



**CHINA – CHINA – CHINA  
(+ INDIA)**

We will never know the real growth numbers but, suffice to say, they will be significantly above the West for some time! The key factors, on a secular basis, are:

- Urbanization.
- Demographics.
- Education gap closing.
- Adult literacy.
- High savings rate.
- Domestic growth can supplant exports.
- Auto sales are greater than U.S.!
- Corporations have de-leveraged (70% debt to 30%).
- Market capitalization is low vs. GNP and other macro-economic measures.

P.S. India enjoys similar ‘engines’!!!

**Summary**

This is about 1/3 of the World – not to mention Brazil, Vietnam, etc. Canada may ‘win’ (temporarily) as we sell everything, while the formerly untouchable U.S. is in a fire fight!

November 18, 2009