

Managing the Real and Perceived Challenges Facing the World

**CHATHAM
HOUSE**

The Royal Institute of
International Affairs

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24th September, 2018. This event is on the record

#CHEvents

THE CHALLENGES THE WORLD IS FACING

JIM O'NEILL

THE CHALLENGES

1. Global Economy (and Equality)
2. Productivity (and Equality)
3. Business on profit with purpose
4. Technology (and Equality)
5. Internal National Equality
6. Intergenerational challenges (Including Climate)
7. Global Governance (and Fairness)
8. Global Health
9. China and Its future
10. China and BRI

GLOBAL ECONOMY

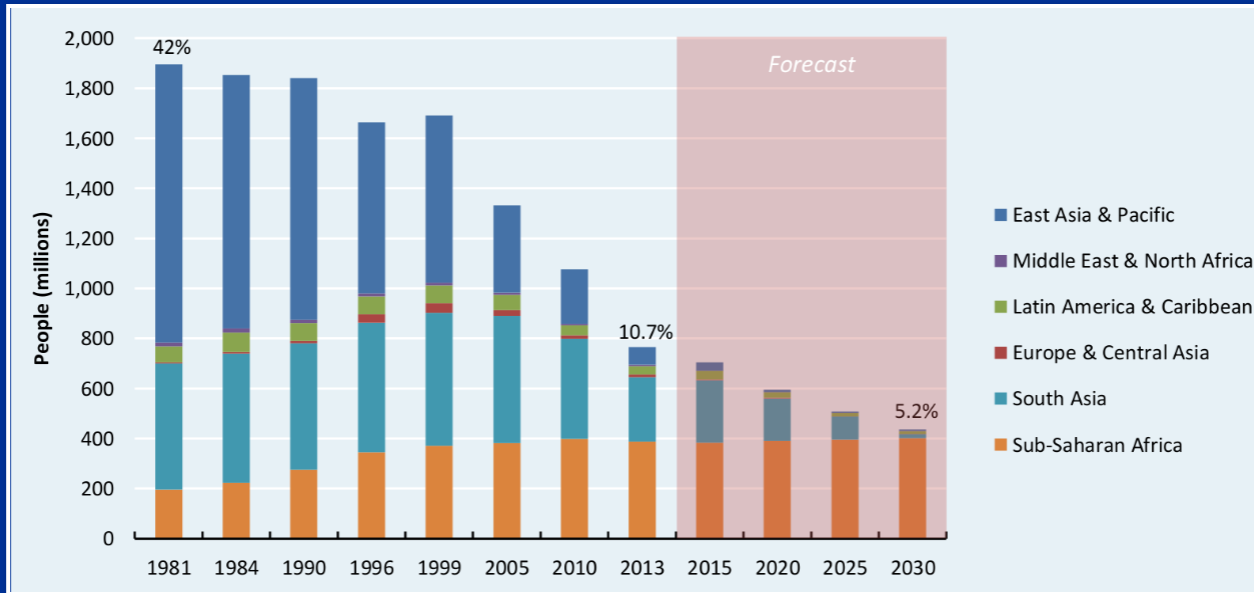
World GDP potential to 2020

Economic region	1981-1990	1991-2000	2001-2010	2011-2020	2011-2017 (decade to date)
World	3.3	3.3	3.7	4.1	3.5
USA	3.3	3.4	1.7	2.5	2.1
UK	2.8	2.5	1.7	2.0	2.1
Euro Area	2.4	2.3	1.2	2.0	1.1
Japan	4.6	1.2	0.8	1.0	1.1
China	9.3	10.5	10.5	7.5	7.5
India	5.6	5.6	7.6	7.5	6.8
Brazil	1.6	2.6	3.6	5.2	0.5
Russia	-	-2.1	4.9	5.4	0.9
BRICs	5.3	5.5	7.9	6.6	5.9
N-11	4.5	4.4	4.1	5.3	4.3

Source: IMF, GS Global ECS Research and GSAM

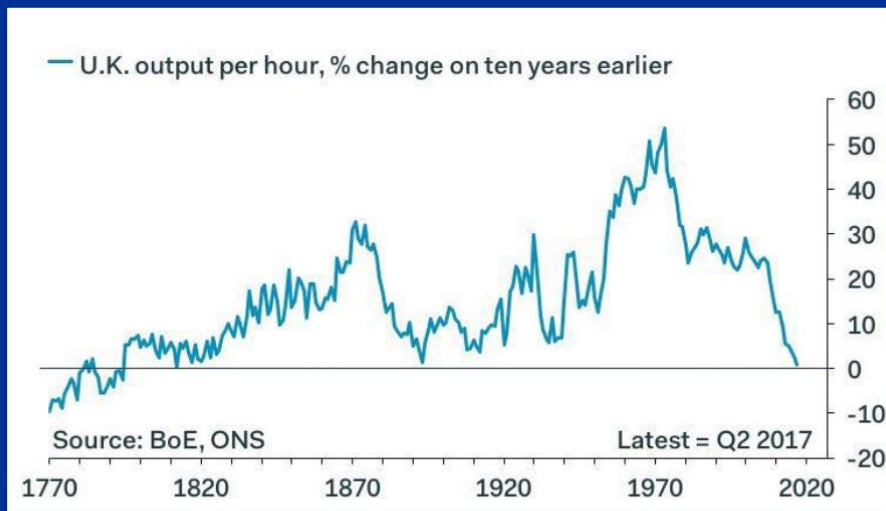
POVERTY REDUCTION

Figure 1 - Numbers of \$1.90 poor to 2030 (millions)



Source: PovCalNet, World Bank; projections from GEOFF poverty model

PRODUCTIVITY

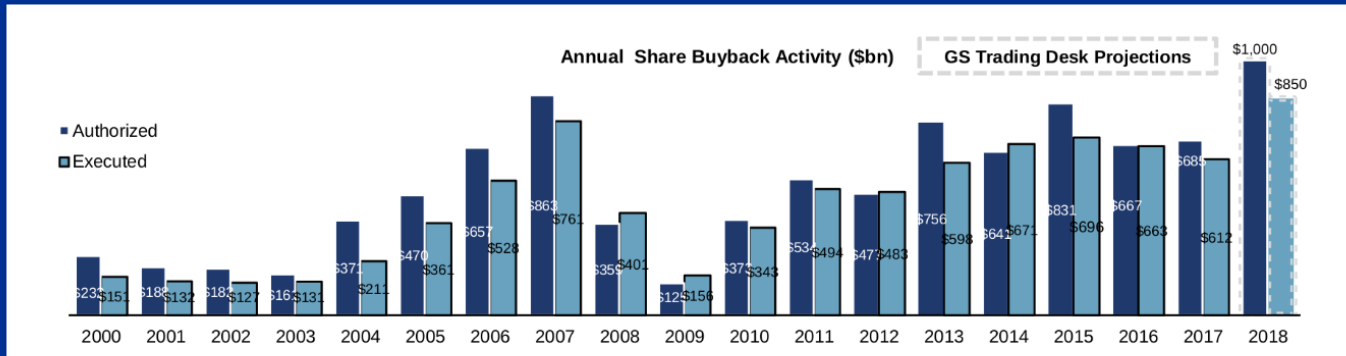


BUSINESS AND PROFIT WITH PURPOSE

1. True risk taking and reward
2. Investment
3. Share buy backs
4. Quarterly reporting

SHARE BUY BACKS

Historical repurchase activity:



Source: GS Investment Banking Division

TECHNOLOGY AND EQUALITY

1. Measuring technology contribution better
2. Free or not free
3. Smarter taxation

INTERNAL EQUALITY

1. Regional imbalances
2. Urban versus rural
3. Education and skills

INTERGENERATIONAL CHALLENGES

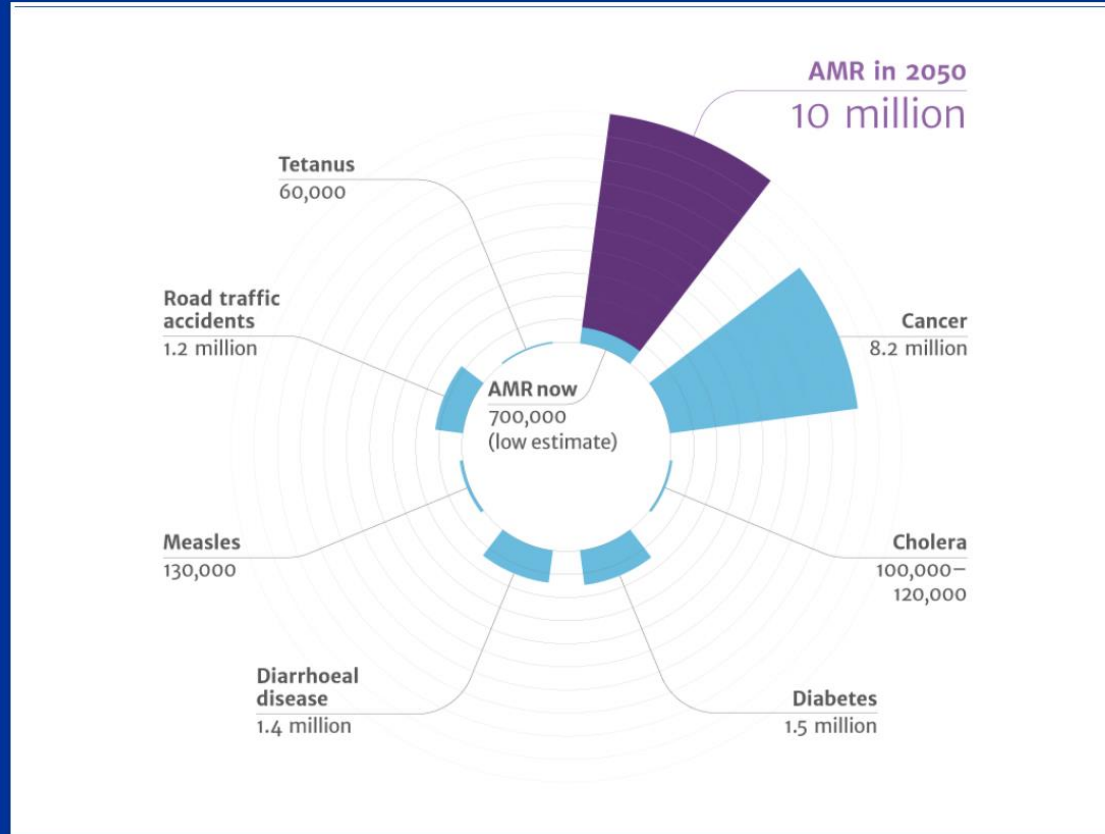
- Pension policy
- Job equality
- Housing policy
- Voting and political parties
- Climate change

GLOBAL GOVERNANCE

G7 countries

Country	Size (\$trn)	Rank	Population (millions)	Rank	Wealth (\$k per head)	Rank
USA	19.5	1 st	330	3 rd	59.4	11 th
Japan	4.8	3	126	10	42.7	28
Germany	3.7	4	82	16	50.2	17
UK	2.6	5	66	21	43.6	26
France	2.6	5	65	22	43.6	26
Italy	1.9	9	59	23	38.0	33
Canada	1.6	10	36	38	48.1	22
China	12.7	2	1,390	1	16.0	70
India	2.6	5	1,340	2	7.7	122
Australia	1.4	13	24	53	50.0	18

GLOBAL HEALTH



CHINESE ECONOMY

Chinese real retail sales vs IP



Period - Last 20 Years to July 01 2018

CHINA AND BELT AND ROAD

- Potentially huge benefit for global trade
- 3 of BRIC and 9 of next 11 countries involved
- Soft skills challenge
- Conflicts of interest?
- More inclusive

OPPORTUNITY FOR CHATHAM HOUSE

- Centre of world's most centrally located urban city
- Post Brexit Global-Outward-Britain
- 98 years of history and experience
- A brilliant convener
- More ambition