

# GLOBAL CONNECTEDNESS

## KEY TAKE AWAYS

1

Covid-19 has not caused globalization to collapse. The DHL Global Connectedness Index declined modestly in 2020, and it is on track to rise in 2021.



6

Global flow patterns show no evidence of a major shift toward regionalization. Long-distance trade has grown faster than short-distance trade during the pandemic.



2

Trade in goods has surged to well above pre-pandemic levels, powerfully supporting the global recovery even as capacity challenges and trade tensions persist.



7

U.S.-China decoupling was evident in international flows in 2019, but it went into reverse in 2020 as the pandemic boosted trade between the world's two largest economies.



3

The pandemic dealt a major blow to international capital flows, but portfolio equity flows stabilized in mid-2020 and foreign direct investment (FDI) rebounded sharply in 2021.



8

The world's poorest countries are falling behind in the globalization recovery. Their trade and FDI flows were still below pre-pandemic levels in the first half of 2021.



4

A spike in the growth of digital information flows at the onset of the pandemic was short-lived. The globalization of information flows has reverted to a slower growth trend.



9

Global connectedness is still limited in absolute terms. Domestic activity far surpasses international activity, and international flows are strongest among neighboring countries.



5

The pandemic hit international people flows the hardest, and they are on track to recover the slowest. International travel remained down more than 80% in the first half of 2021.



10

Stronger global connectedness could accelerate the world's recovery from Covid-19. Vulnerabilities highlighted by the pandemic should be addressed for a more prosperous and resilient future.

