



global economic development– today, soon and tomorrow

Ingrid Bengtsson-Ríjavec

"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

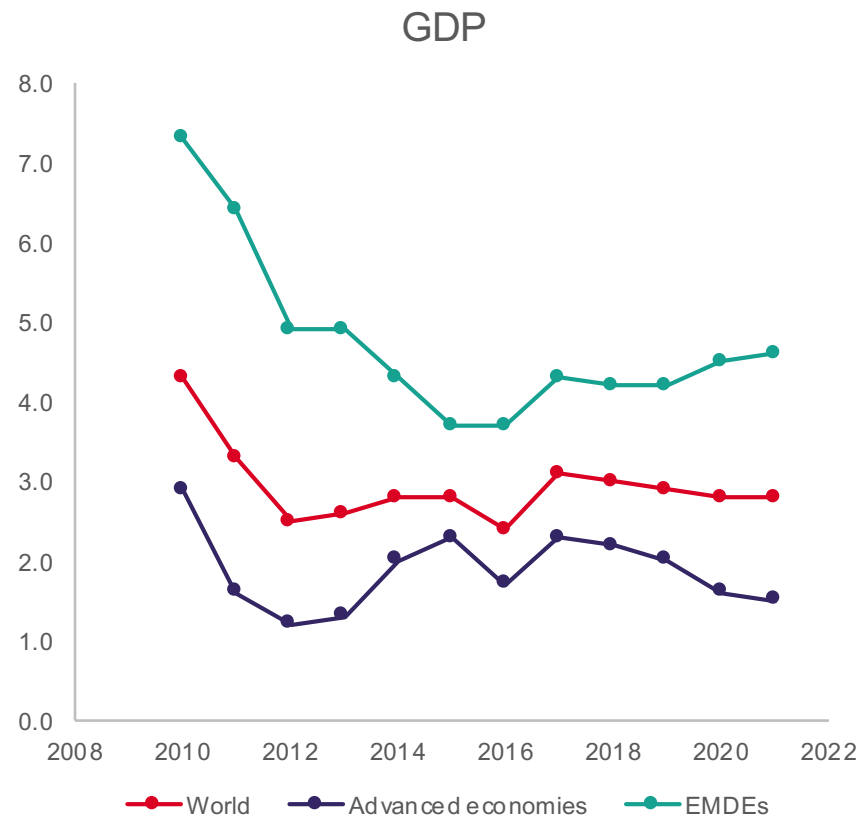


What do you mean?

- 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

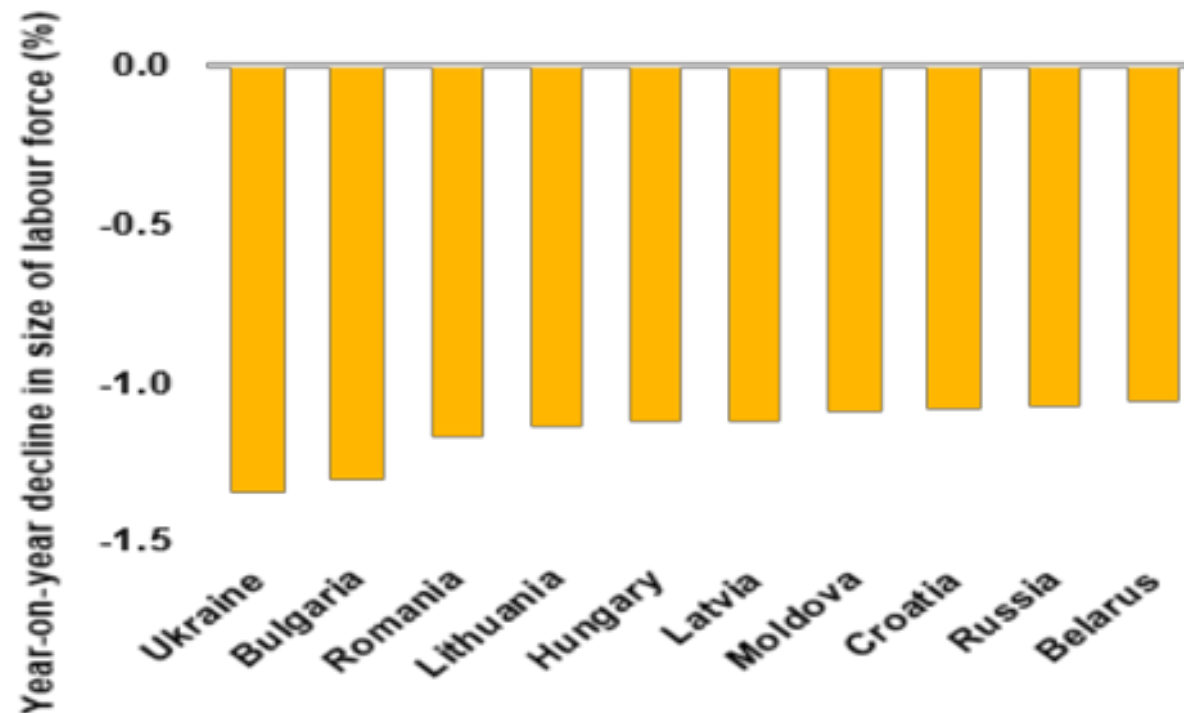
- Global growth will slow
- Workers and wages will come to the force
- Trade conflicts will deepen



Source: World Bank

Around 40 countries will see their workforces shrink

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

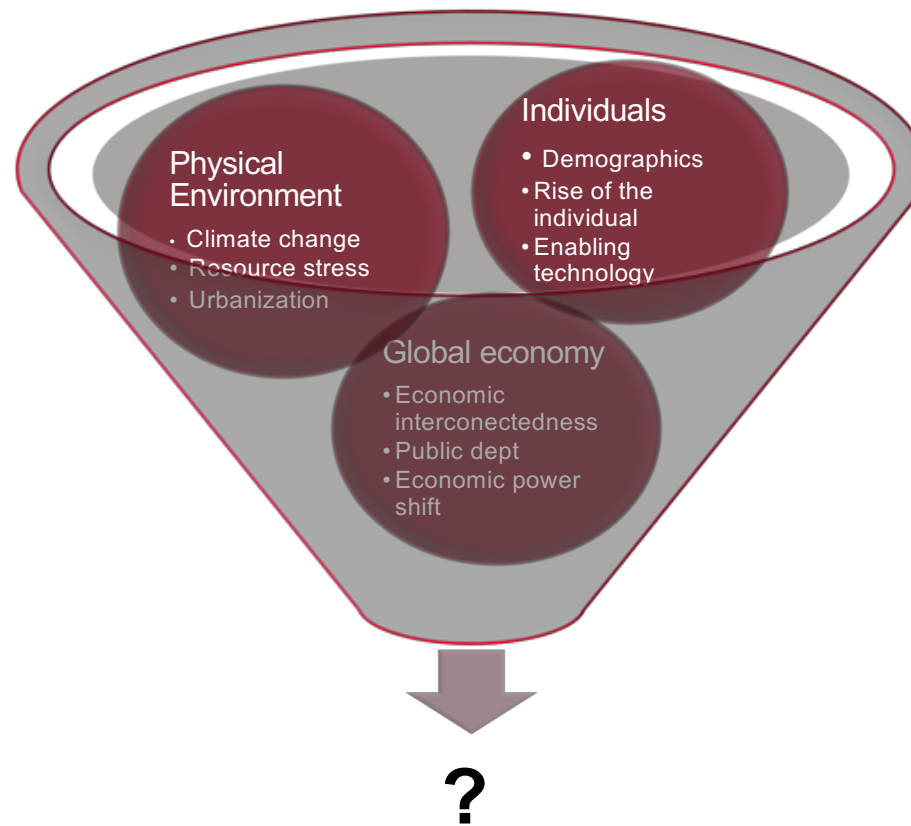


Source: World Bank, 2018

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

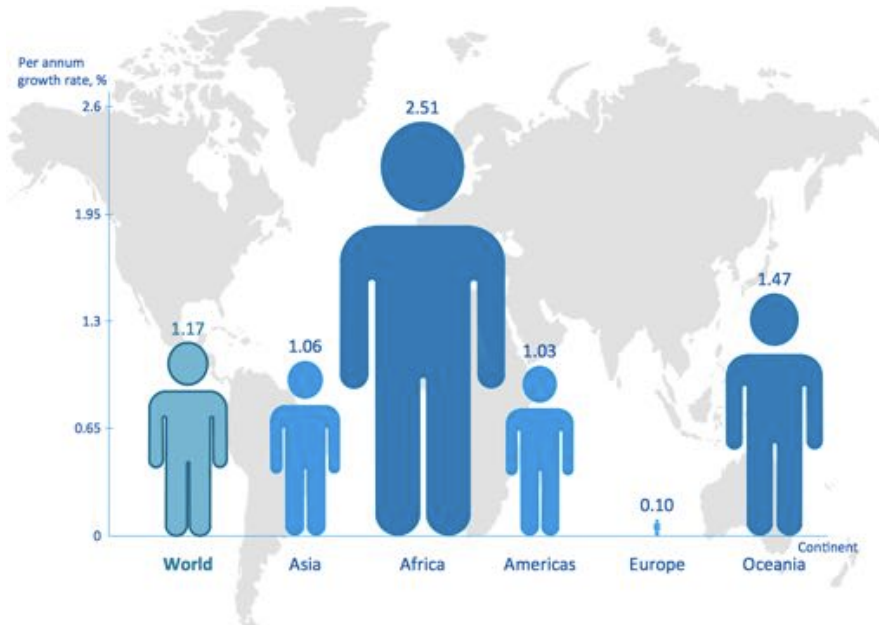
- The biggest economic risks will emerge in those areas where investors think recent patterns are unlikely to change.
- Growth recession in China
- A rise in the long-term real interest rate
- Political chaos in the US
- Brexit
- Shaky banks in Italy
- ... don't expect the economy to crash in 2019, but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

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

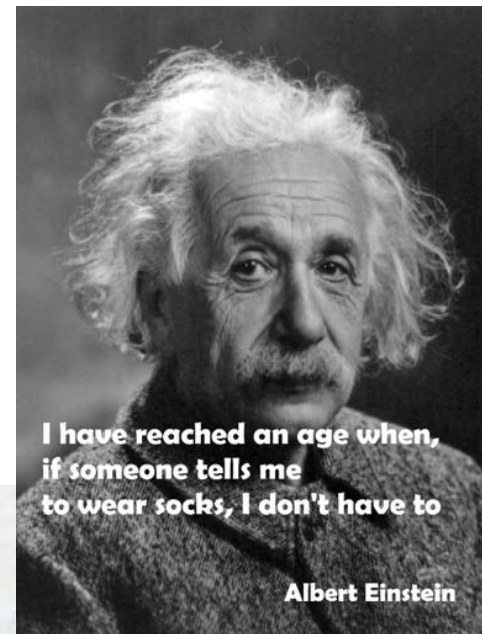


Demografic challenges

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

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)

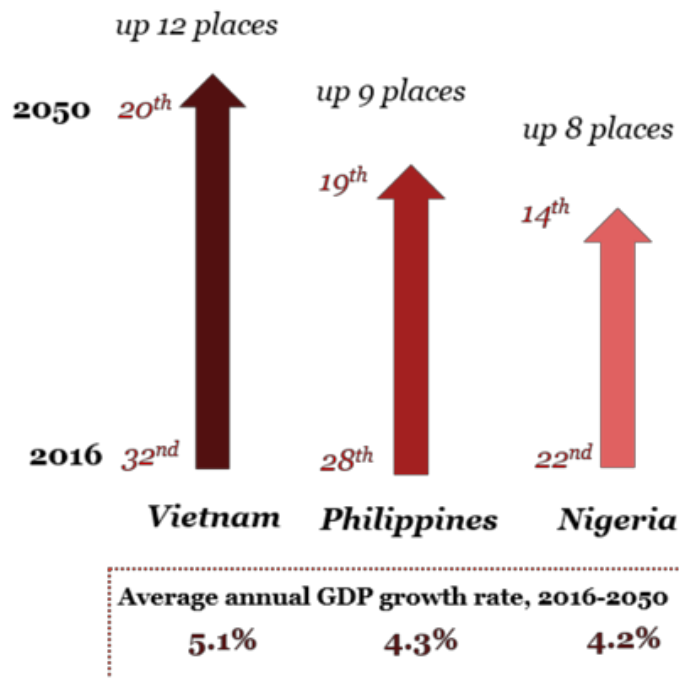
	2016	2050	
China	1	1	China
US	2	2	India
India	3	3	US
Japan	4	4	Indonesia
Germany	5	5	Brazil
Russia	6	6	Russia
Brazil	7	7	Mexico
Indonesia	8	8	Japan
UK	9	9	Germany
France	10	10	UK

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

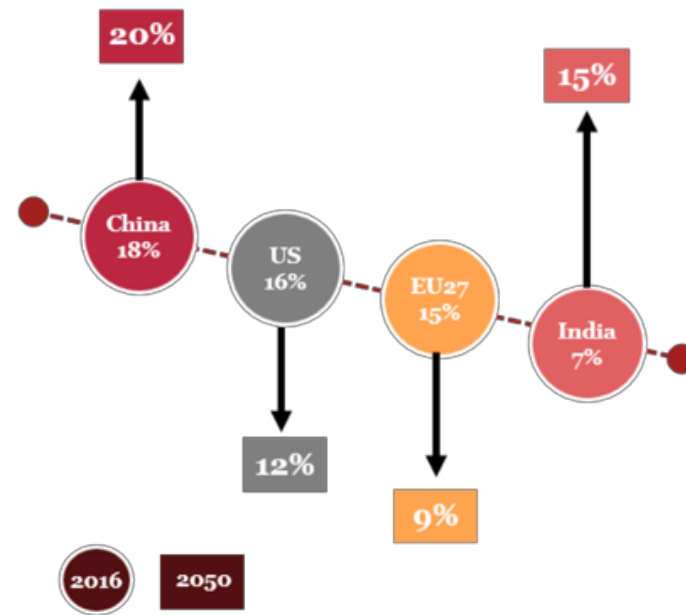
Vietnam, the Philippines and Nigeria could make the greatest moves up the rankings



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

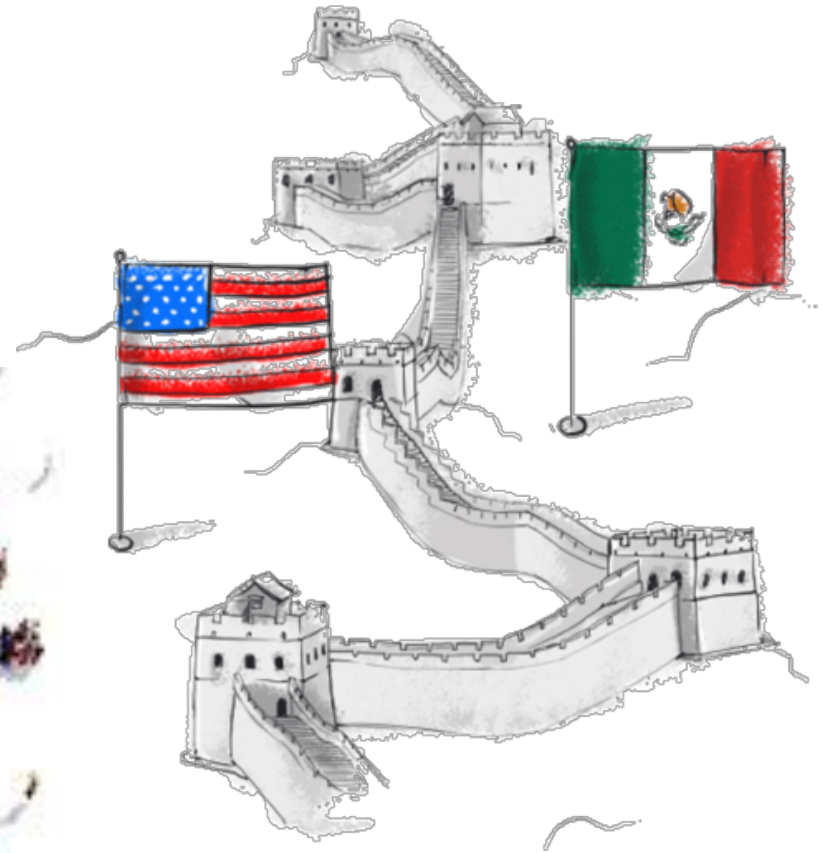
The US and Europe will steadily lose ground to China and India

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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