



JEAN-CLAUDE TRICHET

Former President, ECB

My intention was to have three successive periods, one focused on the global economy and various visions of it, seen, if John agrees, from the IMF position and also from a number of angles of vision elsewhere in the world, particularly emerging Asia and Japan. We will have a general discussion addressing the various issues at stake. I will then stop the first session and suggest we concentrate on monetary policy, because, though I do not know if Marek would share this view, we could not go that far in our own plenary panel, so it might be good to have some central bank views. We will have the chance to hear from Marek and Jean-Pierre Roth, current and former central bankers, respectively, and then we could reflect on nonconventional measures and what that means with the help of their viewpoints. Then we could turn to the G20 Financial Stability Board, financial supervision, rules, regulations, standards and codes, in order to be sure we have gone through all the spectrum of the economy and finance. That is my proposal.

We have speakers who have the privilege to have their names on the table, and we expect to have a discussion that is vivid, frank, candid, open and as lively as possible, in the strong tradition of this session. We are not interested in a succession of academic expositions, but on the contrary on exchange of views that are as candid as possible, as otherwise the workshop does not offer the interest it has done traditionally.

I will open the first session on the global economy. As a matter of introduction, let me say briefly that, when I look at all I have to say regarding the projections of the IFIs, the IMF and the OECD, I see disappointing global growth, at least from the perspective of the global financial institutions. I will remind you of some figures. We have only 3.1% global growth projected for 2015, less than the previous year, so there is a slowdown, but fortunately it is less than what is projected for 2016 and for 2020, referring to the IMF. Therefore, it is a slowdown marked by some disappointing behaviour in the global economy in 2015.

Regarding the advanced economies, they are a little better than what was observed last year, at 2% instead of 1.8%. As far as the emerging economies go, we see a strong slowdown at 4% instead of 4.6%, so it is the combination of slightly more active advanced economies and significantly less buoyant emerging economies which makes up this average, again a slowdown compared to previous years.

The external observers and investors were keen to mention that, despite the slowdown of the emerging economies (it is the fourth year of slowing down in a row, so there is a medium term phenomenon of relaxation of growth), it does not prevent them from remaining the major source of global growth in the years to come, and projections for 2020 are still flattering.

Regarding the main issues for discussion, we should certainly put aside, if you agree, the accommodating monetary policies and all the intended consequences, because we will treat that in the next session, but we could reflect on secular stagnation, what exactly it means, and what is happening at the level of the advanced economies which makes this expression very popular. We could of course reflect on the reasons that have been observed for this slowdown, as well as the main global risks, in particular China, the geostrategic risks we are observing everywhere, the price of oil and commodities impact on many countries, the rate increases that are highly likely in the US and which might or might not have adverse consequences.

I only note, in conclusion, that in the presentations made by many, the mood is quite pessimistic and everything is presented in a negative format, where it seems to me that a number of risk factors are more complex; for instance the price of oil and commodities being very low is obviously not a good thing for oil and commodity producers but is good for consumers, and taken together it is both expansionary and deflationary, which is both a positive and a negative aspect. The same goes for the rate increases, which are almost always presented very negatively, particularly by the IMF, whereas it is something which is more complex and has positive and negative aspects.



I will stop there, and urge that we engage in the most vivid and active debate possible. I will give the floor to John Lipsky.