Global Economic Trends
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AMERICAN ASSOCIATION OF PORT AUTHORITIES ANNUAL CONFERENCE
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Economically, the current outlook looks good...

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- The WTO has upgraded its estimate for growth in world merchandise trade volume this year from 2.4% to between 3.2% and 3.6%.
Long-Term Economic Forecasts and Astrology

John Maynard Keynes: In the long-run, we’re all dead.

Remember Japan as #1?
## World Economic Forecasts

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<thead>
<tr>
<th>2016</th>
<th>2050 EIU</th>
<th>2050 PwC</th>
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## World GDP Rankings: 1980-2000

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Clusters of Challenges For Forecasting Maritime Trade

Demographics
Trade Policy
Climate Change/Environmental Issues
Technological Developments
WTF?
Demographics are destiny...up to a point.

Demographic trends will be most powerful factors in shaping the future contours of international trade.

Populations will expand rapidly in some places and decline in others.
- Japan, Germany, and Russia will shrink as will China
- India will surpass China
- Africa will surge. Nigeria is fastest growing (#3 before 2050)
- Canada and Mexico should grow. Pre-Trump, USA expected to grow but now questions
  - Pew Foundation: Without immigrants, there would be an estimated 18 million fewer working-age adults in the U.S. in 2035

Populations will age, changing consumer spending patterns away from tradeable goods
- Millennials are different
World Population Projections 2015/2050/2100
Populations of Major Nations: 2015/ 2050/2100
Fertility below replacement level in 83 countries accounting for 46% of world's current population.

- China
- USA
- Brazil
- Russia
- Japan
- Vietnam
- Germany
- Iran
- Thailand
- U.K.
Post-Bretton Woods consensus has been all but shattered under the Trump presidency.

Rise of nationalism, protectionism, reshoring pressures put maritime trade at risk.

Pulling out of TPP was a special disappointment for California, whose seaports looked forward to expanded trade.
Climate Change

Rising sea levels threaten anyone with waterfront property.
Prospects of increasing numbers of more violent storms.
More babies named Noah.
Regulatory policies that will prove very costly and, because they will be less than universally imposed, will likely influence where shippers take their business and ultimately where manufacturers decide to locate.
Technological Advances

Difficult to predict what the next new things or the next transformative technologies will be.

- Amazon, which has harvested a host of innovative technologies, increases imports by being forced to maintain more inventory in more locations.

- Example: Potential role of Additive Manufacturing in disrupting global supply chains. If we can make it here, we can make it anywhere.
WTF?

Who made the steamship lines God?
WTF?

THERE ARE MONSTERS OUT THERE!
Quid novi?

Qua nave nihil admirabilius visum in mari certum est...Longitudo spatium obtinuit magna ex parte Ostiensis portus latere laevo.

– Pliny the Elder, *Naturalis Historia*
So what’s new?

It is certain that nothing more wonderful than this ship has ever been seen on the sea...its length took up a large part of the left side of the harbor of Ostia.

– Pliny the Elder, *Naturalis Historia*
Thank you.

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