



A study on Covid 19 and world trade

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Abstract:

The Covid 19 have triggered the decline of global trade in recent times. It is an unprecedented crisis in the current world now. Keeping the trade open now might lead to shut down of human lives. The supply chains designs the entire global trade which is now affected and where the WTO is under a big confusion to get a recovery back to the pre-Covid-19 world. Though the WTO is coming up with various ideas for the recovery it would be a high challenge on its part. The main objective of this paper is The main aim of this study is to explain the forbidden supply chain, to study about the impact of pandemic coronavirus in global trade, to study the post COVID-19 world of economy and to list out the recovery measures to bring back the pre COVID-19 global trade. The researcher has followed the empirical research with the convenience sampling method. This study also has online survey support. The sample size is covered by the researcher. The results observed from the analysis of the study is that the public accepted that the COVID-19 have made a mass distraction and tragedy not only in the world's population but also in world trade.

Keywords:

Crisis, economy, national government, global and supply chain

Introduction:

The pandemic disease COVID-19 represents an unprecedented disruption to the economy world wide which has currently affected global trade , as production and consumption are scaled back across the globe. National governments, pressed for a response, enacted trade restrictions. It also imposed liberalizing measures for imports adding to medical supplies. But lately , in terms of numbers, the liberalizing trade measures exceeded the restrictions. The pandemic crisis induced national governments around the world to limit exportation of medicines and other medical supplies, with around 89 nations implementing 160 such restrictions past January. Some of those happenings have been lifted. In the later weeks after the hit of pandemic crisis, nine separate bills were made to be introduced in Congress aiming at curbing American dependence on foreign medical goods, where six with sponsors from both the parties. The supply chain might be a question which is limited by the economic viability . Thus the WTO has alerted and notified the members of the effects of the pandemic crisis and the responses to it, by issuance of Trade Forecast. And also the WTO Secretariat has obtained notifications of measures from its Members and published information on its own website to furnish transparency for easy planning both by nation's policy makers and for businesses. When the global economy finally gets beyond the pandemic, expect it to be less globalized than before. The national governments worldwide have been using subsidies to cling up with domestic businesses through the shutdowns. The main aim of this study is to explain the forbidden supply chain.

Objectives:

- To study about the impact of pandemic coronavirus in global trade
- To study the post COVID-19 world of economy
- To list out the recovery measures to bring back the pre COVID-19 global trade

Review of literature :

In the book, A new world order post Coronavirus, it traces that trade payables are therefore World Currency Units liabilities, generating an incentive for them to hold World Currency Units reserves to match the denomination of their liabilities and their assets. (Charles Moore, 2020)

In the book coronavirus pandemic, it traces that since COVID-19 pandemic has disrupted the normal economic activity, the trade of world is expected to fall by 13-32% in 2020 (Prof. Akbar Husain, 2020)

In the book Impact Of Covid – 19 Crisis On The Global Economy And Other it says that according to UNCTAD, India's trade impact due to the coronavirus outbreak could be about US\$ 348 million. India is among the top 15 countries that have been affected most as a result of manufacturing slowdown in China that is disrupting world trade. (Dr. Prita D. Mallya , Dr. Rodney D'Silva - 2020)

In the book *How the G20 Can Hasten Recovery from COVID-19* it traces that it is critical to avoid politically appealing but self-defeating trade policies. If global cooperation is impossible, willing countries should step up. The World Trade Organization (WTO), hobbled as it has been lately, provides a forum for countries to agree to refrain from export bans. It also states that it can facilitate an agreement to eliminate tariffs. (Maurice Obstfeld, Adam S. Posen, 2020)

In *OECD Economic Outlook*, it states that the shutdown in particular sectors has implications on the other sectors (“OECD, 2020)

In the book, *Mastering Catastrophic Risk* it traces that successful firms strategically manage and are more accurate in their assessment of large-scale risks. Doing so is increasingly challenging given the pace of change, whether financial, technological, regulatory, or environmental. (Kunreuther et al., 2018)

In the article, *Thinking ahead about the trade impact of COVID-19* it stated that the output framework to quantify US and EU demand spillovers and the elasticity of world trade to GDP. The combination of the US' ongoing trade war against all of its trading partners and the supply-chain disruptions that are likely to be caused by COVID-19 and its consequences are also mentioned. (R Baldwin, E Tomiura, 2020)

In the article, *How preferential is world trade* it says that Preferential and Non-Preferential Trade Flows in World Trade. (A Lendle, 2010)

In the article *Digital technology and COVID-19* it traces that the impact of COVID-19 will probably be greater than that of severe acute respiratory syndrome (SARS) in 2003, given globalization and the relative importance of China in 2020 in terms of world trade and travel. It also describes how this new crisis in 2020 can be tackled. (Ting et al.)

In the article, *Spillover of COVID-19* it states that the overreliance on Chinese API manufacturers posed the biggest risk to the global pharmaceutical industry and the COVID-19 outbreak amplified the risk even further. (Ozili and Arun)

In the article *Feverish stock price reactions to covid-19* says that, investors penalized not only firms trading with China, but also internationally-oriented firms more generally. This result indicates a general pessimism of financial markets regarding the disruptive impact of COVID-19 on global trade. (Ramelli and Wagner)

In the article, *World Health Organization declares global emergency: A review of the 2019 novel coronavirus (COVID-19)* it traces that, in the wider consequences of COVID-19, China is integral to nearly every sector in the global economy (Sohrabi et al.)

In the article Economic effects of coronavirus outbreak (COVID-19) on the world economy it stated that it is also now clear that the COVID-19 has spread globally, which will dampen demand globally and in this uncertain environment, it is difficult to forecast the economic impact of the COVID-19 that influences supply and demand(Fernandes,2020)

In the article Estimates of the Impact of COVID-19 on Global Poverty it stated that the contraction in per capita income or consumption of 5 percent as a result of the COVID-19 pandemic, could lead to various consequences (Sumner et al.2020)

In the article 2 Tackling the fallout from COVID-19 it said that We can identify three main channels through which these measures spill over globally among which the first one could be supply (Parikh et al.,2020)

In the article , The potential impact of COVID-19 on GDP and trade: A preliminary assessment stated that as the coronavirus emerged in China and spread globally, authorities have acted to limit for the recession under the amplified global pandemic(Maliszewska et al.,2020)

In the article Areas of academic research with the impact of COVID-19 it traces that new technologies for automatic tracking of COVID-19 the Global trade, commerce are in competition ie. the local production vs global sourcing.(Haleem et al.)

In the article , Global supply-chain effects of COVID-19 control measures it trace that the impact if COVID-19 had spread from China to Europe and the United and others (Guan et al.)

In the article socio-economic implications of the coronavirus and COVID-19 pandemic: a review it traces that COVID-19 has impacted communities, businesses and organisations globally, inadvertently affecting the financial markets and the global economy. As COVID-19 has progressed to affect the rest of the world, China will begin to recover faster which may act with the global trade(Nicola et al.)

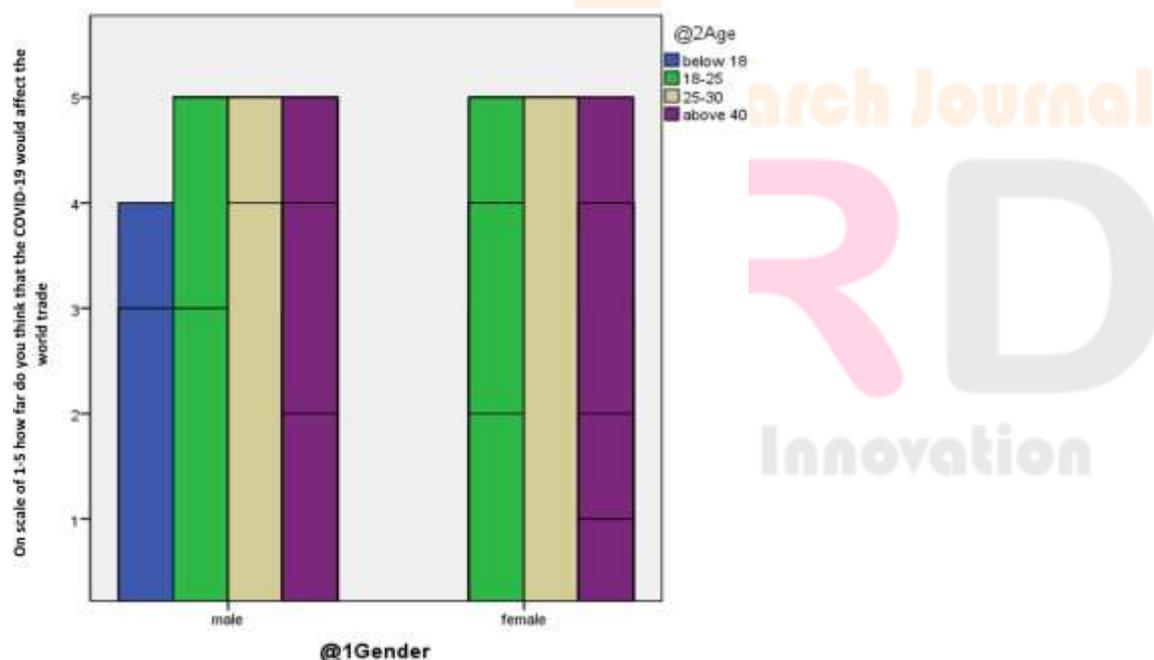
In the article Economic Realities and Consequences of the COVID-19 Pandemic—Part I: Financial Markets and Monetary Policy it states that it did look like the downgrades of 2018/2019 were over and that the global economy and the concerns in the data included trade prospects, which were continuing to weaken as measured by the containerthroughput.(Martin,2020)

Research methodology:

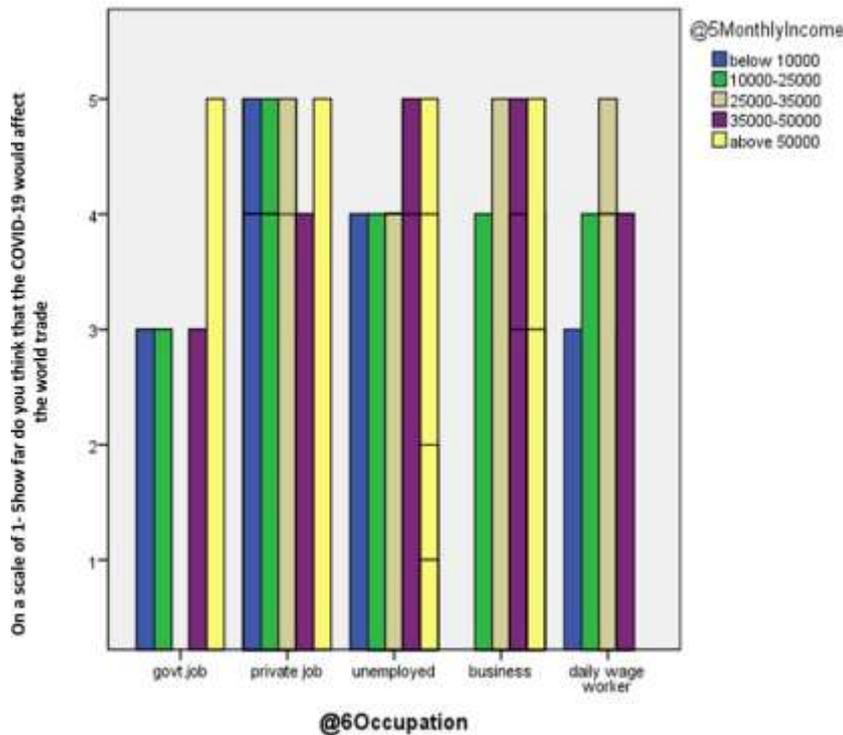
I have used empirical study in this research. This empirical study includes a self tested questionnaire which contains yes or no questions and other choices accordingly by using the survey sampling method. This is a non- doctrinal study. This paper depends on both primary and secondary data. The primary data for the present study is collected using sampling techniques. Random sampling is used to collect the primary information from the respondents. A random of samples selected from the study area to analyse the status of e-taxation system. The primary data which has been analysed using Frequencies, Chi-Square test and Crosstab method. The secondary data is collected from books, journals, articles and e-sources. The researcher has also utilized commentaries, books, treatises, articles, notes, comments and other writings to incorporate the various views of the multitude of jurists, with the intention of presenting a holistic view. And the current paper uses SPSS analysis SPSS is short for Statistical Package for the Social Sciences, and it's used by various kinds of researchers for complex statistical data analysis. The SPSS software package was created for the management and statistical analysis of social science data and this research uses such kind of analysis for proper and appropriate results.

Analysis:

Figure : 1



Legend: The data has been collected through the online survey in which their gender and age factors are made as the variables and are compared with their opinion on effects of COVID-19 affecting world trade. (Figure:1.1)



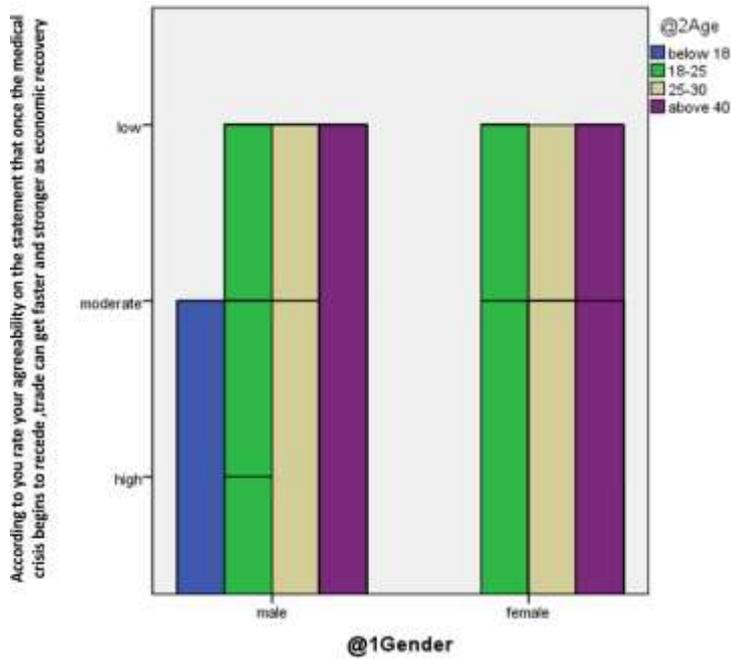
Legend: It shows the varied category of occupation and monthly income has been compared with their opinion on the effects of COVID-19 affecting world trade.(Figure:1.2)

Result:

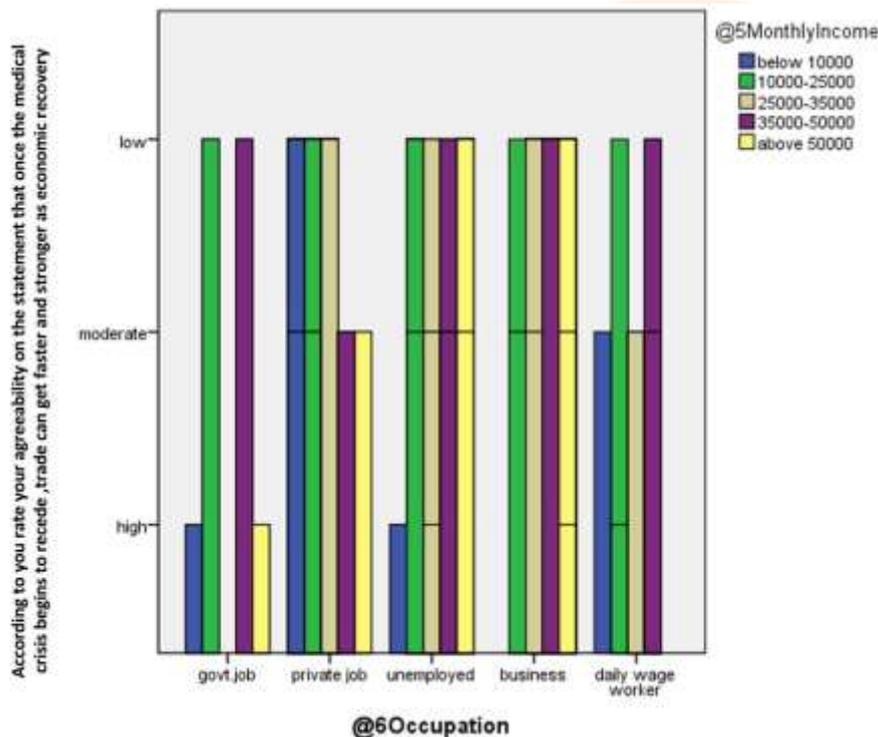
It shows that both the genders have actively participated in the survey made online. Almost everyone accepted that the COVID-19 had tremendously affected the global trade which is now trying to recover from this kind of crisis. They have also said that this COVID-19 would make the post-world with many economic tragedies worldwide(Figure1.1).

It shows that almost all the respondents from varied occupations have participated in the sampling method survey made online. The occupation category was filled with the monthly income variables. Here considering the occupation of the respondents, the private job employees have said that COVID 19 would affect the world at the most .Almost 70% of the sampling respondents agreed to this point at the fullest. (Figure 1.2)

Figure:2



Legend: The data has been collected through the online survey in which their gender and age factors are made as the variables and are compared with their opinion on agreeability that the post COVID-19 world after receding of the medical crisis can show up a faster recovery on the world trade. (Figure:2.1)



Legend: It shows the varied category of occupation and monthly income has been compared with the respondents opinion on agreeability that the post COVID-19 world after receding of the medical crisis can show up a faster recovery on the world trade (Figure:2.2)

Result:

It shows that both the genders have actively participated in the survey made online except the respondents below the age of 18 in females. Here, almost everyone accepted That only after rectifying the medical crisis or receding it would save the post-COVID-19 world from both economic and health crisis. (Figure2.1).

It shows that almost all the respondents from varied occupations have participated in the sampling method survey made online. The occupation category was filled with the monthly income variables. Here considering the occupation of the respondents, almost all the respondents except the government employees have accepted that the world would touch again or get a recovery back to the pre-Covid world after receding the medical crisis.(Figure 2.2)

Discussion:

From the survey in figure: 1 it can be seen that almost everyone has accepted that the COVID-19 have affected global trade tremendously. Even the respondents below 18 years have shown their ratings on how it has affected world trade. And the respondents categorised on the basis of their occupation said that the Covid 19 have not only affected the large population only in the medical crisis but also in the world economy. They also said that it has almost betrayed half of the world trade currently. The breakage of the supply chain has embedded various adverse effects on world trade.

From the figure:2 Almost all the respondents have equally admitted that the COVID-19 have affected the world economy largely. They feel that the recovery must be done faster and quick to cope up with the future trades. On categorisation of the respondents based on the occupations there were contrary views but everyone commonly accepted that the WTO must take necessary actions to get a quick recovery from the economic crisis of Coronavirus.They also seek for the government to take necessary action or the betterment in world trade in the future parts. They also admitted that the current national governments try to cling upon the subsidiary companies or industries to prop up with this crisis management.

Conclusion:

From all the analysis part from the research it is found that the public accepted that the COVID-19 have made a mass distraction and tragedy not only in the world's population but also in world trade. Almost 80% of respondents suggested the only the WTO can recover back the pre-Covid world by implementing some measures to increase global trade after the suppression of the medical crisis. Though many researchers say that there would be a second wave of Coronavirus The general public wants them to make precautionary measures to save our global trade without ending into financial emergency. They felt that agreeing on trade liberalisation measures worldwide would aid recovery like of tariff reductions globally. Most professionals participated in the survey commented that the WTO secretariat can engage in increased coordination with the financial interests and institutions globally and the Private sector individuals to bring back trade finance. About 90% The respondents felt that WTO agreement on agriculture on considering the effect on others by applying export restrictions and to provide notice to give timely consultations. Even the GDP reports that the world trade have fallen into the traps of COVID-19. Though medicines have not been found for the COVID-19giving multilateral guidance agreed worldwide for sharing the medical supplies like vaccines can give a faster Help for the remaining survivors. The global trade can be recovered in the later parts at once the medical crisis have been solved.

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