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We have so many things to talk about and ideas and remarks to exchange that I suggest we start right now. Let me first mention the speakers, including Gary, and as usual for a workshop, we are happy to have a group of rather extraordinary speakers in terms of competence, excellence, and experience. I will start with Hur Kyung-Wook, who is Chairman of Seoul Financial Forum, Chairman of the Board of the Korea Center for International Finance, as well as Board member of, Doosan Shareholding, a private company. He was also, which is important from our standpoint, Ambassador of Korea to the OECD, as well as previously holding the position of Vice Minister for the Ministry of Strategy and Finance. Thank you for being with us. Pierre Jacquet is Professor of Economic Policy at the École nationale des ponts et chaussées, member of the French Cercles des Économistes and for 10 years he was President of the Global Development Network, a public international organization that helps strengthen the capacity of developing countries. He was also Chief Economist and Executive Director of Strategy in the French Development Agency, and I could go on, but you will forgive you for not doing so. Sébastien Jean is Associate Director of the Ifri's Geoeconomics and Geofinance Initiative, Professor of Economics at the Conservatoire des arts et métiers, where he holds the very flattering Jean-Baptiste Say chair, and he is also a member of the French Council of Economic Advisors and the National Productivity Council. André Lévy-Lang is Founder and President of the Louis Bachelier Institute, affiliate Emeritus Professor in Finance at Paris Dauphine University, Chairman of *Les Échos*, Chairman and Founder of the Fondation du Risque, and previously the CEO of Banque Paribas. Thank you for joining us again, André, with all your competence and experience. I had to introduce John Lipsky at another session, and he is Senior Fellow of the Foreign Policy Institute at John Hopkins, acting Managing Director, having been Deputy Managing Director of the IMF, and Chief Economist of JP Morgan and Salomon Brothers. Gary Litman is Senior Vice President of Global Initiatives at the US Chamber of Commerce and is responsible for the Chamber's policy advocacy for economic reform of the G20, the G7 and international and non-financial institutions. Jean-Claude Meyer is also an *habitué* and is Vice Chairman International of Rothschild & Company, and before that he was Managing Director of Lazard Frères, and previously in the French administration. We are very happy that you are here and having been at the helm of two investment banks you are very well-known and very flattering for our group.

What counts is to hear the speakers, who are extraordinarily complementary, and to ask all the possible questions to get the most out of our meeting. The speakers are very important but so is everybody present because you can communicate your own vision and understanding of the situation. We are supposed to address the global economic situation from the angle of the positions and experience of the panel members, as well as finance.

To be quick, I would say that first, on the global economy I observe that, before Trump, there is some slowing down in the global economy with a substantial difference between the forecast and observed by the IMF during the past and not anticipated for the medium-term future. I see a difference in terms of yearly growth that is not negligible at 0.5% and I think that there is agreement in the international financial institutions on 3.2% global growth for the medium-term future compared to 3.7% in the past before Covid. There are reasons for that and again, geopolitical tensions, hedging of the very long value chain, the green transition and until now, some disappointment in the total factor productivity, apart from the US, which are elements that can explain why we have a rather disappointing projection. Whether it will be right, or we will observe a jump in productivity in all economies remains to be seen but for now, we have this rather mediocre projection.

I also want to mention that before Trump the international financial institutions were mentioning tariff and trade policy uncertainty as a possible downside risk at the global level. There has already been this surge of protectionism and the hedging post-Covid but also taking into account the geostrategic difficulties we are observing which, of course, was amplified by Trump. We had lower migration before Trump taking into account the surge in populism in practically all economies, mainly the advanced ones, which creates a very important downside risk in some countries. The tightening of some global financial conditions could not be ruled out, perhaps mainly due to hiccups in the disinflationary process and monetary policies. Of course, there was also conflict escalation and materialization of the geostrategic risk also listed. I mentioned four possible downside risks and three of them might be amplified by the new US administration, which has to be checked, and we will discuss that. One seems less likely, if I stick to the rhetoric Trump is not a war enthusiast and it looks as if he is dedicated to appeasing the zones of conflict and tensions. I do not know whether this is pure rhetoric or more serious but clearly, I cannot list conflict escalation as part of the present project of Trump’s policies. I will stop there, I just wanted to describe the landscape we can keep in mind, I do not want to be much more precise because I think we have what we need.

When it comes to summing up the positives and negatives for the world economy after the Trump election, I will start with the positives. Perhaps obviously, confidence up, significant deregulation, significant corporate tax alleviation, budget expansion, abandonment of the Paris Green Deal and you can probably see that I am not necessarily in line with all those elements, but they might appear to be positive in the short-term. Long-term positive, I would list total factor productivity push, corporate investment, financing of innovation, so going even further in the direction that is already indicated by the US. Another thing that has to be listed as a long-term positive is a displayed strategy to end present wars and prevent new ones, settling geostrategic difficulties. When it comes to short-term negatives there are higher tariffs and trade barriers, higher inflation, maybe higher levels of real and nominal interest rates as a consequence, massively less immigration, which will have a short-term negative impact. Then I think that possible trade wars, not only with China and Europe, but also Mexico and Canada obviously, has to be listed in the short-term negatives. Then long-term negatives on growth would be abandonment of the Paris Green Deal in the long-term, uncertainty on the results of each transactional negotiation and unpredictability in general, which is something that might crystallize in a much more predictable attitude after a while. Whatever the new Minister of Finance is saying, the 3%. There is uncontrollable outstanding public debt in the US, and I do not take it for granted and of course, I already mentioned less immigration. However, I think we have to be balanced and not stick only one or other attitude as regards the possibility of having an economy that would be entirely negative or entirely positive.

I will be briefer on finance because it seems to me that what counts is what you think yourselves. To the extent that I also see elements that are a bit worrying, I only mention that *en passant*, we have a level of overall public debt outstanding that is higher today than it was before Lehman Brothers. We have to take that into account, we have an indicator that was considered an important one at the moment the great financial crisis exploded. It was not the only cause of the financial crisis, there were a number of others, particularly the weakness of the banks and prudentials in general, as well as benign neglect as regards the whole financial sector. Nevertheless, debt outstanding, the level of leverage mainly in the public sector but also in the private sector is an element that I find really alarming. It is particularly true in the advanced economies, which were already overindebted and that is very true as regards the US, for instance, but also Japan and a number of European countries. That is not to mention the emerging world, which had its own jump in overall public debt outstanding, so in a way they are catching up with the level of the advanced economies. I think this all has to be kept in mind as elements of prudence and caution as regards the overall debt outstanding and overall stability of the financial sphere.

On the other side of the equation, I mentioned the fact that the Financial Stability Board has been quite active in having new prudentials. I think we can really consider that the banks are in a much stabler position provided, of course, that the rules are respected. We could see a repeat of the experience of the regional banks in the US, which showed that if you do not play by the rules, you can be very vulnerable. This is an element that is repeated every time in the letters the Financial Stability Board sends out to the G20 and financial institutions, at least to all responsible, to say that they should follow and respect the rules, or we will all be in a weaker position. By the way, it was not a miracle that the regional banks exploded in the US and at the same time Credit Suisse was doing the same in Switzerland, but the rapidity and boldness of the reaction by the authorities was incredible compared to what was theoretically expected in such cases, and we were able to avoid contagion. However, it called for extremely rapid and bold decisions from the Fed, the Treasury and the Swiss authorities and it would be naïve to think that we can always count on public authorities reacting so authoritatively and rapidly. There are a large number of other elements that are all listed by the international community, which we will discuss, including the pros and cons of Artificial Intelligence. Then there are the usual suspects in the eyes of the international community in terms of preserving financial stability, always negative rather than positive but we should not forget the positive. It was done very well here with panels focusing on Artificial Intelligence that were very telling, and we have the cyberattacks, which are part of the real and enormous danger in the current situation. Then there are all the potential difficulties with green finance and the green transition where there are also positives and negatives in that domain, with among the positives the new International Standard Board that is supposed to recommend a number of attitudes in the private sector that would make it possible to avoid major problems.

This is a very complex set of positives and negatives, and one provisional conclusion is that we have to be extraordinarily prudent, cautious and certainly not practice benign neglect in the present circumstances.

I will stop there and, if you agree, I will follow the alphabetical order to get a full picture, and everyone has five or six minutes after which we will engage in the vibrant discussion that we normally have with this format.