

Our newest book has much more China content than previous works.

In times of rapid change, it is easy to focus on the negative. But periods of transformation produce new opportunities.

People are freer, and richer, than they have ever been before.

A Roadmap for Troubling Times—by Louis-Vincent Gave

A Roadmap for Troubling Times follows in the footsteps of our previous books—*Our Brave New World* (now out of print but available for free download from our website) and *The End is Not Nigh*—in several different ways.

1. *Roadmap* picks up on themes developed earlier, providing updates and corrections.
2. One of the criticisms leveled at the previous GaveKal books was that they spent too little time discussing China and its growing impact on the global economy. We have responded to these remarks, focusing more than half of the book on China growth: the drivers, the implications for Asia and the world, opportunities and pitfalls for investors, etc.
3. Finally, just as in our previous books, we conclude with an optimistic message for investors: Rapid change over the coming years will produce new opportunities.

We are indeed living through a period of massive transformation and “accelerating creative destruction”—much like other turn-of-the-century periods. Think about it: A man who fell asleep in 1790 and woke up in 1820 would have found the world a very different place: the ideals of the American Revolution were spreading, the French revolution had come and gone, Napoleon had slaughtered a whole generation of European males, factories and mines were springing up, industry was replacing agriculture as the motor of the economy in Britain....

A man who fell asleep in 1890 would have found a very different world in 1920: the Ottoman, Hapsburg, Romanov and Qing dynasties had all come crashing down. The United States was the main power in the Western World, and Japan was the main power in the East. Germany was on its knees and France and Italy were not doing much better....

And now, a man who fell asleep in 1990 will have already found a very different world than the one he left behind: no more Soviet Union or communist threat but a simmering clash of civilizations, a once economically all-powerful Japan reduced to the rank of also-ran, a China and an India both struggling with internal contradictions yet emerging as the World’s largest economic powers after the US, information transmitted from one end of the globe to another at the press of a button, the human genome mapped....

In periods of drastic change, it is easy to focus on the negative and be overwhelmed by the general media’s natural tendency to spread doom and gloom. And undeniably, there are serious reasons to be concerned today: most prominently, the fact that the financial revolution has hit a serious road bump and will likely detract more from growth than contribute to economic activity for the foreseeable future; and that we continue to see, through rising oil prices, an ever greater amount of wealth transferred from market players to non-market players. This is rarely conducive to faster growth.

Still, for every negative, we find a positive. These include the fact that more people are richer, and freer, than the world has ever seen. These people, which can be found all around the world, are communicating, and exchanging ideas and goods in a way that would have been deemed impossible just a few years ago. This in itself also engenders tremendous growth. The fact that companies are having to run ever faster, and become ever more efficient to survive and thrive is also positive for the global economy. Indeed, for most companies, complacency is no longer the option it was twenty years ago.

Our friend Clay Allen likes to say that money managers are not paid to forecast; they are paid to adapt. This book is thus much longer on describing the world that we live in than presenting predictions about the future (though, every now and then across the book, we can’t help ourselves....).