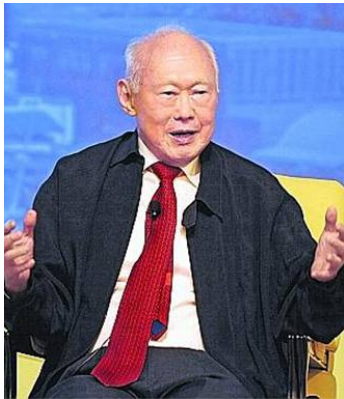




Recovery in 3 to 5 years?



ST PHOTO: AZIZ HUSSIN

'MY OWN guess is if the banking system does not malfunction, then in three, four, five years, the world economy will be restored. If the banking system malfunctions, then I don't know, it will be a very difficult business.

'Now let's assume it is three to five years, that's an optimistic scenario. I think Asia will do better than other regions because it has two large economies which are driving up the 'J' curve, China and India...

'I think East Asia can make 3 to 5 per cent. If you go by IMF (International Monetary Fund) estimates, they say 5 to 6 per cent, but that's taking China into the equation. If you take ex-China, if Japan makes 2 to 3 per cent, I would say the rest of Asia might make 3, 4, 5 per cent, which isn't bad for this condition...

'When things are down, when you have increased unemployment, use that time to build up skills and knowledge...We do that each time, so when the recovery takes place, we've got a better qualified workforce to go up to the next level.'

Minister Mentor Lee Kuan Yew (above), when asked about the region's economic prospects at a dialogue at the Singapore Human Capital Summit on 28 October 2008.