IMPACT OF COVID-19 ON INTERNATIONAL TRADE: LESSONS FOR AFRICAN LDCs

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ABSTRACT

The COVID-19 pandemic has highlighted the lack of provisions in existing trade agreements to tackle such a crisis. Advanced and emerging countries, fearing issues of food and national security, have responded with knee-jerk policy measures to promote national production, reshoring of manufacturing, and to reduce dependence on trade. This will adversely affect the least-developed countries (LDCs) in Africa due to their high dependence on trade and low levels of diversification. Proposals have been made by various countries to the WTO to ensure the free flow of trade in essential goods and maintain supply chain connectivity. Hence, there is scope for African LDCs to sign future plurilateral agreements with existing, economically-advanced trade partners, to ensure that no new protectionist measures will be erected against the LDCs during crisis periods, while also promoting production at home. Further trade cooperation between LDCs in Africa within the AfCFTA framework can provide an opportunity to promote resilient regional trade relations through construction of disaster-proof supply chains of essential, and non-essential goods and services. Maintaining food security in these African LDCs is of utmost importance and can be an effective bargain in future trade agreements.

HIGHLIGHTS

- COVID-19 has disrupted international trade and global supply chains for essential and non-essential goods and services.
• The most profound impact of the pandemic was felt by trade-dependent least-developed countries located on the African continent due to reliance on exports of commodities and tourism as well as imports of medical, pharmaceutical and food products.
• Many countries have tried to keep trade open to reduce the negative impact on vulnerable populations around the world. For example, they have announced policy measures to ensure supply of essential goods and maintain supply chain connectivity.
• However, many countries have implemented inward-looking measures to protect their domestic markets in the form of export bans, import restrictions and subsidies to import-substituting industries to reduce dependence on imported goods and improve self-reliance.
• The restrictive policy measures are likely to be disastrous for LDCs in Africa and may spark a health and food crisis in the region. Closing of borders means that essential commodities cannot be moved to vulnerable regions, thus depriving people of the much-needed health care and food supplies.
• LDCs could initiate implementation of trade facilitation measures such as the creation of customs ‘Green Lanes’ to expedite the clearance of essential commodities imported from regional partners particularly during pandemic times. It is also recommended that countries promote the modernization of customs procedures through the increased use of digital solutions and promotion of paperless trade. However, access to information is very limited in the region. Hence it is advised that LDCs find ways to reduce the cost of internet services to seamlessly facilitate international trade.
• MSMEs form the backbone of the African economy as well as the regional value chains on the continent. This current crisis has highlighted the need to support MSMEs in the region through the creation of a formal business regulatory framework, providing business development services and helping reconnection to international value chains post the crisis.
• AfCFTA is the ideal setting to expand regional relations and increase coordination of development policies.
  • Support to the public health sector through promotion of experience-sharing among nations in epidemiological research and development and bolstering regional epidemic preparedness for future crises.
- Encourage the development of a regional post-pandemic recovery plan to restore connectivity, tourism, normal business activities, and improve economic stability of the region.
- Advocate monetary support from member states to reduce financial impact.
- Provide a platform for plurilateral agreements with major extra-regional partners to ensure continuous supply in essential goods including pharma and food products during crisis periods.
- Promote the fragile export sector, improve regional value chains, resolve transportation and logistical issues and find sustainable solutions to future crises.

- There is an urgent need to reduce incidence of food insecurity in the region. Perhaps food security could be used as a bargaining chip in future trade negotiations with the rest of the world.
INTRODUCTION

COVID-19 has been declared a “public health emergency of international concern” by the World Health Organization.\(^1\) As of recent estimates, there are about fifteen million cases in the world with over half a million deaths. This global pandemic has led to market failure in most countries around the world and a decline in global economic growth prospects.\(^2\) It poses a threat to international trade and is likely to erode the gains made towards trade liberalization over the past few decades. Its adverse effects on trade are projected to be more severe than those of the 2008–09 Global Financial Crisis (GFC) because it has impacted both aggregate demand and supply leading to the disruption in global value chains, especially in the trade of essential goods and services.\(^3\) Hence, the collapse in the production activity as well as the breakdown in logistics network has severe implications for producers and consumers in various countries.\(^4\) In addition to the effects of the GFC, the restriction in movement on account of social distancing has further restricted the availability of labor and transport, leading to shut down in various dependent sectors of the global economy.\(^5\) Of these, the worst affected countries will be the most vulnerable least-developed countries (LDCs) that remain overly-reliant on international trade in goods and services.

The lack of cooperation between countries to tackle this crisis has exacerbated the economic situation of the world, in turn, adding to geopolitical tensions and distrust between trading partners.\(^6\) In the midst of such challenges and uncertainty, countries are faced with a dichotomous set of choices, they can either retreat into overt geopolitical competition and build a world that is divided, uncertain, hostile and protectionist, or they can call upon the international community to overcome this crisis through collective action.\(^7\) Today, we see an apparent shift from ‘hyper-globalization’ towards state-led nation-building and self-sufficiency to protect from future vulnerabilities. However, this seems like a short-term solution to the problem; in the long-run countries are bound to re-approach the pragmatism of international cooperation and interdependence. This long-term solution requires smaller-subsequent steps towards building a common contingency plan and persuasion of shared norms and treaties.\(^8\)

This paper is structured as follows: Section 1 summarizes the kneejerk trade policy measures taken by emerging and advanced countries to protect their economies during this crisis; section 2 highlights the negative impact of the COVID-19 pandemic on LDCs in Africa. Section 3 then

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summarizes the best practices from around the world to support global supply chains and international trade. Finally, the last section recommends ways to alleviate the burden of the pandemic on the African LDCs and increase trade resilience in future crises.

**KNEEJERK POLICY RESPONSES TO THE PANDEMIC**

In the last few decades, manufacturing came to be organized in global value chains (GVCs). Countries relied on production networks for supply of raw materials as well as intermediate products. Although the expansion of GVCs slowed down substantially after the GFC of 2008-09, they continued to constitute a substantial part of global trade. Along with this, countries have also embraced greater regional trade cooperation, especially in the European Union, South East Asia and the Americas. Since the GFC, the number of regional trade agreements (RTAs) in force (including bilateral free trade agreements) have increased from just 214 in 2010 to 303 in 2020. There is also evidence to show that the RTA utilization rate has increased in recent years owing to a rise in intra-regional trade and development of regional value chains. However, these agreements rarely prescribe trade rules in case of a national or international emergency. Therefore, the lack of any provisions in existing RTAs to tackle such a crisis situation has led to development of economic fear such that a health concern has metamorphosed into issues of national security, food security and the need for industrial independence among nations around the world.

Advanced and emerging countries like Japan, India, the United States, members of the European Union, Saudi Arabia, and the Republic of Korea, among others have responded with knee-jerk policy measures to promote national production by building domestic capacity in strategic sectors and reshoring part of their production closer home. For example, the United States has turbo-charged efforts to reduce dependency on Chinese supply chains. They have offered companies tax incentives and potential re-shoring subsidies to move manufacturing back home. They are also contemplating creation of an Economic Prosperity Network consisting of trade ‘friends’ namely, Australia, India, Japan, New Zealand, South Korea and Vietnam to reduce reliance on China. Japan too offered subsidies to shift production out of China, some back home to Japan, while others to various South East Asian countries. India launched ‘The Invest India Business Immunity Platform’ to ensure a steady supply of inputs to

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12 The list of all regional trade agreements (RTAs) in force is available at http://rtais.wto.org/UI/PublicAllRTAList.aspx


support industrial production during the ongoing disruption in international supply chains.\textsuperscript{18} This initiative coincided with the government’s announcement to promote self-reliance in manufacturing during this pandemic, primarily to reduce imports from China and supplement the growth of import-substituting industries.\textsuperscript{19} Similarly, members of the European Union, particularly Germany, increased production capacity of the home-based pharmaceutical industry to ensure a localized supply of essential drugs and counter the disruption in the supply of similar imports.\textsuperscript{20} France, on the contrary, called for overall restructuring of supply chains to ensure ‘sovereign’ and ‘independent’ suppliers instead of overly relying on Chinese imports of intermediary products.\textsuperscript{21, 22} Clearly, these inward-looking industrial and trade policies are rooted in the need to promote independent and sovereign industrial units as well as reduce reliance on supply chains. While these measures can be justified as need-of-the-hour, they tend to also have a large fiscal impact. Moreover, economists have questioned their viability as they may be counterproductive in nature. For instance, production-based subsidies can be anti-competitive and lead to the development of partisanship towards certain commercial interests.

The second leg of the nationalistic trade policy was implemented by countries in the form of export bans on essential items such as food, agricultural inputs, and medical goods. For example, the EU restricted exports of personal protective equipment (PPEs), the United States announced an export ban on all protective gear, China strictly controlled for exports of medical supplies, Argentina increased export duties on some chemicals and essential foodstuffs, while India imposed restrictions on exports of certain pharmaceutical products.\textsuperscript{23} Although these export bans were implemented to meet increased domestic demand, they tend to have far-reaching and adverse effects on countries that remain reliant on imported goods due to their limited production capacity.\textsuperscript{24} Moreover, export restrictions lead to price rises, disruption in supply chains, delays and lost capacities in production.\textsuperscript{25} This situation was exacerbated as countries also conferred differential treatment towards imports originating in countries severely affected by COVID-19 due to sanitary and health fears. Several countries such as Egypt, Georgia, Jordan, and Russia have entirely prohibited or partially restricted imports of animal-based products from China for sanitary and phyto-sanitary reasons.\textsuperscript{26}

Various trade-restricting measures coupled with policies to reduce dependence on international supply chains, are likely to erase the economic progress made through trade liberalization in the past few decades. While it is hoped that developed and emerging economies will be able to revive economic growth in the latter half of this decade, the most vulnerable economies will be burdened with extreme consequences for the majority of the foreseeable future. Hence, there


\textsuperscript{21} Seric, Görg, Mösle and Windisch, “Managing COVID-19: How the pandemic disrupts global value chains”.

\textsuperscript{22} To balance these negative international sentiments, China injected a strong economic stimulus to balance this perceived reshoring from China and to support its GDP through an emphasis on scaling domestic production in strategic sectors. More information at: Frauke Austermann, Wei Shen and Assen Slim, “Governmental responses to COVID-19 and its economic impact: a brief Euro-Asian comparison”, Asia Europe Journal No. 18 (2020) 213.

\textsuperscript{23} “Export Controls and Export Bans over the Course of the Covid-19 Pandemic” (Berlin: Federation of German Industries (BDI), 2020).


\textsuperscript{25} BDI, “Export Controls and Export Bans over the Course of the Covid-19 Pandemic”

\textsuperscript{26} Full information on trade-restricting measures by countries is available at https://www.macmap.org/en/covid19.
is a need to minimize this negative impact through implementation of least-harmful trade measures, while ensuring their subsequent removal when deemed appropriate by the country.

**IMPACT OF THE PANDEMIC ON LDCs IN AFRICA**

The disruption in international trade due to COVID-19 will hit LDCs hard. Most LDCs are dependent on trade as a driver of economic growth, accounting for an average of fifty-three percent of their GDP in 2018. Their small domestic markets together with low levels of diversification make them particularly vulnerable to external shocks. Thirty-three of the world’s forty-seven LDCs are located in Africa and will be severely affected as a result of the trade-restrictive policies announced by various countries around the world. The devastating effects will range from slowdown in economic growth, to job and productivity losses, and even bankruptcies.

Given Africa predominantly exports commodities like oil, minerals, cocoa and coffee, the imminent threat is to the disruption in supply chains owing to lower demand in global markets for their exports. The growth slowdown across the world will thus mean lower export earnings for these African exporters. Most LDCs in Africa also rely on inputs from developed economies. For instance, African industries import over 50 percent of their industrial machinery and transport equipment from trade partners located outside the continent; the most important suppliers are in Europe (35 percent), China (16 percent) and India (14 percent). Hence, COVID-19-related disturbances in supply chains, especially those located in China and Europe, will lead to a decrease in the availability of imported final and intermediate goods.

The worst impact will be felt in imports of medical and pharmaceutical products. The recent export restrictions on medical supplies adopted by EU, the United States, and India, are harmful to the healthcare sector in import-dependent African countries. Statistics show that Africa imports around 90 percent of its pharmaceutical products from outside the continent, including the European Union (51.5 percent), India (19.3 percent), Switzerland (7.7 percent), China (5.2 percent), the United States (4.3 percent) and the United Kingdom (3.3 percent). This

27 Latest data is available at https://data.worldbank.org/indicator/NE.TRD.GNFS.ZS?locations=ZF


34 Ibid


disruption in imports also reduces the availability of COVID-related supplies such as oxygen, hydrogen peroxide, disinfectants, personal protective gear and surgical tools, among others. The external restrictive policy shocks threaten to expose the continent to severe health and economic risks. Therefore, countries need to exercise a degree of caution while implementing restrictive policies during the on-going crisis to ensure a continuous and unhindered supply of medical goods and basic foodstuffs to LDCs.

In addition to these external policy changes, African countries have also instituted domestic policy measures to counter the effects of this pandemic through nationwide lockdowns in a number of countries, including Kenya, Uganda, Republic of the Congo, Botswana, Zimbabwe and South Africa. However, these lockdown measures are likely to have damaging effects on their economies. For example, restrictions imposed by South Africa will impact vital regional supply chains across southern and east Africa as it is a key driver of intra-Africa exports. These measures will affect not only the supply of medical equipment, medicines and personal protective equipment but also supply of agricultural goods that are important for food insecure households in Africa. In addition, they also threaten informal cross-border trade (ICBT), which forms a substantial part of the overall trade in Africa. Estimates show that ICBT accounted for 30-40 percent of total intra-regional trade in the SADC region and 40 percent in the COMESA region in 2017. Evidence also suggests that ICBT plays an important role in food security and poverty alleviation, hence any disruptions to this form of trade through protectionist measures such as closure of borders threaten to throttle the functioning of these informal markets at a time of general global economic malaise.

The impact of COVID-19 on Africa trade is likely to vary across the individual economies. Commodity exporters such as Algeria, Angola, Cameroon, Chad, Equatorial Guinea, Gabon, Ghana, Nigeria, and the Republic of the Congo have been the most affected due to reduced demand that has resulted in price declines and exchange rate instabilities. Of these, the oil exporting LDCs will be additionally affected by disagreements on how to stabilize prices, with recent oil prices slumping by over 50 percent. Prices for metal and mineral commodities have also plummeted by more than 20 percent, slashing export earnings and potentially reducing FDI inflows in countries specializing in production of these commodities. Countries like Zambia, South Sudan and Mauritania, which primarily export to China, are likely to suffer due to Chinese protectionist measures that have reduced its demand for imports from these economies.

37 More information is available at www.trademap.org
38 ibid
40 TRALAC, “COVID-19 in Africa – some reflections on trade matters”.
44 OECD, “COVID-19 and Africa: Socio-economic implications and policy responses”
45 ibid
47 Hartzenberg, “Covid-19 in Africa”
48 OECD, “COVID-19 and Africa”.
Furthermore, given nearly two-thirds of African countries are net importers of basic food, crisis-induced shortages will severely impact food availability in the region, adding to pre-existing food security pressures, especially in countries heavily dependent on food imports such as Mauritania, Liberia, Sierra Leone, and Gambia. Likewise, many small traders in countries such as Mozambique, Niger, Nigeria, and Uganda will be extremely affected by the pandemic as they earn their livelihood by trading in Chinese-made textiles, electronics, and other household goods. For tourist-dependent countries, particularly small island economies such as Mauritius, Seychelles and Madagascar, travel restrictions and prohibitory advisories by authorities have limited tourist inflows as well as their revenue base. Additionally, reduced demand for migrant workers amidst the travel bans has drastically reduced remittances, which are an essential component of GDPs of Nigeria, Ghana and Kenya. The fiscal position of many countries including Sudan, Eritrea, Cabo Verde and Egypt is also likely to deteriorate due to additional government spending on supplying medical resources, maintaining a low unemployment rate, subsidizing micro, small and medium enterprises (MSMEs) and at the same time, foregoing tax revenues through suspension of certain taxes and reduced social security contributions. Moreover, Africa is likely to experience delayed or reduced foreign direct investment (FDI) as partners from other continents redirect capital locally to support their domestic economic transition.

**RESPONDING TO COVID-19 PANDEMIC: BEST PRACTICES FROM AROUND THE WORLD**

Despite the protectionist measures implemented by several countries, many countries around the world continue to believe that international trade and supply chains must be protected during this COVID-19 pandemic for shared benefits across the global community. Countries have sent proposals and declarations to the World Trade Organization to ensure open and free trade as well as to build resilience of international production networks in case of future crises. These declarations form a series of best practices that have set the stage for global recovery from the COVID-19 pandemic.

One of the earliest initiatives taken was in the form of a joint declaration by Australia, Brunei, Canada, Chile, Laos, Myanmar, Singapore and Uruguay that guaranteed continuous commitment to preserve supply chain connectivity by refraining from application of new tariff or non-tariff barriers and supporting the transportation network. Two weeks later, member states of the Association of the Southeast Asian Nations (ASEAN) emphasized on community response to the pandemic by strengthening cooperation between ASEAN members on matters of public health, regional epidemic preparedness, openness of regional markets for trade and investment, and recovery of ASEAN economies post COVID-19. A similar declaration on

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49 ibid
50 ibid
53 TRALAC, “COVID-19 in Africa – some reflections on trade matters”.
54 OECD, “COVID-19 and Africa”.
55 TRALAC, “COVID-19 in Africa – some reflections on trade matters”.
maintaining regional supply chain connectivity was also made by members of the Asia-Pacific Economic Cooperation (APEC) that focused on coordination in information-sharing on policies for economic recovery. It also highlighted the need to harness the digital economy to advance regional economic growth.⁵⁸

Advanced countries such as Australia, Canada, New Zealand, Republic of Korea and Singapore were the first set of nations to declare intention of facilitating resumption of essential cross-border business travel⁵⁹. This declaration was an extension of the ministerial statement issued by the G20 member countries that aimed to lay a solid foundation for global economic recovery, while maintaining food security, reducing unnecessary stock-piling of food and providing humanitarian aid in the form of restriction-free exports of medical supplies and PPEs.⁶⁰ The declaration further recommended the facilitation of flow in essential goods through e-commerce well as through strengthening of logistic networks (air, land, marine) to build the resilience of supply chains, and provide greater support MSMEs.⁶¹ Fifty advanced and developing countries including the EU emphasized on alleviating the negative impact of COVID-19 on MSMEs and committed to further integrate MSMEs in international trade, and accelerate their access to digital technology.⁶² The African Union Commission also established an MSME platform to monitor, benchmark, and allow firms to share their experiences and challenges, as well as to provide support to businesses to overcome the challenges posed by the COVID-19 pandemic.⁶³

Later, twenty-nine countries along with the EU responded to the impact of the pandemic on agricultural trade and food security. Given, these countries constitute for over sixty-seven percent of exports of agri-products and sixty percent of such imports, they felt responsible for conserving agricultural supply chains and ensuring that food import-dependent countries have unhindered access to food products. They accepted that export restriction on food products will create ‘a widespread food insecurity crisis’ and called for the removal of such barriers by G20 countries and other WTO members.⁶⁴ Correspondingly, the Cairns Group of countries recognized the need to facilitate agricultural trade, limit price-distortions, reject protectionism and create a more market-oriented agricultural trading system.⁶⁵ Finally, the statement by the Ottawa Group called for increased engagement by each and every member of the WTO for a sustainable economic recovery.⁶⁶

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⁶¹ ibid
POLICY RECOMMENDATIONS FOR AFRICAN LDCs

Many lessons can be drawn by African LDCs from the aforementioned best practices to protect international trade and prevent similar crises in the future. First and foremost, there is a need for the LDCs to scrutinize the lockdowns initiated by them that have interrupted vital supply chains within the continent. Closing of borders has deprived the vulnerable regions of essential healthcare and food supplies. These LDCs, therefore, could initiate implementation of trade facilitation measures such as the creation of customs ‘Green Lanes’ to expedite the clearance of essential commodities imported from regional partners particularly during crisis times. These Green Lanes that have already been employed in China and the EU, help facilitate quick inspection and release of imported essential products most needed in LDCs.67

Second, this current crisis has highlighted the need for African LDCs to support MSMEs in the region. MSMEs form the backbone of the African economy as well as the regional value chains that exist in the continent, representing more than 90 percent of businesses and employing about 60 percent of workers, many of whom are women and youth.68 In Sub-Saharan Africa, most of the intra-regional trade in food and other consumer goods is conducted through these MSMEs.69 Regional value chains already exist in the continent, albeit, in an informal setting, including the tea industry in East Africa, livestock between the Sahel and Gulf of Guinea, or cassava in West Africa.70 The COVID-19 pandemic has disrupted their functioning across the continent. The African Union Commission has already responded to the economic impact of the COVID-19 on MSMEs through the establishment of a specialized platform71. However, there is further scope for policy measures aimed at creating a formal business regulatory framework, providing business development services (BDS), tax and non-tax incentives, and helping MSMEs reconnect to international value chains post the crisis.72

Third, most countries have already introduced physical distancing measures that limit the handling of custom documents at the border. As a result, digital solutions have been instrumental in doing business across all sectors of the global economy during the pandemic.73 Hence, it is recommended that LDCs promote the modernization of customs procedures through the increased use of digital solutions and promotion of paperless trade to make cross-border business transactions more convenient and transparent while also ensuring regulatory compliance.74 However, access to information via networked systems such as the internet and mobile phones is very limited mainly due to high access costs, lack of competition, and restrictive government regulation on entry of new players. This makes it particularly challenging to conduct international trade throughout the region. These LDCs therefore need

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72 Ibid
73 Ibid
to reduce the cost of internet services to seamlessly facilitate international trade through a centralized digital platform.

Fourth, as the African Continental Free Trade Agreement (AfCFTA) draws closer to its entry into force, a number of important lessons can be drawn from other regional economic bodies such as APEC and ASEAN. Although under the guise of the AfCFTA countries have already proposed measures to establish trade corridors for essential commodities and accelerate Africa’s industrial development, there is an opportunity for further intervention and support in the public health sector. Based on the proposals by ASEAN and APEC countries, the AfCFTA can perhaps include provisions that ensure members share their experiences and best practices in epidemiological research and development, clinical treatment, enhancing capacity for the public health systems while also protecting and ensuring the safety of public health workers. African nations can also set up a network of experts on public health emergencies for future needs.

Fifth, there is a need to encourage the development of a regional post-pandemic recovery plan under AfCFTA to restore connectivity, tourism, normal business and social activities, prevent potential economic downturns, boost confidence, and improve stability of the region. Other measures could also ensure that the most exposed economic sectors and workers are given support to ensure their fast-track recovery. For example, small traders in export-dependent countries of Mozambique, Niger, Nigeria, and Uganda can be provided with direct income transfers along with assistance to diversify trade from China. Moreover, tourism-dependent island countries can implement tourist-assistance schemes including checks at the airport, special health police, availability of doctors and hospitable beds on an emergency call, increased spending on advertisements to attract tourists, while also providing alternative income schemes for those dependent on tourism industry. However, these measures are likely to attract a substantial fiscal cost. Perhaps LDCs could request monetary assistance from the richer signatories of the AfCFTA during crisis periods to alleviate this burden.

Sixth, although African LDCs mainly export primary commodities to the world and import essential items like medicines and foods, they are important players in the global supply chain. Given the global slowdown and myriad of trade restrictions initiated by countries, there is an imminent threat to Africa’s trade and overall growth prospects. Perhaps, these LDCs can utilize the platform presented by the AfCFTA and sign preventive plurilateral agreements with their main trading partners located outside the continent to prevent any disruptions in the flow of essential commodities during times of crisis and pandemic. Moreover, these plurilateral commitments may also be extended to other LDCs in the WTO as they have the potential to present immediate benefit for trade and growth as was the case with the Bali package of 2013. This will help mitigate the likely catastrophic health and economic impacts of such a crisis in the future and protect the most vulnerable LDCs.

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77 Ibid
78 Ibid
80 Jatkar and Mukumba, “Unpacking the Bali Package: A Snapshot of the Bali Ministerial Decisions of the WTO Members”.  

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Seventh, there is an urgent need for new measures to minimize disruptions to food systems and ensuring food security during and after the COVID-19 pandemic. Food insecurity is a cause of concern throughout most of Africa, but especially in West Africa where food supply is scarce and countries depend on imports of basic foods crops such as rice and wheat from Asia. Short term measures may include setting up emergency food reserves and subsidizing inputs for the production of basic food crops such as Maize and Wheat. While in the long term, LDCs can boost domestic food production by incorporating advanced and more mechanized methods. Coupled with a strong diversification agenda, these countries can reduce their dependence on international food supply by reshaping supply networks and strengthening regional food chains. Perhaps these countries could also bargain for protection against disruptions in imports of staple food grain when they sign any new free trade agreements in the future.

In conclusion, Africa has been experiencing growth in trade over the last few years, however, the continent needs more international trade agreements to support its growing, yet fragile export sector. This crisis has presented an opportunity for the continent to take more concrete steps towards realization of the AfCFTA as countries make concerted efforts to harmonize their trade-related regulations, customs controls, and reduce both tariff and non-tariff barriers, while improving the infrastructure and addressing connectivity issues to lower logistics costs. There is also a strong case to amend the present text of the AfCFTA to strengthen the participation of industries located in the LDCs in regional value chains, reduce vulnerability in supply of food and essential goods as well as make the African economies resilient to future pandemics and crises. Assistance to meet excessive fiscal costs during a crisis and maintain trade networks could be made a central theme in all future negotiations of any bilateral or regional trade agreement by the African LDCs.

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