



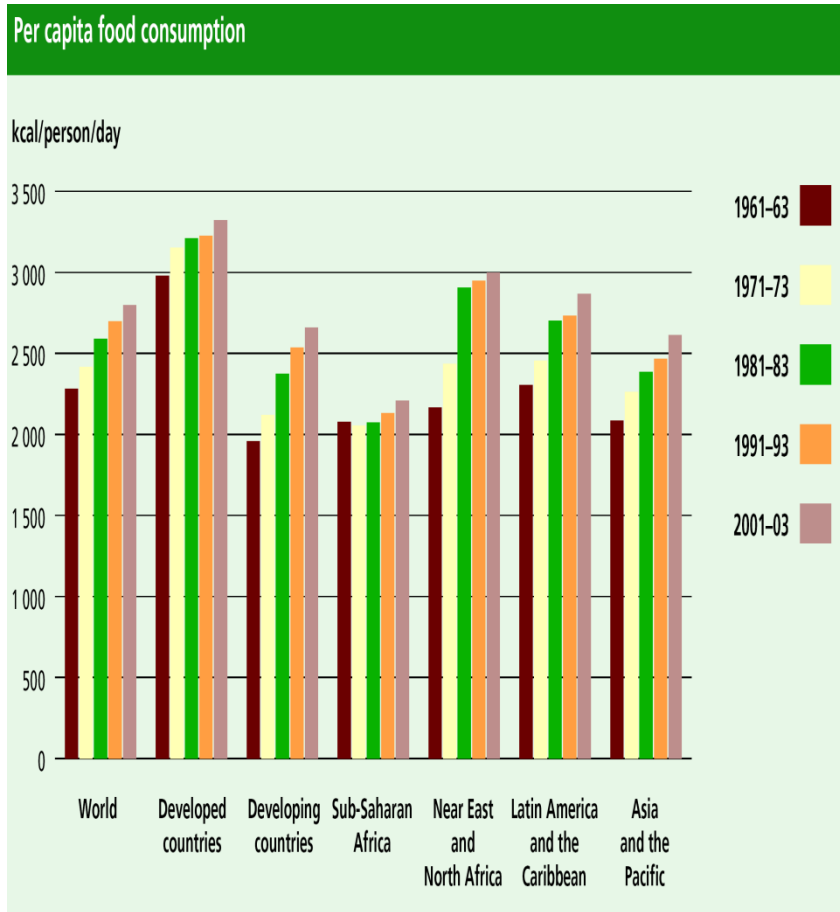
# Global Economic Outlook

IntraFish Seafood Investor Forum, 31 October 2014  
Chief Economist Øystein Dørum, DNB Markets

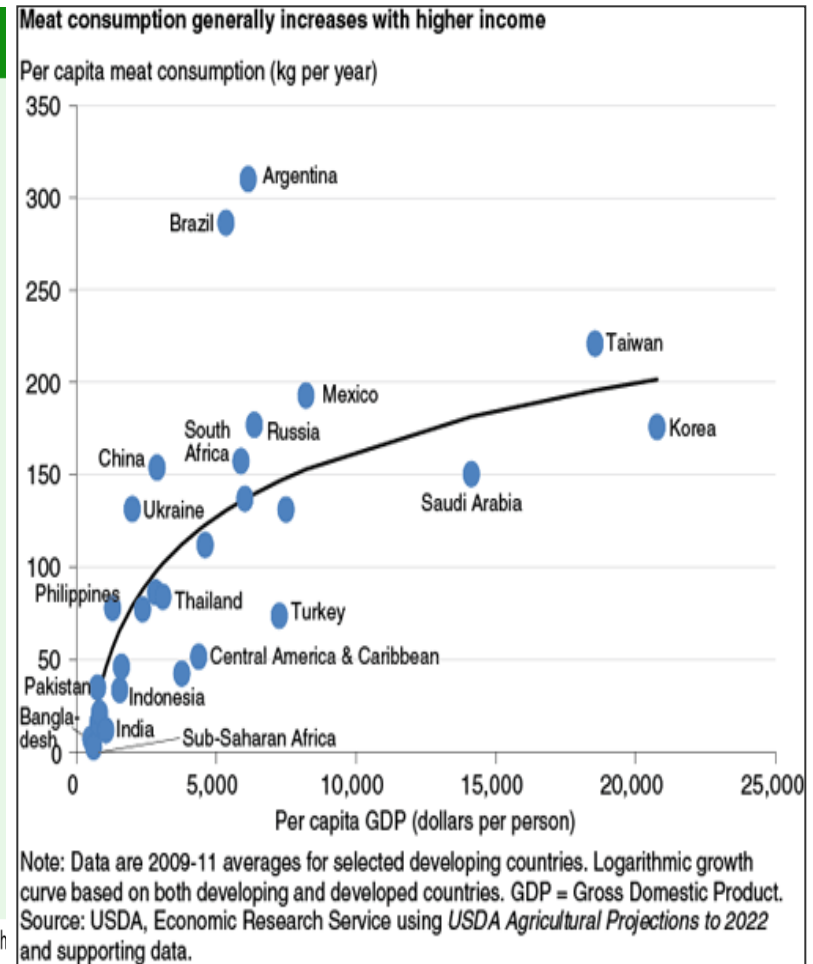
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# Growth = more food

The richer, the more calories, and the more expensive calories, you eat

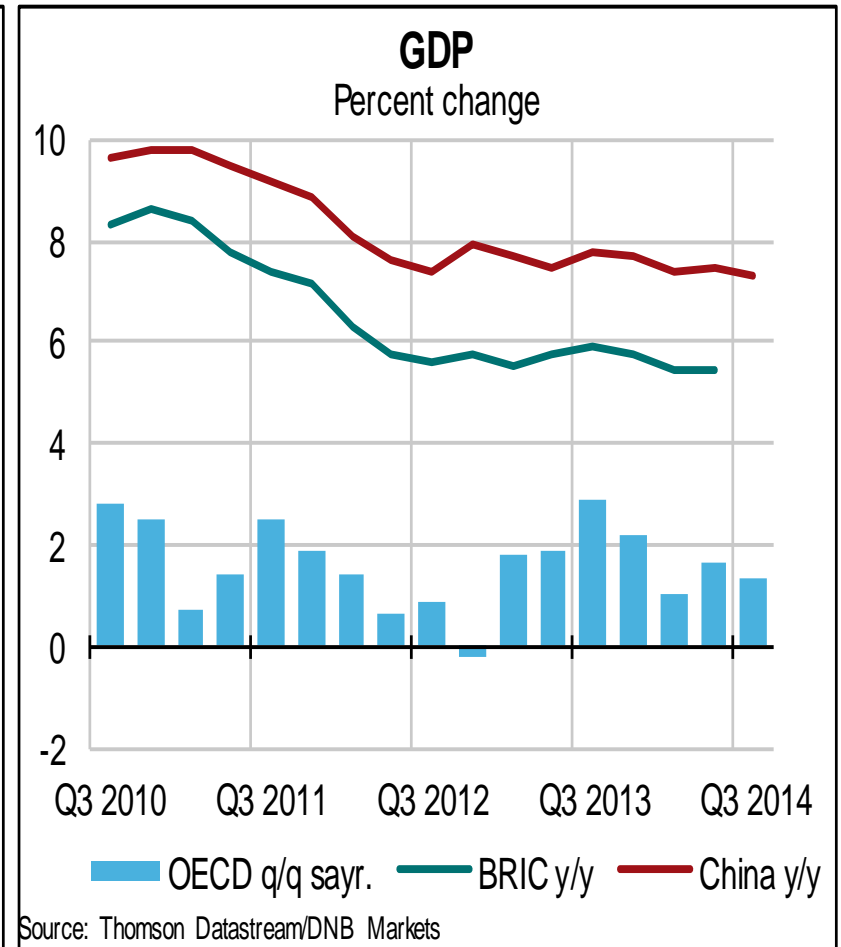
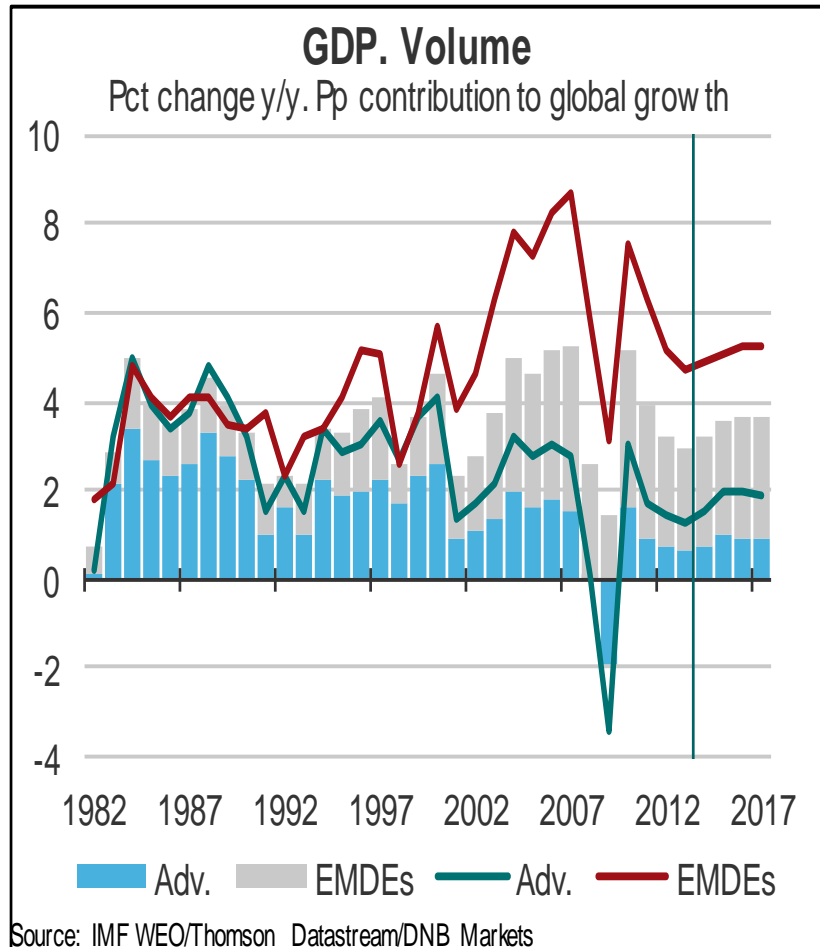


Source: FAO, 2006h



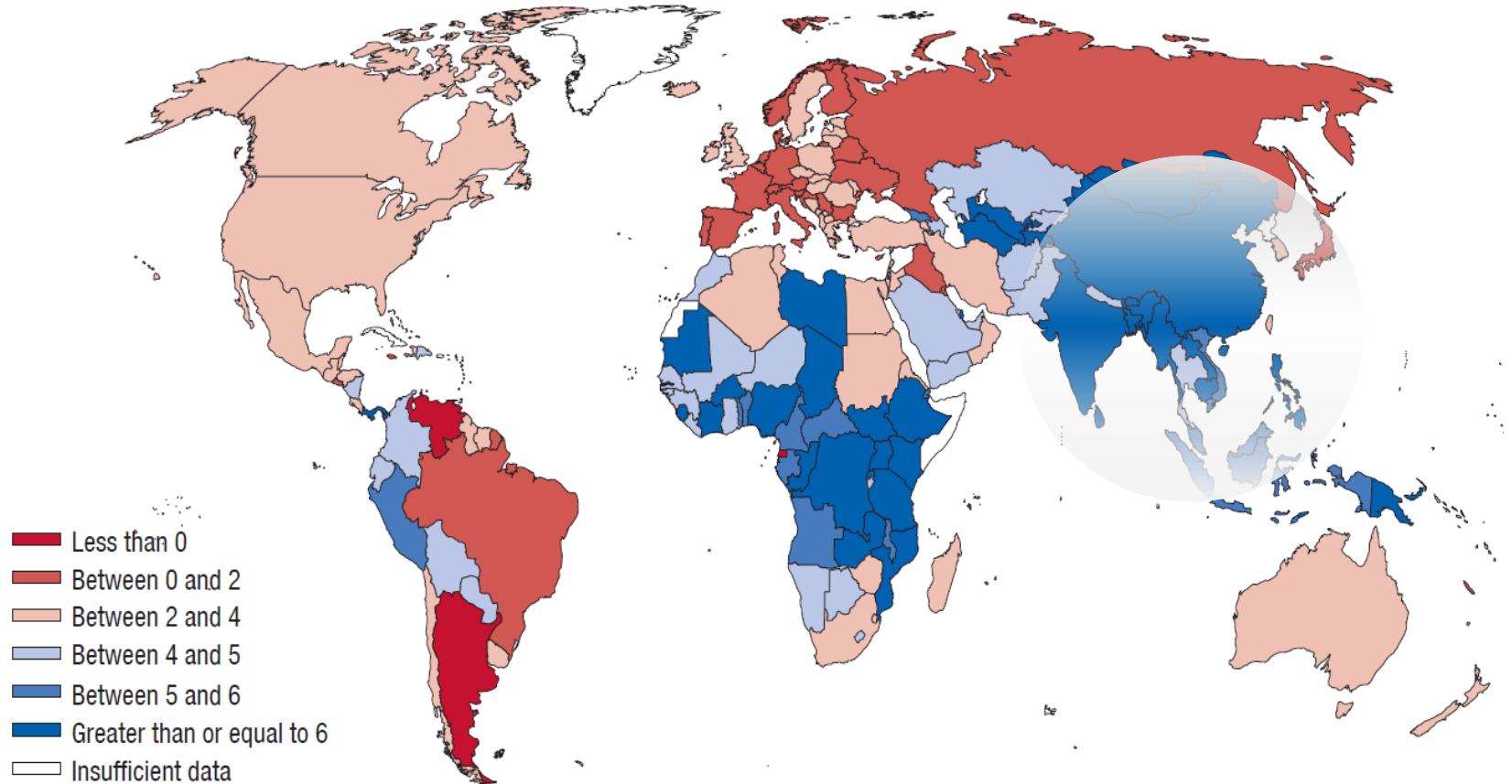
# Overview: Modest, and uneven, growth

2% for advanced economies, 5-5¼% for EMDEs, and 3½% globally

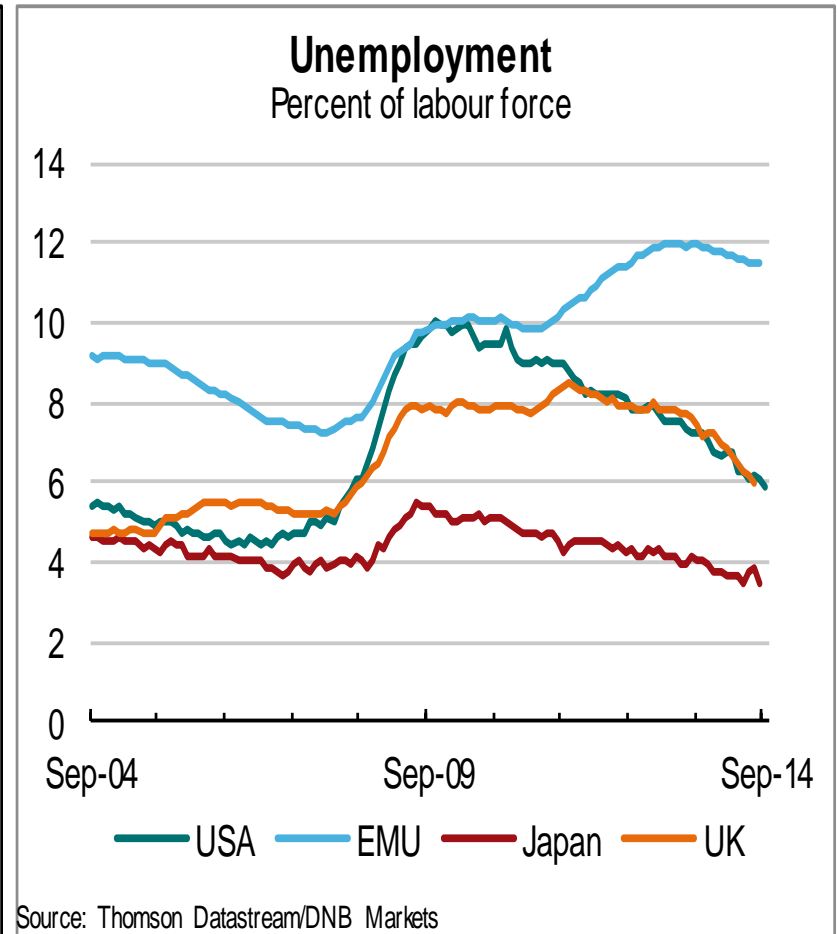
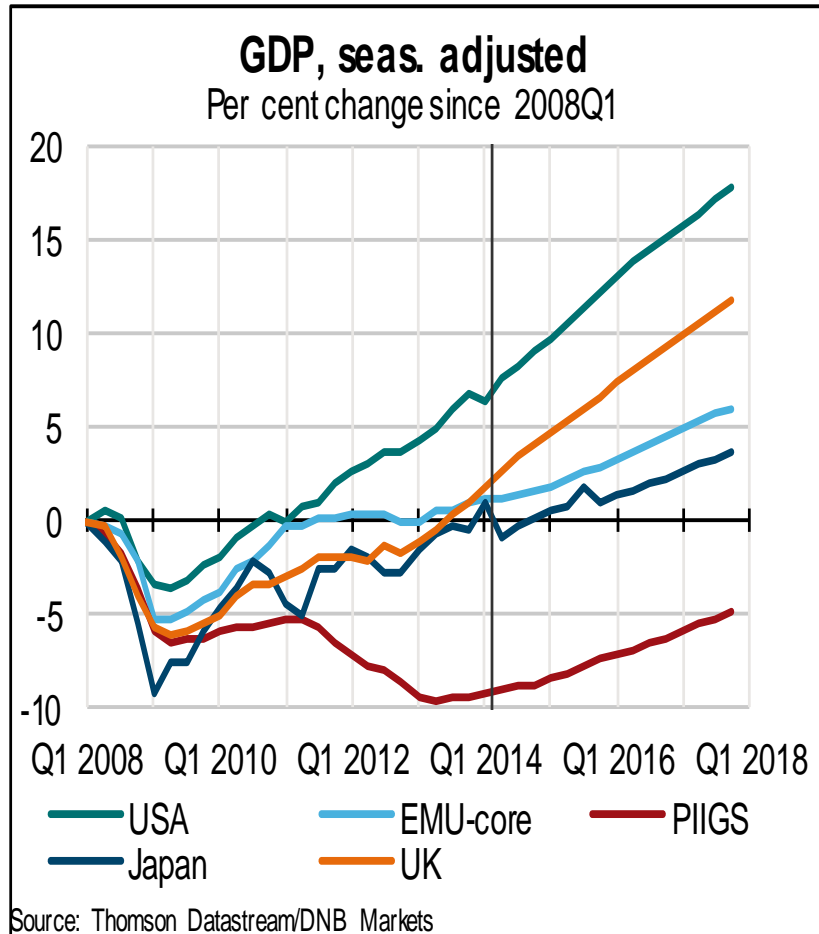


# A multi-speed world economy

Chart shows IMF's October forecasts for GDP in 2015

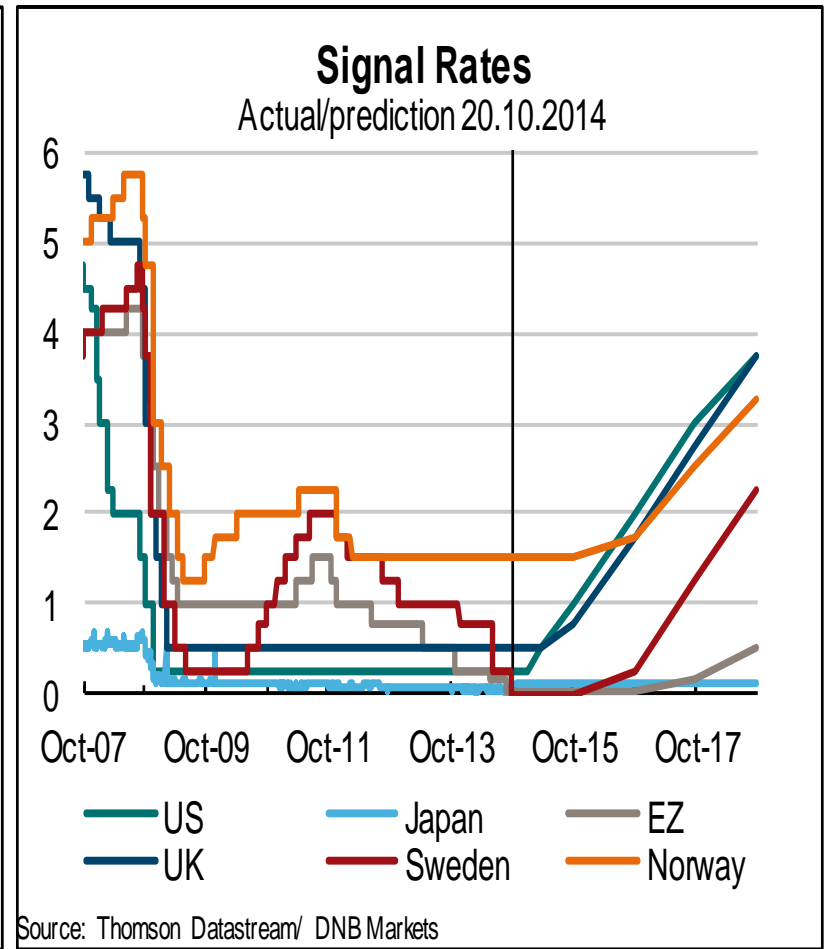
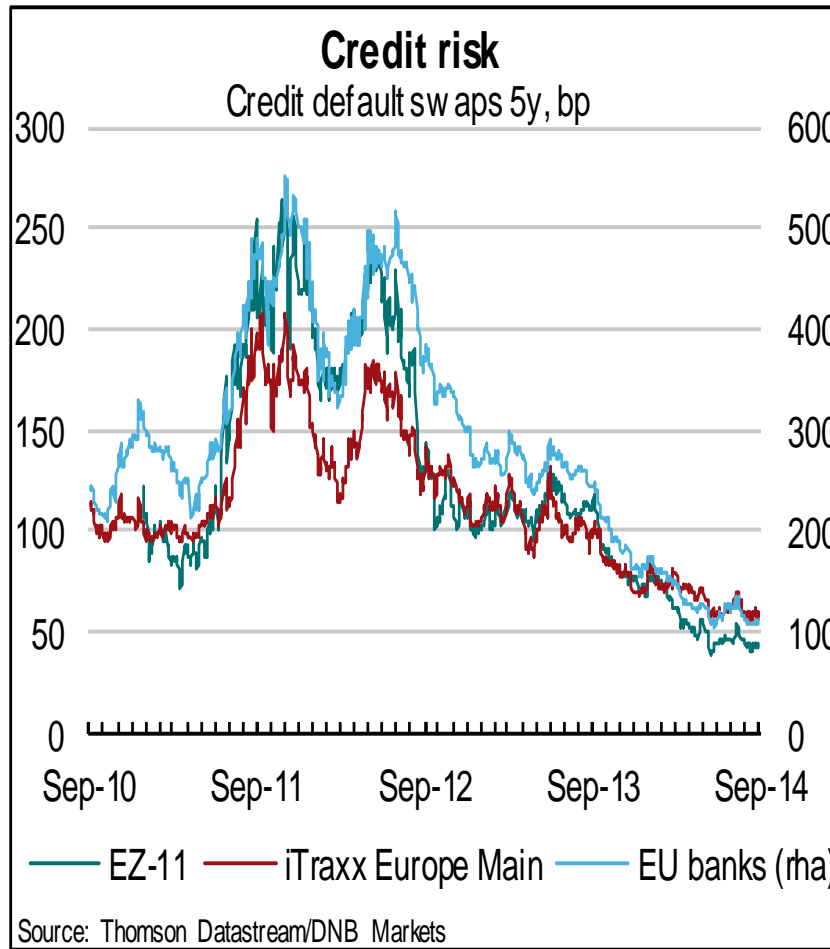


# Still a long way to go for many advanced nations



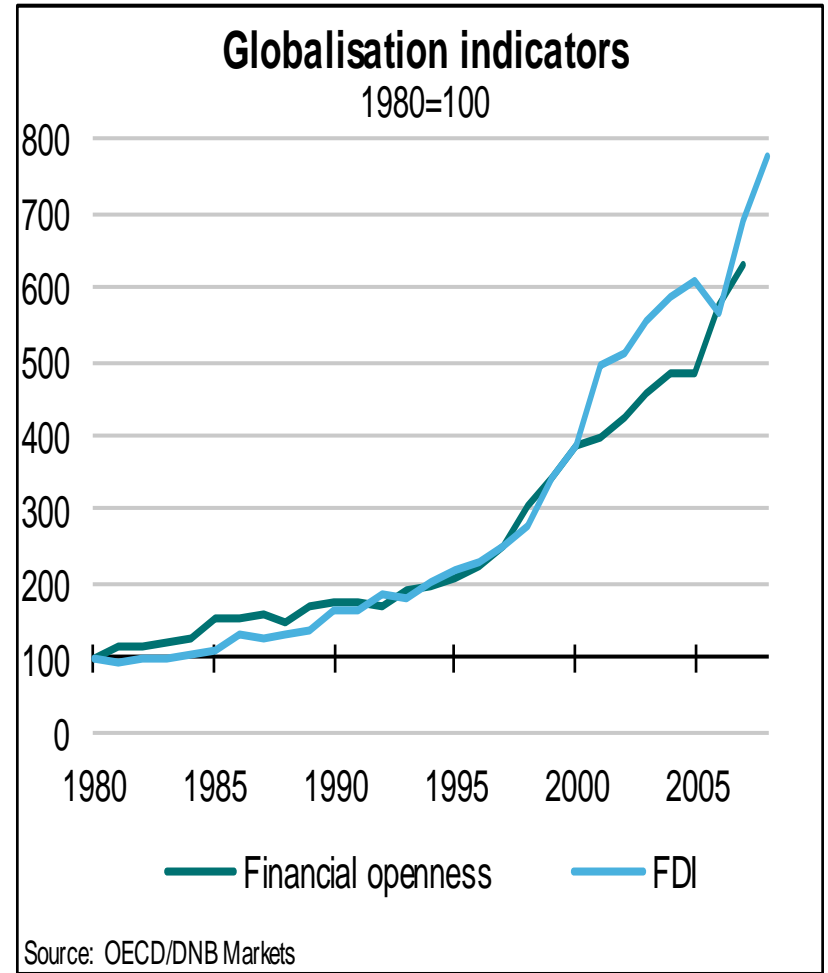
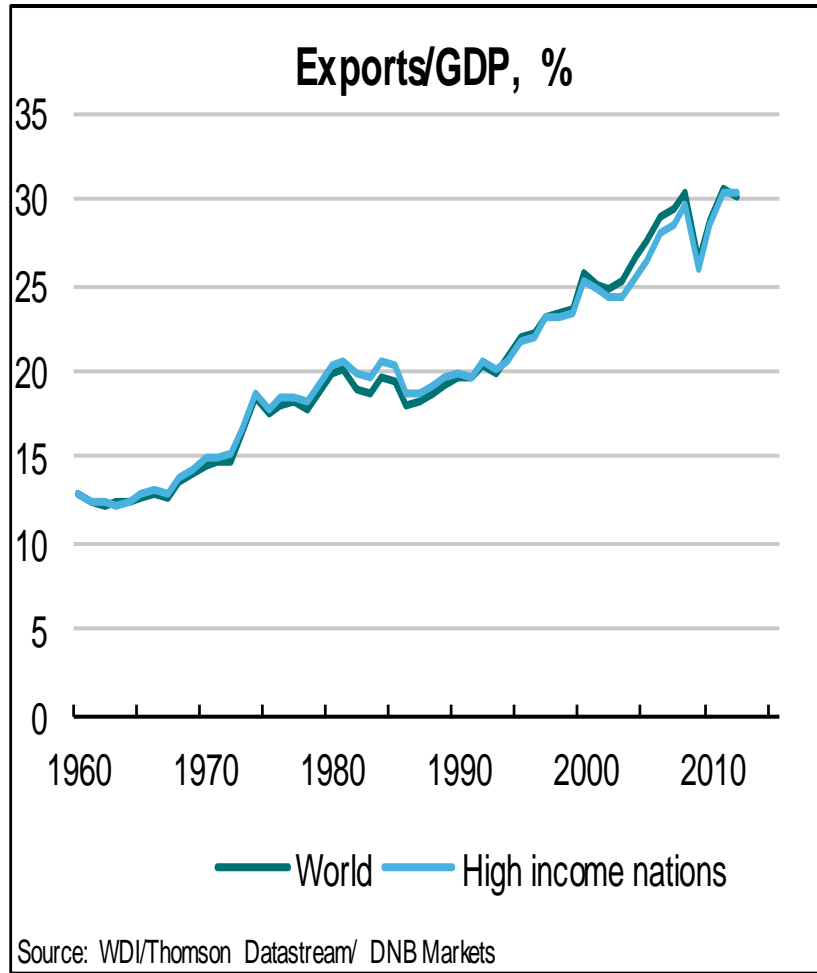
# But risks have abated, and rates are record-low

First hike in US in March, in UK in August



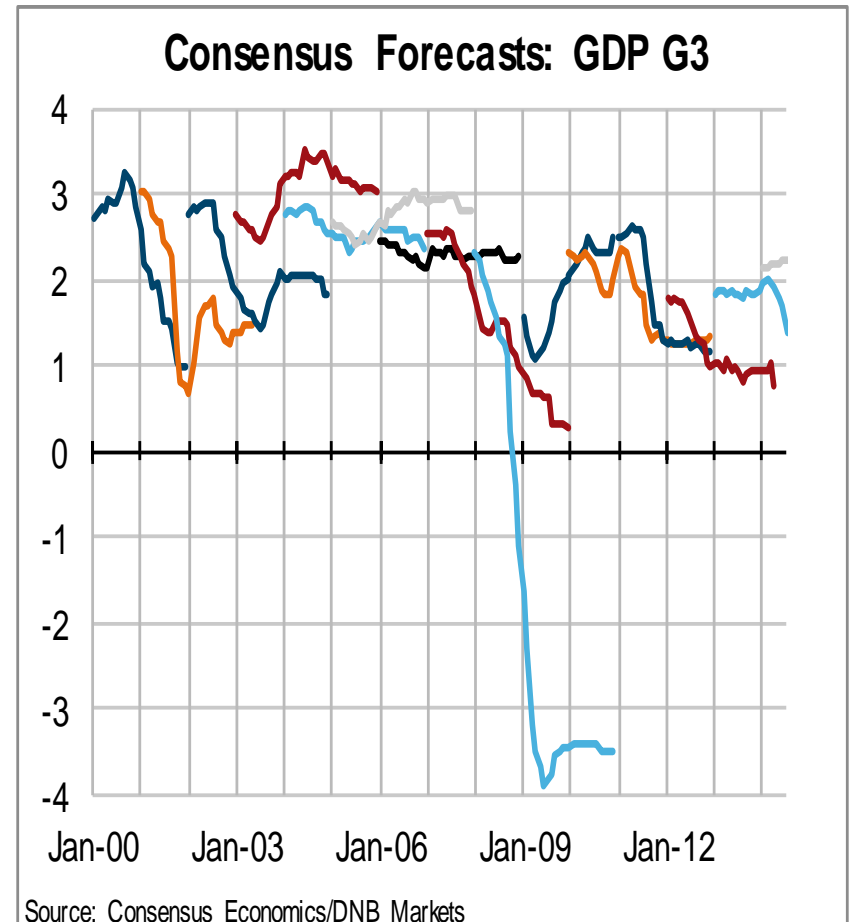
# Best guess: Globalization will continue

But trade was hit severely by the Great Recession 2008/09



# But things doesn't always turn out as predicted

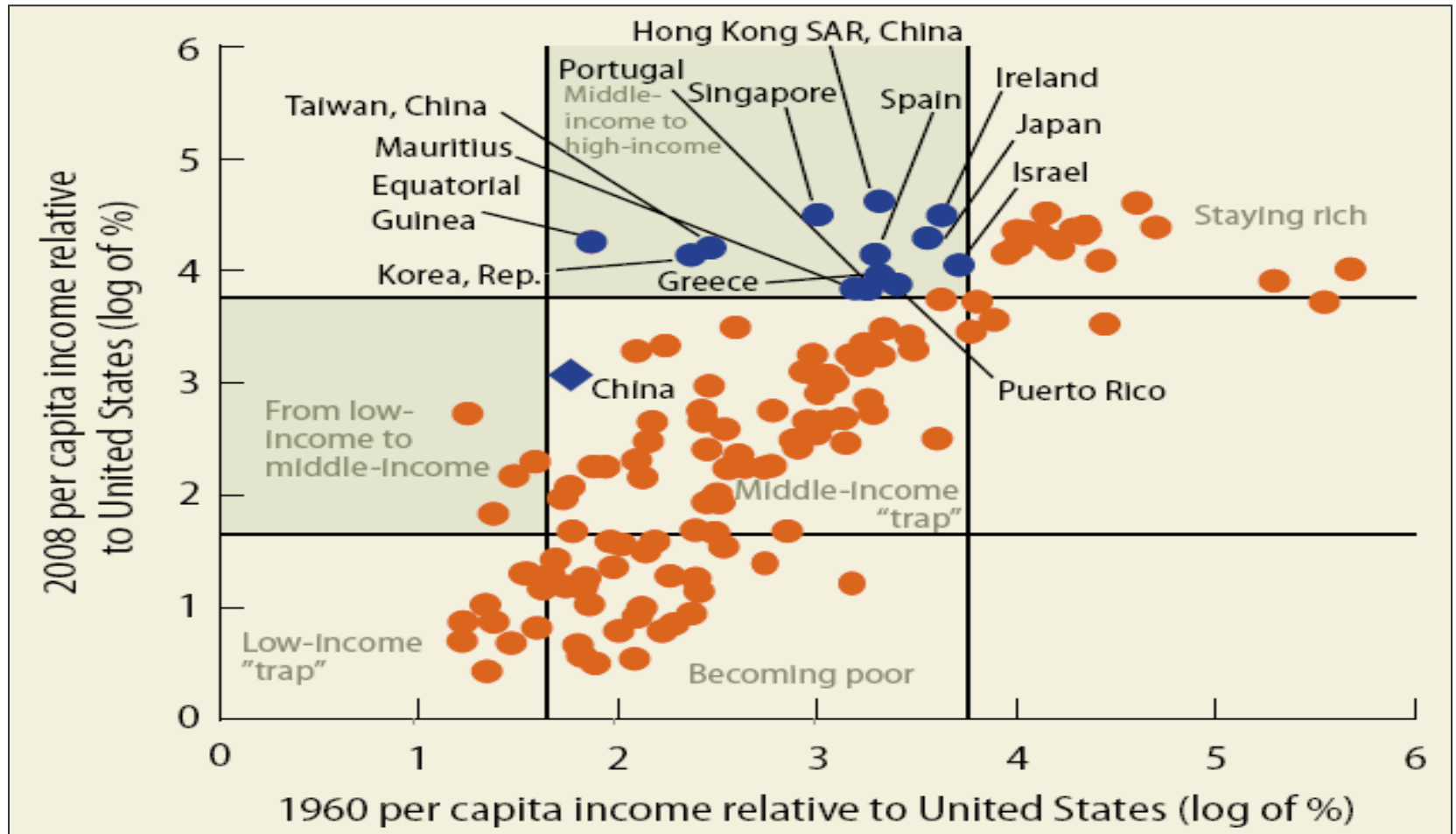
1. «Geopolitical unrest»: Russia, Syria, Iraq
2. Less remaining slack than anticipated in USA and UK
3. Hard landing in China. But, this risk has been reduced
4. New setbacks in the euro zone. Markets? Budget cuts?
5. Eurozone deflation
6. Stronger upswing in private investments





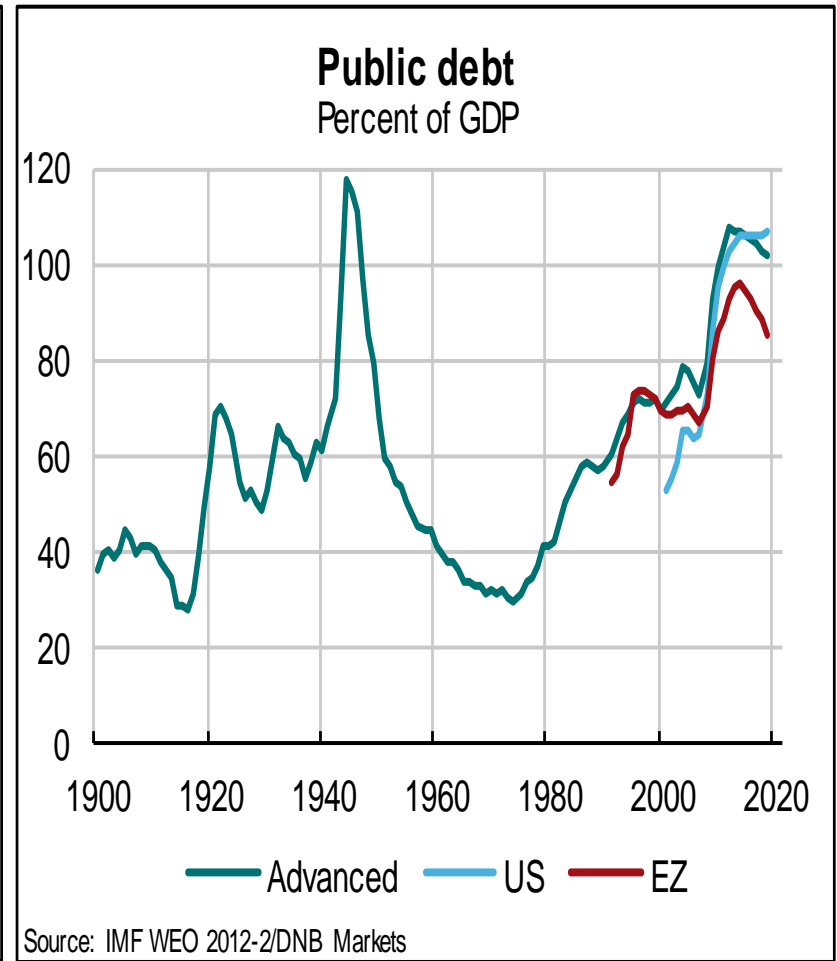
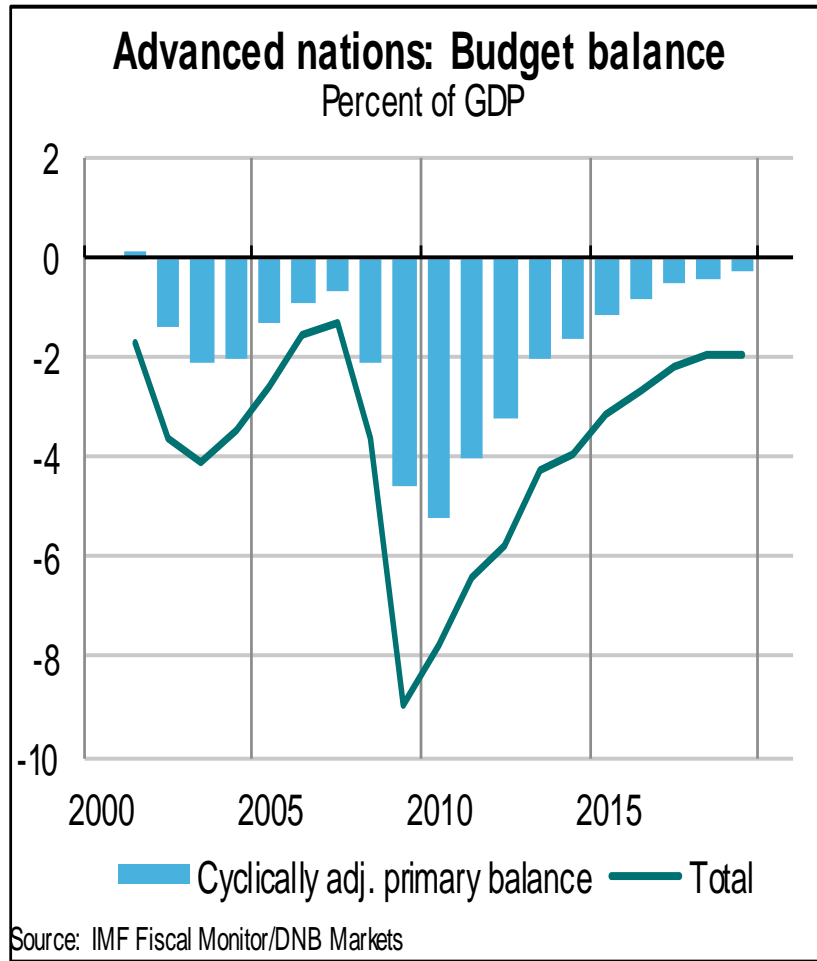
# Few countries escape the «middle income trap»

WB: *Growing up is hard to do. From made in to created in.*



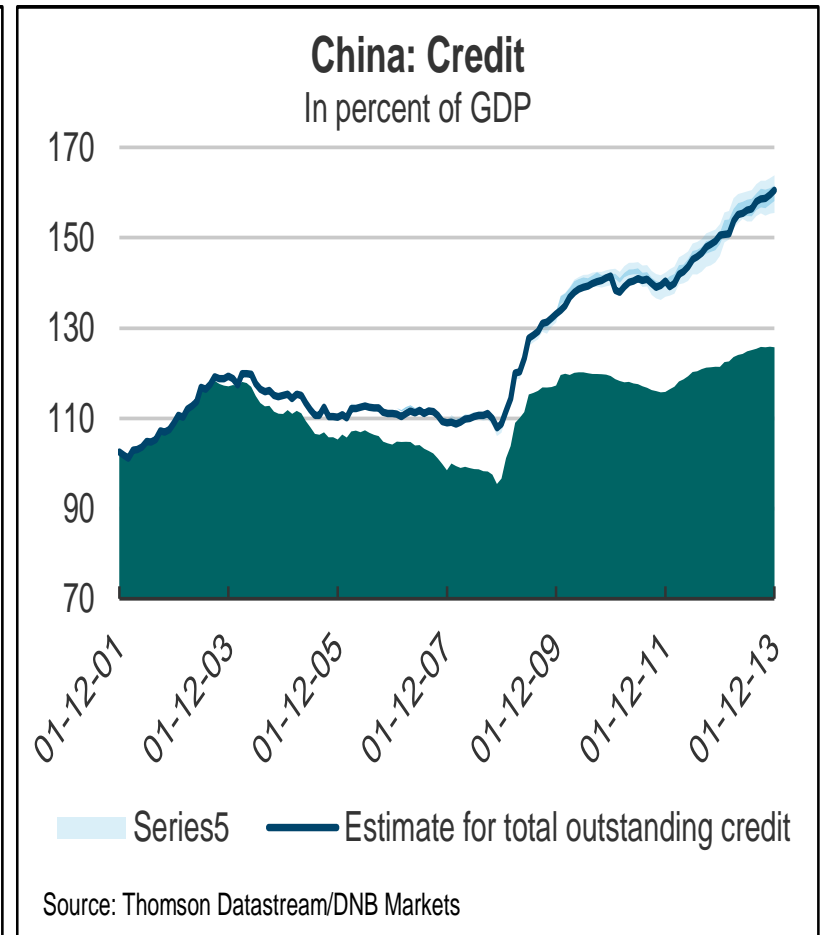
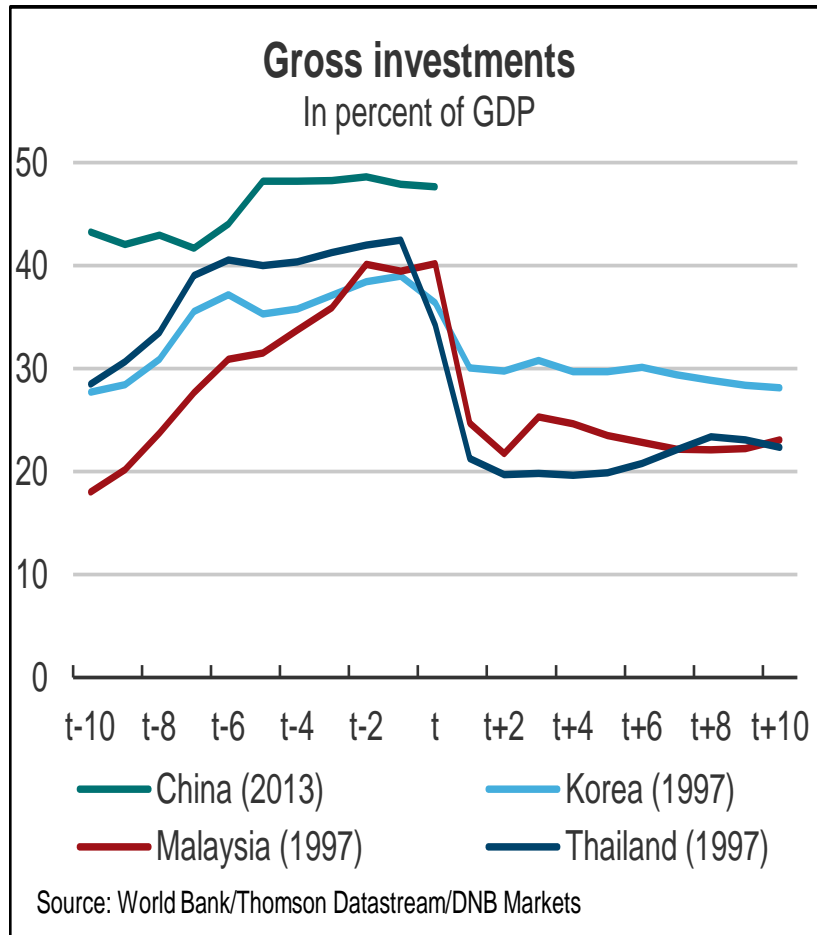
# Budget cuts. But debt is «stuck»

Five ways out: Growth, budget cuts, inflation, repression, «default»



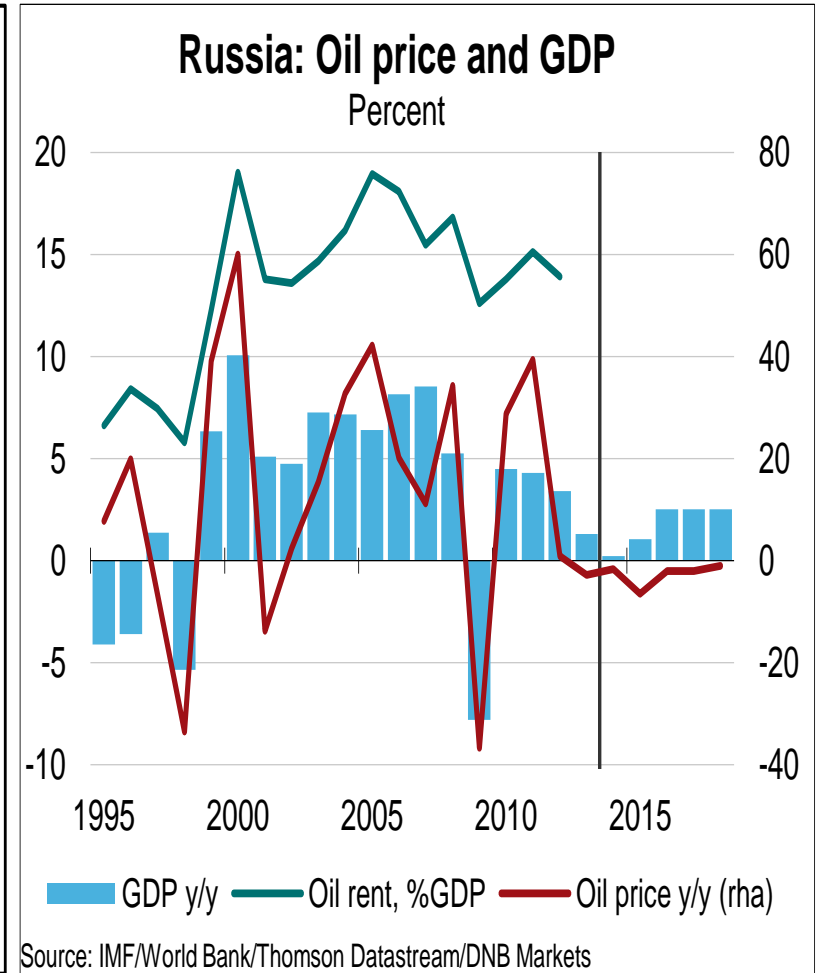
# Unbalanced China

But authorities apparently letting air out of the bubble



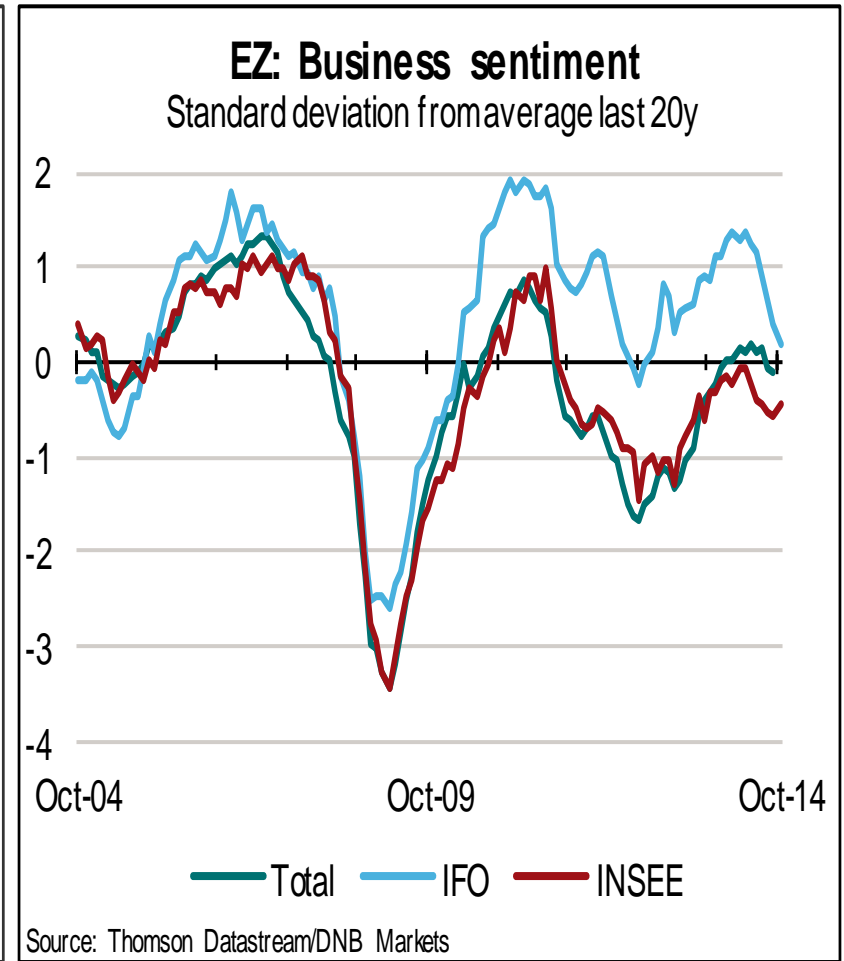
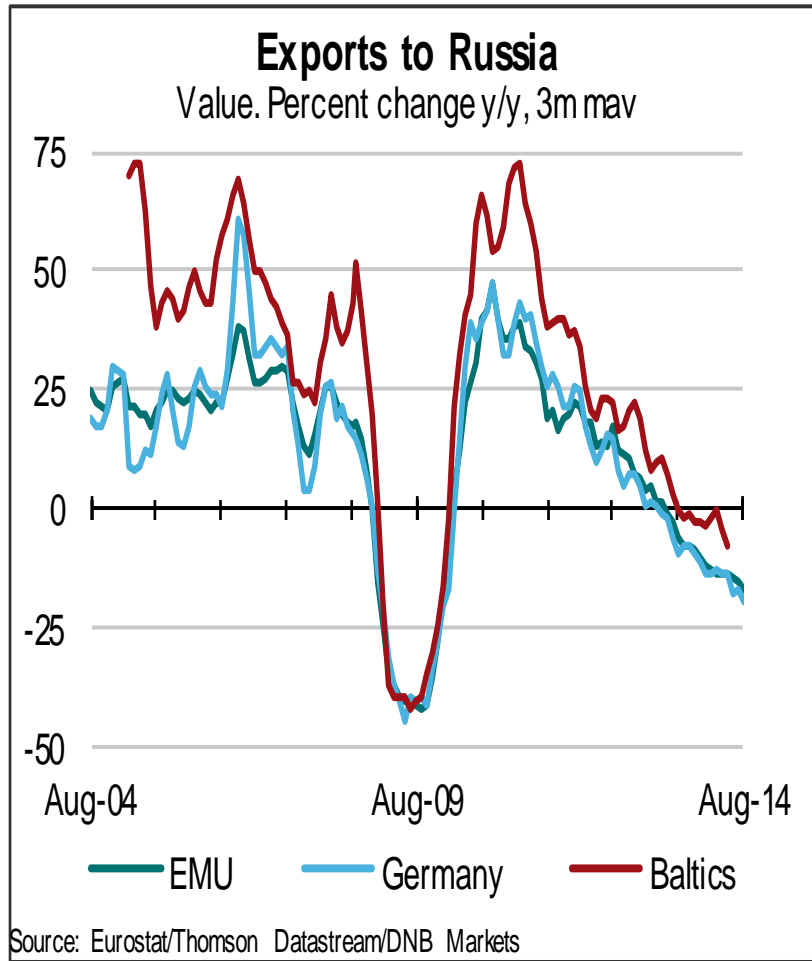
# And then there's Russia...

Oil rent 15% of GDP 1998-2012. 'All' spent. GDP 7%/yr 1998-08. P.c.c. 9¼%



# Trade: Sixth largest, but small impact

Exports to Russia 2% of EZ-GDP. Energy imports. More uncertainty.



## Summing up: Modest, but positive growth

- Multi-speed recovery: 2% - 3½% - 5½%
- Gradually reducing imbalances after the crisis
- But the advanced nations still have a long way to go
- Inflation and interest rates to remain low
- Globalisation to continue, with steadily higher GDP/capita
- Many risks:
  - «Geopolitical uncertainty»: Russia, Middle East
  - Huge public debt mountains
  - Less spare capacity/faster hikes in the US
  - Long-term: Stuck in the middle-income trap?



Thanks! Questions?

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