Implications of the COVID-19 pandemic for trade in agricultural products

Julia Spies
Head of Studies, Trade and Market Intelligence section, ITC
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What does COVID-19 mean for global trade? April data shows a 21% drop* in world agricultural exports

*Data from 51 countries that have reported April 2020 data

Source: ITC Trade Map
What does COVID-19 mean for global trade?

Between March and May, cereal exports increased by 9%, while fishery exports declined by 19%.

Year-to-year change in global exports March-May 2020, by sector*

Average across all sectors: -21%

Data from reporting countries only: 62 in March, 51 in April, 25 in May

Source: ITC Trade Map
…and for ITC’s main beneficiaries, MSMEs?

Firms in agriculture tend to be less affected than firms from other sectors

Source: ITC Covid-19 Business Impact Survey
...and for ITC’s main beneficiaries, MSMEs?

But small firms are hit harder than large firms

![Bar chart showing the impact on different sizes of firms during the COVID-19 pandemic. Micro firms are the most affected, followed by small, medium, and large firms.](source: ITC Covid-19 Business Impact Survey)
...and for ITC’s main beneficiaries, MSMEs?

More than half of the firms in the agricultural sector indicate reduced logistics services as the major problem.

Has the coronavirus (COVID-19) pandemic affected your enterprise in any of the following ways? (multi-select)

- Reduced logistics services
- Reduced investment
- Temporary shutdown
- Clients not paying their bills
- New problems with infrastructure, e.g....
- Employee absences due to sickness or childcare
- Increased administrative bottlenecks
- Reduced certification services
- Other
- None of the above
- Don’t know

Source: ITC Covid-19 Business Impact Survey
ITC has helped understanding all three channels of trade effects:

- Supply chain effects (only for manufacturing)
- New trade measures
- Demand and price effects
New trade measures
Temporary trade measures affect the functioning of agricultural supply chains

Many countries have introduced new export restrictions…

…as well as import liberalization measures.

Source: ITC Market Access Map
## New trade measures

ITC’s Market Access Map features a COVID-19 dedicated page to track new trade measures.

### III. Overview of adopted COVID-19 trade measures (July 24, 2020)

<table>
<thead>
<tr>
<th>Enacting Country</th>
<th>Type of Measure</th>
<th>Affected Products</th>
<th>Measure</th>
<th>Effect On Trade</th>
<th>Affected Partners</th>
<th>Status Of Measure</th>
<th>Start Date</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>Export prohibition</td>
<td>food products, medicines, medical supply products</td>
<td>List of products temporary suspended from exports.</td>
<td>Restrictive</td>
<td>All countries</td>
<td>Active</td>
<td>2020/03/22</td>
<td>Unknown</td>
</tr>
<tr>
<td>Anguilla</td>
<td>Tariff reduction</td>
<td>personal protective equipment, food products (refer to official document)</td>
<td>Anguilla waives import duties and taxes on cleaning supplies, gloves, masks, PPE and some food items.</td>
<td>Liberalising</td>
<td>All countries</td>
<td>Active</td>
<td>2020/04/13</td>
<td>2020/07/12</td>
</tr>
<tr>
<td>Antigua and Barbuda</td>
<td>Tariff reduction</td>
<td>food, personal protective equipment (cf. official document)</td>
<td>Introduction of duty and tax relief measures on essential relief items and key food items.</td>
<td>Liberalising</td>
<td>All countries</td>
<td>Active</td>
<td>2020/04/01</td>
<td>2020/06/30</td>
</tr>
<tr>
<td>Belarus</td>
<td>Export prohibition</td>
<td>Buckwheat, buckwheat groats, set onion, garden onion, garlic</td>
<td>Temporary export ban on certain food products.</td>
<td>Restrictive</td>
<td>All countries</td>
<td>Active</td>
<td>2020/03/31</td>
<td>2020/07/03</td>
</tr>
</tbody>
</table>

Source: ITC Market Access Map
Demand and price effects

ITC’s market price information portal shows that prices surged at the beginning of April

Source: ITC Market Price Information
Demand and price effects

ITC estimates that lower import demand weighs on the export potential of countries and sectors.

- The IMF predicts world GDP to drop by 3%, leading to a fall in export potential of 5.7% by 2024.
- While manufacturing sectors are expected to lose 6%, agricultural sectors could see a reduction of 3.7% in export potential.
To follow what ITC does on COVID-19, check out our...

- Dedicated **COVID-19** space on the ITC website with blogs, news, stories: [www.intracen.org/covid19](http://www.intracen.org/covid19)

- Various issues of the **TMI newsletter**: [marketanalysis.intracen.org](http://marketanalysis.intracen.org)

- Temporary trade measures page on Market Access Map: [macmap.org/covid19](http://macmap.org/covid19)

…or get in touch with us:

- exportpotential.intracen.org
- marketanalysis@intracen.org
- @ITC_MktAnalysis
- ITCmarketanalysistools