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1. Risks to the downside as regards global growth

The consensus is that the recently decided and preannounced **tariff increases** by the United States and the likely retaliatory measures by trading partners (China) will have a depressing effect on the global economy.

Monetary policies are to be less accommodative in the advanced economies, not only in the US but also in Europe when the exit from highly supportive monetary conditions will be confirmed by the end of net purchases of securities at the end of the year. This might have adverse consequences in the emerging and developing world. Conflicts and geopolitical tensions in many regions of the world could also be adverse to sustained global growth.

All taking into account, the risks already mentioned, added to **exceptional political tensions** in many countries, create an element of uncertainty adverse to economic agents' behaviour, particularly as regards investment, and therefore to global growth.

2. Risks in global finance

10 years after the bankruptcy of Lehman Brothers, we noted many positives and many negatives on which we concentrated our attention. The remaining negatives are, in particular, the following:

- The area of shadow banking and non-bank is of the essence in terms of potential global financial instability. Non-bank financial activity is rising rapidly (around 45 trillion dollars in 2016, growing at a pace of more than 7,5%). A lot remains to be done in this field on top of what has already been done by the Financial Stability Board (FSB).
- The issue of misconduct is still to be fully tackled. The FSB has done significant work in this domain over the last years, including its future toolkit for firms and supervisors on the use of governance frameworks to mitigate misconduct risk. But a lot of work remains to be done.
- The financial risks associated with crypto-assets are also an open issue. It is true that the combined market value of such assets represents less than 1% of global GDP. But the market continues to evolve rapidly and is morphing from cryptocurrencies to an explosion of new "crypto-tokens". More active work must continue to be done by the international community in disciplining this domain where complacency would be a big mistake.
- The likelihood of a new systemic economic and financial crisis being triggered by the difficulty to counter the next cyclical recession due to insufficient ammunitions in the advanced economies in both the fiscal and monetary policies fields.
- Last, but not least, the likelihood of a global systemic economic and financial crisis due to the high level of global financial leverage. The global public and private debt outstanding as a proportion of global GDP has continued to augment after the GFC, approximately at the same pace as before the crisis; It is perhaps the most worrying global indicator today.