

## **MEGATRENDS**

**Global economic, political and social trends with  
local impact**

**Taiwan Business Leaders' Forum**

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## **The energy equation**

**A reversal of fortune for some – for others, be careful what you wish for**

# The world turned upside-down...

**The US has become the world's biggest producer of oil – just as demand falls away, a glut forms and the price drops.**

- Shale or 'tight' oil has pushed the US to #1 producer position
- Recession - EU, Japan - has hit industrial demand
- Big economies slowing or underperforming – China, Brazil
- Non-US production has held up – Iraq, Libya
- OPEC now controls only 30-40% of output – and they cheat
- Green energy growth – emissions targets, subsidies
- Technology advances – more mileage
- Substitution – NG for oil in power generation

## ...and some win, some lose

### **Win/lose in this scenario is not always clear-cut.**

- Clear winners: big importers of oil and gas – like Japan, Korea
- Clear losers: big producers – like Saudi, Nigeria
- BIG losers: oil-dependent – Iran, Venezuela, Russia
- Mixed results: Canada, UK, Mexico, Norway, Australia
- OPEC now a busted flush
- US frackers: shakeout coming BUT costs coming down
- IOCs: cutting back on capex and jobs
- Consumers happy: cheaper gas >> more cash >> bigger cars>>  
>>GDP grows

**Power shift: eastward ho!**

# Global economic centre of gravity moving

**By and large it is the East that is economically ascendant.**

- EU: mostly recession, deflation, political turmoil
- Non-EU big economies in trouble – Brazil, Russia, SA
- Cry for Argentina; rest of SA only so-so
- MEA: hit by oil price and/or Ebola, bad politics, war
- India resurgent under Modi, Indonesia hopeful with Jokowi
- ASEAN a magnet: AEC promising, more links to come
- China slowing is relative; Japan still world #3
- The mostly free and open (or getting there) economies of Asia will be the growth model. But the US is an outlier!

# Rise of the smart machines

# It's not going to be like Hal in "2001". Is it?

**Managers will have to cede part of their jobs. Some managerial tasks can already be done better by computer programs and algorithms – think...**

- selecting , short-listing candidates; matching people to jobs
  - analyzing data – especially BIG data
  - optimizing resource allocation
  - Pre-selecting and sorting our information feed (like “Her”)
  - medical diagnosis and monitoring
  - HR self-advisory - database, FAQ, notifications
- ...and so on – including writing slides and flicking through them.



**Silver chasing gold**

# Stuck on the treadmill

**In many places the workforce is ageing – by choice or by order. Some are happy to work longer, others not.**

- Slowing population increase means a shrinking labour pool:-
  - older workers retained – but there are issues with this
  - rising costs, productivity issues, health, funding pensions
- Governments deferring pension rights – underfunded:-
  - people working longer – not always happily
  - productivity, training and healthcare issues
  - increasing funding burden on fewer younger workers

# Caught in the Net

# The Net is now a force – may it be with you

**From being an interesting convenience, the Internet has become a force in itself – and it's not done yet.**

- Not just a communications tool – now a potent enabler in...
  - business (think Alibaba)
  - education – MOOCs, Khan Academy, TED
  - entertainment – TV, movies, music
  - knowledge management, research, healthcare
  - retailing and distribution
- The Internet of Things will extend its usefulness (and you can FB friend your fridge)