

Recent trends and prospects for trade during the COVID-19 pandemic: implications for transition economies

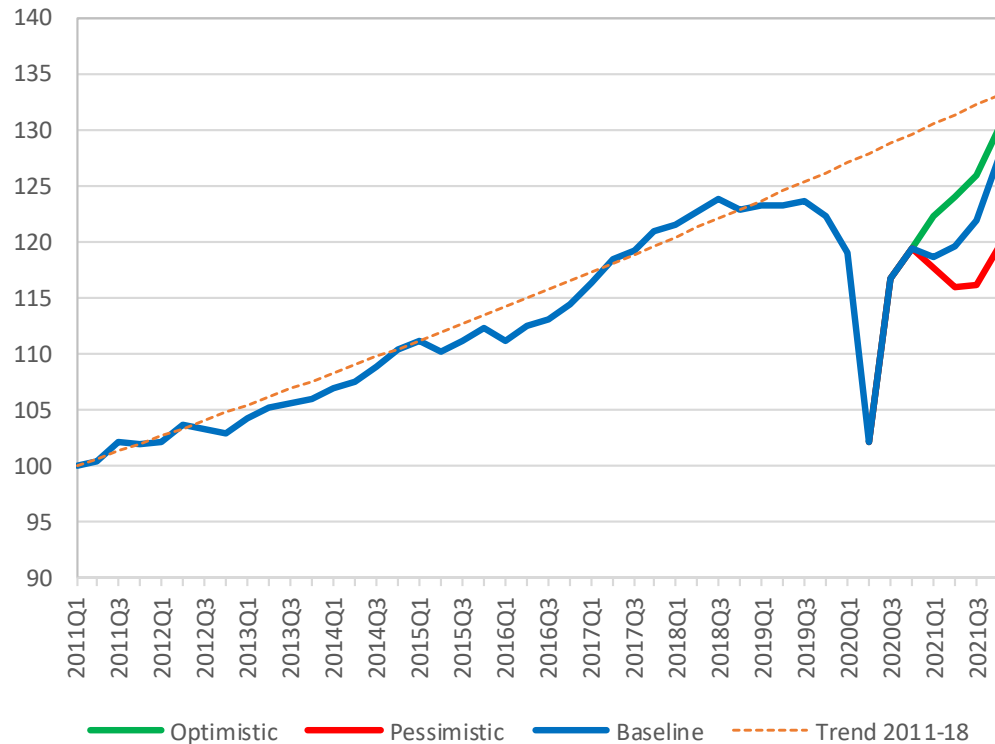
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WTO's October trade forecast projected rebound, continued uncertainty

Merchandise trade volume optimistic and pessimistic scenarios
(Index, 2011Q1=100)



Source : WTO Secretariat estimates.

Merchandise trade volume and real GDP, 2015-2021 a

Annual % change

	2015	2016	2017	2018	2019	2020	2021
Volume of world merchandise trade b	2.3	1.4	4.7	2.9	-0.1	-9.2	7.2
Exports							
North America	2.6	0.7	3.4	3.8	1.0	-14.7	10.7
South and Central America	0.6	1.3	2.9	0.1	-2.2	-7.7	5.4
Europe	2.9	1.1	3.7	2.0	0.1	-11.7	8.2
Asia	1.3	2.3	6.7	3.7	0.9	-4.5	5.7
Other regions c	1.8	3.5	0.7	0.7	-2.9	-9.5	6.1
Imports							
North America	5.2	0.3	4.4	5.2	-0.4	-8.7	6.7
South and Central America	-7.6	-9.0	4.3	5.3	-2.1	-13.5	6.5
Europe	3.6	3.0	3.0	1.5	0.5	-10.3	8.7
Asia	2.1	2.2	8.4	4.9	-0.6	-4.4	6.2
Other regions c	-3.9	-4.5	3.4	0.3	1.5	-16.0	5.6
Real GDP at market exchange rates	2.8	2.4	3.1	2.8	2.2	-4.8	4.9
North America	2.8	1.7	2.4	2.8	2.1	-4.4	3.9
South and Central America	-0.8	-2.0	0.8	0.6	-0.2	-7.5	3.8
Europe	2.4	2.1	2.8	2.1	1.5	-7.3	5.2
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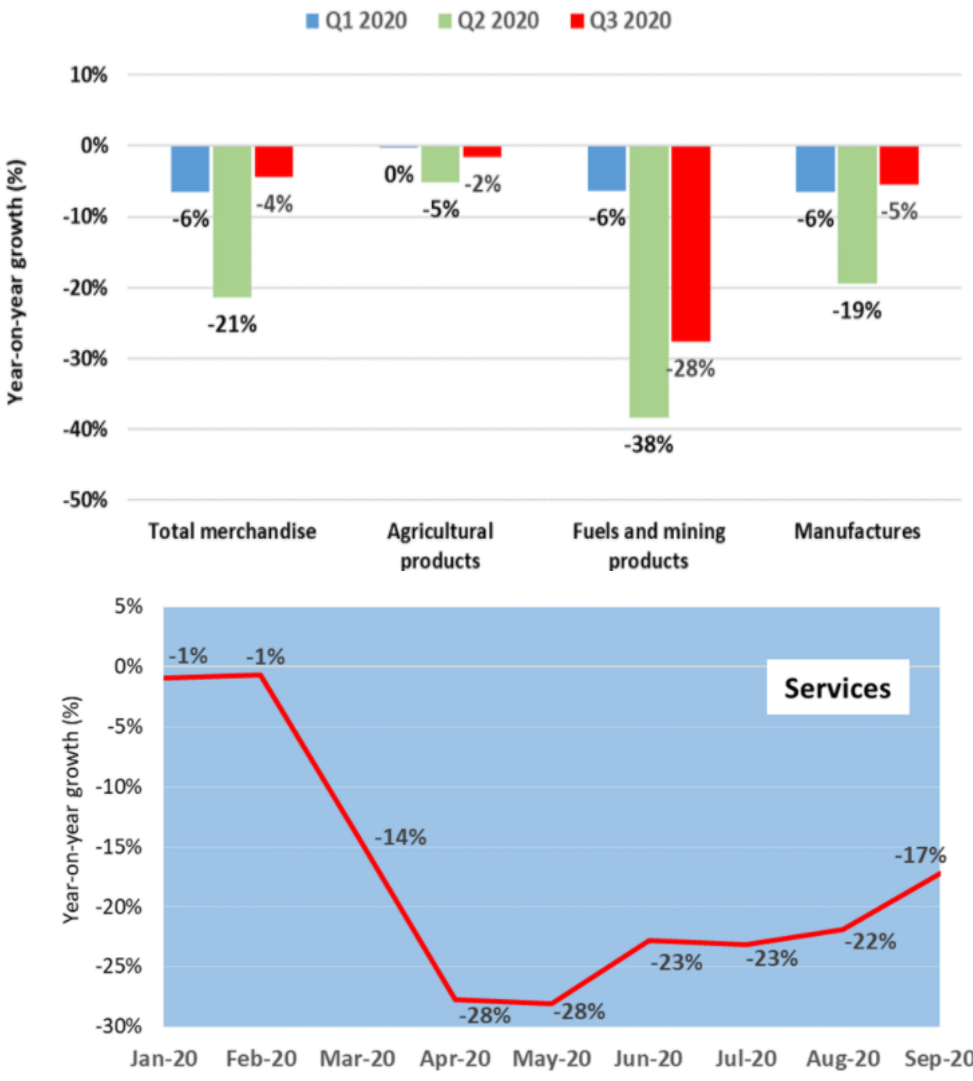
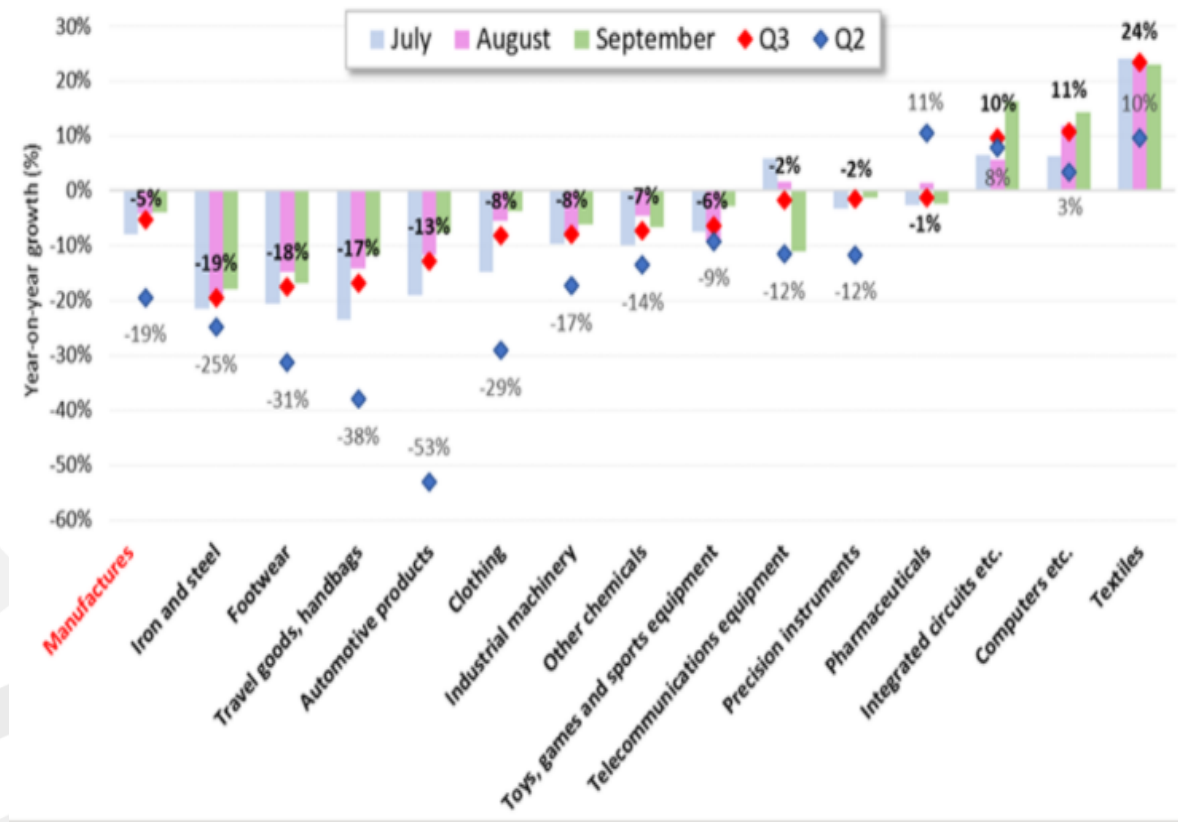
a Figures for 2020 and 2021 are projections.

b Average of exports and imports.

c Other regions comprise Africa, Middle East and Commonwealth of Independent States (CIS), including associate and former member States.

Sources: WTO Secretariat for trade, consensus estimates for GDP.

Diverse impacts of pandemic across manufactures, services

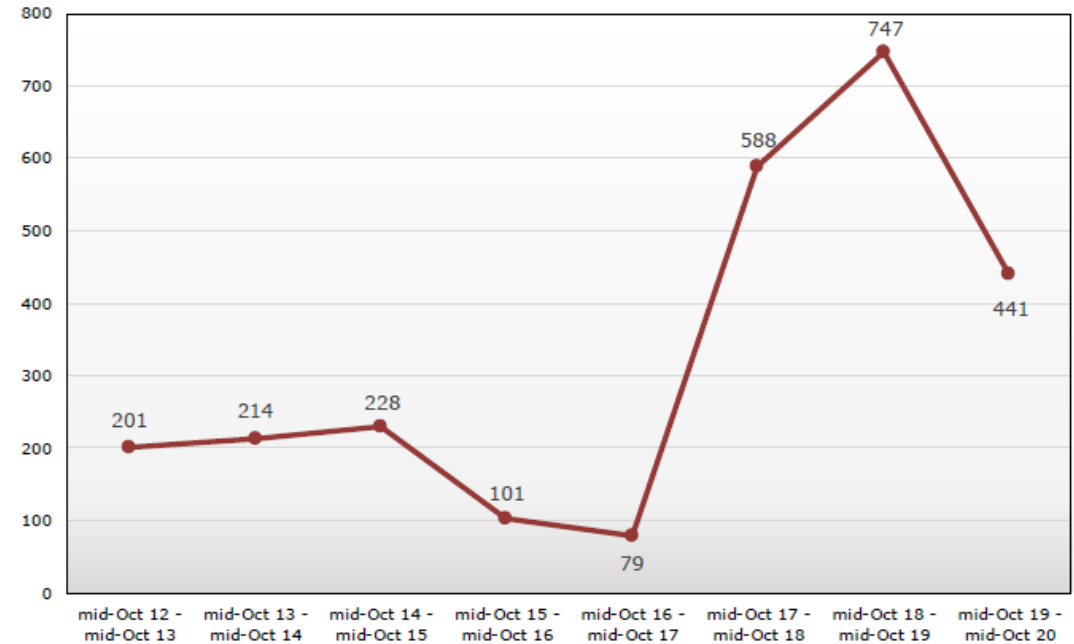


Latest WTO monitoring report shows reduction in trade restrictions in face of Covid-19 pandemic

- WTO Director General's monitoring report of 11 December notes a decrease in trade measures between mid-October 2019 and mid-October 2020 in the face of Covid-19 pandemic.
- WTO members and observers introduced the lowest number of “regular” trade-related measures since 2012 — that is, those unrelated to the COVID-19 pandemic.
- The trade coverage of import-facilitating measures over the past year stood at USD 731.3 billion (up from USD 544.7 billion in the previous period) while that of import-restrictive measures came in at USD 440.9 billion (down from USD 746.9 billion).
- Demonstrates effectiveness of multilateral trading system in keeping trade flowing.

Chart 3.5 Trade coverage of new import-restrictive measures in each reporting period (not cumulative)

(USD billion)



Note: These figures are estimates and represent the trade coverage of the measures (i.e. annual imports of the products concerned from economies affected by the measures) introduced during each reporting period, and not the cumulative impact of the trade measures. COVID-19 trade and trade-related measures are not included.

Source: WTO Secretariat.

Intermediate goods trade steady globally, growing in transition economies, reflecting GVC stability in face of pandemic



US dollar value of merchandise trade of UNECE 17 programme countries and Russian Federation

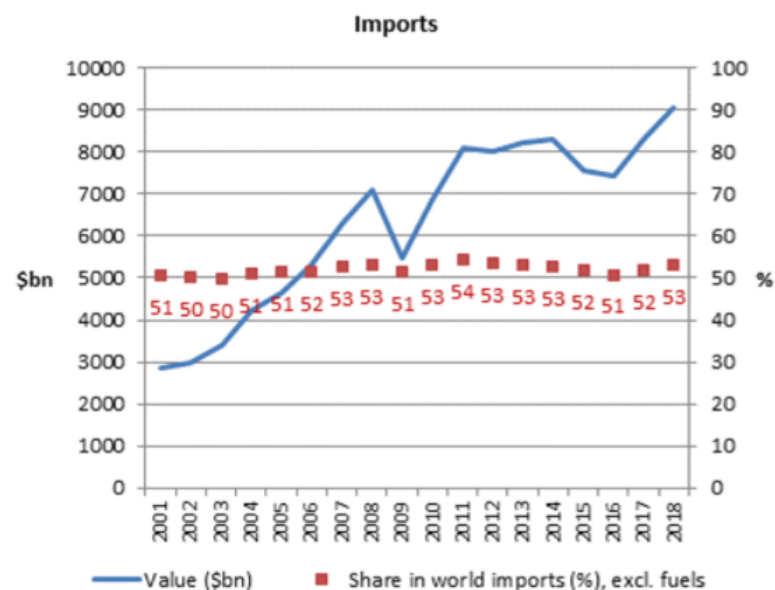
UNECE 17 programme countries

	2017	2018	2019	2020 TYD
Total merchandise exports (% change)	23.6%	13.7%	0.1%	-8.9%
Total merchandise imports (% change)	17.6%	15.3%	4.2%	-8.6%
Total exports of BEC intermediate goods (% change)	24.4%	15.1%	0.6%	-9.9%
Total imports of BEC intermediate goods (% change)	14.3%	17.6%	1.9%	-10.7%
Total imports of fuels (% change)	41.6%	24.3%	-15.6%	-29.6%
Total exports of fuels (% change)	34.0%	24.7%	-8.2%	-21.2%
Share of intermediate goods in exports excl. fuels (%)	65.9%	65.5%	65.5%	68.7%
Share of intermediate goods in imports excl. fuels (%)	53.1%	52.8%	54.4%	49.8%

Russian Federation

Total merchandise exports (% change)	26.8%	28.1%	-3.8%	-24.6%
Total merchandise imports (% change)	27.2%	9.5%	-0.8%	-7.7%
Total merchandise exports to other TEs (% change)	26.7%	20.8%	-2.1%	-17.9%
Total merchandise imports from other TEs (% change)	30.6%	9.1%	1.6%	-11.8%
Intra-RU-TE trade in BEC intermediates excl. fuel (% change)	13.0%	12.8%	14.2%	-4.8%
Share of BEC intermediates in RU-TE trade excl. fuel. (%)	72%	75%	82%	82%

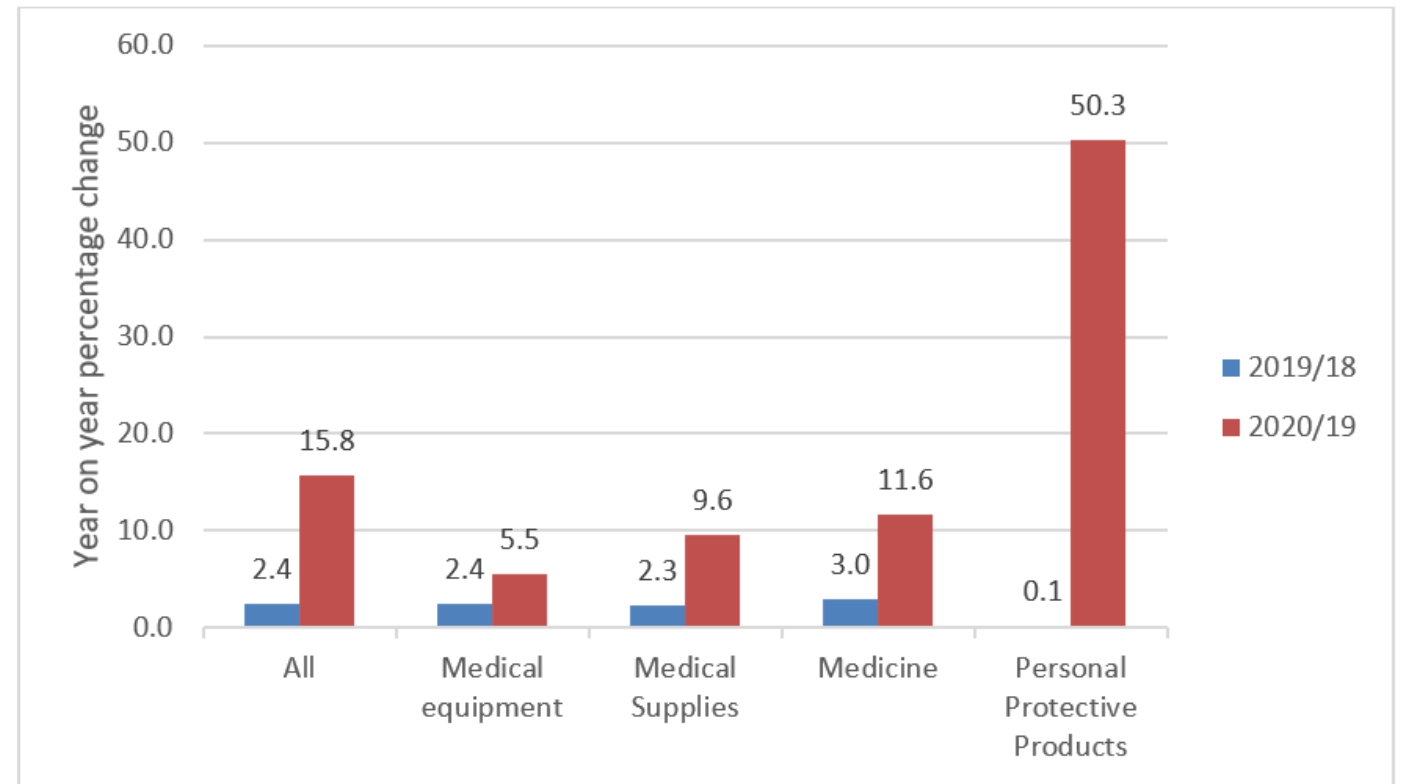
Source: Trade Data Monitor (TDM) and WTO Secretariat calculations.



Trade allowed countries to access vital medical supplies during crisis

- Although world merchandise trade declined by 14% in first half of 2020, trade in medical goods increased by 16% to US\$ 1,139 billion.
- Chinese exports of critical medical products more than tripled based on year-on-year first half, from US\$ 18 billion to US\$ 55 billion.
- Top importers registered double-digit increases, including 62% in France and 52% in Italy;
- Total world imports of face masks had increased 90% from the same period last year. China is the top supplier of face masks accounting for 56% of world exports;
- Textile face masks are the most traded and have the highest tariffs among the different types of masks.

Percentage change of trade in medical goods in the first half of 2019 and 2020 compared to the previous year



Post-Covid 19 implications for transition economies



- **Macroeconomic impact of Covid-19 fiscal and monetary policies will drive trade balances in short run, growth stronger growth over the longer term.**
- **Trade should make transition economies more resilient following the pandemic, although it must be acknowledged that it also exposes them to external shocks.**
- **Engagement with WTO can advance agreements that will promote recovery and growth. Examples include Trade Facilitation Agreement, plurilateral agreements, joint initiatives on MSMEs, e-commerce, investment facilitation, etc.**
- **For fuel exporters, increased GVC linkages with other transition economies can help diversification, reduce vulnerability to external price shocks. Oil production fell around 15% from peak to trough during the crisis, which is unusual.**
- **Response to crisis will may boost productivity, with more digital trade, remote working, flexible production processes. This may also lead to adjustment costs but also opportunities. Costs should not be blamed on trade.**
- **Thank you.**

WTO trade forecasts and other statistical resources

WTO trade forecasts:

www.wto.org/english/news_e/archive_e/tfore_arc_e.htm

WTO trade barometers:

www.wto.org/english/news_e/archive_e/wtoi_arc_e.htm

WTO data portal:

data.wto.org

GVC profiles:

www.wto.org/english/res_e/statis_e/miwi_e/countryprofiles_e.htm

The WTO data portal contains statistical indicators related to WTO issues. Available time series cover merchandise trade and trade in services statistics, market access indicators (bound, applied & preferential tariffs), non-tariff information as well as other indicators. WTO research and other resources available from ERSD page on WTO website.

The screenshot shows a web browser window with multiple tabs. The active tab is 'WTO | News archive: COVID'. The address bar shows the URL 'https://www.wto.org/english/news_e/archiv...'. The page header includes the WTO logo and navigation links: 'English', 'Français', 'Español', 'Contact us', 'Site map', 'A-Z', 'Welcome Nee, Coleman | myWTO | Logout'. The main content area is titled 'News archive: WTO trade forecasts'. It features a sidebar on the left with a list of news archives, press releases, DG speeches, and subject archives. The main content area displays two news items: 'Trade shows signs of rebound from COVID-19, recovery still uncertain' dated 6 OCTOBER 2020, and 'Trade falls steeply in first half of 2020' dated 22 JUNE 2020. Each item includes a small line graph and a 'Press release' link. On the right side, there are social media share buttons (Facebook, Twitter, LinkedIn, and a generic share button) and an RSS news feeds link. A footer note mentions 'Problems viewing this page?' and provides contact information for the webmaster.