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CHANGES IN WORLD TRADE AND TRADE POLICY IN THE TIME OF THE COVID-19 PANDEMIC: CHALLENGES AND OPPORTUNITIES FOR UKRAINE

The article analyzes the trends of world trade and features of trade policies across the world during the period of economic restrictions imposed to prevent the spread of COVID-19. It also analyzes the development of Ukraine's foreign trade and trade policy measures, which are applied by the government in the pandemic. Based on the identification of challenges and opportunities for the development of this country's foreign trade during this pandemic and the analysis of forecasts and recommendations of international organizations, the authors substantiate proposals on the directions of Ukraine's trade policy with an emphasis on the agri-food market.

A comparison of world trade developments in 2020 and 2021 forecasted by international organizations is made in the article. In the first half of 2020, the world trade development was closer toward the optimistic scenario of the World Trade Organization (WTO) and the World Bank scenario, but the expected second wave of the pandemic may return the world trade trend to the WTO pessimistic scenario, where the world trade could be reduced by 31,9% in 2020. The development of Ukraine's foreign trade also shows a trend close toward the more optimistic scenarios of international organizations - in the first half of 2020 the country's foreign trade volume only decreased by 10.6% compared to the first half of 2019. In the article, the main channels of the COVID-19 impact on the world trade are indicated, namely: reduction of the production of goods and services due to restrictions on economic activity imposed by countries, disruption of global value chains, rising commercial costs, sharp decline in services, and price decrease of goods with low degree of processing.

As in the rest of the world, the negative effects of the COVID-19 pandemic in Ukraine are largely mitigated by the spread of digital technologies in trade, and conversely, the pandemic stimulates their development. Already in the second quarter of 2020, Ukraine's exports of

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ICT services resumed growth and exceeded the pre-crisis level of the fourth quarter of 2019. The authors identify advantages and issues of accelerated digitalization of trade in the pandemic.

The protection measures introduced by countries, including Ukraine, after the spread of coronavirus, are analyzed, with an emphasis on policy measures related to agri-food trade. It is proved that the limit of wheat exports during the pandemic is the result of annual memorandum of grain market players, so it cannot be considered a policy measure restricting trade. It was also proved that the ban on the export of buckwheat introduced by the Ukrainian government, which expired on July 1, 2020, had of a rather political nature, since the supply of buckwheat on the domestic market and the level of consumer prices for this product were guaranteed by import deliveries. This conclusion applies to other goods of significant social importance, whose imports increased significantly during the pandemic, especially for products of animal origin.

The directions of the formation of Ukraine's trade policy in the conditions of world trade changes and trade policies revision are determined. The spread of the trend towards country self-sufficiency in food will lead to a reduction in food chains, a decrease in import dependence, an increase in state support and, as a result, a strengthening of competitive position of domestic producers. Therefore, full and timely financing of state budgetary programs to support agriculture in Ukraine is of particular importance. In order to strengthen the competitiveness of small and medium-sized agricultural producers in the context of the accelerated digitalization of trade as a result of the pandemic, it is necessary to rapidly develop the infrastructure that provides rural areas with high-speed fixed broadband Internet access. Along with the spread of protectionism in world trade, there is an opposite trend of liberalization of agri-food markets, typical for food-importing countries. Thus, the countries-exporters of agri-food products, which include Ukraine, will have easier access to the markets of these countries, new markets will open, and the situation on export markets will improve.

Keywords: *world trade, trade policy, COVID-19 pandemic, agri-food trade, protectionism*

The peculiar features of world trade development during the pandemic. The development of world trade in 2020 took place under the influence of economic restrictions imposed by countries around the world to prevent the spread of COVID-19. Since the beginning of the pandemic in January 2020, the development of world trade has been uncertain under the influence of risks of shrinking volumes and changes in the structure of world trade, as well as changes in trade policy.

Following the announcement of the pandemic in March 2020, Director-General of the WTO Mr Roberto Azevêdo noted that the COVID-19 crisis had caused sharp shocks to demand and supply in the world economy and predicted that these shocks would inevitably cause major disruptions to trade [1].

At the beginning of the introduction of restrictions by the countries related to the pandemic, international organizations began to develop forecasts for the development of the world

economy and world trade, taking into account the restrictions on economic activity caused by the spread of COVID-19 (Table 1). In particular, the WTO has developed two scenarios for the development of trade in 2020 – the relatively optimistic one, according to which, the world trade in goods in 2020 will decrease by 12,9%, and the more pessimistic one – in which world trade in goods in 2020 will decrease by 31, 9% [2]. According to WTO data, in the first half of 2020, world trade developed closer to the relatively optimistic scenario. According to the WTO, the volume of world trade in goods in the first quarter of 2020 decreased by 3% compared to the corresponding indicator of the first quarter of 2019. Preliminary estimates for the second quarter of 2020 showed a decrease compared to the corresponding period of 2019 by approximately 18,5% [3]. However, the expected second wave of the pandemic in the fall of 2020, which could lead to the widespread application of trade restrictions, could return the trajectory of world trade to a more pessimistic scenario.

Table 1

The forecasts of international organizations on the development of the world economy and trade in 2020–2021.

Forecast	Real GDP, % compared to previous year		World merchandise trade volume, % compared to previous year	
	2020	2021	2020	2021
WTO forecast (April 2020):				
optimistic scenario	-2,5	7,4	-12,9	21,3
pessimistic scenario	-8,8	5,9	-31,9	24,0
World Bank forecast (June 2020)	-5,2	4,2	-13,4	5,3
OECD forecast (June 2020):				
single-hit scenario	-6,0	5,2	-9,5	6,0
double-hit scenario	-7,6	2,8	-11,4	2,5

Source: Trade set to plunge as COVID-19 pandemic upends global economy. WTO press release. 8 April 2020. URL: https://www.wto.org/english/news_e/pres20_e/pr855_e.htm; OECD Economic Outlook. June 2020. Vol. 2020. Is. 1. URL: https://read.oecd-ilibrary.org/economics/oecd-economic-outlook/volume-2020/issue-1_0d1d1e2e-en#page31; Global Economic Prospects / World Bank. June 2020. Washington, DC. P.207. URL: <https://openknowledge.worldbank.org/handle/10986/33748>

Close to the relatively optimistic scenario of the WTO is the scenario of the World Bank, according to which the volume of world trade in 2020 will decrease by 13,4% compared to the previous year [4, p. 207].

The Organization for Economic Co-operation and Development (OECD) has also developed two scenarios for the development of world trade. The first one predicts single wave of the pandemic, and the second one predicts two waves, being and the second wave is less intense in October–November 2020 [5]. However, if the decline in world GDP in 2020, according to the OECD forecast will be much larger than the global financial and economic crisis of 2009, the decline in world trade due to the COVID-19 pandemic is projected to be comparable to the decline in 2009. This is explained by the fact that trade in services was more influenced than trade in goods, and the share of the services in world trade is smaller.

The main channels of the pandemic's impact on world trade. The factors affecting world trade during the COVID-19 pandemic are declining production of goods and services due to restrictions on economic and social activity imposed by the countries, disruptions in international supply chains, rising trade costs, a sharp decline in services, and falling prices

for goods of low degree of processing [6]. As a result of data analysis for the first half of 2020, the first estimates of changes in these factors appeared:

1. According to the World Bank forecast published in June 2020, the reduction of world real GDP in 2020 will be – 5,2%, while the reduction of real GDP of Ukraine will be – 3,5%. [4, p. 207]. In 2021, world GDP is projected to grow by 4,2%, and Ukraine's GDP – by 3,0% (Table 1). According to the operative estimates of the State Statistics Service of Ukraine, the real GDP of Ukraine in the II quarter of 2020 compared to the II quarter of 2019 decreased by 11,4% [7].

2. International supply chains have been disrupted, as production within their borders in individual countries is highly dependent on supplies of critical components from abroad, which makes the chains vulnerable to supply disruptions caused by quarantine restrictions in member countries; there were delays at the borders due to an increase in the number of inspections; also during quarantine, household demand for durable goods produced in chains decreased.

3. Expenditures on exports and imports increased due to the introduction of additional inspections, and increased transport costs due to the roads and borders closure. According to the calculations of the World Bank in 2020 there will be an increase in trade costs by 25% [4, p. 119].

4. The market for international tourism services fell sharply, accounting for 6,8% of world exports and 28,3% of world's total service imports in 2019. According to the World Travel & Tourism Council (WTTC) in 2020 the export of tourism services will decrease by 25% [8].

5. Prices for low-processed goods fell sharply. The UNCTAD free market commodity price index (FMCPI) decreased in March 2020 compared to the previous month by 20,4%, in April – by 11,7%, and in May increased by 10,3% [9]. However, in May 2020, this index was by 31,7% lower than in May 2019. Oil prices in May 2020 decreased by 50% compared to May 2019, prices for agricultural raw materials – by 10,5%, and those for metals and food products increased by 10,2 and 2,8%, respectively. This index measures the change in the prices of primary goods, which are defined as goods where all, or almost all, of the value-added during production is generated by the primary sectors of the economy, in other words, basically low-processed goods that predominate in exports from Ukraine. In particular, according to the FAO, in June 2020, prices for wheat decreased by 1,7%, and for corn – by 13,7% compared to prices in June 2019 [10]. The fall in corn prices is also due to falling oil prices, as a significant part of corn is processed into biofuels.

These factors had an impact on Ukraine's foreign trade. In the first quarter of 2020, a decline in Ukraine's exports and imports began, which continued in the second quarter of the same year (Fig. 1). As a result, in the second quarter of 2020, exports of goods and services amounted to only 86% of the level of the corresponding indicator in the second quarter of 2019, and imports of goods and services – respectively 73,2%. The rate of decline in imports in the second quarter of 2020 exceeded the rate of decline in exports, and in the second quarter of 2020, as in the first half of 2020, the foreign trade balance was positive (1,0 billion US dollars and 1,07 billion US dollars, respectively).

The prospects for the development of digital trade during the COVID-19 pandemic. It should be noted that the negative effects on world trade from the spread of the COVID-19 pandemic are largely offset by the spread of digital commerce and vice versa – the spread of the pandemic stimulates the development of digital commerce.

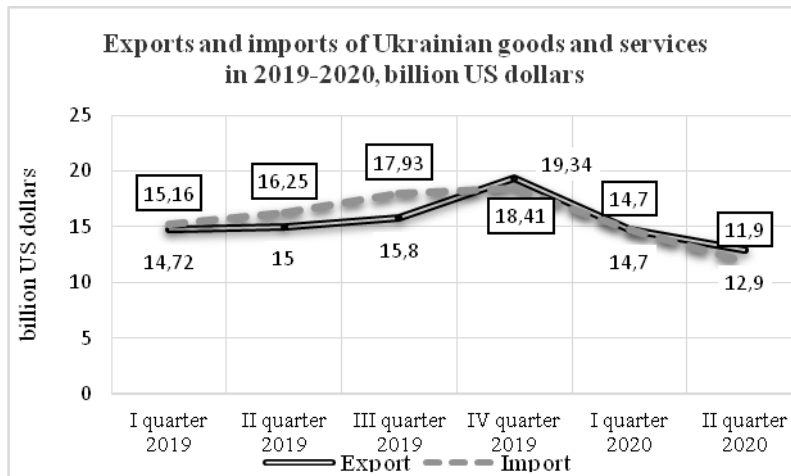


Fig. 1. Quarterly volumes of Ukraine's foreign trade in goods and services in 2019 – the first half of 2020

Source: Ukraine's foreign trade. Statistical collection, 2019. URL: <http://www.ukrstat.gov.ua>; Ukraine's foreign trade balance. Express issues. I quarter of 2020, II half of 2020. URL: <http://www.ukrstat.gov.ua>

Thus, despite the decline in exports of Ukrainian goods and services during the quarantine period in the first half of 2020, exports of ICT services after the fall in the first quarter of 2020 resumed growth and in the second quarter by 1% exceeded the pre-crisis rate of fourth quarter 2019 (Fig. 2). On the other hand, imports of ICT services continued to decline and were lower in the second quarter of 2020 than in the pre-quarantine fourth quarter of 2019.

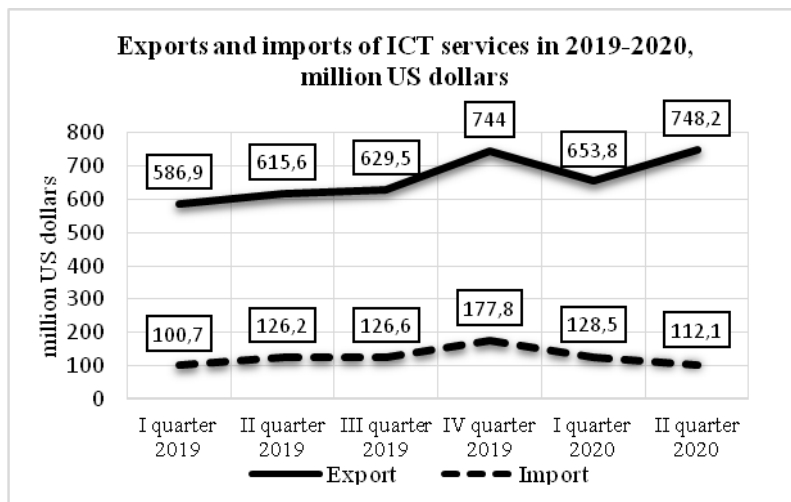


Fig. 2. Quarterly volumes of exports and imports of ICT services during 2019 and the first half of 2020

Source: Ukraine's foreign trade. Statistical collection, 2019. URL: <http://www.ukrstat.gov.ua>; Ukraine's foreign trade balance. Express issues. I quarter of 2020, II half of 2020. URL: <http://www.ukrstat.gov.ua>

Due to the pandemic crisis taking place in times of accelerated digitalization, government decision-making processes on pandemic response and adaptation of governments, businesses and consumers are becoming more efficient. After the introduction of social distancing measures and restrictions on movement, digital solutions are actively used to conduct economic and social activities remotely. The use of software products for video conferencing and messaging, such as Microsoft Teams, Skype, Zoom has increased dramatically.

According to Microsoft, the number of using their software products for online communication in the week after the introduction of quarantine measures increased by 40% [11]. On the other hand, these services have been improved and become more consumer-friendly, and messengers such as Viber and WhatsApp, which did not support group video conferencing before the crisis, have now introduced it.

Obviously, the pandemic has radically affected consumer behavior. Digital commerce replaces retail trade in goods and services. This has benefited digital retail platforms such as Amazon in the US, JD.com in China, Rozetka in Ukraine, as well as Netflix, YouTube and other video hosting providers that have replenished their audiences with against the background of the bans on theaters, cinemas and concert halls. On the other hand, at a loss are those digital platforms lost that provide tourism services in the field of tourism – Booking.com, Airbnb, Expedia, Agoda, as well as Ukrainian startups in the field of travel services, such as TripMyDream

The problems arose due to the widening gap between the use of digital technologies, including digital commerce, in rural and urban areas. Barriers to the use of digital commerce in rural areas are created due to the lack of proper infrastructure, both transport and ICT, lack of knowledge and skills of shopping on digital platforms in many rural areas, and lack of digital competencies in small and medium-sized businesses.

According to a study of providing high-speed Internet access of the population conducted by the Ministry of Digital Transformation of Ukraine in July 2020 [12], about 65% of Ukrainian villages do not have a fast broadband Internet access and more than 4 million Ukrainians live in villages where there is no high-quality fixed Internet.

The Future Possibilities 2020 Report predicts the development of digital trade after the coronavirus pandemic; according to this report the large data market will double in size and exceed \$ 90 billion by 2025, and the global digital content market will increase to 237,3 billion US dollars in 2024 compared to 143 billion US dollars in 2019 [13, p. 22, 52].

Changes in trade policy during the COVID-19 pandemic: conclusions for Ukraine. The expected response to the spread of coronavirus was the application of protectionist measures by the governments of many countries. At the initial stage of the pandemic, protectionist measures began to take the form of bans and/or restrictions on the export of medicinal products and / or bans on potential safety concern goods of animal origin from countries where the coronavirus has spread significantly. It should be noted that these measures were applied in compliance with specific provisions of the WTO agreements. On the one hand, no country is self-sufficient in providing the medical products and equipment needed by its health systems, so international trade is crucial to ensuring access to medicines and other medical products. On the other hand, WTO agreements contain some provisions that allow for the introduction of temporary trade measures for their members where necessary to protect public health and well-being of their citizens (including temporary bans or quantitative restrictions on imports and exports, and non-automatic import licensing).

After the beginning of the epidemic in China, countries start resorting to various trade policy measures that are compliant with the WTO rules. As of July 31, 2020, the WTO has received 229 notifications of trade policy measures related to the COVID-19 pandemic [14].

After the beginning of the epidemic in China, Some countries imposed restrictions on imports of meat and fish products from China, as well as on imports of domestic animals. Such countries include the Russian Federation [15], Kazakhstan [16], and Indonesia [17].

A number of countries, including Ukraine, have imposed restrictions on the export of medical equipment and materials needed to fight coronavirus infection. In particular, on March 31, 2020, Ukraine notified the WTO of a temporary restriction on the export of surgical masks, respirators, medical gloves, goggles, protective suits, ethyl alcohol of an alcoholic strength by volume over 80% [18]. The restriction was implemented by introducing a temporary requirement for licensing the export of anti-epidemic goods and expired on August 1, 2020.

While the first wave of protectionist measures included measures regulating trade in medical goods and potential safety concern goods of animal origin, the second wave is related to regulation of agri-food trade with a purpose of governments to ensure food security of the population of their countries in conditions of limiting economic and social activity during quarantine. Moreover, food-exporting countries introduced mainly temporary measures to ban or restrict exports, while importing countries, on the contrary, reduced customs barriers to imports of certain products. Restrictive measures were applied mainly in the form of export bans, quotas or export licensing, and to facilitate imports, preferential taxation, and reduction of import duty rates or their abolishment, tariff import quotas were applied by governments. Thus, in addition to restrictions on exports of medical supplies and imports of fish, live animals and animal products from China, some countries have imposed restrictions or bans on food exports in order to prevent food shortages in the country. Relevant notifications were received by the WTO from Kyrgyzstan [19], Thailand [20] and other countries. Ukraine, Belarus, the Russian Federation, and Kazakhstan have imposed temporary restrictions on buckwheat exports. The Resolution of the Government of Ukraine of April 2, 2020 [21] introduced a temporary regime of licensing and quotas for the export of buckwheat and buckwheat grain (shelled) until July 1, 2020. In particular, the quota amount for these goods was set at zero.

The introduction of export restrictions on food products by a number of countries indicates the threat of a decline not only in the level of food security in these countries, but also in the level of food security in food-importing countries. The latter circumstance has already raised concerns among international organizations. On March 31, 2020, the Director-Generals of WTO, FAO and WHO issued a joint statement calling on governments to minimise potential impacts of border measures introduced due to COVID-19 pandemic on the food supply and on global trade. The joint statement said that uncertainty about food availability can spark a wave of export restrictions, creating a shortage on the global market. Such reactions can alter the balance of food supply and demand, resulting in price spikes and increased price volatility [22].

In the recommendations on trade policy during the pandemic, the WTO proposes to avoid import bans and other restrictions that have become widespread among its members in the last years before the pandemic. Indeed, the beginning of the pandemic among WTO members marked the transition from the measures to protect domestic markets to those intended to promote imports. Between mid-October 2019 and mid-May 2020, WTO members introduced 363 new trade measures, of which 198 to facilitate trade and 165 to restrict trade. Most of them – 256 (about 71%) were adopted due to COVID 19 pandemic

[23]. Measures to facilitate trade mainly consisted of the abolition or reduction of import tariffs, abolition of import taxes, simplification of formalities in the customs procedures and reduction of export duties. In particular, import promotion measures were introduced by some Ukraine's trading partners, which provides additional opportunities for the development of agricultural exports from Ukraine.

In addition to specific trade policy measures in response to the economic and social upheavals caused by the COVID-19 pandemic, governments have also implemented a large number of emergency support measures, most of which also temporary. These measures include direct payments, cash, fiscal and financial measures, support measures for micro, small and medium-sized enterprises (SMEs), loans, credit guarantees and incentive packages.

Strengthening protectionism in food markets: conclusions for Ukraine. During the pandemic, a tendency arose to food self-sufficiency in domestic food markets to ensure food security of population in many countries, which is illustrative of strengthening protectionism in the world. The result of this policy will be to reduce food chains, reduce import dependence of countries and strengthen the competitive position of domestic producers. These trends are exacerbated by the introduction by many countries of measures to support farmers who, as a result of quarantine restrictions, have lost sales market and the ability to attract labor for seasonal work.

The trend of the spread of trade protectionism in agricultural markets consistent with the predictions of international organizations about reduction both supply and demand for agricultural products and possible disruptions in trade supply and logistics business.

There is an almost solid opinion that demand and trade in the agricultural market will slow down in the time of a pandemic. The main macroeconomic factors influencing supply and demand in food markets are exchange rate fluctuations; fluctuations in the energy and credit markets; expected increase in unemployment; reduction of overall economic activity. The crisis will affect all elements of the food system: from primary supply to processing, internal and foreign trade, as well as national and international logistics systems, intermediate and final consumption. The crisis will also affect the markets for factors of production, namely the labor and capital markets.

These processes will have impact on the income of the population and food security. Trade policy measures that can be taken in response to these processes may worsen the situation on the world food market, as happened during the global food price crisis of 2007–2008. Despite the scale of the pandemic COVID-19, which is unlike any other crisis in recent history, the trade policy measures available to governments on real or perceived failures in agri-food markets are similar to those taken during previous crises, first of all, the food price crisis in 2007–2008. This experience is currently being analyzed by international experts. And although it mainly concerns food-importing countries, for Ukraine as a net exporter of agricultural products it is necessary to develop symmetrical trade policy measures in response to the measures of importing countries.

There are also recommendations from international experts to avoid export restrictions, especially from major exporting countries. These recommendations are based on studies of the negative effects of export restrictions in 2007–2008 applied by major food exporters (India, China, Vietnam and Pakistan have restricted rice exports; Russia, Ukraine and Argentina - wheat), for the world food market. A study by the US National Bureau of Economic Research (NBER) [24] found that the introduction of these export restrictions in 2008 resulted in a 52% increase in rice prices, an 18% increase in wheat and corn prices, and in an increase in food price volatility.

It should be noted that since a limit on grain exports imposed in Ukraine during the COVID-19 pandemic is the result of an annual agreement (Memorandum) between the Government of Ukraine and grain market participants, it cannot be considered a policy measure restricting trade. On the contrary, such limits are introduced annually in order to avoid export restrictions in the form of export quotas, export duties or export bans.

Ще 3 жовтня 2019 р. Міністерство економічного розвитку, торгівлі та сільського господарства України та учасники зернового ринку підписали вже традиційний Меморандум про взаєморозуміння для узгодження балансових показників зернового ринку в 2019/20 МР з метою організації забезпечення продовольчої безпеки та уникнення застосування експортних обмежень

On October 3, 2019, the Ministry of Economic Development, Trade and Agriculture of Ukraine and grain market participants signed the traditional Memorandum of Understanding to agree on indicators of the grain supply and demand balance in 2019/20 MY in order to ensure food security and avoid official government decisions on imposing export restrictions. Initially, the Memorandum for 2019/20 MY agreed not to fix a specific amount of grain, but to hold a joint monthly meetings with grain market representatives and estimate indicators, and if the need arises to determine the maximum volume of exports. Later, on March 30, 2020, the Memorandum set the indicative maximum amount of wheat exports in the 2019/2020 marketing year at 20,2 million tons [25].

Ukraine's trade policy makers should take into account that during past crises many importing countries have reduced the import tariffs and taxes on imported food to stop rising consumer prices. Thus, many countries reduced or abolished import duties in 2007–2008 (for example, India, Indonesia, Morocco, Nigeria and Burkina Faso) and taxes on imported food (for example, Brazil, Mongolia, Republic of the Congo, Madagascar, Kenya, and Ethiopia) [26]. If several countries use such measures at the same time, especially when they are large importers, it can increase world demand and spiral world prices to new heights, which took place in reality and led to appropriate measures. Reducing import tariffs and taxes on imported food in food-importing countries is good for exporting countries and will improve the situation for their exporters. In particular, on June 23, 2020, India notified the WTO about an import tariff rate quota of 500 thousand tons of corn in 2020/2021 with an in-quota tariff rate of 15% (“out-of-quota” tariff rate was 60%) [27].

Another measure taken by governments, including the Ukrainian government, to prevent price hikes is enforcing price controls at some or all stages of the value chain. Similar measures were used to prevent price hikes for socially significant types of bread and buckwheat in Ukraine. FAO studies have shown that while this measure may allow governments to control prices in official trade channels, its implementation is extremely difficult [26] because it requires sufficient food availability to meet demand at fixed prices set by the government and sufficient fiscal capacity to purchase grain and / or subsidize downstream value chain participants. It is important that controls are carried out for a limited number of products and for a limited time, as low-level prices can stimulate informal sales channels and hinder domestic production in the medium and long term. According to FAO recommendations, price control policy should be considered only in conditions of extreme price volatility.

On April 22, 2020, the Cabinet of Ministers of Ukraine adopted a resolution temporarily introducing state regulation of prices for goods of social significance and anti-epidemic goods in the form of declaration of changes in retail prices in case of their increase [28]. Among the goods of social significance are buckwheat, granulated sugar, premium wheat flour, vermicelli, pasteurized milk, eggs, chicken, butter, and still mineral water. According

to this Resolution, if an economic entity sells goods that have social significance or belong to anti-epidemic goods, and it is planned to increase the retail price by 5% or more than the retail price at the time of entry into force of the Resolution, there is an obligation to declare changes in prices. In the future, the change in the retail price in 5 percent or more must be declared.

According to the analysis of the effectiveness of trade policy, it is important to note that due to these measures it was possible to restrain the growth of consumer food prices, in other words, the measures involved achieved their goal to support the consumer purchasing power. On the other hand, the task of maintaining food prices of social significance for the population was achieved, by increasing imports of these goods (Table 2). As can be seen

Table 2

**Commodity composition of foreign trade in agricultural goods
in the first half of 2020**

Indicator	Section the codes of UKTZED	Exports		Imports	
		million US dollars	% to the first half of 2019	million US dollars	% to the first half of 2019
Total		22912,6	93,6	24189,4	85,7%.
including					
Live animals; products of animal origin	I	569,2	86,1	547,6	117,1
<i>Meat and edible offal, of the poultry of heading 0105, fresh, chilled or frozen.</i>	2070	270,867	307,14	19,702	123,7
<i>Butter</i>	4051	23,15	41,8	23,42	2171,8
<i>Birds' eggs in shell, fresh, canned or boiled</i>	4070	58,13	62,9	4,7	155,3
Foods of plant origin	II	5144,1	93,5	1081,8	114,8
including					
<i>grain-crops</i>	10	4505,4	99,5	124,9	101,9
<i>Buckwheat</i>	10081	0,1	0,32	5,3	746,5
Animal fats, vegetable oils	III. 15	2943,4	123,5	117,9	93,9
Food preparations	IV	1614,2	100,2	1282,0	114,9
Total groups I-IV UKTZED		10270,9	101,1	3029,34	114,3

Source: Foreign trade in certain types of goods by countries for January–June 2019 and January–June 2020 / State Statistics Service of Ukraine. URL: <http://www.ukrstat.gov.ua>

from the Table 2 data, during the first half of 2020, when quarantine restrictions and appropriate measures to support consumer prices for social important food products were introduced, there was a significant decrease in total imports of goods to Ukraine by 14,3%, while imports of food products increased by 14,3 % compared to the corresponding period of 2019. The imports of animal products increased by 17,1%, and a significant increase occurred in the product groups covering goods of significant social importance: meat and edible offal of poultry by 23,7%, butter cream from 1,03 million US dollars in the first half of 2019 to 23,41 million US dollars in the first half of 2020 (23 times), and bird eggs by 55,3%. Imports of plant products increased by 14,8%. In particular, the ban on the export of buckwheat, which had traditionally been considered a commodity of significant social

significance, introduced by the government in April 2020, did not solve the problem of securing the domestic market. The problem was solved by importing 12,18 thousand tons of buckwheat from Belarus, the Russian Federation, Kazakhstan, Poland and Moldova, which was 462 times more than in the corresponding period of 2019. Also, in the first half of 2020, by 14,9% more food preparations was imported than in the first half of 2019.

Conclusions

1. Since the beginning of the COVID-19 pandemic, an uncertainty period began in the development of world trade. International organizations are developing relatively optimistic and more pessimistic scenarios for the development of the world economy and world trade, taking into consideration and without taking into consideration the possible second wave of the COVID-19 pandemic. So far, the development of world trade is closer to a relatively optimistic scenario. According to the WTO, the volume of world trade in goods in the first quarter of 2020 decreased by 3% compared to the corresponding indicator in the first quarter of 2019, and in the second quarter by 18,5% (according to preliminary estimates) compared to the corresponding indicator in the second quarter of 2019. The development of Ukraine's foreign trade also demonstrates a trend close to the relatively optimistic scenarios of international organizations in the first half of 2020, and the volume of trade in goods decreased by 10,6% compared to the first half of 2019.

2. The main channels of influence of quarantine restrictions on Ukraine's foreign trade were the reduction of domestic production and the sharp fall in world prices for goods with a low degree of processing. According to the State Statistics Service of Ukraine, the real GDP of Ukraine in the second quarter of 2020 decreased by 11,4% compared to the second quarter of 2019. World prices for agricultural raw materials, which occupy a significant share in Ukraine's merchandise exports, in May 2020 decreased by 10,5% compared to May 2019 prices.

3. The negative consequences of the spread of the COVID-19 pandemic are balanced by the development of digital commerce and vice versa the spread of the pandemic accelerates the development of digital commerce. Ukraine in the second quarter of 2020 quickly resumed the growth of exports of ICT services, typical of the pre-quarantine period.

4. Given the anticipation of accelerated development of digital commerce following the COVID-19 pandemic, it is necessary to accelerate the development and adoption of legislation acts relative to data flows within digital commerce. There are various approaches in the world to the formation of relevant legislation - from full liberalization, which is supported by digital platforms of developed countries, to the creation of barriers in the form of tariffs on cross-border data transmission, data bans (data localization), etc., which are introduced by the countries with economies in transition and developing countries to protect their markets. Ukraine has joined the initiative of 76 WTO members to hold multilateral talks on e-commerce aspects related to trade. Ukraine's position in these negotiations should be justified taking into account the possibility of preserving the right of countries to regulate data flows in order to ensure the protection of private information of citizens and confidential information. After all, privileged access to data provides a competitive advantage. In addition, the new FTAs to be concluded by Ukraine should include sections on a common digital trade policy.

5. The first reaction to the pandemic was the application of protectionist measures by many countries. The first wave of protectionist measures included measures regulating trade (bans or restrictions on the export) of medical goods and restrictions or bans on the import of potential safety concern goods of animal origin from the countries where the COVID-19 has become widespread. The second wave of protectionist measures is related

to regulation of agrifood exports with a purpose of governments to ensure food security of their countries.

The indicative maximum amount of wheat exports imposed in Ukraine during the COVID-19 pandemic is the result of an annual agreement (Memorandum) between the Government of Ukraine and grain market participants, it cannot be considered a policy measure restricting trade.

The ban on buckwheat exports imposed by the Ukrainian government, which expired on July 1, 2020, had more political significance than economic, as the task of securing the supply of buckwheat in the domestic market and supporting consumer prices was achieved by imports. This conclusion also applies to other goods of social significance, because during the first half of 2020, when the appropriate measures were introduced to support consumer prices for socially important food products, due to the significant decrease in total imports of goods to Ukraine, food imports increased by 14,3% compared to the corresponding period of 2019, and a significant increase of imports occurred in product groups covering goods of significant social importance: meat and edible offal of poultry, butter, and poultry eggs.

According to international organizations forecasts, the COVID-19 pandemic will reduce both supply and demand for agricultural products, and there will be disruptions in trade supply and logistics business. Changes in trade and foreign trade policy determine the development of Ukraine's trade policy, taking into account the interests of domestic consumers, producers and exporters. The spread of the tendency to food self-sufficiency in many countries will lead to food chain shortening, reduction of import dependence of countries, increase of state support and, as a result, strengthening of competitive positions of domestic producers. During the pandemic, full and timely funding of state support programs for agricultural producers in Ukraine is of particular importance. The opposite trend is typical for food-importing countries and it involves the reduction of import tariffs and taxes on agricultural goods. Liberalization of agricultural markets in food-importing countries is beneficial for exporting countries and will improve the situation in international markets for exporters of agri-food products.

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ЗМІНИ У СВІТОВІЙ ТОРГІВЛІ ТА ТОРГОВЕЛЬНІЙ ПОЛІТИЦІ В УМОВАХ ПАНДЕМІЇ COVID-19: ВИКЛИКИ І МОЖЛИВОСТІ ДЛЯ УКРАЇНИ

Аналізуються тенденції розвитку світової торгівлі та особливості торговельної політики країн світу в період обмежень економічної діяльності, уведених задля запобігання поширенню COVID-19. Проаналізовано також розвиток зовнішньої торгівлі України і заходи торговельної політики, що застосовувались урядом країни в умовах пандемії. На основі визначення викликів і можливостей розвитку вітчизняної торгівлі у період пандемії та аналізу прогнозів і рекомендацій міжнародних організацій обґрунтовуються пропозиції щодо напрямів торговельної політики країни з акцентом на агропродовольчому ринку.

Проведено порівняння прогнозів розвитку світової торгівлі на 2020 р. та 2021 р., розроблених міжнародними організаціями. У першому півріччі 2020 р. світова торгівля розвивалася ближче до умовно оптимістичного сценарію Світової організації торгівлі (СОТ) і сценарію Світового банку, проте очікувана друга хвиля пандемії може повернути траєкторію розвитку світової торгівлі до песимістичного сценарію СОТ, що передбачає зменшення обсягу світової торгівлі у 2020 р. на 31,9%. Розвиток зовнішньої торгівлі України також демонструє тренд, наближений до умовно оптимістичних сценаріїв міжнародних організацій –

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за перше півріччя 2020 р. обсяг торгівлі товарами зменшився на 10,6% відносно показника першого півріччя 2019 р. Досліджено основні канали впливу пандемії на світову торгівлю, а саме: зменшення виробництва товарів та послуг унаслідок обмежень економічної діяльності, введених країнами світу, порушення глобальних ланцюгів доданої вартості, зростання торгових витрат, різке падіння у сфері послуг, зниження цін на товари з низьким ступенем обробки.

Як і в усьому світі, в Україні негативні наслідки від пандемії COVID-19 значною мірою нівелюються поширенням цифрових технологій торгівлі і навпаки – поширення пандемії стимулює розвиток таких технологій. Уже у II кварталі експорт послуг у сфері ІКТ України відновив зростання і перевищив докризовий показник IV кварталу 2020 р. Визначено переваги і виклики прискореної діджиталізації торгівлі в умовах пандемії.

Проаналізовано протекціоністські заходи країн світу та України, уведені після поширення коронавірусу, з акцентом на заходах, пов'язаних із торгівлею продовольством. Доведено, що обмеження на експорт пшениці, що були уведені урядом України під час пандемії, є результатом щорічної домовленості (Меморандуму) учасників зернового ринку, тому їх не можна вважати урядовим заходом обмеження торгівлі. Також доведено, що введена урядом України заборона експорту гречаної крупи, термін дії якої закінчився 1 липня 2020 р., мала скоріше соціально-політичне значення, адже завдання забезпечення пропозиції гречки на внутрішньому ринку і підтримки споживчих цін на цей продукт вирішувалося за рахунок імпорتنих поставок. Цей висновок розповсюджується і на інші товари істотної соціальної значущості, імпорт яких суттєво зріс під час пандемії, – насамперед продуктів тваринного походження.

Визначено напрями формування торговельної політики України в умовах зміни у торгівлі та торговельній політиці країн світу. Поширення тенденції до самозабезпечення продовольством у країнах світу зумовить скорочення харчових ланцюгів, зменшення імпортозалежності країн, збільшення державної підтримки і, як наслідок, посилення конкурентних позицій внутрішніх виробників. Тому повне і вчасне фінансування програм державної підтримки сільського господарства України набуває особливого значення. Для підсилення конкурентних позицій малих і середніх сільськогосподарських виробників в умовах прискореної діджиталізації торгівлі, що відбувається внаслідок пандемії, необхідно прискорено розвивати інфраструктуру задля забезпечення доступу сільського населення до високошвидкісного фіксованого Інтернету. Поряд із поширенням протекціонізму у світовій торгівлі існує протилежна тенденція лібералізації агропродовольчих ринків, характерна для країн – імпортерів продовольства. Отже, для країн – експортерів агропродовольчих товарів, до яких належить і Україна, полегшиться доступ на ринки цих країн, відкриються нові ринки, покращиться кон'юнктура експортних ринків.

Ключові слова: світова торгівля, торговельна політика, пандемія COVID-19, агропродовольча торгівля, протекціонізм