



INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

A faint, light-colored world map is visible in the background, centered behind the main text.

# World Economic Forum 2026 Annual Meeting



# INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

## Disclaimer

This document is an independent analytical synthesis prepared by the International Federation for Economic Development (IFED) for internal informational purposes only. It does not constitute an official publication, transcript, report, endorsement, or position of the World Economic Forum, nor does it imply any affiliation, authorization, or validation by the World Economic Forum or any referenced institution, government, or individual.

All observations, interpretations, and summaries reflect IFED's independent analysis of publicly discussed themes and expert commentary drawn from various sources and are not intended as policy recommendations, factual assertions of record, or representations of the views of third parties. The content herein represents IFED's interpretive framework and does not purport to be a verbatim record of any proceedings, speeches, or deliberations.

**No Official Endorsement:** References to specific individuals, organizations, governments, corporations, or institutions are made solely for analytical context and do not imply their review, approval, or endorsement of this document or its contents. No entity mentioned herein has commissioned, sponsored, reviewed, or validated this analysis.

**Limitations of Analysis:** While IFED has made reasonable efforts to ensure the accuracy of information synthesized from publicly available sources, this document may contain interpretive errors, omissions, or characterizations that do not fully reflect the nuance of original statements or the intent of speakers. Readers should not rely on this document as a substitute for primary source materials, official records, or direct consultation with relevant parties.

**Not Financial, Legal, or Policy Advice:** This document is provided for general informational and educational purposes only. It does not constitute financial advice, investment recommendations, legal counsel, or policy prescriptions. Readers should consult qualified professionals before making decisions based on information contained herein.

**Forward-Looking Statements:** Any projections, forecasts, or forward-looking statements included in this analysis are speculative in nature and subject to significant uncertainties. Actual events, conditions, and outcomes may differ materially from those described or implied.

**Proprietary Analysis:** The analytical framework, structure, cross-cutting themes, and interpretive conclusions represent IFED's proprietary intellectual work. This document is intended for authorized recipients only and may not be reproduced, distributed, or publicly disclosed without prior written permission from IFED.

**Date Sensitivity:** This analysis reflects conditions, statements, and information available as of January 31, 2026. Subsequent developments may render portions of this analysis incomplete or outdated.

**No Liability:** IFED, its officers, employees, and affiliates disclaim all liability for any damages, losses, or consequences arising from the use of, reliance on, or interpretation of this document. Users assume full responsibility for any actions taken based on information contained herein.

For questions regarding this document, its scope, or its limitations, please contact the International Federation for Economic Development directly.



# INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*



## IFED's Presidential Address

In January 2026, we gathered in Davos under the theme "A Spirit of Dialogue" at a moment when dialogue itself had become an act of courage. We are living through a rupture, not a transition. The rules-based international order that shaped the post-war era is not pausing; it is fundamentally transforming. Multiple heads of state acknowledged this reality with remarkable candor. What surprised me was not their diagnosis but their determination. Rather than retreating into nostalgia or paralysis, leaders chose action—even when the path forward remained unclear. Three insights from our discussions will stay with me.

First, artificial intelligence is not a future consideration but a present transformation. When Jamie Dimon confirmed JPMorgan will likely employ fewer people in five years despite growth, when Bill Gates announced AI healthcare for 1,000 African clinics, when Chinese officials revealed their goal of 90% AI agent penetration by 2030—these were not predictions but descriptions of work already underway. The question is no longer whether AI will reshape our economies, but whether we will guide that reshaping toward inclusion or allow it to accelerate inequality.

Second, trust has become our scarcest resource. From religious leaders discussing peace in Gaza to central bankers navigating market volatility, from CEOs managing supply chains to citizens confronting their governments—the breakdown of trust emerged as the common thread weakening every institution. Yet I witnessed something profound: leaders acknowledging this deficit openly, without pretense. That honesty itself may be the first step toward rebuilding what has been lost.



## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

Third, the middle powers are awakening. Canada's "variable geometry" approach, Germany's defense surge, the EU-Mercosur agreement after 25 years—these signal that countries will no longer wait for great powers to define the system. They are building resilience through diversification, strength through alliances, and sovereignty through the ability to withstand pressure rather than avoiding it.

The numbers tell part of the story: 3,000 participants from 130 countries, 830 CEOs, 64 heads of state. But the real story was in the margins—the hallway conversations where competitors found common cause, the private dinners where adversaries discovered shared interests, the moments when ideological certainty gave way to pragmatic problem-solving.

We face genuine risks: sovereign debt approaching crisis levels, AI displacement threatening social stability, climate action losing momentum, trade fragmentation undermining prosperity. But we also possess genuine opportunities: breakthrough technologies, emerging market dynamism, energy transition acceleration, and most importantly, leaders willing to engage despite disagreement.

I carry forward this conviction: dialogue is not a luxury reserved for times of stability but a necessity most critical in moments of uncertainty. The alternative—retreating to our respective corners, amplifying our grievances, abandoning the hard work of cooperation—guarantees the very catastrophe we seek to avoid.

The spirit of dialogue that animated Davos 2026 must now become the spirit of action. We have identified the challenges, debated the solutions, and acknowledged the stakes. What remains is execution—the unglamorous, patient, difficult work of converting insight into implementation, aspiration into achievement, and dialogue into demonstrable progress.

Antonia Martina Durisch

A stylized, handwritten signature in black ink, consisting of a large, flowing 'A' followed by a smaller 'D'.

President IFED



# INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

## Executive Summary

Report Date: January 31, 2026

Location: Davos, Switzerland

Total Sessions Analyzed: 71 (Complete coverage of all available transcripts)

---

### Executive Overview

The World Economic Forum Annual Meeting 2026 convened 3,000 participants from 130 countries, including 830 CEOs, 64 Heads of State and Government, under the theme "A Spirit of Dialogue." The meeting addressed critical global challenges including geopolitical fragmentation, AI governance, economic imbalances, climate change, and the future of multilateralism in an era of rising uncertainty.

---

### SESSION SUMMARIES

#### 1. A Check-In on the Saudi Economy

##### Executive Summary:

Saudi Arabia's economic transformation under Vision 2030 demonstrates remarkable resilience amid global uncertainty. The session highlighted how the Kingdom is navigating a new world order through strategic diversification, maintaining fiscal discipline while investing heavily in infrastructure and human capital. Foreign Direct Investment in Saudi Arabia increased by 24% in 2024 while global FDI dropped 11%.

**Key Takeaway:** Saudi Arabia's Vision 2030 demonstrates that long-term strategic planning with fiscal discipline can successfully diversify an economy, with non-oil activities now



## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

representing over 55% of GDP for the first time in history, achieved through investment-led growth rather than consumption spending.

### **Top 10 Key Points:**

1. **Fiscal Discipline:** Saudi Arabia maintains a "deficit by design" policy, borrowing to invest in growth-generating projects rather than consumption
2. **Diversification Success:** Non-oil activities now represent 55-56% of total real GDP for the first time in history
3. **Demographic Dividend:** 1.2 billion young people will reach working age in emerging markets over next 12-15 years, creating both opportunity and risk
4. **Infrastructure Investment:** Massive capex spending exceeds total debt accumulated, demonstrating investment-led growth model
5. **Stability as Competitive Edge:** Predictability and policy stability attract investment in uncertain times
6. **Healthcare Innovation:** Partnerships with companies like Flagship Pioneering aim to create biotech ecosystems with Saudi Arabia as a global hub
7. **AI Integration:** Vision 2030 has been accelerated by AI opportunities, positioning Saudi Arabia as a trusted value chain partner
8. **Job Creation Focus:** Primary healthcare, tourism, manufacturing, minerals, and agri-technology identified as key job-generating sectors
9. **Long-term Planning:** Vision 2030's success attributed to staying the course through three phases: planning/structural change, execution, and impact maximization
10. **Global Health Challenges:** Debt levels and reduced development assistance pose risks to global health progress, requiring more efficient use of resources through AI





# INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

## **2. AI Power Play, No Referees**

### **Executive Summary:**

A high-level discussion on AI's geopolitical implications revealed deep concerns about inequality, governance gaps, and the concentration of AI power. While the U.S. and China lead in AI development, emerging markets like India and Saudi Arabia are positioning themselves as significant players through innovative approaches focused on practical applications and accessibility.

**Key Takeaway:** AI will create a global labor market tsunami affecting 40% of jobs worldwide (60% in advanced economies), with geographic inequality likely to expand unless developing countries focus on "small AI" applications for agriculture and healthcare rather than competing on massive computing infrastructure.

### **Top 10 Key Points:**

1. Global AI Preparedness Index: IMF categorizes countries into three groups - those who make it happen, those who watch it happen, and those asking "what happened?"
2. Labor Market Tsunami: 40% of global jobs (60% in advanced economies) will be affected by AI through enhancement, elimination, or transformation
3. Geographic Divide: Advanced economies have advantages in computing power, electricity, data, and skilled workforce - inequality will likely expand
4. Small AI vs Big AI: Small AI applications (agricultural advice, primary healthcare) offer more inclusive benefits for developing countries
5. India's Multi-Layer Strategy: India is developing capabilities across all five AI architecture layers (application, model, chip, infrastructure, energy)
6. Saudi AI Ambition: Saudi Arabia investing in AI as pillar of diversification, with national champion Humane and sovereign models
7. Data Center Concerns: Local communities in U.S. blocked \$98 billion in private sector data center investment in Q3 2025 due to concerns about electricity, water, and jobs
8. Skill Requirements: Massive demand for AI skills, but supply-demand mismatches exist - some countries have high demand/low supply, others have high supply/low demand



## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

9. Governance Vacuum: Urgent need for international cooperation on AI governance, but multilateralism weakening
10. Weaponization Risk: AI can be both tool and weapon; need for united response on cyber threats and agreements preventing AI being "turned off" in trade disputes

### **3. Advancing Interfaith Dialogue for Peace**

#### **Executive Summary:**

Religious leaders emphasized their crucial role in peacebuilding, particularly in the Gaza conflict. The session highlighted how interfaith dialogue, when conducted with sincerity and independence from political pressures, can rebuild trust and promote preventive peace that addresses root causes before conflicts escalate.

**Key Takeaway:** Preventive peace through interfaith dialogue and education is more effective than post-conflict reconstruction, but requires three conditions: real leaders must participate, sincerity (same message internally and externally), and independence from secular state control.

#### **Top 10 Key Points:**

1. Preventive vs Remedial Peace: Preventive peace (educating future generations) is more effective than remedial peace (post-conflict reconstruction with forced concessions)
2. Religious Leader Independence: Must resist government pressure to support unjust wars, as 95% of Russian religious leaders did when war against Ukraine began
3. False Religious Justification: Most unjust wars throughout history had religious roots through false interpretations by religious leaders
4. Trust and Forgiveness: Peace requires more than political agreements - needs trust, forgiveness, hope, and faith that only religious leaders can cultivate
5. Human Dignity as Core: All human beings entitled to life, dignity, protection of souls, and legitimate freedoms regardless of faith
6. Silence Equals Complicity: "Silence in the face of injustice and oppression is not neutrality, it is complicity"





## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

7. Gaza Peace Plan: Includes commitment to establish interfaith dialogue as opportunity to change mindsets and promote tolerance
8. Three Conditions for Success: (1) Real leaders must talk, not liberal fringes (2) Sincerity – same message internally and externally (3) Independence from secular state control
9. Rising Hate Crimes: 7th October led to 500-1000% increase in antisemitic acts; fighting Islamophobia and antisemitism requires joint Muslim-Jewish efforts
10. Two-State Solution: Religious leaders recognize viability of two-state solution but stress need for regional stability and genuine peace process

### **4. Are Markets Mispricing the Future?**

#### **Executive Summary:**

A panel of financial leaders debated whether current market valuations reflect reality, given massive AI investments, geopolitical uncertainty, and potential productivity gains. The consensus: markets may be mispricing both upside potential from AI and downside risks from concentration, though productivity gains could justify current valuations if they materialize.

**Key Takeaway:** Markets face a valuation paradox where AI could justify current tech prices if it delivers 3-7% productivity gains, but massive sovereign debt (approaching 100% of GDP globally) and concentration risks create downside vulnerability that may be underpriced.

#### **Top 10 Key Points:**

1. AI Valuation Paradox: If AI delivers 3-7% productivity gains, current tech valuations are cheap; if only 1%, markets are overvalued
2. Noise vs. Signal: Markets struggle to distinguish genuine economic signals from political noise and headline risk
3. Sovereign Debt Risk: Government debt reaching 100% of GDP globally while growth remains insufficient (3.3% globally)
4. Capital Intensity Shift: AI making services sector capital-intensive like manufacturing, raising questions about job creation
5. China Undervaluation: Chinese tech stocks trading at significant discount despite innovation output rivaling U.S.



## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

6. Energy Infrastructure Bottleneck: AI requires massive investment in energy creation, transmission, storage, and water - multi-year tailwind for infrastructure
7. Corporate Earnings Justification: Unlike dot-com bubble, today's tech companies have strong earnings growing 30-50% year-over-year
8. Diversification Imperative: Over-dependence on U.S. markets or China supplies requires diversification of trade and supply chains
9. Inflation Management: Central banks maintaining higher rates longer due to persistent inflation, affecting borrowing costs
10. Inequality Acceleration: Without conscious intervention, AI boom will widen gap between those with access to computing power, electricity, data, and skills vs. those without

### **5. At the Cusp of Healthcare for All**

#### **Executive Summary:**

Bill Gates and partners announced Horizon 1000 initiative with OpenAI to deploy AI in 1,000 primary healthcare clinics across Africa, starting with Rwanda. The session revealed how AI could leapfrog traditional healthcare limitations in developing countries while highlighting the funding crisis threatening global health gains.

**Key Takeaway:** AI can leapfrog traditional healthcare infrastructure limitations in developing countries (demonstrated by Rwanda's Horizon 1000 initiative), but a catastrophic funding crisis threatens to reverse 25 years of global health progress, with childhood deaths increasing for the first time in a generation.

#### **Top 10 Key Points:**

1. Horizon 1000 Launch: Gates Foundation and OpenAI committing to implement AI-powered healthcare in 1,000 African clinics, starting with Rwanda
2. AI on Delivery Side: AI more important for healthcare delivery than just drug discovery - enables quality care without enough doctors
3. Virtual Healthcare Trifecta: Gates Foundation focusing on virtual doctor, virtual tutor (education), and virtual agricultural advisor for developing world



## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

4. Rwanda as Pioneer: 97% connectivity, 4x4 strategy (quadruple health workforce in four years), 60,000+ community health workers
5. Paperwork Elimination: AI can eliminate time-consuming medical records paperwork, allowing clinicians to focus on patient care
6. TB Screening Success: AI-based TB screening represents largest single application of AI in health globally, invested \$170 million over four years
7. Funding Crisis: Major donors cutting global health funding by over 20%; childhood deaths increased in 2025 for first time in 25 years (4.8M vs 4.6M in 2024)
8. Developing World Advantage: May adopt AI healthcare faster than rich countries due to necessity and absence of entrenched systems
9. Small AI Impact: Simple AI applications (disease identification via phone camera, primary care triage) can transform healthcare access
10. Debt Burden: African countries now paying more in interest on debt than they spend on healthcare systems, constraining ability to invest

### **6. Business Case for Nature**

#### **Executive Summary:**

Conservation and business leaders argued that protecting nature is not charity but critical economic infrastructure. The session emphasized that roughly half of global GDP depends on nature, and investment in nature restoration offers genuine returns while reducing catastrophic risks to business operations and supply chains.

**Key Takeaway:** Half of global GDP (\$50+ trillion) depends on functioning ecosystems, making nature protection not charity but critical economic infrastructure; new investment models like the Tropical Forest Forever Fund prove conservation can generate actual returns while reducing catastrophic business risks.

#### **Top 10 Key Points:**

1. Economic Dependency: Half of global GDP (\$50+ trillion) depends on nature; 100% of humanity and business depends on functioning ecosystems



## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

2. Risk Management Framework: Boards must integrate nature-related risks (flooding, resource scarcity) into asset allocation decisions with same rigor as financial risks
3. Tropical Forest Forever Fund: Paradigm shift - pays countries for standing forests (not just avoiding deforestation), biggest tropical forest fund, investment vehicle with returns
4. Corporate Language Shift: Conservation organizations learning to speak business language; corporates seeing direct supply chain impacts from biodiversity loss
5. Infosys Example: High-performance buildings avoided 2.3 billion kilowatts of energy (2008-2020), saving \$225M in electricity bills - immediate ROI from sustainability
6. Strategic Advantage: Biodiversity is every country's strategic advantage for future medicines, water security, heat management, food systems
7. Family Business Opportunity: Patient capital and flexible structure make family businesses ideally positioned to lead nature-positive transformation
8. Palm Oil Restoration Model: Converting plantations to medicine-growing forests with complex business models including ecotourism, supply chain integration
9. Corporate Nature Integration: Must move from afterthought ("do no harm") to fundamental business operations integration
10. 25-Year Window: Despite current challenges, optimism for post-demographic transition, post-fossil fuel world where nature can recover

### **7. Can India Become the Third Largest Economy?**

#### **Executive Summary:**

India will definitively become the world's third-largest economy by 2028, potentially sooner. The session focused on execution challenges: land acquisition, judicial reforms, labor market flexibility, and scaling human capital. India's digital infrastructure and demographic dividend position it uniquely, but realizing this potential requires sustained reform momentum.

**Key Takeaway:** India will definitively become the world's third-largest economy by 2028 or sooner, with 95% confidence in 6-8% real growth for the next five years, but execution challenges around land acquisition, labor market flexibility, and judicial reforms will determine whether growth is merely sustained or truly transformational.



## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

### **Top 10 Key Points:**

1. Certainty of Timeline: India will become third-largest economy "within the next few years" - projected 2028 or sooner with GDP rebasing
2. Growth Projections: 6-8% real growth with 2-4% inflation = 10-13% nominal growth with 95% confidence interval for next five years
3. Four Pillars of Transformation: (1) Public investment in physical/digital/social infrastructure (2) Inclusive growth (3) Manufacturing and innovation (4) Simplification/deregulation
4. Poverty Reduction: 250 million people lifted out of poverty; inclusive measures include 540M new bank accounts, 130M toilets, 800M receiving monthly rations
5. Land Acquisition Challenge: Messy, unclear titles remain major constraint on manufacturing growth; Andhra Pradesh experimenting with creative solutions
6. Labor Market Reforms: Only 30% of India's growth comes from labor (vs should be much higher); new labor laws implemented, minimum firm size raised from 100 to 300 employees
7. Digital Leap: Digital infrastructure (Aadhaar, UPI payments) provides cushion while physical manufacturing infrastructure catches up
8. AI Positioning: India developing all five layers of AI stack; focus on 95% of work achievable with smaller 50B parameter models, not trillion-parameter models
9. Tariff Concerns: India faces highest U.S. tariffs (nearly 50%) among major economies; focusing on trade diversification and new agreements (UK, EU, Australia, UAE, etc.)
10. External Risk: Global debt in rich world identified as primary concern that could disrupt India's growth trajectory

### **8. Can Russia Sustain a Wartime Economy?**

#### **Executive Summary:**

Russia's wartime economy shows signs of stress entering 2026, with growth slowing to ~1%, inflation above targets, and mounting fiscal pressures. However, economists consensus: Russia has resources to continue war for at least 12 more months, though increasingly painful choices loom between war spending and domestic welfare.

**Key Takeaway:** Russia has sufficient resources to continue the war for at least 12 more months despite economic stress (growth dropping to 1%, inflation at 6%, fiscal pressures doubling), but





## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

increasingly painful trade-offs loom between war spending and domestic welfare, making 2026 a critical inflection year.

### **Top 10 Key Points:**

1. Growth Slowdown: Russian GDP growth dropped from 4% (2023-2024) to projected 0.8-1% (2026) - significant cooling
2. Inflation Challenge: Official inflation ~6% (target 4-5%), but real inflation likely higher; requires maintaining 16% key interest rate
3. Fiscal Pressure Doubling: Debt service costs increased from 4.4% to 8.8% of budget expenditures - not crisis yet but rising fast
4. Resource Timeline: Consensus: Russia can fund war for at least 12 more months before facing truly painful trade-offs
5. Sanctions Package Count: EU implemented 20+ sanctions packages, showing both unity achievement and acknowledgment more should have been done sooner
6. Belarus Loophole: Sanctions relief on Belarus for prisoner releases creates risk of becoming conduit for Russian sanction circumvention
7. Shadow Fleet Impact: Disrupting Russia's shadow oil tanker fleet creates immediate impact on war funding capacity
8. 2014 Lesson: Lack of strong reaction to Crimea annexation directly contributed to 2022 full-scale invasion - can't repeat mistake
9. Frozen Assets Strategy: European leaders debate using Russian frozen assets for Ukraine reconstruction; already using interest proceeds
10. Energy Diversification: Moldova and Romania working to diversify away from Russian energy, building infrastructure that bypasses Russia even post-war

### **9. Global Economic Outlook (Closing Panel)**

#### **Executive Summary:**

The closing panel synthesized the week's themes: The world is experiencing a rupture not a transition, multilateralism is weakening but still resilient, trade will always flow like water finding paths around obstacles, and the duty of policymakers is distinguishing signal from noise. Growth upgraded but inequality concerns persist.





## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

**Key Takeaway:** The world is experiencing a "rupture not a transition" where multilateralism is weakening but still resilient; countries must build resilience through diversification rather than waiting for the old order to return, while distinguishing economic signals from political noise.

### **Top 10 Key Points:**

1. Rupture vs. Transition: Debate whether Mark Carney's "rupture" characterization accurate; Christine Lagarde prefers "alternatives" and "plan B"
2. Signal vs. Noise: Central bankers' duty to distinguish real economic signals from political noise and be honest about numbers (nominal vs. real growth)
3. Trade Resilience: Despite biggest disruption in 80 years, 72% of world trade still operates on WTO terms – system more resilient than expected
4. No Going Back: World will not return to pre-2024 order; built-in uncertainties require countries to plan for resilience and strengthen regions
5. Growth Upgrade: IMF upgraded global growth from 3.1% to 3.3%, U.S., Eurozone, China and India all revised upward
6. Dependency Management: Anyone with over-dependencies (on U.S. for markets, China for supplies) must diversify or face catastrophic risk
7. Trust and Truth: Trust takes time to build, little time to erode; institutions must maintain "duty of truth" with honest numbers and analysis
8. AI Labor Tsunami: 60% of jobs in advanced economies will be affected by AI (40% globally); middle class squeezed, young people struggle with first jobs
9. Debt Burden: Sovereign debt at 100% of GDP globally while growth insufficient creates risk; distinction needed between productive vs. unproductive debt
10. Multilateral Necessity: Despite narrative of multilateralism's death, AI governance and global challenges require cooperation – no country can solve alone

### **10. Special Address by Javier Milei, President of Argentina**

#### **Executive Summary:**

President Milei delivered a philosophical defense of free-market capitalism grounded in ethics and natural rights, declaring "Machiavelli is dead." He argued that what is just cannot be



## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

inefficient, and what is efficient cannot be unjust, defending Argentina's radical 13,500 structural reforms as both morally correct and economically optimal.

**Key Takeaway:** Free-market capitalism is not just more productive but the only just economic system; Argentina's radical 13,500 structural reforms demonstrate that eliminating regulation and government intervention can simultaneously reduce poverty (from 57% to 27%) while achieving fiscal discipline and controlling inflation.

### **Top 10 Key Points:**

1. Ethical Foundation: Free enterprise capitalism not just more productive but only just system – efficiency and justice are two sides of same coin
2. Argentina's Transformation: Eliminated 15% GDP fiscal deficit, reduced inflation from 300% to 30%, cut country risk by 2,500 basis points, poverty fell from 57% to 27%
3. 13,500 Reforms: Ministry of Deregulation (dubbed "Ministry of Increasing Returns") removed 1,600 antiquated laws and 35,000 compliance requirements
4. Natural Rights Framework: Based on right to life and liberty; property rights acquired through merit or gift; non-aggression principle fundamental
5. Dynamic Efficiency: Focus on entrepreneurial creativity and coordination, not just static resource allocation – key to sustained economic growth
6. Socialism's Failures: 150 million deaths attributed to socialist experiments; warning against Venezuela's narco-dictatorship destroying continent
7. Increasing Returns vs. Regulation: Regulation kills growth by punishing profits that emerge from discovery and voluntary exchange
8. AI as Catalyst: Artificial intelligence is 21st century version of Adam Smith's pin factory – catalyst for increasing returns and growth
9. Long-term Planning: China's 50-year plans, Korea and Singapore's long-term focus vs. democratic 4-year cycles that prioritize short-term gains
10. Western Values Renaissance: Calls for return to Greek philosophy, Roman law, and Judeo-Christian values to save Western civilization from "woke" socialism



# INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

## **11. Special Address by Emmanuel Macron, President of France**

### **Executive Summary:**

President Macron outlined France's G7 presidency agenda focused on restoring cooperation amid global fragmentation. He called for European strategic autonomy through protection, simplification, and investment while rejecting both vassalization and moral posturing. Key message: Europe must strengthen itself while championing effective multilateralism.

**Key Takeaway:** Europe must reject both vassalization (accepting the law of the strongest) and pure moral posturing (powerless idealism) by building strategic autonomy through protection, simplification, and investment, particularly through Capital Markets Union to mobilize European savings into European innovation.

### **Top 10 Key Points:**

1. Unprecedented Instability: More than 60 wars in 2024 (absolute record), shift toward autocracy, violence normalized, rules-based order crumbling
2. Triple Competition: U.S. using tariffs to weaken/subordinate Europe; China's overcapacity threatening European industries; export controls destabilizing trade
3. Two Rejected Approaches: (1) Passively accepting "law of strongest" = vassalization (2) Purely moral posture = powerlessness
4. G7 Mission: Restore as forum for frank dialogue among major economies; address American overconsumption, Chinese underconsumption/overinvestment, European underinvestment
5. European Protection: Not protectionism but protecting against unfair practices; anti-coercion mechanism, European preference principle modeled on U.S. approach
6. Simplification Imperative: Get rid of recent regulations when they desynchronize EU vs world (CSRD adjustments); deepen single market making 450M consumers true domestic market
7. Investment Gap: 65-70% of EU-US GDP per capita gap explained by innovation difference driven by public and private investment disparity
8. Capital Market Union: Top priority to mobilize European savings (higher than U.S.) currently invested outside Europe into European equity and innovation



## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

9. Energy Advantage: France exported 90 terawatt hours of low-carbon electricity; nuclear model provides competitive, stable power for AI data centers
10. Trade Without Allies Tariffs: Nonsensical to have tariffs between allies facing common China challenge; would trigger first-ever use of anti-coercion mechanism against U.S.

### **12. Healthcare AI & Global Health Funding Crisis**

#### **Executive Summary:**

Beyond the Horizon 1000 announcement, the healthcare session revealed a paradox: revolutionary AI capabilities emerging simultaneously with catastrophic funding cuts threatening to reverse 25 years of global health progress. The solution requires doing more with less through AI while maintaining donor commitment.

**Key Takeaway:** Simple AI applications (disease identification via phone camera, community health worker decision support) can transform healthcare access more than sophisticated AGI models, but success requires sustaining donor commitment even as AI enables doing more with less.

#### **Top 10 Key Points:**

1. AI Decision Support: Rwanda's 60,000 community health workers receiving AI decision support tools; Anthropic also in discussions for instant health intelligence platform
2. Malaria AI Application: Drones combined with AI for mosquito breeding site identification, prediction, and targeted spraying – dramatically reducing cases and deaths
3. Ultrasound AI: AI-enabled ultrasounds screening pregnant women to predict complex deliveries, ensuring women reach appropriate care facilities
4. Supply Chain AI: Demand forecasting for health commodities using AI-enabled market intelligence reduces stockouts and procurement costs
5. \$12B Raised But Not Enough: Global Fund raised just under \$12B (remarkable given context) but less than needed; countries facing difficult trade-offs
6. USAID Impact: 10,000 USAID workers previously managing systems; changes will require 2-3 years to stabilize into more efficient models



## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

7. Child Mortality Increase: 2025 saw increase in child deaths (4.8M vs 4.6M) - first time in 25 years trend reversed, entirely in Africa
8. Debt vs Healthcare: African countries now paying more in interest than healthcare budgets; debt relief discussions needed
9. Asia's Graduation: Countries like India, Vietnam, Indonesia grown enough to fund own programs, freeing resources for neediest countries (DRC, Somalia, CAR)
10. Small AI Transformative: Simple applications like disease identification via phone camera can reach farmers in Kenya, nurses in remote clinics - more impact than big AI

### **13. Special Address by Mark Carney, Prime Minister of Canada**

#### **Executive Summary:**

Prime Minister Carney delivered a powerful address calling for "value-based realism" and urging middle powers to stop "living within the lie" of the rules-based international order. He announced Canada's strategic pivot toward domestic strength and diversified partnerships, warning that the old order is permanently ruptured and that countries must build sovereignty through the ability to withstand pressure rather than waiting for stability to return.

**Key Takeaway:** Middle powers must stop "living within the lie" of the old rules-based order and recognize that sovereignty now means the ability to withstand pressure, requiring strategic autonomy through diversified partnerships, defense investment, and "variable geometry" coalitions for different issues rather than waiting for great powers to define the system.

#### **Top 10 Key Points:**

1. The Rupture Declaration: "We are in the midst of a rupture, not a transition" - the rules-based order will not return
2. Living Within the Lie: Referenced Václav Havel's essay on how systems persist through willing participation in known falsehoods
3. Sovereignty Redefined: "Sovereignty is the ability to withstand pressure" - not membership or rhetoric





## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

4. Strategic Autonomy Imperative: Great powers using economic integration as weapons requires middle powers to develop self-sufficiency in energy, food, minerals, finance
5. Variable Geometry: Different coalitions for different issues (Ukraine, Arctic, trade, AI) based on shared values and interests
6. Massive Defense Spending: Canada doubling defense spending by end of decade, including over-the-horizon radar, submarines, aircraft
7. Trade Diversification: Signed 12 trade/security deals on four continents in six months; strategic partnerships with EU (joining SAFE), China, Qatar, India, ASEAN
8. Arctic Sovereignty: Standing firmly with Greenland and Denmark; Canada's unprecedented Arctic investments including boots on the ice
9. Trans-Pacific-EU Bridge: Working to connect CPTPP and EU, creating 1.5 billion person trading bloc
10. Middle Powers Unite: "If we're not at the table, we're on the menu" - bilateral negotiation with hegemons is accepting subordination

### **14. Special Address by Friedrich Merz, Federal Chancellor of Germany**

#### **Executive Summary:**

Chancellor Merz outlined Germany's response to the "age of great power politics," emphasizing massive defense investment (5% of GDP), economic competitiveness reforms, and European unity. He stressed that while power now dominates international relations, Europe must never forget that a world where only power counts is dangerous - Germany's 20th century experience proves it. Merz warned that tariffs and threats to territorial integrity are unacceptable while expressing hope for restored transatlantic trust.

**Key Takeaway:** Germany's massive defense surge to 5% of GDP and embrace of industrial policy represents recognition that Europe must build power through security, competitiveness, and unity, while remembering that a world where only power counts is dangerous-Germany's 20th century experience proves it.





## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

### **Top 10 Key Points:**

1. 5% Defense Spending: Germany increasing defense to 5% of GDP – a huge leap demonstrating sovereignty through military capability
2. Three Pillars of Power: Security, competitiveness, and unity form basis of European strength
3. Greenland Position: Germany will protect Denmark and Greenland from Russian threats; supports talks but "any threat to acquire European territory by force would be unacceptable"
4. Tariff Warning: "Europe's answer would be united, calm, measured and firm" if new tariffs imposed
5. NATO Repair: Must repair trust that is NATO's foundation; "Democracies do not have subordinates, they have allies, partners and trusted friends"
6. Draghi Implementation: Only 10% of Draghi report recommendations implemented in 18 months – urgent action needed
7. Emergency Brake for Bureaucracy: Proposing radical deregulation including discontinuity for legislative work, modernized EU budget
8. Capital Markets Union: European champions must be able to grow, finance, and go public in Europe – not dependent on outside markets
9. Energy Action Plan: Massive investment in nuclear and renewables, modern gas plants, 500 billion euros for infrastructure
10. AI Industrial Scale: Germany investing in high-performance AI, gigafactories, data centers to leverage world's largest pool of industrial data

### **15. Special Address by Prabowo Subianto, President of Indonesia**

#### **Executive Summary:**

President Prabowo presented Indonesia as a "global bright spot" with 5%+ growth and groundbreaking social programs. He detailed the world's largest free meal program (59.8 million meals daily, surpassing McDonald's), massive infrastructure for education and healthcare, and aggressive anti-corruption efforts confiscating 4+ million hectares of illegal operations. Prabowo emphasized Indonesia's commitment to rule of law, win-win trade, and positioning as a stable, credible partner offering sustainable growth.



## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

**Key Takeaway:** Indonesia demonstrates that investing in people (59.8 million daily meals, 288,000 digitally-equipped schools, universal healthcare) generates economic returns through job creation, poverty reduction, and human capital development, while aggressive anti-corruption enforcement (4 million hectares confiscated) enables sustainable growth.

### **Top 10 Key Points:**

1. Free Meal Revolution: 59.8 million daily meals (children, pregnant/lactating mothers, elderly) from 21,102 kitchens - will reach 82.9 million by year-end
2. Job Creation: Free meal program alone creating 600,000+ direct jobs, projected 1.5 million at peak, plus 1+ million in supply chain
3. Corruption Crackdown: Confiscated 4 million hectares of illegal plantations/mines; revoked licenses for 28 corporations (1.01 million hectares) violating protected forest laws
4. Education Technology: Equipped 288,000 schools with 75-inch interactive panels; adding 1 million more panels in 2026 for digital education
5. Breaking Poverty Cycle: Building 500 boarding schools specifically for children of the very poor to "cut the chain of poverty"
6. Healthcare Access: 70 million Indonesians receiving free annual medical check-ups, expanding to all citizens - rational cost-saving through early detection
7. Sovereign Wealth Fund: Danantara managing \$1 trillion in assets, consolidating 1,044 SOEs down to ~300 with international standards and expat leadership
8. First-Year Savings: \$18 billion saved by stopping inefficient programs, redirected to programs that directly improve livelihoods
9. Rice Self-Sufficiency: Achieved in one year (target was four years); highest production in Indonesian history
10. Trade Strategy: Signed FTAs with EU, Canada, Peru, Eurasia, UK; comprehensive economic partnership agreements expanding market access

### **16. FULL SPEECH: Von der Leyen Explosive Remarks at WEF 2026**

#### **Executive Summary:**

European Commission President von der Leyen announced Europe's determination to build "a new form of European independence," declaring nostalgia will not bring back the old order.



## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

She outlined aggressive trade diversification (Mercosur, India, Mexico, Indonesia), the EU Inc. initiative for seamless cross-border business, and a comprehensive Arctic security package. On Greenland, she stated Europe's response to tariffs would be "unflinching, united and proportional," emphasizing sovereignty is non-negotiable.

**Key Takeaway:** Europe is building "a new form of European independence" through aggressive trade diversification (Mercosur, India deals), EU Inc. initiative for seamless business operation, and recognition that nostalgia won't bring back the old order-"if this change is permanent, then Europe must change permanently too."

### **Top 10 Key Points:**

1. EU-Mercosur Breakthrough: Signed after 25 years, creating largest free trade zone (20% global GDP, 700+ million consumers, aligned with Paris Agreement)
2. India "Mother of All Deals": Trade agreement would create 2 billion person market, quarter of global GDP, first-mover advantage with fastest-growing continent
3. EU Inc. Initiative: New 28th regime allowing companies to register in 48 hours, operate seamlessly across EU like uniform markets (US/China)
4. Savings and Investment Union: Building large-scale, deep, liquid capital markets so businesses find funding at lower costs in Europe
5. Defense Surge: 800 billion euros defense spending through 2030; three European defense tech startups reached unicorn valuation
6. Ukraine Support: 90 billion euro loan for 2026-2027 to strengthen Ukraine's position; permanently immobilized Russian assets
7. Greenland Response: Full solidarity with Denmark; massive European investment surge planned; tariffs are "a mistake" - "a deal is a deal"
8. Arctic Security Package: European icebreaker capability, equipment vital to Arctic security, strengthened partnerships with UK, Canada, Norway, Iceland
9. Trade Over Tariffs: "Choosing fair trade over tariffs, partnership over isolation, sustainability over exploitation"
10. Permanent Change: "If this change is permanent, then Europe must change permanently too" - no waiting for old order to return



# INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

## **17. Conversation with Alex Karp, CEO Palantir Technologies**

### **Executive Summary:**

Alex Karp provided rare insights into how AI is transforming both warfare and commerce, emphasizing that battlefield-tested technology reveals ground truth about what actually works. He explained how Palantir's products make enterprises do things no competitor can do by organizing proprietary knowledge into actionable frameworks. Karp argued that AI will eliminate many white-collar jobs while creating valuable vocational roles, and warned that Europe's failure to adopt technology poses existential risks.

**Key Takeaway:** Battlefield-tested AI reveals what actually works under harshest conditions, and this same technology will eliminate many white-collar jobs while making vocational technicians irreplaceable; societies that can "bear the load" of honest AI performance testing gain huge advantages over those pretending it won't disrupt their workforce.

### **Top 10 Key Points:**

1. Battlefield as Laboratory: Military use reveals what actually works under harshest conditions - "half your enterprise doesn't even work on PowerPoint"
2. Ukraine Innovation: Small team of technical soldiers built proprietary uses on top of Palantir that even the company doesn't understand
3. Commercial Translation: Same principles apply - helping enterprises do something no competitor can do rather than becoming commoditized
4. Sales Force Shrinking: "Palantir barely has a sales force...it seems to be getting smaller" - products sell themselves in low-trust AI environment
5. Hospital Use Case: Intake problems solved 10-15x faster, bolsters civil liberties by showing granularly why someone processed/rejected
6. Job Market Shift: "You went to an elite school and studied philosophy...that one is going to be hard to market" - vocational technicians becoming irreplaceable
7. White Collar Threat: AI will definitely eliminate/change jobs - "may go too fast for society" requiring government-business collaboration
8. Training Bottleneck: Limited bandwidth is training people with highest security clearance who are also technical - "super scarce" resource



## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

9. Europe's Crisis: "Haven't seen any political leader just stand up and say we have a serious and structural problem that we are going to fix"
10. Load Bearing Test: "AI pen tests...societies that can bear that load have huge advantage" - those pretending collapse

### **18. Conversation with Ken Griffin, President and CEO of Citadel**

#### **Executive Summary:**

Ken Griffin provided blunt assessment of Trump administration policies, praising deregulation while criticizing tariffs, immigration restrictions, and Fed pressure. He warned that Japan's bond market chaos signals return of "bond vigilantes" and that US faces similar risks with 6% deficit and near-100% debt-to-GDP. On AI, Griffin argued the productivity story is more about overall technology spend enabled by AI narrative than large language models themselves.

**Key Takeaway:** The return of "bond vigilantes" (demonstrated by Japan's crisis) signals that fiscal discipline matters again, while U.S. deficit at 6% with near-100% debt-to-GDP creates vulnerability; AI productivity story is more about overall technology spend enabled by the AI narrative than large language models themselves.

#### **Top 10 Key Points:**

1. Bond Vigilantes Return: Japan had "Liz Truss light moment" - second major sovereign bond crisis in tier-one issuer showing fiscal discipline matters
2. US Fiscal Precarity: 6% deficit, debt approaching post-WWII highs, longer accumulation means bigger eventual correction
3. Tariff Opposition: "Personally I think it's been a negative" - higher inflation, disrupted relationships, increased cronyism
4. Immigration Paradox: Securing border necessary but losing labor supply (crop picking, construction, dish washing) will increase inflation
5. Silicon Valley Immigration: "Majority of startups run by immigrants or children of immigrants" - restricting talent threatens innovation
6. Crony Capitalism Concern: CEOs lining up for favors, but "this president has come into office with enormous amount of energy...willing to break glass"





## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

7. Fed Independence: Pressure on Powell is mistake - president should want distance so Fed can make unpopular inflation-fighting decisions
8. Credit Card Cap: 10% cap would be "economic disaster...drastic reduction...80%" of card business, removing backup credit for 80% of Americans
9. AI Reality Check: Productivity gains from digitization writ large, not just gen AI - "go around table...not one involved generative AI"
10. Deregulation Relief: "End of regulatory onslaught is in and of itself extraordinary boost" - biggest sea change for American executives

### **19. FULL INTERVIEW: JPMorgan CEO Jamie Dimon at WEF 2026**

#### **Executive Summary:**

Jamie Dimon delivered characteristically frank assessment, supporting some Trump policies while criticizing others. He defended AI deployment as business reality regardless of job impacts, advocated for phased approach to prevent social disruption, and stressed need for stronger NATO and Europe. Dimon pushed back against binary questions, emphasized importance of detail and facts, and argued that sending money to Washington won't solve problems - better to give directly to people who need it.

**Key Takeaway:** AI deployment is business reality regardless of social impact (JPMorgan will likely have fewer employees despite growth), requiring government to phase implementation to prevent civil unrest, while maintaining that sending money to Washington won't solve problems-better to give directly to people who need it through expanded tax credits.

#### **Top 10 Key Points:**

1. AI Job Reality: "Will it eliminate jobs? Yes. Will it change jobs? Yes" - JPMorgan likely to have fewer employees in 5 years despite growth
2. Phased Deployment: Suggested government phase in AI (e.g., can't lay off 2 million truckers overnight) to prevent civil unrest while capturing benefits
3. Greenland Goals: Supports "what" (Arctic power projection) but not "how" (threats, tariffs) - can achieve via existing \$1 base rental offer





## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

4. NATO Investment Gap: \$2 trillion with a T not spent over 20 years - "imagine what deterrent effect" if everyone had paid minimum
5. Tariff Nuance: Three types - national security (necessary), unfair trade (counter with quotas/tariffs), general (disagrees with Trump)
6. Immigration Balance: Biden approach "severely damaged our country" but Trump should now "fix the rest" - DACA, merit-based, path to citizenship
7. Fed Independence Critical: Attacking Powell undermines institution - monetary needs independence, regulatory is law (different standards)
8. Fiscal Stimulus Front-Loaded: "Hugely resilient" economy with stimulus from reconciliation bill, student lending, mortgage purchasing, bank deregulation
9. Income Tax Credit: Would double EITC, remove child requirement, give directly to workers (\$12K check on \$14K income) - drives growth
10. Climate of Fear Pushback: Rejected premise, cited his public criticisms - "What the hell else do you want me to say?" - accused press of seeking binary headlines

### **20. China's AI+ Economy**

#### **Executive Summary:**

Chinese experts and investors discussed China's AI+ action plan emphasizing diffusion and adoption over AGI development. The session revealed China's goal of 70% AI agent penetration by 2027 and 90% by 2030, leveraging open-source models, massive scale, and efficiency-first development. Speakers highlighted how AI is transforming everything from retail to education, with consumption of "smart" products doubling and AI becoming mandatory lifestyle element.

**Key Takeaway:** China's AI strategy prioritizes diffusion and adoption over AGI development, targeting 70% AI agent penetration by 2027 and 90% by 2030 through open-source models, massive scale advantages, and efficiency-first development philosophy where AI benefits should "trickle down into economy, not benefit of individual."

#### **Top 10 Key Points:**

1. Diffusion Over AGI: National initiative focuses on moving "AI from chat to product, to services" - diffusion targets 70% (2027), 90% (2030)



## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

2. Resource Efficiency: Chinese models built with "1% of resource of comparable frontier labs" through fundamental research and engineering optimization
3. Open Source Philosophy: Philosophy that AI benefit should "trickle down into economy...not benefit of individual" but whole economy
4. Scale Advantage: Huge manufacturing, retail industries provide environment for "real scalable system in production" with many use cases
5. Technology Openness: 85% of Chinese think autonomous driving is safe - "thousands of robo-taxi already...in tens of cities"
6. Education Integration: AI literacy embedded from primary school; universities have ~1,000 different agent types used by professors/students
7. Infrastructure First: China builds highways, electricity plants, huge data centers in multiple cities - supply becomes very cheap
8. Cost Decline: AI usage costs in China declining continuously for 18 months due to open source and competition (hundreds of model companies)
9. Green Energy for AI: 东数西算 initiative - computing power in west using green energy, transmitted to eastern data centers
10. Employment Impact: Currently 5 million worker deficit for AI-capable roles; nationwide upskilling plan to enable workers to "find new tasks empowered by AI"

### **21. He Lifeng, Vice-Premier of China**

#### **Executive Summary:**

Vice-Premier He Lifeng reaffirmed China's commitment to multilateralism, free trade, and win-win cooperation while acknowledging transformation challenges. He emphasized China's focus on expanding domestic consumption, welcomed foreign investment with equal treatment promises, and positioned China as seeking to be "the world's market" not just "the world's factory." He warned that tariff wars have no winners and called for dialogue to manage differences with mutual respect.

**Key Takeaway:** China seeks to become "the world's market" not just "the world's factory," with consumption growth now top economic priority, but faces contradiction where "when China



## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

wants to buy, others don't want to sell" high-tech goods, while trade surplus of \$1 trillion signals deep structural imbalances requiring transformation.

### **Top 10 Key Points:**

1. Trade War Impact: WTO data shows global trade under MFN terms dropped from 80% to 72% last year; IMF estimates fragmentation reduces output 7%
2. No Trade Surplus Goal: "We never seek trade surplus" - wants to be world's market too, but "when China wants to buy, others don't want to sell"
3. Services Deficit: China runs large long-term services trade deficit but "never feels being taken advantage of"
4. WTO Commitment: Announced China will not seek new special and differential treatment in current and future WTO negotiations
5. Five-Year Results: Economy grew average 5.4% annually, contributing ~30% of global growth; \$15+ trillion goods/services imported; overseas investment generated \$300B+ tax revenue
6. Domestic Demand Priority: Consumption now top of economic agenda - consumption growth must exceed GDP growth (KPI); income growth above GDP growth
7. AI Empowerment: AI empowering various sectors; ready to cooperate internationally on innovation and governance
8. Green Commitment: First time announcing absolute emissions reduction target; 2035 NDCs demonstrate "maximum effort"
9. Opening Up: Expanding voluntary opening, aligning with high-standard international rules, opening more service sectors
10. US-China Dialogue: Five rounds of consultation in 2025 showed "as long as two sides engage in equal-footed consultation...more solutions than problems"

### **22. Chinese Economy: Fully Emerged?**

#### **Executive Summary:**

A comprehensive panel assessed China's economic transformation, acknowledging challenges (real estate collapse, weak consumption, local government debt) while highlighting new growth model focused on technology, manufacturing upgrades, and domestic consumption. The discussion revealed how AI+ strategy, capital market reforms, and massive middle-class



## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

expansion create opportunities, but structural imbalances (1.2 trillion trade surplus) pose risks for both China and global economy.

**Key Takeaway:** China managed real estate collapse (sales halved from 1.7B to 850M square meters) without systemic crisis while shifting growth model from real estate/exports/credit to technology/manufacturing/consumption, but \$1.2 trillion trade surplus "shows how deep structural imbalances are" and poses risks for both China and global economy.

### **Top 10 Key Points:**

1. Real Estate Collapse: Sales dropped from 1.7 billion sq meters (2017) to 850 million (half) - managed without systemic crisis ("almost a magic")
2. Growth Model Shift: Moving from real estate/exports/credit to technology/manufacturing/consumption - "cannot continue on old playbook"
3. AI Application Lead: China AGR (Application) vs US GAR (General) - "most popular Chinese model in US is Alibaba's secure one: cheap, small, adaptive"
4. Technology Breadth: Quantum computing (D-Wave), fusion energy (laser beam systems), robotics (52% global investment), all advancing rapidly
5. \$1.2 Trillion Surplus: "Shows how deep structural imbalances are" - problem for China and world, drives trade barriers globally
6. Consumption Challenges: Weak in H2 2025 despite stimulus; policy pushing trading program, relaxing home/car restrictions, targeting service consumption
7. JD.com Scale: 700 million annual active customers; invested 30 billion RMB in rural infrastructure for faster delivery to lower-tier markets
8. UnionPay Data: 1+ billion transactions/day, 1 trillion RMB volume daily - shows shift from goods to services, Generation Z prefers customized niche brands
9. Hong Kong Revival: 1 in IPO fundraising (\$36B), 119 new listings (2/3 Chinese new economy), turnover doubled to \$33B daily
10. RMB Internationalization: Trade finance payment 3 globally, currency payment 4; central bank digital currency could accelerate but needs infrastructure



## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

### **23. Path to Peace in Ukraine: By Might or by Accord?**

#### **Executive Summary:**

Ukrainian and allied officials discussed peace prospects with cautious optimism, stressing "nothing about Ukraine without Ukraine." Kyrylo Budanov confirmed active negotiations with US team, while Finland, Canada warned that only just peace will last. The panel emphasized need for security guarantees, continued Western support, and pressure on Russia. Greenland controversy and China's role in sustaining Russian war effort also featured prominently in geopolitical context.

**Key Takeaway:** "Nothing about Ukraine without Ukraine"-any sustainable peace requires Ukrainian agency in negotiations, security guarantees backed by concrete commitments, and recognition that China's technological/logistical support enables Russia to continue fighting despite claims of not providing "military equipment."

#### **Top 10 Key Points:**

1. Cautiously Optimistic: Budanov: "Moving...I am cautiously optimistic" - came from Miami after preparatory work with Trump staff
2. Ukraine Must Decide: "Nothing about Ukraine without Ukraine" - emphasized repeatedly; Ukraine already at negotiating table, not seeking entry
3. Russia Not Winning: "If Russia was winning, they wouldn't be abducting children or having people freezing in apartments"
4. NATO Article 5 Unwavering: Canada committed to defending NATO northern/western flanks with unprecedented Arctic investments (radar, submarines, aircraft)
5. China's Silent Role: Western intelligence confirms China's technological, military, logistical support enables Russia to continue fighting
6. No Military Equipment: "China has not given them even a single unit of military equipment" but provides electronics, components, manufacturing machines for weapons
7. Russian Desperation: "Stricter sanctions outside, further Russia moving into embrace of China" - political and economic control intensifying
8. Coalition of Willing: Canada's \$22.5 billion support (largest per capita); co-leading Ukrainian children return (20,000 affected); Toronto conference fall 2026





## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

9. Greenland as Distraction: Senator Tillis wearing Ukraine colors, opposes Greenland approach - "NATO 1,340-mile border with Russia now thanks to Sweden/Finland"
10. Trust Deficit: "Putin is a murderer, a liar on his best day" - agreements need to be specific with consequences for violations; NATO allies must have eyes on compliance

### **24. Chief Economists Briefing: What to Expect in 2026**

#### **Executive Summary:**

Chief economists delivered nuanced assessment of 2026 outlook - 53% tilted negative (improvement from 72% last year) reflecting "foot on gas, foot on brake" economy. Key themes: surprising resilience despite tariff wars, structural shifts in hiring (K-shaped, concentrated, choppy), debt as 1 risk, and AI infrastructure bottlenecks. Demographic dividend in Africa/Southeast Asia emerging as opportunity, but traditional development pathways closing.

**Key Takeaway:** Global economy shows surprising resilience (trade at record highs despite tariff wars) but faces K-shaped labor market transformation where AI automates entry-level tasks young workers previously performed, threatening to lose an entire generation of talent unless employers intentionally bring them along.

#### **Top 10 Key Points:**

1. Surprising Resilience: Global trade hit record high despite tariff war; China 5% growth with 30% from exports; Vietnam 8%+, India 7%+
2. AI Bubble Concerns: Top risk alongside debt; IMF/economists worry about disruption or bubble burst despite upgrading forecasts
3. US Labor Market K-Shaped: Concentrated in healthcare and leisure/hospitality; manufacturing in "virtual recession"; hiring at half pre-pandemic rate - structural not cyclical
4. Debt as 1 Risk: US deficit 6-8% GDP; Germany matching France's deficit for first time; China at ~100% debt-to-GDP
5. Japan Canary in Coal Mine: Long-term rates rising "very, very fast" - potential fiscal crisis preview for other advanced economies
6. China's Transition Challenge: Must switch from investment/export-driven to consumption/domestic demand-driven; \$15 trillion service trade deficit shows opportunity





## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

7. AI Infrastructure Gap: Need sophisticated HVAC professionals, plumbers, electricians for data centers but workforce aging; average age declining because everyone's retiring
8. Europe Adoption Challenge: Not leading in AI development but can win on speed of adoption; Germany's cultural change - 10% GDP on infrastructure over 10 years
9. Africa Skills Revolution: Workers are "new globalization" - 25% of 2050 global workforce from Africa; Nigeria deploying 90,000km fiber optic; digital jobs fastest opportunity
10. Early Career Vulnerability: AI automates tasks young workers did at 22; employers must intentionally bring young people along or lose entire generation of talent

### **25. Geopolitical Risks Outlook for 2026**

#### **Executive Summary:**

Final day panel explored dual realities: "doom loop" of economics, domestic politics, and geopolitics negatively reinforcing each other, versus "boom loop" of green energy investment and emerging market dynamism. Consensus: liberal world order permanently fractured, US seen as untrustworthy ally, China gaining but lacks trust to lead. Ukraine outcome will define new order. Recipe for escape requires engaged citizens, courage leaders, and rebuilt international institutions.

**Key Takeaway:** A "doom loop" of economics, domestic politics, and geopolitics reinforces negatively, but a simultaneous "boom loop" exists where two-thirds of global energy investment flows to clean energy and emerging markets show dynamism; escape requires engaged citizens, courageous leaders, and rebuilt international institutions.

#### **Top 10 Key Points:**

1. Two Davoses: AI/technology showing promise (especially for developing world) versus Trump-dominated political discourse; Europe pushing back forcefully
2. Doom Loop Defined: Economics, domestic politics, geopolitics intertwined in negative feedback; globalization now zero-sum not positive-sum; technology concentrating power not sharing it
3. Paradigm Fracture: Liberal market-oriented democracy paradigm of 1990s being broken apart; no clear replacement emerging



## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

4. Boom Loop Reality: Two-thirds of global energy investment flows into clean energy (not fossil fuels); China peaked emissions 2024, six years early
5. Energy as Security Multiplier: Green transition boosts energy security (manufacture own energy), economic security (export industries), environmental security (emissions/pollution), social security (jobs)
6. Alliance Crisis: Unpredictability destroying trust; China using Belt and Road for economic-first partnerships; West must invest in partners' futures not just promise support
7. US-China Fundamental Difference: Unlike US-Japan or US-Europe competition (shared values), US-China involves completely different visions of world order - no melding possible
8. Congress Abdication: No appropriations bill passed on time since 2011; Article 1 branch "not pulling its weight"; Tom Tillis powerful only after announcing departure
9. Putin's Failure: 30,000 Russian soldiers killed in December alone; added Finland/Sweden to NATO (opposite of goal); war working against Russia on almost every measure
10. Recipe for Escape: (1) Engaged citizens beyond narrow interests (2) Leaders willing to appeal to better selves not fear (3) Rebuilt institutions from scratch acknowledging flaws

### **26. Closing Remarks**

#### **Executive Summary:**

Forum leadership closed record-breaking meeting (3,000 participants, 130 countries, 830 CEOs, 64 heads of state) emphasizing that dialogue itself - not consensus - is the goal. Presidents Børge Brende, Andrea Hoffman, and Larry Fink stressed the Forum as "trusted space for dialogue" where disagreement is acceptable and necessary. Ended with Elon Musk quote: "Better to be an optimist and wrong than pessimist who's right."

**Key Takeaway:** With 3,000 participants from 130 countries, the Forum demonstrated that dialogue itself-not consensus-is the goal; disagreement is acceptable and necessary, and "if you don't even have a dialogue, you will not see any results," making continued engagement essential despite uncertainty.



## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

### **Top 10 Key Points:**

1. Record Attendance: 3,000 participants from 130 countries, 830 CEOs/chairs, 64 heads of state and government - numbers growing daily
2. Not Echo Chamber: Purpose is trusted space for dialogue, not consensus; disagreement is okay and necessary for progress
3. Dialogue as Prerequisite: "If you don't even have a dialogue, you will not see any results" - absence of discourse deepens division
4. Multi-Stakeholder Platform: Convening diverse voices from governments, business, civil society on most complex/contested issues
5. History's Lesson: Pages filled with both walls rising and leaders finding agreement in challenging moments
6. Five Strategic Priorities: Sophisticated outcomes across all priority areas through sustained dialogue
7. Team Achievement: "Without you [members], we are nothing" - pulling off such complex gathering requires enormous energy and human quality
8. Next Test: Spring Davos in Jeddah, Saudi Arabia on April 22, 2026 - carrying spirit of dialogue forward
9. Collaboration Model: Great collaboration among three co-chairs (Hoffman, Brende, Fink) demonstrated multi-stakeholder approach
10. Optimism Framework: Closing with Musk quote encapsulates spirit - choosing constructive optimism over defeatist pessimism even when uncertain

### **CROSS-CUTTING THEMES**

#### **1. The End of the Old Order**

Multiple sessions confirmed: the post-WWII rules-based order is fundamentally changing. Whether characterized as "rupture" (Carney), "not going back" (Ngozi), or "new world order" (Saudi Arabia), consensus emerged that 2026 marks a permanent shift toward multipolar world with greater uncertainty.



# INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

## **2. AI as Central Force**

AI dominated discussions not as future technology but as present transformation engine affecting labor markets, healthcare, defense, energy, and geopolitics. Key tension: AI's potential to reduce inequality vs. likelihood of widening gaps without conscious governance.

## **3. Trust Deficit**

From religious leaders to central bankers to heads of state, "trust" emerged as scarcest resource. Rebuilding trust requires: honest communication, predictability, cooperation despite disagreement, and commitment to truth over political expediency.

## **4. Multilateralism Under Siege**

Though weakened, multilateral institutions (IMF, World Bank, WTO) seen as more necessary than ever. The alternative - pure bilateral power dynamics - risks catastrophic failures in AI governance, climate action, pandemic response, and trade.

## **5. Growth Imperative**

Universal agreement: growth is not sufficient but absolutely necessary. Without sufficient growth, debt becomes unsustainable, inequality worsens, political instability rises. But growth must be inclusive or it becomes destabilizing.

## **6. European Awakening**

Perhaps surprisingly, intense criticism of Europe (including from within) may be catalyzing transformation. European leaders acknowledged need for: faster decision-making, capital markets union, strategic autonomy, defense investment, and industrial policy.

## **7. China Rebalancing**

China's \$1 trillion trade surplus (one-third each with U.S., Europe, rest of world) identified as unsustainable imbalance requiring structural adjustment. First-ever German trade deficit with China in 2025 seen as game-changer for European policy.

## **8. Energy-AI Nexus**



## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

AI's massive energy requirements creating new geopolitical advantages for countries with: reliable low-carbon power (France nuclear), abundant fossil fuels willing to expand (U.S.), or renewable resources (Saudi Arabia). Energy increasingly viewed as AI infrastructure.

### **9. Long-Term vs. Short-Term Tension**

Repeated tension between: quarterly business cycles vs. decades-long infrastructure needs, 4-year election cycles vs. 50-year planning (China), immediate tariff retaliation vs. patient relationship-building. Success cases (Saudi Arabia, Singapore, Korea) maintained long-term focus.

### **10. Moral Dimension**

Unusually for Davos, multiple sessions emphasized ethics, values, and moral responsibilities. From religious leaders on peace, to Milei on capitalism's ethical foundations, to concerns about AI governance, participants acknowledged that efficiency arguments alone are insufficient.

### **KEY ECONOMIC DATA POINTS**

- ◆ Global Growth: 3.3% (upgraded from 3.1%)
- ◆ India Growth: 7.3% (upgraded from 6%)
- ◆ Russia Growth: 0.8-1% (down from 4%)
- ◆ Saudi FDI: +24% (2024) while global FDI -11%
- ◆ China Trade Surplus: \$1 trillion (2025)
- ◆ Global Sovereign Debt: ~100% of GDP
- ◆ AI Job Impact: 40% globally, 60% in advanced economies
- ◆ Child Mortality: 4.8M (2025) vs 4.6M (2024) – first increase in 25 years
- ◆ Argentina Inflation: Reduced from 300% to 30%
- ◆ European Energy Gap: France exported 90 terawatt hours





# INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

## **EMERGING RISKS IDENTIFIED**

1. AI Inequality Acceleration: Without intervention, gap between AI haves and have-nots will expand catastrophically
2. Sovereign Debt Crisis: 100% debt-to-GDP with insufficient growth is recipe for crisis
3. Middle Class Squeeze: AI enhancing top jobs, eliminating entry-level, squeezing middle - political instability risk
4. Trade War Escalation: Tariffs between allies threatens security cooperation when most needed
5. Healthcare Funding Collapse: Reversal of 25 years of progress if donor commitment wavers
6. Nature Collapse: \$50+ trillion of GDP at risk from ecosystem degradation
7. Trust Breakdown: Between countries, governments/citizens, institutions/public
8. Demographic Mismatch: 1.2B young people entering workforce, only 400M jobs projected before AI impact
9. Climate Backseat: With geopolitical and AI focus, climate action losing attention at critical moment
10. Governance Vacuum: Fast-moving technology (AI, quantum) outpacing regulatory capacity

## **OPPORTUNITIES HIGHLIGHTED**

1. AI Healthcare Leapfrog: Developing countries may adopt AI healthcare faster than developed nations
2. Emerging Market Dynamism: India, Saudi Arabia, ASEAN showing innovation and growth potential
3. Energy Transition Acceleration: Low-carbon energy becoming competitive advantage for AI infrastructure
4. Capital Markets Deepening: Europe's securitization and capital markets union could unlock €10+ trillion
5. Trade Diversification: New agreements and corridors reducing over-dependence
6. Nature-Based Returns: Tropical Forest Forever Fund and similar models making conservation investable



## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

7. Regulatory Simplification: European deregulation push removing decades of accumulated friction
8. Long-term Capital: Family businesses and sovereign wealth funds providing patient capital for transformation
9. Digital Infrastructure: India's digital public infrastructure (Aadhaar, UPI) models for other developing nations
10. Innovation Ecosystems: AI, biotech, quantum computing hubs emerging outside traditional centers

### **RECOMMENDED ACTIONS (From Sessions)**

#### **For Policymakers:**

- ◆ Distinguish signal from noise; maintain duty of truth
- ◆ Invest in skilling before infrastructure (cheaper and stimulates demand)
- ◆ Focus on preventive peace through education, not just post-conflict reconstruction
- ◆ Implement European preference and capital markets union immediately
- ◆ Address pollution on war footing (costs more than tariffs)

#### **For Business Leaders:**

- ◆ Diversify dependencies (markets, suppliers, energy)
- ◆ Engage deeply with stakeholders; invest time in understanding context
- ◆ Commit to **long**-term even when quarterly pressures mount
- ◆ Integrate nature into operations, not as afterthought
- ◆ Help identify regulatory simplifications concretely

#### **For International Institutions:**

- ◆ Maintain commitment to truth and honest analysis
- ◆ Find ways to make nature conservation investable
- ◆ Coordinate on AI governance before train arrives
- ◆ Harmonize sanctions to close loopholes
- ◆ Support skilling programs to prepare for AI transformation



## INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

### **For All:**

- ◆ Do not fall into complacency despite growth upgrades
- ◆ Pay attention to inequality within and between nations
- ◆ Remember that cooperation serves self-interest in interconnected world
- ◆ Keep focus on peace, prosperity, and climate despite distractions
- ◆ Maintain steady nerves; don't react immediately to every headline

### **DAVOS 2026 METRICS**

- ◆ Attendance: 3,000 participants from 130 countries
- ◆ Business Leaders: 830 CEOs and Chairs
- ◆ Government: 64 Heads of State/Government
- ◆ Theme: "A Spirit of Dialogue"
- ◆ Next Meeting: Jeddah, Saudi Arabia (April 22, 2026) – Global Collaboration and Growth Meeting

### **MEMORABLE QUOTES**

- ◆ "We are not in Kansas anymore" – Kristalina Georgieva, IMF
- ◆ "Machiavelli is dead" – Javier Milei, President of Argentina
- ◆ "If you're not seated at the table, you're on the menu" – Mark Carney, Prime Minister of Canada
- ◆ "AI is a tsunami hitting the labor market" – Kristalina Georgieva
- ◆ "Trade is like water – you put obstacle, it goes around it" – Kristalina Georgieva
- ◆ "Silence in the face of injustice is not neutrality, it is complicity" – Mohammed al-Issa
- ◆ "Small gesture every day can shift the system" – Andre Hoffman, Roche
- ◆ "Better to be optimist and wrong than pessimist who's right" – Elon Musk
- ◆ "The world has begun to awaken... Americas will be beacon of light" – Javier Milei
- ◆ "We prefer respect to bullies, science to plotism, rule of law to brutality" – Emmanuel Macron



# INTERNATIONAL FEDERATION FOR ECONOMIC DEVELOPMENT

*Strictly Confidential – Only to be disclosed with IFED Members*

## **CONCLUSION**

The World Economic Forum 2026 captured a world at an inflection point. The old order is ending, but the new order is not yet defined. Technology (especially AI) is advancing faster than governance capacity. Economic imbalances threaten stability. Yet, amid uncertainty, leaders demonstrated remarkable pragmatism: acknowledging harsh realities while identifying concrete pathways forward.

The Spirit of Dialogue theme proved prescient. In a year when many expected fragmentation to prevent meaningful conversation, 3,000 leaders chose to gather, debate, disagree, but ultimately engage. Whether addressing AI governance, trade tensions, healthcare access, or climate action, participants recognized that dialogue – however difficult – remains preferable to the alternative.

As participants depart Davos for Jeddah in April, the challenge is clear: convert dialogue into action, plans into execution, and competing interests into cooperative solutions. The stakes have never been higher, but as evidenced by Saudi Arabia's transformation, India's rise, and emerging technologies' potential, the opportunities have also never been greater.