



Global Risk: Identifying the Hot Spots

Monday, April 26, 2010; 09:30 - 10:45 AM

Moderator:

Joel Kurtzman, Senior Fellow and Executive Director, Center for a Sustainable Energy Future,
Milken Institute

Speakers:

Shaukat Aziz, Former Prime Minister, Pakistan

Renee Haugerud, Chief Investment Officer and Managing Principal, Galtere Ltd.

Shouky Oren, Accountant General, Israel

Peter Schwartz, Co-Founder and Chairman, Global Business Network

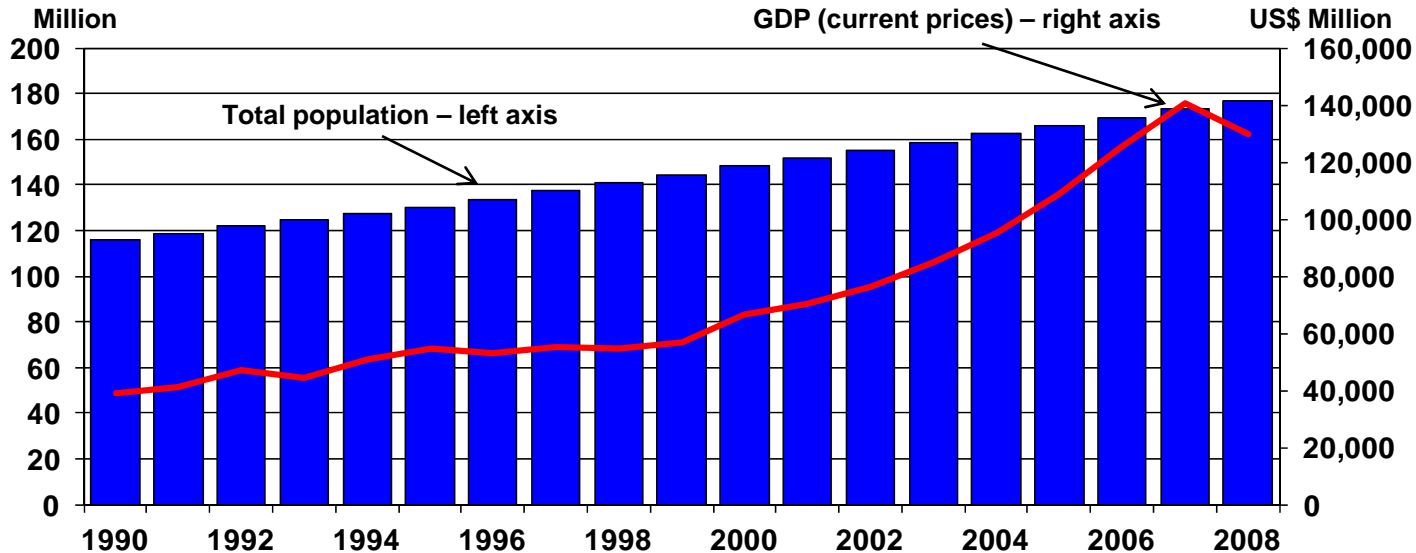
Komal Sri-Kumar, Group Managing Director and Chief Global Strategist, TCW Group Inc.;
Senior Fellow, Milken Institute

Pakistan's population and economy

1990–2008



MILKEN INSTITUTE



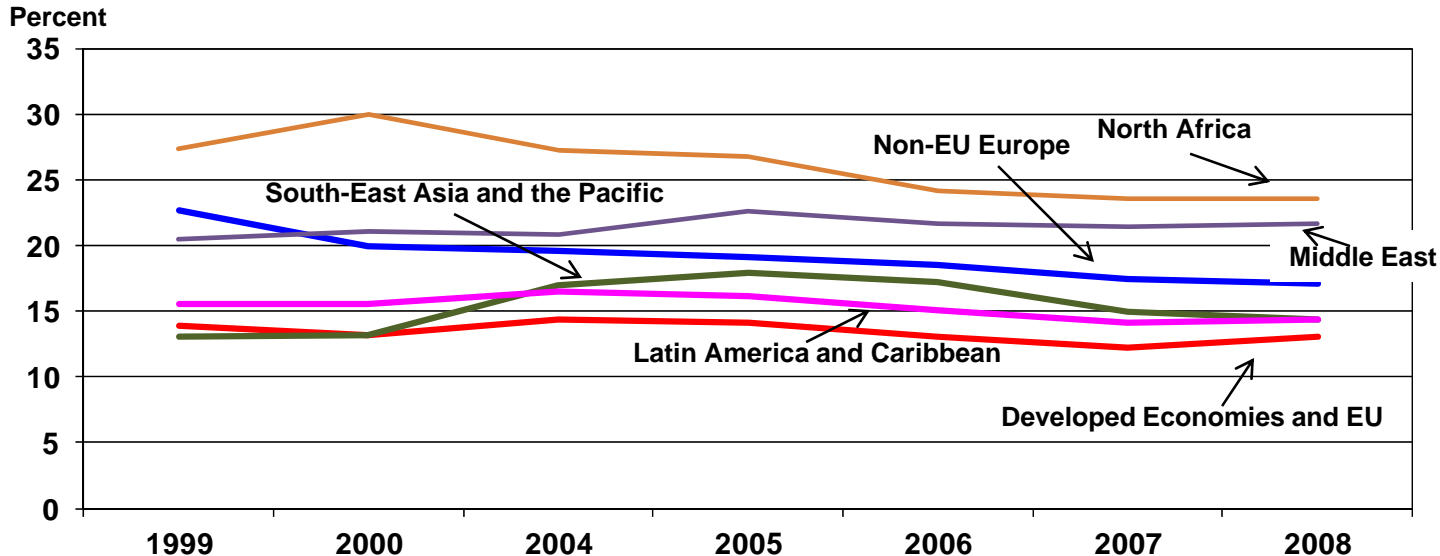
Sources: IMF International Financial Statistics, Datastream.

Youth unemployment

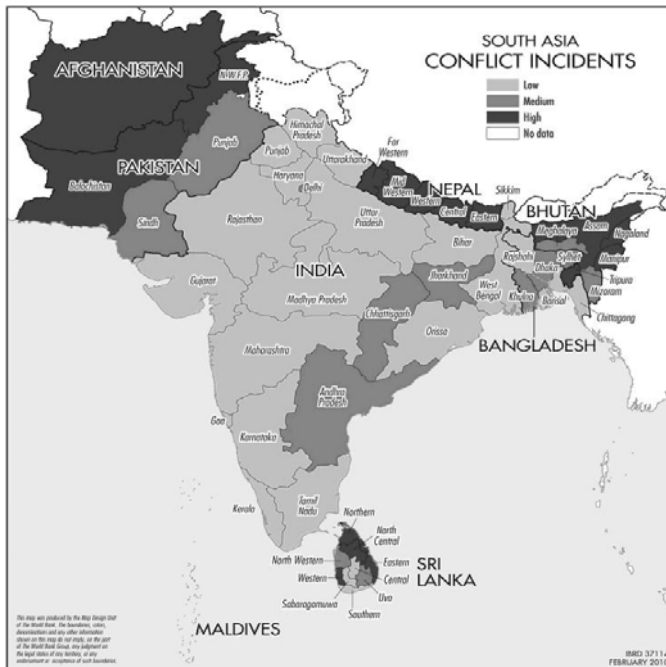
1999 – 2008



MILKEN INSTITUTE



Source: ILO Global Employment Trends January 2010.



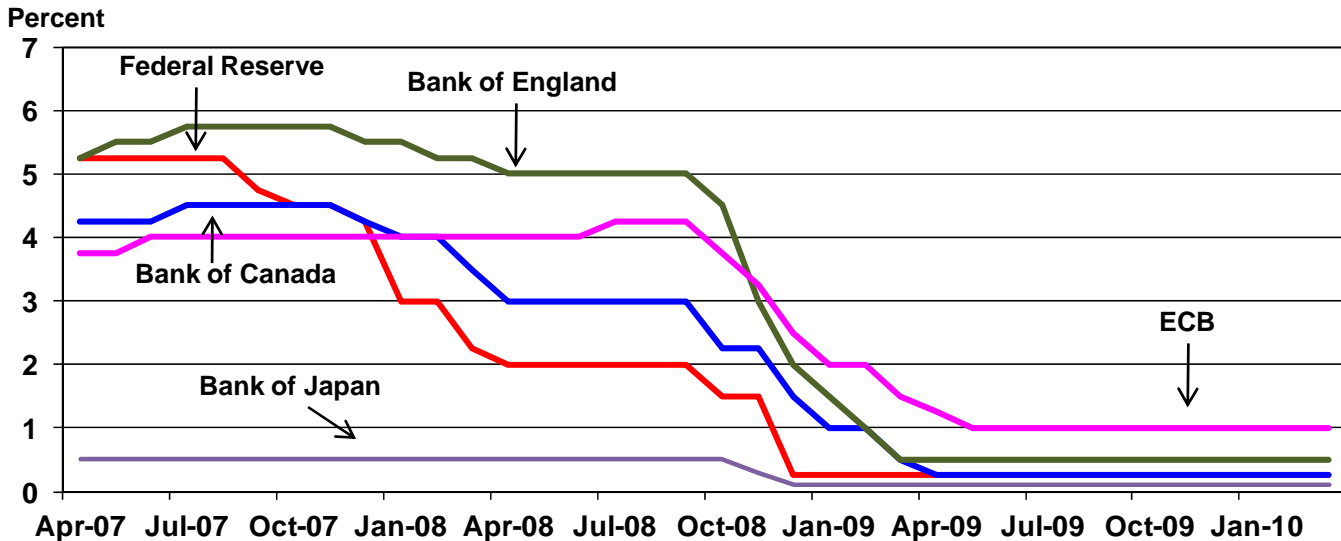
South Asia conflict incidents



Sources: Ejaz Ghani and Lakshmi Iyer, "Conflict and Development," VOX column, March 23, 2010 and Center for Global Development.

Will rising interest rates choke off a recovery?

April 2007 – March 2010



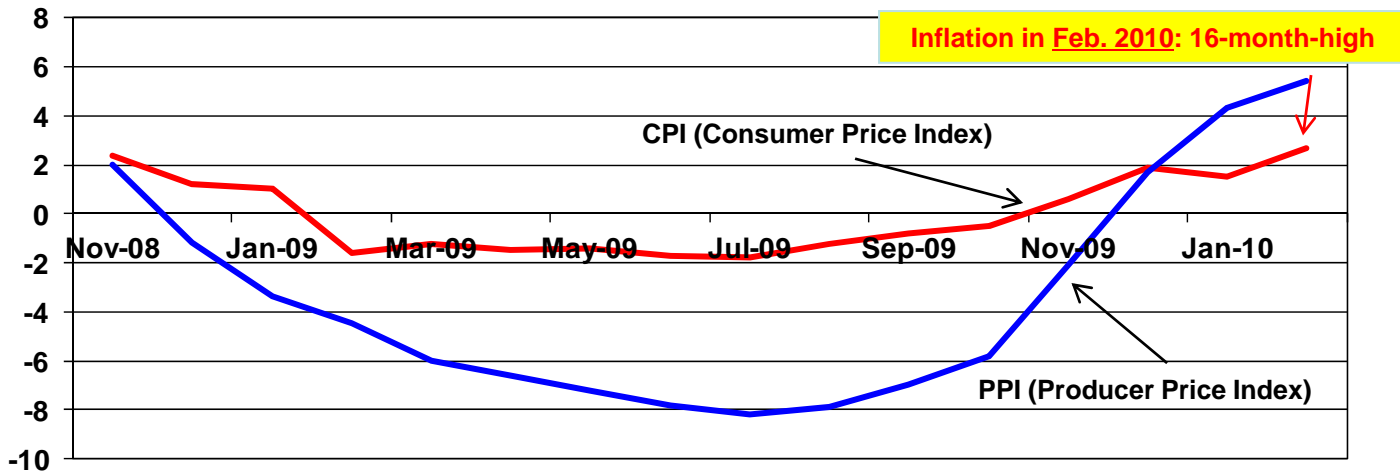
China's economy is heating up

November 2008 – February 2010



MILKEN INSTITUTE

%YOY (Percent, year-over-year)



Sources: National Bureau of Statistics (China), Datastream.

China's housing price inflation: Is it a bubble?

2010



MILKEN INSTITUTE

China	Property prices (YOY, year-over-year)
January 2010	9.5 %
February 2010	10.7 %
Sanya, Hainan Island	57.9 % (*)
Beijing	19.3 % (*)
Shanghai	11.6 % (*)
Shenzhen	19.6 % (*)

(*) New properties only

Source: Financial Times (March 16, 2010).

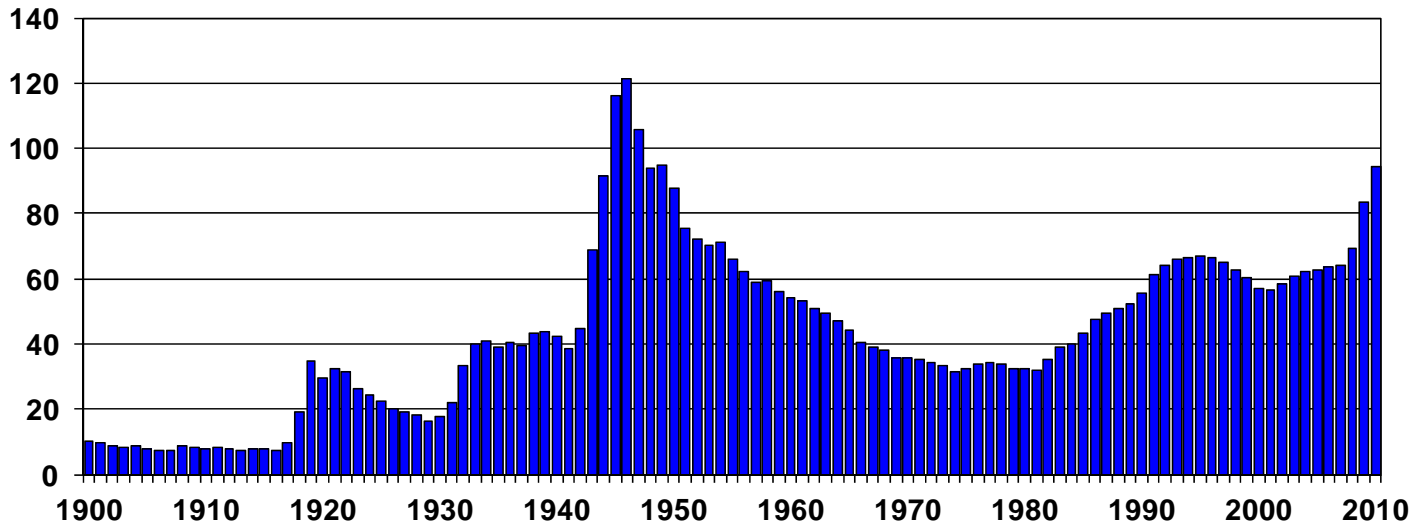
U.S. federal debt as percent of GDP

1900 – 2010



MILKEN INSTITUTE

Percent



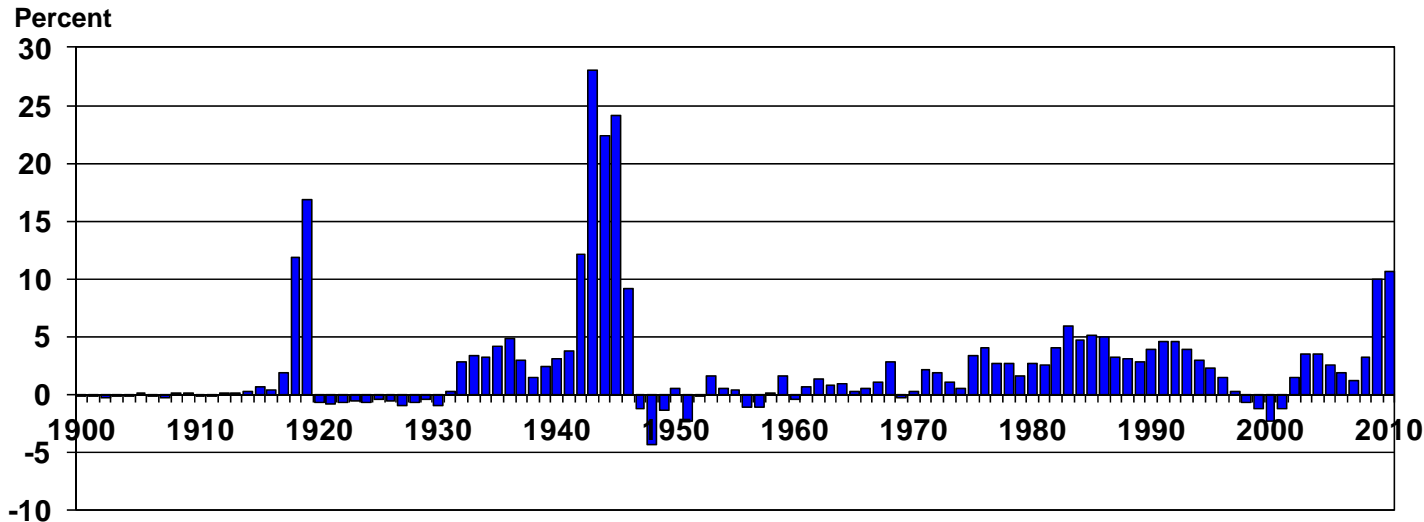
Source: US Bureau of Economic Analysis.

U.S. federal deficit as percent of GDP

1900 – 2010



MILKEN INSTITUTE



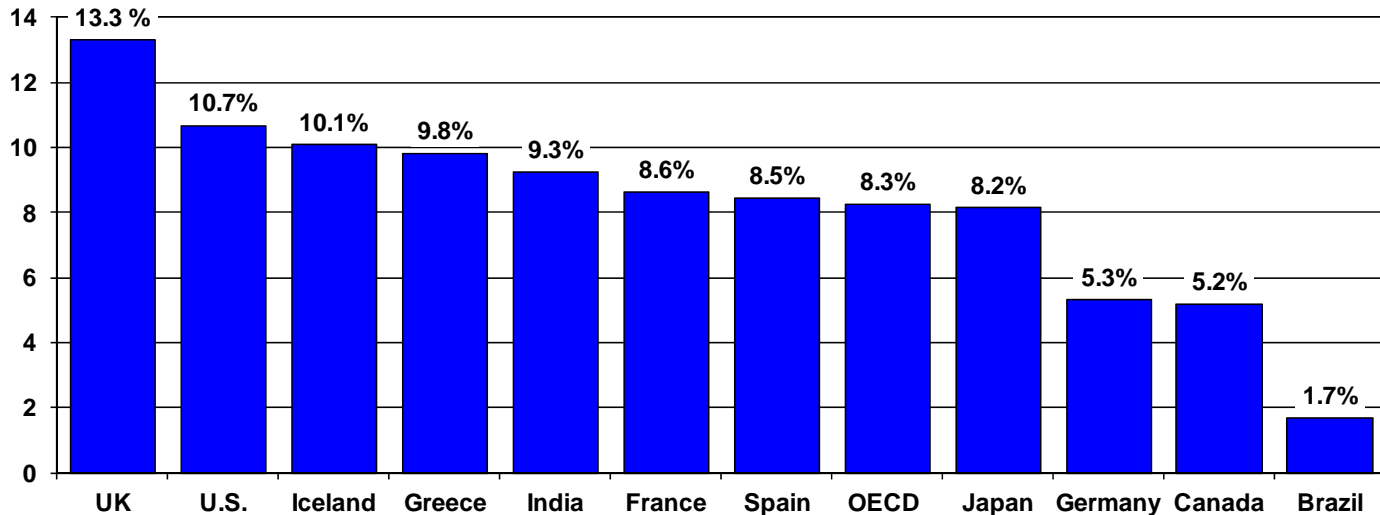
Source: US Bureau of Economic Analysis.

Deepening global debt crisis

Public debt as percentage of GDP, 2010



MILKEN INSTITUTE



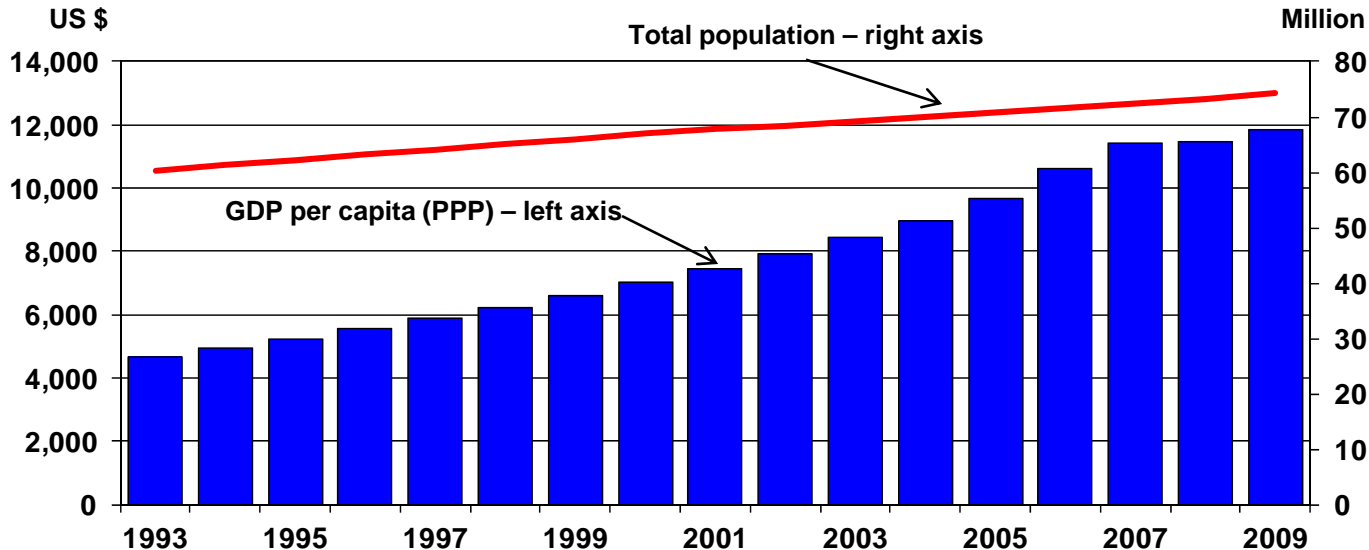
Source: OECD Economic Outlook.

Iran's population and economy

1993–2009



MILKEN INSTITUTE



Source: World Bank Development Indicators.



Known Iranian nuclear sites

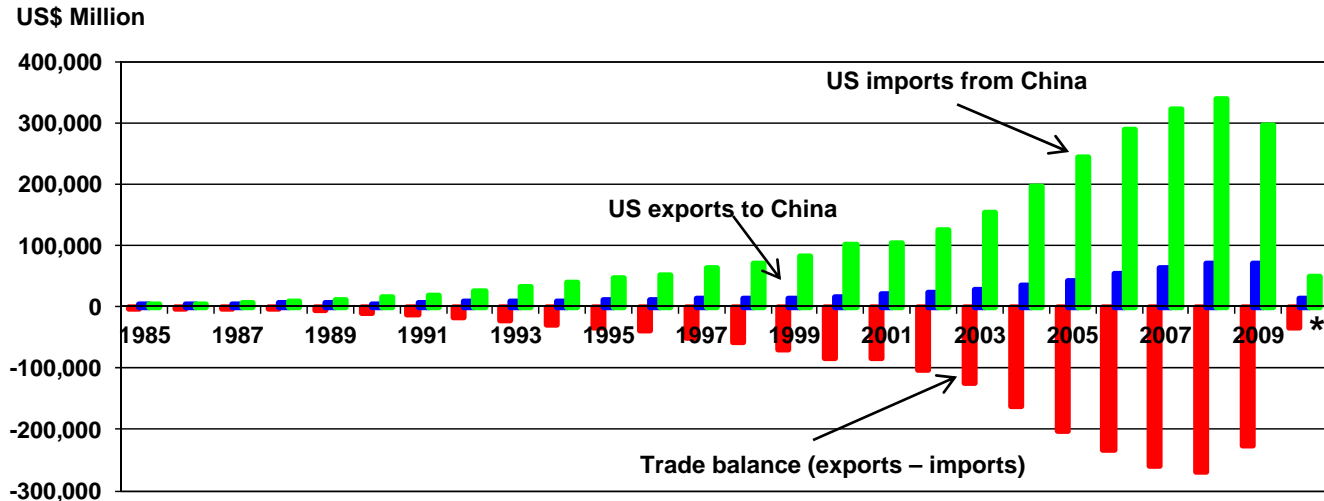
Sources: International Atomic Energy Agency, Congressional Cartography Program, CRS Report from Congress.

U.S. trade balance with China

1985–2010



MILKEN INSTITUTE



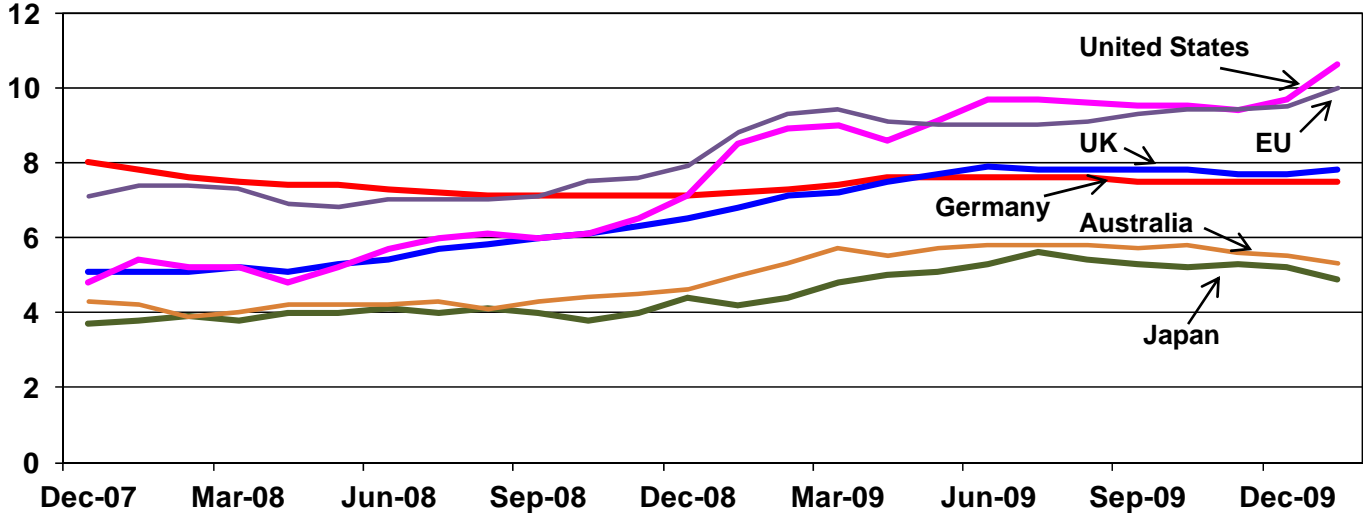
* As of February 2010

Source: U.S. Census Bureau

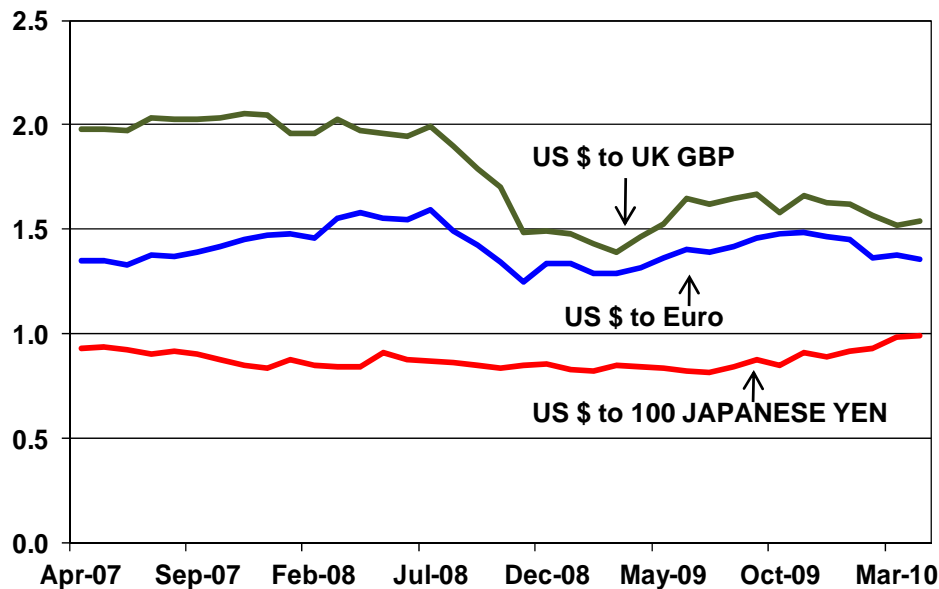
Global unemployment is steadily rising

December 2007 – March 2010

Percent, seasonally adjusted

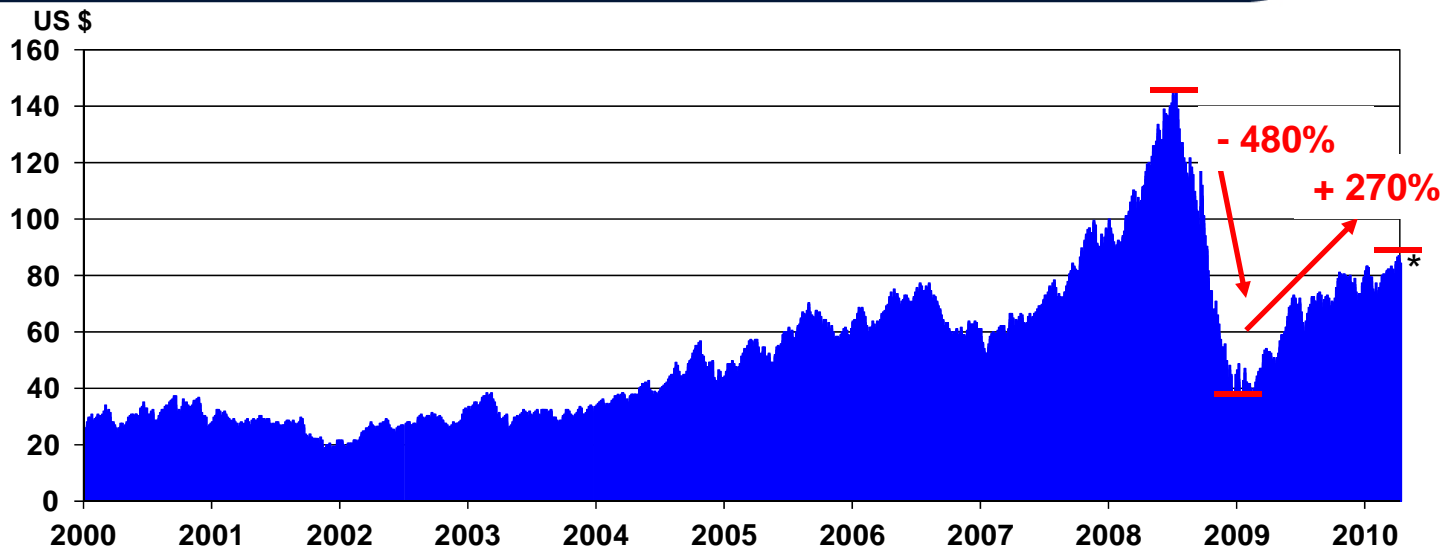


Sources: EUROSTAT, U.S. Bureau of Labor Statistics, Japan Ministry of Internal Affairs and Communication, OECD, Datastream.



The steady decline of the U.S. dollar.
What's next?

How will the extreme swings in the price of oil affect the Middle East and global security?



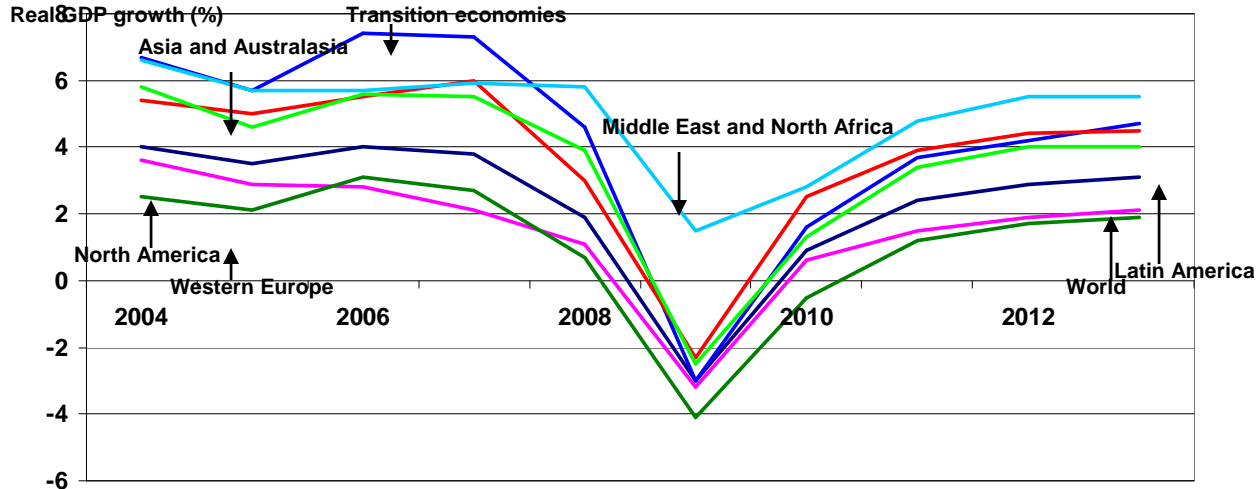
Source: Energy Information Administration.

* as of April 14, 2010

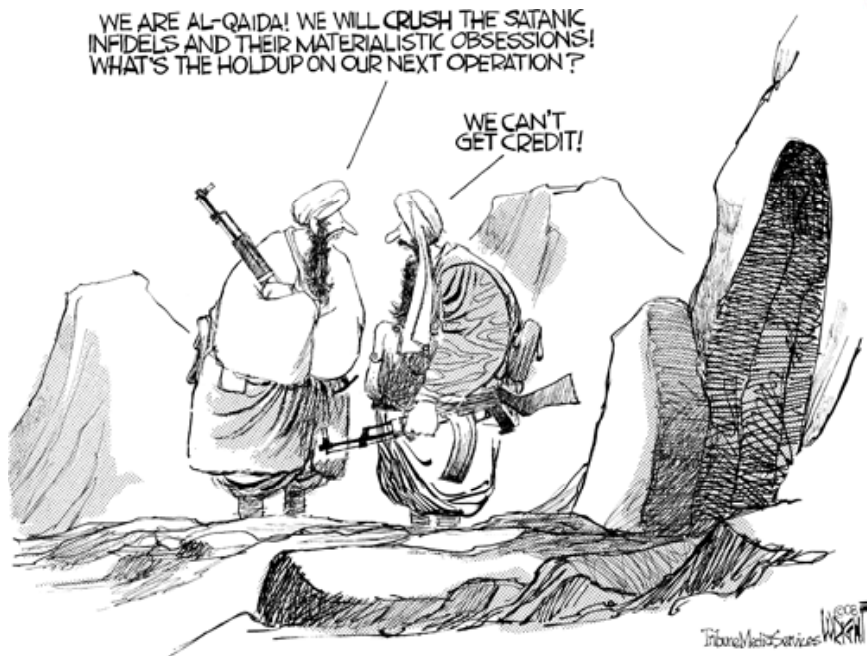
World growth took a sharp, synchronized dip in 2009 and is recovering slowly



MILKEN INSTITUTE



Sources: IMF, The Economist.



Source: www.slate.com.





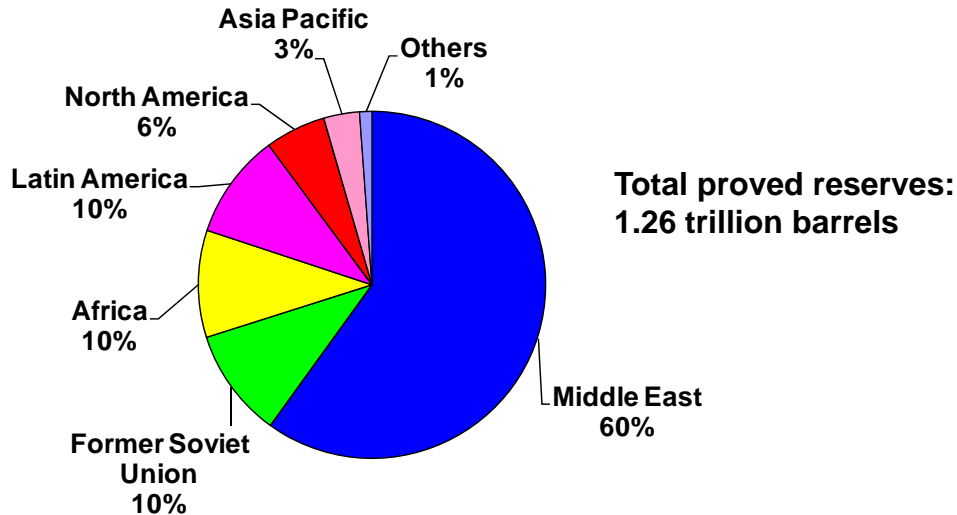
"Looks ominous . . . these satellite photos show terrorism recruits being trained to write credit default swaps."

Source: www.slate.com.

Oil reserves concentrate in politically unstable regions *2008*



MILKEN INSTITUTE



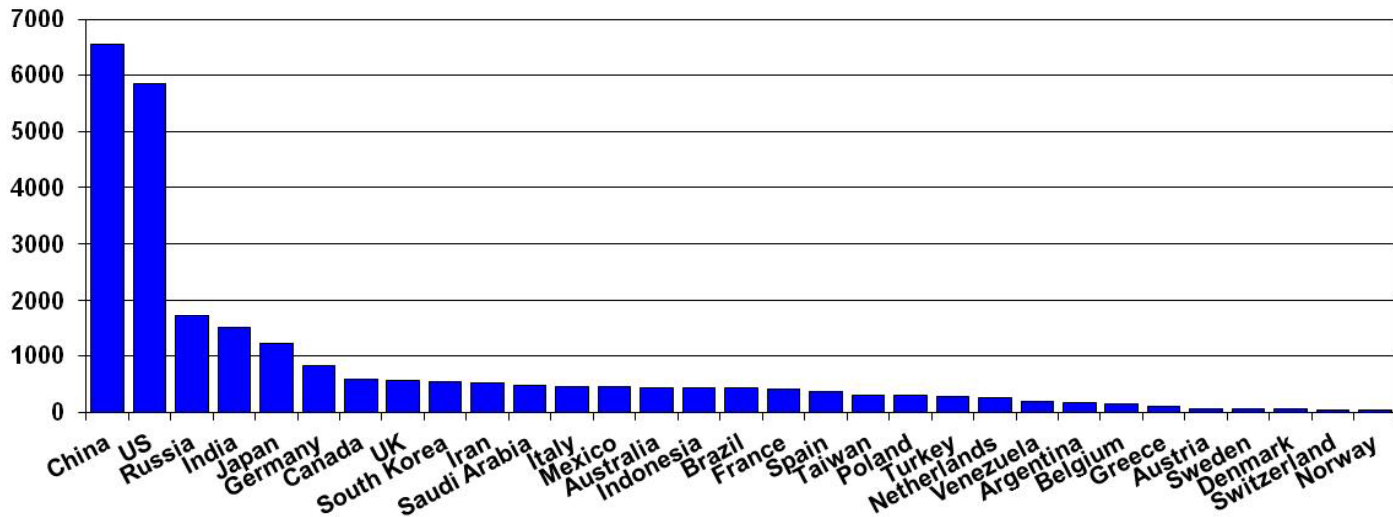
CO₂ emissions from the consumption of energy

By country, 2008



MILKEN INSTITUTE

Million metric tons



Source: U.S. Energy Information Administration.

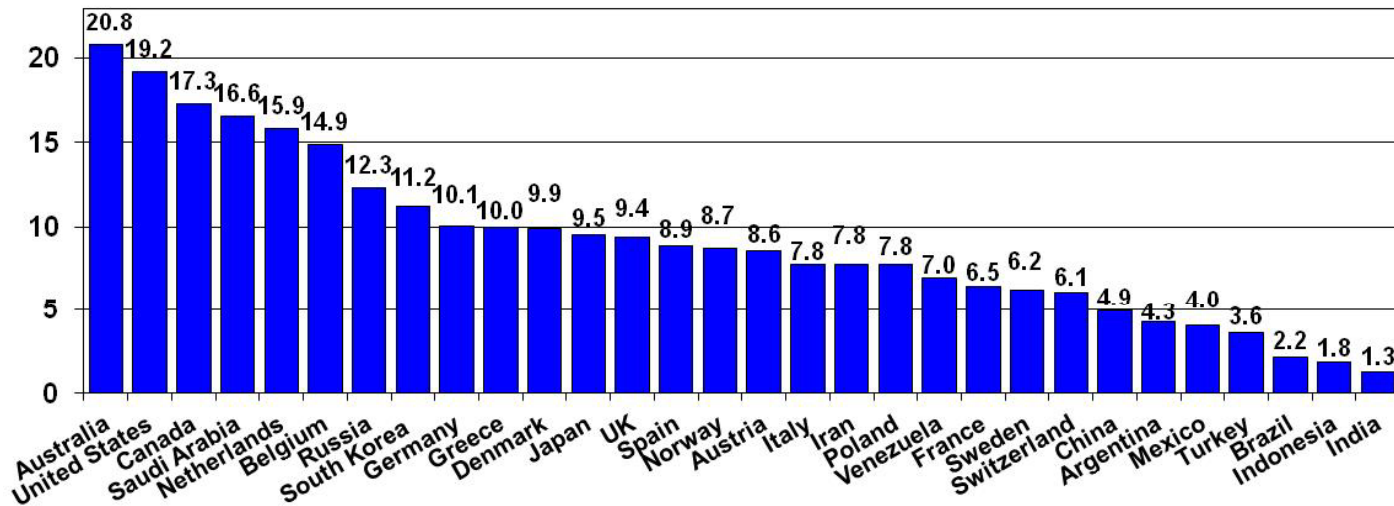
CO₂ emissions per capita from the consumption of energy

By country, 2008



MILKEN INSTITUTE

Million metric tons



Source: U.S. Energy Information Administration.

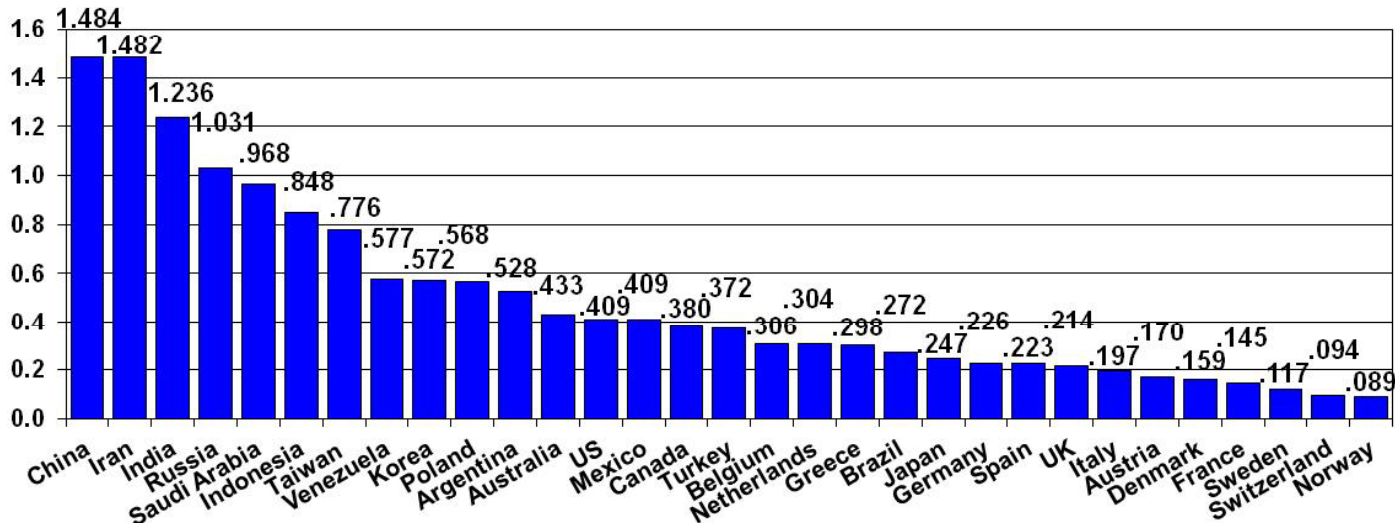
CO₂ emissions per unit of production from the consumption of energy

By country, 2008



MILKEN INSTITUTE

Million metric tons



Source: U.S. Energy Information Administration.

Volcanoes: An old and new global risk



Mount Vesuvius/Pompeii (Italy) - 79 AD
Death toll: 100 000



Eyjafjallajökull volcano (Iceland) – 2010
Economic costs: ???

Are volcanic eruptions a global risk?

