

Institute of Agricultural and Food Economics –
National Research Institute, Warsaw, Poland



MEGATRENDS IN THE CONTEMPORARY WORLD ECONOMY

Szczepan Figiel

INTERNATIONAL CONFERENCE

*“Strategies for the agro-food sector and rural areas – dilemmas of
development”*

Licheń Stary, 19-21 June, 2017

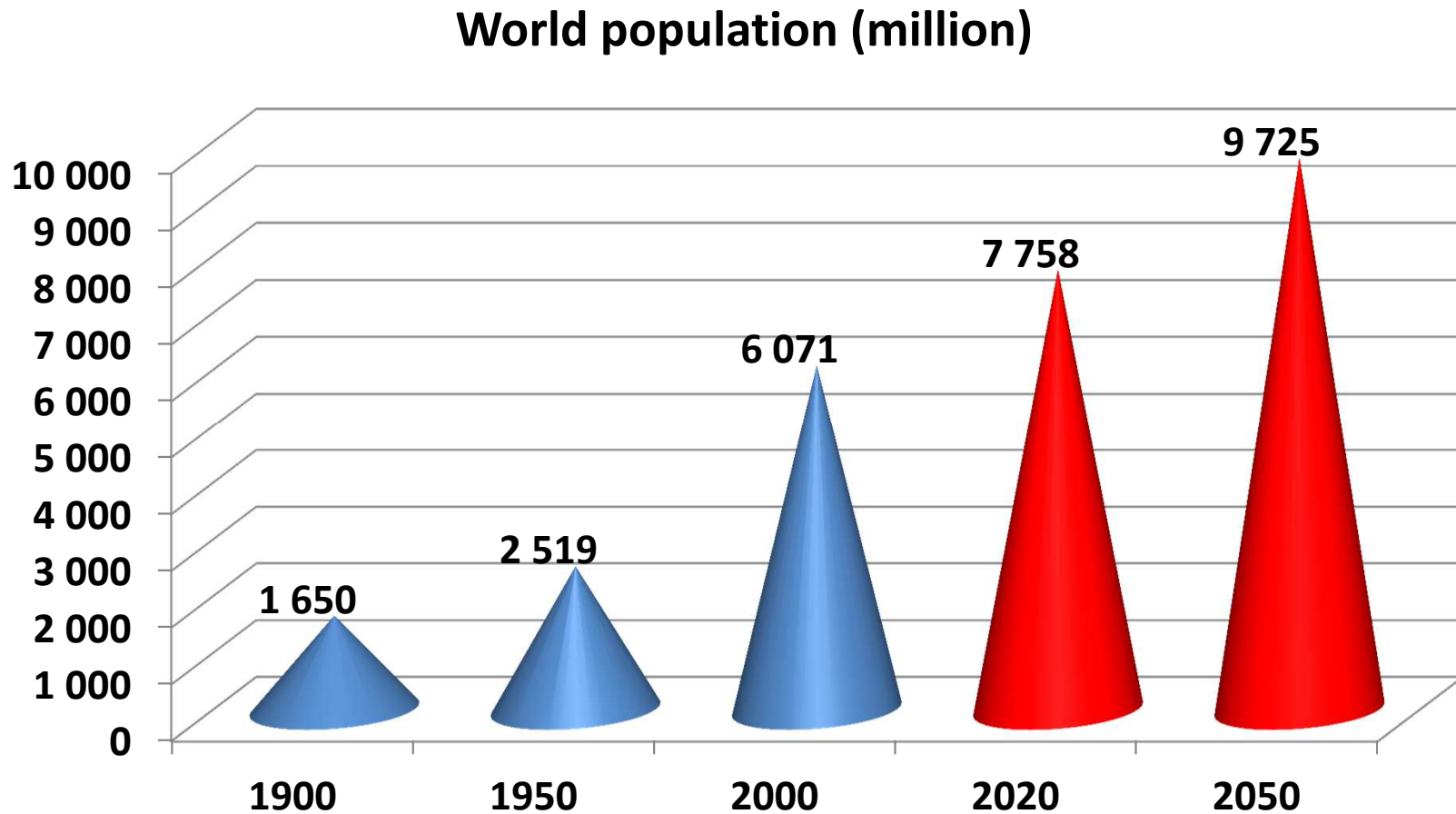
Outline

- Trends in the economic sense and their sources
- Changes in the world demographics
- Changes in the world economy
 - changes in productivity and incomes
 - changes in the world trade
 - changes in the world order of economic power
- New megatrends in world economy
- Implications for the agro-food sector

Trends in the Economic Sense and their Sources

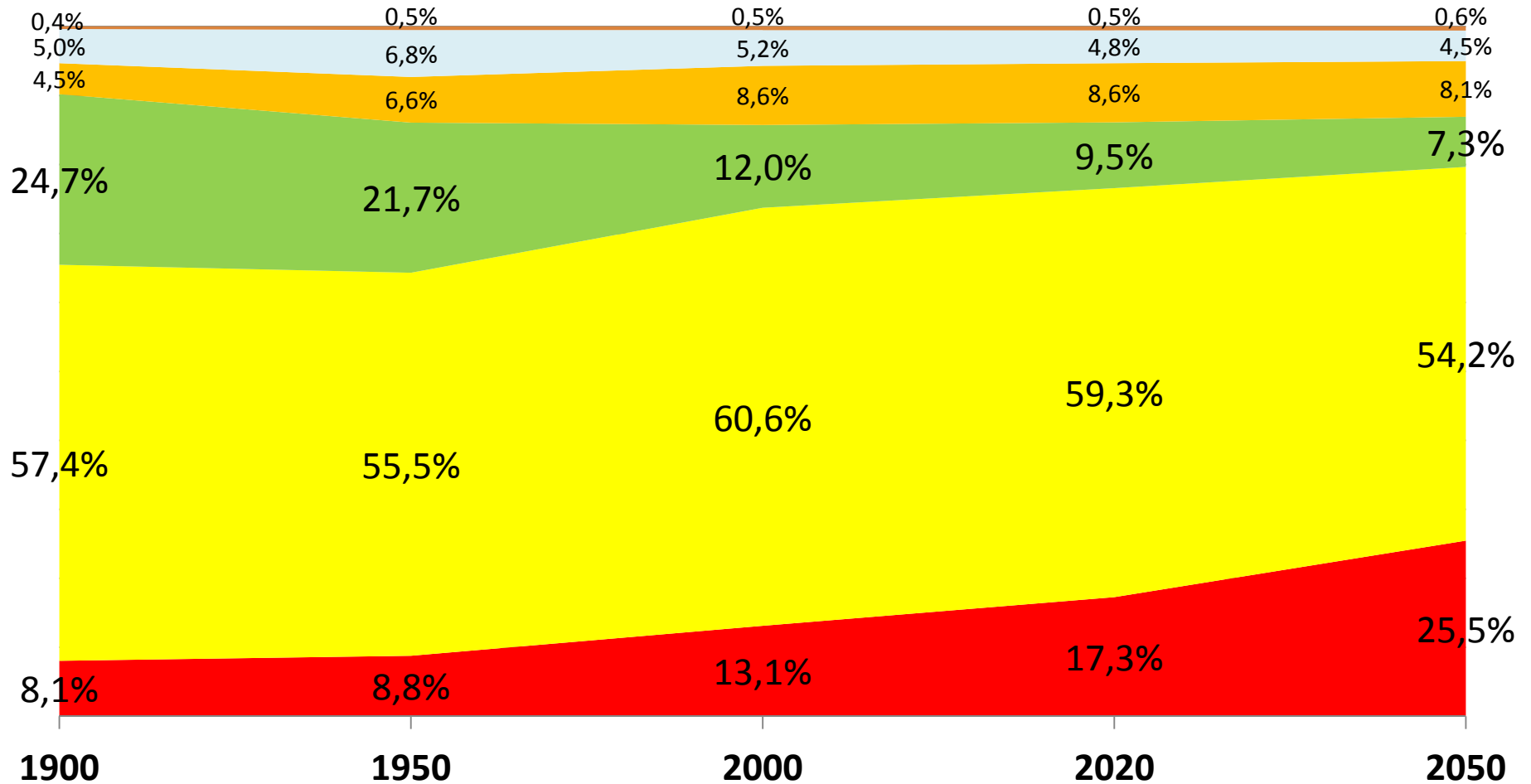
- Trends in the economic sense
 - quantitative changes (long term tendencies in development of observable macroeconomic variables)
 - qualitative changes (long term tendencies in formation of hardly measurable socio-economic phenomena, especially related to consumer behavior)
- Sources of the current economic trends
 - demographic changes (increase in the world population, shrinking and aging populations of the wealthy societies)
 - technological changes (widespread digitalization)
 - environmental and climatic changes

Changes in the World Population



Source: own elaboration based on the United Nation data

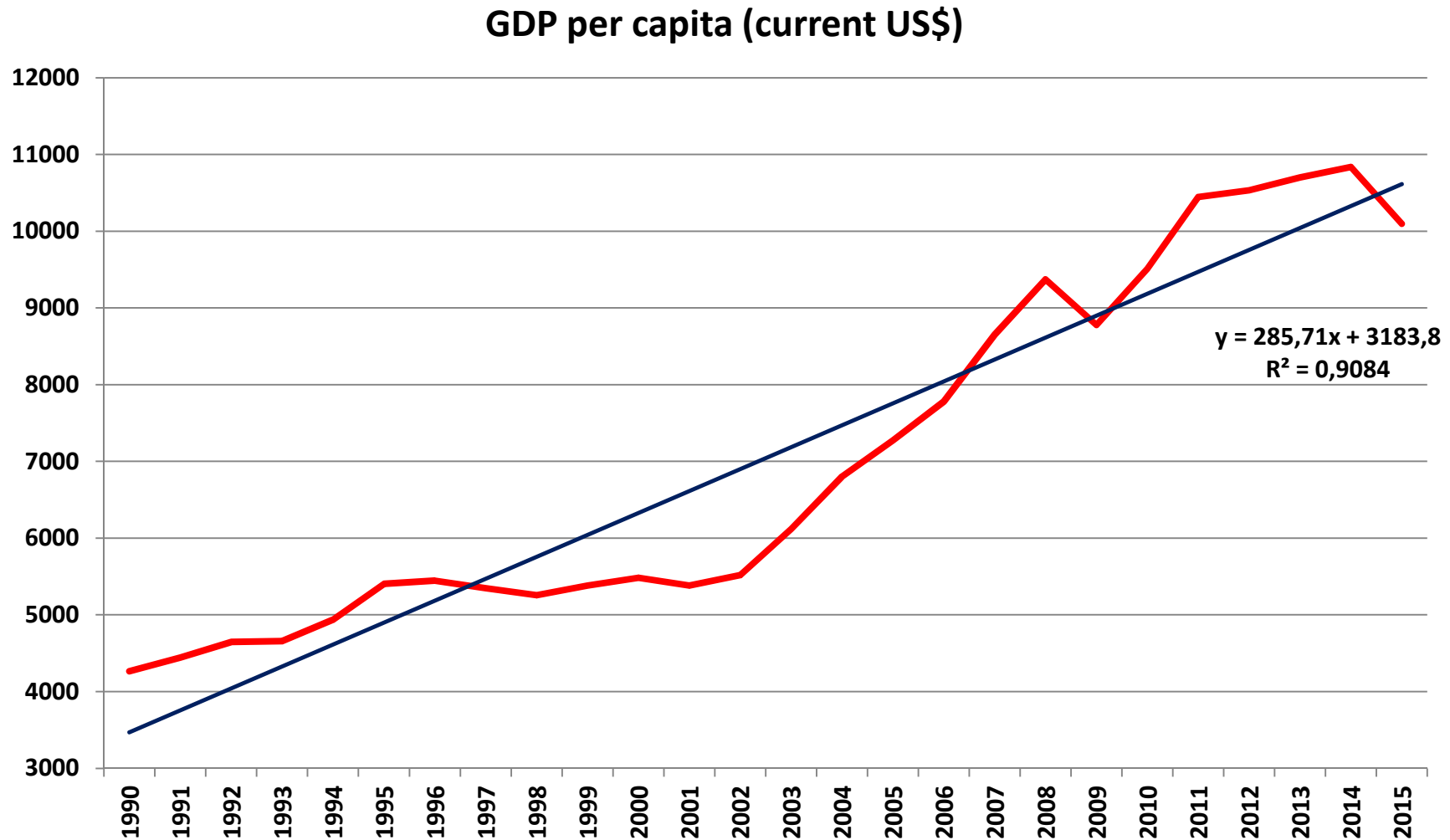
Changes in the Geographic Distribution of the World Population



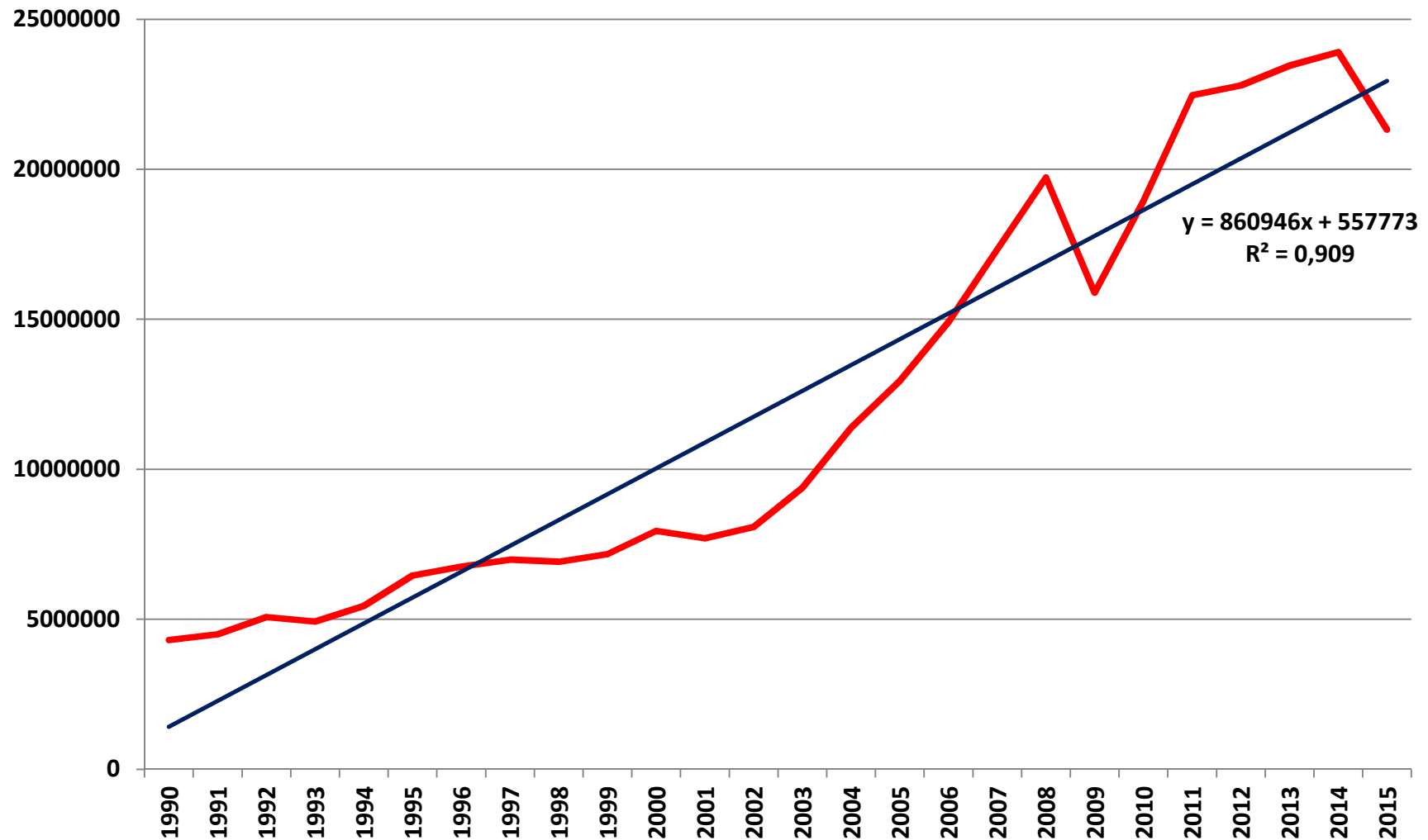
■ Africa
 ■ Asia
 ■ Europe
 ■ Latin America
 ■ North America
 ■ Oceania

Source: own elaboration based on the United Nation data

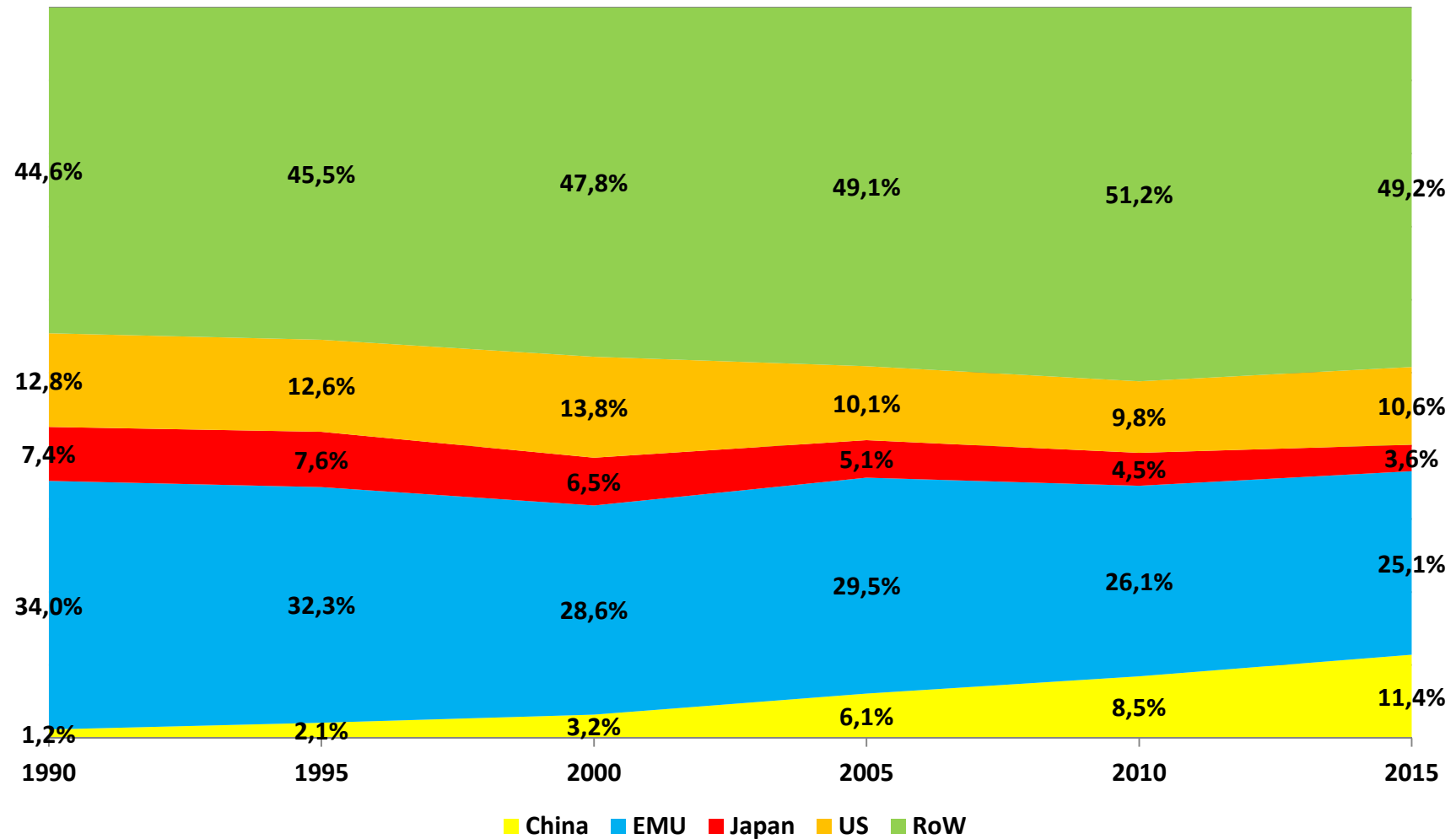
Changes in the World GDP per capita (current US\$) in 1990-2015



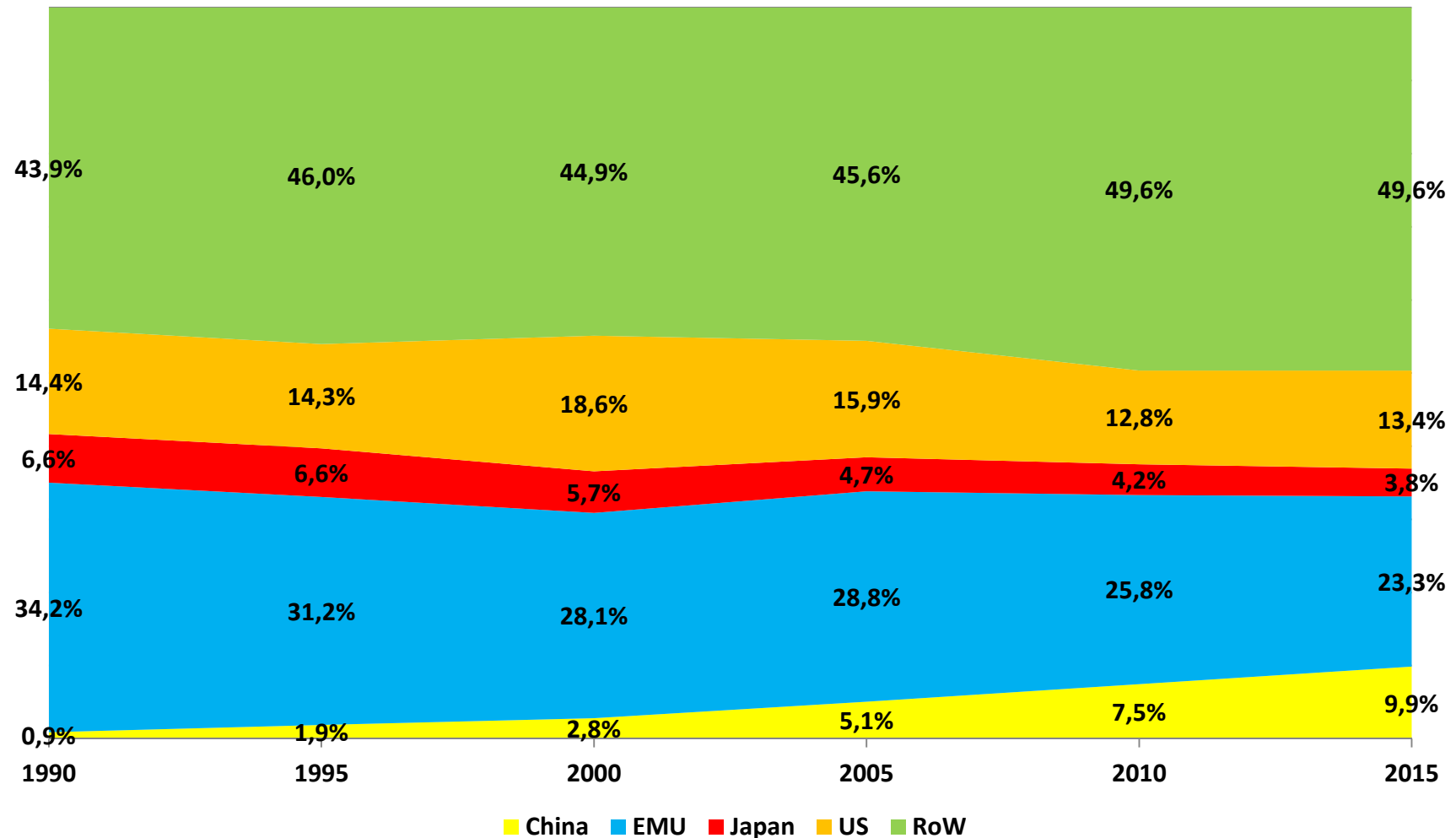
Changes in the World Exports (million current US\$) in 1990-2015



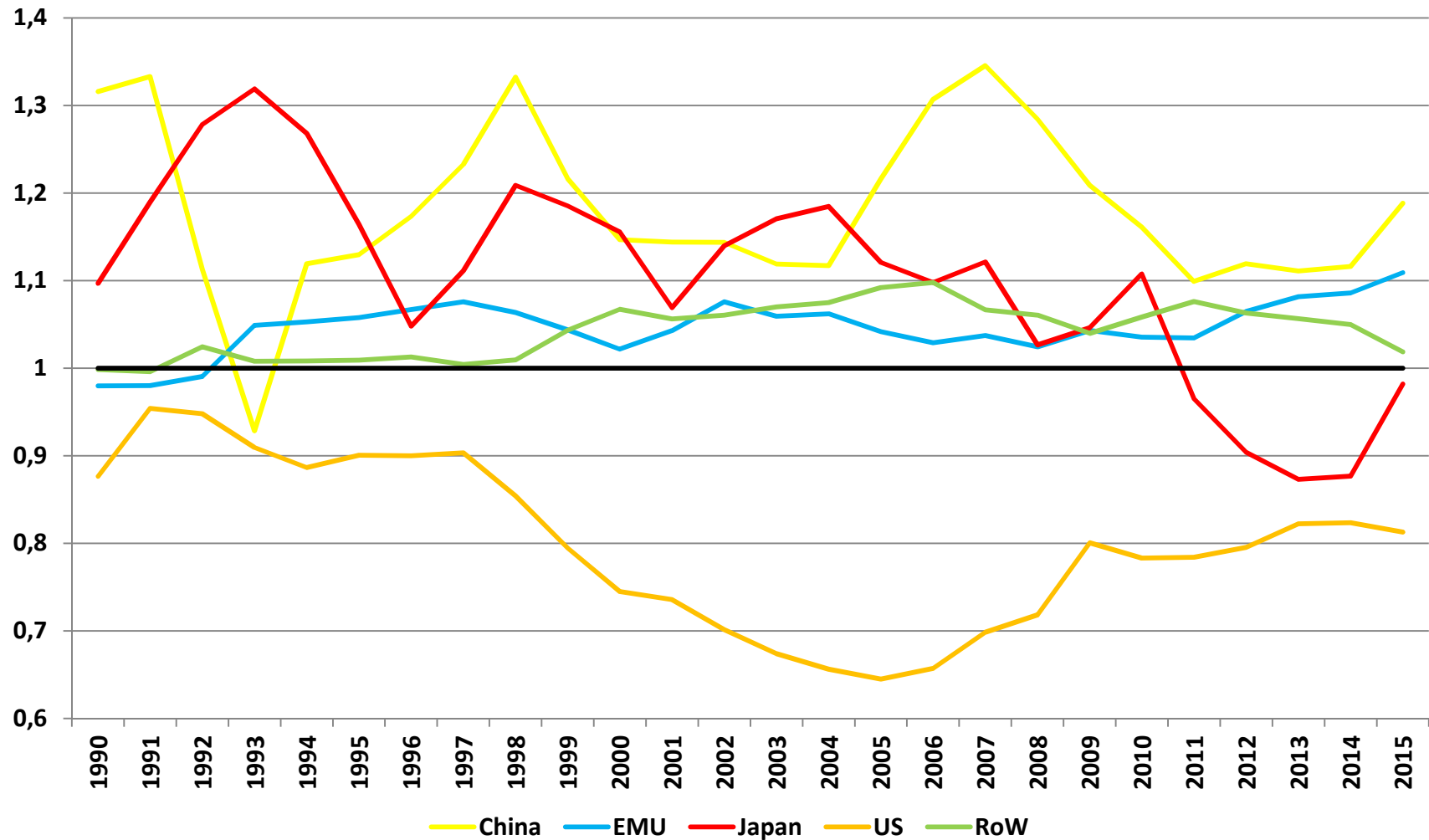
Changes in the Export Shares of the Key Economies in 1990-2015



Changes in the Import Shares of the Key Economies in 1990-2015



Changes in the export to import ratios of the key economies in 1990-2015

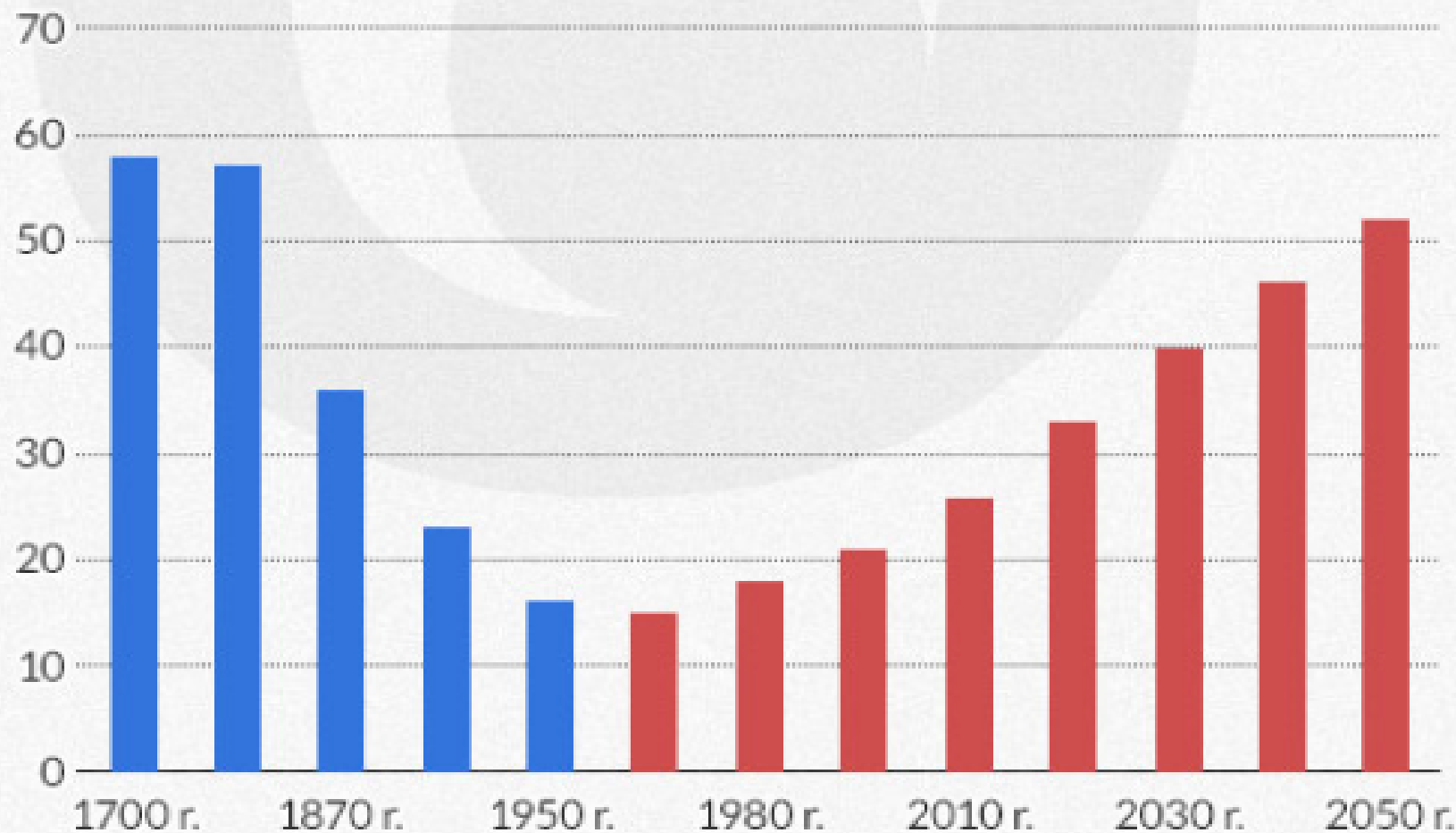


Shifts of the Global Economy Center of Gravity in 1980-2007 and a Forecast of its Location in 2010-2049 (3-year intervals)



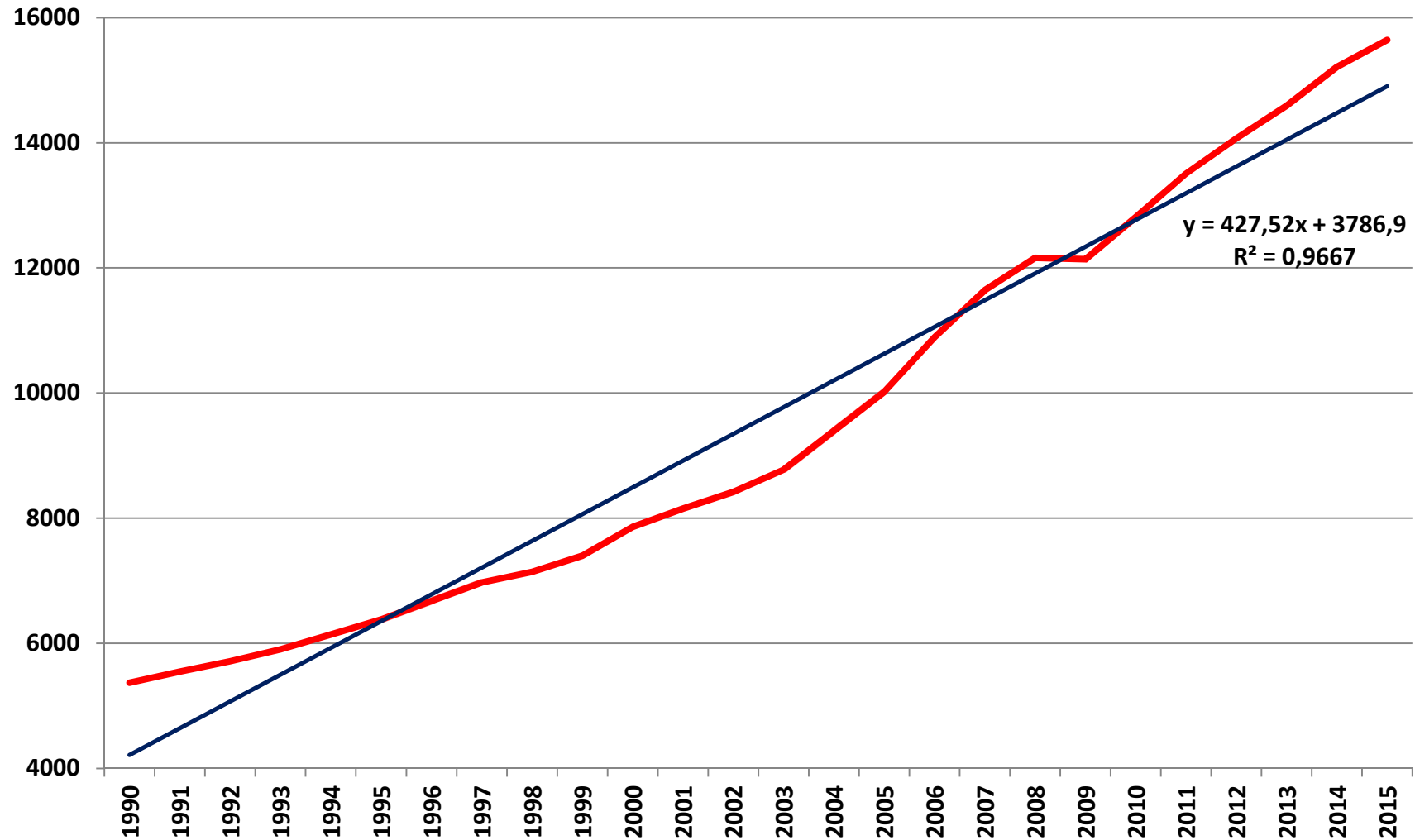
Źródło: Quah Danny, "The Global Economy's shifting centre of Gravity", *Global Policy*, vol.2, issue 1, January 2011, pp.3-9

Contribution of the Asian Economies to the World GDP in 1700-2050



Source: see Asia 2050. Realizing the Asian Century, p. 3, www.adb.org

Changes in the world GNI per capita, (PPP, current international \$)

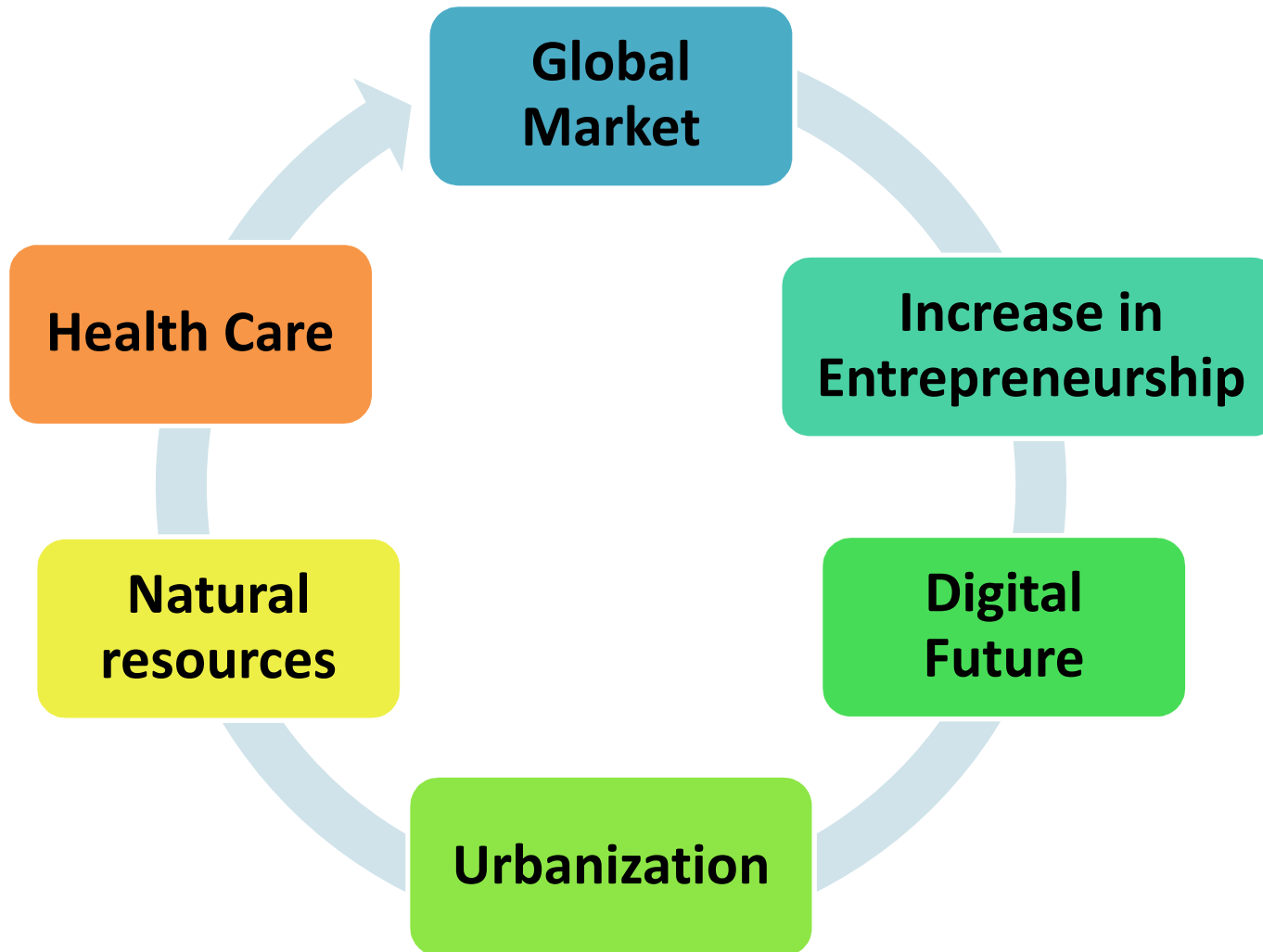


The Key Economic Growth Generators

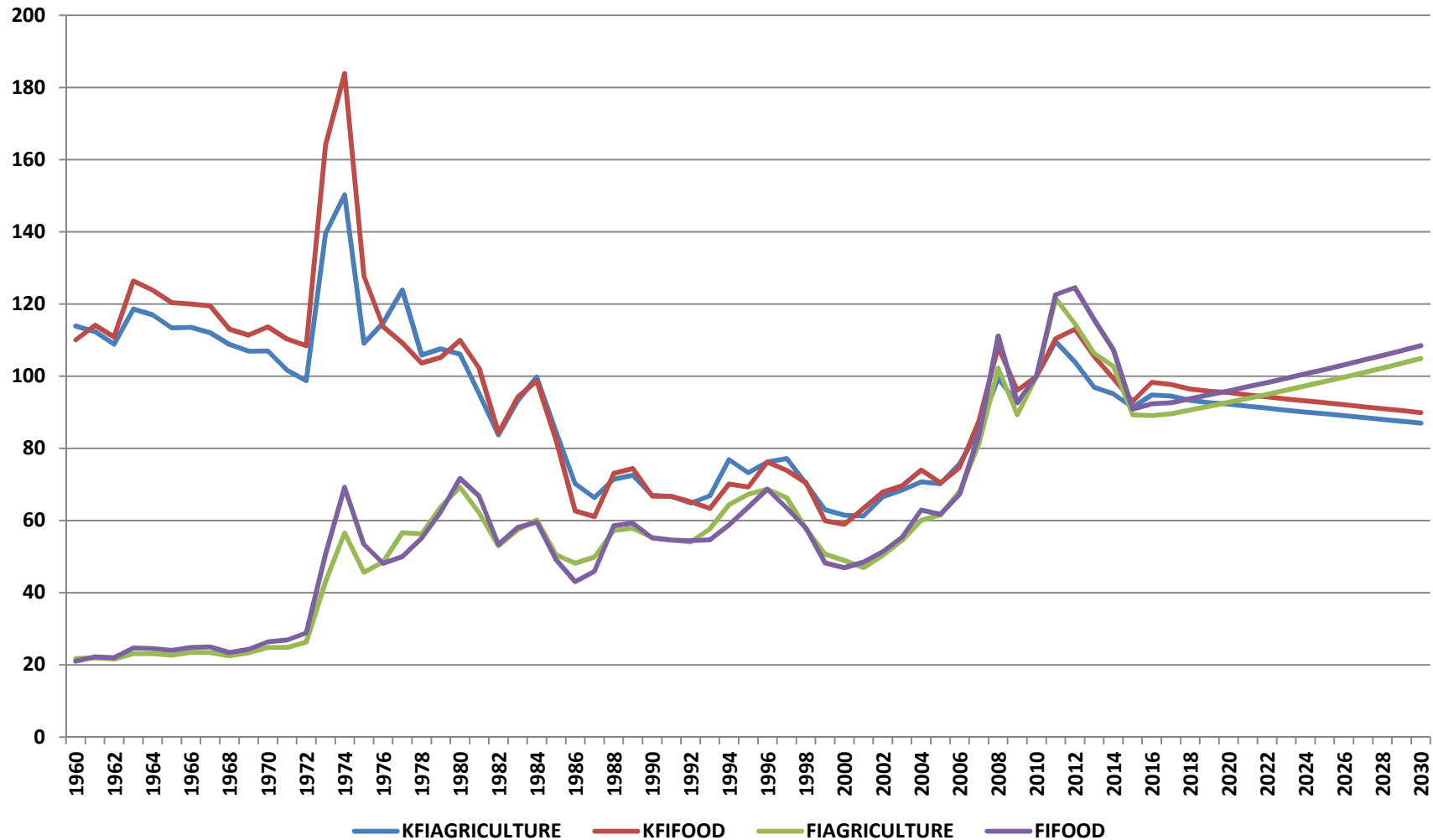
- National savings (investments)
- Demographic prospects
- Health
- Education
- Quality of institutions and policies
- Openness to trade and economic cooperation

Source: Citi Economics , 21 February 2011, Global Economics View

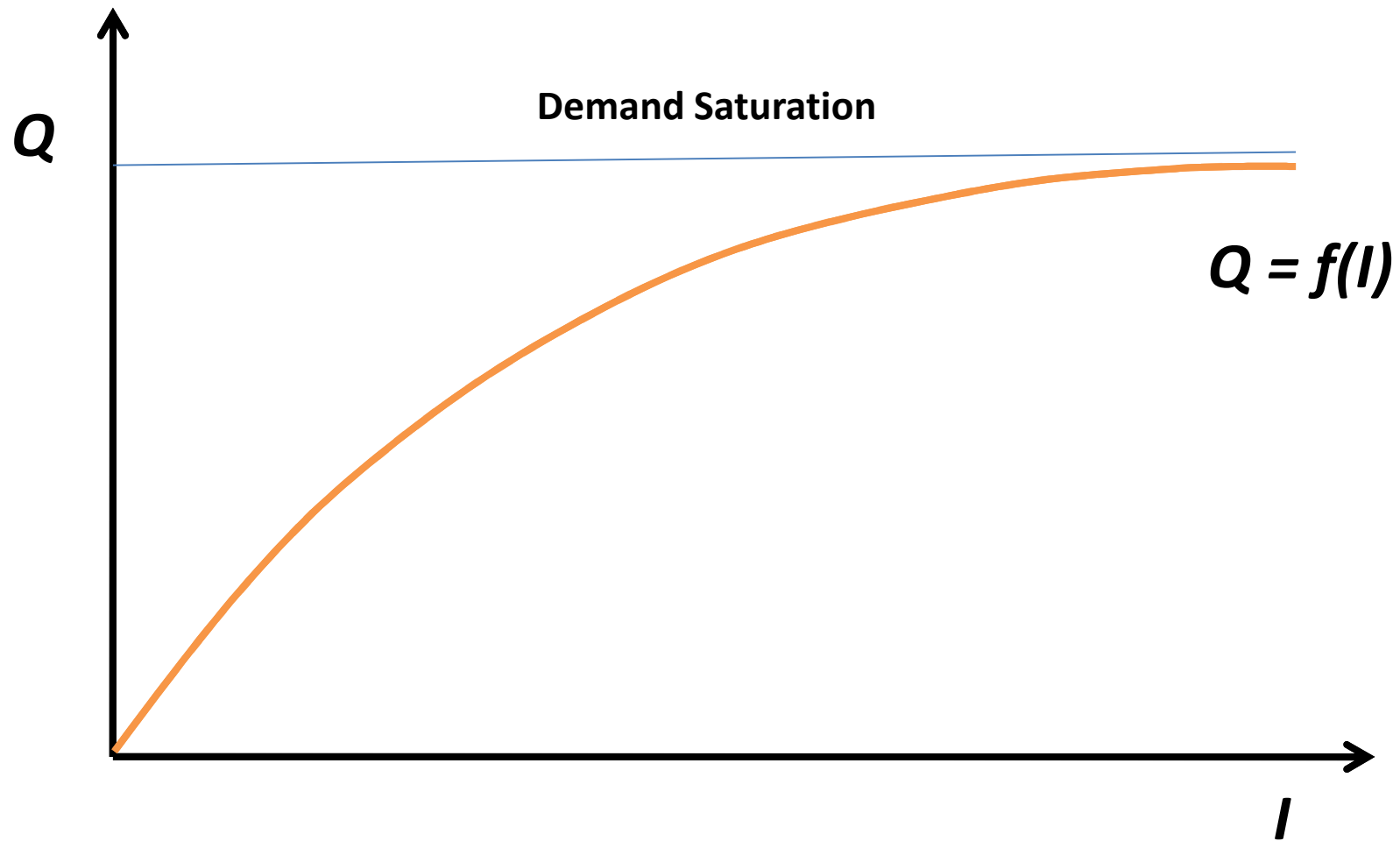
New megatrends in the world economy



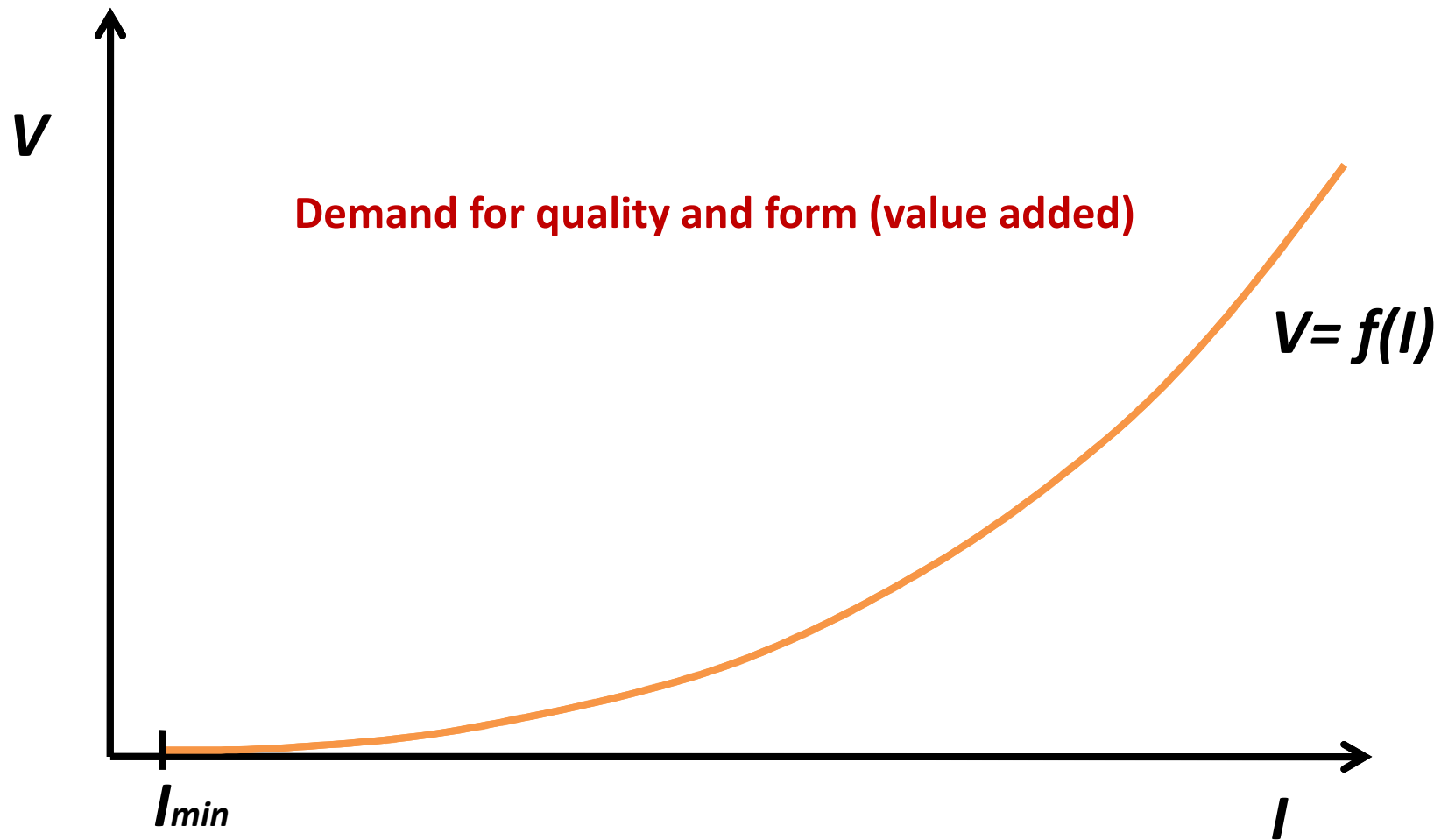
Price Indices of Agricultural Commodities and Food Products (History and Projections)



Income and food demand (I)



Income and food demand (II)

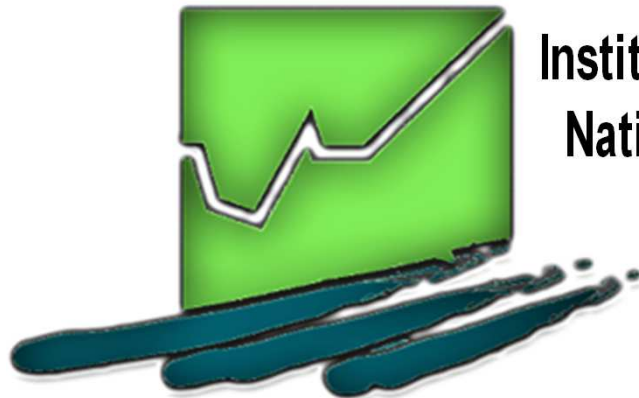


Final Remarks & Conclusions (I)

- Globalization is an irreversible process;
- Changing distribution of benefits from globalization – initially mostly multinational corporations were benefiting, but now also fast developing countries;
- Protectionism, interventionism, isolation – short term disturbances (?)
- Changing pattern of capital flows and FDIs (“wealthy” West has become a debtor of Asia getting richer and richer);

Final Remarks & Conclusions (II)

- Tridimensional currency system around 2030 (US dollar, euro, renminbi-juan);
- Massive urbanization – increase in role of big cities (around 2050 nearly 72% of the world population will live in cities, in w 2030 about 60%);
- New centers of food consumption and production in the world;
- Role of economic policies?



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Thank you for your attention

sfigiel@gmail.com