

COVID-19 and International Trade in South Asia

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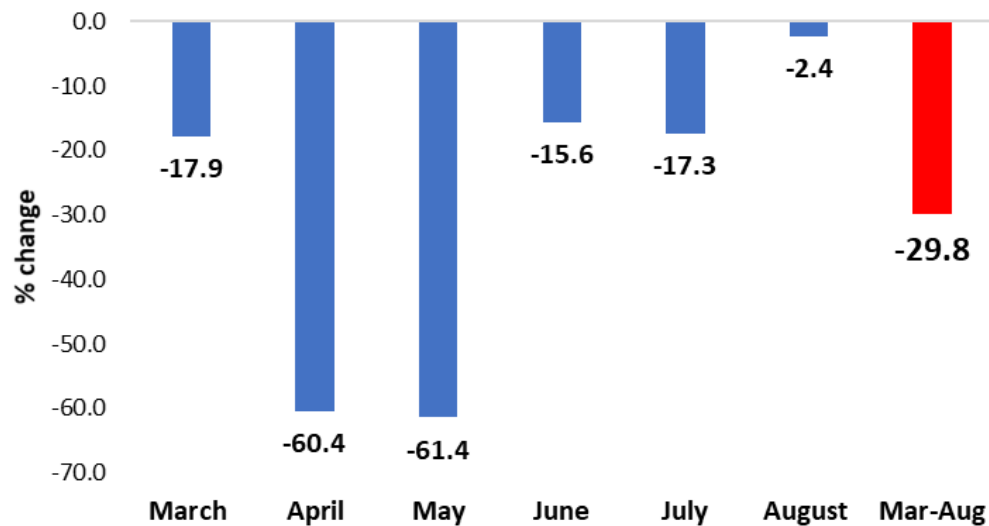
UNU-WIDER Webinar on “International trade and supply chains: What can we tell about their recovery post COVID-19?”, 24 November 2020

COVID-19 has large distressing effects on international trade in South Asian countries!

An aerial photograph of a large container ship sailing on a deep blue ocean. The ship is viewed from above, showing its deck covered with numerous colorful shipping containers in shades of red, blue, and brown. The ship's wake is visible in the water. Overlaid on the image is the text "Exports saw a large dip!" in a yellow, outlined font.

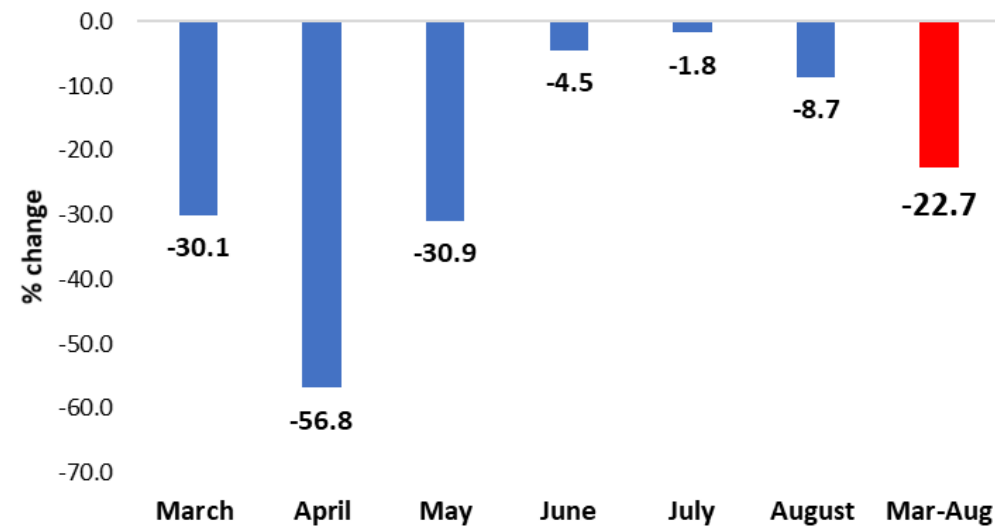
Exports saw a
large dip!

Bangladesh Export: 2020 over 2019



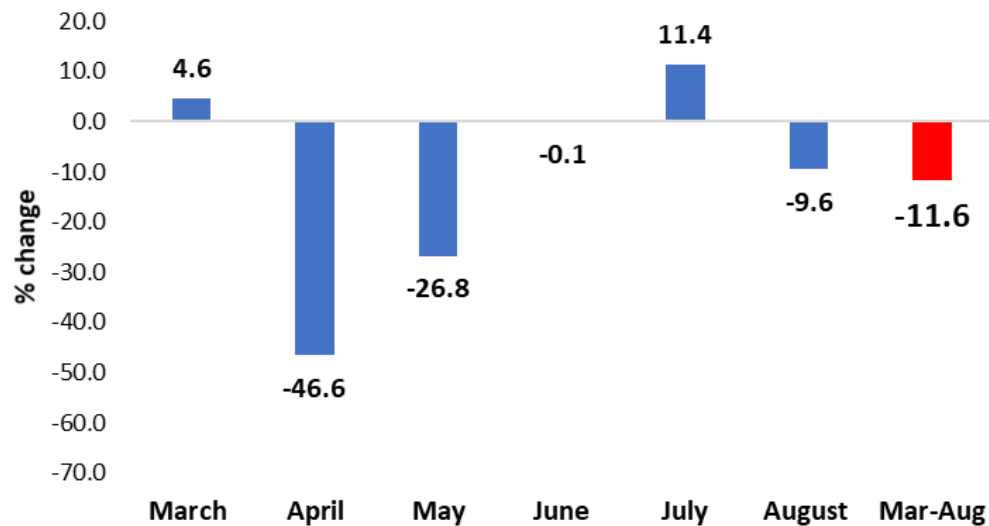
Data source: Bangladesh Bank

India Export: 2020 over 2019



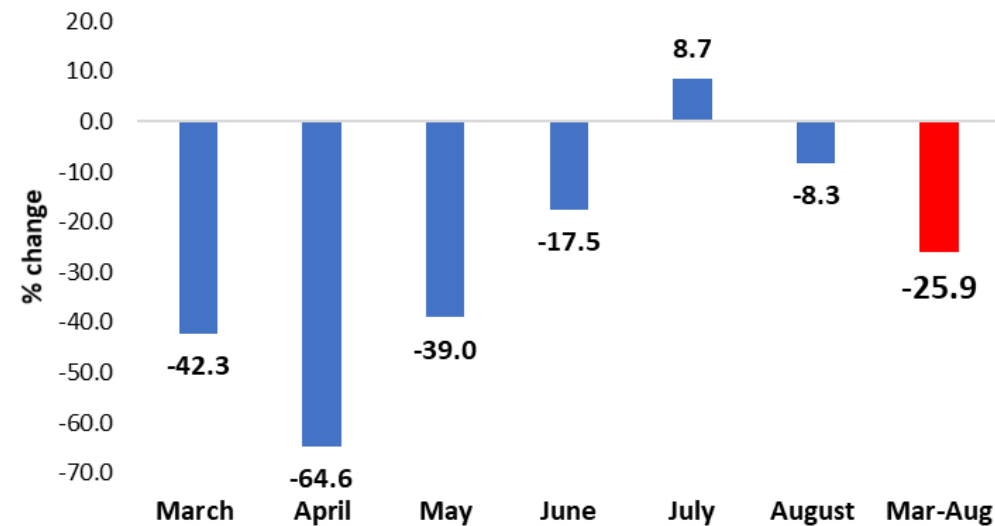
Data source: Ministry of Commerce

Pakistan Export: 2020 over 2019



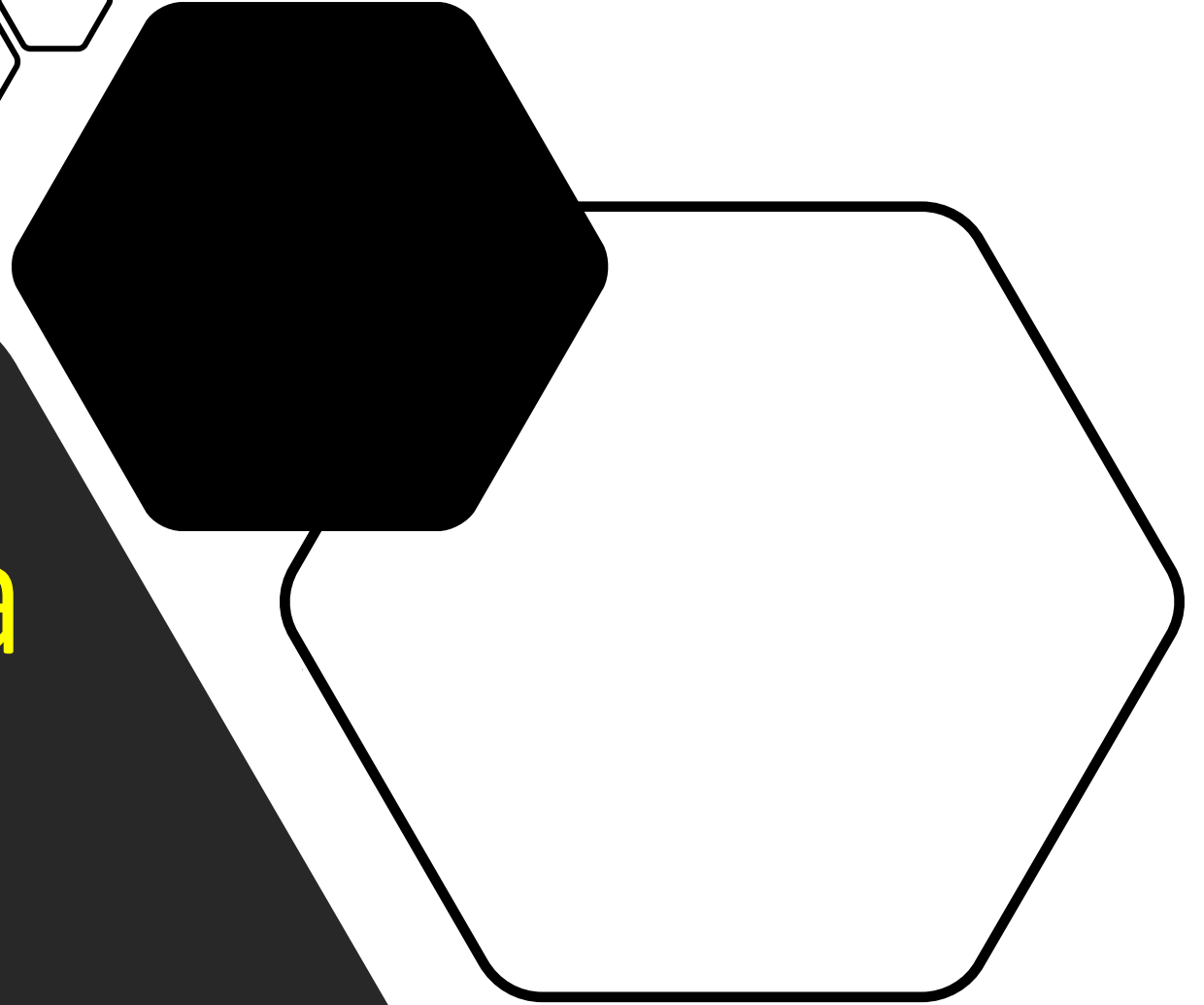
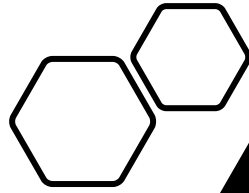
Data source: Pakistan Bureau of Statistics

Sri Lanka Export: 2020 over 2019

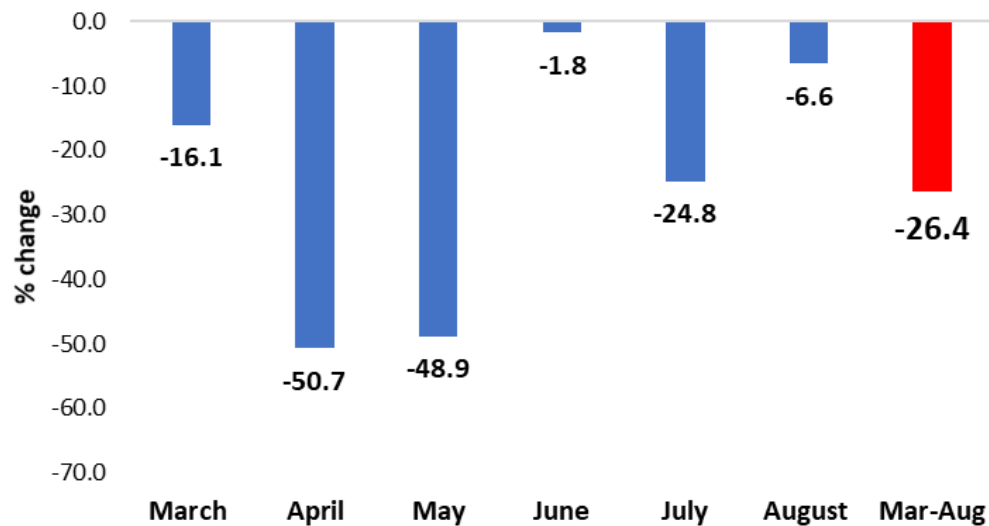


Data source: Central Bank

Imports saw a
large dip too!

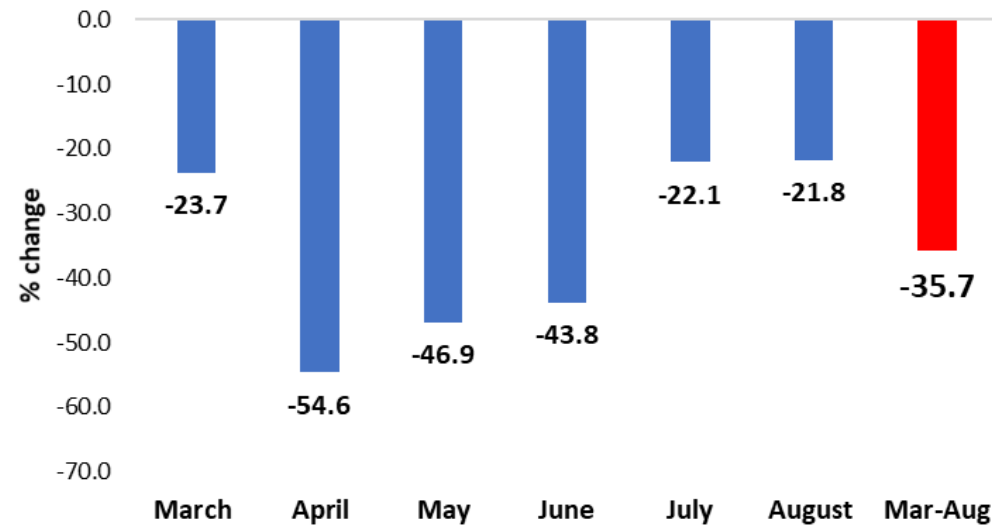


Bangladesh Import: 2020 over 2019



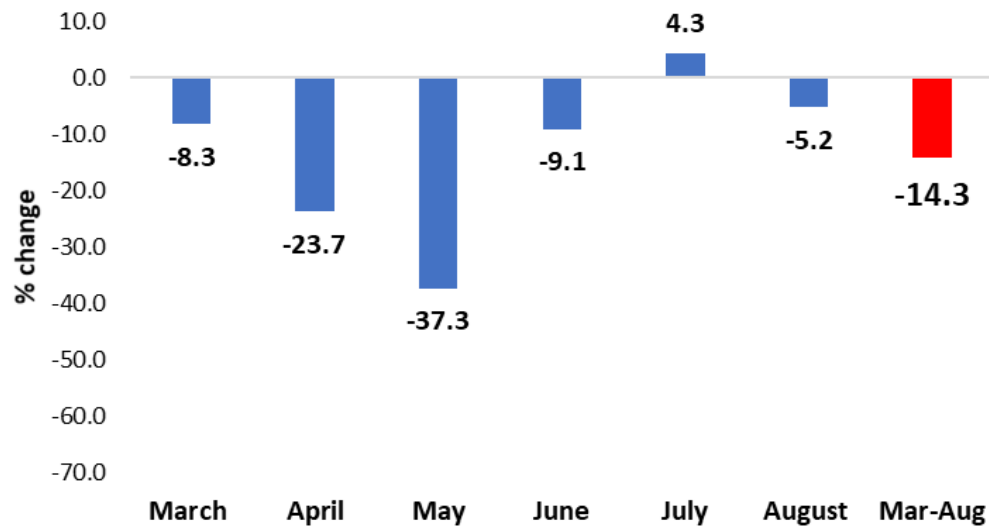
Data source: Bangladesh Bank

India Import: 2020 over 2019



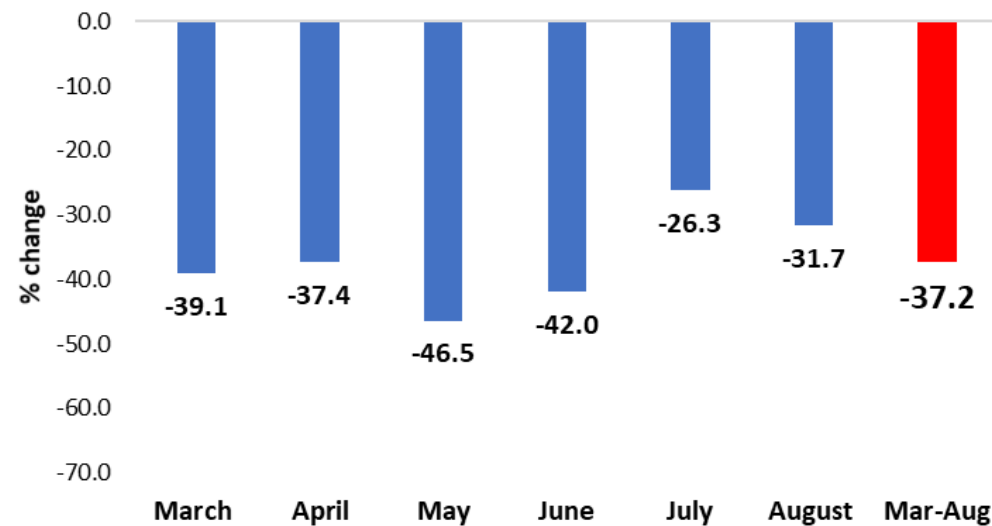
Data source: Ministry of Commerce

Pakistan Import: 2020 over 2019



Data source: Pakistan Bureau of Statistics

Sri Lanka Import: 2020 over 2019



Data source: Central Bank



While the recovery of international trade in South Asian countries largely depends on the recovery of the global economy, South Asian countries need to get their domestic fronts right.

Three important points to consider for the post COVID-19 recovery!

The benefits of the stimulus packages have remained unequal so far - not conducive for recovery!

1

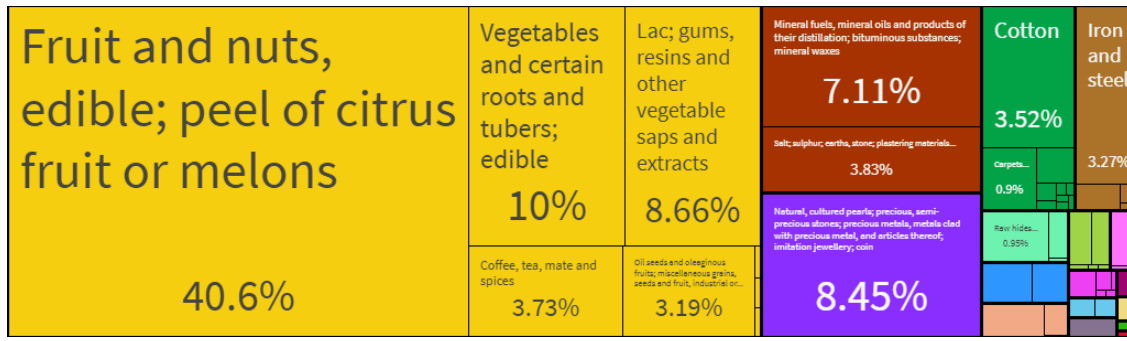
Policy suggestion (1):

The success of stimulus packages depends on three things – financing, management and monitoring.

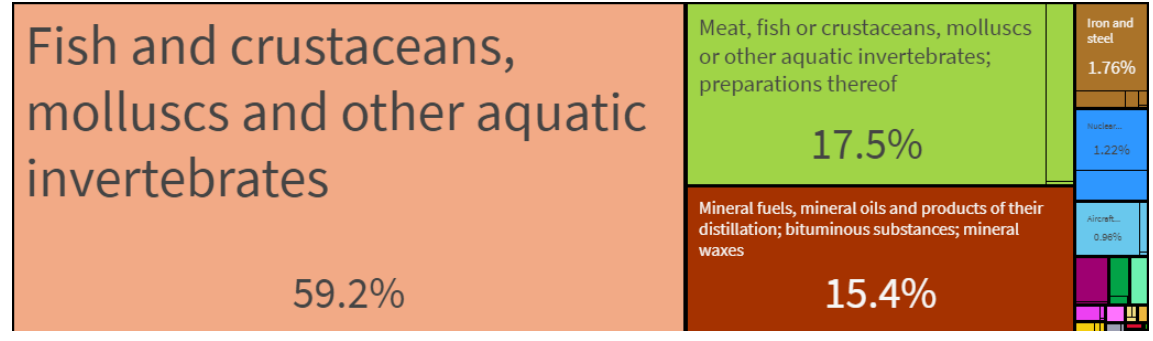
South Asian countries'
integration with the
GVC is limited.

2

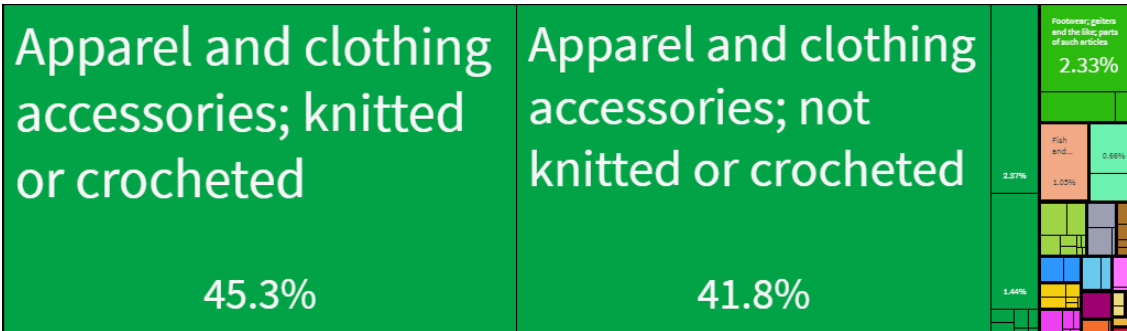
Afghanistan



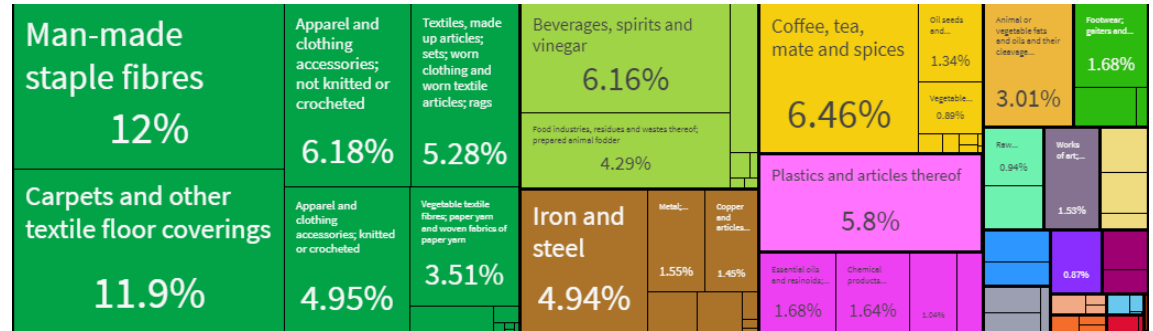
Maldives



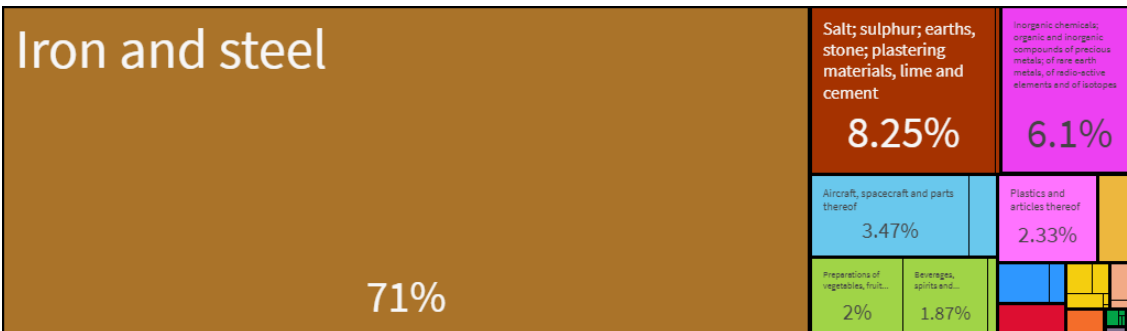
Bangladesh



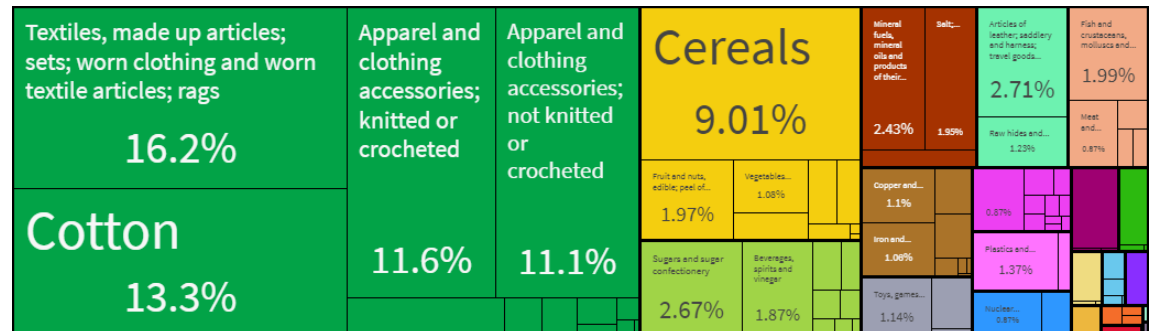
Nepal



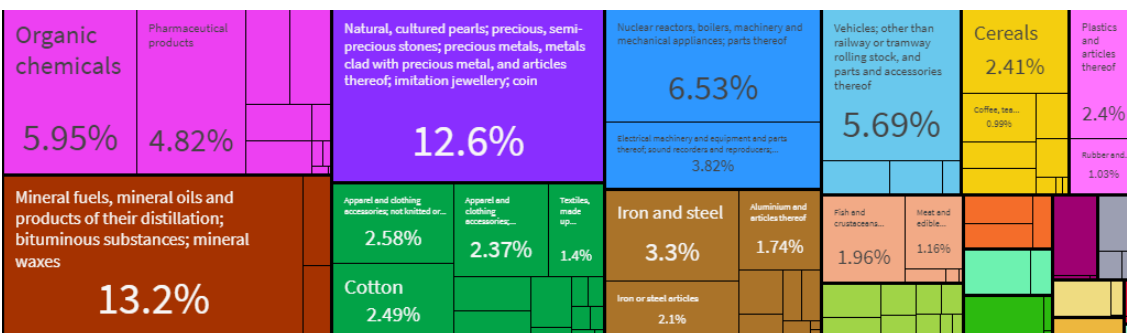
Bhutan



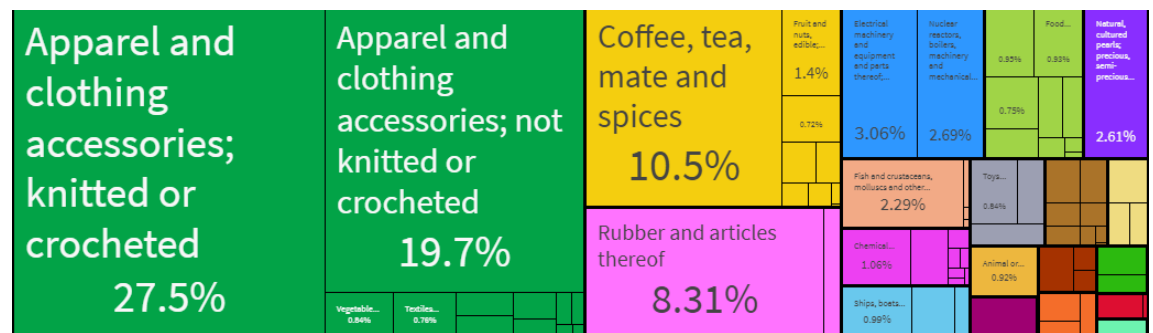
Pakistan



India



Sri Lanka



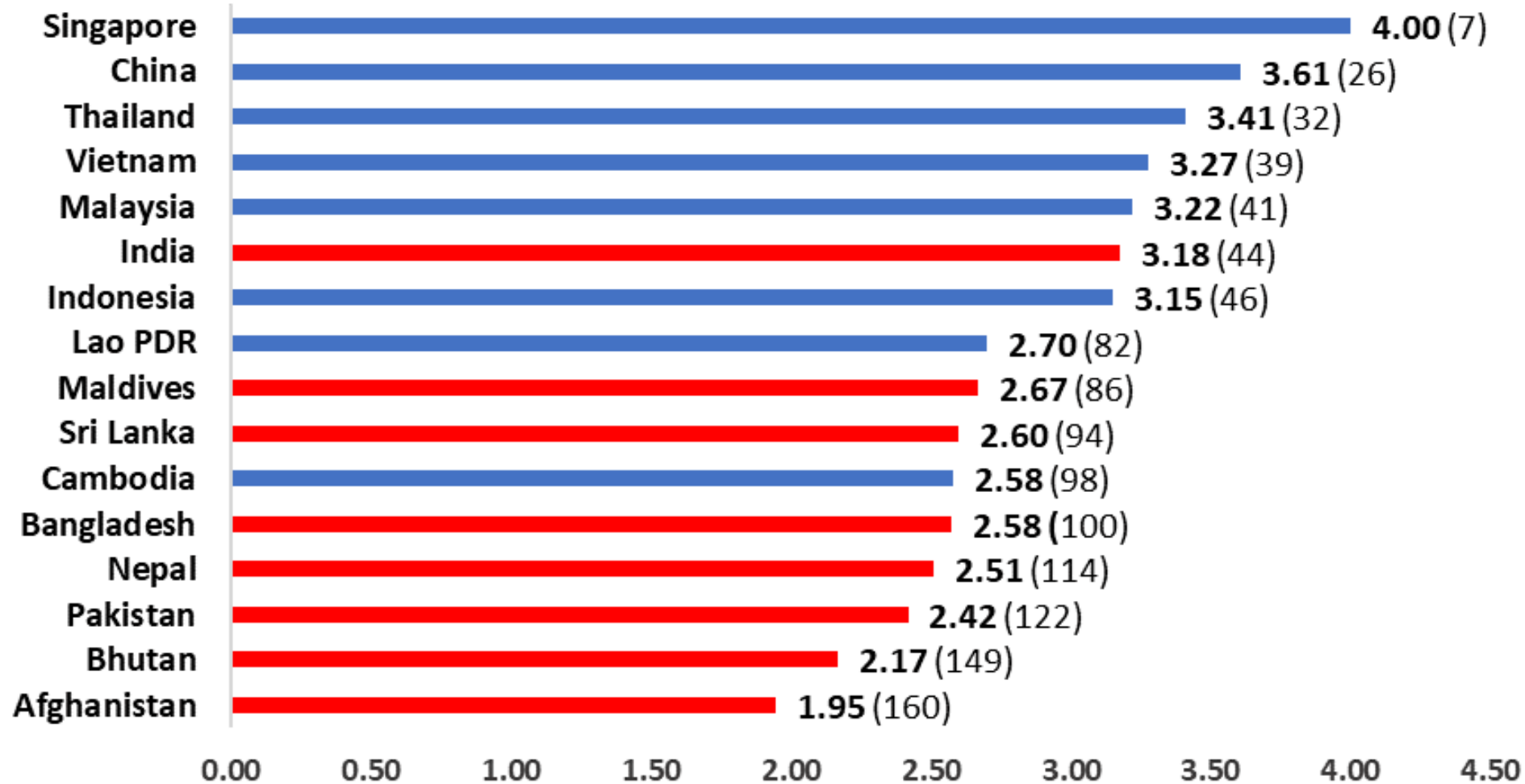
Policy suggestion (2):

Substantial reform need to be undertaken to address insufficient trade, industrial, and FDI policies.

South Asian countries' trade logistics are not conducive for the effective GVC integration.

3

Overall LPI in 2018: South Asia and East & Southeast Asia



Policy suggestion (3):

Improvement in trade logistics is critical for the post-COVID-19 recovery and effective integration with GVC.