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Ashok Dhillon has 40 years of front-line business experience in Canada and International markets. He incorporated his first construction company in 1974, and since then has founded and led companies in construction and international power development.

Over the last 20 years Mr. Dhillon, has led and worked with top Canadian talent in the legal, engineering and accounting firms, such as Fasken Martineau, Russell & DuMullen, Stikeman Elliott; Hatch, Monoco Agra, New Brunswick Power, SNC Lavalin; and Ernst & Young, Arthur Anderson, and Grant Thornton. And in London, worked with Perkins Couie and Morgan Grenfell. Mr. Dhillon's companies have partnered and worked with Pan Canadian Oil & Gas, WestCoast Energy, TransCanada Pipelines, and international companies such as AES, Enron Power, Hyundai Heavy Industries.

Mr. Dhillon has worked and negotiated with highest levels of Governments in Canada and India. He has pursued and won mandates to develop power plants in Canada, and foreign jurisdictions such as Hungary, Iran, Pakistan and India with uncompromising ethical standards. His extensive experience in securing and negotiating multi-hundred million and billion dollar mandates in power project development, gives him in-depth knowledge and intuitive insights into macro and micro, national and international, geo-political and economic realities and trends.

Mr. Dhillon has been invited to speak on international business at various forums, including as an expert witness for the Standing Senate Committee, Government of Canada, on "The Rise of Russia, China and India".

Global Economic Recovery – Outlook Choppy

The previous two reports had stated that in spite of the significant and ongoing stimulus spending, being undertaken by most major economies, the global economy will not be able to start and sustain a stable economic recovery because of a number of factors that were going to be serious impediments for some years to come. The factors discussed in our past reports were:

- The indebted and recession battered consumer of the developed economies, not having the financial capacity to return to pre-2008 spending levels;
- The reduced consumption in the West, negatively impacting growth rates of the major emerging markets through the steep decline of exports, to the developed markets and to their former voracious consumers;
- The growing nationalistic/protectionist sentiments emerging post 2008 crash, as each country looks to its own interest at the expense of its trading partners; and
- China's aggressive stance to secure potential vital resources in disputed jurisdictions, at the risk of serious cross border hostilities, and its decidedly negative impact on open trade in the region and globally.

The last few weeks have clearly verified these trends. The consumers in the developed World are still, by and large, under siege by the recession/depression like conditions of their national economies. Exports from emerging markets, while recovering very slowly, are still weak and far from the heights of pre-2008 crash, and protectionist nationalism is growing throughout most of the World. These factors, now all being manifest, make for a difficult, un-conducive and complex international political and economic environment, for a robust, stable and sustainable recovery to take hold anytime soon.

The Europeans, in particular, are going through very difficult times with average unemployment rates at above 18%, which could get worse. Some of the Eastern European Countries and

the Southern Countries in the European Union (E.U.), in particular Greece and Spain, are going through depression like conditions, with contracting economies, rampant and growing unemployment (parts of Spain have unemployment rates of over 50%) and ongoing austerity measures that will bring further contraction and pain. Northern Europeans particularly, Germany, Netherlands, and to a degree France, are doing somewhat better, but are being encumbered by their collective obligations as members of the E.U. To the Asian exporters, the European and the U.S. markets are vital to their manufacturing well being. Europe's deepening economic problems and their troubled outlook for the next few years, is a serious impediment to the Asian Countries' efforts to boost their growth and economic recovery.

The U.S. is de-facto the largest trading partner to most of its counterparts. In the U.S., the economic outlook, while showing some signs of improvement, still has great uncertainty to it. A very significant test, "The Fiscal Cliff", is fast approaching. This critical test of the ability of the American political system to function in a bipartisan manner, for the good of the country, is going to indicate whether the U.S. is going to be effective in its efforts to get on the path to economic recovery, or is going to continue to be mired in partisan politics, with the resultant economic and institutional decline.

Post the Presidential election, there is an air of cautious optimism in the co-operation between the Democrats and the Republicans to meet the economic and the financial challenges facing the Country. The scepter of significant financial and economic risks still overshadow the overall recovery, yet in the face of such headline grabbing issues as "The Fiscal Cliff" and the multi-State devastation from the tropical storm "Sandy", there is a tangible feeling of a nation turning to the task of rebuilding its broken social, financial, business and foreign policy models.

In Canada, the effects of sharply lower rates of

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growth in China and India, and a general ongoing global recession, is starting to show through lower commodity prices, a weaker resource and energy sector, and a slowing economy. The slower than expected recovery in the U.S., Canada's overarching dominant trading partner is going to continue to negatively impact the overall economic activity, particularly in manufacturing. The national budget deficit is projected to increase, real estate markets across the Country are softening, and with a high dollar the manufacturing and services sectors are challenged. Canada escaped the brunt of the 2008 crash due to its tighter Banking regulations, and an overshooting strong international commodity market. Now, with much lower growth rates, as commodity demand continues to decline, and demand for Canadian goods and services in the U.S. market stays soft, Canada is starting to feel the delayed effects of the past four years of a global recession that is going to sporadically persist for many years, due to the fundamental factors mentioned above.

With the E.U. in a serious recession, with Greece and Spain possibly heading for a depression, the North American Market recovering too slowly, and the Russian and South American economies having serious problems of their own, and not being in a position to create demand to offset the two biggest markets, the E.U. and the U.S., the Asian economies more than ever, are going to have to stimulate internal demand, and turn to each other to spur sustained economic activity.

Even there, we have some serious problems. Internal consumption in emerging markets cannot match the buying power of the West. And, as mentioned in my previous reports, the traditional and recently revived hostilities and mistrust, particularly between China and most of the other ASEAN countries, points to a long period of continued tension and choppiness for Asia, and hence for the rest of the World. Yet, Asia is where the global economic growth is going to come from over the long term. It is not insignificant that the United States President, Barak Obama, upon being re-elected, made his first official foreign trip to South East Asia,

making a point to attend the 2012 'East Asian – U.S. Leaders Summit' in Cambodia, on November 18th to the 20th. There the tensions between China and its neighbours present at the summit, Philippines, Vietnam, Malaysia, Brunei and Taiwan, came dramatically to the forefront due to territorial disputes in South China Sea, and prevented any meaningful consensus on important trade and economic issues. In fact the 'Summit' highlighted the deep seated mistrust that China's neighbours have towards its long-term ambitions in the region. This growing mistrust will impede any meaningful short-term cooperation, unless China softens its stance in South China Sea, which is not likely to happen any time soon. The actions of China and the other South East Asian Governments that participated in the latest 'East Asian – U.S. Leadership Summit', and the results achieved at that summit were not promising.

Practically every country today faces serious internal political and economic challenges which can only be resolved by focused self-centered political, fiscal and economic policies. Yet, what is required to put the global economy back on track is a collective, coordinated and cooperative effort by all the major governments to address the structural changes required in global finance and in global trade. The fact that 'World Trade Organization' trade discussions started in 2001 have made no progress till 2012 (the 'Doha Development Round') and have been effectively suspended for years with none of the participating countries willing to give any ground on entrenched positions, is proof that no significant cooperation between countries is imminent. Unless every country can put aside its personal agenda to some degree, and turn towards greater political, financial, and economic cooperation, with coordinated policies, the resurgence of sustained global growth will continue to be downright choppy. Stimulus induced and protectionist national recovery effort of each country will continue to struggle with international markets that are equally nationalistic.