



**MALMÖ  
UNIVERSITET**

global economic development– today, soon and tomorrow

*Ingrid Bengtsson-Rijavec*

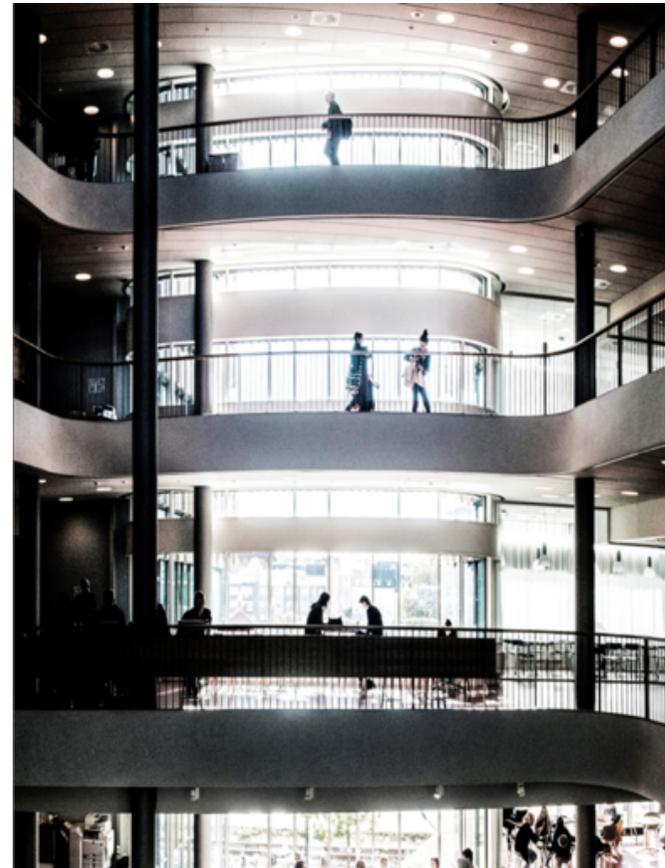
"There is a clear consensus that the future now emerging will be extremely different from anything we have ever known in the past. It is a difference not of degree but of kind."

Al Gore



# Malmö University in numbers

- Founded in 1998
- 24,000 students
- 1,700 employees
- 80 professors
- 400 doctoral-level teachers
- 230 PhD students
- 100 degree programmes and 350 courses
- 500 international peer-reviewed articles
- 160 million Euro turnover

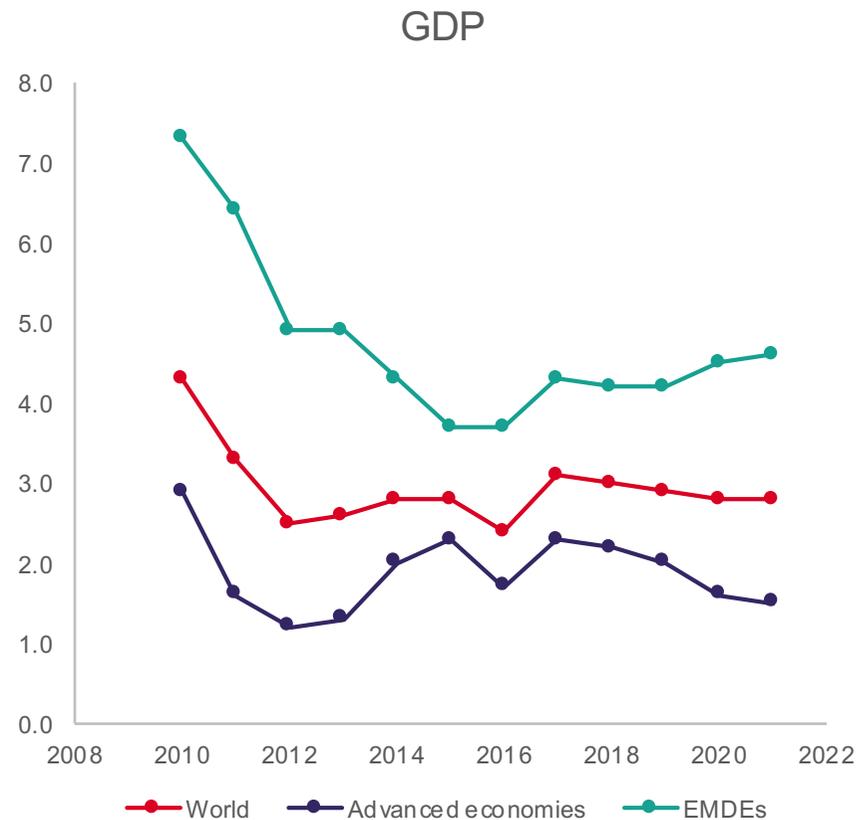


# What do you mean?

- Gross domestic product (GDP)
- Purchasing power parity (PPP)
- G7 – US, UK, France, Germany, Japan, Canada, Italy
- E7 – China, India, Indonesia, Brazil, Russia, Mexico, Turkey
- EU 27 –European Union countries except for the UK
- G20 - Group of Twenty Finance Ministers and Central Bank Governors

# Global economic predictions 2019

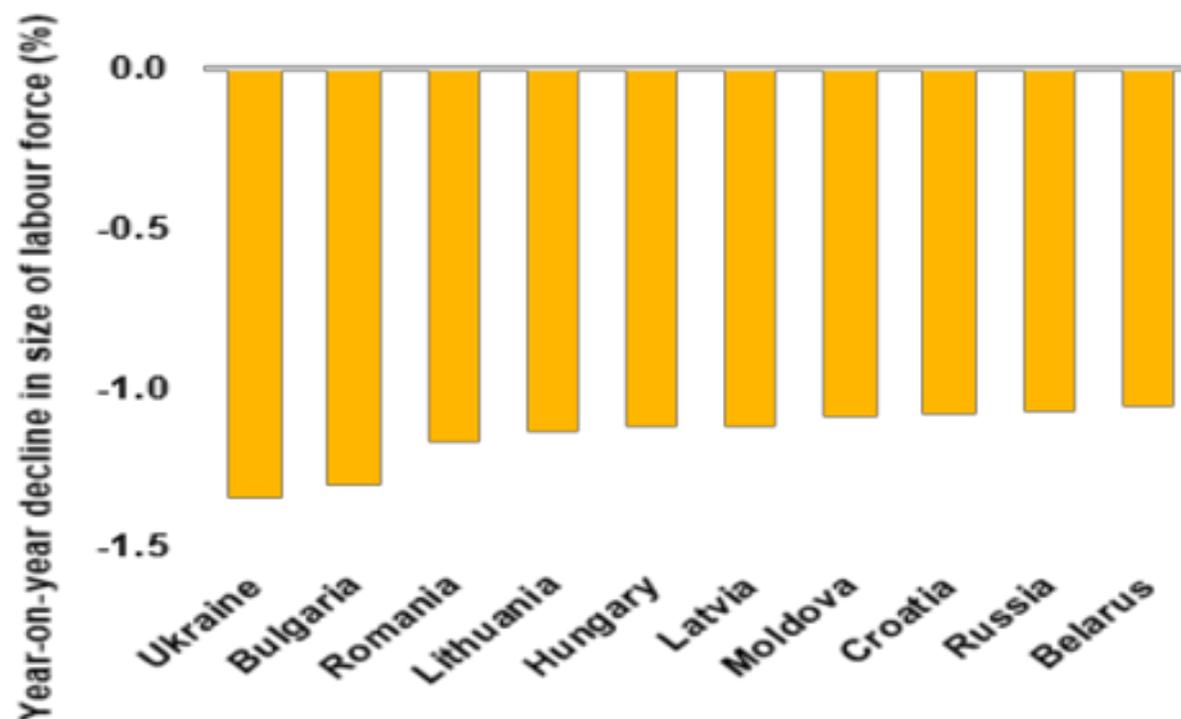
- Global growth will slow
- Workers and wages will come to the force
- Trade conflicts will deepen



Source: World Bank

# Around 40 countries will see their workforces shrink

Fig 4: The economies expected to have the fastest-shrinking workforces in 2019

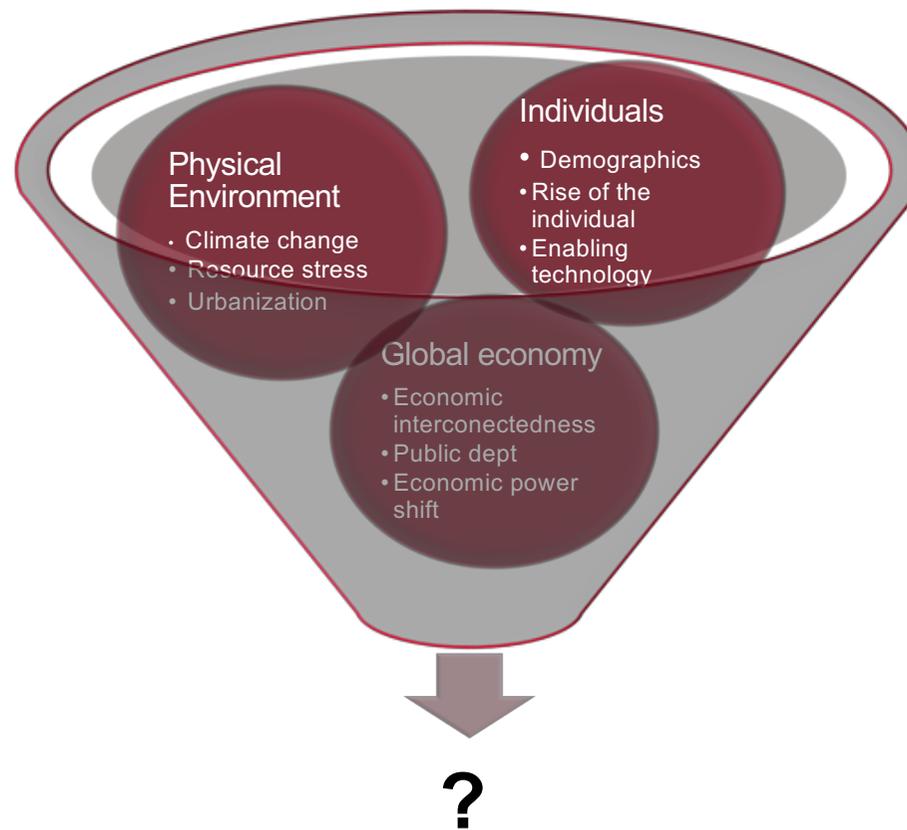


Source: World Bank, 2018

# What could be the biggest risks to the global economy in 2019?

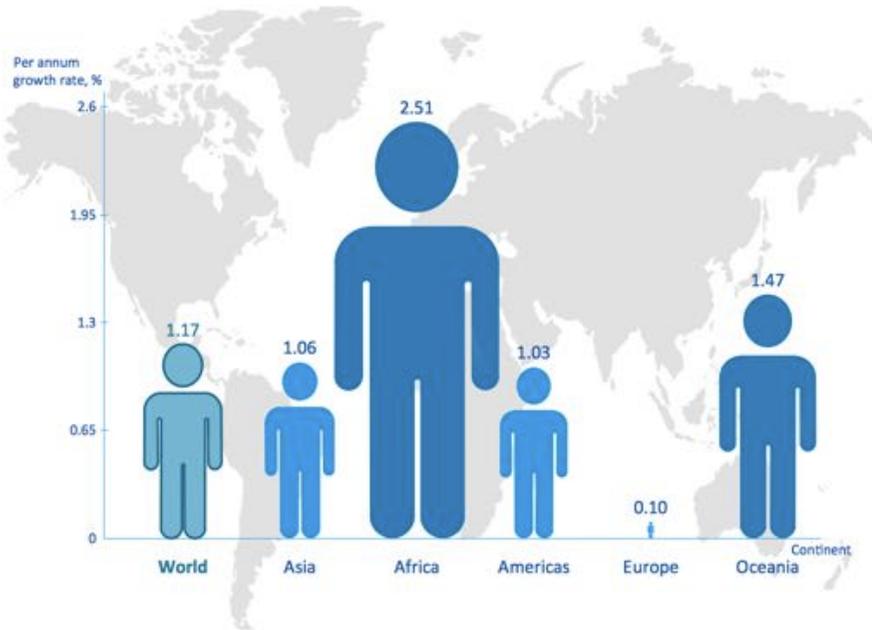
- The biggest economic risks will emerge in those areas where investors think recent patterns are unlikely to change.
- Growth recession in China
- A rise in the long-term real interest rate
- Political chaos in the US
- Brexit
- Shaky banks in Italy
- ... don't expect the economy to crash in 2019, but be prepared for a possible recession

# The world economy's operating system is being rewritten - Trends reshaping the world

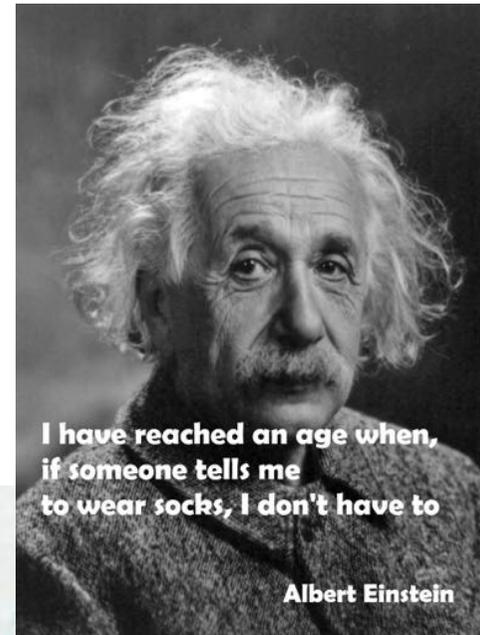


# Demographic challenges

## A younger world



## An ageing world



# Technological breakthroughs are speeding up

- 90% of the digital data in the world today was created in the last two years
- Accelerated adoption invites accelerated innovation
- As fast as innovation has multiplied and spread in recent years, it is poised to change and grow at an exponential speed beyond the power of human intuition to anticipate.

## *Time to reach 50 million users in US*



# Rapid urbanisation - Countries are becoming much more urbanized

- City populations are growing by 65 million every year
- 440 cities in emerging markets will account for nearly half of global GDP growth by 2025
- 2.5 billion people will live in Asian cities by 2025
- By 2025 46 of the world's 200 top cities will be in China
- Emerging economies are becoming major forces.



# Physical environment

## Climate change

- By 2050, costs of extreme weather could reach up to 1% of world GDP per annum.
- With a warming of 3-4°C, up to 200 million persons could become permanently displaced due to rising sea levels, flooding and droughts.



## Resource stress

- The population is growing and so is the middle class
- 50% increase in food production will likely be necessary to feed this more demanding population.
- 40% estimated gap between water supply and demand 2030

# Global flows – the volume of trade, finance, people and data are increasing

- Global flows contribute \$250 billion to \$450 billion to yearly GDP growth
- Global growth in trade is projected to continue at approximately 5% annually through to 2030
- Highly connected countries can see 40% more GDP than the least connected
- Asia's share of global exports is expected to nearly double to 39% by 2030



# What about 2050 - long term global growth projections?

*Global economic power will shift to the E7 economies*

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*In...*

**1995**

**E7**

*were  
half  
the size of*

**G7**

*By...*

**2015**

**E7**

*were  
around the  
same  
size as*

**G7**

*And in just  
25 years...*

**2040**

**E7**

*could be  
double  
the size of*

**G7**

**G7:** US, UK, France, Germany, Japan, Canada and Italy

**E7:** China, India, Indonesia, Brazil, Russia, Mexico and Turkey

*Sources: IMF for historical GDP, PwC analysis for projections to 2050*

# How will the global economic order change by 2050?

- The world economy could more than double in size by 2050,
- Emerging markets (E7) could grow around twice as fast as advanced economies (G7) on average
- Six of the seven largest economies in the world are projected to be emerging economies in 2050
- The EU27's share of world GDP could fall below 10% by 2050

*Emerging markets will dominate the world's top 10 economies in 2050 (GDP at PPPs)*

	2016	2050	
China	1	1	China
US	2	2	India
India	3	3	US
Japan	4	4	Indonesia
Germany	5	5	Brazil
Russia	6	6	Russia
Brazil	7	7	Mexico
Indonesia	8	8	Japan
UK	9	9	Germany
France	10	10	UK

E7 economies
  G7 economies

Sources: IMF for 2016 estimates, PwC analysis for projections to 2050

# We will continue to see the shift in global economic power from EU to E7

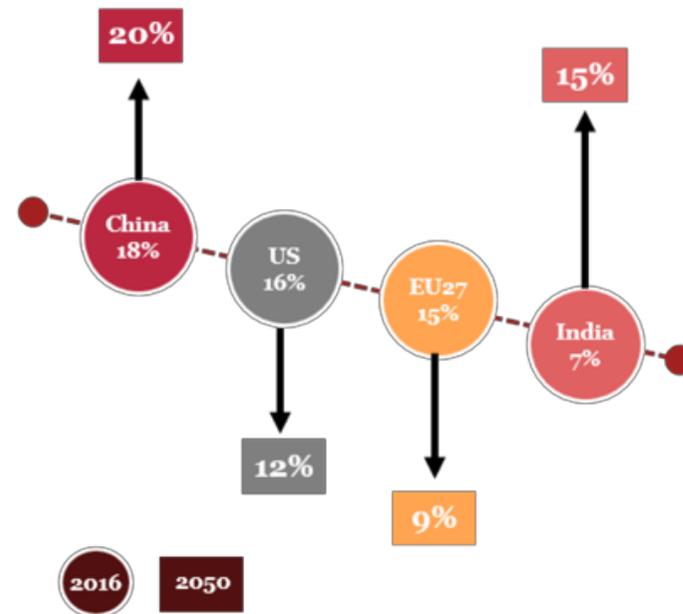
*Vietnam, the Philippines and Nigeria could make the greatest moves up the rankings*



Sources: IMF for 2016 estimates, PwC analysis for projections to 2050

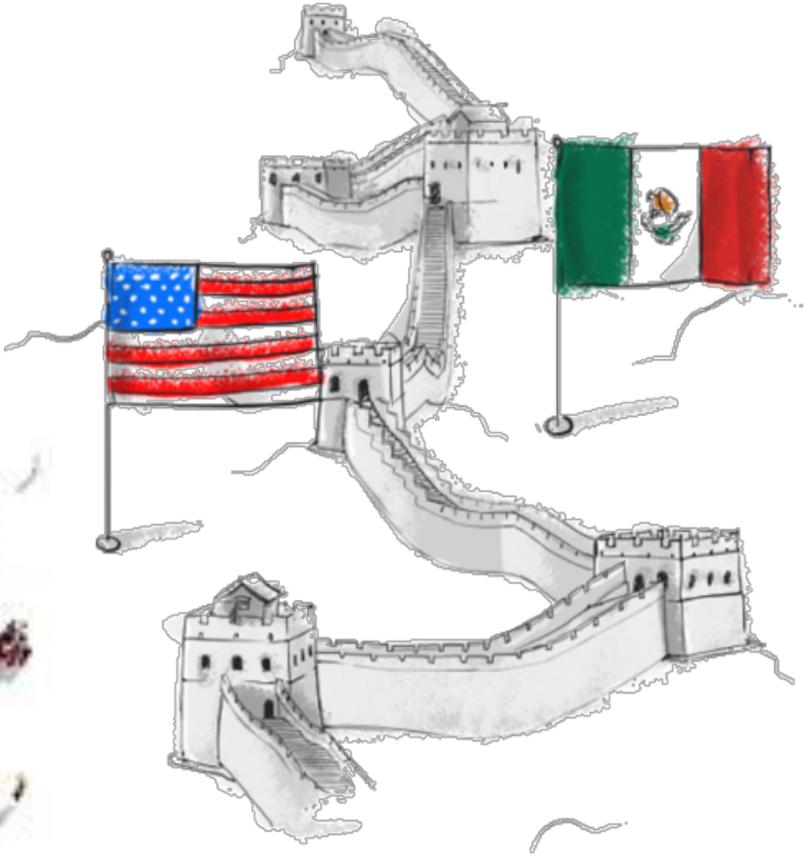
*The US and Europe will steadily lose ground to China and India*

*Share of world GDP (PPPs) from 2016 to 2050...*



Sources: IMF for 2016 estimates, PwC analysis for projections to 2050

# Sharing is caring or Make US great again?





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