



The global economic outlook for 2013



Eurozone crisis – the way forward



On Wednesday, many tail-risks recognised.
By Friday, the tail-risks were gone.
By Saturday, most people were skiing!
Too much euphoria and over-confidence.

We've taken actions: budget discipline;
frenzied reform; protected the vulnerable.
But we need to stay awake after the wake-up call



Massive differences in global growth.
Different challenges facing different countries
But de-coupling is not really possible
– we remain inter-connected.

Some tough actions taken by governments, but it's critical the EU continue with its promised policies eg one digital market



Many crucial areas been ignored while we fought the immediate crisis eg shadow banking, climate change



Europe: in recession; <0% growth; 26m unemployed. Leadership must be seen to be addressing the growth issue.



The fiscal/monetary policy mix will stabilise the long-term economy, but if it is at the cost of growth then new problems will arise

No short-term EU treaty changes. The UK should stay in for everyone's sake



**We have narrowly avoided catastrophe – but we cannot relax or be complacent
2013 will be better than 2012, “but will be no walk in the park”**

**Growth is critical and there is no apparent EU short-term or medium-term growth policy!
“We cannot forget what is happening in the lives of the people.”**