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JUBILÄUMSAUSGABE, SCHWERPUNKT AUßENWIRTSCHAFT

# Lessons from the pandemic and the future of trade policy

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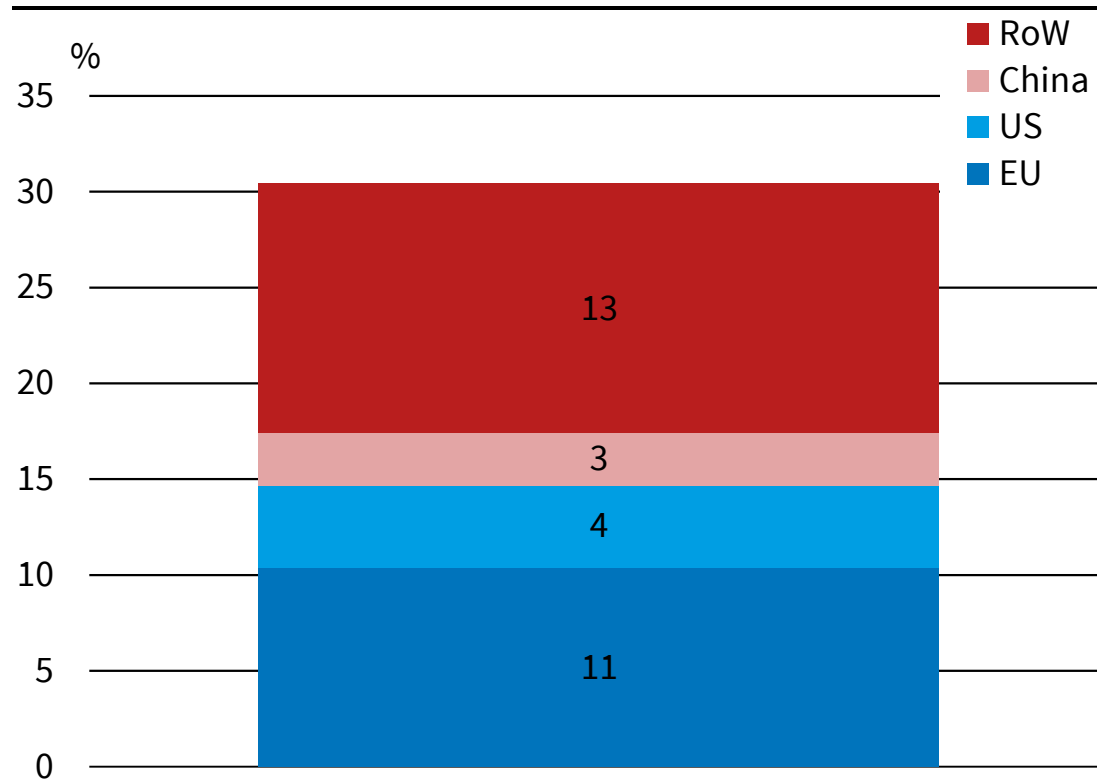
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Leibniz Institute for Economic Research  
at the University of Munich

**GERMANY: LARGE PORTION OF VALUE ADDED IS CREATED THROUGH GLOBAL VALUE CHAINS.  
30% OF GERMAN VALUE ADDED IS EXPORTED ABROAD.**

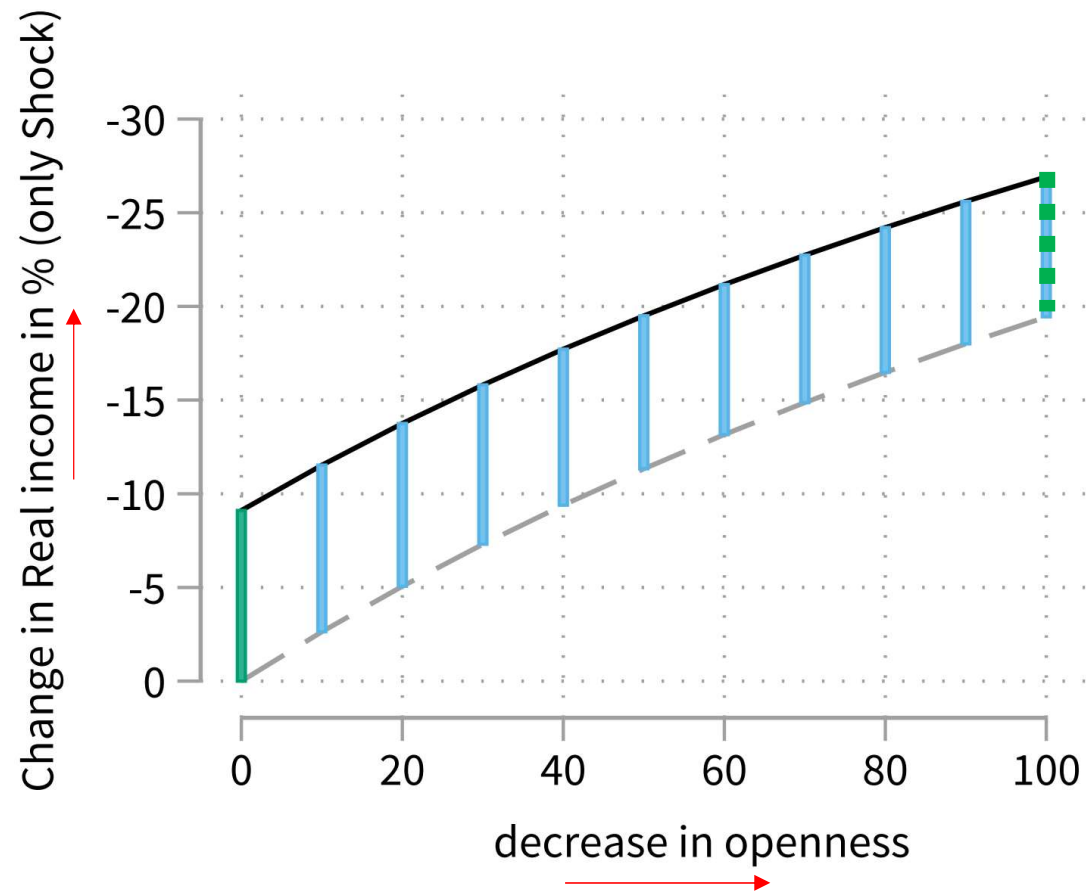
**Export dependence**  
as % of GDP (2015)



Source: OECD; own calculation.

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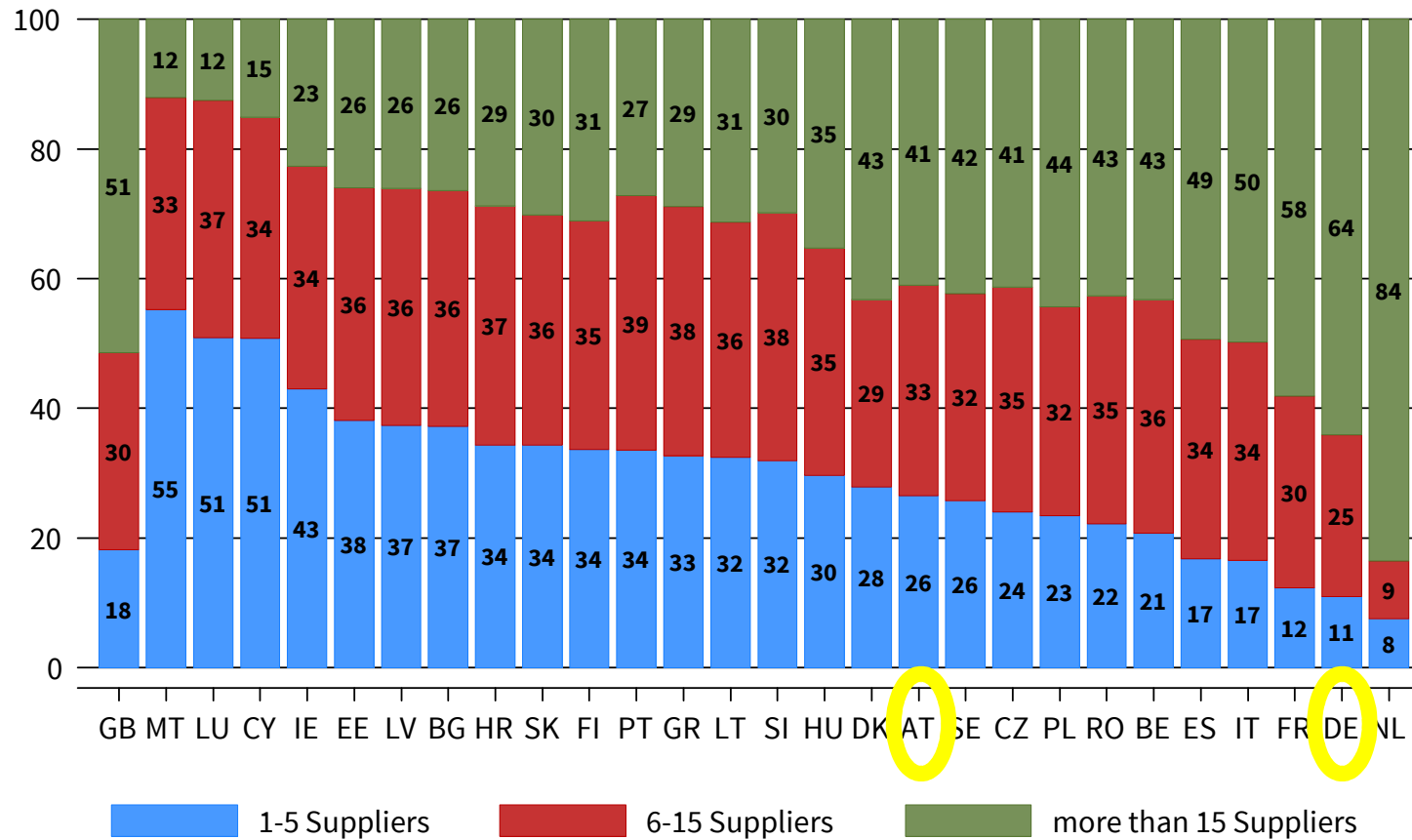
## 01 PRODUCTION RESHORING DOES NOT MAKE THE ECONOMY MORE RESILIENT



1. Significant welfare losses (up to -20%).
2. Does not bring more resilience

Source: Sforza and Steininger (2020) and Flach and Steininger (2020).

## 02 DIVERSIFICATION OF SUPPLY CHAINS REDUCES RISKS AND INCREASES RESILIENCE



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Source: Flach, L., F. Teti, L. Wiest und M. Atzei (2020), „EU27 and the UK: Product Dependencies and the Implications of Brexit”, *EconPol Policy Brief*.

## LESSONS

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