

Businesses Operating Internationally Face Big Global Challenges

Last week, I joined leaders at the Aspen Institute Program on the World Economy for a discussion of major economic and financial challenges. With COVID-19 a continued drag on our economic recovery and global trade set to decline by 12% in 2020, those challenges loom larger than usual.

The big picture: The issues – from rising monetary and fiscal challenges, to eroding confidence in global governance and institutions, to a rapidly changing workforce – will be familiar to U.S. businesses operating internationally.

Key takeaways for business:

- **Healthcare collaboration between industry, government, and academia has never been stronger** amid a global vaccine race. The next challenges will be managing distribution through supply chains and strengthening public/private partnerships on digital health and future preparedness.
- **The global recovery is likely to be uneven.** While Europe's drop in GDP was even greater than the United States, many EU countries moved decisively to implement national plans to curtail the pandemic and have averted mass unemployment. Meanwhile, there's more gloom than optimism in Latin America, which could face a challenging road ahead due to severe debt levels and unsustainable monetary fiscal policy responses.
- **Central banks played a critical role** in bolstering economies amid the COVID pandemic, but they aren't staffed by magicians. Central banks know how to tighten monetary policy in an overheated economy, but easing in a recession has its limits: As economists like to say, "you can't push on a string."
- **China policy will loom large**, shaping not only rhetoric in U.S. elections, but broader global dynamics as policymakers grapple with a rising China. The U.S. Chamber is working to retain the benefits of the Phase I deal; prioritize structural reform in China; limit the harm of tariffs; leverage coordination with allies; and engage to address our members' concerns in a sustained and methodical way.

The bottom line: Finding effective solutions on health care, sustainability, trade, supply chains, and many other issues will require creativity and cross-border partnerships. With global governments in turmoil, the private sector will increasingly need to play a leadership role.

— Myron Brilliant, Executive Vice President and Head of International Affairs, U.S. Chamber of Commerce