

Watch: Covid-19, deglobalisation and the costs companies must consider

Some might consider Covid-19 could be the catalyst for major deglobalisation. But ING's Raoul Leering says it's not as simple as that



Covid-19, deglobalisation and the cost companies must now consider

Might the coronavirus crisis mark the start of deglobalisation as we know it? That's on the mind of ING's Head of International Trade Analysis, Raoul Leering. He says the virus outbreak shows it's not sensible for a company to fully depend on one supplier in one country. And if countries subsequently bring back production that was previously off-shore, that would obviously reduce international trade flows. But Raoul says it's more complex than that. Lining up more suppliers in more countries is costly for one thing. Companies could also try to build up inventories. But that too could prove to be financially harmful to prevent supply disruptions for a risk that might only emerge once in a lifetime.

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