

Latin American CFOs' Executive Program

Country Risk Issues: The Global Economy and the Risks for Emerging Markets

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We will discuss recent developments in world markets and their implications for emerging markets. We will focus on three major developments: a) The global imbalances around the world; b) The boom in commodity markets; and c) The role of China in world markets and its implication for Latin America.

The lecture will start with an overview of Latin America's recent economic performance relative to other regions of the world. (see [BIS chapter III](#)). The last few years have been characterized by strong growth around the world, and for the first time in several decades, growth has been stronger in developing countries than in developed countries.

The global imbalances in external payments among the world's economies have provoked concern in international policy circles and anxiety in capital markets (see The Economist's survey article below ["The great thrift shift"](#) for a background on this issue). We will assess the implications of such risks for developing countries (also refer to the article ["America's External Balance"](#)).

Over the past 20 years, the Chinese economy has undergone profound changes and China's role in the global economy has increased sharply. How does China's growth experience so far compare with previous historical episodes of rapid integration? How has China's integration affected the rest of the world?

Road map:

Lecture Part 1: Latin America's growth in perspective. Causes and Consequences of the World Global Imbalances.

- ["Issues in Emerging Market Economies"](#) BIS Annual Report, Chapter 3, June 2006.
- ["The Great Thrift Shift"](#) Survey, The Economist, September 2005.
- ["America's External Balance"](#) John Makin, American Enterprise Institute, August 2006.

Lecture Part 2: Commodity Markets: Is it a trend or a cycle? The rise of China and implications for Latin America.

- ["The Global Implications of China's Growth,"](#) World Economic Report, IMF, 2004.
- ["China's Value Added Exports"](#) Deutsche Bank report, July 13 th, 2006.