



The Future of Currency and the Global Financial System

Friday, June 5, 2020

On this webinar, Senior Advisor of Accenture John Lee led a critical discussion with three panelists on the outlook of the global economy and financial systems both during and after the COVID-19 pandemic, and the future of digital currencies.

Webinar panelists included:

- **John Lee (Moderator)**, Senior Advisor, Capital Markets MPS/Blockchain, Accenture
- **Dr. Jianguang Shen**, Chief Economist, JD Digits; Vice President, JD Group
- **Dr. Michael Hasenstab**, CIO, Templeton Global Macro, Franklin Templeton
- **Dr. William Lee**, Chief Economist, Milken Institute

The panelists touched on the following:

- Hasenstab touched on the impacts of COVID-19 on a global scale. He emphasized that the global central banks have solved the liquidity crisis caused by the pandemic, but now they will have to solve multiple challenges faced by the global economy as well. For instance, the problem of global bankruptcy, high savings rate, and the massive unemployment rate. Moreover, he believes that we're now in a new economic paradigm as we have to face huge deficits that were rounded up after the economic tenure growth was ended by COVID-19. However, he noted that we still have to consider printing money to get out of the crisis. Since all of these aforementioned economic challenges caused by COVID-19 are happening in the middle of a geopolitical competition between the two world superpowers (the United States and China), Hasenstab believes the world is now in a very complicated situation. However, he's optimistic that we will eventually navigate through it.
- Shen discussed the issue of fiscal deficits and the introduction of Central Bank digital currency in China. He said that the COVID-19 pandemic has brought up the discussion among the government and experts on whether to monetize fiscal deficits, which is traditionally seen as a taboo topic to discuss before the pandemic. He stressed that the introduction of Central Bank Digital Currency in China was a move by the Central Bank of China to introduce more competitors to the dominant payment system of Alipay and WeChat Pay, as well as accommodate China's digitalization of the economy after COVID-19.
- Lee discussed the concept of digital currency, its values, and its advantages in today's context. He believes that the introduction of digital currency in China will solve two problems: finality and high-transaction costs. However, he stressed that the introduction of digital currency often happens only in countries with less developed banking systems, and countries with well-established banks have fewer needs for digital currency.
- All panelists agreed that digital currency is dangerous unless it's controlled and governed by the central banks. Regarding the future of digital currency, all panelists provided slightly different predictions on this issue. While Hasenstab believes that COVID-19 has accelerated the era of mass adoption on digital currencies, and the world has passed the starting point of that era, Lee stressed that the adoption of digital currencies will depend on the sophistication and the strength of the domestic financial system of each country. On the other hand, Shen believed countries are competing against each other with different digital currency systems, and time will tell which system is best.

If you would like to listen to recordings of this webinar, please visit our [website](#).