An economic peek at ‘The World in 2014’

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In the coming year, the economic pickup in the developed world will continue to build, a theme echoed by many of the experts at *The Economist*’s “The World in 2014 Summit” in New York last week. “Consumers will feel better; businesses should feel better,” said Leo Abruzzese of The Economist Intelligence Unit. 2014 will be the first year in four years that the U.S., the euro zone and Japan will grow concurrently, the global forecasting director said. Abruzzese believes the U.S. will finally regain the jobs lost during the Great Recession by midyear, although the types of jobs will be different.

Gerald Hassell, chairman and chief executive of Bank of New York Mellon, assured attendees that American financial institutions are very healthy, saying they are poised to help stimulate growth. Another positive step will be the normalization of interest rates, he and other experts said, pointing to the depressing effect that interest rates have had on the labor market. “We have to continue to be hungry in terms of our capitalistic environment,” Hassell said, adding that he would double down and bet on America any day. Meanwhile, Carly Fiorina stressed that “the emphasis on adaptability in American business in 2014 is crucial to survivability and success.”

While investors are starting to see recovery in the developed world, they’re questioning the emerging markets, where growth is slowing, Abruzzese said. The G4 (the U.S., U.K., Germany and Japan) will contribute more to global growth than the BRICs in 2014. Looking at China, Abruzzese expressed concern over its banking bubble, asking if the government will be able to deflate the bubble before it pops.

Turning to technology, Twitter co-founder Biz Stone spoke on our tech-enabled interconnectedness. “Four degrees of separation is the new standard,” he said. While Stone didn’t reveal much about his soon-to-launch startup Jelly, he explained that he’s trying to make the most of this new phenomenon. “The true promise of a connected society is people helping other people,” he said. “It will breed an empathy—the ability to see the world through someone else’s eyes.” Stone’s prediction for the year ahead: More meaning in marketing and meaning baked in to products and services, catering to the “enlightened consumer.”