

## Session Synopses

18 September 2023, Monday (Day 1)

- **Deglobalization , Decoupling, and De-risking: The View from Asia** – Prof. Alicia Garcia-Herrero & Ms. Vanessa Chan

### Prof. Alicia Garcia-Herrero:

The slowing of the globalisation process, appears to have started in 2008, at least for trade, global value chains and foreign direct investment. The deceleration in trade and FDI globally has been fuelled recently by the strategic competition between the US and China. COVID-19 has been a second very important factor pushing deglobalisation.

The deglobalisation of trade is happening in terms of value and volume of gross trade and also in terms of the importance of global value chains. In other words, there are signs of a reduction in the exchange of intermediate goods between countries as a way to exploit comparative advantage and specialisation gains.

Beyond trade, technology decoupling between the US and China is seen in reduced approvals for export licenses, limits on use of hardware and the attempts of outright bans on software.

International flows of people have seen sharper declines in the wake of COVID-19, which is recovering but far from completely given China's adoption of the dynamic zero-Covid strategy and the sheer size of its population.

Finally, the trend towards deglobalisation is much less evident for finance, with the exception of FDI, though increasing attempts to decouple particular types of financial flows are emerging, including pressure to delist Chinese companies from US stock exchanges and the imposition of sanctions for transactions with certain Chinese companies and individuals.

### Ms. Vanessa Chan:

Technology is the backbone of our society and the economy; how technology companies evolve not only reflects policies that affect the industry, but also demands of their enterprise customers.

The tech industry can be broadly classified as hardware and software. Each of these is supported by complex, multi-layered supply chains and implementation ecosystems. Vanessa will bring her unique perspective drawn from her time with American (tech) companies with a large footprint in China. She will discuss how hardware and software companies might be affected differently by deglobalization and decoupling. Given that the software industry has no physical production, how might deglobalization and decoupling affect them? How would their customers be impacted in the short term and long term?

- **How We Make Decisions when there is Risk and Uncertainty and will AI be a Savior or Demon?**  
– Prof. Stephen Nason

We all make decisions, constantly, every day. And most of us think that most of the time our decisions are mostly pretty good, and at least somewhat rational. However, under certain conditions, like when there is uncertainty involved, our decisions become non-rational. And not just non-rational but non-rational in predictable ways. In this talk we will explore three ways our decisions deviate from rationality. We will end the talk with a discussion about whether Generative AI makes these sorts of decisions better or worse.

- **Economic Development in East Asia: What works (and what doesn't)** – Prof. Donald Low

In the decades after the Second World War, there have been only a handful of economies that made the transition from Third World to First – from developing countries to developed ones – in two generations. Most of these economies are in East Asia: Japan, South Korea, Taiwan, Hong Kong, Singapore, and probably, mainland China. In this session, Prof Low will explore the critical factors that enabled these economies to make the successful transition and avoid the dreaded middle-income trap. He will also discuss the relevance of these factors (for developing countries today) in an age of slower globalisation and technology decoupling, the fragmentation of global supply chains, and rapid advances in automation and AI.