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FINANCE • PREDICTIONS FOR 2013 FROM THE FT'S A-LIST

### The east will rise above the west

The number 13 is unlucky in Western minds. It is not in Asian minds. This may explain in part why many Westerners view 2013 with foreboding. Most Asians do not.

Of course, if the US Congress takes the world off the fiscal cliff or if the eurozone finally cracks up, all bets are off. The global economy will then have another painful stumble. Fortunately, this is not likely to happen. Indeed, the prospects are that both the US and China will do better in 2013 than in 2012. So too will many other Asian countries.

Asia's underlying trend – its resurgence – will continue in 2013. In 2012, about 500m Asians enjoy middle class standards. By 2020, that number will grow to 1.75bn. The demand for all kinds of products will grow. India had no cellphones in 1990. It had 752m in 2010. Now they are switching to smartphones. In 2012, there are 17 m smartphones in India. In 2015, there will be 79m. Tourism will flourish. New hotels are everywhere. Asian budget carriers grew 23 per cent in 2012 versus 8 per cent for traditional airlines, while analysts project that online bookings for budget airlines will grow 55 per cent from 2011 in 2013. Asians are on the move.

The material rise of Asia is easier to document. The mental and spiritual resurgence is harder to keep track of, even though there has been recently an undeniable explosion in the cultural confidence of Asians. Nevertheless, some key projects provide symbols of a new era. Nalanda University, Asia's greatest university from 500 AD to almost 1200 AD, will continue its gentle restoration under Nobel laureate Amartya Sen, who heads the "Nalanda Mentor Group". In August 2013, the first batch of students will enroll at the Yale-NUS College. From this tiny seed, a great plant will grow. Projects that bring together the best of Eastern and Western learning will demonstrate that the fusion of civilisations (not the clash of civilisations) will represent the main dynamic of the 21st century. It will all be part of the great convergence of human history that we will experience as the planet continues to shrink

inexorably.

Yes, there will be challenges aplenty. Geopolitics will rear its head everywhere. But countries can also learn from mistakes. In 2012, China committed a huge geopolitical blunder by trying to divide the Association of Southeast Asian Nations at the Phnom Penh meeting in November. As Xi Jinping gradually consolidates his power and wiser counsel prevails, China may realise the wisdom of Deng's advice to China to hide its strength and bide its time. With major leadership transitions over in Beijing and Washington, DC, the main geopolitical relationship of our time will veer towards stability and predictability in 2013.

All this may be seen as pure wishful thinking by sceptical Western minds. But the evidence that history has finally turned a corner in the second decade of the 21st century is undeniable. This is why it will be clearer, as this decade unfolds, that the sun will continue rising in the east and continue gently setting in the west.