


# CE Spotlight

 Artificial intelligence and the global economy

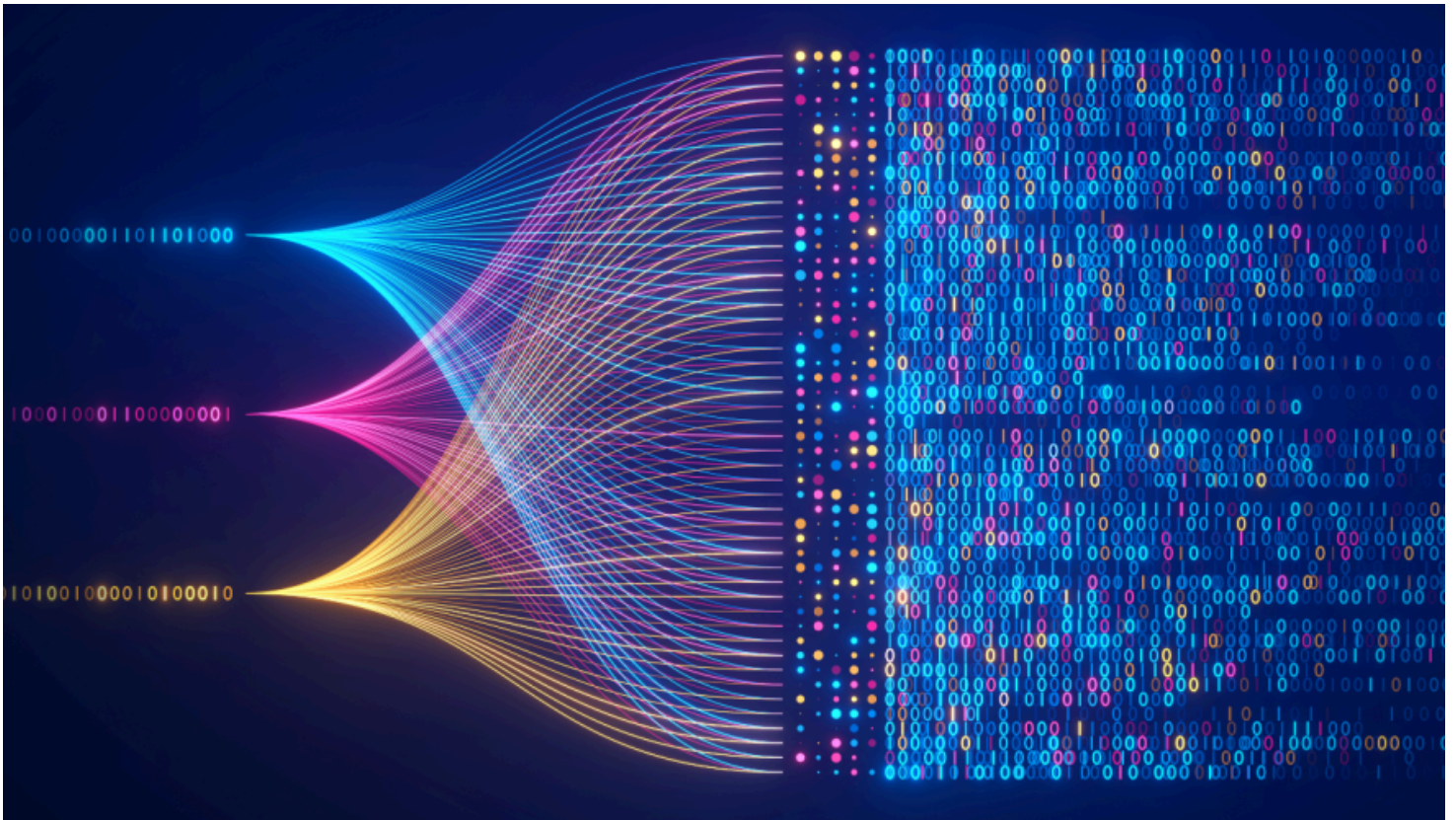
## The economic and market impact of artificial intelligence

### How AI will transform the global economy

Within the analysis on this page, you'll find insight into how AI will reshape the global economy from all angles, from the impact on productivity and jobs to the consequences for inflation, policy and regulation. And, with our new proprietary AI Economic Impact Index, you'll get a clear picture of AI's consequences for the global economic order, including the countries that are best placed to exploit the economic benefits of AI and those that will struggle. Finally, we tie all of this together and explain AI's implications for financial markets.

### For Capital Economics clients: AI, Economies and Markets

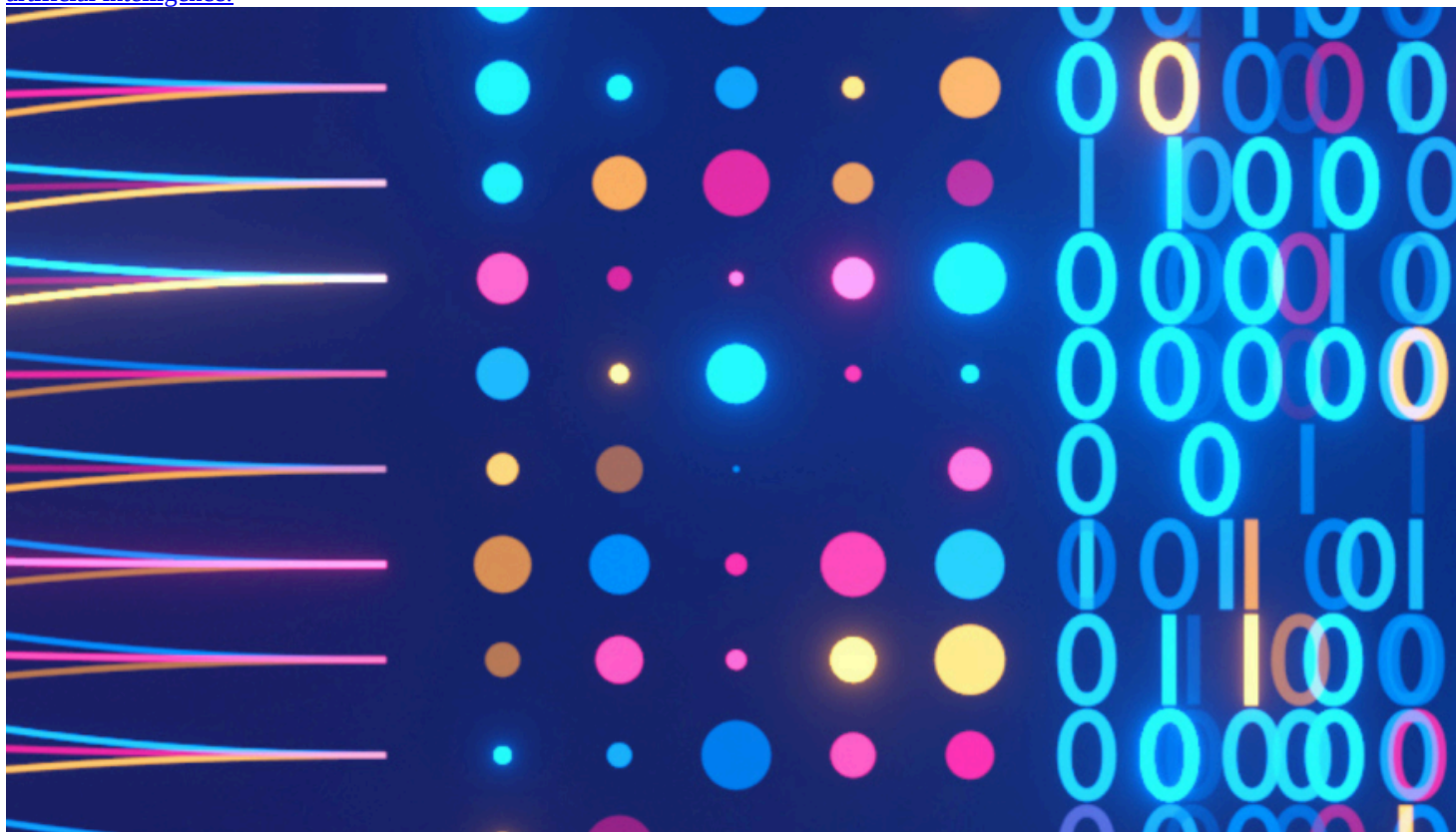
Our Spotlight 2023 report presents the full macro and market implications of artificial intelligence. Explore the chapters below and also see our proprietary CE AI interactive dashboard.



[CE Spotlight](#)

[AI, Economies and Markets: Executive Summary](#)

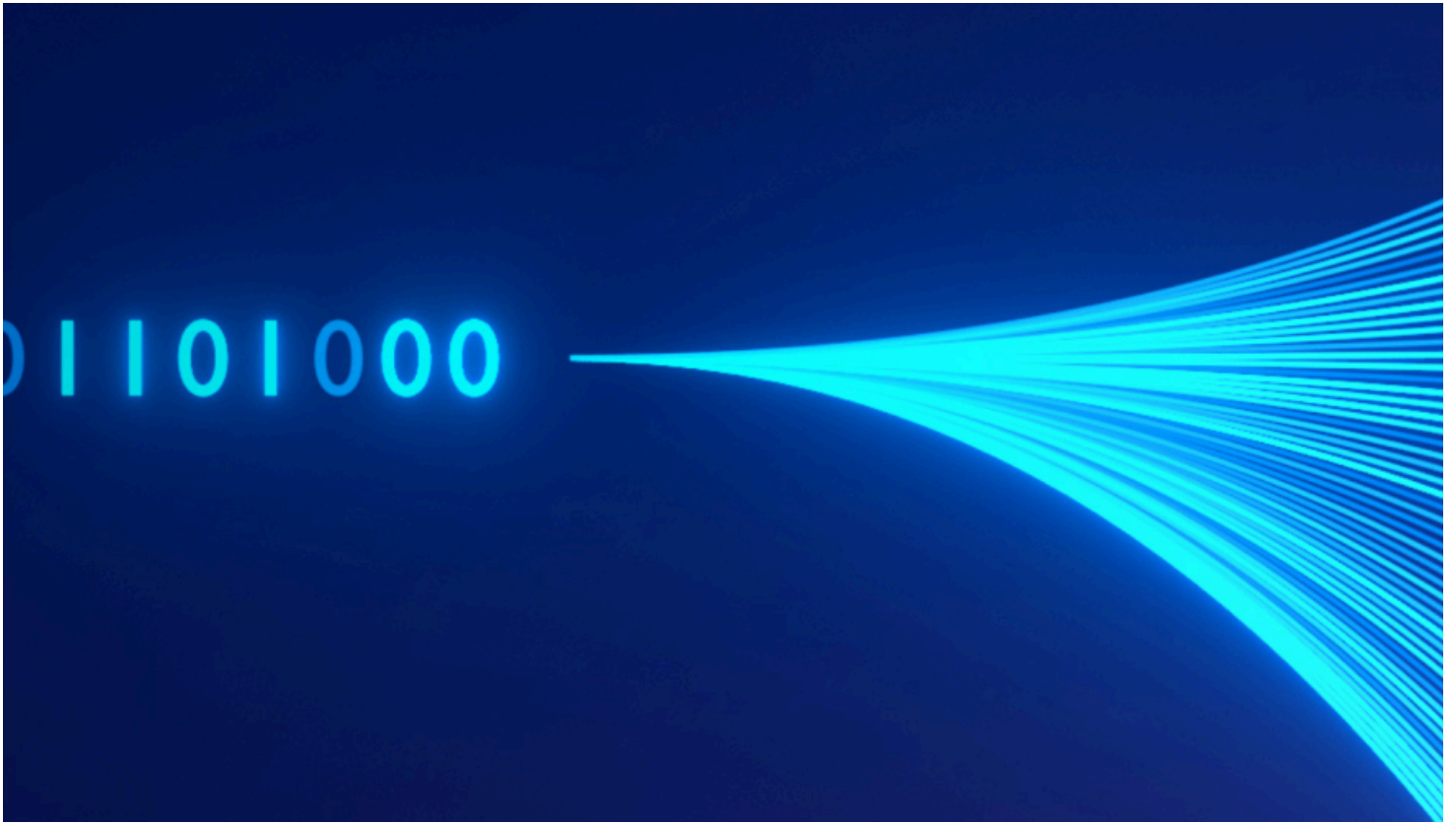
[Group Chief Economist Neil Shearing outlines the key takeaways from our report about the economic and market implications of artificial intelligence.](#)



[CE Spotlight](#)

### [Chapter 1: AI – What’s all the fuss about?](#)

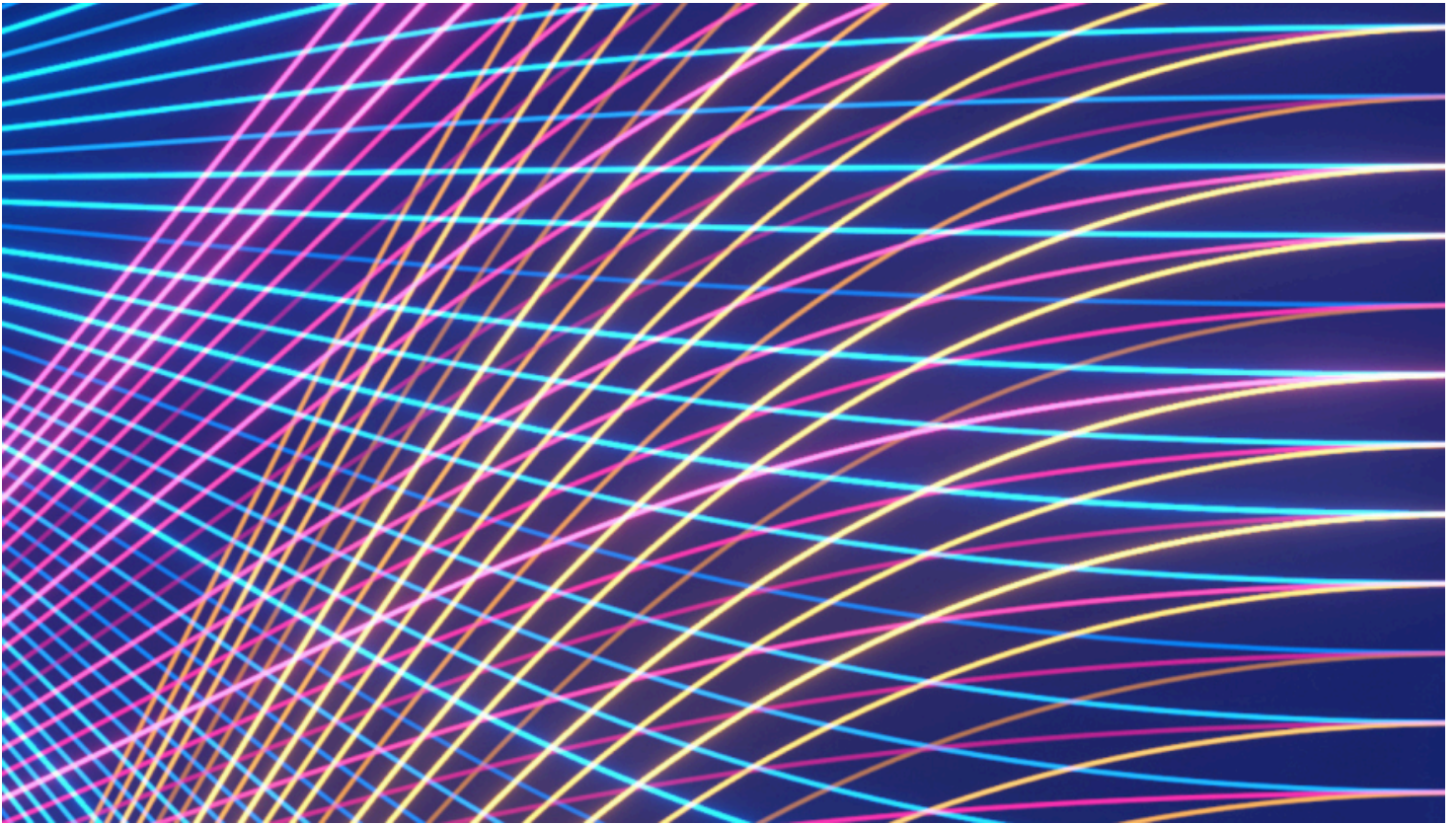
[Why the promise of AI has become a reality, where large language models go from here and why we think AI should be considered a general-purpose technology.](#)



[CE spotlight](#)

**[Chapter 2: AI's economic revolution](#)**

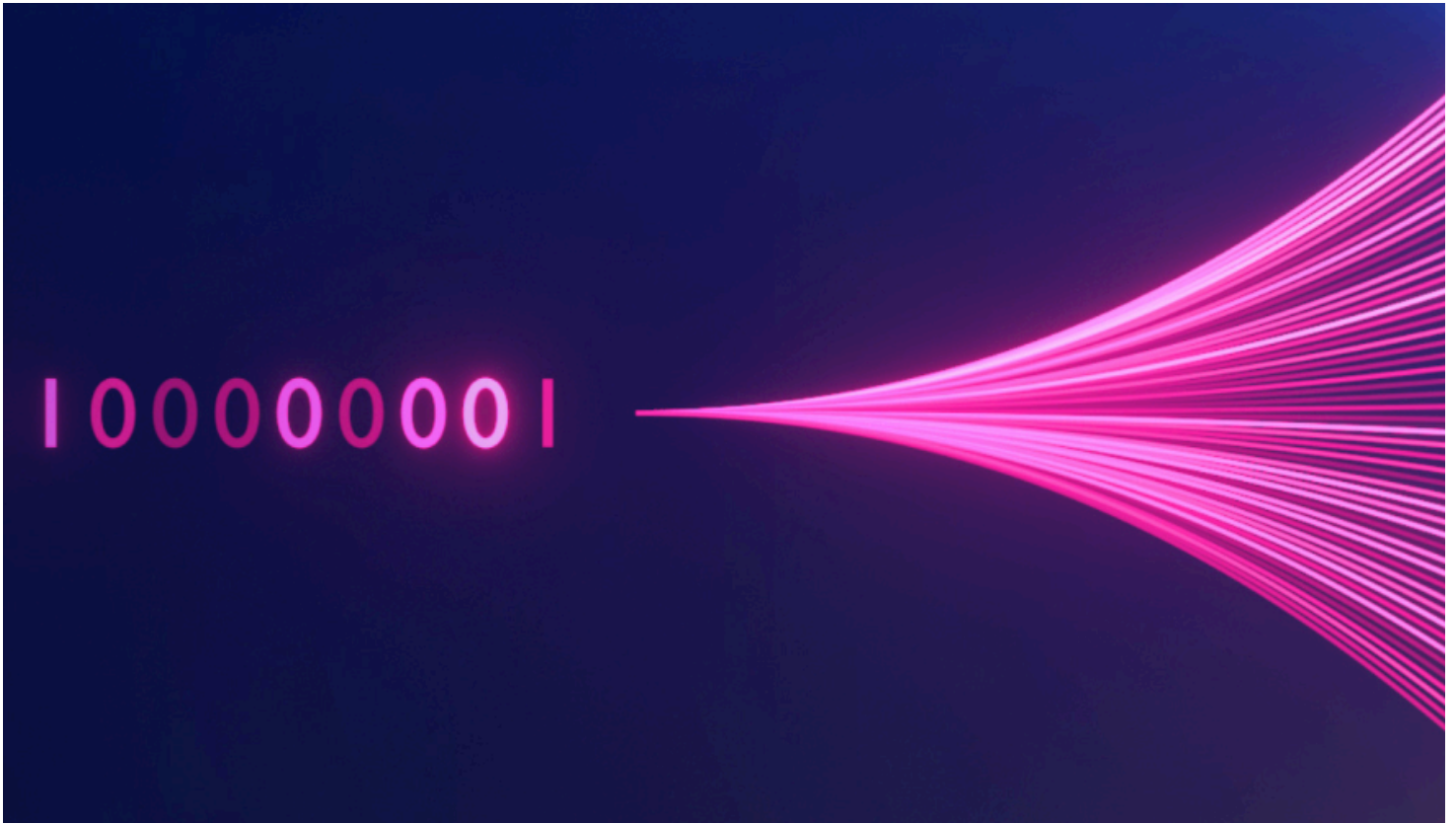
[How GPTs transform economies, the size and scope of AI's coming productivity boost, and potential barriers to adoption.](#)



[CE Spotlight](#)

### [Chapter 3: AI, jobs and prices](#)

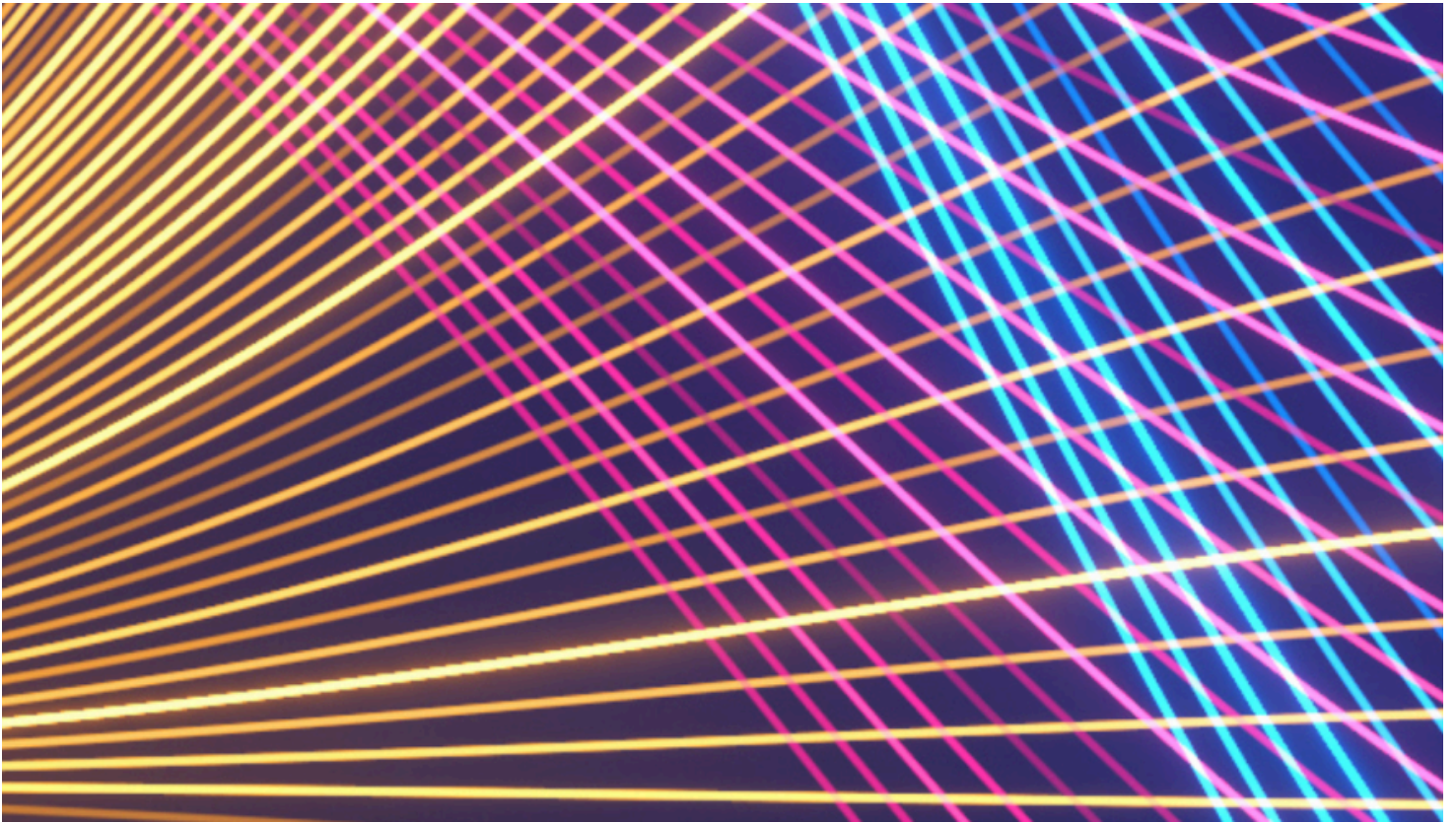
[On AI's potential for labour market disruptions – including whether the technology's adoption will lead to mass layoffs – and its inflationary risks.](#)



[CE Spotlight](#)

**[Chapter 4: The policy dilemmas from AI](#)**

[How should governments respond to AI? Is the technology another argument for a Universal Basic Income and what are the monopoly risks around its development.](#)



[CE Spotlight](#)

**[Chapter 5: AI and the global economic order](#)**

[What our AI Economic Impact Index says about economies racing to develop and adopt the technology and AI's role within the fracturing of the global economy.](#)



[CE Spotlight](#)

**[Chapter 6: Blowing bubbles? AI's financial market implications](#)**


[What are AI's implications for interest rates, bond yields and equities? Are AI-linked equity valuations justifiable and what are the risks of another tech-driven stock market bubble?](#)



[CE Spotlight](#)

### [AI, Economies and Markets: Full PDF](#)


[The full report 'AI, Economies and Markets: How artificial intelligence will transform the global economy' is available for Capital Economics clients to read in pdf format.](#)

 AI artificial intelligence

## **Jumpstart your AI strategy with custom project support from Capital Economics**

Find out how our consulting team is helping clients in corporate strategy, private equity, investment strategy, professional services, communications/PR and more develop a data-driven approach to incorporate artificial intelligence into their 2024 strategies.

[Learn more](#)

 AI artificial intelligence

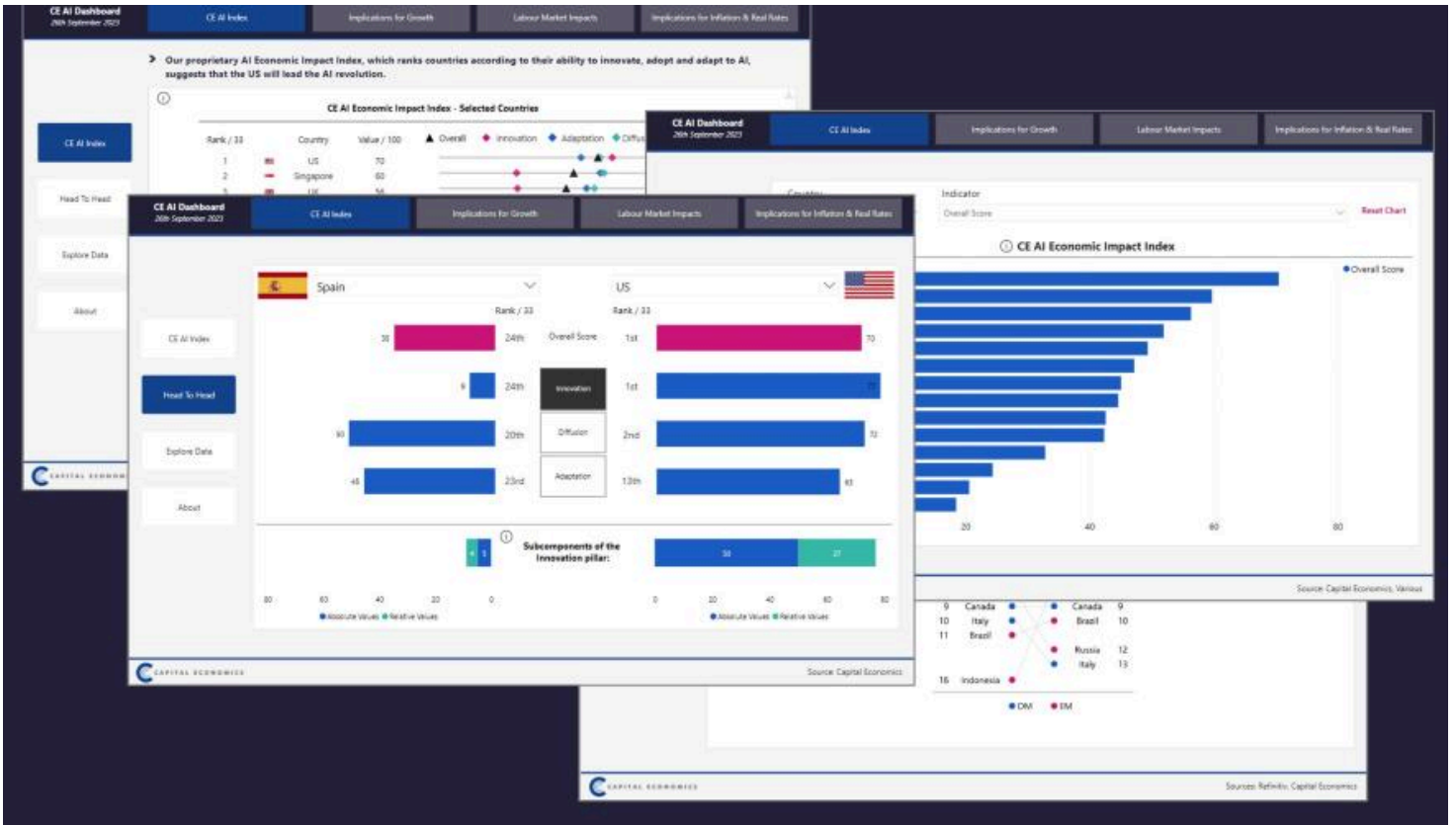
## **Get your sample copy of AI, Economies and Markets**

Capital Economics' definitive guide to AI's coming productivity boom – and how it will reshape economies and help define market returns.

[Get your complimentary report](#)

## **AI, Economies and Markets Dashboard**





[Log in to your account to explore Capital Economics' interactive guide to AI, including our proprietary AI Economic Index Client login](#)



[Request a free 2-week trial to access the interactive guide to AI and to receive the full value of Capital Economics client experience](#)  
[Request a trial](#)

## Listen to our latest podcast "Is AI coming for our jobs?"

From hope to reality to hype and hysteria. The rapid development and adoption of generative artificial intelligence may be keeping headline writers busy, but is there anything to their warnings about the technology's roll-out leading to mass unemployment?

In this special episode of our The Weekly Briefing, Senior Economic Advisor **Vicky Redwood** and Deputy Chief UK Economist **Ruth Gregory** discuss AI's potential as an economic game changer and what that could mean for labour markets.



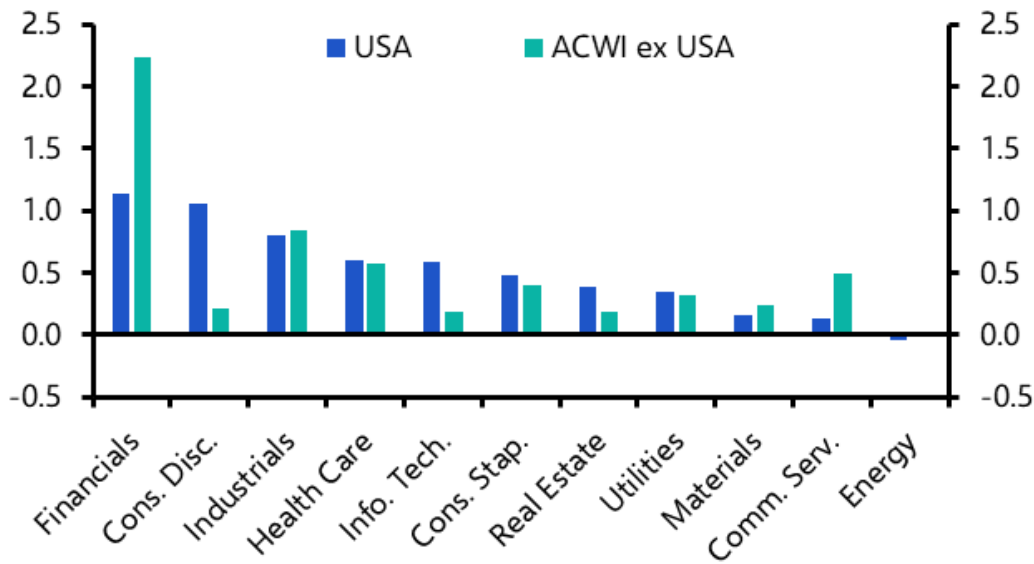
## Related analysis about artificial intelligence



[Global Economics Update](#)

[US continues to lead the way on our AI index](#)

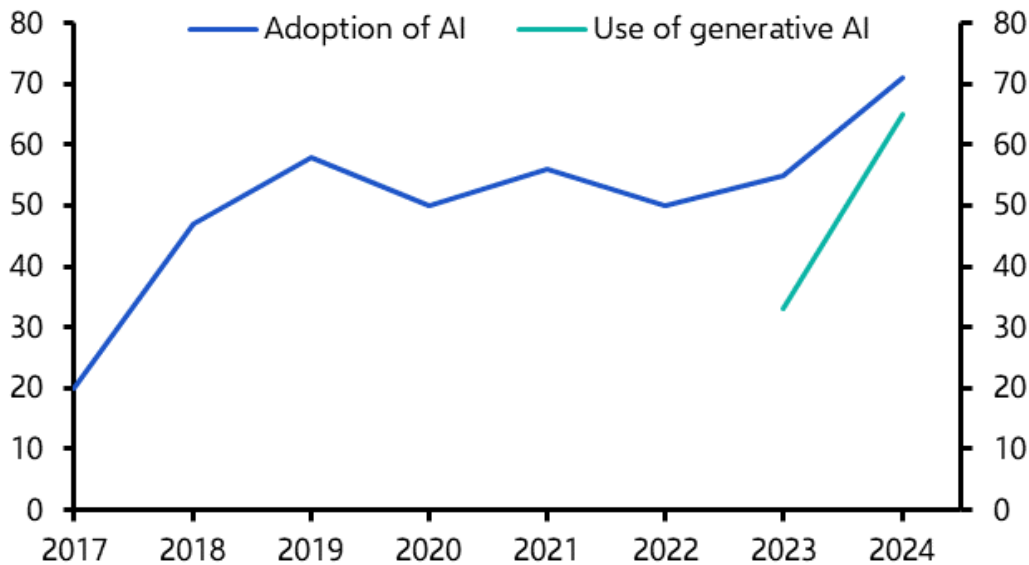
[A year ago, we developed our proprietary AI Economic Impact Index, which ranks major economies according to their ability to realise the benefits of AI. We have updated that index, and the big picture...](#)  
[11th October 2024 · 3 mins read](#)



[Asset Allocation Update](#)

**[Will US equity underperformance last?](#)**

[While some drivers of the US stock market’s recent underperformance are likely in our view to persist, we think that they will soon be outweighed by renewed enthusiasm about AI. And only when the...](#)  
[3rd October 2024 · 4 mins read](#)

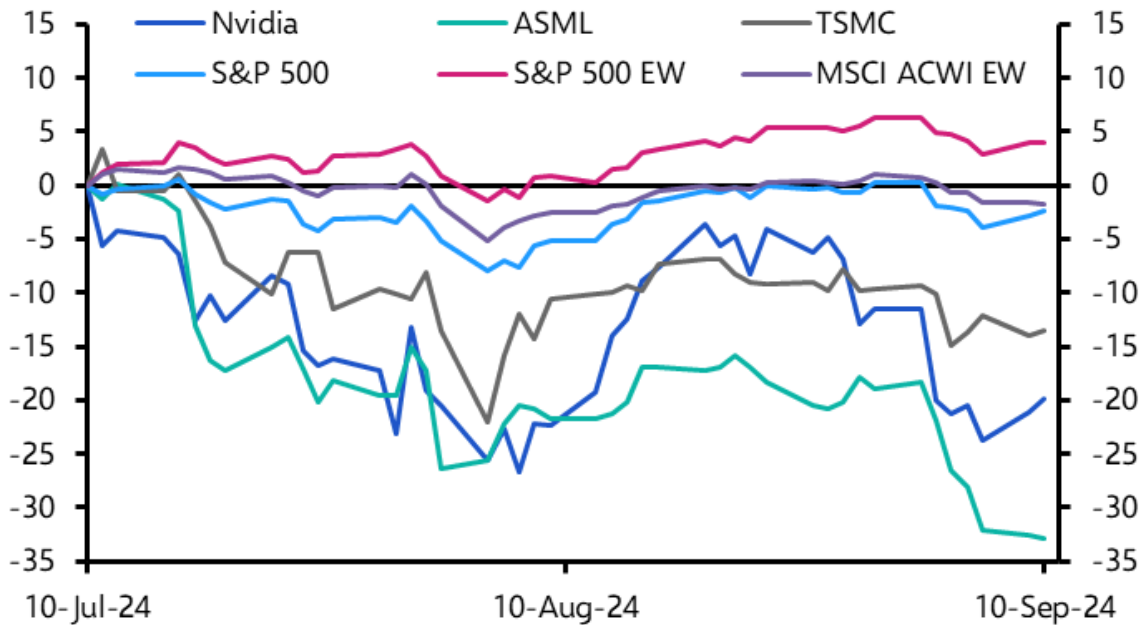


[Global Economics Update](#)

**[Don’t lose hope of AI’s economic potential](#)**

[This summer's falls in the share prices of companies involved in producing AI chips have prompted some to question whether the AI revolution will be quite the game-changer it has been built up to be...](#)

[26th September 2024 · 5 mins read](#)

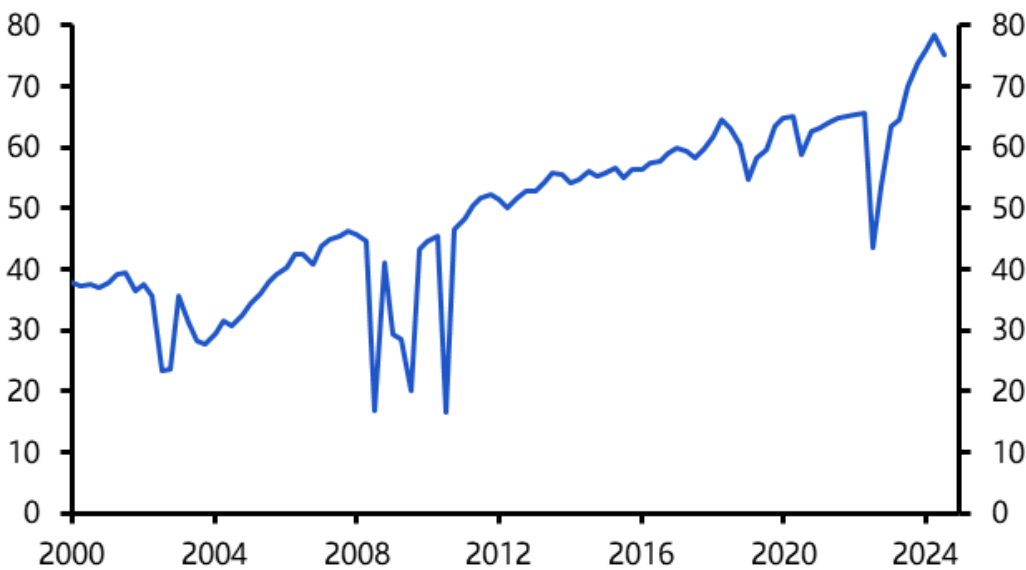


[Global Markets Update](#)

### [Has the bubble in AI equities already burst?](#)

[It's possible that the bubble in Artificial Intelligence \(AI\) equities has burst, and that the US stock market's broad-based strength will end soon. Nonetheless, this isn't our baseline scenario...](#)

[11th September 2024 · 5 mins read](#)



[Global Markets Update](#)

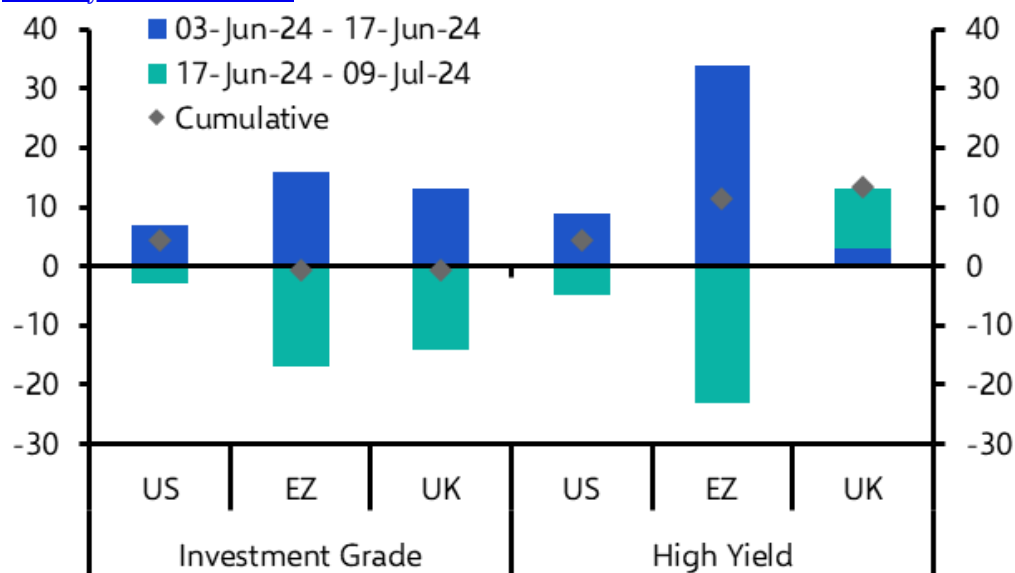
### [So what if Nvidia was priced for perfection?](#)

[The slide in Nvidia's shares after the release of its latest consensus-beating results bolsters the argument that it was priced for perfection. But that doesn't mean its party is over, or that the AI...](#)  
29th August 2024 · 5 mins read

[DM Valuations Monitor](#)

### [Global Markets Valuations Monitor \(July 2024\)](#)

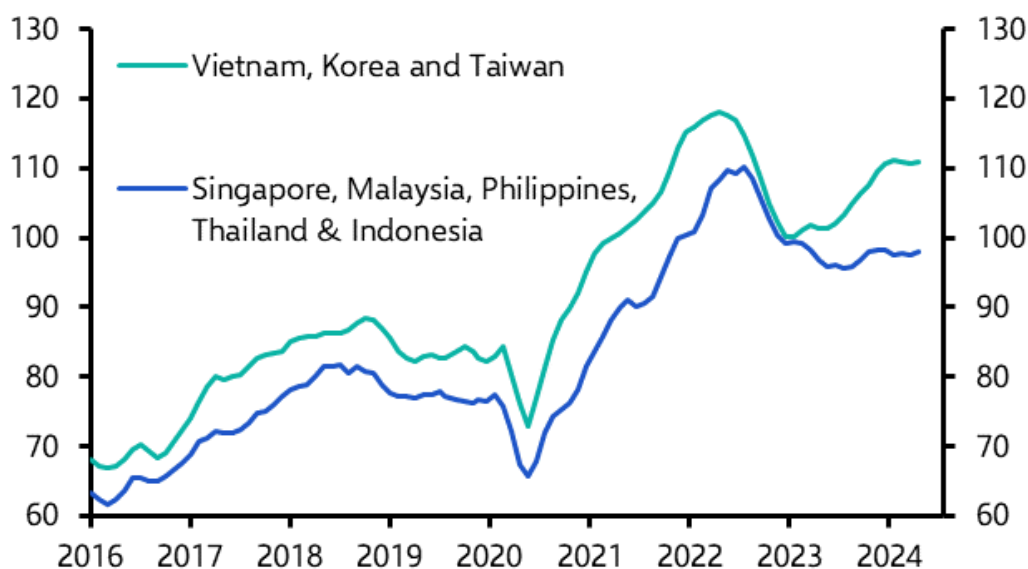
[The valuations of "risky" assets have continued to rise, both in absolute terms and relative to "safe" asset yields. We think that reflects the inflation of a bubble in stock markets, itself a...](#)  
12th July 2024 · 1 min read



[Capital Daily](#)

### [Corporate bonds likely to keep trailing equities](#)

[We think that corporate bonds will continue to underperform equities, as credit spreads are already low, economic growth moderates, and equities benefit more from enthusiasm about AI.](#)  
10th July 2024 · 4 mins read



[Asia Economics Update](#)

### [AI and friendshoring boosting \(some\) Asian exporters](#)

[Exports from Taiwan, Korea and Vietnam have surged over the past 18 months, thanks to strong demand for AI-related products and friendshoring. In contrast, shipments from the rest of the region have...](#)

[10th July 2024 · 3 mins read](#)

[Services export boom has an AI sting in the tail](#)

[India Economics Update](#)

### [Services export boom has an AI sting in the tail](#)

[Much of the strength of India's external position over recent years can be explained by robust growth in its services exports, in particular its business process outsourcing \(BPO\) sector. The near...](#)

[9th July 2024 · 3 mins read](#)

[Nvidia, AI, and the bubble that's not yet ready to burst](#)

[Chief Economist's Note](#)

### [Nvidia, AI, and the bubble that's not yet ready to burst](#)

[There have been two major developments in markets over the past week. The first is the initial round of voting in France's parliamentary election, which was won by Marine Le Pen's far-right National...](#)

[1st July 2024](#)

[The end of the beginning for the AI bubble?](#)

[Capital Daily](#)

### [The end of the beginning for the AI bubble?](#)

[Nvidia has entered correction territory, but we doubt this will mark the beginning of the end of enthusiasm about artificial intelligence \(AI\). Instead, this might usher in a new phase of a bubble we...](#)

[25th June 2024 · 4 mins read](#)

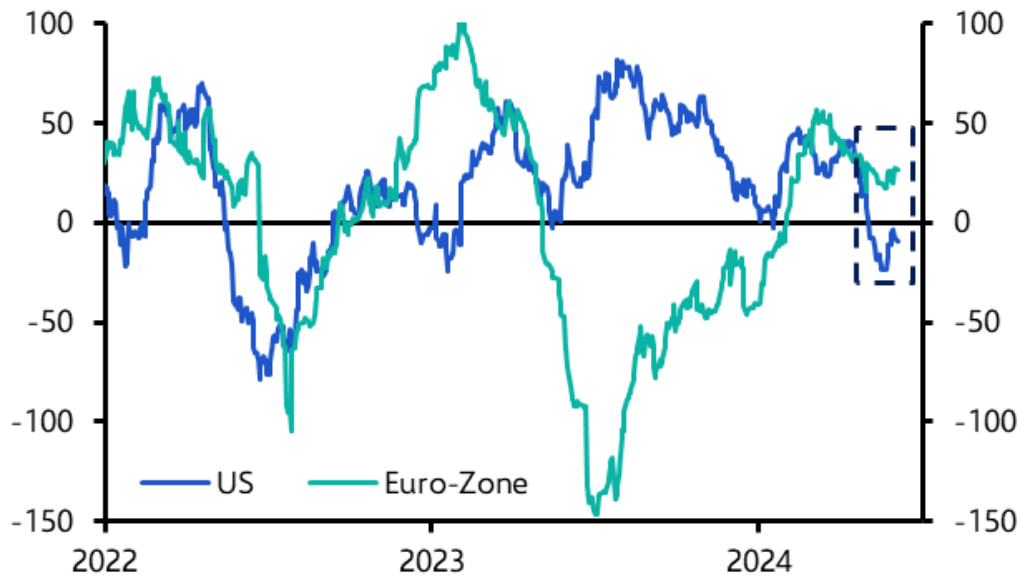
[AI bubble could continue to inflate, in the US and globally](#)

[Asset Allocation Update](#)

### [AI bubble could continue to inflate, in the US and globally](#)

[We think the S&P 500 will make further gains over the coming months, even though it's already fared well this year and is approaching our existing end-year forecast. As such, we've revised that...](#)

[21st June 2024 · 4 mins read](#)



[Capital Daily](#)

### [What's driving the US stock market?](#)

[The US stock market has been pulled in different directions by economic data since last week. But we suspect that the general trend in the next year or so will be up, as equities benefit from at least...](#)

[4th June 2024 · 5 mins read](#)

[Stock markets fall back: consolidation or worse?](#)

[Capital Daily](#)

### [Stock markets fall back: consolidation or worse?](#)

[Stock markets are having a tough start to the quarter, but we think that they will rebound, notably in the US, thanks to renewed enthusiasm about artificial intelligence.](#)

[22nd April 2024 · 5 mins read](#)

[Taiwan: Global AI spending will drive rapid growth](#)

[Asia Economics Focus](#)

### [Taiwan: Global AI spending will drive rapid growth](#)

[Taiwan will be one of the main beneficiaries of a lengthy global AI investment boom. We expect its economy to grow much faster over the rest of this decade than it did during the 2010s.](#)

[9th April 2024 · 8 mins read](#)

[Tough times for Japanese equities may not last](#)

[Capital Daily](#)

## **[Tough times for Japanese equities may not last](#)**

[We expect Japanese equities to do quite well this year, as hype around artificial intelligence proves a more powerful catalyst than the headwind we anticipate from a stronger yen.](#)

[8th April 2024 · 4 mins read](#)

CE Spotlight | 26th September 2023



CE Spotlight