



Secretary General Angel Gurría's Statement for the G20 Videoconference Summit on COVID-19

March 26th, 2020

Majesty, Leaders,

At the OECD, our currency is public policy; we are now focusing all our skills and expertise of 60 years on this war against the virus. Health, medicines, taxes, employment, social, SME's, education, science and technology, trade and investment, skills, tourism, all are focused on advising countries on how to stop the virus, reduce its consequences and save lives.

G20 Countries need to massively ramp up the production of medical infrastructure, equipment and supplies, and to ensure that affordable vaccines and treatments are widely and swiftly available. Special attention must be dedicated to the most vulnerable in our societies, considering the high inequalities in many of our countries. We also have to make sure that the health systems in the world are properly staffed.

Our success in this war on the health and human dimensions will not only reduce the pain to our families and societies, it will also define our capacity to keep the economy afloat.

Indeed, our latest estimates show the lockdown will directly affect sectors amounting to up to one third of GDP in the major economies. We calculate that, for each month of containment, there will be a loss of 2 percentage points in annual GDP growth. The tourism sector alone faces a decrease in output anywhere between 50% to 70% in this period. Many economies will fall into recession.

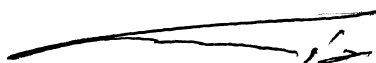
This is a cost that has to be paid today, in order to avoid much higher costs and even more serious consequences tomorrow.

The scope and urgency of the situation calls for decisive and collective action in five fronts:

1. People and workers;
2. Businesses, particularly SMEs;

3. Macroeconomic: mobilising the three policy levers (monetary, fiscal, and structural);
4. Trade. It is time to lift existing trade restrictions, including on imports of much needed medical supplies;
5. Developing and low-income countries. We join the call of the IMF and the WB. We should think of a Heavily Indebted Poor Countries Initiative (HIPC) “on steroids”. We also join Canadian Prime Minister Trudeau, on his call to support the Small Island Developing States.

We must learn the lessons fast. We need to “recapitalise” our health and epidemiologic systems beyond narrow cost-benefit considerations so they have the necessary resilience to withstand such shocks. We need to double down on investment in the research and development of vaccines. We need to inoculate our citizens from any future shocks. Count on the OECD.



Angel Gurría

OECD Secretary-General