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# Three Reasons to Worry about the Global Economy

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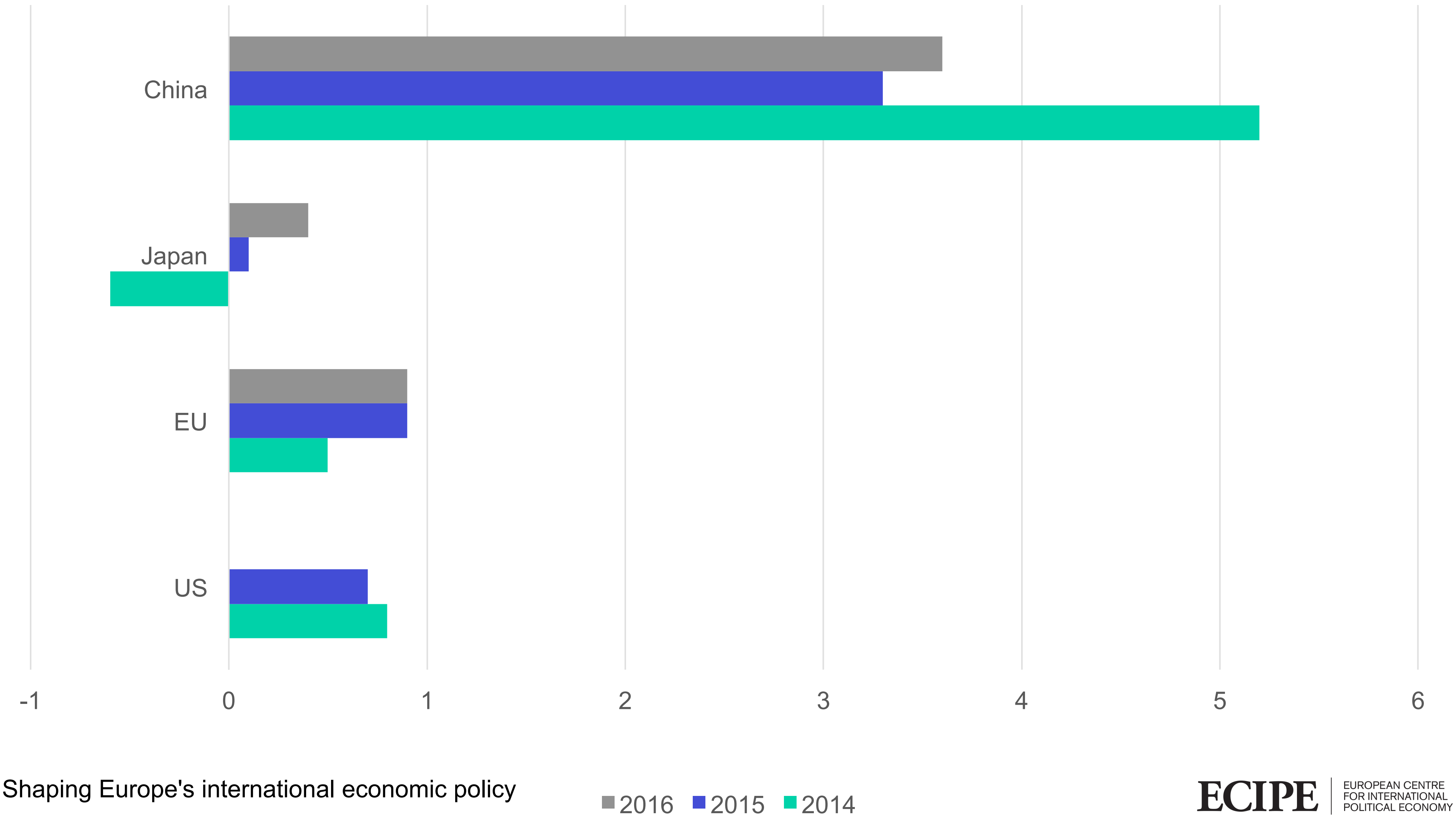
# AND ONE REASON TO BE FRIGHTENED

# Short-term outlook - dismal

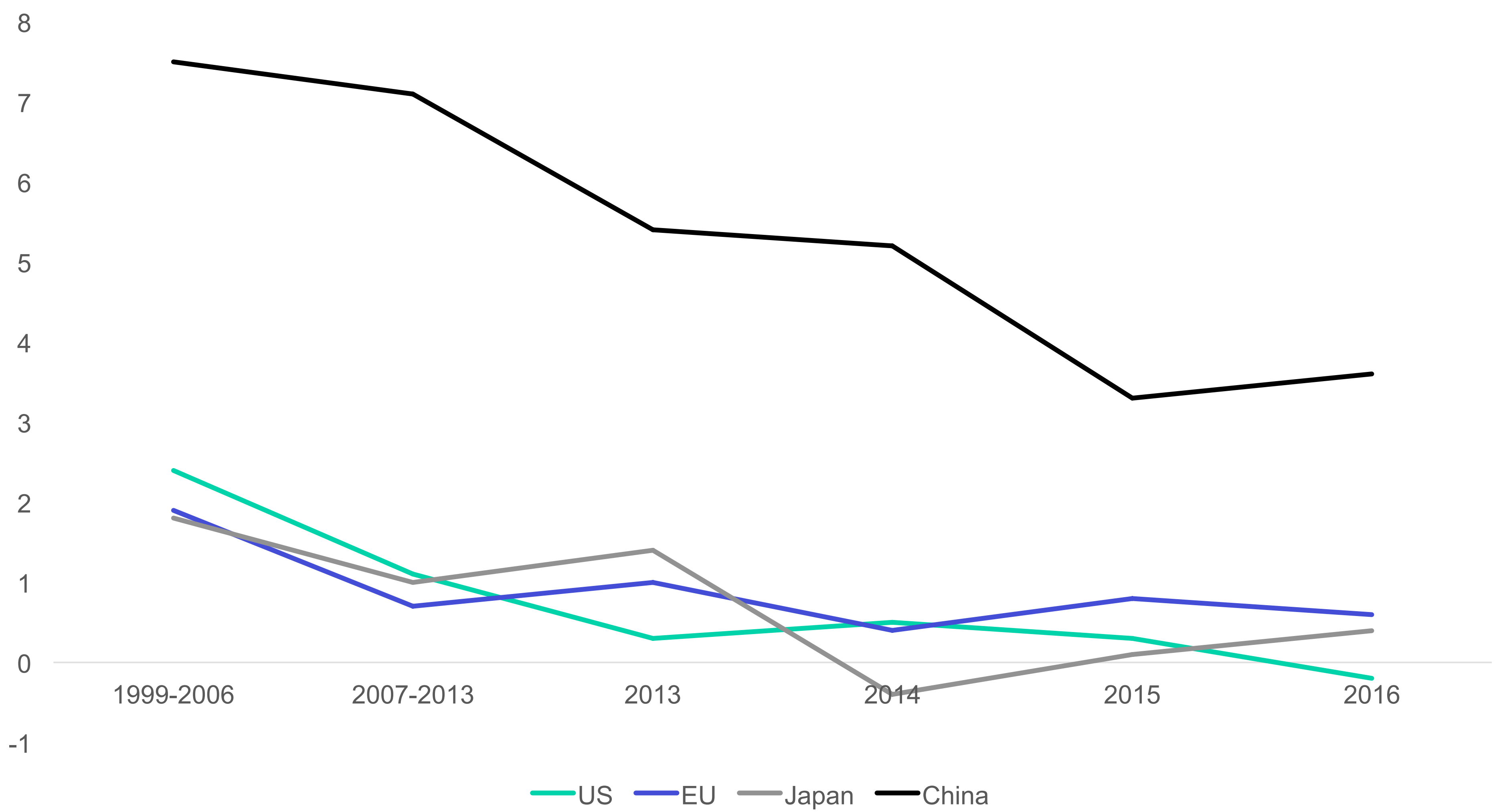
- Global growth clearly beyond trend – 3.1% in 2016 and 3.4% in 2017
- Far smaller in the US, EU and Japan
- Continued structural growth slow-down in China
- Why – new normal, secular stagnation, or will it get better beyond the corner?
- Medium and long-term outlook poor – long trend of supply-side stagnation in major economies

# 1. Stagnating productivity growth

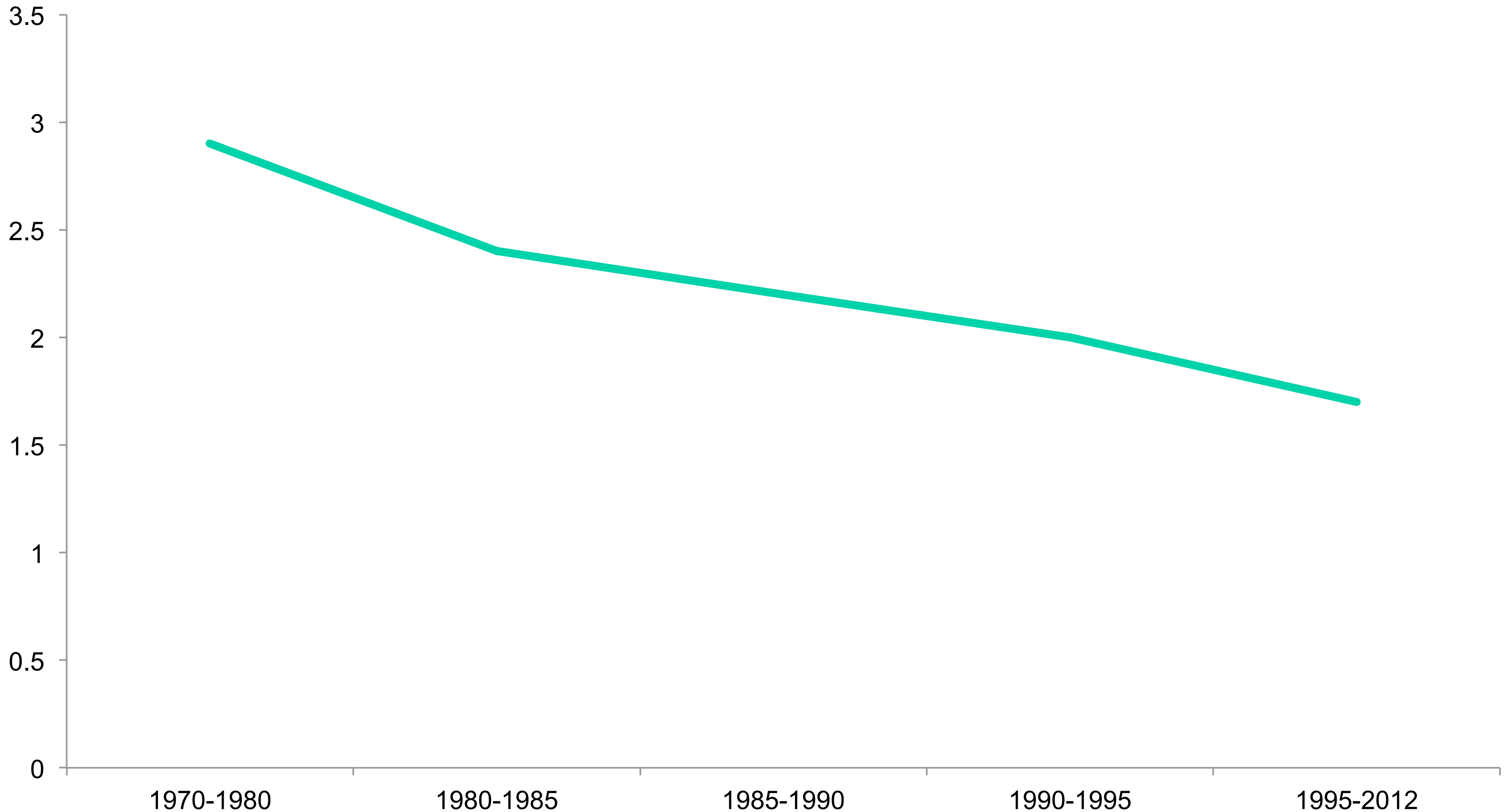
# GDP/person employed



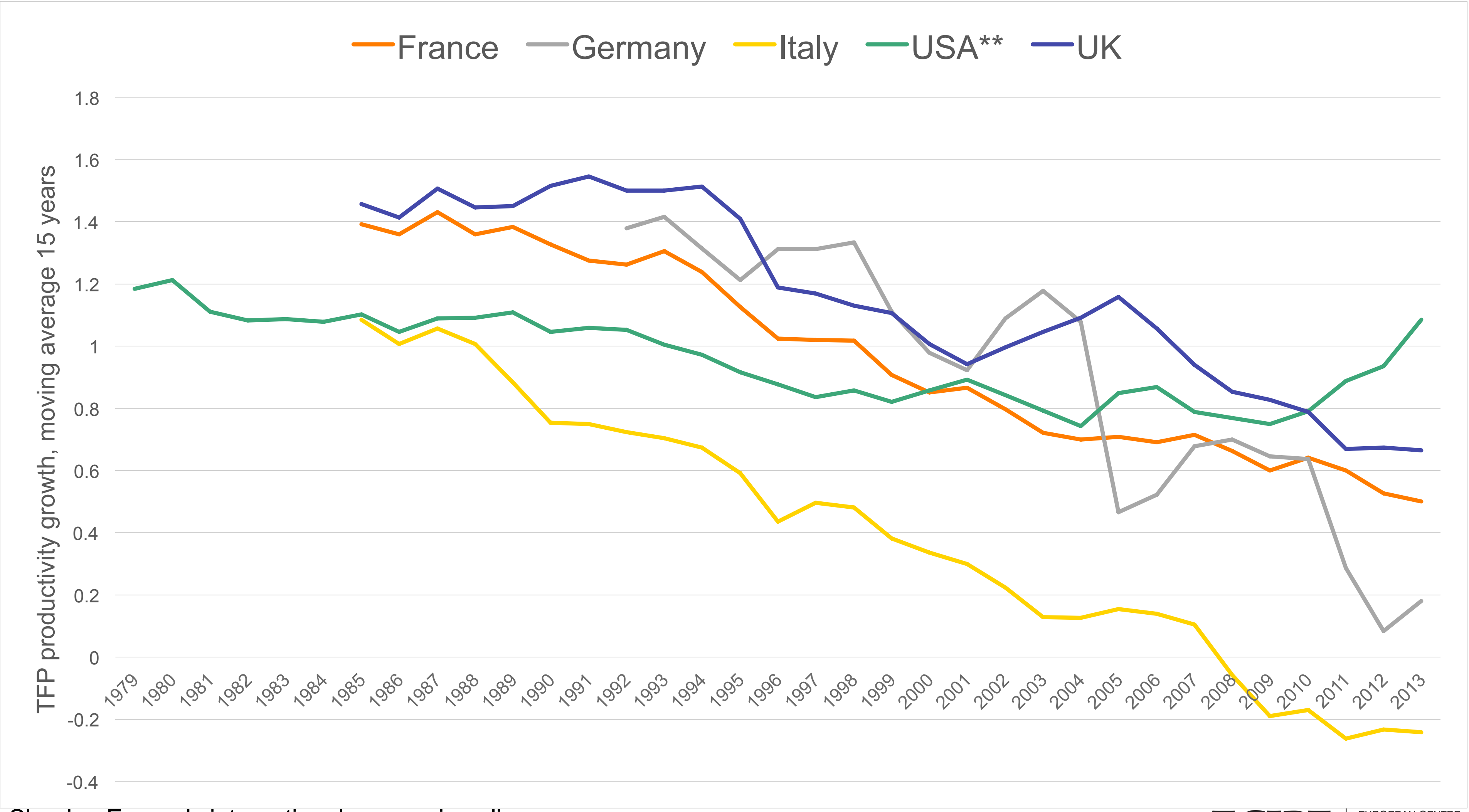
# Labour Productivity Growth



# G7 Labour Productivity Growth

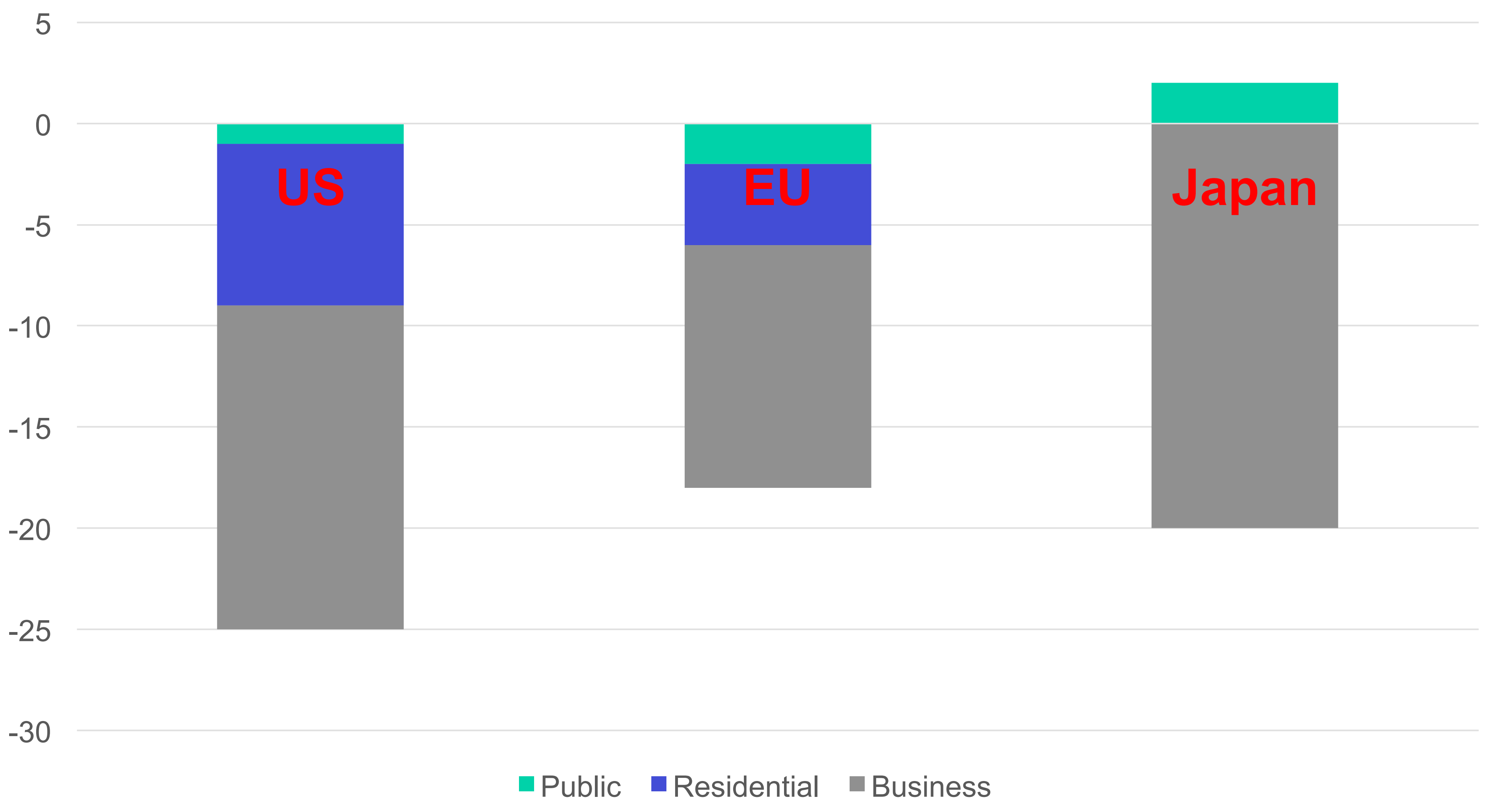


# Western Total Factor Productivity growth

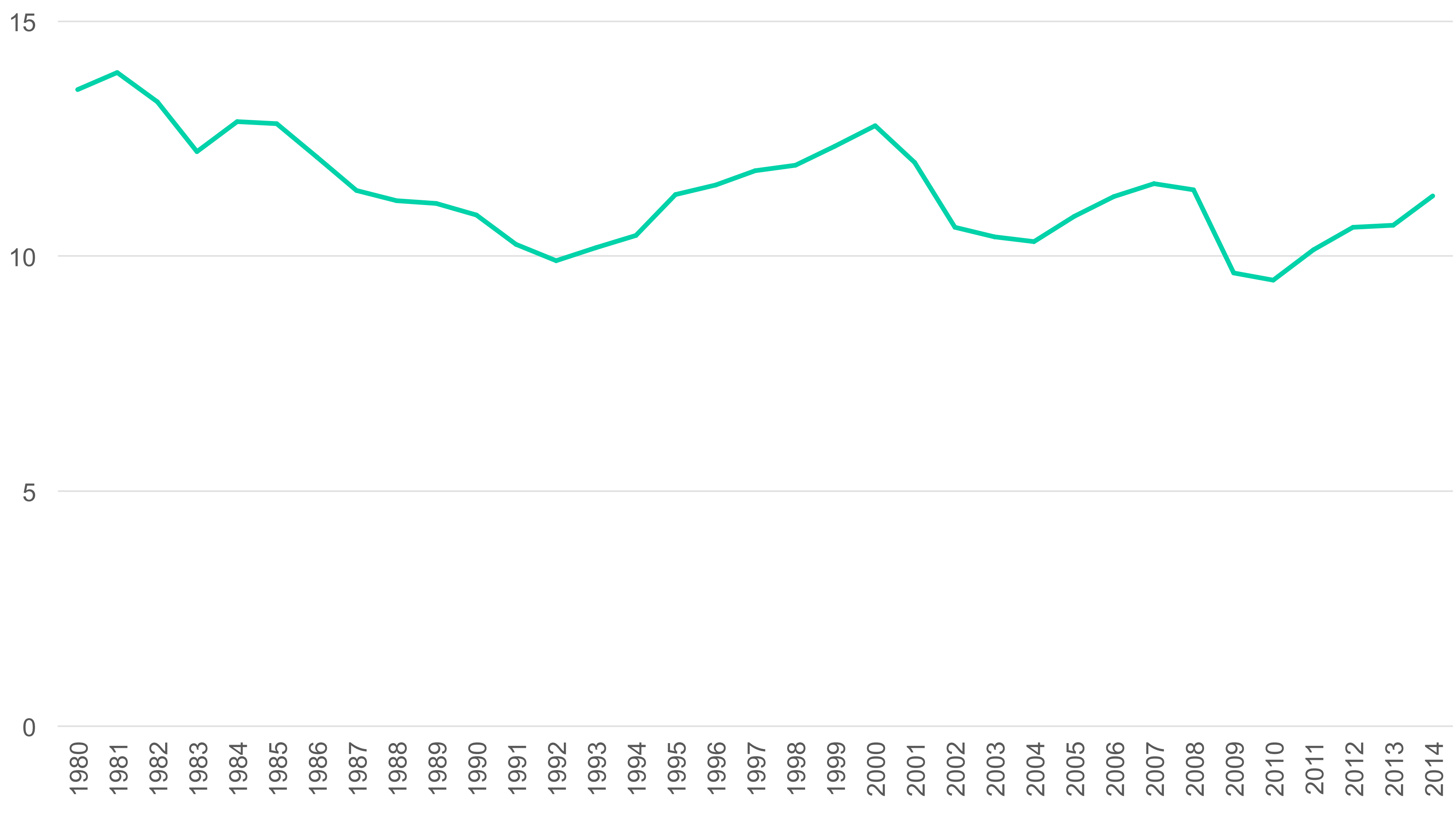


# 2. Investments – or how big firms spend their money

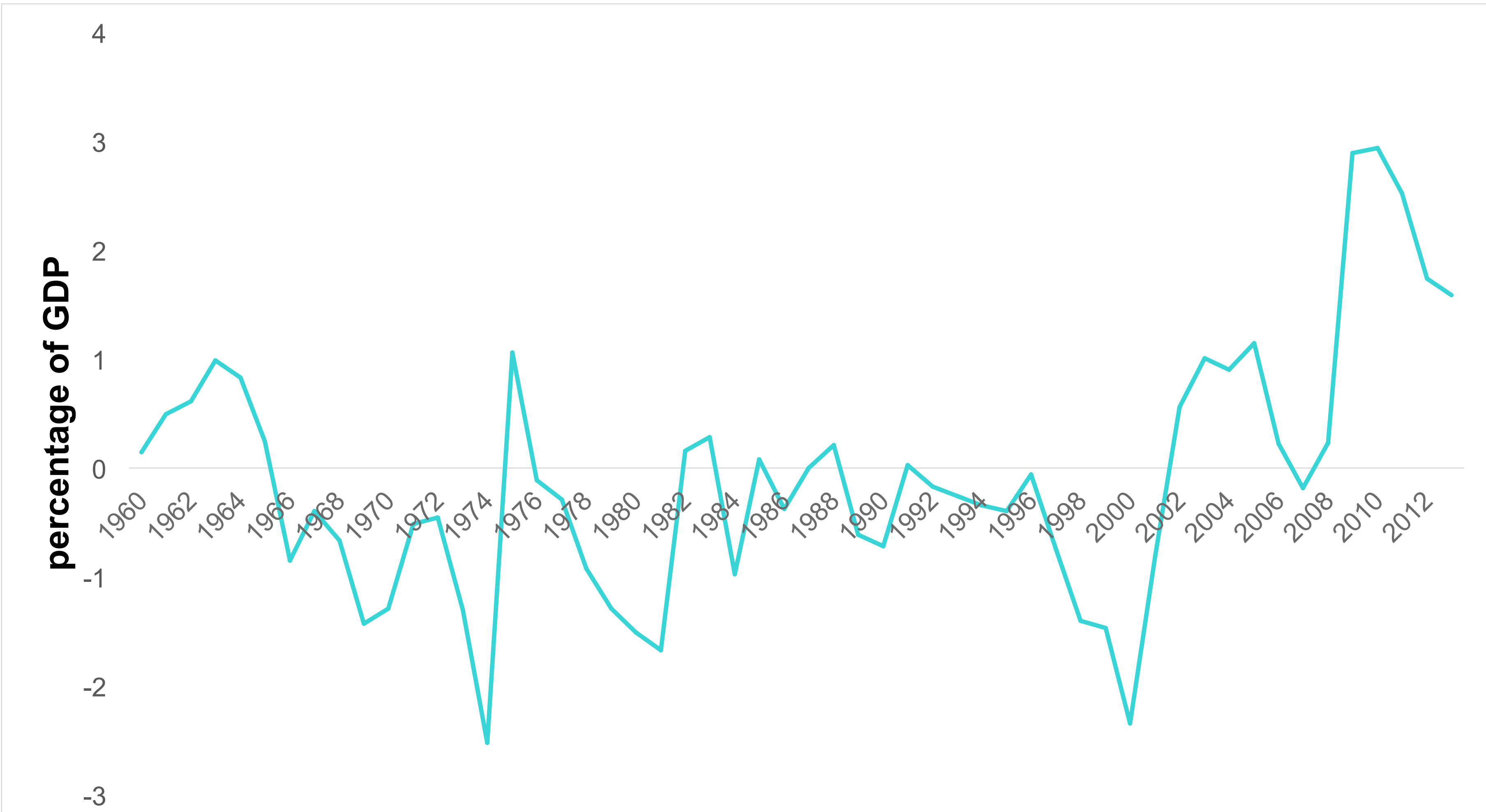
# Decomposing Investment Slump: 2008-2015



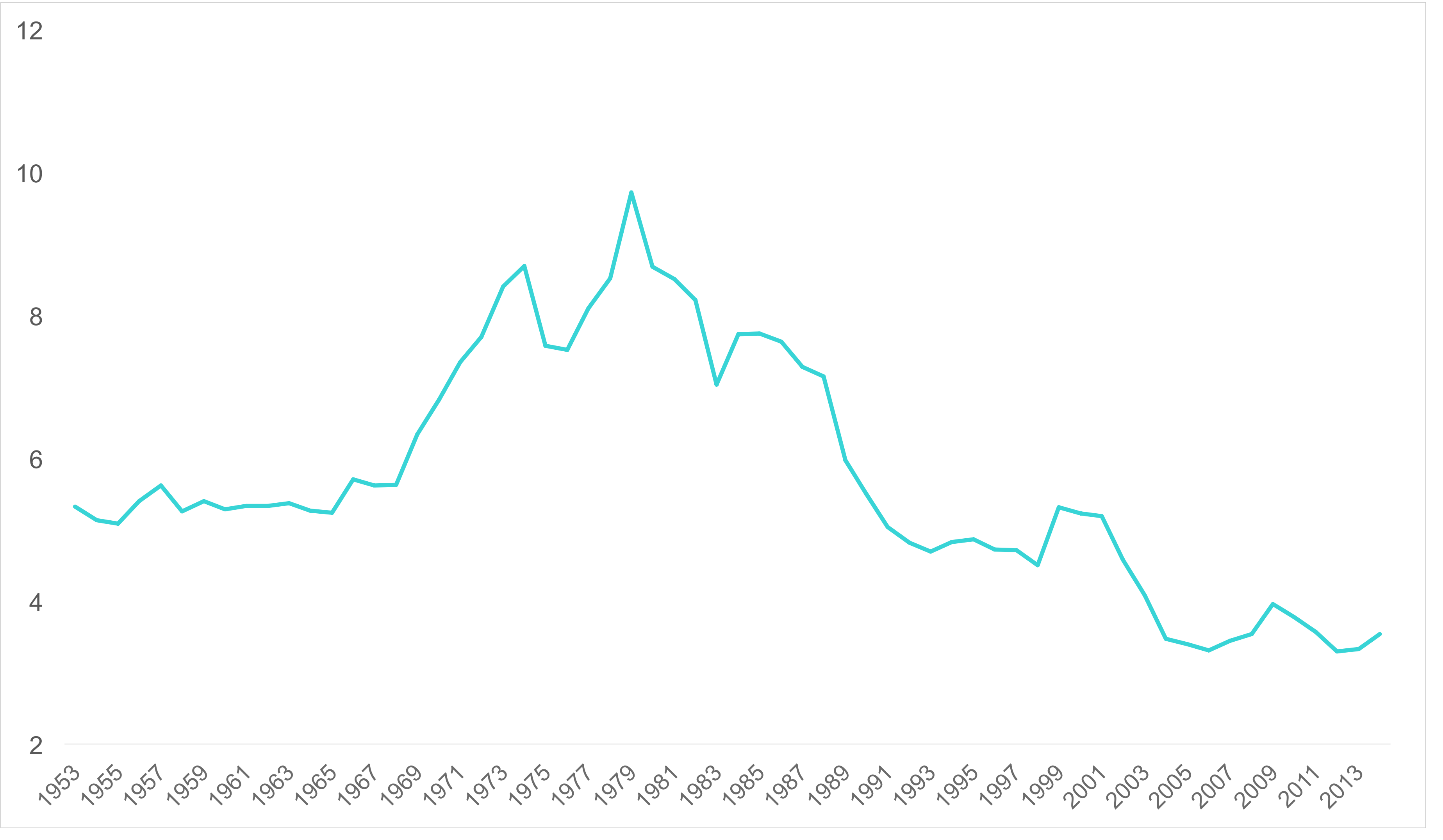
# U.S. Business Investment/GDP



# U.S. Business Net Lending and Borrowing

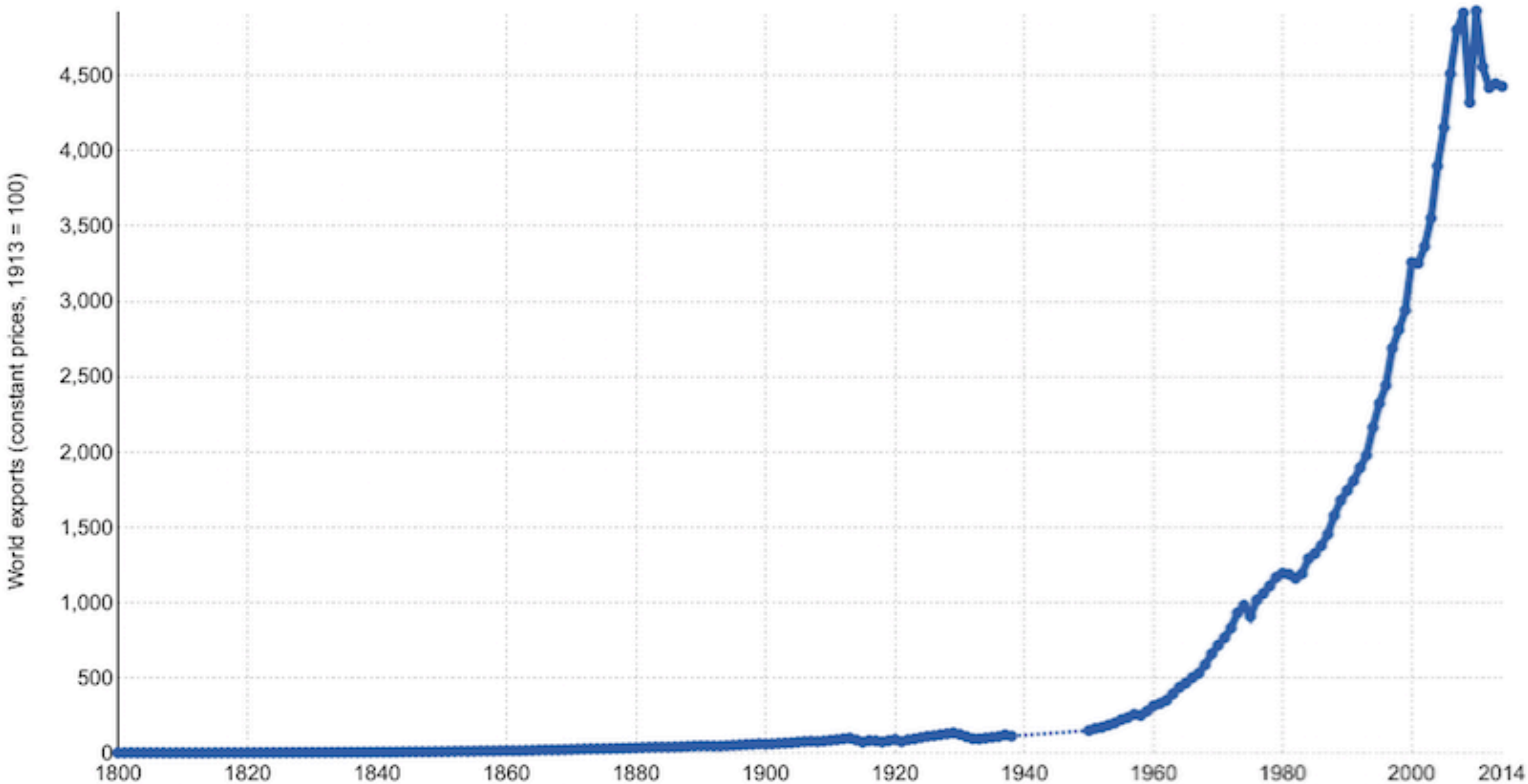


# U.S. Ratio of Investment/Cash to Shareholders



# 3. Stalling Globalisation

# The Value of Global Exports 1800-2014



# Panic – no, not Trump

# Global Gross Debt