# Naftástique!

***World trade shifts away from a single global market as a small number of large regional trading blocs emerge. China, Europe, and South America form their own economic clusters. The United States joins with Mexico and Canada to make North America a self-sufficient economic community.***

A scarcity of critical natural resources, coupled with continued growth of the world's population has pushed the ability of most nations to provide for their citizens. Basic commodities have become scarce and prices have risen accordingly. Relationships among world powers are strained by prolonged and intense competition for raw materials and energy sources. While there is persistent, and sometimes intense, political tension between many countries, direct military actions have been minimal. Inward facing policies designed to protect dwindling resources have served to reduce and fragment global trade. In response to this, a small number of very large regional trading blocs have emerged across the globe.

The trading blocs have been defined not by physical walls outlining their territory, but by the simultaneous presence of trade barriers hindering commerce across the blocs —such as high tariffs on imports, complicated customs procedures— and elimination of barriers to commercial activity among countries within a bloc. Such policies have naturally incentivized businesses to seek partners within their own bloc to meet their resource needs as much as possible. It is faster, easier, and cheaper to obtain goods and personnel from within your own bloc.

China, for example, has forged a particularly intense alliance with countries in Africa. Many African nations, rich in natural resources and desperate for investments and new technology, found a natural partner in the resource-starved and over-populated China. Intense trade of materials, technology and labor started taking place inside this Sino-African economic bloc, with the Yuan as the de facto currency.

Other regional blocs have emerged over the last thirty years. The European bloc, having survived the crisis of the "twenty-teens" has emerged stronger than ever. It has developed strong trading partnerships with both Russia and the Middle East for their natural resources. Powerhouse Brazil led the Mercosur bloc; Japan, Korea and Southeast Asian nations have similarly formed a Pacific bloc. Smaller countries were forced to ally themselves with existing blocs to keep their economies alive.

However, a few larger nations like India, Venezuela and Australia decided to remain 'unaligned' to any particular bloc and trade with all clusters.

The United States formed its own bloc along with Canada and Mexico, called the North American Economic Community (NAMEC). Complementing each other in natural resources, technological capabilities and workforce availability, NAMEC has emerged as a strong economic cluster. Commerce among NAMEC nations has increased tremendously. U.S. borders with Canada and Mexico are essentially seamless for freight and passenger movements. Widespread use of the vast domestic sources of natural gas and coal, and heavy investment in renewable sources, made the North American nations almost totally independent of foreign oil. While energy prices inside NAMEC tend to be higher than the historical averages, they are also significantly less volatile than in the past.

The United States undertook a re-domestication of manufacturing to NAMEC countries, with a clear emphasis on promoting processes that take advantage of local resources and talent. Unemployment within all member nations has fallen as more manufacturing and other jobs are re-domesticated to North America. Advanced communication and manufacturing technologies enables more efficient production closer to the population centers.

Migration among NAMEC nations has become fluid. Cross-NAMEC work visas are issued for millions of young workers from the United States, Canada, Mexico, and other Latin American member countries. Millions of aging Americans retire to Mexico and Canada. This influx of retirees has made some parts of the Mexican coastline the "New Florida," creating new demand south of the border for higher value goods and services. The mixing of the different member countries within NAMEC has led to a higher percentage of the United States population speaking more than one language. While a majority of US citizens still only speaks English, a sizable (and growing) percentage is bilingual – primarily with Spanish as the second language.

Environmental concerns are driven from the bottom-up by activism of the consumers inside the blocs, and embodied into regulations that favor the energy sources used in that bloc. Previously disparate environmental regulations in Mexico, the United States and Canada have been standardized into a stricter corpus of rules. However, environmental regulations vary greatly across different blocs, as the member countries of each bloc enact the regulations that protect the environment while allowing the bloc to remain self-sufficient to meet its energy demands. Rising temperatures have increased the agricultural output of countries located in higher latitudes. In North America, Canada's production of grains and other agricultural produce has increased dramatically. So far, however, the global increase in temperatures has had very limited impact on coastal cities and in the operation of maritime ports.

Fixed currency exchange rates are established within the blocs, which in turn has stabilized currency fluctuations across blocs. While the majority of global trade is conducted within regional trading blocs, there is still some trade between the blocs. This inter-bloc trade is, however, mostly limited to supplementing technologies and materials that are not available in member nations. Many are surprised that despite the lack of a true global market the regional clusters manage to operate as self-contained trade systems. Inside each of these blocs, trade links have led to stronger political links and a sense of shared purpose. Member nations take pride in working together towards self-sufficiency. ■