Global, National, and Local Events and Their Relationship to Business

Overall State of the Economy and the Business Environment

2018 marks the 106th year of recovery for the U.S. economy from the Great Recession that ended in 2009. This milestone indicates that we are currently experiencing the second-longest expansion in American history. The U.S. GDP growth rate is expected to stay at a healthy rate between 2 and 3 percent. Although President Trump aims to reach an economic growth rate of 4 percent, some argue that this is faster than is healthy and may lead to an overconfident market. The unemployment rate is expected to continue to grow at a natural rate. While the unemployment rate seems low, some have been out of work for so long they can no longer return to the high-paying jobs they used to hold, meaning the market is experiencing an increase in structural unemployment.

The U.S. economy continues to be one of the world’s strongest, with the sixth highest per capita GDP in the world. The services sector acts as the driver of the U.S. economy, and technology continues to advance at a rapid rate. Large corporations continue to play an important role in the economy and also have a strong influence on the state of society. The EIA’s energy outlook predicts a rise in oil prices driven by an increase in world demand and the exhaustion of cheap oil prices.

The Bureau of Labor Statistics predicts that healthcare, personal care and social assistance, and construction will experience the fastest growth in upcoming years. The next occupation to experience high growth is expected to be technical occupations including computer systems design and technical consulting. Overall, 2018 is expected to be a prosperous year for the U.S. economy as we continue recovering from the Great Recession. Consumers should be wary of irrational exuberance that may indicate a peak in the business cycle.

Global Events

South Korea spends $1 billion + on 2018 Winter Olympics venues

The 2018 Winter Olympics were held in Pyongchang, South Korea and took place from February 9 to February 25. After Pyongchang was selected to be the host city in July 2011, the Pyeongchang organizing committee for the 2018 Olympic & Paralympic Games developed a master plan for designing and building the venues.

The cost of building a new stadium for the games’ opening and closing ceremony was largely a burden of the Korean central government, which took on half of the $62.6 million. The Alpensia ski resort, which served as one of the main Olympic venues, cost more than $1.5 billion. Construction plans also included the Olympic Village and a high-speed rail line that would connect Pyongchang and Seoul. The total cost of the 2018 Winter Olympics reached $12.9
billion, which was twice as much as South Korea projected when they were selected to host the event. Below are a few images of venues from the 2018 Winter Olympic Games.

Exhibit 1: Alpensi Ski Resort

Exhibit 2: Gangneung Ice Arena
GSMA Launches Mobile World Congress Shanghai 2018

In November 2017, the Global Special Mobile Association (GSMA) announced the first details for the Mobile World Congress (MWC) Shanghai, which will be held 27-29 June 2018 at the Shanghai New International Expo Centre. The GSMA confirmed exhibitors, sponsors and discussed a variety of programs and activities that are expected to take place at the event. The MWC’s theme is “Discover a Better Future,” and the GSMA expects more than 60,000 attendees.

The event will showcase industry-leading products, services and technologies that are paving the way for the future of mobile technology and infrastructure. A few of the top companies that will be present at the MWC include China Mobile, Huawei, Continental, Qualcomm, Samsung LSI and Volkswagen. The companies and products that will be showcased at the event are those that are innovative and creating disruptions in the market of mobile technology.

The program will include four keynote sessions and seven focused summits. There will also be a Leaders Stage, where industry and thought leaders will have a chance to offer their insight about the industry, society, economy and more. The Women4Tech program will continue at the MWC, which aims to decrease the gender gap in the mobile industry.
National Events

Facebook CEO testifies before Congress

Facebook CEO Mark Zuckerberg delivered his appearance before Congress on April 10, 2018 to apologize for Facebook’s inability to protect the information of more than 87 million users. The situation erupted from the scandal involving Cambridge Analytica and the Russian interference in the 2016 presidential election.

Lawmakers questioned Zuckerberg about user privacy and accused him of failing to protect the private information of millions of Americans. During the testimony, Zuckerberg apologized multiple times for his failures as a leader of the social media company.

While the scandal led to a significant decrease in Facebook’s stock value, Zuckerberg’s appearance before Congress seemed to counter this reaction as Facebook shares surged 4.5 percent. Because many of the senate members are many years older than the young CEO, the complexity of the situation and technology left the questioning in favor of Zuckerberg.

Since the testimony, Facebook has begun notifying some Facebook users that Cambridge Analytica had gathered their data. Zuckerberg discussed the steps that Facebook is planning to take regarding the issue and emphasized that these types of situations will be handled differently in the future. The CEO spoke with the intention of gaining back the public’s trust and restoring the positive perception of his company.
Local Events

TEDx comes to San Diego State University

On March 10, 2018, SDSU held a TEDx event with the theme of *Pattern Disruption*. TEDx is a program where local and self-organized groups can come together to discuss a topic of interest and share ideas with the community. The TED (Technology, Entertainment, Design) Conference provides general guidelines for the independently held TEDx events.

Speakers at the event were SDSU faculty, staff, student and alumni speakers including Alex Weber, Amanda Oleander, Brandon Leibel, Hayden Willis, Heidi Hanna, Kirsten Johnson, Lori Stewart, Nathian Rodriguez and Parker Edison. The organizing team was headed by SDSU MIS professor, Christine Probett. Probett applied for, and received, a $4,835 grant from the SDSU President’s Leadership Fund in order to organize the event and to enable SDSU to exceed the former 100-person limit. A group of SDSU students formed a new student organization labeled TEDxSDSU with Probett as the advisor to assist in planning and organizing the event.

Expectations for the Future

Data Analytics and User Privacy

After the scandal involving Cambridge Analytica, Facebook users are left with little trust for the social media giant. With technology and social media continuing to develop at a rapid rate, society is struggling to adjust to the quickly changing environment. There is currently very little legislation in place to prevent data collection and the issue has sparked a lot of controversy within the industry regarding user privacy.

It will be interesting to see how Facebook responds to the situation in the upcoming weeks and months of 2018. The government and the public are demanding change and Facebook is backed into a corner at this point. After Facebook CEO Zuckerberg’s appearance before court, the value of Facebook’s stock returned to a strong position, but consumer perception of the company is still quite uneasy.
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