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The Effects of Coronavirus on Trade

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I. Abstract

Trade is a very broad and immense subject that impacts every aspect of modern-day life. If you are currently reading this paper on an electronic, there's a 99% chance that the parts of your device were manufactured in a different country. In fact, it would be almost impossible for you to find an object in your room that was not at least partly manufactured in a separate country. As complex as our current trade systems are, they are very fragile. The Russian economy was heavily impacted by trade, reflecting the dire situation that many other already unstable economies currently face, after the economic shutdowns and oil price declines. In addition, many developed European nations and the United States have also suffered greatly from the decreases in trade, but the stable manufacturing bases of these nations have almost guaranteed them successful recovery in the foreseeable future. On the opposite side of the spectrum sits China, which has benefited immensely during this time, as it is the primary manufacturer of the worlds' healthcare products. This means that China has been able to experience massive economic growth in a year where the rest of the world suffered through a recession. This paper will go more in-depth on the impacts of the coronavirus pandemic on world trade.

II. Introduction

Trade serves as the essence for the GDP of nearly every country. Through trade, countries are able to establish their markets and regulate their commerce. However, due to the onset of the COVID-19, large corporations around the world have experienced a decrease in prosperity and are budgeting in response. Due to their newfound economic limits, many businesses are choosing to stop product trade with different countries. With this decrease in trade, companies that relied heavily on international commerce have experienced further losses in profit. With Coronavirus lockdowns leading to a decrease in consumption and therefore trade impact, the global trade system has faced serious damage.

III. US and Competitors

The coronavirus pandemic has upended the global economy, the impacts of which have been reflected in dramatic declines in growth in national economies across the world, including those that the United States deems its leading global competitors: Russia and China.

The economic damage from COVID-19 has already been significant. By April, about half the world's population and 90 countries were under some sort of mandatory or recommended lockdown. In June, the IMF projected 2020 global economic growth to be about -5.0%. In addition to this many countries have reported even higher GDP declines relative to the economic activity that occurred in the same quarter in the previous year. GDP fell by 9.5% in the United States, and in comparison, it fell by 14.4% in the European Union, and 21.7% in the United Kingdom.

China had a decline of 6.8% in the 1st quarter, with a rebound of 3.2% in the second quarter. According to preliminary data second-quarter GDP in Russia dropped by 8.5%.

The pandemic has resulted in an increase in both the strength and number of calls from U.S. policymakers to decouple economically from China, but doing so would be enormously expensive and is unlikely to occur on a large scale or in major industries. Instead, the pandemic presents the opportunity to selectively disengage from China in the areas of highest priority to U.S. homeland and national security - communications and advanced technologies, especially those related to China's military capabilities. Ideally, this would be done in coordination with economic allies and partners.

One of the fundamental tenets of the National Security Strategy of 2017 and the National Defense Strategy of 2018 is that the United States is engaged not just in political and military competitions, but economic competitions as well. The documents hold that America's leading competitors exercise malign influence in the economic domain. According to the National Defense Strategy, China is "using predatory economics to intimidate its neighbors," and Russia "pursues veto power over the economic, diplomatic, and security decisions of its neighbors." And underlying all of these competitions is a technology competition since innovation and technology provide the basis for an advanced economy and powerful armed forces.

After several years of negative growth due to massive capital flight, the collapse of the rouble, falling oil prices, and trade sanctions imposed by the West after the Ukrainian crisis, the Russian economy has returned to modest growth since 2017, driven mainly by mineral resource

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extraction and private consumption. According to the latest IMF estimates, GDP growth slowed to 1.3% in 2019 (from 2.5% in 2018), due to the fall in oil prices and the negative impact of the increase in VAT on private consumption. The economic activity is expected to be mainly supported by the increase in public infrastructure spending in the framework of national projects and by the increase in labor supply due to pension reform. Structural weaknesses, low investment levels, and weak demographic prospects would keep real GDP growth below 2% per year in the medium term. According to the updated IMF forecasts from 14th April 2020, due to the outbreak of the COVID-19, GDP growth is expected to fall to -5.5% in 2020 and pick up to 3.5% in 2021, subject to the post-pandemic global economic recovery. In addition to this, American trade with Russia has also been reaching new lows with U.S. goods exports to Russia in 2018 being $6.7 billion, down 4.9% ($344 million) from 2017 and down 28.7% from 2008[1].

The Russian economy continued to grow modestly in 2019, but industrial activity slowed down due to weaker external demand, lower oil production, in line with quotas agreed with OPEC and oil-exporting countries and higher financing costs linked in part to the American sanctions introduced in 2018 (Euler Hermes, 2019)[2]. Since the 2015-2016 recession, the government has pursued a prudent macroeconomic policy aimed at maintaining financial stability, and the central bank has carefully controlled inflation. Although they showed a decrease compared to 2018, public finances remained in surplus in 2019 (budget surplus estimated at 1% of GDP by the IMF) and should remain in surplus in 2020 (0.2% of GDP according to the IMF). Public debt has increased but remains low, representing 16.5% of GDP in 2019, the sovereign fund having been used during the recession. According to IMF forecasts, public debt should continue to increase, reaching 17.7% of GDP in 2020 and 18.3% of GDP in 2021. Inflation, estimated at 2.9% in 2018, has risen to 4.5% in 2019[3], reflecting the increase in VAT introduced in 2019. Inflation should drop to 3.1% by 2020. The current account surplus remains comfortable (above 90 billion USD). In his decree of May 2018, President Vladimir Putin committed to increasing spending on infrastructure, health and education to 1.1% of GDP per year by 2021. The 2019-2021 budget , the first to forecast a surplus since 2014, reflects the prudent strategy adopted by the authorities. The goal is to store $ 200 billion in funds for bad days, to anticipate new sanctions or a new global crisis, and to generate a surplus of $ 62 billion over the period. Russia faces many challenges: a large state footprint, weak government institutions, insufficient infrastructure, low levels of competitiveness, underinvestment, low production capacity, dependence on raw materials, poor economic climate, lack of structural reforms and ageing of the population.

[1] "Russia | United States Trade Representative." *Ustr.Gov*, ustr.gov/countries-regions/europe-middle-east/russia-and-eurasia/russia#:~:text=U.S.%20goods%20and%20services%20trade.
[2] "Russia." *Www.Euler Hermes.com*, www.eulerhermes.com/en_global/economic-research/country-reports/Russia.html.
[3] "Russia | United States Trade Representative." *Ustr.Gov*, ustr.gov/countries-regions/europe-middle-east/russia-and-eurasia/russia#:~:text=U.S.%20goods%20and%20services%20trade.

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The unemployment is estimated by the IMF to be at 4.6% and still falling, but real wages have also fallen. Social inequalities remain high, especially between large cities and rural areas. Only 1% of the population owns around 70% of private assets. Despite the emergence of an urban middle class, the poverty rate remains at around 13%. A middle class protest movement calls for an end to corruption and patronage. Notwithstanding the negative economic impact of the COVID-19 pandemic, the unemployment rate should remain stable in the following years, 4.9% in 2020 and 4.8% in 2021.[4]

IV. USA & China

The economic relationship between the United States and China has always been complicated. From July to September of 2018, the United States placed tariffs on Chinese products that totaled to 25% on approximately $250 billion of imports and 7.5% on $112 billion of imports.[5] These imports from China subject to tariffs fell by 23% from $434.3 billion in 2018 to $334.2 billion in 2019. In retaliation, China placed 5%-10% on $75 billion worth U.S. goods as well as reinstating a 25% tariff on American cars and a 5% on auto parts and components.[6]

The United States and China signed a trade agreement in early January meant to be the first part of many negotiations to fix trade problems between the two countries. China agreed to buy $200 billion more United States products and services then they did in 2017. This includes a minimum of $77.7 billion worth of more manufactured goods, $37.9 billion more of services, $32 billion more of agriculture and $52.4 billion more of energy over the next two years. China has also agreed to try to buy at least $5 billion worth of additional farm goods in both 2020 and 2021. The United States on the other hand, lowered tariffs on $120 billion dollars worth of goods from 15% to 7.5%.[7] An important clause in the negotiations gave either side the ability to leave the agreements if they felt it necessary.

Although negotiations between China and the United States were supposed to continue later in 2020, they were heavily impacted by COVID-19. According to President Donald Trump, “We made a great trade deal. But as soon as the deal was done, the ink wasn’t even dry, and they hit us with the plague.” Growing distrust towards China from the United States along with the COVID-19 pandemic which caused China to fall short on their phase one trade agreements have already caused

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4 “Policy - Trade - European Commission.” *Ec.Europa.Eu*, ec.europa.eu/trade/policy/.
5 “The Impact of COVID-19 on the US-China Trade Relationship: Perspectives & Events: Mayer Brown.” Perspectives & Events | Mayer Brown. Accessed November 11, 2020. https://www.mayerbrown.com/en/perspectives-events/publications/2020/03/the-impact-of-covid-19-on-the-us-china-trade-relationship?utm_source=Mondaq.
6 Layton, Duane W. “The Impact Of COVID-19 On The US-China Trade Relationship - International Law - Worldwide.” Welcome to Mondaq. Mayer Brown, March 28, 2020. https://www.mondaq.com/unitedstates/international-trade-investment/908684/the-impact-of-covid-19-on-the-us-china-trade-relationship.
7 YenNee_Lee. “China's Purchases of US Goods Will Fall Way Short of 'Phase One' Trade Deal Due to the Coronavirus, Says Think Tank.” CNBC. CNBC, May 11, 2020. https://www.cnbc.com/2020/05/11/coronavirus-us-exports-to-china-to-fall-short-of-phase-one-trade-deal-says-csis.html.

further trade negotiations with China to be delayed and are almost certain to impact future trade deals. Although exclusions for tariffs were made for items like sanitary wipes, medical gloves, face masks, surgical gowns, and other items essential to the fight against COVID-19, this does not seem to be linked to an increase in trade between the two countries overall. Although phase two trade deal negotiations were supposed to occur in late 2020, they seem very unlikely at this point and it is possible that these negotiations may never occur due to these new tensions between the two countries caused by the COVID-19 pandemic.[8]

Due to improved treatments for COVID-19 and people wanting to get back to "normal", the global economy has reopened. This is observed in China's imports and exports beginning in September. China's imports have increased by 13.2% in September, returning from a fall of 2.1% in the previous month [1]. This rise in imports has decreased the trade surplus from $58.93 billion in August to $37 billion in September. Additionally, as more trading partners like the United States begin to reopen their economies, China's exports have increased. For example, exports in September rose from 9.9% from a year earlier. In August, top United States and Chinese trade officials spoke of a Phase 1 trade deal during a telephone exchange.

As COVID restrictions are loosened globally and the economy improves, China's domestic demand is increasing. China has bought more soybeans, grains, semiconductors, copper and steel products in September. This has also led to the Chinese yuan to rise to a 17-month high against the dollar. China's economy has rebounded dramatically, as can also be seen with the 11.2 % annualized growth rate by the Chinese economy in the third quarter. This is one of the fastest economic recovery rates in the world during 2020.[9]

China has a significant effect on United States unemployment rates. For example, American companies that rely on revenue from China are likely to have to cut costs and lay off employees if business from China is slowed. However, as the world economy reopens, this is likely to no longer occur because China's domestic demand is increasing.

According to the International Monetary Fund, China will be the only major world economy to experience growth in 2020 (GDP growth of about 1.9%) This growth is attributed to the worldwide need for masks, electronics, medical equipment, and other items during the pandemic. This positive growth is a stark difference from many European countries whose growth numbers in

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[8] Devlin, Kat, Laura Silver, and Christine Huang. "Amid Coronavirus Outbreak, Americans' Views of China Increasingly Negative." Pew Research Center's Global Attitudes Project. Pew Research Center, July 31, 2020. https://www.pewresearch.org/global/2020/04/21/u-s-views-of-china-increasingly-negative-amid-coronavirus-outbreak/.

[9] Roach, Stephen S. "China's Economic Rebound Shows the Wisdom of Containing the Coronavirus First." *MarketWatch*, www.marketwatch.com/story/chinas-economic-rebound-shows-the-wisdom-of-containing-the-coronavirus-first-11603892751?mod=home-page. Accessed 22 Nov. 2020.

2020 are negative. For example, the International Monetary Fund estimates the United Kingdom to have lessened by 9.8%, Germany by 6%, and France by 9.8%.[10][11]

V. Trade and India

After being a protectionist state for a long period of time, India's economy underwent liberalisation in 1991. India signed its first comprehensive bilateral free trade agreement (FTA) in 2005 with Singapore[12]. Since then, India has followed a policy of regionalism in trade, because most FTAs (Free Trade Agreements) have been restricted to Asian, and to some extent, South American countries. Despite India's involvement in regional trade agreements, the exports to RTA (Regional Trade Agreement) countries have not exceeded Non-RTA countries in any form. NITI Ayog, the Indian Government policy think tank, reveals, "India's export surge could be attributed more to diversification of India's export basket both in terms of destination and commodities and favourable global conditions and less to RTAs."

India is currently the world's 18th largest product export economy [13]. Their largest export is oil and mineral fuels which combined, amount to an annual total of $48.6 billion, followed closely by precious stones and metals at $39.2 billion annually. India's top export countries are: USA at $53 billion, UAE at $8 billion, China $16 billion, Hong Kong at $10.9 billion. and Saudi Arabia at $6 billion as of FY 2019-20. Together, these countries account for 36.94%[14] of India's exports.

VI. The European Union

The EU is the world's largest single market area, accounting for 16% of the world's imports and exports.[15] Free trade among all members of the European Union was a founding principle, and it is committed to opening the world up to trade. The EU steps into creating trade policies and negotiating agreements for the member countries. The EU works to create mutually beneficial access to the European markets and the markets of their trading partners. This is to ensure EU businesses can grow their companies and more easily import raw materials. The EU partners with the World Trade Organization to set global trade rules and remove obstacles to trade.

[10] "China's Imports, Exports Surge as Global Economy Reopens." *World Economic Forum*, www.weforum.org/agenda/2020/10/chinas-imports-exports-surge-global-economy-covid19-recovery/. Accessed 16 Dec. 2020.
[11] Mirzayev, Elvin. "Impact of the Chinese Economy on the U.S. Economy in 2020." *Investopedia*, www.investopedia.com/articles/investing/072915/impact-chinese-economy-us-economy.asp. Accessed 16 Dec. 2020.
[12] "Why India Is One of World's Most Protectionist Countries." *BBC News*, 10 Apr. 2019, www.bbc.com/news/business-47857583#:~:text=India%27s%20trade%20policy%20has%20also%20come%20under%20scrutiny. Accessed 13 Nov. 2020.
[13] Workman, Daniel. "World's Top Export Countries." *World's Top Exports*, 3 Oct. 2019, www.worldstopexports.com/worlds-top-export-countries/.
[14] Workman, Daniel. "India's Top 10 Exports." *World's Top Exports*, 14 Sept. 2019, www.worldstopexports.com/indias-top-10-exports/.
[15] Anonymous. "Trade." *European Union*, 6 Nov. 2019, europa.eu/european-union/topics/trade_en.

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EU trade with the US

On August 21, 2020, US Trade Representative Robert Lightnizer and the former EU Trade Commissioner Phil Hogan agreed to a tariff reduction pact that would increase market accessibility for hundreds of millions of dollars in US and EU exports[16]. Under the agreement, the EU will eliminate tariffs on imports of US live and frozen lobster products, which is very significant since US exports of these products totaled over $111 million in 2017. The EU will begin with a five year tariff removal with further compromises to make the change permanent. Concurrently, the US will reduce tariffs on European exports by 50%, worth an average trade value of $160 million, including things ranging from crystal glassware, propellant powders, and lighter parts.

This bilateral tariff agreement was enacted after many negotiations in Davos, Switzerland, between President Trump and European Commission President Ursula von der Leyen. These negotiations began in 2018, when President Trump met Commission President Jean-Claude Junker in the White House. In 2019, US goods service trade with the EU totaled an estimated $1.1 trillion and exports totaled $468 billion, and imports totaled $598 billion. In 2019, US exports to the EU accounted for 16.3% of overall US exports.

The top five U.S. export markets to the EU 27 in 2019 were: Germany ($60.1 billion), Netherlands ($51.1 billion), France ($37.7 billion), Belgium ($34.7 billion), and Italy (23.8 billion). The top export categories (2-digit HS) in 2019 were: aircraft ($35.7 billion), mineral fuels ($28.9 billion), machinery ($26.4 billion), optical and medical instruments ($25.8 billion), and pharmaceuticals ($25.6 billion). U.S. goods imports from the EU 27 totaled $452.0 billion in 2019, up 6.0 % ($25.8 billion) from 2018, and up 93 % from 2009. U.S. imports from the EU 27 account for 18.1 % of overall U.S. imports in 2019. The top import categories (2-digit HS) in 2019 were: pharmaceuticals ($77.0 billion), machinery ($75.6 billion), vehicles ($44.2 billion), optical and medical instruments ($30.1 billion), and special other (returns) ($27.4 billion).

[16] "European Union." *United States Trade Representative*, ustr.gov/countries-regions/europe-middle-east/europe/european-union.

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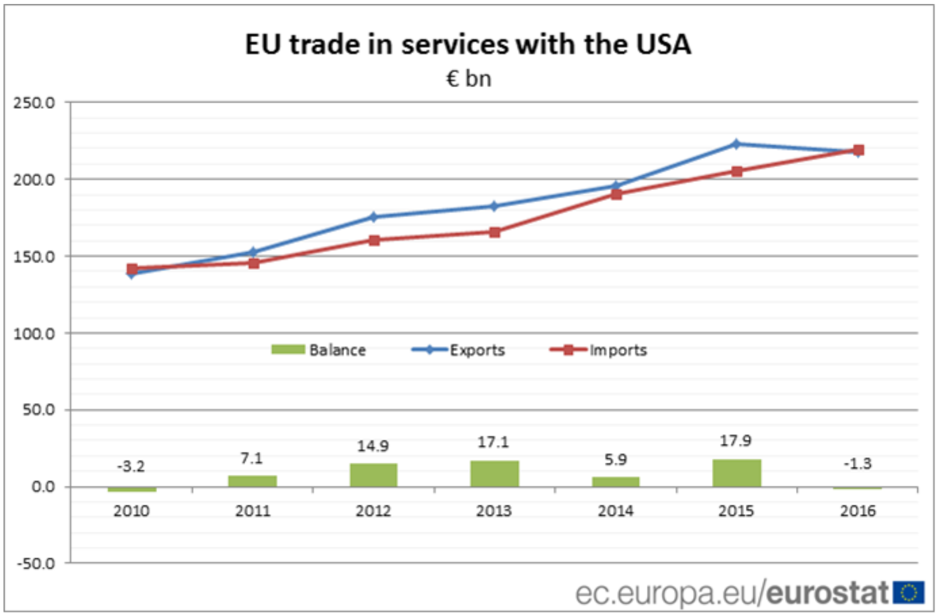

This image shows EU trade in service with the US[17]

EU trade with China

Both the European Union and China are two of the biggest traders in the world. After the US, China is the EU's second biggest trading partner.[18] The EU is committed to free trade, but is wary of China (due to many previous debt trap arrangements China had with other nations) and aims to make sure they trade fairly. In 2013, the EU and China launched negotiations for a Comprehensive Agreement on Investment. The goal of this was to address the restrictions and prohibitions in Chinese markets that cost their companies millions.

[19]The European Commission summarizes the Investment Agreement as such, "The Agreement would improve market access conditions for European companies beyond China's existing commitments under the World Trade Organization. The EU's key objective is to significantly improve EU investors' access to the Chinese market, in particular by eliminating quantitative restrictions, equity caps or joint venture requirements. The Agreement should also ensure that companies compete on an equal footing when operating in China, compared to Chinese and third-country companies. To that end, the EU seeks to achieve non-discriminatory treatment, prohibition of performance requirements – in other words, measures requiring investors to behave in

[17] "EU Trade in Services with the USA." Product - Eurostat, 1 Sept. 2018, ec.europa.eu/eurostat/web/products-eurostat-news/-/DDN-20180109-1.
[18] "European Commission Directorate-General for Trade." *China - Trade - European Commission*, ec.europa.eu/trade/policy/countries-and-regions/countries/china/.
[19] "EUTrade News." *Trade*, trade.ec.europa.eu/doclib/press/index.cfm?id=2115.

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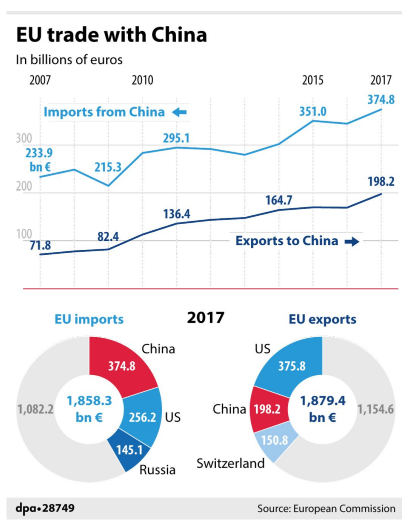
a certain way or to achieve certain outcomes (including those leading to forced technology transfer) – and equal participation in standard-setting work. Transparency, predictability and legal certainty of the investment environment are equally important. The agreement should ensure that European companies in China have proper access to information affecting their businesses and the opportunity to comment on relevant laws and regulations. It is also important to ensure clear, transparent and objective licensing and authorisation procedures , as well as to guarantee procedural fairness and due process. The EU has also proposed commitments disciplining the behaviour of state-owned enterprises and increasing transparency of subsidies. The agreement should also stress that sustainable development is an overarching objective of EU-China bilateral investment relations – to this end, it should include adequate commitments regarding labour and the environment. Provisions on investment protection ensure a high level of protection for European companies, while preserving governments' right to regulate."

China is the EU's biggest source of imports and second largest export market. The two countries trade an average of over €1 billion a day. EU's main imports include machinery and consumer goods, machinery and equipment, and footwear and clothing. The EU's main exports to China are: machinery, motor vehicles, aircrafts, and chemicals. Trade between the European Union and China make up more than 10% of total trade in goods.



This image shows EU trade with China including its imports and exports[20]

[20] "EU, China Move Closer to Bilateral Investment Deal after Summit." European Data News Hub, 16 July 2018, www.ednh.news/eu-china-move-closer-to-bilateral-investment-deal-after-summit.

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VII. The Middle East

Trading in the Middle East has become a controversial topic amongst some of the world's largest governments, as the flawed political system as well as the violent outbreaks have earned the region a reputation of instability. With a majority of Middle Eastern nations having little to no foreign direct investment, only a quarter of its citizens live on less than two dollars a day. On that note, there is hope for improvement , as some free trade relations have strengthened yet failed to stabilize the economy.

Lebanon, for example, has seen a host of political issues affecting its financial state. Because of domestic attacks and war involvement, the nation has failed to maintain its trade earnings. From January to April, Lebanon's trade deficit totaled approximately $2.6 billion, compared to $5.2 billion high in 2019.[21] This drop coincided with imported goods reducing by 42%, and Mineral Product exports decreasing in profit by over $2 billion! In fact, when analyzing national exports, all of them lessened in both value and purchases. From metals to jewelry, Lebanon's biggest sources of income actually damaged its infrastructure. Blaming this lack of production on his citizens, President Michel Auon enforced stricter mining regulations, which resultantly increased labor while cutting back on safety protocols. This decision is one in a long list of detrimental issues. With the country's mortality and illiteracy rates steadily increasing, the adult population of the Middle Eastern countries seems to be moving further and further away from improvement.

After the 2003 signed U.S.-MEFTA initiative, the Gulf Cooperation Council (GCC), was established as an organization, prompting a rise in tariff-free trade. Allowing American companies access to Persian gulf ports, this council mutually agreed to better both international and interregional trade. Expecting oil and agricultural products to make way across the water, the council was not prepared for it becoming a military arms base for all. Recently, the Yemeni crisis has prompted Britain to resume the sale of arms to Saudi Arabia through this agreement. However, using trade routes to infiltrate weaponry is nothing new to the Middle East.

According to the Stockholm International Peace Research Institute (SIPRI), international transfers of major arms increased by 5.5% percent in 2015-2019 in comparison to 2010-2014, due to what has become known as the "regional arms race." Spending 4.5%[22] of their GDP on weaponry, nations like Iran and Iraq have embraced their need for military advancement when competing with one another. Sold by primarily China, these Asian sellers have gone a great extent to limit defense contractors and profit above all. However, China's biggest success emerges past war, with a better focus on energy. To date partnered with fifteen Middle Eastern countries, the superpower has taken advantage of the U.S. drawing away from these very same nations. The world's biggest importer of

[21] Dunne, Charles W. "The Arms Trade in the MENA Region: Drivers and Dangers" *Arab Center Washington D.C.*, 17 June 2020, https://blog.blominvestbank.com/33883/lebanons-trade-deficit-down-by-50-yoy-at-2-59b-by-april-2020/
[22] Sabbagh, Dan. "Britain to resume sale of arms to Saudi Arabia despite Yemen fears" *The Guardian*, 7 July 2020, https://www.theguardian.com/world/2020/jul/07/britain-to-resume-sale-of-arms-to-saudi-arabia-despite-yemen-fears

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crude oil, China has paid back its debt for oil in many ways. Launching the Belt and Road Initiative in 2013[23], the Chinese government designed this system to place them in the middle of the rising energy market, giving them a dominant role in trade plus construction infrastructure. Giving nations like Syria and Oman arms and technological development in exchange for future military plus financial incentives, China has found a way to infiltrate beyond the public eye.

On the other hand, since 2016, the U.S. has continued its rapid shift further from the MEFTA nations it once so greatly financially bolstered. Doing so, America has affected not only its own military, but global finance as well. To begin with, as the U.S. continues to push for trade reform with the EU and Middle East, it will likely boost the tariffs on U.S. imports. With automobile and machinery exports leading nations like Kuwait, this restrictive economic plan will slow down manufacturing within the Middle East. Nevertheless, some positives can arise from this. As American agricultural goods like corn and dairy become imported, cheaper prices with less inflation/other economic boost can help the well-being of common, impoverished citizens. Seeing energy and food costs lessen in the expense of manufacturing, it looks as if the U.S. is balancing Middle Eastern urbanization caused by China and the EU.[24]

All in all, trade in the Middle East certainly comes with its boundaries. Whether political or economic, these fighting nations with little infrastructure have seen very inconsistent foreign relations. Through one perspective, greater involvement from powers like China means more modernization. On the other, it serves as an excuse for a weaponry influx. Same can be said for U.S. involvement, as oil exports at the price of cheaper food come with the good and the bad. Ultimately, this region is more complex than ever, and must trust the government to ensure the betterhood of the people.

VIII. Conclusion

The Coronavirus has created massive rifts in the global trade system. This has resulted in massive economic loss for certain countries and has played to the advantage of other countries. This was exemplified by our example of China, which saw a 6.8% GDP decline in the first quarter and then saw a massive rebound of 11.2% in the third quarter as the rest of the world began to increase trade with China due to reliance on Chinese medical manufacturing. Other countries, like Russia, as examined by this paper, have seen extreme losses and have reached new economic lows. In addition to this, many of the oil-reliant states of the middle east had also reached new lows this year due to the massive drop in the price of oil that occurred in the second quarter. Other organizations have also gone to great extent in order to combat this decline in trade, as the EU had slashed tariffs on imports

[23] Blominvest Bank."Lebanon's Trade Deficit Down by 50% YOY at $2.59B by April 2020" *The Research Blog*, 20 September 2020, http://arabcenterdc.org/policy_analyses/the-arms-trade-in-the-mena-region-drivers-and-dangers/
[24] Davies, John. "US trade turmoil: Five impacts on the Middle East and North Africa" *Castlereagh Associates,* 17 December 2019, https://castlereagh.net/us-trade-turmoil-five-impacts-on-the-middle-east-and-north-africa/

by nearly 50%. As found by our research, the economic fallout of the coronavirus has had a massive impact on world trade.