

## Investment Online Conference, 31 July 2020



# Economic outlook and risks



- Output dropped by as much as 20%-30% during lockdowns in some OECD countries
- As economies restart after the Great Lockdown, there is a risk of underinvestment in the green agenda and a prioritization of economic recovery “at all costs”.
- 2009 recession: reduced global emissions by almost 1%, but in the subsequent year emissions rose by 5% as economic stimulus measures kicked in.
- This time around, the global economy is expected to contract by 3% in 2020, much worse than a decade ago. Pressures for prioritizing a rapid rebound are high.
- Risk of opting for a “brown recovery” rather than investing in green growth as countries restart their economic engines.

# What is the Great Reset?



The COVID-19 pandemic has laid bare longstanding ruptures in our economies and societies. We are experiencing a social crisis of global proportions that forces us to rethink capitalism.

The “Great Reset” is an attempt to use a rare but narrow window of opportunity opened by the pandemic to reflect, reimagine, and reset our world to create a healthier, more equitable, and more prosperous future.

The Forum invites all stakeholders of global society to contribute to the Great Reset, improving the state of the world.

# “We need a Great Reset of Capitalism.”



**“To achieve a better outcome, the world must act jointly and swiftly to revamp all aspects of our societies and economies, from education to social contracts and working conditions.**

**Every country, from the United States to China, must participate, and every industry, from oil and gas to tech, must be transformed.**

**In short, we need a “Great Reset” of capitalism.”**

Professor Klaus Schwab  
Founder and Executive Chairman of the  
World Economic Forum.

# The 5 Dimensions of the Great Reset.



- Advancing global and regional cooperation
- Driving responsible business transformation and growth
- Harnessing the technologies of the Fourth Industrial Revolution
- Designing cohesive, sustainable and resilient economic and social systems
- Enhancing stewardship for our global commons

# Advancing global and regional cooperation: Regional Initiatives of the Forum



- **Regional Action Group for Europe and Eurasia**
  - Mobilize cross-regional and cross-industry action to tackle the multiple effects of the COVID crisis in Europe and Eurasia and to jointly develop recovery strategies for the post COVID-19 era, from an economic, political and social point of view
- **Eurasia Policy Group**
  - Developing COVID-19 recovery frameworks for the countries in Eurasia and setting the right conditions for their implementation in the short, medium and long term.

# Advancing global and regional cooperation



- Initial reaction to the COVID-19 crisis by most countries was to look inwards and act alone.
- As a result, borders have closed, supply chains have been disrupted, and regional economic activity has fallen.
- Coordinated approaches are crucial to tackle the complexity of the crisis in light of our global interdependence. The crisis is an opportunity to show more regional integration.
- Transregional collaboration reinforces global multilateral action.
- Cross-regional cooperation will be a crucial element in a Great Reset to ensure economies and societies that are prosperous, sustainable and equitable.

WORLD  
ECONOMIC  
FORUM

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THE  
GREAT  
➤ RESET