

Stanisław Gomułka, Forum Ekonomiczne w Krynicy, 9 wrzesień 2011, wystąpienie w panelu Stanisława Kluzy, przewodniczącego Komisji Nadzoru Finansowego w Polsce.

In my 4 minutes allocated by the chair to the panelists, I would like to answer the question, whether the global financial sector will expand during the next 50 years more or less equally fast as during the past 50 years.

Financial sector serves households and the real sector, and therefore the answer to the chairman's question depends on our view about the growth rate of the world economy.

I expect the global economy, as measured by the GDP, to expand during the next 50 years at a rate of some 3% pa, or about the same as during the last 50 years. However, the rate of growth in the old world (OW) - basically the USA, the EU and Japan - will continue to be quite low, some 1% to 1.5% pa. The world economy and therefore also its financial sector will be, above all, under the impact of a much faster growth of China and the countries of the Indian peninsula, which let me call the new world (NW).

The GDP per capita in the NW, in relation to that in the OW, should change from about 15% now to about 50-60% in 50 years time. This assumes a continuation of catching up at a relatively fast rate during the next 20-30 years and, then, a gradual growth slowdown to a rate similar to that for the OW. Given the likely differences in the population (1 billion in the OW and 3 billion rising to 4 billion in the NW), the total GDP of the NW, calculated at the purchasing parity power rates, will change from about 40% now to about 200% in 50 years time. Moreover, the average saving rate in the NW is some 2 times higher than in the OW. If this difference persists, in 2060 the savings generated by the NW should be expected to be some 4 times higher than those generated by the OW.

The financial sector in the OW is probably excessive in size right now, but basically I expect it to grow, possibly after some downward adjustment during the next decade or so, at about the same rate as the GDP, that is at a rate much lower than in the past. However, in the NW the financial sector is still underdeveloped and, therefore, is likely to grow somewhat faster than the GDP. The implication is that while in the next 25 years the OW will still be the dominant power in financial markets, it is possible, perhaps likely, that in the following 25 years that dominance will gradually and, in the end, quite decisively move to the NW.

If the analysis above is approximately correct, this change in the distribution of financial power will have a huge impact on key exchange rates and on the size and direction of foreign investment, both direct and portfolio type.