

**CCG Report**

No.3. 30.2020

**Strengthen multi-level  
international cooperation  
to fight the pandemic****Executive Summary**

The spread of the coronavirus poses a huge threat not only to public health, but also the global economy. On March 26, a G20 Extraordinary Virtual Leaders' Summit was held to discuss the crisis. In a communique issued at the end of the summit, G20 leaders committed to a united response to fight the pandemic, including strengthening the World Health Organization's mandate and injecting over USD5 trillion into the global economy, as part of targeted fiscal policy, economic measures, and guarantee schemes to counteract the social, economic and financial impacts of the pandemic.

The G20 summit has sent a positive signal for international cooperation to face current challenges from the coronavirus pandemic. At this critical juncture, this report by the Center for China and Globalization (CCG) summarizes China's experience in dealing with the outbreak and provides suggestions on global cooperation to fight the virus and its

economic fallout. It draws on ongoing research and analysis of the unfolding outbreak and recent seminars CCG has hosted featuring Chinese and foreign experts.

The report summarizes key aspects of China's experience on COVID-19.

1. Central coordination - the State Council launched the Joint Prevention and Control Mechanism to coordinate efforts to contain virus spread as well as measures to manage economic and social impacts.

2. Efficiently mobilize and allocate resources in a nationwide effort to deal with the epidemic.

3. Establish effective communication platforms with timely and transparent disclosure of accurate information on the epidemic to promote trust and cooperation from society.

4. Impose strict social distancing and implement comprehensive non-pharmaceutical interventions.

5. Mobilize extensive networks of grassroots officials and community social care workers to implement response policies quickly and effectively.

6. Accelerate deployment and guarantee the efficient operation of logistics to ensure a safe and stable supply of essential goods.

7. Leverage new digital technologies such as big data, mobile apps and artificial intelligence applications to track exposure to the virus, promote internet-based mass entertainment, and boost online retail.

8. Implement policies at multiple levels in a timely manner to reduce the burden on enterprises and stabilize the economy.

9. Seek to achieve the twin objectives of epidemic control and restarting economic activity, giving due weight to each consideration.

10. Actively carry out international cooperation in the fight against epidemic while sharing information and experience.

Based on these findings, the report makes ten recommendations on responses to the coronavirus and its impact on public health and safety, the world economy, and global value chains. More detail on these recommendations and supporting measures is given in the full report.

1. Enhance multilateral platforms, in particular, the role of the G20 to facilitate high-level diplomacy needed to address the coronavirus challenge.

2. Support the World Health Organization (WHO) to play a greater role in global cooperation and establish a governance mechanism for international coordination on public health measures.

3. Protect global value chains, supply chains and industrial chains through international cooperation, helping to stabilize and revitalize the global economy.

4. China and the US should work to strengthen dialogue and reach consensus on trade in medical supplies and global efforts to fight the epidemic.

5. Support the World Trade Organization (WTO) to play a role in responding to the epidemic, promoting trade facilitation for emergency goods and cooperation across supply chains.

6. Stabilize regional security and focus efforts on fighting the epidemic. This should include working together to assist regions and countries with more vulnerable healthcare systems.

7. Facilitate the sharing of research results on COVID-19 and support multinational cooperation on drug and vaccine development.

8. Encourage local governments and non-state actors to provide various forms of material support and assistance.

9. Safeguard global food trade and boost cooperation via regional and multilateral institutions to strengthen global governance on food security.

10. Call on countries to jointly develop the notion of a community of shared future for humankind as a basis for global collective action and work to build confidence and global solidarity in this ongoing battle against humanity's common threat.

COVID-19 has unfolded into a global crisis that has impacted virtually every country on earth, being officially declared a “pandemic” on March 11 by the World Health Organization (WHO). Up to this writing, the number of people infected with coronavirus worldwide has reached 1,202,827 while deaths climbed to 64,771. As well as the enormous cost in lives and impact on public health – possibly the largest public health crisis since World War II - the pandemic will also cause a major global economic fallout and even recession. The episode will also have far-reaching ramifications for institutions, the global economic and political structure, societies, and individual livelihoods and lifestyles, bringing forth profound questions about the future of mankind.

This grave global challenge calls for timely and effective international cooperation. On March 26, a G20 Extraordinary Virtual Leaders' Summit was held to discuss the crisis. In a communique issued at the end of the summit, G20 leaders committed to a united response to fight the pandemic, including strengthening the World Health Organization’s mandate and injecting over USD 5 trillion into the global economy, as part of targeted fiscal policy, economic measures, and guarantee schemes to counteract the social, economic and financial impacts of the pandemic.

In his speech, Chinese President Xi Jinping stated that at this moment it is imperative for the international community to strengthen confidence and act with unity in a collective response. He reaffirmed China’s commitment to taking part in this global emergency response, embracing multilateral cooperation and helping stabilize the world economy.

During the crisis, the Center for China and Globalization (CCG) has engaged in ongoing research and analysis of the unfolding outbreak and held a series of online seminars featuring Chinese and foreign experts to explore policy responses to the pandemic.<sup>1</sup>

Based on in-house research and views contributed by experts, this report outlines China’s experience in dealing with COVID-19 since the virus broke out in Wuhan to provide a reference for other countries facing the ordeal now and proposes recommendations on how the international community can work together to fight COVID-19 and its massive fallout.

## **I. Ten salient aspects of China’s response to COVID-19**

---

<sup>1</sup> Participants in two seminar series held in March include: Cui Fan, professor of the School of International Trade and Economics at the University of International Business and Economics (UIBE); Huo Jianguo, former director of Chinese Academy of International Trade and Economic Cooperation; Sun Yongfu, former director-general of Department of European Affairs of the Ministry of Commerce; Su Hao, director of the Center for Strategy and Peace Studies at the China Foreign Affairs University; Teng Jianqun, director of the Department for American Studies and Center for Arms Control and International Security at the China Institute of International Studies (CIIS); Xia Liping, dean and professor of School of Political Science & International Relations at Tongji University; Xu Hongcai, deputy chief economist of China Center for International Economic Exchanges (CCIEE); Xu Zhengzhong, professor of Party School of the Central Committee of CPC; Chen Wenling, chief economist at the Beijing-based think tank China Center for International Economic Exchanges; Cui Hongjian, director of the Department for European Studies at the China Institute of International Studies; Ding Yifan, former deputy director of the Institute of World Development at the Development Research Center of the State Council; Dong Zengjun, secretary-general of the Precision Medicine Professional Committee of the Chinese Society of Biotechnology; Huang Yanzhong, senior fellow for global health at the US nonprofit think tank Council on Foreign Relations; and Wang Yong, director of the Center for International Political Economy at Peking University. Participants in an English-language webinar was held on April 1 to address issues concerning foreign companies operating in China during this crisis include: Jeff Astle, Managing Director, APCO Worldwide Shanghai; Nick Coyle, CEO and Executive Director, AustCham China; Cui Fan, Professor, University of International Business Economics (UIBE); Greg Gilligan, Chairman, AmCham China; Clare Pearson, Former Chair of British Chamber of Commerce in China; Wang Huiyao, President, Center for China and Globalization (CCG); Joerg Wuttke, President, European Chamber of Commerce in China; and Zhou Yanli, Former Vice Chairman of China Insurance Regulatory Commission; CCG Advisor.

As the first country hit by the COVID-19 outbreak, China suffered considerable losses from January and underwent a period of strict containment measures. March 19 finally marked the first day without a new locally-transmitted domestic case since the start of the outbreak, and restrictions on Hubei province were progressively lifted from March 25 while the rest of the country gearing up to restore economic activity.

This experience offers useful lessons for other countries as the pandemic now sweeps the rest of the world. In many ways, China represents a unique situation and many of the governance mechanisms and policy measures discussed here may not be directly applicable elsewhere for a variety of political, cultural, and socioeconomic reasons. Examples of effective measures in virus control and treatment in some countries, notably Singapore, South Korea, and Germany, are also instructive. Thus, rather than outline any particular template to be replicated elsewhere, the intention of this report is to highlight aspects of China's response that were found to be effective as a reference for the international community to draw their own insights from, as best suited to local conditions in other parts of the world.

With this caveat in mind, based on research and analysis of developments to date, this report highlights the following ten salient aspects of China's experience in responding to the COVID-19 outbreak.

### **1. Central coordination: State Council launches Joint Prevention and Control Mechanism to coordinate efforts to contain the virus and its economic and social impacts.**

In the early phase of the outbreak, 31 provincial-level administrative regions in mainland China launched a timely top-level public health emergency response within six days. A Joint Prevention and Control Mechanism was formed at the central government level, directing local governments to respond to the outbreak.

This top-level strategy helped to coordinate local responses for public health, transport, economy, and social order, boosting logistical support for virus containment, patient treatment, economic stabilization, and daily life. Meanwhile, strong centralized leadership laid a solid foundation for the introduction and implementation of various response measures to control the initial outbreak in China.

This coordination also helped to mobilize resources from across the country: 10,000 medical staff drawn from regional and municipal hospitals were dispatched to Hubei, major enterprises reconfigured production lines to supply essential equipment, and various public institutions including even local party schools were repurposed as field hospitals and emergency facilities. During this process, the strong role of public ownership in the economy also helped to mobilize and focus efforts across various sectors including transportation, medical care, education, emergency troops, etc.

### **2. Efficiently mobilize and allocate resources in a nationwide effort to deal with the epidemic.**

The sudden outbreak threatened to overwhelm Wuhan's infrastructure and institutions for healthcare and other essential goods and services. China's ability to rapidly mobilize and allocate resources helped to alleviate the worst impacts of this pressure on Wuhan. By February 17, Hubei had received CNY 11.5 billion in public donations and CNY 4.5 billion from the Ministry of Finance. The central government also offered financial relief to individual patients with the virus while further economic support poured into Hubei.

The government also acted to boost healthcare capacity in Hubei, including building two emergency 1000-bed field hospitals within two weeks, as well as transforming existing convention centers and stadiums into temporary wards. Nineteen provinces and cities were designated to support cities in Hubei, making sure material and human resources were being directed to where they were needed - the epicenter of the epidemic.

This nationwide support and collective mobilization of resources helped Hubei to weather the worst of the epidemic. After two months of extreme containment efforts, Hubei finally achieved its first day without a new confirmed case on March 18.

### **3. Effective communication platforms with timely and transparent disclosure of accurate information on the epidemic can promote trust and cooperation from society.**

Public panic can be more destructive than the virus itself. Therefore, it is necessary to make timely correction of misinformation, strengthen public communication by having daily press conferences for virus update to alleviate fear, anxiety, misunderstanding, and resistance to containment measures from the larger society.

- Open and transparent information from authorities can help avoid mass panic

After the outbreak in Wuhan, the central government ordered local governments to strictly implement the policy of public information, updating daily, transparent and open epidemic information. COVID-19 cases, including newly confirmed, suspected, death and cured, were published daily to make the citizenry fully informed on the virus development, including the transmission trajectories. To disperse skepticism surrounding the case data, the central government publicly reaffirmed zero tolerance for inaccurate report from local authorities.

- Popularization of scientific knowledge can encourage rational behavior and limit the spread of virus

The media and government used proactive ways to publish and inform people details about coronavirus including tracing the source of the virus, pathological study, vaccine development and other information about coronavirus. It has helped the public learn what and how about coronavirus prevention and containment, and has limited overzealous protective behavior which may have exacerbated the virus spread.

- Utilization of big data and Internet social media as rumor dispelling platforms had significant efforts to spread official messaging.

Disinformation is a common problem in modern times. Building online rumor dispelling platform via big data and social media tools can identify, correct and disperse fabricated or even ill-motivated facts that can quickly instigate negative public sentiment. Shortly after the coronavirus caught public attention, Twitter-like Weibo with almost 200 million daily active users, as one of the biggest social media platforms, messaged each Weibo user via “Weibo Refutes Rumors” to spread denials of false information with explanation by authorized sources every day, which worked to foster public awareness about the danger of “alternative facts” being circulated in cyberspace.

- Online platforms offered people greater sense of efficacy in evaluating government agencies’ emergency response performance.

During the crisis, the public was made a watchdog to identify weak spots in virus fighting measures. For example, Red Cross Society of China, a state-run charity organization, was publicly crucified for its incompetence in distributing donated personal protective equipment (PPE) to hospitals in Wuhan and the opaque record-keeping of donations. Amid the public rage, the local authorities quickly stepped in to take over the task crippled by logistical challenge and demand accountability from agencies and organizations involved in coronavirus fighting. The public was invited to monitor the construction of two field hospitals “Leishenshan” and “Huoshenshan” as the authorities take the construction process live on internet during which each netizen could be a site supervise. These actions fostered a sense of civic participation in government affairs in times when social trust is critical to ensure success in the virus fighting campaign.

#### **4. Impose strict social distancing and implement comprehensive non-pharmaceutical interventions.**

The WHO-China Joint Mission on Coronavirus, consisting of experts from China, the WHO, and other countries, was carried out over a nine-day period from 16-24 February in Beijing, Hubei, Guangdong and Sichuan, leading to the Report of the WHO-China Joint Mission on Coronavirus Disease 2019 (COVID-19). The report gives full credit to China’s “non-pharmaceutical interventions” which refer to measures including medical observation, social distancing, and personal protection and prevention.

The government imposed a lockdown in Wuhan on Jan. 23, just one day before the eve of Chinese New Year. Compared to “shelter-in-place” and “stay-at-home” orders, the lockdown decree, effective immediately, suspended all modes of public transport in Wuhan and the rest of Hubei. Outside Hubei, decisive measures were implemented at multiple levels, including self-isolation for hundreds of millions of people, extension of the Spring Festival holiday, shutdowns of business and factories, delaying of schools’ re-opening, and the closure of tourist attractions and shopping centers. These measures of cutting down physical contact among 6 million people was seen as draconian but proved critical in slowing down the rapid virus transmission. China’s coronavirus story would’ve been a completely different one if it wasn’t for the disciplined social distancing practiced in a country of 1.4 billion population.

## **5. Mobilize extensive networks of grassroots officials and community social care workers to implement response policies quickly and effectively.**

The coronavirus fighting campaign was akin to a “people’s war”, according to the Chinese government, thus requiring all Chinese citizens to comply to the rules, cooperate with the authorities, and make personal sacrifice as they would do during wartime. Cultural factors, such as respect for authority, a strong sense of collectivism and patriotism, all worked to materialize strong compliance to orders of social distancing, self-isolation, personal protection, and other elements of nonpharmaceutical intervention, contributing to the positive outcome of virus control in China.

At the institutional level, China’s grassroots governance mechanisms proved useful in promoting effective implementation of containment measures, enabling door-to-door visits in hard-hit areas, liaising with hospitals for at-risk individuals, and supplying citizens in quarantine with daily essentials. The vertical system of governance in China was quick to mobilize the mass network of neighborhood cells, deploying tens of thousands of local policemen, community staff, and social workers down to the smallest unit of residential areas.

In the early stage of the outbreak, some citizens, particularly senior citizens in rural areas with less knowledge of the coronavirus, did not comply with public directives. Grassroots officials tailored efforts to local conditions to boost compliance - banners with slogans urging people to wear mask and stop gathering were erected while voluntary neighborhood watchers patrolling in villages day and night. In Wuhan, comprehensive inspection and grid management mechanisms facilitated thorough screening and hospitalization of confirmed cases for treatment. Joint efforts by residents, building administrations, and social volunteers jointly contributed to swift enforcement of prevention and control policies.

## **6. Accelerate deployment and guarantee the efficient operation of logistics to ensure a safe and stable supply of essential goods.**

People’s daily supplies, especially food supplies, were guaranteed with the help of top-level policy measures since the outbreak began. The Ministry of Commerce, National Development and Reform Commission and other relevant departments have increased market supplies by improving monitoring and early warning mechanisms, while supportive policies encouraged some corporations to restart production and business to provide a material foundation for market supplies.

Digital platforms helped to guarantee basic necessities in urban areas via e-commerce, food delivery and modern logistics. Grocery online shopping and home delivery adapted to provide support such as contactless shopping processes.

Meanwhile, e-commerce platforms enabled farmers to operate e-shops, boosting sales via livestreaming when agricultural products were hit because of transport restrictions and lockdowns. With the help of e-commerce platforms and supportive logistics policies, some high-quality agricultural products even became available at lower prices.



In general, logistic industries operated efficiently because of intelligent storage and contactless distribution systems. In JD's system, robots worked around the clock, helping provide effective delivery services in hard-hit areas and remote regions with minimal human exposure.

**7. Leverage new digital technologies such as big data, mobile apps and artificial intelligence applications to track exposures to the virus, promote internet-based mass entertainment, and boost online retail.**

The application and innovation of new technology figured prominently in China's battle against COVID-19, highlighting China's advanced development in areas such as big data, AI, and cloud computing. Throughout the country, information technology, including telecommunications and big data, were used in health QR code systems, which effectively facilitated precise virus tracing and helped cities and towns to manage post-lockdown mobility.

Via advanced technology applications, medical institutions were able to accurately and efficiently monitor the epidemic, accelerate virus diagnosis, and carry out measures of virus prevention and control. Automation, AI-enabled algorithm, robots, and other smart technologies enabled companies to run production and logistical operations with precision, which expedited supply of much needed medical equipment to save lives and protect doctors and nurses.

To restore production and commerce, local governments encouraged companies to upgrade technology and digitize business. Application of new technologies such as Internet of things, artificial intelligence, augmented reality and virtual reality software and so on helped manufacturers and distributors to produce, sell, and deliver products in a way that minimizes human contact during the health crisis.

As 1.4 billion people were in lockdown, class lectures and even piano lessons were done online, patients consulted doctors via virtual conference, entertainers greeted their fans and internet stars advertised everything from cosmetics and kitchenware while live broadcasting on tiktok and taobao, movies were premiered on Chinese versions of youtube and Netflix. These so-called "Internet plus" application in the consumer and retail sectors provided services and mass entertainment for people under severe social distancing.

**8. Implement policies at multiple levels in a timely manner to reduce the burden on business and stabilize the economy.**

After the spread of coronavirus has been largely contained, local authorities began to reoriented toward helping people return to work and companies resume business and production, especially small and medium enterprises (SMEs) hit hard by lockdown.

In February, the central government enacted a series of fiscal policies to respond to the economic fallout of coronavirus. The Ministry of Finance, State Taxation Administration, Ministry of Human Resources and Social Security and other departments jointly issued

policy documents to address business losses due to COVID-19, including phased reduction, exemption, and suspension of up to CNY 650 billion in taxes and fees. Subsequently, the Ministry of Industry and Information Technology issued 20 measures and State Council executive meetings resulted in various economic relief plans to prevent mass unemployment.

China's central bank also adopted a series of monetary policies to lower interest rates and boost liquidity. Local commercial banks injected CNY 300 billion in special loans to medical equipment suppliers and essential goods producers. A further provision of credit in the amount of CYN 500 billion was lined up to help companies access to lost-cost loans. Local governments, such as Fujian, Shanghai, Beijing and Sichuan have introduced various detailed relief measures ranging from corporate tax reduction to debt moratorium to help business stay solvent.

#### **9. Seek to achieve the twin objectives of epidemic control and restarting economic activity, giving due weight to each consideration.**

Following the gradual decline of COVID-19 cases nationwide, the Chinese government started to relax restrictions on mobility while urging companies to adopt flexible work arrangements with protective measures. Since mid. February, the Beijing municipal government had published two editions of guidebook that instructed companies on epidemic prevention. Office buildings in CBD area joined Chaoyang district to launch a "government-property management-tenant" partnership aimed at collaboration and coordination over coronavirus control programs.

To protect employees returning to work, companies provided face masks and disinfectant products, while having workspaces rigorously cleaned and sanitized. Some used internal communication platforms to establish a system that updates employees' health status, travel and quarantine history. The data was shared with local health and industry authorities to help them stay on top of the development of work and production resumption.

#### **10. Actively carry out international cooperation in the fight against the pandemic while sharing information and experience.**

While battling COVID-19 on the domestic front, China has shared information and supported research collaboration with other countries. During the epidemic, Chinese scientists took only one week to complete virus identification and viral genome sequencing and voluntarily shared the information with the WHO and other countries. China has since published a number of technical documents on epidemic control and treatment protocol with more than 100 countries and international organizations. It has also participated in over 20 virtual consultation sessions and meetings with international organizations including the WHO, ASEAN, European Union, APEC, African Union, CARICOM, and the Shanghai Cooperation Organization, as well as countries such as Japan, the Republic of Korea, Russia, Germany, France, the United States, and Laos, during which China shared lab test results, epidemiological studies, and clinical treatment experience.

China has also established an open online knowledge sharing center on COVID-19 epidemic prevention, including the Global Coronavirus Data Sharing and Analysis System and the 2019 Novel Coronavirus Database. The latter has attracted 76,000 visits from 152 countries, with a total of 4.44 million downloads. These databases have substantially contributed to COVID-19 research. To date, Chinese scientists have published 54 papers in top international medical journals and magazines, helping field doctors and researchers from around the world to understand the coronavirus pathogen and develop treatment and vaccine.

## **II. Ten recommendations in responses to COVID-19**

COVID-19 is a severe public health challenge facing all of humanity. As this writing, a total number of confirmed cases worldwide exceeded one million. While the United States is rapidly becoming the epicenter of the pandemic, the death toll in worst-hit areas such as Italy and Spain continues to rise. At the same time, there is a risk that some developing countries in Asia, Africa and Latin America might become new outbreak epicenters in future. At this critical juncture, international cooperation is desperately needed to fight against the pandemic. Ultimately, our ability to control the virus globally depends on developments in areas that are most, not least affected.

The G20 played a leading role in responding to the 2008 global financial crisis and stabilizing the world economy. The G20 Extraordinary Leaders' Summit held on March 26 has sent a positive signal for the world leaders' intention to form a unified global response to this unprecedented challenge from COVID-19.

Chinese President Xi Jinping put forth four proposals at the summit. He called on G20 members to be resolute in fighting an all-out global battle against the COVID-19 outbreak, have a collective response for control and treatment at the international level, to support international organizations in playing their active roles, and enhance international macroeconomic policy coordination.

Based on the G20's joint initiative for global coronavirus cooperation, CCG puts forward the following ten suggestions that identifies ways in which the world leaders' statement can turn into actionable plans in the areas of global health and safety, the world economy, and global value chains.

### **1. Enhance multilateral platforms, in particular, the role of the G20 to facilitate high-level diplomacy needed to address the massive coronavirus challenge.**

Founded in 1999 amidst instability of the international financial system, the G20 has expanded its agenda since the 2008 financial crisis. While the G7 Summit on March 25 failed to issue a communique, the G20 Extraordinary Summit has achieved notable results. The leaders of the world's major economies have committed to a united response, including a plan to inject over USD 5 trillion dollars into the global economy. In the joint statement, countries pledged to protect lives, safeguard people's jobs and incomes, restore confidence, preserve financial stability, revive growth and recover stronger, minimize disruptions to trade and global supply chains, provide help to all countries in need of assistance, and coordinate on public health and financial measures.

Global markets had been downbeat due to the severity of the pandemic in the G20, tensions between the Trump administration and international counterparts, and weaknesses in the policy responses and preparedness in various countries. Volatility in stock markets around the world, especially in the US, sparked fear for a global recession. However, after the G20 joint statement was issued, markets responded positively to the call for international cooperation with shares in the US and Tokyo rising sharply.

In addition to forging consensus on a global response, the G20 platform is also in the position to help prevent the politicization of the pandemic. While China starts to get back on track after being hit hard by COVID-19, it has been sending medical equipment and advisory teams overseas to assist the countries experiencing the coronavirus outbreak ordeal in epidemic control. However, the Chinese behavior is often perceived with a suspicion for the country's global strategic ambition. Integrating COVID-19 fighting diplomacy into the G20 framework helps China to fulfill its international responsibilities as a great power.

## **2. Support the WHO to play a greater role in global cooperation and establish a governance mechanism for international coordination on public health measures.**

The WHO is the international institution set up for technical assistance and coordination of public health policies. However, due to inadequate funding and insufficient binding power, in practice, the WHO's role in promoting global epidemic prevention and control is limited. In light of the ongoing COVID-19 crisis, a multilateral high-level meeting involving health ministers and even heads of states shall be called forth by the United Nations to establish a WHO-centered coronavirus-fighting global health infrastructure with countries contributing to WHO's funding to empower the organization on levels of logistics, technology, and personnel.

The financing gap in fighting coronavirus worldwide is staggering. According to the Global Preparedness Monitoring Board (GPMB), at least USD 8 billion is needed to address the threats posed by COVID-19, including USD 2 billion for WHO emergency response, USD 750 million for diagnostics development, USD 3 billion for vaccine research, manufacturing and distribution, and USD 2.25 billion for patient treatment and preventive medicine. However, the proportion of WHO members' assessed contributions has dropped significant from 62% in 1971 to 18% in 2017. To establish the WHO as an effective international institutional bulwark against a pandemic, member states must increase both voluntary and assessed contributions to the organization, fast and now.

## **3. Protect global value chains, supply chains and industrial chains through international cooperation, helping to stabilize and revitalize the global economy.**

Global economic activity slowed dramatically as the coronavirus spread. Supply chains around the world were disrupted, financial markets shaken, and the crisis has also amplified existing challenges or vulnerabilities in the industries. Policy responses should include three aspects.

First, restore market confidence. China's experience demonstrates that effective prevention and control measures are essential to economic recovery, while a strong economy is key to resource mobilization. The G20 is committed to a total of USD 5 billion in support measures. However, given the remaining uncertainties, countries are encouraged to work with front-line international organizations such as the World Bank and the IMF to deploy more concerted stimulus packages. Central banks and other financial regulators should step up further to coordinate with other countries on fiscal and monetary policies and financial regulations to mitigate the COVID-19 fallout on global financial stability.

Second, support global supply chains. As the world's manufacturing powerhouse, China is a crucial part of global trade of our times and an epicenter of supply chains on medical equipment and PPE in the pandemic, according to a recent UNCTAD report on the impact of COVID-19 on world trade. Protectionism has been on the rise in recent years and with the ongoing coronavirus crisis will more likely exacerbate the already disrupted supply chains, to the detriment of the world economy. During the pandemic, developments toward "decoupling" from global value chains serve no country's interest, rather, reduction in tariffs and other barriers to trade and investment shall be countries' collective call to strengthen global supply chains in the face of COVID-19 threats.

Third, boost consumer spending. A report from Oxford Economics forecasts that global consumer spending will decrease by 32% if the crisis goes on for another 12 weeks. Last week, the US passed a USD 2 trillion relief package which identifies consumer spending as an essential part of economic recovery during the crisis. More economies are expected to follow suit. In addition to direct subsidies to consumers, companies across the globe can take advantage of government support to launch digital platforms to reach consumers. It is time for governments to invest in the so-called "new infrastructure" – 5G networks, data centers, cloud storage and computing systems, etc. to help businesses digitize and recharge the world economy.

#### **4. China and the US should work to strengthen dialogue and reach consensus on trade in medical supplies and global efforts to fight the epidemic.**

Latest tensions between China and the US over the virus origin have hampered cooperation in tackling the pandemic challenge. Whereas some governors in the US cried out in public about the acute shortages in PPE facing doctors and nurses, China's industrial capacity in producing PPE has returned to and even exceeded the level before the crisis with 47,000 mask producers making 200 million face masks daily. There is a pressing need for bilateral cooperation to address the imbalance in demand and supply during this special time.

US tariffs imposed since 2018 have impacted trade in PPE and other essential goods. Since 2018, the Trump administration has levied more than USD 400 billion in tariffs on Chinese imports, of which about USD 360 billion are still in place today, including those on medical products such as masks, gloves, goggles, and thermometers. Since February 15, USTR went through rounds of tariff reduction, exemption, and exclusion on Chinese-made medical gear. USTR further announced on March 20 that it is soliciting comments identifying additional medical-care items to be excluded from Section 301 in light of the ongoing

COVID-19 outbreak until June 25. However, thousands of American medical workers' lives are in danger in that three-month period of time.

US companies have pledged millions in support efforts to help fight the virus outbreak in China, showing the commitment of American firms to the Chinese market. Starbucks, Dow Chemical, and Universal Studios have even increased investment in China. After his call with President Xi Jinping on March 27, President Trump tweeted that he had a "very good conversation" with President Xi and that China had "been through much and has developed a strong understanding of the virus." President Xi also expressed that China was willing to enhance macro-economic policy coordination with Washington to stabilize markets and shore up growth amid the pandemic. After all, no effort against the coronavirus – whether to save American lives at home or combat the disease abroad -- will be successful without some degree of cooperation between the United States and China, as over 90 US foreign policy advisors exhort in an open letter.

#### **5. Support the WTO to play a role in responding to the epidemic, promoting trade facilitation for emergency goods and cooperation across supply chains.**

On March 12, the WTO announced that it is considering holding a virtual forum for the 12th Ministerial Conference, which was originally scheduled to take place from 8-11 June. Roberto Azevêdo, Director-General of the WTO, delivered a video speech stating that trade historically played an important role in fighting against the epidemic, which guaranteed the efficient production and supply of daily necessities and essential services, medical supplies and equipment, food and energy.

Led by automobile manufacturers, many large multinational companies around the world recently reconfigured their production lines to medical manufacturing. Fiat Chrysler Automotive Group announced that one of its subsidiaries, Comau, is planning for mask production in China, with an expected production of more than 1 million per month. Kia Motors revealed that it is considering converting its factory in Yancheng, China, to make masks. Spain's MANGO and Sweden's H & M have also announced that their global factories will be used to produce masks and other medical supplies, which will be donated to medical workers in Europe.

Given its crucial role in global supply chains, China has not put any restrictions on foreign trade, and has been encouraging domestic enterprises to export medical goods. On March 25, China's foreign ministry revealed that 17 countries have signed purchase agreements with Chinese companies. However, it is ironic and heartbreaking that, despite China's increasing production capacity of masks from 20 million per day in 2019 to 116 million today amid the gradual decline in domestic demand, shortages of face mask remain in many regions in the world due to logistical difficulties and customs issues. The WTO could step up to coordinate urgent medical supplies and push further trade facilitation, preventing needed supplies getting delayed at borders.

#### **6. Stabilize regional security and focus efforts on fighting the epidemic. This should include working together to assist regions and countries with more vulnerable healthcare systems.**

People in conflict zones and unstable areas with weakened healthcare systems, such as Syria, Afghanistan, and Yemen, are especially vulnerable from the pandemic. United Nations Secretary-General António Guterres has appealed for global ceasefire, calling for communication and negotiations among parties to decrease conflict and enhance collaboration.

In addition, the coronavirus is spreading in African, South and Southeast Asian countries, where many localities have underdeveloped healthcare and infrastructure, hampering their ability to fight the pandemic. The United Nations, World Bank, IMF and other multilateral organizations should increase aid to developing countries and conflict areas to avoid COVID-19-related humanitarian crises.

While rich nations and more affluent countries practicing social distancing, millions of the world's poor do not have access to food and shelter, even running water, let alone health care, to stave off coronavirus. To them, lockdown is a privilege. As the disease was spread by the rich as they flew around the globe, it is only a matter of time that it is killing millions of the poor if the international community fails to act. This will be a collective shame on humanity. Multilateral agencies, especially those under the United Nations, need to marshal support from member states to step up efforts in humanitarian relief and capacity building in those failed states, conflict zones, and developing and under-developed nations.

#### **7. Encourage the sharing of research results on COVID-19 and support multinational cooperation on drug and vaccine development.**

China shared the result of genome sequencing analysis to the world immediately after its scientists identified the COVID-19 virus strain back in January, which provided a solid foundation for further research and development of effective vaccines. The Joint Briefing on China's experience on COVID-19, a knowledge sharing platform established jointly by China's National Health Commission and the WHO has organized 30 virtual sessions to engage COVID-19 experts from 180 countries and 10 plus international and regional organizations on the treatment and control plans experimented in China. As the virus quickly spread all over the world, global information sharing is becoming a key for the next step in response to the ongoing outbreak.

On the other hand, vaccine development is a difficult and time-consuming process with all kinds of uncertainties. China has made its findings in COVID-19 vaccine development open for the global community. In the meantime, Chinese companies are collaborating with their international counterparts in different approaches to vaccine development. Examples include a DNA vaccine project with Inovio, an American company; an mRNA vaccine program with German drug developer BioNTech; a recombinant protein vaccine with British pharmaceutical company GlaxoSmithKline (GSK). Countries should keep promoting knowledge-sharing in the future to accelerate the process of vaccine development. Organizations like Coalition for Epidemic Preparedness Innovations (CEPI) also merit greater

international attention and funding support from the leading countries of the world for coronavirus vaccine.

#### **8. Encourage local governments and non-state actors to provide various forms of material support and assistance.**

As of November 2019, China boasts of a total of 2,669 friendship cities with 138 countries. Twin cities have become major channels and platforms for local foreign affairs activities in China. During the outbreak, China had received wide support from the cities all over the world. Recently, China has donated masks, protective equipment, COVID-19 test kits to 16 countries includes South Korea, Japan, Iran, Italy, Pakistan, Iraq, France, Switzerland, and Germany. Civil organizations such as overseas students' associations and chambers of commerce are also offering help to hard-hit regions.

The public and civil society are an important force in international anti-epidemic cooperation and an important supplement to intergovernmental cooperation. When the epidemic broke out in China, foreign companies and NGOs, including the majority of overseas Chinese and other actors, donated resources to China. As COVID-19 spreads globally, Chinese multinationals, charitable organizations, and social groups should reciprocate. The Chinese authorities can open up a "green channel" to expedite exports of privately donated PPE. In the face of growing anti-Chinese sentiment around the world, Chinese diasporas can continue to play a large role in helping their host communities fight coronaries by mobilizing resources, sourcing demand and supply, and coordinating logistic conduits.

Big businesses in China have been quick in practicing corporate social responsibility during the pandemic. China's tech giant Huawei, for example, has donated 10,000 N95 masks, 20,000 isolation gowns, 50,000 medical goggles and 10,000 gloves to the State of New York. Jack Ma Foundation, Alibaba Public Welfare Foundation, and Ali Cloud and Ali Health have played to their respective advantages, cooperating with first-line doctors in China to provide clinical experience in the prevention and treatment of coronavirus, and launching free online medical consultation services for overseas Chinese. Furthermore, two foundations have announced donations of 11.8 million masks and 1.7 million kits to Japan, South Korea, Italy, Spain, the United States, and Africa.

Faced with a shortage of global anti-epidemic medical materials, medical and healthcare equipment companies should also strengthen cooperation to greatly increase production capacity and production efficiency to ensure the availability of medical supplies.

#### **9. Safeguard global food trade and boost cooperation via regional and multilateral institutions to strengthen global governance on food supply.**



According to the Food and Agriculture Organization of the United Nations (FAO), as COVID-19 spreads quickly and becomes a global issue, the world is at risk of a looming food crisis. Although we haven't yet seen major food shortages, logistic bottlenecks have already been seen, and disruptions in food supply chains are expected. Other recent natural disasters have increased pressures on food security.

A major exporter of wheat and flour, Kazakhstan suspended exports of buckwheat, sugar, potatoes, carrots, onions and cabbages until at least April 15 in response to growing coronavirus fears. Similar moves to secure domestic food security are happening across the world: Vietnam halted newly-signed rice contracts; Serbia banned export of certain agricultural products, included sunflower oil; Russia is still conducting weekly assessments on the situation and reserves the decision for further action.

Responding to the pandemic requires countries to take measures together to keep global trade on stables and agricultural goods active. Instead of taking response measures in the form of protectionism, governments are encouraged to ease export restrictions to mitigate the virus's impact on vulnerable food supply chains.

Agents such as FAO, IFAD (International Fund for Agricultural Development) and WFP (World Food Programme) are expected to play leading roles in the fight against the virus-caused food threat. Multilateral organizations like the G20, APEC, OECD, and the African Union also share responsibilities. In order to protect food security, countries should continue promoting cooperation on a global scale to assist countries hit hard by the virus or already affected by lack of food security.

**10. Call on countries to jointly develop the notion of a community of shared future for humankind as a basis for global collective action and work to build confidence and global solidarity in this ongoing battle against humanity's common threat.**

Coronavirus poses an unprecedented risk to global health security. While nations around the world are racing against time to contain the virus outbreak, the pandemic has also prompted a time for global reflection. Due to the absence of an international pool of emergency medical supplies, countries are tightening their control on exports of masks and protective suits, leaving places with fragile health system, such as Africa, even more vulnerable.

Viruses know neither borders nor ethnicities. Once they strike, no country can stand alone. The outbreak is a natural warning to all of humankind. Protectionism, unilateralism, and geopolitics hinder sustainable human development. It is vital to form a new type of international relations featuring humanitarian values and a sense of common destiny for the world to address the existing threats from terrorism, climate change, and COVID-19 and prepare for future crises. Today, as members of international community jointly battles the coronavirus, it can be an opportune time to build solidarity and seek a global approach to both the health and economic crises.

**III. No country is an island. United we will win this global battle against COVID-19.**

Since the outbreak emerged in Wuhan, the Chinese government has resorted to epidemic control measures that were deemed extreme to curb the spread of COVID-19. These approaches, summarized in this report, turned out necessary and effective. During the Chinese battle against coronavirus, governments, civil society organizations, multinationals from over 60 countries and 7 international organizations poured medical equipment and protective gears in hospitals in Wuhan and other hard-hit areas. Chinese hearts were deeply touched by the benevolence expressed through verses like “Across the mountains and foreign lands, the wind and moon under the same sky. (山川异域, 风月同天)” “Together we stand, my armors thine. (岂曰无衣, 与子同裳)” on boxes full of masks sent by Japanese donors. After having passed its worst and embarked on resumption of economic activities, it is China’s turn to requite kindness.

In an interconnected world, a pandemic spares no country. This sense of urgency has been expressed by many international observers, including Henry Kissinger, “No country, not even the U.S., can in a purely national effort overcome the virus. Addressing the necessities of the moment must ultimately be coupled with a global collaborative vision and program. If we cannot do both in tandem, we will face the worst of each. “Whereas in China, some described the COVID-19 outbreak as "China plays in the first half and the rest of the world play in the second half", but China must play the full game till end. Victory cannot be claimed as long as there are countries ill-prepared for outbreak. The coronavirus episode is still unfolding as the speed of community transmission accelerates in different parts of the world and neither drugs nor vaccine will be available on the horizon. The massive financial, economic, and social impacts, however, are already being felt by markets, jobs, and livelihoods across the globe. The recent cyber convention of G20 leaders sent a very clear message: let’s act fast, now, together.

**Center for China and Globalization (CCG)**  
**04/05/2020**

# CCG Reports



Founded in 2008 and headquartered in Beijing, the Center for China and Globalization (CCG) is China's leading global non-governmental think tank. It has more than ten branches and overseas representatives and over 100 full-time researchers and staff engaged in research on globalization, global governance, international economy and trade, international relations and global migration.

CCG is a member of the Belt and Road Think Tank Alliance, a founding member of the US Research Think Tank Alliance established by the Ministry of Finance, a National Talent Research Facility, the site of the China International Professional Committee for Talents of the Ministry of Human Resources and Social Security, and a national Postdoctoral Programme research center. CCG has also been granted Special Consultative Status by the United Nations.

While cultivating its own research teams, CCG has also built an international research network of leading experts in China and overseas. CCG engages in ongoing research on China and globalization from an international perspective. Contributing to policies relating to development and global governance in many countries, CCG has developed into a think tank providing new ideas, innovation and perspectives for domestic and international media. CCG also plays an active role in non-governmental exchanges and Track 2 diplomacy, becoming a valuable platform to aid mutual understanding between China and the rest of the world.

After over a decade of development, CCG has grown into a significant think tank with global influence that promotes China's globalization process. In the 2019 Global Go To Think Tank Index Report released by the University of Pennsylvania, the world's most authoritative think tank ranking, CCG was again recognized as one of the world's top 100 think tanks, ranking in 76th place globally. CCG was the first Chinese non-governmental think tank to achieve this feat and is consistently considered the leading Chinese non-governmental think tank in authoritative think tank evaluations at home and abroad.



LinkedIn

<https://www.linkedin.com/company/7439095>



Facebook

CCGthinktank



Twitter

@CCG\_org