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THE GLOBAL BOARDROOM

HIGHLIGHTS: DAY 1

Today the FT launched The Global Boardroom, a new live-streamed three-day event gathering the most influential voices from policy, business, tech and finance to offer a comprehensive picture of the global response to the Covid-19 crisis.

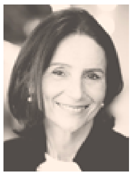
Through FT-led discussions with leaders from around the world, we are looking at the impact of the pandemic so far, what is required for recovery and the long-term implications of the developing crisis. From the consequences of global lockdowns and the impact on supply chains to the future of travel and cross-border dealmaking, The Global Boardroom assesses the next steps in tackling the most critical issue of our time.

Below is our selection of highlights from day one. We hope you enjoyed the event and we look forward to you joining us for tomorrow's discussions.

12:05 – 13:05

Dealing with Dislocation: Manufacturers, Retailers and their Supply Chains – What now? What next?

Katy George
Senior Partner,
McKinsey & Company



Dame Carolyn Fairbairn
Director General,
CBI

Mike Flewitt
CEO,
McLaren Automotive

Moderator: **Andrew Hill**
Management Editor,
Financial Times

Globalisation has limits that have been exposed by the crisis.

KG: We have hit a peak of global trade as a result of GDP.

DCF: The impact of the crisis couldn't have been lessened by shorter supply chains.

The tough learnings from the crisis are hard won, but invaluable to any chance of recovery.

DCF: There are gaps in government guidelines but it's a good step forward.

KG: Food retail is resilient and it is one of the more local supply chains. We will see more localisation, facilitated by technology that levels the playing field. Supply chain savings won't be so dependent on labour costs.

DCF: The regret is that investments in supply chain resilience weren't made. The hope is that a decade of acceleration is being made within months.

KG: There is not only a supply challenge, there are wild swings in demand. It increases in some places and collapses in others, even in the same business.

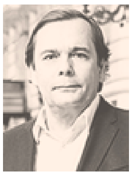
Brexit preparations didn't strengthen supply chains, but No Deal planning did help businesses to anticipate crisis scenarios in advance.

DCF: Brexit plans were dusted off because the preparation for a massive shock was helpful. How the negotiations interact with the pandemic, however, is another story.

MF: No Deal scenarios didn't prepare us in terms of physical stocks. But it did mean we were already having much more frequent dialogues with our suppliers.

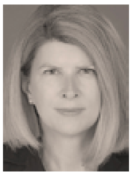
13:10 – 13:40

Dialogue: What is the future of travel and tourism after COVID-19?



Federico González
President and CEO,
Radisson Hotel Group

Gloria Guevara
President and CEO,
World Travel & Tourism Council



Moderator: **Pilita Clark**
Associate Editor and Business Columnist,
Financial Times

A swift recovery depends on coordination and a unity of safety standards.

GG: 9/11 took us 5 years to recover because there was a lack of set standards. In 2008 the recovery only took 18 months, because we had the G20 and a co-ordinated approach as ministers of finance took the lead. <u>Let's make sure we learn from the past and don't make the same mistakes.</u>

FJG: We will have to deal with consumers who all have very different standards. If there is no one global situation, we will have to adapt all of our hotels.

FJG: Remote check-in, if that becomes a global norm, will take more than 12 months to implement. Investments at different hotels will be different.

Tourism is too valuable to the global economy to leave unprotected.

GG: Tourism employs 1 out of 10 people – we have never seen anything like this.

13:45 – 14:10

How can airlines fly out of the danger zone?

Michael O'Leary
CEO,
Ryanair

Interviewed by
Peggy Hollinger
International Business Editor, *Financial Times*

Nations imposing selective quarantines will kill pent up demand for air travel.

ML: UK quarantine plans are nonsense.

ML: Unemployment doesn't change travel patterns, it changes their willingness to trade down to the lowest cost provider. The lowest prices win, so that means Ryanair.

The need to travel will not disappear, in contrast to some of the predictions made.

ML: Everybody's cash is secure in Ryanair, but you have to bear with us.

ML: We're social beings, when we meet people that's best, remote meetings are helpful but the experience is crap.

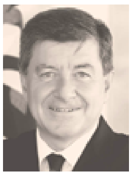
ML: Hoteliers and governments will be racing to rescue what's left of the tourism season and get their teams back to work.

Interference from governments and organisations could make the challenges faced by airlines worse

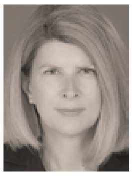
ML: The Civil Aviation Authority is completely out of touch with reality. Our refund team has been reduced by 70 odd percent. With 50 million refunds, we have processing limitations.

14:15 – 14:35

Presentation: Rebuilding a global workforce – Acting now to protect over half the world's workers



Guy Ryder
Director General,
International Labour Organization (ILO)



Moderator: **Pilita Clark**
Associate Editor and Business Columnist,
Financial Times

There are a number of vulnerable workers that this crisis has exposed.

GR: Average incomes in informal economy went down by 60%, 80% in LATAM and Africa – thrusting large sections of the global workforce into poverty.

GR: Another pandemic is coming, a hunger of Biblical proportions.

GR: One thing this pandemic has done, is to bring to the surface the underlying vulnerability of working people in current arrangements.

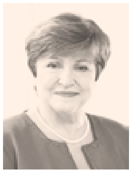
Those falling through the cracks are emblematic of the new economy.

GR: We've diverged the economy without establishing the institutions that come along with that.

GR: We have misused the idea of a social contract. This has been allowed to lapse or been deliberately dismantled. We have to revisit the terms of this.

14:40 – 15:05

What can the IMF do to support distressed economies?



Kristalina Georgieva
Managing Director,
International Monetary Fund (IMF)

Interviewed by **Gillian Tett**
Chair, Editorial Board, and Editor-at-large, US,
Financial Times

The global economic outlook is still worsening.

KG: "With the crisis still spreading, the outlook is worse than our already pessimistic projection. Without medical solutions on a global scale, for many economies a more adverse development is likely."

Actions have been taken that have averted a much worse crisis unfolding, but there is still much to be done.

KG: What is essential is to recognise that decisive actions have stabilised the world economy, fiscal measures – to countries, please spend as much as you can, then keep your receipts.

KG: We have seen the central banks acting in a synchronised manner in unprecedented fashion. We have taken very decisive actions so that we can build the bridge between now and then for the recovery.

The membership of the IMF must stay united if it is to successfully counter the challenges raised by the crisis.

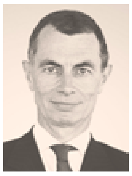
KG: Shareholders had the wisdom to boost the strength of the IMF – they have four times more to play with since 2008, they are deploying those resources at speed.

KG: We can deliver for the members more when we keep the membership united.

We (IMF) are lenders of last resort, it is our duty to respond with that recognition.

15:10 – 16:00

Banking through the crisis: Facing down the ultimate stress test



Jean-Pierre Mustier
CEO,
UniCredit

Ahmed Abdelaal
Group CEO,
Mashreq Bank

William Chalmers
Executive Director and CFO,
Lloyds Banking Group

Dame Jayne-Anne Gadhia
Founder and Executive Chair, *Snoop*

Moderator: **Patrick Jenkins**
Deputy Editor,
Financial Times

Banks have come into this crisis much more resilient than they were in the financial crisis, and big banks in particular are well-capitalised, having learnt from the mistakes of the past.

JAG: I look back to where we were in 2007. CEOs and CFOs weren't even looking at capital ratios. We are transformed as a banking sector.

In a poll, we asked: how many top 50 global banks will need to raise fresh equity during this crisis? The results were that a 52% majority think that more than a fifth of these top banks will need fresh capital.

Banks have a responsibility to do what they think is right.

PJ: There is a fine line between banks doing their bit and being uneconomic – being called upon by politicians to engage in uneconomic and potentially dangerous lending, which could end in disaster.

WW: Banks this time around are able to act as shock-absorbers. It's incredibly important that they do. By granting credit banks do themselves a favour – as it will be good for banks.

AA: Banks are doing everything they can to help the economy. Financial systems are far more resilient – increased oversight from regulators and larger reserves.

There is a chance to turn uncertainty into opportunity.

It will drive banks to focus more on Blockchain technologies. There will be an opportunity to double down on operational efficiency.

JAG: Being able to use banking as the basis of a kinder, richer economy. Integrating the banking system into kinder capitalism is going to be key.

JAG: What is the banking model for the future? If it isn't about making a kinder capitalism then I think we've failed as a society.

Big banks will be the ultimate fintechs. Fintechs tend to be more tech than fin.

AA: It will drive banks to focus more on Blockchain technologies. There will be an opportunity to double down on operational efficiency.

16:10 – 17:00

Due Diligence Live: The dealmaking environment in a time of crisis

Brian Salsberg
Global Buy and Integrate Leader, *EY*

Raymond Svider
Chairman,
BC Partners

Anna Skoglund
Head of Financial and Strategic Investors Group EMEA, Goldman Sachs

Moderator: **Arash Massoudi**
Corporate Finance and Deals Editor,
Financial Times

As in previous downturns, those who invest aggressively post-crisis are likely to yield strong returns.

BS: Companies with strong balance sheets will be making moves. You can only stay waiting in the lobby looking out at the rain for a certain amount of time – at some point you have to get wet.

It is difficult to do a deal right now, but it helps that we have a functioning financial system and new types of transactions are emerging, such as rescue financing.

AS: It's exciting to see the type of transactions getting done e.g. Private equity companies taking stakes in public companies, or teaming up with corporates.

Private equity has been more resilient than the overall market.

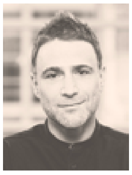
AS: Very large transactions fell away quickly, but smaller deals have been more resilient. We have a broad private equity spectrum – a much more diverse landscape. Activity will depend on what actor you are.

Governments are providing measures and safety nets, but the real impact of the crisis on the economy has not yet been felt.

RS: There's going to be a supply issue (companies opening but they have lost their workers) and a demand issue (until there is a vaccine, behaviours are going to change). Difficult to understand the shape of recovery until we have a vaccine produced in size.

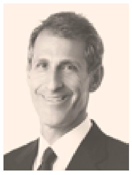
17:10 – 18:00

Tech in the limelight: Innovation and disruption as responses to the pandemic



Stewart Butterfied
CEO and Co-founder,
Slack

Sonali De Rycker
Partner,
Accel



Michael Lynton
Chairman,
Snap

Moderator: **Tim Bradshaw**
Global Technology Correspondent,
Financial Times

Digital health is a good example of how new behaviours might stick, such as GP consultations moving online.

SDR: The way you see your physician hasn't changed in a decade and that feels very wrong. Covid has changed that overnight.

People will grow used to ramped up safety controls in the wake of Covid-19. Just as increased security measures after 9/11 in buildings and airports became normal.

ML: People are pretty adaptive. It comes down to risk tolerance.

‘Digital transformation’ already sounds very 2007, but the crisis is accelerating the path to digital, laying the foundation for a next generation of entrepreneurs.

SB: People hate change, but when you’re forced to suddenly it’s possible.

18:10 – 18:35

What does the future hold?

David Rubenstein
Co-Founder and
Co-Executive Chairman,
Carlyle Group

Interviewed by **Gillian Tett**
Chair, Editorial Board, and
Editor-at-large, US,
Financial Times

Nobody knows how bad the US economy is and how much worse it is going to get.

DR: Not since the great depression have we seen anything as bad as this. The economy will come back, but it will be a different economy.

If the economy is seen to be on an upswing by the time of the election, it will be good for President Trump.

DR: I wouldn’t underestimate his ability to be reelected. A lot of people lost money underestimating Trump [in the last elections]. If it appears we are coming out of recession he has a reasonable chance.

The stock market is surging, even though the economy looks terrible. Indexes are heavily weighted with tech companies, that are doing really well – making the economy look better than it really is.

DR: Stock markets are forward indicators: people making bets on what they think will happen. The winners will be the tech companies for sure. They have been able to operate in this environment quite well.

Private equity is in reasonably good shape. Investing in sectors that are hurting now, such as hotels, could be beneficial as they will come back – but best to stick to what you know.

DR: If you're not a professional investor, don't suddenly think you're going to be Warren Buffet.

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