

TAV 3

The impact of COVID-19 on globalization. What is going to change in the international arena. Remarks by the UK representative at the World Bank

Thank you for the invitation to speak tonight, and for convening such an interesting group of people. I don't know about everyone here, but at the start of the year, for me, COVID-19 was only in my peripheral vision. But then it moved fast to become the central preoccupation. So conversations like this are more important than ever.

The death and disruption caused by the novel coronavirus (COVID-19) pandemic is unprecedented in our lifetimes. It is a truly global crisis: with over 20 million cases worldwide, almost 1 million deaths, and a devastating impact on our economies and way of life.

But has it killed globalisation? Has it killed the instinct - at the individual, business and state level - to live, work and travel internationally? Has it erased any willingness to trade across borders and to co-operate in tackling global challenges?

Or has it instead changed the nature of globalisation, accelerating geopolitical trends that were already underway? And has it made international co-operation on global goods even harder than it was before?

I'm going to say, straight away, that I think the answer is the second. COVID hasn't killed globalisation - but it has made the world a far more dangerous place, and changed how we work, and think, internationally.

So, I'm going to focus on what I see as the risks and opportunities posed by COVID-19 to our globalised world. I'm going to set out a bleak, pessimistic view - sorry - in which the risks far outweigh the opportunities. But then I'm going to try to outline where we have had successes to date. I will tell you where there are opportunities, and how we can best seize them.

Let me start with the economy. Of course the economic impact of COVID on lives and livelihoods around the world is devastating. The IMF is predicting a 5% global contraction, with no country immune.

But the impacts are even more significant - and devastating - in the developing world. After years of progress in lifting people out of poverty, that progress is going to be dramatically reversed. The World Bank assesses that COVID-19 could push more than 70 million people into extreme poverty in 2020.