



# North Atlantic Financial Crisis and the Age of Asia

Where does Japan belong ?

March, 2010

Shinichi Yoshikuni  
Senior Adviser

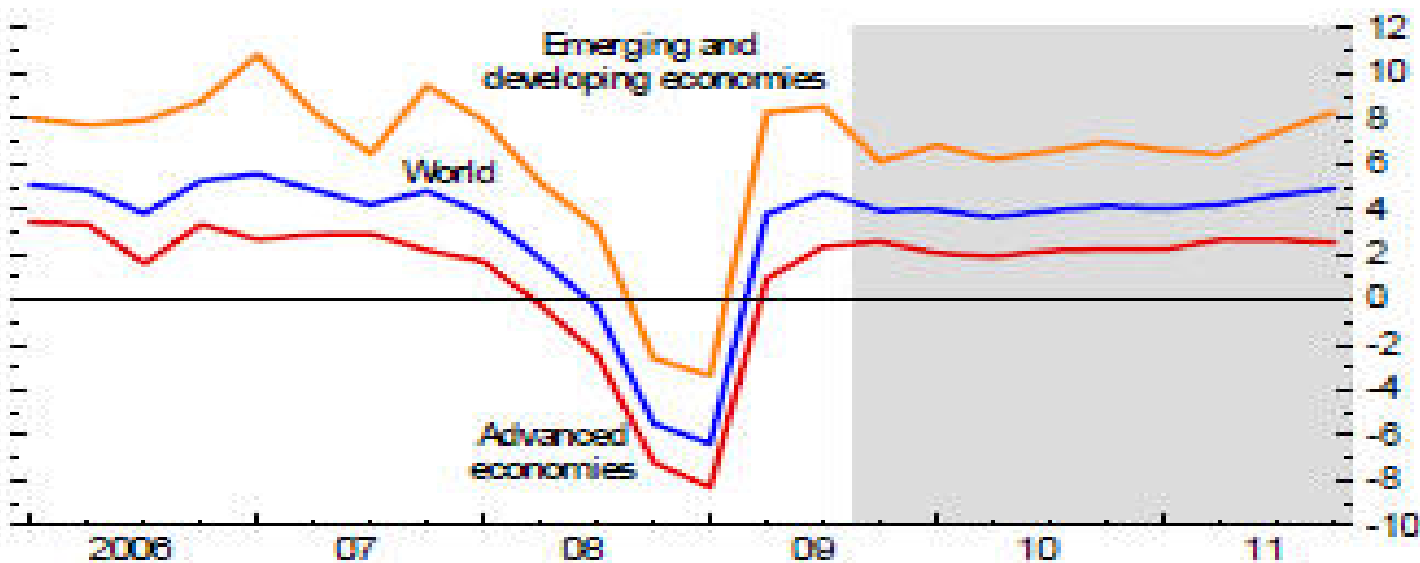


Mizuho Securities Co., Ltd.

## Prologue :The worst may be over, although much uncertainty remains as to the pace of recovery

source: IMF World Economic Outlook Update, January 2010

**Figure 1. Global GDP Growth**  
(Percent; quarter-over-quarter, annualized)

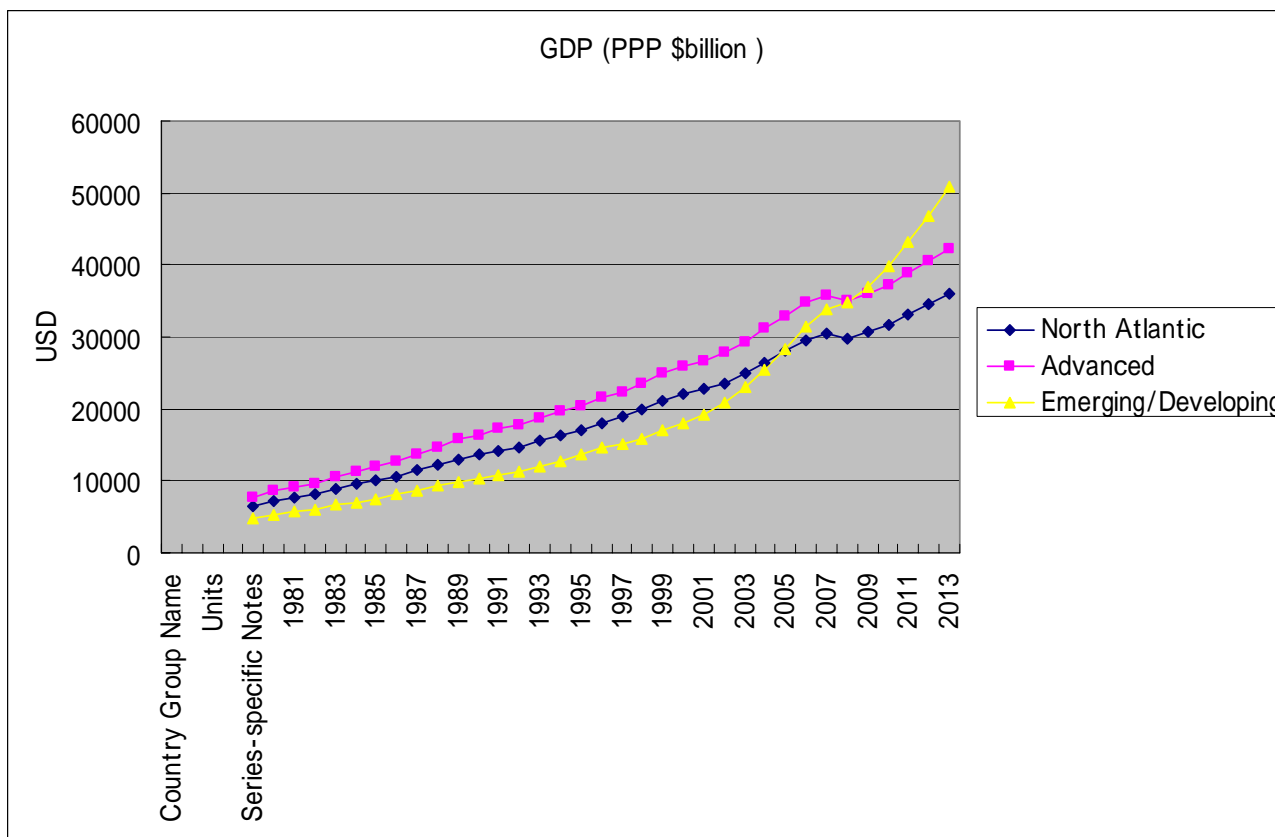


Source: IMF staff estimates.

# The global financial crisis is a misnomer, should be called the North Atlantic financial crisis

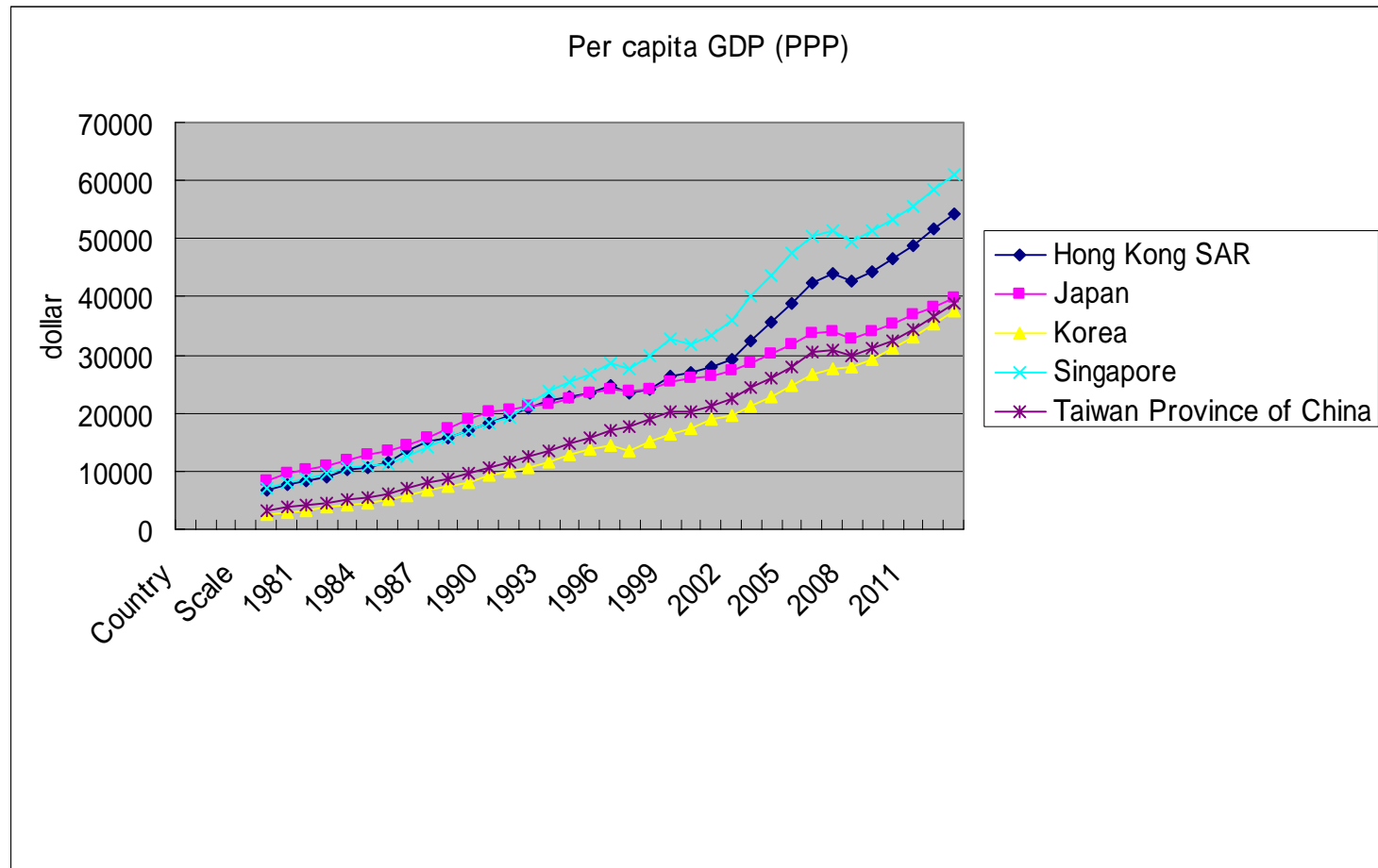
Philip Lowe, Assistant Governor Reserve Bank of Australia November 2009

source: IMF WEO database October 2009



# Japan is NOT in the top tier economy in Asia ?

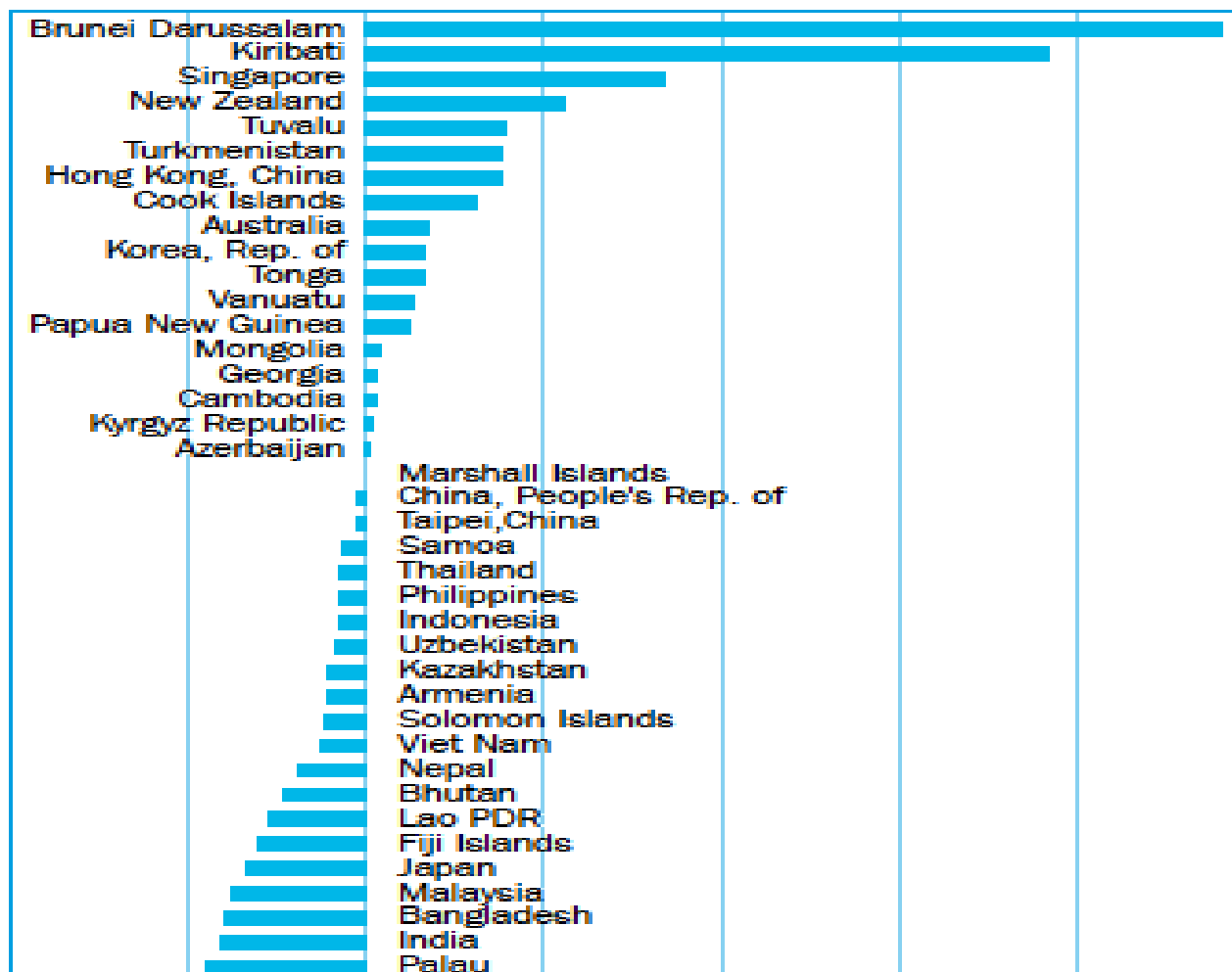
source: IMF WEO October 2009



# Japan as the Greece of Asia?

source: ADB 2009 Annual Report

Figure 6.1 Government Fiscal Balance as a Percentage of GDP, Average of Latest Three Years



# A tale of three economies

- The global financial crisis seems to have passed the worst stage thanks to the drastic monetary and fiscal policies by major policy authorities.
- With the revival of the “decoupling theory”, the crisis seemed to have divided the world into two economies, i.e., emerging Asia and declining North Atlantic
- Canada as a good outlier in the North Atlantic (with the robust and sound financial system)
- Singapore as a good outlier in Asia (as an already advanced economy)
- Where does Japan belong ?

## Epilogue --- Japan should take part in the Asian dynamism

- **Asia, in my opinion, is the cradle of the world's oldest civilization. Several thousand years ago, its peoples had already attained an advanced civilization; even the ancient civilizations of the West, of Greece and Rome, had their origins on Asiatic soil.** In Ancient Asia we had a philosophic, religious, logical and industrial civilization. The origins of the various civilizations of the modern world can be traced back to Asia's ancient civilization. It is only during the last few centuries that the countries and races of Asia have gradually degenerated and become weak, while the European countries have gradually developed their resources and become powerful.
  - In East Asia, China and Japan are the two greatest peoples. China and Japan are the driving force of this nationalist movement. What will be the consequences of this driving force still remains to be seen. **The present tide of events seems to indicate that not only China and Japan but all the peoples in East Asia will unite together to restore the former status of Asia.**
- “Pan-Asianism” Sun Yat-Sen November 28, 1924 Kobe Japan  
孫文(孫中山) 「大亞州主義」

**Disclaimer**

All the information contained in this presentation is based on the author's individual views and does not necessarily reflect the views of the institution to which the author belongs whose accuracy and perfection cannot be guaranteed. Also, any views and forecast are based upon the information available at the time of its making and subject to changes according to the evolution thereafter.