Donald Trump and World Economy

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2018.5.9
World Economic Overview

Contribution to world economic growth

Advanced countries 1/3

Out of which: US 1/2

Out of which: EU 1/3

BRICS 1/3

BRICs other than China: about 10%

China: world’s 25%

Other Emerging 1/3

Total: World’s About 25%

Japan

1980s 12% of the world

2000s around 3%

Current share about 6%

2017~

Booming world economy pulled by USA and China

Next 10 years

China+India: World’s almost 50%
Revolt of Voters against widening gap between the rich & the poor

2016=Turning Point of History

Continues in 2017

5/10 Philippines 6/23 Brexit 11/8 US

5/7 France

6/8 UK

9/24 Germany

One more election this fall?

Corbyn?

Trans-Atlantic

Defeat of establishment

2017 IMF Report

Return from financial capitalism to manufacturing

Why?
US Presidential Election in 2016

Constituencies
- White workers

Priorities
- Jobs
- Income increase

Large
- NAFTA
- Fiscal Stimulus
- Deregulation for Small & Medium banks

Small
- Obama Care
- TPP
- CO2
- Military Base/Burden Sharing

Speech on January 20
- Roads, highways, bridges, airports, tunnels, railways

Total Losers
- Wall Street
- Neocon(Signature)
- Mainstream Mass Media

Deutsche Bank Shock?
- Reintroduction of Glass–Steagal

Fight against Crime, gang, drugs
- Eradicate Islamic terrorism

Unlock mysteries of space
- Not seek to impose our way of life
Mainstream mass media are controlled by Obama people

ABC News
- President: Ben Sherwood
  - Brother of special assistant to Obama
  - Senior national correspondent
  - Chief National Security Correspondent
  - Advisor to president Obama on foreign policy
  - Former staff of the husband of Susan Rice, who is the producer of ABC News

CBS News
- President: David Rhodes
  - Brother of Deputy National Security Advisor

CNN
- Senior vice president of Washington news gathering & Deputy Bureau Chief: Virginia Moseley
- Wife of Deputy Secretary of State

Jim Sciutto
- Senior national correspondent: Clair Shipman
  - The wife of the White House Press Secretary
- Advisor to president Obama on foreign policy

Good “Trump” effect on world economy

Fiscal stimulus, Large scale public works in the US

End of economic sanction on Russia?

Stabilization of Middle East by US and Russia cooperation

Tremendous demand for investments for reconstruction

All of above increase real demand

Change of European fiscal policy?

After Mid-term election?

Not a disguised restoration by Quantitative Easing
Leak of DNC file

Hacking by Russia?

No Evidence

Appointment of a special investigator

6/12/16 WikiLeaks Announcement

6/14/16 DNC Announcement

6/15/16 Guccifer 2.0 Announcement

7/28/17 VIPS Announcement about Guccifer 2.0

8/9/17 Nation, 8/11/17 Bloomberg, Other world media

Russia-gate was a fabrication
No Russian Collusion, but MI 6 intervention

2018.2.2
Nunes (House Intelligence Committee chairman) Memo

Wiretap authorization
Carter Paige (Trump staff)

Wiretapping on US citizen is illegal
Needs authorization by FISA (Foreign Intelligence Surveillance Act) court

35 page Dossier written by Christopher Steele was used as evidence for the need

Dossier to criticize Trump
Encommissioned by a research company “Fusion GPS”

Christopher Steele: Former MI6
Financed by Clinton, DNC

2018.2.6
Grassly (Senate Judiciary Committee chairman) Referral

Indict Steele
Skripal (3.4)
Chemical weapon attack in Douma (4.8)
China

No problem in short-term

No problem in employment & prices

Production center→Consumption Market

Chinese living at Japanese living standard 2000:0 2010:100 million 2020: 700 million

5 year business cycle → Change of leaders in local governments

2013-14 economic stagnation → Mr. Si’s uniqueness

First head of state without backing of former heads

Took longer time to solidify power

Finally solidified power

Big challenge: 2020—2025

Marginal return on Investment, Social & political leadership, Young labor, reform of SOE
Deutsche Bank Woe

- After Lehman
- Safe Haven of Derivative Dealings
- IMF Warning (2016.6)
  - DB is the largest risk of world financial system
- Notional amount of derivatives
  - 55-70 trillion euro
- Estimate of required injection for bail-out
  - 90 billion euro
- Stock price fall
  - 20 euro year start
  - Less than 10 euro
- Out of StoxxEuro50 (2016.8)
- Option other than nationalization?
- Unpopularity of bankers
  - “Let it collapse”
- Contagion effect on other major banks in Europe

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- Out of StoxxEuro50 (2016.8)
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How to cope with crisis

Winner
- Cash holder
- Strong currency

Loser
- Asset holder
- Weak currency
- Leveraged entity

Potential of economic growth

\[ \text{Desired living standard} - \text{Current living standard} \times \text{Population} \]

Emerging
- Exist abovementioned gap
- High potential

Advanced
- Gap does not exist
- Low potential

The end of financial capitalism
- Need of fiscal stimulus
- One belt one road

One belt one road