

Report: Asian economies will surpass US, Europe

December 10 2012, by Kimberly Dozier

The United States could see its standing as a superpower eroded and Asian economies will outstrip those of North America and Europe combined by 2030, according to the best guess of the U.S. intelligence community in its latest forecast.

"The spectacular rise of Asian economies is dramatically altering ... U.S. influence," said Christopher Kojm, chairman of the National Intelligence Council, as it released the [report Global Trends 2030](#) on Monday.

The report is the [intelligence community](#)'s analysis of where current trends will take the world in the next 15 to 20 years. Its release was timed for the start of a new presidential administration and it is aimed at helping U.S. policymakers plan for the future.

The report also predicted the U.S. will be energy independent.

The study said that in a best-case scenario, Americans, together with nearly two-thirds of the world's population, will be middle class, mostly living in cities, connected by advanced technology, protected by advanced health care and linked by countries that work together, perhaps with the United States and China cooperating to lead the way.

Violent acts of terrorism will also be less frequent as the U.S. drawdown in troops from Iraq and Afghanistan robs extremist ideologies of a rallying cry to spur attacks. But that will likely be replaced by acts like

cyber-terrorism, [wreaking havoc](#) on an [economy](#) with a keystroke, the study's authors say.

In countries where there are declining birth rates and an [aging population](#) like the U.S., economic growth may slow.

"Aging countries will face an uphill battle in maintaining living standards," Kojm said. "So too will China, because its median age will be higher than the U.S. by 2030."

The rising populations of disenfranchised youth in places like Nigeria and Pakistan may lead to conflict over water and food, with "nearly half of the world's population ... experiencing severe [water stress](#)," the report said. Africa and the Middle East will be most at risk, but China and India are also vulnerable.

That instability could lead to conflict and contribute to global economic collapse, especially if combined with rapid climate change that could make it harder for governments to feed global populations, the authors warn.

That's the grimmest among the "Potential Worlds" the report sketches for 2030. Under the heading "Stalled Engines," in the "most plausible worst-case scenario, the risks of interstate conflict increase," the report said. "The U.S. draws inward and globalization stalls."

"This is not inevitable," said lead study author Mathew Burrows. "In most cases, it's manageable if you take measures ... now."

Such steps could include decreasing wasting resources like water and increasing the efficiency of food production, he said.

Technology is seen as a potential savior to head off some of this conflict,

boosting economic productivity to keep pockets filled despite rising populations, rapid growth of cities and climate change.

Hand in hand with technology is cooperation between the competing states, the authors say. In the most plausible best-case outcome, the report said, "China and the U.S. collaborate," heading off global competition for resources that can lead to all-out conflict.

The report warns of the mostly catastrophic effects of possible "Black Swans," extraordinary events that can change the course of history. These include a severe pandemic that could kill millions in a matter of months and more rapid climate change that could make it hard to feed the world's population.

Two positive events are also listed, including "a democratic China or a reformed Iran," which could bring more global stability.

One bright spot for the U.S. is energy independence.

"With shale gas, the U.S. will have sufficient natural gas to meet domestic needs and generate potential global exports for decades to come," the report said.

More information: On the web: www.dni.gov/nic/globaltrends

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