

Date
23 November 2011

Subject: Letter of Support FuturICT

To whom it may concern:

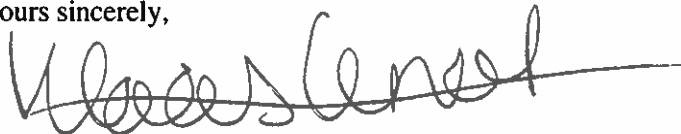
In my capacity as President of De Nederlandsche Bank, I would like to express our great interest and support for the FuturICT Flagship initiative. This long term research proposal where complex systems and advanced ICT tools are combined to address fundamental problems, not only in physics and biology but also in economics, provides a pioneering new scientific research agenda for the 21st century.

The economy is a complex evolving system of interacting heterogeneous economic agents. Interactions of individual economic agents can lead to outcomes that are characterised by complicated patterns. These outcomes can be global phenomena such as herd-behaviour in strongly correlated financial markets, intermittent fluctuations with bubbles and crashes, and global macro-economic instability. As the recent financial crisis has shown, policy makers' current toolbox is unable to deal with extreme situations and out-of-equilibrium dynamics. Complexity offers a new view on macroeconomic and financial phenomena where non-linearities play an important role. This is of key interest to De Nederlandsche Bank.

De Nederlandsche Bank has already been actively involved in complex methods in economics. Recently, a research conference on "Complex Systems: Towards a Better Understanding of Financial Stability and Crises" was organized at its premises in joint cooperation with the Center of Non-linear Dynamics for Economics and Finance (CeNDEF). Moreover, this joint cooperation has also resulted in a first paper on behavioural heterogeneity in housing markets ("Complex Methods in Economics: An Example of Behavioural Heterogeneity in House Prices") that will soon appear as part of our DNB working paper series.

Therefore, De Nederlandsche Bank is fully supportive of the EU's FuturICT Flagship initiative and its ambition. Its research agenda is well aligned with parts of our own research activities. We confirm our interest and look forward to active collaboration in this exciting initiative.

Yours sincerely,



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