

# Epocalypse Soon: The Great Economic Collapse is Happening

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David Haggith points out many of the dangers ahead that Brandon Smith, one of our Associate Editors, has been pointing out for quite a while. His problem is that he attributes the mess we are in to “stupidity” on the part of the powers that be. He can’t see that it is purposeful, not accidental, though it becomes clearer with each passing day that it is so. Cognitive dissonance. – Shorty Dawkins, Associate Editor

[This article comes from the Great Recession Blog.](#)

by David Haggith

I use the term “epocalypse” to name the last days of the global economy as we know it — a global economic collapse of biblical proportion. It is economic, epochal, an apocalypse that will change the world and a collapse ... all in one word that sounds the right size for what I’m talking about. Call it the “Great Collapse” or the “Epocalypse.” Whatever you call it, it’s about to change the world.

I am referring to an economic crisis so big that the global economy will be forever different after those days. This economic collapse has already begun throughout the world, but I am holding off on using the title “Epocalypse Now” until the US stock market joins the crash. That’s the point at which we’re all in (i.e., at a level where everyone knows it and denial that it is happening falls apart). I anticipate making that call in a matter of days now. Here is where we stand at present:

## **Economic collapse is already global**

Open your eyes to a wider scope than just the US stock market, and it’s as if a fog lifts all around you to reveal a war-ravaged landscape. It may not be like the landscape described in the New Testament book, The Apocalypse (The Revelation), but it’s moving in that kind of direction. Let me describe what is already unfolding in case you haven’t caught the big picture.

**The energy crash is certain to worsen.** The news last week that OPEC is not going to lower output, makes it clear that OPEC is in the energy price war for the duration. Driven by the Saudis, OPEC nations will assure oversupply until they see several major oil companies in the US collapse. To lower output now and raise oil prices would be to have suffered a year of pain for absolutely nothing. OPEC is committed to breaking the US fracking industry, and it’s doing a pretty good job of it. That means energy stocks and oil prices are down for the long term. The price of oil now matches its lowest point in the Great

Recession.

**All commodity prices are collapsing**, and the situation is clearly going to worsen and stay bad for a long time. China's demand for natural resources is not coming back for many years, as its slowdown was intentional, albeit apparently out of control. Because of its slowdown, China became a net seller of materials this year, versus a net buyer. This has become huge bad news for companies all over the world in the natural-resources industry. China is now playing a similar role in all natural resources to that played by OPEC in oil. China has huge overcapacity now in its production of refined materials, but it is cheaper to run some businesses at a loss than to shut them down due to fixed expenses, liabilities, etc. These businesses are underpricing their global competitors, hoping to shut them down so that Chinese businesses can survive in a market of reduced demand. This is crushing major US companies like Alcoa, which has closed down smelters because it cannot compete against the lower price of Chinese aluminum. Copper, to give another example is down 37% from its last high in June of 2014. All of this is a longterm change in the commodities market that is affecting the entire natural-resources industry. The Bloomberg Commodities Index has hit its lowest level in sales of all commodities valued in dollars since 1999. The global overcapacity in steel production alone is estimated at 700,000,000 tons a year. China is exporting deflation all over the world. And major commodity crashes are usually a harbinger for stock market crashes and overall economic crashes.

**Globally, twenty-seven stock markets are now in correction** (a decline of 10% or more) with thirteen of those being bear markets (a decline of 20% or more). Several markets have fallen more than 30%. Trillions of dollars have evaporated around the world. These all-out crashes can be found in Asia, Europe, the Middle East, Africa and South America. They are, in other words, global in extent and include such major economies as the United Kingdom, Germany, China, Canada, Australia and India — not just the usual trouble spots. The last time we saw such widespread stock-market carnage was in 2008 in the first part of the Great Recession. So, it is no overstatement to say we already have a global stock market crash. If you're in the United States, you might not be feeling the epocalypse yet; but the rest of the world is; and once the US is in, things will become even worse for the rest of the world, which in turn will make things worse for the US.

**Economic collapse is everywhere; several economies have seen recession this year.** Japan, Canada, Australia, Russia, Ukraine, Brazil and Greece are just some of the nations that have officially been in recession during 2015. Japan, of course, has revised its numbers to claim it is not really in recession. Whatever. If you're that close that you can't figure it out, you might as well be considered in. For Japan this makes five recessions in seven years. Global GDP — the sum of all national GDPs — has been falling for a year. The only other time in the past half century that has seen any drop in global GDP was 2008, during which it fell the same amount that it has fallen this year. As recessions are measured by drops in GDP, this means the globe overall is in recession. So, I'm already correct this year in my major prediction that global economic collapse would be a fact this fall. It is a fact.

Global economic trade has been collapsing all year. It is down 8.4%, and the rate of decline is getting steeper. The Baltic Dry Index, which monitors shipping costs, has dropped from 809 to 628 in just one month. Container costs go down as demand goes down, and shippers compete more fiercely for fewer customers. The China Containerized Freight Index has hit a record low, falling 31% for the year. German exports were down 18% for the year; US exports, down 10%. Shipping giant Maersk says that shipping indicates the global economy is actually doing worse than most economic projections indicate.

**Europe is trying to absorb millions of impoverished refugees.** Already teetering on recession, Europe averages an unemployment rate of 10%. I have to wonder why European leaders think Europe actually has the financial capacity to absorb millions of jobless refugees. Who is going to support them? Millions of jobless Europeans? The situation has the makings of social calamity, even without the huge cultural divide between the refugees and Europeans and even aside from the risk that such rapid immigration makes it easier for terrorists to slip in among the immigrants. Europe's leaders are completely unrealistic about Europe's capacity to absorb the refuge crisis.

**Islamic terrorism is not going away.** Forty-nine nations that are predominantly Islamic want to see the entire globe ruled by Sharia. Many of them are directly funding terrorists. ISIS is expanding its

recruitment within nations all over the world, claiming now is the time for Muslims everywhere to rise up in battle within their own nations. Its efforts are sophisticated and inspirational, such as this new song in Mandarin in China (lyric translation). This epic battle creates a high security cost to the economies of all Western nations at a time when they are already weak ... and ISIS knows this. Their philosophy is to strike the giant while he is ailing in order to bring him down for good.

The ISIS Apocalypse: The History, Strategy, and Doomsday Vision of the Islamic State

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