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It is a delight to be here at this great conference. Thanks to the organisers and it is a privilege to be sharing the podium with such distinguished colleagues. When I came to the conference, I was told by our Chairman that I have 4-5 minutes to deliver my opening remarks. I took out the notes from my briefcase and I saw that my secretary thought she was told I was to have 45 minutes. As a result of the negotiations, we ended up with six minutes.

Ladies and gentlemen, we have been focusing a lot on the euro crisis. I was walking in New York recently and I stopped two people. I asked them, 'What is on your mind?' The first thing was, 'Who will be the next President?' The second thing was, 'We have such great embarrassment about the inability of Congress to come up with a sensible budget deal'. I thought this was due to the part of the world. I went to Thailand and I asked, 'What is on your mind?' It was how to deal with the floods. I went to Japan and asked, 'What is on your mind?' It was how to continue the recovery from the earthquake. I went to Europe and asked, 'What is on your mind?' Of course, it was Euro Zone Crisis.

The first point that I want to make is that Europe is the central economic and political challenge today, but there are many other parts of the world. We will hear later on in the conference about the emerging markets, from our good friend Kishore from Singapore. However, you asked me about the world. I do not believe that the United States is going into a double dip. A year ago, the main debate was; is it going to be a double dip? I believe that all the projections are now that the US will grow at about 1.8% this year and above 2% in 2012. It is nothing to write home about; it is not great, but it is not a disaster.

There is a consensus about the reason for the sluggish growth: lack of clarity. This is lack of clarity about the political prospects, lack of clarity about the regulatory prospects and lack of clarity about the fiscal, monetary prospects. However, having said this, that is the story of the United States. The reason why I have started from the United States is that when all is said and done, it is still the largest, strongest economy in the world.

Secondly, there is Latin America. I was in Latin America recently and everyone started their speech by saying, 'This time, it is not us.' Indeed, they were used to having all the crises starting there; this time it is not them. Latin America will continue to grow at somewhere between 3 and 4%, with some diversity; some nations are growing faster. As a side remark, there is a reason why Latin America and South-East Asia have been spared from some of the challenges that are now facing Europe and the United States. Paradoxically, they were lucky to have their crisis earlier, and, therefore, they have restored the health of the financial sector.

Indeed, if it was not for the earlier crises of Latin America and South-East Asia in the 1990s, we would probably not have had such robust reserves in the Central Banks and the like. Having said this, next year, even Japan is going to grow at about 1.5% next year. The real challenge is Europe. When you look at Asia, Asia ex Japan will continue to grow and it will grow at about 6%, a little less than last year. China will grow in 2012 at around 8.5%, a little less than in 2011. However, Asia is still going to continue to be an important engine of economic growth.

In the global arena, one of the issues that has not been addressed in the past decade has been the issue of imbalances in the current account of the balance of payments. For a full decade, the United States has had large deficits in the current account of the balance of payments. It spent more of its income. It was financed by large surpluses, especially in Asia and China, but also by the Middle East and Russia, associated with oil. That structural issue meant that the centre of gravity in the world has been moving.

I have a friend from the planet Mars, by the way. He visits us every 20 years. When he was here in 1990 and he wanted to look at the panorama of the world, it was enough for him to look at the US, Europe and Japan and he already saw 66% of the world's output. When he came this year, he saw that the very same three areas produced only 45% of world output. Where did it all go? On his previous visit, China and India together produced 7% of world output. Today, they produce 20% of world output. This represents huge change.

This meant a lot of changes in the competitive sphere and indeed, both exporters from the United States and from Europe have felt the competitive pressures from China. However, when all is said and done, entrepreneurs in the US and in Europe have seized the opportunities that China has provided. In fact, in the year 2000, of all the exports in Europe, only 5% went to China. Today, a decade later, 21% of European exports go to China. It is a similar story in the United States. It was just 5% in 2000 and it is presently 24%.

To put it differently, the centre of gravity of the world has changed. The trading spheres have changed. People feel that there is a change in the distribution of wealth and income. It produces significant social pressures, which we are familiar with from all over the world. The world will not be the same the morning after. However, there are still some new governance rules, which are required in order to recognise and validate those economic changes. We will probably discuss it as we go along.

For example, in the international bodies, such as the IMF, it makes no sense that Asia would have such a low level of representation relative to its share. It makes no sense that Europe has such a large representation. The centre of power in the world has changed and it has to be validated and reflected in the governance of the world.

We still have fundamental changes. If you look at the United States, only 10% of each dollar is saved. If you look at China, 50% of each dollar is saved. It is not a surprise that a country that is saving a lot is accumulating assets and a country that does not save a lot is decumulating assets. Do not say, 'Surprise, surprise; we have a larger debt in the United States.' Go back to square one and say, 'Why is it the case that China is saving so much? Why is it the case that the United States is spending so much?'

When you look at it in this way, you recognise that the Chinese tell you they have to save because they cannot rely on the next generation, because they have the one-child family policy. They do not have social-security systems and they do not have a well-developed pension system. Because they do not have a well-developed capital market, companies do not distribute dividends and hence, the corporate sector in China is also contributing to the high rate of national savings. When you put it all together, the policy challenge is to develop a strategy for structural change which will bring about a different gap in savings, which will then reflect itself in different gaps in current accounts. Let me stop here, but I would hope that we will have a moment later to come back to Europe, because that is really where one has a lot to say.