



Thinking ahead: Emerging Issues that will Shape the Future



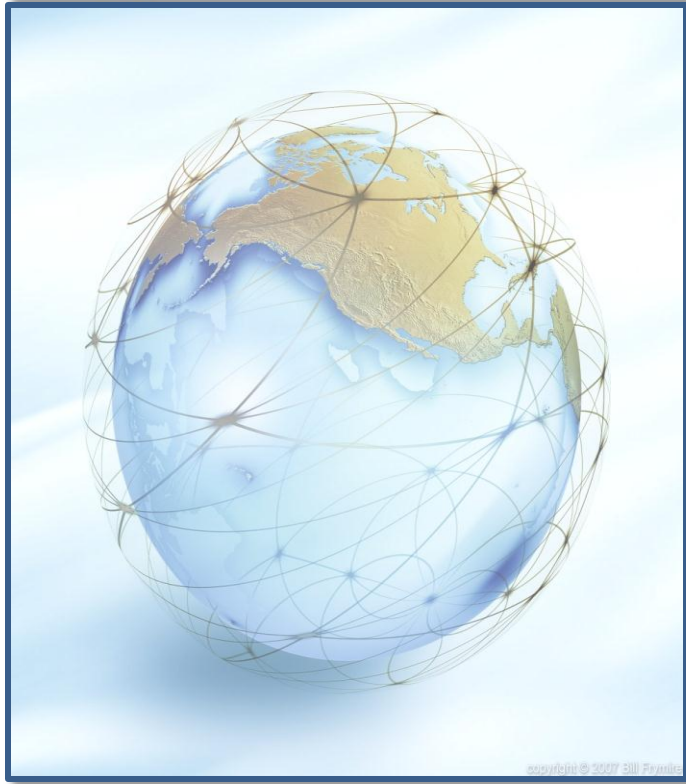


Five Main Cards of Uncertainties

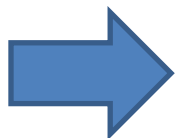




Economic and Political Strength is Shifting along Several Dimensions



- Growing importance of emerging market and developing countries
- Non-state actors are gaining more influence
- Individual empowerment is rising

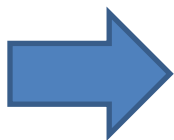


Diffusion of economic and political strength will make decision making more complex at both national and global level

Global Interconnectedness continues to Accelerate



- Financial links between countries have grown sharply
- Nature of trade has change (e.g., integrated supply chains)
- Rapid improvements in ICT

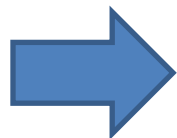


Greater interconnectedness provides many benefits, but may also imply increased risks of crisis and contagion



Emerging Deficit of Policy Cooperation

- Greater interconnectedness increases the need for policy cooperation to mitigate spillovers
- Political fragmentation on the global scale makes policy cooperation harder to achieve



More volatile world characterized by global policy inaction and higher frequency and severity of crisis



Need for a New Multilateralism

- **Regional cooperation** – offers some flexibility and efficiency to tackle issues at regional level but not global.
- **Global governance** – easier during severe crisis when interests are aligned. More needs to be done to strengthen global governance on a sustained basis.
- **Commitment to a new multilateralism** – requires an update of current architecture to give more room to emerging market and developing countries.