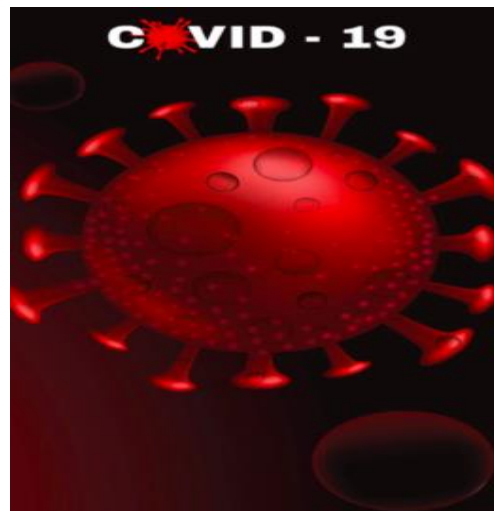




UNITED NATIONS  
UNCTAD

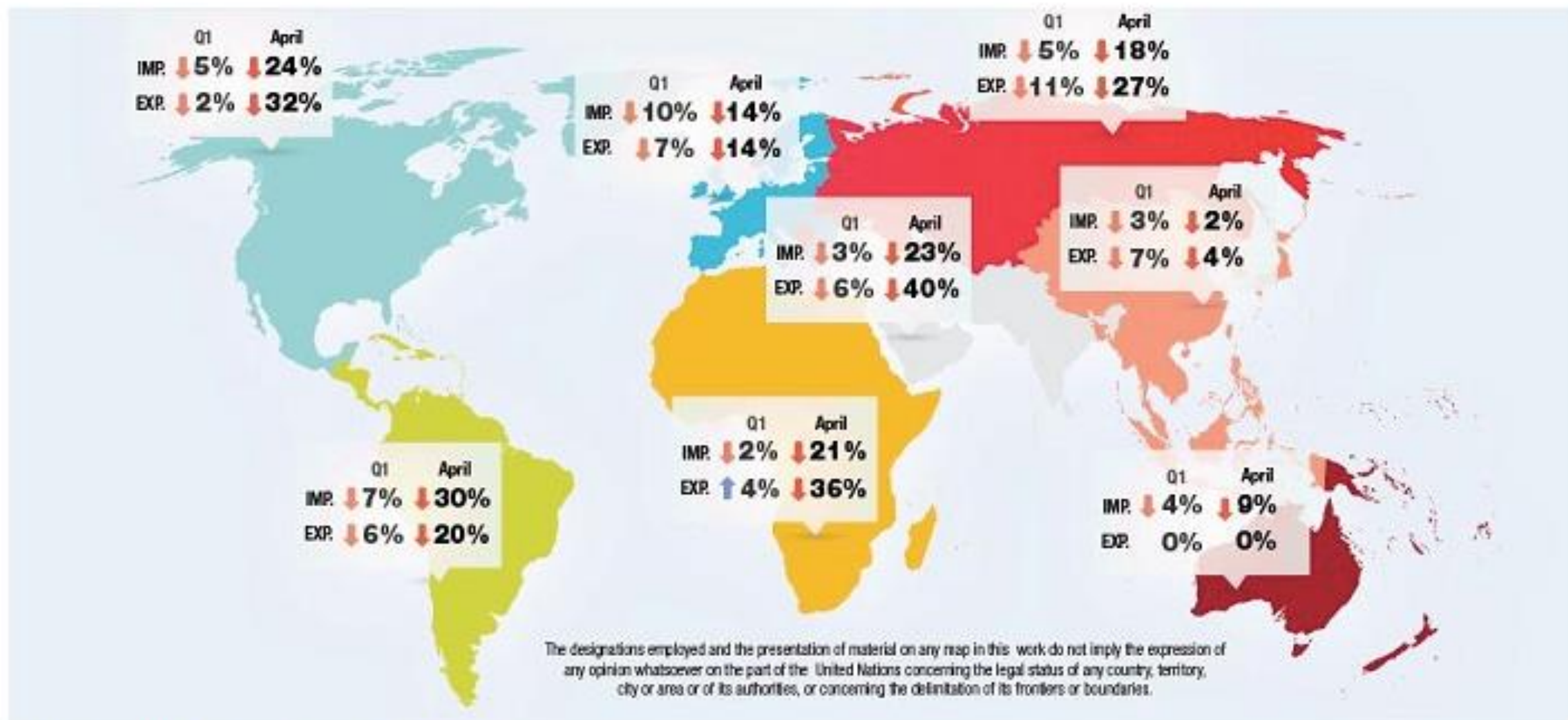
## WTO Committee on Trade Facilitation Response to the COVID-19 crisis

Poul Hansen  
Chief Trade Facilitation  
UNCTAD



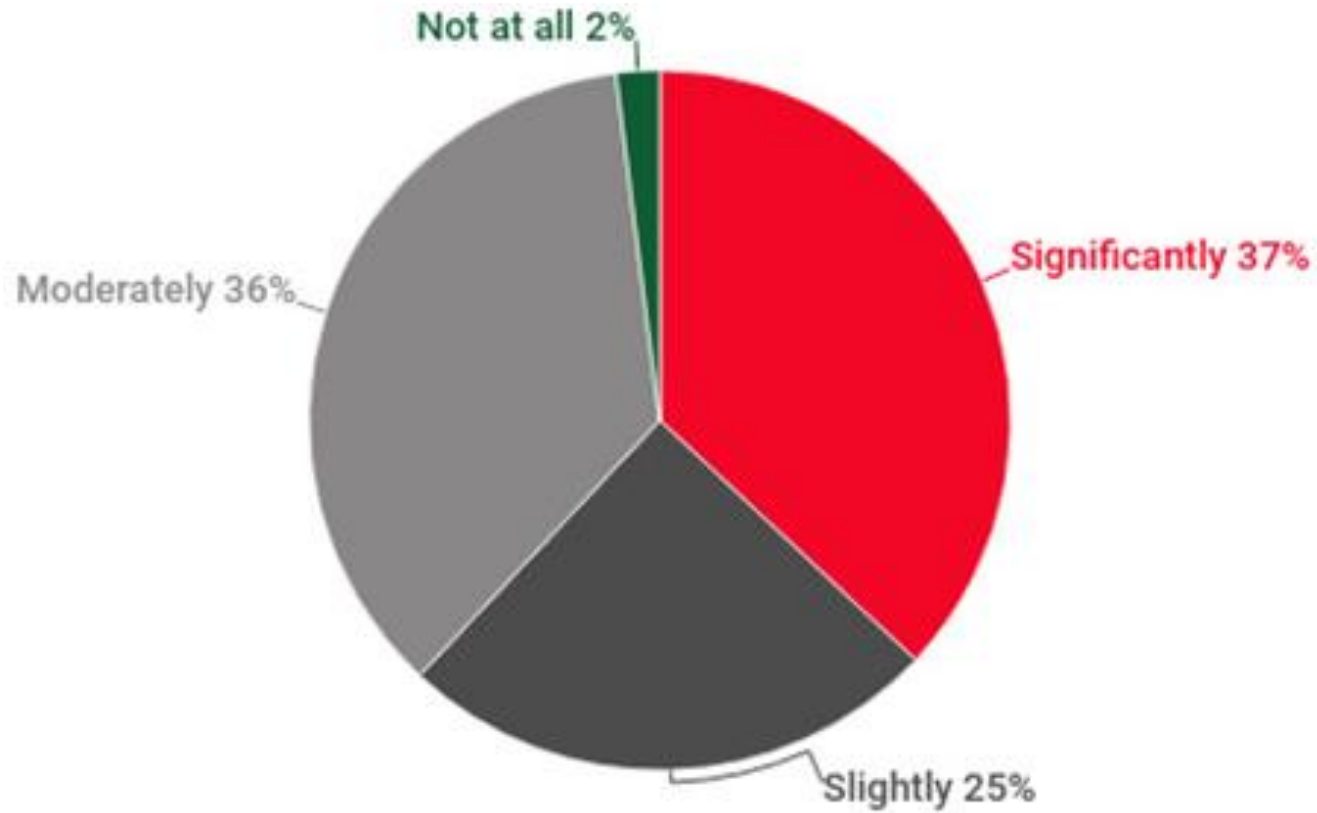
30 September 2020

## Regional trade in 2020







Source: UNCTAD calculations based on national statistics.

# How will the Covid-19 crisis impact your supply chain strategy over the medium term?



## Elements of trajectories and impacts on international production

		Impact on international production
<b>RESHORING</b> 	<p>Automation, Centralized production, Re-industrialization, Knowledge-seeking, Domestic, Protectionism, Advanced economies, Divestment</p>	<p><b>Shorter</b>, less fragmented value chains. <b>Rebundling</b> of supply chain and production stages. More concentrated value added. <b>Less offshoring, less outsourcing.</b></p>
<b>DIVERSIFICATION</b> 	<p>Redundancy, Platforms, Teleworking, Digitalization, Disintermediation, Digital coordination, Servicification, Asset-light</p>	<p>Continued <b>fragmentation</b> of supply chains. Increased <b>platform-based</b> supply chain governance. Increased <b>offshoring and outsourcing</b> of services. More concentrated value added.</p>
<b>REGIONALIZATION</b> 	<p>Development, Regional processing, Sustainability, Cross-border SEZs, Near-shoring, Trading blocks, Regional integration, Local sourcing</p>	<p><b>Shorter physical supply chains</b>, but not less fragmented. <b>More geographically distributed</b> value added. Decentralized governance, <b>outsourcing.</b></p>
<b>REPLICATION</b> 	<p>Digital twins, Market-seeking, 3D printing, Glocalization, Distributed manufacturing, Trade minimization, Customization, Self-sufficiency</p>	<p>Much shorter and less fragmented value chains, <b>rebundling</b> of production stages. Higher <b>geographical distribution</b> of activities, but more <b>concentrated value added.</b> Increased <b>outsourcing.</b></p>



# **Trade Logistics challenges and response**



# COVID-19 – a challenge for international trade logistics

- International supply and value chains greatly disrupted
- Both large traders and small cross border trade affected
- Border agencies face the challenge of expediting imports, exports and transit
- Essential goods, including medical and emergency supplies need prioritization
- Balance between trade facilitation and epidemic prevention and providing adequate compliance controls of goods and transport personnel. Protect transport and compliance personnel



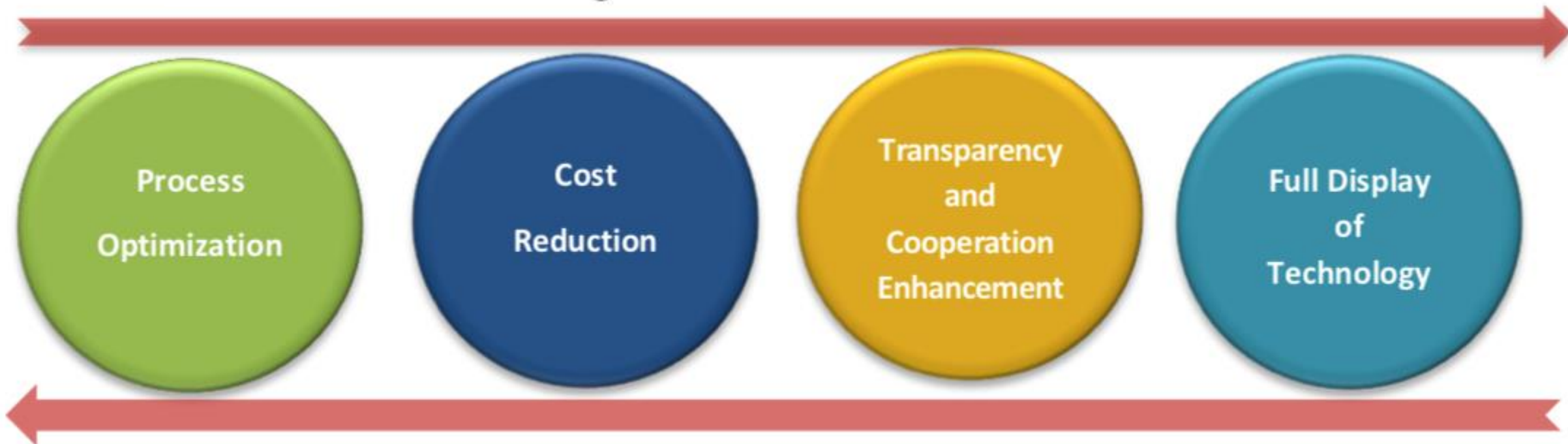
# UNCTAD PROPOSED Action Plan in response to COVID-19

1. Ensure uninterrupted shipping
2. Maintain ports open
3. Protect international trade of critical goods and speed up customs clearance and trade facilitation
4. Facilitate cross-border transport
5. Ensure the right of transit
6. Safeguard transparency and up-to-date information
7. Go paperless
8. Address legal implications for commercial parties
9. Protect shippers and transport service providers alike
10. Ensure coordination



# HOW COUNTRIES CAN LEVERAGE TRADE FACILITATION TO DEFEAT THE COVID-19 PANDEMIC

**Four main categories COVID-19 related trade facilitation measures**





# Action to help vulnerable countries (LLDCs and SIDS') while continuing to protect global public health.

- **Governments to refrain from any unjustified restraints on traffic**
  - Goods in transit (LLDC)
  - Ports operations (SIDS)
- **LLDCs and transit partners as well as SIDS' and transshipment ports to make use of trade facilitation standards and digital technologies to limit physical checks and contact at borders to protect health of workers**
- **View the crisis as an opportunity to reorient international freight transport operations on a sustainable path.**
- **LLDCs, SIDS and partners to strengthen global and regional cooperation on transport connectivity and coordination**

# **NTFCs and RTFCs and COVID-19**

## Challenges for NTFCs during the COVID-19 crisis

- **Lack of defined role and involvement of the NTFCs in national COVID Emergency Task Forces:** Lack of NTFC visibility in many countries within the institutional architecture
- **Emergency issues dealt by the political level:** NTFCs considered technical committees.
- **Absence of regulatory guidelines about teleworking, online meetings and messaging:** The COVID-19 crisis has de facto established new channels of communication
- **Lack of connectivity:** Access to internet and technology have proven very difficult for the stakeholders, particularly for those teleworking in developing countries
- **Absence of a national crisis database of focal points :** Contact details of relevant Trade facilitation focal points and border agencies lacking

## Experiences of NTFCs during the COVID-19 crisis

**National trade facilitation committees are the right platform to bring together public and private sectors not only to address current bottlenecks to trade caused by the pandemic, but also to prepare for recovery**

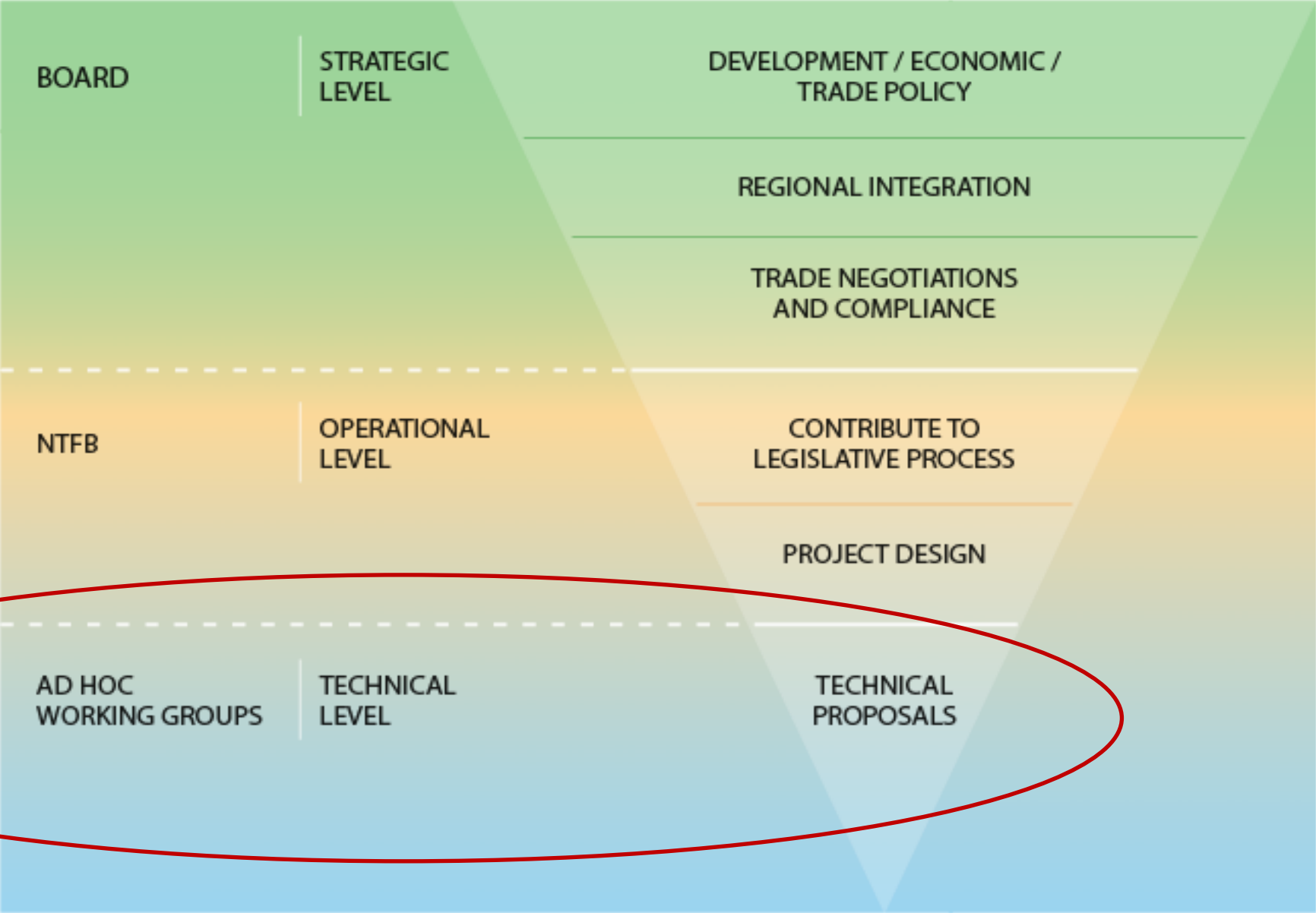
- **Emergency Task Forces:** Some NTFCs have been setting up ad-hoc crisis committees or have been integrated parts of the national emergency task forces.
- **Dissemination of information during crisis:** Some countries have used trade information portals to ease trade by simplifying and explaining procedures and processes as well as COVID-19 emergency measures
- **Coordinating border actions:** NTFCs have worked with local authorities to expedite customs clearance and release of goods essential to combatting the spread of the pandemic, such as masks, gels and disinfectants, setting up clearance, organizing convoys etc.



## NTFCs part of the recovery and preparing for future crisis

- **Increased political commitment in trade facilitation:** after years of funding from development partners, Governments through the national budget should allocate resources ensuring trade facilitation is coordinated through NTFCs
- **Increased visibility of the NTFCs:** More political and media visibility for NTFCs is required.
- **NTFCs working as One:** The primary objective of the NTFC is the coordination of trade facilitation reforms, be them at national, regional and continental levels
  - Through technology: simple IT management tools can help NTFCs in coordinating implementation and monitoring progress of reforms.
  - Through Committee reform and alignment: Government committee alignment and simplification and NTFCs crisis ad-hoc group part of the National Emergency Task force
- **Linkage between the NTFCs and the RECs** for a regional coordinated policy response

# NTFCs role in response to COVID-19



Crisis ad-hoc group

# Regional Trade Facilitation

- Mentioned in WTO Trade Facilitation Agreement, but not obligatory. Neither is Regional TF Committee
- However, it makes a lot of sense to coordinate crisis response through Regional TF Committees, to assist in REC implementation and in coordination response.
- IN TFA all obligations are national responsibility, i.e. ratification, notification and implementation. In RECs there are defined Regional responsibilities
- Certain TFA obligations lends themselves to Regional Collaboration, e.g. transit, border agency cooperation, AEO, Information through Internet etc. which can all assist in crisis response and recovery



# **UNCTAD Covid-19 response assistance**





## Intensive Courses

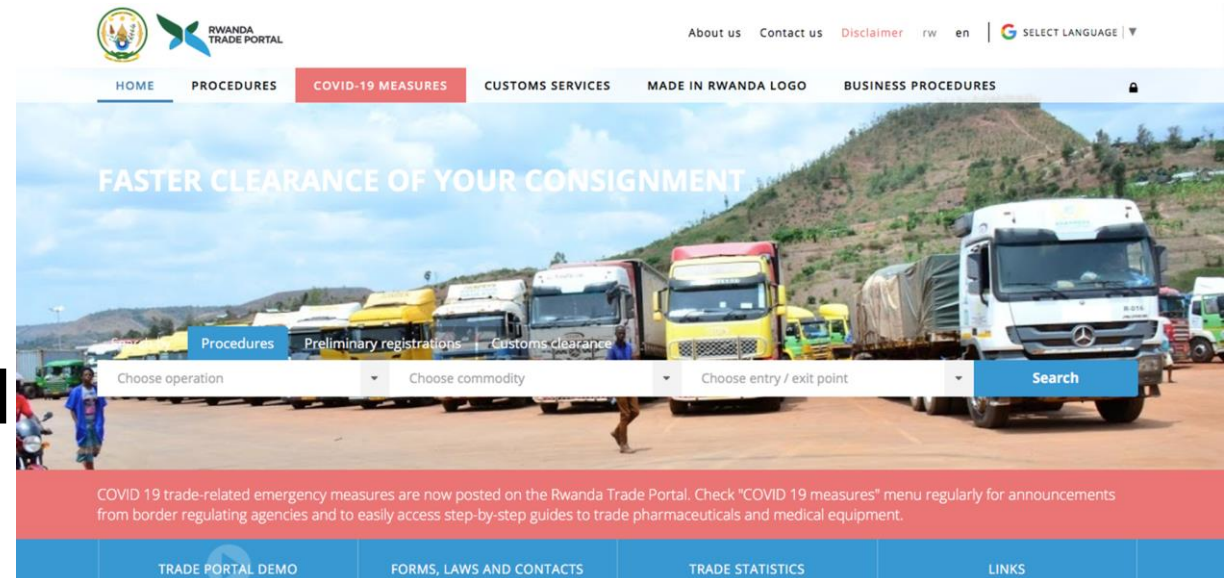
- Blended - online and webinars
- Members and the Secretariat
- Certification

<http://unctad.org/tfcommittees>

## Trade portal

- 35 Electronic Portals
- 2,993 processes documented
- 80% reduction in procedures and documentation

<http://tradeportal.eregulations.org>



3



## Advisory Services

i

### Rapid Scan of National Emergency Provisions in Trade Facilitation

Undergo a desk based rapid scan of the framework of national emergency regulations



- Develop strategy for introducing emergency measures related to trade and transport
- Information to be featured on the country's respective trade portals to enhance transparency

ii

### Trade Facilitation Advice for Emergency Situations and Recovery Plans

Provide clear and tailor-made guidelines in facing future challenges on trade facilitation due to health, economic or environmental crisis



- Include best practices implemented for countries and/or regions in similar situations
- Formulate list of steps to enhance National Trade Facilitation Committees' response during crisis

iii

### Legal Package

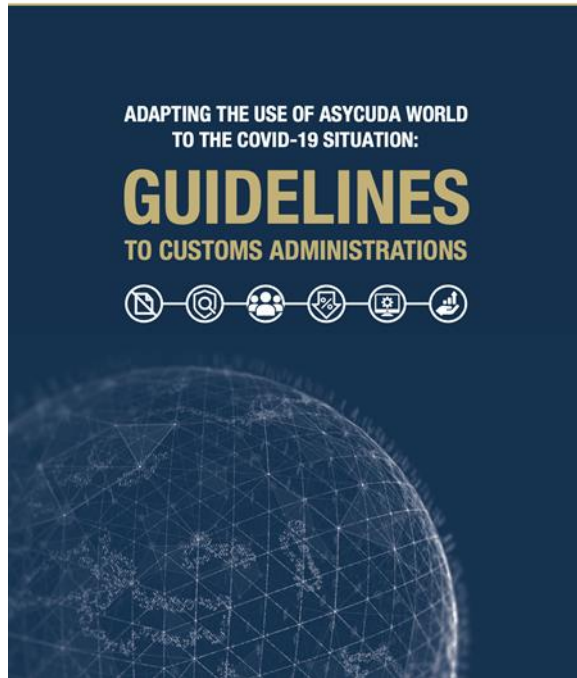
Deliver assistance in building legislative and regulatory framework towards crisis and recovery response as well as implementation of the WTO Trade Facilitation Agreement and other trade facilitation tools



iv

### Action Plan

Based on the previous services, UNCTAD can support National and Regional Trade Facilitation Committees to prepare **Action plans and an action checklist** for future emergencies



## GUIDELINES FOR CUSTOMS ADMINISTRATIONS

- Promote further paperless processing
- Review ASYCUDA Risk Criteria
- Review organizational arrangements
- Tax Policy Changes
- ICT infrastructure adjustments
- Perform Trade Data Analysis

## ASYCUDA COVID-19 Measures

- **Guidelines for Customs Administrations** to adapt the ASYCUDA system to reduce the impact of COVID-19 (further paperless procedures, review of risk management and organizational arrangements, ICT infrastructure adjustments, implementation of tax policy changes...)
- **Survey** on the tailoring of ASYCUDA systems against COVID-19  
Key findings:
  - ✓ 39% user-countries do not require submission of hard copies of documentation
  - ✓ 72% use ASYCUDAWorld reports to monitor impact of crisis on trade
  - ✓ 48% need assistance to develop Business continuity plan
- Remote local, regional and international assistance from ASYCUDA experts to user-countries due to travel restrictions

# UN development account project on Transport and Logistics in times of COVID

UNCTAD and the five UN Regional Commissions COVID-19 response in trade and transport :

1. Assist developing countries to implement existing UN solutions to build transport, trade and logistics resilience in the wake of COVID-19
2. Equip governments in developing countries to adapt to new post-COVID-19, while considering their specific and local conditions.
3. Based around three clusters designed to match existing and emerging standards and best practices in transport and trade facilitation with new realities and demands arising from COVID-19:
  - **Cluster 1** Contactless solutions and good practices. Reducing physical contact among people in cross-border supply chains by facilitating the flow of goods without spreading the virus.
  - **Cluster 2 Seamless connectivity.** Eliminating obstacles to cross-border trade and transport operations arising from the COVID-19 crisis.
  - **Cluster 3 Collaborative solutions.** Strengthening regional and sectoral cooperation to facilitate joint actions and solutions in responding to the COVID-19 pandemic.

The three clusters build on the UN's proven conventions, standards, tools and instruments, such as UNCTAD's Automated System for Customs Data (ASYCUDA), the eTIR International System (TIR Convention) carnet and trade data exchange standards of the UN Centre for Trade Facilitation and Electronic Business (UN/CEFACT), as well as the Framework Agreement on Facilitation of Cross-border Paperless Trade.





UNITED NATIONS  
UNCTAD

# Thank you for your attention

<https://unctad.org/en/Pages/DTL/TTL/Trade-Facilitation.asp>

Poul.Hansen@unctad.org