulated by the return of manufacturing and employment growth.
- The medium- to long-term risk of a global economic downturn is high, which could reduce overall demand and even negatively impact Main Street itself.
- Wall Street would suffer losses immediately, which could trigger financial instability and market volatility.

While the conflict hypothesis is strengthened, the simultaneous increase in global risks limits the effectiveness of protectionist measures. This could lead to a "Pyrrhic victory" for Main Street: short-term gains followed by long-term problems.

The steep tariffs are a sign that the Trump administration is ready for more drastic steps, up to and including a complete paradigm shift. It is now much less likely that the current situation will be quietly maintained because the tariffs increase the politicisation and intensity of the conflict. The possibility of compromise is diminishing because Wall Street is starting to fight back hard.

The Fed, global recession and Trump's goals

The threat of a global recession will force the US Federal Reserve to switch to a policy of lowering interest rates and supporting the banking system.

This is exactly what the Trump administration and the forces that represent the real economy (Main Street) have as one of their main goals:

US Treasury Secretary Bessent has made it clear that Trump's priority is not the stock market (which benefits Wall Street more) but low benchmark 10-year Treasury bond yields.

Lower Treasury bond yields will help dramatically reduce the cost of borrowing and, most notably, interest rates on loans to businesses and individuals, which stimulates growth in the real economy.

Thus, the Fed's interest rate cuts are a tool that could become key in the confrontation between Main Street and Wall Street interests. For Trump and Main Street, this is a real step towards a new paradigm shift, where domestic production becomes the main priority, rather than Wall Street's speculative profits.

Risks of a tariff war

- Tariffs could raise inflation by **1-2 per cent** in 2025 (Goldman Sachs and JP Morgan estimates, April 2025).
- There is a risk that China will go for more aggressive retaliatory measures other than tariffs. For example:
 - **US bond dump:**
China remains a large holder of US Treasury bonds (about \$761bn as of early 2025). A massive sale of these bonds could lead to a spike in yields, higher borrowing costs for the US, instability in financial markets and a weaker dollar.
 - **Limiting exports of rare earth metals and other strategically important materials:**
China controls a significant share of the global market for U.S.-critical materials. Restricting their exports could hit the U.S. technology sector.
 - **Pressure on American companies operating in China:**
More difficult business conditions, additional inspections, delays in deliveries, which can significantly affect the profitability of large corporations such as Apple, Tesla, Nike, etc.

What has to happen for capital to start flowing from Wall Street to Main Street?

Macro-conditions:

- Fed rate cuts (to 2-3%) to make MMF and T-bills yields less attractive.
- Rising inflation (moderately above 3%) making long-term real assets more attractive.
- Sustained GDP growth, stabilisation of the labour market and reduced uncertainty.

Policy decisions and incentives:

- Tax incentives and amnesties for capital returned from abroad.
- Targeted state guarantees for long-term investments in infrastructure, energy and production.
- Subsidy and soft loan programmes for robotisation and new technologies.

A combination of rate cuts, tax and policy stimulus could turn capital flows from Wall Street to Main Street.

Main barriers and risks to capital redistribution

Barriers:

- High yields on risk-free instruments (if rates remain high).
- Resistance from financial lobbyists and banking bureaucracy.
- Conservativeness of investors who are used to short and liquid instruments.

Risks:

- Negative reaction of the bond market to lower rates (increased volatility).
- The risk of budget deficit and public debt in case of large public investments.
- Inflation risk (with sharp stimulus).

The main risk is the resistance of the financial bureaucracy and the possible side effects of too aggressive stimulation of the economy.

The interdependence of Main Street and Wall Street

The complete separation of the real and financial sectors is conditional and an analytical simplification. Industry and infrastructure are significantly dependent on financial markets and the banking sector through the mechanisms of lending, IPOs, direct investment and bond issuance. Thus, we are not talking about a complete separation, but about a redistribution of the balance of power and influence - reducing the dominance of short-term financial interests in favour of long-term interests of the real sector and domestic production.

Today, the U.S. financial sector holds trillions of dollars, holding back its investment potential. The growing threat of China's technological and military dominance, as well as its refusal to maintain the previous model (when China bought US government bonds with export dollars to finance US deficits), is forcing US elites to make a paradigm shift.

Nevertheless, we are not talking about the destruction of financial elites - we are talking about redistribution of influence and revision of development priorities.

Impact of external macroeconomic risks (EU, Japan, China, emerging markets)

The success of the new paradigm may be complicated by crises in major economies - the EU, Japan or China. However, the deep US domestic market and relatively low dependence on exports allow America to significantly mitigate the negative effects of such events.

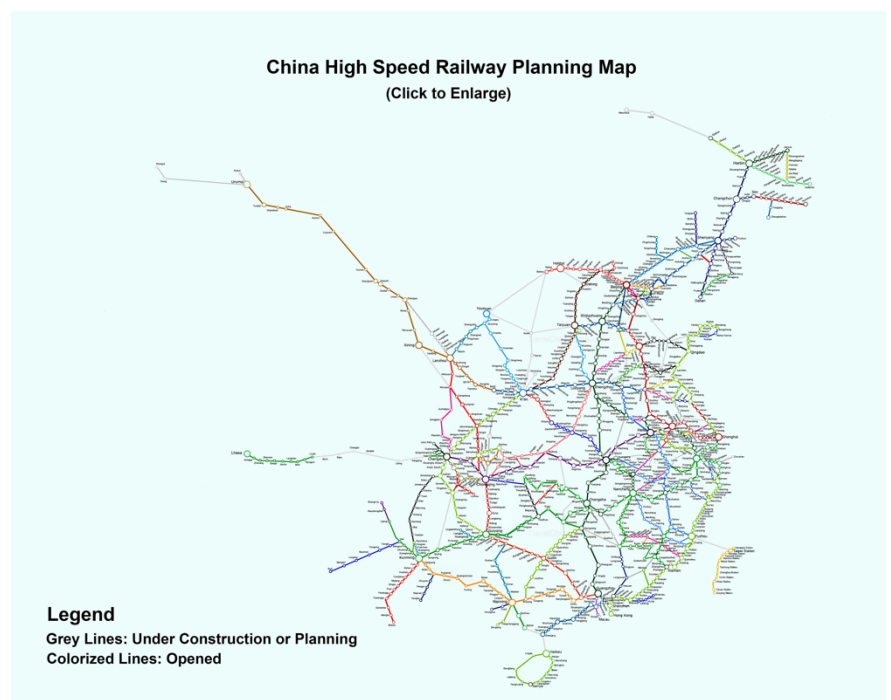
Moreover, crises in other countries may even strengthen the determination of the US authorities and elites to complete the transition to a new paradigm, as the weakening of geopolitical rivals objectively strengthens America's position in the global economy and politics.

After all, in the context of modern technological innovations - artificial intelligence, robotisation, quantum computers and new production technologies - it is no longer financial capital that comes to the fore in global competition, but the country's ability to ensure technological superiority and control over key innovations. That is why the transition to a new paradigm is not just an economic choice, but a necessary condition for maintaining long-term US leadership.

Over the past nearly 20 years, China has built the world's largest high-speed railway network.

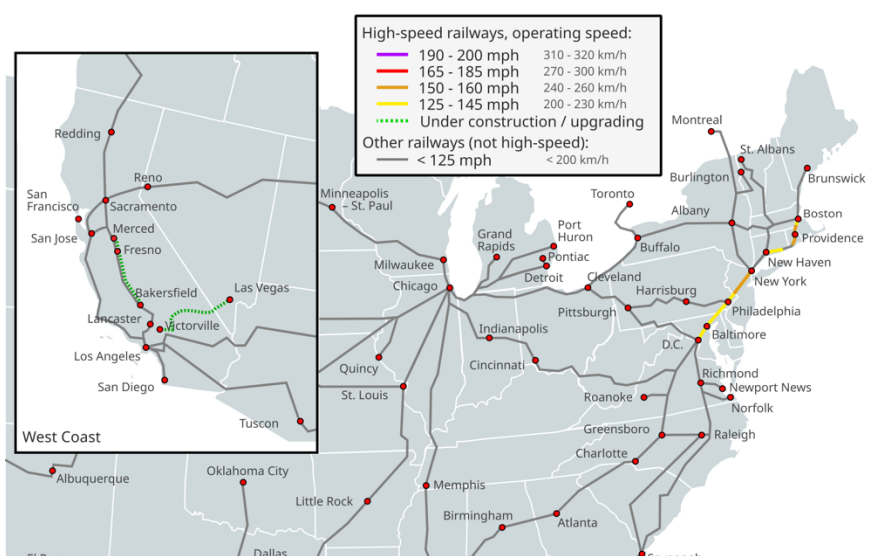
The project has cost the State Railway Group about \$500bn over the past 5 years to build, supply, new trains and stations. The company's debt has reached \$1 trillion.

But the task is done.



There is virtually no high-speed railway network in the United States. The existing sections are insignificant, and large-scale projects are constantly postponed and remain only in the plans.

The situation is similar in other infrastructure areas, including energy, which is



becoming a constraint to the deployment of new technology projects such as infrastructure for artificial intelligence.

And this is already a matter of strategic leadership.

The U.S. needs the following strategically important infrastructure projects totalling approximately \$4 trillion:

- Modernisation of the road network (required investments are estimated at \$500-1000 billion)
- High-speed rail (limited sections on the West and East Coast, \$500bn)
- Airport modernisation (\$150-300 billion)
- Renewal and development of power grids (\$300-600bn)
- Energy infrastructure (renewables and nuclear, \$1000bn)
- Infrastructure for technology and internet (\$200-400bn)
- Water supply and treatment infrastructure (\$400bn)
- Space infrastructure (\$200-500bn)

Technology Leadership: The Heart of a New Paradigm

The key meaning of the transition to the new paradigm "Industrial Economy 2.0" is the restoration and strengthening of the US technological leadership. Technology is not just a tool for competition, but a fundamental resource for America's future prosperity, security and influence in the global arena.

The new paradigm "Industrial Economy 2.0" puts technological leadership at the centre of its attention. Investors and politicians need to focus resources and attention on these technological areas, as they will determine whether the US will be able to maintain and strengthen its global leadership in the ideological and political confrontation with the US. Technological superiority determines who in the future will set global standards, control critical resources and dictate the rules of the game on the world stage. For the U.S., regaining technological leadership is a prerequisite for economic prosperity and national security.

Strategic directions for technology leadership:

Artificial Intelligence (AI)

AI is the number one strategic area shaping the new face of US industry and security. It plays a key role in manufacturing, logistics, medicine, defence and management.

Quantum computing

Quantum computers promise to revolutionise data processing, information security, optimise manufacturing processes and create new materials.

Robotisation and automation

Robots and automated systems provide productivity gains and cost savings that are critical to bringing manufacturing back to the US.

Energy (nuclear and renewable)

Energy independence is essential to U.S. economic sovereignty and sustainability. New technologies of nuclear power, solar and wind power plants are becoming a centre of investment.

Semiconductors and microelectronics

Semiconductors are the foundation of the entire modern digital economy. Leadership in chip manufacturing ensures control over the development of all new technologies.

Robotisation and energy: why is it interconnected?

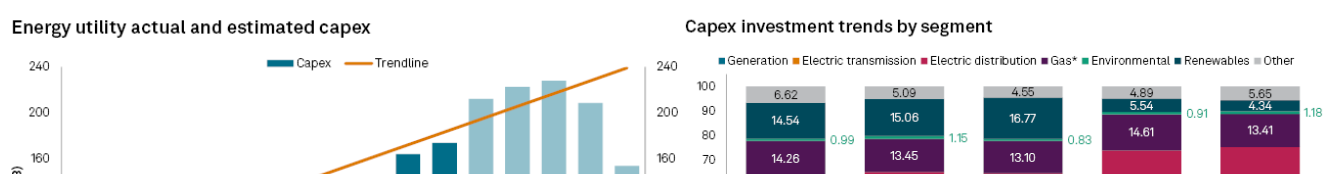
McKinsey estimates that robotisation could increase US labour productivity by 30% by 2035. This is critical because it is robotisation that will help offset America's labour shortage and ensure its competitiveness.

China is also actively introducing robots, despite a surplus of labour. The reason is simple: China already sees a serious demographic crisis approaching and is trying to increase the economy's productivity in advance.

However, **mass adoption of robots requires huge amounts of energy.**

Robots, automated manufacturing and data centres need a stable, abundant and cheap energy supply. To ensure this, the U.S. and China are facing multi-billion dollar investments in building new energy infrastructure, especially nuclear power and renewable energy.

S&P Global [forecasts](#) that capital spending on US energy companies will exceed \$1 trillion between 2025 and 2029. Especially large investments are needed in 2025-27.



Thus, the new paradigm of "Industrial Economy 2.0" implies not only technological but also energy competition between the US and China.

Counterarguments: Why the financial model of capitalism can persist

Despite the relevance and persuasiveness of the hypothesis of transition to the "Industrial Economy 2.0", there are a number of strong arguments in favour of maintaining the current financial model of capitalism. Let us consider the main ones from the point of view of Wall Street and global business:

1. Globalisation as the main driver of innovation

Globalisation not only reduces costs by shifting production to regions with cheaper labour, but also stimulates global competition, which is the main driver of innovation. Companies integrated into global supply chains are more competitive and adapt faster to change. A rejection of globalisation could lead to slower innovation and less technological competition, weakening the US economy in the long term.

2. Risks of inflation and lower living standards

The rejection of cheap imports and the return of production to the US will inevitably lead to higher inflation and lower living standards. Consumer goods, clothing, electronics and household appliances may rise sharply in price. This will hit the middle class, creating social tension and risks of political instability.

Wall Street argues that moderate inflation and consumer price stability are more important than the political benefits of protectionism.

3. efficiency of the financial market

Financial markets ensure efficient allocation of resources and capital based on the principles of profitability and risk. Government intervention or aggressive protectionism can lead to inefficient allocation of resources (who will decide which industries and companies to support?), lower corporate profitability and ultimately stagnation.

From the point of view of financial institutions, the market does a better job of selecting promising companies and industries than government programmes and protectionist measures (here, however, China will argue).

4. Attractiveness for international capital

The financial openness of the US is one of the key factors in the country's attractiveness to international capital. Market closures and tariff increases could trigger an outflow of foreign investment, which is needed to finance innovation, infrastructure and technological development.

Thus, a decline in the role of Wall Street could lead to a loss of US global competitiveness in the global financial market. It is also a threat to the dollar's dominance in the global economy.

5. Flexibility and adaptability of the financial model

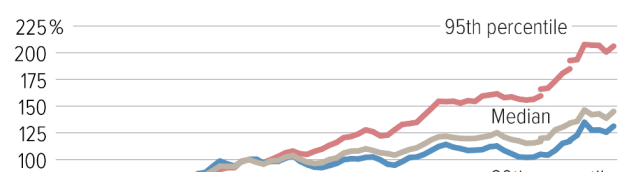
The financial sector has demonstrated its ability to adapt quickly to changes and crises, supporting economic growth even in difficult conditions (though not without the help of the Fed and the Treasury). Banks and financial institutions have already started to reorient themselves towards supporting infrastructure and long-term projects, showing their willingness to meet the interests of the real sector.

This suggests that financial capitalism can not only adapt but also effectively support industrialisation and innovation, thereby maintaining its key role in the economy.

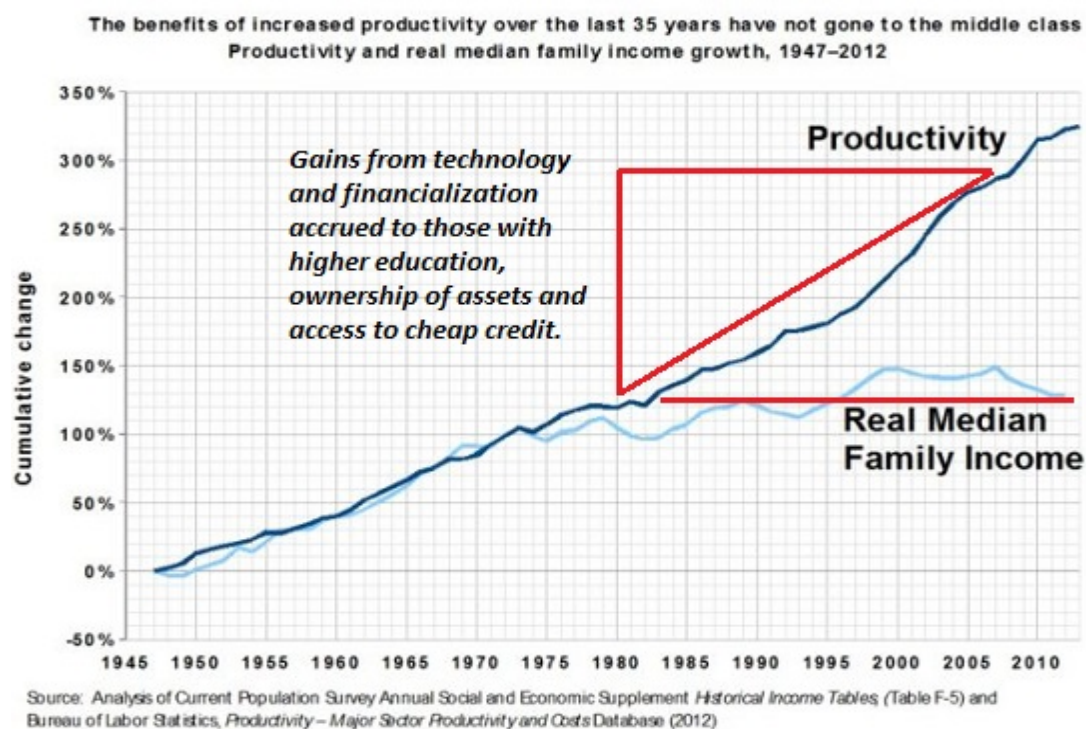
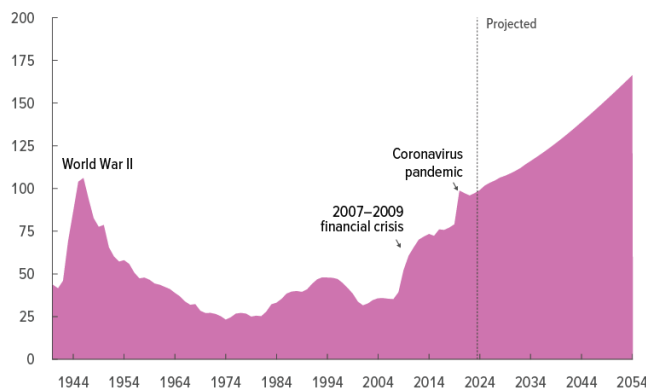
However, in the context of technological and geopolitical confrontation with China, structural distortions have emerged and are growing - from the growing stratification of

Income Gains Widely Shared in Early Postwar Decades — But Not Since Then

Real family income between 1947 and 2023, as a percentage of 1973 level



society to a significant increase in the debt burden.



Global implications of the new paradigm

Reaction of the European Union

The European Union, facing a change in US policy and a possible escalation of trade wars, can significantly strengthen its own industrial policy. The EU is already moving towards strategic autonomy by actively investing in technological development, infrastructure and energy independence. This could manifest itself in:

- Accelerating support programmes for domestic production (e.g. European Chips Act).
- Raising tariffs and protectionist measures to protect the domestic market from foreign competition, especially Chinese goods.
- Increased focus on the renewable energy and digital technology sectors.

Role of Japan and South Korea

Japan and South Korea have traditionally been technology leaders, especially in microelectronics, robotics and advanced manufacturing technologies. In the new situation, these countries can:

- Become important high-tech partners of the U.S., strengthening strategic co-operation.
- Take advantage of global changes to strengthen their position in technology supply chains.

- Intensify investment in robotisation and automation to compensate for labour shortages and dependence on China.

India's potential as a manufacturing hub

India has great potential to become a key alternative centre of global manufacturing in the face of declining dependence on China. Factors contributing to this:

- The existence of a large labour market and relatively low labour costs.
- Strengthening government support to manufacturing sectors ("Make in India" and other initiatives).
- Active development of infrastructure and improvement of conditions for foreign investment.

India can thus become a strategic beneficiary of the new industrial paradigm by attracting investment from companies seeking to diversify production risks outside China.

The risk of a global trade war of all against all

The current US tariff policy looks not just like a defence of its own market, but like an attempt to radically change the global economic balance. If China loses access to the US market, it will be forced to redirect its products much more aggressively to other countries and regions.

This will have several consequences:

Increased competition and price pressure

China will begin to compete aggressively on prices in the EU, India, Latin America and African markets. This could lead to the bankruptcy of local producers and increased unemployment in these regions.

Retaliatory measures by other countries

Countries facing the influx of cheap Chinese goods are likely to impose their own tariff and protectionist measures. This threatens a chain reaction that could quickly escalate into a full-scale trade war of all against all.

Escalation of political tensions

Increased protectionism and tariff wars could lead to political instability, increased nationalism and deterioration of international relations, which would have a negative impact on the global economy as a whole.

Thus, the US tariff war with China risks escalating into a global confrontation in which each state will be forced to defend its markets against aggressive Chinese exports, exacerbating the global economic crisis and instability.

Formation of new global blocs: "Friends" and "Enemies" of the USA

The imposition of tariffs and new US policies could lead to the formation of clearly defined economic and geopolitical blocs:

Circle of "friends of the United States":

- Countries that agree to support U.S. trade and technology security standards will receive preferential access to the U.S. market and favourable trade terms.
- Among them are likely to be close US allies: the UK, Japan, South Korea, Australia, Canada, possibly India and some European countries.
- These countries can benefit from shifting production from China by gaining new investment, technology and jobs, which will improve their economic situation.

The circle of "enemies of the United States":

- Countries that continue to work closely with China, refuse to support the US or take a neutral stance will face the toughest tariffs and economic pressures.
- This will primarily affect China, Russia, Iran, and countries that are actively integrated into Chinese economic projects (e.g., countries in Africa, Central Asia, some countries in Southeast Asia, and Latin America).

A difficult choice for other countries:

- Most of the world's countries will be forced to decide which bloc is more favourable for them to be in. Their choice will become not just economic, but political, determining their future fate in the new economic reality.
- This will lead to a major global redistribution of economic and political alliances that will set the world agenda for decades to come.

Thus, the US tariff policy could provoke a deep division of the world into two economic-political blocs, increasing global tensions and shaping a whole new map of international relations and trade

This will happen if both the US and China can maintain their current position as the two leading countries. And then a bipolar world with Washington and Beijing at its centre will finally emerge.

Investors: which asset classes and sectors will win or lose in the new paradigm?

Winning:

1. Industry and infrastructure

- o Domestic manufacturers of industrial equipment and machinery will benefit from reshoring policies.
- o The infrastructure sector (roads, bridges, railways, telecommunications) will receive a significant boost from large-scale public investment.

2. Robotisation and automation

- o Companies developing and implementing automation and robotics technologies will be supported by rising labour costs and the need to increase productivity.

3. Semiconductors and microelectronics

- o Domestic semiconductor manufacturers will be key beneficiaries due to the strategic drive towards technological independence and reduced dependence on China.

4. Energy

- o Companies in nuclear power and renewable energy will benefit from the pursuit of energy independence and sustainability.
- o Certain commodity companies, especially those mining rare earth metals in the US, will also benefit from import restrictions.

5. Military-industrial complex

- o Increased geopolitical tension and focus on national security will lead to increased investment in the military-industrial complex.

6. Crypto-industry and alternative financial instruments

- o Cryptocurrencies and related companies will benefit from the weakening influence of the traditional banking system and policies to support alternative financial infrastructure.

Losing:

1. Large banks and the financial sector

- o Banks, especially multinational and globally oriented banks, will lose revenues from reduced liquidity and the diminished role of short-term financial instruments.

2. Money market funds (MMF) and short-term financial instruments

- o MMFs and T-bills will become less attractive due to lower interest rates and policies to encourage long money.

3. Transnational corporations with dependence on globalisation

- o Companies like Apple, Nike, Walmart that depend on international supply chains and cheap manufacturing in China will see their costs rise and margins shrink.
4. **Retail and consumer sector dependent on cheap imports**
- o Companies like Amazon and Target will experience pressure on profits due to rising prices of imported goods and changing consumer behaviour.
5. **Export-oriented economies**
- o China, Germany and other major exporters will be challenged by declining exports to the US and the global rise of protectionism.

Implications for investors and recommendations for portfolio allocation:

Investors will need to significantly realign portfolios to meet the new economic paradigm:

- **Share Increase:**
 - o shares of industrial and technology companies with a focus on the US domestic market;
 - o infrastructure companies;
 - o companies involved in automation, robotics and semiconductor manufacturing;
 - o alternative assets, including cryptocurrencies, real estate and rare metals.
- **Decrease in share:**
 - o short-term debt instruments (MMF, T-bills);
 - o shares in multinational corporations dependent on globalisation and cheap imports;
 - o large banks and the global financial sector as a whole.

The classic "60/40" (stocks/bonds) investment approach is becoming less effective, and investors need to adapt strategies to new realities, emphasising long-term investments in the real sector and innovative technologies.

Preliminary assessment of possible winners and losers:

 Winning	 Losing
1. Industry and infrastructure ETF: XLI, IFRA, PAVE Stocks: CAT, DE, FLR, URI, J, MLM, VMC	1. Large banks and the financial sector ETFs: XLF, KBE Shares: JPM, BAC, C, GS
2. Robotisation and automation ETF: BOTZ, ROBO Shares: ROK, ABB, FANUY, TER	2. Money market funds and short-term instruments Funds: VMFXX, SHV

✓ **Winning**

3. Semiconductors

ETF: SMH

Stocks: INTC, AMD, NVDA, ASML

4. energy

ETF: URA, ICLN, NLR

Stocks: NEE, CCJ, CEG, VST, SMR, ENPH, FSLR, XOM, CVX

5. Military-industrial complex

ETFs: ITA, XAR

Stocks: LMT, NOC, RTX, GD, PLTR

6. Crypto-industry and alternative finance

ETF: BLOK, BKCH, BITO

Stocks: COIN, MARA, RIOT

7. AI and quantum computers

ETF: AIQ

Stocks: MSFT, GOOG, ORCL, QBTS, IONQ, RGTI

✗ **Losing**

3. transnational corporations dependent on globalisation

ETFs: VGK, EEM

Stocks: AAPL, NKE, WMT

4. Retail and consumer sector (cheap imports)

ETF: XRT

Stocks: AMZN, TGT, DG

5. export-oriented countries and markets

ETFs: FXI, EWG

Understanding the paradigm shift can help shape important criteria for selecting investment-attractive stocks.

Selection criteria for investment-attractive stocks in the context of the new paradigm "Industrial Economy 2.0":

1. Strategic alignment with the new paradigm

The company's focus on the domestic market of the United States and its allies.

The company's activities are aimed at:

- real sector, industry, infrastructure or energy,
- development of advanced technologies that are critical to US economic and technological leadership (e.g. quantum computing, artificial intelligence, robotisation, microelectronics, etc.).

2. Resilience to tariff and trade wars

Minimal dependence on foreign trade (exports and imports), especially from China or other potentially "hostile" countries.

Having diversified and reliable supply chains.

It is important to consider not only direct but also indirect dependence on exports and imports.

For example, **Deere & Company (DE)**. Despite the fact that the company itself has a strong production base in the USA, its buyers (American farmers and agricultural producers) are significantly dependent on exports, especially to China. After China imposed retaliatory duties on U.S. agricultural products, demand for Deere & Company equipment may significantly decrease.

3. Availability of a long-term development strategy

The company has a clear vision and plan for development in the new economic reality, including plans for reshoring and localisation of production.

For example, Intel (INTC) may fit this criterion if the company manages to solve its internal problems. Also, many companies (TSMC, JNJ, MU, etc.) have declared their readiness to open production facilities in the US.

Active investment in infrastructure, automation and new technologies.

But it is important to clearly understand the availability of financial resources for investment. Investors do not like large investments with unclear payback periods and efficiency.

4. Government support and alignment with US industrial policy

Participation in government programmes, tax breaks and incentives for reshoring and robotisation.

Consistency with the economic policy priorities outlined by the U.S. administration.

This criterion can be passed by: INTC, TSMC, TSLA, NEE, CEG, CAT, FLR, LMT, PLTR.

5. Minimal exposure to inflation risks

The ability to pass on inflationary costs to customers through market power (pricing power).

High margins and resilience to cost increases.

The following may pass this criterion: MSFT, NVDA, GOOG, ASML, V, MA, KO, PG, PEP, NEE, XOM, CAT, LIN, UNH.

The list of possible winners and losers requires a separate special study and discussion.

Today's leaders could be tomorrow's losers.

Paradigm shifts usually lead to fundamental changes in such lists as well. Therefore, before making any investment decisions, conduct detailed independent research and discuss it with a specialised investment advisor.

I'm writing this not only as a must-have item, but also for myself personally. I too will have to work through this and other similar lists in depth separately. And this is not a one-time thing, but a constant fascinating work.

US dollar

The Dollar Index (DXY) is under the influence of two multidirectional forces:

Pressure force on DXY	Direction of influence
High interest rates of the Fed	▲ Strengthening DXY
High US trade deficit	▼ DXY weakening
High budget deficit	▼ DXY weakening
Geopolitical instability	▲ Strengthening DXY

- **Now: the** dollar is supported by high interest rates and geopolitical tensions, but weakened by trade deficits, budget deficits and inflation. This creates increased volatility.
- **Long term:** if the new paradigm works, trade and budget deficits will shrink, QE will be cut, and this will stabilize the dollar.

A possible scenario for the dollar's behaviors:

Period	What's dominant?	Impact on DXY
2025	Trade deficit, inflation, rate cuts	▼ Moderate decrease
2026-2030	Stabilizing trade deficit, industrial growth, less QE	▲ Stabilization and strengthening

As a result, we have a difficult situation for dollar valuations.

In the short term, the dollar may appreciate due to the dollar liquidity crisis.

In the medium term, the dollar will fluctuate, subject to multidirectional forces, but with a higher risk of weakening than rising on the back of US economic stimulus and lower % rates.

In the longer term, the dollar has a chance to stabilise and strengthen due to lower deficits and a growing industrial base.

! It is important to realise that dollar dynamics will be significantly influenced by macroeconomic developments not only in the US, but also in other countries, primarily the EU, Japan and China.

Key companies with a clear PayPal Club influence

I am primarily focused on [investments](#) from [Founders Fund](#) Venture (founder Peter Thiel, \$12bn under management at the end of 2023) as well as Ilon Musk (Tesla).



FOUNDERS FUND

Aerospace and defence industry	Artificial intelligence and machine learning	Biotechnology and health	Blockchain and cryptocurrencies	Infrastructure and construction
SpaceX	OpenAI	Neuralink	Paxos	The Boring Company
Development and launch of launch vehicles and spacecraft.	Development of advanced artificial intelligence systems.	Developing brain-computer interfaces for human empowerment.	A financial institution working with digital assets and blockchain technology.	Construction of underground tunnels for transport solutions.
Anduril	DeepMind	Solugen	Polymarket	Compass
Technologies for defence and security, including autonomous surveillance systems.	Research in AI, including reinforcement learning and neural networks.	Biotechnological production of chemical products using enzymes.	A decentralised platform for predictive markets on blockchain.	A technology platform for buying, selling and renting property.
Varda	Cognition	PsiQuantum	Avalanche	Stord
Manufacturing in space to create materials in microgravity.	Developing AI for business process automation.	Development of quantum computers based on photonic technologies.	A platform for building decentralised applications and blockchain networks.	A cloud-based platform for managing warehouse and logistics operations.

Industrial technology and robotics	Software and SaaS	Financial Technologies (FinTech)	Consumer and Internet services	Health care and biotechnology
Flexport	Asana	Stripe	Airbnb	Modern Health
A digital platform for managing international logistics and freight transport.	A platform for managing projects and tasks in teams.	A payment platform for online businesses.	An online platform for home rentals and travel experiences.	A platform for employee mental health and wellbeing.
Gecko Robotics	Figma	Affirm	Spotify	Oscar
Robots for inspection and monitoring of industrial equipment.	An online tool for collaborative interface design and prototyping.	Providing consumer credit for online purchases.	Streaming service for listening to music and podcasts.	A technology-orientated health insurance company.
Built Robotics	Scale	Nubank	Facebook	Sword Health
Automation of construction machinery through robotics.	A platform for data annotation and dataset preparation for AI.	A digital bank providing financial services in Latin America.	A social network for socialising and sharing content.	Remote physiotherapy using technology.
Nanotronics	Rippling	Ramp	Lyft	AbCellera
Microscopy and software for quality control in manufacturing.	Manage HR, IT and finance in one platform.	Corporate credit cards and expense management.	Ride booking and rideshare service.	Finding and developing antibodies for therapeutics various diseases.
	Twilio	Trade Republic	Postmates	Synthego
Analytics and data	Cloud communications and APIs for integrating voice calls, messaging and video.	A mobile app for investing and trading stocks.	Delivery of food and merchandise on request.	Genome engineering and gene editing tools.
Palantir			Wish	Compass Pathways

A platform for big data and intelligence analytics.			An e-commerce platform with a focus on affordable products.	Research in psychedelic therapy for the treatment of mental disorders.
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Conclusion

The study shows that the transition to "Industrial Economy 2.0" is already being actively realised.

The old paradigm of financial capitalism is being actively resisted both through counter-propaganda and even fuelling social protests.

Some major players in the financial sector are beginning to actively promote the transition to a new paradigm, as geopolitical confrontation with China and technological innovation leave no other choice.

Or the US will turn into a stagnant clone of the EU due to a giant bureaucracy.

Key Findings:

- The US is consciously going for tariff wars and increased protectionism to bring production back into the country, despite the short-term risks of rising inflation. This is a struggle for leadership at the final stage of globalisation - whoever gets quantum supremacy first will dictate the terms.
- The new model involves long-term investments in infrastructure, robotisation and energy, which will allow the US to consolidate its technological and economic leadership.
- Globally, this leads to a redistribution of economic and political alliances where countries will be forced to choose between the US and China, reinforcing the bipolarity of the world.
- For investors, this means the need to significantly revise investment strategies: increasing investments in industrial, infrastructure and technology companies and reducing positions in financial assets and global multinationals.

Thus, the new economic reality requires investors to clearly tailor their long-term investment portfolios and make informed strategic choices.