

IPS Corporate Associates Breakfast

"Global Economic Outlook: How Secure is the Global Recovery?"

Speaker: Mr Adrian Cooper, Managing Director, Oxford Economics

4 June 2010



On the morning of 4 June 2010, IPS held a Corporate Associates Breakfast (CAB) featuring Mr Adrian Cooper, Managing Director of the Oxford Economics, at Hotel Intercontinental Singapore, as the guest speaker. Mr Cooper spoke on the "*Global Economic Outlook: How secure is the Global Recovery?*"

Mr Cooper noted that compared to the Great Depression of 1930, the 2008-2009 recession was far worse. The swift action taken by banks and financial institutions, as well as the many fiscal policies implemented by respective governments' nations and states, however, helped prevent the crisis from worsening.

According to Mr Cooper, there were many signs that suggested economic recovery was indeed taking place in the short-term. Growth was also approaching pre-crisis levels, especially in Asia, where consumer confidence was improving across the board. He added that there appeared to be a "gathering of strength" in the G-3 markets (USA, Japan, Europe), although Japan, he said, looked to be suffering "stuttering recovery". The fiscal position undertaken by Asian economies also reinforced the region's strength and growth.



Despite this positive development, Mr Cooper pointed out that Asia might face a weaker global market with the European Union (EU), as the latter is still sorting out the financial challenges amongst member states such as Greece. Banks in the western world were still dealing with huge loan losses. In addition, Mr Cooper added that the threat of inflation is beginning to loom over China, the fastest growing economy in the world, especially in with regard to housing prices. This, he felt, was blurring the global economic outlook, suggesting that the growth which the world is currently witnessing may not be sustainable in the long run.



Mr Cooper went on to touch on the risks and alternative scenarios the global economy might face. At the end of the session, Mr Cooper took questions from the floor. Questions ranged from the outlook of the Chinese Yuan, his assessment on the disintegration of the European Union and its potential member states, which may run into problems similar to those Greece faced. Mr Cooper also took questions on the role of the BRIC (Brazil, Russia, India, and China) in addressing the global economic crisis.

Notes taken by Lee Yoong Yoong, IPS Research Fellow.

