"**The Russian invasion of Ukraine has put an end to the globalization we have experienced over the last three decades," Lawrence Fink, CEO of private equity firm Blackrock, which has more than $10 trillion in assets under management, wrote last week in his annual letter to investors.**

Since the 1980s, companies have shopped the world for lower-cost materials and cheaper labor. The result has been not only lower inflation and more affordable merchandise, but also the creation of international networks of supply and growing incomes for millions in emerging nations.

After the Soviet Union collapsed in 1989, Russia was welcomed into the economic family of nations and also has benefited enormously from its membership in that group, he said.

Now he is working with others in government and the financial industry to ensure that Russia is denied access to capital and markets, he noted, and Blackrock has suspended all purchases of Russia-linked assets.

Seeing the economic impact of “Russia's isolation will prompt companies and governments worldwide to reevaluate their dependencies and reanalyze their manufacturing and assembly footprints," Fink predicted.

Many countries could benefit from strengthening their domestic industries and “reshoring” or "nearshoring" their sources of goods and materials, Fink added, “resulting in a faster pullback from some countries” but also creating what the *Financial Times* called “supply chain sovereignty.”

However, this trend will add pressures to inflation in the short term and slow the transition from fossil fuels to green energy, Fink pointed out.