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疫症大流行後的發展:香港與全球

Post Pandemic Development: Hong Kong and the World

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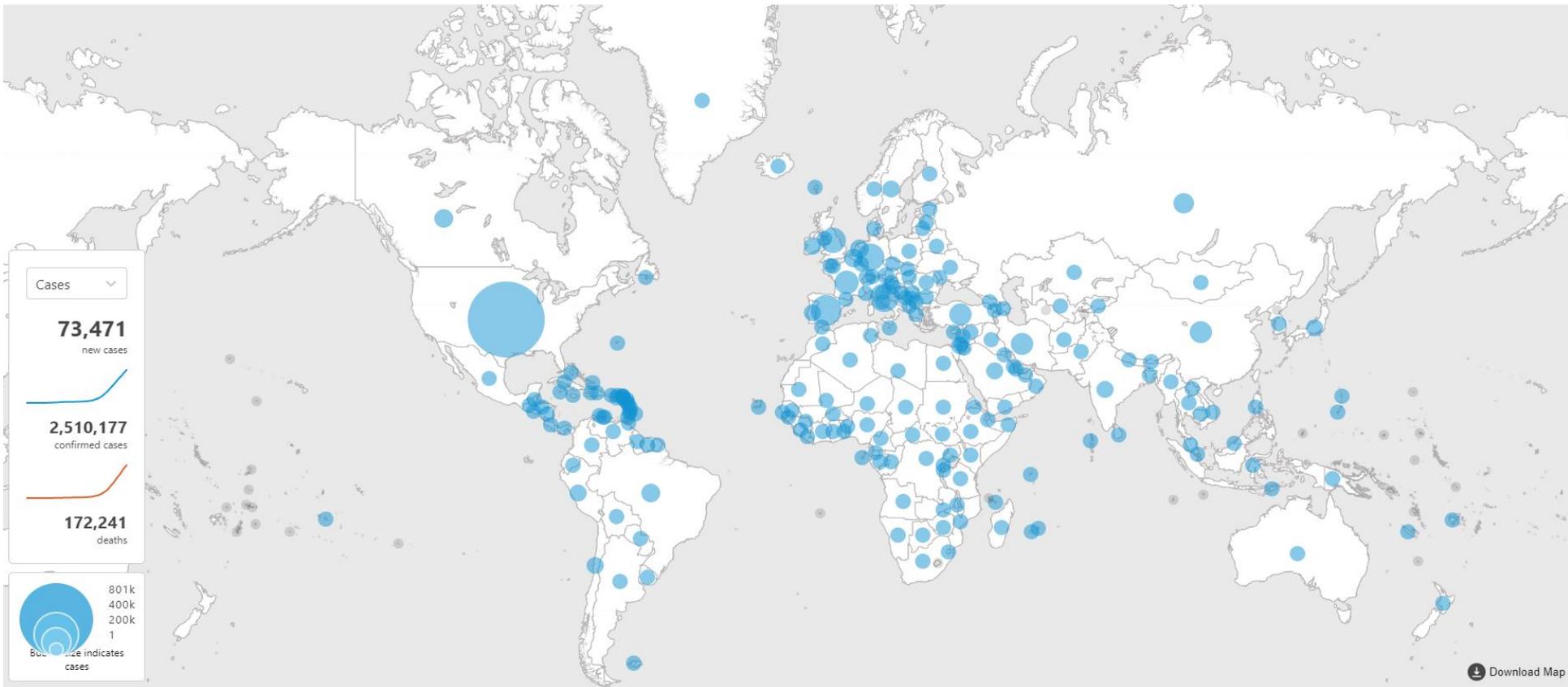
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Coronavirus crisis: the pandemic: situation map



Coronavirus (COVID-19)
Last updated: 2020/4/23, 2:00pm CEST

[Overview](#) [Explorer](#)



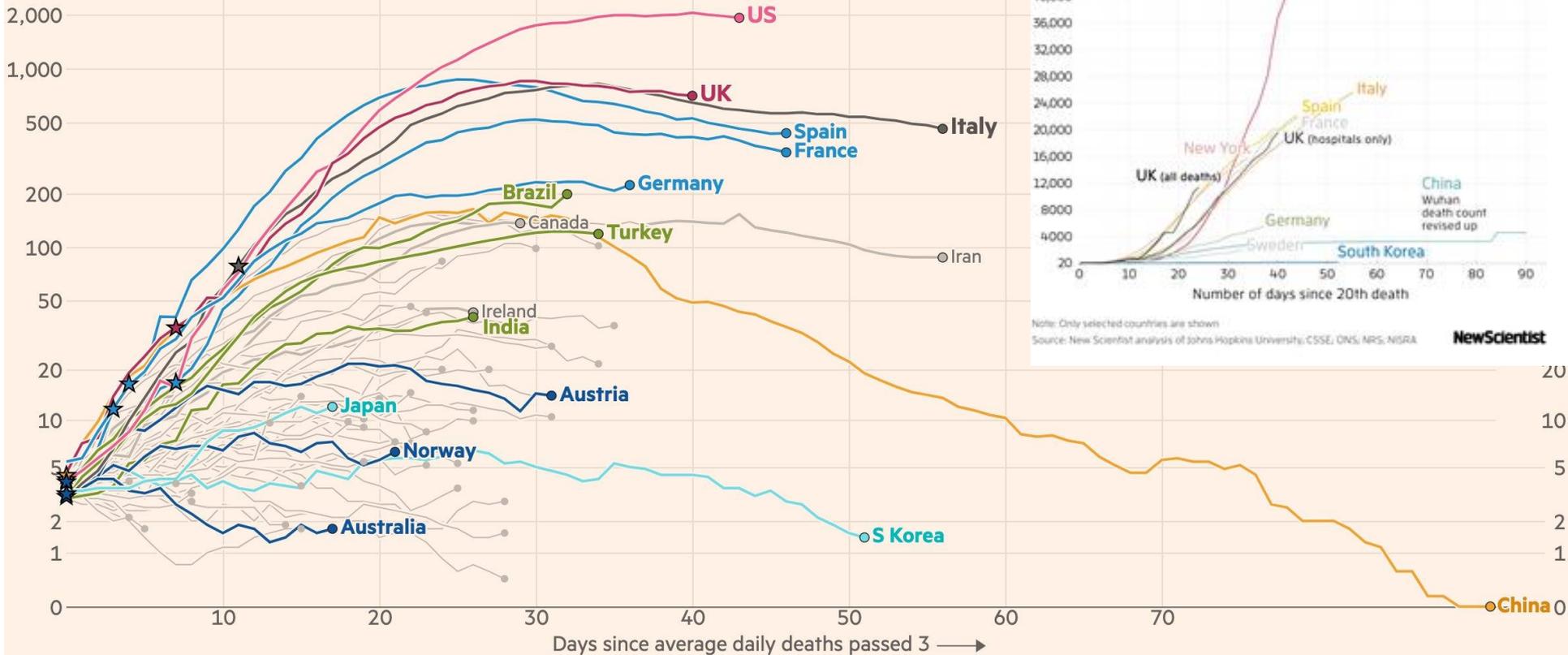
The epicenter first emerged in China, and shifted to Southern Europe and Europe as a whole, but has now moved to the USA. A present threat is whether Africa and Latin America would be new epicenters with a second wave to attack those already suffered in the first wave.

Daily death tolls under the pandemic by 21 April 2020

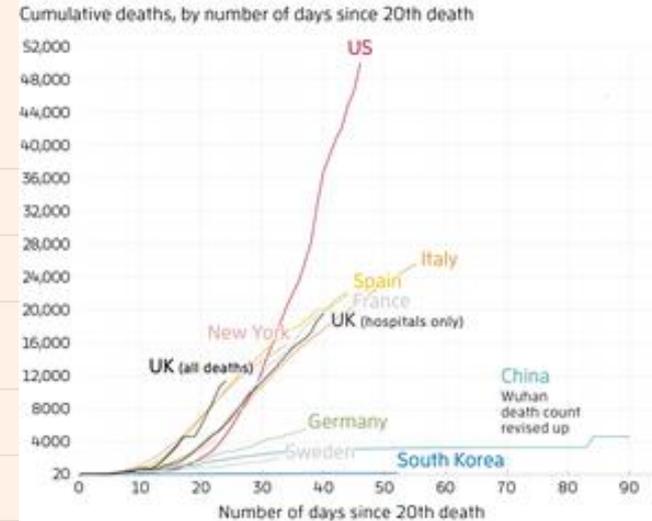


Daily death tolls are now at their peak or falling in many western countries

Daily deaths with coronavirus (7-day rolling average), by number of days since 3 daily deaths first recorded. Stars represent national lockdowns ★



Coronavirus deaths as of 24 April 5pm BST



Note: Only selected countries are shown
Source: New Scientist analysis of Johns Hopkins University; CSSE; ONS; NRS; NISRA
NewScientist

FT graphic: John Burn-Murdoch / @jburnmurdoch
Source: FT analysis of European Centre for Disease Prevention and Control; FT research. Data updated April 25, 00:24 BST
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Sources <https://twitter.com/jburnmurdoch/status/1253834453782351876/photo/1>,
<https://www.newscientist.com/article/2237475-covid-19-news-us-not-involved-in-global-who-plan-to-tackle-pandemic/>

Is the pandemic slowing down and would within months tamed like flu?

OR would it have succeeding waves of attacks on different societies at different times for a few years?

The only case slowing or dying of pandemic seems to be China, probably because of the national mobilization and strict lockdown policy. East Asia and Southeast Asia are also trending towards recovery.

Europe may take a long period to have its daily death tolls reaching the low risk level of Korea; while the USA seems far away from significant improvements with daily death tolls over 2,000 and confirmed cases reaching one million and beyond. Herd immunity should not be an option for it would cost millions of death even if the death rate is under 1%.

The policy dilemma of economic reopening and a complete stop in the spread of pandemic is not just a challenge to country governments but to the world as a whole.

When would there be available and affordable vaccines for the pandemic to the struggling peoples of the world?



The crisis is in the first place an economic crisis



‘(T)his is a crisis like no other. Never in the history of the IMF, we have witnessed the world economy coming to a standstill.’

Kristalina Georgieva, Managing Director of IMF, in the World Health Organization Press Briefing, 3 April 2020

‘Already over 90 countries have been placing requests to the IMF for emergency financing’

Pandemic-induced economic crisis



The pandemic induced economic crisis starts with abrupt economic standstill, not gradual decline and financial melt down. The standstill disconnects domestic and international economic ties and cooperation, and undermines trust and the contractual relationship.

If the standstill lasts a longer period, the loss of current incomes and revenues would destroy individuals, firms and even regional and national governments if they rely heavily on debts; if overburdened with debts, they might not have resources to repay and service their debts. The massive non-payment of debts would destroy also market confidence and trigger off a chain reaction in the financial and real markets. The same outcomes of conventional economic crisis occur but at a larger, global scale and could not be stopped by government policies unless the pandemic were overcome and lockdown measures removed. Government policy like deficit financing and even free distribution of money, and monetary quantity easing could help but not enough.

The pandemic has to be overcome or put under strict controls first, not to allow it to persist into another year or more, but how?

The Great Depression Vs. Coronavirus Recession, the US example



1. Unemployment – a peak of 24.8% in 1933 against 3.2% in 1929. From February 2018 to February 2020 below 4%, but coming months would see 20% or 30%.
2. GDP – minus 8.5% in 1930, - 6.4% in 1931, and -12.9% in 1932. Returned to positive only in 1934. (In 2020, it would decline by 10% or more)
3. Stock prices – In 1931 the Dow Jones Industrial Average lost over 30% in one month. In February 2020, S&P lost 34% in a month.

---Sarah Hansen, The Great Depression Vs. Coronavirus Recession: 3 metrics that will determine how much worse it can get, *Forbes*, 24 March 2020



IMF GDP projections for 2020:

- Developed economies – 6.1% (USA - 5.9%, Japan - 5.2%, UK - 6.5%, Germany -6.9%);
- Emergent market economies – 1%
- China +1.2%.

WTO projection

- World GDP growth -2.5% to – 8.8%
- World Exports -17.1% to - 40.9%
- World Imports -14.5% to -33.8%



‘The contraction that is now underway looks to be neither V- nor U- nor L-shaped (a sharp downturn followed by stagnation). Rather, it looks like an I: a vertical line representing financial markets and the real economy plummeting.’

Nouriel Roubini, A Greater Depression?
24 March 2020

The crisis, not just economical



It is like a locust disaster that destroys and multiplies in its way. It is a plague feeds on human beings.

It tests the ability (its will, solidarity and institutional and material resources) of individuals, organizations, communities and societies to cope with the unexpected crisis in a competition in speed with the spread of the virus. It is not just a test of institutions and governments, but a test at the level of civilization. Deep in crisis a civilization and its peoples would then be forced to examine and rethink the values and practices of their ways of living and doing things among and for themselves, and in dealing with other civilizations and peoples. The world will be different coming out of the coronavirus crisis. However it might or might not be better!



The world is not equal and nations and economies have dissimilar resources and capabilities to deal with the coronavirus crisis and its induced economic crisis. Those with structural deficits and high leveraging of their financialized economies would find it difficult to couple with the sudden collapse of their domestic economies and foreign trade sectors. Unless they could export their domestic crises by whatever means (financially, politically and even by wars and invasions), they would face social and political disasters coming from domestic economic dislocations.

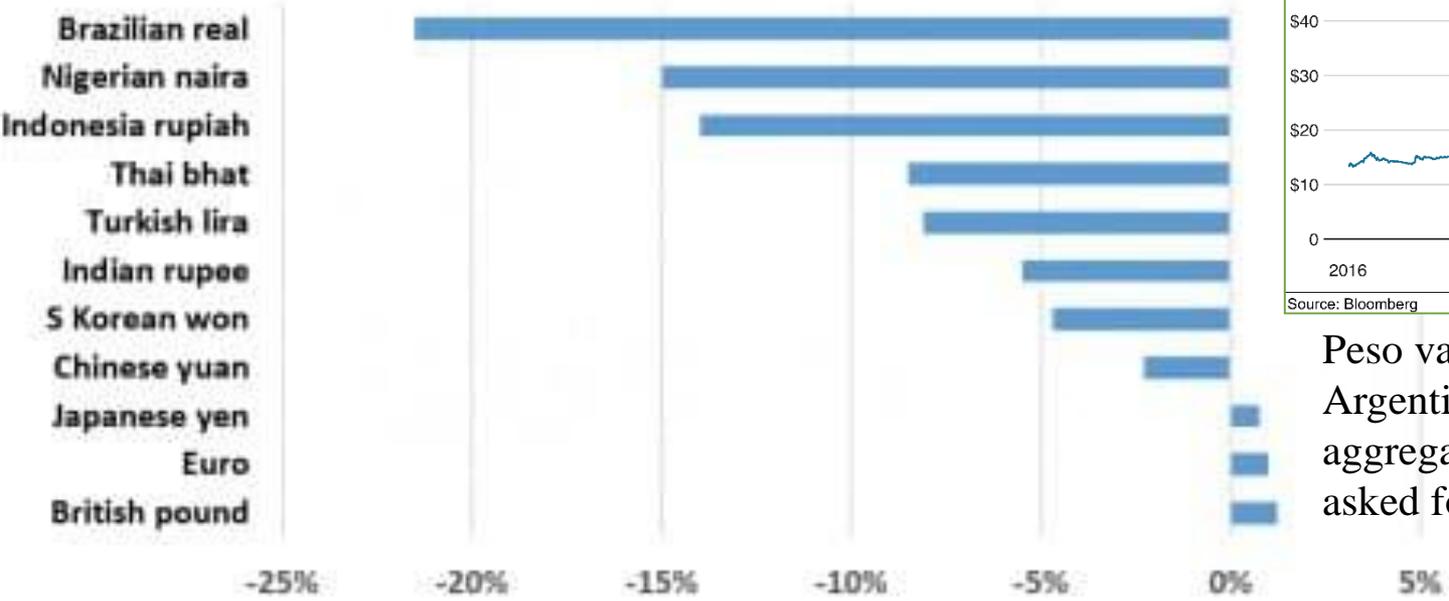
In the interconnected world, international relations take the form of zero-sum games. Even if one country succeeds in overcoming the coronavirus pandemic, it still faces the even more dangerous economic, financial and political crises originated from other countries and threat of foreign military interventions.

The bio-crisis could trigger off many more crises, and have far reaching implications and consequences, causing a greater differentiation of nations in the post-crisis reconnected world

The initial attack on currencies of nations in early 2020

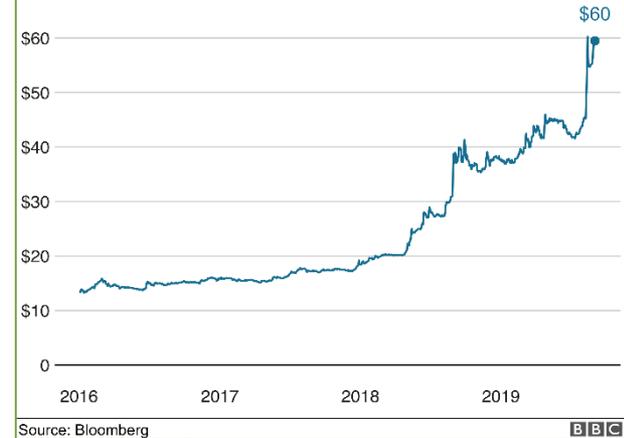


**Exchange Rates Against US\$:
Percent Change in 2020, Selected Nations**



Argentine peso vs US dollar

You now need 60 peso to buy 1 US dollar



Peso value up to late 2019.
Argentina suffered debt problem
aggregated by devaluation and
asked for concessions

Sources: Yale Global, oilprice.com, 1 April 2020 and

The ability of the US government to maintain a strong dollar policy, despite the pandemic lockdown, has put pressure on weak national currencies by raising the cost of servicing and repaying their US dollar debts, and thus triggering off a vicious cycle of economic difficulties for these countries.

Social crises at a global level



David Beasley, director of the United Nations World Food Program, warned Tuesday that the world is on "the brink of a hunger pandemic" as it grapples with the global coronavirus crisis. He said that without action, the world could face "multiple famines of biblical proportions within a short few months."

In countries that do not have universal medical care and lack medical resources, the pandemic has been hitting the poor and weak (now the aged) most. Economic crisis will also hurt heavily weak economies with inadequate resources and diversification. The results will be widespread humanitarian crisis and famines that create deep social crisis. The unevenly developing world will be more uneven and within countries, not only the aged will die most, but social and economic polarization would be increased. After the pandemic without global efforts, injustice and inequality would be enhanced and more entrenched.

China targeted by the US



1. Perhaps China is the first country to keep the coronavirus under control by severe lockdown, and the first country to resume mass production at a time when all other countries suffering under lockdown and economic standstill - the immediate result is its ability to supply medical and other essential goods to the world market and benefit from it and the envy from major countries, esp. the self proclaimed no.1 country in the world, USA.
2. The US has already been in keen competition with China because China is threatened to overtake the world no. 1 position of the US and probably depriving it all the advantages it has been enjoying as the world's single hegemon and in particular at a time when the US economy is heavily indebted to China and others.
3. The pandemic crisis worsens the economic and financial ability of the US because of the economic standstill caused by the pandemic.
4. It then tempts US politicians to use China as the scapegoat for their policy mistakes and misfortune and as a target of exploitation under various pretexts while the real reason is the competition pressure of China on the US.

What would happen?



1. The US withdraws from WHO, WTO and other international institutions it has helped established after the Second World War as an attempt and a threat to reorganize the global system according to the principle of ‘American First’ to the advantage of the US but mostly at the expense of other countries. The damages caused by the pandemic crisis oblige the US to take more radical measures to rescue its failing hegemonic status.
2. The worst scenario: intensifying conflicts between the US and China and the possibility of a new Cold War with increasing sanctions and delinking of the US and its close allies against China, and China is expected to react leading to an international competition between the two that involves other countries as well.
3. If there are sanctions and trade protectionism against China under the new Cold War, Hong Kong as part of China would definitely be affected, not just in terms of collateral damage, but rather strategically targeted.

Hong Kong after the pandemic



What would happen to Hong Kong?

- Could it recover from the disconnected world?
- Would the world be reconnected as in the past, not be damaged by trade protectionism and economic nationalism and a new Cold War between the US and China (and Russia)?
- Would it suffer the collateral damages from the new Cold War and lose its global functions and status?
- Would it then become another Chinese Mainland city leaving behind even by Shenzhen and Guangzhou, and losing its unique competitive advantages in China and in the world?
- **OR** would it become the new capital of the new Asian economic, trade and financial bloc of Asia with renewed networking resources supported by China to over shadow Singapore and other Chinese cities?

Q & A Session



Q1. What is your view on the weak US dollar 's effect on HK dollar and the US's external

policy towards HK supporter by the opposition parties disrupting the recovery here?

ANS:
The US dollars performance subjects to many factors, not just the policy of the Federal Reserve of America. And the opening I made the world was still in the market and there are other forces not just the Federal Reserve. So it's not a simple task to say how the US dollars will have effects on HK dollars. Anyway HK dollars has hooked up to the US dollars, so we are not able to independently manage the exchange rate of Hong Kong. We have subject to the policy of the US Federal Reserve. So the currency issue is different from the nature, economic and political policy of US to Hong Kong and US policies towards Hong Kong is linked up to US and China's conflict. Not so much because of Hong Kong own virtue but because of Hong Kong as part of China existing a special weak link on China defense, so Hong Kong would be the target of the attack from the US.

Q & A Session



But this is as I mentioned some time is some other place, since the 2014, the US engages the colour revolution in Hong Kong. The main aim is to not so much to take over to affect the regime change in Hong Kong rather to create troubles in Hong Kong that would be used as a bargain between US and China. So the question in Hong Kong in whatever form will be continued originally from the US and aided by those are politically in favour of America in system or aligned on America.

So even with the pandemic being get under control, the situation in Hong Kong will not be improved. There would be presumption of political instability as in last year but the issue is that Hong Kong is part of China, America cannot engage in a open conflict with China in Hong Kong, so they would try to use agency in Hong Kong to disrupt the situation. As Hong Kong with the support of China will have a chance to suppress them easily and that could be a way to lessen the passion of US on Hong Kong.

The case is maybe the aim is to make the disruption of the economic situation in Hong Kong to create political instability so that there would the worse situation in Hong Kong and affect the policy of China towards Hong Kong.

Q & A Session



Q2. What is the future role of Hong Kong after pandemic?

ANS:

As the mention earlier, there're two chances, one chance is Hong Kong will suffer because of the US and China conflict and Hong Kong would be sanctioned by America because of China. And the other chance is Hong Kong is if China can react successfully could create a new globalization system based on the One Belt One Road Initiative and also China improved the international connection.

Then, Hong Kong may have a chance to become the new capital of this guide of new globalization system thanks to existing international connectivity.

But which one would be more certain, I'm not sure. I think we cannot predict the international relations. If we can predict, then there wouldn't be any wars.

Q & A Session



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Q & A Session



Q3. What is the view of External Investor on Hong Kong?

ANS:

What is the view of the external investors in Hong Kong, I'm not sure because there are many kind of external factors that would make them come to Hong Kong or may not come to Hong Kong. The problem in Hong Kong is that Hong Kong has already become the capital of China, the oversea financial capital of China. It's supported by the China's financial capital and the share of external capital is quite small. You can see that before the return of Hong Kong to China in 1997, Hong Kong once served the offshore financial centre of Japan. But after 1997, the function has stopped because Japan was in fear of China's influence in Hong Kong. And since then, Hong Kong has not recovered in the international degree of financial connectivity. And for the external investors, there had more been so much interest in Hong Kong because of political, because of other factors, but there was also one chance that investments seek in Hong Kong being having China's capital power of other capital.

Q & A Session



Q4. Do Mainland China enterprise continue to invest Hong Kong?

ANS:

Do Mainland China enterprises continue to invest in Hong Kong because it would be two things, one is that Hong Kong is serving a very much as the offshore financial centre for Chinese financial system also for most of the Chinese enterprises. And this function will not be changed. Secondly, when China moves outside, especially where you cannot have a secure in US or the UK or other foreign countries, Hong Kong roles as the offshore financial centre for China will much more enhanced. And especially for One Belt One Road Initiate, it involves many countries that have lots of participating in the eco-section in the financial system. So it will be a chance to Hong Kong to be valid financial link with these newly globalized countries. And without much of competition from other region city in the world, Singapore cannot compete with Hong Kong because of support to Hong Kong from China.

Q & A Session



Q5. In terms of belt and road project investment from China and other countries including public funding , do you see any slowing down even stopping the investment in those projects ?

ANS:

The pandemic has created a standstill only in the individual country, also in the international capital fund at the throes. So in the last few months, there will be some decline even as we stop a job of investment project. The situation after the pandemic depends very much on the political situation. If the conflict between US and China intensify, there are senses another kind of measures against China posed by the US, there would create two reactions. One reaction is that other countries worry about conflict between China and US and try to isolate themselves from it. The other possible reaction is that the China will try much more eagerly to improve its international investment and also international connectivity.

So there would be more proactive measure to promote investment and also all this kind of us, infrastructural projects along the road along the route of Silk Road, the One Belt One Road. So which reaction will be stronger is difficult to say. As I mentioned earlier, we cannot predict the international relations there have been so many players involved in the game and difficult to see how one certainly are turned out to be.