„CRYSTAL BALL” PANEL – WHAT DOES THE NEW EUROPEAN POLITICAL SETTING MEAN FOR THE CENTRAL EUROPEAN ECONOMIES?
AFTER 7 GOOD YEARS – SUBDUED GROWTH IN THE EZ, ROBUST GROWTH IN THE CEE REGION

Average GDP growth since 2013

Source: I MNB
THE FISCAL SPACE IS LIMITED WHERE MOST NEEDED, BUT MORE ROOM FOR MANOEUVRE IN CENTRAL EUROPE

2019 Q2

- Eurozone: 86.4%
- Club Med: 134.6%
- V4 countries: 49.5%

Source | Eurostat
EUROPEAN BANKS GENERALLY UNDERPERFORM THEIR GLOBAL PEERS

EU and Japanese banks deliver poor growth performance while profitability does not keep up with COE.

US and Chinese banks show high profitability besides robust credit growth.

Source: SNL
Note: Size of bubble denotes total asset volume (2018)
THE EUROPEAN COMPETITIVENESS IS LAGGING BEHIND

Source | WORLD BANK
EUROPE IS IN A TIGHT CORNER: GLOBAL TRADE AND POLITICAL TENSIONS

BREXIT

TRADE TENSION

Source: I MNB
NEW CHALLENGES AHEAD OF US COULD EASILY RESHAPE OUR WORLD

The **old-age dependency ratio** in the EU: from the current ~30% will rise to **49.9%** by 2050

Google claims **quantum supremacy**

Smart factory in Nanjing – „Robots make robots”

To comply with the 2 Celsius degree climate scenario, the world would need investments amounting to around **7 trillion USD per year**. This is nearly 2 times the overall EU28 investment.

Source: I MNB
QUESTIONS FOR DISCUSSION

1) The current stance of European Union
   o Is Europe better-prepared for the next crisis?
   o What are the main consequences of the May 2019 European elections?
   o The euro is still an incomplete project. What are the most important steps to strengthen the unity?

2) Geopolitics
   o How can Europe define itself in a new bipolar, G2-like world?
   o What are the key implications for the CEE region?

3) Climate change and technological revolution
   o How can the EU react on the issue of climate change?
   o What should the EU do to keep up with the technological revolution?
THANK YOU FOR YOUR ATTENTION!