

Global Economic Order
- Its Development and Necessary Reform -

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Economic Systems After World War II

Bretton Woods Institutions

IMF

World Bank

Regional Development Banks

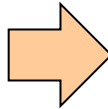
ADB

AfDB

IADB

Trade Organization

GATT



WTO

Preconditions

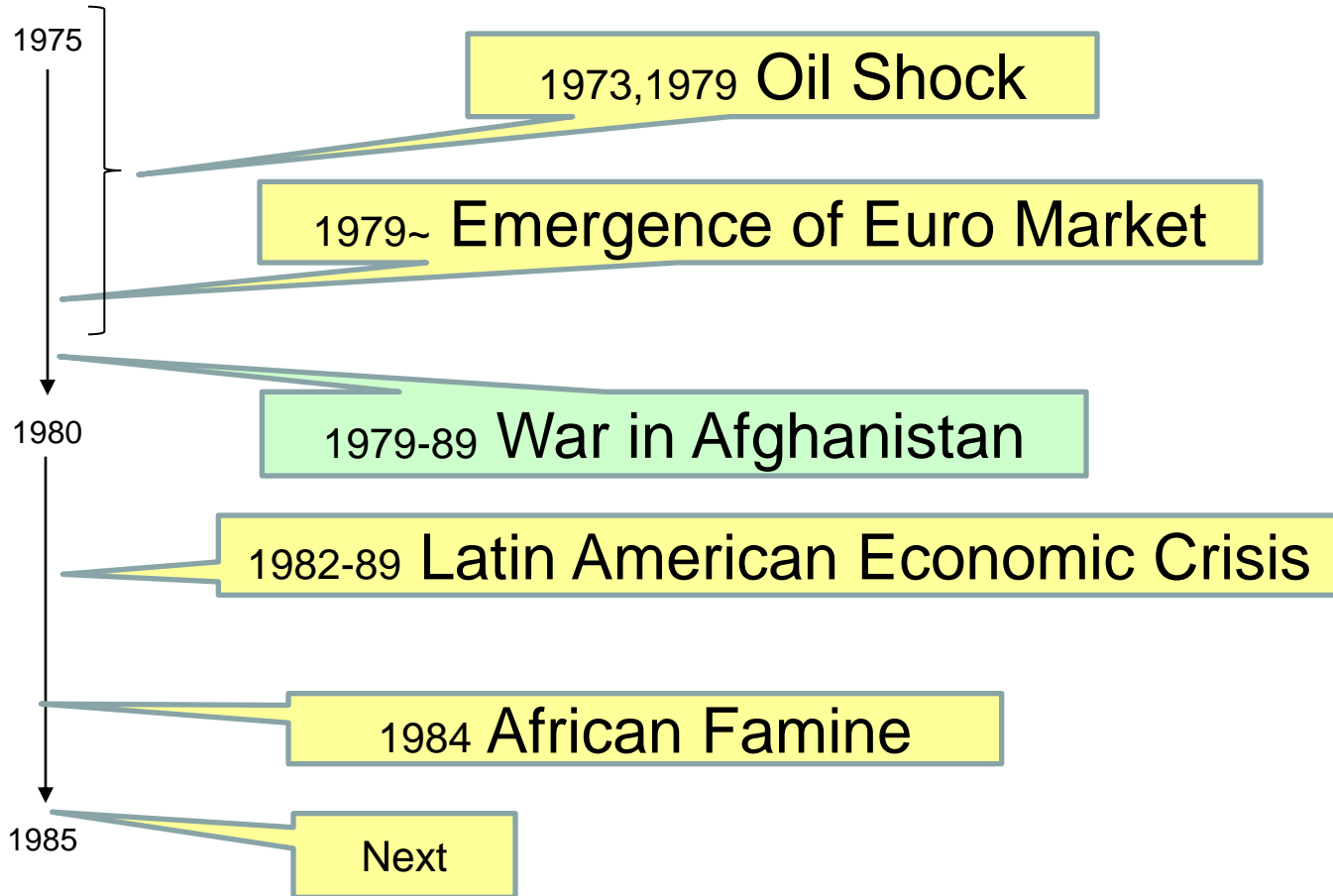
Predominance of US Economy

East vs. West

Fixed Exchange Rate

Limited Movement of Capital

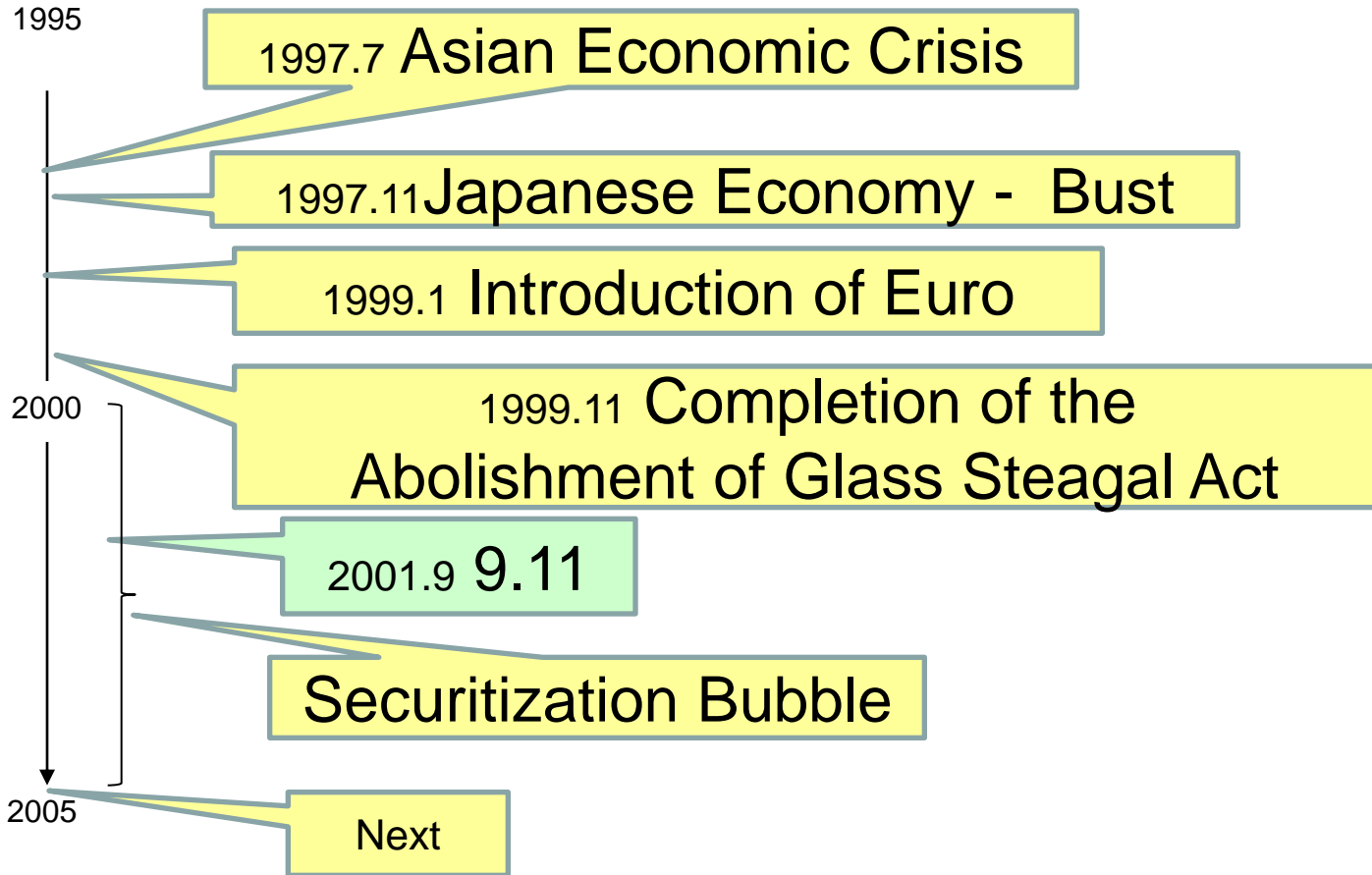
Look Back Years 1975-1985



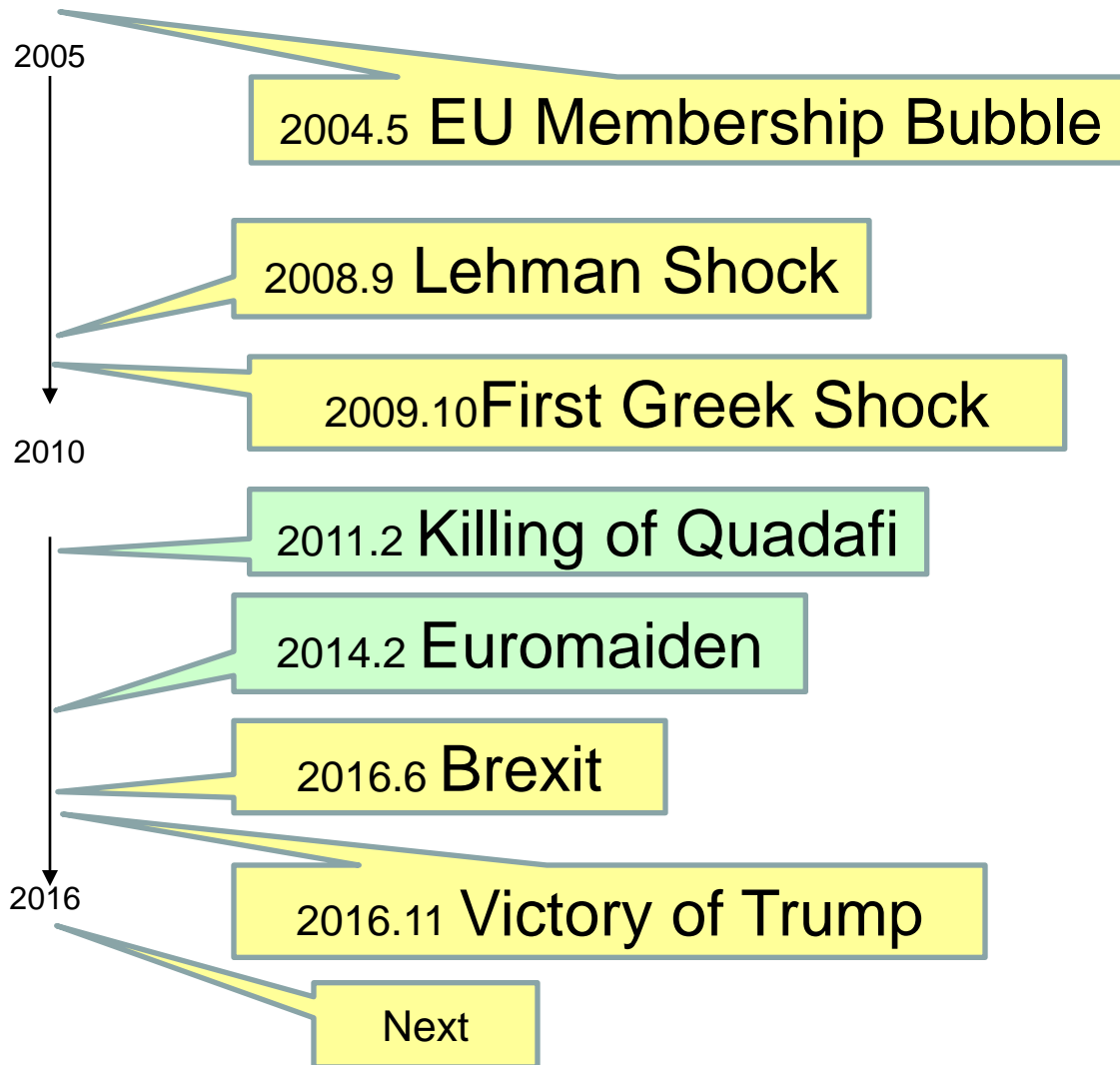
Look Back Years 1985-1995



Look Back Years 1995-2005

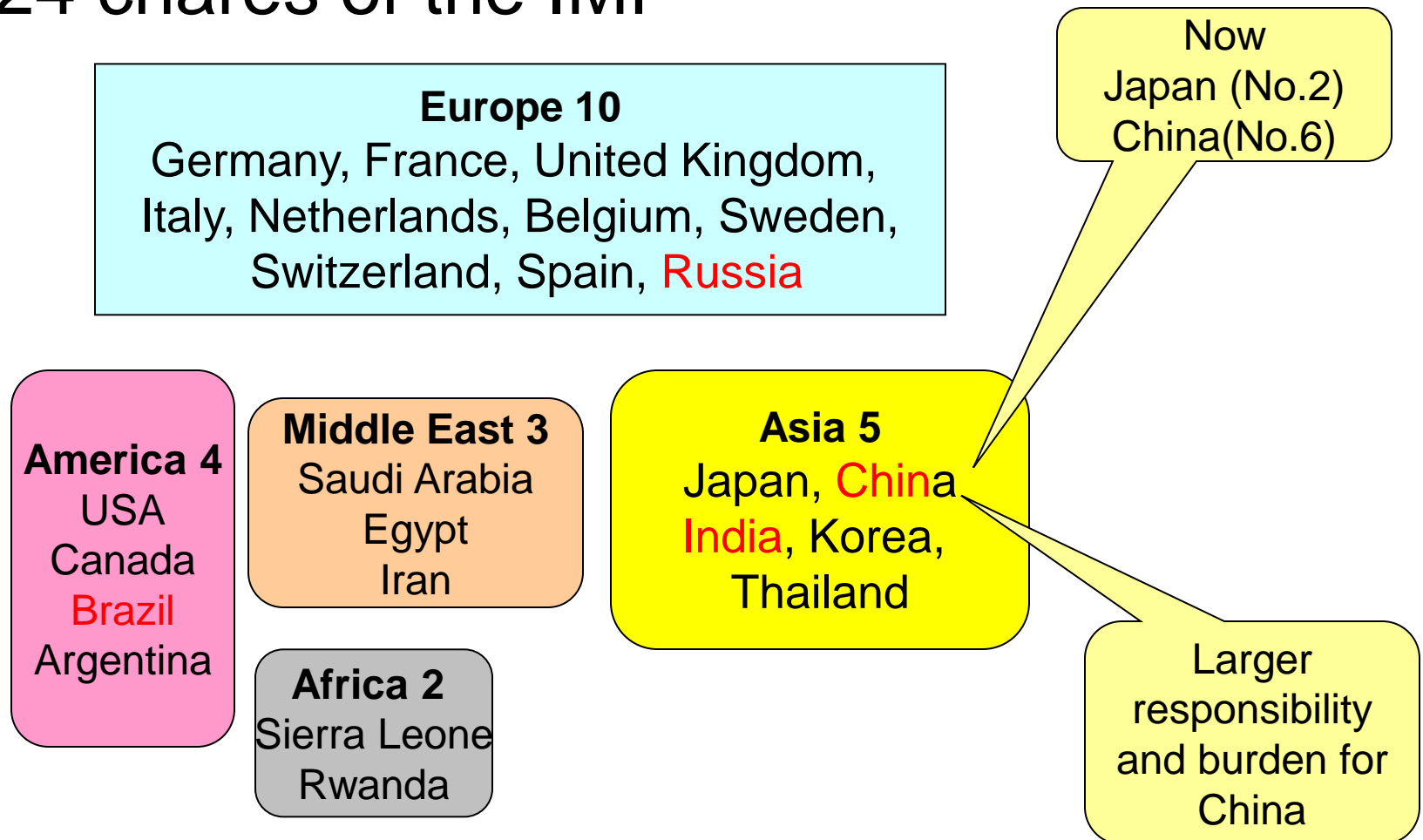


Look Back Years 2005-2015



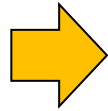
Realignment of IMF Shares

- 24 shares of the IMF

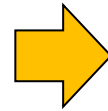


Reform of IMF and after

2010 G20 Agreement



Increase of shares of BRICS



Reduce of shares of US and European countries

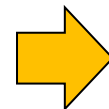


All major countries approved except US

US has veto power



Frustration of BRICS countries



Proposal of new institution

Regional Development Banks

ADB

AfDB

IADB

EBRD

AIIB

Regional Monetary Institutions

AMRO

BRICS Bank

Bilateral Aid agencies

USAID

JICA

Silk Road Fund

Bilateral Development Institutions

JBIC

DBJ

Russia: What should do and what should not do?

Intervention into currency market

Don't do anything that would help speculators attack Ruble

Reduction in foreign reserve

Inflation

Trade deficits

Budget deficits

Prolong of geopolitical tensions

What should be done

Flexible exchange rate=maintain foreign reserve

Inflation targeting

Trade surplus

Preservation of fiscal space

Mitigation of geopolitical tensions

Policy to enhance Inflow of capital

China

Japan

Strength of Russian economy

Large level of foreign reserve

Political Stability

Positive net international investment position

Low public debt

Small general government deficit

What should be done looking forward?



Structural reform

Remove infrastructure bottleneck



Appropriate use of National Wealth Fund

Intervention in currency market for excessive volatility

Reducing trade barriers

Fighting corruption

Reform of Budget Structure

Do not promote excessive import substitution

Fight against speculators

Prospect for BRICS

General View

BRICS economy have bottomed out in the spring of 2016

China

Problems in 2025

Reform of SOEs Possible?

Russia

Recovery of world economy restore demand for natural resources?



Need to export oil to fast growing Asian countries

Political Stability Continue?

Structural reform possible?

India

Number of social impediments to achieve the change from service industry to manufacturing

How long will Modi be?

Who will be after Modi?

Brazil

Already in Economic stagnation

The worst time is gone?