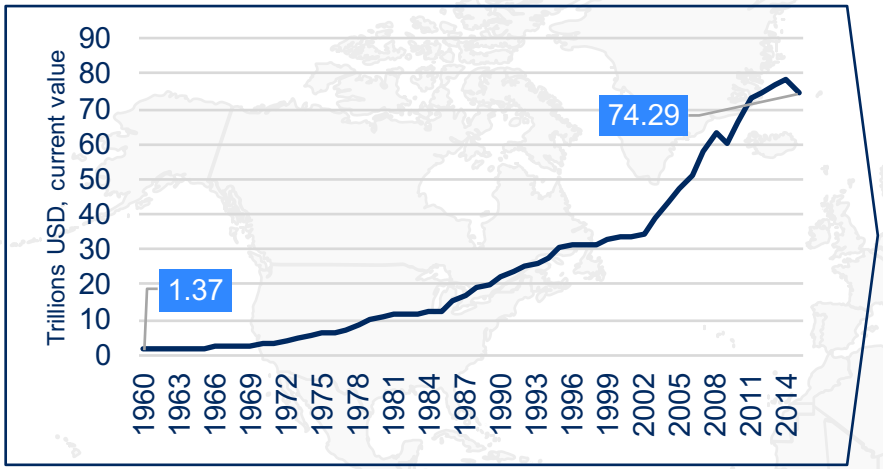
Economics

NON-CONFIDENTIAL AND ENTIRELY SHAREABLE
Purpose+, Amstel 95, Amsterdam, The Netherlands

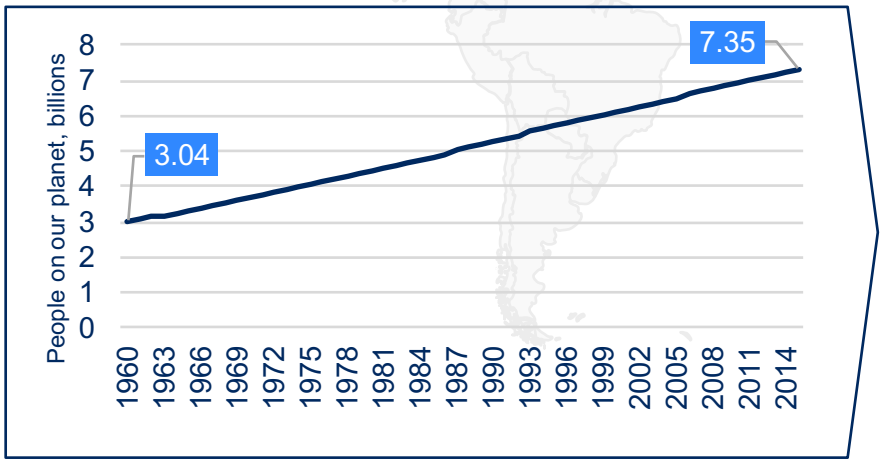
PURPOSE+

Visual 4: Breaking out of the Malthusian trap

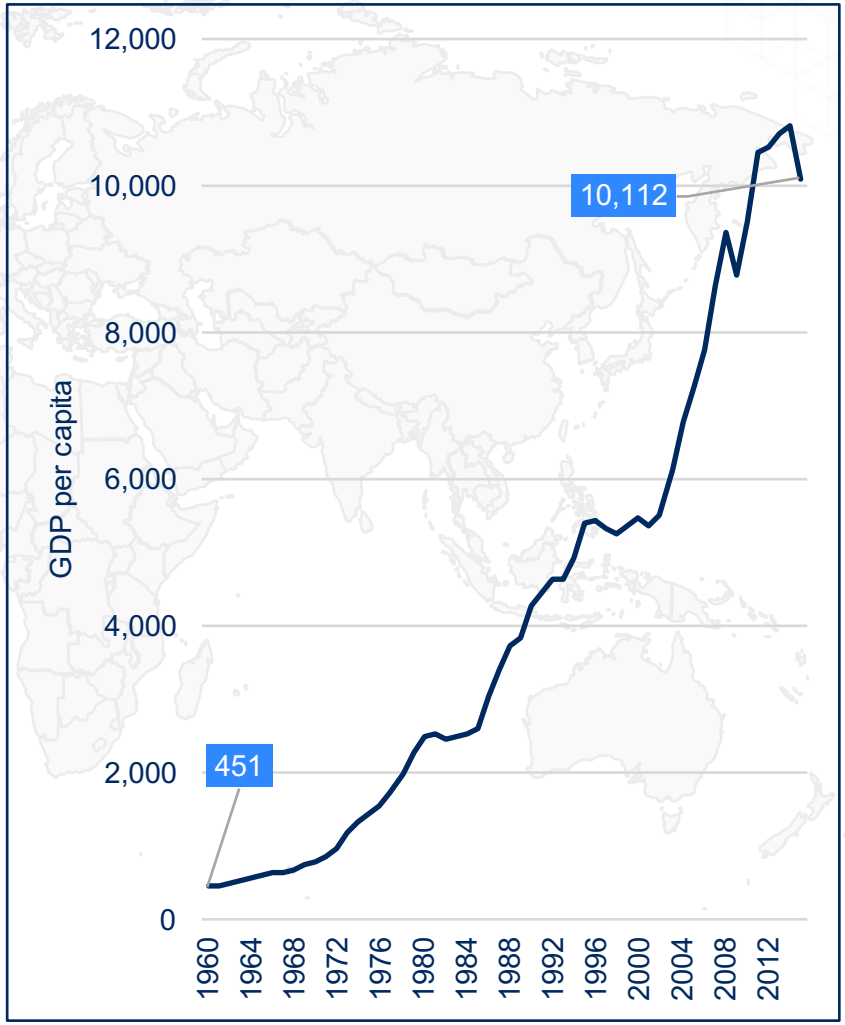
Growth in the total world economy (GDP) 1960-2014



Population growth 1960-2014



GDP per capita growth 1960-2014

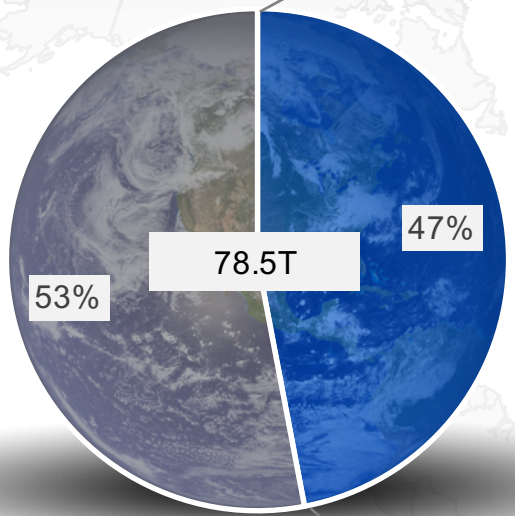


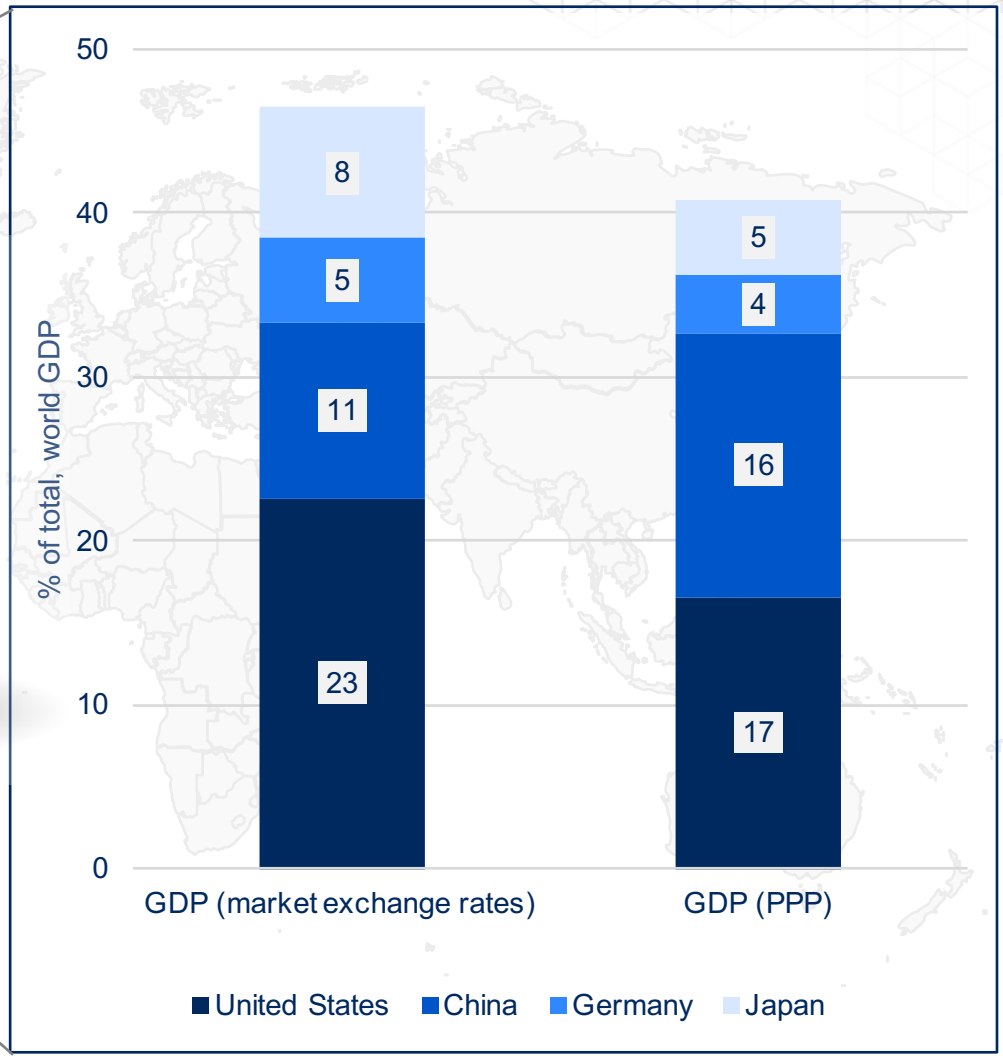
Note: value calculated in current dollars

Source: World Bank

PURPOSE+

Visual 5: The big four rule (half) the world





Note that graph does not show the EU, if it would the EU would show roughly same size as the US economy

Source: World Bank, IMF

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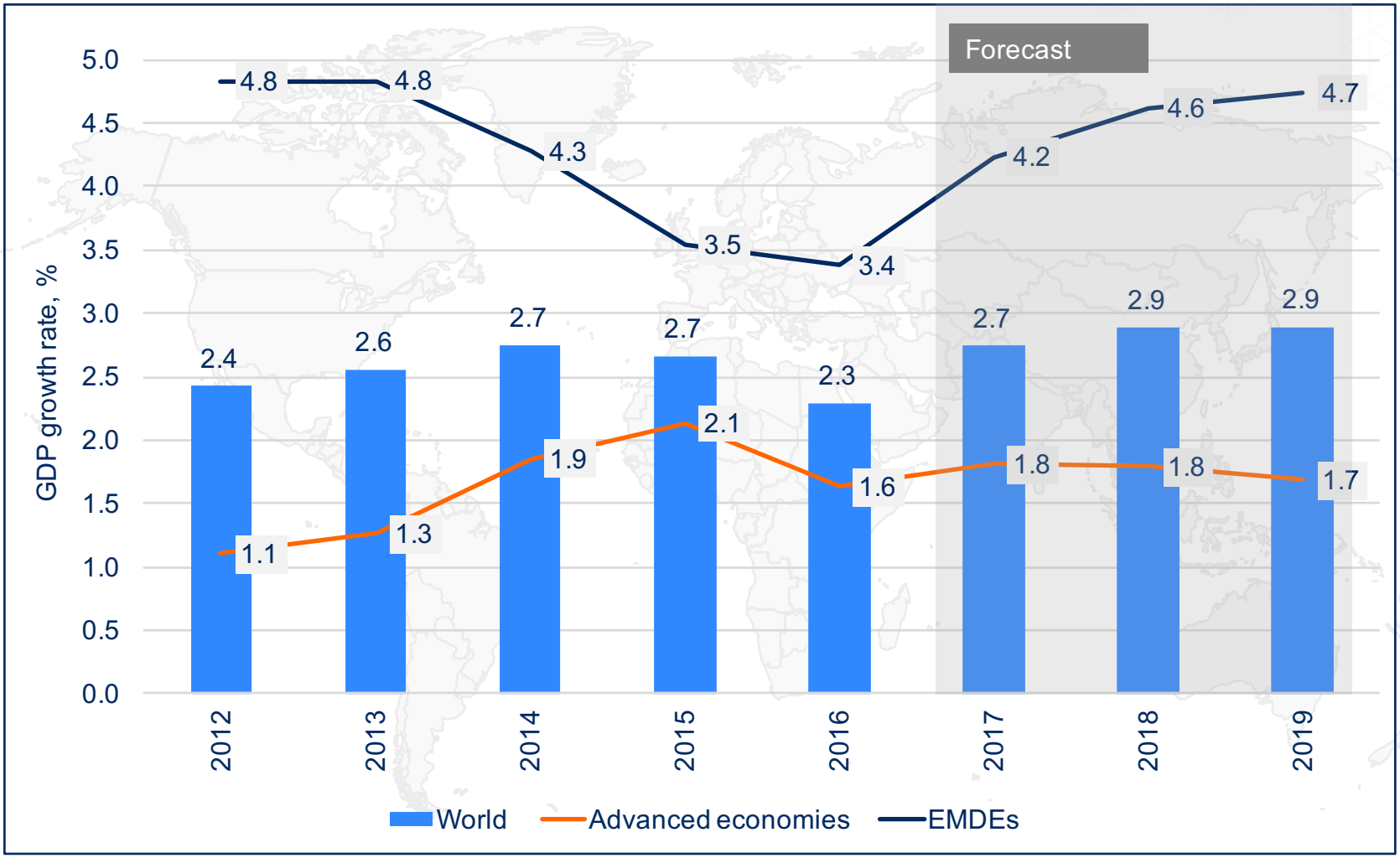
Visual 6: The global economic engine is re-balancing



Source: World Bank Global Economic Prospects (January 2017)

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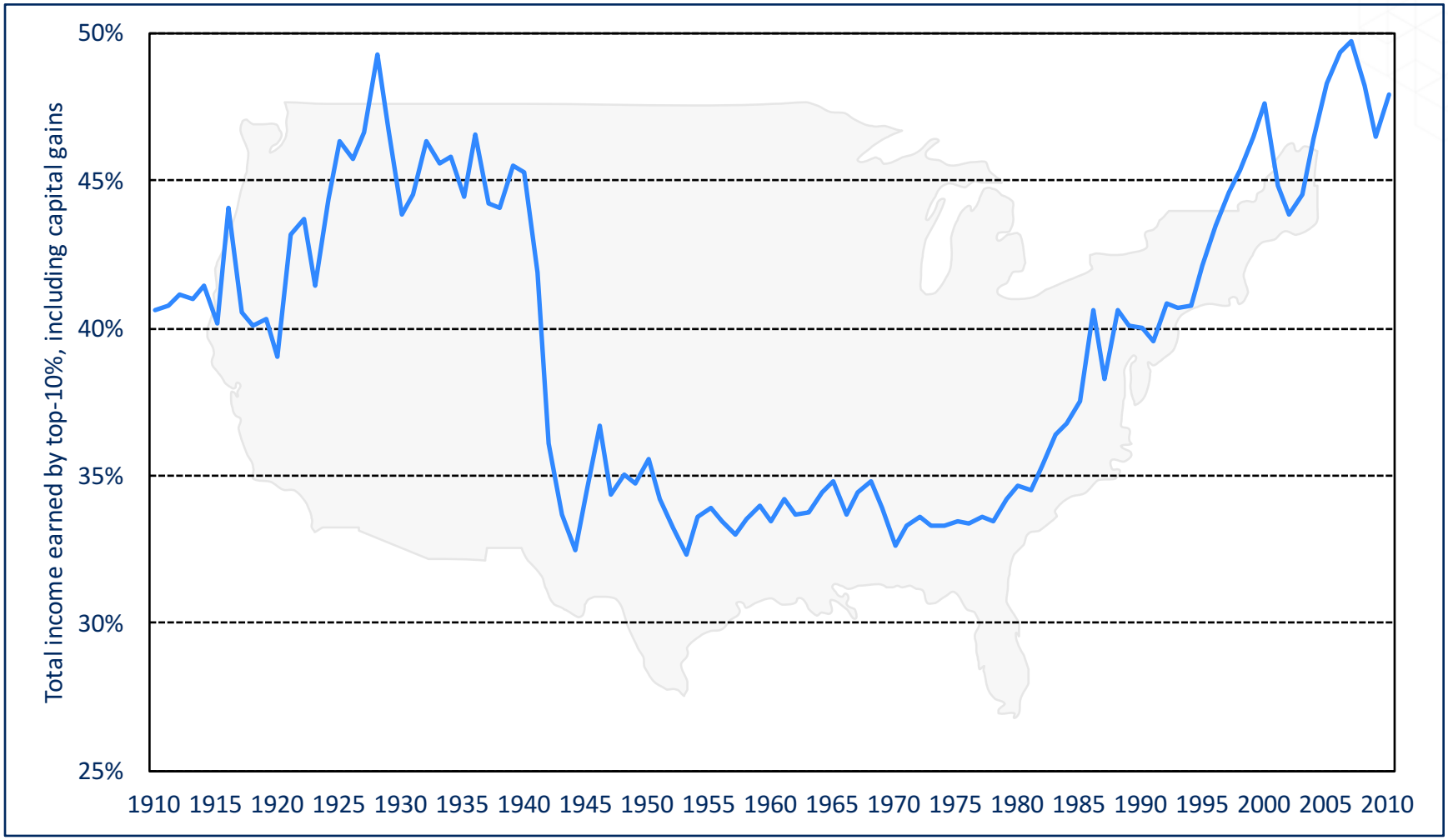
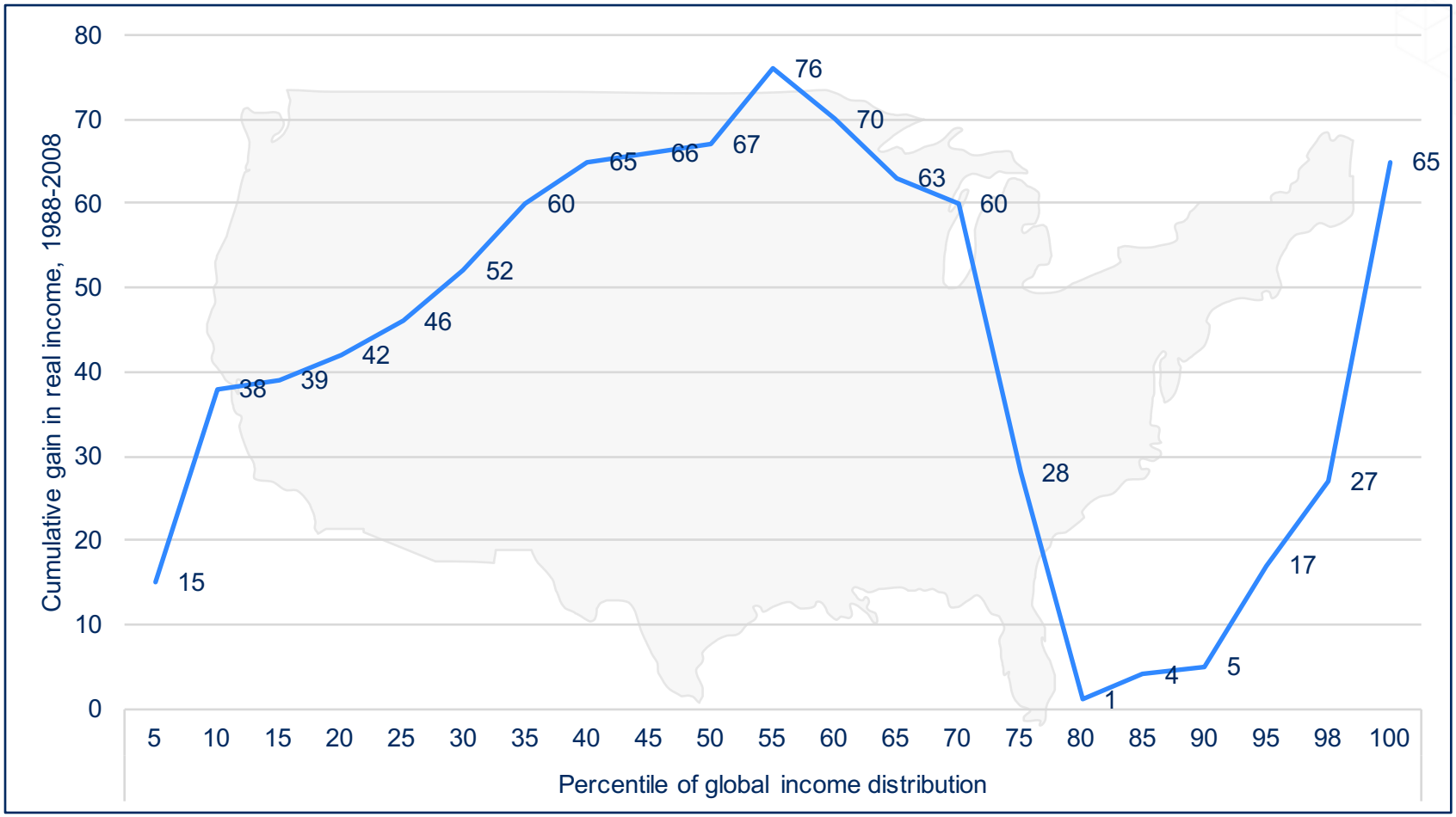
Visual 7: Inequality is back to pre-WWII levels



Source: Piketty (Capital in the Twenty-First Century, 2013)

PURPOSE+

Visual 8: Income has grown in the last decade, but not for all



Source: Branko Milanovic, Christoph Lakner, Global Inequality: A New Approach for the Age of Globalisation (2016)

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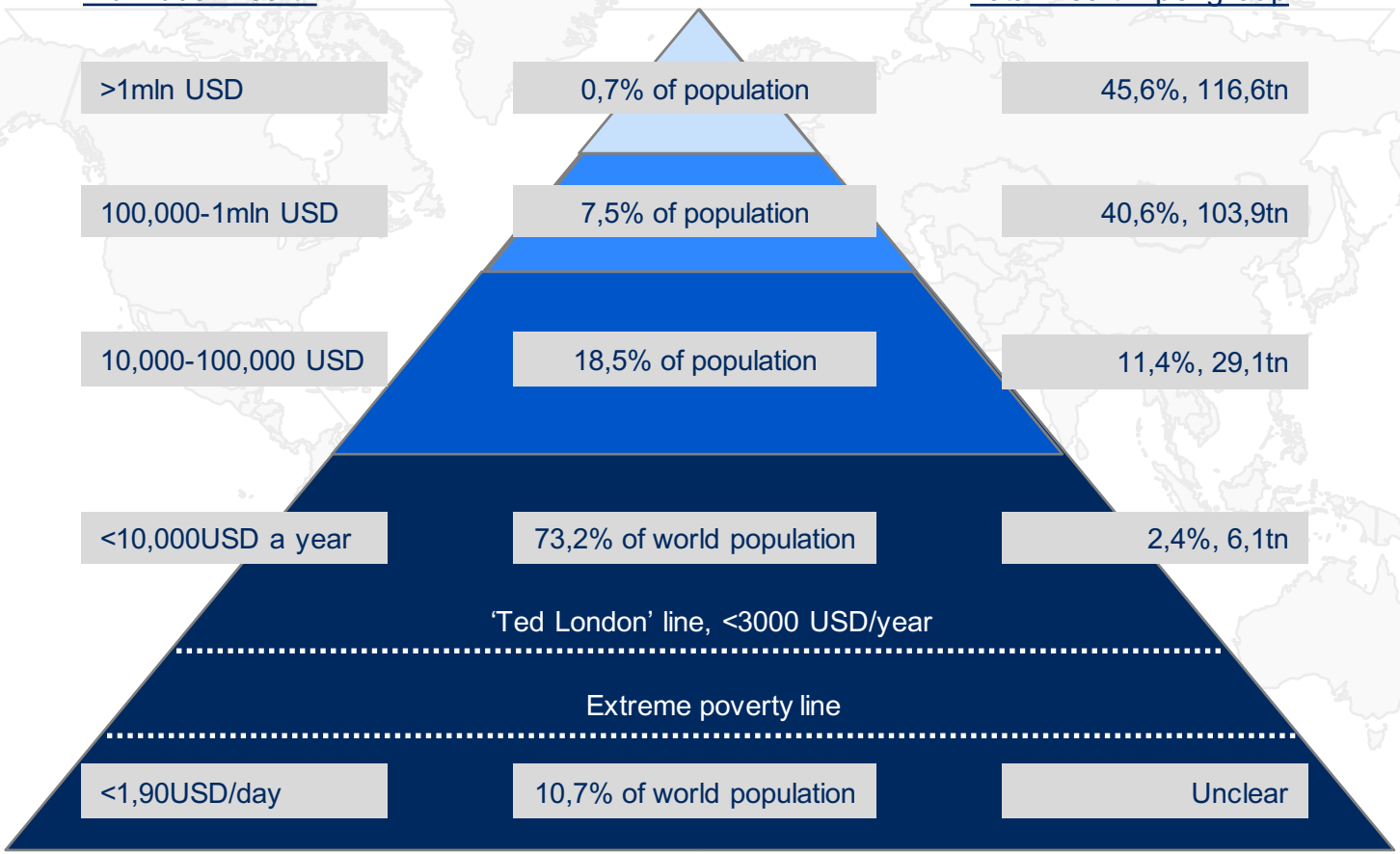
Visual 9: The top the pyramid carries the financial weight



* Estimated wealth range per individual based on total global wealth of 265tn in 2016

Source: Financial Times Lexicon, Wikipedia, The Economist, Statista, Credit Suisse (global wealth pyramid, 2016 data).

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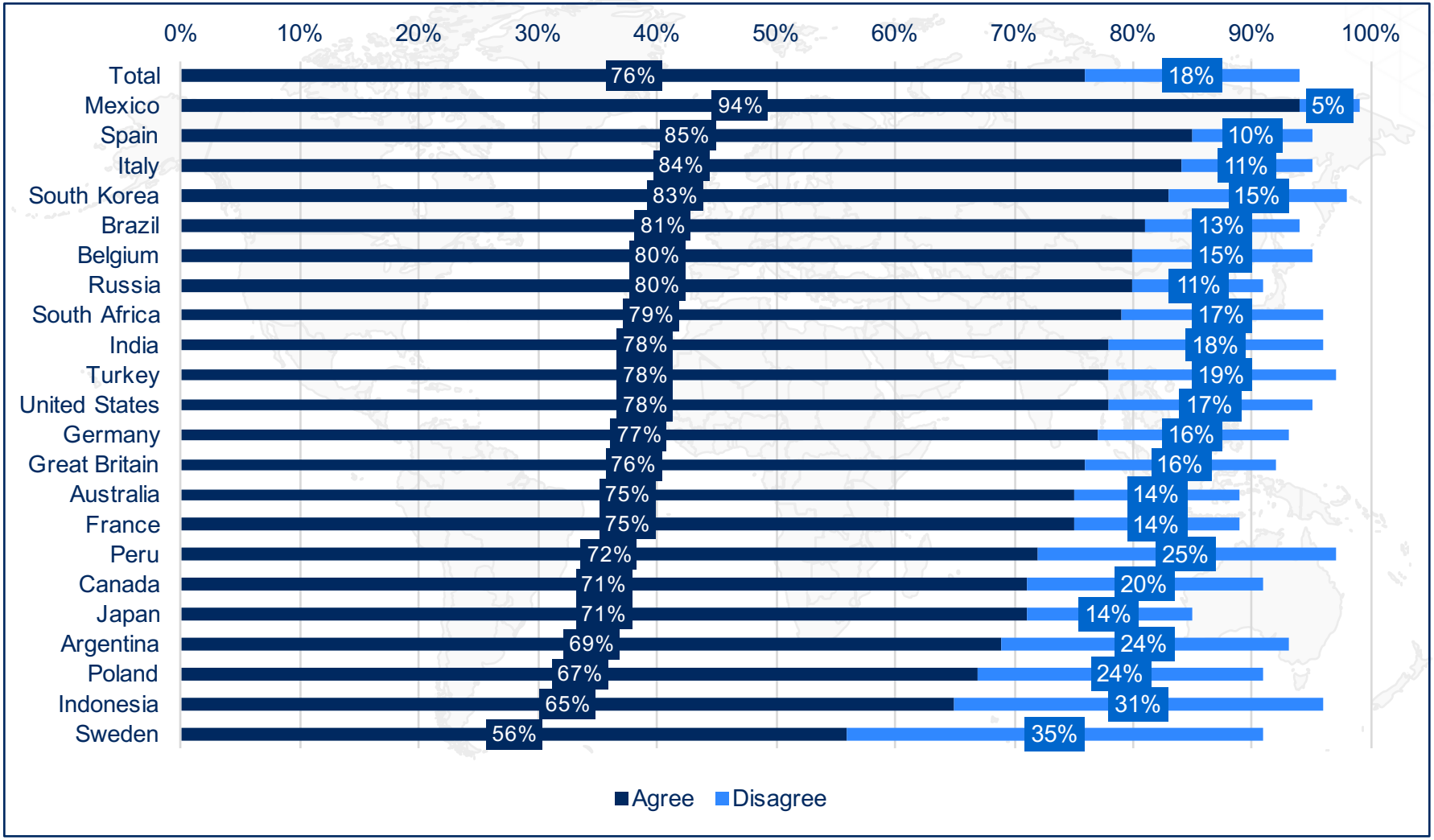
Visual 10: The world is rigged for the rich and powerful

Answers to the question 'the economy of my country is rigged to advantage the rich and powerful'



Source: Ipsos Global Trends Survey (September 2016), N = 17,180

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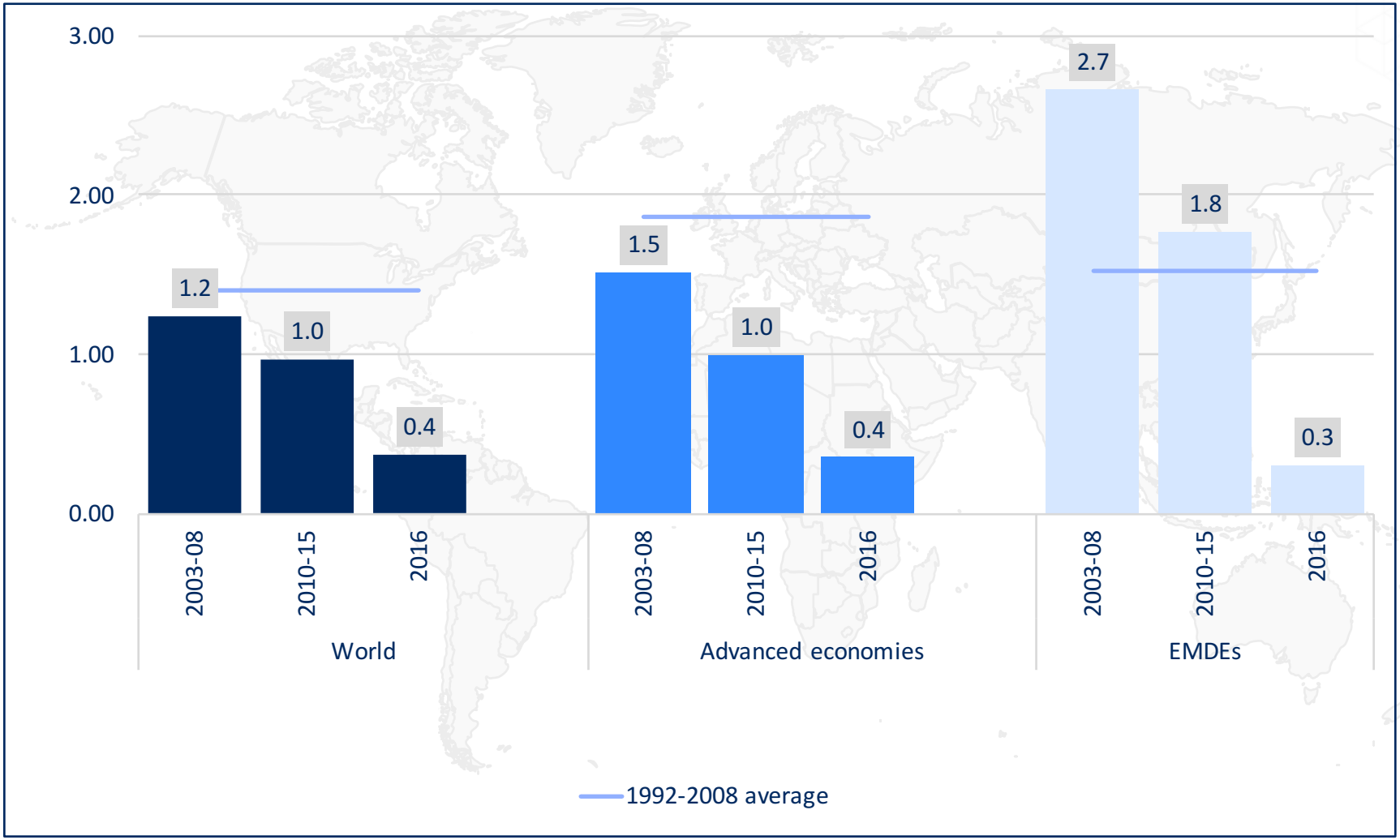
Visual 11: Productivity growth is slowing down



Note: Productivity measured as real GDP (in constant USD) per hour worked
Source: Robert J. Gordon (2016); World Bank; Conference Board

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Visual 12: Smaller workforces combined with higher debt

Country	Population today	Population 2050, estimate	Public debt today, in % GDP	Public debt today, absolute, in USD
Germany	82.7 million	74.5 million (-8.2m)	85.8%	2.8 trillion
France	66.9 million	71.1 million (+4.2m)	102.0%	2.5 trillion
Japan	127 million	107.4 million (-19.6m)	261.0%	12 trillion
Greece	10.8 million	9.7 million (-1.1m)	147.1%	231 billion
United States	323.1 million	388.9 million (+65.8m)	93.6%	16 trillion
United Kingdom	65.6 million	75.4 million (+9.8m)	103.7%	2.9 trillion
The Netherlands	17 million	17.6 million (+0.6m)	79.4%	616 billion
Canada	36.3 million	44.1 million (+7.8m)	85.0%	1.7 trillion
Portugal	10.3 million	9.2 million (-1.1m)	159.3%	293 billion
Spain	45.6 million	44.8 million (+0.8m)	91.1%	1.1 trillion
Italy	60.6 million	56.5 million (-4.1m)	122.6%	2.3 trillion

Source: Economist Debt Clock, Wikipedia

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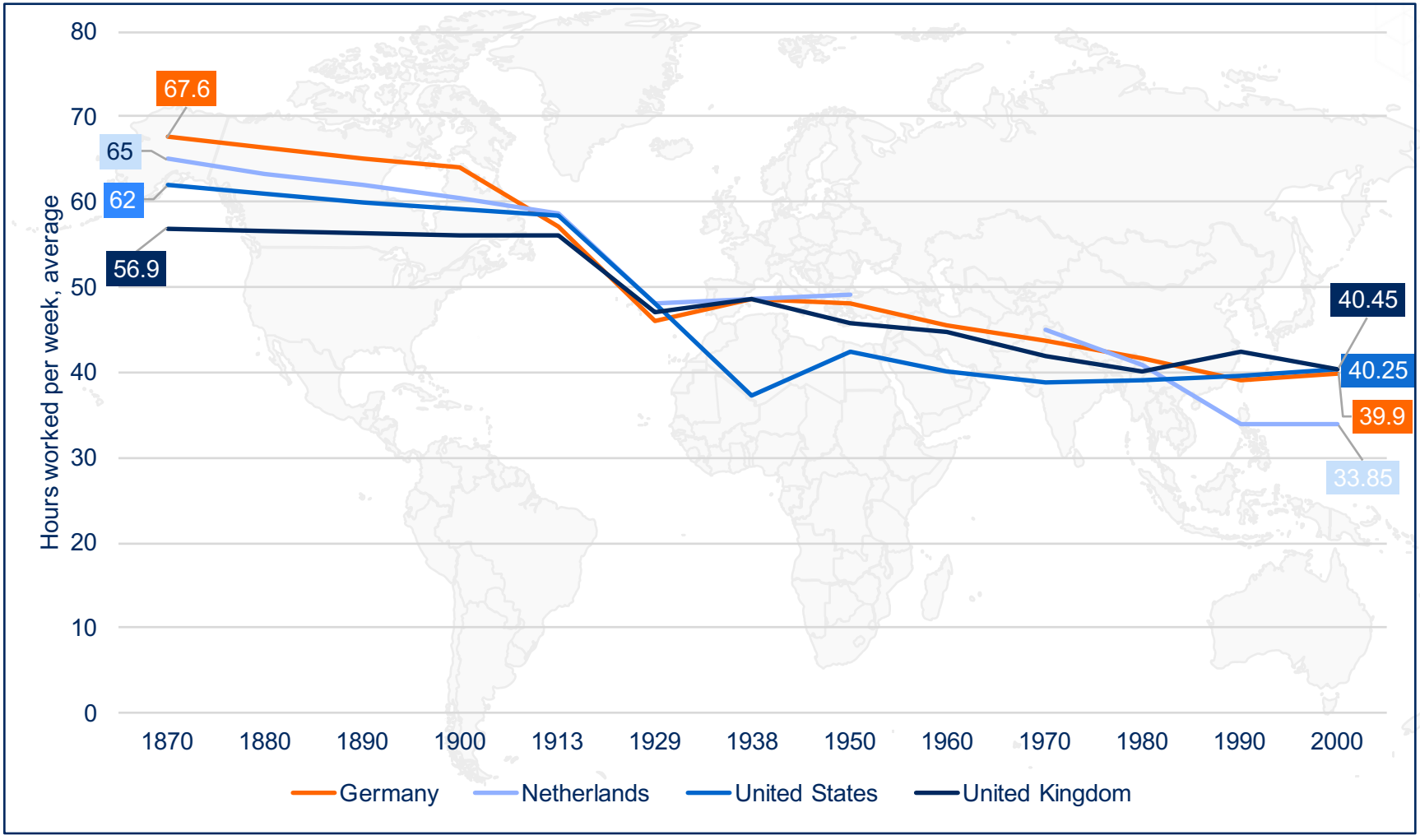
Visual 13: Working fewer hours is the new norm



Source: www.ourworldindata.org

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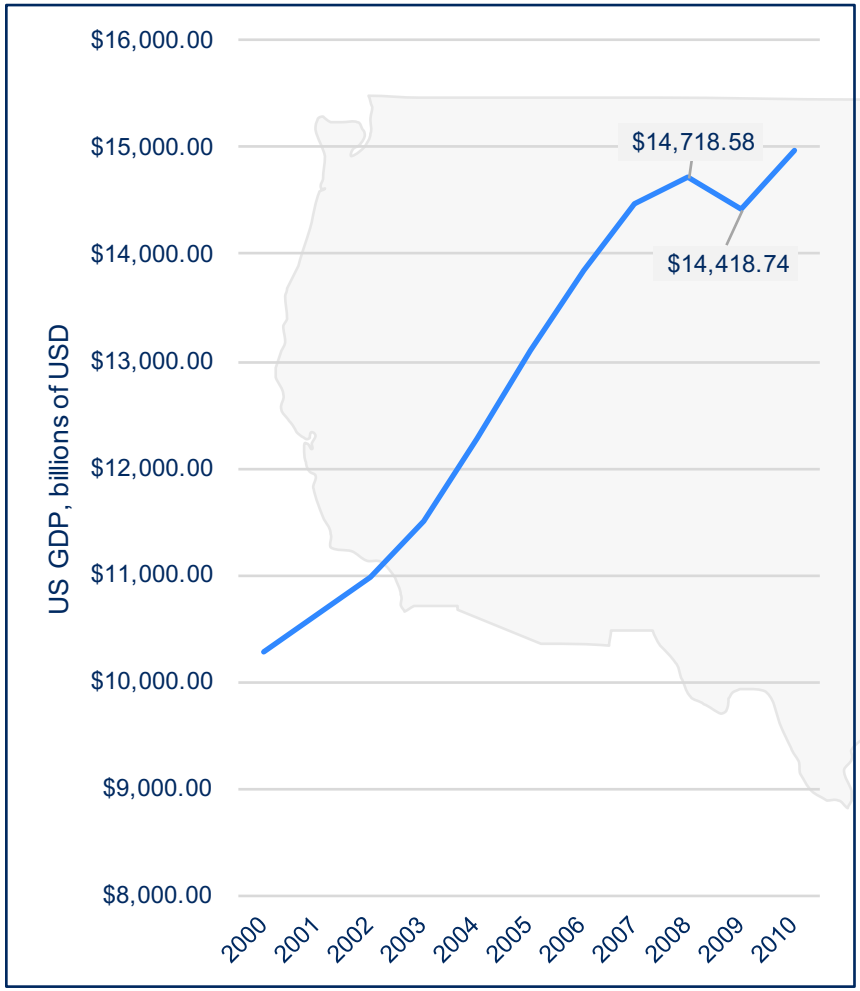
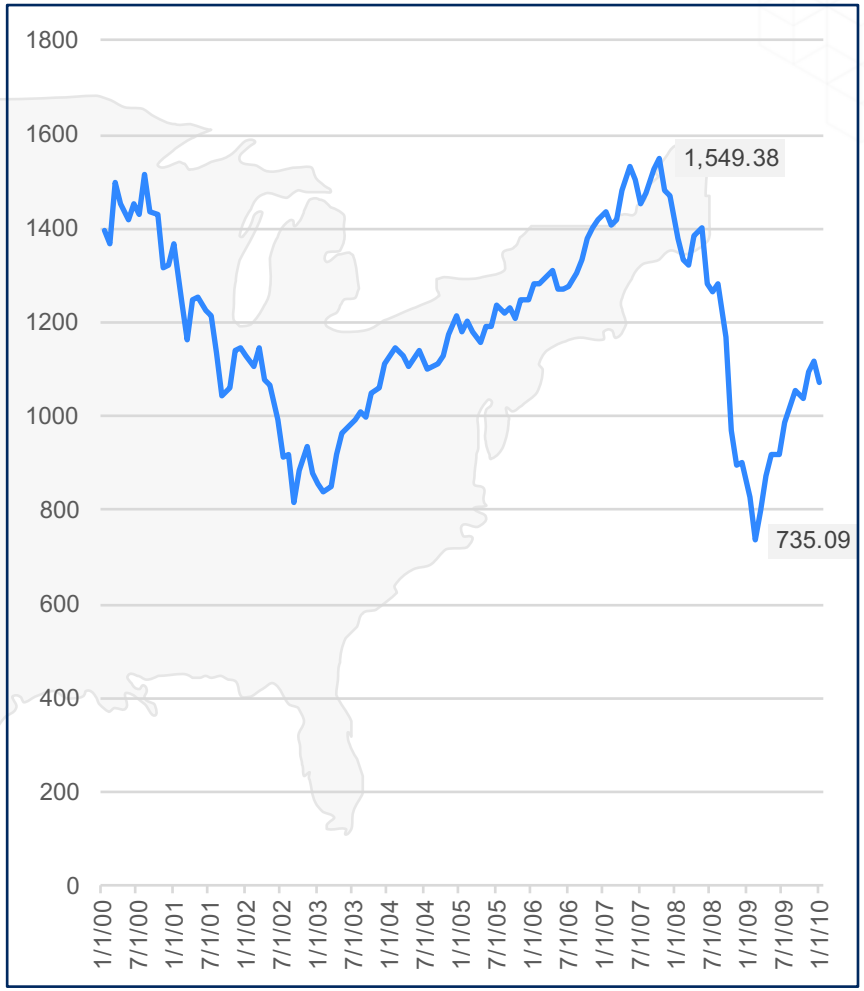
Visual 14: Expectation markets come with increased volatility

When the real GDP in the US declined by about 2,2% in the 2008 crisis*...



...share prices in the S&P500 tumbled with more than 50%



* Average numbers. Euro area -4,1%, US -2,6%, India +7,7%, Russia -7,9%
Source: World Bank, Yahoo Finance

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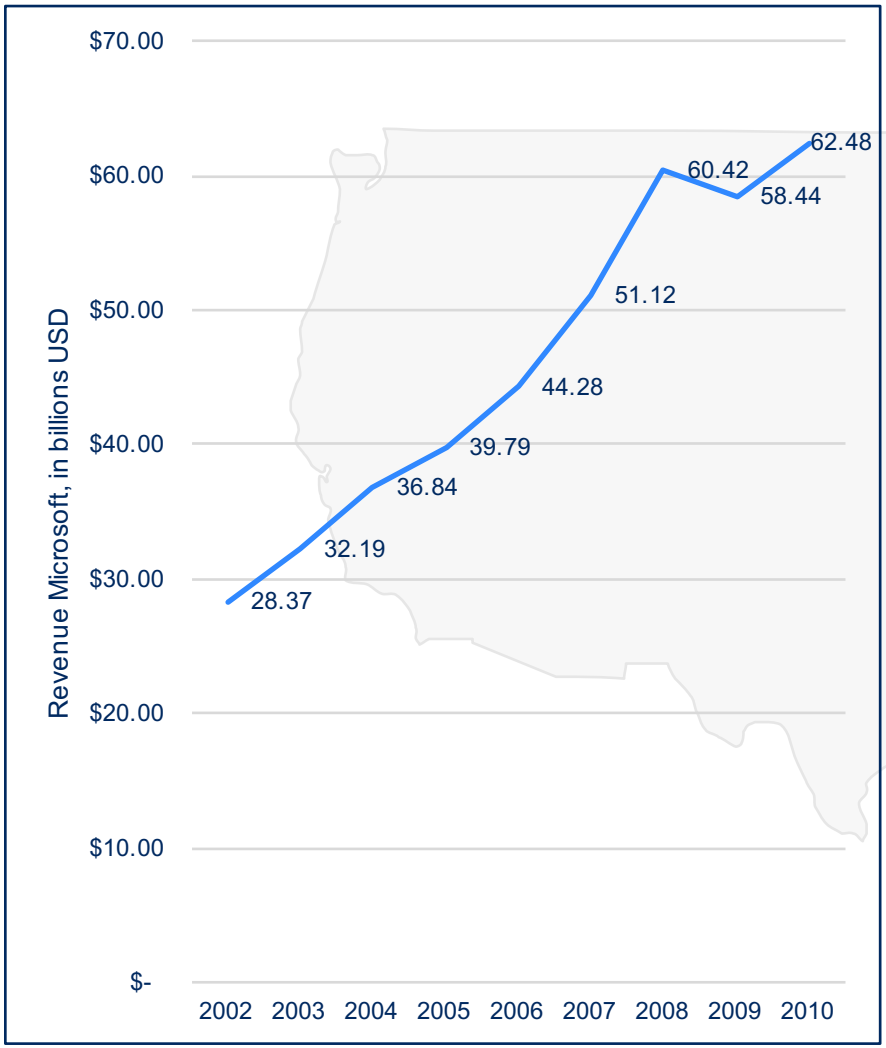
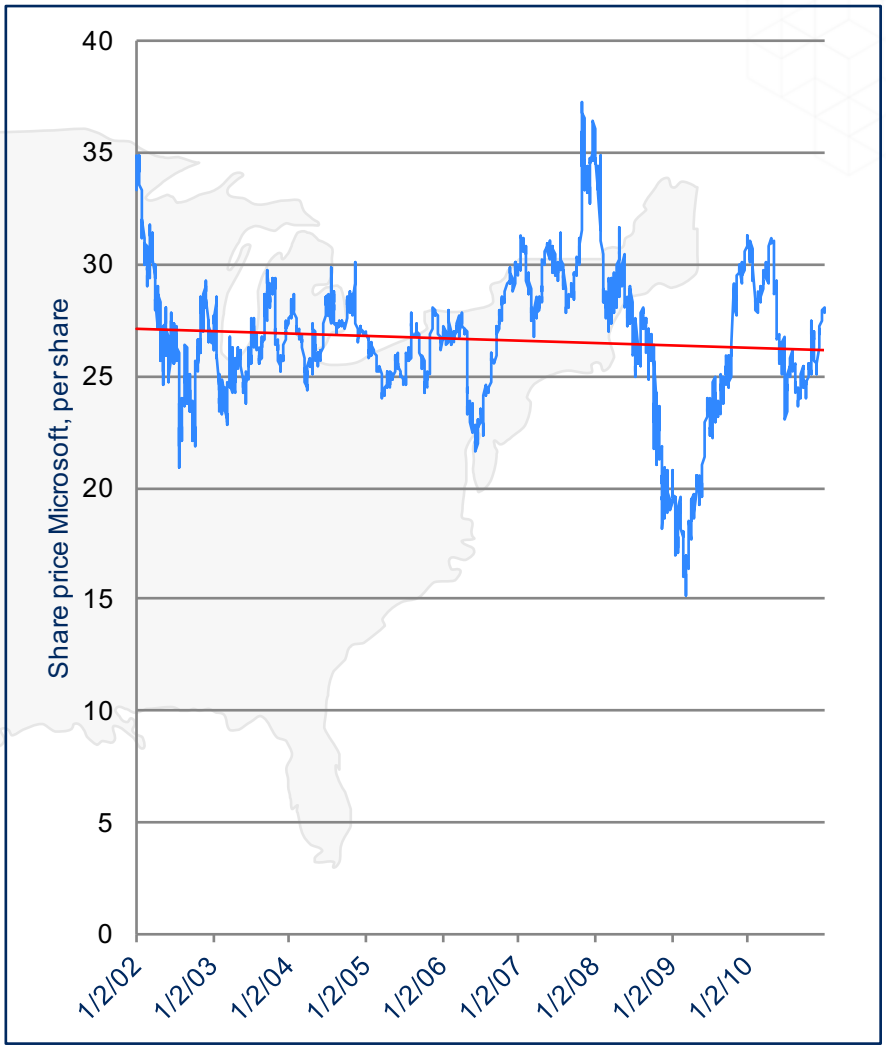
Visual 15: Fighting expectations is an uphill battle





Source: Fixing the Game, (Martin, 2011); Statista, Yahoo Finance

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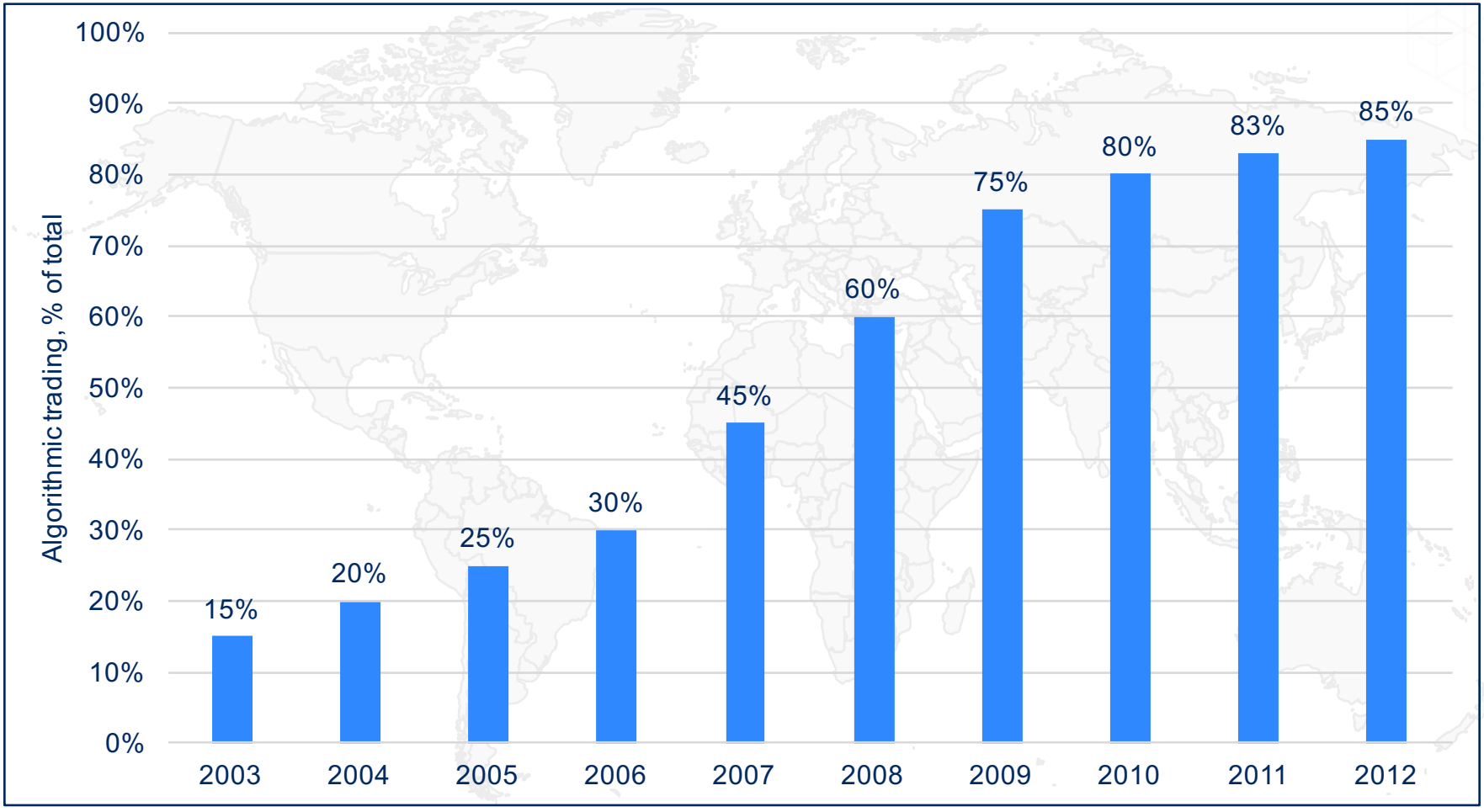
Visual 16: Algorithms do most of the trading today



Source: Investopedia, Wikipedia

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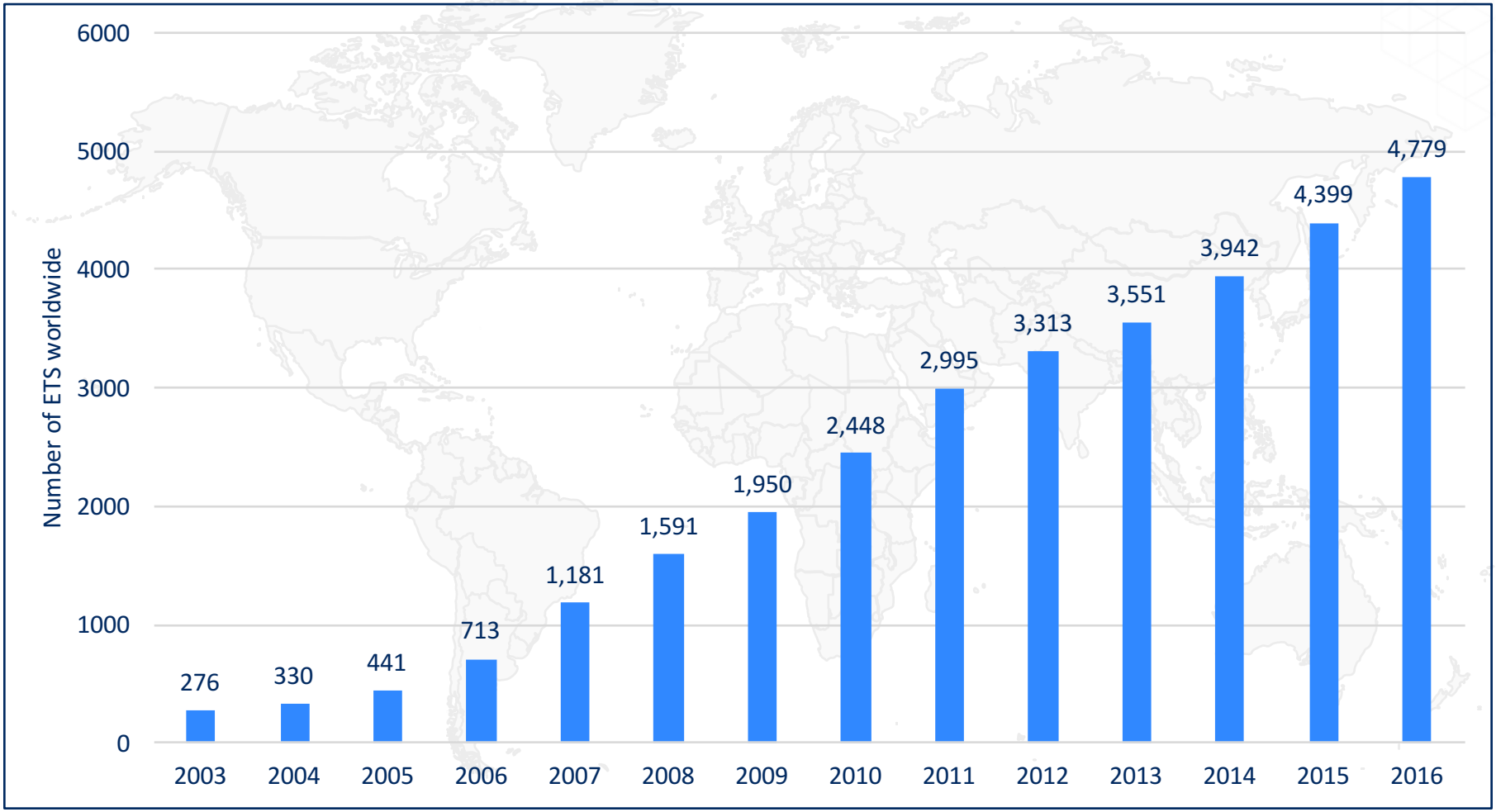
Visual 17: Passive trading is increasingly popular



Source: Statista, Deutsche Bank, Bloomberg, Thomson Reuters

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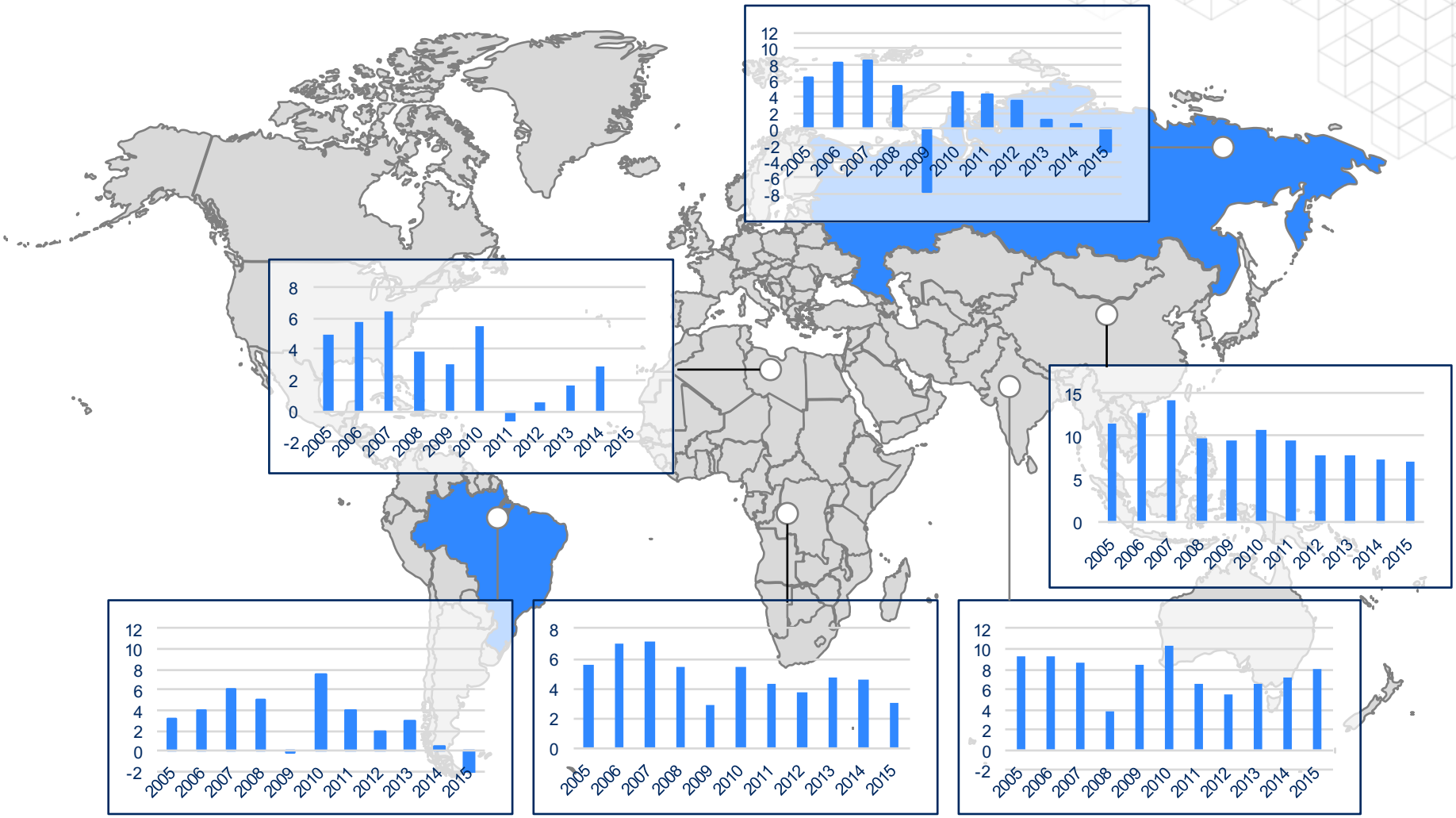
Visual 18: ICASA is replacing the BRICS



Note; data for North Africa includes Middle East countries

Source: World Bank, Purpose+ analysis, McKinsey, The global forces inspiring a new narrative of progress

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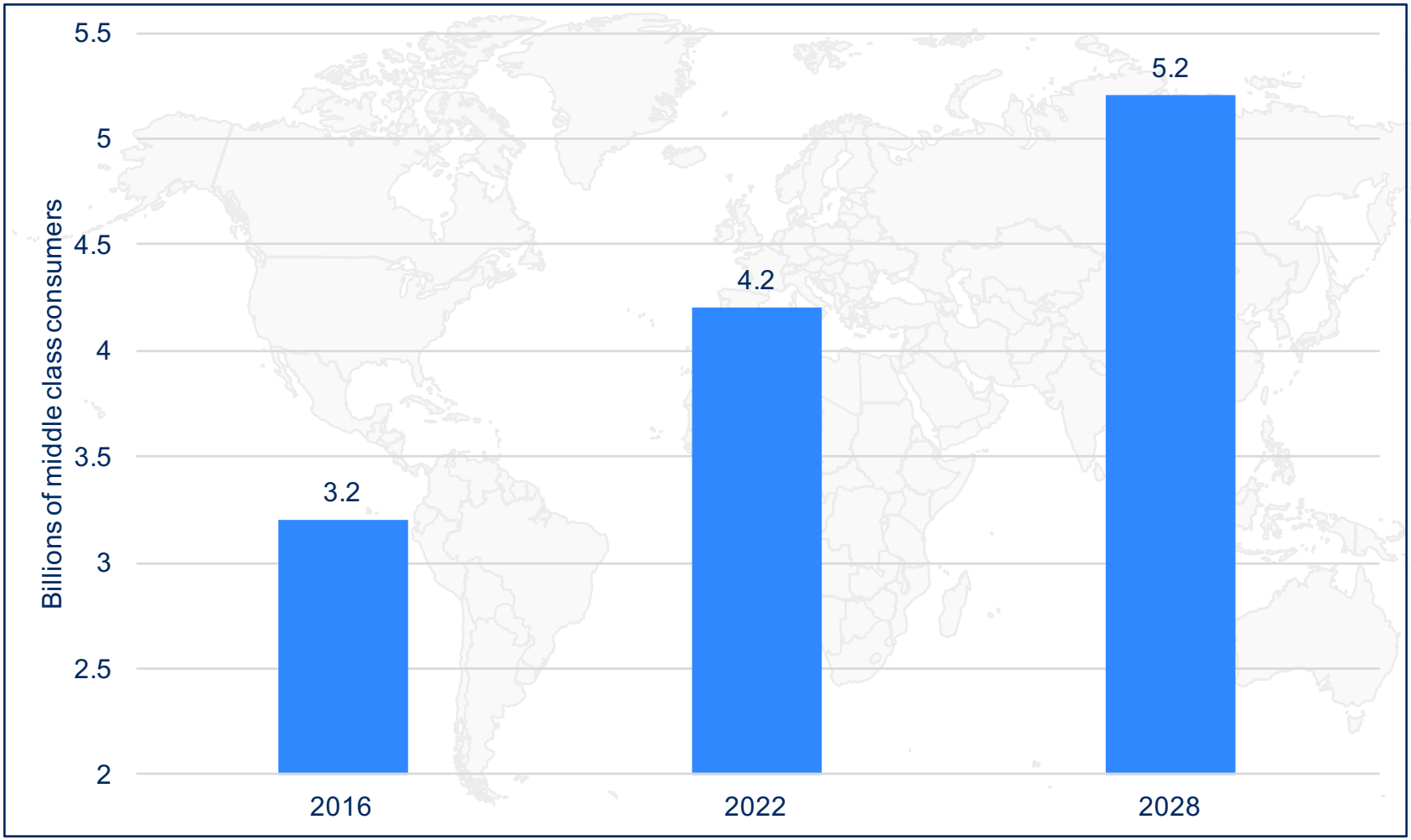
Visual 19: Billions more will become middle-class consumers



Source: Brookings Institute

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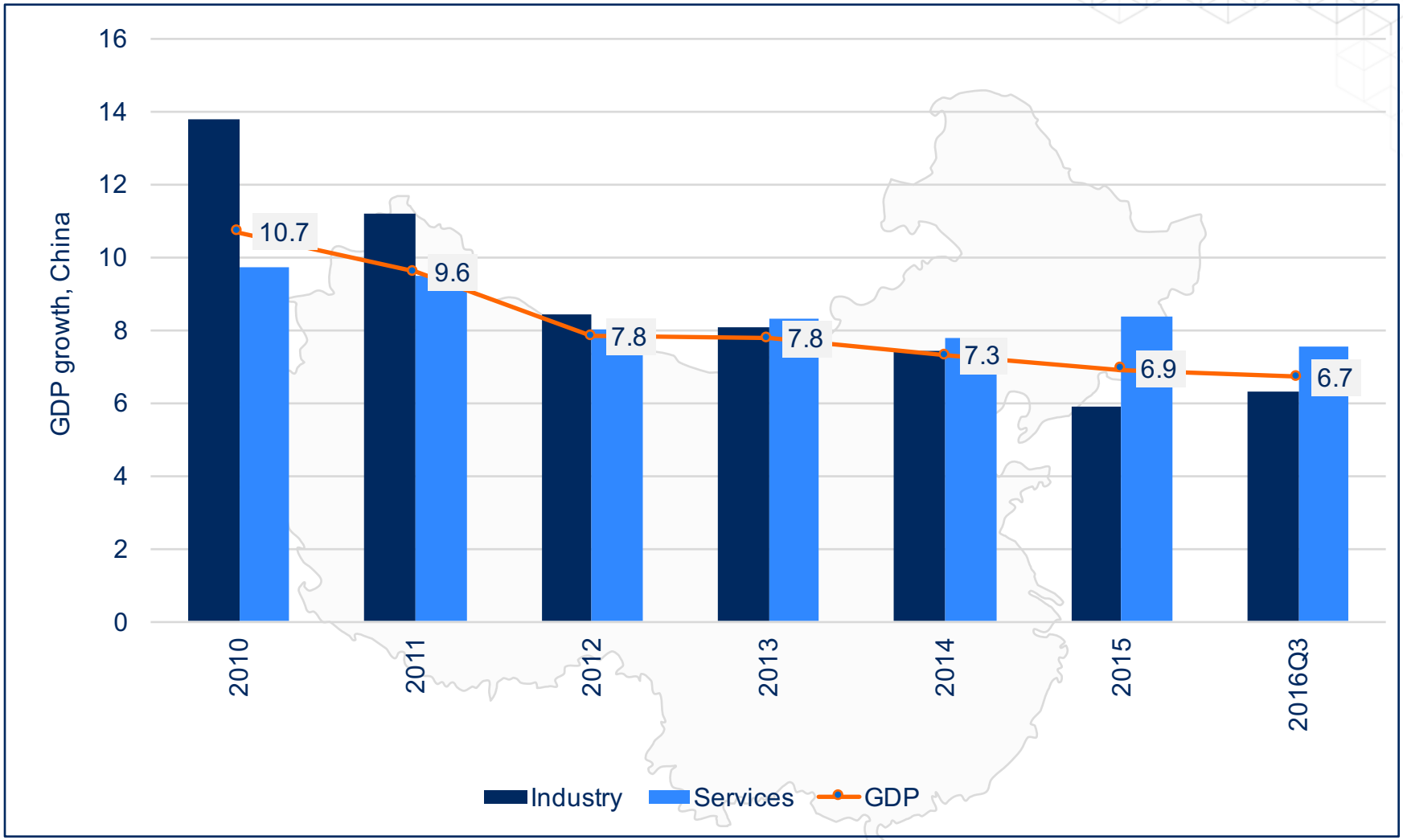
Visual 20: China sees continued high growth, with services in the lead



Sources: World Bank, Haver Analytics; The Economist; The One Hour China Book; Why China's consumers will continue to surprise the world (Jeffrey Townson, Jonathan Woetzel)

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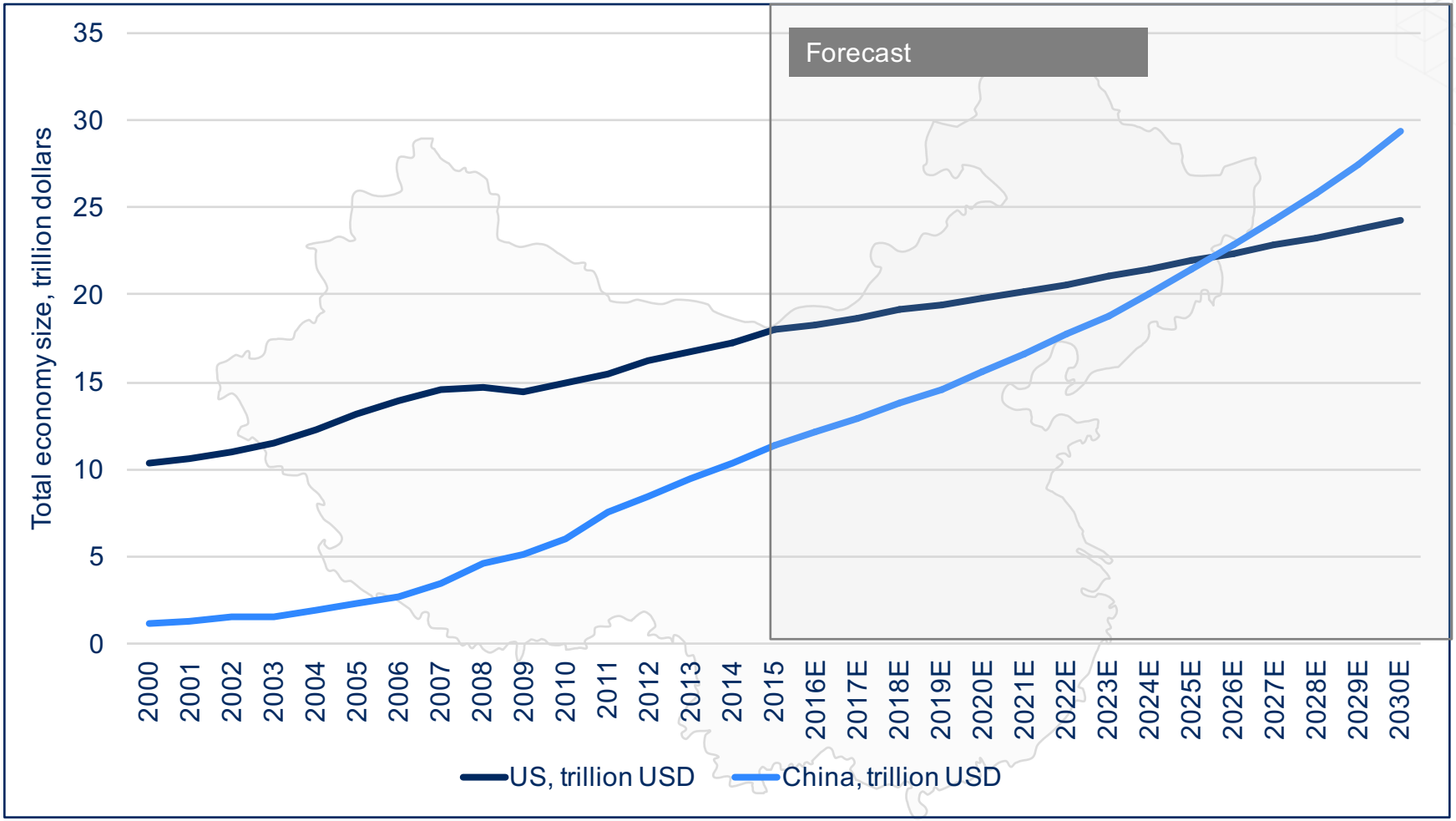
Visual 21: China will overtake the the U.S. economy in size by 2025



Source: Bloomberg forecast

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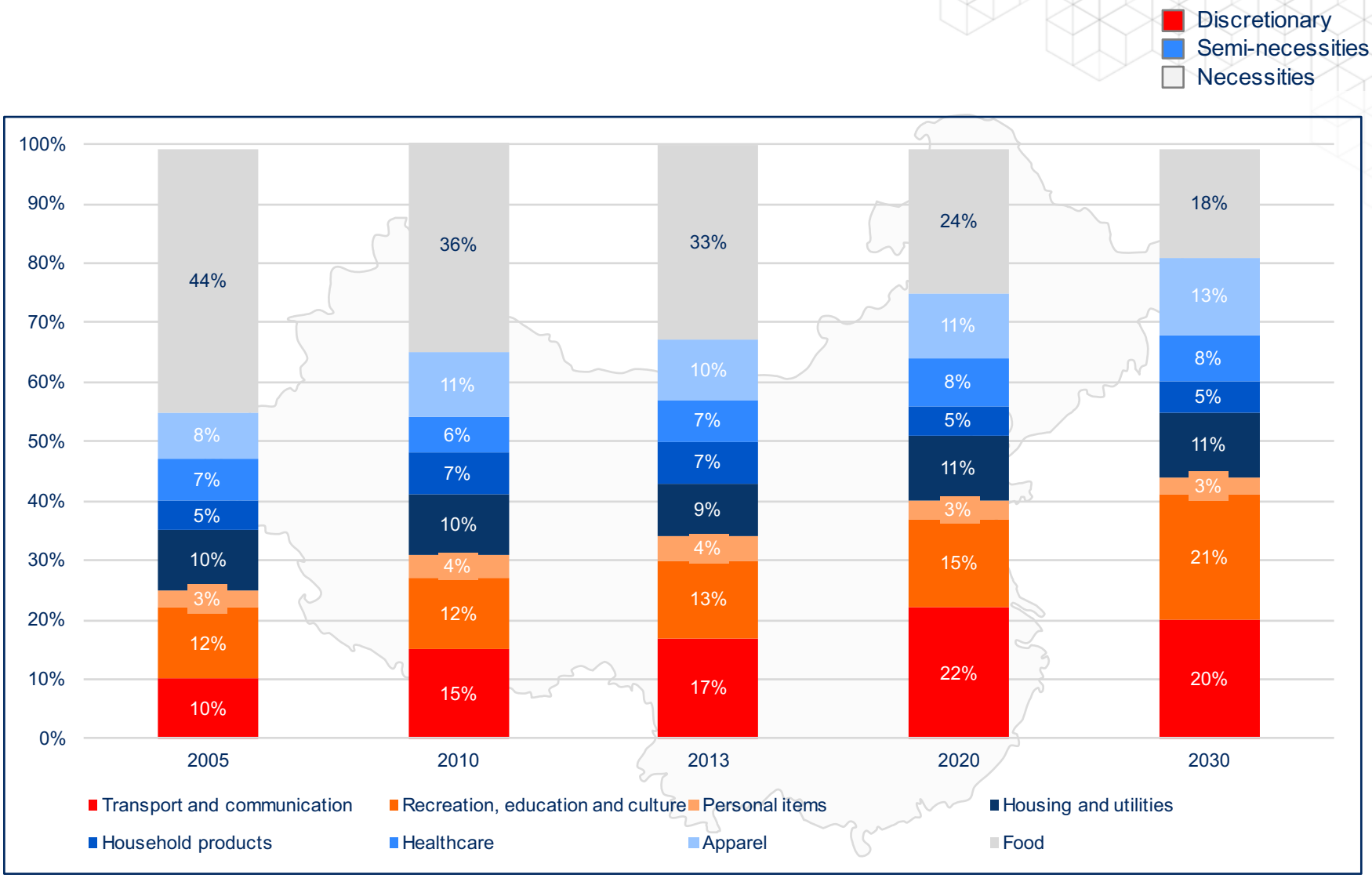
Visual 22: Necessities are becoming a smaller piece of the wallet



Sources: World Bank, Haver Analytics; The Economist; The One Hour China Book; Why China's consumers will continue to surprise the world (Jeffrey Townson, Jonathan Woetzel)

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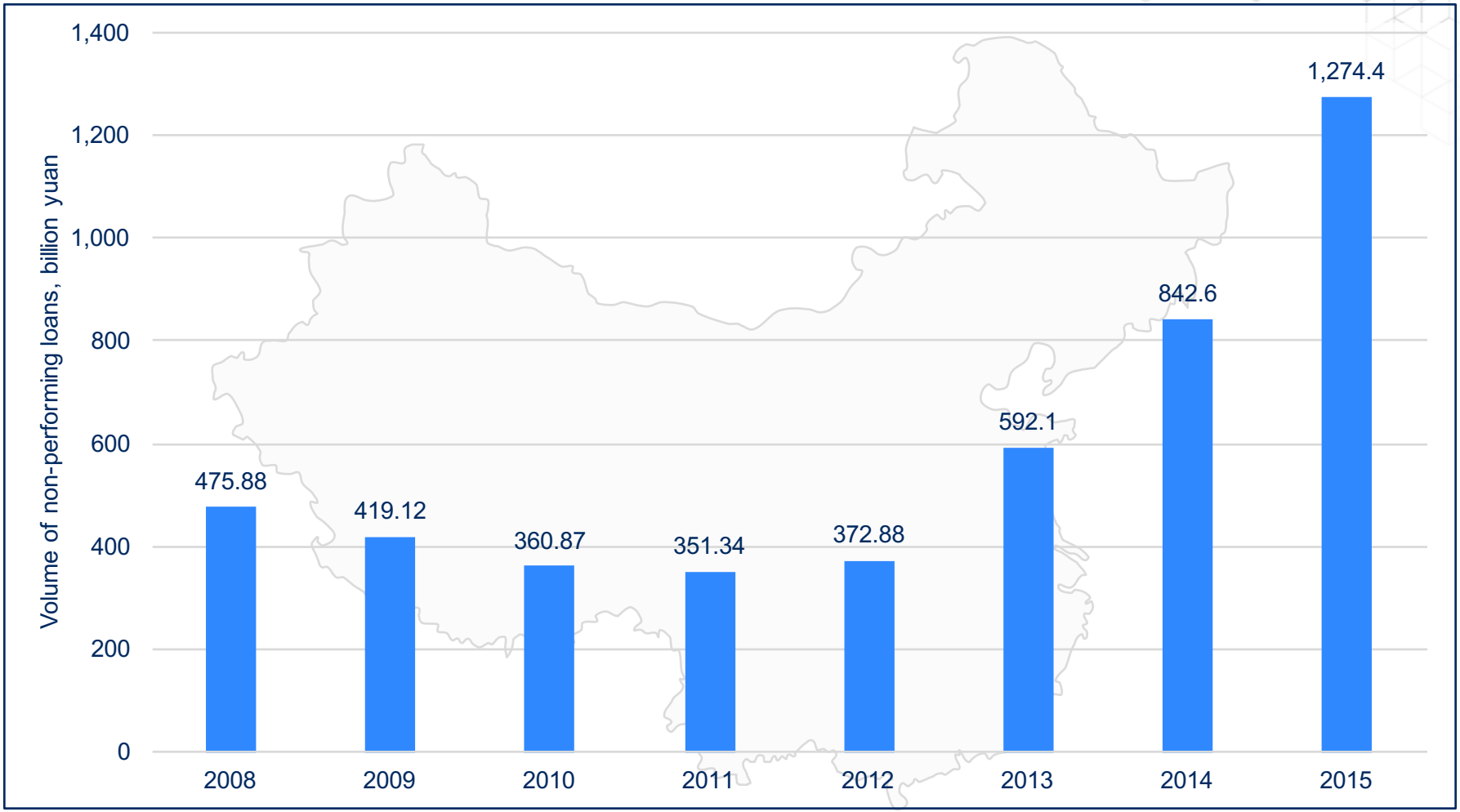
Visual 23: The Chinese pile of non-performing loans is growing rapidly



Source: World Bank, Haver Analytics; The Economist

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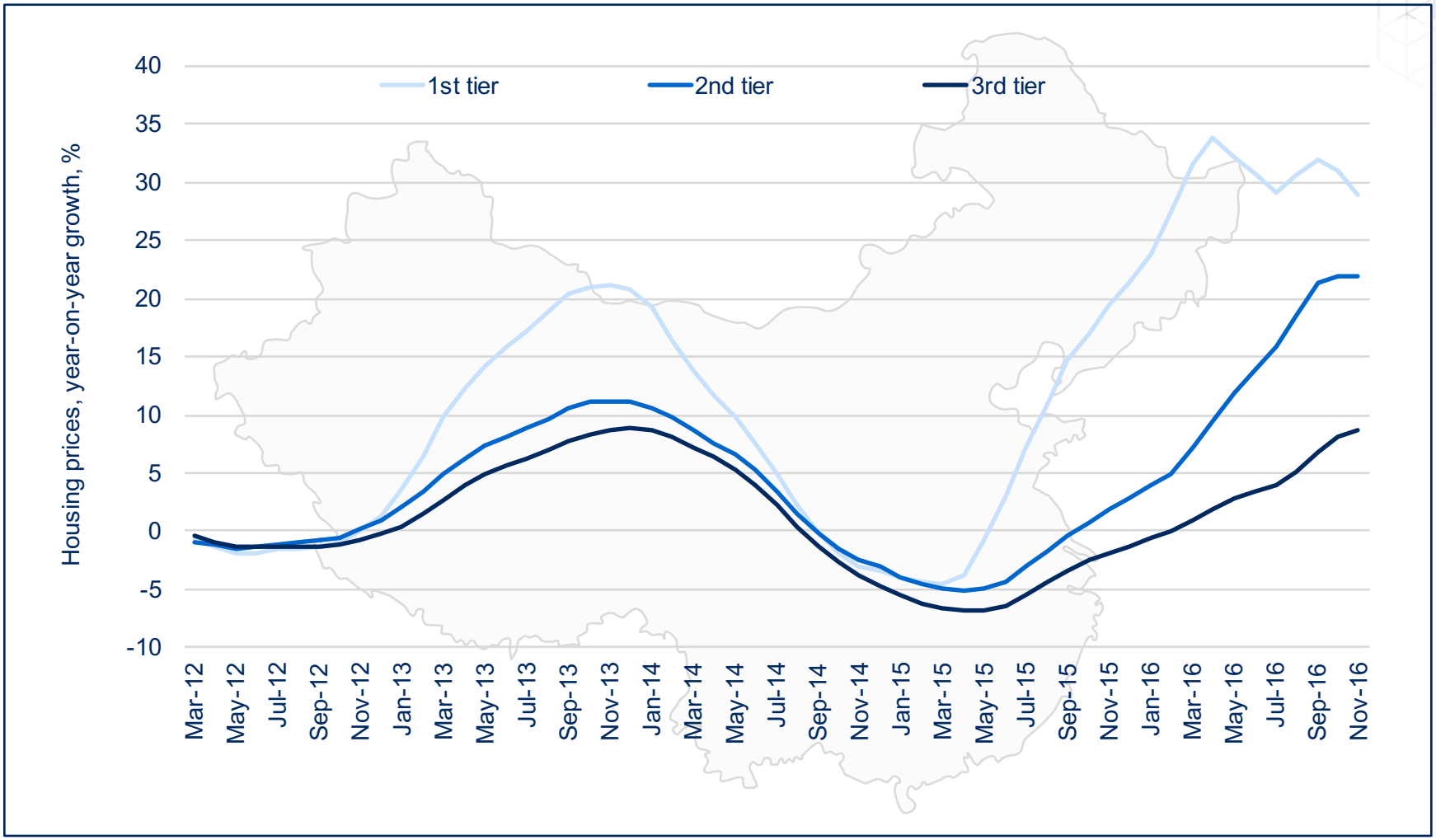
Visual 24: Chinese housing prices see incredible, but bumpy growth



Source: World Bank, Haver Analytics; The Economist

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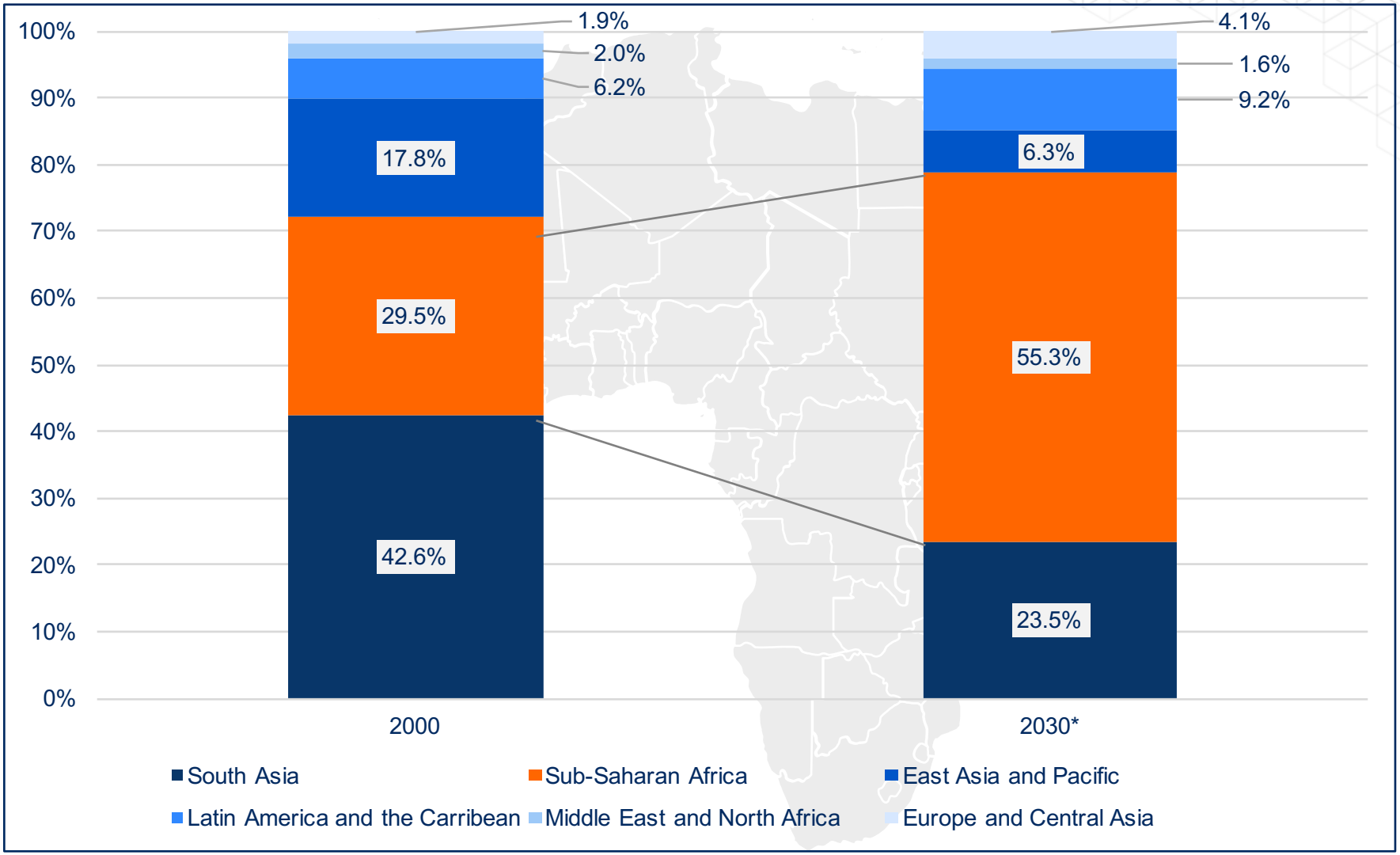
Visual 25: Africa might house half of the world's poor people



* World Bank baseline forecast

Source: World Bank predictions, Global Economic Prospects 2007: Managing The Next Wave of Globalization.

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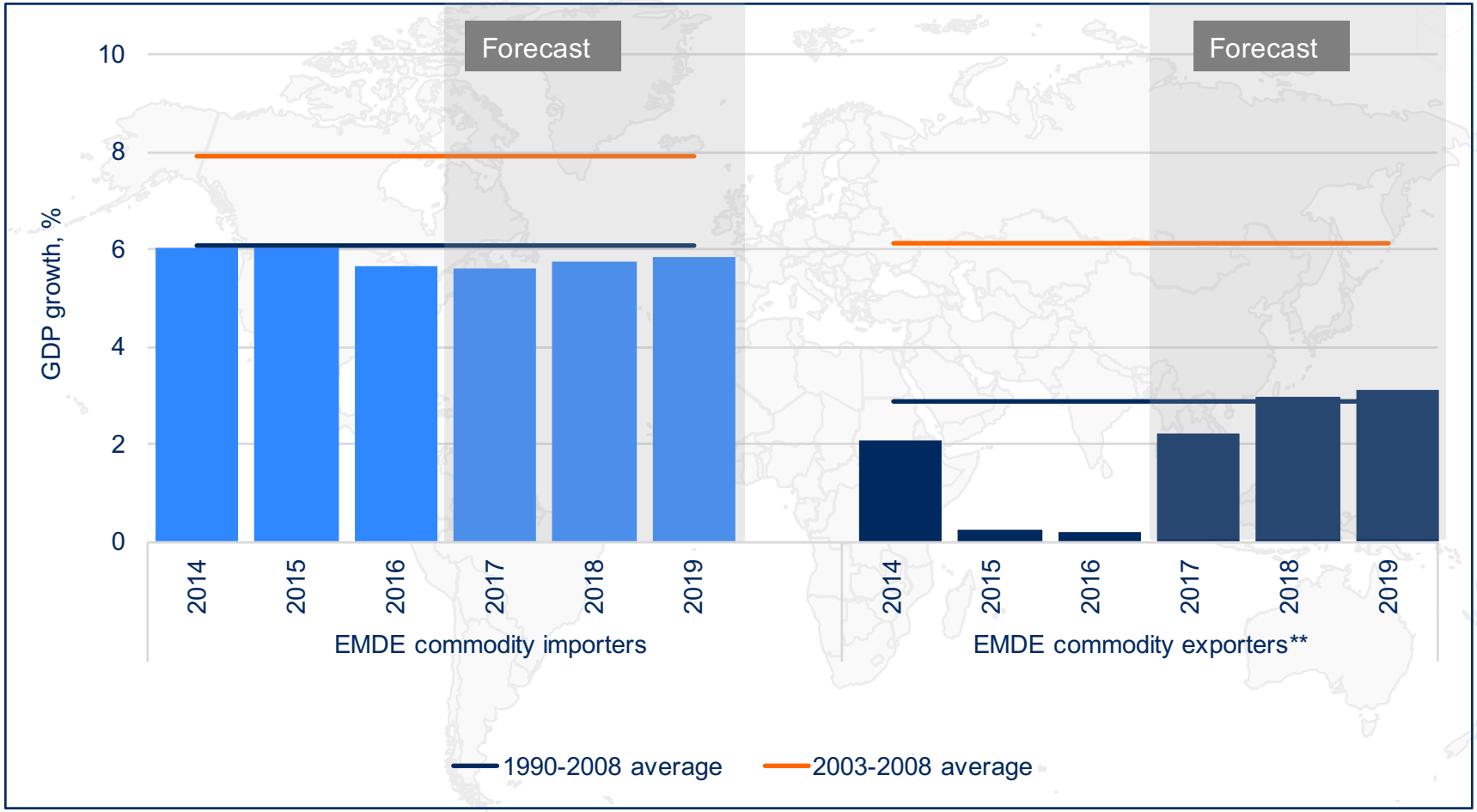
Visual 26: Commodity exporters are set to grow slower



* Oil used as example, other relevant volatile commodities are gas, gold, silver, zinc, wheat, sugar, coffee, copper etc.
** Examples: Venezuela, Russia, Saudi Arabia, Lybia, Algeria, Kazachstan, Congo, Iraq

Sources: Macrotrends database; World Bank projections; The Economist, A Risky State

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Visual 27: Commodities can be a volatile business

Source: Macrotrends database

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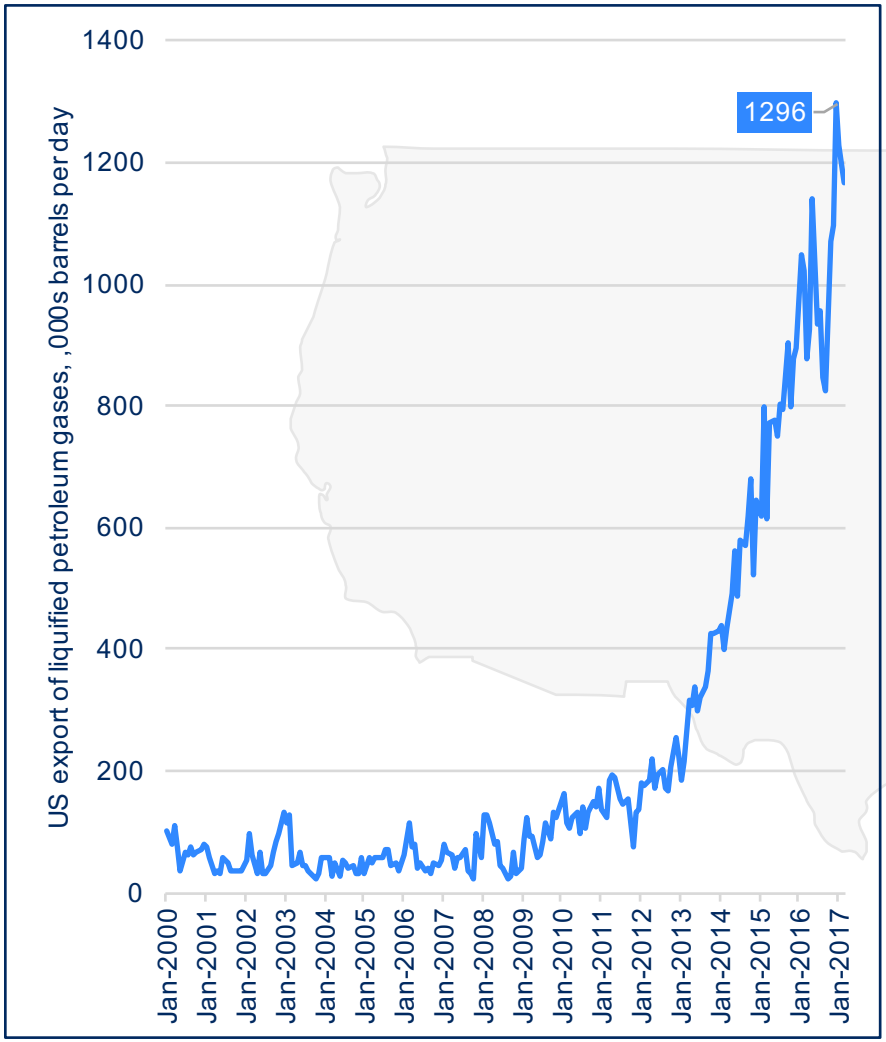
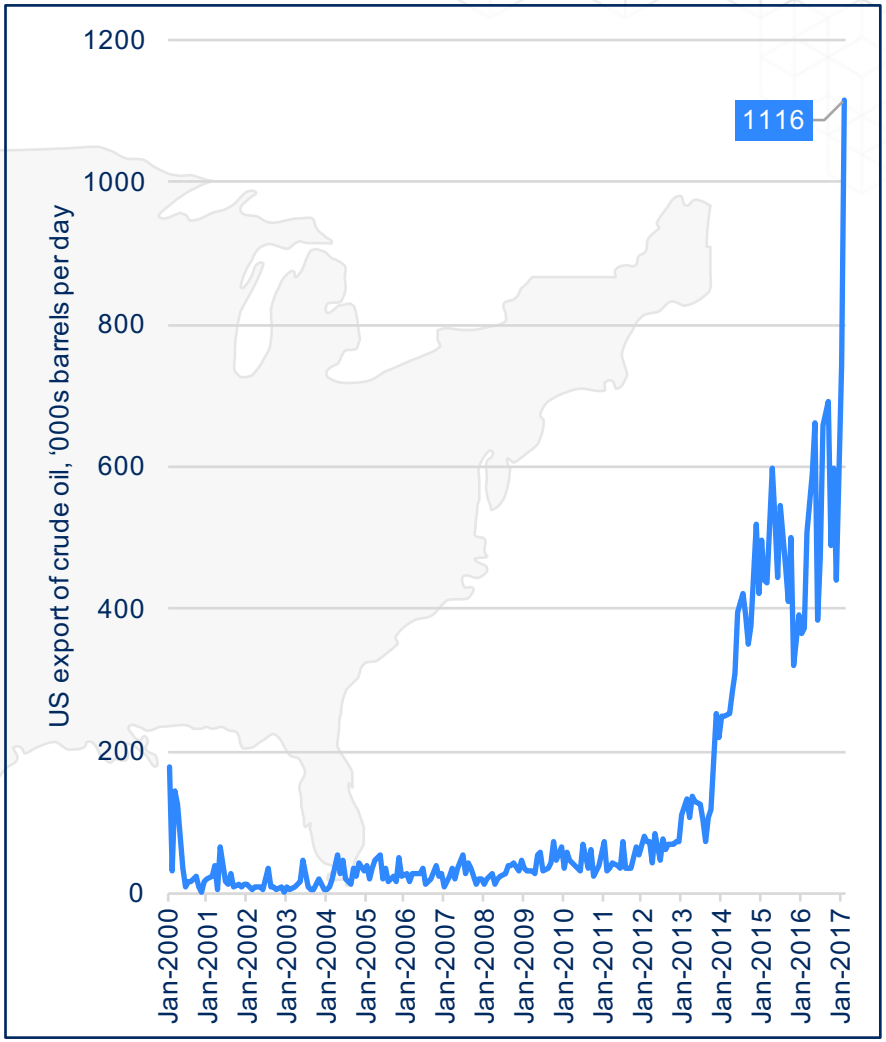
Visual 28: The U.S. has stepped up the oil and gas game





* For reference: Saudi Arabia and Russia, the world's largest producers of crude oil, produce ~10mln barrels per day

Sources: www.eia.gov, January 2010 – February 2017 data export; The Fix, How Nations Survive and Thrive in a World in Decline, Tepperman (2016)

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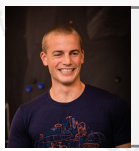
For more information



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