Challenges to India from the global economic upheavals

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The 7th NCAER C. D. Deshmukh Lecture

January 15, 2019

NCAER India Centre, New Delhi
Challenges to India

“Protection will lead to great prosperity and strength.”
Donald Trump, Inaugural Address, 20th January 2018.

“संरक्षण से महान समृद्धि और शक्ति पैदा होगी।”
Google translation
Challenges to India from Economic Upheavals

● Global Economic Upheavals
  ○ From Great Divergence to Asian Convergence
  ○ Transformation of International Relations
  ○ Erosion of the Liberal International Order
  ○ Revolution in Artificial Intelligence
  ○ Looming climate crisis

● Challenges to India
  ○ Meeting Global Challenges
  ○ Managing Domestic Implications

● India in a changing world
1.1. From Great Divergence to Asian Convergence
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CHART 2: SHARES IN WORLD GDP AT MARKET PRICES
(IMF, WEO Database)
1.1. From Great Divergence to Asian Convergence

CHART 3: SHARES IN WORLD GDP AT PURCHASING POWER PARITY
(Source: IMF, WEO database)
1.1. From Great Divergence to Asian Convergence

CHART 4: RATIOS OF GDP PER HEAD TO THAT OF THE US, RANKED IN 2018 (at purchasing power parity)
1.2. Transformation of International Relations

Strategic rivals of the US compared

Per cent of US level

- USSR in the 1980s*
- China now*

- GDP (at purchasing power parity)
- GDP per head (at PPP)
- Population
- Military spending
- Exports


Source: The Conference Board (GDP & population), SIPRI (military spending), IMF DOT (exports)  
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1.3. Erosion of the Liberal International Order

CHART 6: FINANCIAL ASSETS AND TRADE (as a per cent of GDP)
(Source: BIS)
1.3. Erosion of the Liberal International Order

CHART 7: GROWTH OF THE VOLUME OF GLOBAL OUTPUT AND TRADE
(previous five-year average)
1.3. Erosion of the Liberal International Order

Where the trade war might go

Bilateral tariffs (weighted averages, \%)

- **US on imports from China**
- **China on imports from the US**
- **US on imports from the EU**
- **EU on imports from the US**

Source: Bank of England © FT
1.3. Erosion of the Liberal International Order

Trade war heats up

US imports subject to tariffs ($bn)

- Total proposed
- Of which, implemented

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1.3. Erosion of the Liberal International Order

1.3. Erosion of the Liberal International Order

1.5. Looming climate crisis

*Estimated global greenhouse gas emissions
In gigatons, CO2 equivalent

*Expected temperature change by 2100, versus period before Industrial Revolution
**Based on intended nationally determined contributions submitted to UNFCCC by Oct. 1

SOURCE: Climate Action Tracker