Asia and Australia
Imagining our Eurasian Future

Jason Yat-sen Li
8 September 2001
Australia in the world
(flying time from Melbourne)
The World in 2050

Source: Goldman Sachs, 2007
East Asia’s Share of Australian Trade
2010

Source: DFAT
Pax Americana

Source: http://www.murdoconline.net/archives/5568.html
China v. USA nominal GDP

- Surpassed Germany's in 2009
- Surpassed Japan by 2011
- Surpasses USA by 2033
1. Sense of History
2. Lack of trust
3. Preserving the centre
Protect the “8”
China’s Internal Tensions

**Internal Imbalances**
- Misallocation of resources
- Widening wealth disparity
- Undisclosed debt and hidden liabilities
- Overcapacity and inefficiency
- Asset bubbles
- Decline in ROE in most industrial sectors
- Environmental degradation

**Trade Offs Required**
- Raise Interest Rates → Hurt State banks & SOEs
- Deepen capital markets → Reduce Big 4 banks’ control
- Increase wages → Hurt exporters
- Protect environment → Increase cost of business
- Deflate property market → Diminish municipal revenues

Ultimate objective will be to preserve stability
The Next Generation of Chinese Leaders

Populists
- More concerned with employment, healthcare, education, social security
- Power-base in Communist Youth League
- Protégées of Hu Jintao

Elitists
- More politically conservative and economically liberal
- All princelings except Wang Huning
- Protégées of Jiang Zemin and Zeng Qinghong

Source: Cheng Li, “China’s 5th Generation: Is Diversity a Source of Strength or Weakness?”
Comments from Sina Weibo

谢当龙
Demanding the truth. If it was suicide, why he committed suicide is the key.

柏然他爸:
Now murder... is so open and honest... Chinese characteristics, socialism... New China... though I’m getting carried away... but it is the conclusion our People’s police have given after all, so are we not to believe it... Would it matter...?

2011奋斗小青年:
Our countrymen are stupid, easy to deceive, no one cares. How you died is how they say you died, otherwise they’ll make you die.

--绊脚石--:
Is this brother ruthless, or is the Communist Party even more ruthless?

忘塵明心:
Have the person holding the press conference try stabbing himself ten times without stabbing himself lethally and with five cuts for both arms and let’s see if he still has the strength to cut his windpipe。