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An Investigation on The Impact of Covid-19 Restrictions on Kenya's International Trade Relations: A Case of Eastleigh Market, Kamukunji, Nairobi County

Yussuf Gedi Doll
Mount Kenya University, P.O Box 342-00100, Thika, Kenya,
Email: Yussuf.doll@gmail.com

Dr. Adan Jarso Golole
Lecturer School of Education and Social Science
UMMA University

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Abstract- The first case of Covid-19 emerged in China between October and mid-November 2019 according to David Roberts in the journal PLOS Pathogens. However, its rapid spread around the world lead the way for the covid-19 pandemic to be officially declared as a global emergency/pandemic in early 2021. Several measures were immediately adopted by different nations with some announcing total bans on international travel, lockdown, and suspension of all public gatherings. These measures to contain the virus affected global trade and caused international trade to slow down and caused losses. Despite developed countries putting in place funds to caution impact of economic loss, developing nations could not afford the expensive Covid-19 caution funds and many small businesses were affected and closed down. Kenya was not spared from the impact of Covid-19 restrictions. It had to adopt measures including suspension of all international flights and in-country lockdown. These measures affected local markets such as Eastleigh market in Nairobi. This study assesses the impact of Covid-19 on Kenya's international trade focusing on the Eastleigh market. This study will explore the impact Covid-19 had on the Eastleigh market and will identify recommendations to help recover from the losses resulting from the covid-19 restrictions. This study will also investigate the impact of Covid-19 travel restrictions on Eastleigh market trade relations with China, examining the effects of Covid-19 travel restrictions on Eastleigh market trade relations with India access the influence of Covid-19 travel restrictions on Eastleigh market trade relations with UAE . The research used mixed methodology approach and descriptive research design; The paper targets 3000 traders Eastleigh Business Committees (EBC) purposively selected. However, the sample size using Slovin's formula (SF) gave 3000 participants Further random sampling was used to arrive at 612 out of the sample size of 3000 participants who understood the study's topic and had quality information on the impact of Covid-19 restriction restrictions business market. Out of the 612 participants targeted, a Structured questionnaire and interviews was used as the main research instrument with the help for 5point Likert scale that showed the extent to which the participants agreed to various statements. A pilot test was taken from Thirteen randomly selected traders from the Eastleigh market; however, their results will not be included in this study. The completed questionnaires will be edited by the use of Microsoft Excel version 2016 results tabulated and presented in graphs and percentages. The researcher concluded that the COVID-19 restrictions, based on the research findings, is a key factor that impacted negatively the trade international trade relations between Kenya and its trade partners. he outcome is expected to provide details of how the Covid-19 restrictions affected Eastleigh market international trade and recommendations for improving international trade..

I. Introduction

1.1 Background of the Study

Beginning from the year 2019 the world witnessed one of the worst pandemics of our time, Coronavirus also known as COVID-19, an infectious and rapidly spreading disease emerged. World Health Organization (WHO) declared the COVID-19 epidemic a public health emergency worldwide which led to governments across the world putting measures in place aimed at stopping or reducing the spread of the virus (WHO,2020: Aliaga, 2020). Measures instituted include but are not limited to closures of education and training institutions, public and private offices including hotels and restaurants, as well as strong encouragement by governments to request employers and organizations to ensure employees work from home. Lockdowns and curfews have also been put in place, as well as closures of borders and airspaces (Aluga, 2020).
The first outbreak was traced to Wuhan City, China in December 2019, and symptoms of patients include common cold, fever, and respiratory symptoms such as dry cough, and Pneumonia (WHO, 2020). It was not until January 2020 that China publicly

announced the spread of the disease. It was confirmed that the disease could be transmitted from person to person as new cases were no longer related to the early cases linked to the seafood market in the city. Wuhan City was put under total lockdown with restrictions on mobility enforced (WHO, 2020). This led to an extraordinary economic impact on the country which inevitably affected the rest of the world as the export market drastically declined. This further added doubt to the country's slow economic growth rate and increase in unemployment. Nonetheless, the government adopted policies to support businesses and workers with most of the policies prioritizing employment (International Labor Organization, 2020).

Europe reported its first case in France and this was soon followed by other countries namely Italy, Spain, Germany, and the UK The number of cases of infection and mortality rates was growing exponentially as more European countries started to report positive cases. The measures adopted by the European countries to flatten the curve meant that schools, businesses, places of work, and public transport were closed and a curfew was imposed to ensure adherence to the guidelines. This impacted the economies of countries, as levels of unemployment and workers being laid began to increase .The International Finance Corporation (IFC) took the initiative based on previous crisis experience to undertake an economic impact assessment for countries in Europe and Central Asia to see the impact the pandemic has had on their economies. As part of their global efforts, IFC also identified responses to the economic impacts by providing liquidity to trade finance and working capital for businesses, particularly in the private sector (International Finance Corporation, 2020).

According to Africa Centre for Disease Control (2020), Africa reported its first case in Algeria followed by Egypt towards the end of February 2020. Other African countries started to report outbreaks with South Africa, Nigeria, Ethiopia, Kenya, and Tanzania being among them. China being Africa's major commercial partner with high volume air traffic and trade, the risk of the spread of the virus in the African continent increased (Nkengasong & Mankoula, 2020). As this was happening, many countries stepped up their preparedness by introducing strict regulations to manage the spread, as well as increased surveillance and capacity building for the front-line workers to detect and manage transmissions. The socioeconomic impact on Africa is expected to be worse due to the poor population, especially among marginalized communities and the elderly. The impact was also largely felt among refugees displaced by conflict, for instance, in South Sudan where there was an influx to neighboring countries like Kenya, Uganda, and Ethiopia (Okoi & Bwawa, 2020).

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 to lower income countries with weaker healthcare systems.

The most recent estimates in the June 10 OECD Economic Outlook suggest an unprecedented collapse in the first half of 2020 – an almost 13% decline in global GDP. Moreover, the costs to the global economy from support packages, through central banks and fiscal actions, are very significant and likely to have long-lasting and complex effects on management of sovereign and corporate debt. Yet notwithstanding these efforts, most major economies now look set to enter recession, and more serious scenarios cannot be discounted. Cancellation of passenger flights linked to travel bans has limited the availability of air cargo while urgent shipping of essential goods has increased demand, resulting in increases in the price of air cargo (compared to October 2019 air freight costs are up by about 30% between the People's Republic of China (hereafter "China") and North America and by over 60% on some important Europe-North America routes) (Curran, 2020[1]) Delivery times have also increased. This matters for some time-sensitive medical supplies, but also for some high value food trade. Important shipping ports reported year-on-year drops in cargo between 10% and 20% in February (Baschuk, 2020[2]). Over 50 countries have changed port protocols, ranging from port closure and quarantine measures to additional documentation requirements and examination. That said, some countries have also set up "green lanes" at ports of entry and border crossings, to accelerate the processing of cargo shipments. At the time the virus struck, large numbers of shipping containers were in Chinese ports, and restrictions on their movement have led to a shortage that has seen the price of containers rise (in some cases considerably), with flow-on effects for the price of cargo, including food products.

Inter-county movements were also banned; counties include Nairobi, Mombasa, Mandera, Kilifi, and Kwale (Kiragu, 2020). According to the World Bank Group (2020), these measures changed the way business was conducted and slowed down business operations in the country affecting all sectors including Agriculture.

The agriculture sector contributes 25% of the total GDP in Kenya. The livestock sub-sector directly contributes 42% to the agriculture GDP and between 12-14% to the national GDP. The lockdown has affected business operations which are usually contributed by the COVID-19 restriction. The restrictions have negatively impacted the key actors in the supply chain. The closure of the international airspace has affected the logistics of the export market, and the aviation industry in Kenya is recorded to be losing an estimated 800 million Kenyan shillings a month (United Nations Development Programme, 2020). International flights are of significant importance to the structure of the export supply chain, therefore, without regular international flights to Kenya's main export markets in the Middle East, China, and North Africa (MENA) regions, the supply chain is adversely affected (Kenya Markets Trust, 2020).

Kenya's foreign exchange reserves fell to 7.8 billion dollars by the end of 2020, down from 8.96 billion dollars in 2019 due to reduced net inflows as a result of international lockdowns to contain the COVID-19 pandemic. This was mainly attributed to the lockdown, the ban on international travel, and the total ban on all goods coming from China. Eastleigh traders trade in China market and this ban on travel from and to China impacted heavily on the import and export of goods in the Eastleigh market. More barriers to export and import were adopted by the Kenya government which limited the opportunity to do business as usual. It became quite hard to adopt various restrictions which each needed extra costs like the cost of doing a Covid-19 test, getting a health compliance certificate, and requiring additional measures to visit some countries. Globally most of the currencies experienced depreciation affecting the strength of the Kenyan shilling against other currencies.

The government already put measures in place to ensure the effective containment of the virus across the country to reverse the Economic and socio-economic effects witnessed in various sectors including the operations of livestock trade across the country.
Second, lockdown policies have introduced demand-side shocks that varied across product categories. The onset of the pandemic has seen significant stockpiling of essential commodities such as food and medical items, which further fueled a surge of demand for these commodities (Kassa, 2020; Banga et al., 2020; Mold and Mveyange, 2020). The pandemic and accompanying lockdowns have also led to business closure and shrinking of economic activity, creating massive unemployment that reduced demand for internationally traded goods, particularly for durables (Verma and Gustafsson, 2020; Djiofack, Dudu and Zeufack, 2020; Kassa, 2020). Lastly, the pandemic has led to financial shocks that created instabilities in the financial services sectors that are important in the smooth running of international trade (Banga et al., 2020; Demir and Javorcik, 2020). The current study analyzes the effects of lockdown policies that restricted domestic and international mobility on Kenya's import and export trade. Using daily, transaction-level data of imports and exports during the one-year period from July 1, 2019 to June 30, 2020, we build a weekly series of import and export trade data at 6-digit Harmonised System (HS) product level by country of origin (for imports) and destination (for exports). We conducted an event study analysis using a two-way fixed effects model to assess if the introduction of lockdown policies by Kenya's trading partners affected the country's import and export trade during the weeks prior and subsequent to their introduction. An event variable was created that captures the introduction dates of one of the following five lockdown variables: i) work place closure 2 ii) closure of public transport iii) stay at home requirements iv) restrictions on internal mobility and v) restrictions or controls on international travel. International, daily time series data for the introduction dates of these lockdown measures was taken from the COVID-19 Government Responses Tracking Database compiled by Blavatnik School of Government of the University of Oxford (Hale et al., 2020). We further assess if lockdown policies had divergent effects on trade via different modes of transport (air and sea) using more disaggregated import-export data. We subsequently estimate difference-in-differences (DiD) regressions to assess potential divergent effects of lockdown measures between countries (by the stringency of lockdown policies and income level) and between commodities, in particular comparing differential effects on essential commodities such as food products and medical products for preventing and treating COVID-19. The results show that the introduction of lockdown measures by Kenya's trading partners had a positive effect on exports but a negative one on imports. Weekly imports from countries that introduced lockdown measures fell by 28% on average after the measures were put in place, while exports to those countries increased by 12%. Our subsequent analysis reveals that these changes capture both demand and supply responses, with a potentially greater demand effect. Analysis using disaggregated data by mode of transport shows that the fall in Kenya's imports was due to a near-total disruption of imports by sea from countries that introduced lockdown measures, which was large enough to compensate for a significant rise in air based imports. The results suggest a substitution from sea to air cargo trade as a result of stringent lockdown policies, which was potentially due to the perceived safety of air cargo and cheaper air fares from airlines that faced a collapse in passenger traffic2. With closure of boarders and restriction of movement it affect the trade at Eastleigh market where the traders were not able get imports and exports else affected the trade at Eastleigh.

1.2 Statement of the Problem

Corona virus (COVID-19) is considered one of the deadly epidemics to strike the contemporary world in the recent years. This epidemic has disrupted the social-economic fabrics of many countries. The economic impact of its downturn will have a long-lasting effect on the world economy for years to come. This is further complicated by the connected and integrated nature of the world we live in today. A study conducted by African Development Bank (AFDB) 2020, projected the economies of Africa countries to shrink by bigger margins depending on the severity, restrictions imposed and duration of the pandemic in their specific countries. The Government of Kenya like many other nations across the world followed suit and put policy measures in place to stop the spread and flatten the curve by closing down business, schools, universities, places of work, borders, and airspaces. This slowed down business operations hence affecting the country's economy and trade. This study therefore will investigate the impact of covid-19 restrictions on Kenya's international trade relations: a case of Eastleigh market, kamukunji, Nairobi county.

2.0 Theoretical Framework

The theoretical framework discusses the theories/approaches that reinforce the study's main objective and specific objectives. This study is guided by the Pecking Order Theory. Pecking order theory emerges as one of the theories of capital structure that explains how firms finance themselves in real world (Matemilola, 2011). Capital structure is a combination (mix) the source of corporate funding that comes from debt, preferred stock and common stock. Debt can increase the value of corporate debt, but if the debt is too high then will increase the risk of the company. One of the risks is default, the company failed to pay the debt and cost of capital that will result in corporate bankruptcies. (Tri Gunarsih, 2011) The Pecking Order Theory, also known as the Pecking Order Model, relates to a company's capital structure. Made popular by Stewart Myers and Nicolas Majluf in 1984, the theory states that managers follow a hierarchy when considering sources of financing. The pecking order theory states that managers display the following preference of sources to fund investment opportunities: first, through the company's retained earnings, followed by debt, and choosing equity financing as a last resort. The pecking order theory suggests that firms first prefer internal sources of finance. (Myers, 1984) Effective financial management and what characters affect their capital structure are important for a firm to obtain better operational performance. A false decision about the capital structure may lead to financial distress and even to bankruptcy. The main benefit of debt is tax deductibility of interest and the costs are bankruptcy cost (Kim E.H., 1978) and agency cost (Jensen M.C. & Meckling W.H., 1976). The pecking order theory assumes that there is no target capital structure. The firms choose capitals according to the following preference order:

internal finance, debt and equity (Li-Ju Chen & Shun-Yu Chen, 2010) 7 The pecking order theory arises from the concept of asymmetric information. Asymmetric information, also known as information failure, occurs when one party possesses more (better) information than another party, which causes an imbalance in transaction power. Company managers typically possess more information regarding the company's performance, prospects, risks, and future outlook than external users such as creditors (debt holders) and investors (shareholders). Therefore, to compensate for information asymmetry, external users demand a higher return to counter the risk that they are taking. In essence, due to information asymmetry, external sources of finances demand a higher rate of return to compensate for higher risk. firms finance their activities with retained earning when feasible. If the returns earning are inadequate, then debt is used. (Myers, 1984) (Myers, 1984) argues that adverse selection and

information asymmetry cause firms to prefer internal financing over external financing. When internal financing is insufficient, firms choose debt over equity due to lower information costs. Information costs can be addressed as possible mispricing of equity while debt is generally associated with a lower probability of mispricing. Equity financing is seen as a less cost-efficient financing instrument and is thus used only when firms are debt constraint. In the context of the pecking order theory, retained earnings financing (internal financing) comes directly from the company and minimizes information asymmetry. As opposed to external financing, such as debt or equity financing where the company must incur fees to obtain external financing, internal financing is the cheapest and most convenient source of financing. When a company finances an investment opportunity through external financing (debt or equity), a higher return is demanded because creditors and investors possess less information regarding the company, as opposed to managers. In terms of external financing, managers prefer to use debt over equity – the cost of debt is lower compared to the cost of equity (Corporate Finance Institute, 2015). In relation to the unexpected turns due to the pandemic access to financing by SME's in Kenya has been hindered greatly especially where the main source of financing was debt and dependent on the banking sector. Banks have tightened their loan approval regulations due to uncertainty and this has found some SME's unable to finance and survive during this economic downturn.

3.0 RESEARCH METHODOLOGY

3.1 Research Design

The research design used in this study was descriptive analysis to get more information on the impact of Covid-19 restrictions on Kenya's international trade- Eastleigh market to get in-depth data on all issues that affected international trade in the Eastleigh market that had an impact on the sample under study. The design looked into where the problem occurred, in this case, the Eastleighbusiness market and the specific businesses affected, when the impact was felt in terms of the year, month, and specific dates, and major incidences like lockdowns that affected the subject of study the main tool used to collect data for this study was questionnaire The descriptive research design was appropriate for this study since there were no independent or dependent variables that involves establishing a cause-and-effect relationship. It only involved a description of the state of affairs of the following targeted variables identified by the study, which comprised of the economic and social impacts of COVID-19 management regulations together with the strategies to be employed to cushion the adverse effects of COVID-19. The perceptions from the respondents retrieved through questionnaires were generalized by mean scores, frequencies and percentages to describe the present state of affairs of the aforementioned variables. This was only made possible by applying a descriptive research design.

3.2 Location of the Study.

The study was conducted in Eastleigh business market, Kamakunji constituency Nairobi. Specific markets within Eastleigh's main market was targeted and, in this case, the Garissa lodge market was focused on where all the businesses of different traders were located.

3.3 Sampling techniques and sample size

A purposive sampling technique was used and the target sample was identified using Slovin's formula. Respondents will be asked for consent depending on the willingness and availability of the respondents to participate in the study. Purposive sampling allowed for gathering qualitative responses from the target interviewers and help them to gain better insights and more precise outcomes on the findings on the impact of Covid-19 restrictions on the country's international trade. The sample population of business owners and workers was identified from Eastleigh Garissa lodge and a sample size of persons were selected and interviewed. The selected sample size was targeted for questioners and their responses recorded.

3.4 Research instruments

Questioners was used to collect data on the impact of Covid-19 restrictions on the country's international trade relations with a focus the on Eastleigh business market. Validity and reliability was tested by comparing the responses and assessing the stability of the responses by the interviewers. The responses are expected to have some sort of data that demonstrates a certain level of consistency and coherence within the study. The researcher's resources of information, level of education ln background, and professionalism was also weighed in on the validity and trustworthiness. The research accuracy and error margin was set at 95% accuracy.

4.0 RESEARCH FINDINGS

4.1 . Response Rate

The research which sought to understand the Impact of Covid-19 Restrictions on Kenya's International Trade Relations, Researcher had respondents for information that would assist the study to address its objectives. However, the research actually managed to study respondents in the field. This denoted a response rate of 62 %, meaning that the study only suffered a non-response rate of 38 %, which was not consequential. Gordon (2002) postulated that research studies posting a response rate of 60% are acceptable for inference and a response rate of 62 % is more preferable. This study managed to surpass the rule of thumb by achieving a response rate of more than 62 %, meaning that the findings of this study were adequate for inferences to be made

4.2 Impact of COVID -19 Travel Restrictions on Eastleigh Market Trade Relations with China.

The first objective of the study to investigated the impact of Covid-19 travel restrictions on Eastleigh market trade relations with China. The findings revealed that COVID-19 and restriction on movement has a negative and a significant influence on the on-trade relations between Eastleigh traders and China. This is supported by the statements/indicators in the questionnaire which majority of the respondents agreed. Moreover, the study revealed restriction of movement affects the cash flows in the country which lead to poor liquidity. This shows that despite the limited availability of goods and services traders with few goods were able to sell to their customers despite the increase in pricing of the goods. The findings concurred with Omosa (2020) who observed that the Kenya business had been adversely impacted by COVID-19 control measures. Additionally, COVID-19 restrictions imposed by the government have played an adverse role in making traders within Eastleigh market to find it difficult to access credit/loans for effective and efficient operations of their business. Complementary to that, COVID-19 restrictions have generally inflated price of goods and services. Besides that, the disruption of the supply of goods and services led to the decline of the supply of goods, as well as demand.

It also noted that, the findings concurred with different business who observed that most of the business operating in commodities imported from, China had inadequate cash flow as a result of COVID-19 restrictions, which had made it difficult for them to repay their loans, salaries and rent. One of the respondents posted that most business trading in goods from China are unable to survive due to the decline of cash flow as a result of COVID-19 restrictions involving abrupt shutdowns. Owing to the fact that most traders do not have sufficient savings to navigate through the outbreak. The results indicate that the introduction of lockdown measures by Kenya's trading partners led to an average increase in export trade by 13%, and a drop of imports by 23%. The decline in imports was mainly caused by relatively greater disruptions of sea cargo trade with countries that introduced lockdown measures. Import and export of food commodities increased in response to the lockdown measures, by 21% and 31% respectively, reflecting the income inelasticity of food commodities. The increase in food imports reveals that aggregate imports declined due to a greater fall in demand for non–food commodities. Our analysis offered less clear–cut results for trade in medical goods that are essential for the protection and treatment of COVID–19. Lockdowns led to a reduction of Kenyan exports to countries with stringent lockdown policies, while imports from these countries responded positively. We also find that lockdowns did not affect exports to OECD countries but led to an increase in imports from them. Import from China, on the other hand, registered marked decline in the first 14 weeks of the lockdown.

4.3 Effects of Covid-19 Travel Restrictions on Eastleigh Market Trade Relations with India.

The second specific objective examined the effects of Covid-19 travel restrictions on Eastleigh market trade relations with India. Most of the commodities traded between Eastleigh traders and India are in jewelry and electronics. It was noted during the COVID -19 restrictions the international trade between Kenya and India decline due to cross border trader this eventually affected negatively the business in the Eastleigh market that led to decline in the sales of jewelries and electronics products due to decline in the supply of this commodities occasioned by COVID -19 restrictions. The demand effect of COVID-19 is observed on the import sector from India. Particularly, COVID-19 causes a decrease or an increase in aggregate demand of imports from the findings shared respondents during the interview. The decrease arises from two parts; first is the reduction of income and earnings and second is the fear of contracting the disease. Measures taken by governments in response to COVID-19 like curfews, lockdowns, cease of movements and emphasis of working from homes reduces earnings of businesses and cause some traders to close their business due to lack of supplies promoted by closure of the borders between Kenya and India. India is one of the largest trading partners of Kenya and contributes largely to Kenya's import and export. The distractions could be attributed to loneliness, depression, distress, anger, stress and fear as a result of missing the social life experienced in school and being restricted at home (Akat & Karata, 2020). Furthermore, due to the fact that some traders were diagnosed with COVID-19, it created stigma against them together with the transporters along the major trade routes, thus affecting supply. The findings concurred with the research outcomes of Odera (2020) who had observed that people who had contracted COVID-19 or were related to those who died as a result of COVID-19 were stigmatized through isolation. Aside from that, COVID-19 has not only limited the movement of traders from one place to another, but it also resulted in job losses, deteriorating the purchasing capability of the customers. The findings of the study concurred with Mercy Corps (2020) who observed that COVID-19 restrictions resulted to job losses thus reducing the ability of consumers to purchase electronics and others good available in the market due to lack of adequate cash. The aggregate effect would be a reduction in earnings which in turn leads to decrease in aggregate demand. Although, the government can provide sufficient benefits to cover the losses of earnings, the short terms effects would be high levels of decrease in demand for imports from India. For the second channel, people might fear contracting the disease through their visits to shops to purchase items, or to eateries and social places. In such places, people might fear getting in contact with people who are infected. The aggregate effect would be a decline in demand for commodities. While aggregate demand for many commodities might decrease, for some products an increase in demand is observed. The increase arises due to two reasons, first is the uncertainty effect and second is the creation of "new" goods. Uncertainty arises due to un-predictability of the effect of the virus on the economy and the un-predictability of possible government measures. Kenya's export trade was marginally affected by the lockdowns due in part to robust demand for income–inelastic food exports, which registered 20 some increase despite the lockdowns and ensuing economic crisis. The significant fall of (non–food) imports, on the other hand, points to a decline of demand for non–essential imports in the face of significant uncertainties caused by a looming health and economic crisis. These results shed light on the asymmetric effects of lockdown policies between export and import trade, on trade via different modes of transport, and across different commodities and trading partners.

5.0 CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusion

The researcher concluded that the COVID-19 restrictions, based on the research findings, is a key factor that impacted negatively the trade international trade relations between Kenya and its trade partners. According to the findings, cessation of movement and cross border trader greatly affected the movement of goods and services which contribute to the decline in trade hence lack of adequate cashflow in the market. The results from analysis of the standard deviation and mean show that COVID-19 restriction is a critical variable in decline in trade relations among the countries and plays a vital role in promoting sustainability in the trade among the countries.

It was also concluded that the restrictions have inflated the prices of both goods and services. They have increased the cost of transaction commodities in the market and also reduced cash flows. Moreover, they have also reduced the demand and supply of goods and services. Besides that, it can be concluded that the economic effects of COVID-19 adversely affected the business operations in Eastliegh market.

The study recommends for the government to unconditionally uplift the lockdowns and curfew restrictions once and for all. The uplifting of the restrictions would give room for the free movement of traders and its products in various marketplaces. Therefore, the demand and supply of commodities in the commodity market will increase and the business will once more thrive. Besides that, livestock theft will subsequently subside. The study also recommends the introduction of a financial stimulus package for the SME. Funds should be set aside with the intention of providing credits to the ailing export trade SMEs in order for the businesses to start picking up in the market. Besides that, the government should introduce financial policies reducing the tax liability to be paid by the SMEs in **the** international trade for a minimum period of 2 years in order for the businesses to pick up after suffering economically during the COVID-19 stringent restrictions period.

5.2 Recommendations

The recommendations comprise of the government might consider providing alternative incentives to promote imports and exports of these products. A continuous deep of these products could adversely affect the economy in the long run. Some business operations that depend on import supplies would end up shutting down and causing massive unemployment in the country. One of the practical incentives to promote imports would be a reduction of import tariffs of these products commodities that has high demand and generate cashflow in the economy. Since some of them could already be attracting zero tariffs, reduction of alternative taxes like excise duties may be considered by the government. Second, the current government measures to combat the spread of COVID-19 needs to be reviewed to try to create a balance between promotions of trade and combating the spread of the virus. Rather than shutting borders and preventing movement of goods, the government may consider emphasizing on proper packaging and handling of exports and imports. By, ensuring that imports and exports are well packaged and safe for consumption, the government would create consumer confidence. This would in turn lead to an increase in demand for commodities. Third, the surge in imports due to COVID-19 shows that there is a risk of an economy being over dependent on imports. There is thus a need for the government to create a conducive environment that promotes domestic production of commodities. Finally, there is need to control the volatility of exchange rates in the country. The results have shown that exchange rate volatility in the country negatively affects the levels of exports. The policy formulators should formulate policies, which ensure that the changes in the market prices and volumes have to be equated against seasonal norms since some trade is very seasonal. Moreover, the government should assist the business in establishing an e-commerce selling platform for the for smooth operation and be exposed to the global audience, thus curtailing the effects of COVID-19.

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Authors

First Author – Yussuf Gedi Doll;
Mount Kenya University,
P.O Box 342-00100, Thika, Kenya,
Email:Yussuf.doll@gmail.com

Second Author – DR. ADAN JARSO GOLOLE
Lecturer School of Education and Social Science
UMMA University

Third Author – Mohamed Alio.
Senior Lecturer,
Mount Kenya University,
P.O Box 342-00100, Thika, Kenya

Correspondence Author – Yussuf Gedi Doll;
Mount Kenya University,
P.O Box 342-00100, Thika, Kenya,
Email:Yussuf.doll@gmail.com

6.0 TABLES AND FIGURES

Table 4. 5: Descriptive results of impact of COVID 19 restriction in the trade relations

No.	Statement	Mean	Std Dev

1.	COVID-19 pandemic disrupted the business supply chain business.	4.380	1.161
2.	The abrupt shut down of transportation adversely affected the cash-flow of the Business operation.	4.120	1.236
3.	The disruption of the supply chain led to the decline of the goods and services demand.	4.171	1.250
4.	COVID-19 has led to upsurge of operational costs for traders and increased prices for retailers and wholesalers as a result of delay in the importation from china	4.148	1.156
5.	COVID-19 restrictions have played an adverse role in traders access credit/loans for effective and efficient operations of their businesses.	4.338	0.991
6.	COVID-19 has decreased the supply of commodities and services which has inflated the prices to the end customers thus discouraging many of them from buying the goods.	4.142	1.036
7.	The price of the goods and services before the COVID-19 pandemic.	3.148	1.128
8.	The price of the goods and services in the middle of the COVID-19 pandemic.	4.168	1.229
9.	The present price of goods and services.	4.268	1.059
Overall Mean Score		4.161	1.173

TABLE 4.5.1 **Descriptive results of impact of COVID 19 restriction in the trade relations using likert scale**

The economic effects of COVID-19 were measured in terms of a five-point Likert scale, where 5 was highest, 4 was high, 3 was moderate, 2 was low and 1 was none.

Statement	Highest	High	Moderate	Low	None
COVID-19 pandemic disrupted the business supply chain business.	5				
The abrupt shut down of transportation adversely affected the cash-flow of the Business operation.		4			
The disruption of the supply chain led to the decline of the goods and services demand.		4			
COVID-19 has led to upsurge of operational costs for traders and increased prices for retailers and wholesalers as a result of delay in the importation from china		4			
COVID-19 restrictions have played an adverse role in traders access credit/loans for effective and efficient operations of their businesses.			3		
COVID-19 has decreased the supply of commodities and services which has inflated the prices to the end customers thus discouraging many of them from buying the goods.	5				

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The price of the goods and services before the COVID-19 pandemic were low	5				
The price of the goods and services in the middle of the COVID-19 pandemic.		4			
The present price of goods and services increases.		4			
COVID 19 has led to the drop in international trade		4			

Impact of COVID 19 restriction in the trade relations between traders in Eastlieghn Market China

	Frequency	Percent %	Cumulative percentage
Highest	15	35.71	35.7
High	24	57.14	57.14
Moderate	3	7.14	100
Total	42	100	

Table 4. 6: Descriptive Results of the influence of Covid-19 travel restrictions on Easteleigh market trade relations with UAE

No.	Statement	Mean	Std Dev.
1.	Average monthly profit margin of trade between UAE traders and Eastleigh in the first quarter of the year (January, February and March).	2.041	0.804
2.	Average monthly profit margin of trade between UAE traders and Eastleigh second quarter of the year (April, May and June).	1.891	0.820
3.	Average monthly profit margin of trade between UAE traders and Eastleigh third quarter of the year (July, August and September).	1.782	0.911
4.	Average monthly profit margin of trade between UAE traders and Eastleigh third quarter of the year (October, November and December).	1.691	0.876
Overall Mean Score		1.851	0.853

Table 4.6.1 descriptive results the Influence of Covid-19 Travel Restrictions on Eastleigh Market Trade Relations with UAE using likert scale

Influence of Covid-19 travel restrictions on Eastleigh market trade relations with UAE third specific objectives of the study. A 5-point Likert of level of highness was used where 1 was lowest, 2 was low, 3 was average, 4 was high and 5 was highest.

Statement	**Highest**	**High**	**Moderate**	**Low**	**None**

Average monthly profit margin of trade between UAE traders and Eastleigh in the first quarter of the year dropped (January, February and March).	5				
Average monthly profit margin of trade between UAE traders and Eastleigh second quarter of the year dropped (April, May and June).		4			
Average monthly profit margin of trade between UAE traders and Eastleigh third quarter of the year dropped (July, August and September).		4			
Average monthly profit margin of trade between UAE traders and Eastleigh third quarter of the year dropped (October, November and December).		4			
Average drop in the profit margin from the international trade	5				
Low demand of imported goods due to increase in the prices of imports			3		

Influence of Covid-19 Travel Restrictions on Eastleigh Market Trade Relations with UAE

	Frequency	Percent %	Cumulative percentage
Highest	10	40	40
High	12	48	88
Moderate	3	12	100
Total	25	100	