**POSITION PAPER**

**COMMITTEE- ECONOMICAL AND SOCIAL COUNCIL**

**TOPIC- IMPACT OF CORONA VIRUS ON INTERNATIONAL TRADE AND STRATEGIES MADE FOR POST CORONA SITUATION**

**COUNTRY- FRANCE**

Coronavirus is a new virus which is recently discovered and was unknown before the outbreak began in Wuhan, China in October 2020. This virus causes a communicable and uncured disease called ‘COVID-19’. COVID-19 is a humanitarian crisis on a global scale. The virus continues to spread throughout the globe, placing health systems under unprecedented stress in the battle to save lives. The human scale of this tragedy is set to worsen as the virus spreads easily to lower income countries with weaker healthcare systems. It has almost put the economy down globally and had affected the international trade badly. Trade between countries has stopped because this disease is communicable. Countries in order to prevent the spread of corona virus are placing lockdown, due to which the exports and imports of only essential things are taking place. In total, due to COVID-19 the international trade had experienced a great loss. France is also facing losses in trade as well as in its economy.

**Edouard Philippe said the country was "cut in two" in terms of the rate of infections.** Restrictions will remain in the capital and north-eastern regions. It comes as France prepares to relax its lockdown on Monday, with shops and some schools allowed to reopen. The country has suffered one of the highest Covid-19 death rates in Europe. Almost 26,000 people there have died from the disease in hospitals and care homes, but the number of new cases has also fallen in recent days. On Thursday, the health ministry said the virus had claimed 178 lives over the past 24 hours - 100 fewer than a day earlier. Restrictions - introduced on 17 March - would be lifted over the course of several weeks, Prime Minister Philippe said on Thursday. "Its good news for France and for the French people," he said.

In an unprecedented global health crisis, trade is essential to save lives and livelihoods; and international co-operation is needed to keep trade flowing. Due to lockdown in the country, the industries has shut down and ordered from foreign clients are cancelled. France - along with several other European countries - has been forced to temporarily freeze large parts of its economy to limit the spread of the virus.

Since noon March 17th, France has been on a strict lockdown with most outside activity strictly forbidden. The lockdown will likely be extended into May and [French President Emmanuel Macron is to address the nation in a televised speech this evening.](https://www.thelocal.fr/20200408/breaking-macron-to-extend-lockdown-on-monday) “The economic recovery will be long, difficult and costly,” said France’s Economy Minister Bruno Le Maire on April 9th, as he announced that he would double the emergency budget to exit the crisis. France, like many of its peers, has chosen swift and hands-on state action to alleviate the economic losses caused by the health crisis. They know that inaction from the state side could risk fatal economic impacts, with businesses going bankrupt and hundreds of thousands of people losing their jobs. But there is only so much the state can do.

As it stands, France’s GDP is expected to drop by 6 percent in 2020. Most economists agree that France is set for its biggest economic downturn since 1945. “There’s an overall consensus among economists that the recession will be worse than in 2008,” said Anne-Laure Delatte, an economist who works as a researcher at the French institutes CNRS (*Centre national de la recherche scientifique*) and CEPII (*Centre d’études prospectives et d’informations internationales*) This time, the shock to the economy is caused by something more tangible - the nationwide lockdown which has halted vast numbers of the country's businesses.” “People stop consuming and companies stop investing. It’s a vicious circle that amplifies the crisis and makes this a problem that is very difficult to address,” Delatte said.

While economists disagree on many things, they agree that the main factor determining the magnitude of the economic crisis is how long the lockdown will last.“Every month of lockdown costs us 2 to 3 percent of our GDP,” said Christine Lagarde, President of the European Central Bank (ECB), last week during an interview with France Info.While last week brought some first positive news on the coronavirus numbers, it’s still too early to say when things will start to go back to normal. France does not yet have a concrete plan for the *[déconfinement](https://www.thelocal.fr/20200408/french-word-of-the-day-deconfiner%22%20%5Ct%20%22_blank)* (unwinding of the lockdown). And it's not only when but how the government ends the lockdown that will impact the economic downturn.“If it’s done by age group and an extended period includes only those over 65 years old, the economic impact won’t be that significant,” said Xavier Timbeau, the Director of the French Observatory of economic conjunctures (OFCE), in an interview with [Le Monde](https://www.lemonde.fr/economie/article/2020/04/10/coronavirus-quels-scenarios-pour-la-sortie-de-crise-economique_6036168_3234.html).“But if (a continued lockdown) includes those over 50, it’s a very different story.”At the same time, ending the lockdown too early could cause a backlash. A potential second wave of coronavirus cases could force the government to establish a new round of lockdown measures.

A French delegation comprising representatives from sectors such as defence and aerospace, renewable energy, food processing and retail held discussions with Indian officials on challenges faced by French companies in the country, an industry body said.

The European Commission has approved, under EU State aid rules, a €10 billion French guarantee scheme to support the domestic credit insurance market in the context of the coronavirus outbreak.

Executive Vice-President Margrethe **Vestager**, in charge of competition policy, said: “The €10 billion French guarantee scheme will make sure that domestic trade credit insurance can continue to be issued. This will protect the liquidity needs of French companies and will help them carry on their commercial activities in these difficult times. We continue working closely with Member States to ensure that national support measures can be put in place in a coordinated and effective manner, in line with EU rules.”

Trade credit insurance protects companies supplying goods and services against the risk of non-payment by their clients. Given the economic impact of the coronavirus outbreak, the risk of insurers not being willing to issue this insurance has become higher. The French scheme ensures that trade credit insurance continues to be available to all companies, avoiding the need for buyers of goods or services to pay in advance, therefore reducing their immediate liquidity needs.

The Commission assessed the measure under EU State aid rules, and in particular [Article 107(3)(b)](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:12008E107&from=EN) of the Treaty on the Functioning of the European Union (TFEU), which enables the Commission to approve State aid measures implemented by Member States to remedy a serious disturbance in their economy.

In conclusion, the delegate of France believes that the trade and the economy should go hand in hand with the health of the country. And everything will be reestablished as it was before.

The Government of France believe that if we will discuss this Our goal is to rejuvenate the relations between the countries for foreign trade and cover the losses, and increase the global cooperation, which will help all of us to develop the mutual relationship, in making a better world.