

# Global Risk Watch Newsletter

## Chinese Economy – Becoming Uncontrollable?, etc.

Global Risk Watch Vol.5  
31 August 2015

=====  
<<index>>

- [1. # Chinese Economy – Becoming uncontrollable? \(Tsuyoshi Oyama\)](#)
  - [2. # Risk Appetite Framework is re-emphasized \(Koichi Iwai\)](#)
  - [3. # Creeping Deflationary Risk Approaches the Chinese Economy \(Koichi Iwai\)](#)
  - 4. # Increasing Global Population and its impacts (Hitoshi Motegi)
  - [5. Seminars](#)
- =====

### 4. Overseas Risk Related Topics

#### # Increasing Global Population and its impacts (Hitoshi Motegi, Director at Deloitte Touche Tohmatsu LLC)

The United Nations published “World Population Prospects 2015 Revision” last month (July 2015). The world population is currently at 7.3 billion 4,947 million people as of 2015, and is expected to reach 11.2 billion 1,332 million people by 2100.

Almost all advanced countries excluding the US, and many emerging countries will see their population reach its peak between 2015 and 2100. Broken down by regions, Asia, Europe and Latin America will reach its peak by 2100, then decline from that point, whereas Africa, North America, and Oceania regions will not reach its peak before 2100. Incidentally, as exhibition 1. Illustrates, the changes in regional pupation ratio, only the ratio of Africa and Oceania regions are expanding.

【Exhibition 1: Population ration by region】

	2015	2030	2050	2100
Africa	16.14%	19.75%	25.48%	39.12%
Asia	59.78%	57.91%	54.16%	43.60%
Europe	10.05%	8.63%	7.27%	5.76%
Latin America	8.63%	8.48%	8.06%	6.43%
North America	4.87%	4.66%	4.45%	4.46%
Oceania	0.54%	0.56%	0.58%	0.63%

Particularly, the increasing population trend in the African region is remarkable. Africa region's population is currently at 1.1 billion 8,618 million people, which accounts for 16.14 % of the world's population as of 2015. This will reach 2 billion in 2039, 3 billion in 2063, 4 billion in 2088, and 4.3 billion 8,659 million people by 2100, which will account for 39.12% of the world's population. As of 2015, there are 12 countries including Japan with a population greater than 100 million people in the world, and only Nigeria from the African region is named on this list. However, 26 countries will have a population greater than 100 million people by 2100, with 14 of those countries coming from the Africa region.

Increasing population is a tremendous positive factor for the expansion of the consumption market. Particularly, Africa's region has extremely large potential to develop its market along with its increasing population. Furthermore, there are also elements of expanding manufacturing industries underpinned by the abundance of labor and increased demand for infrastructure. This would ultimately, raise the rank of the world economy moving forward.

On the other hand, there are also various negative aspects that come with increased population. For example, the likelihood of accelerating the worldwide food and water shortage, which could further instigate regional conflicts. In addition, increasing population also raises the likelihood of inequalities among regions, countries, and domestically. Inequality has historically been a factor that has de-stabilized societies and must be observed carefully. For example, accumulated social discontent will lead to anti-government movements, riots and social unrest, terrorism by anti-government organizations, strikes due to frequent and intensified labor disputes, as well as anti-foreigner movements, which can change all aspects of the dynamics of a country such as politics, economics, and society.

In addition, increasing natural disasters cannot be ignored. The reason for the correlation of increasing population and natural disasters is that in principle, it's called a natural disaster because it impacts humans. For example, if a catastrophic earthquake were to occur in the north pole, it would not constitute as a natural disaster if it does not affect human life. Therefore, an increasing population could theoretically enhance the affects of natural disasters, such as increasing the spread of epidemic diseases.

Consequently, a worldwide population increase will have immense impacts on worldwide political, economical, and social situations moving forward.

Deloitte Tohmatsu Group (Deloitte Japan) is the name of the Japan member firm group of Deloitte Touche Tohmatsu Limited (DTTL), a UK private company limited by guarantee, which includes Deloitte Touche Tohmatsu LLC, Deloitte Tohmatsu Consulting LLC, Deloitte Tohmatsu Financial Advisory LLC, Deloitte Tohmatsu Tax Co., DT Legal Japan, and all of their respective subsidiaries and affiliates. Deloitte Tohmatsu Group (Deloitte Japan) is among the nation's leading professional services firms and each entity in Deloitte Tohmatsu Group (Deloitte Japan) provides services in accordance with applicable laws and regulations. The services include audit, tax, legal, consulting, and financial advisory services which are delivered to many clients including multinational enterprises and major Japanese business entities through over 8,500 professionals in nearly 40 cities throughout Japan. For more information, please visit the Deloitte Tohmatsu Group (Deloitte Japan)'s website at [www.deloitte.com/jp/en](http://www.deloitte.com/jp/en)

Deloitte provides audit, consulting, financial advisory, risk management, tax and related services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries and territories, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte's more than 220,000 professionals are committed to making an impact that matters.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) for a more detailed description of DTTL and its member firms.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.