

China Development Forum 2024 The Continuous Development of China

Symposium on Global Economic Growth Outlook (Dialogue)

Hosted by the Development Research Centre of the State Council (DRC) and organized by the China Development Research Foundation (CDRF), the China Development Forum (CDF) 2024 was held at Diaoyutai State Guesthouse in Beijing from 24th to 25th March. On the afternoon of March 25, the Symposium on Global Economic Growth Outlook was chaired by Yu Bin, vice president of the DRC. The guests participating in the “Dialogue” were Huang Yiping, Dean of National School of Development, Peking University, and Ken Griffin, Founder & CEO of Citadel.

The dialogue between Huang Yiping and Ken Griffin covered a series of topics, including how the global economy can achieve a soft landing, whether generative AI can offset the negative impacts of deglobalization, and how to respond to “grey rhino” and “black swan” events.

Regarding how the global economy can achieve a soft landing, Griffin believes that the actions taken by the Federal Reserve after the outbreak of the COVID-19 pandemic were somewhat slow because no experience from similar events could be drawn from. It can be seen that the existing economic stimulus policies of the US

have played a positive role in the current economic cycle. It is widely recognized that the primary responsibilities of the Federal Reserve include maintaining stability in inflation levels, achieving maximum employment, and fostering economic growth by adjusting interest rates and other monetary policy tools. Maintaining a certain level of inflation can help sustain economic growth. Meanwhile, fiscal policy is a crucial regulatory tool that can offset the tightening effects of monetary policy to some extent. Of course, it is not suggested for other countries to try such an unconventional approach.

Griffin predicted that the Federal Reserve may lower policy interest rates after this summer, yet it largely depends on factors such as employment conditions, inflation levels, and labor market performance.

For the second topic, Huang held that deglobalization has already had a negative impact on the global economy, but the widespread adoption of new technologies like generative AI could offset its negative impact. Griffin believed that new technologies will inevitably lead to an increase in labor productivity. Although it is difficult to quantify the exact impact on productivity, the development of science and technology over the past 50 years has fundamentally changed the world we live in and our way of life. Besides, many companies have significantly reduced labor costs and increased work efficiency by utilizing generative AI technology. Meanwhile, we should be soberly aware that the impact of new technologies, such as generative AI, on the economy is uneven. Therefore, many large companies place great importance on the role of Chief Technology Officer (CTO).

According to Huang, although generative AI technology appears to improve

efficiency and save on labor costs, it would not create new business models, industries, or products as the advent of the Internet did. Griffin said that generative AI technology is just a beginning. Embracing and utilizing new technologies to enhance labor productivity is the core goal. It can not only mitigate the negative impacts of deglobalization but also help address the debt issues faced by countries around the globe.

As for the response to “grey rhino” and “black swan” events, Griffin expressed that we never know where the next “black swan” event, like the previous COVID-19 pandemic or the Ukraine crisis, will come from. Although it is unpredictable, we should be fully prepared for it, including strengthening internal capabilities, implementing effective risk management, and enhancing resilience. It is the most reliable strategy for dealing with these unpredictable events to acquire “insurance” to prevent “black swan” events.

In the end, Griffin shared three secrets to the impressive investment performance of Citadel. The first is an international and high-quality talent pool; the second is detailed reviews of each investment; and the third is on-site working for enhancing team cohesion and collaboration.

(China Development Press Author: Wu Jia; Reviewer: Cui Keliang)

--Background Information--

Under the mandate 'Engaging with the world for common prosperity', China Development Forum (CDF) serves as an important platform for Chinese government to carry out candid exchanges and discussions with leaders of global businesses and international organizations as well as foreign and Chinese scholars. Initiated in 2000, CDF has made remarkable contributions for the policy exchange and international collaborations between China and the world.

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