

# Towards 2050

## Megatrends In Industry, Politics And The Global Economy

2020 Edition Report Summary



Welcome to the 2020 edition of our special report, **Towards 2050: Megatrends In Industry, Politics And The Global Economy.**

*a review of the industry, political and economic megatrends we have identified in this edition indicates that some may be amplified and others accelerated in the post-Covid 19 world.*

As we begin the 2020s, the world is in the grip of the Covid-19 pandemic, which has brought about unprecedented levels of disruptions to societies and economies in peacetime.

While it is too soon to say with any degree of conviction what the world will look like after this pandemic, a review of the industry, political and economic megatrends we have identified in this edition, and which remain broadly similar to those of previous editions, indicates that some may be amplified and others accelerated in the post-Covid 19 world. The shift to the digitally connected economy, for instance, is playing out on a global scale, suggesting that the pace of roll out of technologies like the Internet of Things (IoT), Automation & Robotics and AI may accelerate as new economic and industry norms take shape.

Looking ahead to 2050, we are anticipating a pause and partial reversal of globalisation, although we also see the possibility of a revival after 2030, led by China and propagated along the 'Belt and Road'. We also anticipate the world becoming considerably more multi-polar, as other powers gain geopolitical and economic clout. The entire world order will become much more unstable, as a greater number of powerful actors with greater geographic interests come into dispute with one another, and alliances become more 'tactical' in nature. The increasing complexity of the world means that there will not be an overarching paradigm. At the same time, the world will increasingly need to adjust to demographic ageing and climate change, which will test governments to their limits. New challenges mean that political ideologies and societies will have to adjust accordingly. We hope that this special report will provide insight and context as we head towards a nebulous post-Covid-19 world order and will help our readers identify patterns of change in economies and industries that may become especially pertinent and impactful in the coming years.

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# Global Industry Megatrends To 2050

## Industry Megatrends In A Post-Covid-19 World: Shifts Accelerated And Megatrends Amplified

We are publishing the third edition of our Megatrends to 2050 Special Report during an unprecedented disruption to global society and economy due to the Covid-19 pandemic. This pandemic is a 'black swan' event of the kind that we warned in our previous editions (2016, 2018) that could disrupt the business-as-usual assumptions that define industries and their outlooks.

While we conducted our research and analysis of Industry Megatrends to 2050 over late 2019 and early 2020, prior to the rapid spread of the virus worldwide, we have adjusted this introduction to highlight industry megatrends we identified that may prove to be especially relevant in the years and decades ahead, in the long-term aftermath of the Covid-19 pandemic.

The objective of our research and analysis of Megatrends to 2050 has been to consider how macro megatrends, such as Globalisation, Urbanisation, Technological Transformation and Demographic Shifts will manifest themselves at an industry level over a long-term horizon. In particular, we have contemplated how they will affect and shape the future of sectors such as pharmaceuticals, energy, automotives and agribusiness over the coming three decades and provide a long-term, strategic trajectory on how different industries will develop.

**While it may be too early to give a view on what the future holds with conviction, reflecting on the industry megatrends we have identified, the vast majority not only remain as relevant as prior to the pandemic, but we see scope for some to be amplified and accelerated, possibly playing out at a faster pace than we may have expected before.** Where we had anticipated slow development and intransigence with regards to the roll out of new technologies or shifts to new ways of working or consumption for instance, we now expect the pace to potentially quicken. This is especially so for the broader digital transformation and deployment of new technologies across industries, shifting consumer habits online and even changing dietary preferences, and likely accelerating the focus on low carbon issues.

It is important, though, to make the distinction between short-, medium- and long-term trends, particularly in the context of this report, where our horizon is 30 years ahead. Undoubtedly there will be challenges and difficulties in the months and years immediately after the pandemic subsides. In the context of this report's time horizon we would consider this to be the short-term time frame. In addition to the human life toll this pandemic is claiming, the spike in unemployment, loss of opportunity and deep economic recession will necessitate difficult choices for policy makers, governments and companies to return to a degree of growth. It remains to be seen what effect the stimulus plans announced by several governments will have and to what extent they will be successful in buttressing the collapse of industries and overall economic activity. Shifts in timelines for investments and spending will be inevitable in several industries, particularly those with heavy capex plans like Autos, Mining, Construction/ Infrastructure, Power and Oil and Gas (O&G). Therefore, especially for these industries, we see a reduction and loss of momentum in overall diversification and investment efforts in the months and possibly years immediately following the Covid-19 pandemic. The megatrends we have identified for these sectors remain relevant for the long term however and this is the context we urge in which to consider them.

In the aftermath of this pandemic we may see new behaviours around working life, travel, corporate and government practices become the norm, which will create a break in the business-as-usual trajectory for economies, societies and politics around the world for years, if not decades to come, and set up a new trendline around growth and outlook.

We believe the industry megatrends identified in this report will remain relevant in the coming decades and some will be accelerated. Therefore, their analysis becomes even more pertinent in this new context.

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