



QU XING

President, China Institute for International Studies

First of all, I would like to express my gratitude to Thierry de Montbrial and Dominique Moïsi for inviting me to this high level dialogue with a higher pace of political debate. I am from the China Institute for International Studies. My presentation will be focused on international politics. I would like to, first, share with the participants my views concerning the global change over the next 20 years that the international community will have to deal with, then to analyse major risks in the most important fields to human kind like energy, food, water, resources, population growth, climate etc.

Concerning an overview of the global trends, I have seven relatively affirmative trends. First, the configuration of multi polarised balance of power will continue to deepen. Second, ethnic separatism is on the rise and religion will resurge. Third, the political participation of individuals and small groups will increase. Fourth, the population growth in the world will be imbalanced, aging severe, and emigration unprecedented. Everyone would like to live long time. Living a long time is not a risk, instead, it is a progress of mankind, but it will cause problems as the population getting aging. Fifth, there will be an increasingly serious problem of resource shortages. Sixth, there will be an intensified imbalance of global economic development. Seventh, there will be an accelerated development of a low-carbon economy.

These are relatively affirmative trends. There are also some uncertain tendencies. I would like to summarize them into six fields. First, there might be a complication of relations between the west and the Islamic world. With what happened and still happening in the Middle East and North Africa, the interference of the western world in the Arab Spring, I think, may bring some complicating factors to the relationship between the west and the Islamic world. Second, the evolution in the development of the global governance mechanism. We talk a lot about the reform of the global governance, such as in the World Bank, the IMF, G20, etc. However, what would be the result? There is still a question mark. Third, there might be a new wave of the economic nationalism and trade protectionism. Fourth, what will be the results of international climate change talks and where the different goals of countries will lead. Fifth, what will be the future direction of China-US relations. Yesterday, we had a very interesting discussion on the G2. For China, we saw some uncertainties in this relationship between China and the US. It is uncertain because although China does not, at all, want to challenge the United States' dominance in the world, still, the US views China as a competitor and a challenger. In this case, I think there might be some challenges to this bilateral relationship. Also, fifth, are the contingencies that are hard to predict, just like the so-called butterfly effect in a highly globalized world. These are some uncertain tendencies that the international community might be facing in next 20 years.

Concerning the energy trends, in the next 20 years, the energy demand in the world is expected to grow continuously. Fossil fuels remain a major primary energy and supply will become more concentrated. However in the face of great pressure of the global warming in the world, there will be a fast development in low-carbon economy and renewable energy. Energy diversification is irreversible. Although in the current world the increased energy demand is mostly from the newly-emerging economies, its growth has shown a trend of slow-down. In terms of per capita consumption, OECD countries have surpassed on a large scale that in the developing countries. It is to say that the total energy demand in the world will grow continuously however its growth speed will slow down, that the oil and gas supply in the world will become more and more concentrated, that the energy consumption in the non-OECD economic entities will grow rapidly, that the energy diversification will speed up, that the restraining carbon emissions will be the priority in governments' energy policies in the world, and that the world oil and gas price will be kept at the high level, but may also face downward pressures. As such, in the next 20 years, the trend in the growth of energy development will be affected by many other factors. For instance, the performance of the world economy plays a critical role in the energy demand growth. The willingness of the governments in CO2 emission reduction will decide energy consumption structures. The speculation by the world hot money will pose challenges to stable oil prices throughout the world.

In terms of food, the prospect of global food in 2030 will remain overall balanced between supply and demand. The total trade volume will increase and international price will witness a further upward trend. However, due to the distribution imbalance of global food supply and demand, the intensified contradictions, combined with the fluctuation

of international prices, many less developed countries will still face the threat of food shortage. In this regard, I have seven points to share with you. First, global food will retain an overall balance of supply and demand. Second, North America will remain the major source of food exports. Third, Oceania countries will face an oversupply situation. Fourth, food production and marketing in the EU is expected to be balanced. Fifth, the food production of South American countries is expected to rise significantly, but food production will be in short supply in East Asia. The food supply capacity of South Asia will be improved.

In terms of water, both population growth and the social economic development will increase the demand for water, putting more pressure on water resources. Temperature rise, change of precipitation types, and intensified extreme weather caused by global warming have all substantially changed the process of water circulation. The world will face serious water shortage and a reduced *per capita* water resource. Water used for agricultural purposes will decline and there will be greater imbalance of the distribution of the water resources.

In terms of resources, in the next 20 years, the gap between supply and demand of world resources will continue to widen, making global competition for resources much fiercer. Meanwhile, the technical progress will, to some extent, alleviate the pressure on resource supply. In this regard, four points deserve our attention. First, the shortage in the world of resources, especially that of strategic mineral resources, will be more outstanding. Second, non-OECD countries will be the main contributor to the resource consumption increase. Third, technical progress in resource substitution will alleviate the pressure of resource shortage. Fourth, the resources market will fall into a monopoly. Furthermore, there are some uncertain factors in world resources shortages. The price of international mineral resources will fluctuate with uncertainty. There is the importance of resource sustainability in global environmental governance. There will be a strategic adjustment of resources and economic transformation in major countries.

In terms of world population growth, the growth rate of the world's population is on the decline, but the size of the world's population is still on the increase. The imbalance of fertility rates worldwide, an aging population, and the increase of the new international immigrants have become the development trends that are mutually closely related. The world population remains rapidly growing, but the regional gap is widening quickly. The aging of the population in China is accelerating, while India will become the largest and youngest country. The aging problem in developed countries other than in the United States, is increasingly grave. Africa will become the region with the fastest growing population around the world.

In terms of scientific and technologic development, world scientific and technological development will take on a strong momentum in the next 20 years. A scientific and technological revolution based on bioscience will happen by then, which will be integrated with current information technology and nanotechnology revolution. We will have some breakthroughs in many fields. There will be integration of innovation, globalisation, and open type innovation models. There will be major, extensive development and industrial transformation and a formation of diversified multi-polar structure of scientific development.

In terms of world economic prospects, the economic globalisation will not be reversed, serving as a great impetus for global economic development. A low-carbon economy will be the priority for an increasing number of countries. The emerging economies as groups will further rise, ushering in a diversified world economic structure. In this regard, I would like to draw your attention to four points. First, economic globalisation will be further developed. Second, global industrial structure will be low carbonised. Third, emerging economies will be powerfully competitive. Fourth, reform of global governance will be deepened. Some important factors will also impact future global development. We are going to see whether the reform of the western economic institutions and development mode may achieve its phased results and whether the new scientific technological revolution and its industrialisation may materialize its due breakthroughs.

In terms of global climate and environment trend for the next 20 years, we can see that the greenhouse gas emissions are aggrandising and unbalanced. The fossil energy will remain the main force of greenhouse gas emissions and the emissions resulting from electricity generation will rise substantially. The urban air quality in developing countries will continue to deteriorate and global climate change negotiation will continue to heat up in world politics.



In terms of the contingences with potentially strategic influences, we can see that in the next 20 years, there will still be various kinds of unexpected non-traditional security threats and abruptly changing traditional security problems in the world, especially the regime change which would restructure the geopolitics.

I have to stop here because of time limit. Thank you for your attention.