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- A leader in the Corporate Finance, Strategy, and Media & Entertainment Practices
- Established McKinsey Digital Labs in 2000
- Serves global clients in high tech, media, retail, telecom and B2B services
- Deep expertise in digital marketing, business technology, and operations performance
- Holds a Ph.D. in Economics from the Université Catholique de Louvain, and Master’s Degrees from the University of Namur and University of Pennsylvania
- Author of more than 50 academic papers in top international journals, and of 50 management articles in McKQuarterlies
- Frequent speaker internationally (Aspen Institute, Forbes, INMA, NAB, CES, IAB)
- MGI lead research in big data, internet, etc
Digital globalization: The new era of global flows

MCKINSEY GLOBAL INSTITUTE

UNCTAD
April 19th, 2016
An increasingly, but still not fully, connected world

Connectedness score, 2014

SOURCE: IMF; McKinsey Global Institute analysis
Data is the new major flow

<table>
<thead>
<tr>
<th>Bandwidth</th>
<th>Gigabits per second (Gbps)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;50</td>
</tr>
</tbody>
</table>

2005¹
100% = 4.7 Terabits per second (Tbps)

2014
45x larger
100% = 211 Tbps

+$2.8T

SOURCE: TeleGeography; McKinsey Global Institute analysis
Data becomes the foundation of higher connectedness
top 20 countries in data flow

Total connectedness score, 2014

SOURCE: IMF; McKinsey Global Institute analysis
## Globalization: Then vs. now

<table>
<thead>
<tr>
<th>20th Century</th>
<th>21st Century</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangible flows of physical goods</td>
<td>Intangible flows of data and information</td>
</tr>
<tr>
<td>Flows mainly between advanced economies</td>
<td>Greater participation by emerging economies</td>
</tr>
<tr>
<td>Capital- and labor-intensive flows</td>
<td>More knowledge-intensive flows</td>
</tr>
<tr>
<td>Transportation infrastructure is critical for flows</td>
<td>Digital infrastructure becomes equally important</td>
</tr>
<tr>
<td>Multinational companies drive flows</td>
<td>Growing role of small enterprises and individuals</td>
</tr>
<tr>
<td>Flows mainly of monetized transactions</td>
<td>More exchanges of free content and services</td>
</tr>
<tr>
<td>Ideas diffuse slowly across borders</td>
<td>Instant glow access to information</td>
</tr>
<tr>
<td>Innovation flows from advanced to emerging economies</td>
<td>Innovation flows in both directions</td>
</tr>
</tbody>
</table>
Thank you

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