EFG

INSIGHT

QUARTERLY MARKET REVIEW

Q2 2024

OVERVIEW

A new reality for economics and policy

US

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China's high savings, Indian hype and Japanese wages.

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OVERVIEW

The financial markets' preoccupation with central bank policy remains. But four aspects of the new reality of the global economy are worthy of closer attention.

The Powell Pivot and beyond

Financial markets always have a keen focus on the actual and expected path of policy rates – most notably the US fed funds rate. That focus is now on policy rate cuts. So, when Fed chair Powell indicated in mid-December 2023 that US rates had most likely peaked and were heading downwards – a move described as the Powell Pivot – it was a particularly significant event for markets. Expectations for future rates fell sharply (see Figure 1) and these were welcomed, with a drop in 10-year bond yields and a rise in equity markets. By the start of the second quarter of 2024, however, US rate expectations had moved back up. Indeed, they are now forecast to be higher in the longer-run than they were before Powell's comment. Broadly, the markets have reacted calmly to this change – reflecting, we think, a new reality that has dawned regarding global economic outlook and policy. It has four key elements.

1. US rates and the Powell Pivot

Fed funds rate expected for: end-2024 end-2025

Sources: Federal Open Market Comittee; LSEG. Data as at 5 April 2024.

New reality #1: higher real rates

First, real interest rates – notably the yields on inflation-protected securities (see Figure 2) have stabilised at a new, higher level of around 2%. The low or negative levels of such rates both before and during the pandemic were unusual and clearly unrealistic: markets can surely not function properly if real rates are negative. A 2% real rate seems broadly appropriate in a world where there are large new demands on global savings. These come from the public sector (ageing-related and defence spending as well as infrastructure improvements) and the private sector (which will have to finance a large part of the green energy transition, estimated at around USD 4 trillion per year for the next 30 years).[1] The demands for greater spending are huge and, reflecting these, real yields cannot realistically return to zero or negative levels. If inflation does return to 2% in the major advanced economies, that suggests nominal interest rates may not fall much below 4% (a 2% real rate plus a 2% inflation expectation).

[1] See, for example, https://www.iea.org/reports/net-zero-by-2050

2. US real yields

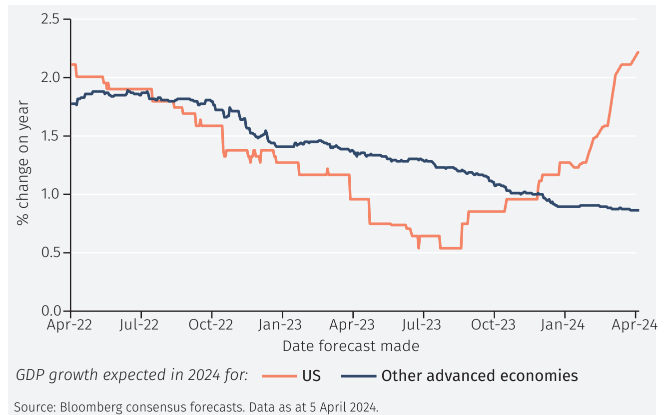
Yield on TIPS (Treasury Inflation-Protected Securities): 2-year 10-year 30-year

Source: LSEG. Data as at 5 April 2024.

#2: Advanced economies: US strengthens, others weaken

The second new reality is that although the soft landing for the global economy – one of our key themes for the outlook for 2024 – is materialising, this relies a great deal on the strength of the US economy. Since mid-2023, consensus expectations for US growth have improved, while forecasts for other advanced economies have deteriorated (see Figure 3). Germany, the UK and Japan have all been in, or on the brink of, mild recession. As always, however, economic data are backward-looking. All too often, economies are classified as being in recession only when they are emerging from it. Europe and Japan may not be in such a poor state. However, there is a deeper sense in which the US outlook is better versus other developed economies.

3. Advanced economies: GDP growth expected in 2024



GDP growth expected in 2024 for: US Other advanced economies

Source: Bloomberg consensus forecasts. Data as at 5 April 2024.

First, US productivity growth is ahead of other advanced economies and is set to remain so. Notably, the US seems better placed to garner the benefits of artificial intelligence (AI) as the US maintains its lead in the development of new technology in this area. This is reflected in the continued strong performance of US large-cap technology stocks.

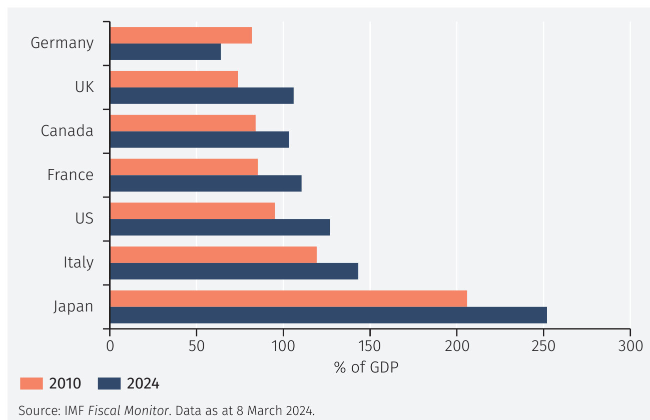
Second, US demographic trends are more favourable than in most other advanced economies. Notably, its population is still growing, and is expected to continue to do so, as immigration offsets a natural decline in population as fertility rates fall. The same degree of immigration is unlikely to be accepted by other economies.

While the US may well remain the leader of the advanced economies, the previous Chinese leadership of the emerging economies is clearly faltering. In Asia, notably, India and Indonesia have better potential growth prospects (due to more favourable demographics and the prospect of productivity catch-up).

#3: Fiscal support remains

The third new reality is that supportive fiscal policy is set to remain in place. After the global financial crisis there was seen to be a need for austerity in order to rein in government debt levels, which were viewed as becoming dangerously high – putting future growth in jeopardy. That assessment was probably incorrect at the time, and the reality has been debt levels have continued rising across the advanced economies (see Figure 4).

4. G7: General government debt



Source: IMF *Fiscal Monitor*. Data as at 8 March 2024.

Germany is the notable exception to that. German Finance Minister Christian Lindner is determined to set an example for the rest of the eurozone by keeping government debt levels as close to 60% of GDP as possible. Elsewhere, although there is much concern about the rise in government debt, in reality little serious action is taken to curb the trend. The UK's fiscal 'rule', for example, aims to see debt as a share of GDP fall but only at a horizon five years in the future: a requirement that hardly seems stringent. In the US, large federal government budget deficits (around 6% of GDP) are likely to persist for years to come.

#4: Resilience of global trade and growth

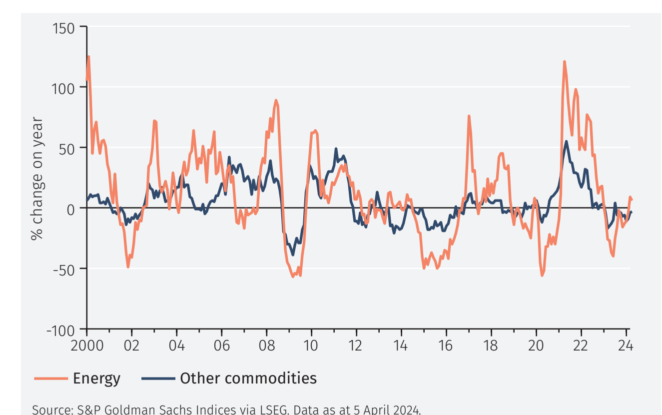
The final, and arguably the most powerful, new reality is the resilience of global trade and growth. Just one year ago, Kristalina Georgieva, International Monetary Fund (IMF) managing director, commented that disruptions to global trade could wipe 7% off global GDP – equivalent to the output of Germany and Japan's economies combined.[2] That has not yet materialised. World trade and production have shown no marked fall (see Figure 5). Diversion of trade routes, onshoring and near-shoring of production have proved effective even in the face of ongoing difficulties, especially in maritime trade.

5. World trade and production

Source: CPB via LSEG. Data as at 8 March 2024.

Moreover, that resilience in trade is accompanied by a return of some important global disinflationary forces. Commodity prices (other than energy) remain subdued (see Figure 6). China, once again, is a prominent supplier of cheap goods to the rest of the world. Chinese exports of electric vehicles (EVs) and cheaply-priced consumer goods promoted through rapidly-evolving marketing and distribution channels are attracting considerable attention. It may well be that, once again, China exports deflation to the rest of the world.

6. World energy and commodity prices



Source: S&P Goldman Sachs Indices via LSEG. Data as at 5 April 2024.

[2] In remarks at the Brussels Economic Forum, 4 May 2023.

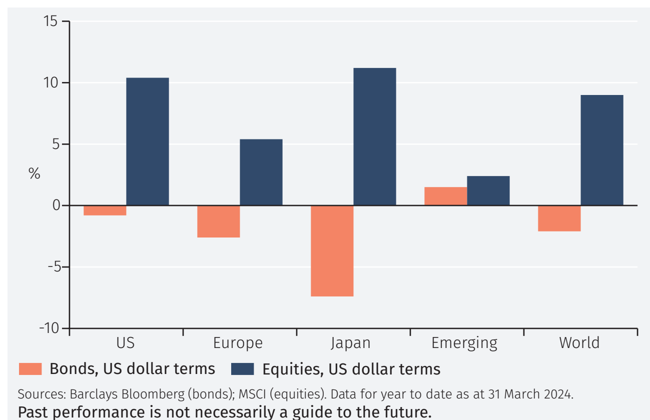
ASSET MARKET PERFORMANCE

Solid equity market gains were the most notable feature of the first quarter of 2024. US and Japanese markets all gained more than 10% in US dollar terms. Bond market returns were low to negative in US dollar terms in all developed markets.

Asset market performance

Returns from global equities in US dollar terms were 9.0% in the first quarter of 2024; global bonds returned -2.1% (see Figure 7).[3] During the quarter, although there were clear signs of an easing of inflationary pressures, expectations of the pace of policy interest rate reductions were scaled back, most notably in the US. In all the main developed bond markets, returns were generally negative in US dollar terms. The US dollar appreciated on its trade-weighted index, most notably against the yen, which showed renewed weakness.

7. Asset market performance



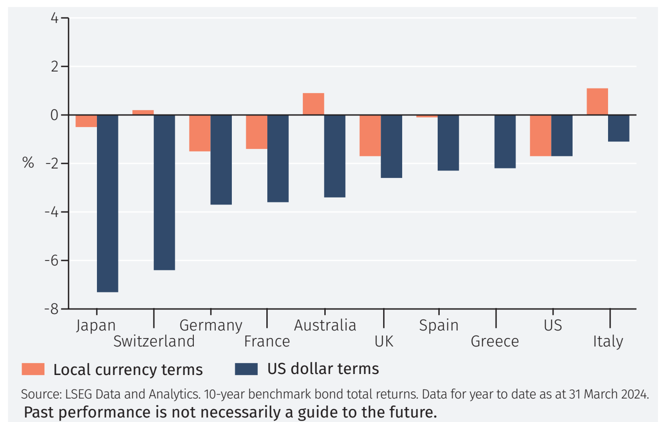
Sources: Barclays Bloomberg (bonds); MSCI (equities). Data for year to date as at 31 March 2024.
Past performance is not necessarily a guide to the future.

Bond markets

Returns from 10-year government bonds were modestly negative in most countries in the first quarter of the year, although Italy, Australia and Switzerland returned marginally positive returns (see Figure 8). In US dollar terms, returns were eroded by the general appreciation of the US dollar. This was particularly marked against the Japanese yen and the Swiss franc. The yen weakened despite the first policy interest rate increase in almost two decades; the Swiss franc weakened after a period of strength following the Swiss National Bank's decision to cut interest rates, ahead of other developed world central banks.

Returns from corporate and high yield bond markets were generally higher than from government bonds during the quarter. That reflected greater optimism about global economic growth (which tends to reduce default risk) which offset concerns about a slower pace of policy interest rate reductions.

8. Bond market returns

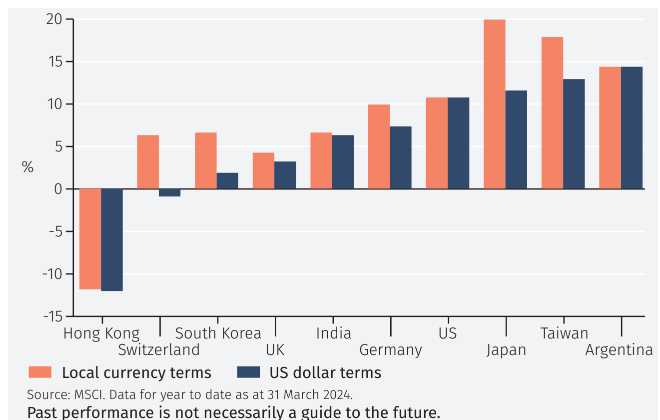


Source: LSEG Data and Analytics. 10-year benchmark bond total returns. Data for year to date as at 31 March 2024.
Past performance is not necessarily a guide to the future.

Equity markets

In local currency terms, Japan produced the highest equity market returns at over 19% in the quarter (see Figure 9). That reflected greater optimism about the recovery in the economy and improving corporate performance. In the US equity market, returns were above 10% in the quarter. Gains were strongest in the energy sector and mega-cap technology stocks. A strong technology sector also helped the Taiwanese market. Argentina performed strongly as the market welcomed the radical policies of the new president. The Hong Kong and China markets remained subdued, concerned about depressed levels of business and consumer confidence and the direction of policy.

9. Equity market returns



Source: MSCI. Data for year to date as at 31 March 2024.
Past performance is not necessarily a guide to the future.

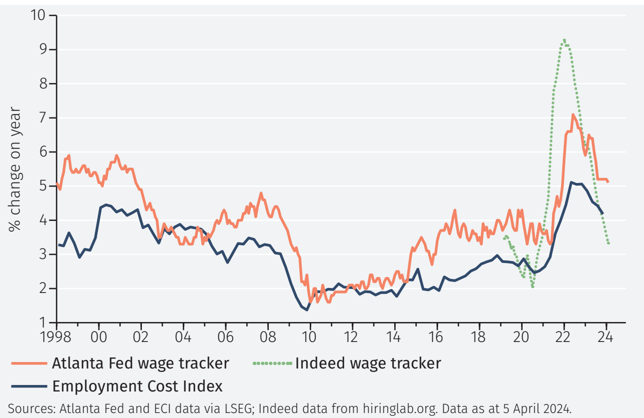
[3] Global bond returns are measured by the Bloomberg Barclays Global Aggregate Bond Index, which comprises government and investment grade corporate debt from developed and emerging markets issuers in 24 countries. Global equity returns are measured by the MSCI World Index which represents large and mid-cap equities across 23 developed markets.

Prospects for inflation, economic growth and interest rates depend to a large extent on the labour market. This is being buffeted by strong cross currents – labour shortages in some areas, increased immigration and demographic changes.

Wages and inflation

Further progress in reducing the US inflation rate will rely to a large extent on easing service sector inflation which, in particular, is heavily influenced by wage costs. In the recovery from the pandemic, labour shortages were reported in many sectors (especially those which had been locked down during Covid) and wages rose accordingly. Those sector-specific shortages have eased, along with wage pressures. Wage increases for new hires (as measured by the Indeed wage tracker shown in Figure 10) have fallen quite sharply; wage increases for those in work have also eased.

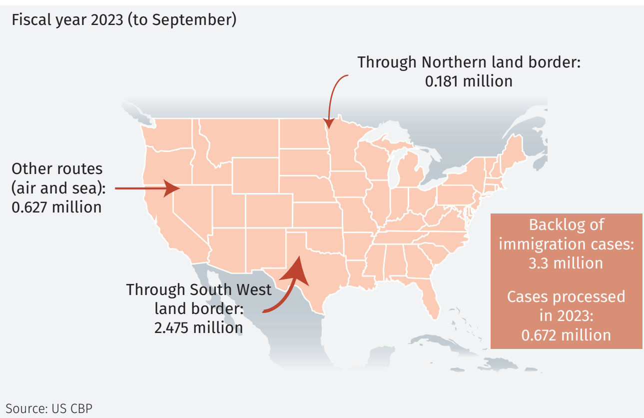
10. US wage growth



Sources: Atlanta Fed and ECI data via LSEG; Indeed data from hiringlab.org. Data as at 5 April 2024.

Employment costs (taking into account healthcare and pension benefits, in particular) are increasing by around 4% year-on-year. But the pass through of higher wages to consumer prices is offset by productivity improvements. Partly as a result of innovations in artificial intelligence, these could well run at close to 2% p.a. 4% employment cost increases offset by 2% productivity gains would be consistent with the Fed's 2% inflation target.

11. US immigration in 2023

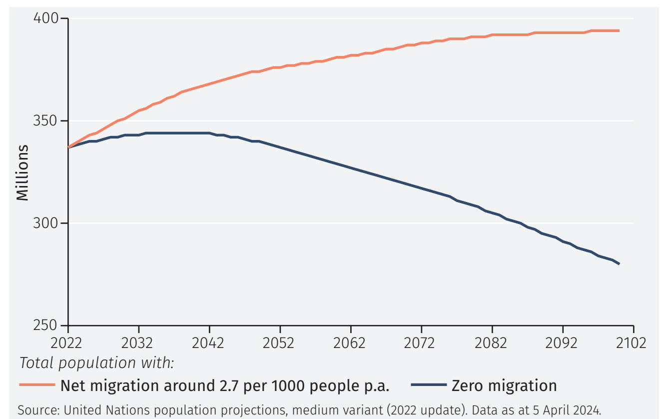


Source: US CBP

Immigration

The other significant feature of the US labour market is a surge in immigration (see Figure 11). There is a backlog in processing claims and it is unclear how quickly new immigrants can be absorbed into payroll employment but, longer-term, increased immigration can offset a decline in population as a result of a lower birth rate (see Figure 12).

12. US demographic projections

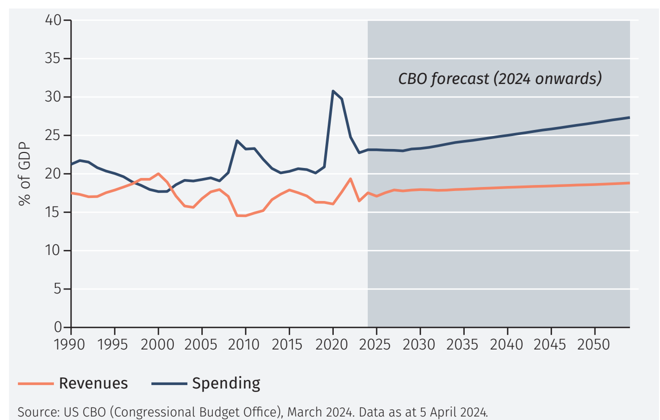


Source: United Nations population projections, medium variant (2022 update). Data as at 5 April 2024.

Fiscal boost

On top of these demographic factors supporting growth, a further boost comes from an expansionary fiscal stance (see Figure 13). The CBO's latest projections see government spending running well ahead of revenue for years to come. For now, austerity policies are not being actively considered. But concern about rising government debt levels is now being more widely aired. After the November elections, this may well become a much more important issue.

13. US government revenues and spending



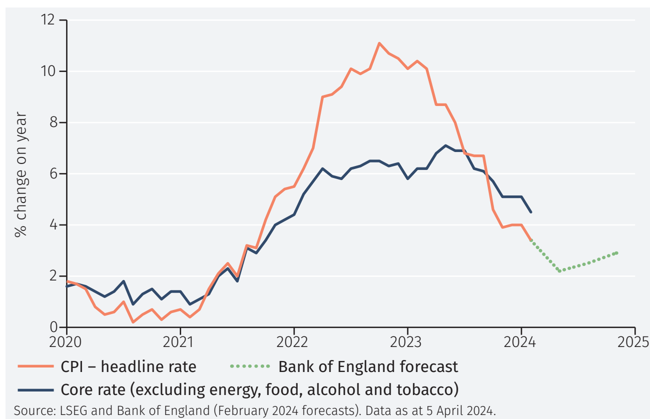
Source: US CBO (Congressional Budget Office), March 2024. Data as at 5 April 2024.

UK inflation is expected to be close to its 2% target in the second quarter of 2024, allowing the Bank of England to cut rates. The legacy of high inflation, however, lives on.

Inflation: back to 2%

UK consumer price (CPI) inflation is set to fall back to around 2% in the second quarter of 2024. That is the projection by the Bank of England (see Figure 14). It may well rise again (to around 3%) later in the year, but the trend should allow the central bank to start interest rate reductions soon. Mortgage rates have already fallen, house prices – so important in conditioning consumer confidence – are now modestly higher than a year ago[4] and the number of housing transactions has increased. However, the recent high rate of inflation (over 10% from September 2022 to March 2023) continues to reverberate in two important aspects of the UK economy.

14. UK inflation: heading back to 2%



Source: LSEG and Bank of England (February 2024 forecasts). Data as at 5 April 2024.

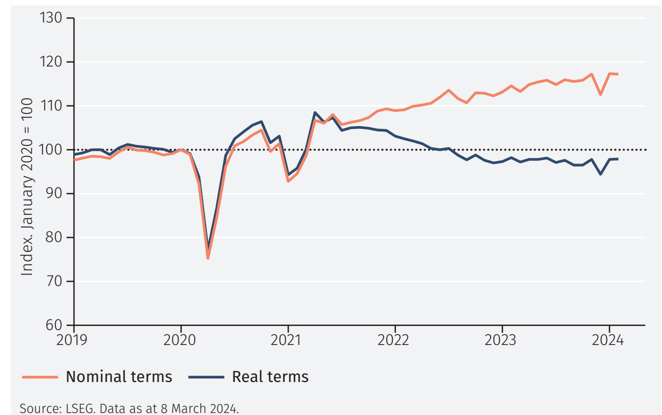
Government finances

First, in government finances. Many personal income tax thresholds have been frozen in cash terms since April 2021, whereas previously most were due to rise in line with CPI inflation. The result is a significant boost to government revenue. Income tax receipts in 2023/2024[5] are expected to be 11.5% higher than in the previous year; and an 8.4% increase is expected in 2024/25.[6] Meanwhile, government spending is assumed – whether realistically or not - to show little increase (0.8% in 2024/25).[7] Those trends will make the government's objective of a declining debt/GDP ratio in five years' time – hardly a stringent constraint – easier to meet.

Retail sales

The second effect relates to the assessment of economic developments. One of the most closely-watched monthly indicators is retail sales, a key indicator of consumer spending (which accounts for 62% of UK GDP). In nominal terms (including the effect of higher prices) retail sales are 17% higher than in January 2020 – a consumer boom; in real terms they are 2% lower – a picture of stagnation (see Figure 15).

15. UK retail sales

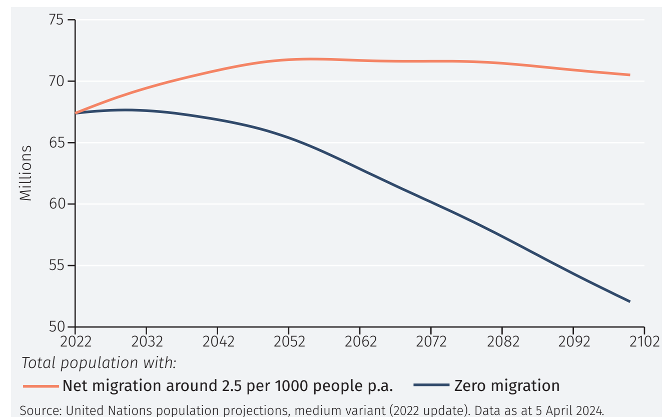


Source: LSEG. Data as at 8 March 2024.

Demographics and immigration

Although one of prime minister Sunak's five priorities is to 'stop the boats' – illegal migrant crossings of the English Channel – and good progress has been made in achieving that, migration to the UK is an increasingly important aspect of demographic change and economic progress. Longer-term projections by the United Nations show that, without immigration, the UK population would soon start to decline. On the basis of net immigration running at 2.5 per 1000 population (around 170,000 per year) the population stabilises at around 70 million (see Figure 16).

16. UK demographic projections



Source: United Nations population projections, medium variant (2022 update). Data as at 5 April 2024.

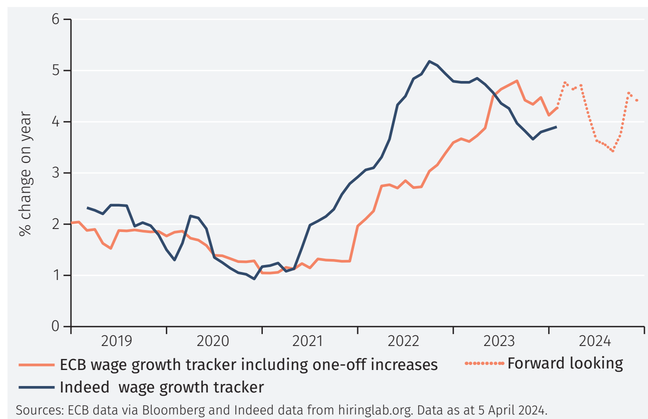
[4] Source: Nationwide. https://tinyurl.com/rvefx6v6
[5] The fiscal year ends on 5 April of each year. So, 2023/24 ends on 5 April 2024.
[6] Source: Office for Budget Responsibility. https://obr.uk/efo/economic-and-fiscal-outlook-march-2024/
[7] The Office for Budget Responsibility works with the government's assumptions.

The decline in inflation should put the European Central Bank (ECB) on track to cut interest rates in 2024, although caution remains. Three developments point to a sluggish eurozone long-term outlook.

Laser focus on wages

Christine Lagarde, ECB president, recently claimed that good progress was being made towards the 2% inflation target but that more evidence was required before the ECB could start cutting interest rates. Specifically, the ECB was "laser-focused" on wage growth and the extent to which higher wage costs are absorbed in corporate profit margins.[8]

17. Eurozone wage growth



Sources: ECB data via Bloomberg and Indeed data from hiringlab.org. Data as at 5 April 2024.

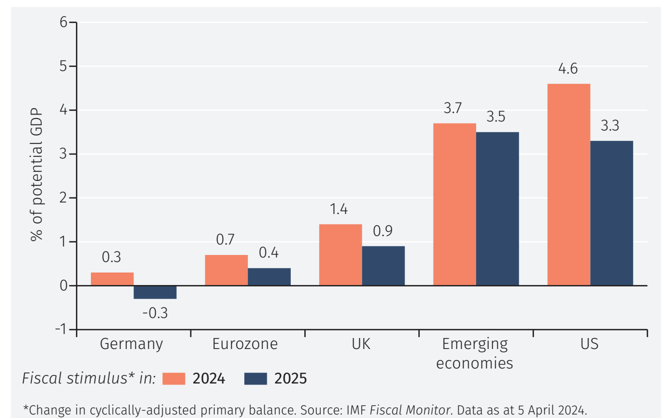
Figure 17 draws on new data from the ECB on wage trends (for existing workers) and data from Indeed on wages for new hires. The ECB indicator has been developed to overcome patchy, inadequate and insufficiently timely national data while also adding a forward-looking projection. The latest actual data show wage growth at 4.3% over the last year; the forward projection is for only a modest decline. The Indeed wage growth tracker shows the latest rate as 3.9%.

A reassuring note is that wage growth tends to be a lagged response to previous consumer price inflation.[9] However, a key concern is that productivity growth in the eurozone has been, and is expected to remain, relatively weak (see Figure 18). Unlike the situation in the US, it does not seem realistic to expect employment costs to be meaningfully offset by productivity improvements, thereby reducing labour costs per unit of output.

18. Productivity growth in eurozone and US

Source: Oxford Economics via LSEG. Data as at 5 April 2024.

19. Eurozone: weak fiscal stimulus

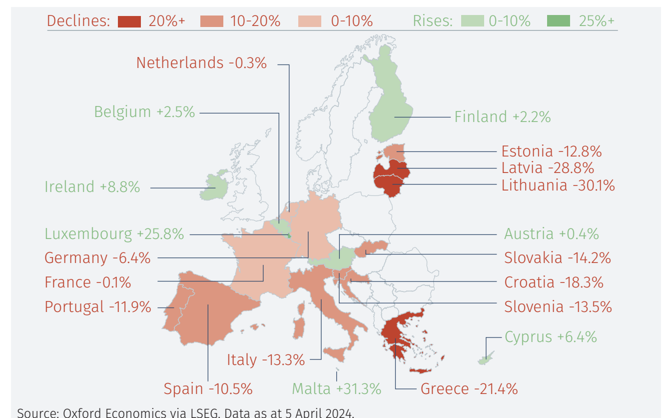


*Change in cyclically-adjusted primary balance. Source: IMF *Fiscal Monitor*. Data as at 5 April 2024.

Three layers of concern about future growth

Weak productivity growth is a key concern for potential future growth as well as inflation. There are two other issues. First, the fiscal stimulus to growth is weak in the eurozone (see Figure 19). Of course, some may well see that as admirable fiscal rectitude, but it is certainly a constraint on growth in the near-term. Second, demographic trends – unlike in the US and UK – are not favourable. As a result of low birth rates, an ageing population and weak inward migration, the employed population is set to shrink in many eurozone economies over the next 25 years (see Figure 20).

20. Eurozone's workforce: prospects for the next 25 years



Source: Oxford Economics via LSEG. Data as at 5 April 2024.

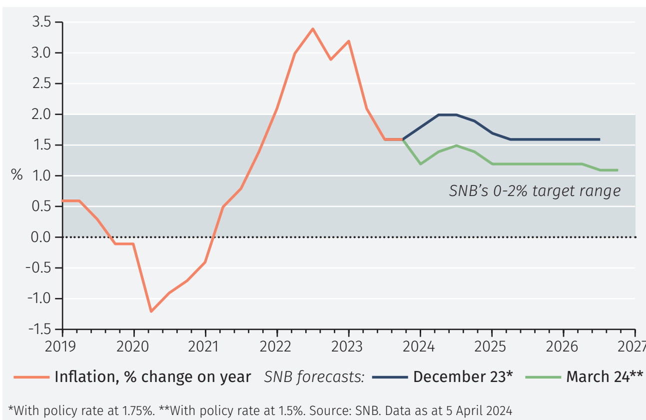
[8] *Financial Times*, https://tinyurl.com/yjs2r5pz
[9] See https://www.efginternational.com/uk/insights/2023/how_high_is_the_risk_of_a_wage-price_spiral.html

The Swiss National Bank (SNB) acted ahead of other major central banks in cutting interest rates. Considering the delayed effects of past tightening, we think interest rates may well have peaked.

The SNB acts first

Surprising market expectations, on 21 March the Swiss National Bank (SNB) announced a reduction of its policy rate by 0.25 percentage points to 1.50% and signalled that further cuts are possible in 2024. The SNB's decision was based on the improved inflation outlook (see Figure 21). The SNB's new conditional forecasts see inflation around 0.5% below the December forecast. Swiss inflation is now expected to stabilise close to the midpoint of the SNB's 0-2% target range.

21. SNB conditional inflation forecast



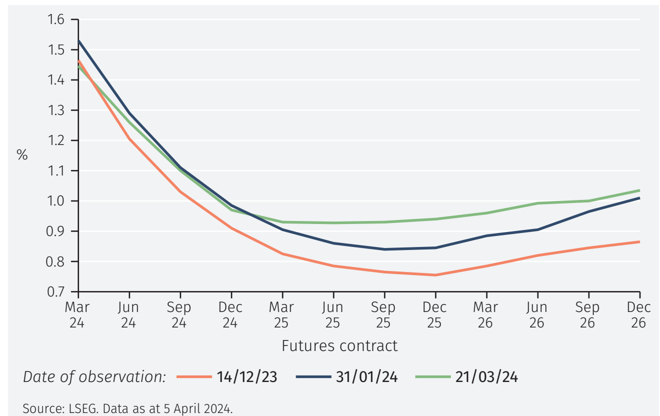
*With policy rate at 1.75%. **With policy rate at 1.5%. Source: SNB. Data as at 5 April 2024

The other factor that encouraged the SNB to act earlier than other major central banks was the strength of the Swiss franc. According to the central bank, the rise of the franc in the final months of 2023 went beyond what was justified by the inflation differential between Switzerland and its trading partners. The resulting real appreciation of the exchange rate reduces import prices and, by making Swiss exports more expensive, has an adverse impact on the economy. The rate cut should benefit export-oriented industries and the tourism sector and support Swiss GDP growth.

Swiss GDP growth is expected to be weak in the coming quarters and is subject to significant downside risks, mainly due to the international economic cycle. This also points to downside risks to inflation and that the SNB therefore has a bias to reduce interest rates further, perhaps as early as the June meeting.

Based on interest rate futures contracts, markets anticipate that the Swiss policy rate will fall to 1% before the end of 2024 and then stabilise at around that level (see Figure 22). If that proves to be a reliable forecast and the other main central banks reduce interest rates as markets expect, the

22. Swiss 3-month interbank rate futures



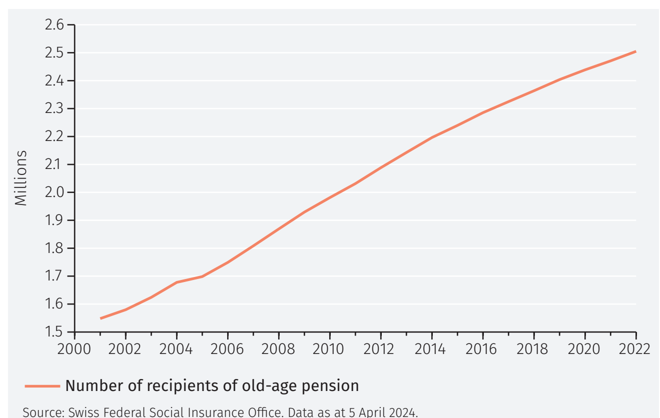
Source: LSEG. Data as at 5 April 2024.

differential between Swiss and foreign short term interest rates will become less negative, thereby supporting the Swiss franc exchange rate.

Public pensions

Another major development in Switzerland is the approval by referendum to add a 13th monthly payment to public pension beneficiaries. The measure, that will come into effect in 2026, will boost the annual public pension expenditure by 8.3%, equivalent to an estimated CHF4 billion a year, or 0.5% of GDP. To fund the new measure, which will increase in size as people in retirement continue to rise (see Figure 23), an increase in social security contributions and in the VAT rate is being considered. Both measures would weigh on Swiss competitiveness and keep inflation higher than otherwise, possibly limiting the room for manoeuvre of the SNB to ease monetary policy.

23. Switzerland: old age pension recipients



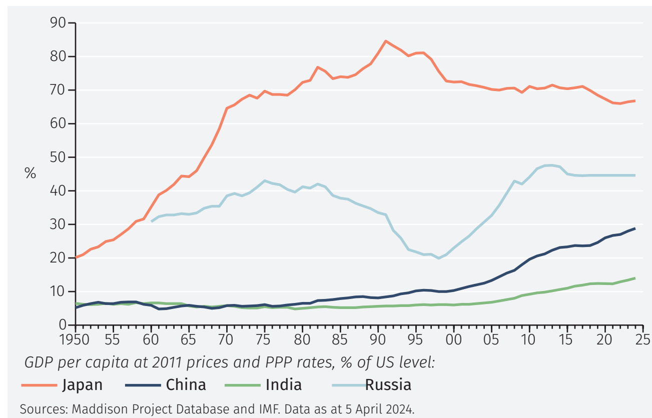
Source: Swiss Federal Social Insurance Office. Data as at 5 April 2024.

China and India are often seen as rivals in the economic growth race. Both have a long way to catch up with the advanced economies; and both face important challenges.

China and India catch up

A long-term perspective on the development of China and India is given by their levels of income per head compared to the west (see Figure 24). Freeing up of the private sector and then opening up to the world economy transformed China from the late 1970s owards. It now has an income per head around 30% of the US. India's progression started later and is still only 12% of the US level. Now, however, both economies face challenges.

24. China and India: a long way to catch up



Sources: Maddison Project Database and IMF. Data as at 5 April 2024.

China's low confidence and India's hype

In China, the big challenge relates to very high private sector savings which are not fully utilised in private sector investment. The private sector has a large surplus (see Figure 25). China generated 28% of the world's savings in 2023.[10] A smaller private sector surplus could be achieved if private sector investment were stronger. This may well happen. China is a leader in green energy investment and this could go further. Or, the private sector could spend more. Consumer confidence, however, remains depressed (see Figure 26).

26. China: consumer confidence

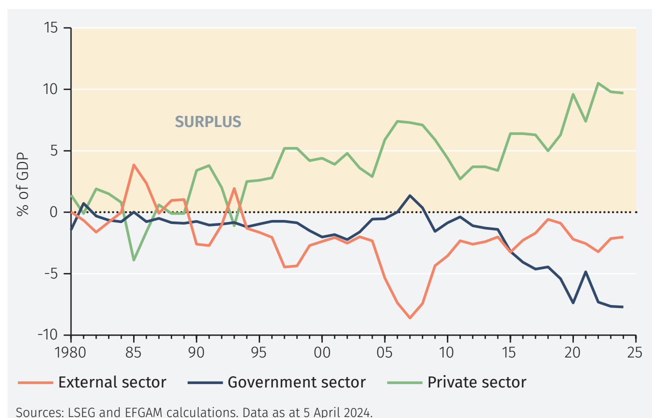
LSEG. Data as at 5 April 2024.

India stands in sharp contrast. Raghuram Rajan, former RBI president, recently warned against India "believing its own hype".[11] India is set to have one of the fastest growing economies in the world in 2024, fuelled by strong investment, improving consumer confidence, and a more robust banking system. The re-election of Narendra Modi in upcoming elections may well reinforce the optimism. Yet, India still has weaknesses: high levels of inequality, corruption and pollution.

Japan: the story of the long wait

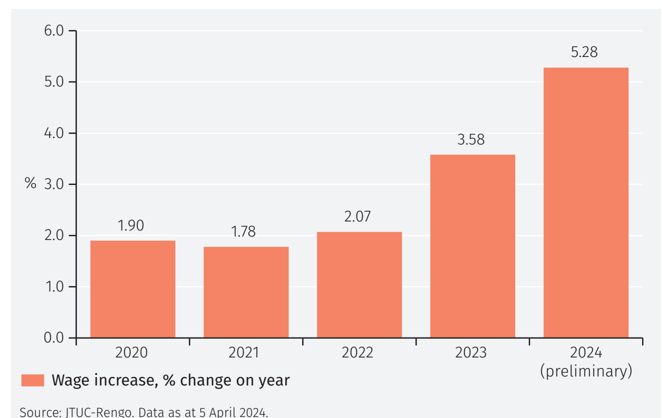
Entrenched issues can, of course, take a long time to resolve. Japan has only recently marked the escape from almost three decades of economic slump and deflation. Wages are finally rising (see Figure 27). Difficult adjustments take time.

25. China's sectoral balances



Sources: LSEG and EFGAM calculations. Data as at 5 April 2024.

27. Japan: Shunto wage round increases



Source: JTUC-Rengo. Data as at 5 April 2024.

[10] Martin Wolf, 'China's excess savings are a danger', *Financial Times*, 5 March 2024.
[11] Bloomberg 30 March 2024. https://tinyurl.com/56krmfp7

The early tightening of monetary policy to control inflation is proving successful. But real interest rates remain high, constraining growth. Fiscal stringency would ease real rates but will be hard to implement.

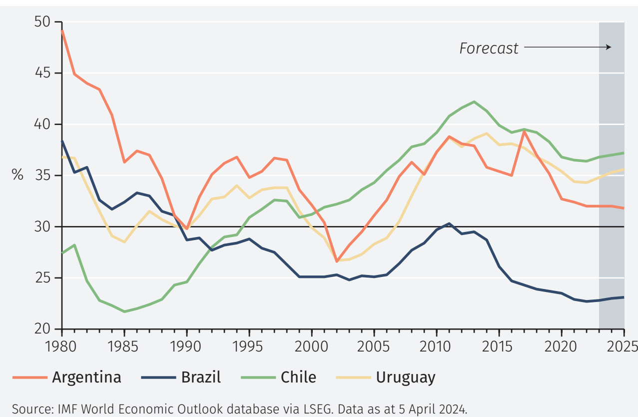
The fight against inflation

Across the region, consumer price inflation in the five inflation-targeting economies (Brazil, Mexico, Chile, Colombia and Peru) has fallen some way from the peaks seen in late 2022/early 2023. In Brazil, for example, inflation is now (just) within its 1.5% to 4.5% target range and a further fall is generally expected. That has allowed the central bank to cut its policy interest rate by 300 basis points since August 2023 but at 10.75% the rate is still very high. That is part of the explanation for why, after regional growth surprised to the upside in 2023, forecasts for 2024 are generally quite subdued. Reducing nominal and real rates will be an important part of securing a stronger recovery.

Uncertain progress to greater prosperity

In a long-term perspective, Latin America has not been a able to make a convincing move towards US levels of prosperity (see Figure 28). Chile and Uruguay have made the clearest progress but even in those two economies progress has stalled in the last ten years. Argentina has seen a trend, although irregular, decline.

28. Latin America prosperity: GDP per head as a % of US level



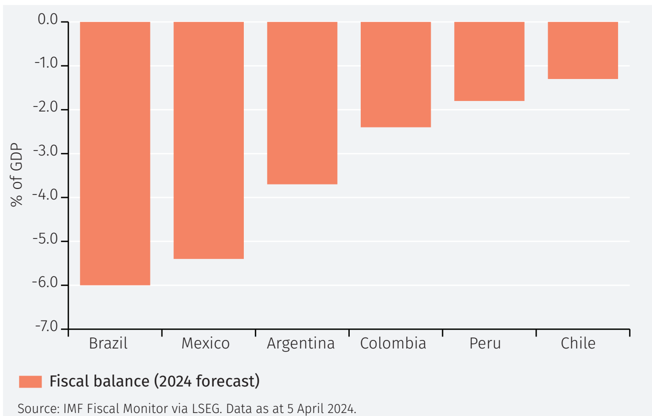
Source: IMF World Economic Outlook database via LSEG. Data as at 5 April 2024.

Fiscal reform

In Argentina, President, Javier Milei sees excessive government spending as the one of the root causes of this weak performance. He has pledged to cut it sharply. Indeed, across the region, reducing high deficits and debt stocks (which are still high, see Figures 29 and 30) will be an important element of putting growth on a firmer footing and reducing real interest rates.

In Argentina, of course, many previous attempts at restoring economic prosperity have been made. These included the one-to-one peg of the peso to the dollar between 1991 and 2001, which ended in a triple crisis of default, devaluation and banking collapse. And the free-market solutions pursued by President Macri from 2015 to 2019, which ended in Argentina's nineteenth IMF bail-out.

29. Latin America: fiscal balances

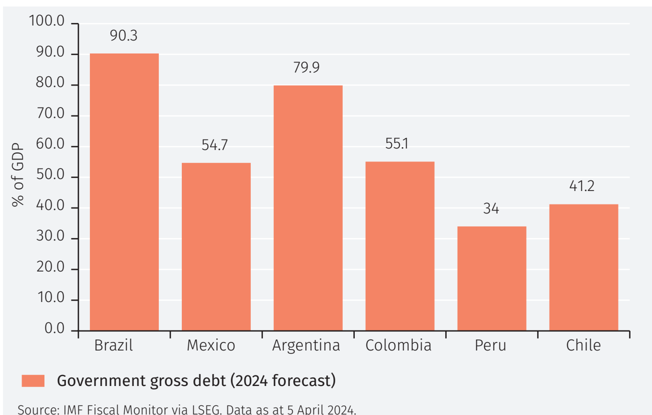


Source: IMF Fiscal Monitor via LSEG. Data as at 5 April 2024.

The patience required to implement effective reform policies and strengthen the infrastructure (still a weakness across the region) clearly conflicts with the time scales demanded by the electorate and financial markets. That, in essence, is the problem Argentina has faced for years.

In Mexico, a general election on 2 June is likely to see the country elect its first female president. The front-runner, Claudia Sheinbaum, is helped by the backing of Mexico's current president, Andres Manuel Lopez Obrador. The Mexican economy continues to benefit from 'near shoring' by US companies keen to reduce reliance on Asian supply chains, has a strong service sector and well-managed public finances and monetary policy.

30. Latin America: government debt levels



Source: IMF Fiscal Monitor via LSEG. Data as at 5 April 2024.

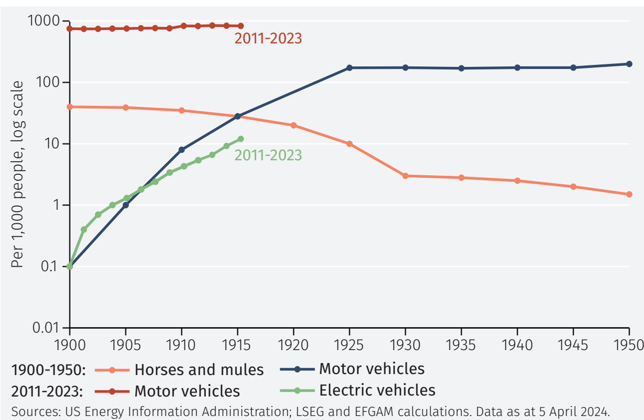
The rapid growth of electric vehicle (EV) sales has stalled recently. Adding to range anxiety are a series of new concerns. Does this mean the end of the ICE (internal combustion engine) age has been called prematurely?

End of the ICE age?

Currently, the plans are for sales of internal combustion engine cars to be stopped from 2035 in the UK, the EU and Australia. However, the date for cessation of sales has been pushed back in the UK (previously it was 2030), is being challenged in other countries and the precise nature of the restrictions (whether hybrid vehicles and/or those with green fuel technologies whether is still under consideration.

The move is seen as a central feature of countries' net zero commitments. The take-up of EVs has been likened to the transition from horses to motor vehicles at the start of the twentieth century. The adoption of EVs has followed a similar trajectory to that of the motor car (see Figure 31) in that earlier period. But EV sales have recently slowed under the weight of a number of factors.

31. From horses to cars to EVs



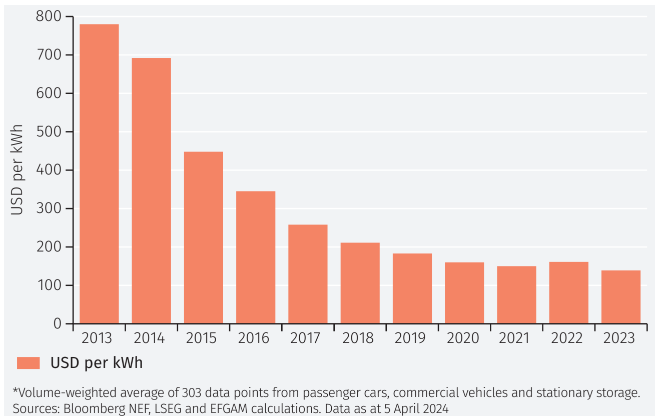
Sources: US Energy Information Administration; LSEG and EFGAM calculations. Data as at 5 April 2024.

Slowing EV sales

First, the purchase cost of EVs. Prices are still typically higher than for similar ICE vehicles. Subsidies have helped in some countries but these have been withdrawn, scaled back or restricted in many. Second-hand EV prices have generally been weak – showing rates of depreciation often faster than ICE alternatives. Partly, however, the latter reflects the fact that battery prices (a large component of the price of an EV) have fallen sharply (see Figure 32).

Second, running costs may not be as low as many expect. Insurance costs for EVs are often higher than for ICE vehicles, partly because of the complex technology which can be compromised in the event of an accident and the cost of battery replacement, if needed.

32. Lithium-ion battery pack prices*



*Volume-weighted average of 303 data points from passenger cars, commercial vehicles and stationary storage.
Sources: Bloomberg NEF, LSEG and EFGAM calculations. Data as at 5 April 2024

Third, the environmental credentials of EVs have been questioned. Although EV adoption is a central part of meeting targets for net zero, the emissions involved in EV production take many years to be offset. Building an EV charging infrastructure with enough capacity is also a challenge. And the electricity used in such charging may well be generated from non-renewable sources.

Evolution rather than revolution

Many of these concerns are familiar with the introduction of any new technology. Subsidies were needed, for example, in the early stages of wind and solar power, but these now produce electricity which is much cheaper than from conventional sources.

Concerns about battery life were widespread when smartphones were first introduced, for example, hampering resale values. That situation has improved markedly, however.

Insurance costs can be reduced by the use of smarter technology, harnessing the vast amount of data generated by EVs.

And environmental concerns can be eased by the greater use of recycled materials and the use of solar and wind power in electricity generation.

The development of the ICE car was very much one of technological evolution over many decades. The EV car may well be another case of evolution not revolution.

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