

# **An Optimist View on the Global Economy**

**Guy Sorman**

**September 18, 2012**

**for IGE/Samsung Electronics GBF**

# I. South Korea slow growth

- External factors:
  - 3 turbulence areas, China, US, EU
- Domestic factors: mature economy
  - wages + welfare
  - demography down

## II. Reasons for optimism

- 1) New markets: globalization gets global, Africa and ME
- 2) Consensus on development strategy: end of socialism, end of culturalism
- 3) Better coordination: G 20

### **III. Political obstacles remain more than economics**

- 1) Bad management of State resources  
lack of fiscal discipline
- 2) Poor monetary policies
- 3) Excessive reliance on short term policies versus rules = Stimulus in EU, QE3 in US

## **IV. Future innovations**

- 1) Triadic patents increase
- 2) New sources of energy: shale gas versus rogue States
- 3) New Products and services: monetization of older people needs

# V. Focus on South Korea

- 1) Lack of small innovative business
- 2) What kind of welfare=be creative!
- 3) Migration policy
- 4) Security matters