

# **The Global Economy: Demand, Supply and Interdependence**

**Jason Furman**

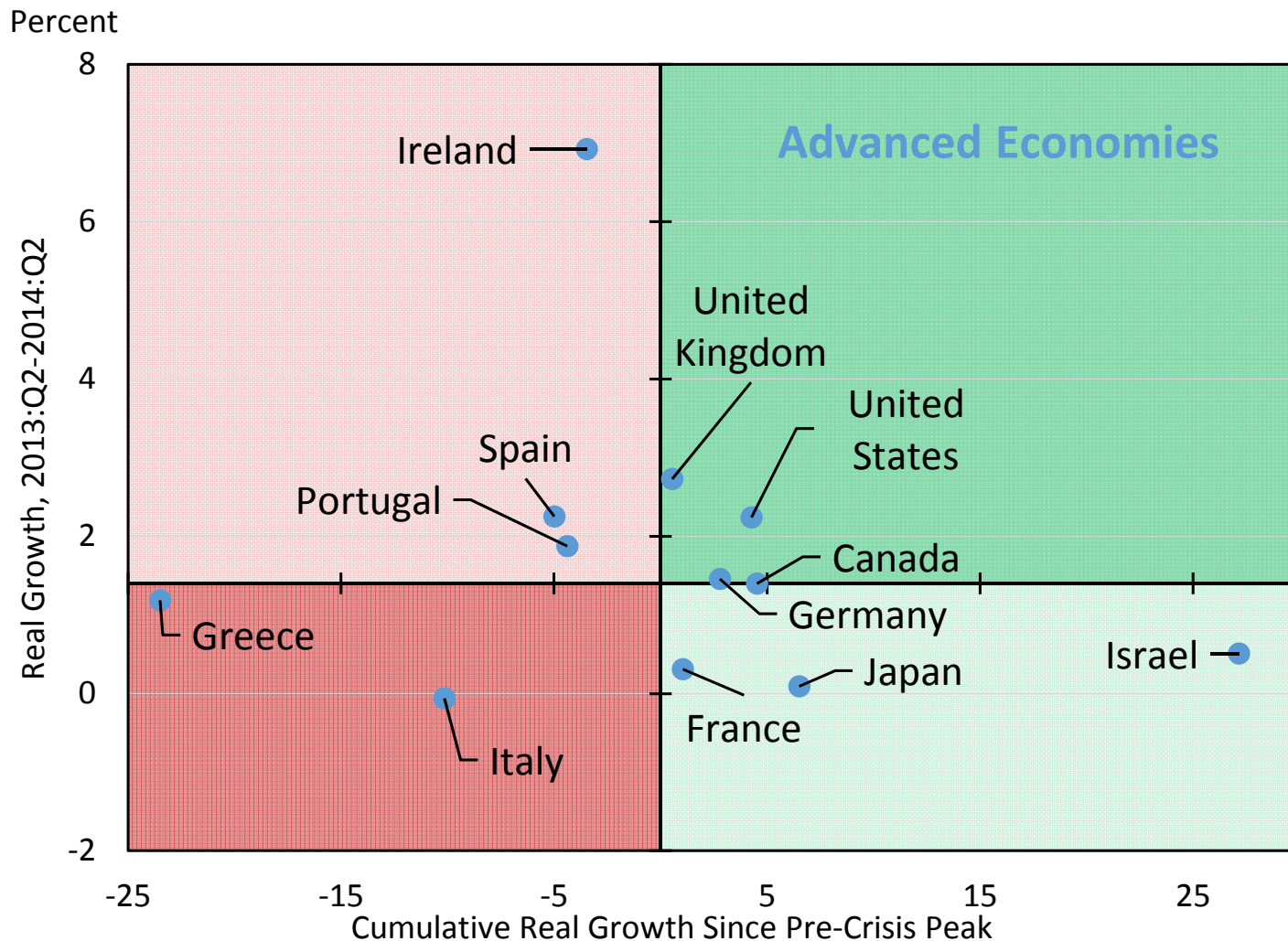
**Chairman, Council of Economic Advisers**



**Globes Israel Business Conference  
December 7, 2014**

# Advanced Economies Vary Enormously by Recovery From the Crisis and by Current Growth Rates

**GDP per Working Age Population, Recent Growth vs. Recovery**

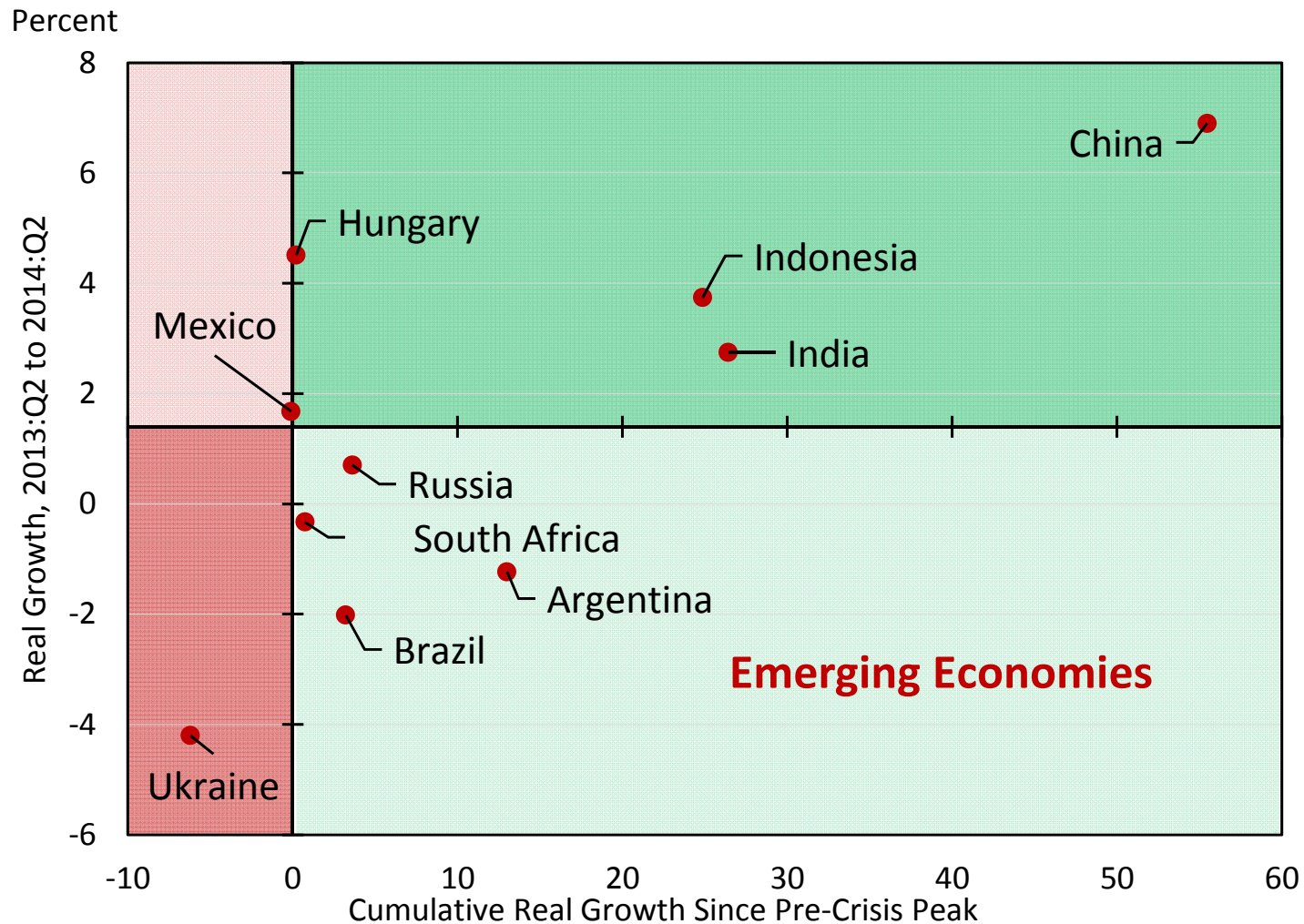


Note: Working-age population is defined as those persons 16 to 64 years of age in the United States, and 15 to 64 elsewhere. In countries where population is estimated on an annual basis, quarterly interpolations are used. Data as of 2014:Q3 for the United States, 2014:Q2 for all others. Where recent data on working-age population is unavailable, the working-age share of the total population is assumed to remain constant from 2013. Horizontal axis is positioned at the median recent growth rate.

Source: Eurostat; World Bank; national sources; CEA calculations.

# Most Emerging Markets Have Surpassed Their Pre-Crisis Output Peaks, but Current Growth Rates Vary Widely

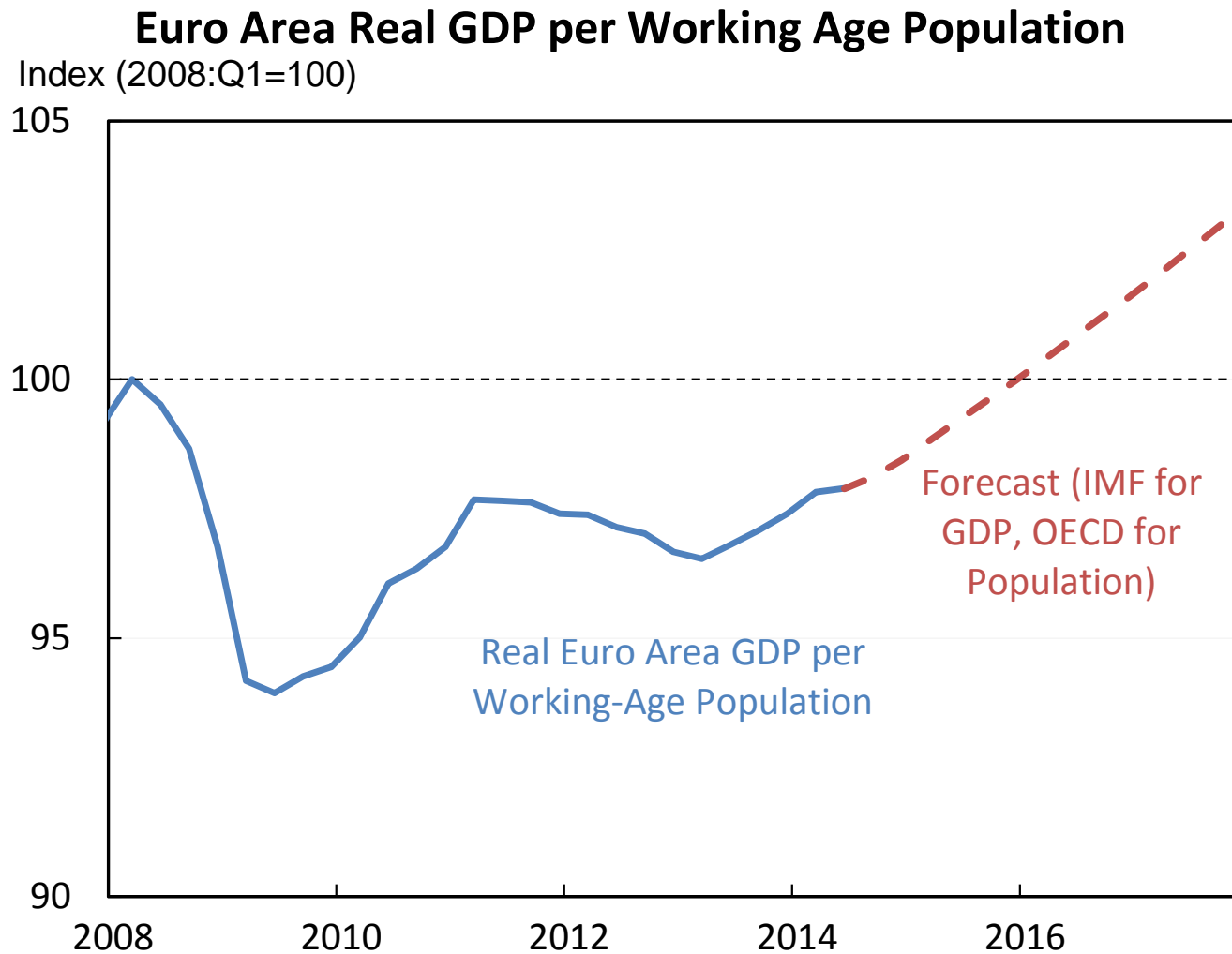
**GDP per Working Age Population, Recent Growth vs. Recovery**



Note: Working-age population is defined as those persons 15 to 64 years of age. In countries where population is estimated on an annual basis, quarterly interpolations are used. Data as of 2014:Q2. Where recent data on working-age population is unavailable, the working-age share of the total population is assumed to remain constant from 2013. Horizontal axis is positioned at the median recent growth rate.

Source: World Bank; national sources; CEA calculations.

# The Euro Area Risks Losing Nearly a Decade of Output Growth

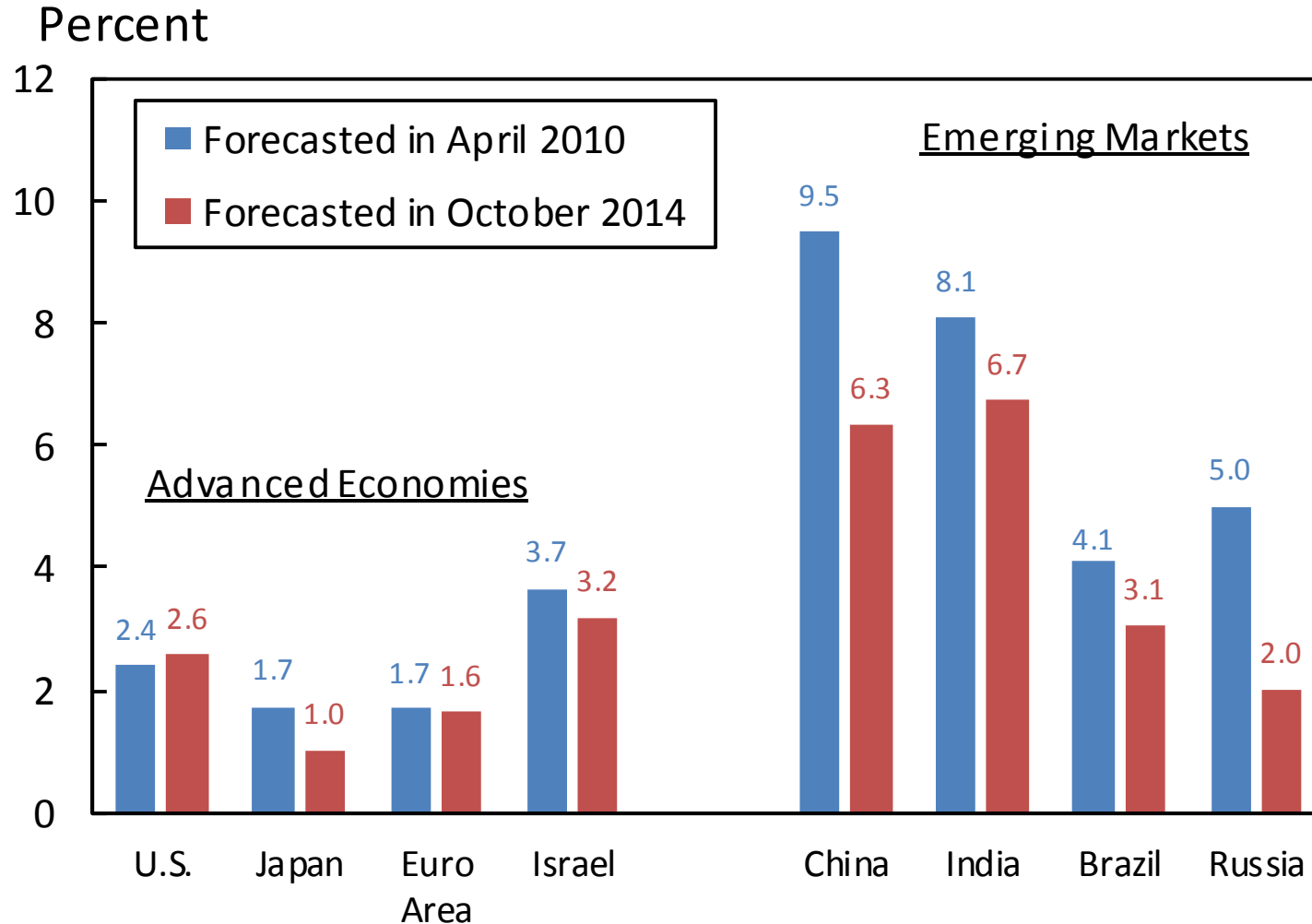


Note: Working-age population includes all person 15 to 64 years of age. The projection is calculated by CEA using growth projections from IMF and population projections from OECD.

Source: Eurostat; IMF; OECD.

# Downward Revisions to Growth Projections Have Been Especially Large in the BRIC Economies

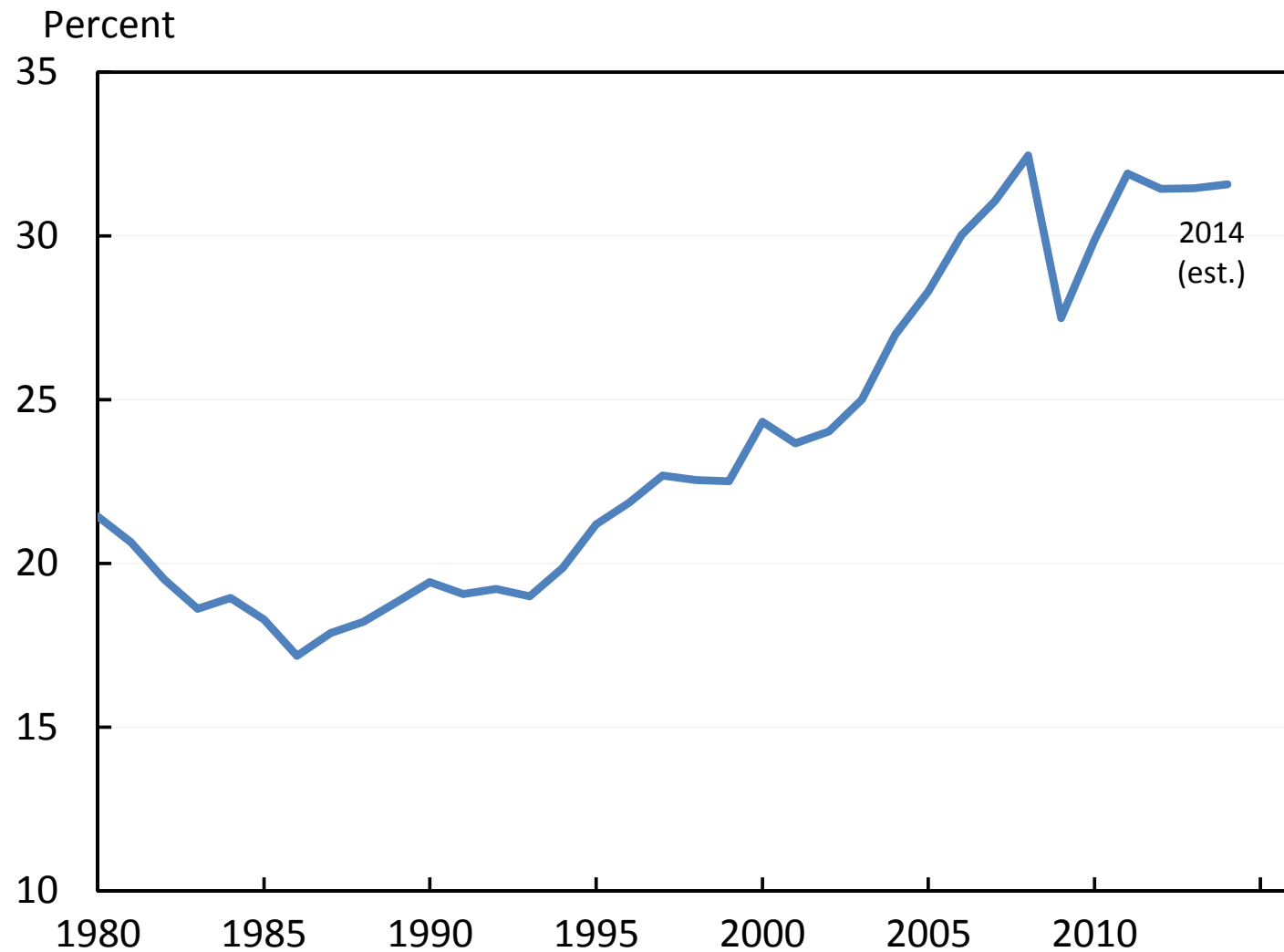
## Five-Year-Ahead Growth Forecasts in Selected Economies



Note: Five-year-ahead forecast is for year-over-year growth in 2015 (blue bars) and 2019 (red bars).  
Source: International Monetary Fund, World Economic Outlook (April 2010 and October 2014 editions).

# Global Trade as a Percent of GDP Has Plateaued Over the Last Three Years

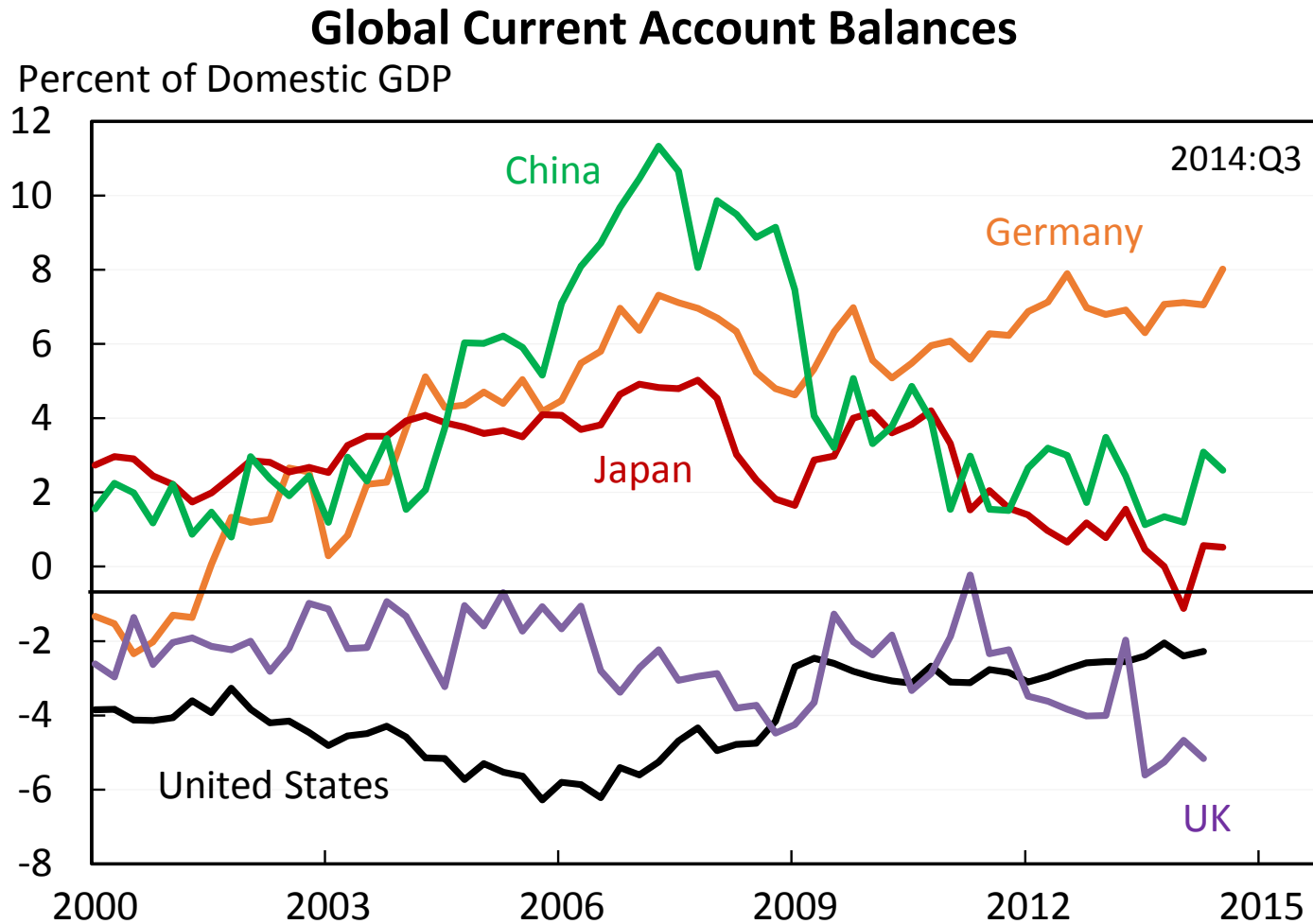
## Global Goods & Services Exports as a Percent of GDP



Note: See notes in text.

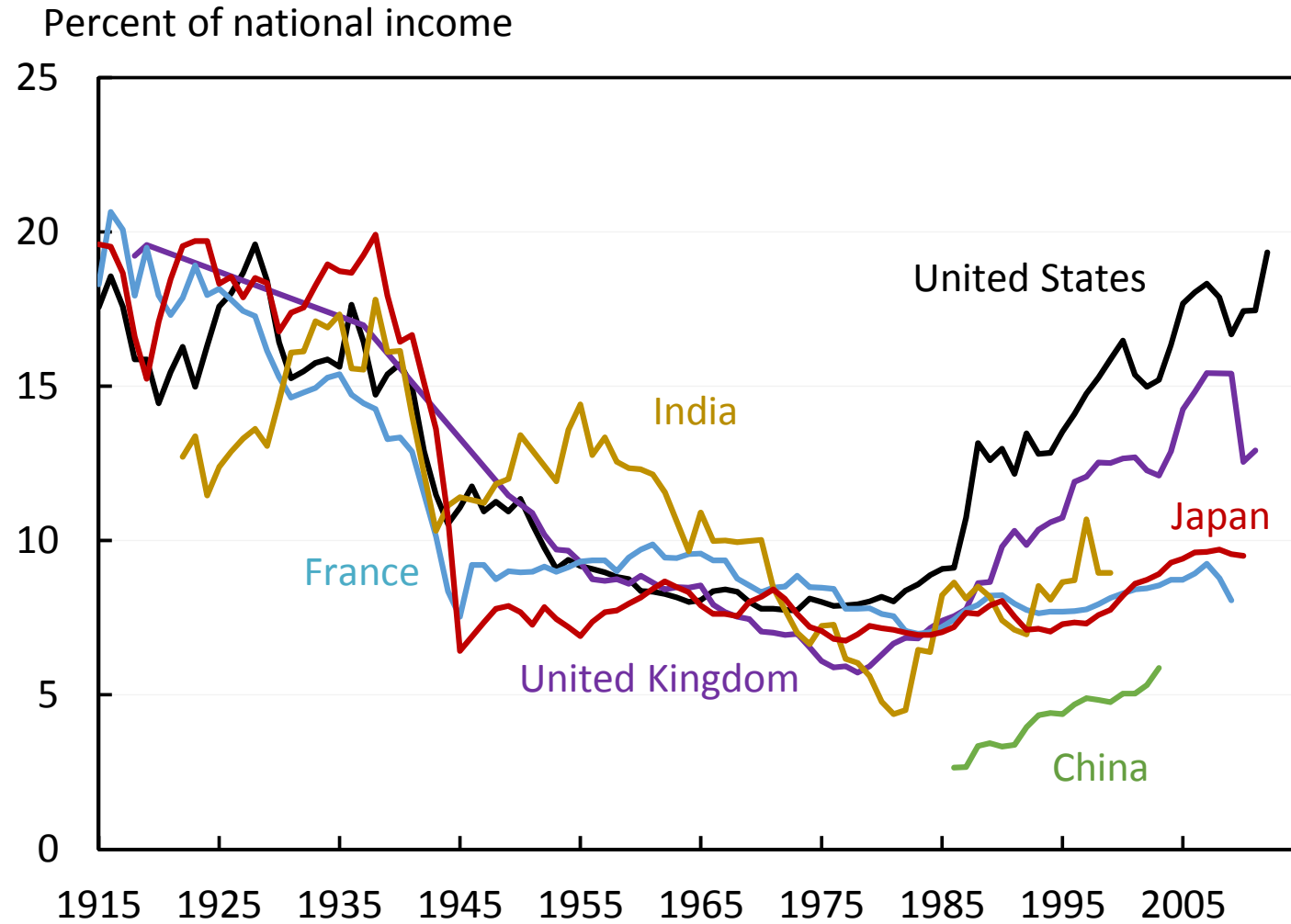
Source: World Bank, World Development Indicators; United Nations Conference on Trade and Development; CBP World Trade Monitor (data through September 2014); International Monetary Fund, World Economic Outlook (October 2014 edition).

# Current Account Balances Have Recently Narrowed, with the Notable Exceptions of Germany and the United Kingdom



# The Income Share of the Top Percentile Has Increased in Many Countries

## Top 1 Percent Income Share





# Global Inequality Has Remained Stable Since the 1990s

## International and Global Inequality

Gini Coefficient

