



Jim Power
Jim Power Economics Ltd.

- 🌐 Jim Power is an accomplished economist who comes from a farming background and has experience in aquaculture.
- 🌐 As owner-manager of Jim Power Economics Ltd., Power conducts economic and financial consultancy projects in Ireland and overseas.
- 🌐 Power was formerly treasury economist at AIB and chief economist at Bank of Ireland Treasury, and he has taught at the University College Dublin's Michael Smurfit Graduate School of Business and Dublin City University. He writes a weekly column in the *Irish Examiner* and *Sunday Business Post* online edition.
- 🌐 Power is chairman of Three Rock Capital, chair of Love Irish Food and a board member of Agri-awar. In 2013, the Minister for Agriculture, Food and the Marine appointed Power a member of the Aquaculture Licences Appeals Board.

Keynote Address

Jim Power

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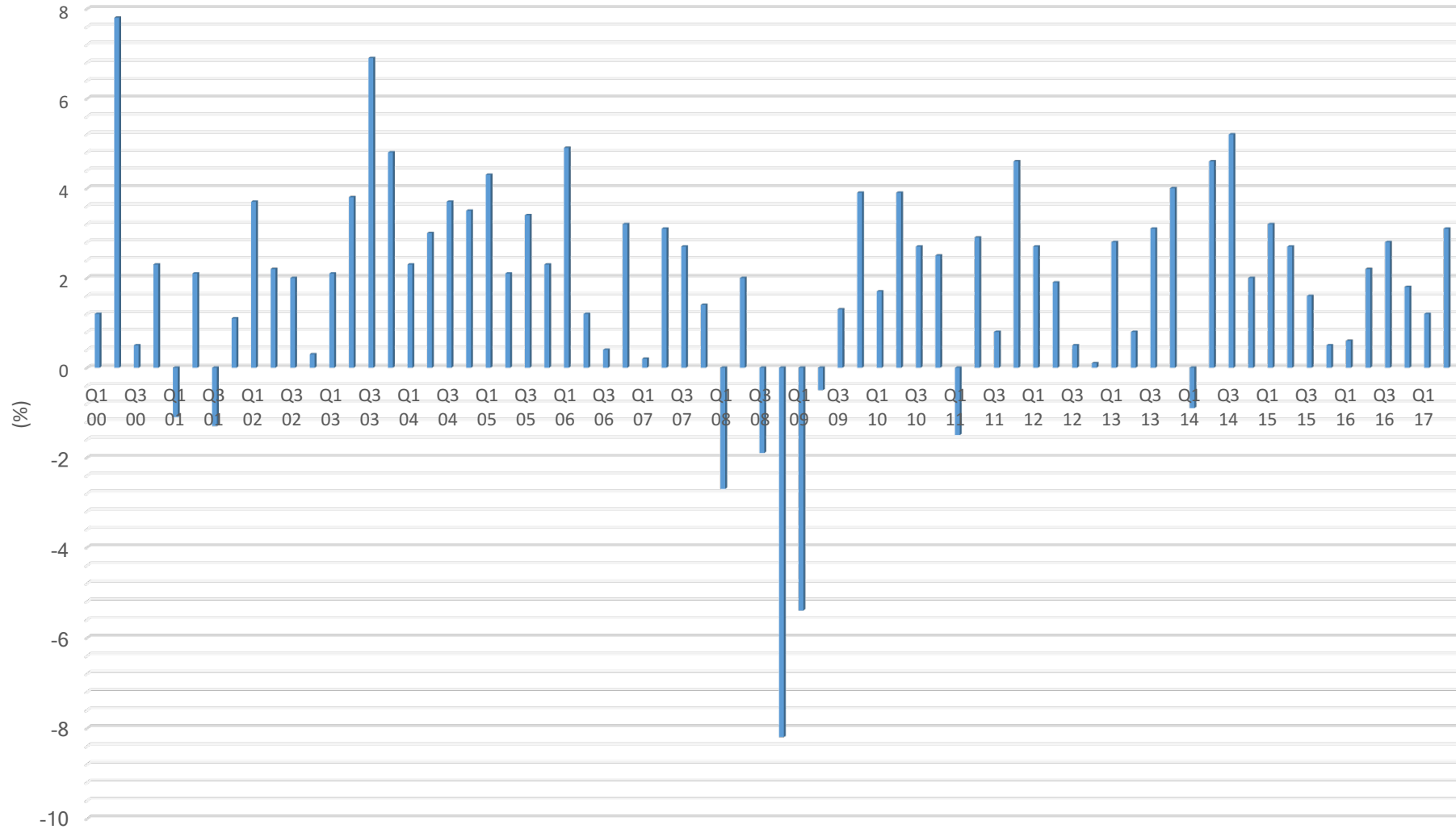
To Be Discussed

- 🌐 **Global Economic Context**
- 🌐 **Global Risks and Challenges**
- 🌐 **Some Demographic Trends**
- 🌐 **Food Industry Issues**
- 🌐 **Issues Affecting Aquaculture**

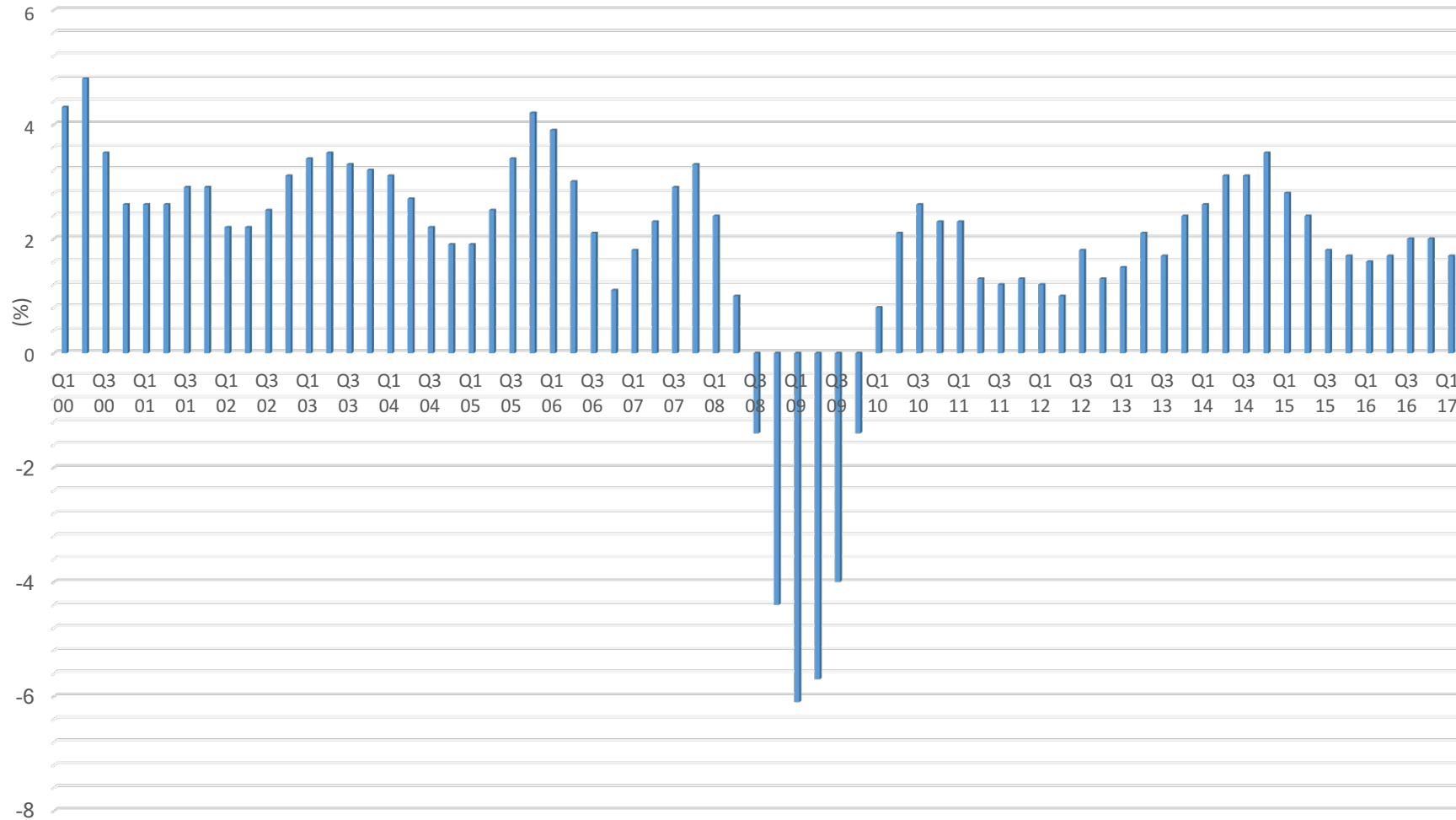
Global Backdrop

- 🌐 Global economy has come through tough decade
- 🌐 The Great Recession has left significant legacy
- 🌐 Global growth cycle now on upward path
- 🌐 U.S. growth reasonable; inflation moderate
- 🌐 UK held up well post-Brexit; Sterling weakness has helped exports, but consumer and business investment coming under some strain
- 🌐 Euro Zone growth recovery becoming more compelling
- 🌐 Chinese growth has stabilised
- 🌐 Global growth story reasonably compelling

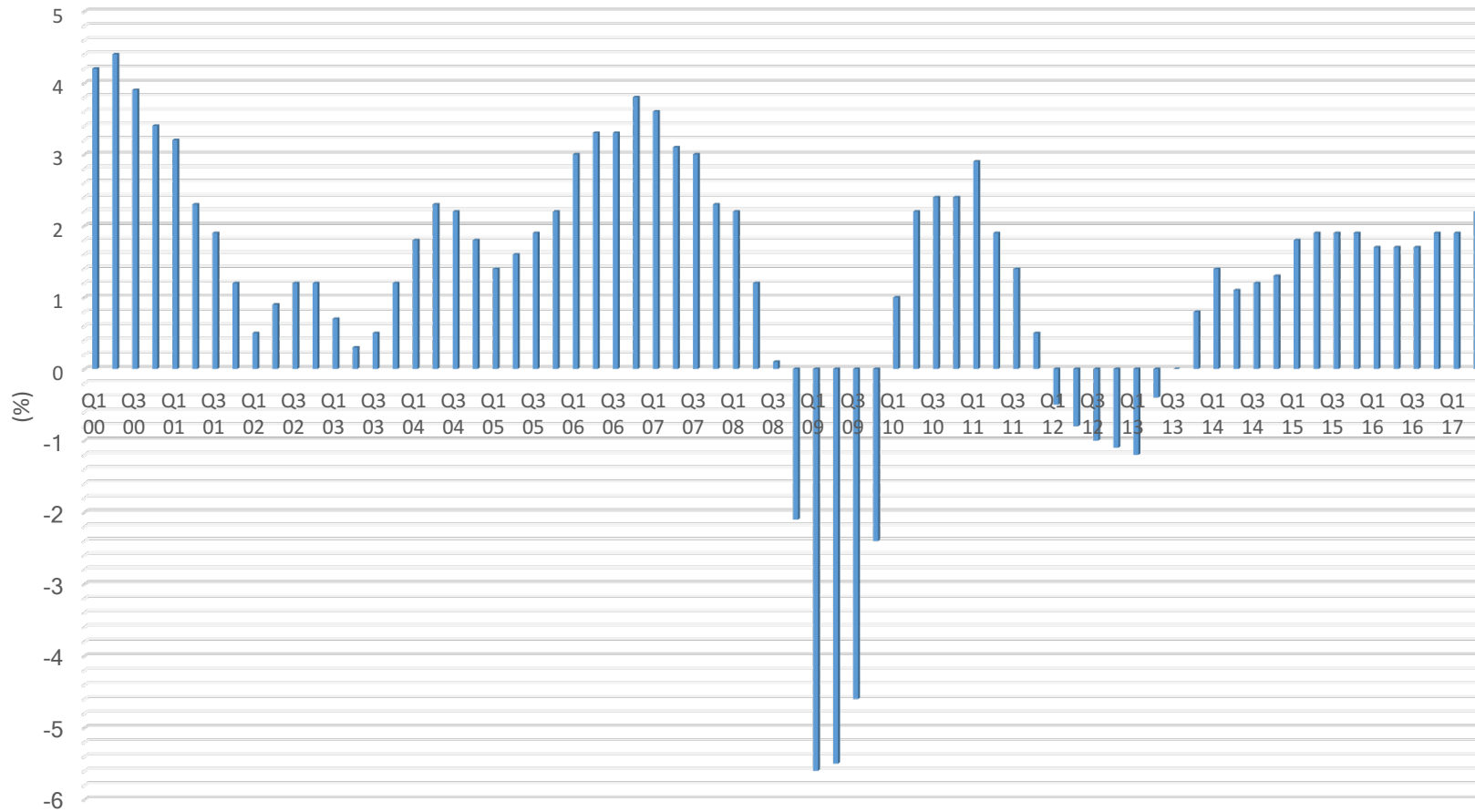
US GDP (YoY)



UK GDP (YoY)



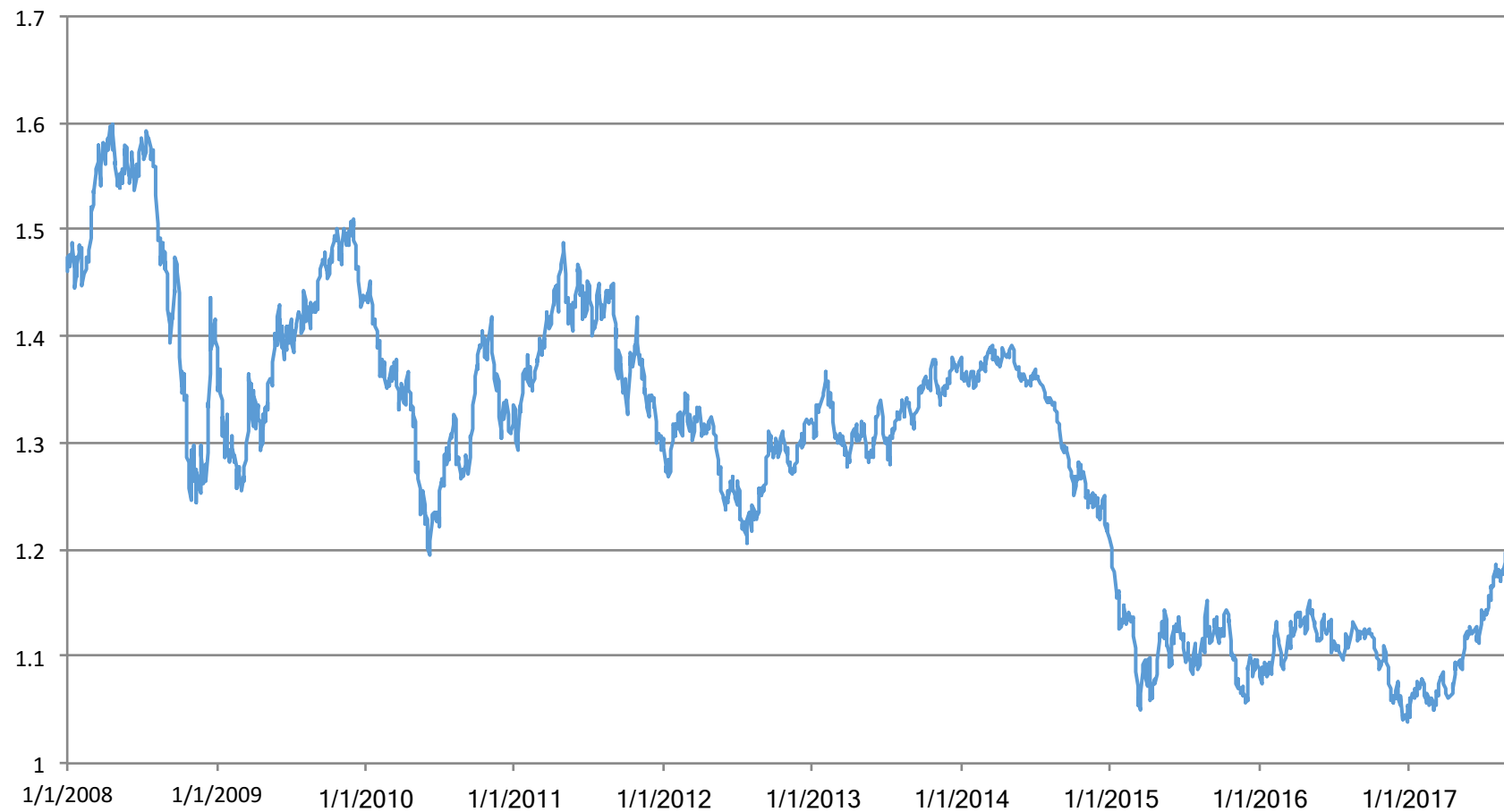
Euro Zone GDP (YoY)



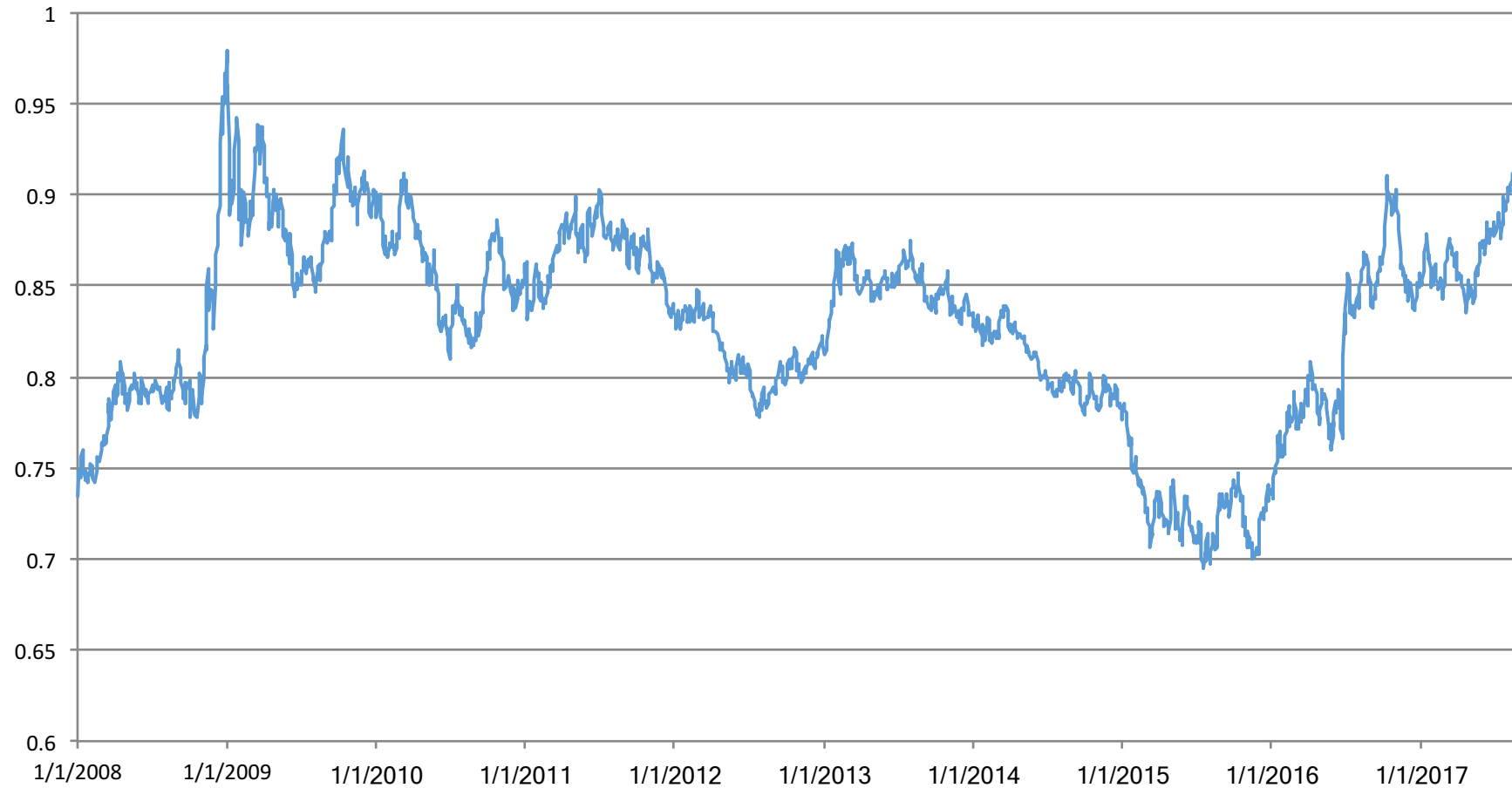
Global Growth Forecast

(IMF JULY 17)	2016	2017f	2018f
World Output	+3.2%	+3.5%	+3.6%
Advanced	+1.7%	+2.0%	+1.9%
US	+1.6%	+2.1%	+2.1%
Euro Zone	+1.8%	+1.9%	+1.7%
Germany	+1.8%	+1.8%	+1.6%
France	+1.2%	+1.5%	+1.7%
UK	+1.8%	+1.7%	+1.5%
Japan	+1.0%	+1.3%	+0.6%
Emerging	+4.3%	+4.6%	+4.8%
China	+6.7%	+6.7%	+6.4%
India	+7.1%	+7.2%	+7.7%

USD v EUR



GBP v EUR



Global Risks and Challenges

- 🌐 Rejection of Conventional Politics in 2016
- 🌐 Politics — Netherlands and France OK; Germany Sept 24th OK; Italy May 2018 — cause for concern
- 🌐 Migration — causing dangerous tensions in EU particularly
- 🌐 Global terrorism
- 🌐 Trump and growth of protectionism
- 🌐 Brexit
- 🌐 Equity markets have come a very long way since 2009
- 🌐 China – financial imbalances still a concern
- 🌐 Global monetary policy turning

Population Projections (Millions)

	2015	2030	2050	% 2015-2050
World	7,349	8,501	9,725	+32.3%
Africa	1,186	1,679	2,478	+109%
Asia	4,393	4,923	5,267	+19.9%
Europe	738	734	707	-4.2%
Latin Am. & Caribbean	634	721	784	+23.7%
North America	358	396	433	+20.9%
Oceania	39	47	57	+46.2%

50% Growth in Nine Countries

(000s)	2015	2030	2050	% 2015-2050
India	1,311,051	1,527,658	1,705,333	+30.1%
Nigeria	182,202	262,599	398,508	+118.7%
Pakistan	188,925	244,916	309,640	+63.9%
DR of Congo	77,267	120,304	195,277	+152.7%
Ethiopia	99,391	138,297	188,455	+89.6%
Tanzania	53,470	82,927	137,136	+156.5%
USA	321,774	355,765	388,865	+20.9%
Indonesia	257,564	295,482	322,237	+25.1%
Uganda	39,032	61,929	101,873	+161%
China	1,376,049	1,415,545	1,348,056	-2.0%
France	64,395	68,007	71,137	+10.5%
Germany	80,689	79,294	74,513	-7.7%
UK	64,716	70,113	75,361	+16.4%

Some Issues in the Food Sector

- 🌐 At global level climate change, retail concentration, energy dependency, global population growth the key drivers
- 🌐 In Ireland:
 - 🌐 Consumers want cheap food
 - 🌐 Retail concentration
 - 🌐 Viewed as a 'license to print money' by some
 - 🌐 Reality is that it is a competitive, low-margin business that is very vulnerable to imports and retail domination
 - 🌐 Dilemma between price, quality and uniqueness and by implication safety

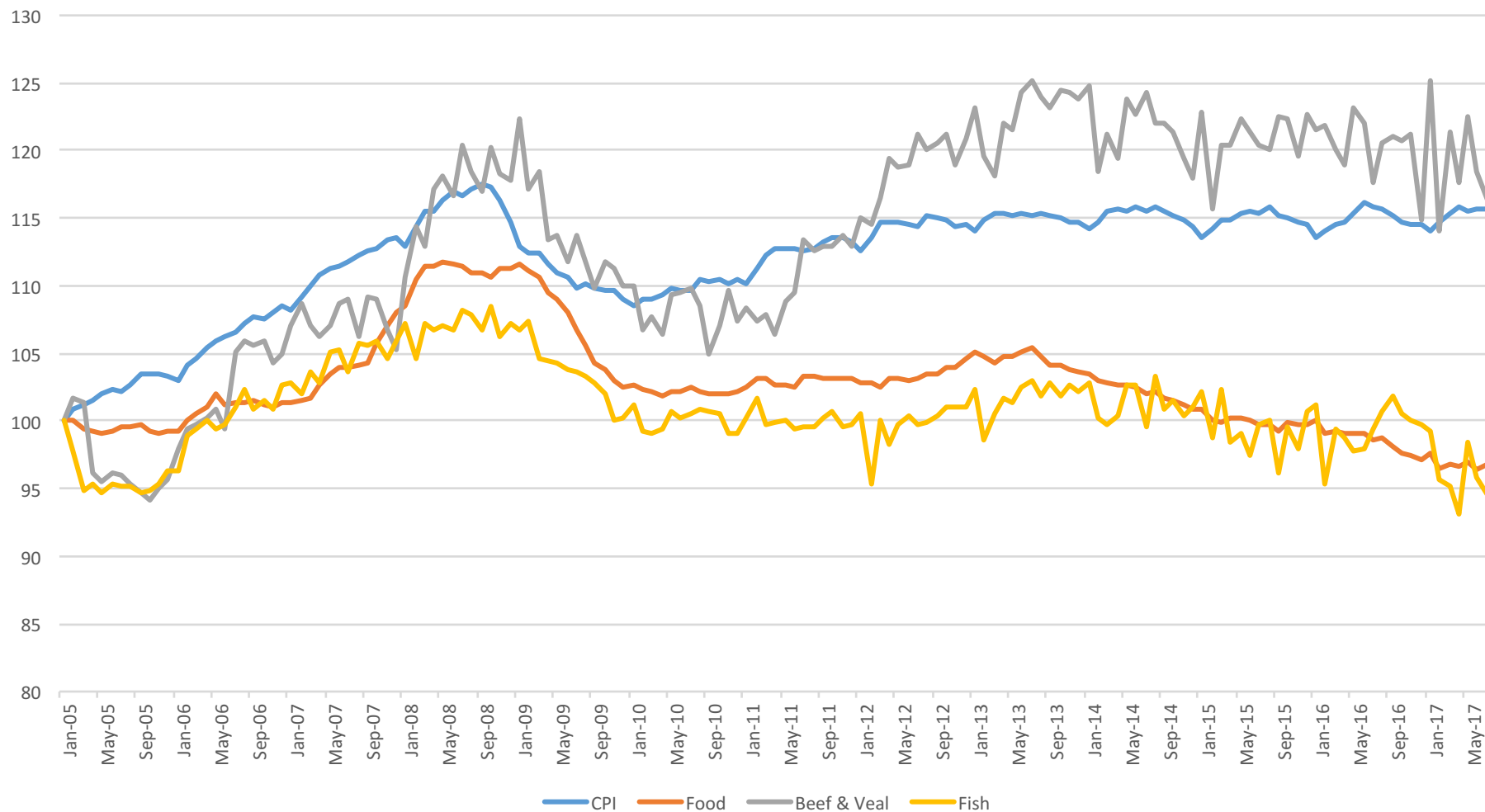
Global Food Production

- ① Population projections to 2050 will translate into 60% increase in agricultural consumption
- ① Feeding the world and nurturing the planet key challenges
- ① Sustainability the big theme
- ① Weather disrupting production
- ① Food security will become more important

The Future of Food

- 🌐 Demographics very positive
- 🌐 Increased income inequality?
- 🌐 Strong investment in production
- 🌐 Greater price volatility as barriers to production come down
- 🌐 Sector with good future, but in an environment of limited pricing power and more volatile prices, efficiency in production will be key to success

Consumer Food Prices in Ireland



Aquaculture – Key Issues

-  Climate change impact on production
-  Environmental issues
-  Health benefits
-  Food safety issues
-  Impact on tourism
-  ‘NIMBYism’
-  Licensing process

Thank You!

