

THE IMPACT OF THE COVID-19 ON NATIONAL IMPORT AND EXPORT TRADE

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In December 2019, COVID-19 broke out in Wuhan, China, and then spread rapidly and widely around the world, having a significant impact on the global economy and international trade development. As of May 16, 2021, 104,408 cases had been diagnosed in China and 163,152,764 in the world. This paper analyzes the current situation of the international economy and the impact of COVID-19 on international import and export trade and discusses the countermeasures in depth.

Keywords: COVID-19; international trade; economy.

The COVID-19 has been going on for some time, the world economy has not fully recovered, and the prospects of world import and export trade are not clear. This paper first analyzes the impact of the epidemic on the world economy, and then takes China as an example to analyze the import and export countries (regions); overall impact on total international exports and other aspects of specific analysis of the impact of the epidemic on international trade, and finally put forward the policy of promoting international trade under the epidemic situation from the aspects of product quality and safety, promoting trade cooperation and strengthening trade facilitation.

1. INFLUENCE OF COVID-19 ON THE WORLD ECONOMY

According to global data analysis, the major trend of global economic development from 2019 to 2020 is not optimistic. The IMF has revised down its estimate of global economic growth three times in 2019, from 3.5% at the beginning of the year to 3.3% and then to 3%, the downgrade reflects the deterioration in the world economy [1]. Figure 1 shows the Real GDP growth of selected economies from 2018 Q4-2020 Q1. It can be seen from the figure that national GDP is in a downward trend in the first quarter of 2020, United States recorded a 1.2% decline in GDP in the first quarter of 2020 compared with the previous quarter while the Real GDP in the Euro area decline 3.8%. China's GDP fell the most in the first quarter of 2020, by -9.8% compared with the same quarter last year.

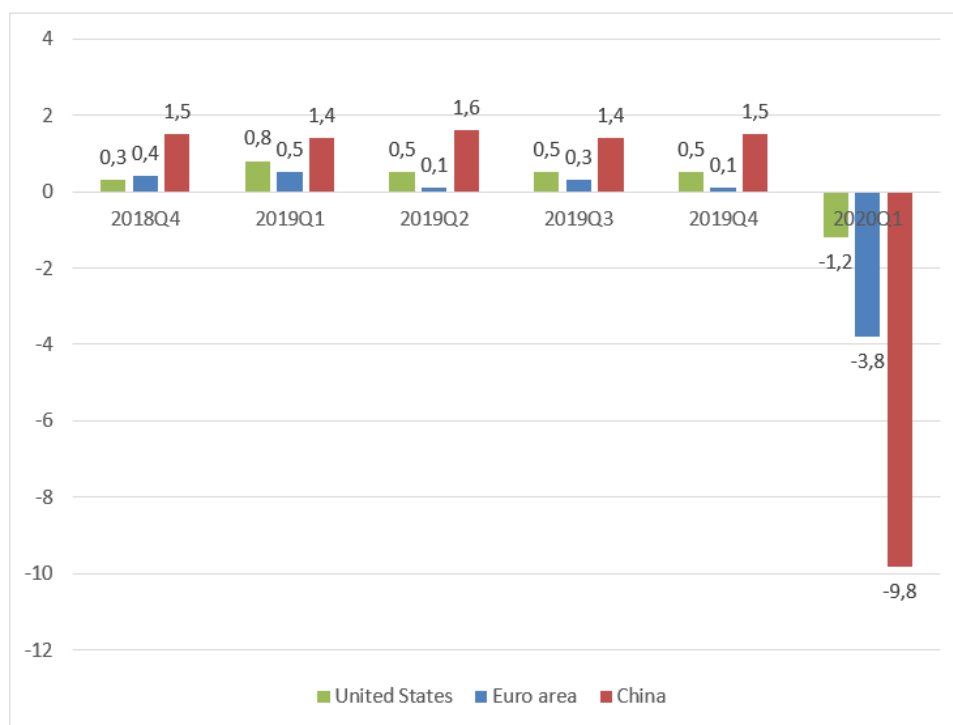


Fig. 1. Real GDP growth of selected economies, 2018 Q4-2020 Q1 (Quarter-on-quarter percentage change)

Sources: The author's own development based on data [2].

As can be seen from the above data, after the COVID-19 began to spread around the world, the national economy received a great negative impact. In the first quarter of 2020, the world began to focus on epidemic prevention and introduced national epidemic prevention policies. Due to the rapid spread of COVID-19, which can be transmitted by goods or people, the policy of countries to reduce the volume of trade between import and export has led to a negative trend in international trade.

2. THE INFLUENCES OF COVID-19 ON NATIONAL IMPORT AND EXPORT TRADE

Impact on China's import and export countries (regions)

China has been a major importer and exporter in recent years. This paper will take China as an example to analyze the impact of COVID-19 on importing and exporting countries. Collect and sort out the import and export trade data released by the General Administration of Customs of China. Table 1 lists the total import and export volume and its changes compared with that of 2019.

Table 1

The total value of China's import and export commodities by country (region) and their changes from January to March 2020 (million dollars)

Import Country of Origin (Place) Export Country of Final Destination (Place)	Total value (million dollars)			Accumulated compared to the same period last year (± %)		
	import and export	Export	import	import and export	Export	import
Association of Southeast Asian Nations	142,369.3	77,487.9	64,881.3	3.9	0.4	8.4
European Union	125,749.3	70,512.0	55,237.3	-12.3	-16.0	-7.0
United States	95,741.7	68,255.0	27,486.7	-20.1	-25.2	-3.7
Russian federation	25,353.5	9,151.1	16,202.4	3.4	-14.6	17.3
Japan	66,886.7	29,627.6	37,259.1	-10.1	-16.0	-4.7
Korea	61,799.6	23,168.1	38,631.5	-7.7	-11.3	-5.5

Sources: The author's own development based on data [3].

From the table 1, we can see that the total import and export volume of China and other countries (regions) as well as the proportion of year-on-year growth. Most of the figures were negative compared to 2019, with only the value of Association of Southeast Asian Nations imports and exports increasing slightly. Total exports to the United States were down 25.2 % from a year earlier. In general, international trade has been greatly impacted by COVID-19 in 2020.

Overall impact on total international exports

Since the outbreak began to spread around the world, countries have closed many import and export routes, leading to a decline in national imports and exports, Figure 2 is the year-on-year data of the world's overall commodity exports in April 2020. Merchandise exports were down sharply in most economies in April 2020 compared with the previous year.

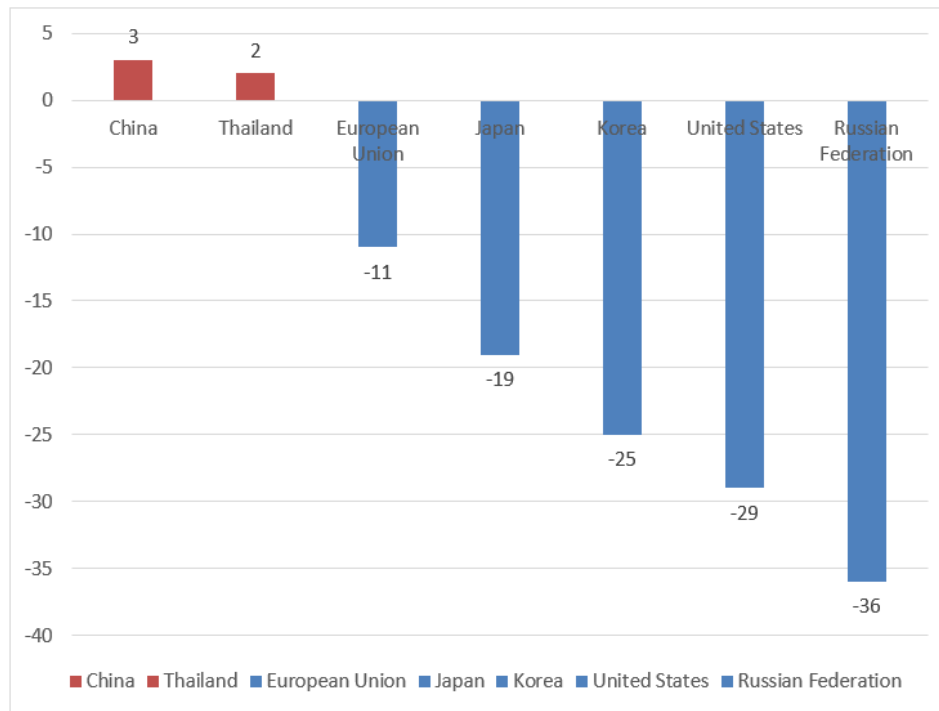


Fig. 2. Merchandise exports of selected leading traders, April 2020 (Year-on-year percentage change)

Sources: The author's own development based on data [2].

From the above data, it can be seen that China and Thailand were the first to recover from the impact of the COVID-19. Perhaps because China was the first country to detect the outbreak, it took early and effective quarantine measures and other response measures. The export volume of other countries is not optimistic, so how can we effectively reduce the impact of the pandemic on national trade?

3. STRATEGIES TO PROMOTE NATIONAL TRADE UNDER THE COVID-19

Product quality and transportation safety

During the outbreak, many workers lost their jobs and many factories were not working properly. Problems with the export of products during the outbreak also indicated that the speed and quality of production of products could not be coordinated in the current production process. The number of employees and the reduction of factories will slow down the speed, and in order to catch up with the schedule, the quality of many products will not be guaranteed. Therefore, it is necessary to stabilize quality products to ensure international competitiveness. Only products that exceed consumers' quality expectations can be quickly accepted by consumers in other countries and exported to the outside world. At the same time, in the international marketing process,

only high-quality products can gradually develop into a brand. Having established a brand, they can export in large quantities to the international market.

After ensuring the quality of products comes the issue of transportation safety. We all know that COVID-19 is possible to become infected by touching objects. Therefore, we must ensure whether the products are safe during transportation. Once the exported products are found to contain the virus, the export channel of this product will be closed for a long time. First of all, we need to use big data technology to track the transportation routes of all products and avoid passing through high-risk areas. Then we need to establish a good disinfection process, install disinfection equipment at each stage of the product and on the conveyance. All transportation employees must pass a nucleic acid test and wear protective equipment during working hours. Only by ensuring good product quality and product safety can we win the trust of exporting countries, Trade has always been a long-term cooperation, the most important thing is to gain trust.

Promoting trade cooperation and Strengthening trade facilitation

Facing the impact of the epidemic on trade, many countries have relied on some protective measures to slowly recover their economies, but in the long run, to achieve a complete economic recovery, we need to strengthen communication and international trade cooperation. During the pandemic period, many trade exhibitions were canceled, and the country could establish overseas network marketing to promote communication with foreign import and export partners. Integrating the current e-commerce platform to establish a larger international commodity trading platform, considering the quality, scale and service of import and export commodities, appropriately relax policies to introduce a large number of imported commodities into the trading platform. With the existing technology, products can be displayed on the commodity trading platform, business meetings can be held to sign contracts, logistics distribution channels can be defined to determine product safety, and commodity testing can be supported and so on. During the epidemic period, the scope of trade should be expanded as much as possible and the country should provide certain policy convenience to trade enterprises on the basis of ensuring the safety of the epidemic.

To sum up, the epidemic may last for a long time, but countries have put in place effective measures to prevent it, and based on these measures, we should take effective measures to get the economy to recover as well. There are more and more restrictions on international trade. We should adapt to the rules and the current situation of the epidemic, ensure the quality and safety of products and promote trade cooperation to achieve long-term stability.

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