

DISCUSSION OF
FALLING LONG-TERM GROWTH PROSPECTS:
TRENDS, EXPECTATIONS, AND POLICIES
AYHAN KOSE AND FRANZISKA OHNSORGE

Gian Maria Milesi-Ferretti

The Hutchins Center, Brookings Institution

Summary

2

- Crucial economic challenge...
- ...and hence fundamental question
- Very comprehensive and impressive set of papers
- Important set of policy considerations

A few observations on potential output

3

- The perils of filters
 - ▣ Case of Spain

- Some other examples
 - ▣ South Africa and Eskom
 - ▣ Oil exporters and immigration

- Data issues
 - ▣ Investment: treatment of intangibles
 - ▣ Investment: efficiency and consumption of nonrenewables

A few observations on potential output

4

- Global investment: the role of China
 - ▣ Last year China accounted for about 30% of world investment
- Evidence suggests relatively low correlation of growth rates across decades