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## **Globalization, Global Supply Chain Disruptions and COVID-19** **Why Open Trade Policies Will Aid Economic Recovery**

Fargo, N.D., June 25 — The COVID-19 pandemic has brought unprecedented disruption to the global economy and world trade. As nations and industries begin to reopen, open trade policies will play an essential role in economic recovery.

This is according to a new research brief by Dr. Anupa Sharma published by the Sheila and Robert Challey Institute for Global Innovation and Growth: [\*\*Globalization, Global Supply Chain Disruptions and COVID-19\*\*](#).

"The mutual dependencies and interconnectedness of supply chains highlight the critical role the open trading system will play in a global economic recovery," says the brief.

The COVID-19 pandemic hit as the world trade system was already being affected by trade tensions between the U.S. and China. With global supply chains disrupted by shutdowns and the spread of the virus, all major economies are feeling the impacts. Sharma's research highlights how open trade policies can aid in recovery.

"If we want employment to recover, we need factories to operate at full efficiency," said Sharma. "For that to happen, businesses need access to cheaper materials from around the world."

The brief shows how tight linkages in global supply chains were affected by shutdowns and other disruptions caused by the spread of COVID-19. It further explains how trade barriers such as tariffs can magnify economic disruptions and slow the process of economic recovery.

The brief concludes: "As the world is preparing to re-emerge from this global economic shock, pursuing protectionist policies would immensely delay the economic recovery and add to the economic harm already caused by the pandemic."

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**About the Author:** Challey Institute Fellow, Dr. Anupa Sharma is an assistant professor of agribusiness and applied economics and assistant director for the Center for Agricultural Policy and Trade Studies at North Dakota State University.

**The Sheila and Robert Challey Institute for Global Innovation and Growth aims to advance understanding in the areas of innovation, trade and institutions to identify policies and solutions that enhance economic growth and opportunity. For more information, visit [ndsu.edu/challeyinstitute](http://ndsu.edu/challeyinstitute).**

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