STRONG CONVICTIONS, LOOSELY HELD | SELECTGLOBAL ATLAS

The G40 and the 48 Rails: Why the World Map and the Capital Map Are the Same Map

The three-bloc world and the federal capital rails, for manufacturers, trade commissioners, and economic developers

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SERIES CONTEXT

Strong Convictions, Loosely Held is an analytical series by SelectGlobal LLC examining the physical constraints, capital flows, and structural shifts reshaping competitive advantage across North America and globally. The title reflects the methodology: strong convictions grounded in current evidence, updated rapidly when the facts change.

This feature fuses two SelectGlobal frameworks first published separately this spring: the G40 Alignment Map, which sorts the world's forty largest economies into blocs, and the Allied-Nation Strategic Sector and Capital Rails Map, which traces the federal capital lanes an allied manufacturer routes to. The argument is that these are not two maps. They are one.

TL;DR

The familiar map of the world economy is binary: the West on one side, China on the other. That map is wrong, and recent events keep proving it. The world's forty largest economies sort into three blocs, not two. The Fortress bloc remains the largest by every measure. But the third bloc, the one that refuses to commit, is the largest contested weight on the board, and once you stop counting in dollars and start counting in real output it overtakes the China core to become the second-largest bloc in the world.

That middle is not an income tier and not a club. It is a behavior: economies that trade with both camps, take capital from both, and decline to pick a side on at least one axis. The deeper fact is that security alignment and supply-chain alignment have come apart. A country can sit inside a U.S. industrial network while staying outside the U.S. security umbrella, and several now do. Our thesis is that this same split runs inside America's own capital architecture. The federal rails through which an allied manufacturer enters the United States sort by exactly the line that sorts the blocs: the commercial and upstream rails are open to the unaligned middle, the security-gated rails are closed to it. The bloc map and the rails map are the same split seen at two altitudes. The probabilities are strong convictions, loosely held. The structure is not.

On June 17, 2026, the Group of Seven closed its summit at Evian and did something the binary map of the world cannot explain. The seven richest democracies established a Critical Minerals Resilience and Production Alliance, with an explicit target of cutting reliance on any single supplier outside the group and its partners for rare earths and permanent magnets to below 60 percent by 2030. The declaration did not name China, even though it followed Chinese export curbs on permanent magnets that had disrupted industry after industry. And the partners the G7 pulled into the room were not fellow treaty allies. They were India, Brazil, Saudi Arabia, Qatar, and the United Arab Emirates: economies that sit in nobody's security camp.

Read that against the other diplomatic event of this spring. A month earlier, on May 15, the BRICS grouping met in New Delhi and, for the first time in the bloc's history, could not produce a consensus joint statement. India as chair issued a Chair's Statement and Outcome Document in its place after two of the bloc's own members, Iran and the United Arab Emirates, clashed on the floor over the security of the Strait of Hormuz, the waterway Iran is still effectively choking and through which a fifth of the world's oil normally moves. The supposed second pole of a bipolar world cannot caucus. The supposed first pole is busy recruiting the countries that belong to neither.

Put the two events side by side and the binary map is finished. The world is not sorting into two camps but three, and the decisive bloc is the one the binary map cannot see: a wide middle of sovereign economies that trade with both sides, take capital from both, and refuse to commit. The G7 just spent a summit courting that middle's mineral supply. This feature maps all forty of the largest economies, shows where the middle sits and why it matters more than its dollar figures suggest, and makes the argument that matters for any manufacturer or commissioner reading it: the same split that sorts the nations is built, sector by sector, into the federal capital rails through which an allied manufacturer enters the United States. The world map and the capital map are the same map.

TWO LENSES, AND THE INVERSION AT THE EDGES

Start with the measurement, because the measurement is where the binary map first cracks. There are two honest ways to size an economy. Nominal gross domestic product, in current dollars, is the lens for capital flows, debt, and reserve-currency power. Purchasing-power-parity gross domestic product, in international dollars, is the lens for real production capacity and the physical size of a market. Both are correct. The mistake is to pick one and forget the other exists, because the distribution of power shifts depending on which lens you hold.

The figures here are recomputed off a set back-checked to the International Monetary Fund's World Economic Outlook of April 2026, the current published vintage, with population from United Nations World Population Prospects. On the nominal lens, the Fortress bloc, the United States and its treaty allies and tight trade and technology partners, holds 62.3 percent of G40 output. The China core, effectively China and Russia, holds 20.6 percent. The unaligned middle holds 17.1 percent. On that lens the middle looks like what the binary map says it is: a residual.

Now switch to purchasing power, the lens for production. The Fortress share compresses to 42.1 percent. It remains, on either lens, the largest bloc in the world, and nothing here disputes that. But the China core rises to 27.1 percent, and the unaligned middle nearly doubles, from 17.1 to 30.9 percent, overtaking the China core to become the second-largest bloc on the board by real output. The bloc the binary map treats as a rounding error is, by the measure that governs manufacturing and supply chains, larger in real production weight than the entire China-aligned core. That is why the G7 went looking for it.

BLOC	NOMINAL SHARE	PPP SHARE	SHIFT
Fortress (U.S. + treaty allies, tight partners)	62.3%	42.1%	**Largest on both**
China core (China + Russia)	20.6%	27.1%	**Rises**
Unaligned middle	17.1%	30.9%	**Nearly doubles; passes China core**

G40 bloc shares computed off IMF World Economic Outlook, April 2026 vintage (nominal, NGDPD, back-checked to primary for all 40 economies); PPP shares on the same verified set. The inversion at the edges: the middle nearly doubles from nominal to PPP and passes the China core.

The per-capita figures explain why the middle behaves as a production bloc rather than a market. India holds the third-largest aggregate economy in the G40 on a purchasing-power basis, near nineteen trillion international dollars, yet its output per person is bottom-tier, roughly 12,800 international dollars. Top-three in aggregate, bottom-tier per household: that is the signature of a production-weight bloc, not a consumer market. At the other extreme sit the Gulf economies, tiny in aggregate but among the highest per capita on the board, the United Arab Emirates near 87,000 international dollars per person. (Ireland's apparent 144,000 dollars per person is an accounting artifact of redomiciled intellectual property, not household prosperity.) The point is not the figures. It is that the unaligned middle spans the entire per-capita range, from roughly 13,000 to roughly 87,000 international dollars. A category that wide cannot be an income tier. The only trait its members share is behavioral.

THE MIDDLE IS A BEHAVIOR, NOT A CLUB

Here is the rule that governs everything that follows, and it has to be stated before the examples or the examples look arbitrary: alignment is scored on revealed behavior, not on treaty membership or trade direction. That is what lets a NATO member and a United States security client both sit in the unaligned middle without contradiction. Membership is a document; behavior is what a state does when the two camps pull in opposite directions. Take four, each a different mechanism, all one behavior.

India hedges structurally. In September 2025, Prime Minister Modi met Xi Jinping at the Shanghai Cooperation Organisation summit and pledged to manage the border dispute, then turned to Vladimir Putin and called the partnership special and privileged. Months later, in February 2026, India announced a trade agreement with the United States and its state refiners signed their first long-term American liquefied petroleum gas deal. India sits inside the Quad and BRICS and the Shanghai Cooperation Organisation at once, and the engine is structural: a nationalist government careful not to antagonize Washington because it has no option other than the United States to balance China. The hedge is strategy, not indecision.

Saudi Arabia is the contested swing case, hedging from fiscal independence. The United States is its near-sole security guarantor, while China is its largest crude customer and most important trading partner. It coordinates oil output with Russia inside OPEC+ and takes Chinese technology transfer into its Vision 2030 projects, its rentier wealth funding the autonomy to do so. The honest counter is real and must be carried: in November 2025, the Crown Prince's first Washington visit in seven years produced an F-35 pledge and major-non-NATO-ally designation, a formal United States security label. Off-diagonal behavior defines the category, but formal security deepening of that kind tests the boundary, and we mark Saudi Arabia as the case nearest the Fortress edge of the middle. The resolution holds: Saudi behavior remains off-diagonal, leaning on the West for security and on China for demand, and that posture is what unaligned-by-behavior means. The label describes the treaty. The behavior describes the state.

Turkiye hedges against its own treaty, and it is the case that forces the rule into the open. A NATO member since 1952 fielding the alliance's second-largest military, it was nonetheless the first NATO member to apply to BRICS, bought the Russian S-400 system at the cost of its place in the F-35 program, and is building a nuclear plant with Russia. Analysts name the mechanism plainly: success, for Ankara, is keeping a foot in each camp and playing the West against Russia and China for leverage. And BRICS has repeatedly rebuffed Turkiye precisely because it is a NATO member. Neither bloc claims it. That is the cleanest possible proof that the middle is a behavioral residual, not a club with a membership list.

Argentina is the drift vector, unaligned today and directionally moving. In October 2025, the United States Treasury announced a twenty-billion-dollar swap line, framed explicitly as serving the strategic interest of the United States against Chinese influence in Latin America. By January 9, 2026, Argentina had fully repaid the 2.5 billion dollars it drew, with Treasury reporting a profit for American taxpayers, while the facility itself remained in force. Milei used the liquidity to stabilize, cleared the ledger fast, and preserved his autonomy. Yet the hedge is not severed: when China zeroed out United States soybeans in 2025, it bought Argentine and Brazilian beans instead, and Argentina sold. It is a vector and not a destination because the swap was repayable debt rather than a treaty and the monetary framework remains fragile.

Four mechanisms, one observable behavior: refusing to commit on one axis while taking what each camp offers on another. This is not a SelectGlobal invention imposed on the data. Independent institutions, from CSIS to Chatham House to Congress's own Research Service, describe three of these four as hedging, strategic autonomy, or balancing. The framework names a category the literature already sees.

SECURITY AND SUPPLY CHAIN HAVE COME APART

The behavioral middle exists because of a deeper structural shift, and the shift is the load-bearing fact of the feature: security alignment and supply-chain alignment have decoupled. A country can lean West on production while staying neutral on defense. The two used to travel together. They no longer do.

The clearest evidence is a coalition that keeps growing. Pax Silica is a United States-led industrial-alignment network launched in December 2025 to secure the supply chains for critical minerals, semiconductors, and artificial-intelligence infrastructure against concentration in a single adversary. It began with seven signatories and, by June 2026, had grown to fifteen: Australia, Finland, India, Israel, Japan, Norway, the Philippines, Qatar, the Republic of Korea, Singapore, Sweden, the United Arab Emirates, the United Kingdom, and the United States, with Greece tied through a parallel economic-security declaration. Look at three of those names. India, the United Arab Emirates, and Qatar are unaligned-middle economies by every behavioral test above, and all three have signed into a United States-led industrial bloc. They lean West on supply chain while committing nothing on security.

The Philippines, which joined in April 2026 as the thirteenth signatory, makes the logic physical. Under the initiative, the United States and the Philippines announced a four-thousand-acre Economic Security Zone in the Luzon Economic Corridor, the first AI-native industrial acceleration hub of its kind, built to surge production of the nickel, copper, and other critical-mineral inputs the supply chain needs. The architect says it plainly. Under Secretary of State Jacob Helberg, who convened Pax Silica, has stated that it "is really not about China, it is about America." It is the same move the G7 made at Evian: build the supply-chain coalition, recruit the unaligned middle into it, and decline to name the adversary you are decoupling from. The initiative is explicitly commercial and carries no security obligation. That is not a weakness in the evidence. It is the evidence: industrial alignment that deliberately stops short of security commitment is what "lean West on supply chain, stay neutral on security" looks like when a government builds it on purpose.

The structural shape of this is the empty quadrant. Plot security alignment on one axis and supply-chain alignment on the other, and one corner stays nearly empty: no economy commits its security to China while routing its supply chain through the West. The off-diagonal cases all drift the other way, Western security with Chinese demand, American trade with Russian energy. The two alignments, once fused, now move independently, and the unaligned middle is the set of economies exploiting the space the decoupling opened.

THE RAILS, AND THE SPLIT INSIDE THEM

Everything above describes how the world is sorting. The question a manufacturer or commissioner actually asks is narrower: given that sorting, which federal capital lane can my company reach?

SelectGlobal maintains a proprietary schema, the Allied-Nation Strategic Sector and Capital Rails Map, that atomizes the current United States policy landscape into forty-eight priority sectors across seven structural domains, each traceable to a federal framework and each mapped to the specific capital rail a manufacturer routes to. The full routing manual is client work. The principle is shareable, and the principle is the point.

The bridge between the two maps is a single fact, and it is now signed law. In December 2025, Congress reauthorized the United States International Development Finance Corporation through 2031, raised its lending ceiling from 60 billion to 205 billion dollars, and expanded its eligibility to high-income allied economies that were previously off-limits. The Development Finance Corporation is the only federal rail that reaches allied-nation upstream operations, which makes this the hinge: it can now pull the unaligned middle's production into the Fortress supply chain without requiring the security commitment the middle refuses to give. The rails are the operational expression of the decoupling.

Lead with the tightest single join, because it carries the whole argument. The highest-demand sector in the entire schema is critical-minerals processing, the binding constraint the G7 just built an alliance around. The unaligned middle is where the supply physically sits: Indonesian nickel, Gulf and Brazilian and African deposits. The capital structure is a clean two-rail pair, Development Finance Corporation equity reaching the allied upstream and Defense Production Act Title III funding the domestic downstream. A middle-bloc miner with United States downstream plans is the exact case the two rails were built to serve. There is a tell in the new law that proves the design is deliberate: the wealthiest economies are barred from Development Finance Corporation support except in energy, critical minerals, and communications infrastructure. The statute routes the rich Gulf hedgers through minerals and energy and nowhere else, precisely the lanes the routing logic predicts.

BLOC	RAILS OPEN	RAILS CLOSED
Fortress and allies	All domains, including security-gated (munitions, hypersonics, directed energy, naval autonomy) via Foreign Military Sales and defense-qualifying pathways	**None**
Unaligned middle	Commercial and upstream subset: critical minerals, advanced packaging, drones, pharmaceuticals and medtech, trade finance -- via commercial and DFC channels	**All security-gated rails**
China core	Effectively none	**All -- foreclosed by foreign-entity-of-concern rules**

Per-bloc routing principle, derived from the Allied-Nation Strategic Sector and Capital Rails Map (April 2026 vintage). The full sector-by-sector schema is SelectGlobal client tooling.

Here is the finding, and it is why the two maps are one. Sort the rails by which ones the unaligned middle can reach, and they cleave along exactly the line that separates security from supply chain. The rails open to the middle are the supply-chain and commercial ones that demand no security commitment. The rails closed to the middle are the security-gated ones. The decoupling that the G40 observes between nations at the macro level is re-encoded, sector by sector, in which federal capital rail a middle-bloc manufacturer can reach. The split is not just visible out in the world, in Pax Silica and the empty quadrant and the G7's minerals alliance. It is built into the United States government's own capital architecture.

One operational caveat keeps the principle honest, because macro-alignment opens the door but does not walk a company through it. The rails filter on entity ownership and control, not geography. An Indonesian nickel processor that sits in an "unaligned" country but is backed by Chinese state equity or locked into Chinese off-take will hit a wall with Development Finance Corporation compliance and foreign-entity-of-concern screening regardless of Indonesia's macro posture. Macro-alignment is necessary but not sufficient. The corporate stack still has to be scrubbed of adversarial control to clear the rail. That gap between national alignment and corporate eligibility is precisely where a commissioner or an adviser earns their keep.

> ***The bloc map and the rails map are not two frameworks bolted together. They are the same split seen at two altitudes.***

IMPLICATIONS

For the manufacturer, the consequence is a routing rule, not a worldview. A company in the unaligned middle does not need to resolve its government's grand strategy to know where it stands in the United States capital system. Its security posture determines which rails it can reach, the Development Finance Corporation's expanded upstream authority is the specific door that opens, and the corporate stack still has to clear ownership screening to walk through it. That is an instruction a founder can act on this quarter, derived from a map of the whole world.

The honest counters belong in the open. Saudi Arabia sits as the contested swing nearest the Fortress edge because of its major-non-NATO-ally status, though the off-diagonal behavior still defines the category; Argentina is the most reversible call on the board, having repaid the drawn swap while keeping the facility open and standing one election from a different posture. And the rails schema is an April 2026 snapshot of a fast-moving landscape: the routing principle holds, but specific facilities and ceilings must be checked against current releases before any of it is cited to a minister.

None of this requires a judgment about which government is right or which alignment is wise. It is a description of structure. The world is sorting into three blocs; the middle is the largest contested weight and the second-largest bloc by production; security and supply chain have come apart; and the United States has already encoded that separation into the capital rails it offers allied manufacturers. The arbitrage lives in the middle, and the door into it is a commercial one.

STRUCTURAL READ

The next twenty-four months will be decided in the unaligned middle, not at the poles. The Fortress bloc and the China core are largely sorted; their behavior is predictable and their capital channels are set. The contested weight, the production capacity that determines whether allied supply chains can actually be rebuilt outside China, sits with the economies that refuse to choose, and critical-minerals processing is where the contest is sharpest. The commercial door is open now and may not stay this wide. The decoupling that separates security from supply chain is the thing that makes the door exist, and the Hormuz crisis that fractured BRICS in May is the kind of shock that can re-fuse the two and close it; the window is contingent, not permanent. A founder who sees that the world map and the capital map are the same split can read a routing instruction off it before the competitor still using the old binary.

> ***The probabilities here are strong convictions, loosely held. The structure underneath them is not.***

ABOUT

SelectGlobal LLC works with allied-nation manufacturers and the economic development organizations that serve them. If you are positioning for U.S. market entry in the next industrial cycle, we would like to talk. www.selectglobal.net

Michael T. Edgar is the CEO of SelectGlobal LLC, a jurisdictional intelligence firm that connects allied-nation manufacturers with U.S. federal defense demand through structured pathways that validate opportunity before requiring capital commitment. He serves on the board of the International Trade Association of Greater Chicago and is a former member of the U.S. Investment Advisory Council. SelectGlobal's Constellation(TM) network -- 68+ trade commissioners and specialized alliance partners -- provides operational buildout capacity alongside EDOs, not instead of them.

ENDNOTES

[1] 52nd G7 Summit, Evian, France, June 15-17, 2026. The Critical Minerals Resilience and Production Alliance, the sub-60-percent single-supplier dependence target by 2030, the declaration's omission of any reference to China despite following Chinese permanent-magnet export curbs, and the participation of India, Brazil, Saudi Arabia, Qatar, and the United Arab Emirates as partner and invited countries derive from the summit outcome documents and contemporaneous reporting.

[2] BRICS Foreign Ministers' Meeting, New Delhi, May 14-15, 2026. The failure to reach a consensus joint statement for the first time in the bloc's history, India's issuance of a Chair's Statement and Outcome Document in its place, and the Iran-UAE clash over Strait of Hormuz security derive from contemporaneous reporting. The Strait of Hormuz carries roughly one-fifth of global oil and liquefied-natural-gas flows.

[3] International Monetary Fund, World Economic Outlook database, April 2026 vintage (nominal GDP, NGDPD series, back-checked to primary for all 40 economies); United Nations World Population Prospects 2026 (population denominator). Bloc shares (Fortress 62.3 percent nominal / 42.1 percent PPP; China core 20.6 / 27.1; unaligned middle 17.1 / 30.9), per-capita figures, and the nominal-to-PPP shift are computed off this verified set. PPP totals carried on the verified nominal pipeline pending independent IMF PPPGDP reconciliation. Per-capita is IMF GDP divided by UN population, labeled as such. The India aggregate-versus-per-capita figures, the Gulf per-capita figures, and the Ireland nominal-per-capita artifact derive from this computation.

[4] Shanghai Cooperation Organisation summit, Tianjin, September 1, 2025; Modi-Xi and Modi-Putin meetings as reported by PBS, NPR, and The Hill, September 1, 2025.

[5] India-United States trade agreement announcement, February 2026; Indian state refiner long-term United States LPG purchase agreement, as reported by CNBC, February 4, 2026, and CFR, February 17, 2026.

[6] Analysis on the engine of Indian non-alignment, balancing China with no alternative to United States partnership, War on the Rocks, June 2026.

[7] Saudi Arabia security and trade posture: SWP and Chatham House analyses of the United States security guarantee alongside China as largest crude customer; CSIS, February 2026, on Chinese technology transfer into Vision 2030; OPEC+ output coordination with Russia.

[8] Crown Prince Mohammed bin Salman Washington visit, November 2025; F-35 pledge, strategic defense agreement, and major-non-NATO-ally designation as reported by Energy Intelligence, November 21, 2025.

[9] Turkiye alignment posture: CRS on NATO membership and force size; CSIS, January 2026, and MEI, April 2026, on the BRICS application, S-400 purchase and resulting F-35 removal, and Akkuyu nuclear cooperation with Russia; Asli Aydintasbas on the foot-in-each-camp mechanism; reporting on BRICS rebuffing Turkiye over its NATO membership.

[10] United States Treasury twenty-billion-dollar swap line for Argentina announced October 9, 2025; strategic-interest framing per CRS and Buenos Aires Herald, October 2025.

[11] Treasury Secretary Scott Bessent statement, January 9, 2026, that Argentina fully and quickly repaid the 2.5 billion dollars it drew on the swap line, generating tens of millions of dollars in profit for United States taxpayers, with the Exchange Stabilization Fund no longer holding pesos; the 20-billion-dollar facility remains in force under the agreed terms (Bloomberg, Buenos Aires Herald, Fortune, January 9, 2026).

[12] China sourcing of Argentine and Brazilian soybeans following the 2025 cutoff of United States supply, per Britannica, October 2025.

[13] PIIE, February 2026, on the fragility of Argentina's monetary framework and the contingency of the reform path.

[14] Pax Silica initiative: United States Department of State, Pax Silica program page and accession releases, December 2025 through May 2026. Signatory roster as of June 2026 (fifteen): Australia, Finland, India, Israel, Japan, Norway, Philippines, Qatar, Republic of Korea, Singapore, Sweden, United Arab Emirates, United Kingdom, and United States; Greece is tied through a separate U.S.-Greece Economic Security Declaration and Taiwan endorses the declaration principles as a non-signatory. The Philippines joined April 16-17, 2026 as the thirteenth signatory (State Department release and fact sheet, April 16-17, 2026), with the four-thousand-acre Economic Security Zone in the Luzon Economic Corridor announced the same day; Norway joined May 6, 2026 as the fifteenth (State Department release, May 6, 2026). The initiative was convened by Under Secretary of State for Economic Affairs Jacob Helberg; the "not about China, it is about America" characterization is his, as reported in coverage of the initiative. The commercial-and-industrial-only scope, carrying no security commitment, derives from the State Department description of the initiative as a positive-sum supply-chain partnership.

[15] DFC Modernization and Reauthorization Act of 2025, enacted as Title LXXXVII of the National Defense Authorization Act for Fiscal Year 2026 (P.L. 119-60), signed December 2025. The reauthorization through December 31, 2031, the increase in maximum contingent liability from 60 billion to 205 billion dollars, the expansion of eligibility to high-income economies (capped at 10 percent of the ceiling and 25 percent of project cost), and the bar on the twenty highest per-capita economies except for investments in energy, critical minerals, and information and communications technology derive from the statute and from analysis by the Congressional Research Service, the Center for Global Development, and CSIS, December 2025 through February 2026. The seven-domain sector schema, the critical-minerals two-rail structure, and the per-bloc routing logic derive from SelectGlobal's proprietary Allied-Nation Strategic Sector and Capital Rails Map, April 2026 vintage, synthesizing State Department Priority Sectors (Agency Strategic Plan FY2026-2030, Objective 5.1), Office of Strategic Capital Covered Technology Categories (10 U.S.C. 149(e)), DoW Critical Technology Areas (USD(R&E;) November 2025), NSS and NDS strategic priorities, DFC investment priorities, and the Treasury digital-asset and financial-infrastructure regulatory stack.