



- **Geopolitics to centre stage**

Day 1 of the Amundi World Investment Forum started with an interview of **Sanna Marin**, Prime Minister of Finland from 2019 to 2023. The discussion was centred around the war in Ukraine, with Sanna Marin advocating for providing as much support to Ukraine as necessary, and the need for Europe to raise defence spending to at least 2% of GDP in order to be independent from the US in matters of defence. To do so, a cost/benefit analysis on using Russian frozen assets must be taken in consideration, both for a direct use or as collateral.

When asked about Finland's ambitious target of becoming climate neutral in 10 years-time, Marin explained how the green transition shouldn't be considered as a cost, but as an opportunity to be a front runner in a trend that is inevitable. Starting early gives Finnish businesses the leverage in the future to promote and to export the green solutions they are producing.

- **Adjusting alliances**

Next, in a roundtable with Dr. **Vali Nasr** (Professor at John Hopkins) and Dr. **Lynn Kuok** (Brookings Institution) we explored the adjusting alliances worldwide and the increasing tensions arising in Asia and in the Middle East. On the Asian side, the focus is on the rise of middle powers who are close to China but consider Europe as a preferred partner, as well as on the conflicts in the South China Sea. In the latter, **the spotlight is on the potential clashes between China and the Philippines, which could draw in the US, and between China and Taiwan, which could escalate by 2027.**

Professor Nasr then talked about the diminishing role of Western power in the Middle East, where after years of mismanagement by the US, the region is now seeing an uproar in anti-American sentiment. Unlike the widespread belief that the US is turning its back on the region due to a waning interest in oil and gas, the opposite is in fact occurring, the Middle East is turning away from the US. **A new period of instability is now starting, and Israel against Iran is seen as the main area of concern.**

- **Mapping major economic shifts**

The macroeconomic panel started with a roundtable between **Professor Ricardo Reis**, **Dr. Keyu Jin** and **Dr. Adam Posen** who, speaking respectively for Europe, China, and the US, discussed major global economic shifts.

US debt sustainability was at the centre of the discussion, with interest rates towering at 4.5% and debt-service to GDP as high as in the 90s: the issue is not the debt itself, but its cost as a share of GDP. **The US still remains attractive for investments thanks to productivity gains, safety, and from its coercion factor.**

Discussions then focused on the US elections, as the difference between the election outcomes were considered: **protectionism would remain the same regardless of who takes office, while tightening on immigration and deportations would be more intense under Trump**, affecting agriculture/food & beverage, among other industries. Ultimately, a Trump administration would likely affect the rest of the world more negatively than the US itself.

On the other hand, the short-term outlook for China will see them suffer the pain of losing housing sector gains, which will take time to be absorbed by the economy due to its immense weight in Chinese GDP. However, there is great growth potential offered by improving prospects of half a billion people who are still emerging from poverty. **The focus of the Chinese government remains on creating sustainable long-term growth, rather than stimulating demand in the short term.**

- **India: growth, power and responsibility**

In the following roundtable on **India** our speakers – **Dinesh Kumar Khara** (Chairman State Bank of India), **Navdeep Suri** (Observer Research Foundation), and **T.V. Mohandas Pai** (Chairman Aarin Capital Partners) - explained how India's economic and digital advancements are driving its growth and global influence.

They highlighted that infrastructure investments during the COVID-19 period, coupled with a focus on manufacturing and high-tech industries, have led to an 8% growth rate that they predict will persist for the foreseeable future. **India has emerged as a major player in the digital economy**, leading in digital payments and tech exports, significantly supported by its young, skilled workforce. They noted that **educational growth and substantial reforms in sectors like telecom, power, and finance are further bolstering this progress.**

On the foreign policy front, our speakers emphasized India's strategic partnerships, which have a clear long-term objective, as opposed to a solely cost-effective one and commitment to a multipolar global order, while adeptly managing complex relationships with major powers and regional challenges.

- **The challenge of accommodating energy transition**

To open the energy transition panel, **Jean-Jacques Barb ris**, Head of the institutional and corporate client division and ESG at Amundi, interviewed **Chee Hao Lam** from the Monetary Authority of Singapore (MAS). He detailed Singapore's efforts in green and transition finance, emphasizing the role of the newly drafted Singapore-Asia Taxonomy for Sustainable Finance, and the importance of including transition financing for hard-to-abate industries. MAS supports blended finance initiatives, including a \$5 billion Financing Asia Transition Partnership to fund green projects. But this doesn't come without challenges: as our speaker explained, **blended finance needs indeed more risk-tolerant capital, better risk assessment tools, and streamlined taxonomy alignment.** Efforts of the MAS also focus on upskilling the workforce with a \$25 million commitment. By advancing standards, innovative solutions, and workforce readiness, Singapore aims to be the leading centre for sustainability in Asia.

The next case study was focused on Africa. **Dr. Kevin Kariuki** from the African Development Bank (AfDB) Group talked about the challenges of ensuring energy security in the African continent in a sustainable way. **The lack of infrastructure development prevents a large part of the population from having energy access, and financing to fill the investment gap usually come at a high cost of capital.**

Additionally, investments must be directed towards climate adaptation, considering that Africa is the region the most affected by climate change. The AfDB is hence **directing large investments towards African startups and projects that support climate mitigation and adaptation:** as an example, the African Adaptation Acceleration Program aims to mobilise \$25 billion by 2025 for climate adaptation, while other key renewable energy projects include the 10,000 MW Desert to Power initiative and various hydropower projects in Mozambique, Burundi, DRC, Rwanda, Zambia, and Zimbabwe.

- **Transforming global perspective**

Finally, the **Rt Hon. Dr. Gordon Brown**, Prime Minister of Great Britain & Northern Ireland (2007-2010) & Chancellor of the Exchequer (1997-2007), delved into the adjustments in global cooperation needed to meet the challenges of political polarisation and inequality worldwide. He discussed how the three main seismic shifts shaping today's global politics and economics - namely the transition from a unipolar to a multipolar world, the shift from free trade to neo-mercantilism, and the move from hyper globalisation to constrained globalisation – explain current challenges in growth, trade and economic stability.

Interestingly, business and finance once had a significant influence on geopolitics, whereas today the opposite appears to be true, geopolitics influences economics. **The rise of a multipolar world exacerbates the conflict between China and the US, enhancing the shift towards protectionism and deglobalisation, while at the same time middle powers (such as India, Indonesia, Mexico) are gaining prominence.** On the bright side, technological innovation in medicine and AI is advancing, and offers hope for future productivity and growth. Brown's speech ended with a message of hope, **promoting multilateral cooperation as the way forward.**

- **Embracing change**

To start the second day of the forum, **Maurice Levy**, Chairman Emeritus, Publicis Groupe, discussed the importance of embracing change, opening the topic of AI and technology. Levy highlighted the **importance of integrating GenAI in corporate functions, a process which will require companies to rethink their way of doing business.** AI offers opportunities for enhanced productivity, innovation, and profitability, but also presents challenges, requiring significant reskilling and organisational adaptation. **It is likely to transform jobs, rather than cause widespread layoffs.**

- **Technology: rewriting the rule book**

In the technology panel **Professor Daron Acemoglu** warned against blind technology optimism, and explained how top-down technology increases inequality and sidelines populations. The focus of his intervention was on the correct use of AI, which instead of being used for standardisation and data, should become a tool to upskill and empower workers as an information technology. **Dr. Aurelie Jean** focused instead on the risk of technological discrimination, explaining how easy it can be to pass-down stereotypes from human to algorithms when programming them. In order to prevent this phenomenon **regulations are paramount, and should be based on the cooperation of scientists and lawmakers**. Moreover, the importance of algorithmic governance, operating norms, and explainable AI was emphasized to address biases and ensure ethical use. **Regulatory frameworks like the AI Act are seen as crucial, but they must balance innovation and protection.**

- **Technology: making way for AI**

In the following roundtable moderated by **Benjamin Lucas**, Chief Executive Officer of Amundi Technology, our guests **Frederic Tardy (Microsoft)** and **Dr. Kay Swinburn (House of Lords)**, highlighted the need for the financial services sector to accelerate its adoption of AI and specifically generative AI, with particular emphasis on **learning and implementing these technologies at all levels of an organisation**. Some firms are leading in AI adoption, but many still lag behind. Successful AI integration requires heavy investment in cloud migration, data governance, and talent acquisition. **Collaboration with regulators and partners, alongside continuous learning and practical application of AI tools, were underscored as essential steps for companies to remain competitive and innovative in the evolving financial landscape.**

- **Demographic trends tipping the balance**

In the demographics panel **Professor Mauro Guillen** explained key demographic and economic shifts, such as the rapid ageing of populations in developed markets versus the youthful demographics of countries like India. He emphasized the increasing economic power of women and predicted India will soon become the largest consumer market due to its young and growing population. He discussed the implications of these changes on wealth inequality, with older generations holding most of the wealth. To address these challenges, he suggested **encouraging longer working lives and leveraging technology to engage younger generations in savings. He stressed the need for investment companies to adapt, innovate, and remain agile to navigate these demographic transformations.**

- **Individual savings: unlocking the promise of tech**

In the last session on individual savings, **Inma Martinez** (AI scientist advisor) and **Hou Wey Fook** (Managing Director and CIO at DBS Bank) discussed the importance of hyper-personalization in financial services, drawing parallels to its long-standing use in Fast Moving Consumer Goods. They highlighted how companies like Amazon have leveraged AI and algorithmic modeling for dynamic customer profiling and predicting behaviour, which financial institutions can emulate. This approach allows for real-time adaptability in customer interactions, moving beyond traditional segmentation models.

They emphasized the **value of behavioral analytics and scenario planning, which reveal critical insights and anomalies in customer behaviour, and improve retention and loyalty**. Additionally, our speakers explained the role of mobile technology in reaching a broader audience and integrating these personalised strategies with brand values to build trust and security, especially in an era where consumers are highly concerned about their financial future, as well as cyber threats.

## IMPORTANT INFORMATION

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