Emerging Powers and Global Governance

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International Monetary Fund

9th CUTS 30th Anniversary Lecture
September 23, 2013
Washington DC
Emerging Powers and Global Governance

I. Background: A Historical View
II. Evolution of Global Economic Policy
III. Growth of Emerging Markets
IV. Changes in Global Economic Governance
Long-term Growth Overview:
Per capita income (USA relative to Select Economies)

Asian Tigers: 
Per capita income (USA relative to Select Economies)


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## China and India: Recent Growth Indicators

<table>
<thead>
<tr>
<th></th>
<th>1980</th>
<th>1990</th>
<th>2000</th>
<th>2010</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CHINA</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Per capita income (PPP $)</td>
<td>251</td>
<td>796</td>
<td>2379</td>
<td>7553</td>
<td>16231</td>
</tr>
<tr>
<td>GDP-PPP (US $ billion)</td>
<td>248</td>
<td>910</td>
<td>3015</td>
<td>10128</td>
<td>22641</td>
</tr>
<tr>
<td>GDP-PPP (% of US)</td>
<td>9</td>
<td>16</td>
<td>30</td>
<td>70</td>
<td>107</td>
</tr>
<tr>
<td>Growth Rate (Decadal average, %)</td>
<td>7.4</td>
<td>9.8</td>
<td>10.0</td>
<td>10.3</td>
<td></td>
</tr>
<tr>
<td>Openness (Exports of goods and services, % to GDP)</td>
<td>10.6</td>
<td>16.1</td>
<td>23.3</td>
<td>30.6</td>
<td></td>
</tr>
<tr>
<td><strong>INDIA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per capita income (PPP $)</td>
<td>419</td>
<td>883</td>
<td>1534</td>
<td>3378</td>
<td>5834</td>
</tr>
<tr>
<td>GDP-PPP (US $ billion)</td>
<td>286</td>
<td>745</td>
<td>1571</td>
<td>4022</td>
<td>7718</td>
</tr>
<tr>
<td>GDP-PPP (% of US)</td>
<td>10</td>
<td>13</td>
<td>16</td>
<td>28</td>
<td>37</td>
</tr>
<tr>
<td>Growth Rate (Decadal average, %)</td>
<td>2.9</td>
<td>5.7</td>
<td>5.7</td>
<td>6.9</td>
<td></td>
</tr>
<tr>
<td>Openness (Exports of goods and services, % to GDP)</td>
<td>6.0</td>
<td>6.9</td>
<td>12.8</td>
<td>21.9</td>
<td></td>
</tr>
</tbody>
</table>

*Source: World Economic Outlook Database (April 2013), IMF; and WDI, World Bank.*
Continuous increase in EDEs and BRICS share in world GDP; EDEs share now equals AEs. And, EDE shares expected to continue increasing ...

*Source: World Economic Outlook Database (April 2013), IMF.*
Per capita GDP (based on PPP) ($)

…. Given their still low income levels.

Source: World Economic Outlook Database (April 2013), IMF.
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Industry, value added (% to total)

1990
- G7: 64%
- BRICS: 9%
- Rest of World: 27%

2008
- G7: 43%
- BRICS: 20%
- Rest of World: 37%

Industry, value added (US$ billion)


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Exports of goods and services (% to total)

1990

- G7: 50%
- BRICS: 6%
- Rest of World: 44%

2011

- G7: 33%
- BRICS: 17%
- Rest of World: 50%

Exports of goods and services (US$ billion)

World Metals Consumption (million tons)

Source: World Economic Outlook (April 2013), IMF.
Mobile cellular subscriptions (% to total)

1995

- G7: 25%
- BRICS: 6%
- Rest of World: 69%

2011

- G7: 13%
- BRICS: 41%
- Rest of World: 46%

Mobile cellular subscriptions (Millions)

Population (% to total)

1990

- G7: 47%
- BRICS: 40%
- Others: 13%

2018

- G7: 48%
- BRICS: 42%
- Others: 10%

Source: World Economic Outlook Database (April 2013), IMF.
Demographics: Ages 15-64 years: Shares in total (%)

- World: 63.0 (2000), 64.0 (2050)
- More developed regions: 67.4 (2000), 58.4 (2050)
- Less developed regions: 61.9 (2000), 64.9 (2050)

...Given their demographic profile in favor of working age population.

*Source: World Population to 2300, United Nations.*

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</thead>
<tbody>
<tr>
<td>1   US</td>
<td>32.0</td>
<td>21.2</td>
<td>17.6</td>
<td>17.7</td>
</tr>
<tr>
<td>2   UK</td>
<td>15.1</td>
<td>7.4</td>
<td>6.3</td>
<td>6.6</td>
</tr>
<tr>
<td>3   Taiwan</td>
<td>6.4</td>
<td>5.4</td>
<td>6.2</td>
<td>6.1</td>
</tr>
<tr>
<td>4   France</td>
<td>6.1</td>
<td>4.8</td>
<td>5.1</td>
<td>4.5</td>
</tr>
<tr>
<td>5   India</td>
<td>4.7</td>
<td>4.2</td>
<td>5.1</td>
<td>4.5</td>
</tr>
<tr>
<td>6   Canada</td>
<td>3.5</td>
<td>3.4</td>
<td>3.3</td>
<td>4.0</td>
</tr>
<tr>
<td>7   Netherlands</td>
<td>3.2</td>
<td>3.1</td>
<td>3.3</td>
<td>3.3</td>
</tr>
<tr>
<td>8   Belgium</td>
<td>2.6</td>
<td>3.0</td>
<td>3.0</td>
<td>2.9</td>
</tr>
<tr>
<td>9   Australia</td>
<td>2.3</td>
<td>2.9</td>
<td>2.8</td>
<td>2.7</td>
</tr>
<tr>
<td>10  Italy</td>
<td>2.1</td>
<td>2.4</td>
<td>2.4</td>
<td>2.5</td>
</tr>
<tr>
<td>11  Brazil</td>
<td>1.7</td>
<td>2.2</td>
<td>2.2</td>
<td>2.4</td>
</tr>
<tr>
<td>12  South Africa</td>
<td>1.2</td>
<td>2.0</td>
<td>2.2</td>
<td>2.2</td>
</tr>
<tr>
<td>13  Mexico</td>
<td>1.0</td>
<td>1.7</td>
<td>2.0</td>
<td>1.9</td>
</tr>
</tbody>
</table>

*Source: IFS, IMF.*
IMF Quota Shares (%) : Historical

Source: IFS, IMF.
IMF Quota Shares (%): Recent Reforms

But, only modest increase in EDEs and BRICS share in quotas in IFIs.

*Source: IMF.*
EDEs and BRICS share in quotas well-below their GDP shares

Source: IMF.
Long-term GDP Projections:
GDP at 2005 PPP (USD billion)

Source: Economic Outlook No 91 - Long-term baseline projections Dataset, OECD (June 2012).
Long-term GDP Projections:
GDP at 2005 PPP (% to World GDP)

Source: Economic Outlook No 91 - Long-term baseline projections Dataset, OECD (June 2012).
G7 and G20 Economies

**G7 Countries**
- Canada
- France
- Germany
- Italy
- Japan
- UK
- US

**G20 Countries**
- **G7 plus**
  - Argentina
  - Australia
  - Brazil
  - China
  - India
  - Indonesia
  - Korea
  - Mexico
  - Russia
  - Saudi Arabia
  - South Africa
  - Turkey

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THANKS