

Gamechangers: tomorrow's world?

Key ways the world has evolved since the pandemic, and the impact on HSBC's nine key themes

Automation:

Tight labour markets have prompted more firms to think about automating processes. Suppliers of the necessary technology continue to evolve, and some products are seeing less demand.

Demographics:

Birth rates have started dropping quickly, and more people are living longer, particularly in EM. Population change is being disproportionately impacted by migration.

Digital Finance:

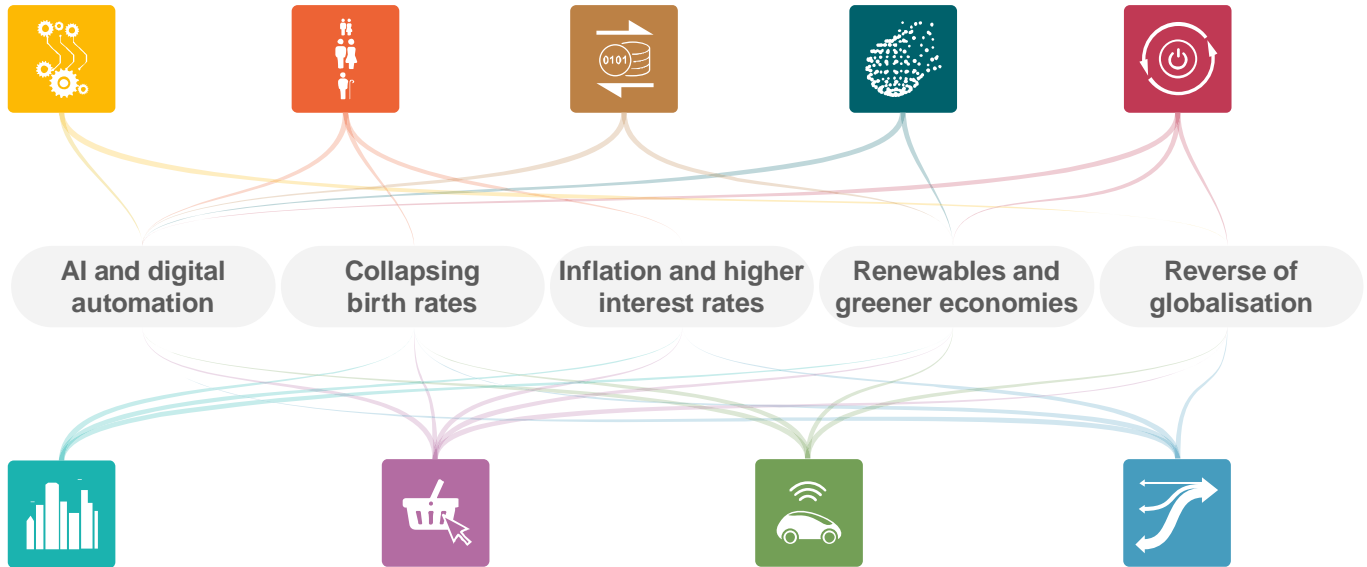
Shift from cash to electronic payments are now here to stay, with huge diversification in digital payment methods. Central bank digital currency (CBDC) is emerging globally.

Disruptive Technology:

WFH accelerated immersive tools like VR and AR, and changed the path for the future of drones. Re-emergence of older failed technologies in newer tech stacks (3D TVs and Palm Pilots etc).

Energy Transition:

Investment in the low carbon hydrogen space have accelerated post pandemic, and refocused attention on supply chain resiliency. Bio-based plastics/pollution solutions have stalled.



Future Cities:

Changing nature of work has transformed cities. Urbanisation in EM continues apace, with key infrastructure lagging. More spending is needed to insulate cities from climate change.

Future Consumer:

Post-COVID acceleration in digital purchasing and casualisation of clothing at the expense of formal attire. ESG issues were important before the pandemic but have intensified.

Future Transport:

Adoption of electric vehicles continues to grow quickly, and transport mixes are diversifying. Whilst there are more cars owned, miles driven appears to be lower.

Trade Flows:

Pandemic accelerated trade in digital services and rising geopolitical tensions has led to the return of industrial subsidies. US no longer pursuing comprehensive trade deals.

Which means today's world is very different from the past

	1970s	1990s	2010s	2020s
Developed Market share of global GDP	80%	83%	65%	61%
Share of world's population aged 65+	5.5%	6.4%	8.3%	+10.5%
Share of car sales that are electric	0%	0%	1-3%	+14%
Share of working days worked remotely (US)	0%	1-2%	5-6%	+30%

Source: IMF, UN, World Bank, WFH Research, HSBC