



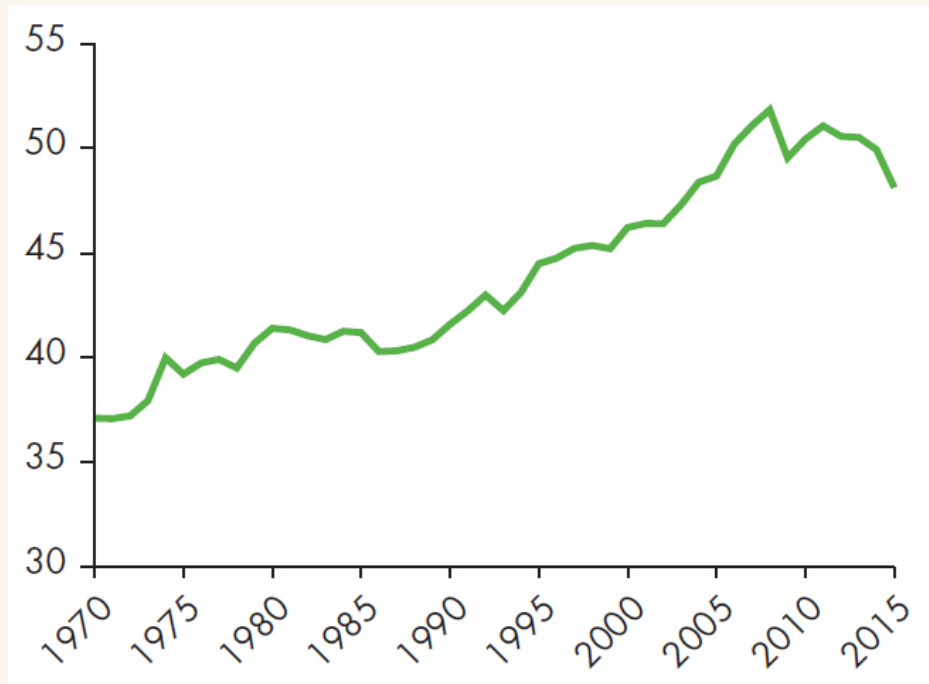
The impact of COVID-19 on global value chains

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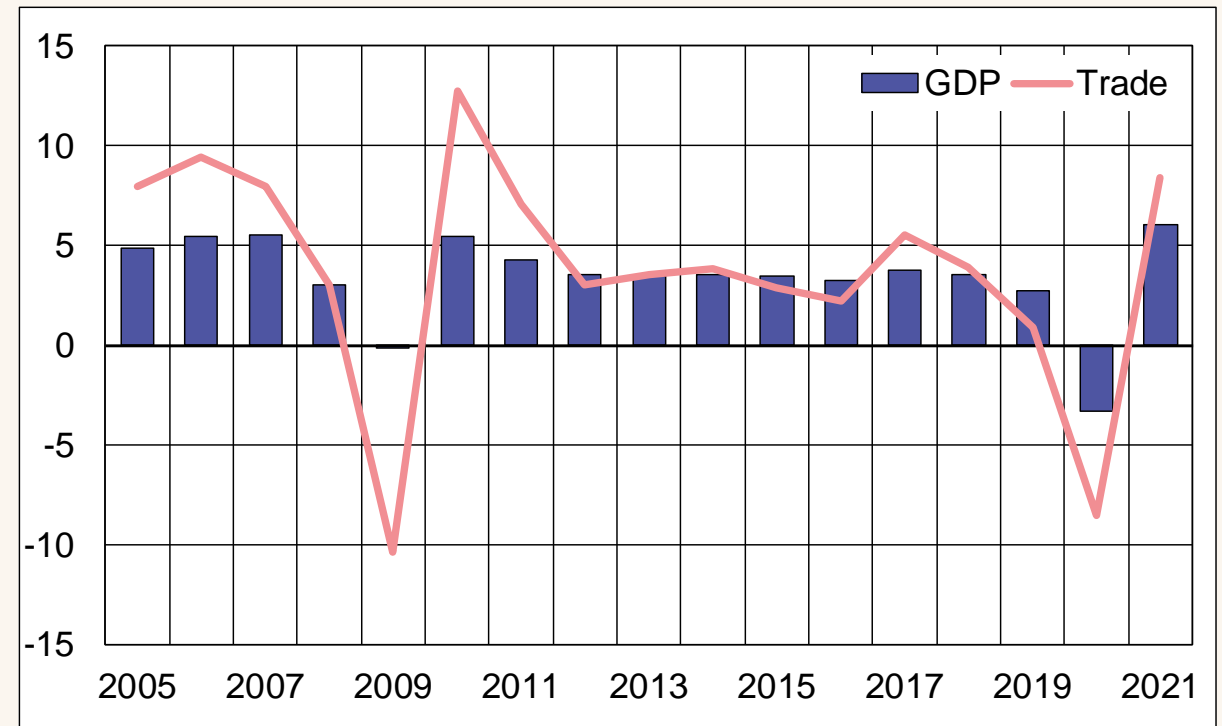
COVID-19 shock was feared to paralyze global value chains that had already been stalling

Share of global value chain trade in global trade, %



Source: World Development Report 2020.

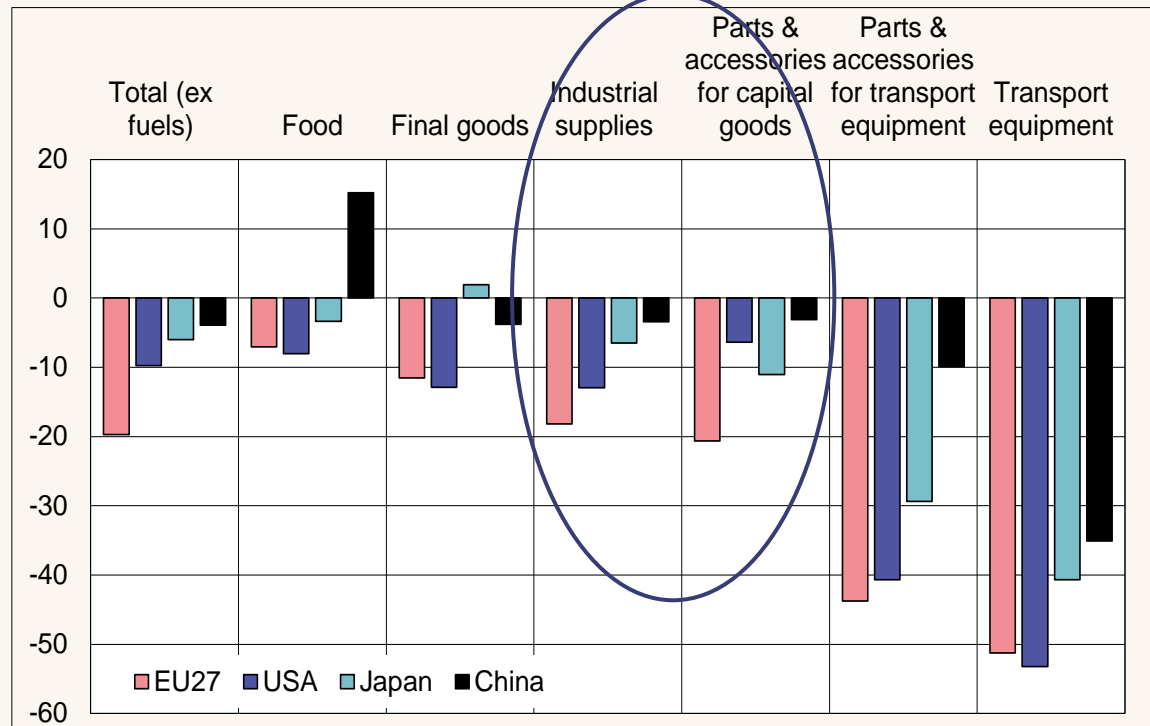
Global GDP and trade growth, %



Source: IMF World Economic Outlook April 2021.

COVID-19 crisis will not necessarily lead to major restructuring of existing global value chains

Change in the value of goods imports by main categories in 2Q20 (1Q20 for China), % y/y



Source: Simola (2021) based on data from Eurostat, US Census Bureau, UN Comtrade.

- COVID-19 trade shock has not hit global value chain trade exceptionally hard (except transport equipment)
- Experiences from previous crises suggest that major restructuring can be avoided

COVID-19 can amplify other trends shaping the development of global value chains

- Key trends mainly discouraging further global dispersion of production, but effects can be ambiguous
 - Protectionist pressures, technological development (automation and digitalization), environmental issues, development of emerging markets
- Trends more likely to affect design of future chains instead of causing major transformations to existing ones
 - Complex networks, fixed linkages and notable investment
- Main drivers of global value chain expansion have faded and COVID-19 may reinforce this development



Thank you for your attention

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