In the new macro supercycle, global growth may be closer to the 3% range than the 3.5 - 4% range during peak China and EM growth of earlier years.

By historical standards, the post-COVID global recovery is unlikely to be strong due to a confluence of pre-existing headwinds, many of which accelerated during COVID.

**Headwinds Driving Structurally Lower Global Growth**

- **Smaller global growth engines** (lower US & China growth)
- **Structurally lower growth in China** (pivot to CCP and state, debt & demographics, low productivity)
- **Aging demographics** (US, China, Europe, UK, Japan)
- **Smaller fiscal and monetary policy toolkit** (excessive post GFC & COVID stimulus)
- **Structurally higher inflation** (labor & housing shortages, deglobalization, energy transition, tight commodity markets)
- **COVID’s long shadow, scars** (small business, lower income demographics)
- **Smaller EM more vulnerable** (COVID damage, high debt burdens, commodity risk)
- **New era of higher geopolitical friction** (US-China rivalry, multi-polar conflict)