

Abstract

The Global Economy in 2010

After years of boom the global economy is still struggling to re-establish stability and direction along three dimensions; restabilising sustainable and healthy growth that promotes prosperity both in rich and in emerging economies; rebuilding confidence in the global and local financial systems whilst correcting some of the faults that led to the near meltdown of the system; retuning the style of the global economic system after 20 years of intense reliance on the free market model. Will the global economy emerging stronger from the crisis in 2010, will it once again lurch into crisis if lessons fail to be learnt, will the "fog" lift? What next for the globalising world that harbours many levels of trust and mistrust?

The three Outsights Global Economic Scenarios: Bounce Back to Business; Volatile Times and The Worst of all Worlds, continue to provide a framework for addressing these issues. There are as always other parallel dimensions that will be shaping the global economy, irrespective of the performance of economic and financial management: whether or not the efforts to combat global warming influence the outcome; how will the global economy and financial system value natural resources; what new technologies and innovations might influence or hamper progress; global and local political and security stability; will the five flows of globalisation be arrested, - people, capital, knowledge, goods or services; and health. These factors and others from the Outsights 21 Drivers for the 21st Century will shape economic and political actions in 2010. There are some possible tipping points on the horizon in 2010 that need to be watched carefully.