

“The Shifting Geopolitical Landscape & Implications”

FDI, Trade, Commodities in 2016



Paulius Kuncinas, Managing Editor, Asia, Oxford Business Group
“Business Climate Outlook of 2016”, 8th December, 2015, Colombo

New Geopolitical Alliances & Tensions

US Reluctant Global Power Taking Largely 'Passive' Approach

2016 Flashpoints:

- Russia vs EU & US
- Ukrainian Conflict
- China & South China Sea
- Syrian Civil War
- Iran vs Saudi Arabia

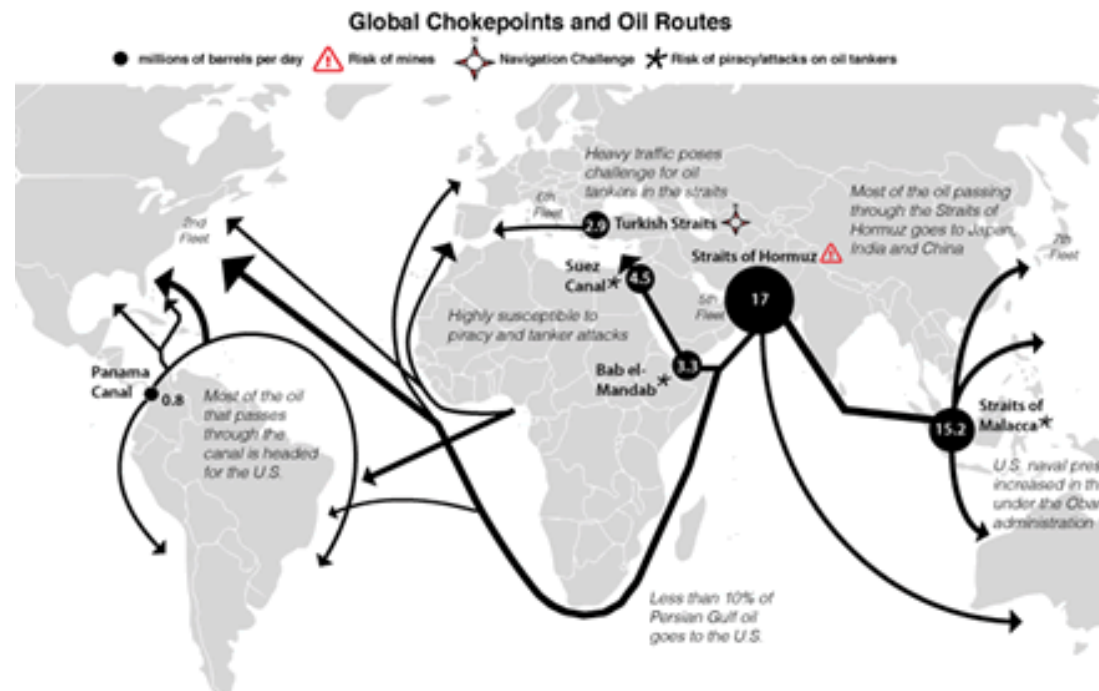


Established Trade Routes Under Pressure

Deficit of Demand has Triggered Monetary Policy & Trade Policy Response

Asia on Top

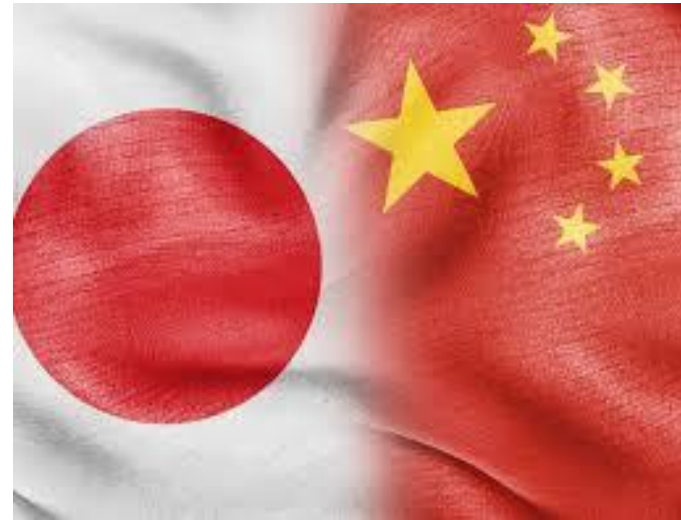
- China
- India
- SE Asia
- Emerging Countries
(Sri Lanka, Myanmar, Vietnam)



Asia Perspective – What Matters ?

Solid Growth Performance since 1997

- Oil & Commodity Prices
- Japan vs China Rivalry
- Trans Pacific Partnership Agreement (TPPA)
- ASEAN Trade Policy



Europe in 2016 & Beyond

Internal & External Challenges

- Refugee Crisis
- Rise of Nationalism
- Middle East Policy
- Russia
- Turkey



US Engagement with Asia

Greater Effort, Small Returns

- Asia & Trade in Election Year
- Geopolitical Short Termism
- Security No1 Concern
- Containing China's Influence



Middle East & The Gulf

Saudi vs Iran Policy

- Political Process in Syria
- Saudi Oil Policy & OPEC
- Iranian Peace Deal
- Progress in Libya & Egypt



Rise of India

Jury is Still Out but Signs Positive

- **India's Foreign Policy Priorities**
- **Economic Influence**
- **Regional Aspirations**
- **Modi Factor**



ASEAN Perspective

Infrastructure & Connectivity Top Priority

- Laos takes over from Malaysia
- Myanmar New Regime
- Indonesian Dilemma
- Protectionism Challenges



Sri Lankan Perspective

Improving Competitiveness

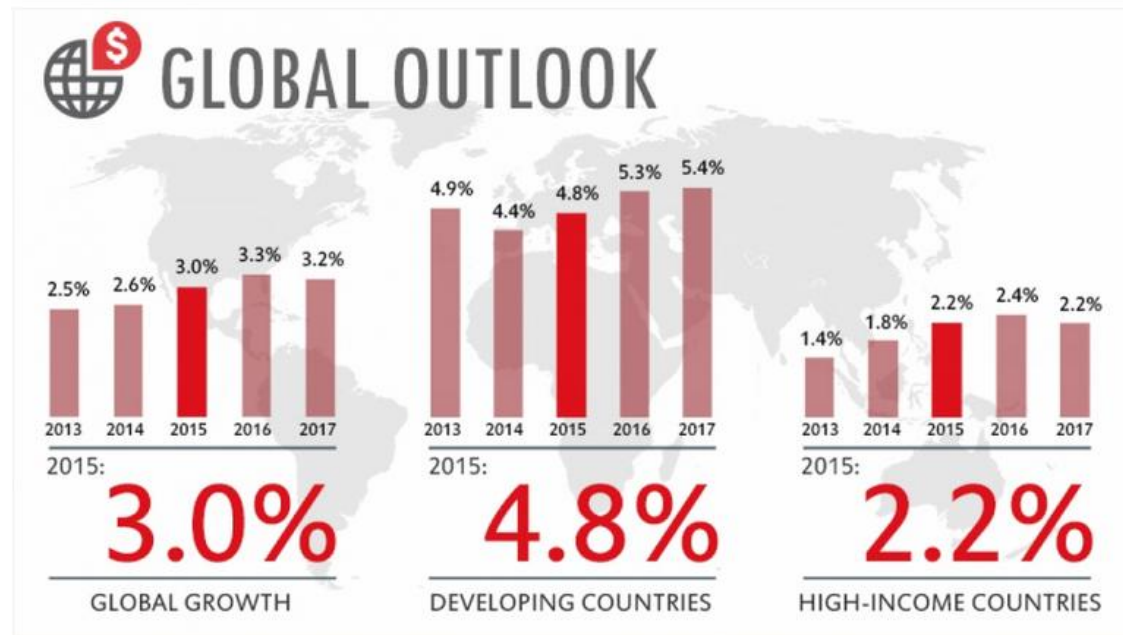
- Fine Balancing Act
- Absorbing Trade Slowdown
- Attracting FDI Inflows
- Positioning in a Dynamic World



Conclusions: Outlook for 2016

Year of Key Decisions

- Time to Act
- Status Quo Untenable
- Russian & Syrian Dilemmas
- China & India
- Sri Lanka



THANK YOU

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