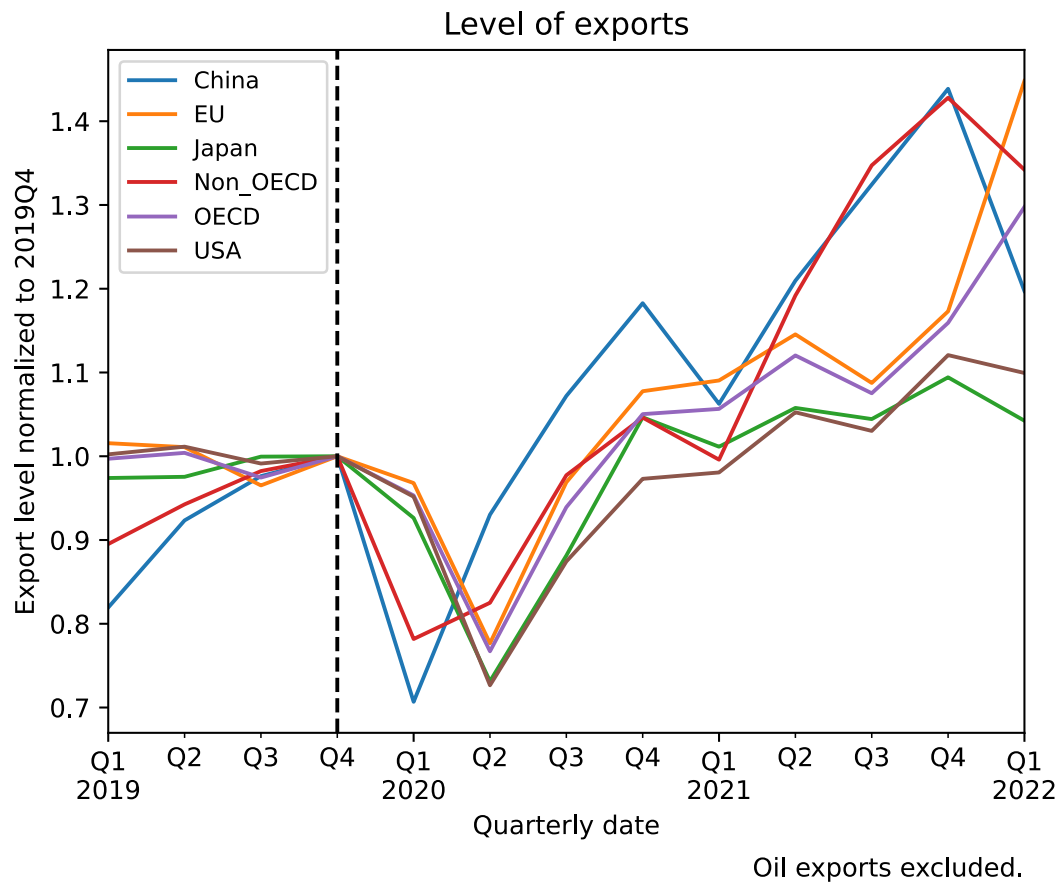


Impact of the Pandemic on the International Economy

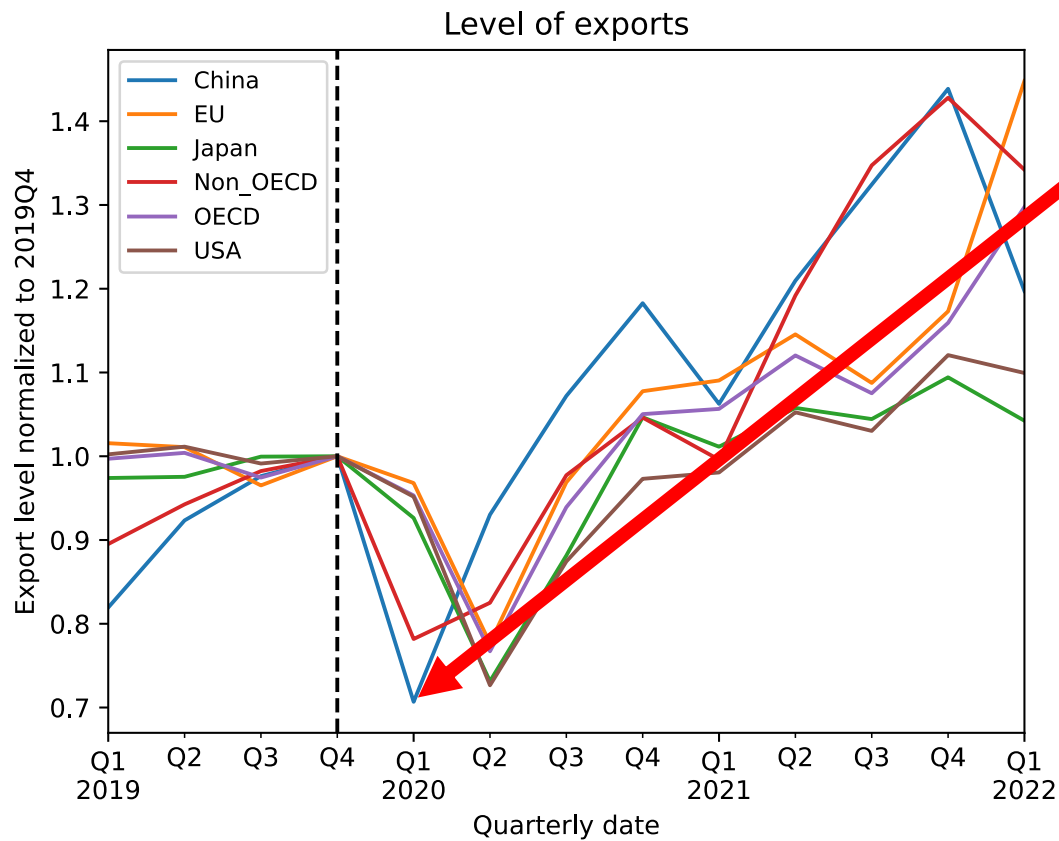
David E Weinstein

Columbia University, CEPR, and NBER

Pandemic Caused Large Swings in Trade

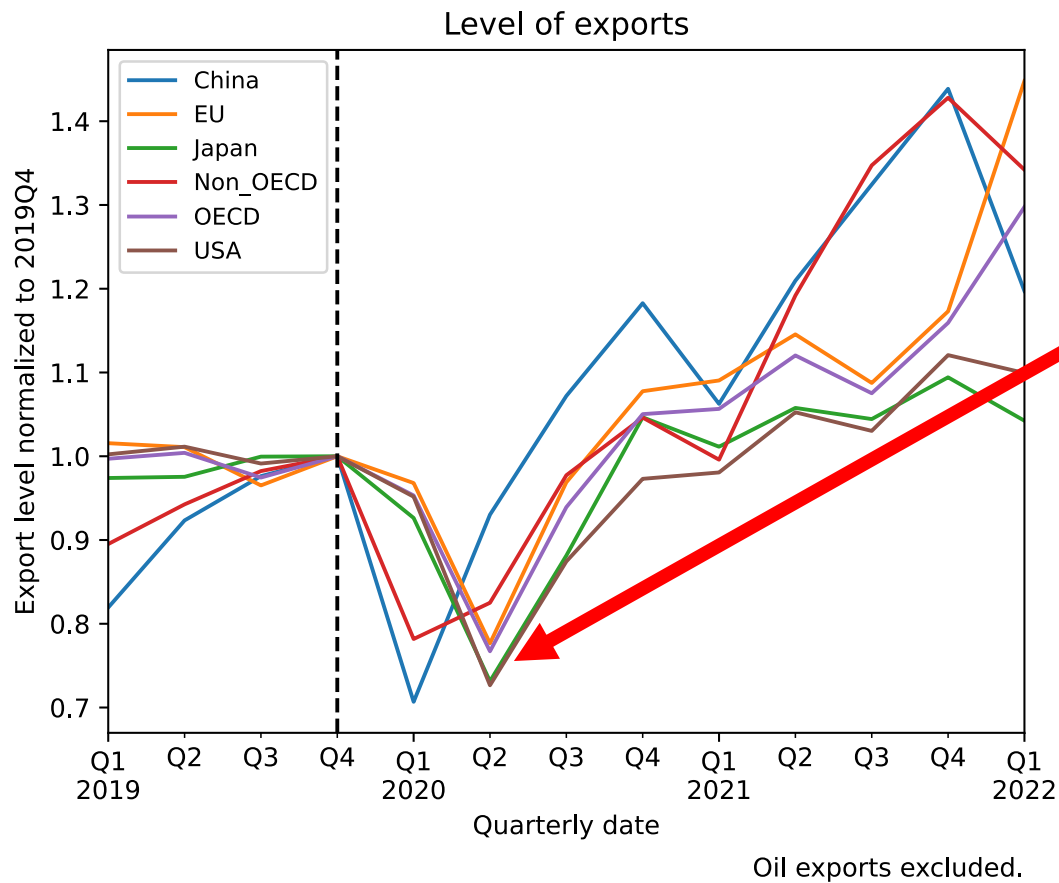


Pandemic Caused Large Swings in Trade



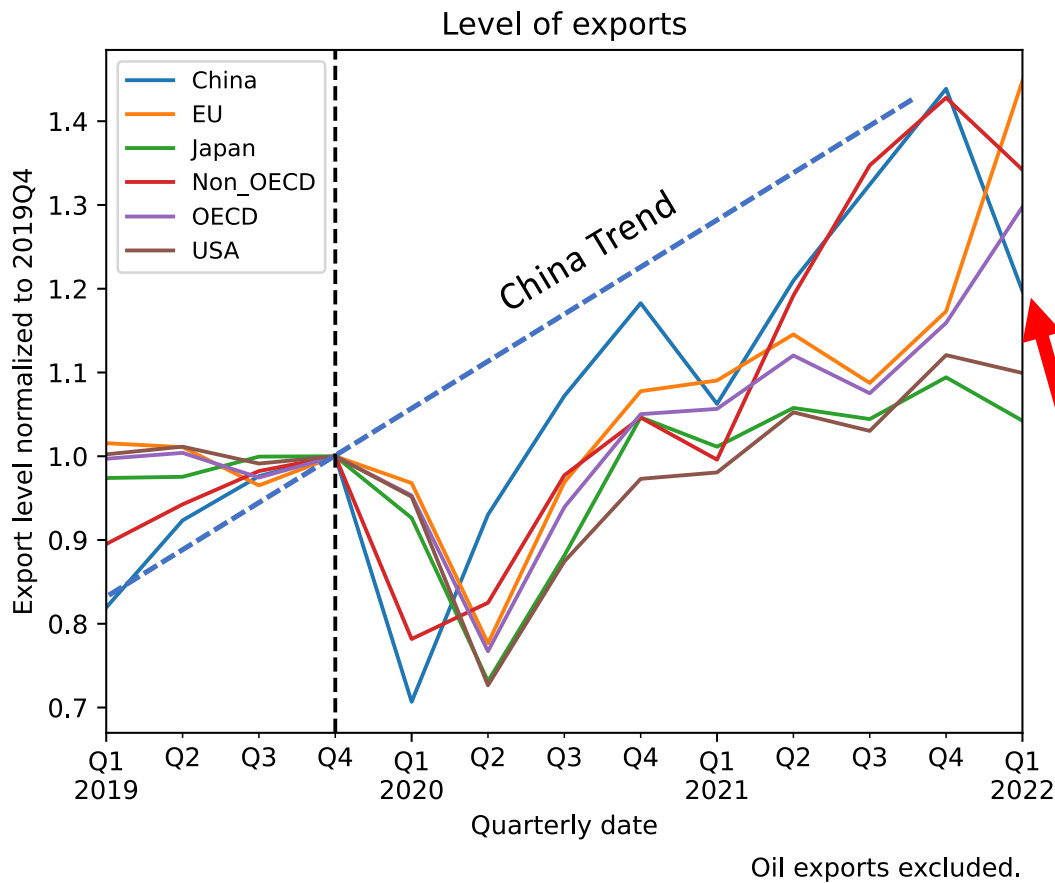
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Pandemic Caused Large Swings in Trade



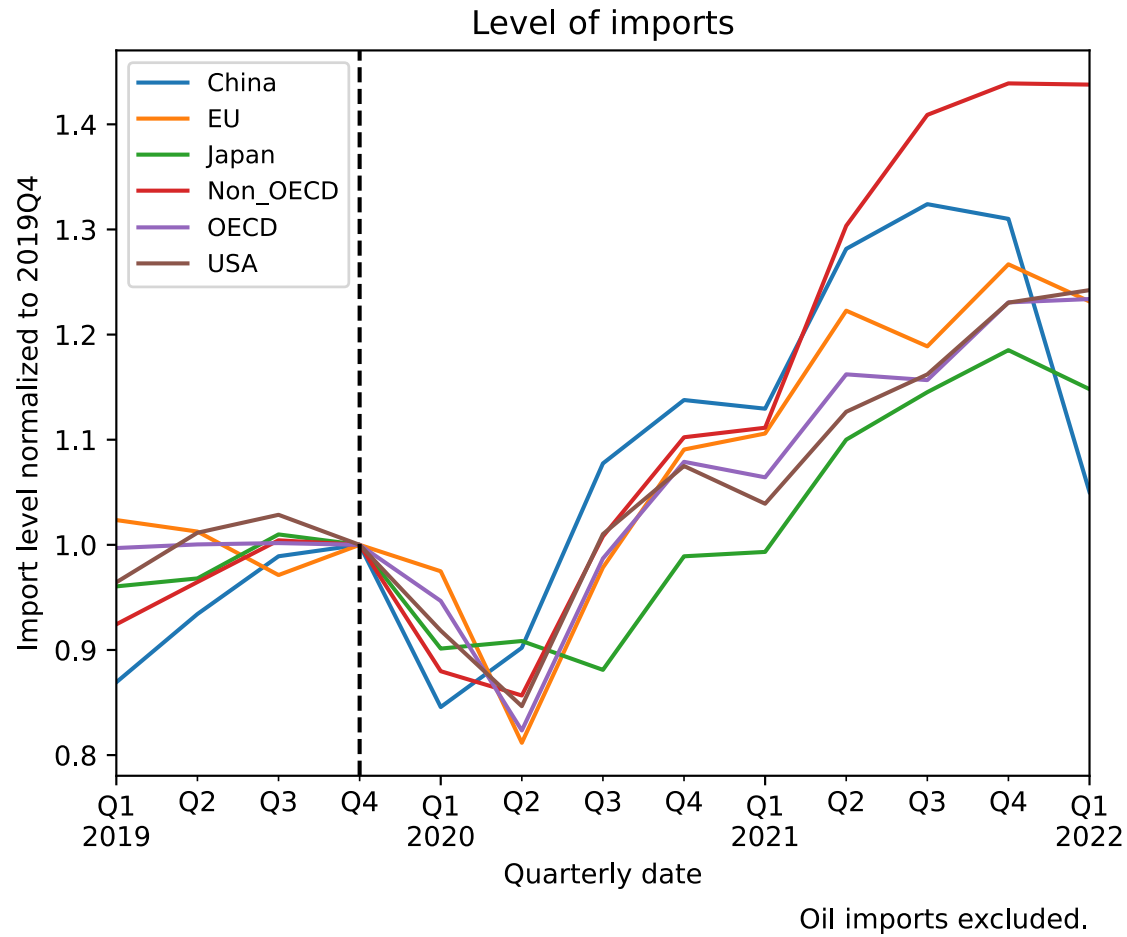
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- Rebound was massive too
 - Exports doubled over the next 8 quarters

Pandemic Caused Large Swings in Trade



- Chinese exports fell 30 percent from 2019Q4 to 2020Q1
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- Rebound was massive too
 - Exports doubled over the next 8 quarters
- China's recent lockdowns have caused sharp declines in its exports

Imports Reveal a Similar Picture



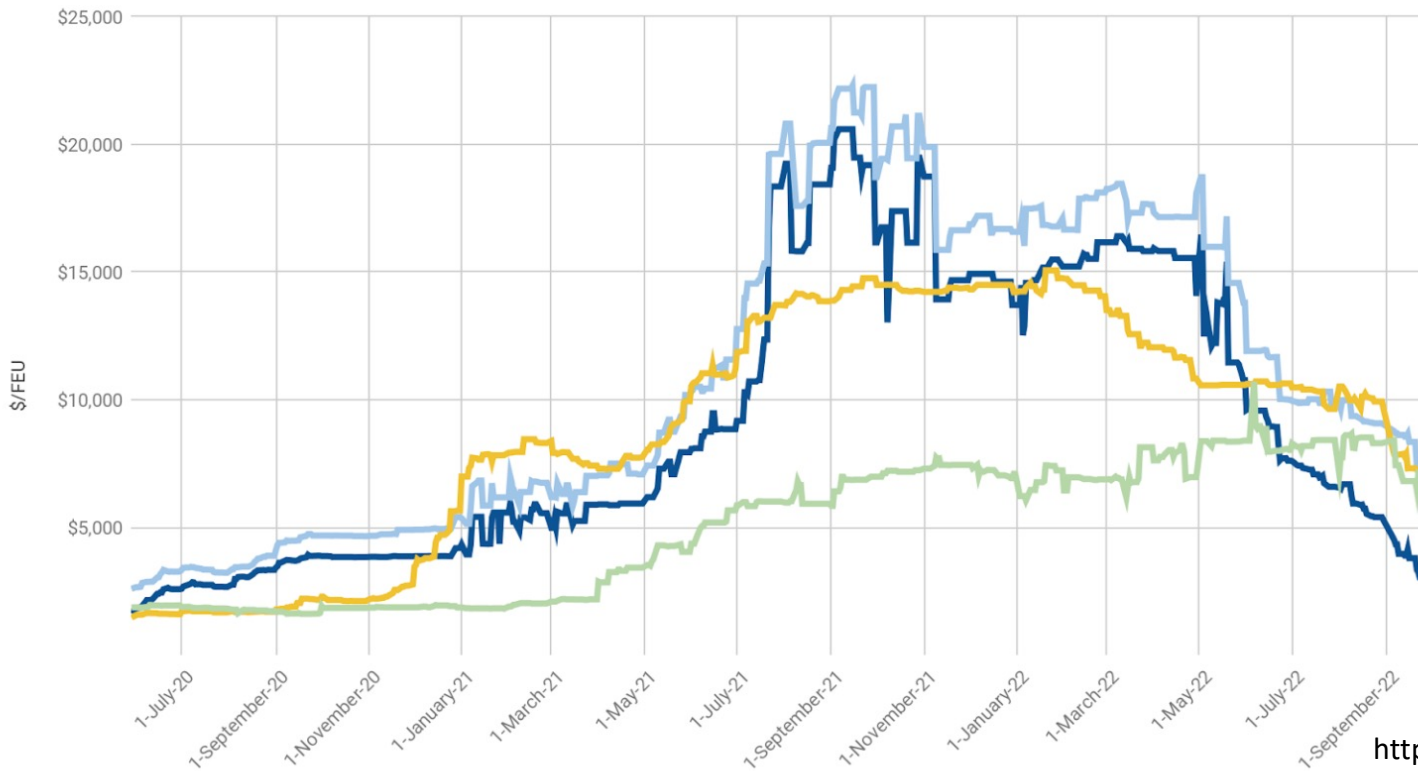
COVID19 Created Major Stresses on Supply Chains

- Early in the pandemic, China, the U.S., and other countries restricted exports of masks and other personal protective equipment
- Policy was shortsighted
 - These restrictions have raised concerns about the reliability of global supply chains
 - We are seeing an increased focus on “economic security”
- Note, however, that despite Indian complaints, evidence shows the U.S. did not restrict exports of vaccine inputs
 - U.S. exports of vaccines to Serum Institute in India rose steadily from 2020 to 2021

Surge in Exports Caused Spikes in Freight Rates

FBX - Ocean Container Spot Rates During the Pandemic

— Asia-USWC — Asia-USEC — Asia-Europe — Europe-N. America



Air cargo rates rose 25-50% between 2021 and 2022

The limited supply of ships and containers, coupled with the limited capacity of many ports caused spikes in shipping costs, delivery delays, and inflation

<https://www.freightos.com/freight-resources/coronavirus-updates/>

Policy Issues

- How best to achieve economic security in the event of a future pandemic?
 - Protection/subsidization of domestic industries is often suggested
 - However, stockpiling critical supplies (e.g., PPE) may be more cost effective
 - Probably there is little that can be done to deal with price fluctuations due to demand shifts