

An Optimist View on the Global Economy

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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