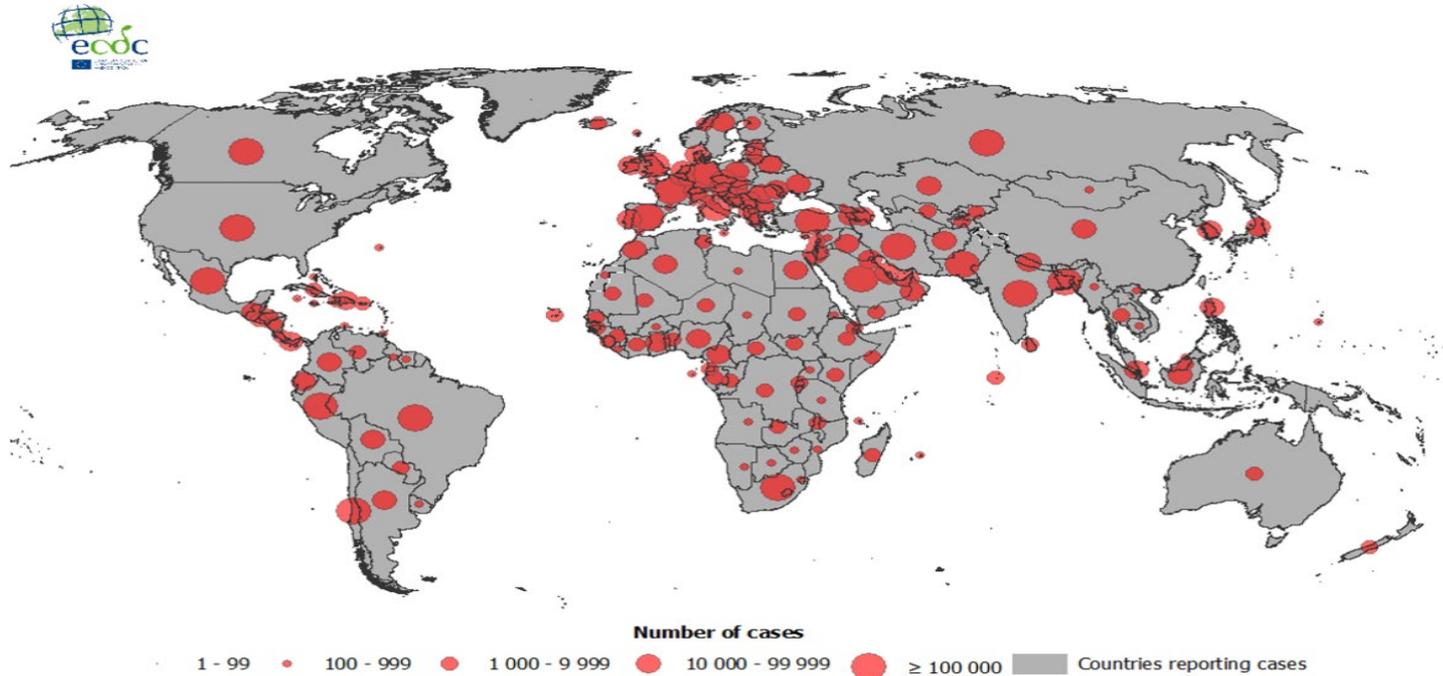




Laura Alfaro
Harvard Business School
& NBER

Shock-Salud: Global



The boundaries and names shown on this map do not imply official endorsement or acceptance by the European Union.

Date of production: 30/06/2020

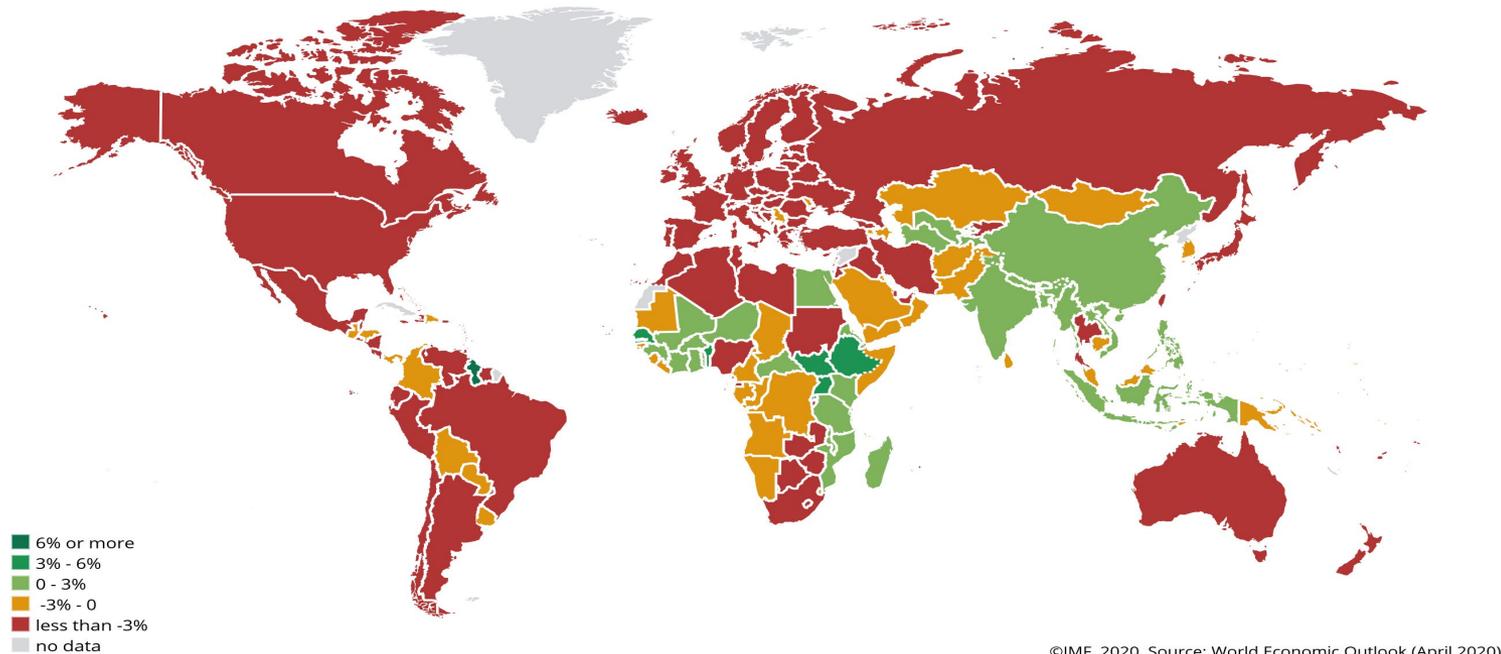
- <https://www.ecdc.europa.eu/en/geographical-distribution-2019-ncov-cases>
 - <https://coronavirus.jhu.edu/map.html>

Shock Económico

Oferta, Demanda, Financiero

IMF DataMapper

Real GDP growth (Annual percent change, 2020)



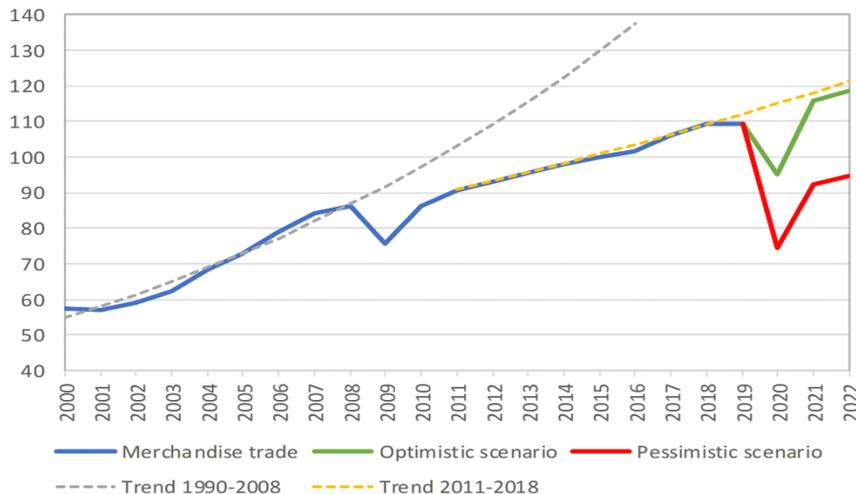
Shock Global: Avanzados, EMEs en Desarrollo

- Muchos EMEs: shocks económicos golpearon antes del shock de salud
 - Interrupción GVC, colapso del comercio, turismo, remesas y flujos de capital.

Colapso Comercio, Turismo & Precios Commodities

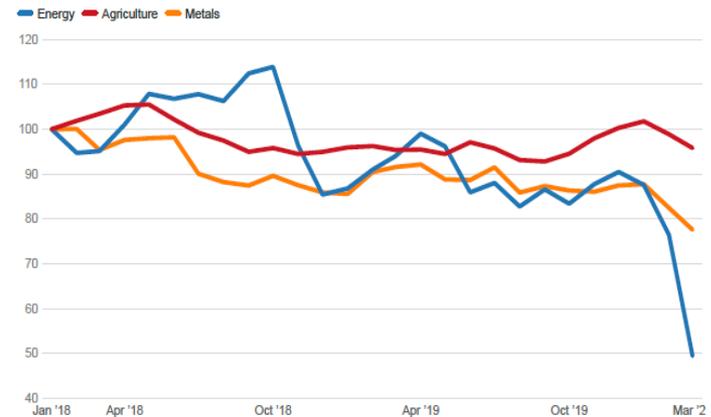
Chart 1 - World merchandise trade volume, 2000-2022

Index, 2015=100, _Source: WTO Secretariat.



As the coronavirus pandemic worsened, commodity prices fell

Index US\$ (Jan 2018 = 100)



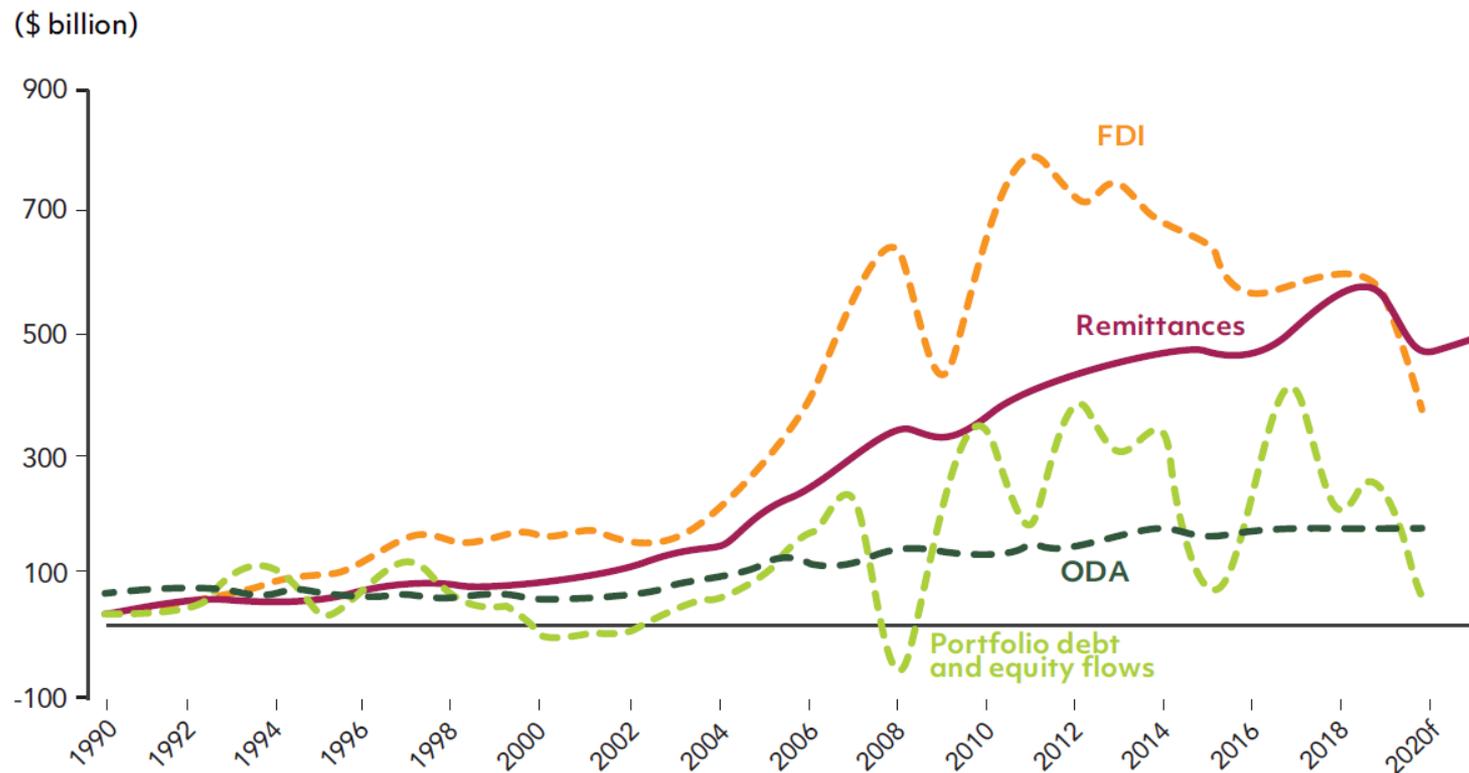
Last observation is March 2020

Source: World Bank - Embed this chart - Download image

- Oferta, GVC (regionals)
- Demanda
- Políticas (Regulación, Protectionismo/médico-alimentaria)

Colapso en Flujos de Capital

Sudden Stop: Severo, Rápido



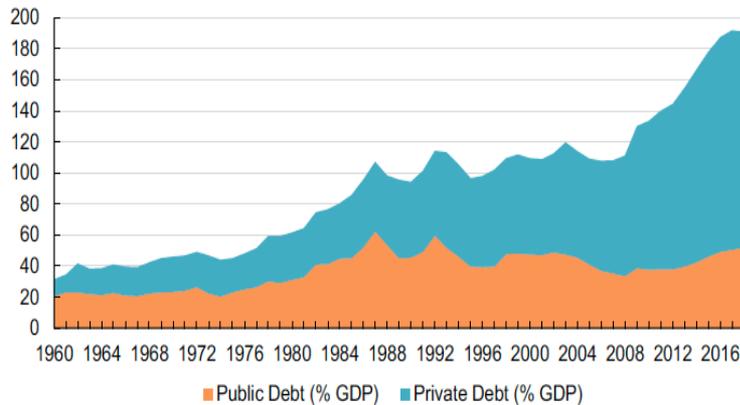
Sources: World Bank staff estimates, World Development Indicators, and IMF Balance of Payments statistics.

Note: See appendix A in World Bank (2017) for data and forecast methods. FDI = foreign direct investment; ODA = official development assistance.

Deudas: Altísimas

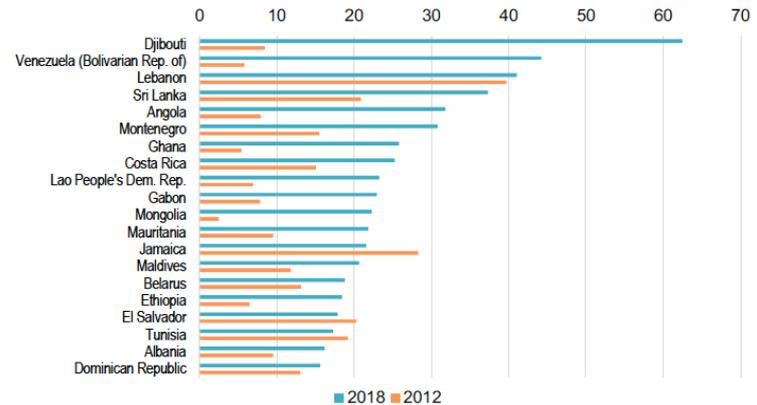
Individuos, Firms, Países

Figure 1 Total Debt Stocks, all developing countries, 1960–2018
(Percentage of GDP)



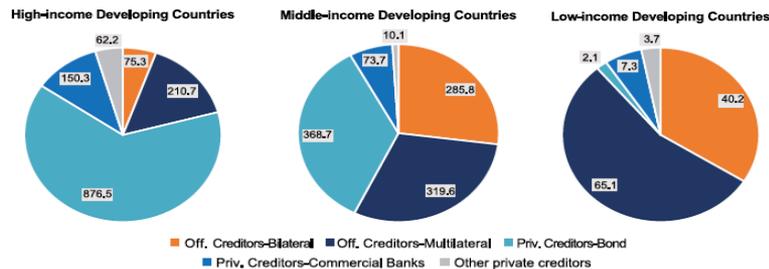
Source: UNCTAD secretariat calculations based on IMF Global Debt Database.

Figure 4 Ratio of debt service on long-term public and publicly guaranteed external debt to government revenues, top 20 developing and transition economies in 2018 (%)



Source: UNCTAD secretariat calculations based on World Development Indicators (WDI) and IMF World Economic Outlook (WEO).

Figure 2 Long-term public and publicly guaranteed external (PPG) debt by creditor, all developing countries, debt stocks at end 2018
(Billions of current US dollars)



Source: UNCTAD secretariat calculations based on World Bank International Debt Statistics.

Multilaterales

Debt and Debt Relief

World Bank

✓ @WorldBank

Suspending bilateral debt payments will help the poorest countries respond to [#Coronavirus](#). Our International Debt Statistics 2020 report shows how the total external debt of low- and middle-income countries has climbed. <http://wrlld.bg/5kGA50zreAd>

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3:00 AM - Apr 29, 2020



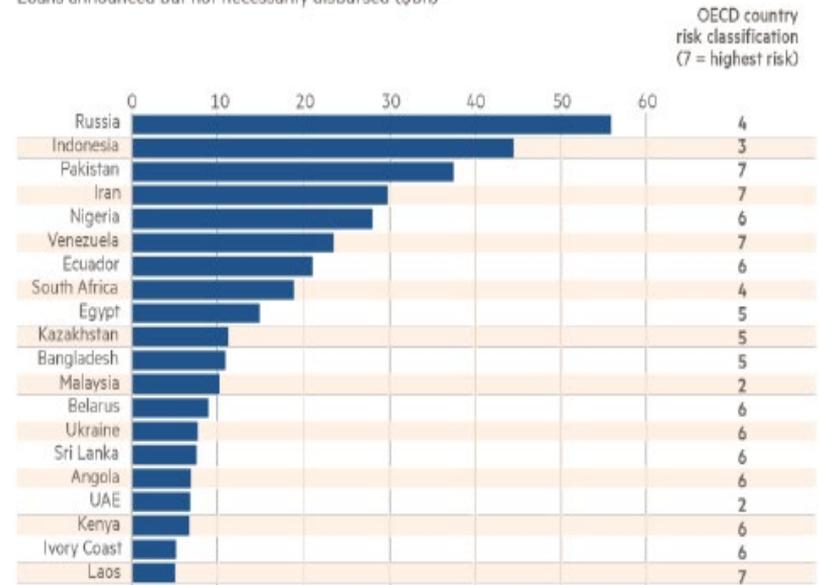
6-month debt
payment
moratorium
Voluntary

G-20 bilateral
creditors
DA countries

Y China?

China's Belt and Road loans have gone mainly to high-risk countries

Loans announced but not necessarily disbursed (\$bn)*



* Loans announced by China's state-owned institutions to projects in countries that signed BRI MoUs 2013-2020

Source: RWR Advisory

© FT

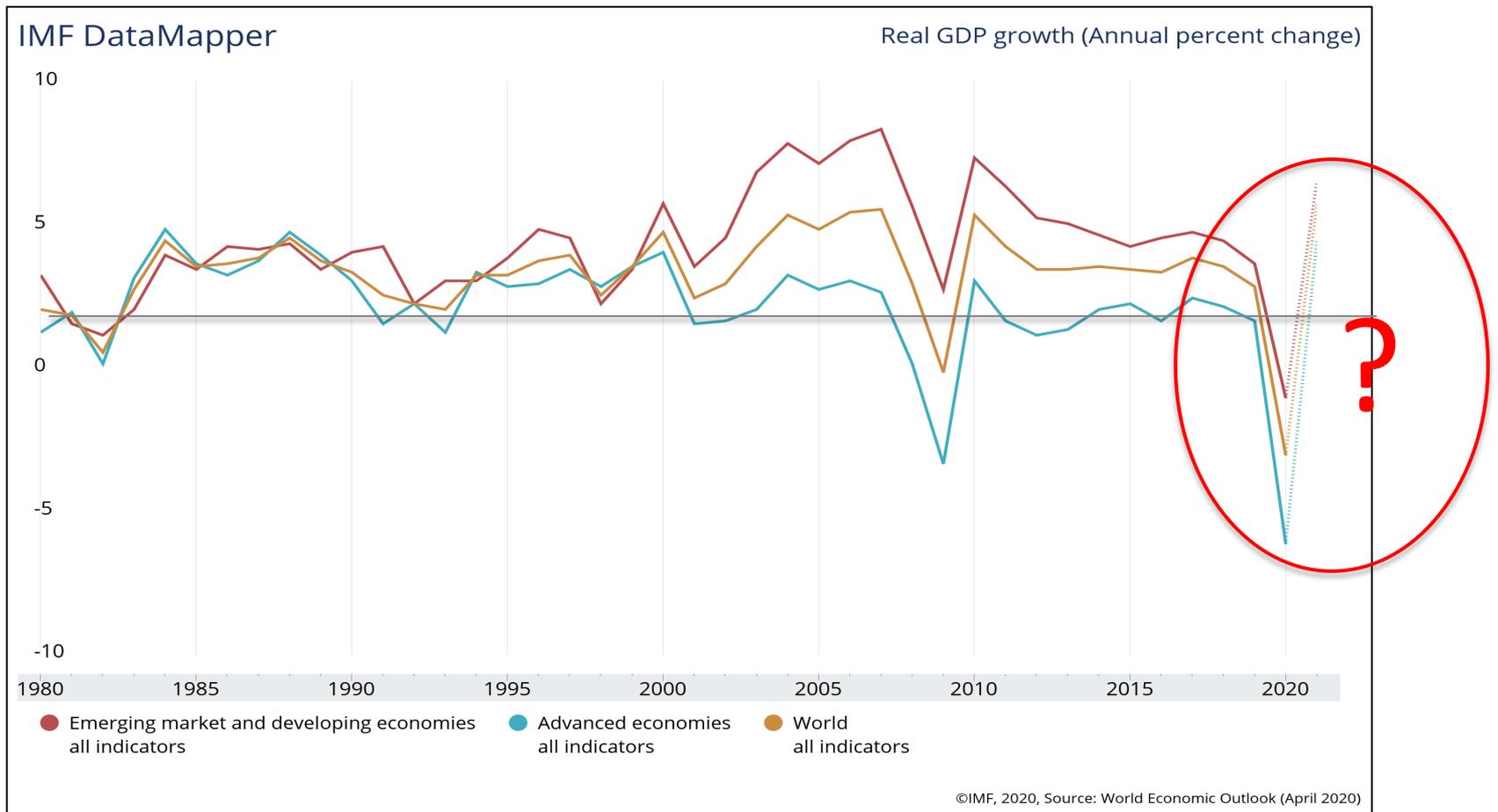
<https://blogs.worldbank.org/voices/may-1-2020-end-week-update-debt-relief-worlds-poorest-countries>

Covid-19 Shutdown: Tipo de Recesiones

V U W L



It's a Global Economic Shock

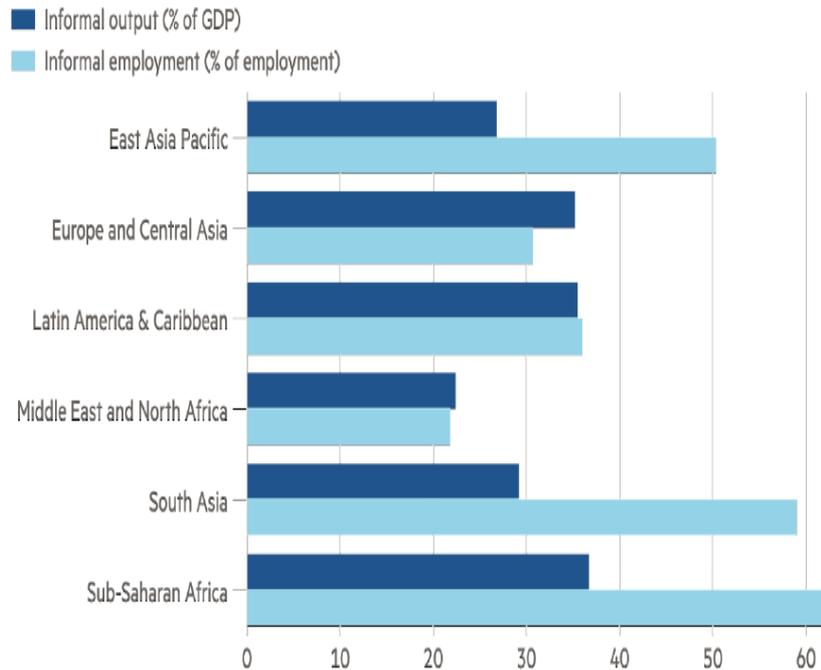


EMEs and Covid-19: Estructura Económica

Shutting Down in a World of Informal & Tiny Firms

Alfaro, Becerra, Eslava (2020)

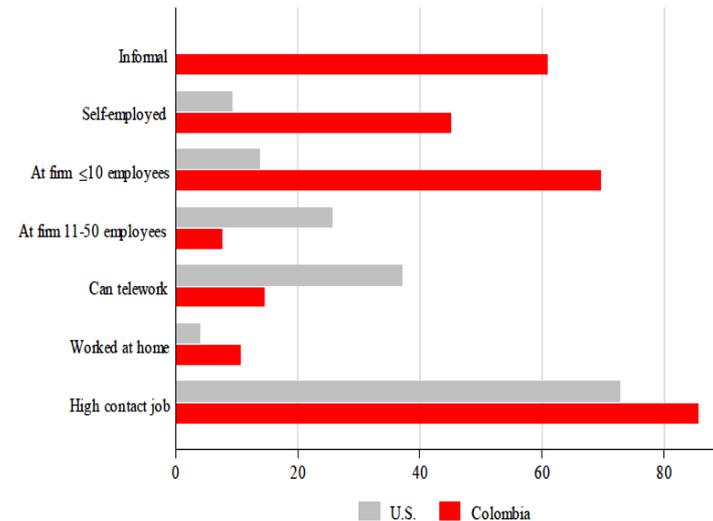
The informal sector plays a huge role in employment in developing countries



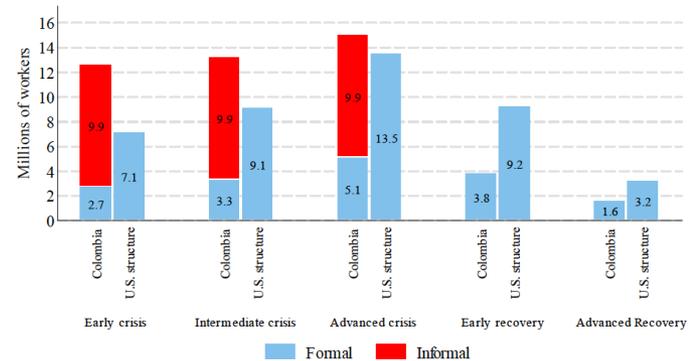
Mean values for each region 2010-16
Source: Elgin et al; ILO; World Bank

© FT

Employment characteristics Colombia vs. USA



Jobs at Risk Under Strict Lockdown Measure: All Shocks



Cadenas de Valor

Proteccionismo

- Las empresas han estado reevaluando las estrategias de GVC antes de la pandemia
 - Grado de dependencia de la cadena de suministros en China (hiperespecialización, guerras comerciales, etc.).
- Gobiernos: acciones / anuncios unilaterales reducen explícitamente esta dependencia.
 - Motivos de “represalia”: “culpa” sobre los orígenes del virus.
 - Razones de seguridad nacional: máscaras N95, ventiladores y equipo médico esencial.
 - Estímulo a la producción: paquete de estímulo 04/20: incentivos para empresas que trasladen la producción a Japón/otros países (ASEAN)
 - “Popular”: Ha cambiado la pandemia visión uso de tarifas: 52% Si (Alfaro, Chen, Chor, 2020).
- ¿Qué tan extensa será la reorganización?
 - ¿Crear una capacidad de almacenamiento mínima / diversificación de proveedores?
 - ¿Reorientación más amplia para trasladar producción al país de origen?
 - Resultados: proteccionismo/ “elegir” cadena de suministro”
 - Oportunidad para algunos países/grupos regionales.

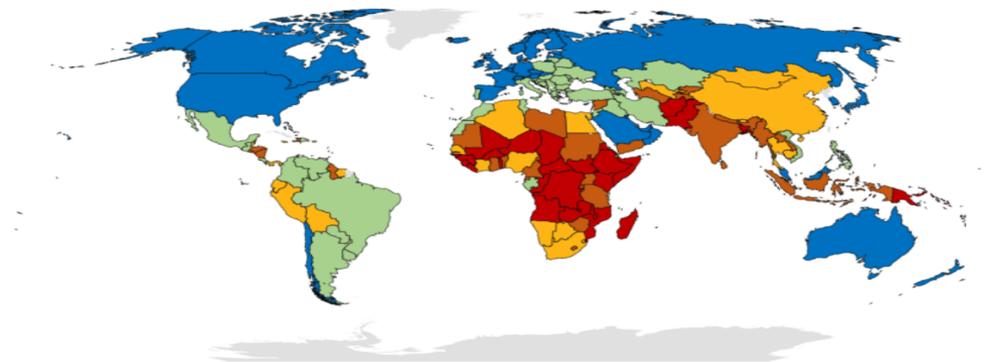
Acceso Internet

Firmas, Familias, Gobierno

Internet inequality

Less than half of the population in developing countries has Internet access.

(Internet users per 100 inhabitants)



Powered by Bing
© GeoNames, Microsoft, Navinfo, TomTom, Wikipedia

■ 80 to 100 users ■ 60 to 80 users ■ 20 to 40 users
■ 40 to 60 users ■ 0 to 20 users

Source: Staff using United Nations Global SDG Database.

Note: Data corresponds to 2018 or latest year available. Internet users refer to individuals who used the Internet from any location in the last three months.

Preocupaciones

Mirando al Futuro

- Los escenarios “médicos” (no vacuna, no inmunidad, efectos LP)
- Proteccionismo (médico y alimentario)
- Políticas: **¿Qué quedará, qué debe quedarse, qué necesitará inversión?**
 - Insolvencia de liquidez (duración de la recuperación, V?)
 - ¿Qué van a comprar las personas y las empresas, cuándo?
 - Histéresis: mundo "en línea"; etc.
- Países en desarrollo: espacio fiscal para gastar
 - ¿Capacidad para gastar tanto tan rápido? Limitaciones institucionales
 - Transparencia / responsabilidad
 - **Vulnerables; formalidad** versus informal
 - **Salud, Educación, Internet**
- Cooperar: público / privado; acuerdos regionales
 - Task Force for Reconstruction (también conocido como Task Force Colao).
 - Creado por/reportando primer ministro: 21 miembros de empresas, academia, instituciones.