



econosphere

OUTLOOK FOR EXPORTERS
STRATEGY FOR YOUR FUTURE

Risks and Opportunities

Ontario Pork – Annual General Meeting

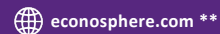
Delta Guelph Hotel and Conference Centre – March 19-20, 2024

Peter Hall

CEO, econosphere inc.

Senior Corporate Advisor

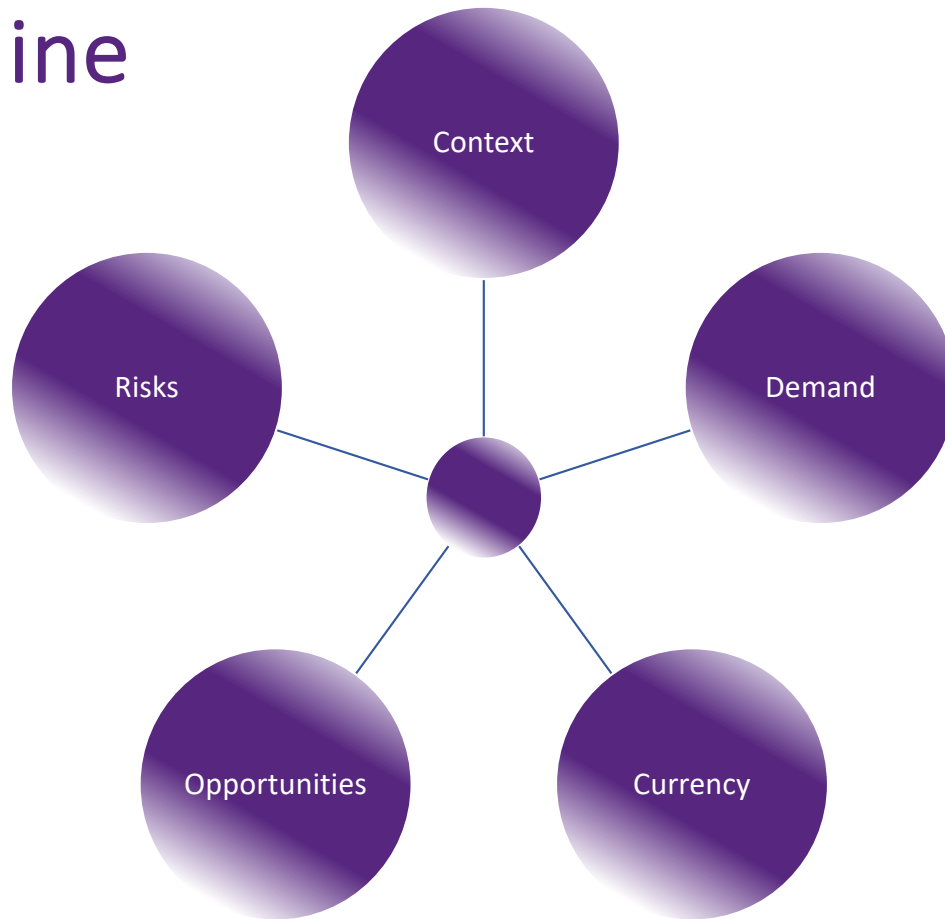
Fellow-in-Residence, C.D. Howe Institute



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STRATEGY FOR YOUR FUTURE



Outline



Context: Chaos and gloom

Post-GFC joblessness

Populism

Protectionism

Under-investment

Transnational conflict

Demographic squeeze

De-globalization

Pandemic

Environmental issues

Technology

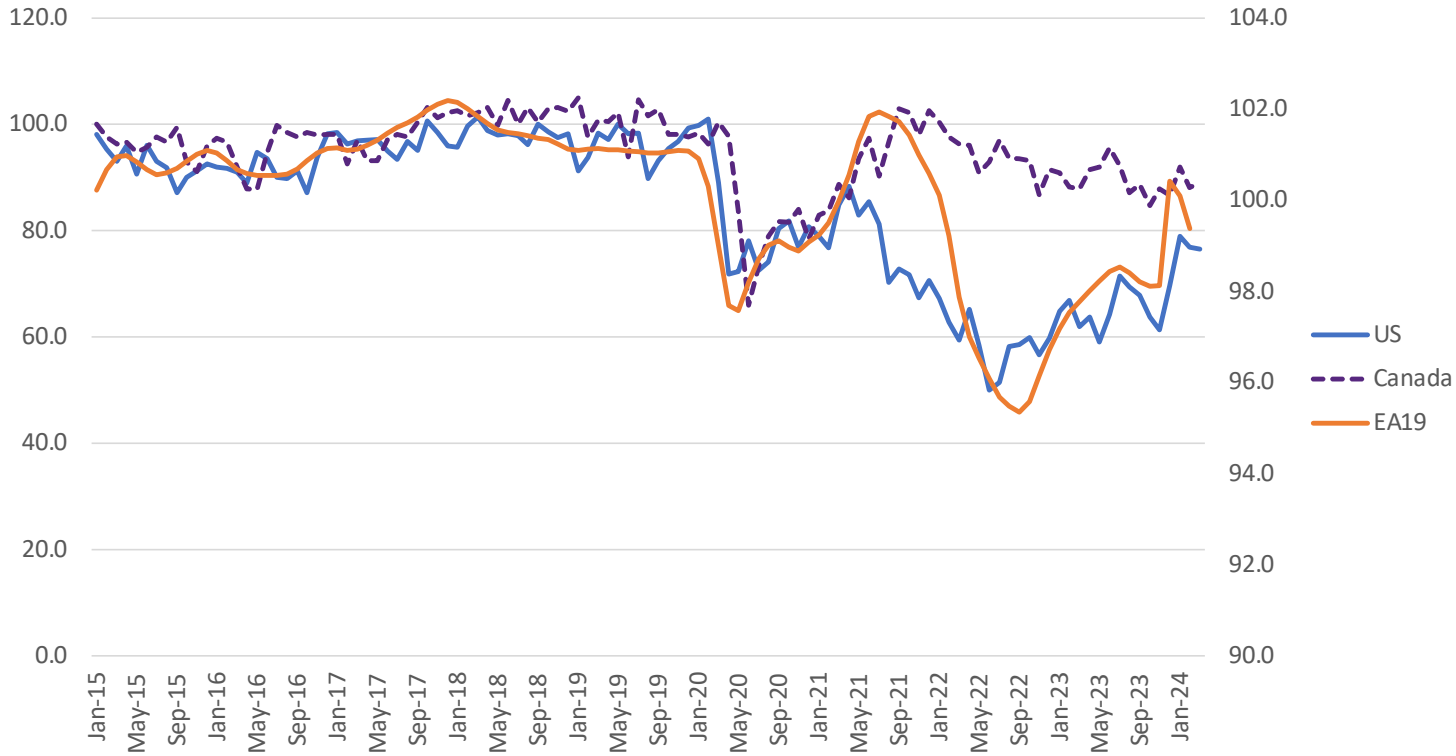
Institutional fragmentation

Inflation – interest rates – recession



Confidence: Well Below Normal

Consumer confidence indexes with base = 100



Sources: University of Michigan, Eurostat, IPSOS, econosphere.com

 econsphere.com

 [Peter Hall](#)

 [@PeterGHallXIII](#)

 [@peterhalleconosphere](#)



Demand: Another story?



NIKKEI

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Stock markets undergo 'risk reset' as indices notch new records

Belief grows in further gains with recession fears abating and improved corporate earnings

By **Jennifer Hughes** in New York and **George Steer** in London MARCH 12 2024

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America's extraordinary economy keeps defying the pessimists

Both Donald Trump and Joe Biden have ideas that endanger it



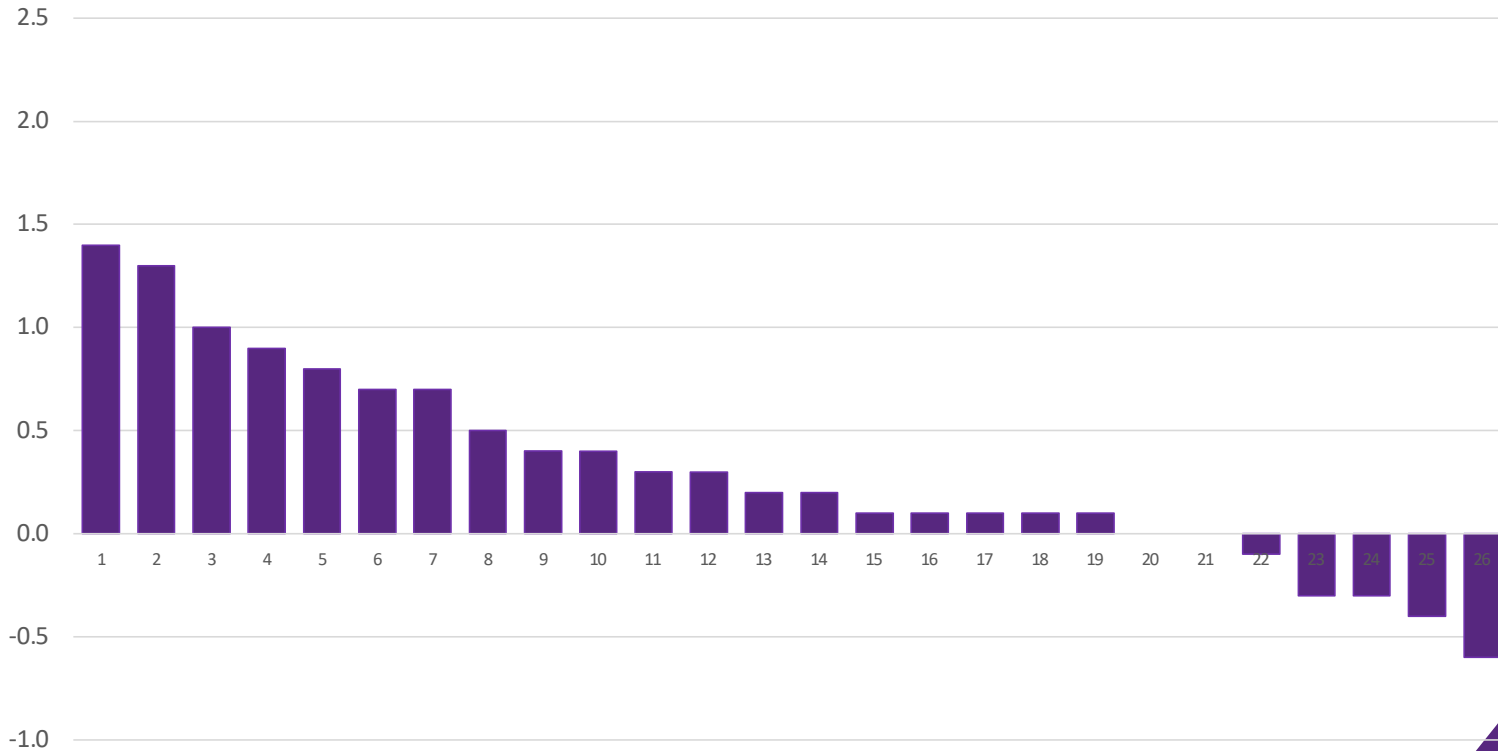
ILLUSTRATION: EIKO OJALA

Mar 14th 2024 · 5 min read

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US: Forecasts for 2023

Forecasts by institution from January 2023 survey

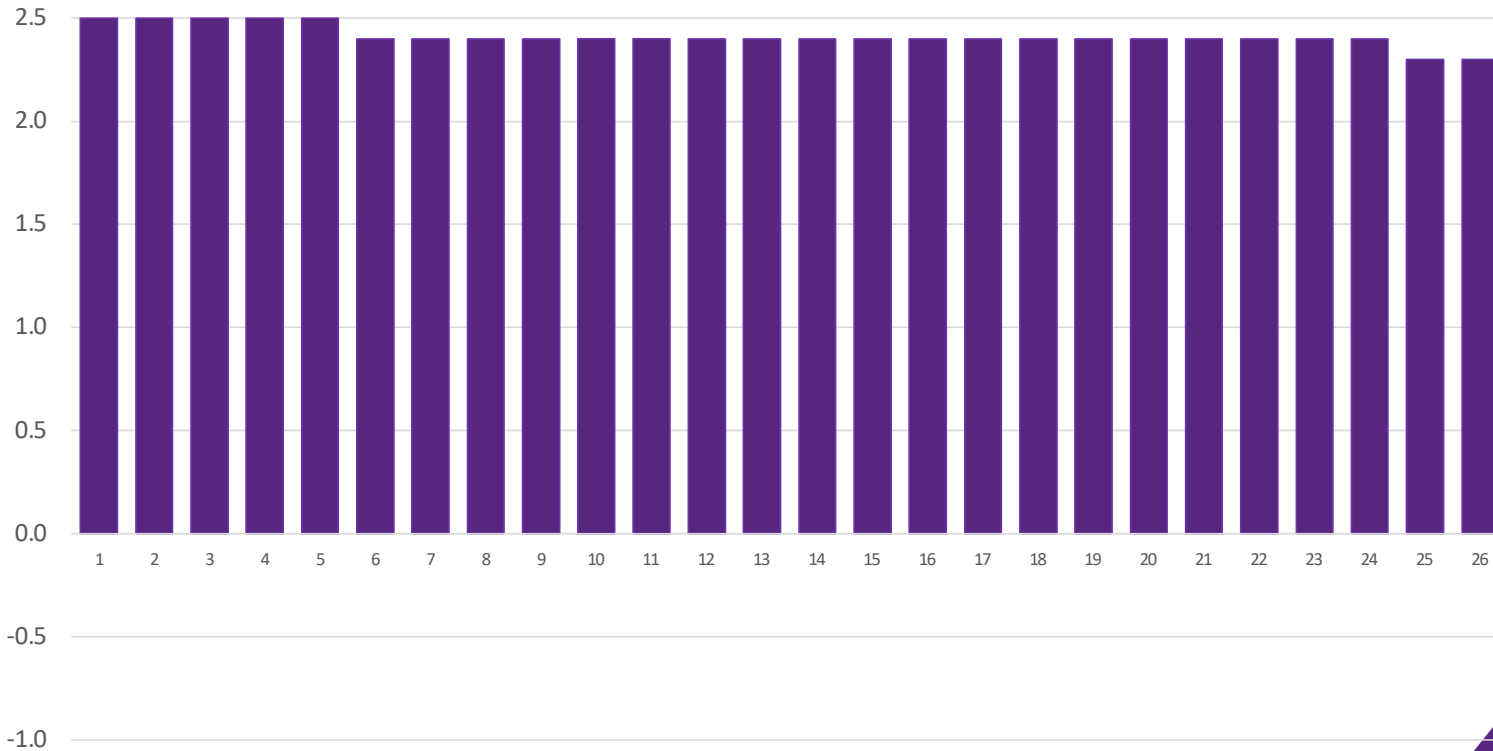


Source: Consensus Economics Inc.



US: *Revised* forecasts for 2023

Forecasts by institution from December 2023 survey

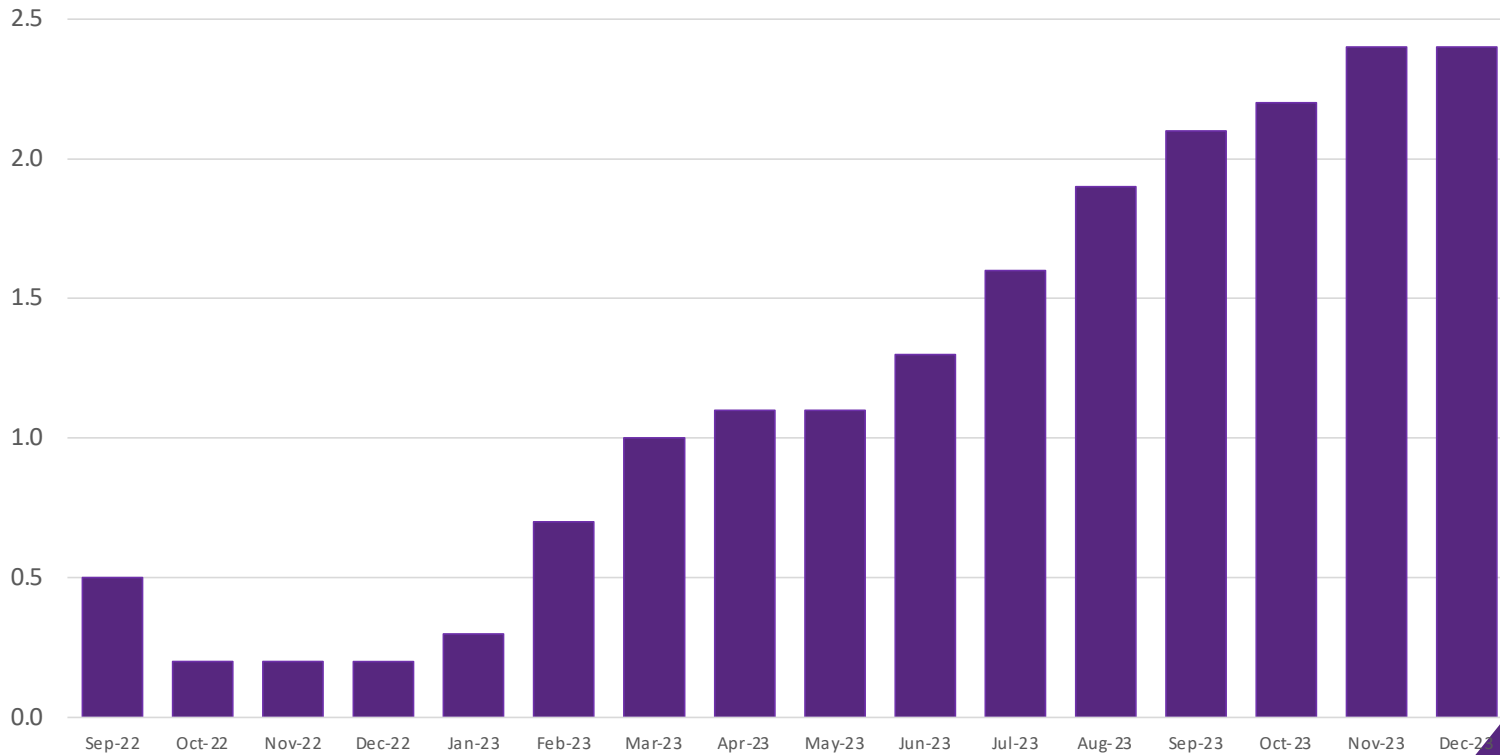


Source: Consensus Economics Inc.



US: Lots of red-faced forecasters...

Sep '22-Dec '23 forecasts for 2023 growth, average

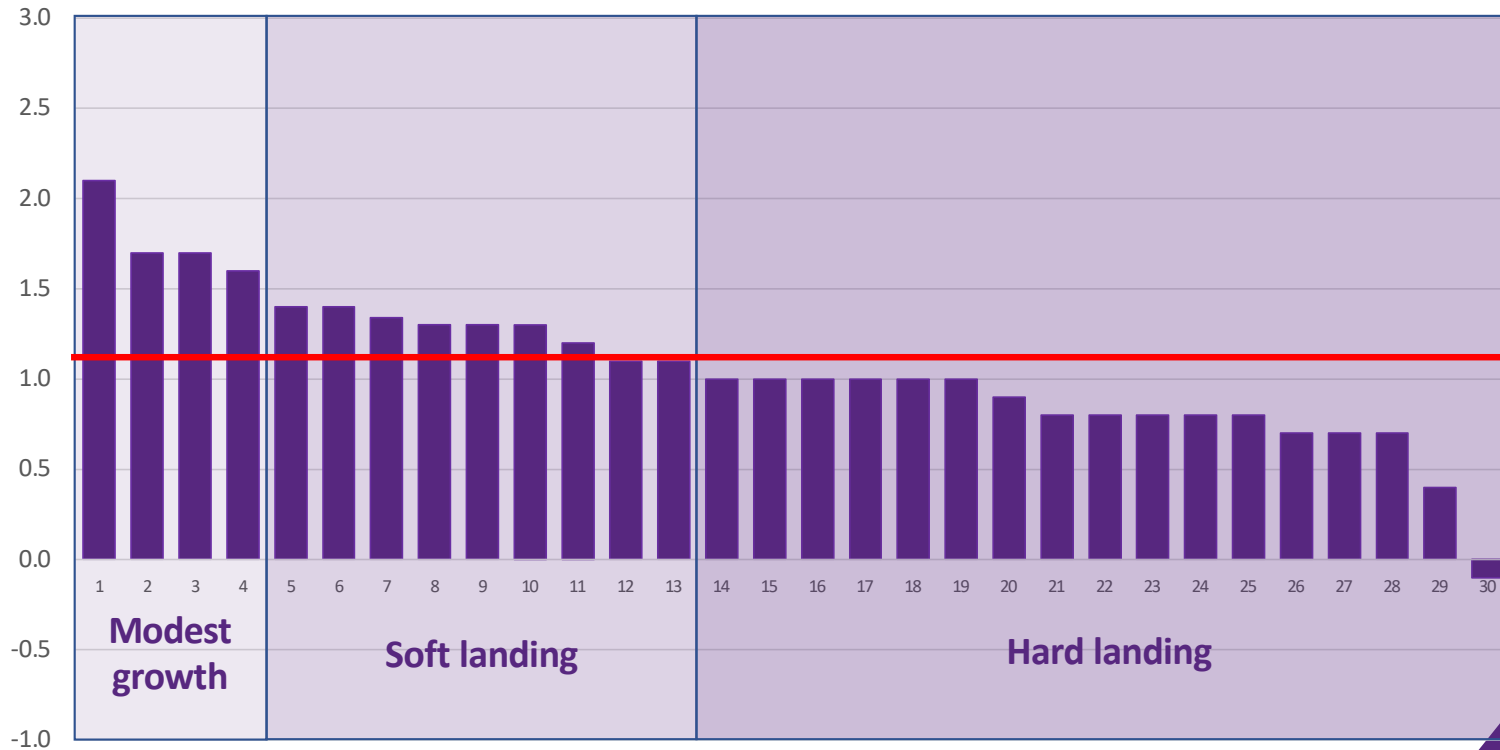


Source: Consensus Economics Inc.



US: Forecasts for 2024

Forecasts by institution from November 2023 survey

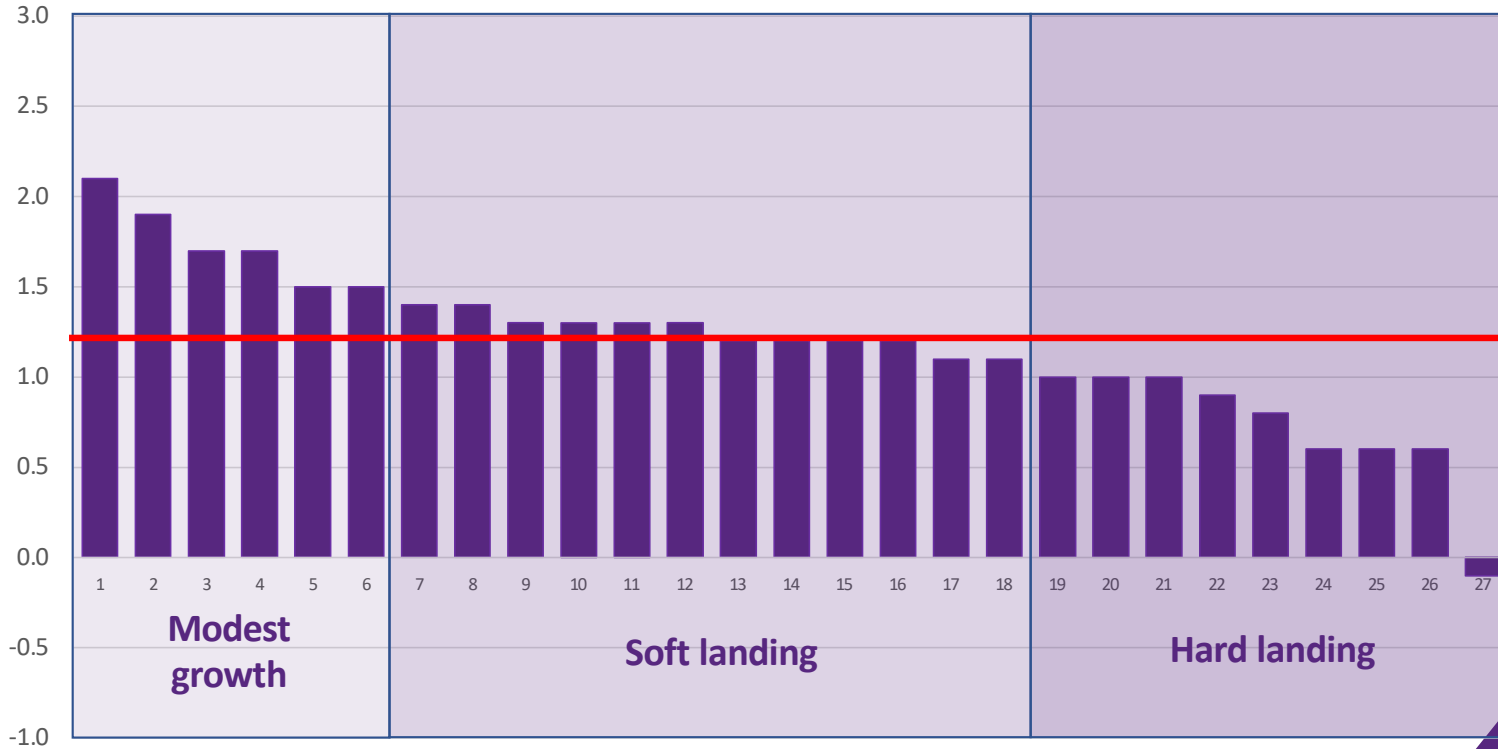


Source: Consensus Economics Inc.



US: Forecasts for 2024

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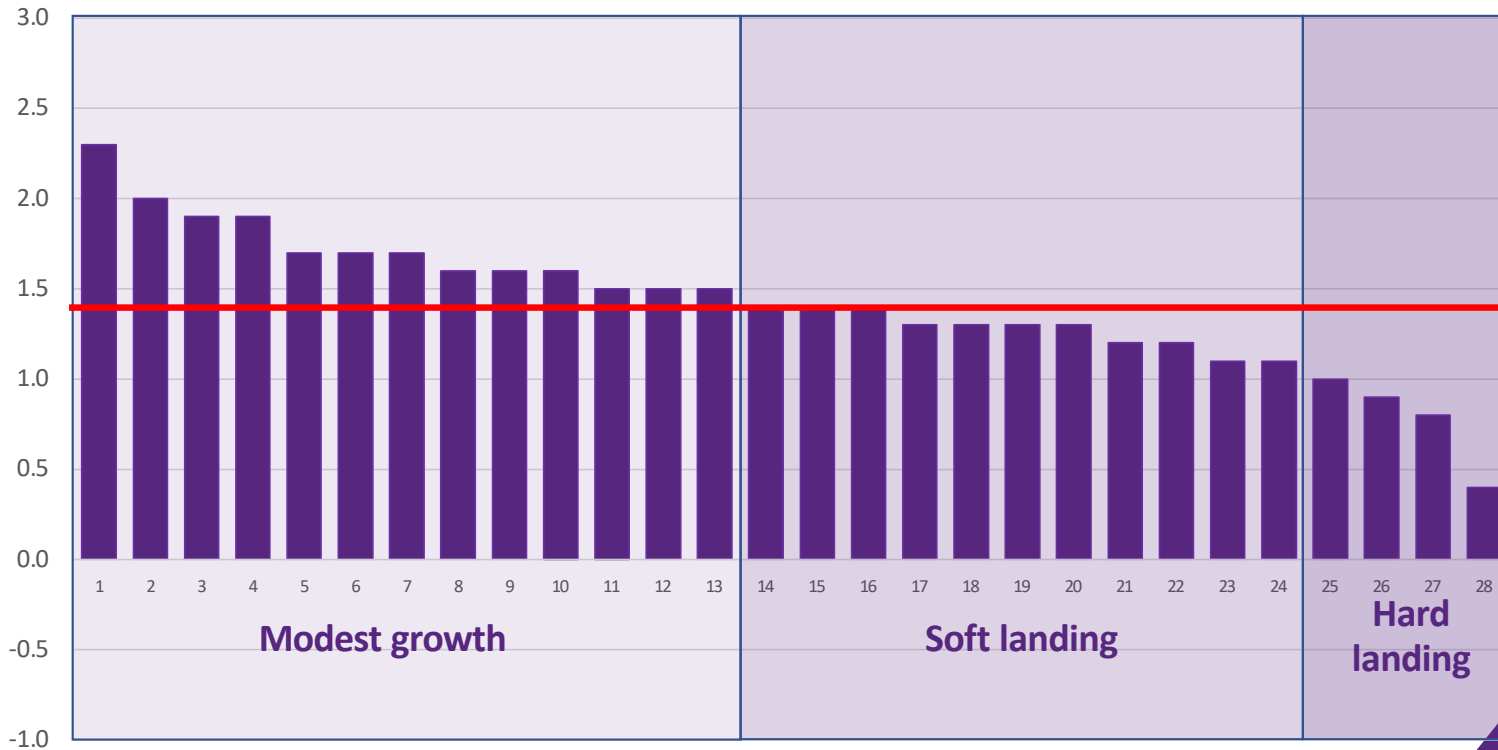


Source: Consensus Economics Inc.



US: Forecasts for 2024

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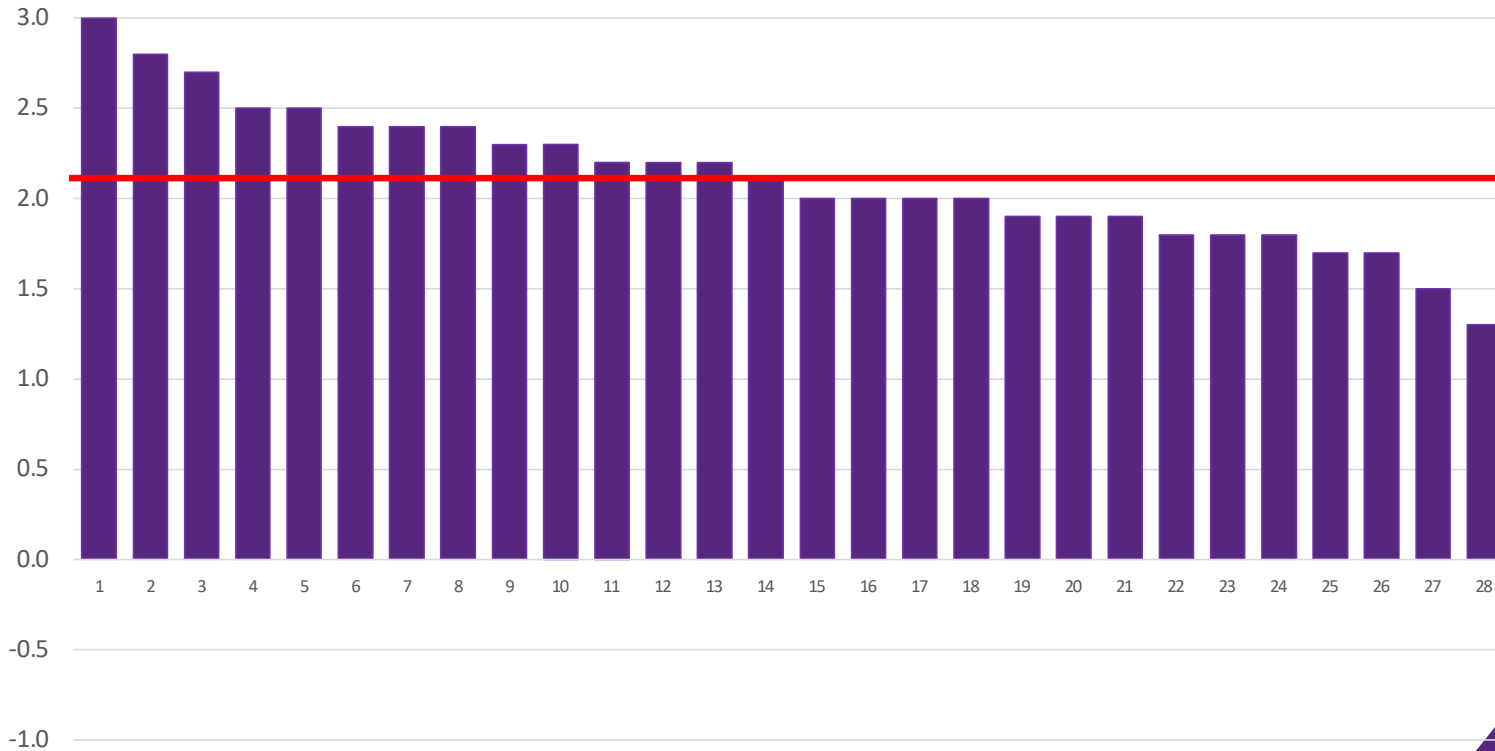


Source: Consensus Economics Inc.



US: Forecasts for 2024

Forecasts by institution from February 2024 survey

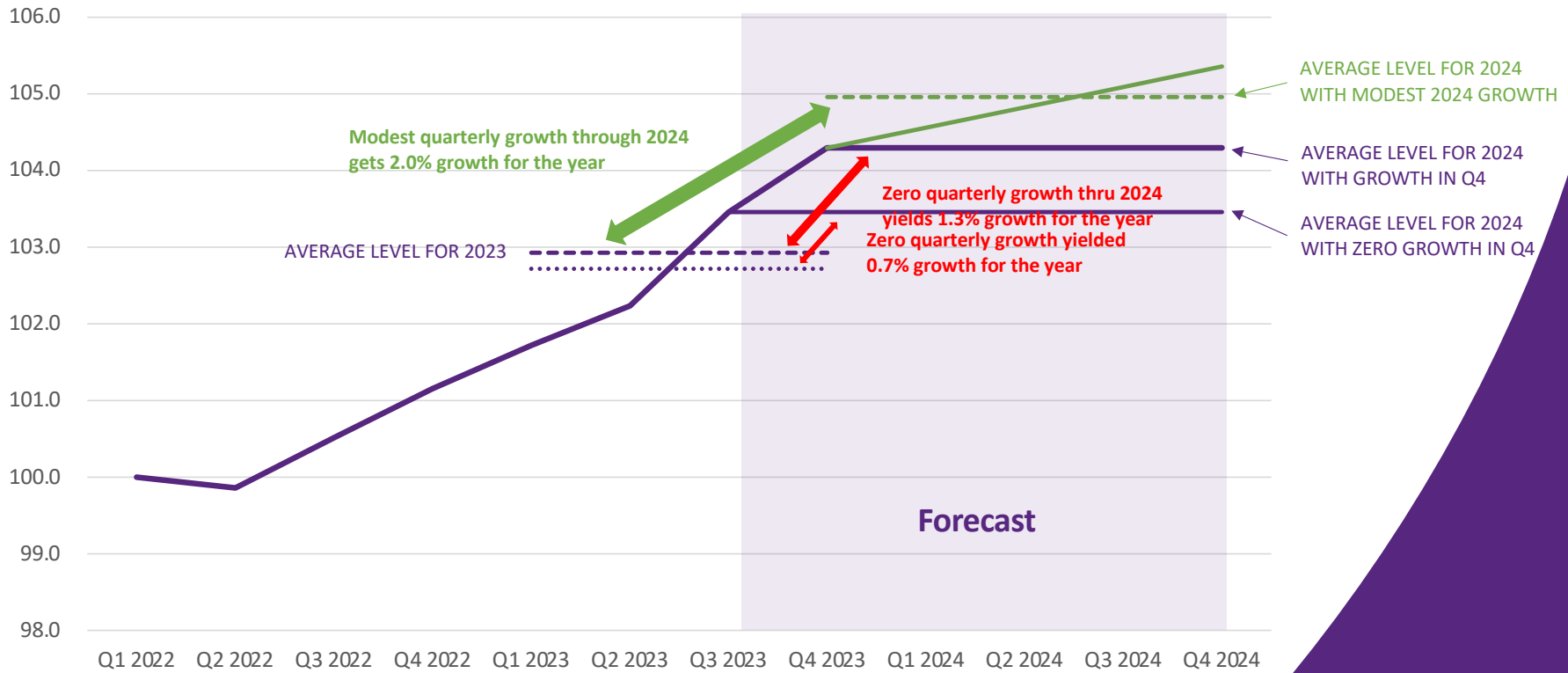


Source: Consensus Economics Inc.



US: Momentum illustrated

Quarterly GDP, indexed, 22Q1 = 100

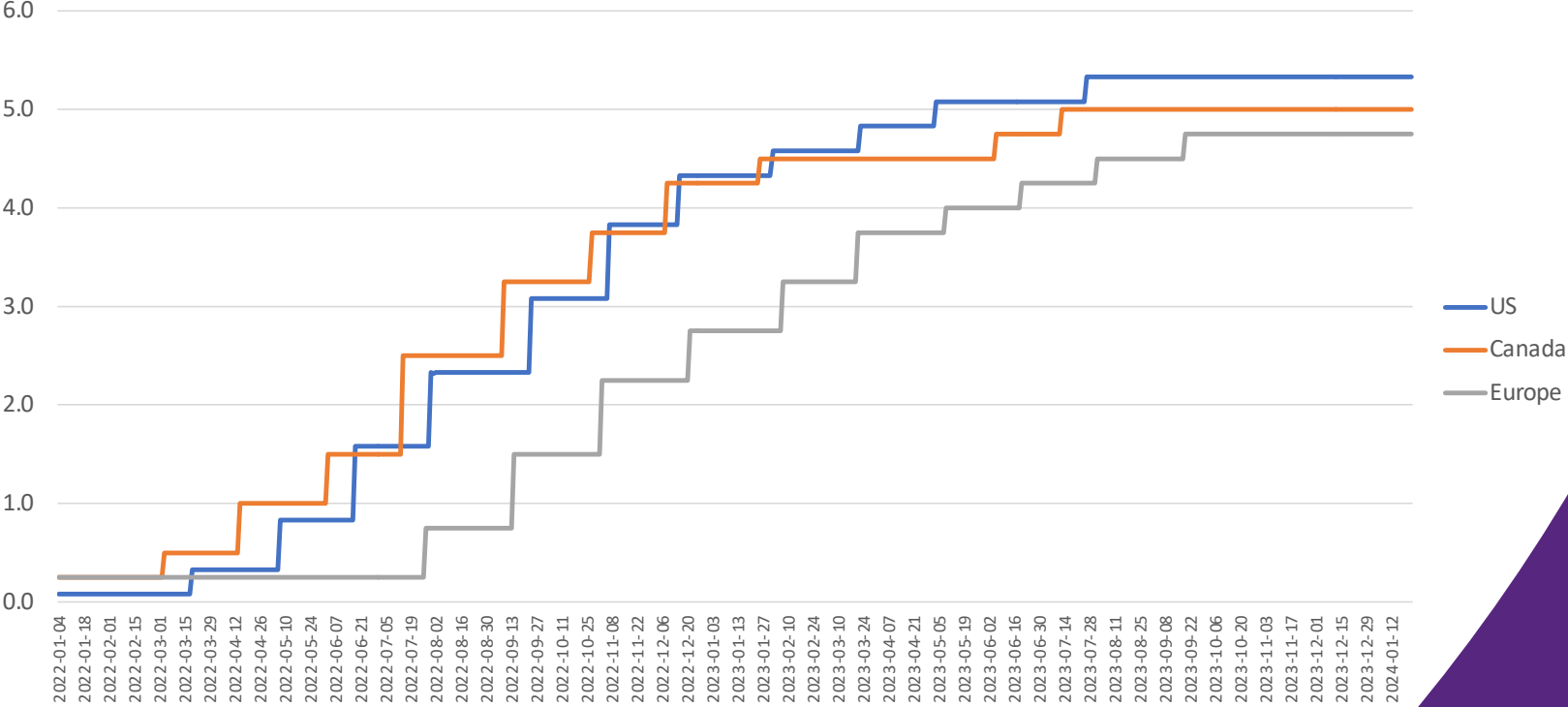


Sources: Bureau of Economic Analysis, econosphere inc.



Interest rates: what will the impact be?

Canada overnight; Fed funds, %;

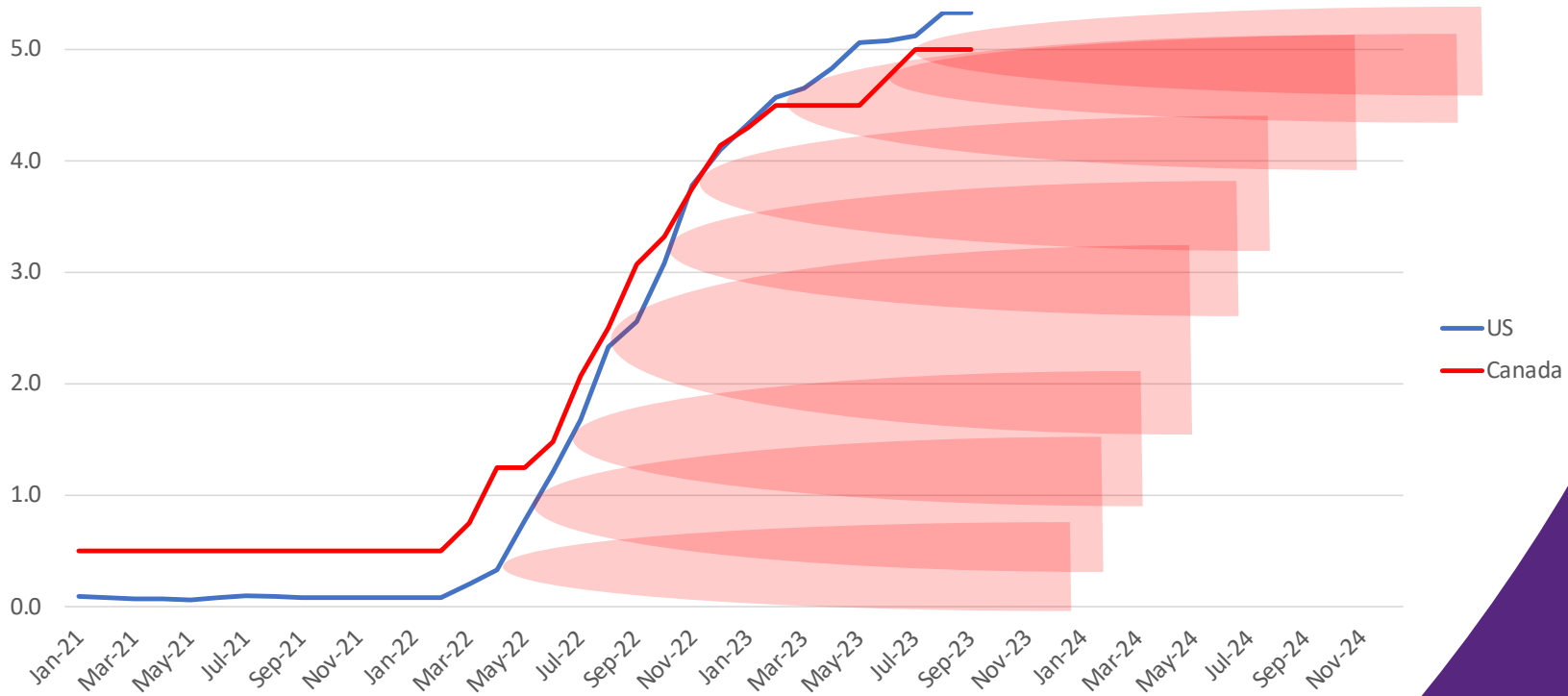


Sources: Bank of Canada, U.S. Federal Reserve Board



Interest rates: Impact

Overnight, Fed funds; monthly, %

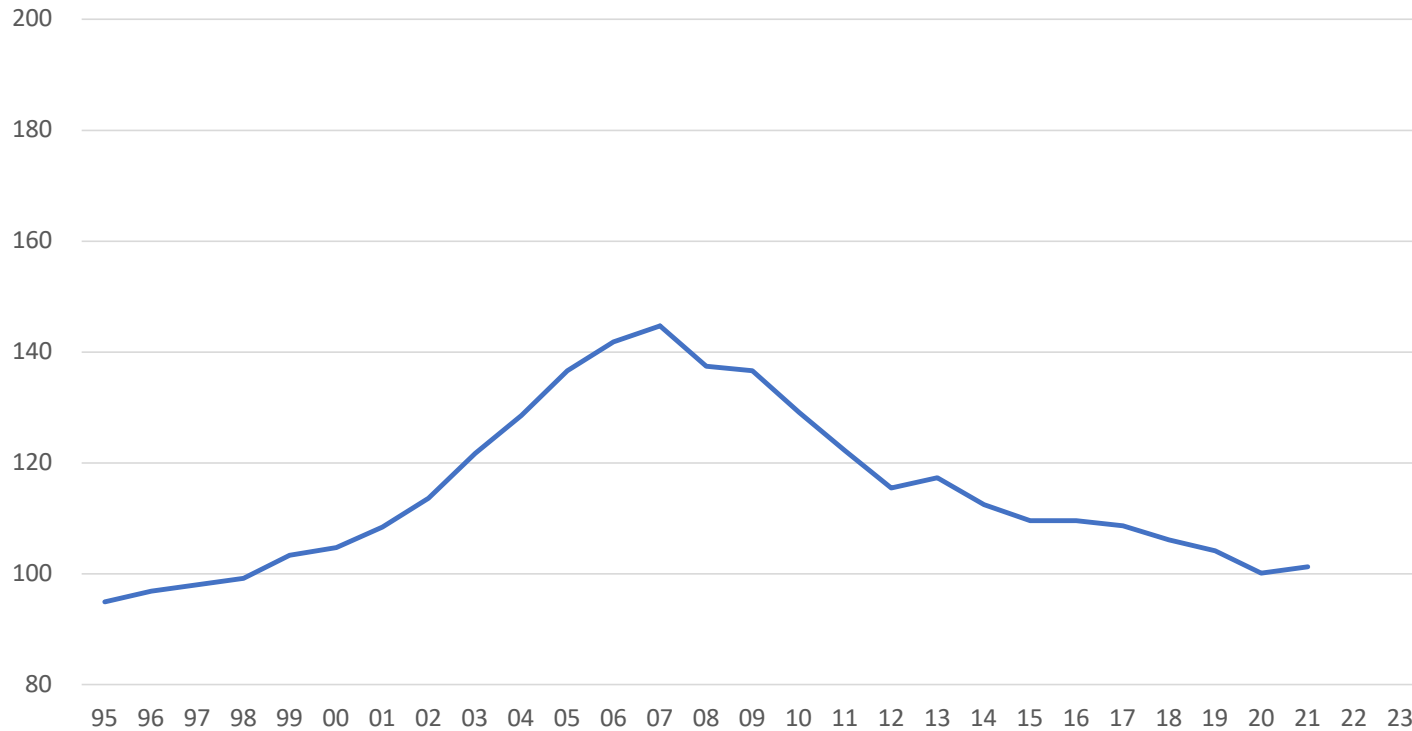


Sources: Bank of Canada, U.S. Federal Reserve Board, econosphere inc.



Savings: How un-American!

Debt-to-income ratio, %

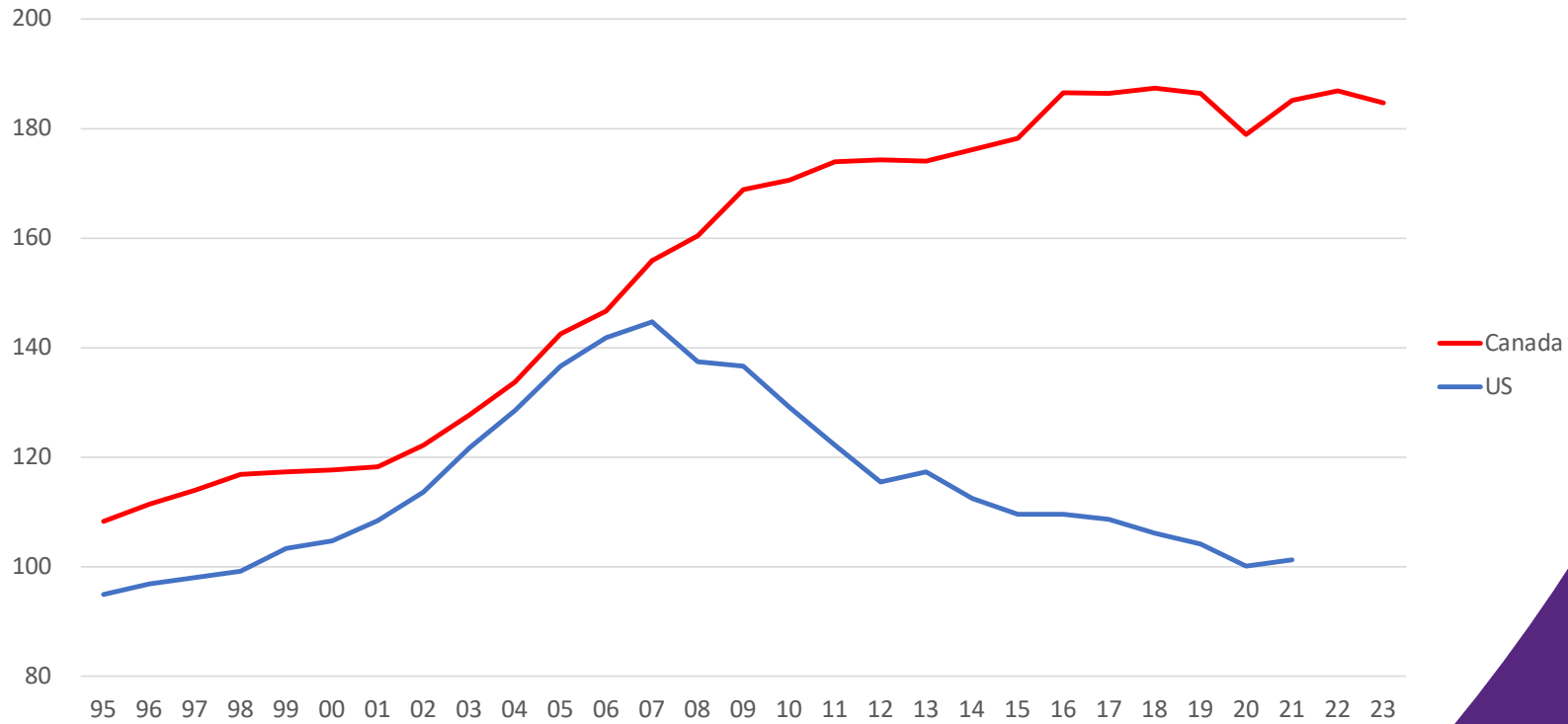


Source: OECD



A tale of two consumers

Debt-to-income ratio, %



Source: OECD



Currency: Model of the Canadian dollar (Proceed with caution)

Energy prices


Non-energy prices

Interest rate differential


Structural factors

USD issues




Global Forecast Projections		 econosphere <small>STRATEGY FOR YOUR FUTURE</small>			
<i>(Annual percentage change)</i>					
Region	Country	2022	2023e	2024f	2025f
North America	United States	1.9	2.4	2.0	2.2
	Canada	3.8	1.1	0.5	1.0
	Mexico	3.9	3.3	2.5	2.4
		2.2	2.4	1.9	2.1
Europe	Germany	1.8	-0.3	0.3	1.7
	United Kingdom	4.3	0.4	0.6	1.4
	France	2.5	0.8	0.6	1.6
	Italy	3.7	0.7	0.4	1.2
		3.4	0.6	0.6	1.4
Asia	China	3.0	5.2	4.6	4.5
	Japan	1.0	1.9	0.8	1.2
	India	7.2	6.3	6.3	6.6
	ASEAN	5.6	4.0	4.5	4.9
		3.6	4.6	4.0	4.0
Central and South America	Brazil	3.0	3.0	1.6	2.0
		3.9	1.8	1.2	2.5
MENA		5.6	2.0	3.4	3.3
Sub-Saharan Africa		4.0	3.3	4.0	4.2
World		3.6	3.1	2.9	3.3
Developed Markets		2.6	1.4	1.1	1.7
Emerging Markets		4.2	4.2	4.0	4.2




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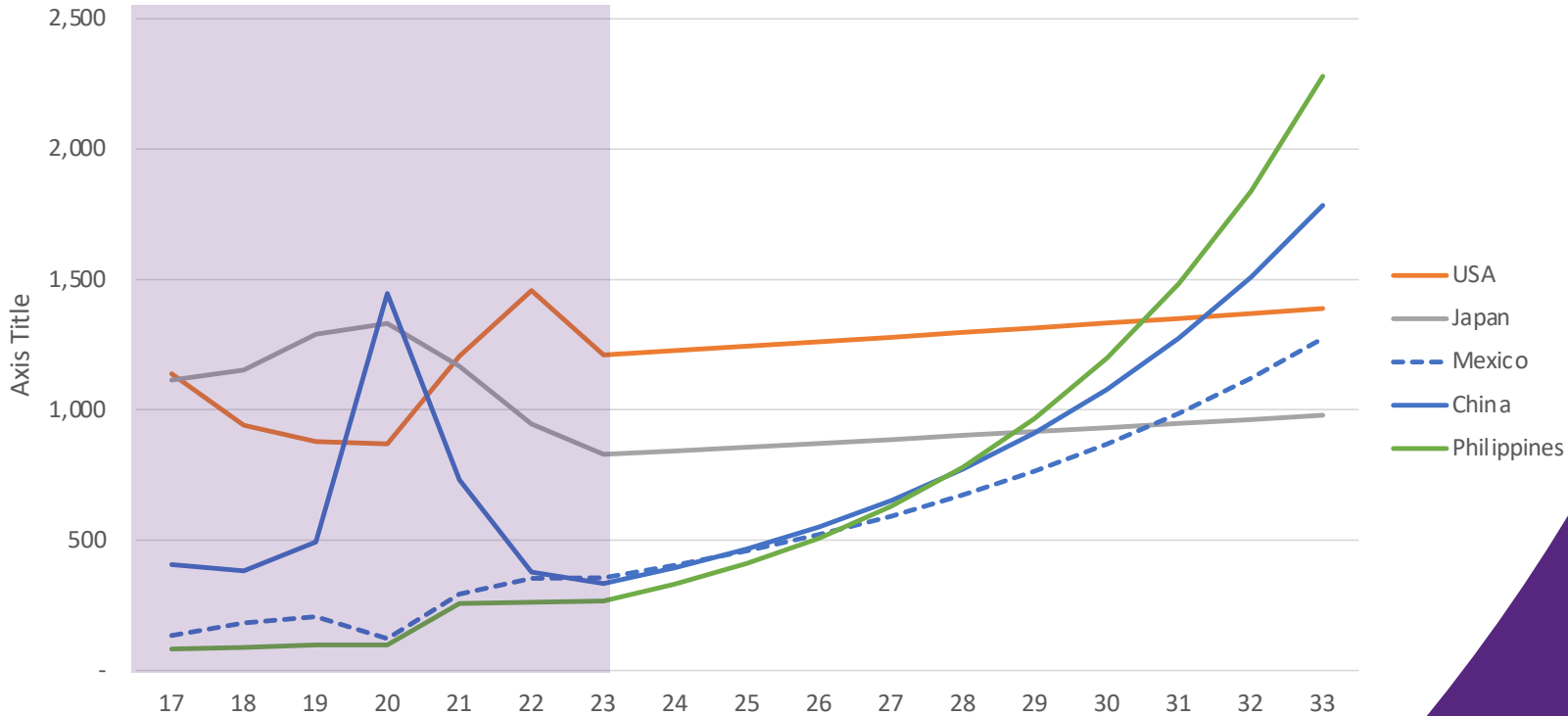
Risks

- De-globalization / near-shoring
- Protectionism
- Canada's influence in the world
- Environmental concerns
- Demographics and succession
- Risk aversion



The Diversification Dividend: 10 years

Meat of swine, fresh/chilled/frozen, \$M (HS 0203)

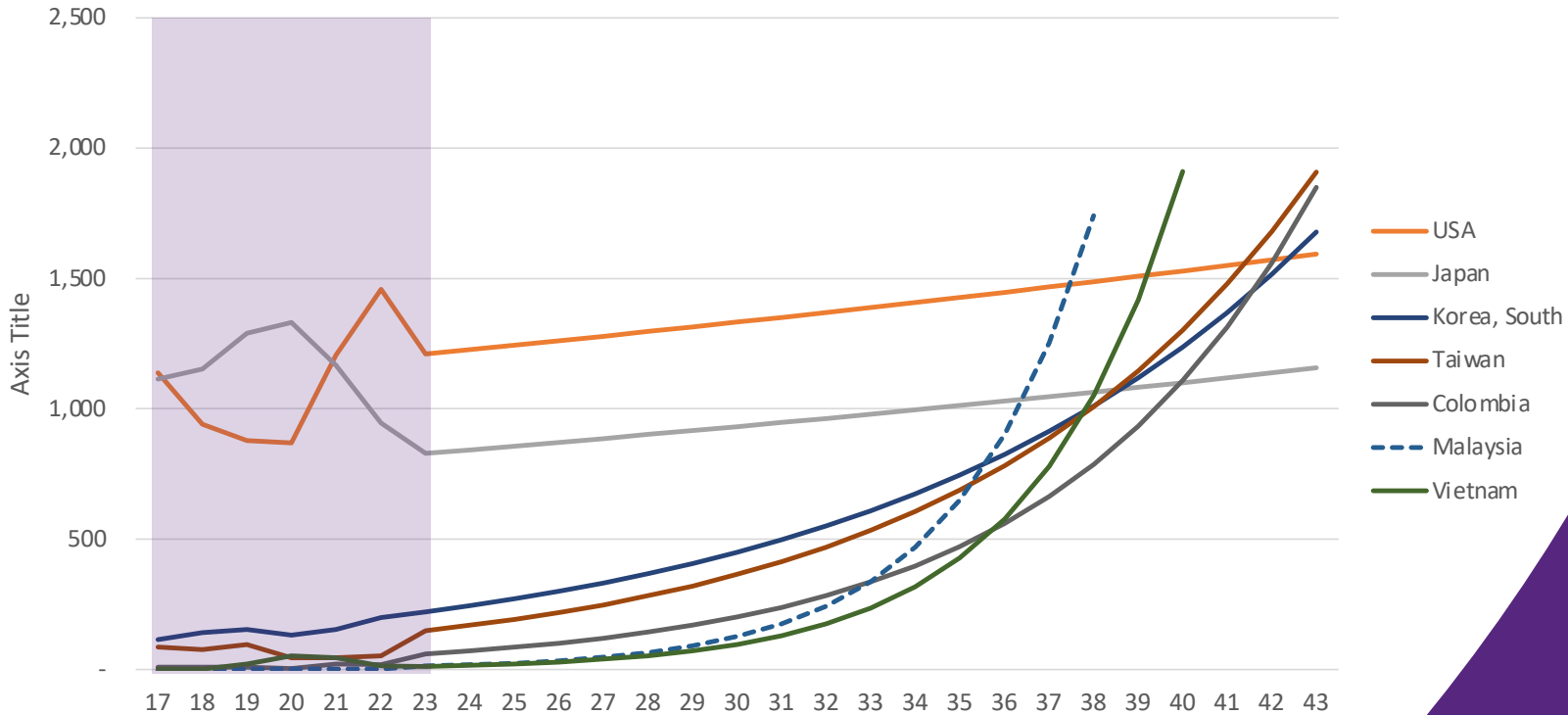


Sources: Statistics Canada, econosphere inc.



The Diversification Dividend: 20 years

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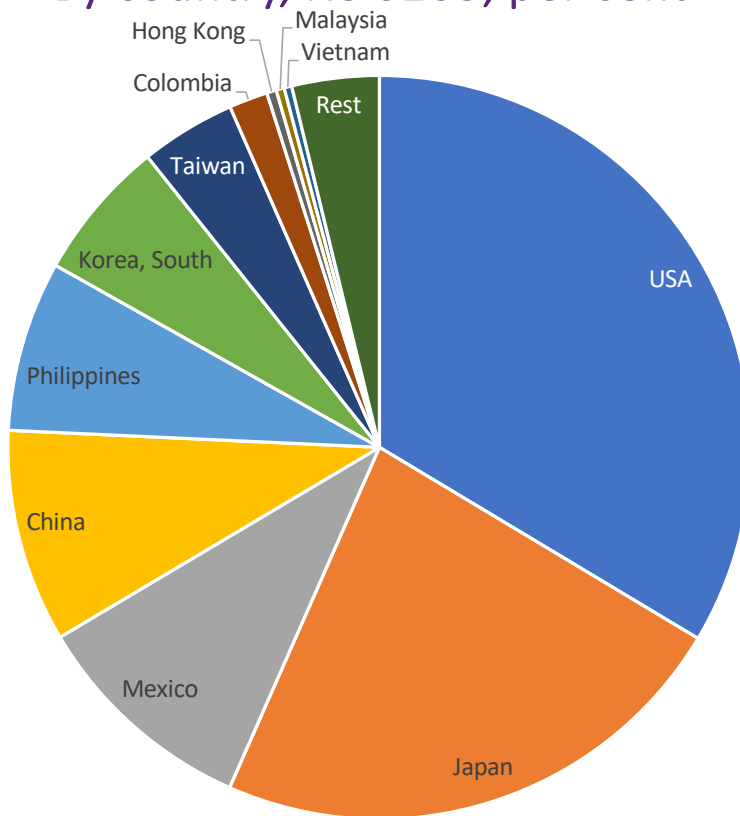


Sources: Statistics Canada, econosphere inc.



Share of total exports, 2023

By country, HS 0203, per cent

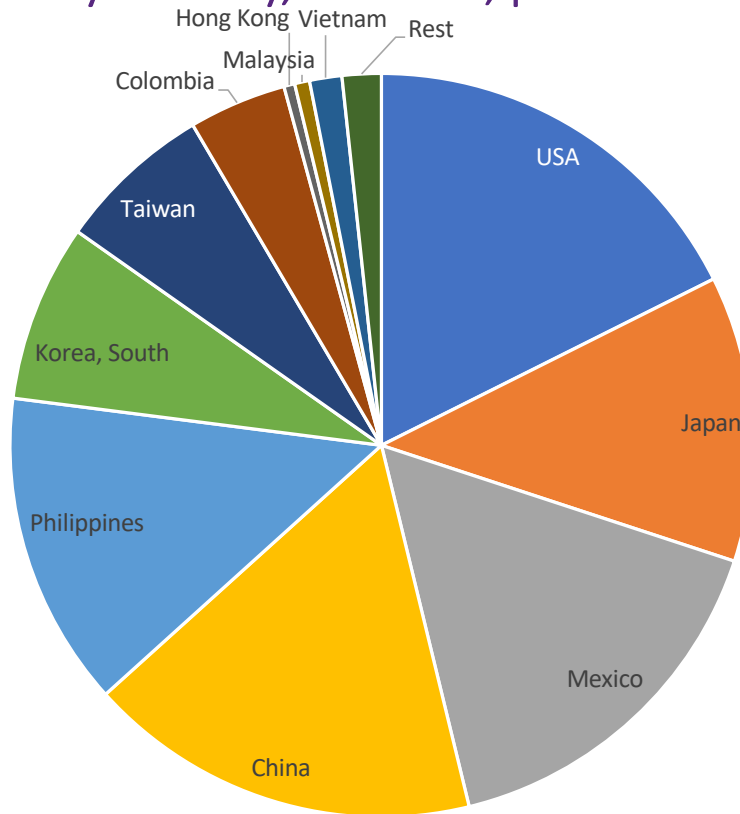


CAGR: 3.6%
Exports: \$3.6B



Share of total exports, 2033

By country, HS 0203, per cent

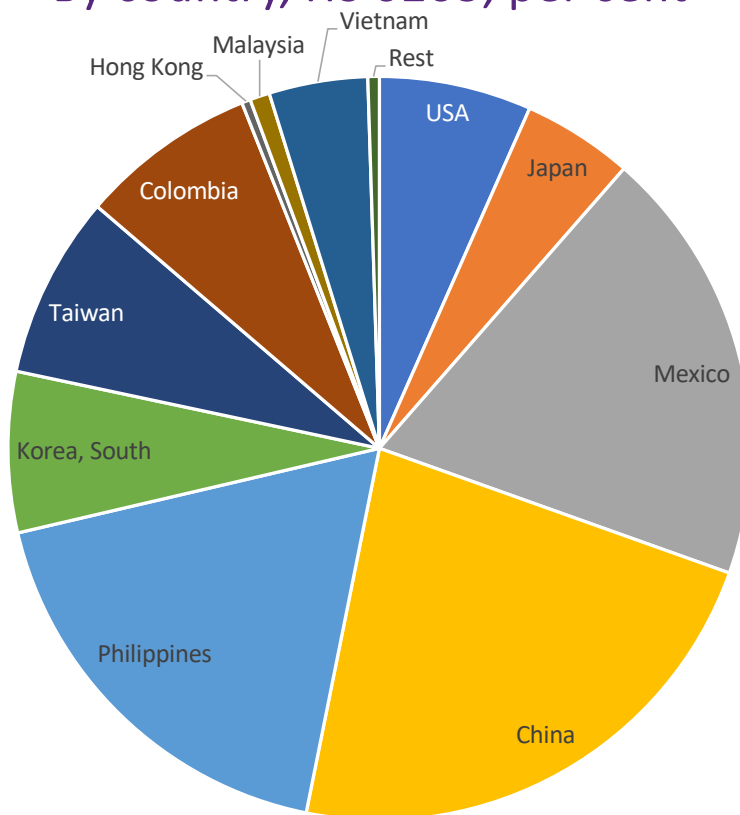


CAGR: 8.1%
Exports: \$7.9B



Share of total exports, 2043

By country, HS 0203, per cent



CAGR: 10%
Exports: \$24B



Opportunities

- Diversification
- Shift of government focus
 - Interest in exports
 - Interest in agriculture's growth profile
- Investor interest
 - Extant
 - Cultivated



Summary

- Gloom: somewhat misplaced
- There is demand – *now!*
- Weak internals shift Canadian focus to exports
- ...and *agriculture*
- Risk list is significant
- Global opportunities: *mind-blowing!*



Questions/discussions



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Thank you!

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