

Panel: Global Financial Order After 2008

Date/Time: Tuesday, April 22, 2014 / 17:30 – 18:45

Talking Points for: Kwon Goocheon, Goldman Sachs

Global Financial Order After 2008

The global financial crisis seems to be ending with this year possibly being a turning point. We expect the global economy to rebound to 3.7% in 2014, up by 80bp from 2013. The US will continue to recover, with fiscal headwinds easing. The Euro area will turnaround and post the first growth since 2011. Japan will likely sustain growth along with accommodative policies offsetting tax hikes while China continues to expand at around 7% despite structural reforms and adjustment in the housing markets. Notwithstanding the near-term swing to relative gains in developed economies, it still holds that beyond the short term developing Asian economies will remain a main driver of global growth, not just China but also India and Indonesia. That said, there will still remain broad gaps between incomes and accumulated assets, with developed economies still dominating global financial markets over the long term. It would be interesting to see how financial powers interact with production centers and what factors and events will affect the balance of the powers.

* The views expressed herein do not necessarily reflect the views of the Asan Institute for Policy Studies.