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Welcome: The plan for today's discussion is as follows: We had some very interesting discussions about world trade this morning, and I thought we would see if our panellists had any responses to that discussion. Then we will turn to financial sector issues. Daniel Daianu, one of our panellists, has been delayed in his arrival and hopefully may join us later. Luckily, in his place for now we have Elena Daly, who is going to tell us about a very live issue, which is the latest news on the Venezuelan debt restructuring. This topic is going to be a prominent financial sector issue in the month -- or more likely, years -- to come.

Let us start the discussion with a brief review of global forecasts. I do not intend to make any lengthy comments or ask the panellists to do so, but I think that some interesting aspects which may not have been mentioned in yesterday's outlook discussion. Certainly, the outlook for the advanced economies is better than it has been in several years. This includes the newly positive outlook for the European Union and the Eurozone, as consensus forecasts have been upgraded in just the past few months. In addition, the performance of the Japanese economy has turned out better than expected. In essence, with the exception only of the UK economy, basically all the major advanced economies are growing solidly, in many cases faster than potential.

However, I wanted to point out the differences between them that are interesting and worth looking at. The United States is experiencing what can be described as solid growth. As you probably are aware, the current expansion already is the third longest in US history, and unless you think something terrible is going to happen in the next few quarters, this is going to be at least the second longest. That is remarkable, because no one feels that great about it. At the same time, the unemployment rate has fallen to 4.1%, the lowest rate since the nineties, but this has not been accompanied by rising inflation or wage pressures, but rather by the lack of underlying inflation pressures. The increase in the Fed's preferred measure of underlying inflation, the core personal consumption expenditure index, is under 1.5% on a year on year basis. Despite the good news, US business investment has remained relatively weak, which explains the slow productivity growth that has been accompanied, despite the low unemployment, by low labour participation. So the headline news is good, but with some weak underlying factors.

In the EU, growth has strengthened in most cases to at least trend rate or above. Still, unemployment rates remain high, with the exception of Germany, but they have been falling. Inflation, not surprisingly, remains very low. However, as the IMF has noted, the Eurozone's banking system remains weak, hampered by still-significant non-performing loans in some countries. The IMF's latest Global Financial Stability Report also warned of a lack of profitability of many major European banks. This could make it difficult for them to provide adequate support for the increased activity. At the same time, the progress on securitisation of Eurozone capital markets remains sluggish. In other words, progress on developing the EU's capital markets union has been slow.. Here as well , the headline news is good, but has some perplexing parts.

Finally, Japan, is growing more strongly than almost anyone expected, accompanied by historically low unemployment rates, and historically tight labour markets, judging from data on job openings to job applicants. At the same time, inflation remains very low, while the labour force participation rate has been rising, with a substantial increase in female labour force participation.

Once again, the picture here is not uniform at all across the advanced economies, with the exception of reasonably good growth and surprisingly low inflation. Let us turn to our panellists and see if that inspires any commentary.