THE ECONOMIST – MAY 24TH 2025 – KEY TAKEAWAYS

1. ON THE COVER: THE MAN WITH A PLAN FOR VIETNAM

- Fifty years ago the last Americans were evacuated from Saigon, leaving behind a war-ravaged and impoverished country. Today Saigon, renamed Ho Chi Minh City, is a metropolis of over 9m people full of skyscrapers and flashy brands.
- You might think this is the moment to celebrate Vietnam's triumph: its elimination of severe poverty; its ranking as ten top exporters to America; its role as manufacturing hub for firms like Apple and Samsung. In fact Vietnam has trouble in store. To avoid it – and show whether emerging economies can still join the developed world – Vietnam will need to pull off a second miracle. It must find new ways to get rich despite the trade war, and the hard man in charge must turn himself into a reformer.
- That man, To Lim, isn't exactly Margret Thatcher. He emerged to become the Communist Party boss from the security state last year after a power struggle. He nonetheless recognizes that his country's formula is about to stop working.
- It was concocted in the 1980s in the *doi moi* reforms that opened up the economy to trade and private firms.
- The changes, plus cheap labour and political stability, turned Vietnam into an alternative to China.
- The economy has attracted 230bn of multinational investment and become an an electronic-assembly titan. Chinese, Japanese, South Korean and Western firms all operate factories there. In the past decade Vietnam has grown at a compounded annual rate of 6%, faster than India and China.
- The immediate problem is the trade war. Vietnam is so good at exporting that it now has fifth-biggest trade surplus with America. President Donald Trump's threat of a 46% levy may be negotiateßd down: Vietnam craftily offered the administration a grab-bag of goodies to please the president and his allies, including a deal for Space X and the purchase of Boeing aircraft. On May 21st Eric Trump, the president's son, broke ground at a Trump resort in Vietnam which he said would "blow everyone away".
- But even a reduced tariff rate would be a nightmare for Vietnam. It has already lost competitiveness as factory wages have risen above those in India, Indonesia and Thailand. And if, as the price of a deal, America presses Vietnam to purge its economy of Chinese inputs, technology and capital, it will upset the delicate geopolitical balancing act it has performed so well.
- Like many Asian countries it wants to hedge between an unreliable America and bullying China which, despite being a fellow communist state, has long been a rival and disputes Vietnam's claim to coastal waters and atolls.
- The trade and geopolitical crunch is happening as the population is ageing and amid rising environmental harm, from thinning topsoils in the Mekong Delta to coal-chocked air.
- Mr Lim made his name orchestrating a corruption purge called "the blazing furnace". Now he has to torch Vietnam's old economic model. He has set the expectations sky-high by declaring an "era of national rise" and targeting double-digit growth by 2030. He has made flashy announcements, too, including quadrupling the science-and-technology budget and setting a target to earn $100bn a year from semiconductors by 2050. But to avoid stagnation, Mr Lim needs to go further, confronting entrenched problems that other developing countries also face as the strategy of exporting-to-get-rich becomes tricker.
- Vietnam's growth miracle is concentrated around a few islands of modernity. Big multinational companies run giant factories for export that employs locals. But they

mostly buy their inputs abroad and create few spillovers for the rest of the economy.

- This is why Vietnam has failed to increase the share of the value in its exports that is added inside the country.
- A handful of political connected conglomerates dominate property and banking, among other industries. None is yet globally competitive, including Vietnam's loss-making Tesla-wannabe, VinFast, which is part of the biggest conglomerate Vangroup. Meanwhile, clumsy state-owned enterprises till run industries from energy to telecom.
- The autocrat's dilemma – The danger is that, like Xi Jinping in China, Mr Lim centralizes power so as to renew the system – but in the process perpetuates a culture of fear and deference that undermines his reforms.
- If Mr Lim fails, Vietnam will muddle on as a low-value-added production centre that missed its moment. But if he succeeds, a second *doi moi* would propel 100m Vietnamese into the developed world, creating another Asian growth engine and making it less likely that Vietnam will fall into Chinese sphere of influence.
- This is Vietnam's last best chance to become rich before it gets old. Its destiny rests with Mr Lim, Asia's least likely, but most consequential, reformer.

2. GLOBAL POLITICS

- **Poland's remarkable rise – If it turns inward, Poland will lose out along with all of Europe**

Twice it vanished from the map, swallowed up by its rapacious neighbours. After it emerged from the second world war as a Soviet satellite, it endured decades of oppression. Today, Poland has transformed itself into Europe's most overlooked military and economic power – with a bigger army than of Britain, France or Germany and living standards, adjusted for purchasing power, that are about to eclipse Japan's.

Yet, just when Poland should stand proud and tall once more, is it about to throw away its influence?

That is the question Poles face in the decisive run-off vote to elect their president on June 1st. One vision, from the candidate of the Law and Justice (PiS) party, is a brand of right-wing nationalism that feeds off conflict with Poland's neighbours and the European Union. The other, from the centre, is that, in a dangerous world, Poland needs Europe to magnify its strengths, just as Europe needs Poland as a source of security and economic dynamism. Unfortunately, at the moment the right may have the upper hand.

For the past three decades, Poland has shown how much a country can achieve by European integration and good economic policy. Since 1995 income per person has more than doubled. Since, it joined the EU in 2004 Poland has never known recession apart from briefly at the height of covid-19 shut-down. During these two decades, its average annual growth has been almost 4%.

The fruits of the growth are on display across the country. Warsaw, the capital, boasts Europe's tallest building outside Russia, the Varso tower, and below it bustles with designer shops and cafes, IT startups and fashion houses. Out in the once-neglected country-side fine roads, often built with EU money, criss-cross vistas of well-tended fields, farms and new houses.

Long attuned to the threat from Russia, Poland has used its wealth to enhance its security. It now musters the largest army in Europe after Russia, Ukraine and Turkey, and the third-largest in NATO. It spends well over 4% of its GDP each year on defence, far above the 2% that has been NATO target since 2014, and plans to raise that to over 5% next year.

This has translated into influence. These days the group that counts in European security is sometimes dubbed the four musketeers: the young addition to Britain, France and Germany is Poland, like the superlative swordsman d'Artagnan. Telling, its prime minister, Donald Tusk, travelled to Kyiv earlier this month with three counterparts to stress that Europe is ready to stand by Ukraine even as America's commitment has weakened. Poland's stance is in sharp distinction to the rest of the "Visegrad Four". Hungry under Viktor Orban and Slovakia under Robert Fico have both taken the side of Russia rather than Ukraine; and the Czech Republic is expected to tilt in that direction after elections in October.

Given Poland's record, much of it achieved during the total of ten years in which PiS has been in power, you might conclude that it could continue its renaissance with either candidate in June's run-off elections – especially as the role of president in Poland is less powerful than that of prime minister. However, that would be a mistake.

Under the constitution, the president's veto can be overridden only by a three-fifths majority in the Sejn, the lower house which Mr Tusk does not command. The current president, Andrzej Duda, is a former PiS politician who has blocked or delayed many of the new government's reforms and is now termed out. PiS wants its successor to be Karol Nawrocki, a fierce idealogue who would be even less accommodating than Mr Duda. Mr Nawrocki is almost certain to use his powers to block Mr Tusk's agenda, so as to pave the way for PiS victory in the next parliamentary elections. To win the parliamentary elections. To win the presidency, he would depend upon the support from far-right parties that exploit antI-Ukrainian feelings; one is openly antisemitic.

Don't throw it away - Next week's election is finely balanced. In the first round the candidates of the hard right took around 52% of the vote. Were Mr Nawrocki to win the second round, both Poland and Europe would suffer. Europe would lose a source of dynamism and Poland would risk losing the place at the heart of Europe it has worked so hard to claim.

– **America's bust budget – A big baleful bill**

The senate should vote down Donald Trump's reckless tax cuts.

Complacent about being the world's haven, America has been budgeting wildly. Over the past year the federal government has borrowed a staggering $2 trillion, or 6.9% of GDP, even though no crisis has drained its coffers.

On May 16th Moody's a rating agency, stripped the country of its last head-line triple-A credit score. Yet on May 22nd the House of Representatives passed, by just one vote, President Donald Trump's "big, beautiful" budget bill, which cuts taxes and raises deficits. Reflecting the rising fiscal risk, the yield on 30-year Treasuries has risen to 5.1%, the highest since 2017, amid a sell-off.

America has more fiscal leeway than other countries, but the Republican Party seems determined to test its limits. Net federal debts have grown to 100% of GDP, a near-trebling over two decades, meaning that the Treasury will soon pay more than $1 trillion per year of debt interest.

Politicians who should be debating how to tighten their belts are instead poised to raise borrowings. Unless they think again, they risk stoking a crisis.

- **Deterring China – Unseen marines**

America's new way of defending China.

On April 22nd a Chinese aircraft-carrier strike group sailed within three nautical miles of the Philippines' northern-most islands. It was an unusual show of force. It was an unusual show of force. China's reason for sabre-rattling was clear in late April. America flew a new short-range missile system in Basco, in the Batanes island chain, for the first time.

The system's deployment was the most important addition to annual military exercises held by America and the Philippines. The director of the exercise, Brigadier General Michael Logico of the Philippines army, was on hand as the missile system was deployed. 'I always see this as a positive when China reacts to us. It only means that we have probably done something worthy of their attention' he says.

The airfield at Basco is a short, gently sloping runway on a mountainous postage stamp of an island. But the Batanes are key terrain, the closest America can get to Taiwan on the territory of an ally. And it is here that the United States Marine Corps is rehearsing for the first time a new way of defending Taiwan, in the hope that it will deter China from ever attempting to seize the self-governing island by force.

- **Soft power – How China became cool**

Western livestreamers, popular video games and cutting-edge tech have all helped burnish the country's image.

The leaders of the Communist Party might be surprised to find they are indebted to a bouncy 20-year-old livestreamer from Ohio called Darren Warkins junior. He goes by the secret name "IShowSpeed" and has in one visit done more for China's image abroad than any amount of turgid party propaganda.

On a two-week trip in March and April he showed his 38m followers the country's rich history (with a backflip on the Great Wall), friendly people (he joked with China's finest Donald Trump impersonator) and advanced technology (he danced with a humanoid robot, had a KFC meal delivered by drone, and tried a flying taxi).

As he drove into a lake in Shenzhen, safe within an amphibious James-Bond-style electric vehicle SUV, Mr Warkins was agog. "Oh my God, this is not sinking…China got it, these Chinese cars got it!" Or, as he says frequently through-out his visit, "China's different bro."

- **United States – Energy policy – Reduction redux**

What happens if the Inflation Reduction Act goes away?

“It will be somewhere between a scalpel and a sledgehammer”, was how Mike Johnson, speaker of the House, described the emerging Republican approach to the Inflation Reduction Act (IRA), Joe Biden’s signature climate law.

Pressure from companies and congressmen with clean-energy projects benefitting from its subsidies in their districts (most are found in Republican counties) suggested surgical precision would prevail.

But relentless pressure to abolish the IRA from the president, who is a fan of drilling, baby, drilling and denounced the law as the “Green New Scam” pointed instead to brute force.

- **Clean energy – Of volts and jolts**

A battery boom is greening California.

A renewable energy corridor is rising in eastern Kern county, California- where the Mojave Desert meets the Sierra Nevada mountains. Among the wind turbines, solar panels and Joshua Trees are giant batteries that look like shipping containers.

Tesla workers tinker with the ones at the Eland solar and storage projects, developed by Arevon Energy. The amount of battery power in California rose from 500 MW in 2018 to nearly 16,000 MW in 2025.

- **International – Astropolitics (1) – Star wars returns**

Donald Trump’s quest for orbital dominance.

“Ronald Reagan wanted it many years ago”, declared Donald Trump “but they didn’t have the technology.” Now, he said, America could finally build a “cutting-edge missile-defence shield”. Mr Trump’s Golden Dome – an allusion to Israel’s more modest Iron Dome – is intended to protect America from attack using among other things, hundreds or thousands of satellites that can both track and attack enemy missiles as they take off.

Golden Dome is in part a response to Pentagon’s concern that America’s adversaries are building huge number of new and more diverse missiles. The defence shield also highlights how Earth orbit is becoming a front line in the new struggle between Russia, China and America.

- **International – Astropolitics (2) – Lost signals**

Years of neglect have left GPS vulnerable, giving China an edge.

The navigation system has long been an unshakable pillar of American power, hard and soft. First developed by the Department of Defence, President Bill Clinton fully opened GPS to civilian use in 2000, transforming it into a free global utility that is now deeply embedded across industries, from air transport, shipping and trucking to global finance, where its signals provide the accurate timestamps needed to synchronise banks and exchanges.

If these signals were to be cut off for 24 hours, the costs to the British economy alone would come to $1.9bn, according to a government report published in 2023.

Worryingly, years of under-investment have left GPS vulnerable. The large-scale jamming (blocking the signals) and spoofing (feeding in false information) of GPS in or near war zones, including Ukraine and the Middle East, have exposed its fragility.

Kevin Polpeter, the head of research at the China Aerospace Studies Institute, a think-tank, warns that such disruptions will grow more common, as Russia and China invest in technologies capable of jamming GPS on a massive scale.

China's BeiDou has emerged as a formidable alternative to GPS. The Chinese system is provided by 56 satellites, which is nearly double the number providing GPS, and is supported by 120 ground stations, which command the constellation, versus just 11 for GPS. This resilience is BeiDou's greatest strength, says Dana Goward, the president of the Resilient Navigation and Timing Foundation, a non-profit.

Unlike, GPS which relies on satellites in medium-Earth orbit, BeiDou operates across three orbital layers, giving it wider and more stable coverage.

Beyond its satellite network, China has also built nearly 300 ground-based backups, fibre-optic networks to transmit accurate timing information, and an eLoran system, a ground-based alternative to satellite-based navigation. These ensure that if satellite signals are lost, essential navigation and timing services can continue. Unlike satellite signals, which are weak and easily jammed by the time they reach Earth, eLoran uses powerful transmissions that are more difficult to interfere with.

Moreover, China's ability to spoof GPS signals is growing, Because BeiDou is designed to be compatible with GPS, owing to interoperability agreement signed in 2017, China can easily mimic its signals. Russia and China are also developing anti-satellite and other space-based devices that can destroy or interfere with Western satellites.

America's communications regulator said on March 27th that it would explore alternatives to GPS to strengthen resilience. However, efforts to modernize America's aging GPS satellites have stalled. An upgrade meant to replace 1990s-era technology offered only modest improvements in accuracy, leaving GPS lagging far behind BeiDou and Galileo, a European alternative.

3. BUSINESS AND ECONOMICS

- **Artificial Intelligence – The trough of disillusionment**

Tech giants are spending big on generative AI, but many other companies are growing frustrated.

When the chief executive of a large tech firm based in San Francisco shares a drink with the bosses of his Fortune 500 clients, he often hears a similar message. "They are frustrated and disappointed. They say: ' I don't know why its taking so long: I've spent money in this. Its not happening."

For many companies, excitement over the promise of generative AI has given way to vexation over the difficulty of making productive use of the technology. According to S&P Global, a data provider, the share of companies abandoning most of their generative-AI pilot projects has risen to 42% up from 17% last year.

This poses a problem for the so-called hyperscalers – Alphabet, Amazon, Microsoft and Meta - that are still pouring vast sums into building the infrastructure underpinning AI. According to Pierre Ferragu of New Street Research, their combined capital expenditure is on course to rise from 12% of revenues a decade ago to 28% this year. Will they be able to generate healthy enough returns to justify the splurge?

Companies are struggling to make use of generative AI for many reasons. Their data troves are often siloed and trapped in archaic IT systems. Many experience difficulties hiring the technical talent needed. And however much potential they see in the technology, bosses know they have brands to protect, which means minimizing the risk that a bot will make a damaging mistake or expose them to privacy violations or data breaches.

However, Mr Lovelock of Gartner argues, much of the benefit of the technology for hyperscalers will come from applying it to their own products and operations.

– **CATL - Supercharger**

China's battery giant eyes world domination.

Ningde is an unassuming town on the south-eastern coast of China, is the headquarters of the planet's largest battery maker, CATL. Its products power a third of the world's electric vehicles and a similar share of energy storage systems for grids. The meteoric rise of the company, founded in 2011, has lifted the economic output of Nindge, the hometown of its boss, Robin Zing, above that of Estonia or Uganda.

On May 20th CATL raised almost $5bn in a secondary listing in Hong Kong, making it the largest share offering so far this year. Investors raced to get their hands on the stock, sending its price up by 16%. The sum is a small fraction of the $160bn market capitalization of the firm, which first listed its shares in Shenzhen in 2018. But the Hong Kong offering is a clear statement of intent: not satisfied with dominance at home, China's battery behemoth plans to spread across the globe.

CATL is already by far the largest firm in its industry. Its production volume is more than double that of BYD, its closest competitor, which has the advantage of being the world's biggest maker of EVs. CATL's 11 manufacturing sites across China cover nearly 20m square meters between them. The company which employs over 100,000 people, also owns lithium mines and offshore wind firm.

Its scale and vertical integration have driven down costs and lowered prices. Although revenue fell by 10% last year, to 360bn yuan ($50bn) , net profit rose by 16% to 52bn yuan, delivering a healthy margin of 14%. Rivals have struggled to keep up. LG Energy Solution of South Korea, CATL's biggest competitor outside China, made a net loss last year.

Now the battery giant is hoping to strengthen its position abroad. Exclude China and, LG Energy Solutions was narrowly ahead last year on sales volumes according to UBS, a bank. But CATL is fast catching up, last year it generated 30% of its revenues abroad, up from less than 4% in 2018. Its carmaking customers include BMW, Toyota and Volkswagen. It also powers grid-storage systems and recently announced the world's biggest energy-storage projects in the United Arab Emirates.

What could short-circuit CATL's global ambitions? One risk is China-bashing politicians in America, who have been less welcoming than their counterparts in Europe. Last year CATL batteries used Duke Energy, an American utility, to help power a military base in North Carolina were decommissioned under pressure from lawmakers. In April American politicians asked banks including JP Morgan Chase and Bank of America to halt their work on CATL's Hong Kong listing. (They ignored the request.)

A second risk is decelerating demand of EVs in the West. Sales continue to power ahead in China, but are slowing in America and have stalled in Europe because of weakening consumer sentiment and a reduction in subsidies.

– **Theme parks – Universal wants some of Disney's magic**

In the swampy Florida heat, a gaggle of enthusiasts, influencers and journalists gathered this week for the opening of Epic Universe, a new theme park in Orlando. The sprawling site, made up of five themed "worlds", took Comcast, owner of Universal Pictures, $7bn and more than five years to build. Only a 20-minute drive from Walt Disney World, it is a bold bet that the company behind film franchises including Hary Porter and Super Mario can offer something just as magical.

Universal opened its first Orlando theme park, Universal Studios Florida, in 1990, expanding the resort with a second one, Universal Islands of Adventure, in 1999, and a water park, Volcano Bay, in 2017. By adding Epic Universe, it will be hoping that it can keep its guest entertained - and away from the Magic Kingdom – for the duration of their trip.

Epic Universe is Comcast's biggest such investment so far, but it is not the only new site in the works. In August it will be open to a horror attraction in Las Vegas. A children's resort will follow in Texas a year from now. Last month the company said it would build a big theme park in Britain, too, expected to open in 2031. Not to be outdone, Disney a few weeks later unveiled plans for its first new park in a decade, in Abu Dhabi.

Theme parks are a lucrative business. Disney's experiences division (which includes parks as well as cruises and hotels) generated $34bn in revenue for the company in its most recent fiscal year, around a third of its toral, and more than twice the profit of its entertainment division (which houses movies, TV and streaming). Comcast's theme-parks business, which brought in less than $9bn in revenue last year wants more of the action.
Stealing Disney's magic will not be easy, though. Epic Universe isn't flawless. Some rides are short and disappointing. An even bigger problem is that Universal does not have Disney's breadth of intellectual property, which covers everything from Star Wars and the Marvel universe to Frozen and Mickey Mouse. *Guests are*

often attracted to visit theme parks by the characters and worlds they already love, rather than the latest in rollercoaster technology.

- **Schumpeter – Margin Wars**

Retailers are sluggling it out with big brands for consumers' dollars.

During Walmart's latest earnings call on May 15th, Doug McMillon stated the obvious. "The higher tariffs will result in higher prices", the big-box behemoth's chief executive told analysts, referring to Donald Trump's levies on imports of just about anything from just about anywhere.

Who would have thought? Two days later the president weighed in with an alternative idea. Walmart (and China, where many of those imports come from) should "EAT THE TARIFFS", he posted on social media. Mr McMillon did not respond publicly to the suggestion. But it is likely to be a polite, lower-case "Thanks, but no thanks".

Walmart is not the only large American retailer that can afford to turn down the unhappy meal. Earlier this month Amazon hinted that the prices of goods in its e-emporium could edge up as the levies bite. Costco, a lean membership-only bulk discounter which reports its quarterly earnings on May 29th, will probably not be taking up Mr Trump's offer, either. This week Home Depot, America's fourth-most-valuable retailer behind those three, said that while it was not planning to raise prices just yet, it expects to maintain its current operating margin. This implies its suppliers will absorb much of the cost of tariffs.

Not even the artificial-intelligence revolution seems to whet investors' appetite as much as the ability to preserve profits in times of economic uncertainity. The giant retailers' shares trade at multiples of future earnings that put big tech to shame. Home Depot's is on par with Meta's. Walmart's beats both Microsoft's and Nvidia's. Costco's is nearly twice that of Apple, Amazon, with fingers in both pies, is just behind Walmart. Tasty.

Despite Walmart's warning about everyday not-so-low prices, it is not shoppers who bear the brunt of its pricing of its prices. It is, as in Home Depot's case, suppliers. Retail firms can increasingly dictate terms not just to nameless providers of nuts-and-bolts products (including, at the home-improvement store, actual nuts and bolts) but also to once-mighty brands, from Nike to Nestle. Do not be fooled by their single-digit operating margins, just over half those of their typical vendor. Their slice of profits from the $5 trillion-plus that American consumers splurge annually on physical products is growing.

Estimating the retailers' profit pool is straightforward. Start with the Census Bureau's tally of American retail spending (excluding cars and petrol). This is, by definition, the money that ends up in shop tills. Multiply it by the industry's overall operating margin, which can be approximated by looking at the revenue-weighted average of all listed retailers. Last year the figures were $5 trillion and 7.2%, giving $ 360bn in retail profits. Calculating vendors' revenues requires a few more assumptions, such as that 90% of retailers' cost of goods sold ends up with consumer-goods firms. This implies perhaps $3.2 trillion in sales and, given the average consumer-goods operating margins of 12.6% last year, a profit pool that is a shade over $400bn.

On this rough reckoning, then, manufacturers grab a little over half of the two groups' combined profits. But this is down from three-fifth in the late 2010s. A narrower but more sophisticated analysis by Zhihan Ma of Bernstein products but excludes durable goods, yields a directionally similar result: over the past 15 years retailers' profit share has risen from 34% to 38%. Having lagged behind consumer-goods stocks between 2000 and 2015, then shares have since handily outperformed them, too.

The main reason for retailers' growing clout is competition. For established brands this is fiercer than ever. On one side they are squeezed by upstart labels, which can easily outsource production to contract manufacturers and market their wares on Tiktok: think hip Warby Parker spectacles or hideous Allbirds trainers. When the company looked healthy and money was cheap, brand owners could counteract some of this by snapping up the challengers. With the interest rates, uncertainty and the risk of recession all up, dealmaking is the last thing on CEOs' minds.

On the other side brands feel the pinch from retailers' own private labels. They are no longer slapped just on low-margin goods like toilet paper. Best Buy, an electronic retailer, sells fancy own-brand refrigerators for $1,666. Wayfair flogs $7,800 sofas. Sam's Club, Walmart's Cosco-like membership arm, even offers a five-carat diamond engagement ring for a bargain $144,999.

Even as shoppers enjoy even more choice of what to buy, their options of where to buy it are becoming more limited. Although America's retail industry remains fragmented compared with the cosy oligopolies found in many rich countries, it is consolidating fast. Between 1990 and 2020 the share of food sales claimed by the four biggest retailers more than doubled, to some 35%.

Food fight - A federal court's decision last year to block the $25bn merger of Kroger and Albertsons, two big supermarkets, is scant comfort to vendors. They remain beholden to big retailers, especially Walmart, which accounts for a quarter of Americans' grocery spending. Suppliers including Nestle, Pepsi Co and Unilever have set up offices next door to its headquarters in Bentonville, Arkansas. Walmart has no similar outposts in that trio's home-towns of Vevey, Switzerland, Purchase, New York and London.

- **A financial titan – Dimon hands**

Will JP Morgan Chase become America's first trillion-dollar bank? We interview the firm's boss, and his lieutenants.

"Sarena Williams, Tom Brady, Stephen Curry." When it comes to making sure that the world's biggest bank is a lean operation, Jamie Dimon makes athletic inspiration. "Look how they train, what they do to be that good," says the boss of JP Morgan Chase. "Very often, senior leadership teams, they lose that. Companies become very inward-looking, dominated by staff, which is a form of bureaucracy."

During Mr Dimon's tenure, JP Morgan has become to banking what Ms Williams was to tennis. In most of the markets in which it competes, it ranks as America's leading institution, or a close runner-up. It boasts a market capitalization of $730bn, or 30% of the total amount of America's big banks, up from 12% when Mr Dimon took charge at the start of 2006. The gap with competitors has grown larger still since the covid-19 pandemic. JP Morgan has 317,233 staff, nearly twice as many as in 2005. Its share of America's deposits has doubled to 12%.

America has never had a bank of such size. Even when John Pierpont Morgan, one of Mr Dimon's predecessors, bailed out the Treasury, at the turn of the 20th century, he could not boast coast-to-coast operations. In 2021 JP Morgan became the first lender with branches in every one of America's 48 contiguous states. The bank's combination of scale and market beating efficiency means that it can invest far more than its rivals in technology, draw on an immense board of deposits for cheap and sticky funding, and benefit from flights to safety when smaller banks wobble.

4. SCIENCE & TECHNOLOGY

- **American science (1) – Looming disaster**

The trump administration is waging an assault on American science. This special section examines the scale of the cuts as well the risks of a brain drain.

Scientist in America are used to becoming the best. The country is home to the world's foremost universities, hosts the lion's share of scientific Nobel laureates and has long been among the top producers of influential research papers. Generous funding helps keep the system running. Counting bot tax payers and industrial dollars, America spends more on research than any other country.

The federal government doles out around $120bn a year, $50bn or so of which goes towards tens of thousands of grants and contracts for higher-education institutions, with the rest going to public research bodies.

Now, however, many of America's top scientific minds are troubled. In the space of a few months the Trump administration has upended well-established ways of funding and conducting research.

- **American science (2) – Chilling effects**

Cuts to science funding will hurt ordinary Americans.

From Law firms to universities, Donald Trump's administration has taken aim at elites. But the consequences of cuts to research spending and reductions in the federal workforce carried out since Mr Trump returned to White House will trickle down quickly.

Federal funded science agencies provide all sorts and services, many of which save lives and generate economic value. The National Oceanic and Atmospheric Administration (NOAA) for example, provides weather forecasts that farmers rely on to determine when to plant, irrigate and harvest and that authorities use to prepare for disasters. The Centre for Disease Control and Prevention (CDC) in its role as America's public-health agency, collects data essential to the effective treatment of diseases and funds clinics that treat them. Research on pollution at the Environmental Protection Agency (EPA) meanwhile, is critical for refining regulations that protect Americans from contaminants. The cuts to these agencies and others are likely to hurt ordinary Americans.

- **American science (3) – Your loss is our loss**

America is in danger of experiencing an academic brain drain.

Matthias Doepke was impressed when he moved to America as a graduate student in the 1990s. Academic pay was better than his native Germany and university departments were slick and organized. But what he appreciated most was the attitude. “You come to the US and you have this feeling that you are totally welcome and you’re totally part of the local community,” he says. In 2012 he became the professor of economics at Northwestern University in Illinois and in 2014 became a naturalized citizen.

But in April Dr Doepke resigned from Northwestern; he is now a professor at the London School of Economics. He is clear about why he and his family left: the election of Donald Trump as president. “Once the election happened,” he says, “it was clear we weren’t going to stay.” Mr Trump’s government is taking a chainsaw to American science, pulling grants, revoking research visas and planning enormous cuts to the country’s biggest funders of research. Academics talk of a “war on science”. Few have followed Dr Doepke’s example and moved overseas just yet. But plenty of data suggest they soon might. An exodus from the world’s scientific superpower beckons.

5. THINK-TANKS

- Centre for Strategic and International Studies
- China Aerospace Studies Institute