

# ForeSight Conference

PREPARED FOR PROFESSIONAL CLIENTS ONLY



## Utopian? Plausible? Or even conservative? Over half of the participants at our ForeSight Japan Conference thought our G4 scenario was feasible.

On 19 May 2015 in Tokyo, BNY Mellon presented its G4 scenario to over 200 participants at the ForeSight Japan Conference. The scenario explores the implications for markets if Japan, America, China and India (the world's four largest economies measured at purchasing-power parity) all flourish simultaneously.

During the ForeSight conference we encouraged the audience to express their views - even if, *especially* if, they disagreed with us. We also asked them to vote anonymously on several key questions, including the prospects for the Nikkei 225, the role of women in corporate Japan, and the dangers of geopolitical strife in the region. This allowed us to gather first-hand responses from the Japanese audience.

The G4 scenario envisages GDP growth over the rest of the decade of 2% in Japan, 3% in America, 7% in China and 8% in India. According to the anonymous vote, 54.9% of the attendees thought this scenario was feasible and 42% found it utopian. A small number - 2.2% - even thought it was conservative.

When asked which of the G4 economies (Japan, America, China and India) was the most likely to fulfill its economic potential over the rest of the decade; 41.8% of the attendees chose India, 32.7% America, 18.4% Japan and only 7.1% chose China. This suggests the Japanese audience was relatively pessimistic about China's growth momentum.

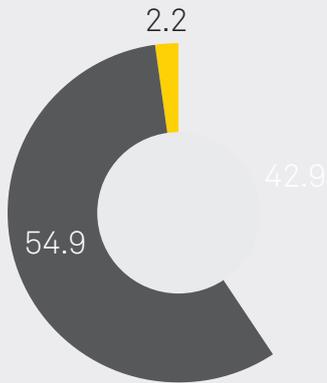
The audience was also asked to choose the most important aspect of Abenomics: monetary easing, fiscal stimulus, fiscal consolidation or structural reform. Of the attendees, 76.9% agreed that structural reform was the most critical; followed by fiscal stimulus (i.e. tax cuts or spending increases).

The G4 growth scenario proposes that the Nikkei 225 will surpass 24,400 by the end of the decade. Half of the attendees thought this was feasible and 34.8% thought the target was conservative.



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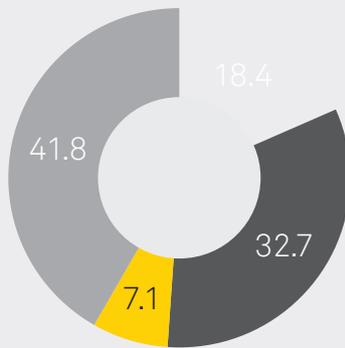
The G4 growth scenario\* is:



- Utopian
- Feasible
- Conservative

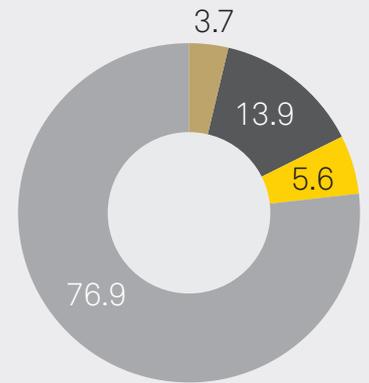
\*The G4 scenario envisages growth over the rest of the decade of  
 • 2% in Japan • 3% in America  
 • 7% in China • 8% in India

Which of the G4 economies (Japan, America, China and India) is the most likely to fulfil its economic potential over the rest of this decade?



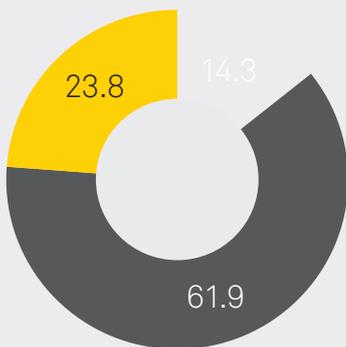
- Japan
- America
- China
- India

Which of the following aspects of Abenomics is the most important?



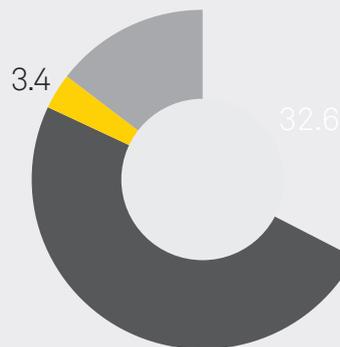
- Monetary easing
- Fiscal stimulus (i.e. tax cuts or spending increases)
- Fiscal belt-tightening (i.e. tax hikes or spending limits)
- Structural reform

Which is the biggest threat to Japan's growth over the rest of this decade?



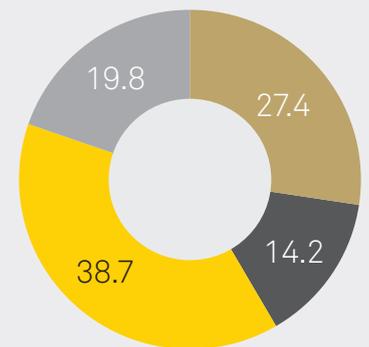
- Deflation
- Demographics
- Government debt

If women were to play a bigger role in your company, your firm's return on equity would:



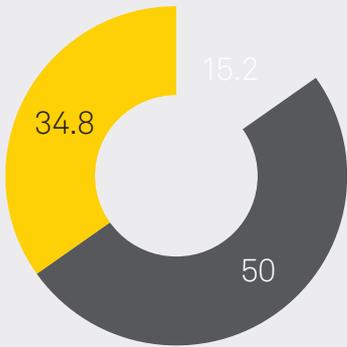
- Rise a lot
- Rise a little
- Fall
- Remain unchanged on average

More Japanese women can work full-time only if:



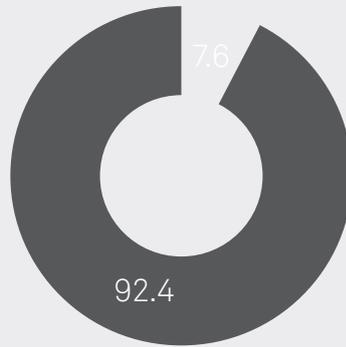
- Men do more housework and childcare
- Immigrants are invited into Japan to do more housework and childcare
- More housework and childcare is outsourced to professionals
- The Japanese get used to messier households and wilder children

The G4 growth scenario envisages the Nikkei 225 surpassing 24,400 by the end of the decade. This scenario is:



- Utopian
- Feasible
- Conservative

If the economies of America, China and India all do well at the same time, energy will become very expensive, preventing Japan from doing well also.



- I agree. Strong growth will raise energy prices hurting Japan.
- I disagree. Strong growth will help Japan more than it hurts it.

Will Shinzo Abe be able to push through far-reaching constitutional reforms in the next 5 years?



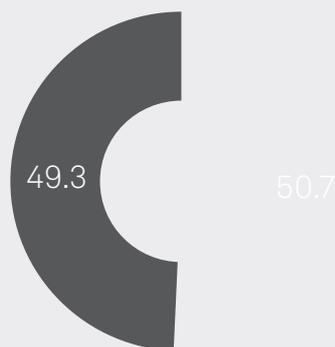
- Yes
- No

Will the Trans-Pacific Partnership be finalized and ratified before Barack Obama leaves office?



- Yes
- No

A G4 world in which Japan, America, China and India all do well economically would lead to more...

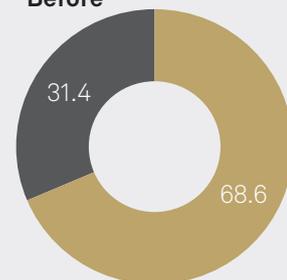


- Conflict
- Cooperation

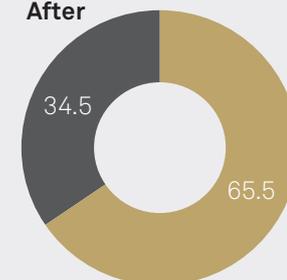
#### DEBATE

Motion: The G4 economies (Japan, America, China and India) can save the world from an era of mediocre, subpar growth.

##### Before



##### After



- For?
- Against?

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