

Global Economic Growth Challenges

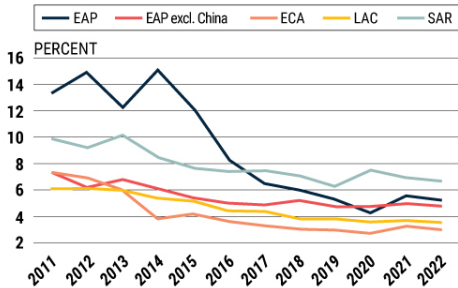
by Geopolitical Futures - April 21, 2023

IMPENDING STRUCTURAL GROWTH SLOWDOWN

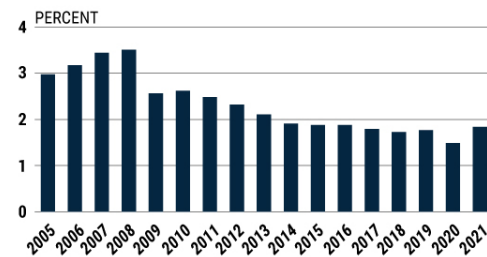
factors affecting global potential growth

The growth rates of investment are declining

5-YEAR-AHEAD CONSENSUS FORECASTS OF INVESTMENT GROWTH

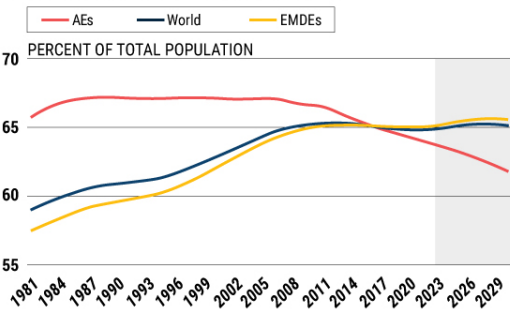


FOREIGN DIRECT INVESTMENT IN EMDEs

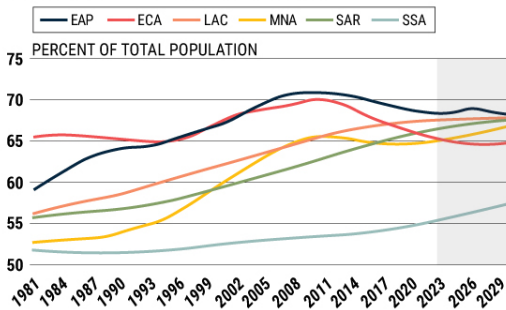


The global labor force is aging, and expanding more slowly

WORKING-AGE POPULATION | BY ECONOMY

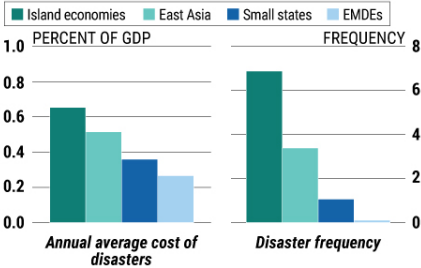


WORKING-AGE POPULATION | BY REGION



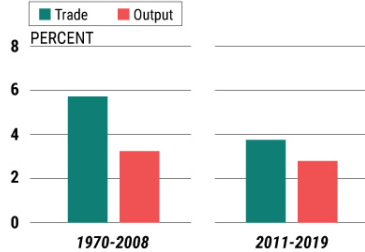
Shocks affecting the economy

NATURAL DISASTERS | 1980-2021



International trade growth has weakened

GLOBAL TRADE AND OUTPUT GROWTH



AEs: Advanced economies
EAP: East Asia and Pacific
ECA: Europe and Central Asia
LAC: Latin America and the Caribbean
MNA: Middle East and North Africa
SAR: South Asia
SSA: Sub-Saharan Africa
EMDEs: emerging market and developing economies

Source: World Bank

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According to the World Bank, global potential GDP growth will decrease by one-third in the coming years compared with 2000-2010, a trend that has been exacerbated by recent events such as the COVID-19 pandemic, logistical obstacles and the Russian-Ukrainian conflict. This has compounded long-standing issues such as a declining labor force, low productivity growth and reduced investment. Moreover, the global economy is now hampered by trade distortion from sanctions and ongoing conflicts, which has led to a climate of uncertainty and pessimistic expectations around economic growth. As a result, new investment and international trade expansion could be constrained.

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