

PIMS International 2009 - Post Event Review

2009 saw the 6th annual PIMS International and the second year of the event being held at the Victoria-Jungfrau Grand Hotel and Spa in Interlaken, Switzerland.

The forum saw a large increase in attendance, playing host to over 120 senior Private Bankers, Managers of Family Offices, Independent Financial Advisors/Wealth Managers and leading Product and Services Suppliers from across Europe.

The Opening Address by David Bodanis



In his opening address entitled "Blue Sky & Beyond" David Bodanis offered some predictions of what life would be like 10 years from now regarding issues such as family structures, new technologies, environmental impacts and geo-politics in China,

India, Russia and Europe. As a futurist, David was more than qualified for this task.

David started by reminding the audience of some of the everyday things we now take for granted which had only just been invented, or that were relevantly unknown 10 years ago. For example George Bush said in a speech roughly 10 years ago that he would like to learn how to use "the Google". Moreover, Osama Bin Laden was only really known to specialist agencies. However at the same time David reminded us that many of the things that many might assume were relatively modern inventions, such as the mobile phone or the fax machine, were in fact around a lot earlier than we realise. The first fax machine was invented in 1856 and the first mobile phone was used in the 1870s. However if you visit it in the London Science Museum you might question just how mobile it actually was!

This illustrated David's main theme of the presentation; whether it be a mobile phone or a revolution in the way that we power motor vehicles, the difficulty is not knowing that change will occur, but knowing just *when* it will happen and what consequences it will have.

The final part of David's address looked at *blue sky thinking* and the likely, improbable, best and worst outcomes 20 years hence and beyond. In this he examined distant technologies, health and life spans and finally planetary concerns including developed and third world survival chances.

Some of David's predictions in this area included an increase of predictive technology, for example ambulance stations used to be next to hospitals but now they are increasingly being positioned next to accident hot-spots. Life spans will continue to increase. Living into your 80s & 90s is becoming more common, as long as you get through your 50-80s avoiding health issues such as cardio-vascular problems and cancer. However as the life span increases post 100 and when being 140-150 years old becomes increasingly common there will be consequences. These could be that a common cause of death becomes *choice!* Other issues will also be the need for the majority of the population to actually invest in a pension, especially as birth rates are declining, as well the need to keep adjusting the age of retirement.

During the Q&A David was asked to comment on a number of topics ranging from space travel, the political issues raised by decreasing levels of natural resources, to the future of the stock markets. In response to the latter, David stated that the audience was more qualified to comment, especially in the short-term. In the long-term he stated a good indicator would be to look at regulation. If an area is over-regulated this has a negative impact on its health. Something with which a majority of the audience most likely agreed!

Keynote Address by Prof. Dr. Norbert Walter



In his lunchtime keynote address, Prof. Dr Norbert Walter looked at the Global Economic Picture. As Chief Economist of Deutsche Bank Group and Head of Deutsche Bank Research, this is an area with which Norbert is very familiar.

Starting on a positive note, Norbert said "there is light at the end of the tunnel and it is not from an oncoming train." Current green shoots on stock markets and some positive growth figures, especially in Asia, bring new hope to investors that the global recession has ended.

However, the picture remains opaque for industrial economies. Whereas stock markets and production indicate a bottoming out, increasing unemployment rates and rising insolvencies are still drawing a dark picture. Nonetheless Norbert asserted that the World will be surprised by the capacity of the US to fight back. He also predicted that the Euro area would snap back with the latest financial figures out that morning strongly supporting this.

Although globally this has been the worst economic period in the post war era. It is the first time that international trade has not grown year on year and even commodity producing countries have been hit hard. For example "the Arab countries have stopped building skyscrapers and artificial islands."



The Victoria-Jungfrau Grand Hotel and Spa

Nonetheless signs of recovery are evident, the price of oil is picking up and Norbert predicts that interest rates will go up in the second quarter of next year in the US, but the European Central Bank will wait until the end of next year to raise theirs. Although as some European countries such as Italy were experiencing weaker growth before the recession hit they will have to face the pain of a longer road to recovery.

In the longer-term to ensure sustainable future growth rates, Norbert stated that world politics, especially in the G-20, will have to reform the financial architecture and prevent relapses into protectionism. Cooperation in multilateral organisations now is a must.

To conclude, Norbert asserted that the world after the crisis will be of different design: firstly, emerging markets, mostly in Asia, will grow faster than the rest and gain economic weight considerably. Secondly, the US president and administration must take a bold lead in multilateral negotiations in financial markets and environmental reform. Norbert stated that the US will make a big effort to take a lead in the energy market by investing into new technologies. However Europe will only remain competitive if governments and voters agree on fundamental social reforms that allow much higher participation rates in order to compensate for an ageing and shrinking population.

The seminar sessions featured at the event continued to examine the themes raised in the keynote addresses with expert speakers analysing the pros and cons of banking secrecy and the next chapter in banking regulation in Europe, the importance of due diligence through a case-study on Bernard Madoff, whether China is a great opportunity for investors and much more.

Additional Sessions & Activities included:

Seminar Sessions:

- The importance of due diligence: case study on Madoff
- China in the global financial crisis: great opportunity for investors?
- Banking secrecy in Europe: good, bad or ugly?
- The next chapter in banking regulation in Europe: past, present and what the future holds
- Advising clients on social investing
- Applied Client Economics: measurable return with the right service proposition

Panel Session:

- The ongoing impact of the credit crunch in Europe: next steps & moving forward

Professional Development Sessions:

- The new world of work: the connection economy
- Mind the gap: understanding different generations to improve customer service

Exhibitor & Investment Forum Sessions:

- New emerging markets: economical geography and geopolitical aspects
- The comeback of quality and growth stocks
- Market efficiency after the credit crunch
- db x-trackers ETFs: active management with passive products

Gala Dinner on the Friday evening



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