

# European GVCs under COVID-19: regional implications

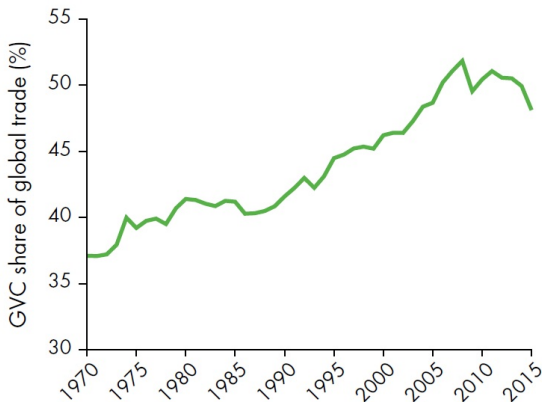
## CESEE in the COVID-19 crisis – the role of the EU and global spillovers

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Figure: GVC Trade and World Trade



Notes: Based on the GVC participation measure in Borin and Mancini (2019) as reported in the World Development Report (2020, Chapter 1)

# Global Value Chains & COVID

- Trade tensions not likely to affect structurally the geography of global production (political cycle)...
- ...or much less than new technologies (digital platforms, blockchain, automation, AI).

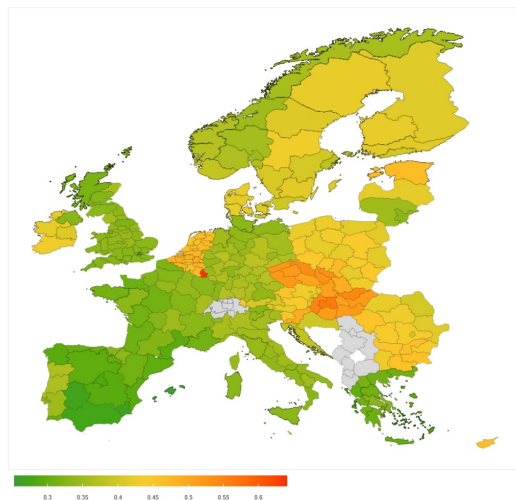
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  - higher productivity → higher demand for intermediates → **more GVCs**
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- COVID-19 however (temporarily) increases F-to-F costs due to the number of restrictions still in place → **less GVCs**

# EU Regions & Overall GVC Exposure

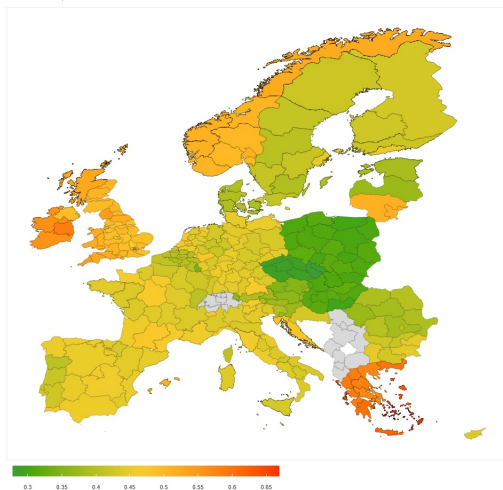
Figure: Share of Overall GVC-related trade at NUTS-2 level



Source: Altomonte, Coali & Ottaviano (2020)

# EU Regions & Extra-EU GVC shock (EDRI)

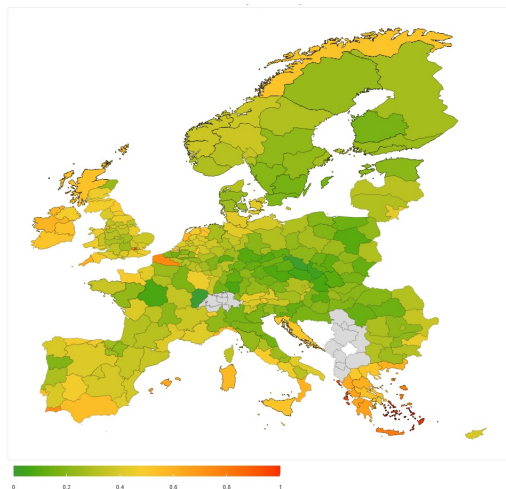
Figure: Share of Extra EU GVC-related trade at NUTS-2 level



Source: Altomonte, Coali & Ottaviano (2020)

# EU Regions & COVID Production Function Shock (IDRI)

Figure: COVID-related Production Function Shock at NUTS-2 level

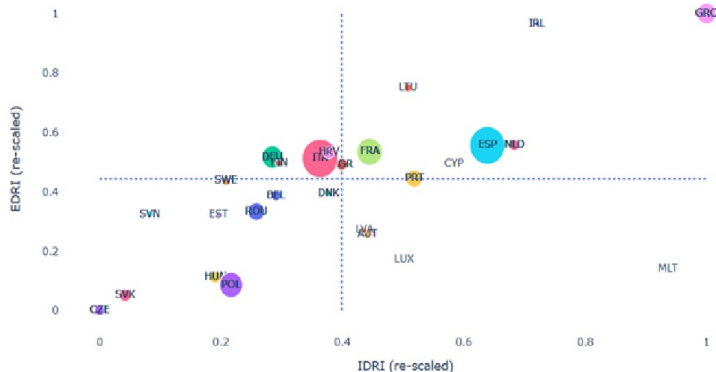


Source: Altomonte, Coali & Ottaviano (2020)



# COVID-related shocks across EU Countries

Figure: EDRI & IDRI across EU Countries



Source: Altomonte, Coali & Ottaviano (2020)