

Speaker 1 ([00:00:02](#)):

Maybe it's something in the water, something in the soil, something in our can-do attitude, but good things happen here. Imagination grows, inspiration grows, life sciences, technology and financial hopes grow, tended by a highly skilled English speaking workforce, our pro-business philosophy and our commitment to the EU. A land where opportunity and resilience grows side-by-side in a safe and stable environment. This is Ireland, a natural place to put down roots.

Speaker 2 ([00:00:43](#)):

A once in a century pandemic has shown that humanity can overcome its divisions and work together to solve big problems. The COVID-19 vaccine is a victory for collaboration across borders with few parallels. Harnessing the power of science and technology, governments, businesses, and citizens everywhere work together on a high-speed effort to rescue lives and livelihoods. In the process they opened up new hope for life on our planet. Mankind is on the brink of a new age of discovery. Revolutionary technologies hold out the promise of breakthroughs in the battles against disease, climate change, poverty and joblessness.

Speaker 2 ([00:01:25](#)):

We can emerge from the dark era of COVID-19 with a new economy that is healthier, more sustainable and inclusive. But only if we repair our broken global institutions, only if our fractured societies come together, only if corporations look beyond short-term profits. We now know all this is possible. The choice is ours.

Andrew Browne ([00:01:58](#)):

Greetings and welcome to Bloomberg New Economy Conversations. I'm Andy Browne. One of the big differences between the COVID-19 crisis and the 2008 financial crisis is that this time around the financial nodes and networks of the major economies have survived more or less intact.

Andrew Browne ([00:02:18](#)):

Predictions of a new, great depression were wide off the mark. We haven't seen waves of corporate bankruptcies or mortgage defaults. In the U.S. there's a trillion dollars of savings ready to be unleashed. Americans have already bought out stocks of cars, appliances, furniture. Certainly the major stock markets are expecting a big rebound, even as countries in Africa and other emerging economies continue to suffer.

Andrew Browne ([00:02:48](#)):

Remember, the 1918 flu pandemic was followed by the roaring twenties. The period after World War II is often called the Golden Age of Capitalism. Will history repeat itself? Here to talk about what we can and should expect from business and the global economy in the second half of 2021 is our panel of experts.

Andrew Browne ([00:03:14](#)):

Sarah Chen is the co-founder and managing partner of Beyond the Billion and the Billion Dollar Fund for Women. A global consortium of venture funds that have now pledged to invest and are actively deploying beyond \$1 billion towards woman founded companies to begin to address the venture investment gap. Welcome to the program, Sarah.

Sarah Chen ([00:03:41](#)):

Thanks, Andy. A pleasure to be here and excited to be speaking about what's so important in our big bounce back following this pandemic.

Andrew Browne ([00:03:49](#)):

Brian Elliot is the VP of Future Forum, a consortium launched by Slack to help companies re-imagine work in the new digital first world. Future Forum combines original research, case studies, and playbooks with executive forums where leading voices share insights and debate solutions. Thank you for joining us, Brian.

Brian Elliot ([00:04:13](#)):

Thanks. Great to be here with you, Andy. Appreciate it.

Andrew Browne ([00:04:17](#)):

Dr. Fred Hu is the Founder and Chairman of Primavera Capital Group. He's also an independent non-executive director for Ant Group, Industrial and Commercial Bank of China Limited, UBS Group AG, Yum China Holdings, Inc., and Hong Kong Exchanges and Clearing Limited. Thanks very much for being here today, Fred.

Fred Hu ([00:04:43](#)):

Thank you, Andy. Glad to be here.

Andrew Browne ([00:04:46](#)):

Leigh Radford is the Senior Vice President and General Manager of P&G Ventures, an internal Procter and Gamble studio partnering with startups, entrepreneurs, and inventors to build brands and businesses within the consumer packaged goods space. Welcome to the program, Leigh.

Leigh Radford ([00:05:05](#)):

Hi, Andy. Great to be here.

Andrew Browne ([00:05:08](#)):

I'm joining you today from New York and I'd like to welcome our global community of Bloomberg New Economy delegates, along with all of our viewers tuning in on social media and via the Bloomberg Terminal. There will be opportunities throughout this conversation for real-time input from you, our audience.

Andrew Browne ([00:05:24](#)):

I encourage you to submit questions in the text box, which is in the bottom right of your screen. And I'll invite you to answer our live polling questions in the box at the top right of your screen. If at any point you encounter technical difficulties, a simple refresh of your browser should help get things back on track.

Andrew Browne ([00:05:44](#)):

I want to kick off the conversation with an audience poll to see what our viewers think about whether or not we'll see a big bounce back in the second half of the year.

Andrew Browne ([00:05:56](#)):

The question for the audience is this. What does the post-pandemic recovery look like? (a) A V-shaped rebound leads to a new era of innovation fueled prosperity. The second answer, virus mutations and slow vaccine rollout delay recovery. Government stimulus fuels inflationary ending surge.

Andrew Browne ([00:06:22](#)):

While we wait for the audience to submit their answers to the poll, let's turn to our panel to see what they think. Are you expecting a post-COVID boom based on what you're seeing in your own businesses? If so, what do you think it will look like? V-shaped, U-shaped, K-shaped? Up for those who are already doing well and for the poorer parts of society, more pain? Sarah, let's start with you.

Sarah Chen ([00:06:51](#)):

Yeah, sure. Thanks, Andy. My perspective is that this will be a K-shaped recovery. I think we're already seeing that. There's really a divide between industries that are doing well. So those that are really pivoting at this time and really milking the opportunity of the tech boom. We're seeing a lot of growth in industries that we knew were going to grow anyway already, but really has accelerated the growth in things like healthcare, tele health. There's a heightened focus in a lot of the deliveries of these services to us as consumers.

Sarah Chen ([00:07:22](#)):

I think you spoke a little bit earlier about just the consumer boom. But at the same time we're going to see industries that will just continue to suffer. Those that are dependent on the in-person interactions, while of course, there is the end of the line in terms of the vaccines' rollout.

Sarah Chen ([00:07:38](#)):

There's still a lot of uncertainty. And I think there will be a huge shift in terms of how businesses will continue to innovate. And I think it's incumbent upon us to rethink some of the ways we're growing our businesses, particularly for us in venture capital. The headlines are that venture capitals are booming, startups are thriving, but they need that.

Sarah Chen ([00:07:57](#)):

Unfortunately in the space that I'm focused on, which is female founders, there are losers in this game. Which is if we don't focus our energies and efforts enough, the decline of funding into female founders will be something for us to worry about. Because at the end of the day it's about a lot of reapps in current investments. And we're seeing the growth and trajectory for those already invested into businesses in the later stages. But we can't forget about the potential opportunities of not investing into female founders.

Sarah Chen ([00:08:29](#)):

And I think it's going to be a matter of time that we see what happens. But I'm positive that with what we've seen in the last year, just global venture capital exceeding expectations as a whole, surpassing the .com era, I think it's going to be interesting for us to see what will emerge from this time, Andy.

Andrew Browne ([00:08:52](#)):

Thanks, Sarah. Fred, you're one of the most experienced investors in Asia. You lived and worked through the Asian financial crisis in 1997, through SARS in 2004, through the great financial crisis in 2008. How does this crisis compare and contrast with those earlier crises? And from what you've experienced, what do you think we can expect the recovery to look like this time around?

Fred Hu ([00:09:20](#)):

Well Andy, each, of course, is different. Although this pandemic triggered a global recession has some parallel to the 2003 SARS outbreak in that it [inaudible 00:09:37] electric shock. So pandemic decimated the world economy and caused the recession. But since then I do see a pretty stunning recovery.

Fred Hu ([00:09:48](#)):

China, probably the most dramatic example, being first in, first out. Now pretty much here life has resumed a good deal of normalcy. The economy has reopened and starting to rebound. Global financial markets also a sharp rebound from the plunge back in March of last year. And the global central banks and the fiscal authorities have been doing overdrive in stimulating the economy.

Fred Hu ([00:10:24](#)):

The last year the world economy contracted 3.5%. This year it's forecast to grow at 5.5%. So that's a stunning 9 percentage point change. I always hesitate to use the shape of the [inaudible 00:10:48] to describe the shape of the recovery, but the way it looks to me is pretty much like a reshape of the recovery.

Andrew Browne ([00:10:56](#)):

Brian, your predictions?

Brian Elliot ([00:10:58](#)):

From an overall perspective, especially in the States and Europe, a little bit more K-shaped. But if you look at especially companies that employ knowledge workers, if you think about technology companies, definitely we're already experiencing a V and an upturn. There's just a disproportionate impact on some people in the course of the past year in terms of what's worked and what's not.

Brian Elliot ([00:11:18](#)):

So what we think is going to happen going forward is companies will continue to think about all that they've learned in the past year, employ people in a much more distributed fashion. And what that's going to mean is you're going to actually have an economic recovery that's actually a little bit more spread, not quite as centralized as it has been typically.

Brian Elliot ([00:11:35](#)):

And what you're going to get out of that to some degree is also a consumer bounce back. There's just a tremendous amount in our survey work of pent-up demand from people to get together socially, to have more interactions with one another, even in a work setting, that I think is going to lead to a bit of a resurgence from a consumer spend perspective around things like services.

Brian Elliot ([00:11:55](#)):

From a business perspective, it's a tremendous opportunity to reset where and how you think about how you tap more broad, distributed global talent pools that I think is going to actually raise employment in a number of different places that'll be actually hugely beneficial.

Andrew Browne ([00:12:11](#)):

Leigh, I think it was Accenture that has declared the decade of the home, which I guess from the perspective of P&G is a super encouraging trend. How do you see this bounce back?

Leigh Radford ([00:12:27](#)):

Yeah. We see it as encouraging as well. I think with post-pandemic habits will continue to change and there's room for innovation and superior products to meet those changes. But home will continue to stay at the center. More time at home and replacing alternatives that are out there, as well as they continue to get outside the home, home will still be very much at the forefront.

Leigh Radford ([00:12:50](#)):

It's interesting. 22% of consumers actually clean to relax. And that is just a new habit that we're starting to see. And 60% of consumers are seeing themselves as clean freaks. So there's new habits that are forming. But how they're cleaning, what they're cleaning with, and how they're consuming, and the type of products they use and the products they trust, will continue to grow.

Andrew Browne ([00:13:13](#)):

It's interesting. It seems as though our audience isn't quite as optimistic as our speakers. 34% see a V-shaped rebound. 40% actually see a much slower recovery. And 26, a quarter, see it all ending in an inflationary surge. That's an interesting perspective and our audience is very global, from all over the world.

Andrew Browne ([00:13:42](#)):

A question for the panelists. To what extent will this recovery, do you think, be led by what some people call revenge shopping, revenge travel, revenge dining up? Essentially, people making up for the kind of spending that they would have done without the lockdowns. And how much of it will be the result of real changes in consumer behavior, different kinds of spending? Brian, do you want to kick off?

Brian Elliot ([00:14:12](#)):

Sure. I'll take a shot at it. We see some of this on an ongoing basis on our own survey results around what people are looking for, and the ability to get people back together. The stress that we saw in some of our surveys back in Q4 that people were experiencing from even a work perspective, being locked up at home for the period of time that they were. And if you think about, especially in the States and in Europe, what happened over the course of the winter has been really hard and taxing on people.

Brian Elliot ([00:14:41](#)):

So I you think there's a bunch of pent-up demand from a leisure travel and dining and getting out. I would love to see a theater show again, please, please. But that's a short-term boost from a consumer spending perspective.

Brian Elliot ([00:14:58](#)):

What's actually going to fuel it more longterm is the ability for you to think about how you actually employ people more broadly. And what we're seeing is this ongoing change that companies are starting to make already and where and how they hire people. And if you can do that, then you can actually continue to support some degree of spending habits that aren't just about a short-term pop, but that are longer term lasting, because technology is enabling people to be more productive. And it's enabling companies to hire people in more geographically distributed areas, which can lead to long-term benefits as well.

Andrew Browne ([00:15:32](#)):

Sarah, do you see a fundamental change in consumer behavior? What are you learning from all of the startups that you're in touch with all the time?

Sarah Chen ([00:15:44](#)):

Yeah. Thanks, Andy. I think it's interesting to see how startups have really been creative in this time. I think to Brian's point, first of all, technology has become an enabler for so many people to be more productive. So I think the habits there, which hopefully will sustain over time has changed even the need of thinking about going...

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Sarah Chen ([00:16:03](#)):

... dean over time, has changed even the need of thinking about going into the office moving forward. Right? So first of all, remote work I think is a huge trend and that opens up a lot of opportunities, even for mothers. That's something that we're going to talk about it, I know, because one of the biggest trends is unfortunately, women are dropping out the workforce. 40% of US households with children are bread-winning moms, and that's a huge lost opportunity if we don't get them back into the workforce. But with technologies like Slack, a little bit of a plug for Brian, here. It opens up a lot of opportunities for those unable to go back and do the work in the same way to consider a different environment.

Sarah Chen ([00:16:40](#)):

And from a consumer perspective, I think what's been interesting is just seeing how the different startups have looked into an omni-channel approach. This was already a trend pre-pandemic, where we were seeing a shift from the typical brick and mortar businesses, to shift it to online. Thinking about Shopify and what are the other channels that you're going to be able to reach a consumer, and I think that this is one that will stay. Subscription services. So back in the early rush of the pandemic, we were all struggling for toilet paper, psychological reason there, but what's emerged is a suite of services where startups have actually provided subscription services, including things like toilet paper for consumers, and the ease of just not going into a shop anymore. I think that is going to stay, and a lot of startups are benefiting from that. One of our female-founded unicorns last year that did really well was Everlywell, which had COVID-19 at-home test kits. So instead of putting yourself at risk, I think to Leigh's point about how I think as a whole, society's going to be a little bit more cautious, this I think will stay and it will be good news for the startups that are continuing to innovate, are continuing to reach their consumer in creative ways, and I'm really glad to see female founders be front and center in terms of the innovation here.

Andrew Browne ([00:18:01](#)):

Fred, we've seen a massive increase in the number of new businesses all over the world. What's behind this? I've seen suggestions that at least some of this is a side hustle for folks struggling to make ends meet during the pandemic. To what extent is it that? To what extent is it a real sort of boom in creativity and innovation?

Fred Hu ([00:18:27](#)):

Well, it's probably both. In the midst of a pandemic, when the social life or economic life has been so very disrupted. Human beings in every society, we're adaptable. So try to look for new ways of not just to make it even, but also, just to keep going. At the same time, even before the pandemic, the digital technology has become such a widely applied tool. China and the US probably are the most advanced in digitalization. So when the pandemic hit, so that it gave the economy more resilience, consumers can still pretty much continue the digital life, whether it's the online shopping or online entertainment, online education, and online digital healthcare. So basically has made just society and economy far more resilient. Now, even with the vaccination, even with the pandemic, seem to be more and more contaminated, the digitization is going to be here to stay. So let's dodge these along with the fact is underpin my cautious optimism.

Andrew Browne ([00:19:55](#)):

Leigh, one of the things you're doing at PNG is you're imagining what life is going to be like 10 years, 20 years out, and then designing products that don't actually exist. How are you thinking about that? Paint us a picture of what we can expect, what the new wave of consumer products might look like. What is driving that innovation?

Leigh Radford ([00:20:22](#)):

Sure. We always like to focus on where the puck's going and definitely those changes are happening post-pandemic. The rise of interconnectivity. There is this need for resiliency and sustainability of products. I think people are looking at the world very differently than they did 18 months ago. So that is one.

Leigh Radford ([00:20:43](#)):

Aging consumers. 40% of COVID deaths were in nursing homes, so right now that industry is really focused primarily on institutional and most men and women want to age inside their home. And how do we think about consumer products that enable aging gracefully inside their home and being able to do so?

Leigh Radford ([00:21:06](#)):

So what we're seeing is a lot of emerging new categories that didn't exist before because the needs are changing. Even their hygiene. The number of hand washers. People are washing their hands more, but it's not just any hand washing. The quality of products and the trusted brands make a difference. I think we learned that early during the COVID play. So those are just a few of the examples where we're seeing the puck moving in a different direction. The environment, resiliency, aging, and then hygiene, of course, will continue to stay paramount.

Andrew Browne ([00:21:42](#)):

Brian, technology companies like Slack enabled work from home during the pandemic, of course, and for some people work from home has evolved into work from anywhere, benefiting mid-tier cities, more

rural communities, as remote workers piled in. Do you expect this trend to continue? To moderate? To reverse?

Brian Elliot ([00:22:02](#)):

Absolutely continue. We've done a lot of survey work. We've actually pulled knowledge workers around the globe now twice, once in Q3, once in Q4. The answers are pretty consistent. There's a small percentage of the population, last quarter turned out to be 17% globally, that wants to go back to full-time office work. There's another chunk that wants to be full-time remote. Most people want flexibility. They want access to an office occasionally for team bonding and getting together, but they want the ability to go into different settings when they need it. Slightly different slide than my talking point, but that's okay.

Brian Elliot ([00:22:42](#)):

This is going to persist. Companies are already seeing that change happen. And companies are already making changes to policies about not only remote work, but where and how they're employing people. And so if you're able to do that, you've got the benefit of a couple of things. One is tap into broader, more talented people in broader geographies. Talent is the number one competitive asset in this century.

Brian Elliot ([00:23:04](#)):

Second, if you think about real estate, you think about the sheer amount of space that you were using just to house people for individual work, it's just highly inefficient. It's also gotten worse. So we spent the last couple of decades basically shrinking the square footage per human that we house in an office by 50%. It doesn't make life better. It doesn't make work better. The past year has opened people's eyes to the fact that you can actually be productive working from home and get a better work-life balance. So we're going to end up in the situation where a flexible hybrid environment actually is the future, and people will hire people in much more distributed geographic areas.

Andrew Browne ([00:23:41](#)):

Fred, of course, China is already booming, right? Domestic travel is almost back to normal. We've seen record online sales back in November during so-called singles day. What have we learned about the shape of the global rebound from what's happening in China?

Fred Hu ([00:24:02](#)):

Well, you're right about the part it's done in a rebound of the economy, given China was the first hit by the pandemic. And what are remarkable is that the absence of a massive monetary, in equity, or fiscal stimulus, but the country has done a pretty good job containing the pandemic. So that really paved the condition for re-open the economy safely and for certain consumer confidence. You couldn't travel and consumer spending, including automobile, last year was a very strong year, double [inaudible 00:24:54] growth.

Fred Hu ([00:24:56](#)):

So I think that's really the key factor that for this is a lesson maybe elsewhere is that there's no ... The trade off between life and the livelihood is the first one. You're in the midst of a pandemic, the first reason is really to keep your people safe, to manage the pandemic. Once it's died down, then of course,

the economy will recover and pick up. So I do think something in the future pandemic that government policymakers should keep this in mind.

Andrew Browne ([00:25:37](#)):

Okay, let's get to travel. Travel and leisure employs one in ten workers around the world. And I want to get to an audience poll to get our viewers' take on the outlook for business travel. Here's the question. When do you anticipate your next international business trip? You've got three choices: mid-year 2021, late 2021, sometime next year. While our audience prepares to answer that one, let's ask our panel. What do you all think? When are you all planning to resume your international travel schedule? Leigh, when are you getting ready to ... or maybe you've already started.

Leigh Radford ([00:26:23](#)):

Yeah. No, I haven't started. We hope late 2021, but I keep going back and forth between that versus '22. I think what we've seen is the ability to really work seamlessly across time zones and across countries. And sometimes in even a more efficient level. They'll always be need for on the ground consumer and interaction. So right now I'm hoping late in the year.

Andrew Browne ([00:26:55](#)):

Sarah, have you made any trips to Asia lately?

Sarah Chen ([00:26:57](#)):

Well, not yet, but I've got my bags packed. Andy, I'm from Malaysia, so my immediate family is in Malaysia and I'm missing them a lot. The distance has been very, very hard, I have to say. And I have my husband's family and all that here, but it's different being in sunshine and by the beaches, so I'm definitely raring to go. But being very, very cautious because this is serious. Yesterday, President Biden had a moment of silence for the 500,000 deaths marking this is really sad, so this is something to be taken very seriously. But having said that, I'm keeping my fingers crossed for later this year in 2021. And hopefully, I think the view of business travel will be changing so that the standards are high and we're able to be a more healthy society moving forward.

Andrew Browne ([00:27:48](#)):

Yeah. Well, Bill Gates thinks that 50% of business travel will never come back. Fred, I can't believe you haven't been traveling internationally.

Fred Hu ([00:27:59](#)):

I can't believe it either. I cannot wait to maybe to have my first major cross-Pacific trip middle this year. Andy, don't be surprised if I come to see you. But certainly, I think in later 2021. I have a lot of engagements that were kind of interrupted, but I very much want to resume.

Andrew Browne ([00:28:33](#)):

Look forward to seeing you in New York sooner, rather than later. Let's get to the result of the poll. Okay. Half of our audience don't envisage resuming their international travel until next year. Only 11% have already got a ticket in hand. And 40% not until the end of this year. Okay. Let's now move into-

Brian Elliot ([00:29:10](#)):

Andy, if you don't mind, I think if you look at the audience side of things, it's actually more in line with a lot of what we're seeing out of our research, as well. Companies have actually figured out from a business travel perspective, that there's a lot of what they did ... Like people are dying for leisure travel, but if you ask them, do they need to be on the road continuously from a sales perspective, people spent the last year finding ways to close sales deals. If you think about training and onboarding of new employees, people have found ways to do that without pulling everybody into a corporate headquarters. Not that some of that won't return, but we've found ways to be a lot more efficient and not make people be on the road all the time.

Brian Elliot ([00:29:44](#)):

Consulting firms have figured out that they have professional staff that are highly trained and highly capable that they can now deploy into three cities in a day because they're remote, versus putting them on planes and hitting three cities in a week. So the differences are actually really stark in terms of the ability to impact how much business travel is actually required from a company perspective. We're all dying for leisure travel. We're not dying for business travel on an ongoing basis.

Andrew Browne ([00:30:09](#)):

So have you [crosstalk 00:30:15]

Sarah Chen ([00:30:15](#)):

Yeah. Thanks, Andy. I think this is an interesting point that, Brian, you brought up, because one of the opportunities that this opens up is the fact that for what we're seeing in the venture capital space, it opens up opportunities for, I guess, a more decentralized approach. While startups and the boom has been focused typically in Silicon Valley and therefore may have overlooked some great ideas and great founders across the States. I think it's been interesting to see that deals are now being done end to end, well as before investors were always thinking, "Yeah, it's a relationships business. I must see and kick the tires." But now, I think the openness is a good thing because it also opens up room for more diversity. And I think that equalize of not having to pay to go and fly out for an ambassador meeting is a good thing. And to your point, Brian, I really agree that this change of what business travel is really needed to close the seals. And for us in an investment standpoint, I think it's a positive one.

Andrew Browne ([00:31:13](#)):

Okay. Let's change tack here for one moment. Last week, I spoke to Martin Shanahan. Martin is the Chief Executive Officer of IDA Ireland. IDA is Ireland's inward investment promotion agency responsible for the attraction and development of foreign investment. I asked him about how the pandemic had affected investment in Ireland and about his expectations for a big bounce back. Take a listen.

Andrew Browne ([00:31:44](#)):

Martin Shanahan, welcome to Bloomberg New Economy Conversations. The global economy is going digital, a trend accelerated by COVID-19 and Ireland is a data superpower. Amazon uses Ireland as a business base-

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Andrew Browne ([00:32:03](#)):

Superpower. Amazon uses Ireland as a business base for the whole of Europe as do other tech giants. The Microsoft data center in Ireland covers an area of two square kilometers. To what extent has this cushioned the Irish economy from what has been the worst global recession for a 100 years?

Martin Shanahan ([00:32:27](#)):

Thanks, Andy. And yeah, listen, I think the answer is that the presence of foreign direct investment here has absolutely helped to mitigate the most significant economic impacts of COVID. Like what we are observing in many economies where you see economies bifurcating and you have domestically trading sectors heavily impacted, whether that's retail or hospitality or, indeed, construction in our cases also, as they suffer from restrictions, necessary restrictions, on foot of the COVID pandemic.

Martin Shanahan ([00:33:04](#)):

On the other hand, the presence in Ireland of those very large technology firms that you've mentioned together with the pharmaceutical companies we have here, the medical technology companies that we have here, international financial services have certainly helped to cushion the significant impacts of the pandemic. Obviously, some of those sectors are not entirely immune themselves to the pandemic, but certainly they are more resilient than other sectors of the economy.

Martin Shanahan ([00:33:36](#)):

So from our perspective, we have seen some of those sectors grow even during this period, particularly the case for technology and pharmaceuticals. And of course we have targeted these sectors over many years. Ireland is heavily concentrated in a relatively small number of sectors, but they are the sectors, we believe, underpin a modern economy. So, that has helped us through this period.

Andrew Browne ([00:34:04](#)):

I guess Ireland's economy is particularly vulnerable to lockdown simply because it is so open. Openness, indeed, is a pillar of Irish prosperity. What's your outlook for global trade. We've seen a rise in protectionism during this pandemic. Do you think that trend reverses itself, or do you think that we're at the beginning of a new era, what some people call de-globalization?

Martin Shanahan ([00:34:32](#)):

Yeah. So, I think just to break that down. I think first my expectation is that trade will continue to recover in 2021. We saw momentum gathering, I think, at the end of 2020 across the globe. Again, we've come to like the IMF, I think, suggesting about 8% growth in 2021, but I think it will be well into 2022 before we really see a recovery in that regard.

Martin Shanahan ([00:34:56](#)):

I think you're right to question though, is it going to be the same type of trade and the same type of FDI we see in the future? Or are we going to see greater regionalization? What is going to be the impact on global value chains? Certainly we observe a move towards greater protectionism and nationalistic agendas.

Martin Shanahan ([00:35:23](#)):

I suppose the question is whether companies will make pragmatic commercial decisions, which may lead to a continue of globalization, because on the one hand, while many are pointing to the experience of

the pandemic to support a case for grace or autonomy, I think you could equally point to the pandemic to show that global value chains have absolutely worked.

Andrew Browne ([00:35:54](#)):

Specifically, what technologies do you think will lead the global comeback? I mean, clearly work from home is a mega trend that's here to stay. It's boosting sales on everything from software to PCs, which are clearly big areas of Irish strength.

Martin Shanahan ([00:36:15](#)):

Yeah. So, there's a few things, I think, in that. On the one hand, certainly we're not going back to where we were in terms of people going to offices Monday to Friday, core hours and so on. There's going to be much greater flexibility. On the other hand there is a role for the office going forward and we hear that very clearly from our companies for reasons of driving innovation, driving collaboration, building team culture, and all of those things, onboarding people, training new members of the team.

Martin Shanahan ([00:36:50](#)):

So it's going to be a hybrid model. I think that's the first thing. Remote working, as you said earlier in your introduction, does present opportunities for Ireland but it is a rather double-edged sword in that it is also going to bring in many at geographic areas, which weren't previously in play for FDI. It's going to be much more distributed. In that regard, I think it's going to be very welcome for companies because they're going to have access to talents maybe they didn't have previously.

Martin Shanahan ([00:37:19](#)):

In terms of technologies themselves, we've set out our new strategy fairly recently, actually in January. It looks at areas which we're already focused. We're really [inaudible 00:37:31] out like AI, ARVR, all of the technologies connected today's internet of things that underpin industry 4.0. Very strong pillar in there around sustainability in all its forms, but also obviously the green agenda climate action, de-carbonization and biodiversity. So, we see all of these things happening already and we will be doubling down on them.

Martin Shanahan ([00:37:59](#)):

We spoke a little about the pharmaceutical sector earlier. I suppose, Ireland has been really successful at capturing the different waves of the pharmaceutical evolution. If we were speaking a number of years ago, we would be talking about small molecules and chemicals. We were very quick to move to biopharmaceuticals and Ireland has a significant biopharmaceutical manufacturing sector. And for us, the next wave there is around cell and gene therapy, and that's where we will be placing our bets. And we are investing into our National Institute of Bioprocessing Research and Training in that space. And we expect to see more investments coming there.

Andrew Browne ([00:38:46](#)):

Thanks to IDA Ireland, Chief Executive Officer, Martin Shanahan, for his time and his insights. Brian, I want to pick up on Martin's point about remote working, which he said offers opportunities for Ireland, but also for countries all over the world and really benefits companies who can access talent in more parts of the world. Do you do agree with this? Are you seeing this at Slack? I think you might be on mute, Brian.

Brian Elliot ([00:39:22](#)):

There was a small child crying in the background during that last bit. No one wanted to hear. We do see this happening on an ongoing basis. So from an employment perspective, Slack itself changed pretty dramatically. Most people think of Slack and they think that the company itself must've been remote. The answer is 3% of our employees were actually remote-based in February of last year.

Brian Elliot ([00:39:46](#)):

So we've changed our policies though, as have a lot of other companies. We employ a lot of people that are based in places that are not proximate to corporate headquarters, or to a New York office or to a Vancouver office for a couple of reasons. One is it's the ability to hire talented people on a more distributed basis. We've also seen in discussions with a lot of different companies that, that varies a lot in terms of how you think about those practices.

Brian Elliot ([00:40:12](#)):

You might actually have people that you want to be within a couple hours commute of an office so that you can bring them together for, basically, the most missing thing, which is social isolation problems, sense of belonging with your team and getting them together. So there is going to be a lot more distribution of employment. In the States, it'll be across a wider geographic areas, but you'll also see it happening on a more global basis.

Brian Elliot ([00:40:38](#)):

I do think you'll still end up with people that are centered on different, either time zones, or proximity to space where they can get together, but not requiring them to do it on a nine to five commute into a major metropolitan area every single day. So that distribution's going to be real.

Andrew Browne ([00:40:57](#)):

Great. I want to bring in a couple of questions from the audience now. First question, Fred, I think this one's for you. It comes from Benjamin Coe. Who's the CTO of Alien House, Alien House in Singapore. Benjamin asks, how will a green recovery be implemented in Asia? Your views on a green recovery? I mean, green tech is booming. Some think it's even in bubble territory. What's the situation in Asia?

Fred Hu ([00:41:31](#)):

Well, it's a great question. And this is another reason I feel quite bullish about the post pandemic future. That the pandemic has driven home the message here that we need to protect our planet, to stay in a safe and healthy and be sustainable in our economy and the way of life. So, I think, particularly with the election of President Biden in the US and recommit US to join the Paris Treaty and Europe. Obviously China and Japan are the major economies and the emerging markets have been very committed to Paris Treaty and the commission.

Fred Hu ([00:42:20](#)):

In fact, since the pandemic we have seen the acceleration on a pace towards zero [inaudible 00:42:29] emission future. So, as a result I've seen massive investment by both public sector and also private sector. Including, obviously, green technology of [inaudible 00:42:41], renewable energy from the early startup to gross equity to a later stage expansion capital.

Fred Hu ([00:42:51](#)):

I find it very encouraging in mobility, for example, I've seen really, really significant increase in penetration of electrical cars. Obviously, transportation is a major carbon contribute. If we all make a rapid transition from traditional combustion, fossil fuel vehicles towards EV, then we'll definitely, be able to make a difference to climate change. So, this is a lot's going on in Asia. And China, clearly, is a leader, whether it's investment in renewable energy or downstream clean tech. So I find it very, very exciting.

Andrew Browne ([00:43:42](#)):

Sarah, this one's for you, I think. Andre [DeKona 00:43:48], he was a financial consultant at STSCI in Portugal asks, are we seeing tech stock fatigue or will the party continue?

Sarah Chen ([00:44:00](#)):

Thanks for that question, Andy. And if I may, I did want to add to what Fred talked about here, because I think that's super important, which is the move to what sustainability is huge. And we're seeing it at a venture capital level as well, but there's a huge awareness, I think, in terms of where we're headed.

Sarah Chen ([00:44:15](#)):

I think the racial reckoning is something that's super important for us to touch about, as well, has opened our eyes into what needs to be done from an investment perspective and closer to the work that we do. We work with the limited partner investors that invest into the VC fund. So these are the pension funds, financial institutions, high net worth family offices, things like that. And to see just the heightened awareness of what we need to do to move the capital and catalyze capital for the underfunded and over-performing asset class, I think is key here.

Sarah Chen ([00:44:45](#)):

There's been a huge awareness of stakeholder capitalism pre pandemic. I think that was this move off as being more aware of what we need to do beyond shareholder returns and aligning profit and purpose. And the more and more we're seeing this with LPs moving beyond capital towards funders that are a little bit more aware, even from the ESG standpoint, I think is one that I'm watching. And I think it's a trend for the future. And I'm excited to see LPs, financial institutions like Bank of America make a big statement putting investments, I think it's about 150 million, into the pockets of venture capital funds addressing this.

Sarah Chen ([00:45:23](#)):

And to the point of tech fatigue very quickly here. I'm an optimist to be in venture capital. You have to be an optimist. And I think that this boom will continue for a little while, a little bit. We've seen huge listings in the last year, from we're talking about Airbnb, right? So a travel business that would have been effected but they were smart in pivoting and creating an opportunity for those who would like to work outside of home in a different property. So, taking a good look at their businesses. I think, with Airbnb, DoorDash and of course, Bumble, right? So Whitney Wolfe Herd being the youngest billionaire now from the IPO of women making the first move.

Sarah Chen ([00:46:02](#)):

I think I'm super excited by what tech presents. And I think we'll continue to see that for a while. But what's been interesting for me to see is that with the venture capital, there has been always a perception that it's growth for growth, but because of the pandemic it's created the awareness that it needs to be sustainable growth. And that's what I'm excited about.

Andrew Browne ([00:46:22](#)):

Lee, a question here for you, will sustainability influence, shape consumer choices? What are you seeing?

Leigh Radford ([00:46:32](#)):

Yes, definitely. Matter of fact, we're already seeing that today, not only in the companies where they choose to buy their products, but the products themselves. I mean, they're looking to reduce waste. They're looking for resiliency and the fact of preserving value. I mean, it's interesting. One of the things we're seeing is consumers looking on purchases of things that have resale value, so preserving things. So they're not looking as a more of a disposable society. They're really looking at purchases that have some long-term, pass on effect.

Leigh Radford ([00:47:04](#)):

So, definitely, there's a need of non-toxic alternatives out there. From a green tech standpoint, it's not only products that are effective, but truly safe in every manner of it, of the chemicals or, natural alternatives that go into them, as well as, the products that they they're in.

Andrew Browne ([00:47:24](#)):

Leigh, staying with you just for one moment. The financial times reported recently that consumers are returning during COVID 19 to brands that they've known for decades from Kraft Heinz macaroni cheese to Detol disinfect. Why is that? Reliability, safety, comfort and familiarity. What's your view?

Leigh Radford ([00:47:50](#)):

Yeah, Andy, it's all of those, but really it's performance. I mean, brands that they can trust. Know that they will do what they say and say what they do. And I think that happened early in the pandemic. There was so many products hitting ...

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Leigh Radford ([00:48:03](#)):

And I think that happened early in the pandemic, there was so many products hitting the market with different type of quality standards, a different type of efficacy. And they've all returned back to the products that they know and trust. And I will see that that's going to continue as they're looking at every dollar that they put out there. They want to make sure they're getting the return for them and their family and the performance of the products and what they expect.

Andrew Browne ([00:48:26](#)):

How do the big brands start to reconnect with the consumers who were being wooed away by these insurgent brands? The ones that appeal to generation Z, the ones promoting progressive causes.

Leigh Radford ([00:48:43](#)):

Yeah. We believe it's really quite simple. It's continuing to solve the biggest problems for consumers, with superior products that matter. And that's really where we know that if we can deliver the solution better than what else is out there, then they'll keep coming back. And that's how big brands survive is the quality of their performance against the big problems that consumers are asking to be solved.

Andrew Browne ([00:49:10](#)):

We've got a question, Brian, for you from Laura [Rubin 00:49:18], Who asks, "What impact will the work from home phenomenon have on office properties, office values?" How is this going to play out in the commercial real estate and the real estate sector?

Brian Elliot ([00:49:35](#)):

It's a fantastic question. I'm not a prognosticator on that specifically, but what we are seeing pretty consistently, is that people still need office space. And they still want places to get together. There are disproportionate impacts of all of this. There are people for whom working at home just doesn't work because they're in confined spaces, or they don't have the setup that's necessary for doing it. But by and large, for most people, that flexibility is going to mean they need less office space per square footage. What you're going to end up seeing is commercial real estate, and specifically, what people are going to be moving towards is more what's called activity-based design. So thinking about how you use space on a more flexible basis for project teams, for kickoffs, for ways that people need to get together for training type of programs, and less housing of individual people sitting in cubicles.

Brian Elliot ([00:50:29](#)):

So depending on whose content you read... McKinsey had a study that said something like 20% of companies are planning on reducing their square footage. I've seen reports that range pretty widely, but it's also going to be a shift. I'm sitting in San Francisco. I don't expect the San Francisco real estate to bounce back anytime soon. But I do expect places like Tulsa, Oklahoma, are going to see a resurgence as people are looking for an improvement from a lifestyle perspective, and companies are employing people on a more distributed basis. So that leveling out the playing field is going to impact real estate as well as employment.

Andrew Browne ([00:51:07](#)):

Well, more broadly, Brian, a question here from Mark [Mandel 00:51:10], who's a member of the clergy at Touro in Rhode Island. And Mark asks, "If this is the decade of the home, does that mean that cities are over?"

Brian Elliot ([00:51:23](#)):

I don't think so. I think what you're going to see is people still have a desire, from a social perspective, to be close and proximate, to think about what were all my comments earlier about, like I'd love to go see some theater. There are reasons why cities exist outside of employing people inside of skyscrapers. What you will see is some degree of de-densification. So if you're able to employ people, why make everybody who lives in Connecticut, move into Manhattan five times a week on trains, as opposed to having more distributed locations? So Manhattan will still be a cultural and arts center, and I love New York. And I can't wait to get back. On the other hand figuring out how you shove all of your employees into a skyscraper five days a week, isn't necessary. We've sort of proven it. And so you're going to have this [inaudible 00:52:12] continuum happen of moving people outside of that peak.

Andrew Browne ([00:52:18](#)):

Sarah, one for you from [Rating 00:52:21] Lee, who's a pensions and investment professional at PWC in London. Rating asks, "Could you please elaborate more on how the woman business owners have suffered in the pandemic? And what are the opportunities ahead of them in the recovery?"

Sarah Chen ([00:52:38](#)):

Yeah, thanks for that. We did a report with PitchBook last year, which looked at just the rate of female founders getting funding. And unfortunately, the first three quarters of 2020, funding was down 31%. And this is a lot to do with the fact that in the later stages, I talk about how startups were being reinvested in. Because for venture capitalists it's about making sure your portfolio that you've invested in to begin with, continues to do well and continues to thrive in this time. And unfortunately, that means that it's going to be into the same founders and with all male teams, unfortunately, still getting the majority of funding. This is where we're seeing a little bit of a worrying trend here with the decline, despite out-performance. You've seen, last year part of our report, as well with PitchBook, is that female founders are exited quicker and at high evaluations.

Sarah Chen ([00:53:25](#)):

And you know as a private, from an investment standpoint, this is an important metric. So again and again, I think we're seeing a lot of good news. They're outperforming in every metric that's important except for funding. And I think this pandemic is opening our eyes to the fact that we must do more. And it also starts not only from the VC, as I talk about, not only to the VC and the founder level, but at the LP level where you sit at. Right? So working with the endowments, David Swenson came out with a statement that he's putting a timeline on money managers to diversify. And the fact that someone as reputable as him is coming out with this statement, that it's time for us to shift our thinking in how we're investing, because at the end of the day, if the beneficiary is the female founder, we need to look at every capital of stack.

Sarah Chen ([00:54:11](#)):

And I think this is a huge opportunity. We're seeing women do extremely well and are resilient, despite the buttons of unpaid care that we're seeing with women taking the majority of the responsibilities. They are resilient. And if I quote one of my fund managers, "In the time of COVID-19, which is a black swan event, startups are used to disruption. They thrive on that. And female founders... Because good news, bad news, right? Because we've been underfunded, we've been able to manage our cashflow a lot better, and therefore, come up at the top." So I'm urging investors that are tuning in today to double down on female founders, to think about how you're changing, you're bringing new entrance and new funds into your portfolio, which will ultimately reflect what we need in society to move forward and bounce back.

Andrew Browne ([00:55:00](#)):

Let's talk about digitization, which obviously is the mega trend coming out of COVID-19. I was very intrigued, Leigh, the other day, when we were talking. You were telling me about a trend in digital cosmetics. How does that work?

Leigh Radford ([00:55:17](#)):

Yeah. I do believe, as consumer products, as we think about the next advancement, it's going to be enabled by digital and device transformation. One of the products that we just recently launched is a

product called Opte, which is the first handheld computer, digital skincare. And so it is actually a skincare printer, a camera that reads your skin and the imperfection, and then corrects and deposits both chronic and acute ingredients. And there's nothing else like it. And so we continue to see that's where the breakthrough is going to be across all of our categories, of how do you take digital device and consumer chemistry as a way of getting to that next level of performance for consumers?

Andrew Browne ([00:56:02](#)):

Fred, China of course, was already more advanced than other economies when it comes to e-shopping, e-commerce, fintech. Has that accelerated even faster? As I mentioned, you're a member of the board of Ant financial.

Fred Hu ([00:56:19](#)):

It certainly has. As I said, not just the e-commerce, and of course mentioned, as [inaudible 00:56:25] continue to soar. But also, online education, online health care, and online [inaudible 00:56:35], in the form of Binance or [inaudible 00:56:38], which has just blockbuster IPO here in Hong Kong. So with all the assessing, consumer that migrate and business migrated to digital pattern forms, that also raise the question of equality and access. So [inaudible 00:56:59], during the pandemic, for example, remote areas, maybe the broadband connectivity wasn't as great, so kids had to have time, had to really quality online learning experience. So as a result of the pandemic recovery, the government has really launched a massive [inaudible 00:57:18] with digital infrastructure, to more digital data centers to handle the explosive data volume to make sure digitalization will continue unabated.

Andrew Browne ([00:57:33](#)):

And now of course, China is going to adopt a fully digital currency. Is that in any way connected to COVID, or was that going to happen anyway?

Fred Hu ([00:57:46](#)):

I think the central bank would have had this initiative for a while, but with COVID, with the overall accelerated digitization across the economy, including the financial service sector, I think the central bank has also picked up towards that initiative.

Andrew Browne ([00:58:08](#)):

General question, at the Bloomberg New Economy, we're talking about a new age of discovery. Just as the messenger RNA was a decade in the making, and its application was the very first COVID-19 vaccine. So we're seeing a number of other enabling technologies, including AI, which are ready right now to deliver these breakthrough applications. What do you make of that thesis, and what are you seeing of that in your own work, in your investments, in the companies that you're dealing with? Leigh, do you want to have a go at that?

Leigh Radford ([00:58:50](#)):

Yeah. We're seeing it in many different ways of just how knowledge and technology is helping to better the delivery of and benefits for consumers. So we're investing a lot in everything from machine learning to understand repetitive behaviors and understanding. But it will continue to be integrated into almost every industry that's out there.

Andrew Browne ([00:59:19](#)):

Sarah, what are you seeing?

Sarah Chen ([00:59:23](#)):

Yeah. I think that's an interesting question. Some of these innovations take time, and to your point of MRNE, I just want to shout out that, that again is a women innovated at the forefront, who had been working hard for so long. And to the point of why invest in women, this is a missed opportunity. Imagine if we didn't have this MRNE, where our world would be. So women are innovating across the board, that is benefiting all of society and not just women alone. And I think, in terms of what we're seeing, which will open up opportunities, when we look at sort of the investments that we see across the board, a lot of it has to do with delivery. A lot of it has to do with how we're reaching the end consumer. And I think the shift of, some of these habits will be here to stay, and it'll be interesting to see. Even one of the things I spoke to you about, Andy, earlier was, the rise of social and community-driven technology. Clubhouse is a recent app that has large and has been all the hype. But what it showed is that in this time of pandemic, where we are so starved for connection as human beings, we're coming together. And technology has enabled that. People are learning Mandarin, Bahasa on Clubhouse app with people around the world. And I think what we're looking towards the future will be exciting, in terms of how we're seeing the different technologies delivering the goods to us and what we, as consumers, will demand for our future.

Andrew Browne ([01:00:44](#)):

Brian, what are the big breakthroughs you're looking at in terms of communication technologies?

Brian Elliot ([01:00:50](#)):

So I think from a communication technologies perspective, it's how you help people basically stay connected with one another and work together interdisciplinary. So let me give you an example. If you think about AI, most people think of it as replacing jobs. What, increasingly, we're going to see is augmentation. If you look at what work people are doing now versus a couple of decades ago, it's much more complex. It's much more interdisciplinary. It requires teams that come together and collaborate effectively. What we see, even at Slack, is companies that do robotic process automation, that are supposed to automate entire processes, end up using Slack as the place in which they actually drive notifications. Meaning this needs human interaction. It needs someone to look at it. It needs someone to make a decision. Work, itself, is increasingly complex and interdisciplinary. Artificial intelligence will increasingly be seen as an augmentation, not a replacement of that capability.

Andrew Browne ([01:01:48](#)):

Fred, one for you. We're running out of time, but I want to get this one in. It's from Shigeo Katsu, who is the president at Nazarbayev University in Kazakhstan. Shigeo asks, "Assuming a big bounce back happens, how will it affect emerging markets in various regions of the world?"

Fred Hu ([01:02:15](#)):

Well, I do hope the major economies North America, Europe, and China, to have a strong recovery like the world really needed the emerging markets to recover, as well as you expanded the opportunities in trade. And also across the board, the investment. [inaudible 01:02:34] with the island, direct of investment. So I think that to do that, you mentioned markets of countries, have to undertake policy reform to improve the investment in the climate. So to make it more attractive for global capital.

Andrew Browne ([01:02:53](#)):

Thanks, Fred. And I'm afraid we're out of time. We're going to have to leave it there. Sarah Chen, Brian Elliott, Fred Hu, Leigh Radford, Thank you again for joining us today. We're grateful for your participation and your perspective. I'd also like to extend my thanks to IDA Ireland for making today's event possible and to Martin Shanahan for taking the time to join our conversation, and to our audience, both within and beyond the Bloomberg New Economy community, thanks for joining us. You can follow the conversation with [@neweconforum](#) on Twitter or like us on Facebook. We'll be back next month with another conversation on the new promise of medicine. You don't want to miss it. Thank you, and stay well.

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