DEBATE 2

John LIPSKY

I do not have to defend the IMF in the Asian crisis, but I think they started out by making some mistaken assumptions. But some perspective is justified: In 1996, Emerging Asia was the fastest growing region in the world; 1997: it was in recession; 1998: again recession. The conventional wisdom at the time was that the Asian Tigers turned out to have structural feet of clay in the form of crony capitalism, weak domestic financial markets, etc. It was then commonplace to claim that it was going to be a decade before they recovered their earlier growth rates. Nonetheless, by 1999, emerging Asia once again was the fastest growing region in the world. Someone was doing something right, -- so it must be a more complex story than is told usually.

Returning to the challenge at hand, in practical terms, what should central banks be doing now? What should regulators be doing, that they are not doing? Earlier, before you arrived, I think the general consensus was that the current macro-situation is favourable and is likely to continue in the near-term., and that even though there were risks, I do not think that the consensus is that we are at the edge of a crisis. If I were to ask, I think there was probably not a consensus that a crisis is inevitable, because we are on the wrong track, or in other words, that the policy makers, especially the central banks and regulators, have made fundamental mistakes that already make the next crisis inevitable. Does anybody want to dissent from that? André.

André LEVY-LANG

On central banks, I think that in Europe, at least in the Eurozone, we have to finish the job. The job is roughly 30% done, or something like that, in terms of coordinating regulation, having a system for a deposit warranty at the level of the Eurozone. It is well-advanced, but it should be completed, and I guess Daniel's point proves this, because there is this recurring idea that European banks are weak, sick, and full of bad loans, etc. I really believe that may sometimes be right, but it is true that when it came out it was solved, so we will get that out of it.

The second problem we have is not, I think, of central banks. I think Bertrand put it very well. There is liquidity. There is money and we need investment to start again and I do not think you will find the solution with the banks alone. Today, their constraints are very high and given the very low rates, they should have a strong incentive to lend and I do not think there is a problem there. What you see happening on a very small scale is non-bank funding, which does not really cover the problem because it is too small, but that is growing. You also see banks setting up subsidiaries or new banks getting into the picture with a different approach; I mentioned the French telecom company, Orange, which is actually more than French. As you know in Asia, banking is basically done by cell phones, payments are done using cell phones, as well as some credit. You see new ways of funding the economy, which are very small scale for the time being, but could potentially become very large. That may be something that central banks should be looking at, not to stop or control it, but just to see if it can be helped in some way to have this system moving.

Daniel DAIANU

I agree that the central banks cannot invigorate economies in a fundamental sense. We say that banks should lend more, but one needs to look at the demand side too. Banks are much more reluctant to lend because of the history, and a still very severe legacy problem; EU countries and many euro area countries in particular, are still very much in debt. Public and private debts are pretty large, so there is a legacy issue. It does explain why demand for credit is frequently low; there is not much of an appetite to borrow, so we should acknowledge it. So, both demand and supply factors operate. It works both way.

Secondly, there are structural changes at work in the global economy, including digitisation and robotization, which change the picture dramatically. There is so much uncertainty. In which fields should investment be done? This is also an issue; where to invest. There are also big geopolitical risks that have to be factored in. There is still a lot of resource misallocation, which also complicated investment decisions.

Last, but not least, the whole of finance should be regulated and supervised. I say the whole of finance, because there is an ongoing debate whether fintech should be regulated. In my view, fintech (including crypto-currencies) has to be regulated, since it can bring about both benefits and risks, costs. Fintech is not just like an infant industry, which would have to be groomed for the sake of its benefits; it can also be dangerous.

Bertrand BADRE

There is another point, which has actually happened throughout the 10 years of this crisis decade, which is a massive shift between banks and institutional investors. I have been the CFO of two banks and before the crisis, the name of the game was to grow your balance sheet and make as much money as you could with it. Now, the growth of your balance sheet comes with such a tremendous cost, capital requirement, tax, etc., you have zero incentive whatsoever to grow your balance sheet, so it is a shift.

It is actually very interesting to see that this crisis started with one of the failures of the originate-to-distribute system in the US, what they did with the subprime, and the end game of the crisis is to push all banks into this originate-to-distribute system and throughout the value chain. Banks have really changed their roles during this 10 years, which has also had an impact on monetary policy, etc., the way it is transmitted, while at the same moment institutional investors have not only grown in size, but are increasingly concentrated. I reminded people over lunch that when I was a young banker in New York in 2000, I was very modestly advising Larry Fink, the CEO of BlackRock. At that time, he was passing the USD 200 billion threshold and it was considered a big, fixed income boutique, let me put it this way. I remember when we were on the white board, he said that someday he would manage USD 1 trillion and I thought that he was crazy; USD 1 trillion is just enormous. Now, BlackRock is managing USD 5.5 trillion and you have 10 people who are managing between USD 2 trillion and USD 5 trillion, which is unheard in the history of my career. This is a massive shift, but what consequences do we take out of this? The business model of these people is so different. Société Générale has 160 000 people for a USD 1.6 trillion balance sheet. I know it is not exactly comparable, but BlackRock has USD 5.5 trillion in assets and 12 000 staff. The margins are not the same and it is not the people on the ground; it is a totally different world and we are not prepared for that.

When I call for a holistic perspective, it also takes this into account. I think it is important to see who these new players are. Is it good or bad that we have 20 guys managing more than USD 1 trillion or USD 2 trillion? If these people act in the same way at the same moment, it will create the worst panic you could ever imagine. If 40 chief economists have the same analysis of the risk at the same moment, is it scary or not? You can be scared. You can also argue that there is not the same level of transformation you have in the banking system, that these companies are actually quite decentralised, and behind BlackRock you actually have many small shops, that all make different decisions. That is probably right, but the flip side is that it is a great opportunity to have people with so much money at hand, because if they do it properly they can really make a difference. The fact that these people suddenly say that climate change is important, has an impact for us and I want to move in a low carbon economy. My God! What a leverage we have found, which did not exist before the crisis.

There are these very significant shifts, which we are discovering as we speak, but I do not think we have drawn any consequences from what is happening. For me, I think it is fascinating. I am not scared. Again, I am scared by the lack of cooperation and a number of other things, but on the other side, we have the tools. We have the capacity to handle things. That is why it is a fascinating moment, because we can go in either direction.

Raed CHARAFEDDINE

What can central banks do? I think that Lebanon has been a prime example for unconventional monetary policies. I gave an example about this stimulus package and its impact. I can give two other examples. One is what we call financial engineering, which is a multilevel swap that targeted several objectives in the Lebanese macroeconomic, financial, and monetary stability scenes. A by-product of this operation was bracing our banks for IFRS 9, ensuring their capital adequacy of 15% and commercial Banks taking general provisions of 2% on all their loan portfolios. In addition to this, because of this financial engineering tool, the balance of payments has shifted from a deficit of USD 1.7 billion in May 2016, into a commutative surplus of USD 1.3 billion at the end of the same year. In addition to this, we were able to stack our foreign reserves at USD 43.5 billion dollars. For the first time in the history of Lebanon, the country has come close to USD 44 billion, over a GDP of USD 54 billion. This is one of the things that we have done.

The second example is launching the knowledge economy. In Lebanon, we have capitalized on the brains of our kids and for the first time we have launched a knowledge economy, whereby banks get involved in equity financing, rather than giving them loans. For the first time, banks are partners, because banks are not allowed to make a partnership with any of their customers on projects, with the exception of the knowledge economy. These are examples of what central banks can do.

One last thing, there was some talk about compliance. Not only do banks have compliance departments at the head office of every single bank, they also have a compliance department in every single branch. The compliance officer should not be the one doing the selling, account opening, etc., but should have some sort of a support function, someone who does not deal much or at all with customers. Thank you very much.

If I may, I have to catch a plane. Is there a question for me? I will take it and then rush.

Akinari HORII

Are banks in Lebanon subject to Basel 2 or Basel 3?

Raed CHARAFEDDINE

Basel 3, or actually all of them.

Akinari HORII

With respect to equity investment, capital charges 500%, or 750%, how can banks extend equity investment?

Raed CHARAFEDDINE

They have no choice. This is why we have turned the situation around with the financial engineering, and we made them capitalize. Actually, so far Lebanese banks are the backbone of the economy, with what is happening around us, all the wars, and the ISIS threat on the borders. We have Israel on our southern borders, Syria on the northern and eastern borders, terrorists all over. This is the only thing that can give confidence, as we said today. I am looking at my phone now, because I am getting so many questions from journalists about what is happening the Middle East, since Prime Minister Hariri has resigned today, and this will have a major impact.

This is why we were very keen to stock our banks with as much immunity as possible, so that if there is an issue like this or another war is waged on Lebanon, etc., we will still be fine. What can happen in times like these? Fortunately, this came on Saturday and tomorrow is Sunday. Often, people immediately transfer their Lebanese Lira into Dollars or Euros, or transfer them out of Lebanon, or both. That is why I have been in touch with the governors about the sort of statements we need to give. These are the things that we cannot afford to be other than well-stocked and dense as possible. We have 30% liquidity in our banks, which is a lot. We have USD 43.5 billion of foreign reserves in the Central Bank, which is also a lot, but this is a sort of insurance policy that we have to take for our banks, and for the Central Bank as well.

John LIPSKY

Thank you and good luck with the challenges. Elena, you wanted to speak?

Elena DALY

Just a quick comment on your question John, about how to use the relatively favourable economic conjunction and what central banks can do during this time. Certainly, we should be taking care of the basement and the roof while the sun is shining, and put together from a regulatory and Central Bank policy perspective, the policies and regulations that are meaningful and sensible. In Europe, I live in Paris now and observe and follow the developments in the South/North divide, the critical issue for the ECB is to phase out of QE as soon as possible. I am a little concerned that they have been taking timid steps in that direction and people are still worried about what is going to happen, but this is the best economic environment we have in Europe. We will not have a better one, but we might have worse. In addition, politically in France there is such a good atmosphere with Macron's election, so this is the time to do it, because QE has been obfuscating the reality of debt sustainability in Europe. From a debt management expert perspective, it is mind boggling why we would not be phasing out of it as soon as possible. I think that, at least for Europe, that would be my vote. Thank you.

John LIPSKY

It seems almost certain that central banks are going to act cautiously in the current environment, in any case, so I suppose that there is some concern, but my perception was not widely shared, that they could be precipitating some kind of a crisis soon.

Salim Dehmej

My name is Salim Dehmej, Central Bank of Morocco and I want to share with you some personal views on the regulatory agenda. To answer the question of what regulators should do, I think that they should complete their ambitious process they started after the crisis. If we enumerate the initiatives, they are not completed. For example, on the separation of activities side, neither Dodd-Frank, Vickers or Liikanen was completed. On the banking union side in Europe, I would say only the single supervisory mechanism was in place. No resolution, which was completed and no insurance deposit at all. On the macroprudential policies side, it is a very useful agenda, but it was not fully operational. On the incentive side, there is not so much regulation in place on bonuses, and shadow banks are take more and more place and are not regulated. Even from the French perspective, the international tax was completely abandoned.

I want to add some risk assessment elements. The global financial cycles are interactive. Banks are even bigger than before the crisis and the nexus between banks and sovereign is also wider, since banks bought so much of sovereigns. In addition to that, the debt level is very high, which the IMF Global Financial Stability report also told us, and we can expect some bubble signs on mini segments of the financial markets, from real estate to bitcoin, currencies, bonds, and stocks. That is all to say, that if we have a crisis in the next few years, it will be more harmful because the interest rates are very low, and the balance sheets are bigger by historical standards. In addition to that, we do not have any fiscal space.

Finally, the cooperation mode is not here. We know that Trump appointed Randy Quarles, an ex-banker from the financial sphere as financial regulation chief and we also have Powell, yesterday or the day before, who may be from the banking community. I listen to the French position regarding the harmonisation of risk models, so I am very pessimistic about the future.

Jeffrey FRIEDEN

I was going to step back a little bit and address the question you asked before about what the broader risks are. This is not about whether central banks are doing the right or wrong thing now. I think they have largely been doing the right thing. However, I think we all recognise that life is full of trade-offs and international finance is no exception. We have an integrated international financial system and, if we have learned anything from the last couple of hundred years, an international financial system is prone to crises. We do not know where the crises are likely to come from, but we do know what some of the sources of weakness are, both in theory and in practice.

The first one is that scholars have identified that gross financial flows are typically associated with potentials for losses of confidence that then raise liquidity questions, because there is no amount of liquidity that can deal with a loss of confidence. That is what we learned from 2007-2008. As Gary Gorton has explained extremely well, we had a run on the bank, except that intermediation is now through the markets, so instead it was a run on the markets, and we are still in a position where markets can be run if confidence is lost. We do not know what the initial source will be; I do not think anyone would have expected subprime. Subprime was only the tiny catalyst, and there were underlying weaknesses in the American, European, international financial system that it revealed. We do not know what might be the catalyst for another crisis. It could be non-performing loans in China. It could be the European situation, despite what Mr Lévy-Lang has said. I think there are real questions about whether the resolution mechanism in the EU is sufficient in its current form to deal with a serious crisis. I think that we have certainly got some indications that when push comes to shove, national governments step in and override the agreements that have been worked out at the level of the banking union. Politics is also going to rear its ugly head, or pretty head, whatever you may think about it, should a crisis return. I think that there is some indication of froth in the asset markets. In the US, the current cyclically adjusted price-earnings ratio is double what it was at the height of dot-com boom, and the debt load on the consumer side has increased continually over the last five years. I am not sure that is cause for concern, but I am not willing to say that it is not cause for concern.

I guess my underlying point is that there are sources of weakness in national, regional and the global financial system that could, over the next few years, cause difficulties. The reason I think that is important to point out is what both Daniel and others have mentioned, which is we face a very different underlying set of conditions in the international financial order today. That is, we have an administration in Washington that is not committed to the current international institutional structure, or to working together with our financial and trading partners should difficulties break out. One could argue that the force of events will require cooperation, but I am not so sure that things will work as well next time around as they did in 2008. Things went as well as could have been expected in September, October, and November 2008. That was with both an outgoing and incoming administration that seemed quite committed to global cooperation. We now have an administration that is not committed to global cooperation, certainly not on trade and increasingly not on financial regulation, finance more generally and macroeconomic policy. I worry that, if and when the next crisis comes, and it is almost certain that there will be a next crisis, that intervention by the major powers and in particular by the US will be more destructive than constructive. That is what worries me, since you asked.

Uri DADUSH

When I was doing forecasting at the World Bank, I suffered two crises, both of which were completely unforeseen, at least to the mainstream. They were the Asian financial crisis and then the great financial crisis of 2008, 2009. That is all we were doing, just to show you our full incompetence, we were looking for these issues all the time, and maybe not as assiduously as the people at the Fund, but we had our job to do. That kind of convinced me that the next financial crisis, or financial crises in general, is almost by definition, almost tautologically, a surprise, in the sense that if it was not a surprise, it would not be a crisis. People would be taking steps well in advance, and what happens is when it materialises, it does not materialise all in one go, but it is too late by the time you see it. Even if you see it before the worst happens, three or four months beforehand, it is too late. All the bad loans, or whatever, have built up and need to be correct.

You do not need this from me, but modesty is the good guide here. One point I want to make is that I have been very worried about all the quantitative easing, low interest rates, etc., that this would actually create another condition. As I scan and look, right now I do not see it, but of course I do not expect to see where the huge problem is. Certainly, I do not see it in the equities, etc., very simply because the people who are buying them are by and large either households or funds. They do not have big leverage problems and it is a very transparent sort of thing. Some people will lose a lot of money; they are idiots. Some people will lose a lot of money, who think they are very smart. However, overall it does not look to me like one of these high-leverage, non-transparent situations, like the subprime crisis. I was also worried that the emerging markets would get this wall of liquidity and of course, there are issues, such as in Venezuela, but overall the capital flows to emerging market are really quite restrained. They have been quite restrained. There are a lot of things that the emerging markets have done, as you know, with flexible exchange rates, domestic bond markets, which have lessened the risk. If you pushed me now, I would have very little confidence to say where I am worried. Actually, I am less worried about the markets, I am worried about the governments.

In fact, I wanted to ask at the beginning what the secret of Japan was; I have heard the story many times but never understood it. Do we learn from Japan that we can have 225% public debt to GDP and zero long-term interest rates? Do I learn from Japan that you should not worry about the United States doing 1.5 trillion in additional debt, or at least deficit, in the new tax package? Do not worry about Italy and do not even worry about Greece? Is that what I learn from the Japanese experience? Also, as I understand it, a lot of the debt is owned in Japan, which means that a lot of the debt is also owned in the Japanese banks.

That is what I worry about.

Akinari HORII

The last point you made is the one that many pundits refer to as comforting elements. I doubt it. I have experienced too many banking crises since the 1980s, with Mexico, Brazil, Latin America, and in the 1990s. Domestic holders of assets cause capital flight always when crises are blooming or in the offing. Japanese investors will all start selling their bonds, so domestic holdings of JGBs should not be regarded as a confident element; that is my view. Why Japanese debt is so high and interest rates are so low, is simply because of a deflationary mindset there, a belief that deflation is there so it will continue for a long time.

What will happen in the end? There are only three scenarios. One is a happy scenario: growing out of the debt, Japan's economy all of a sudden begins to grow very fast on a sustainable basis, getting rid of deflation and growing out of debt. That would be a happy story. Another scenario, the Japanese government default on its promise, which is highly unlikely. Even after World War II, the Japanese government continued to pay out the debt they issued at the time of the Russo-Japanese war in 1905. I still remember in the1970s, the Japanese government continued to repay the debt. The last one is hyperinflation, which is a sort of debt repudiation. Therefore, there are only three scenarios, but none of them seem an immediate outcome, so they just hang loose.

Mounia BOUCETTA

As Uri said, crises are essentially unpredictable. However, when we were looking at the 2007, 2008 crisis, people were worried in 2004, 2005 about a crisis happening in the emerging countries, but it happened in the advanced economies and globalisation made it more global. Actually, when I hear you speaking, I might be wrong, but I understand that you are all saying that the next crisis will happen in the advanced countries and they will not be equipped or willing enough to address the causes of the crisis or try to smooth its impact. However, what about a crisis happening in the emerging countries? Doe the emerging countries have the ability to respond to a crisis or to do something about it. I would like your opinion on that, if we assume it is the other way round?

John LIPSKY

I have an opinion, but it looks like Daniel wants to say something.

Daniel DAIANU

For many years, people seem to have forgotten that crises can hit both emerging and developed economies. When we had the Great Depression, the economies where the crisis erupted were the most developed in the world. The issue is that when a crisis hits emerging markets, they expect to be assisted, to be helped by the IFIs, and the developed economies. Of course, if the emerging economy is a small one, that that can be dealt with easily. But if a crisis would hit, let's say China, that could send shockwaves around the world..

The issue is the type of the crisis we have to deal with. Is it an ordinary one, shall we say a recession, be it a deeper one? A recession can be followed by a recovery. But a financial crisis is of a different sort and much more severe through its impact.. Think about the level of both public and private debt, and I am not referring to the United States in the main, where the economy primarily funds itself through capital markets. I am referring to Europe and the legacy issue, which has not been solved yet. In Europe, there is also the fundamental problem of reforming the functioning of the euroarea. It is true that there a recovery is underway in Europe, but this is much acyclical dynamic which is also supported by very cheap money. And I guess the ECB would be very reluctant to raise substantially its policy rates in the years to come in view of the fragility of the recovery and the state of bank balance-sheets.

Policy-makers need to address, among others, key issues such as the legacy (the level of debt) and the poor architecture of the Euro area. I would add here income distribution. It is quite telling that, in recent years, the IFIs, the Bank of England, the ECB, the Fed have paid a lot of attention to income distribution. Imagine a decade ago, telling the top echelon at the Fed, the ECB or the Bank of England, that they should think about income distribution. And this is not an academic exercise, this is very pragmatic, because if you do not have social stability in society you are not going to have economic stability. If you do not have economic stability, you are not going to have financial stability. And vice-versa, financial instability, which is entailed by a derailed finance, by a financial cycle which may get out of control, is inimical to economic stability and social cohesion. We need to address more the way finance works. I think we should reduce leverage more, for banks can be very destabilising as actors in the economy. As a matter of fact, the whole of finance can be very destabilising. We need policy coordination in the global economy. We need simpler systems, transparent, and no portion of finance, including fintech, should be beyond the territory of regulation and supervision

John LIPSKY

I think we are coming to a close. Let me say a few words on the question of emerging markets. All the major emerging market crises of my modern times, starting with the so-called Latin debt crisis of the early 1980s, then the Mexican peso crisis, and the Asian currency crisis, was a reflection of instability in advanced economy policies, rather than something self-generated by the emerging markets themselves. What happened was that after these repeated shocks emanating from the advanced economies, emerging economy authorities followed advice to strengthen their financial systems, and to make their exchange rates flexible. Solid banking systems and flexible exchange rates did not insulate them from broader macro-trends, but it did keep them out of the subsequent crises. For example, the preconditions for the Asian currency crisis were foreseen, at least in the private sector, for example, Thailand was recognised as a likely candidate for crisis. The question was, what where they going to do about it? That was the unknown. My view is that the Thai authorities at the time decided that a crisis was unavoidable, and acted accordingly in a way the protected domestic institutions relative to foreign lenders.

From the floor

[Inaudible].

John LIPSKY

Yes, because the official side did not see the interconnections that were created by the de-facto East Asian dollar standard, namely. To the official sector, the unfolding Asian crisis appeared to be a series of essentially unrelated events precipitated by local developments and by investor panic. To foreign lenders, it was a case of seeing the pattern and not wanting to wait to see if it was going to be repeated. The aspect that was unrecognized then, is not recognised even today, is that there is no crisis prevention instrument available via any international financial institution. Essentially, the IMF only has crisis resolution instruments available to it. There is this idea that, somehow, because there is a financial “safety net”, that this constitutes crisis prevention, but it does not. There have been attempts to create crisis prevention instruments, which in a world of securitized finance would have to be insurance-like instruments – something akin to swap lines. However, the institution you would think would play that role -- the International Monetary Fund -- is viewed by central bankers as a fiscal, not a monetary, agency and, let us put it politely, they are loath to grant what might look like money-creation powers to a fiscal agency like the IMF. That continues to be a problem.

On the other hand, in the wake of the crisis, the FSB has made progress. The banking system is much better capitalised, reflecting the board recognition that the system was substantially undercapitalised. Thus, even without new regulation capital, would have been increased capitalisation, although the extent of course is uncertain. Leverage has been reduced. Banks undergo stress tests. Thus, the claim that the system is no safer than it was before the crisis is simply to dismiss all these factors out of hand.

On the other hand, I think what we have heard on the panel is, first, that the reforms are incomplete. I think there is little disagreement with Daniel: What you said is something the IMF also concluded in 2008, which was that the perimeter of regulation was poorly drawn and that systemically relevant financial institutions were left outside of effective regulation. Also, the creation of credible resolution mechanisms is unfinished. As André told us, much needs to be done just to complete the banking union in Europe, let alone to implement the capital markets union. Does that leave us vulnerable to potential crisis? Certainly, there is still a ways to go just to completely fix what we all perceived to be the systemic weaknesses underlying the global financial crisis

At the same time, what I heard here today was that while risks of a new crisis may exist and you can even think of triggers that could create such a risk the most likely outcome looks reasonably benign, and official actions do not loot likely that could threaten that favourable outlook. Of course, Jeffre and others have mentioned some scenarios that are far from inconceivable, and that could produce results that are more worrisome than that.

I will now invite the panellists to make any final comments they might wish to share.

Akinari HORII

One thing you did not mention is the limited capability of the Federal Reserve over possible bailouts of non-bank entities, because of Dodd-Frank, obviously. As you correctly pointed out, banks are now much more capitalised than, of course, at the time of the recent crisis, but even in comparison to a few years ago. However, as I said, credit risk taking has been pushed to the shadow banking system and, you mentioned that BlackRock covers USD 5.5 trillion assets under management. I am not specifically speaking of BlackRock or any other asset management companies, but if anything goes wrong that has systemic implications, and yet the Federal Reserve will be unable to address the situation. That is a really, really big concern. The Federal Reserve is now explicitly prohibited from extending credit to non-bank entities.

Tom Baxter, General Counsel to the New York Fed, made a testimony to Congress in 2009, and he specifically mentioned a few episodes. In my understanding if the UK authorities had told other central banks and regulators that Barclays would not be able to buyout Lehman Brothers, on the Friday or Saturday, then the situation would have been very different from what actually happened. However, the UK authorities said it at the last moment, on that Sunday and it was too late.

Bertrand BADRE

You would still have had AIG and the business situation would have collapsed with somebody else. It would have collapsed anyway. It was the point of rupture.

Akinari HORII

That is right for AIG. The Federal Reserve created Maiden Lane II and III at that time.

John LIPSKY

My guess is that even today, most people think that the IMF is the systemic fireman and that it has the fire prevention tools that are needed. In practice, however, they more or less only have tools that are useful for extingjuishing fires after they have broken out, and even not enough of those. This concludes the session. Thank you very much. Thank you all.