

• Ideation Phase

The ideation phase in the global economic terrain refers to the stage where new economic concepts, policies, business models, and innovations are generated to address global financial challenges and opportunities. This phase is crucial for shaping future economic trends, fostering sustainable development, and adapting to the complexities of globalization.

Key Aspects of the Ideation Phase in Global Economics

1. Emerging Economic Theories & Models

- Exploration of new economic frameworks (e.g., stakeholder capitalism, circular economy, degrowth economics).
- Rethinking traditional economic metrics (e.g., moving beyond GDP to include well-being indicators).

2. Innovations in Global Trade & Finance

- Decentralized finance (DeFi), digital currencies, and CBDCs (Central Bank Digital Currencies).
- Evolution of trade agreements and regional economic blocs (e.g., BRICS expansion, new trade corridors).

3. Technological Disruptions & Economic Impact

- AI, blockchain, and automation reshaping industries and job markets.
- Role of big data & predictive analytics in economic policymaking.

4. Sustainable & Inclusive Growth Strategies

- Green economy models (carbon markets, ESG investing, renewable energy transitions).
- Economic inclusion initiatives (e.g., microfinance, universal basic income (UBI), digital inclusion).

5. Geopolitical & Policy Considerations

- Shifting power dynamics (e.g., U.S.-China trade relations, regional alliances).
- Regulatory innovations to manage inflation, global debt crises, and economic inequality.

6. Startup & Entrepreneurship Ecosystems

- Growth of impact-driven startups in fintech, agritech, and edtech.
- New funding models (venture capital in emerging markets, sovereign wealth funds in tech).

• Empathy Map

An **Empathy Map** is a powerful tool to understand the perspectives of key stakeholders in the **global economy**, helping to analyze their experiences, concerns, and behaviors. This can guide policymakers, economists, and businesses in making informed decisions.

Empathy Map for Global Economic Analysis

1. WHO are we empathizing with?

- **Governments & Policymakers** (central banks, economic ministries, global organizations like the IMF & World Bank)
 - **Businesses & Corporations** (multinational companies, startups, SMEs)
 - **Investors & Financial Institutions** (hedge funds, stock traders, banks, fintech companies)
 - **Workers & Consumers** (employees, gig workers, general public)
-

2. What do they...

SEE? 🖤

- **Inflation & interest rate fluctuations** impacting global economies.
- **Unstable financial markets** (stock market volatility, banking crises, debt defaults).
- **Geopolitical tensions** (trade wars, sanctions, conflicts affecting supply chains).
- **Technological shifts** (AI, automation, decentralized finance, digital currencies).
- **Climate change challenges** (resource shortages, carbon regulations, green finance trends).
- **Widening economic inequality** between nations and within societies.

HEAR? 🧐

- **News & reports** on economic recessions, GDP growth, inflation rates, and trade agreements.
- **Public concerns** about job losses, high living costs, and corporate ethics.
- **Business leaders & economists** discussing digital transformation and sustainability.
- **Global organizations (IMF, World Bank, UN)** urging for policy changes, debt relief, and sustainable investments.
- **Market analysts & investors** predicting financial crashes, opportunities, and trends.

• Problem Statement

Problem Statement for Analyzing the Global Economic Terrain

The global economic landscape is experiencing heightened volatility and uncertainty due to factors such as inflation, geopolitical tensions, technological disruptions, climate change, and widening economic inequality. Policymakers, businesses, and financial institutions struggle to develop adaptive strategies that ensure sustainable growth, financial stability, and inclusive economic development.

There is a critical need for data-driven decision-making, innovative financial models, and policy frameworks that can address these complex challenges while promoting economic resilience, equitable wealth distribution, and long-term sustainability.

Requirement Analysis

- **DataFlow Diagram:**

Level 0: Context Diagram (High-Level View)

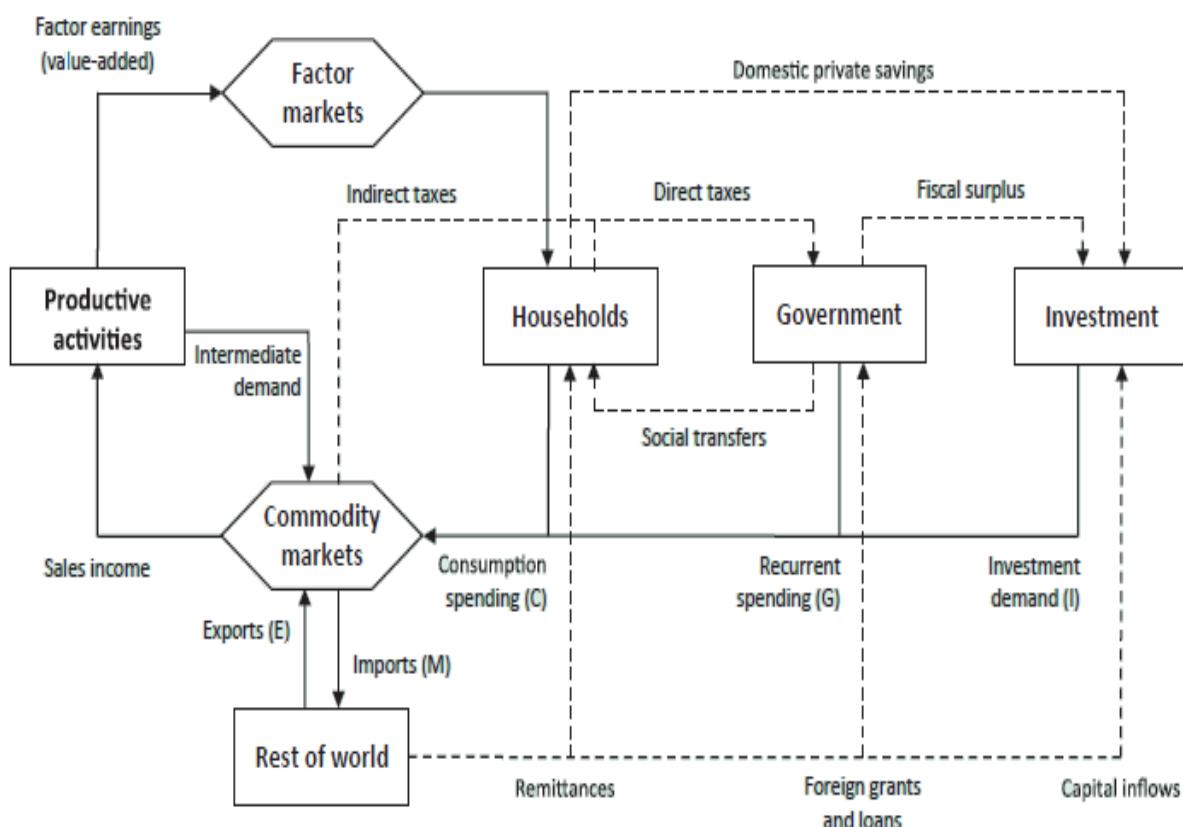
This represents the entire system as a single process, interacting with external entities.

Entities & Data Flow

- 1.Global Data Sources → (Macroeconomic indicators, financial markets, trade reports, geopolitical data)
- 2.Economic Analysis System → (Processes and interprets data using AI, analytics, and econometrics)
- 3.Stakeholders → (Governments, businesses, investors, researchers, and the public receive insights)

- ◆ Example Flow:

- World Bank/IMF sends global inflation & GDP data.
- Stock Exchanges provide real-time financial data.
- Governments share fiscal policies & trade agreements.
- The Economic Analysis System processes the data and generates insights for stakeholders.



Solution Requirement for Global Economic Terrain

The global economic terrain is complex, shaped by factors like technological advancements, geopolitical tensions, climate change, and evolving market dynamics. To navigate and optimize global economic performance, solutions should address key challenges while fostering sustainable growth. Here are some essential solution requirements:

1. Economic Stability & Resilience

- Strengthen financial regulations to prevent crises.
- Diversify supply chains to reduce economic shocks.
- Enhance international cooperation for crisis management.

2. Sustainable Growth & Green Economy

- Encourage renewable energy investments.
- Implement carbon pricing and incentives for eco-friendly businesses.
- Promote circular economies and sustainable resource management.

3. Digital Transformation & Innovation

- Expand digital infrastructure, particularly in developing economies.
- Encourage AI, blockchain, and fintech solutions for economic efficiency.
- Support research and development for new industries.

4. Inclusive & Equitable Economic Policies

- Strengthen social safety nets to reduce income inequality.
- Improve access to education, healthcare, and job opportunities.
- Support small and medium-sized enterprises (SMEs) with financial aid and technology adoption.

5. Global Trade & Investment Optimization

- Promote fair trade policies and reduce trade barriers.
- Enhance bilateral and multilateral trade agreements.
- Encourage foreign direct investment (FDI) in developing regions.

6. Geopolitical & Supply Chain Security

- Strengthen international partnerships for economic diplomacy.
- Develop resilient and localized supply chains.
- Use technology for real-time supply chain monitoring.

7. Monetary & Fiscal Policy Adaptation

- Adjust interest rates and fiscal policies to combat inflation or recession. Balance government debt with sustainable economic growth.

▪ Technology Stack

Navigating the global economic landscape requires sophisticated tools and platforms capable of analyzing vast datasets, modeling complex systems, and visualizing intricate economic relationships. Below are some notable technologies and platforms that facilitate such analyses:

1. International Futures (IFs)

Developed by the Frederick S. Pardee Center for International Futures at the University of Denver, IFs is a global integrated assessment model. It encompasses dynamically linked sub-models covering areas such as population, economics, agriculture, education, energy, health, and the environment. This integration allows users to explore how changes in one sector might impact others, providing a comprehensive tool for strategic planning and policy analysis.

2. Global Trade Analysis Project (GTAP)

Coordinated by the Center for Global Trade Analysis at Purdue University, GTAP is a global network of researchers focused on quantitative analysis of international economic policy issues, including trade and climate policies. Central to GTAP is a comprehensive global economic database, widely used to study the effects of various international economic policies.

3. The Observatory of Economic Complexity (OEC)

The OEC is an online data visualization and distribution platform for international trade data. It offers interactive visualizations to make global trade data accessible and understandable, featuring profiles that explore trade data for countries, regions, companies, products, and international organizations. The platform integrates several datasets, including those from UN Comtrade, providing insights into exports and imports categorized by country and product classifications.

4. ArcticDB

Developed by the London-based hedge fund Man Group, ArcticDB is an innovative data analysis tool designed to handle extensive historical stock price data efficiently. It has been commercialized and is employed by financial companies like Bloomberg, enhancing their data analysis capabilities with speed and integration benefits. ArcticDB emphasizes performance and comprehensive time-series analysis, making it valuable for financial data analysis.

5. Artificial Intelligence (AI) in Investment Strategies

AI is revolutionizing investment management by providing advanced tools to analyze vast financial and alternative data, identify patterns, and assist in making informed decisions. AI's capabilities range from stock analysis and sentiment summarization to portfolio management, personalized investment advice, risk evaluation, predictive modeling, and generating synthetic data to simulate market scenarios. This technology enhances decision-making and can significantly improve investment outcomes if used responsibly.

These platforms and technologies collectively contribute to a robust technological infrastructure for analyzing and understanding the global economic terrain, aiding policymakers, researchers, and investors in making informed decisions.

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Global Inflation Data

country name: Afghanistan, Alberta, Algeria, Argentina, Angola, Antigua and Barbuda, Argentina, Armenia, Arab, Austria, Azerbaijan, Belarus, Bolivia, Brazil, Bulgaria, Cambodia, Chile, China, Colombia, Costa Rica, Czechia, Denmark, Ecuador, Egypt, El Salvador, Finland, France, Germany, Greece, Hungary, India, Indonesia, Italy, Japan, Jordan, Kenya, Korea, Kuwait, Lebanon, Libya, Lithuania, Luxembourg, Malta, Mexico, Morocco, Netherlands, Norway, Oman, Pakistan, Peru, Philippines, Poland, Portugal, Romania, Russia, Saudi Arabia, Senegal, South Africa, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States, Venezuela, Vietnam, Yemen, Zimbabwe

Sum of Inflation Rate by year

Count of year by country_name

Sum of Inflation Rate by year

country_name: Alberta, Algeria, Argentina, Armenia, Arab, Austria, Azerbaijan, Belarus, Bolivia, Brazil, Bulgaria, Cambodia, Chile, China, Colombia, Costa Rica, Czechia, Denmark, Ecuador, Egypt, El Salvador, Finland, France, Germany, Greece, Hungary, India, Indonesia, Italy, Japan, Jordan, Kenya, Korea, Kuwait, Lebanon, Libya, Lithuania, Luxembourg, Malta, Mexico, Morocco, Netherlands, Norway, Oman, Pakistan, Peru, Philippines, Poland, Portugal, Romania, Russia, Saudi Arabia, Senegal, South Africa, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States, Venezuela, Vietnam, Yemen, Zimbabwe

Sum of Inflation Rate by year

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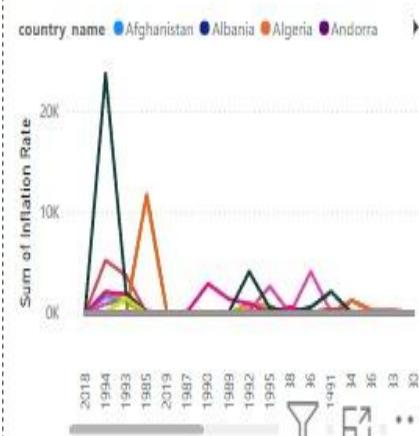
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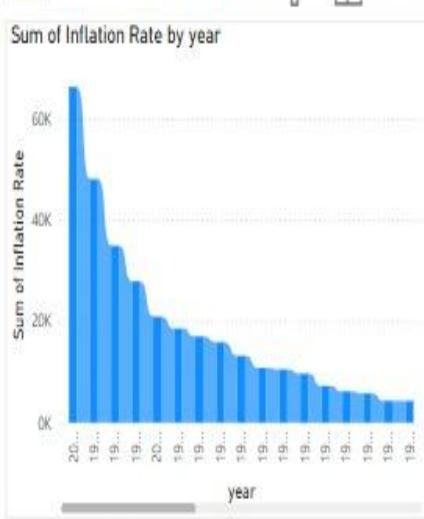
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Global Inflation Data



country name	1980	1981	1982	1983
Afghanistan	13.40	22.20	18.20	15.90
Albania	13.40	22.20	18.20	15.90
Algeria	9.70	14.60	6.60	7.80
Andorra	9.70	14.60	6.60	7.80
Angola	46.70	1.40	1.80	1.80
Antigua and Barbuda	19.00	11.50	4.20	2.30
Argentina	19.00	11.50	4.20	2.30
Armenia	19.00	11.50	4.20	2.30
Aruba	19.00	11.50	4.20	2.30
Australia	10.10	9.50	11.40	10.00
Austria	6.30	6.80	5.40	3.30
Azerbaijan	6.30	6.80	5.40	3.30
Total	4,258.70	3.66	7	4



• **Advantages &Disadvantages**

Advantages:

- 1.Economic Growth and Efficiency: Globalization facilitates the efficient allocation of resources, enabling countries to specialize in industries where they have a comparative advantage. This specialization often leads to increased productivity and economic growth.
- 2.Access to Diverse Markets: Businesses can expand their reach beyond domestic borders, accessing a broader customer base. This expansion can lead to increased revenues and the opportunity to scale operations.
3. Technological and Knowledge Transfer: The global exchange of ideas and technologies accelerates innovation. Countries can adopt best practices and advanced technologies from others, fostering development and modernization.

Disadvantages:

1. Income Inequality: While globalization can boost overall economic growth, the benefits may not be evenly distributed, leading to increased income disparities within and between countries.
2. Job Displacement: The relocation of industries to countries with lower labor costs can result in job losses in higher-cost countries, leading to unemployment and social challenges.
3. Economic Vulnerabilities: Interconnected economies can transmit financial crises rapidly across borders, as seen in the 2008 global financial crisis, making individual economies susceptible to external shocks.

Future Scope:

Analyzing the global economic terrain is evolving rapidly, driven by technological advancements and the increasing complexity of international markets. Future analyses will likely focus on integrating diverse data sources, enhancing predictive accuracy, and addressing emerging challenges. Key developments include:

1. Advanced Econometric Models

- The integration of comprehensive econometric models, such as the International Futures (IFs) system, will become more prevalent. IFs offers a global integrated assessment by linking various sub-models covering demographics, economics, agriculture, education, energy, health, and the environment. This holistic approach allows for nuanced scenario analysis and long-term forecasting, aiding policymakers in strategic planning.

2. Artificial Intelligence and Machine Learning

- AI and machine learning will play a pivotal role in processing vast datasets to identify patterns and predict economic trends. These technologies can enhance the accuracy of economic forecasts and uncover insights that traditional methods might overlook.

3. Big Data Analytics

- The utilization of big data analytics enables the examination of real-time information from diverse sources, such as social media, financial transactions, and global trade flows. This real-time analysis can provide immediate insights into economic shifts, consumer behavior, and market dynamics.

4. Scenario Planning and Simulation

- Tools that facilitate scenario planning and simulation, like those used by the Centre for Economics and Business Research (Cebr), are essential. Cebr's World Economic League Table (WELT) provides annual assessments of the economic prospects of various countries, offering valuable insights for strategic decision-making.

Conclusion

The global economic landscape in 2025 is characterized by a mix of opportunities and challenges, influenced by technological advancements, geopolitical shifts, and evolving market dynamics. Key observations include:

Economic Growth and Trade:

- The World Trade Organization (WTO) projects a rebound in global merchandise trade, forecasting growth of 2.6% in 2024 and 3.3% in 2025, following a 1.2% decline in 2023.
- OPEC maintains its oil demand growth forecasts, anticipating an increase of 1.4 million barrels per day for 2025 and 2026, driven by robust demand in air travel and automotive sectors.

Financial Markets and Currency Dynamics:

- A notable shift in investment patterns is observed, with non-U.S. equities outperforming Wall Street. Fiscal stimuli in Europe and Asia are elevating growth, corporate earnings, and rates outside the U.S., prompting investors to pivot towards Chinese tech and European equities.
- The U.S. dollar has experienced a decline, nearing a five-month low against major currencies. This trend is attributed to changing perceptions of the dollar's haven status and the strengthening of the euro and yen, influenced by Europe's increased defense spending and potential interest rate hikes by the Bank of Japan.

Policy Implications and Global Cooperation:

- Trade policies, such as tariffs, continue to impact global economic conditions. For instance, recent U.S. tariffs have been criticized for potentially extending economic challenges globally, including in countries like Australia. These measures contribute to market uncertainties, affecting corporate investment and employment.
- The World Economic Forum's 2025 meeting in Davos emphasized the theme "Rebuilding Trust," highlighting the importance of international cooperation in addressing challenges like geopolitical stability, economic resilience, climate change, and the governance of artificial intelligence.

In conclusion, the global economic terrain in 2025 is navigating a path of cautious optimism. While trade and demand forecasts show positive trends, shifting investment patterns and currency valuations underscore the dynamic nature of global markets. Policymakers and business leaders are called to foster collaboration and adaptability to sustain economic growth and address emerging challenges effectively.