



China's Future: Economic GrowthInvestment ...and Change

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The View From “Summer Davos”



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China Punditry



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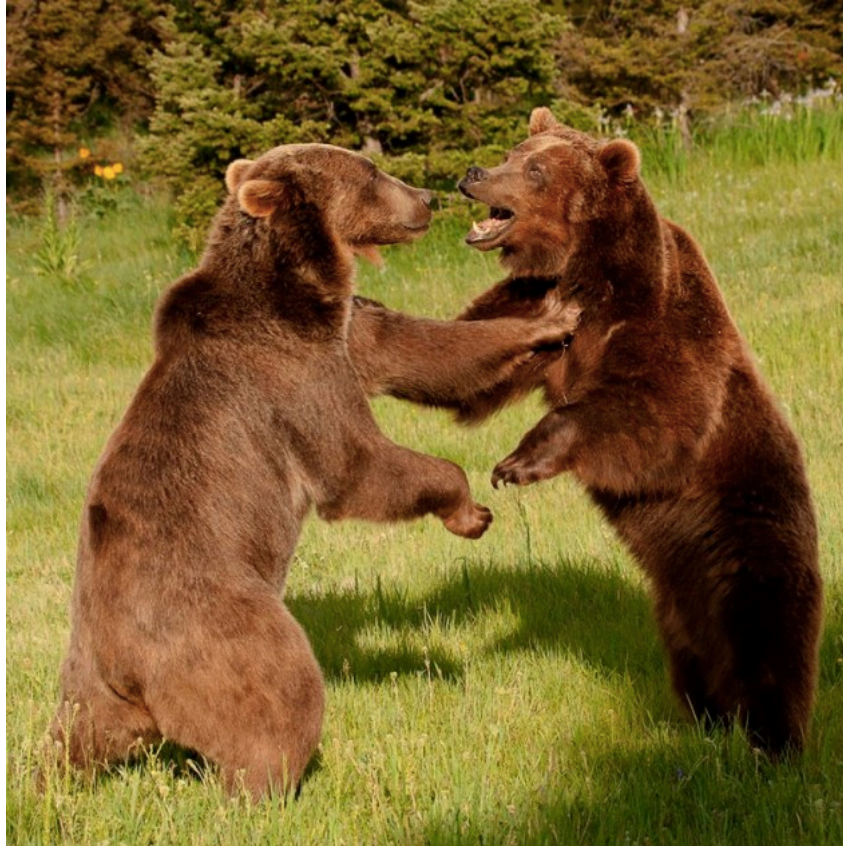
Remember When?



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The Bears Attack...



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The Case For Worrying



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The Case For Worrying

1. Slowing Economy
2. Massive Debt Overhang
3. Lack of Action/Commitment on Reforms
4. Conflict Between Reforms & Stability
5. Ageing Society
6. Environmental Crisis
7. Potential for Conflict in South China Sea & Beyond
8. Political Tensions

The Case For Calm



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The Case For Calm

1. Many Policy Weapons in the Arsenal Still
2. High Savings Rate
3. Reforms Have Begun
4. Innovation in the air
5. China's Political System Lends Itself To Concerted Action
6. Strong Anti-Corruption Campaign a Necessary Precursor
7. Even Slower Growth Off the Current Base Huge
8. Urbanization Will Bring Benefits
9. One Belt One Road Will Create Opportunities

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The Specter of the “L”



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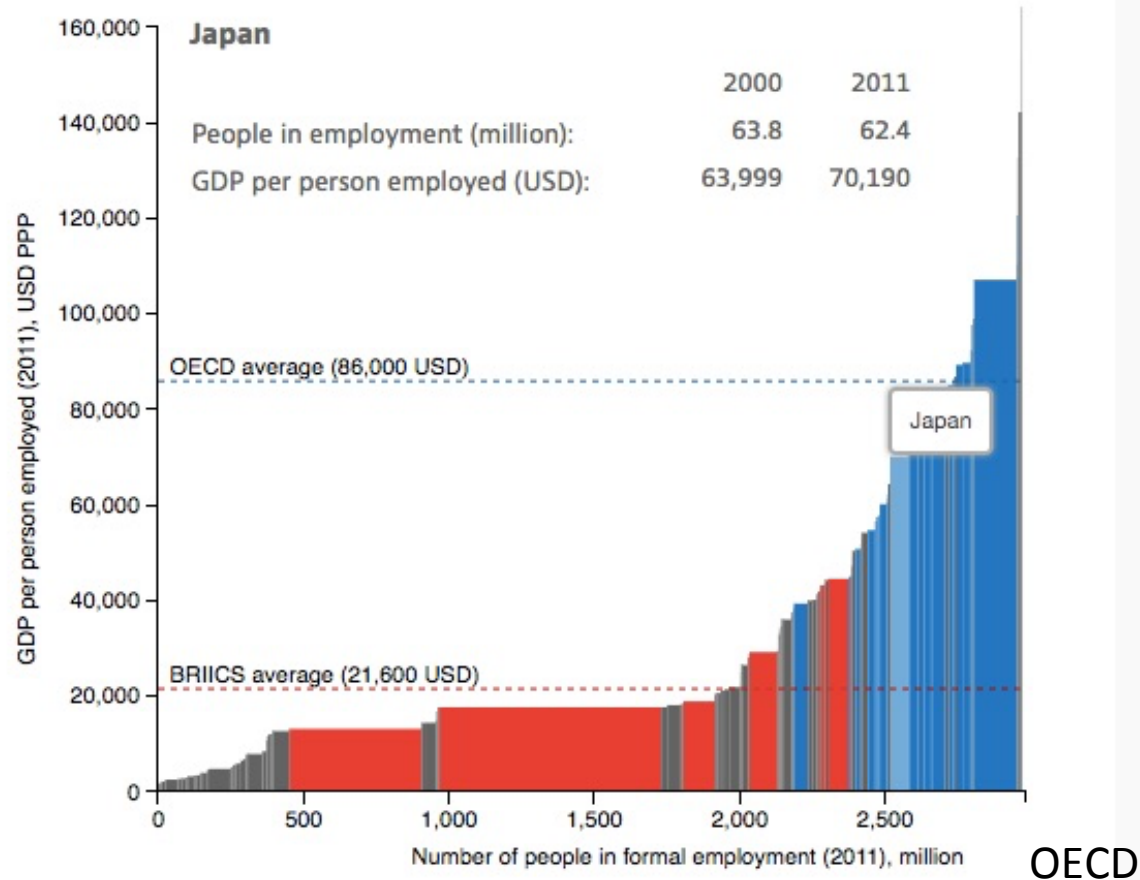
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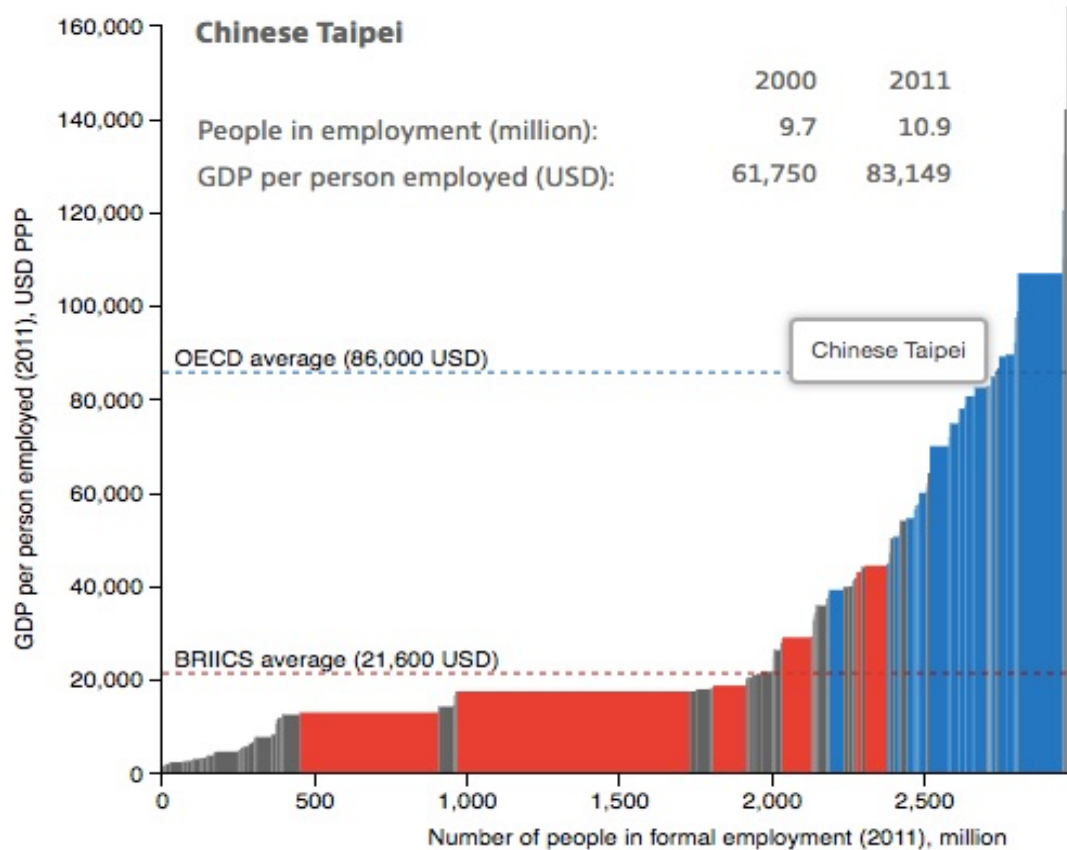
Beware of Traps Ahead!



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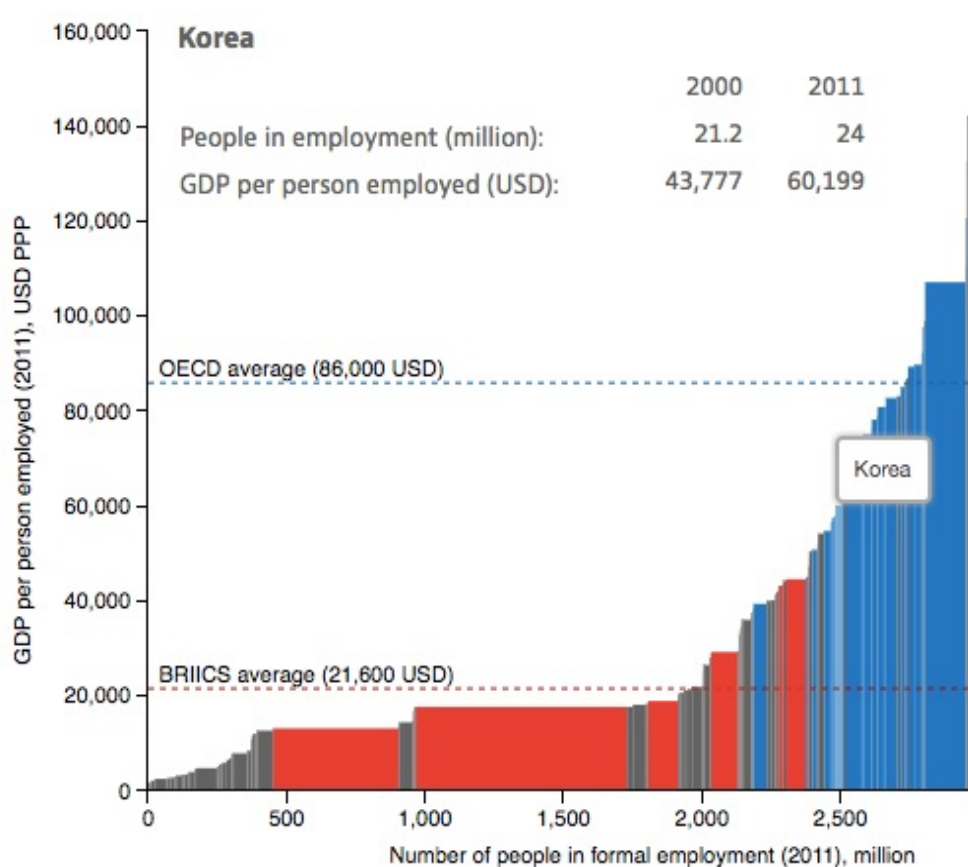


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Beware of Traps Ahead!

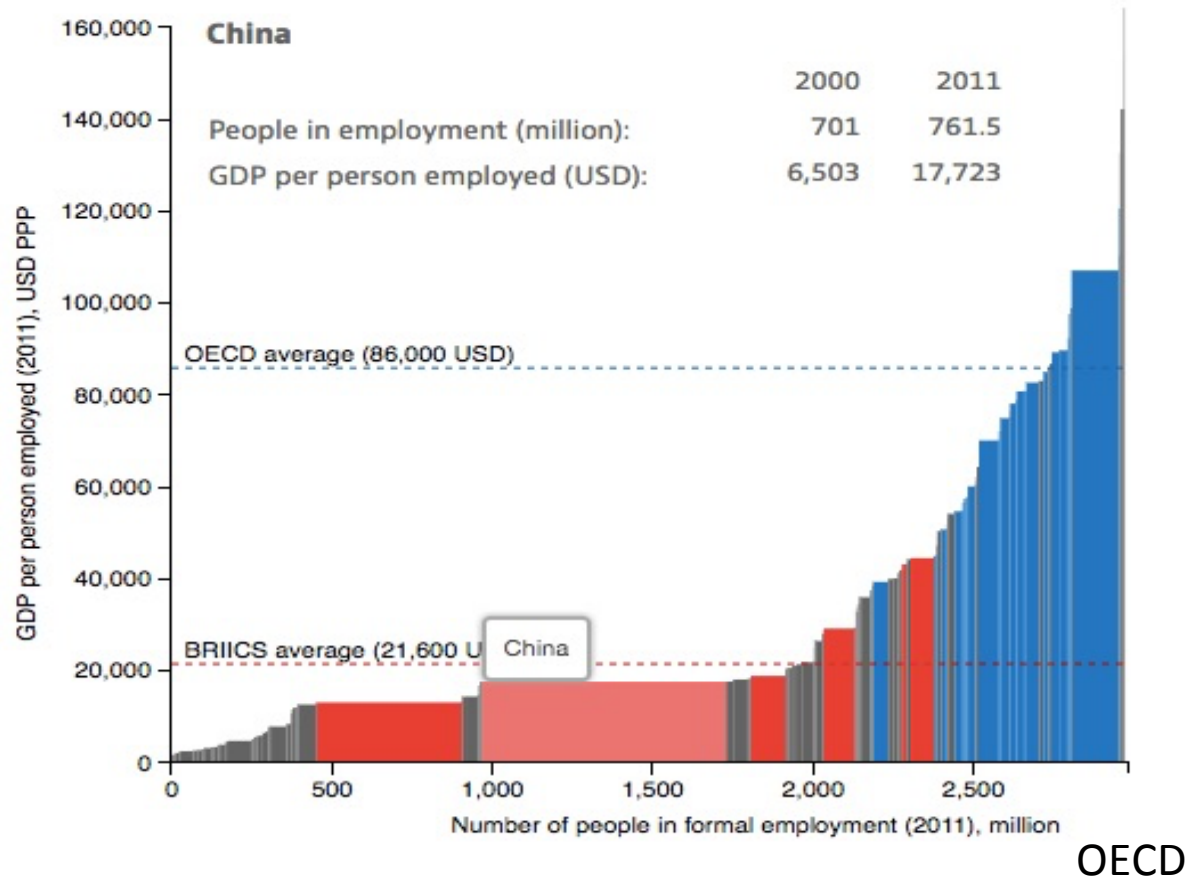


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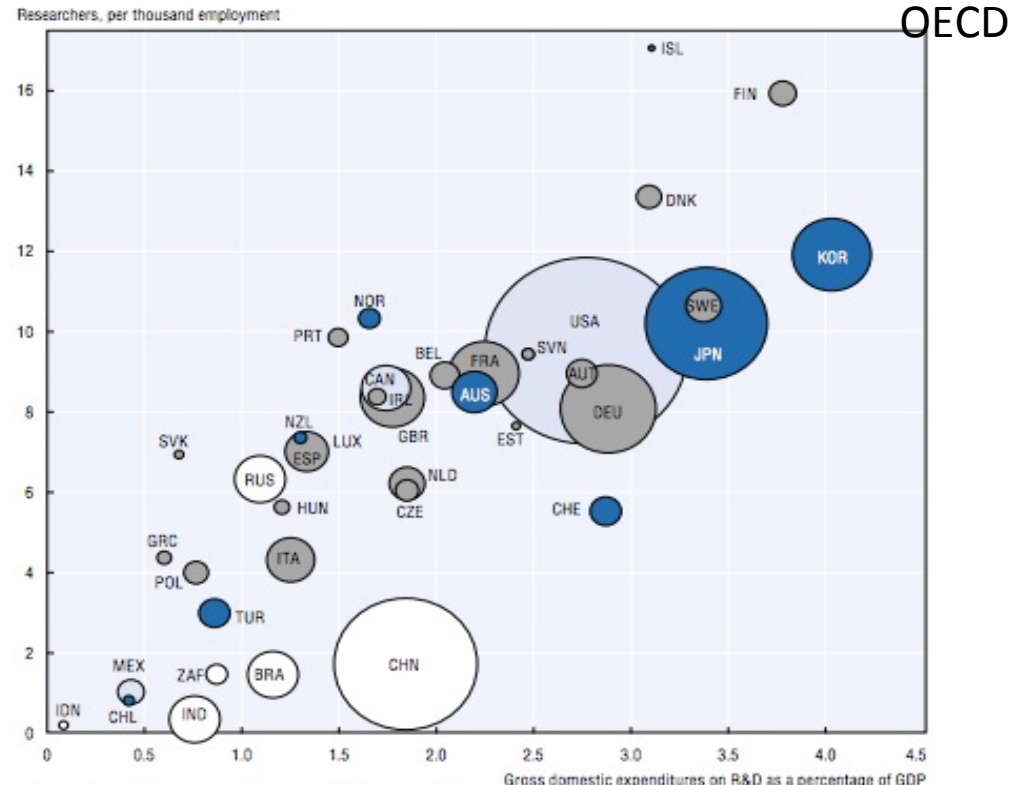
Beware of Traps Ahead!



Avoiding the Trap

Figure 8. Most BRIICS are investing significantly in research and development (R&D)

R&D as percentage of GDP versus researchers in R&D per 1000 employees, in OECD and selected non-OECD countries, 2011



Note: The bubble size indicates total spending on R&D. Owing to methodological differences, data for these countries may not be fully comparable with those for other countries.

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Tianjin Mood - Brexit

The world's center used to lie on the two sides of the Atlantic. Now the focus has shifted to the Pacific. East Asia has witnessed decades of high-speed growth and prosperity. Europe stays where it was, becoming the world's center of museums and tourist destinations.



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Tianjin Mood – A World of Worry But Positive Talk

- Brexit – the end of the first phase of globalization
- There's Flyover Country in every country including China
- Demographic time bomb
- Rise of nationalism – South China Sea
- Politics vs. Economics
- Power shift to Asia without Pax Americana
- How to understand the will of the people while maintaining control
- Li Keqiang – stability, stability and stability! There may be headwinds, for sure, but they are manageable and under control

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Keep Perspective



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Discussion

