

Global Trade Restrictions during Covid-19 Pandemic

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Abstract.

In early 2020 with the emergence of the corona virus which originated in China, became a threat to every country because it caused many victims to die. The massive spread of the corona virus globally throughout the world has an impact on every country in various sectors, be it social, political, economic, tourism, or domestic and global trade sectors. This is because many countries have issued policies restricting access to the country not only for the public, but also for certain products originating from other countries with the aim of minimizing the growing circulation of the corona virus. Of the many countries, including Indonesia, felt the impact of this case, especially in the global trade sector because it caused delays in various types of products that should have been exported to various countries due to restrictions on the acceptance of imported goods by certain countries through policies issued supported by the World Trade Organization's record stating that During the Covid-19 pandemic, there were many countries that implemented global trade restrictions.

Keywords: Covid-19 Pandemic, Global Trade, Restriction Policies

1.INTRODUCTION

The era of globalization presents the loss of limited access for anyone to do anything, making it now possible for anyone to move from one country to another in a very short time[1]. This process occurs supported by the development of very latest technology, both transportation and communication. Apart from the positive side that is obtained from the presence of globalization, there are also negative sides that it causes. However, it is not only the erosion of local culture by foreign cultures that is increasingly rampant but the threat of a virus outbreak is also a challenge that must be faced together globally[2].

Likewise with the corona virus outbreak that has spread massively throughout the world starting in early 2020, where every country globally is currently feeling the impact caused by the virus[3]. Starting from the large number of casualties caused by the virus, many countries have begun to anticipate the worsening effect of the corona virus by issuing various types of policies, one of which is to restrict access to movement for each individual community in the country and stop receiving products that are originating from other countries are then considered to be able to support the increase in the spread of the corona virus.

Many sectors are directly affected by the spread of the corona virus outbreak throughout the world, both globally and domestically, which is felt by each country, such as economy, tourism, social, politics, and trade[4]. With the limited access issued, every country feels the effects, namely unstable economic conditions and also a decline in the situation and conditions of global trade. Like when a country has to face the corona virus outbreak, it causes global trade conditions to become unstable, one of which is because several countries have implemented trade restrictions so that it becomes a new threat globally[5]. In addition, there are several countries that also restrict their products to be exported to other countries, one of which is due to the fulfillment of their domestic needs. There are many reasons that can be used as a reference related to the efforts made by several countries in order to limit the export of products to other countries, such as because the spread of the corona virus outbreak is getting higher, making activities increasingly hampered such as labor shortages in certain sectors causing a level productivity decreases[6]. Based on these problems, this article will discuss in more depth the limitations of global trade that occurred during the Covid-19 pandemic.

II. RESEARCH METHODS

This type of research is qualitative with the literature study method where the information and data collected in this study come from various types of sources both offline and online such as documents, magazines, historical stories, articles published online, and various other references [7]. For more details, it is explained that the literature study method is in the form of an analysis process with various sources used both in the form of reference books and previous research results to obtain a theoretical basis for the problem to be studied. Literature study also means data collection techniques by conducting a review of books, literature, notes, and various reports related to the problem to be solved [8].

III. DISCUSSION

The restriction in the global trade that occurred during the Covid-19 pandemic can be categorized into two problems, namely policies that prevent access to foreign products from other countries and restrictions on export products in order to meet the domestic needs of a country, for more details related to this discussion will be elaborated into the following sections:

Import restriction policies for products from exporting countries

In this case, we can see several examples of cases that are used as a reference for how Covid-19 can have an impact on a country's policies, especially in the trade sector. To anticipate the spread of the corona virus in its country, Indonesia is tightening certain types of products to be imported, especially from China, because it considers that this country is the origin of the corona virus. Through the Minister of

Trade Regulation Number 10 of 2020 concerning the Temporary Prohibition of Importing Live Animals from the People's Republic of China which underlies the reasons for the World Health Organization's statement which states that the Corona virus outbreak originating from Wuhan has made the People's Republic of China a Public Health Emergency of International Concern (PHEIC), so that the Government needs to take steps to protect public health and prevent the spread of the Corona virus into the territory of the Republic of Indonesia[9]. Where according to Article XX General Agreement on Tariffs and Trade 1994 World Trade Organization as a form of effort for WTO member countries to take the necessary actions to protect human, animal or plant life or health[10]. However, the policy to restrict imports from China is only temporary with the aim of minimizing the entry of the corona virus into Indonesia from China. There are several types of products that are restricted as stated in the policy, such as certain types of animals, plants, and other products.

Export restriction policies for products to other countries

Concerns that have arisen in each country because of the corona virus have made many countries reorganize their strategies to meet their domestic needs. This problem is caused by the limited production system due to the social restriction policies in place so that many companies have to lay off their employees. In addition, due to the high domestic demand for certain products, it has caused the country to prioritize its products for domestic needs. In fact, export restrictions are something that is not allowed in the WTO rules as contained in Article XI Paragraph (1) of the GATT 1994 stated that *No prohibitions or restrictions other than duties, taxes or other charges, whether made effective through quotas, import or export licences or other measures, shall be instituted or maintained by any contracting party on the importation of any product of the territory of any other contracting party or on the exportation or sale for export of any product destined for the territory of any other contracting party.* It can be clearly understood that countries that are members of the WTO and have ratified what has been regulated in it include the prohibition of export restrictions other than duties, taxes or other costs[10].

However, if something is found of an emergency nature so that it meets the provisions that meet the requirements of the exemption as set out in Article XI paragraph (2) letter a of GATT 1994, namely *“The provisions of paragraph 1 of this Article shall not extend to the following: (a) Export prohibitions or restrictions temporarily applied to prevent or relieve critical shortages of foodstuffs or other products essential to the exporting contracting party;”*. The policy contains provisions for WTO member countries to also impose temporary export restrictions to prevent or reduce shortages of foodstuffs or other important products in the exporting country. Regarding what the country is doing, it is one of several important efforts to deal with the spread of the corona virus. Some forms of products tend to be restricted for export to other countries, such as foodstuffs, certain drugs, and other medical

devices that are thought to be very important for their use in the Covid-19 pandemic situation. Supported by data from the WTO in 2020, it states that there are 80 countries that have issued policies to restrict exports to certain products and there are 17 countries that also restrict exports of foodstuffs[11].

Trade restriction globally during the Covid-19 pandemic

By looking at the conditions that occur in which the corona virus outbreak is a big challenge for every country that must be faced because it threatens the stability and security of a country. The state has taken a temporary good policy to prohibit the import of certain products from the country and restrictions on export products to prioritize domestic supplies, especially those related to medical devices that are very much needed in dealing with the spread of Covid-19. Based on data presented by the World Trade Organization[11], it shows that health products tend to be prioritized in the category of products that are prohibited for export, for more details, this is described in the following figure:

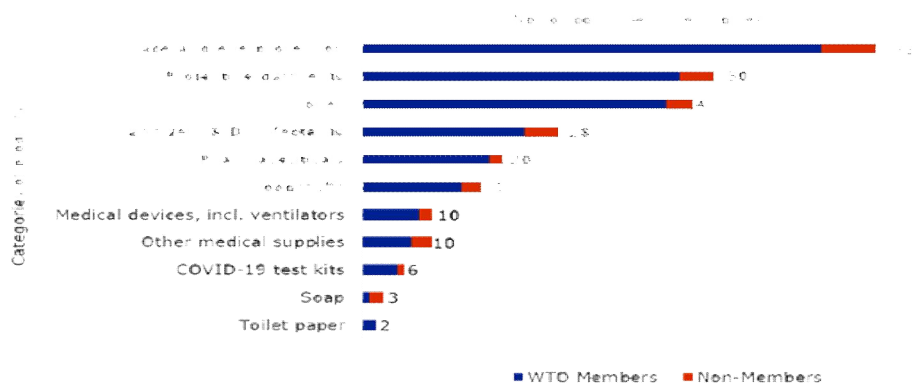


Figure 1. List of countries with export restrictions

Source: WTO, 2020

Based on this figure, it can be found that there are many countries that have limited export of certain products in the conditions of the Covid-19 pandemic where the majority of restricted products are in the form of health support tools such as face and eye protection, protective garment, medicines, and foodstuffs. It is very important to meet domestic needs on the basis that during a pandemic, the demand will be very high and local production will not be able to meet domestic needs[11].

The conditions of the Covid-19 pandemic show that it has had a significant impact on several sectors of life in a country, be it social, political, and economic, which globally also destabilizes international trade among those countries. This is evidenced by the various policies issued by each country in dealing with the spread of the corona virus both in the form of tightening imported goods which are believed to be able to increase the spread of the virus and by not exporting goods that are urgently needed for domestic consumption such as health products and other food products. In fact, these efforts were carried out within a certain period of time that was temporary in

the belief that in the future after the conditions of the Covid-19 pandemic became much better, the global trade situation would stabilize again.

IV. CONCLUSION

The development of the massive spread of the corona virus has made conditions in every country around the world unstable. Not only is social life changing, but it also affects global trade. This is due to the policy of each country to close itself by limiting imported products from exporting countries such as Indonesia, which issued a policy of restricting imports from China which is considered the country of origin of the virus. In addition, many countries also limit their export products with the aim that these products are used to meet domestic needs such as health products and certain food products. In fact, what each country is doing is a form of efforts to protect against the threat of the corona virus outbreak.

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