

OECD reports to G7 on need to strengthen economic resilience against crises

23/03/2021 – Creating an emergency Rapid Response Forum to ensure global supplies of essential goods continue to flow during major international crises is one of a broad range of recommendations contained in a new OECD report to the G7 on building economic resilience.

Fostering Economic Resilience in a World of Open and Integrated Markets says the devastating impacts of the Global Financial Crisis and now the COVID-19 pandemic will continue to leave lasting scars on our economies and societies. With the risk of other systemic threats on the horizon – starting with climate change but also spanning security threats, including cyber attacks – it is critical to learn the lessons of these and previous crises in order to tackle the vulnerabilities of our economic system, absorb shocks and engineer a swift rebound.

Ensuring the resilience of global supply chains of essential goods is crucial, the report says. An emergency Rapid Response Forum would provide G7 and other governments with a means of upstream policy co-ordination and, particularly, consultation ahead of the imposition of any trade restrictions. Such an initiative could also prepare timely co-operation on logistics, transportation, procurement, planning and communication.

Commissioned by the UK government, which is currently holding the G7 presidency, the OECD report underlines the need for governments to co-operate both with the private sector through, for instance, supply chain stress tests and emergency planning, and with other countries to boost transparency, discipline export restrictions and adhere to international regulation and standards.

The report says the COVID-19 crisis has caused a huge surge in demand for certain goods, notably in the health and information technology sectors but argues that global supply chains have been part of the solution. After shortages of masks and personal protective equipment, in particular at the beginning of the pandemic, both global production and trade of facemasks later increased tenfold to meet demand.

Strategies based around a reliance on domestic production are unlikely to ensure supply of essential goods and can remove important risk management options such as the diversification of sourcing, the report says. Although temporary scale-up of domestic production for essential goods could be explored as a risk management strategy, reliance on domestic production is not cost-effective nor feasible for strained health budgets, especially for lower income countries, which are almost entirely dependent on global markets

to source medical products related to COVID-19. Global supply can allow products to be sourced from the most efficient and cost-effective supplier and enable access to more and different varieties of medical products, ensuring that future surges in global demand are fully met.

Presenting the report alongside Lord Sedwill, chair of the G7 Panel on Economic Resilience, OECD Secretary-General Angel Gurría said: “As we have seen in the past decade alone, in today’s interconnected world, shock events can quickly cascade across borders and economic sectors, and have devastating effects on people’s lives, jobs and opportunities, and on their trust in governments, institutions and markets.”

“Building economic resilience in the face of future shocks is a global challenge for the post-COVID world. For global markets and supply chains to serve as a source of resilience, governments and the public need to have the confidence that markets are and will remain open and fair, including during times of stress.”

Lord Sedwill said: “The unprecedented impact of the covid pandemic on the global economy has highlighted issues of resilience, arising from the growth of monopolies, geopolitical trade tensions, global economic governance falling behind innovation and technology, and the supply of the critical elements essential to the future economy. In response, we should renew our common purpose and commitment to open, well-regulated global markets which promote the green transition, inclusive growth and economic resilience as we build back better.”

The report looks at how to build resilience in global markets, including by reducing distortions and promoting a level playing field for competition, trade and investment. Ensuring global markets are reliable and predictable includes ensuring access to critical raw materials. This calls for enhanced co-operation to develop international agreements for stronger monitoring, notification and disciplines on export restrictions on critical raw materials, promoting responsible sourcing and increasing circularity in this sector. Tackling harmful practices that undermine trust such as foreign bribery is also key.

The OECD proposes governments revise their risk management policies and frameworks to ensure a systemic all-hazards-and-threats approach to resilience with international co-operation playing a central role. This could be supported by a comprehensive evaluation of the lessons learnt from the COVID-19 crisis, including benchmarking and comparison of national preparedness responses.

The OECD says emerging technologies, particularly digitalisation, can contribute to boosting resilience through prevention, absorption and recovery capabilities but can also pose threats. Among its recommendations, the report says governments could strengthen the responsiveness of innovation systems to global policy challenges, reconsidering the way they are organised, structured and financed. It also proposes linking support for innovation more closely to broader public policy objectives and improving international collaboration on emerging technology governance, including by moving towards

smarter and more agile regulation.

For further information, journalists are invited to contact the OECD [Media Office](#) (tel. +33 1 4524 9700)

Working with over 100 countries, the OECD is a global policy forum that promotes policies to improve the economic and social well-being of people around the world.

OECD reports to G7 on need to strengthen economic resilience against crises

23/03/2021 – Creating an emergency Rapid Response Forum to ensure global supplies of essential goods continue to flow during major international crises is one of a broad range of recommendations contained in a new OECD report to the G7 on building economic resilience.

[**Fostering Economic Resilience in a World of Open and Integrated Markets**](#) says the devastating impacts of the Global Financial Crisis and now the COVID-19 pandemic will continue to leave lasting scars on our economies and societies. With the risk of other systemic threats on the horizon – starting with climate change but also spanning security threats, including cyber attackss – it is critical to learn the lessons of these and previous crises in order to tackle the vulnerabilities of our economic system, absorb shocks and engineer a swift rebound.

Ensuring the resilience of global supply chains of essential goods is crucial, the report says. An emergency Rapid Response Forum would provide G7 and other governments with a means of upstream policy co-ordination and, particularly, consultation ahead of the imposition of any trade restrictions. Such an initiative could also prepare timely co-operation on logistics, transportation, procurement, planning and communication.

Commissioned by the UK government, which is currently holding the G7 presidency, the OECD report underlines the need for governments to co-operate both with the private sector through, for instance, supply chain stress tests and emergency planning, and with other countries to boost transparency, discipline export restrictions and adhere to international regulation and standards.

The report says the COVID-19 crisis has caused a huge surge in demand for certain goods, notably in the health and information technology sectors but argues that global supply chains have been part of the solution. After shortages of masks and personal protective equipment, in particular at the beginning of the pandemic, both global production and trade of facemasks later increased tenfold to meet demand.

Strategies based around a reliance on domestic production are unlikely to ensure supply of essential goods and can remove important risk management options such as the diversification of sourcing, the report says. Although temporary scale-up of domestic production for essential goods could be explored as a risk management strategy, reliance on domestic production is not cost-effective nor feasible for strained health budgets, especially for lower income countries, which are almost entirely dependent on global markets to source medical products related to COVID-19. Global supply can allow products to be sourced from the most efficient and cost-effective supplier and enable access to more and different varieties of medical products, ensuring that future surges in global demand are fully met.

Presenting the report alongside Lord Sedwill, chair of the G7 Panel on Economic Resilience, OECD Secretary-General Angel Gurría said: "As we have seen in the past decade alone, in today's interconnected world, shock events can quickly cascade across borders and economic sectors, and have devastating effects on people's lives, jobs and opportunities, and on their trust in governments, institutions and markets."

"Building economic resilience in the face of future shocks is a global challenge for the post-COVID world. For global markets and supply chains to serve as a source of resilience, governments and the public need to have the confidence that markets are and will remain open and fair, including during times of stress."

Lord Sedwill said: "The unprecedented impact of the covid pandemic on the global economy has highlighted issues of resilience, arising from the growth of monopolies, geopolitical trade tensions, global economic governance falling behind innovation and technology, and the supply of the critical elements essential to the future economy. In response, we should renew our common purpose and commitment to open, well-regulated global markets which promote the green transition, inclusive growth and economic resilience as we build back better."

The report looks at how to build resilience in global markets, including by reducing distortions and promoting a level playing field for competition, trade and investment. Ensuring global markets are reliable and predictable includes ensuring access to critical raw materials. This calls for enhanced co-operation to develop international agreements for stronger monitoring, notification and disciplines on export restrictions on critical raw materials, promoting responsible sourcing and increasing circularity in this sector. Tackling harmful practices that undermine trust such as foreign bribery is also key.

The OECD proposes governments revise their risk management policies and

frameworks to ensure a systemic all-hazards-and-threats approach to resilience with international co-operation playing a central role. This could be supported by a comprehensive evaluation of the lessons learnt from the COVID-19 crisis, including benchmarking and comparison of national preparedness responses.

The OECD says emerging technologies, particularly digitalisation, can contribute to boosting resilience through prevention, absorption and recovery capabilities but can also pose threats. Among its recommendations, the report says governments could strengthen the responsiveness of innovation systems to global policy challenges, reconsidering the way they are organised, structured and financed. It also proposes linking support for innovation more closely to broader public policy objectives and improving international collaboration on emerging technology governance, including by moving towards smarter and more agile regulation.

For further information, journalists are invited to contact the OECD [Media Office](#) (tel. +33 1 4524 9700)

Working with over 100 countries, the OECD is a global policy forum that promotes policies to improve the economic and social well-being of people around the world.

COVID-19: OECD report to G7 points to need to strengthen economic resilience against crises

23/03/2021 – Creating an emergency Rapid Response Forum to ensure global supplies of essential goods continue to flow during major international crises is one of a broad range of recommendations contained in a new OECD report to the G7 on building economic resilience.

Fostering Economic Resilience in a World of Open and Integrated Markets says the devastating impacts of the Global Financial Crisis and now the COVID-19 pandemic will continue to leave lasting scars on our economies and societies. With the risk of other systemic threats on the horizon – starting with climate change but also spanning security threats, including cyber attackss – it is critical to learn the lessons of these and previous crises in order to tackle the vulnerabilities of our economic system, absorb shocks and engineer a swift rebound.

Ensuring the resilience of global supply chains of essential goods is crucial, the report says. An emergency Rapid Response Forum would provide G7 and other governments with a means of upstream policy co-ordination and, particularly, consultation ahead of the imposition of any trade restrictions. Such an initiative could also prepare timely co-operation on logistics, transportation, procurement, planning and communication.

Commissioned by the UK government, which is currently holding the G7 presidency, the OECD report underlines the need for governments to co-operate both with the private sector through, for instance, supply chain stress tests and emergency planning, and with other countries to boost transparency, discipline export restrictions and adhere to international regulation and standards.

The report says the COVID-19 crisis has caused a huge surge in demand for certain goods, notably in the health and information technology sectors but argues that global supply chains have been part of the solution. After shortages of masks and personal protective equipment, in particular at the beginning of the pandemic, both global production and trade of facemasks later increased tenfold to meet demand.

Strategies based around a reliance on domestic production are unlikely to ensure supply of essential goods and can remove important risk management options such as the diversification of sourcing, the report says. Although temporary scale-up of domestic production for essential goods could be explored as a risk management strategy, reliance on domestic production is not cost-effective nor feasible for strained health budgets, especially for lower income countries, which are almost entirely dependent on global markets to source medical products related to COVID-19. Global supply can allow products to be sourced from the most efficient and cost-effective supplier and enable access to more and different varieties of medical products, ensuring that future surges in global demand are fully met.

Presenting the report alongside Lord Sedwill, chair of the G7 Panel on Economic Resilience, OECD Secretary-General Angel Gurría said: "As we have seen in the past decade alone, in today's interconnected world, shock events can quickly cascade across borders and economic sectors, and have devastating effects on people's lives, jobs and opportunities, and on their trust in governments, institutions and markets."

"Building economic resilience in the face of future shocks is a global challenge for the post-COVID world. For global markets and supply chains to serve as a source of resilience, governments and the public need to have the confidence that markets are and will remain open and fair, including during times of stress."

Lord Sedwill said: "The unprecedented impact of the covid pandemic on the global economy has highlighted issues of resilience, arising from the growth of monopolies, geopolitical trade tensions, global economic governance falling behind innovation and technology, and the supply of the critical elements essential to the future economy. In response, we should renew our common purpose and commitment to open, well-regulated global markets which

promote the green transition, inclusive growth and economic resilience as we build back better.”

The report looks at how to build resilience in global markets, including by reducing distortions and promoting a level playing field for competition, trade and investment. Ensuring global markets are reliable and predictable includes ensuring access to critical raw materials. This calls for enhanced co-operation to develop international agreements for stronger monitoring, notification and disciplines on export restrictions on critical raw materials, promoting responsible sourcing and increasing circularity in this sector. Tackling harmful practices that undermine trust such as foreign bribery is also key.

The OECD proposes governments revise their risk management policies and frameworks to ensure a systemic all-hazards-and-threats approach to resilience with international co-operation playing a central role. This could be supported by a comprehensive evaluation of the lessons learnt from the COVID-19 crisis, including benchmarking and comparison of national preparedness responses.

The OECD says emerging technologies, particularly digitalisation, can contribute to boosting resilience through prevention, absorption and recovery capabilities but can also pose threats. Among its recommendations, the report says governments could strengthen the responsiveness of innovation systems to global policy challenges, reconsidering the way they are organised, structured and financed. It also proposes linking support for innovation more closely to broader public policy objectives and improving international collaboration on emerging technology governance, including by moving towards smarter and more agile regulation.

For further information, journalists are invited to contact the OECD [Media Office](#) (tel. +33 1 4524 9700)

Working with over 100 countries, the OECD is a global policy forum that promotes policies to improve the economic and social well-being of people around the world.

Economy: Faster vaccine rollout critical for stronger recovery

[Watch the live webcast of the press conference](#)

A global economic recovery is in sight but a faster and more effective vaccination rollout across the world is critical, while respecting necessary health and social distancing measures, according to the [OECD's latest Interim Economic Outlook](#).

Activity in many sectors has picked up and adapted to pandemic restrictions over recent months. Vaccine deployment, although uneven, is finally gaining momentum and government fiscal stimulus – particularly in the US – is likely to provide a major boost to economic activity.

But the pandemic is widening gaps in economic performance between countries and between sectors, increasing social inequalities, particularly affecting vulnerable groups, and risking long-term damage to job prospects and living standards for many people.

The Interim Economic Outlook calls for ramping up vaccination, for swifter, more targeted fiscal stimulus to foster output and confidence, and to maintain income support for people and businesses hard hit by the pandemic while preparing the ground for a sustainable recovery.

“Speed is of the essence,” said OECD Secretary-General Angel Gurría. “There is no room for complacency. Vaccines must be deployed faster and globally. This will require better international co-operation and co-ordination than we have seen up to now. It is only by doing so that we can focus our attention on building forward better and laying the foundations for a prosperous and lasting recovery for all.”

The OECD sees global GDP growth at 5.6% this year, an upward revision of more than 1 percentage point since its projection in December 2020, and 4% in 2022. World output is expected to reach pre-pandemic levels by mid-2021 but the pace and duration of the recovery will depend on the race between vaccines and emerging variants of the virus.

The outlook for global growth would be better than currently projected – and approach pre-pandemic projections for activity – if the production and distribution of vaccines accelerates, is better co-ordinated around the world and gets ahead of virus mutations. This would allow containment measures to be relaxed more rapidly. But if vaccination programmes are not fast enough to cut infection rates or if new variants become more widespread and require changes to current vaccines, consumer spending and business confidence would be hit.

In the OECD's central scenario, US growth is projected to be 6.5% in 2021, an upward revision of more than 3 percentage points since December, partly reflecting the large-scale fiscal stimulus now planned with a sustained pace of vaccination. This also helps to lift output around the world. In the euro area, where the level of fiscal stimulus is lower and vaccine rollout slower,

the Interim Economic Outlook sees GDP rising 3.9%, a 0.3 percentage point upward revision.

Prospects are brighter in the Asian-Pacific region where several countries have effectively contained the virus and where industrial activity has regained dynamism. In China, GDP growth is projected to be 7.8% this year; in Japan 2.7%; in Korea 3.3%; and in Australia 4.5%.

The recovery is likely to be more moderate in the emerging market economies of Latin America and Africa amid a resurgence of the virus, slow vaccine deployment and limited scope for additional policy support.

Presenting the Interim Economic Outlook today, OECD Chief Economist Laurence Boone said vaccination programmes and stimulus measures should work hand in hand.

“Widespread vaccination of the adult population is the best economic policy available today to get our economies and employment growing again,” she said. “If we are at war with the virus then we need to put vaccine production on a war footing, provide the necessary resources and speed up deployment across the world.”

“If we don’t get enough people vaccinated quickly enough to allow restrictions to be lifted, the recovery will be slower and we will undermine the benefits of fiscal stimulus,” she added.

The improved prospects of a global recovery have led to financial market expectations of higher inflation although the Interim Economic Outlook says underlying price pressures generally remain mild in advanced economies. In emerging market economies, inflation could rise further. Public debt levels have risen sharply almost everywhere, but debt-servicing costs in most OECD economies continue to benefit from very low interest rates protecting fiscal sustainability.

The report says the vital support provided by governments to preserve jobs and businesses should remain in place while economies are still fragile and hampered by containment measures. Particular attention needs to be paid to supporting young people and the less skilled to avoid a repeat of the long-term damage caused to the job prospects of these vulnerable groups after the financial crisis of 2008.

For the full report and more information, visit the [Interim Economic Outlook online](#). See OECD spotlight on [the race to vaccinate](#). Other OECD policy responses to the pandemic are available on the [COVID-19 hub](#).

Media queries should be directed to the [OECD Media Office](#) (tel: +33 1 4524 9700).

Working with over 100 countries, the OECD is a global policy forum that promotes policies to improve the economic and social well-being of people around the world.

With its strong enforcement record, the United States confirms its leading role in the fight against transnational corruption

17/11/2020 – The United States continues to demonstrate an increasing level of anti-bribery enforcement, having convicted or sanctioned 174 companies and 115 individuals for foreign bribery and related offences under the Foreign Corrupt Practices Act (FCPA) between September 2010 and July 2019. The United States is thus commended for a significant upward trend in enforcement and confirming the prominent role it plays globally in combating foreign bribery.

The 44-country OECD Working Group on Bribery has just completed its Phase 4 evaluation of the United States' implementation of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and related instruments.

Given developments since the United States' last evaluation in 2010, the Working Group made a range of recommendations to the United States, including to:

- Consider ways to enhance protections for whistleblowers who report potential FCPA anti-bribery violations by non-issuers and provide further guidance on available whistleblower protections;
- Continue to further evaluate and refine policies and guidance concerning the FCPA;
- Make publicly available the extension and completion of NPAs and DPAs with legal persons in foreign bribery matters as well as the grounds for extending DPAs in FCPA matters;
- Continue to evaluate the effectiveness of the Corporate Enforcement Policy in particular in terms of encouraging self-disclosure and of its deterrent effect on foreign bribery; and
- Continue to address recidivism through appropriate sanctions and raise awareness of its impact on the choice of resolution in FCPA matters.

The report praises the United States for its sustained commitment to enforcing its foreign bribery offence as well as its key role in promoting the implementation of the Convention. This achievement results from a combination of enhanced expertise and resources to investigate and prosecute foreign bribery, the enforcement of a broad range of offences in foreign

bribery cases, the effective use of non-trial resolution mechanisms, and the development of published policies to incentivise companies' co-operation with law enforcement agencies.

The report also notes a large number of positive developments and good practices, such as the DOJ's reliance on several theories of liability to hold both companies and individuals responsible for foreign bribery, and the United States' successful co-ordination that has allowed multi-agency resolutions against alleged offenders in FCPA matters. In parallel, the United States has increasingly sought to co-ordinate and co-operate in investigating and resolving multijurisdictional foreign bribery matters with other jurisdictions. Finally, the United States has helped foreign partners build their capacity to fight foreign bribery through joint conferences and peer-to-peer training thus enabling the law enforcement authorities of these countries to better investigate and sanction prominent foreign bribery cases.

[The United States' Phase 4 report](#) was adopted by the OECD Working Group on Bribery on 16 October 2020. The report lists the recommendations the Working Group made to the United States on pages 111-113, and includes an overview of recent enforcement activity and specific legal, policy, and institutional features of the United States' framework for fighting foreign bribery. In accordance with the standard procedure, the United States will submit a written report to the Working Group within two years (October 2022) on its implementation of all recommendations and its enforcement efforts. This report will also be made publicly available.

The report is part of the OECD Working Group on Bribery's fourth phase of monitoring, launched in 2016. Phase 4 looks at the evaluated country's particular challenges and positive achievements. It also explores issues such as detection, enforcement, corporate liability, and international co-operation, as well as covering unresolved issues from prior reports.

For further information, journalists are invited to contact the OECD's Media Relations Division on (33) 1 45 24 97 00 or news.contact@oecd.org. For more information on the United States' work to fight corruption, please visit <http://www.oecd.org/daf/anti-bribery/unitedstates-oecdanti-briberyconvention.htm>.

Working with over 100 countries, the OECD is a global policy forum that promotes policies to improve the economic and social well-being of people around the world.