



Australian School of Business

Never Stand Still

Australian School of Business

Dale Jorgenson

**Australia and the growth of the world
economy**

Please turn mobile phones to silent

Chris Styles

Dean

Australian School of Business



Kevin Fox

Director

Centre for Applied Economic Research



AUSTRALIA AND THE GROWTH OF THE WORLD ECONOMY

By

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THREE MAJOR TRENDS IN THE WORLD ECONOMY

CHINA OVERTAKES THE U.S.:

The U.S. Has Been the World's Leading Economy for a Century

WORLD ECONOMIC GROWTH ACCELERATES:

Mainly Due to China with a Contribution from India

THE NEW WORLD ORDER IN 2020:

China, U.S., India, Japan, Germany, Russia, Brazil

GROWTH OF THE WORLD ECONOMY

THE SOURCES OF ECONOMIC GROWTH:

Capital Input, Labor Input, and Productivity

CAPITAL INPUT GROWTH:

Information and Non-Information Technology

LABOR INPUT GROWTH:

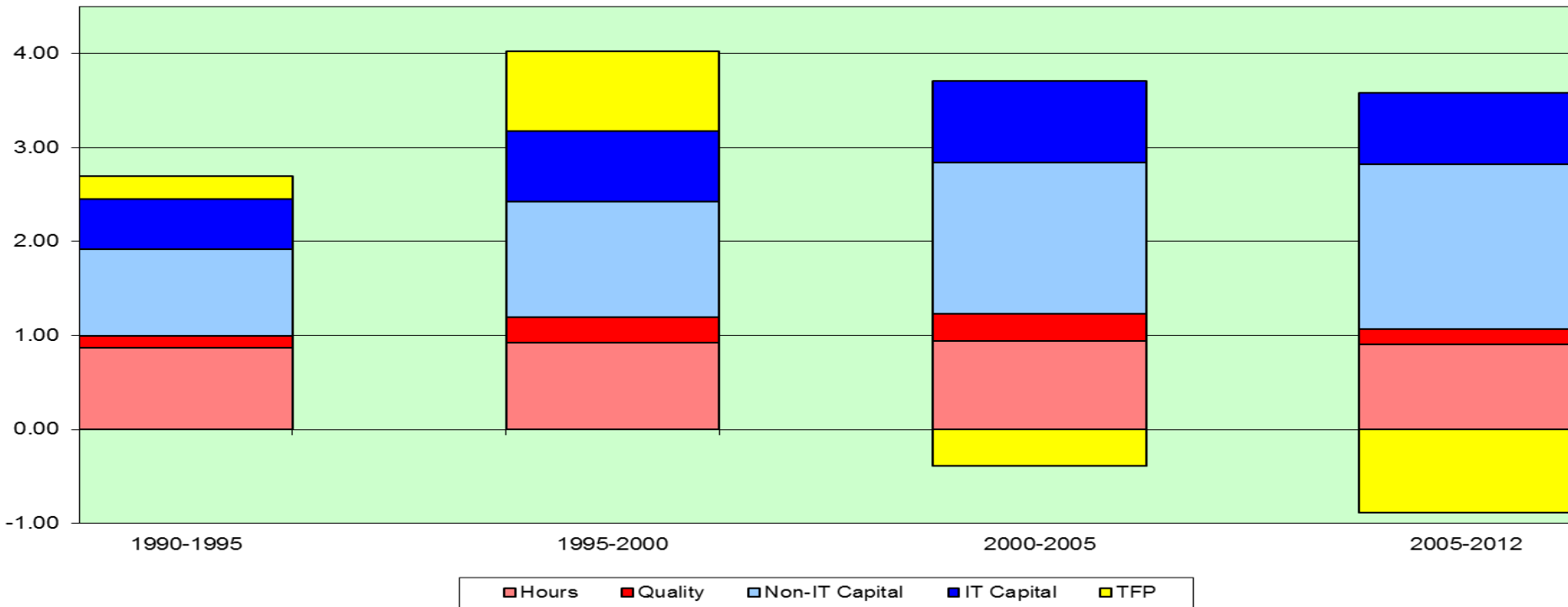
Hours Worked and Labor Quality

TOTAL FACTOR PRODUCTIVITY

Output per Unit of Input

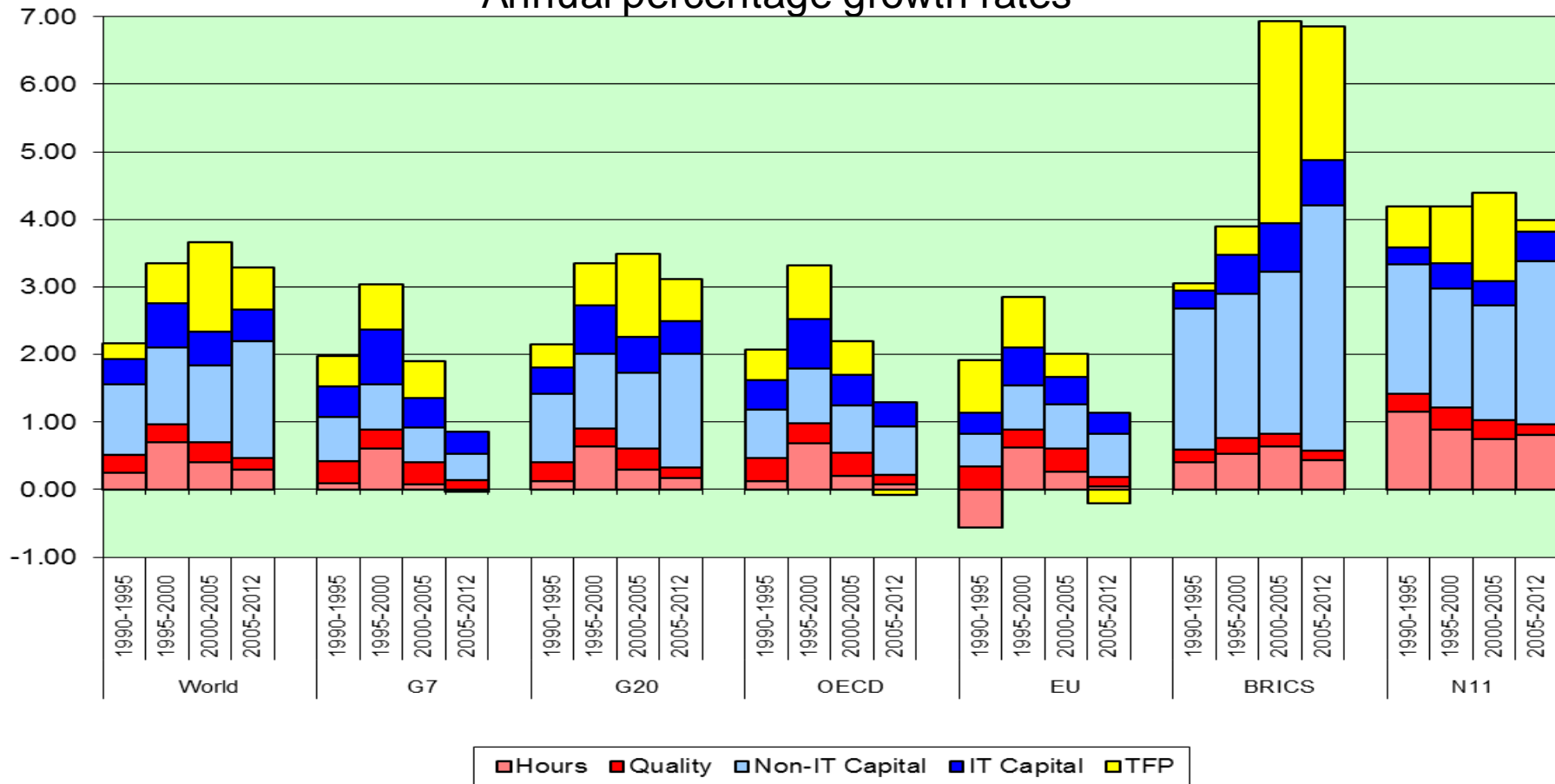
Sources of Australian Economic Growth

Annual percentage growth rates



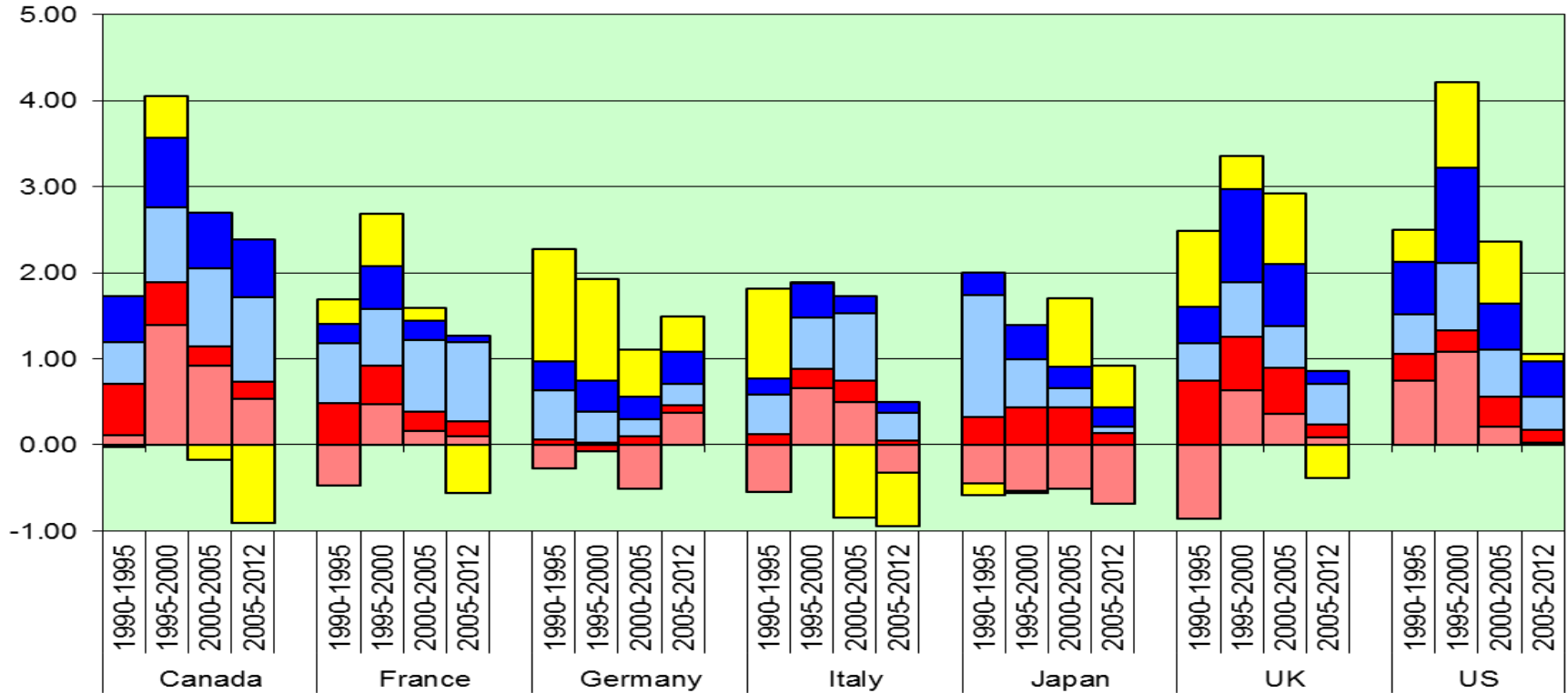
Sources of World Economic Growth

Annual percentage growth rates



Sources of G7 Economic Growth

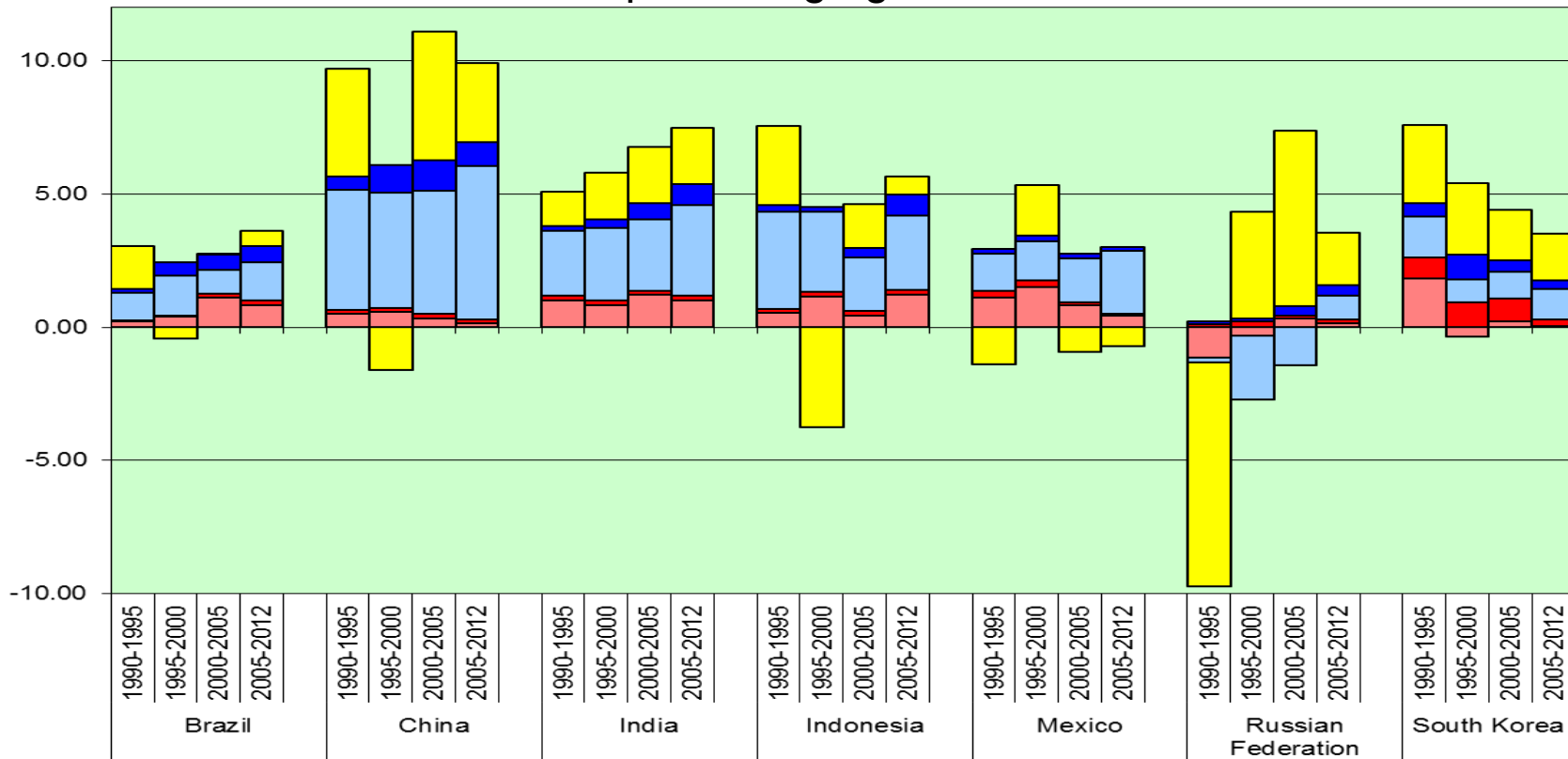
Annual percentage growth rates



Hours Quality Non-IT Capital IT Capital TFP

Sources of BRICS Economic Growth

Annual percentage growth rates



Hours Quality Non-IT Capital IT Capital TFP

PROJECTING GROWTH OF THE WORLD ECONOMY

DEMOGRAPHICS:

Hours Worked from Labor Force Projections;
Labor Quality from Educational Attainment

LABOR PRODUCTIVITY:

Growth of TFP, Capital and Labor Quality, and the
Gap between Output and Capital

GDP GROWTH:

Sum of the Growth of Hours Worked and
Labor Productivity

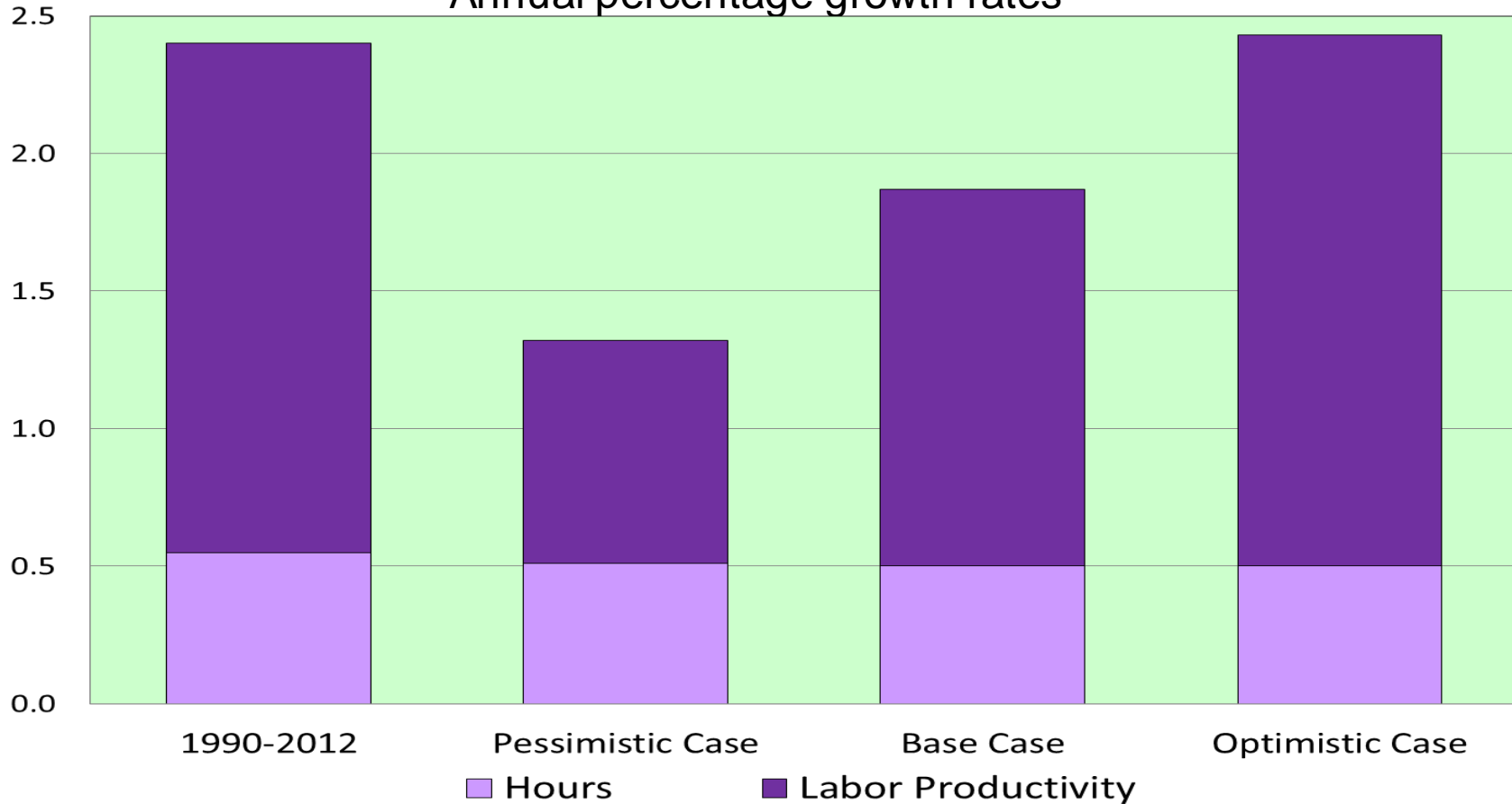
Labor Productivity Projections for Australia, 2012-2022

Annual percentage growth rates



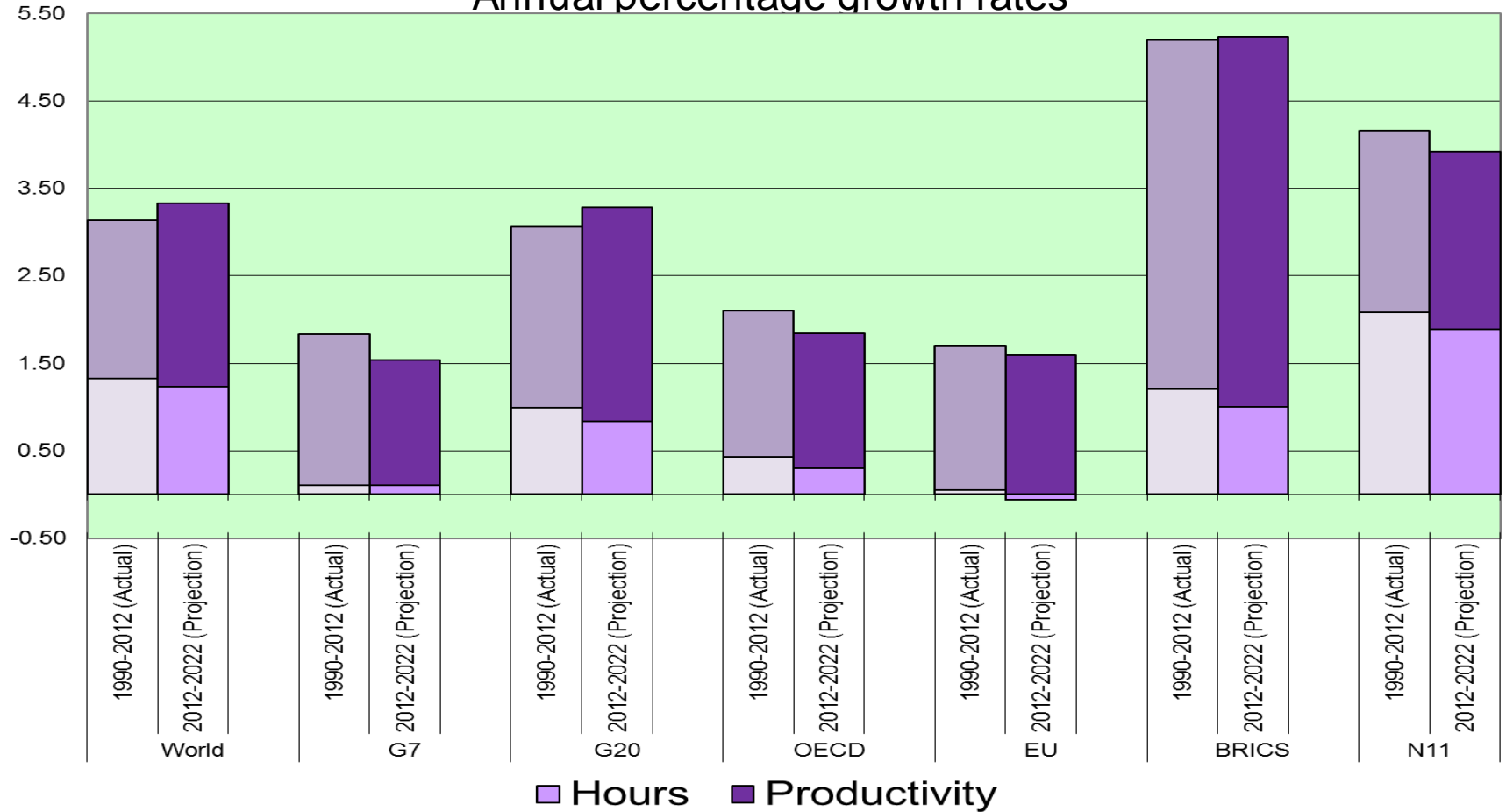
Growth Projections for Australia, 2012-2022

Annual percentage growth rates



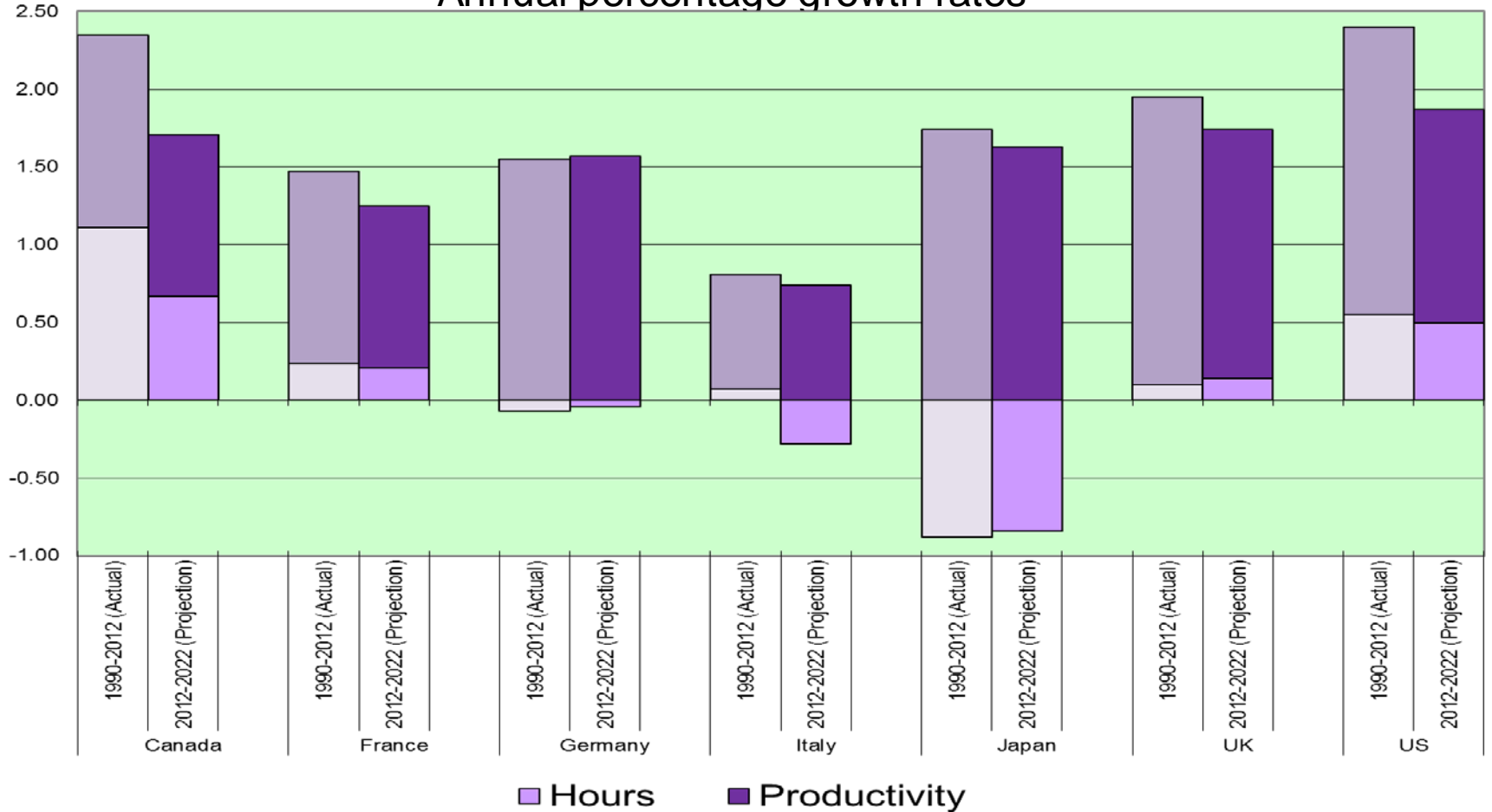
Growth Projections for the World Economy

Annual percentage growth rates



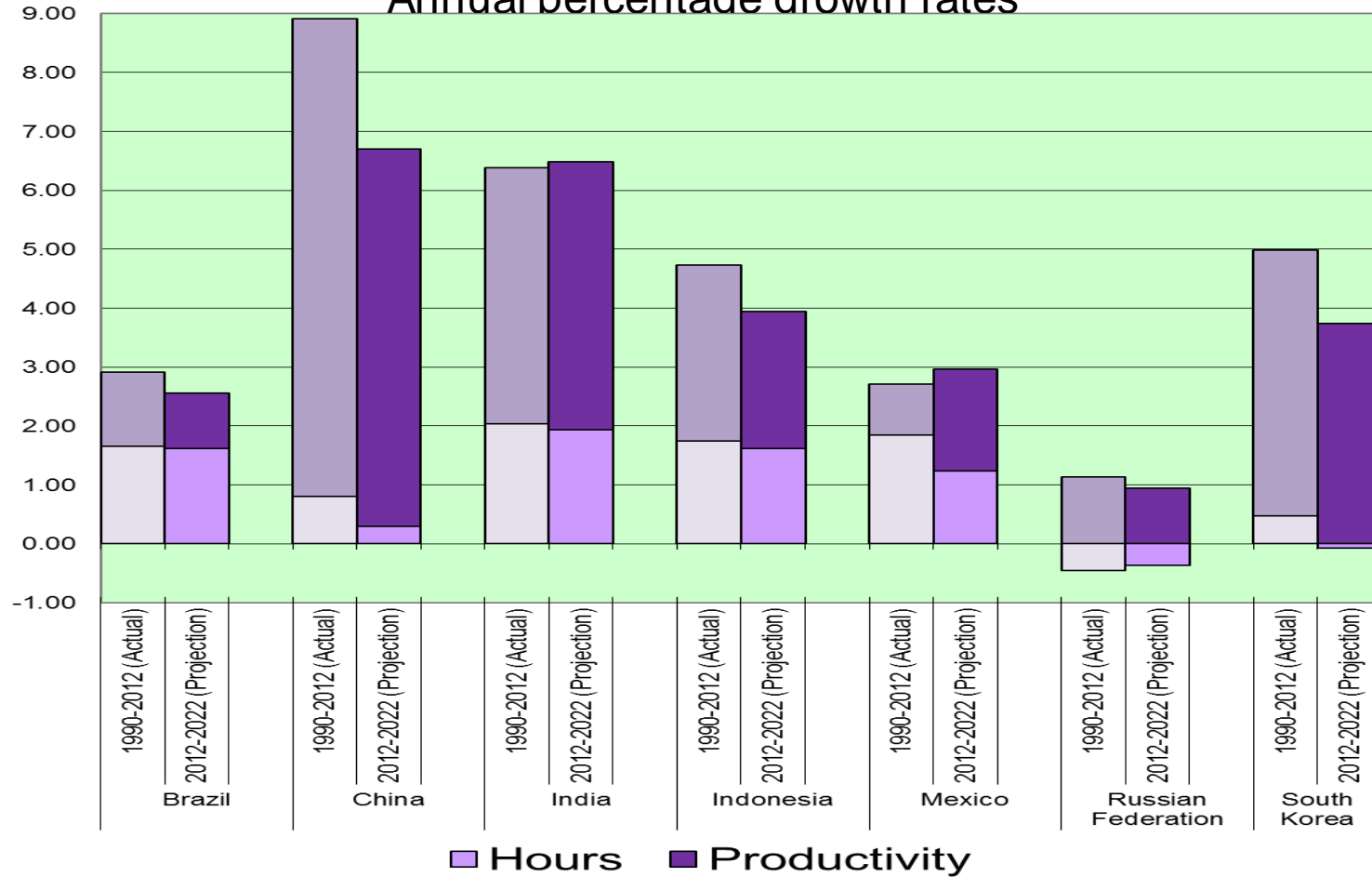
Growth Projections for the G7 Economy

Annual percentage growth rates



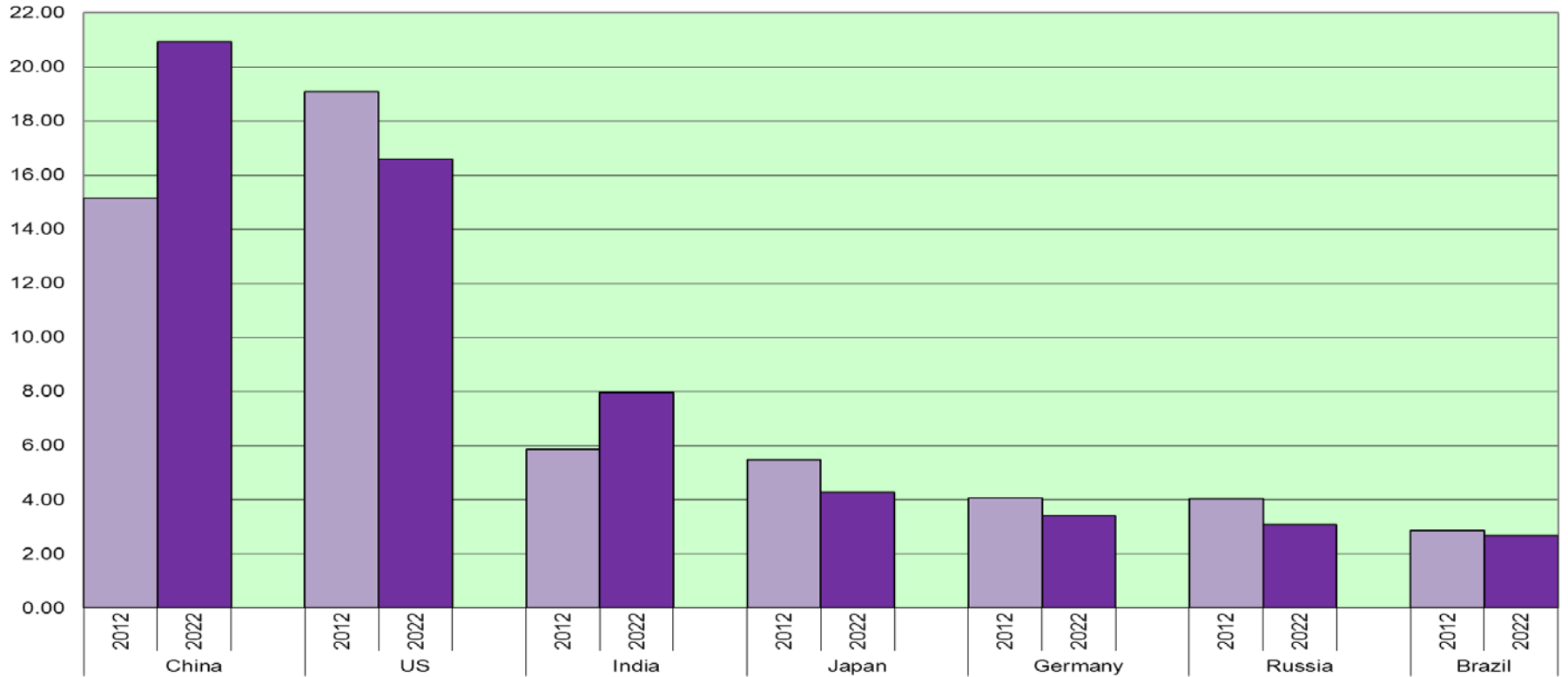
Growth Projections for the BRICS Economy

Annual percentage growth rates



New Economic Order 2022

Percentage shares of world GDP



AUSTRALIA AND THE GROWTH OF THE WORLD ECONOMY

RESEARCH ON ECONOMIC GROWTH:

Growth of Input Greatly Exceeds TFP Growth;
Most Growth is Replication Not Innovation

THE ASIAN MODEL OF ECONOMIC GROWTH:

The Special Sauce Is Globalization and the
Accumulation of Human and Nonhuman Capital

OFFICIAL STATISTICS:

Growth Is Now Included in Our National Accounts; This
Involves a New Architecture for the Accounts

Peter Martin

Economics Editor, The Age

Panel Speakers

Professor Dale Jorgenson, Samuel W. Morris University Professor,
Harvard University

Michael Blythe, Chief Economist of CBA

Anthony De Francesco, Executive Director and Head of Investment
Property Databank, Australia and New Zealand





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