



Harry's Take

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The Six Largest Countries by Population Have Very Different Futures

I think the chart below provides a great summary of what is in store for the world economically. It shows the populations of the six largest countries in the world and the population trends of each out to the year 2100. I have been fighting the perception of many that China is going to become the number one country in the world, soon surpassing the U.S., and is going to stay there for a long time. That is not going to happen for China, although it likely will happen for India, albeit sometime closer to 2065 when India's population finally peaks, as the chart below shows.

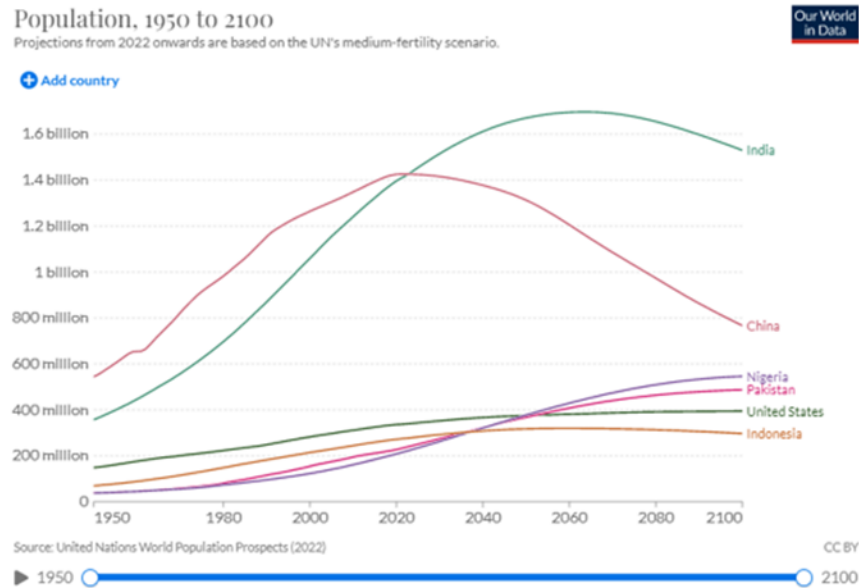
Why? As China gets more affluent, it is following the demographic pattern of Japan. The population of China is peaking now, and massive falls in population over the course of the rest of this century will take China from 1.43B people today to around 770M by 2100. Who else is thinking this will happen? The Spending Wave for China looks to have peaked already, back around 2011, and China is the first emerging country where this has happened. Others will follow eventually, as all developed countries have peaked in their Spending Waves, starting with Japan way back in 1996.

Hence, I also look at the Spending Waves for major countries and when they peak, which is even more important to the economy of each. And the Spending Waves likewise show that India very likely ultimately will be the number one country in the world, surpassing first China and then the U.S., but that will be decades from now. This chart gives a broader, simpler view of

total population for the six largest countries, found in North America, East Asia, Southeast Asia, South Asia, and Africa...

And among them, China has the worst trajectory by far!

Population Projection, Six Largest Countries: India Is Passing China Now, Will Peak in 2065



Source: <https://www.visualcapitalist.com/cp/visualizing-the-changing-world-population-by-country/>

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The population of China likely is peaking literally this year, after rising by 480,000 in 2021 and then, in 2022, falling slightly from 1.413B to 1.412B, its first drop since the early 1960s. The population of India will continue to grow and will peak around 2065, about a decade after its Spending Wave peaks around 2055. The U.S. population will plateau at around 380M after the year 2040 (from 338M today), but only if immigration rates continue to be healthy.

Nigeria, the largest country in Africa, will continue to grow into 2100, as will Pakistan, which is the second-largest country in South Asia after India and borders India. Indonesia will peak around 2045 and then fade very slowly.

The big picture here is simple. The U.S. will hold up remarkably well as a mature, fully urban country, as a result of high immigration, if that continues. Europe is already starting to shrink from the south and east toward the north and has no countries in this top six. Much as has already happened in Japan, the population of China is going to fall like a rock, as China is aging rapidly and very few are immigrating there. India will be the largest country that continues to grow and will drive the world economy into 2055–2065 in the boom that will follow after the up-and-coming boom in the U.S. and globally from around 2025 to 2037, during which the Millennial generation will take the U.S. back to economic levels similar to those of the Baby Boomers in their Spending Wave but not significantly higher. In other words, the U.S. will go more sideways as opposed to the countries of Europe, which actually will fall.

Pakistan and Nigeria will be the new rising stars as time moves forward, but it will take longer for each to get its GDP per capita up to modest levels. Neither country is likely to surpass India or China in affluence, and neither ever will get anywhere near the U.S. in affluence or India in total GDP.

The best opportunities for global investment increasingly will be in Indonesia and other areas of Southeast Asia, India and Pakistan in South Asia, and then Nigeria and Sub-Saharan Africa, in that order. The boom from 2025 to 2037 will focus mostly on Southeast Asia and on India in South Asia, which is likely to become the “next China,” urbanizing rapidly... and filling the great void that China will leave after being the largest driving force of the global boom since the early 1980s.

Harry

Got a question or comment? You can contact us at info@hsdent.com.