

Economic trends that will dominate 2020

From preventative medicine to smart mobility to 5G, the 2020s will see significant trends driving global growth over the next decade.

The Roaring Twenties of nearly 100 years ago was defined by a surge of consumerism, a brightly revitalised global economy and the arrival of the concept of 'mass culture'. It was the era of jazz hands, fresh ideas and glamorous invention. It was also a time of significant political and social change - an undercurrent that charged conversations and technological innovation.

Into this decade of post-war ennui and awareness came the telephone, the radio and the instant camera along with a slew of other inventions that changed the course of history. Today, the world awaits the 2020s, with eager anticipation and much excitement, as a decade likely to be defined as much by further leaps in technological innovation as by its socially influenced political and economic upheavals.

The resultant landscape, filled with roaring changes, will inevitably require a much more comprehensive level of understanding to most effectively capture the resultant growth opportunities.



Jonathan Sieff, senior portfolio manager at Sasfin Wealth

"There are seven major themes that will drive global growth over the next decade," says Jonathan Sieff, senior portfolio manager at Sasfin Wealth.

"These will change the way we live, the way we travel, how we engage and collaborate, and how we work. Each of these themes should form part of any forward-thinking investment portfolio to ensure it is capable of benefiting from these specific market forces."

Major themes

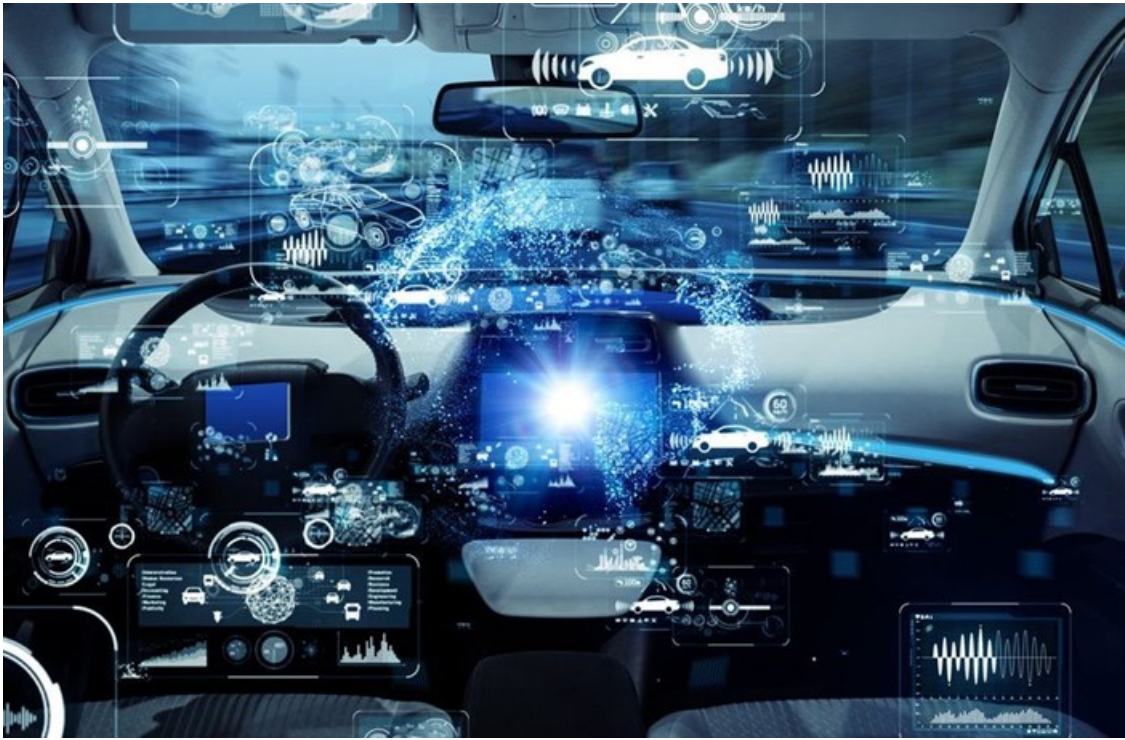
Healthcare innovation is the first theme that will dominate the decade.

The cost of medical solutions has reduced exponentially over the years – the complex process of mapping the human genome cost over \$1bn when it first emerged, but by the mid 2020's it will be mapped for less than a few hundred dollars.



This has huge ramifications for preventative medicine as doctors can use genome mapping to assess cell mutations and invest in preventative care that could mitigate the health impacts of obesity, cancer and so much more. This will be complemented by further advancements in robotic surgery, preventative diagnostic equipment, improved education and medical intervention techniques.

“The second trend is **smart mobility**, which includes combining materials like lithium and cobalt with metalloids, such as silicon, or innovative organic compounds to produce the batteries of the future; new technologies required to drive the concept of e-mobility forward,” adds Sieff.



“The next decade will see significant refinements to connected vehicles and mobility solutions that will fundamentally change the way we travel such as autonomous vehicles that bypass fossil fuels entirely.”

The third trend lies in a buzzword that dominates media today but has yet to deliver on its promise – the ***Internet-of-Things (IoT) and its enabler, 5G.***

IoT involves digitally animating the physical world, using a vast array of devices, with 5G enhancing the speed and reliability of connections across the globe. For now, 5G penetration is still relatively low globally.



For example, the concept of the smart home has yet to entrench itself as a modern living standard. Only 3% of homes in the United States are smart homes, with seamless communication between devices to enhance the quality of life. The next few years should see this concept become increasingly accepted and entrenched as the costs of internet access, mobility and technology reduce further.

“In addition to 5G enablement, ***robotics and artificial intelligence (AI)*** will continue to have a huge impact on the Fourth

Industrial Revolution (4IR),” he says.

“Technology and cost efficiencies will redefine consumer robotics and improve quality of living by automating a number of previously menial human functions.”

AI-assisted diagnostics will be able to provide personalised care and improved treatment outcomes, and by considering all available evidence, deliver predictive analytics to detect hidden factors and reduce side effects through personalised drugs.

One of the major trends that will continue to lead in the Roaring Twenties will be **digital entertainment and e-commerce**. In terms of digital entertainment, “online content and how people access and aggregate their information will continue to innovate,” explains Sieff.



“Online streaming TV is fast replacing cable and satellite delivery and this trend will accelerate. Alongside this trend, the world of advertising is clearly trending towards programmatic advertising, which will have a powerful impact on personalisation and e-commerce growth.”

In many countries, e-commerce is still not fully established. Even the United Kingdom has only 30% of its consumer base embedded in digital. The 2020s will see the omnichannel retail world continue to shift on its axis to become increasingly accessible and relevant to the consumer. This will be particularly obvious in developing countries, such as South Africa, where the online market remains limited but is now showing signs of significant growth.

The penultimate theme is **cloud computing and cybersecurity**. This market is growing exponentially and is extremely competitive. It will be defined by continuous innovation, embedded cybersecurity, and privacy of information.



These factors will influence which organisations thrive and which wither over the decade as those that adapt will likely grow alongside cloud demand.

“Finally, the **clean energy** conversation will dominate in the 2020s,” says Sieff.

“There is an increasing awareness of the need to live more sustainably and to invest into renewable power innovation. Innovation has become a necessity, given the environmentally harmful nature of fossil fuels over and above their finite nature.



It has also improved the relative cost advantage for renewable options as population growth and ongoing urbanisation continue to drive the increased consumption of electricity, particularly in a world of more interconnected devices.”

“These seven trends will govern how we live, work, commute and entertain, and will redefine the infrastructure within which we operate. They are interconnected and dynamic, making the landscape even more exciting in term of its potential and how it will influence investment and markets.” concludes Sieff.

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