Flash Economics

N° 104
October 16th, 2026

Subscribe here.

Towards a world of scarcity

The global economy is currently dominated by the effects of the rise of artificial intelligence (AI) and by the proliferation of conflicts. The result is the emergence of multiple scarcities, i.e. situations in which demand exceeds supply (*ex ante*, before equilibrium is reached). This applies in particular to saving, fossil fuels, electricity, semiconductors, shipping and industrial metals.

As a result of these scarcities, long-term real interest rates have risen, as have the prices of energy, semiconductors, shipping and metals. These increases raise questions about:

- the winners and losers from these developments;
- their effects on Europe;
- the risk of core inflation taking hold.

Patrick Artus
Senior Economic Advisor
patrick.artus-ext@ossiam.com
@PatrickArtus
Patrick Artus

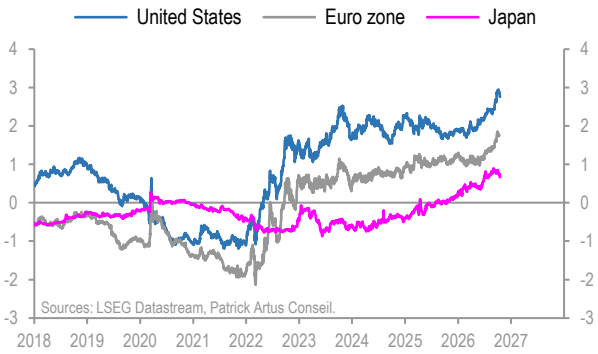
Isabelle Gravet
Research Assistant
isabelle.gravet-ext@ossiam.com

Marketing communication: this document is a marketing presentation. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research; and it is not subject to any prohibition on dealing ahead of the dissemination of investment research.

An ex ante saving shortfall

Until 2022, the global economy was characterised by excess saving, which led to a sharp fall in long-term real interest rates. In recent years, however, AI-related investment has grown at an exceptional pace (in 2026, USD 725 billion for the large US technology companies, according to LSEG estimates; USD 2.7 trillion of AI-related spending worldwide, according to Gartner). The sheer scale of this investment has tipped the global economy into an *ex ante* saving shortfall, resulting in a sharp rise in long-term real interest rates (Chart 1; the long-term real interest rate is calculated as the difference between the 10-year nominal interest rate and the inflation swap rate of the same maturity).

Chart 1
Real 10-year government bond yields (%)



Other effects of the rise of artificial intelligence

The rise of AI also:

- increases electricity consumption: according to the International Energy Agency, global electricity consumption by data centres is projected to rise from 450 TWh in 2024 (1.4% of global electricity generation) to 1,000 TWh in 2030 (3% of the total). This will inevitably push up electricity prices;
- increases demand for semiconductors, which pushes up their price (Chart 2) and reduces the supply of semiconductors available for traditional uses (personal computers, household appliances);
- pushes up the prices of industrial metals, in particular copper, which is used in electricity grids (Chart 3).

Chart 2
Semiconductor prices (in USD)

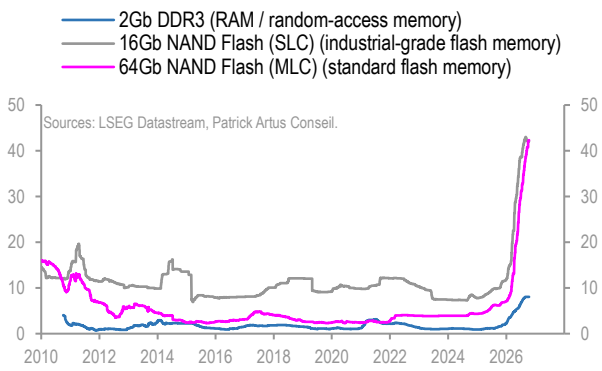
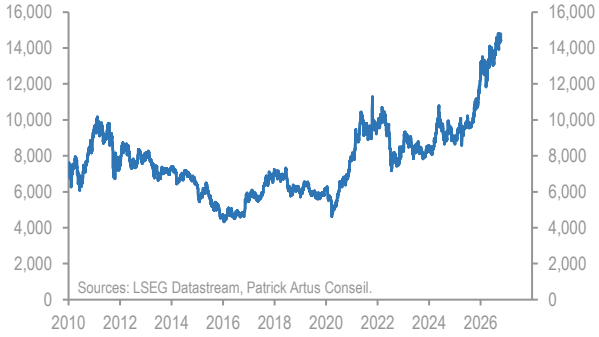


Chart 3
Copper price (US dollars per tonne)



Effects of the proliferation of conflicts

In particular, the conflict in the Middle East and the associated blockade of the Strait of Hormuz have led to:

- a sharp rise in oil prices and, outside the United States, in natural gas prices (Charts 4A and 4B);

- a sharp rise in shipping rates (Chart 5), fuelled in particular by higher insurance premiums.

Chart 4A
Oil price (Brent, $/bbl)



Chart 4B
Europe: Natural gas price (TTF, €/MWh)

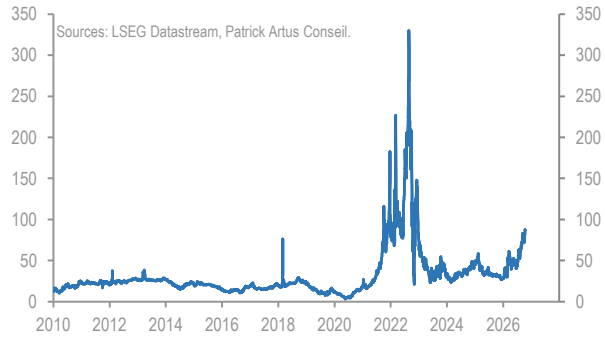
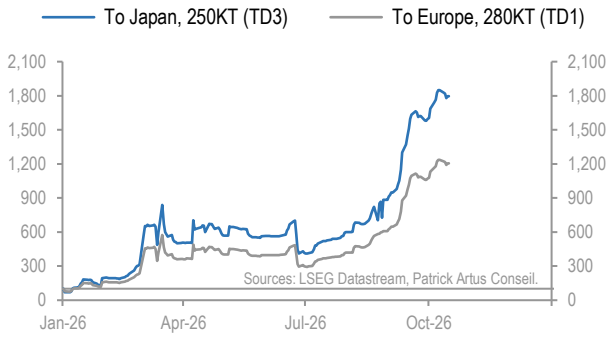


Chart 5
Crude tanker freight rates from the Middle East Gulf
(1 January 2026 = 100)



Who are the winners and losers from these developments?

The rise of AI and the proliferation of conflicts have led to higher long-term real interest rates and higher prices for many goods and services (energy, semiconductors, shipping, industrial metals). Who, then, are the winners and the losers?

- The rise in long-term real interest rates has little impact on technology companies, whose actual or expected profitability is very high (Nasdaq earnings per share are expected to rise by 30% in 2026). By contrast, it weighs heavily on other companies, as illustrated by the decline in the investment rate of non-financial corporations in Europe, where the technology sector accounts for a small share of the economy (Chart 6), and on households, which face higher mortgage rates (Chart 7).

Chart 6
Euro zone: Investment by non financial corporations
(as % of GDP)

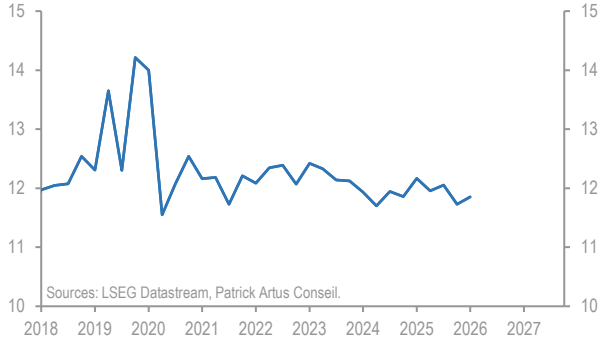
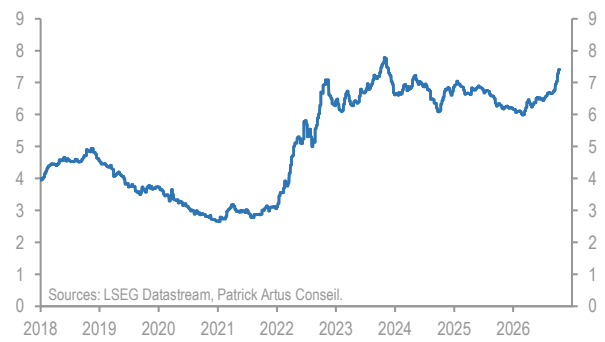


Chart 7
United States: 30-year fixed mortgage rate (%)



It is also detrimental to governments, since the long-term real interest rate exceeds real GDP growth, so that public debt ratios rise inexorably (Chart 8).

Chart 8
Public debt (as % of nominal GDP)



- Higher fossil fuel prices benefit oil and natural gas producers, notably the United States, as well as oil companies; by contrast, they penalise oil and natural gas importers (Europe, Asia) and all users of these fuels (industry, households, transport, etc.).
- Higher semiconductor prices benefit producer countries (Taiwan, South Korea, Japan, China) and employees in the sector, as illustrated by the exceptional bonuses paid to Samsung staff.

Effects on Europe

The effects of the rise of AI and of the proliferation of conflicts are detrimental to the European economy, since:

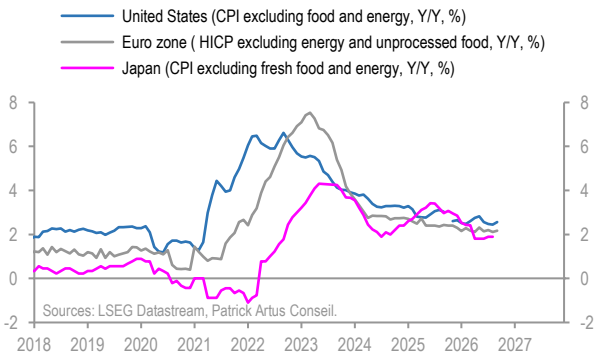
- Europe's digital industry is small;
- Europe imports most of the oil, natural gas, semiconductors and industrial metals it uses;
- European countries have high public debt ratios (**Chart 8** above).

Europe is therefore set to suffer from higher long-term real interest rates and from higher prices for energy, semiconductors, transport and metals.

What impact on core inflation?

The environment is becoming markedly more inflationary, owing to higher commodity, shipping and semiconductor prices, which raises fears of a significant rise in inflation. At present, however, core inflation (excluding energy and food) continues to decline in the United States and in the euro zone, and remains below 2% in Japan (**Chart 9**).

Chart 9
Core inflation



However, in a broadly inflationary environment, there is a risk of price increases feeding through into wages, and hence of a rise in core inflation reflecting this environment.

Summary: distributional effects warrant close attention

As the preceding analysis has shown, the rise of AI and the proliferation of conflicts have multiple redistributive effects:

- between countries, notably between exporters and importers of fossil fuels, or between producers and buyers of semiconductors;
- between sectors, notably between technology companies and other companies;
- between borrowers and lenders.

For the time being, households are among the losers from these developments: they are paying more for energy, are exposed to the risk of AI-related job losses and face higher real interest rates on their mortgage debt. A key question is therefore whether households will be able to restore their purchasing power by securing larger wage increases. If they do, the inflationary risk will be significant, which would be only logical in an environment broadly characterised by rising prices for energy, transport, commodities and semiconductors.

Disclaimer

Ossiam, a subsidiary of Natixis Investment Managers, is a French asset manager authorized by the Autorité des Marchés Financiers (Agreement No. GP-10000016). Although information contained herein is from sources believed to be reliable, Ossiam makes no representation or warranty regarding the accuracy of any information of which it is not the source. The information presented in this document is based on market data at a given moment and may change from time to time. This material has been prepared solely for informational purposes only and it is not intended to be and should not be considered as an offer, or a solicitation of an offer, or an invitation or a personal recommendation to buy or sell participating shares in any Ossiam Fund, or any security or financial instrument, or to participate in any investment strategy, directly or indirectly. It is intended for use only by those recipients to whom it is made directly available by Ossiam. Ossiam will not treat recipients of this material as its clients by virtue of their receiving this material. All performance information set forth herein is based on historical data and, in some cases, hypothetical data, and may reflect certain assumptions with respect to fees, expenses, taxes, capital charges, allocations and other factors that affect the computation of the returns. Past performance does not predict future returns. Any opinions expressed herein are statements of our judgment on this date and are subject to change without notice. Ossiam assume no fiduciary responsibility or liability for any consequences, financial or otherwise, arising from, an investment in any security or financial instrument described herein or in any other security, or from the implementation of any investment strategy. This information contained herein is not intended for distribution to, or use by, any person or entity in any country or jurisdiction where to do so would be contrary to law or regulation or which would subject Ossiam to any registration requirements in these jurisdictions. This material may not be distributed, published, or reproduced, in whole or in part.