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GGI Asian Regional Conference in Beijing 19-21 October 2010 Summary of Keynote speech by Joseph Tan, Asian Chief Economist

1. While the global economy is not going to slip into a double-dip recession, growth will nevertheless be anemic in the developed world. The bulk of world growth and consumption will be generated by emerging markets.
2. Contagion risks from Europe are minimal and Asia is not as exposed to Europe. Furthermore, as long as core European economies hold up while the periphery weakens, the impact will be mitigated.
3. Asia's growth dynamics remain intact even though exports will moderate in the near term. Key risks will be inflation in 2011 as the weakening USD will generate commodity price inflation, while hot money inflows into Asia will generate asset price inflation.
4. China is going through a paradigm shift from an export driven economy to one that is more consumption driven. This will have implications for the rest of Asia and it can polarise Asia into two halves – a low value added half and a high value added half