

Bruxelles, 20th April 2015

Three Reasons to Worry about the Global Economy

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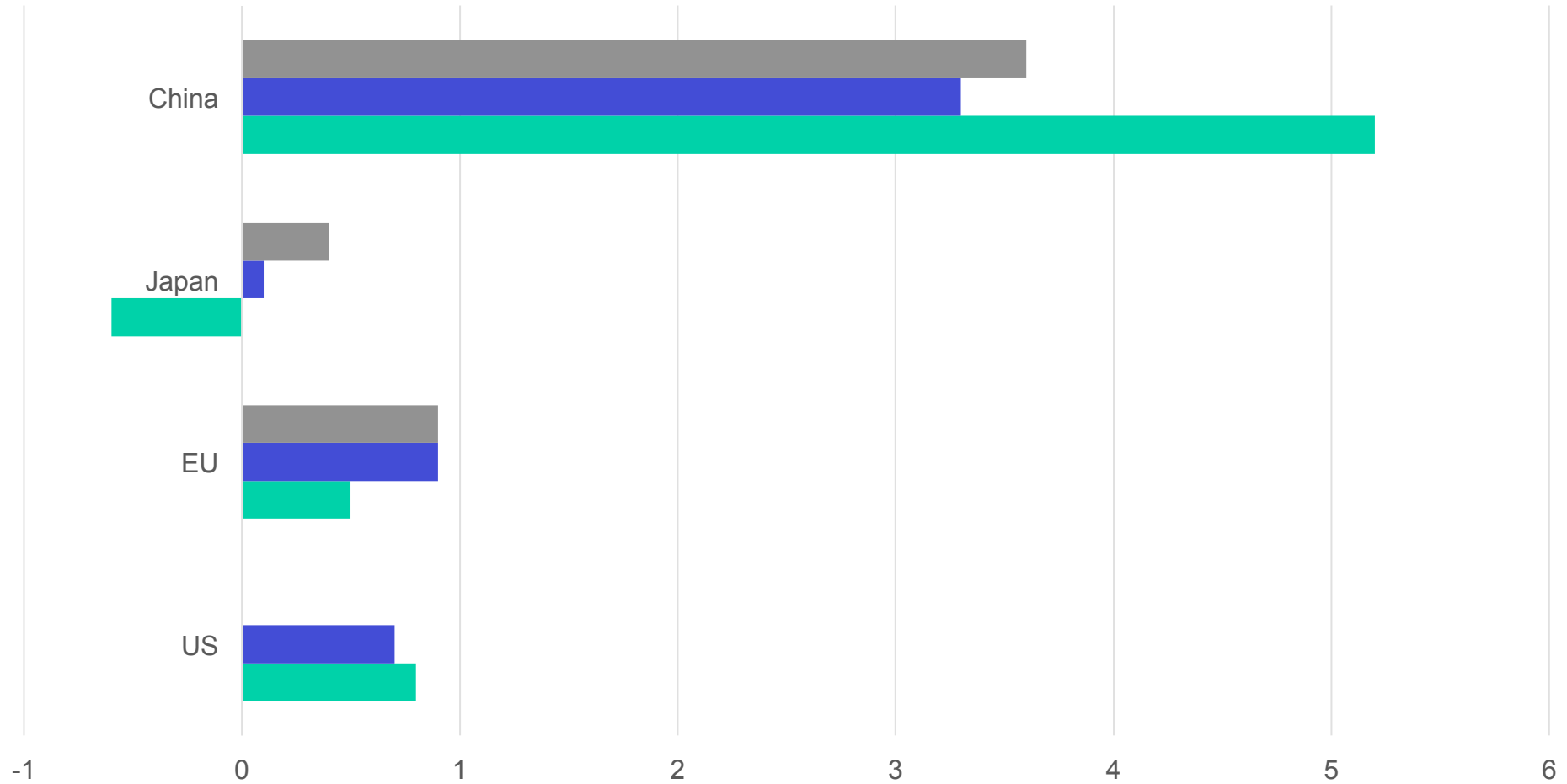
AND ONE REASON TO BE FRIGHTENED

Short-term outlook - dismal

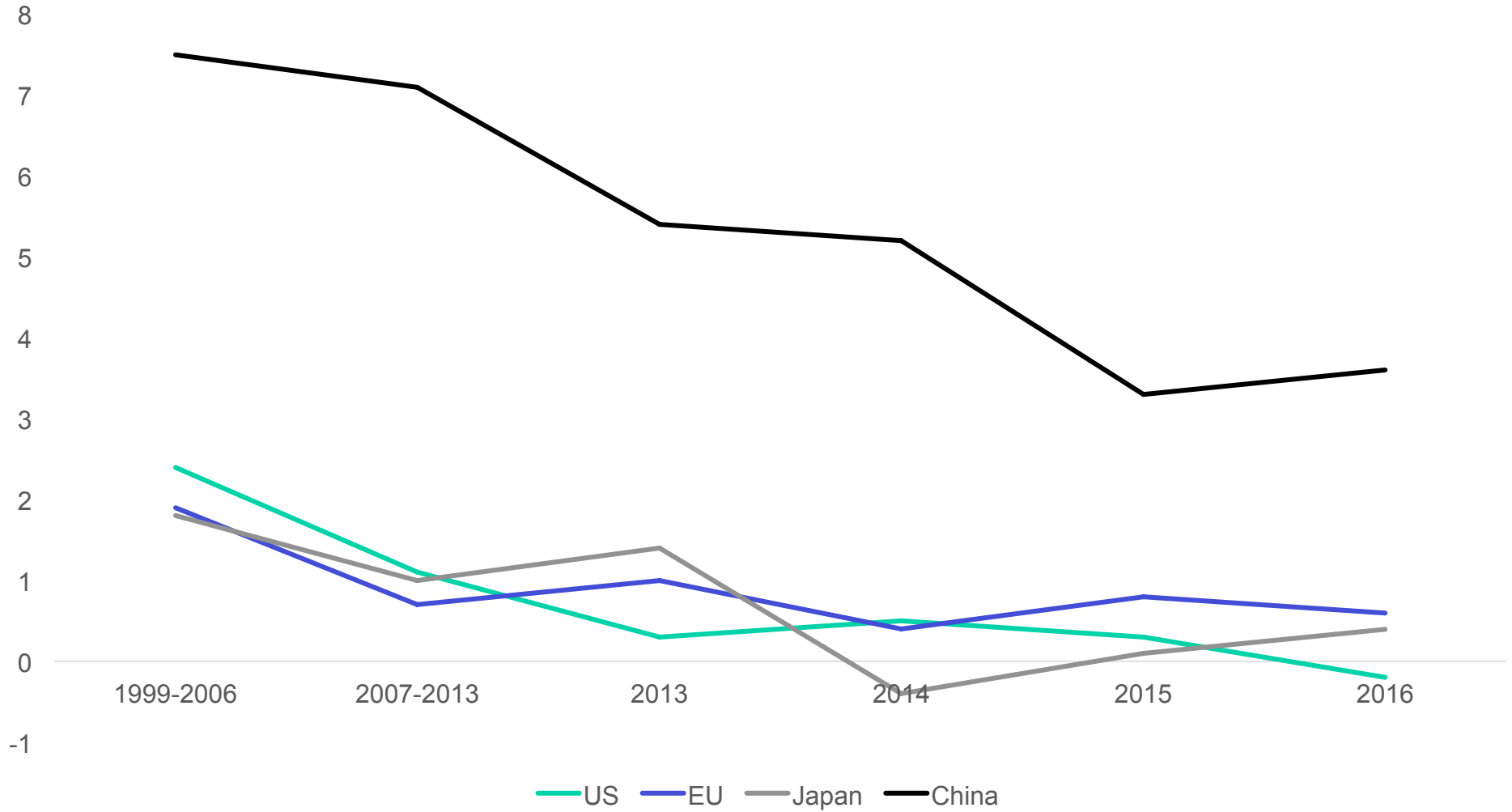
- Global growth clearly beyond trend – 3.1% in 2016 and 3.4% in 2017
- Far smaller in the US, EU and Japan
- Continued structural growth slow-down in China
- Why – new normal, secular stagnation, or will it get better beyond the corner?
- Medium and long-term outlook poor – long trend of supply-side stagnation in major economies

1. Stagnating productivity growth

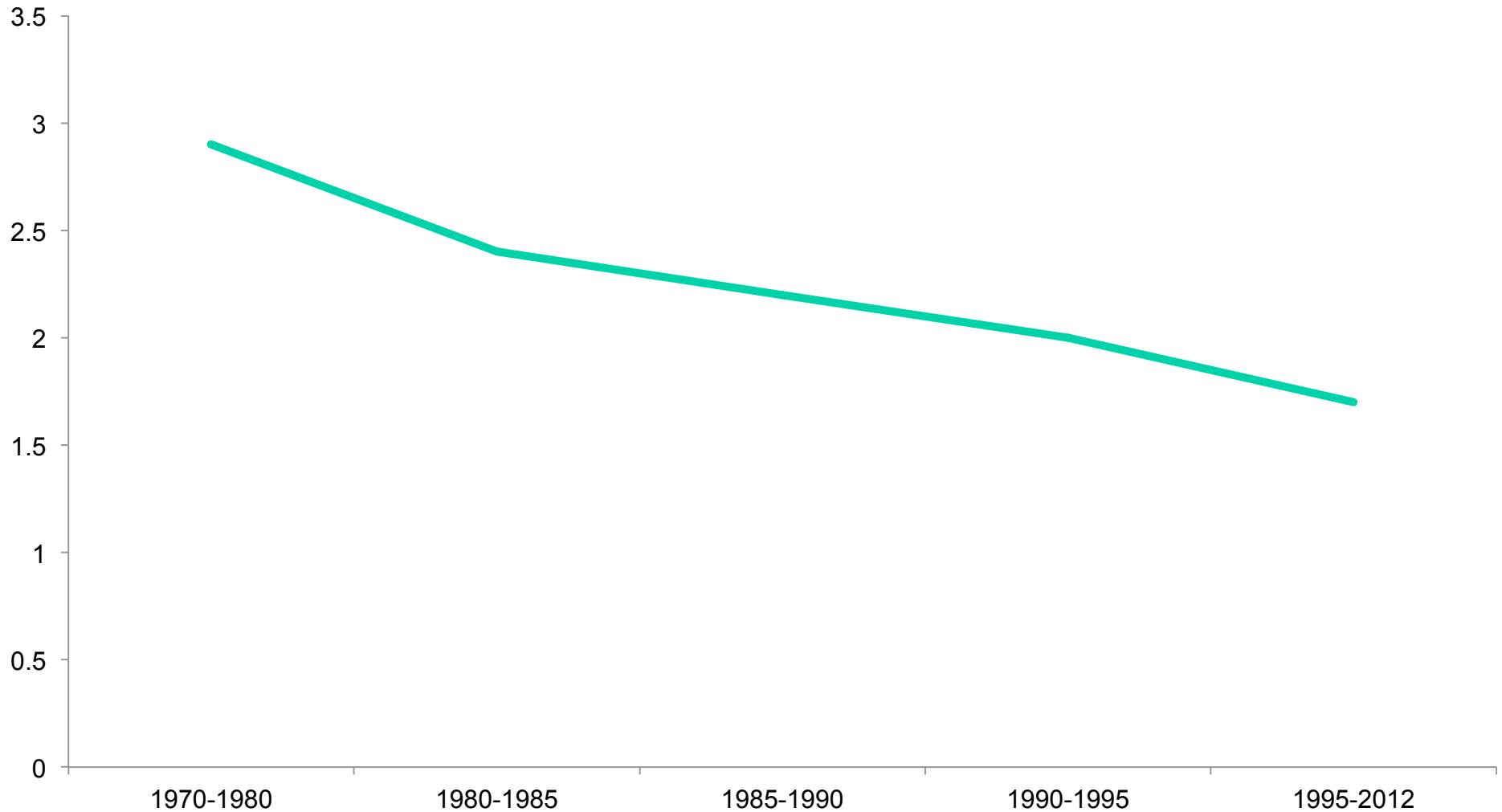
GDP/person employed



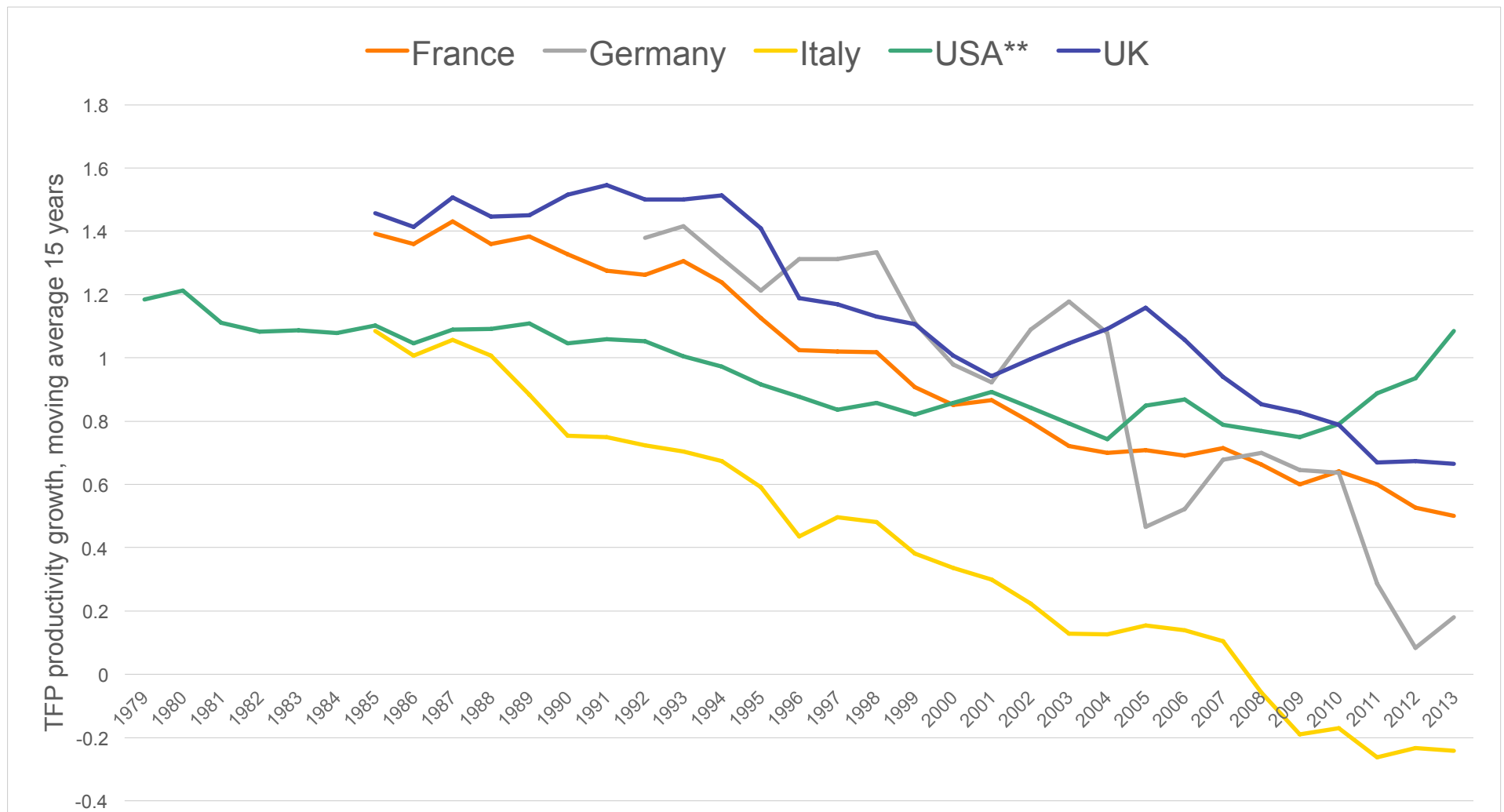
Labour Productivity Growth



G7 Labour Productivity Growth

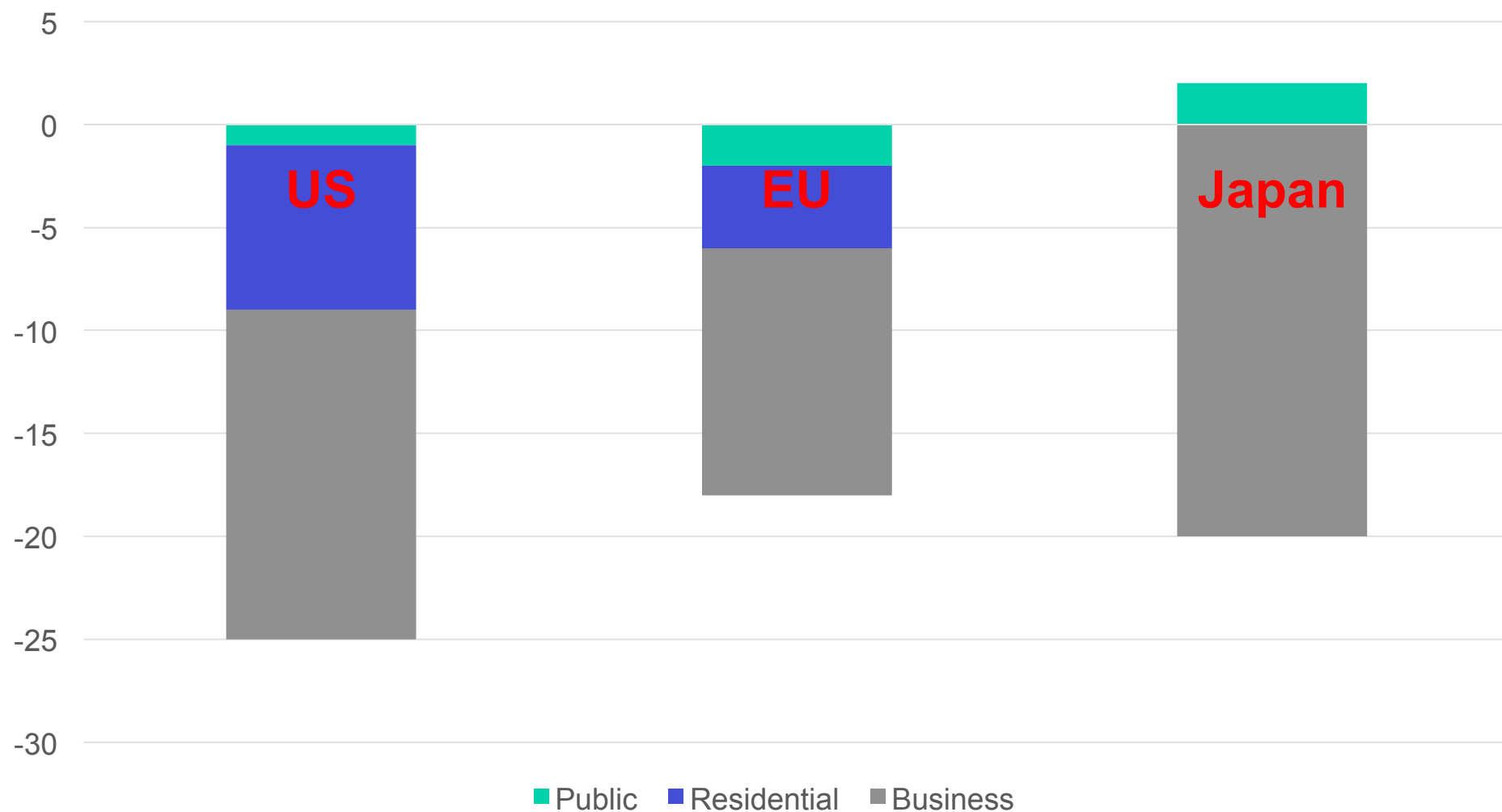


Western Total Factor Productivity growth

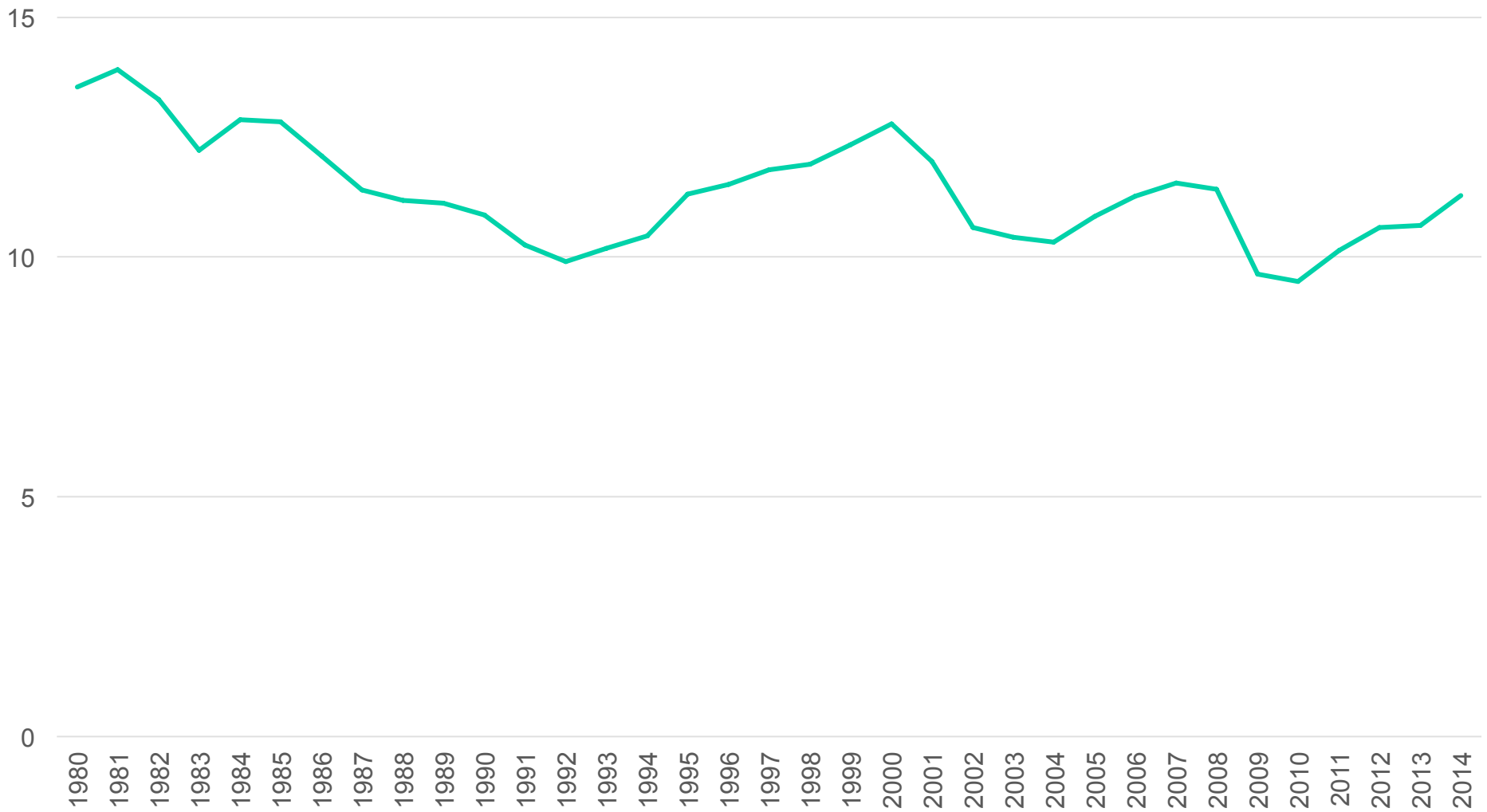


2. Investments – or how big firms spend their money

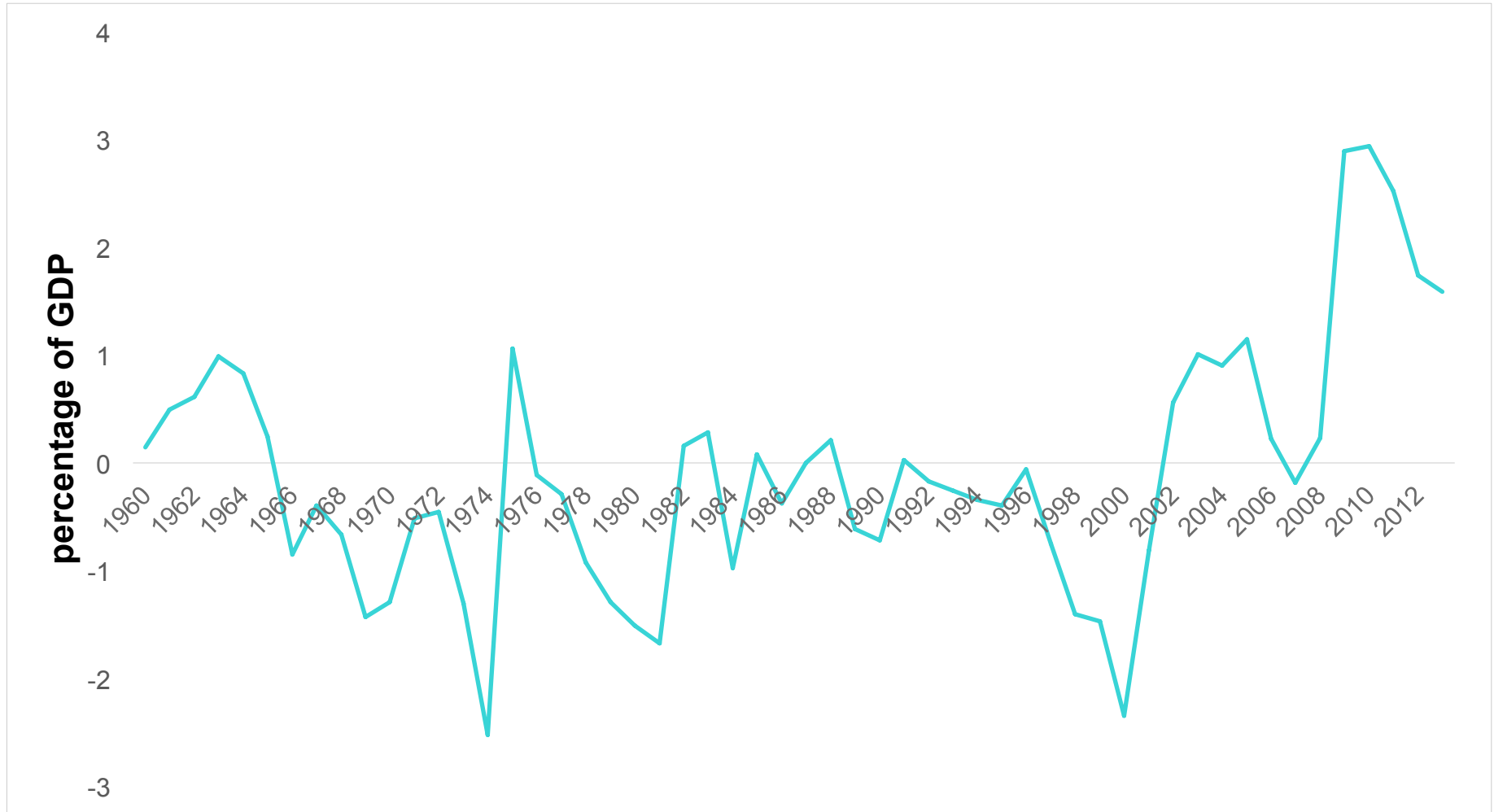
Decomposing Investment Slump: 2008-2015



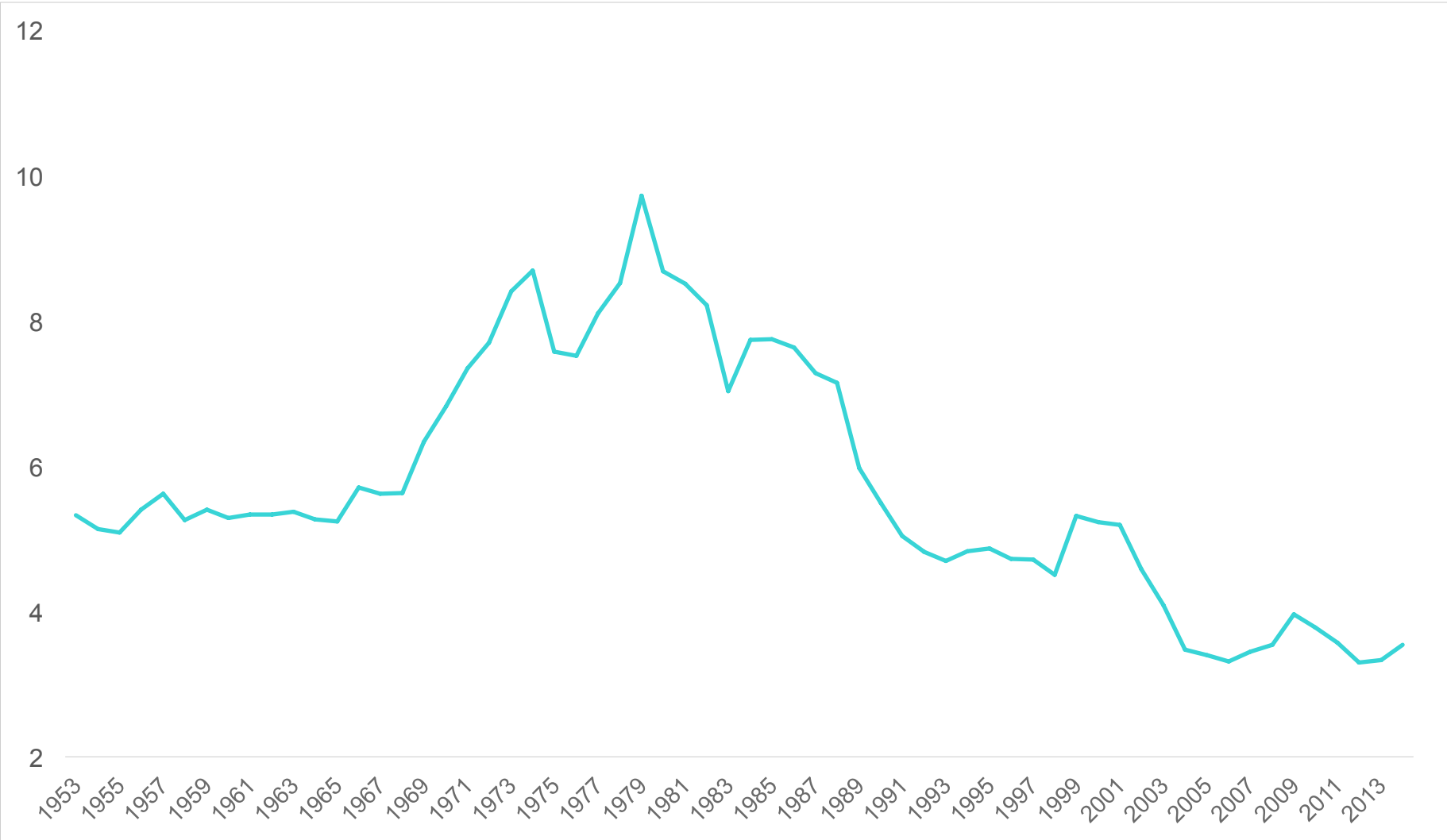
U.S. Business Investment/GDP



U.S. Business Net Lending and Borrowing

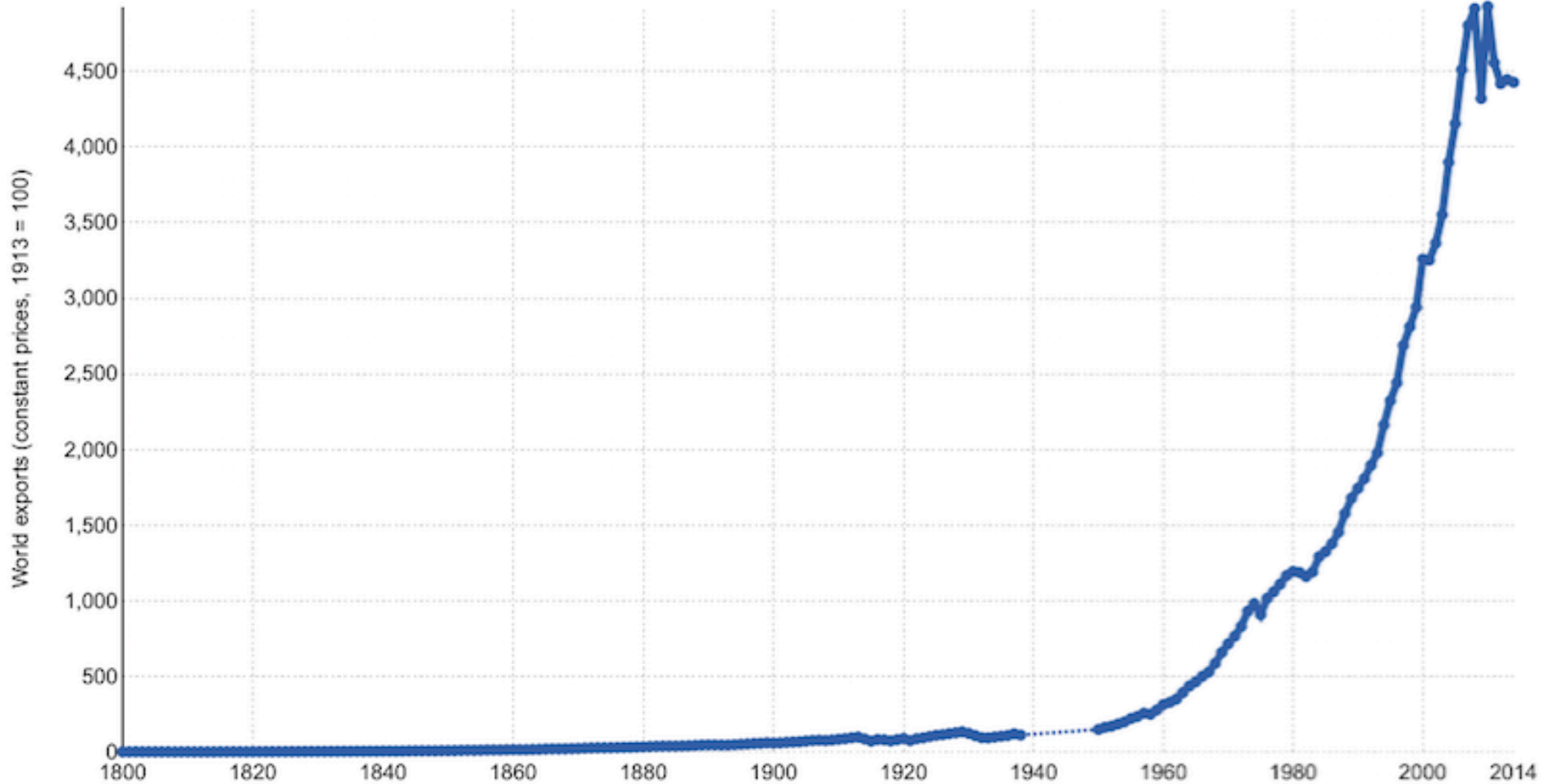


U.S. Ratio of Investment/Cash to Shareholders



3. Stalling Globalisation

The Value of Global Exports 1800-2014



Panic – no, not Trump



Global Gross Debt

