



Bank of Japan Governor Haruhiko Kuroda laughs during a discussion at the World Economic Forum in Davos. Kuroda was one of the most optimistic among financial leaders when he pointed to expected European recovery and low oil prices as stimuli for the world economy. "Some of the pessimism prevailing in Davos this year is a bit exaggerated," he said.

## WORLD ECONOMIC FORUM

# Leaders in Davos cling to reform, growth hopes in face of adversity

THE MOOD AMONG ASIAN PARTICIPANTS WAS MARKEDLY BETTER THAN EUROPEAN ONES: POLL

DEUTSCHE PRESS-AGENTUR  
 DAVOS, SWITZERLAND

AMID WORRIES about the euro zone and multiple political crises, this year's World Economic Forum resonated with pledges of structural reforms and economic growth.

"Celebrate good times, come on let's celebrate," the band played as politicians, businesspeople and pundits danced at one of the many parties accompanying the WEF gathering in Davos last week.

Judging from the mood at these nightly events, nothing much seemed to be wrong with the state of the world,

but the forum's participants were more sombre during daylight, spending hours debating the fragile health of Europe's economy and growing concerns about violent extremism, climate change and other problems.

Faced with mounting insecurities, government leaders and ministers went to the Swiss mountain resort to repeat two phrases over and over, like a spell to ward off evil: Structural reforms and economic growth.

The first of these two catchphrases came in reaction to Thursday's decision by the European Central Bank to boost growth and fight deflation in the euro zone with a stimulus pro-

gramme worth more than €1 trillion (Bt36.5 trillion).

Japan's central bank chief, Haruhiko Kuroda, was one of the most optimistic among financial leaders at this year's gathering, when he pointed to expected European recovery and low oil prices as stimuli for the world economy.

Kuroda on Saturday urged a panel not to succumb to pessimism over the state of the world economy, as he welcomed the "big decision" by the ECB to embark on a huge bond-buying spree.

Kuroda was addressing the closing event at the World Economic Forum in Davos, the four-day gathering brought together 2,500 of the world's top executives and leaders.

Insecurity and risk weighed on this year's meet after a year of unforeseen

conflict in Ukraine and the out-of-the-blue rise of Islamic State extremists in Iraq and Syria.

"Some of the pessimism prevailing in Davos this year is a bit exaggerated," Kuroda said in a talk that also included his counterpart Mark Carney from the Bank of England and Benoit Cœuré, executive board member of the European Central Bank.

Various European finance and economics ministers warned in Davos that the ECB's asset-buying programme was no reason not to continue structural reforms of the public sector and reduce debt, especially in the large euro-zone economies of France and Italy.

"I believe that the decision taken by ECB really compels us to be more daring and to remove barriers to job creation and growth," French President François Hollande said.

Leaders also recommended continued structural reforms to Greece, where the opposition SYRIZA party has promised to renegotiate its international bail-out agreements and ease austerity measures if it won yesterday's election.

European politicians in Davos showed little appetite for accommodating a possible Greek policy change.

"How many times have we repro-

filed the loans to Greece? Two or three times?" Spanish Economics Minister Luis de Guindos Jurados said.

Leaders also agreed that European reforms are necessary to make the region more competitive vis-a-vis regions such as Asia, and to enable it to withstand shocks such as the Ukraine crisis and terrorist threats.

Deadly shots and explosions in Paris, Nigeria and in the Middle East echoed in the mountains in Davos, where participants were holding their discussions behind double fences, protected by Swiss soldiers.

Hollande and US Secretary of State John Kerry stressed that economic growth and development are key tools for providing a future for youths who are at risk of joining Islamist radicals. On the other hand, Kerry pointed out that international cooperation in this fight against extremism was also important for the global economy.

"The collective security brings you the stability that allows our economies to grow and to flourish, that allows innovation to take place and education to take place," he said.

The mood among Asian participants was markedly better than among European ones at the meeting.

A poll published at the start of the Davos meeting showed that only 16

per cent of Europe's top managers predict economic revival this year. In contrast, 45 per cent of Asian executives expect positive developments, according to the poll by the PwC consultancy.

A year before, no one had foreseen the fall in the oil price, which has dropped more than 50 per cent and reached levels last seen during the financial crisis.

While producer countries in Opec and beyond were suffering, much of the world could benefit and develop.