



THE COVID-19 CRISIS AND TRADE FACILITATION

RESULTS OF
WTO/ICC/GLOBAL
ALLIANCE FOR
TRADE FACILITATION
SURVEY

JULY 2020

Table of Contents

I. INTRODUCTION	2
II. THE SURVEY	3
A. Survey Methodology	3
B. The Survey Results	4
(1) Which trade-related processes have become MORE cumbersome or time consuming in the context of the COVID-19 containment efforts?	4
(2) Which trade-related processes have become LESS cumbersome or time consuming in the context of the COVID-19 containment efforts?	7
(3) Which trade-related process would have the most positive impact if implemented in the current context?	9
III. HOW THE WTO TRADE FACILITATION AGREEMENT CAN HELP	11
IV. CONCLUSION: AN OPPORTUNITY FOR REFORM	13

I. Introduction

Governments across the world have implemented a number of import and export measures as part of their efforts to limit the spread of the coronavirus and to ensure they have the resources they need to fight the disease. As of July 2020, 95 countries have introduced measures restricting or banning the export of products related to managing the pandemic (such as personal protective equipment, pharma products and hand sanitizer)¹, and many other measures not directly linked to these products are likely to have been put in place. While these measures may be planned to be temporary, they have immediate, and often unexpected, consequences for trade today and tomorrow. Any measures that have exacerbated trade facilitation challenges should be rescinded while beneficial temporary measures, introduced as an emergency response, should be regularized.

To get a more detailed understanding of how the COVID-19 pandemic is affecting the movement of goods across borders and to ascertain how implementation of the WTO Trade Facilitation Agreement (TFA) might ease the situation, the WTO Trade Facilitation Agreement Facility (TFAF), International Chamber of Commerce (ICC) and the Global Alliance for Trade Facilitation (the Alliance) decided to carry out an online survey of business, government and other groups. This report compiles these findings and recommends that countries focus on implementing the Trade Facilitation Agreement to ease the situation.

The survey asked government officials and private sector representatives to identify which import, export and transit processes have become more cumbersome or time consuming in the context of the COVID-19 containment efforts, which processes have become less cumbersome or time consuming, and which trade-related processes would have the most positive impact if implemented in the current circumstances.

Overall, the responses show that in the context of COVID-19 containment efforts all surveyed trade processes have become more cumbersome or time consuming, with import/export controls (e.g. tests and inspections) identified as presenting the greatest difficulty, with respondents from developing countries particularly noting this. In least developed countries, freedom of transit was also seen as presenting a significant challenge, with many landlocked countries facing queues of trucks at their borders after the introduction of restrictions on the movement of persons. On the other hand, according to many respondents in countries of all development levels, governments have made access to trade-related information easier.

Looking to the future, improved access to trade related information and coordination of control among border agencies were identified as two government actions that would have the largest positive impact in the current context. This answer was given by respondents from all sectors and from countries of all development levels. Implementation of these, and other measures in the TFA, can reduce the negative impact of the current situation and expedite the flow of goods across borders.

The survey was conducted with the hope that the results will inform WTO Members which provisions of the TFA should be prioritized to assist them to manage the current situation and the post virus recovery phase, as well as address future global-scale disruptions. The survey results can also inform donors, development partners, and the private sector how to better assist developing and least developed countries in their TFA implementation efforts.

The results presented in this report are illustrative of the situation businesses and governments find themselves in with regard to trade during the COVID-19 crisis. They should be read bearing in mind that the sample, however global in reach, was limited in number. They give an insight into experiences early in the crisis, from March to May 2020 when the survey was available on the TFAF, Alliance and ICC websites.

Part II of this report provides a description of the survey and the results. Part III is a brief discussion of how implementation of the TFA alleviates the problem areas identified in the survey.

¹ ITC Market Map (accessed 15 July 2020): <https://macmap.org/covid19>

II. The Survey

A. Survey Methodology

The survey was posted on the TFAF and Alliance websites in English, French and Spanish and sent to the ICC Customs Commission. It was launched at the end of March 2020, when the COVID-19 virus had already affected parts of Asia and was spreading through Europe. It was open until the end of May in order to receive feedback as the virus made its way around the world.

The survey consisted of three questions:

- 1) Which trade-related processes have become MORE cumbersome or time consuming in the context of the COVID-19 containment efforts?
- 2) Which trade-related processes have become LESS cumbersome or time consuming in the context of the COVID-19 containment efforts?
- 3) Which trade-related processes would have the most positive impact if implemented in the current context?

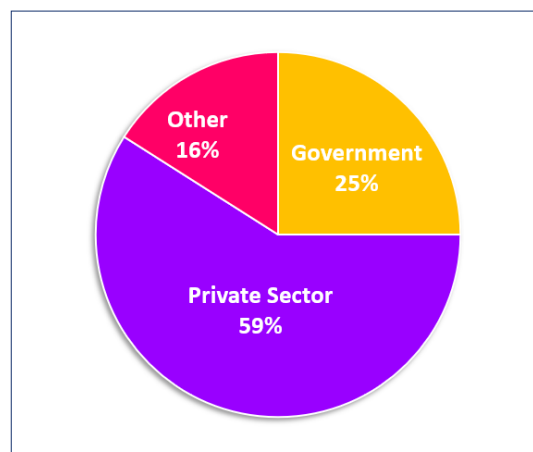
Survey respondents were asked to select one or more of these trade-related processes in response to each question:

- Access to trade-related information
- Import/export documentary requirements
- Import/export controls (e.g. tests) and inspections
- Release and clearance of goods
- Border agency coordination and cooperation
- Freedom of transit
- Other

Respondents were asked to identify their sector and their location (they were not asked where they do business).

One hundred and ninety-nine (199) people completed the survey from government agencies, private sector, and other organizations or associations worldwide.

What Sector Are You From?



("Other" respondents identified themselves as freight forwarders, academia, logistics, export assistance, custom agents, international organizations, chamber of commerce, telecommunications, banks, and investors.)

What is your location?

Africa - 39 respondents
Asia - 22 respondents
Caribbean - 6 respondents
Europe - 37 respondents
Latin America - 35 respondents
Middle East-5 respondents
North America- 11 respondents
Pacific - 44 respondents

Responses by country development level:

Developed Countries - 45 respondents
Developing Countries- 127 respondents
Least Developed Countries (LDC) --27 total respondents

B. The Survey Results

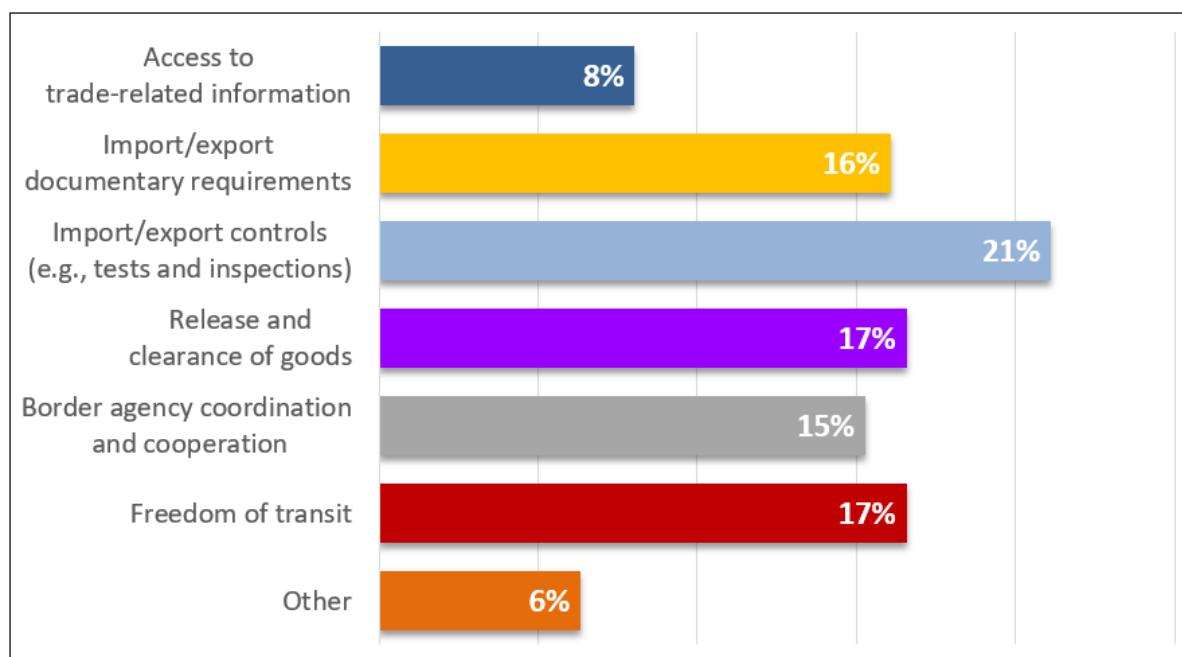
The paragraphs below summarize the responses to each of the three questions, describing (i) the results overall, (ii) by sector, (iii) by country development level, and (iv) by region. Survey respondents could select more than one process in response to the questions.

(1) Which trade-related processes have become MORE cumbersome or time consuming in the context of the COVID-19 containment efforts?

We received 521 responses to this question. On average each respondent selected two to three processes.

Although all five processes were said to be more cumbersome or time consuming, overall respondents identified import/export controls as the most problematic (21% of total responses).

Responses from All Participants



Respondents that marked "other" (6%) noted the following as burdensome to trade:

- logistics issues
- insufficient cargo space and higher cost of airfreight (due to reduced frequency of flights and ships)
- curfew hours restricting movement of goods
- new operational safety requirements
- additional storage charges, and
- importers/exporters unable to clear containers from terminals due to lockdowns.

Response by Sector

There was agreement across sectors (government, private sector and other respondents) that of the five trade related processes, import/export controls are the most cumbersome or time consuming, while access to trade related information (or "other" processes) presented the least difficulty.

Response by Sector

	Access to information	Import/export documentary requirements	Import/export controls	Release & clearance of goods	Border agency cooperation	Freedom of transit	Other
Private Sector	8%	14%	19%	16%	14%	17%	11%
Government	7%	16%	24%	16%	19%	16%	2%
Other Organization	10%	17%	22%	16%	14%	15%	4%

Response by Development Level

There is some similarity in the responses from countries at different levels of development. Import/export controls were considered as posing the greatest difficulty by respondents in developing countries, whereas LDC respondents considered both import/export controls and freedom of transit to be most challenging. For developed countries, release and clearance of goods was identified as most cumbersome, followed closely by import/export controls and freedom of transit.

Response by Development Level

	Access to information	Import/ export documentary requirements	Import/ export controls	Release & clearance of goods	Border agency cooperation	Freedom of transit	Other
Developed	7%	17%	19%	20%	10%	19%	7%
Developing	8%	14%	22%	15%	17%	15%	8%
LDC	10%	16%	19%	15%	17%	19%	3%

Response by Region

In all regions other than the Caribbean, import/export controls were among the most cumbersome procedures. However, there is considerable variation in views concerning the other surveyed processes among the regions. For example -

- Border agency cooperation was identified by many respondents from Africa, the Caribbean, the Middle East and North America, but not as frequently by respondents in Europe
- Freedom of transit appears to be a more significant issue in Europe, as well as in Africa, Asia, and the Pacific than in the remaining regions.

In all regions access to trade-related information (or other) received the fewest responses for this question.

Response by Region

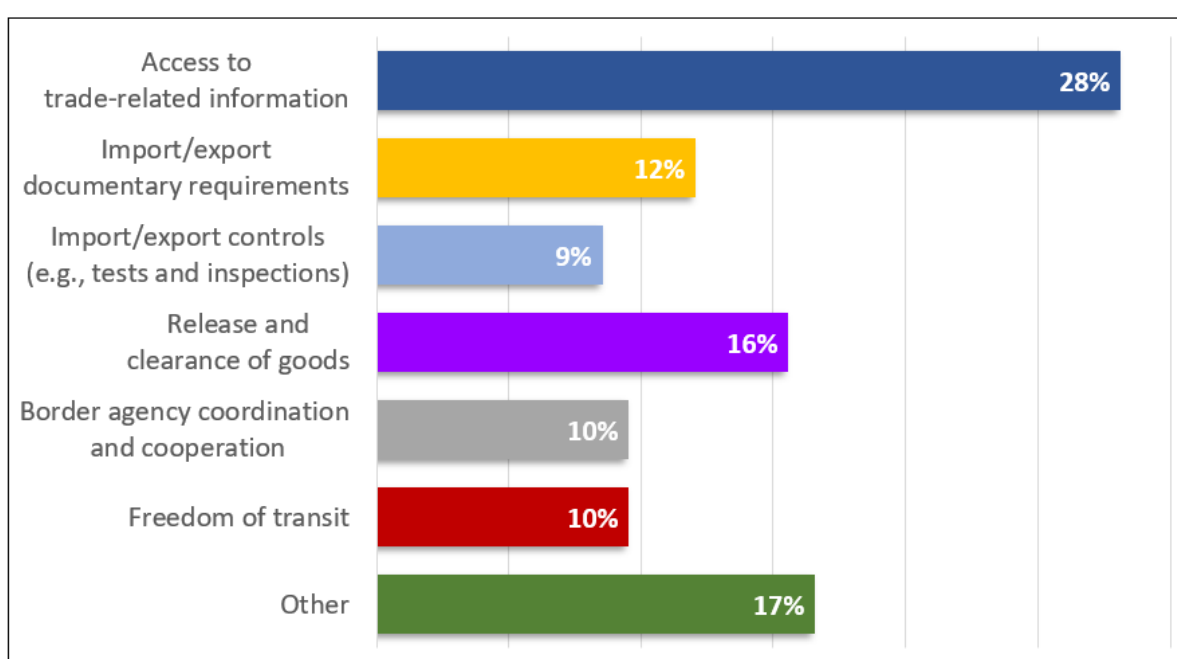
	Access to information	Import/ export documentary requirements	Import/ export controls	Release & clearance of goods	Border agency cooperation	Freedom of transit	Other
Africa	13%	16%	19%	14%	19%	18%	2%
Asia	11%	12%	22%	12%	15%	19%	8%
Pacific	9%	12%	22%	17%	14%	16%	10%
North America	8%	20%	20%	12%	20%	12%	8%
Europe	7%	20%	18%	20%	7%	19%	8%
Latin America	4%	16%	25%	19%	13%	14%	8%
Caribbean	0%	9%	9%	18%	55%	9%	0%
Middle East	0%	13%	25%	13%	25%	6%	19%

(2) Which trade-related processes have become LESS cumbersome or time consuming in the context of the COVID-19 containment efforts?

We received 308 responses to this question. On average each respondent selected one to two processes.

The respondents identified access to trade-related information as the process that is less cumbersome or time consuming in the current situation.

Responses from All Participants



The category of "other" received a significant number of responses with many respondents noting that no measures have become less cumbersome, or that the less cumbersome trade measures were limited to medical equipment, medicine, and other essential goods. Other respondents remarked that increased videoconferencing with traders, brokers, and agents was less burdensome than having to meet face-to-face, a development that would further support improvement in access to information.

Response by Sector

In all three sectors - private sector, government and other organizations/persons - access to trade-related information received considerably higher ratings as being less cumbersome. That is where the alignment ends, with considerable variation of views on the other processes.

Response by Sector

	Access to information	Import/ export documentary requirements	Import/ export controls	Release & clearance of goods	Border agency cooperation	Freedom of transit	Other
Private Sector	25%	11%	9%	15%	8%	9%	23%
Government	32%	17%	9%	19%	12%	6%	6%
Other Organization	28%	11%	7%	12%	12%	16%	14%

Response by Development Status

A significant number of respondents from countries in all three development levels identified access to trade-related information as a process that is less cumbersome. Interestingly, in LDCs it was equal to release and clearance, which was also ranked second in developing countries. While respondents from developed countries gave release and clearance a very low rating.

Response by Development Status

	Access to information	Import/ export documentary requirements	Import/ export controls	Release & clearance of goods	Border agency cooperation	Freedom of transit	Other
Developed	31%	11%	7%	7%	7%	10%	28%
Developing	28%	12%	8%	17%	12%	10%	14%
LDC	23%	18%	11%	23%	7%	7%	11%

Response by Region

Access to trade-related information was also the leading response across all regions, other than North America where "other" was selected by most respondents, many of whom indicated that none of the processes have become less difficult, as noted above. This observation was also made by some respondents from Europe.

While a significant percentage of respondents located in Africa, the Caribbean and the Middle East identified processes in release and clearance of goods as less cumbersome, fewer respondents located in Europe and North America indicated this was the case.

Response by Region

	Access to information	Import/export documentary requirements	Import/export controls	Release & clearance of goods	Border agency cooperation	Freedom of transit	Other
Africa	25%	20%	9%	22%	6%	9%	8%
Asia	27%	13%	16%	13%	7%	11%	13%
Pacific	24%	10%	5%	16%	21%	8%	16%
Europe	35%	12%	4%	8%	8%	8%	24%
Latin America	33%	4%	6%	14%	12%	12%	18%
Caribbean	20%	20%	13%	27%	0%	7%	13%

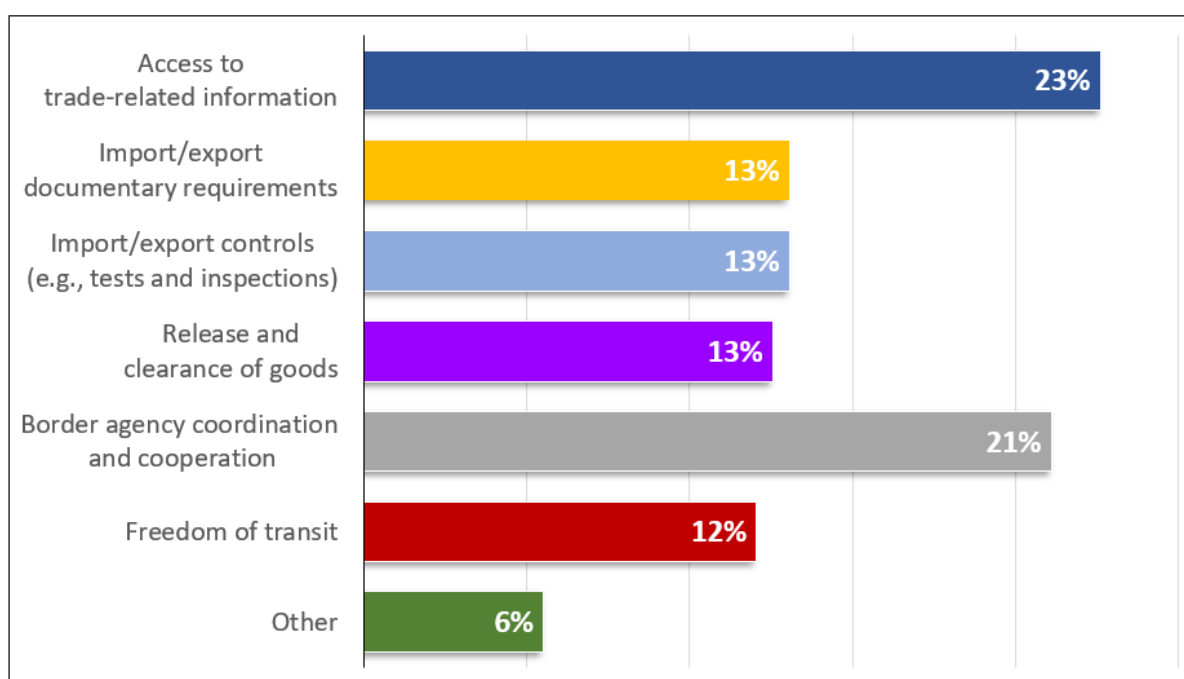
Middle East North America	33%	11%	11%	22%	11%	0%	11%
America	25%	13%	13%	6%	0%	13%	31%

(3) Which trade-related process would have the most positive impact if implemented in the current context?

We received 202 responses to this question. On average each respondent selected one process.

Overall, respondents identified access to trade-related information and border agency coordination and cooperation as the processes that would have the most positive impact in facilitating trade under the current conditions.

Responses from All Participants



The same results appear across all sectors and development levels: access to trade-related information and border agency coordination and cooperation are the two areas that would have the most positive impact in the current context.

Response by Sector

Response by Sector

	Access to information	Import/export documentary requirements	Import/export controls	Release and clearance of goods	Border agency coordination and cooperation	Freedom of transit	Other
Private Sector	19%	15%	9%	13%	20%	16%	9%
Government	30%	4%	19%	15%	26%	6%	2%
Other Organization	23%	20%	13%	7%	23%	10%	3%

Response by Development Level

Import/export documentary requirements also received a high number of responses from respondents in developed countries but received far fewer responses from respondents in developing countries and LDCs. In developing countries import/export controls ranked in third position. While in LDCs release and clearance of goods was tied with access to information, receiving the second highest number of responses.

Response by Development Level

	Access to information	Import/export documentary requirements	Import/export controls	Release & clearance of goods	Border agency cooperation	Freedom of transit	Other
Developed	22%	22%	4%	11%	24%	11%	7%
Developing	23%	11%	16%	12%	19%	12%	7%
LDC	19%	4%	11%	19%	33%	11%	4%

Response by Region

At the regional level border agency coordination and cooperation was identified as the process that would have the most positive impact in five of the eight regions. Access to trade-related information received the highest number of responses in Asia, while also considered important in Africa, Latin American, the Pacific, and North America.

The Caribbean and Middle East, which had the fewest number of respondents (only 6 and 5 respectively), had no responses for access to trade-related information but strongly emphasized border agency coordination and cooperation.

Under "other" a respondent from the Caribbean specifically named electronic payment and single window. Whereas a respondent from the Middle East mentioned the need to expedite tests for shippers/transporters and reduce quarantine time.

Respondents from the Pacific and Latin American regions strongly emphasized import/export controls while in Europe import/export documentary controls were important.

Response by Region

	Access to information	Import/export documentary requirements	Import/export controls	Release & clearance of goods	Border agency cooperation	Freedom of transit	Other
Africa	33%	2%	2%	14%	36%	12%	0%
Asia	35%	13%	9%	9%	26%	9%	0%
Pacific	16%	7%	23%	16%	11%	14%	14%
Europe	18%	21%	8%	16%	21%	11%	5%
Latin America	17%	14%	23%	9%	14%	14%	9%
Caribbean	0%	14%	0%	14%	43%	0%	29%
Middle East	0%	20%	0%	20%	40%	0%	20%
North America	33%	11%	0%	0%	44%	11%	0%

III. How the WTO Trade Facilitation Agreement Can Help

The difficulties identified by businesses and governments show clearly that action must be taken to introduce measures that make border processes as straightforward as possible. Survey respondents, both government officials and private sector, highlighted the vital importance of making information available in an easily accessible manner, and that border agencies must cooperate and coordinate with the aim to reduce and streamline procedures. Furthermore, the survey identified that controls needed to be more efficient and that the release and clearance of goods be expedited, with special attention to those goods that are most needed during the crisis.

The key means by which countries can do this is to fully implement the provisions of the TFA. The following provisions of the Agreement are those that might be of importance in addressing the issues identified.

Access to Information:

The TFA contains a number of provisions that aim to provide transparency and easy access to information on import, export and transit. These measures are particularly important in the current climate given that rules on border processes change to respond to the changing needs during the epidemic.

Under the Agreement, border agencies must publish on the internet practical step by step descriptions of procedures for import, export, transit, and appeals; and countries must issue advance rulings on tariff classification and rules of origin. The TFA requires the publication of information on border procedures, duty rates, fees and charges; rules on classification, valuation and origin; laws and regulations; restrictions or prohibitions; as well as other areas. The TFA also requires regular consultation between government agencies and private sector to help traders have a better understanding of the rules and requirements, and as a forum for traders to provide input.

Import/Export Documentary Requirements

The Agreement requires that Members make import, export and transit forms and documents easily accessible through websites, as well as through enquiry points.

Members must also review their documentation requirements and formalities with a view to reducing time and cost, expediting the release and clearance of goods, and standardizing documentary requirements throughout their territory. Implementing the TFA in full means countries must endeavor to establish a single window where all import documentation can be submitted one time for distribution to all border agencies; and to accept copies of supporting documentation.

Import/Export Controls (e.g., Tests and Inspections)

There are several provisions in the TFA aimed at transparency and fairness in the area of testing and inspection. For example, there is a requirement for the government to promptly inform the carrier or importer if goods are detained for inspection and the possibility of a second test for goods being imported if the first test results are adverse.

The Agreement also requires border agency cooperation, a major concern of respondents. Forms of cooperation might include the conduct of joint and synchronized exams and inspections which can cut time and cost. The TFA also sets out provisions aimed at avoiding loss or deterioration of perishable goods, such as giving these goods priority and inspecting within the shortest possible time.

Release and Clearance of Goods

Governments and businesses can also look to the TFA to find solutions for the current issues surrounding the release and clearance of goods.

If a WTO Member is implementing the Agreement in full, importers and exporters can expect that import and export duties, taxes, fees and charges can be paid electronically, and that goods can be released before the final determination of customs duties, taxes, fees and charges. Traders would also be able to file import documentation before the goods arrive so it can be processed in advance.

Further speeding up the movement of goods would be a risk management system, allowing authorities to focus their time and attention on goods that pose a higher risk of non-compliance, and measures that allow traders who meet certain qualifications to benefit from a range of measures, including reduced requirements and faster release of their goods.

The above measures would be bolstered by requirements for transparency about average waiting times for the release of goods to make it easier to identify blockages.

Border Agency Coordination and Cooperation

Under the TFA Members must ensure that border agencies cooperate with each other and coordinate their activities and requirements to try to eliminate duplication. As noted above, lack of coordination in issues related to import/export controls (e.g. tests and inspections), was viewed by respondents as an important issue during the crisis. Good border agency cooperation is fundamental to implementation of many provisions of the Agreement, such as single window and publication of average release times.

The TFA also requires coordination of border procedures with neighboring countries, to the extent possible, which could include joint controls and aligning procedures, formalities, working days and hours.

Freedom of Transit

The provisions throughout the TFA apply to goods in transit. In addition, a separate transit article contains additional requirements, such as: transit formalities, requirements, and documents should not be more burdensome than necessary at a national level; and Members should cooperate to extend these protections cross-border.

The Agreement also enhances freedom of transit by requiring the possibility of advance filing of transit documents, by prohibiting unnecessary delays or restrictions during transit, and through requirements aimed at transparent and efficient use of guarantees.

Stakeholder Engagement

The TFA requires that National Trade Facilitation Committees (NTFC) are set up to oversee domestic coordination and implementation of the Agreement. A well-functioning NTFC brings together the public and private sector to work together to deliver successful trade facilitation reforms that identify and solve any problems, both before they arise and after.

IV. CONCLUSION: An Opportunity For Reform

The COVID-19 crisis has represented a substantial shock to the global economic system. The survey results clearly show that businesses and government officials around the world have experienced a more restrictive trading environment, with all border processes having become more cumbersome and time consuming during the COVID-19 crisis. At the same time, the differing policy responses across the world, as revealed by the survey, show that we need to take this opportunity to implement trade facilitation reforms and deliver a cohesive response on trade policy so as to best support inclusive economic growth.

Digitalisation of trade processes represents a significant opportunity to deliver a trade policy that addresses current needs while also preparing for the future. There have been some indications that in some countries, having measures such as a single window in place has helped with their response to Covid-19, while others have implemented ad hoc digitalisation of their processes to better cope with the pandemic. We need to harness this impetus on digital while also ensuring that these initiatives form part of a cohesive trade policy. Countries also have to resist any backsliding once the immediate shock of the disease has passed.

We propose that the WTO Trade Facilitation Agreement provides tools that can help WTO Members to overcome these problems, particularly as trade facilitation measures can reduce the cost of trade and spark competitiveness, productivity, innovation and growth, thus assisting countries with the post-virus period, and economic growth into the future. In this way countries around the world, of all development levels, will be better prepared for any shocks on the scale of the current crisis.

While the TFA entered into force in 2017, the agreement allows developing and least developed countries to implement its provisions at their own pace, based on their capacity. This means that different WTO Members are currently at different stages of implementation. To realize the full benefits that this Agreement has to offer, all WTO Members should aim for full implementation. This means implementing all provisions, including those that only require WTO Members to endeavor to implement. As highlighted by both government and private sector survey respondents, priority should be given to making information available in an easily accessible manner. Border agencies must cooperate and coordinate with the aim to reduce and streamline procedures.

WTO Members who are still in the process of implementing the Agreement should work with the private sector to review their implementation priorities and timelines in order to identify and expedite implementation of the provisions that will help them cope with the problems that they are currently facing. Donors and development partners, including international and regional organizations, offer programs to assist developing and LDC Members to implement this Agreement, such as the Global Alliance for Trade Facilitation.

We hope that this survey will provide some guidance on the issues of greatest concern during the COVID-19 crisis and will encourage implementation partners to expedite assistance to those WTO Members that request it.

Information on implementation assistance programs can be found here:

<https://tfafacility.org/implementation-support>

The WTO Trade Facilitation Agreement Facility helps developing and least developed country WTO Members find the support they need to implement the WTO Trade Facilitation Agreement. This support is provided in a number of ways including by providing resources on our website, through technical assistance and training, providing information and contacts for programs offered by development partners, and by offering project preparation and project implementation grants.

For more information, go to: www.TFAFacility.org

The International Chamber of Commerce (ICC) is the institutional representative of more than 45 million companies in over 100 countries. ICC's core mission is to make business work for everyone, every day, everywhere. Through a unique mix of advocacy, solutions and standard setting, we promote international trade, responsible business conduct and a global approach to regulation, in addition to providing market-leading dispute resolution services. Our members include many of the world's leading companies, SMEs, business associations and local chambers of commerce.

For more information, go to: www.iccwbo.org
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The Global Alliance for Trade Facilitation brings together governments and businesses as equal partners to address delays and unnecessary red-tape at borders and design and deploy targeted reforms that deliver commercially quantifiable results. Our work helps governments in developing and least developed countries implement the World Trade Organization's Trade Facilitation Agreement. We are led by the Center for International Private Enterprise, the International Chamber of Commerce and the World Economic Forum, in cooperation with Gesellschaft für Internationale Zusammenarbeit. We are funded by the governments of the United States, Canada, Germany, Denmark, the United Kingdom and Australia.

For more information, go to <http://www.tradefacilitation.org>
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