

**2020 ITMF Conference Keynote Speech**  
October 20, 2020

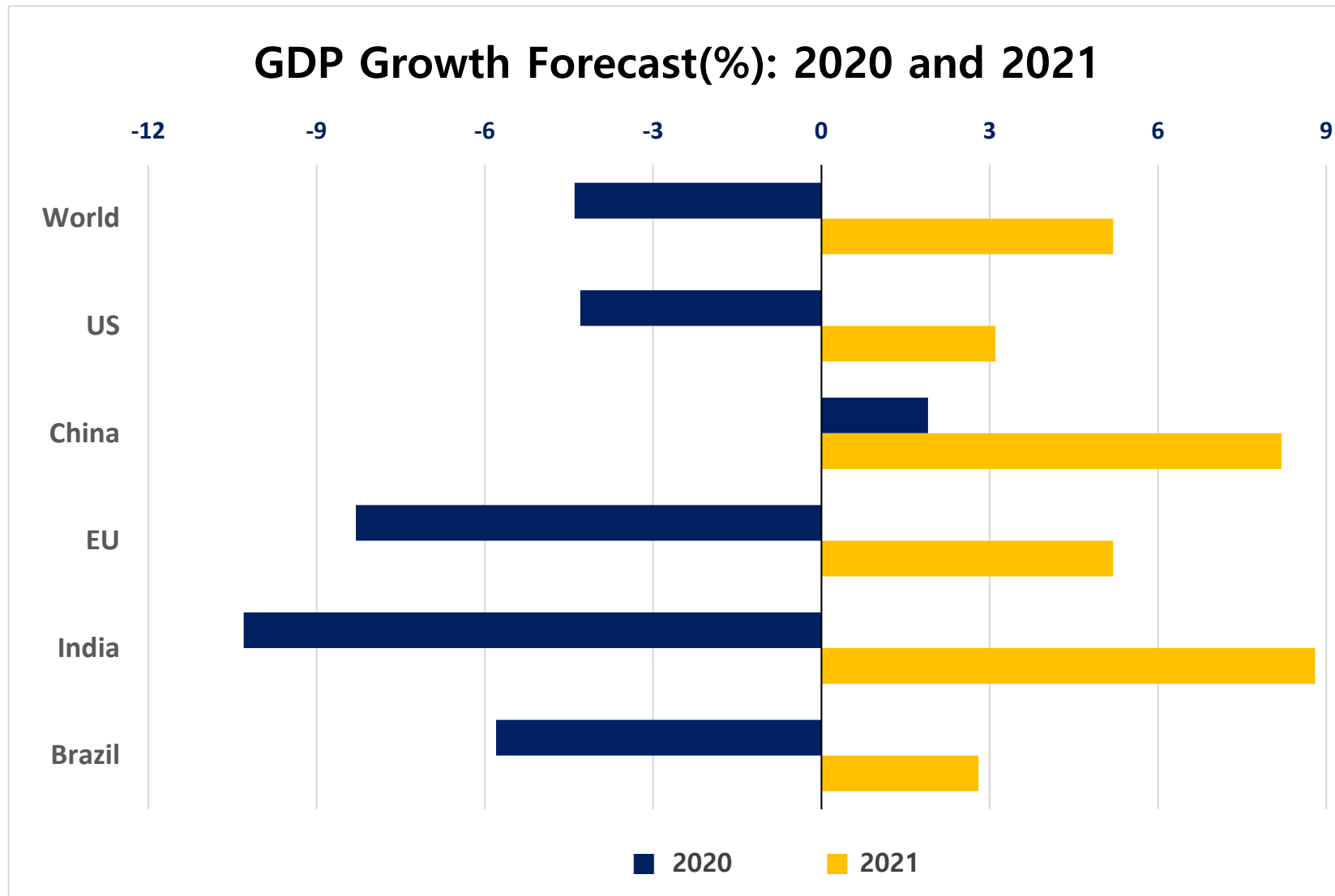
# **Reshaping of Global Economy and Geopolitical Dynamics in the Post-COVID19 Era**

**Dr. Jun Kwang-woo**

- I. Repercussions of COVID-19 Pandemic Crisis**
- II. Prospects for World Economic Recovery**
- III. Structural Changes Driven by the Pandemic**
- IV. US-China Tension and New International Order**
- V. Coping with Post-COVID New Normal: ESG**

## **I. Repercussions of the COVID-19 Pandemic Crisis**

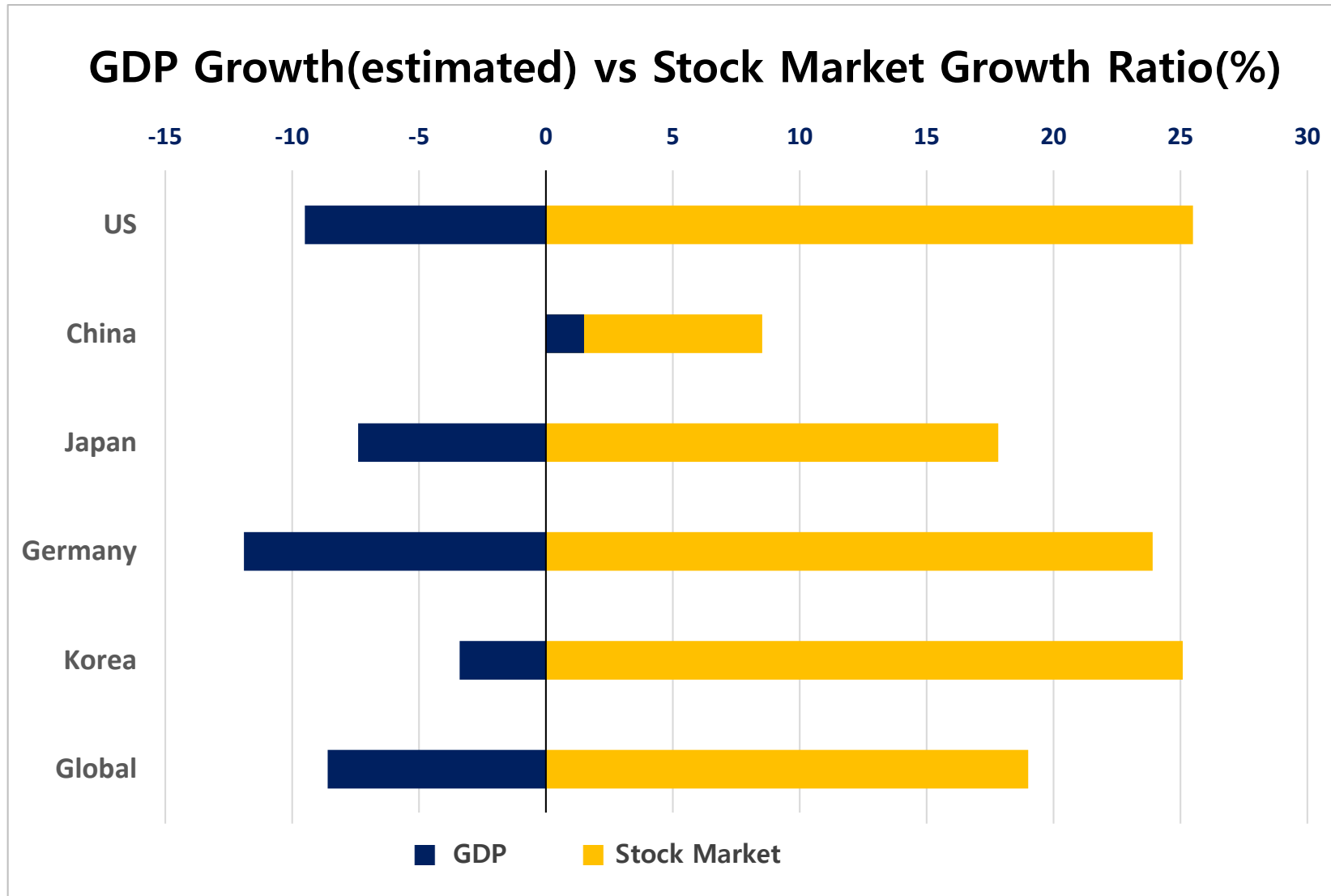
- **Wide Devastating Effects: Serious Human Casualties, Massive Unemployment, Social Inequalities**
- **Deep Economic Impact: Between The Great Recession(2008-2009) and The Great Depression(1930s)**
- **Differential Consequences: By Country, Industry, Company; Global Supply Chain Disruptions for Textile Industries**



Source: IMF, World Economic Outlook(October 2020)

## **II. Prospects for World Economic Recovery**

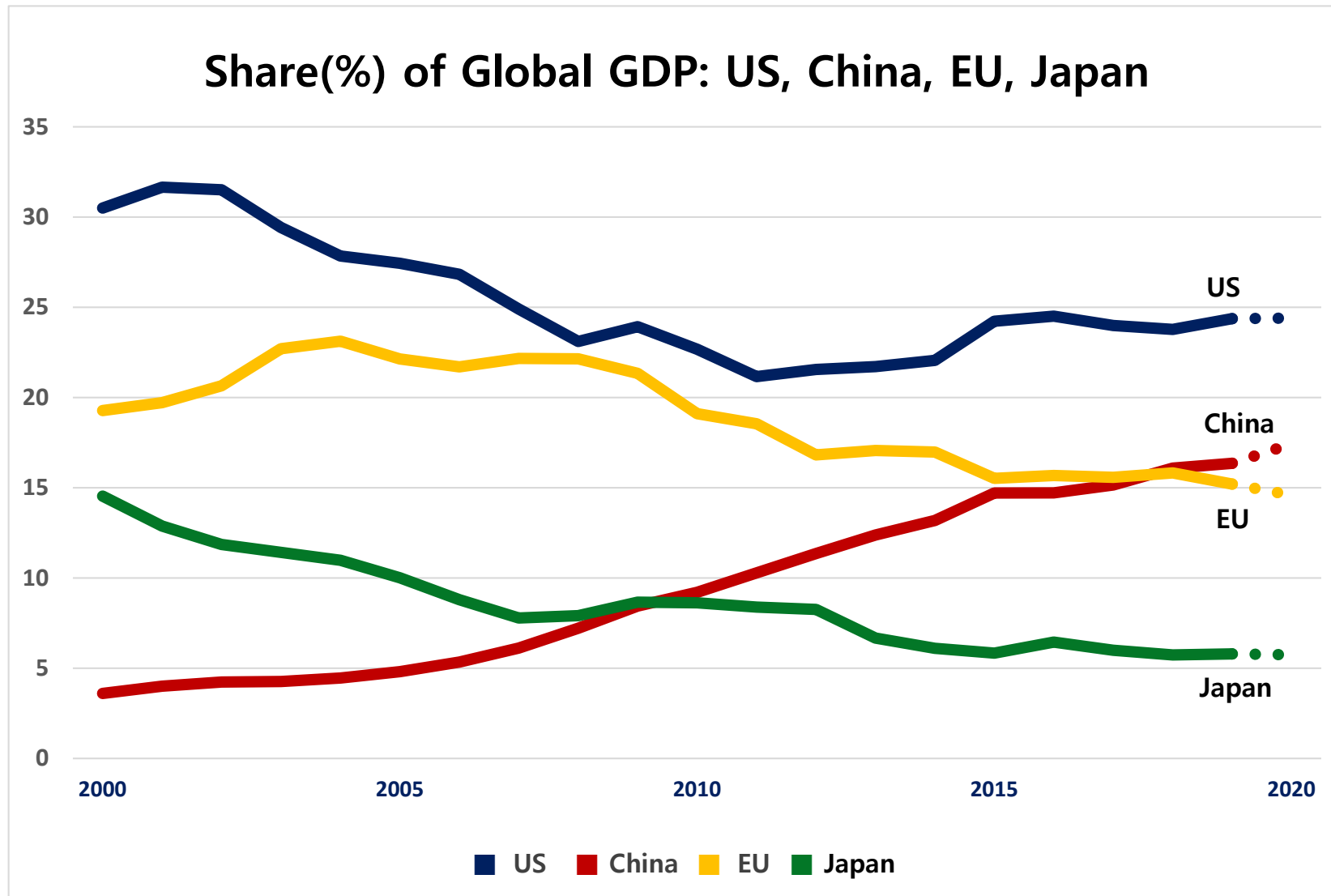
- **Policy Responses: Fiscal and Monetary Stimulus, Super Low Interest rate, Large Gap between Real Economy and Stock Market**
- **Uneven Path to Recovery: By Country, Region, Sectors; Noncontact Industries (Big Tech) vs Traditional Manufacturing/Services**
- **Short-Term 'Rebound' vs Long-Term 'Recovery'; Carmen Reinhart**



Source: The World Bank(WB), Investing.com, Based on 2Q 2020

### **III. Structural Changes Driven by the Pandemic: '3D'**

- **Decoupling: US-China (G2) Disputes, The Great Decoupling**
- **De-globalization: End of Globalization or Evolution(Reshaping) of Globalization; Trade and FDI Flows; Supply Chain Diversification**
- **Digitalization: Expansion of Contactless Businesses, Coupled with the 4th Industrial Revolution**

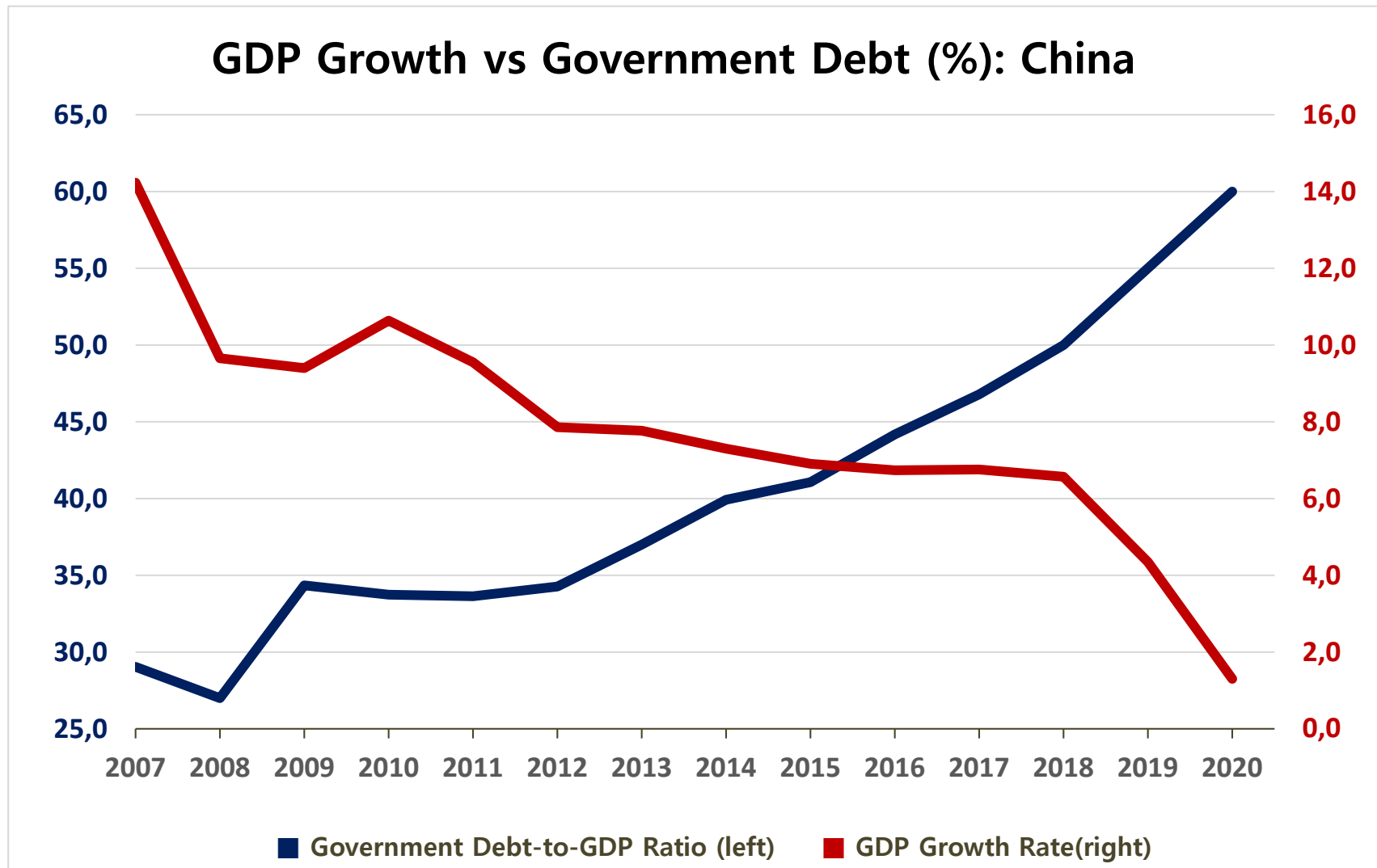


Source: IMF, The World Bank



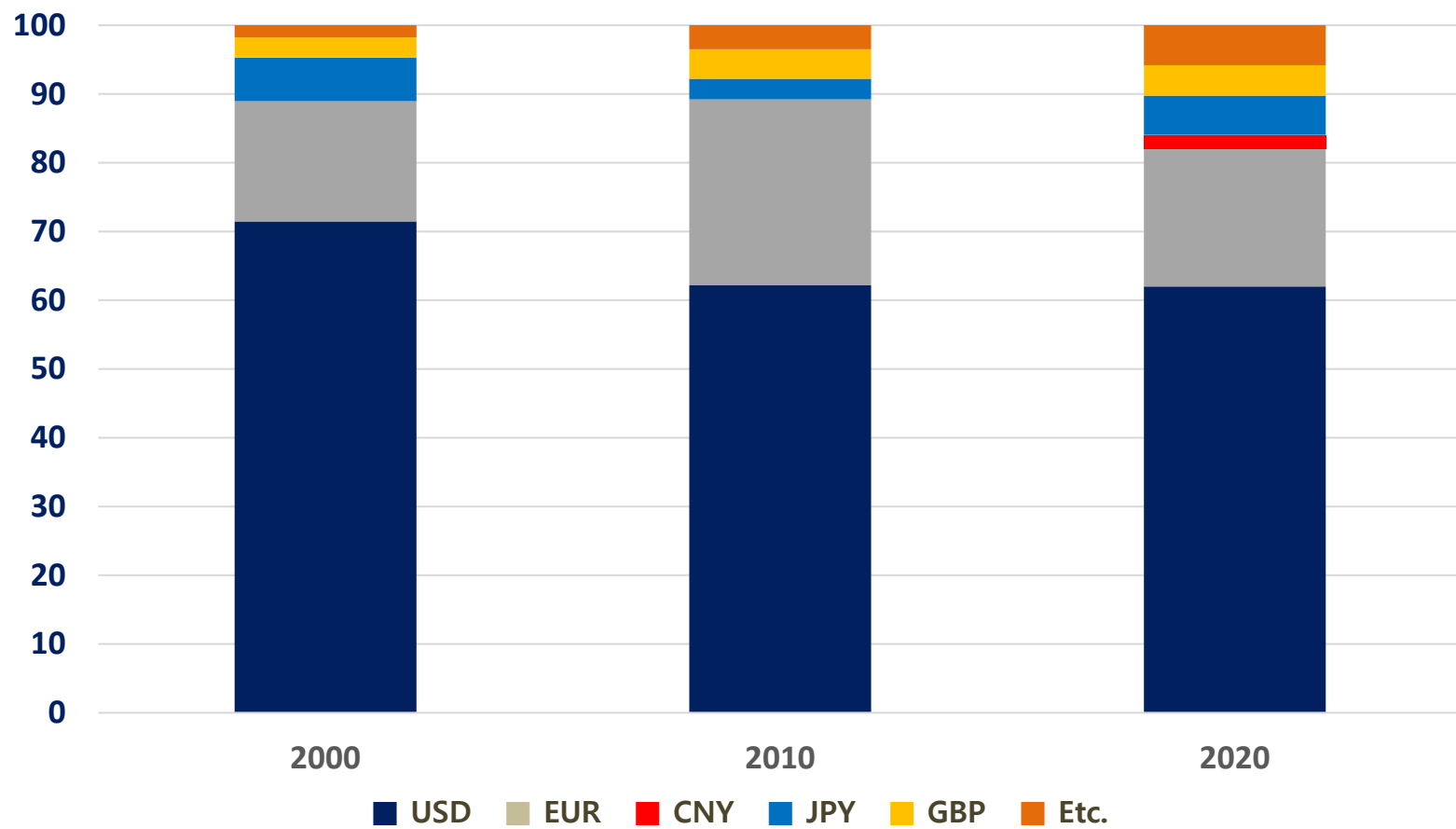
## **IV. US-China Tension and New International Order**

- **'Thucydides Trap': Exacerbated by COVID-19, Hong Kong Security Law Issue, etc.**
- **Conflicts over Trade, Technology, Finance, Ideology: Economic Prosperity Network(EPN) vs Belt-and-Road Initiative(BRI)**
- **Future of G2 Economic Leadership and Global Governance: Possibility of New Cold War**



Source: IMF, The World Bank(WB)

## Foreign Exchange Reserves: By Currency Ratio(%)



Source: IMF

## **V. Coping with Post-COVID19 New Normal: ESG Agenda**

- **Environmental: Dealing with Climate Change for Sustainable Growth; 'Efficiency' vs 'Resilience'**
- **Social: Enhancing Social Responsibility(CSR, SRI)**
- **Governance: Improving Corporate Governance; 'Shareholder' Capitalism vs 'Stakeholder' Capitalism**