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International Trade – An Analysis of Pre & Post Covid-19

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Abstract

International trade is essential for raising living standards, generating employment, and giving consumers access to a greater range of goods. Thus, the impact of international trade to accelerating economic evolution is widely acknowledged.

In the year 2020, Covid-19 burst all over the world, slowing down the rate of economic growth. The novel COVID-19 will start to threaten the global economy and people's lives in December 2019. The lethal virus started to infect surrounding areas of contaminated areas, which greatly alarmed the governments of every country. The nations had no choice but to impose a state of lockdown after the spread grew uncontrollable.

The shutdown significantly impacted numerous industry, which had an impact on the economy. Manufacturing, agriculture, and services—the three economic pillars—have all suffered harm, significantly slowing down the economies of all nations.

The present paper studies how coronavirus (COVID-19) impacted the flow of international trade in terms of Export & Import and how this changed over a period of time. Secondly, it also analyses how international trade faced downfall only to bounce back again post pandemic. The paper also presents the trends of international trade and how it is gaining momentum post pandemic.

Keywords: International Trade, Covid-19, Trends, Export, Import

Introduction

The globalized economy is opening up new options for nations to broaden their strategy for quicker economic growth. They are attempting to deal with rapid expansion while also competing with the rest of the globe. In this sense, the origins of global international business begin with the notions of international trade and the global market. International trade, international business, and international market are all concepts that are strongly related to overseas trade. Transactions across borders occur between various nations through the exchange of products and services, as well as the capital, and are referred to as foreign trade. This is an important component that is making an increasing contribution to economic growth in the Indian economy.

The Covid situation impacted the growth of international trade during the previous two years. The pandemic situation presented the major drop in global trade after the 2008 financial crisis which occurred in 2020, when it plunged by 8.9 percent. Different nations experienced the Covid shock's effects on commerce differently. This study identifies the effect of the novel Covid-19 virus on global trade and how it impacted the international trade. The study presents an analysis of the trends in international trade pre-covid, during covid and post covid.

Literature Review

Previous research investigations by Keesing (1967) and Krueger (1968) have called into question the role of export activity in economic growth and development (1985). Nurkse (1961) investigated this association as well. There are several pieces of research available on the healthy debate on the relevance of foreign commerce for the country's economic prosperity (e.g. Jung & Marshal, 1985; Edwards, 1993; Greenaway & Sapsford, 1994; Dhananjayan & Devi, 1997; Shan & Sun, 1998). Classical and modern economists study the link between international commerce and a country's economic progress. The classical economists, Adam Smith, and David Ricardo advanced their theory emphasizing the necessity of internal commerce for the nation's economic progress. In their comparative advantage theory, economists Eli Heckscher and Bertil Ohlin highlight the need for exporting commodities specialization in manufacturing for economic progress. Various empirical studies have also confirmed the link between exports and economic growth (e.g. Michaely, 1977; Krueger, 1978; Balassa, 1978; Feder, 1982). Nurkse proposed economic expansion through international commerce of widely available items in the economy, however, Kravis explains that international trade can only play a supporting role in economic growth. Modern economists argue that developing countries cannot rely only on international commerce for economic growth and development.

The classic trade theory (Heckscher Ohlin model) predicts that when a country opens up to international commerce, each country will specialize in manufacturing the commodity that demands the plentiful factor of production intensely. As a result, trade profits should go to plentiful factors of production. This implies that unskilled labor would profit the most from globalization in emerging countries (Topalova, 2007). Nambiar (1979) demonstrated that employment connected to India's exports increased from 4.9 million in 1963-64 to 5.4 million in 1973-74, accounting for nearly 2% of total domestic employment in 1973-74. Furthermore, the projected that Agriculture and Food Grains (1.1%) provided the most export-supported employment during 1973-74 were Agriculture and Food Grains (1.1 million); Jute Textiles (0.61 million) and Tea and Coffee (0.52 million).

Among recent research, an EXIM Bank (2016) report uses the I-O paradigm to estimate employment supported by India's goods and services exports from 1999-00 to 2012-13. The study was conducted at both the aggregate and broad sectoral group levels. Veeramani and Dhir (2019) present a time series estimate for India's economy based on 112 DVA content industries and the number of employment supported by India's products and services exports for the period 1999-00 to 2012-13. They discover that, whereas India's DVA content expanded from USD 46 billion in 1999-00 to USD 295 billion in 2012-13, the number of employment supported by exports increased from 34 million in 1999-00 to 62.6 million in 2012-13. Several more studies (Goldar, 2002; Sen, 2008; Sankaran et al, 2010; Raj and Sen, 2012; Raj and Sasidharan, 2015; Vashisht, 2016) have employed growth accounting and regression-based. According to Ramesh C. Paudel (2014), enhancing export performance is one of the primary goals of developing nations through liberalization reforms.

Michele Ruta (2012) discovered that numerous factors such as trade expansion, industrialization, taxation, production costs, and selling and distribution cost contribute to international trade growth. According to Anjani Kumar (2010), economic liberalization and policy changes are critical for universal market possibilities. Purva Yadav (2012) proposed that economic changes and political situations in previous decades contributed a significant amount to the marketplace. Rajesh K Pillanina (2008) discovered that India's overseas commerce has improved over the recent decade. Shubhada Sabade (2014) discovered the many elements influencing failure of India's balance of payment and foreign currency reserve position. According to Aurjun Kafle (2017), overseas commerce creates jobs and raises foreign exchange revenues. According to Murat Seker (2011), the data showed that many Asian nations maintained significant export growth.

Research Methodology

The present study seeks to analyse International Trade. The study tries to showcase the export-import scenario pre-covid, during covid & post-covid.

Overview of International Trade

The COVID-19 epidemic had severely disrupted economic activity around the world causing negative impact on international trade. The COVID-19 pandemic generally caused trade to decline in value by roughly 7% in 2020. There was a great deal of variety in the pandemic's global effects, both in the timing and in the size of the losses in trade flows. Economic crises are not the first to have such varied consequences, since most economic downturns lead to different trade flow adjustments based on the underlying causes and the adopted policies (Comunale et al. 2021). In the case of the COVID-19 pandemic, demand and supply interruptions brought on by health mitigation measures including lockdowns, quarantines, and travel bans have been the root of the repercussions on worldwide trade. Pre-existing factors (such as exposure to global value chains; the makeup of import and export baskets) and policy responses have altered these dynamics (e.g. import and export facilitation and restrictions, domestic support packages, and subsidies). According to studies based on ex-post analysis, India's exports to ASEAN surged significantly after the signing of the India-ASEAN Free Trade Agreement, with the biggest accesses being obtained in Thailand, Cambodia, Vietnam, Malaysia, the Philippines, and the Lao People's Democratic Republic. Approximately US\$70.3 billion worth of commodities have been imported into India from China. Trade in products (merchandise) and services can be broadly divided into two categories in international trade.

The majority of global trade is made up of tangible things, with services making up a significantly smaller portion. Over the past ten years, the global commerce in goods has grown significantly, from over US\$10 trillion in 2005 to over US\$18.5 trillion in 2014, before declining in 2016 and increasing to \$18.8 trillion in 2019.

Between 2005 and 2019, trade in services expanded significantly (from roughly US\$2.5 trillion to almost US\$6 trillion). In 2015 and 2016, the value of international commerce in both products and services fell significantly. It then rose in 2017 and 2018, before levelling out (for services) or falling (for goods) in 2019. After a robust recovery in 2010 and 2011, export growth rates (measured in current dollars) started to decline in both 2015 and 2016. Particularly for exports of commodities from developing nations, they demonstrated a remarkable rebound to a positive territory in 2017, but they still lagged behind pre-crisis levels.

2019 witnessed a sharp fall in export growth figures for goods and services, with developed country products experiencing negative growth rates. The amount of goods traded internationally has significantly increased since 2005. However, in recent years, growth has slowed dramatically and essentially stopped in 2015–2016. In 2017 and 2018, volume growth continued, but it stalled once again in 2019. Imports and exports in major economies both improved strongly from 2016 levels, but they stayed at those levels in 2019.

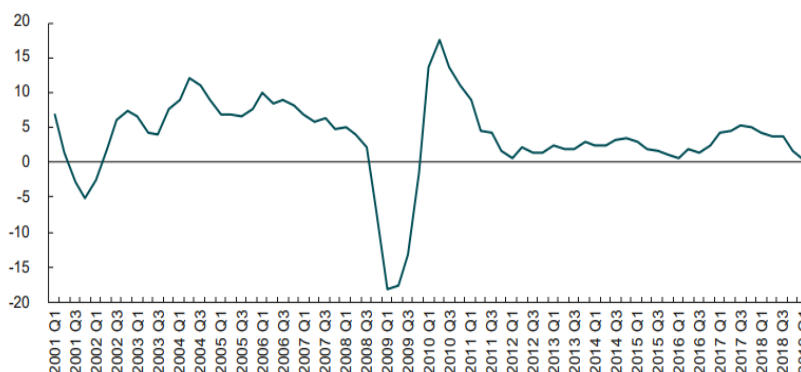
Trends in International Trade Pre Covid 2017-2019

The pace of global trade was accelerating. The average growth in the amount of global exports and imports dropped to 2.8 percent in 2018, having rapidly rebounded from 1.3 percent growth in 2016 to 4.5 percent in 2017. Most organisations estimated that growth will continue to drop in 2019, with the actual number likely to be significantly lower than the WTO's April 2019 prediction of 2.6 percent. This was due to the recent quarters' severe slowdown in trade growth. Quarterly growth rates fell from 3.7 percent in the third quarter of 2018 to 1.6 percent in the fourth quarter and 0.5 percent in the first quarter of 2019 according to statistics from the Netherlands Bureau for Economic Policy Analysis (CPB, 2019). (relative to the corresponding quarter of the previous year).

The trade slowdown was frequently ascribed to the disruption brought on by the standoff between China and the United States given the escalation of their trade and technological tensions. It is impossible to dispute the disruption brought on by American activities, but there is reason to suspect that this was not the complete picture given that global trade had already begun to slow down before these trade tensions flared up. Additionally, because trade conflicts have a variety of effects, it was difficult to predict how much less trade there will be overall. Instead, a more widespread slowing of global demand is reflected in the overall deceleration of trade, which results in a loss of growth momentum as presented in figure 1.1 below. The signals of a short- to medium-term decline in trade growth momentum point to continued fragility in the post-GFC global economy.

Figure: 1.1

Quarterly growth rates in comparison to the same quarter the year before, 2001-2019 (in %)



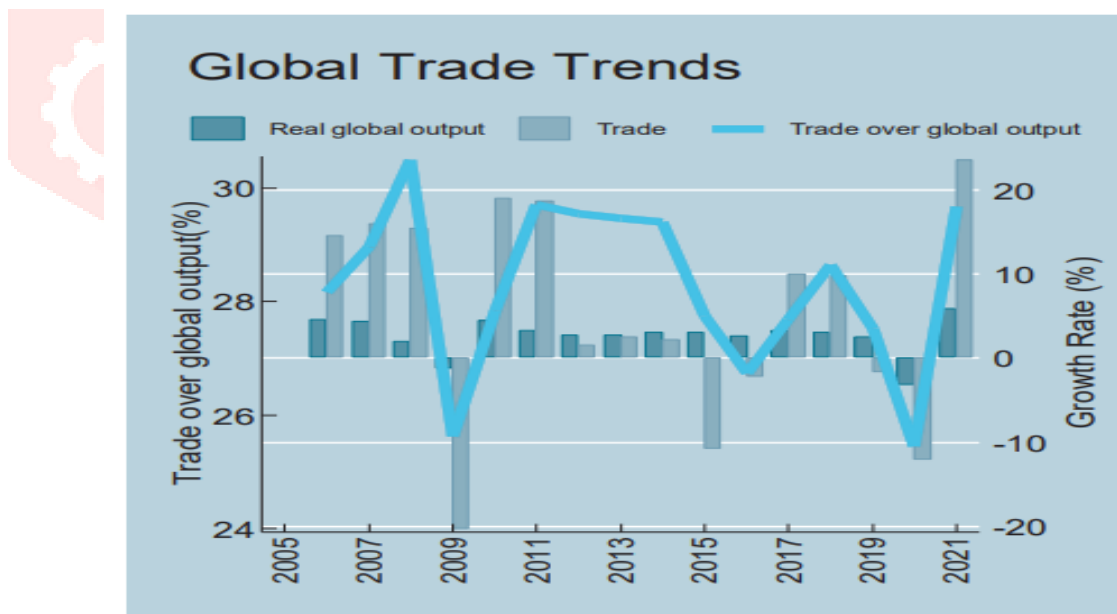
Source: CPB World Trade Monitor, March 2019.

Trends in International Trade During Covid 2020-2021

The COVID-19-induced economic disruptions caused a significant drop in global trade in 2020. In 2021, however, trade volumes significantly increased. Overall, COVID-19 supported the erratic trend of international trade seen during the previous fifteen years. However, given the speed and intensity of both the drop and the recovery, the COVID-19 economic downturn's consequences on world commerce have been notable. A characteristic that was also seen over the previous two years is that the volatility in the value of global commerce is typically greater than the changes in global output. A common gauge of globalisation trends is the ratio of worldwide commerce to global output, which fell from 28 percent in 2019 to approximately 25 percent in 2020 before rising to nearly 30 percent in 2021 as depicted in figure 1.2 and 1.3 respectively.

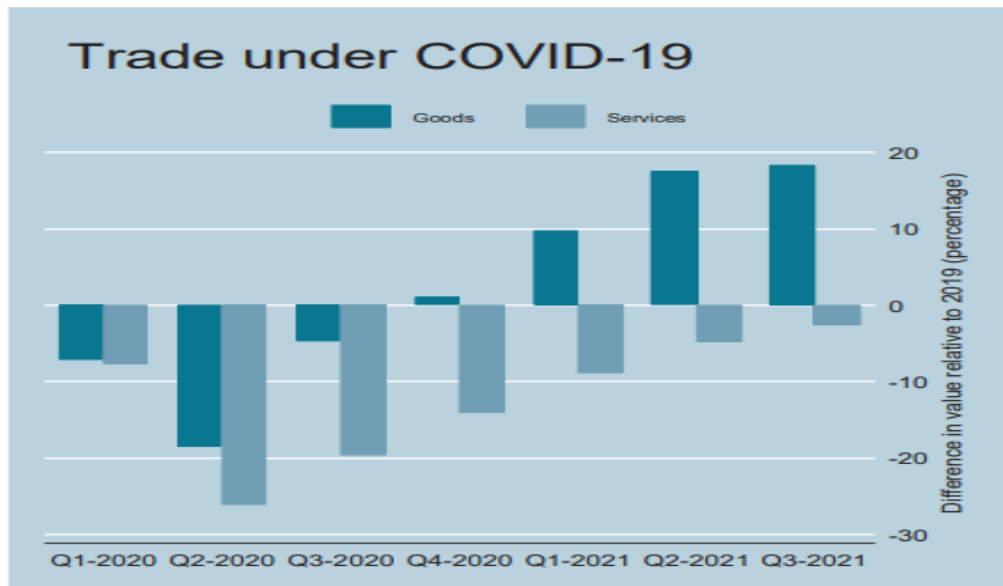
Figure: 1.2

Trends in Global Trade



Source: https://unctad.org/system/files/official-document/ditctab2022d3_en.pdf

Figure: 1.3
Trends of Trade under Covid -19



Source: https://unctad.org/system/files/official-document/ditctab2022d3_en.pdf

About \$25 trillion worth of goods and services were traded globally in 2019. Global commerce in commodities and services decreased in value by roughly US\$2.5 trillion in 2020 (or about 10 percent). Global commerce recovered in 2021, rising by more than US\$ 6 trillion to a new high of around US\$ 28 trillion. Since the majority of the trade slowdown occurred in the first half of 2020, quarterly data show considerably greater volatility when looking outside those averages. Trade was disrupted by the COVID-19 outbreak almost immediately, falling by around 7% in Q1 2020. As the pandemic extended globally in Q2 2020, there was a more noticeable decline. Global trade in goods fell by roughly 18% in Q2 2020 compared to pre-pandemic averages, while trade in services fell by about 25%.

The pandemic's impact on global trade began to change in Q3 2020, but just for manufacturing trade. Personal protective equipment, diagnostic tests, home office equipment, and other items related with COVID-19 trade started to recover, and by Q4 2020, the value of worldwide trade in goods had restored to levels seen before the pandemic in 2019. The decline in demand for travel, tourist, and lodging services, on the other hand, contributed considerably to the trade in services remaining well below pre-pandemic averages. The decline in demand for travel, tourist, and lodging services, on the other hand, contributed considerably to the trade in services remaining well below pre-pandemic averages.

The decline in demand for travel, tourist, and lodging services, on the other hand, contributed considerably to the trade in services remaining well below pre-pandemic averages. Even so, there are some variations in the timing and strength of the effects. One distinction is a more pronounced decline in developing country trade during Q1 2020 (largely because the initial disruptions were confined to East Asia). In Q2 2020, the virus spread to more countries, which had a significant impact on economic activity worldwide. Exports of goods from affluent nations were particularly heavily hit, falling by about a fourth from pre-pandemic levels. South-South trade was also impacted, and decreases were comparable to those seen globally. Both industrialised and developing nations' merchandise trade began to improve in Q3 2020, and by the end of the year, it had already surpassed pre-pandemic levels.

One obvious distinction is that, particularly in relation to exports, the merchandise trade in developing nations has been recovering far more quickly than in rich countries. This was particularly clear in Q3 2021, when the value of merchandise exports from developing nations increased by roughly 26% from pre-pandemic levels while that from industrialised nations only increased by 10%. Similar trends may be seen in imports, however the gap between developed and developing nations is smaller.

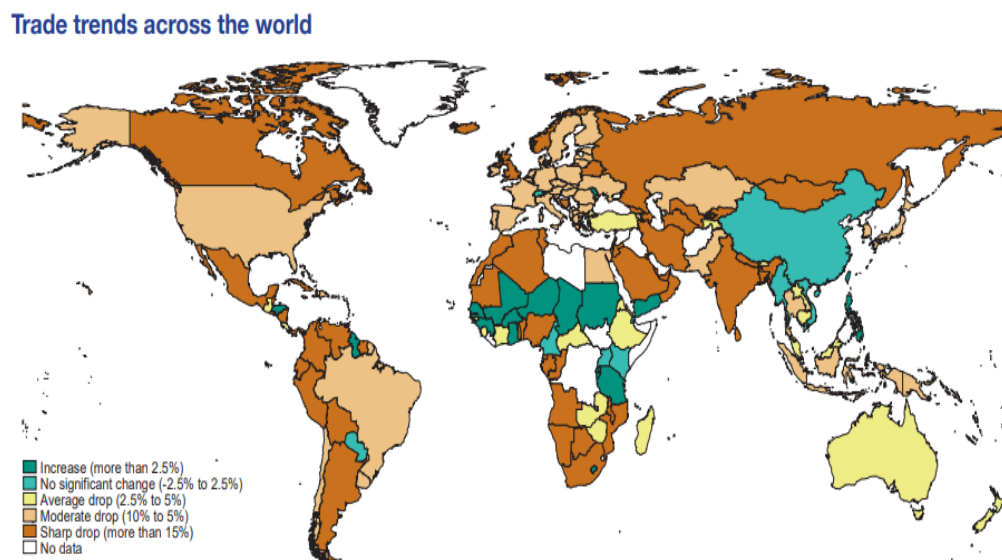
The immediate and significant impact of COVID-19 on global trade. The majority of the major economies started recording negative trends in January, signalling the beginning of the trade slowdown. However, the second

quarter of 2020 saw the biggest decline in global commerce, with global merchandise trade declining by more than 20% compared to the same quarter of 2019. Even though they are still down year over year, trade indicators for the third quarter are vastly improved over the second quarter. While the dramatic fall in global trade during 2020 was felt by all nations, it was more evident in richer nations, particularly when it came to exports. Trade between developing nations (South-South) has been marginally more durable than global trade, declining by roughly 17% in Q2 and then by 5% in Q3.

The trade patterns of some of the world's largest trading nations further highlight the severity of the decline in global trade brought on by the COVID-19 epidemic which is presented in figure 1.4. April and May of 2020 saw the biggest drops for the majority of the major economies in July and August, a gradual recovery started to take root. In September, things got even better as commerce in several of the economies started to expand year over year. It's important to note that China's trading patterns have differed significantly from those of other economies. China's economy was the first to be negatively impacted by COVID-19.

After initially declining during the pandemic, Chinese exports began to stabilise in Q2 2020 before experiencing a significant resurgence in Q3 2020, with year over year growth rates of about 10%. Overall, China's export volume for the first nine months of 2020 was similar to that of the same time in 2019. Chinese demand for imported goods also increased, though less so than export demand as per data represented in Table 1.

Figure: 1.4
International Trade Trend in the year 2020



Source: https://unctad.org/system/files/official-document/ditctab2020d4_en.pdf

Table:1
Import & Export Trends of Major Economies

Imports	January	February	March	April	May	June	July	August	September
Brazil	-1	5	11	-15	-11	-20	-35	-29	-25
China	-7	-10	-1	-14	-17	3	-1	-2	13
European Union	-3	-7	-12	-26	-28	-12	-15	-10	-2
India	0	4	-28	-60	-51	-48	-30	-26	-20
Japan	-5	-13	-1	-3	-25	-14	-21	-21	-14
Republic of Korea	-5	1	0	-16	-21	-11	-12	-16	1
Russian Federation	4	2	-2	-20	-13	-4	-13	-11	-3
South Africa	-3	-4	-17	-38	-40	-43	-39	-31	-15
United States	-4	-4	-7	-21	-25	-13	-8	-5	0

Exports	January	February	March	April	May	June	July	August	September
Brazil	-19	-1	5	-9	-15	-5	-3	-11	-10
China	-22	-10	-7	3	-3	1	7	9	10
European Union	-2	-3	-8	-31	-32	-9	-10	-9	3
India	-1	4	-34	-61	-35	-12	-10	-13	4
Japan	-4	0	-8	-19	-27	-25	-18	-15	-3
Republic of Korea	-7	4	-2	-26	-24	-11	-7	-10	7
Russian Federation	-2	-18	-20	-33	-36	-26	-28	-32	-14
South Africa	10	6	-1	-61	-28	-6	-14	-3	10
United States	0	2	-9	-29	-36	-24	-15	-15	-9

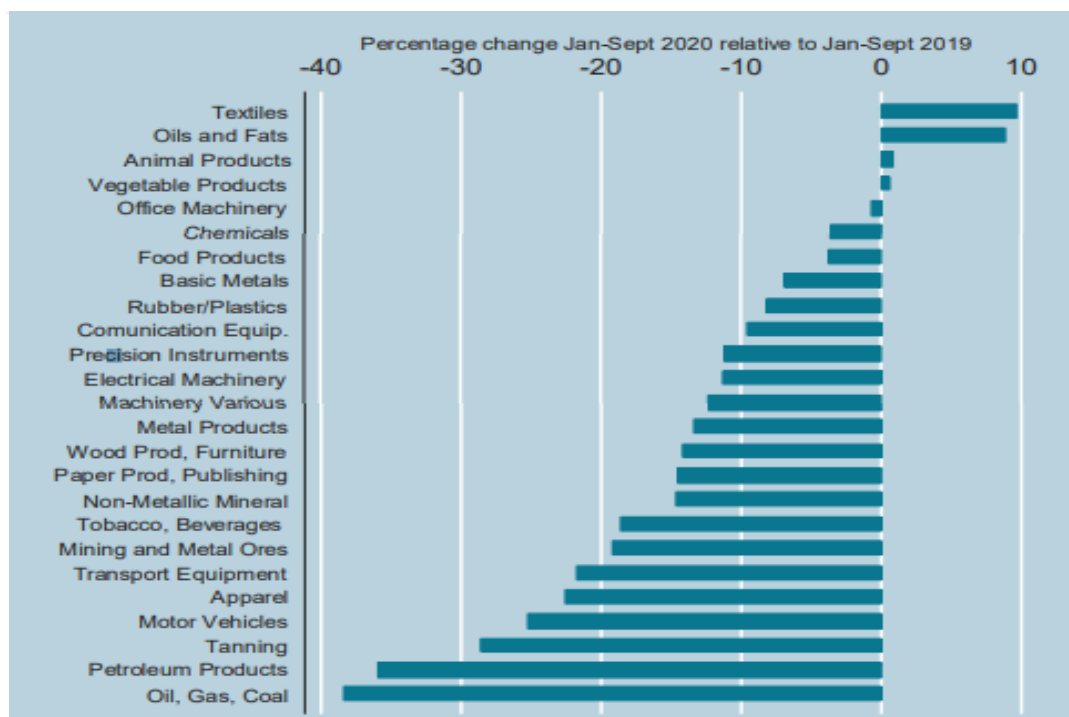
Source: https://unctad.org/system/files/official-document/ditctab2020d4_en.pdf

Many other significant economies have not yet fully recovered, and some of them still saw double-digit declines in September 2020. For instance, imports and exports from Brazil, India, Japan, and the Russian Federation have stayed significantly below levels from 2019. On the other hand, the data of the European Union, the Republic of Korea, and South Africa show hints of a slow recovery.

International trade has been considerably impacted by Covid-19's economic disruptions in some sectors more than others. For instance, the value of international commerce in the energy industry has decreased by more than 35%, making it the sector that is dropping the fastest. The automotive sectors saw even steeper reductions (motor vehicles and transport equipment). Machineries and the industry including metals and ores saw a sharp fall in trade as well.

Contrarily, the majority of the agro-food industries (with the exception of the beverage and tobacco industries) have remained constant or experienced a slight increase. Trade in the textile industries increased dramatically (10 per cent relative to the same period of 2019). These increases are related to the Covid-19 pandemic because these industries deal with protective gear like surgical masks which can be traced in the figure 1.5. Covid-19 also had a small impact on the office equipment market, which benefited from higher demand for home office supplies.

Figure: 1.5
Sectoral Trends due to Covid – 19



Source: https://unctad.org/system/files/official-document/ditctab2020d4_en.pdf

International Trade Trend - Post Covid

Extraordinary measures like lockdowns, quarantines, and travel bans had a significant impact on trade; in 2020, the movement of products and services internationally decreased by 5.6%. However, when month-over-month merchandise trade flows returned almost as strongly as they had declined earlier in 2020, this slowdown turned out to be less severe than had been projected. According to the modelling predictions that support economic growth, global trade in commodities and services will expand by 9.5 percent annually in real terms in 2021. However, the recovery has been incredibly uneven, and the consequences will continue to affect how the trade performs in the coming years. The risks are still skewed to the negative.

First of all, the recent increase in global commerce may only last temporarily, since it partially reflects a cycle of inventory replenishment in early 2021 following extremely low inventory-to-sales ratios observed in several developed economies. Furthermore, the pandemic-induced shift in consumption habits, notably the relative rise in demand for commodities, is predicted to shift back as demand patterns normalise in high-contact sectors.

If the global distribution of vaccinations increases, this dynamic might encourage service-related business. But as of mid-2021, the spread of the Delta form, particularly in the industrialised economies with relatively high vaccination rates, serves as a reminder of how uncertain and fragile the current situation is. Additionally, the new variation might lengthen pandemic-related international transportation bottlenecks, which would cause delays and cost increases for container shipping. Trade tensions between the US and China continue to be strong, aside from these direct repercussions.

Similarly, global issues over trade more broadly remain unresolved. The World Trade Organization's (WTO) Appellate Body nomination impasse has not been resolved, the Doha Round's future is extremely uncertain, and there have been ongoing disagreements over the need to change the global trading system. At the upcoming WTO Ministerial in December, where calls for a more development-friendly trade agenda are set to clash with initiatives to include an environmental component in the trading rules, it doesn't seem likely that serious disagreements will be resolved.

Since the start of 2020, trade patterns have changed geographically. Asia has maintained its leading position, contributing more to global commerce in 2020 and 2021. In terms of imports and exports, China recovered more quickly and early than the majority of other nations. China's monthly trade flows surpassed their pre-pandemic levels by more than 10% during the first half of 2021. Furthermore, compared to their historical tendency, Chinese imports do not exhibit a significant reduction in the first semester of 2020, making them an exception. A strong demand for raw materials was sparked by robust domestic investment, and it will continue through 2021. Several other Asian economies have also fared well in a similar vein. These include, among others, Taiwan (Province of China), Hong Kong (SAR), and Viet Nam, whose monthly exports all surpassed their pre-Covid-19 peak by late 2020 or early 2021 and have continued to rise throughout this year.

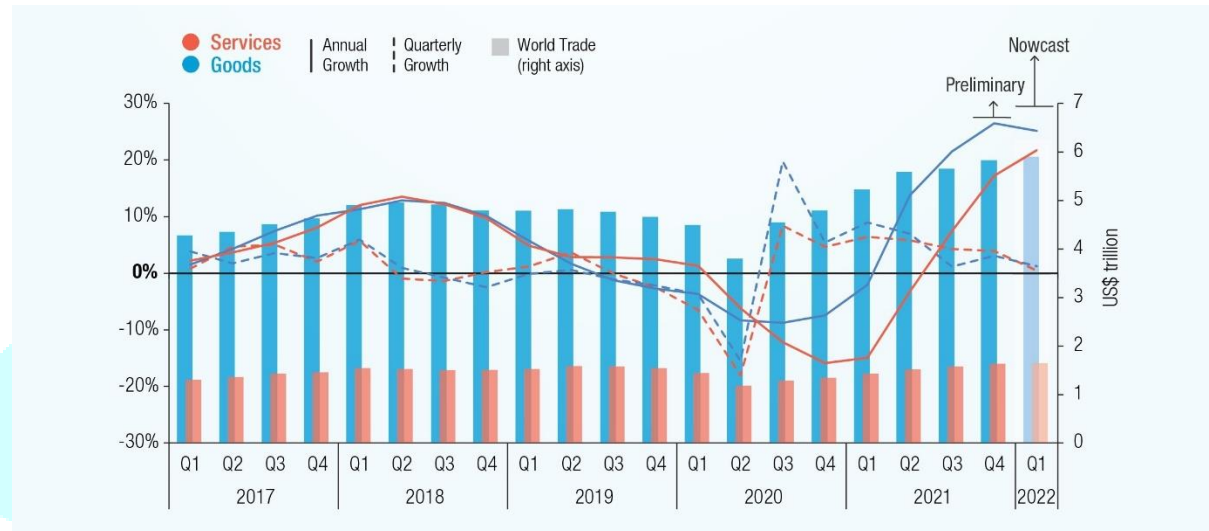
By the middle of 2021, the monthly goods trade flows of a number of other significant economies were approaching the pre-Covid-19-crisis peaks. The United Kingdom, Africa, and the Middle East are behind, with numbers that were frequently more than 20% below their historical high by mid-2021. Trade with the European Union has been badly affected in the United Kingdom due to deficiencies, which are primarily the product of post-referendum uncertainties. Early 2021 saw a second big decline of trade flows in less than a year as a result of lockdown measures and the slowing of a rush to stockpile goods before the conclusion of the Brexit transition period in late 2020.

Total export quantities in Africa and the Middle East are heavily reliant on oil. This largely explains why exports are still declining despite positive price effects increasing external earnings for the major oil exporting economies. Since the OPEC agreement of April 2020, oil extraction has been significantly reduced. The extremely flat imports of this group, in contrast, reflect the muted recovery in economic activity in these nations. According to their components, the development of trade flows since the establishment of Covid-19 has also significantly varied

from pre-pandemic tendencies. Although there are significant differences between these two broad categories, overall, commerce in goods has proven more resilient than trade in services.

Cerdeiro et al (2020) estimations of global seaborne exports for goods follow maritime merchandise trade by the individual vessels in real-time as provided in the figure below. These can be used as proxies to quickly and accurately identify specific patterns, which is important in the current context. Seaborne trade accounts for more than half of the value of all trade in commodities, in contrast to "air" and "other transport modes" (i.e., largely land), which accounted for only 12 percent and 31 percent of the global freight services in 2019 (WTO, 2020). The information shown in figure 1.6 provides a clear picture of what is currently happening to these particular parts.

Figure: 1.6
Global Trade Trends - 2021



Source: <https://unctad.org/news/global-trade-hits-record-high-285-trillion-2021-likely-be-subdued-2022>

According to the UNCTAD's Global Trade Update, global trade in goods remained robust and services finally reached their pre-COVID-19 levels in 2021. In 2021, the total amount of world trade increased to a record \$28.5 trillion. That represents a 25 percent increase over 2020 and a 13 percent increase over 2019, the year before the COVID-19 epidemic hit. While the first half of 2021 saw the most of the year's rise in global commerce, development persisted in the second. The overall value of products traded reached a new high of \$5.8 trillion after the third quarter, which saw trade growth pick up once more, this time by around \$200 billion. To achieve \$1.6 trillion, trade in services climbed by \$50 billion, which is slightly more than before the pandemic.

Greater trade growth in developing countries

All major trading economies had import and export growth in the fourth quarter of 2021 that was significantly higher than pre-pandemic levels in 2019. However, the trade in commodities increased more in emerging countries than in developed ones. When compared to the same period in 2020, exports from developing countries rose by almost 30%, while exports from industrialised nations rose by 15%. The significant increase in trade value in the energy industry is the result of high fuel costs. Metals and chemicals saw above-average trade growth as well. The global shortage of semiconductors had a muted impact on the growth of the commerce in communication devices, automobiles, and precision instruments. In Q1 2022, the value of world commerce reached a record \$7.7 trillion, an increase of roughly \$1 trillion from Q1 2021. The significant increase in trade value in the energy industry is the result of high fuel costs.

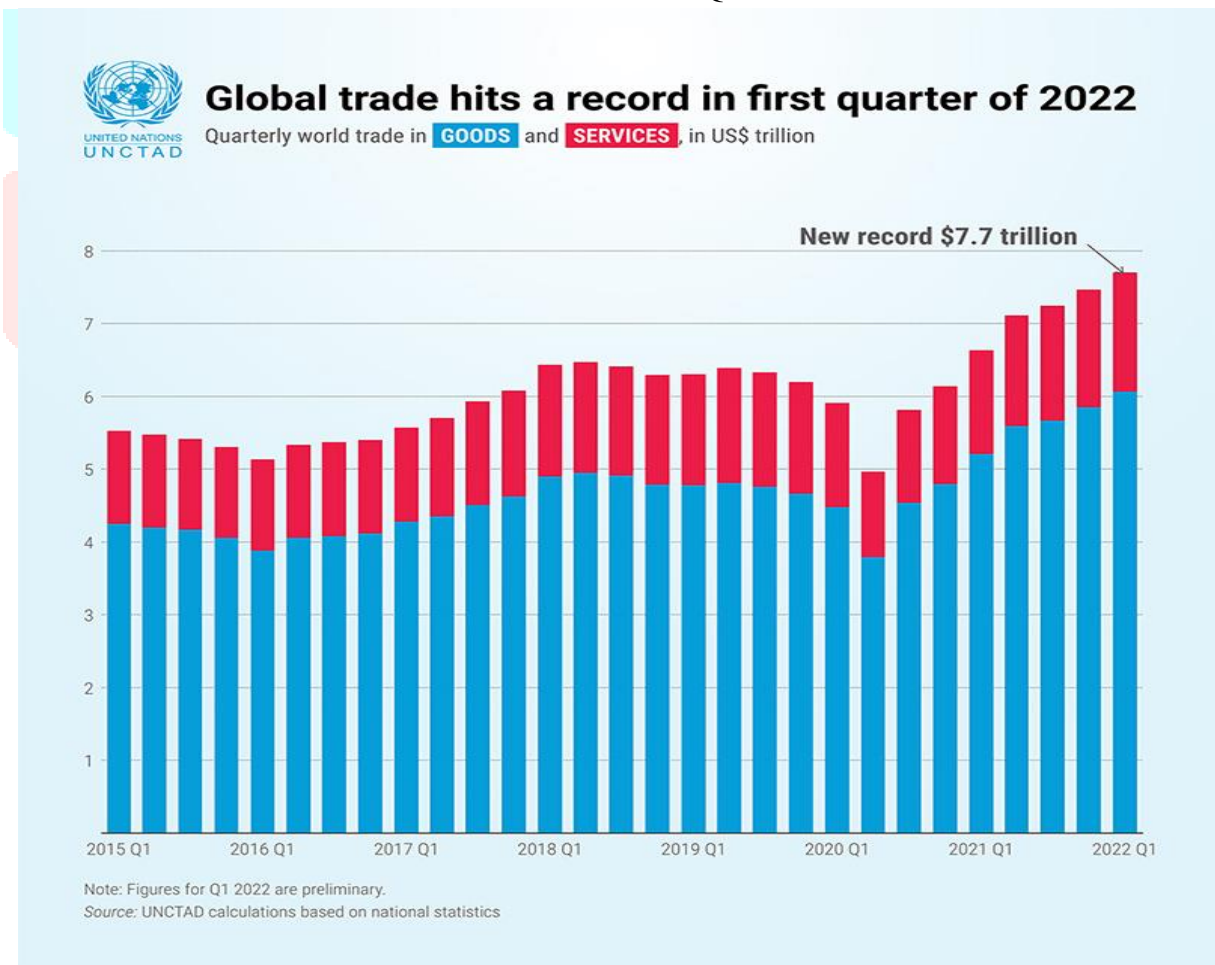
Metals and chemicals saw above-average trade growth as well. The global shortage of semiconductors had a muted impact on the growth of the commerce in communication devices, automobiles, and precision instruments. In Q1 2022, the value of world commerce reached a record \$7.7 trillion, an increase of roughly \$1 trillion from Q1

2021. The increase in trade volumes has been far less pronounced than the gain in commodity prices, which accounts for an increase of roughly \$250 million compared to Q4 2021. Despite being anticipated to stay healthy, trade growth slowed down in Q2 2022. International trade is beginning to be affected by the conflict in Ukraine, primarily through price rises. Additionally, it states that the rest of 2022's trade volumes will probably be negatively impacted by both rising interest rates and the end of economic stimulus programmes.

Trade trends will remain unclear due to geopolitical issues, commodity price volatility, and other considerations. All geographical areas experienced significant trade growth rates in the first quarter of 2022, with the exception of East Asia and the Pacific, where rates were a little lower. Due to rising commodity prices, export growth has been generally stronger in regions that export commodities. In Q1 2021, trade in products increased by nearly 25%, and in Q4 2021, it increased by around 3.6 percent, totalling about \$6.1 trillion. In Q1 2022 compared to Q1 2021, the value of merchandise exports from developing nations increased by roughly 25%. This percentage is roughly 14% for wealthy nations in comparison. During Q1 2022, commerce in goods between developing nations also increased significantly.

According to the UNCTAD's Global Trade Update presented in figure 1.7, trade in services increased to nearly \$1.6 trillion, up about 1.7 percent from Q4 2021 and about 22 percent from Q1 2021. In Q1 2022, the majority of economic sectors experienced significant gains in the value of their trade. The significant increase in trade value in the energy industry is the result of high fuel costs. Metals and chemicals saw above-average trade growth as well. Trade in the transportation industry and in communication equipment, on the other hand, has remained below the levels of 2021 and 2019, respectively.

Figure: 1.7
Global Trade in First Quarter of 2022



Source: <https://unctad.org/news/global-trade-hits-record-77-trillion-first-quarter-2022>

The estimate predicts slower economic growth through 2022 as a result of rising interest rates, pressures from inflation, and concerns about the sustainability of debt in many economies. According to the report, the conflict in Ukraine is having an impact on global trade by driving up the price of energy and basic goods. The paper claims that the conflict in Ukraine is harming global trade by driving up the price of energy and basic commodities on a

global scale. Continued difficulties for global supply chains, regionalization trends, and policies promoting the shift to a greener global economy are all anticipated to have an impact on global trade this year. (Global Trade Update from UNCTAD).

Conclusion & Discussion

This study explored the effects of COVID-19 on international trade and how these effects changed over time. For this the paper was divided in three parts – Trends in International Trade Pre Covid from 2017 to 2019, Trends in International Trade during Covid from 2020 to 2021 and trends in International Trade post Covid i.e. 2022 onwards. For the year 2017-2019 the quarterly growth rates of relative corresponding quarter has been projected. As per data provided, the growth slowed down from the year 2012-2013. From the year 2020-21, Covid-19 proved to be a major factor in the disruption caused in global trade. The International trade trends during the period of Covid-19 was erratic.

The analysis of the Global Trade Trends & Trade of Goods & Services shows a decline in demand for travel, tourist and lodging services. Majority of economies started recording negative trends in the month of January 2020. The data provided with respect to sectoral trends due to pandemic depicts Machineries (including metal & ores) saw a sharp fall in trade. The situation of the global trade post Covid has shown a promising start. In Q1 2022, the majority of economic sectors experienced significant gains in the value of their trade. The significant increase in trade value in the energy industry is the result of high fuel costs. Metals and chemicals saw above-average trade growth as well. On the other hand, trade in the transportation sector and in communication equipment has remained below levels seen in 2021 and 2019, respectively.

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