

BILATERAL TRADE DEVELOPMENT BETWEEN CHINA AND BELARUS UNDER COVID-19

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This article analyses the current situation of bilateral trade between China and Belarus and proposes effective suggestions (Expanding trade beyond commodity trade, Raising awareness of the Great Stone, Strengthening support for enterprises) for the sustainable development of foreign trade between the two countries in the light of COVID-19 situation. Bilateral trade between China and Belarus cannot be stopped even while the pandemic is still in progress.

Keywords: Bilateral trade; COVID-19; Foreign trade; Commodity trade.

РАЗВИТИЕ ДВУСТОРОННЕЙ ТОРГОВЛИ МЕЖДУ КИТАЕМ И БЕЛАРУСЬЮ В УСЛОВИЯХ COVID-19

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В этой статье анализируется текущая ситуация двусторонней торговли между Китаем и Беларусью и предлагаются эффективные решения (Расширение торговли за пределы товарной торговли, Повышение осведомленности о Великом камне, Усиление поддержки предприятий) для устойчивого развития внешней торговли между двумя странами в свете ситуации с COVID-19. Двустороннюю торговлю между Китаем и Беларусью невозможно остановить даже в условиях пандемии.

Ключевые слова: Двусторонняя торговля; COVID-19; Внешняя торговля; Товарная торговля.

Introduction

On March 11, 2020, the World Health Organization announced that the current COVID-19 could be described as a global pandemic. In 2020, the COVID-19 spread around the world, not only affecting people's health and changing their habits but also having a serious negative impact on the global economy. Almost every industry has been hit hard, and international trade is no exception. [1] According to Chinese statistics, bilateral trade between China and Belarus grew in 2020, with bilateral trade increasing by 10.7% year-on-year, which is all the more remarkable given the pandemic situation.

In bilateral trade, if both countries have their own competitive advantages, there is a great potential for trade between the two countries. China and Belarus have a large difference in their industrial structure set of resources, and both

have their own development advantages that can achieve complementary trade between the two countries.

Belarus trade in goods with world

Situated in the middle of Europe, Belarus is a landlocked country that is an important gateway for trade development due to its proximity to Russia and to the EU market. As we can see from figure 1 below, China was the 8th largest export market for Belarus (\$ 475.2 million), and the 2nd largest import market for Belarus (\$3.6 billion). This is exceptional data given the restrictions on foreign trade introduced by various countries due to the epidemic, which shows that both China and Belarus have good solutions for foreign trade in the context of the pandemic.

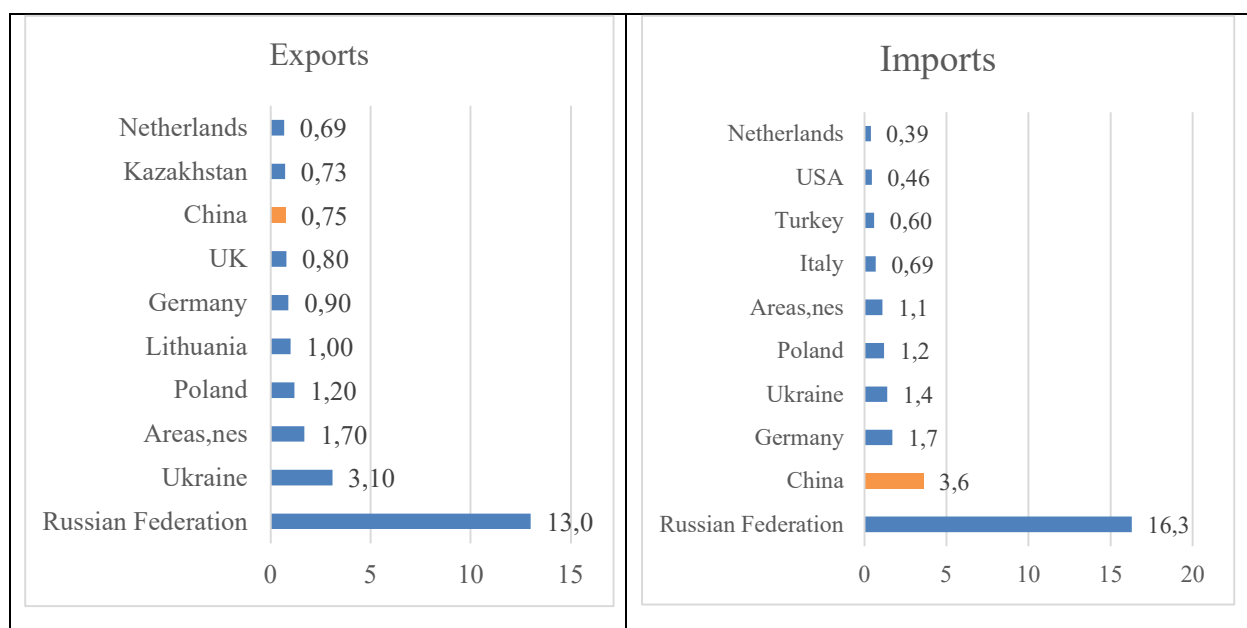


Figure 1 – Belarus- TOP 10 exports and imports countries

Source: UN Comtrade [2]

Belarus trade in goods with China

China and Belarus have always had a high level of trade, especially in recent years when the overall trade volume has been increasing and the trade relations between the two countries are at a developmental stage with a lot of room for future growth.

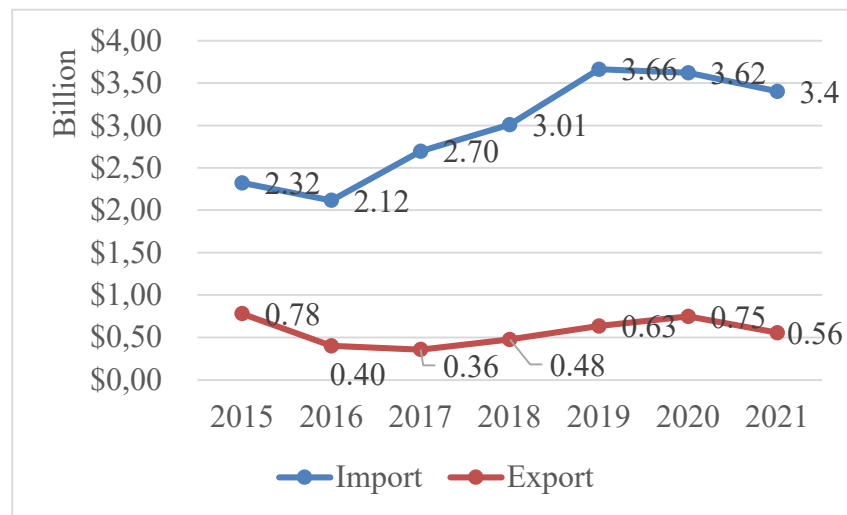


Figure 2 – Belarus trade in goods with China 2015-2021

Source: UN Comtrade [2].

From figure 2 we can know that Belarusian imports to China are growing steadily, rising to \$3.66 billion from 2016 to 2019, Slightly down to US\$3.4 billion since the beginning of 2020, following the outbreak of COVID-19. Similarly, Belarusian exports to China fell to \$0.56 billion due to the outbreak. But it is easy to see from this that Belarus' total imports from China are much higher than its exports, which illustrates the imbalance in bilateral trade between the two countries

Table 1 – Bilateral trade between Belarus and China (billion \$)

Year	2015	2016	2017	2018	2019	2020	2021
Bilateral Trade	\$3.1	\$2.5	\$3.1	\$3.5	\$4.3	\$4.4	\$4.0

Source: UN Comtrade [3]

What we can see from table 1 is that with bilateral trade between China and Belarus reaching a peak of 4.4 in 2020, trade cooperation between the two countries continues safely and effectively, even in the face of complex pandemic changes.

Analysis of Belarusian imports and exports to China

From figure 3 we can see that the structure of Belarusian exports to China is dominated by fertilizers and meat products, which shows that the supply of food and agricultural products is a clear advantage for Belarus. As we can see from the structure of Belarusian imports from China, they are mainly electrical appliances, machinery and transport equipment. In summary, Belarus is relatively rich in natural resources compared to China, while Chinese labor resources dominate. Such differences are the basis for the potential of bilateral trade between China and Belarus.

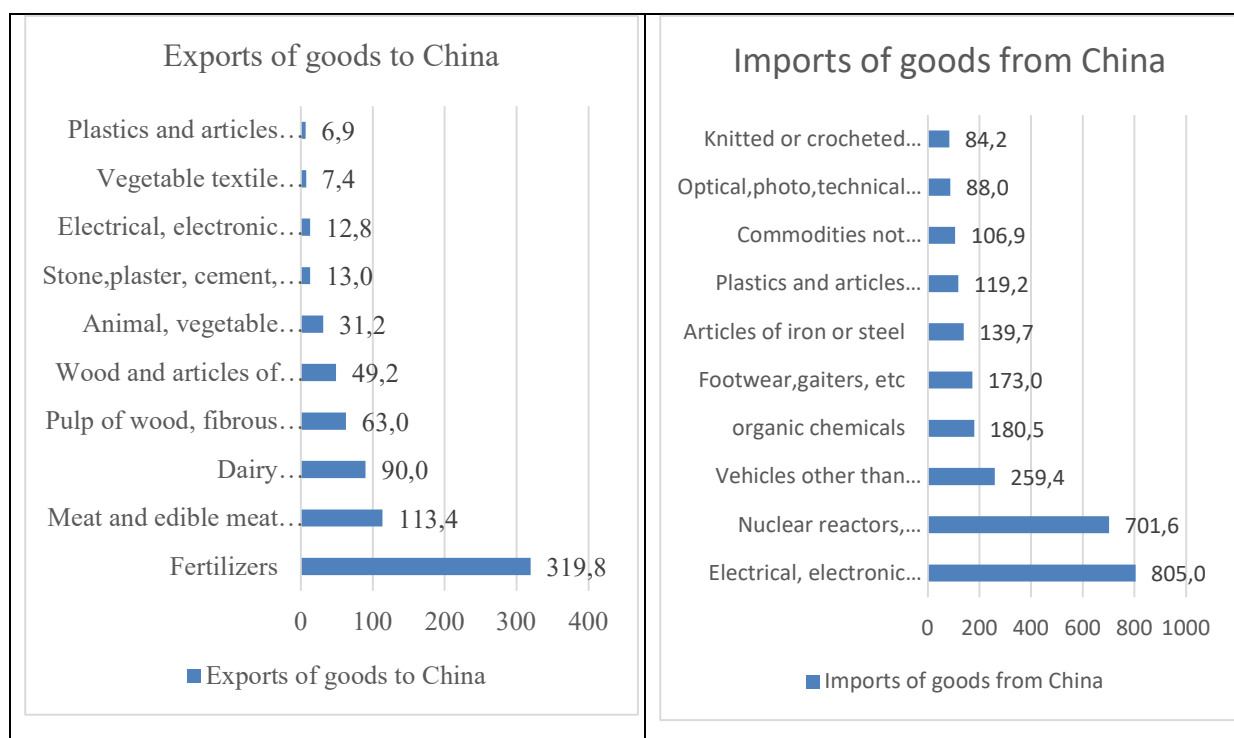


Figure 3 – TOP 10 exports and imports with China

Source: UN Comtrade [2].

Conclusion

An analysis of the current state of bilateral trade between China and Belarus shows that even though trade between China and Belarus has been relatively stable, there are still problems. With the changing of the COVID-19, the focus is on how China and Belarus can ensure the safe and effective expansion of foreign trade.

1. *Expanding trade beyond commodity trade.* Belarus and China should not limit themselves to trade in commodities, but can extend their economic and trade cooperation to various fields such as culture, tourism, education and health care and so on. According to Belarusian News Agency (Minsk, January 16) “Despite the fact that the pandemic has not yet ended, Belarusian-Chinese cooperation in education has been fruitful, with some 400 agreements in the field of education signed”. However, the difficulty of returning Chinese students to their home countries after graduation has also hindered educational exchanges between China and Belarus. The main reason for this is the high confirmation rate and the high number of flight meltdowns. Perhaps Belarus could propose a policy of voluntary quarantine before returning to China, for example two weeks before the flight, and could advocate for students to be quarantined at their own expense to ensure their safety and reduce the confirmation rate, thus increasing the number of flights between China and Belarus.

2. *Raising awareness of the Great Stone.* It is located in Minsk, Belarus, an important hub of the Silk Road Economic Belt linking Europe and Asia. With a

planned area of 91.5 square kilometres, it is a landmark project for China-Belarus cooperation in building the Silk Road Economic Belt. It is China's largest economic and trade cooperation zone overseas, but as of today, there are 85 companies in the industrial park, 43 of which are Chinese. The Great Stone should improve the mechanism of publicity and operation in the park, improve the facilities for disinfection of epidemics in the park, build a green and international park, and attract more global companies and enterprises to join it.

3. On 28 February, the Ministry of Commerce and the China Development Bank jointly issued the “Notice on the Work of Development Finance in Response to the New Pneumonia Epidemic to Support the High-Quality Construction of "One Belt, One Road"”, which provides development finance support to high-quality projects and enterprises affected by the epidemic to build "One Belt, One Road". Perhaps Belarus could also provide some financial support to Belarusian companies in other countries, as China does, for example by providing accurate reports on the impact of the COVID-19 and real feedback on financing needs to support the stable development of companies abroad. Despite the pandemic and the changing world situation since 2020, bilateral trade between China and Belarus still needs to grow.

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