

Stratfor

Your World. In Context.



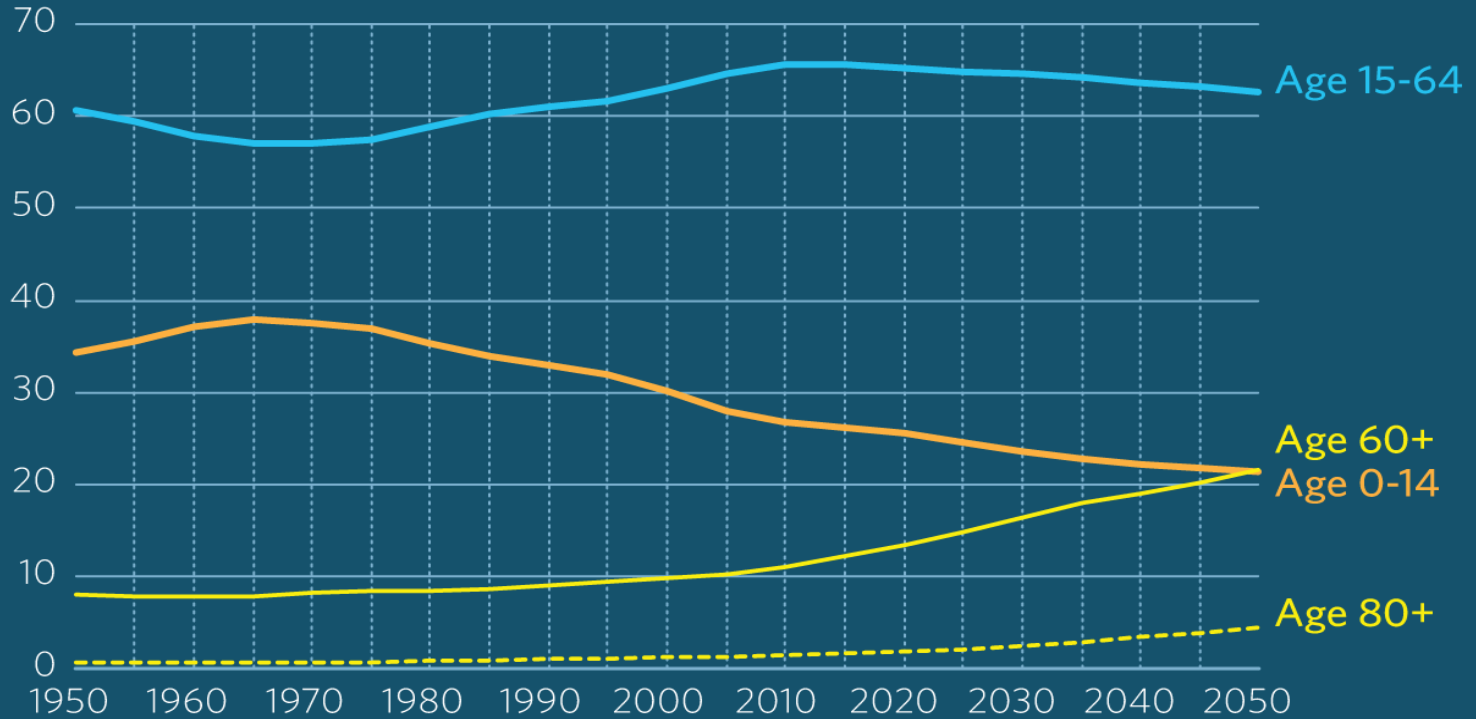


2020: The Global Inflection Point

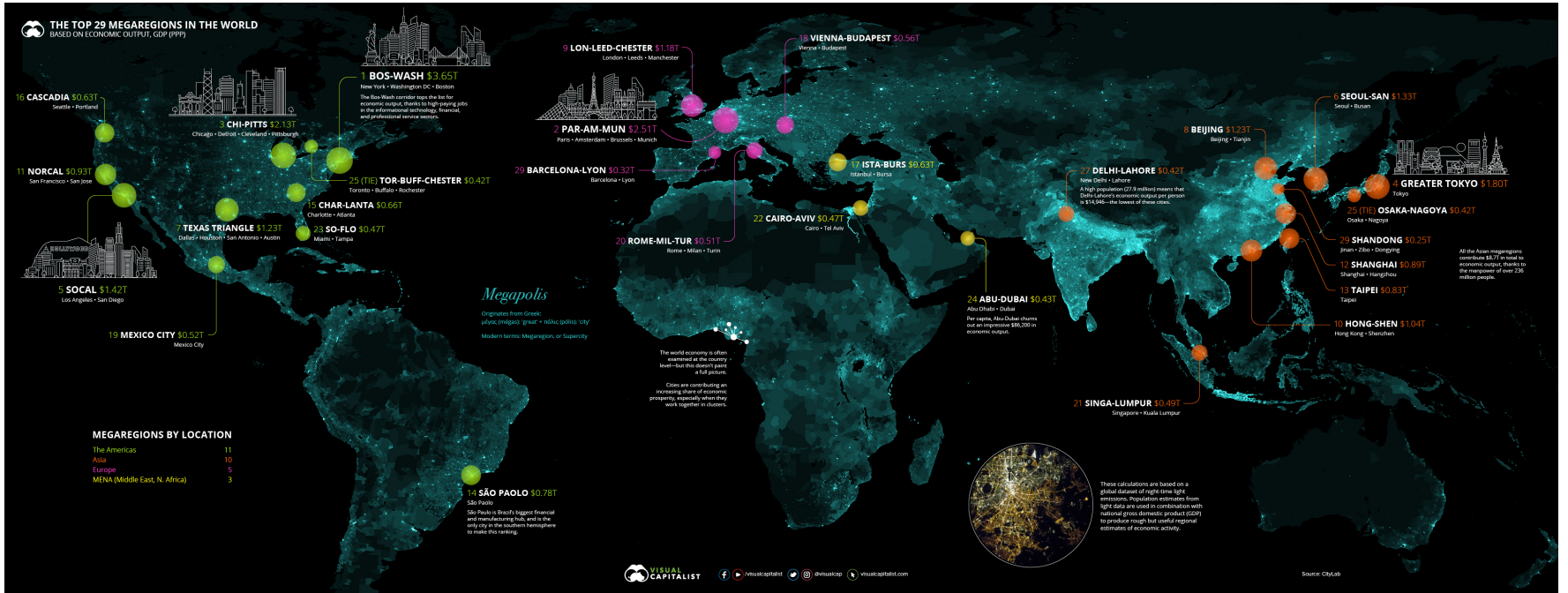
World Affairs Council | Palm Springs | October 20, 2019

World

PERCENTAGE OF POPULATION



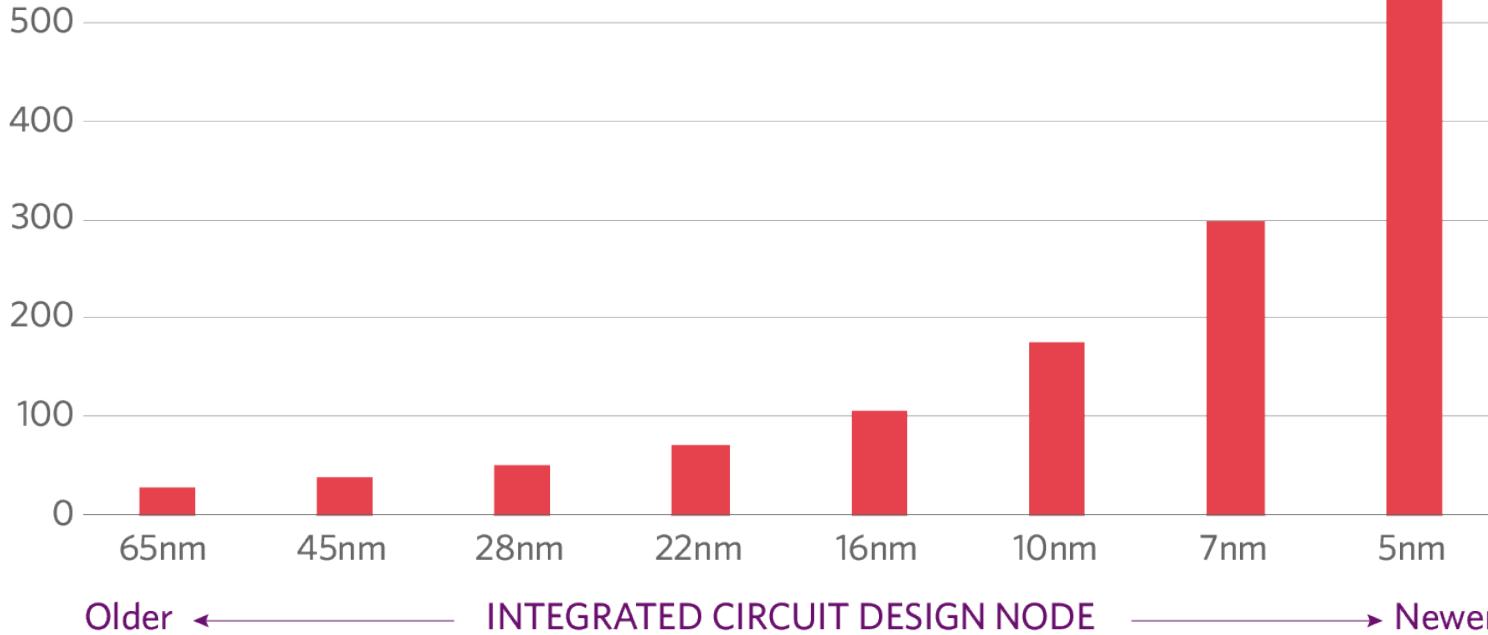
TOP GLOBAL MEGACITIES



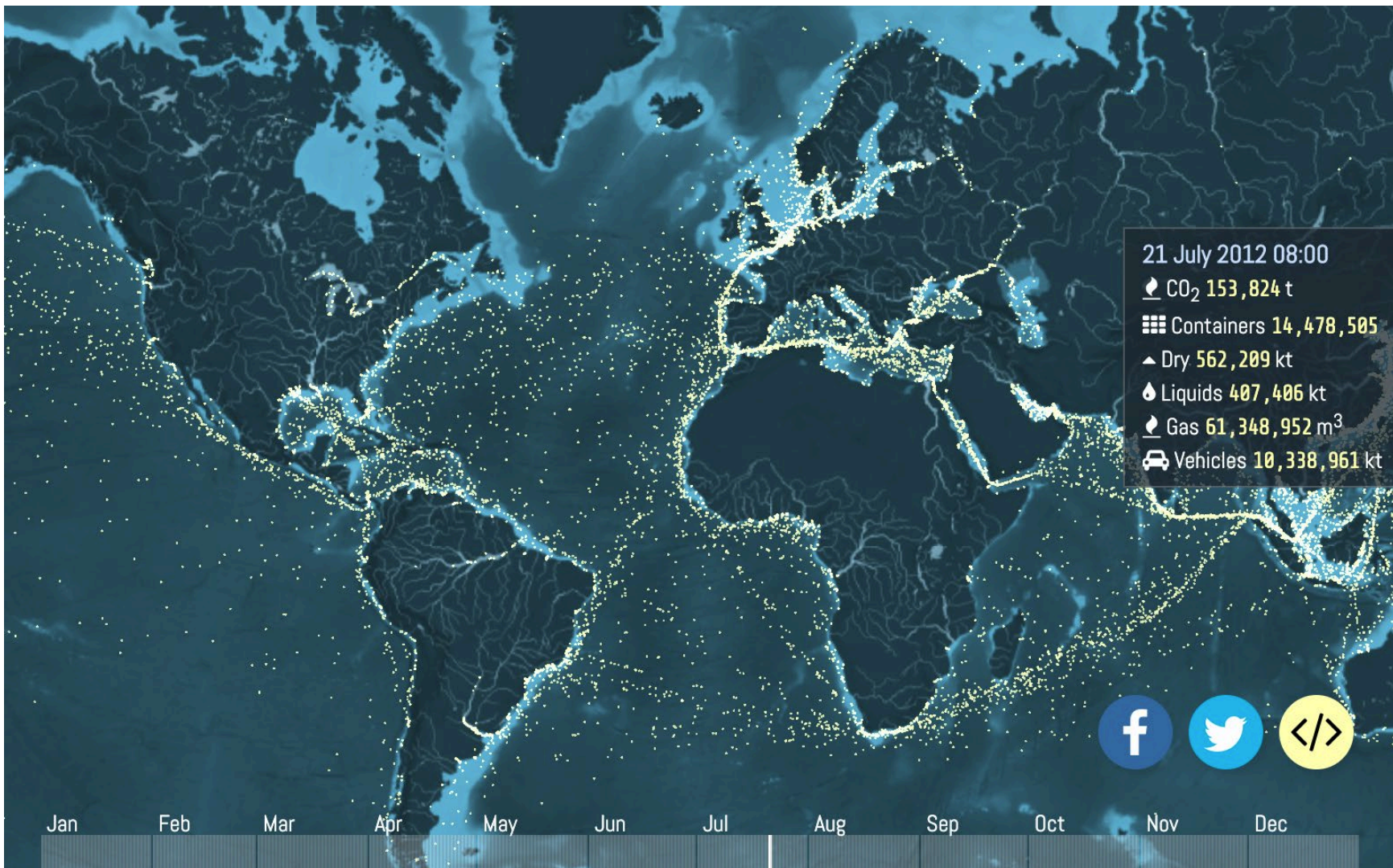
The Growing Cost of Keeping Up With Moore's Law

COST TO ADVANCE TO NEXT LEVEL OF CHIP DESIGN

600 MILLION USD

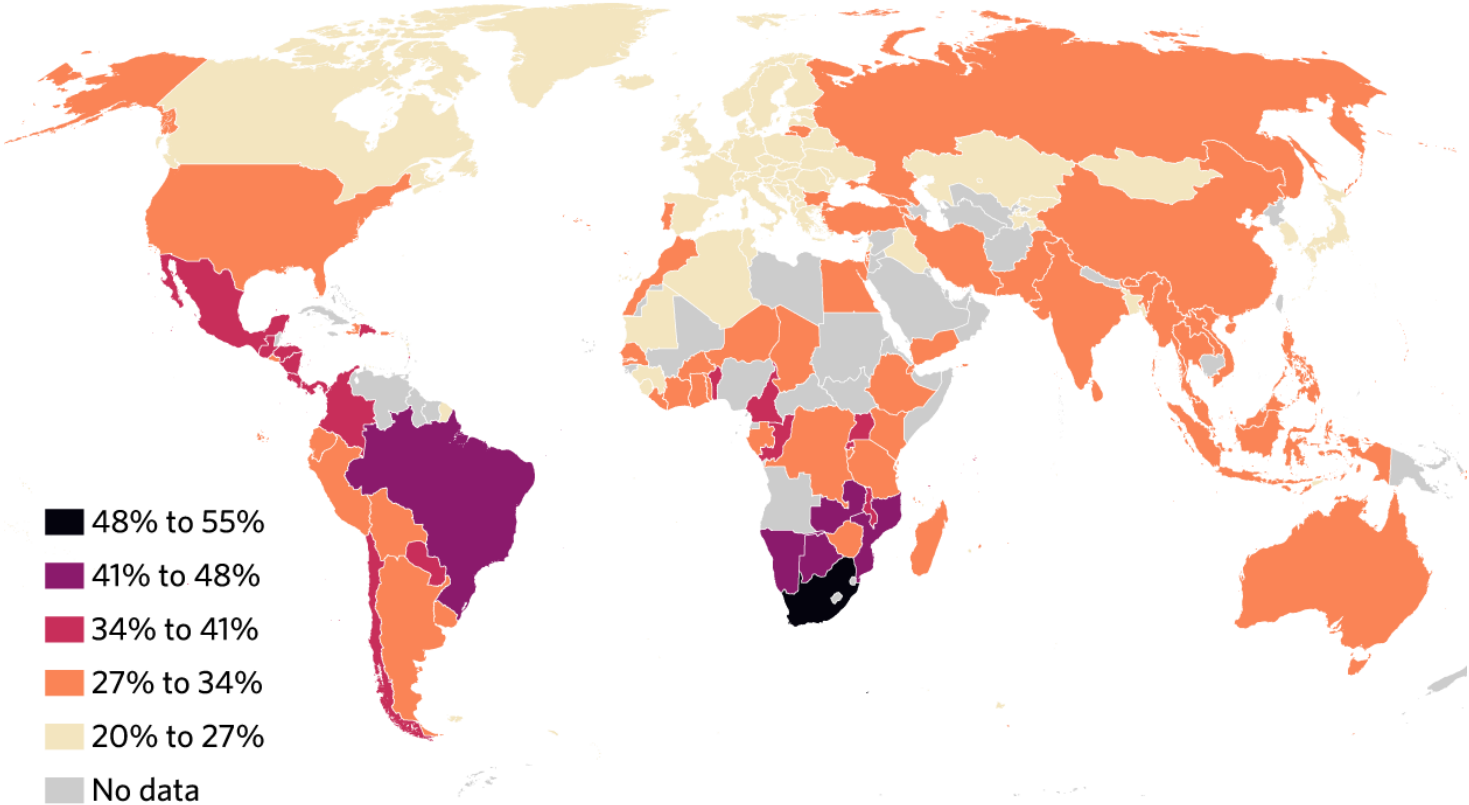


Source: IBS
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Income Share Held by Top 10 Percent

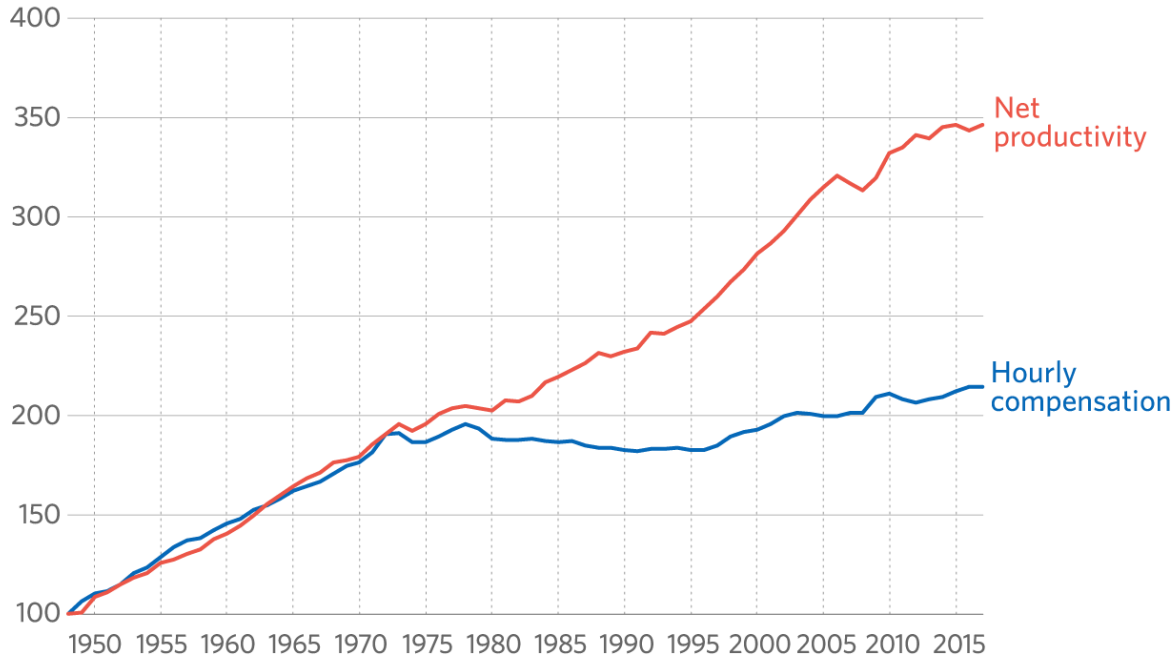
Income distribution in the United States more closely resembles that of China, Russia and India than it does Western Europe.



The Broken Link Between U.S. Productivity and Pay

U.S. productivity and labor income growth have diverged widely since 1973. Between then and 2017, productivity grew by more than 77 percent, while hourly pay increased by 12 percent.

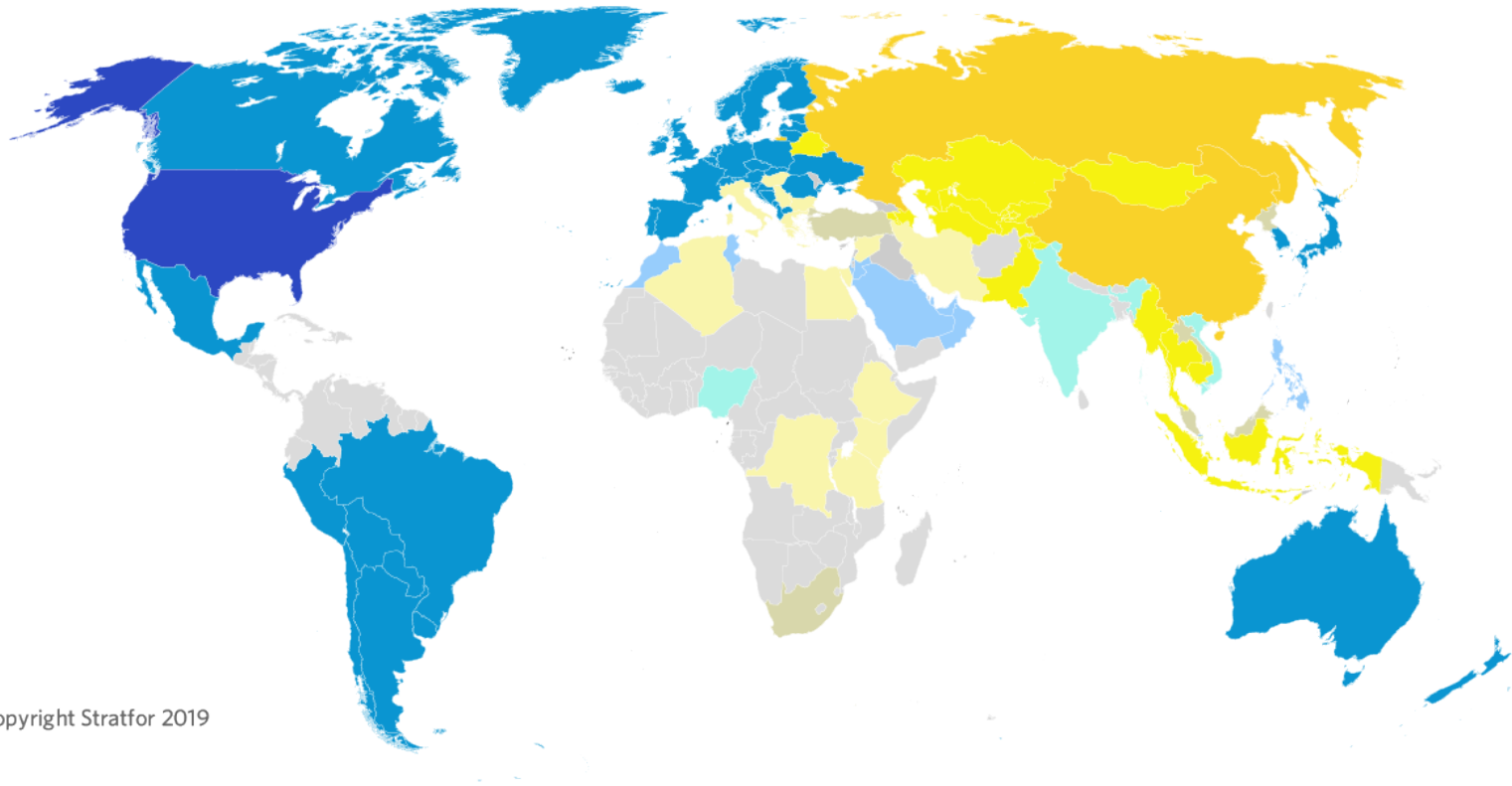
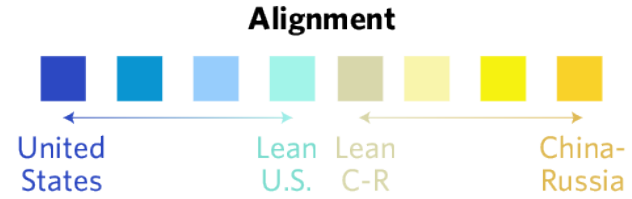
U.S. Worker Productivity and Pay Index, 1948-2017; 1948 = 100



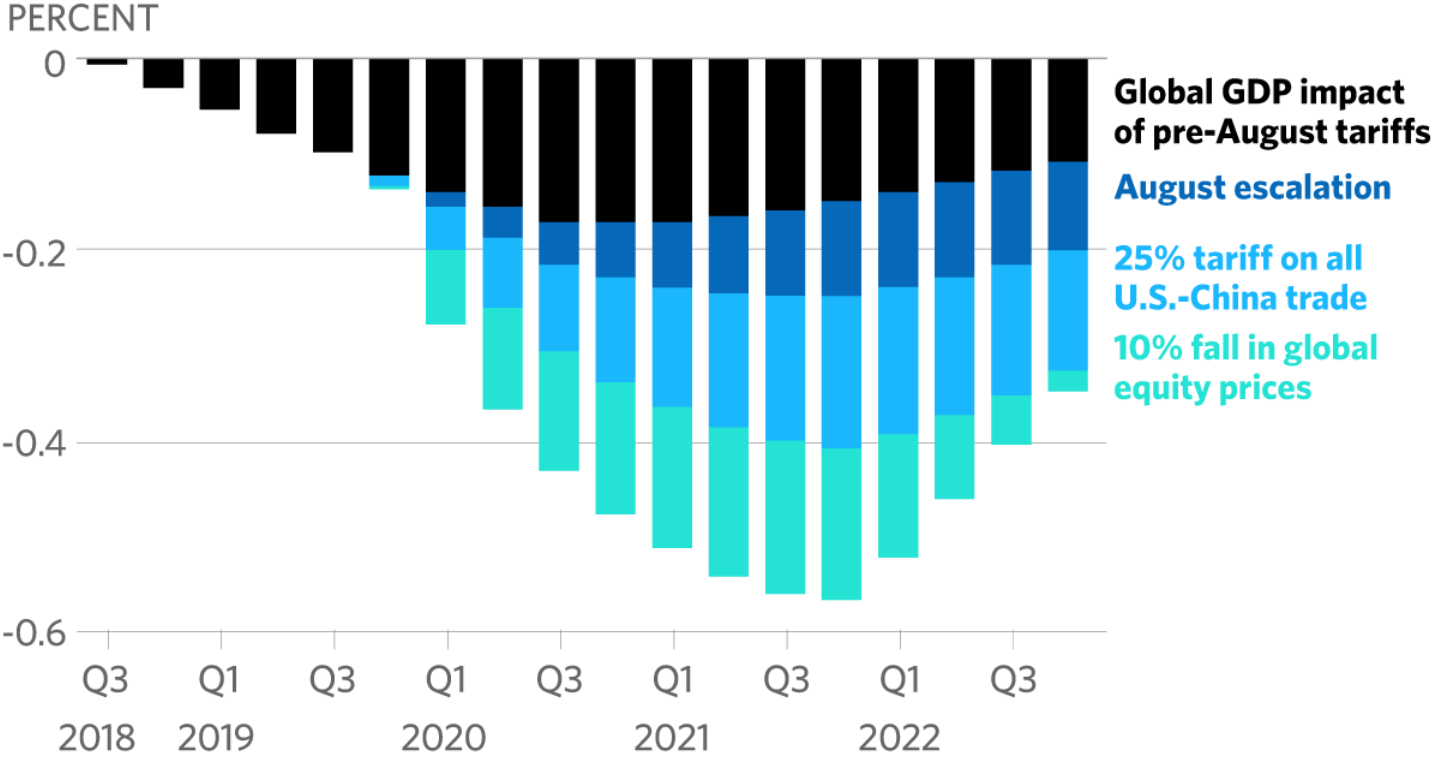
Source: Economic Policy Institute

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Great Power Competition and Balancing Acts



The Global Economic Impact of Trump Tariffs on China

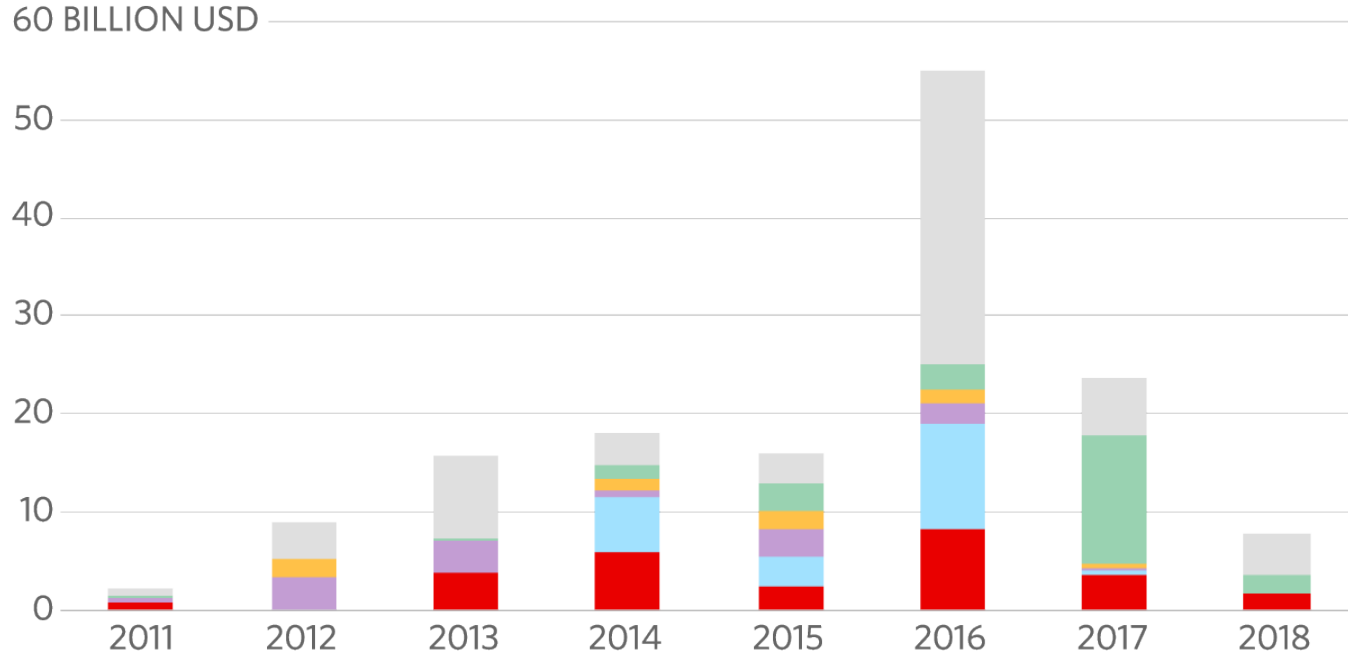


Source: Bloomberg Economics

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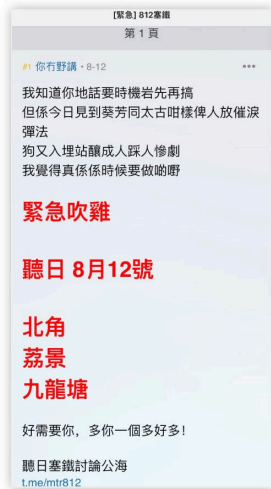
China Outbound Investment to the U.S.

- Real estate
- Technology
- Energy, chemicals, metals
- Finance
- Transport, logistics
- Other*

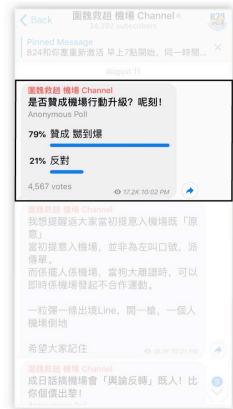


Source: AEI * Includes tourism, entertainment, healthcare and agriculture, among other sectors

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LHKG post calling for MTR shutdown



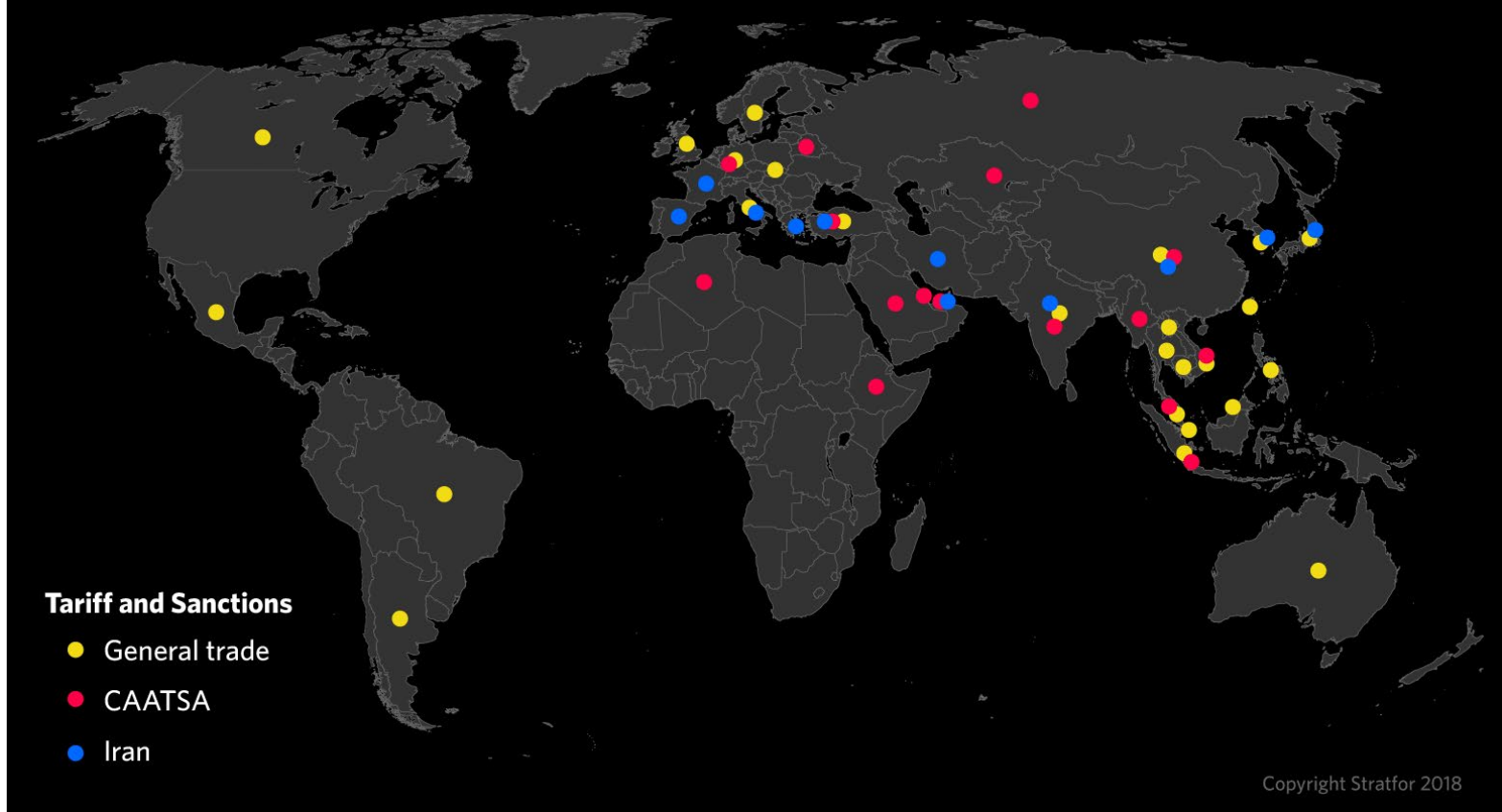
Early Telegram poll on airport siege

Major Regions of China's Core

China's size and geography often widen the gap between the interests of the central government and those of local administrations.

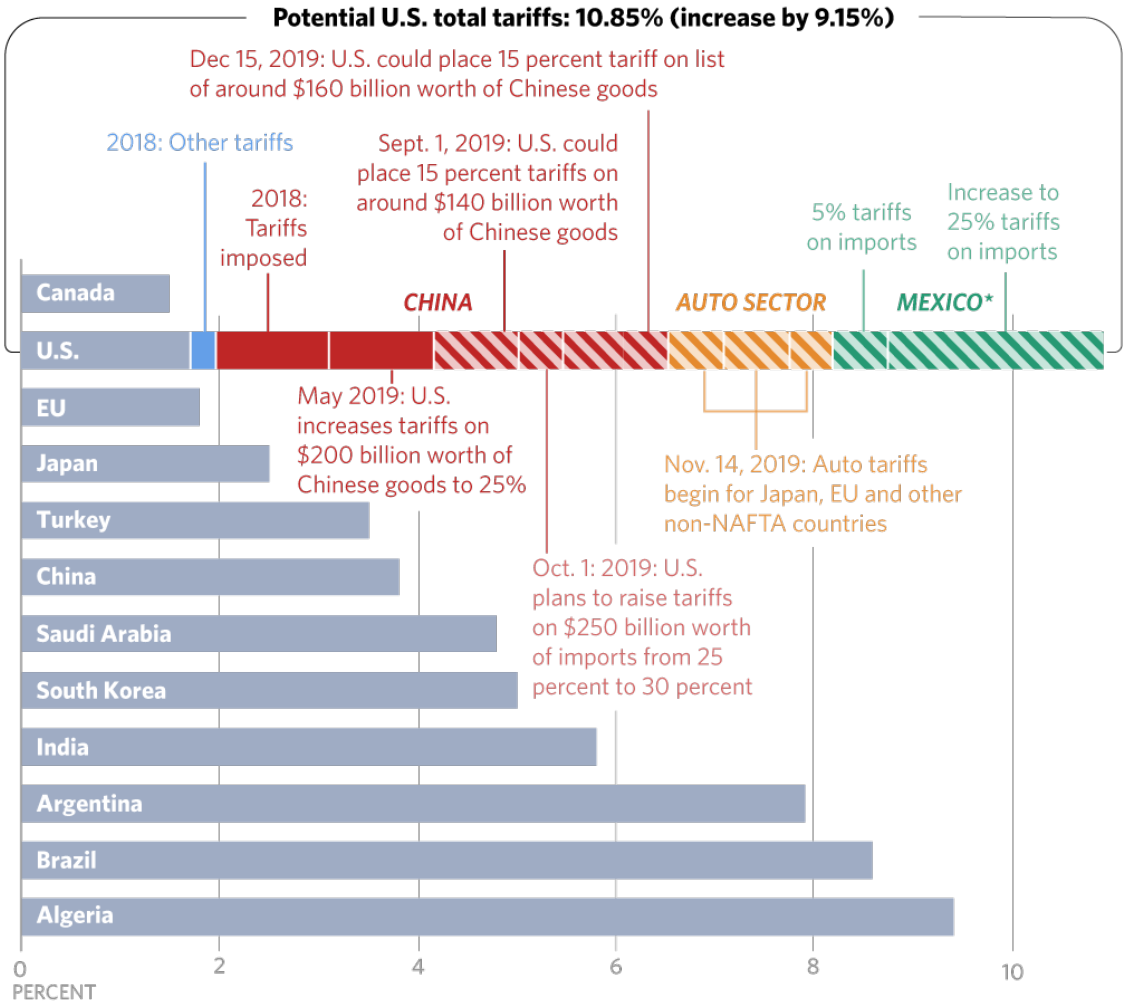


Countries Affected by White House Tariffs and Sanctions



Tariffs Comparison (Average Applied Rate)

- 2017 tariff levels
- ▨ Indicates tariffs not yet imposed



* No possible dates set for tariffs on Mexican imports to take effect.

Sources: World Bank, UN Comtrade, USTR, Trade Map

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“We have now entered the realm of Alice in Wonderland. White is black. Up is down. It is amazing to watch a country that is the world’s most protectionist, mercantilist economy position itself as the self-proclaimed defender of free trade and the global trading system. The WTO must avoid falling down this rabbit hole into a fantasy world, lest it lose all credibility.”

- US Ambassador to WTO Dennis Shea



Food for Thought



“The art of progress is to preserve order amid change and to preserve change amid order.”

- Alfred North Whitehead

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