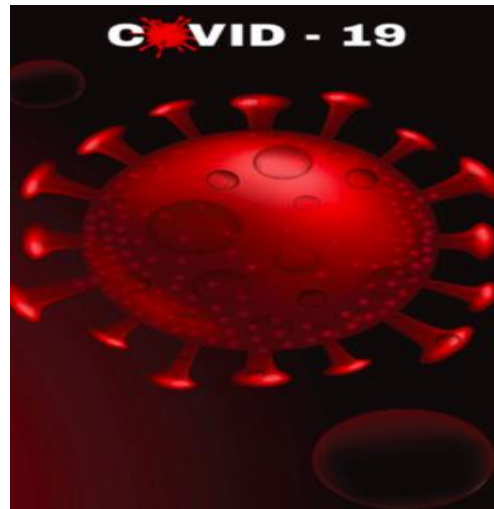




UNITED NATIONS
UNCTAD

INAUGURAL MEETING OF THE ACS MULTI-STAKEHOLDER TASK FORCE ON COVID-19

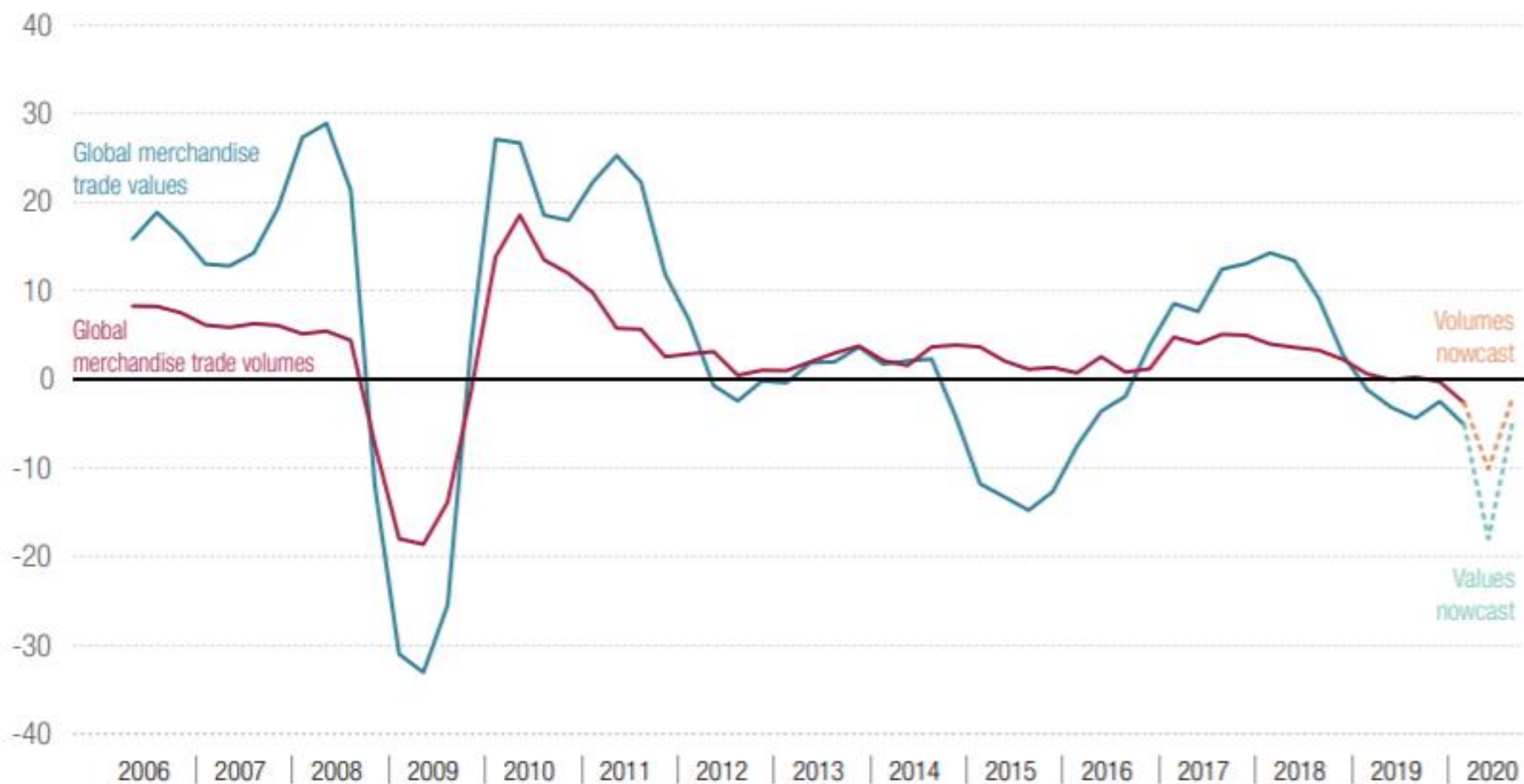
Poul Hansen
Chief Trade Facilitation
UNCTAD



8 March 2021

Global merchandise trade

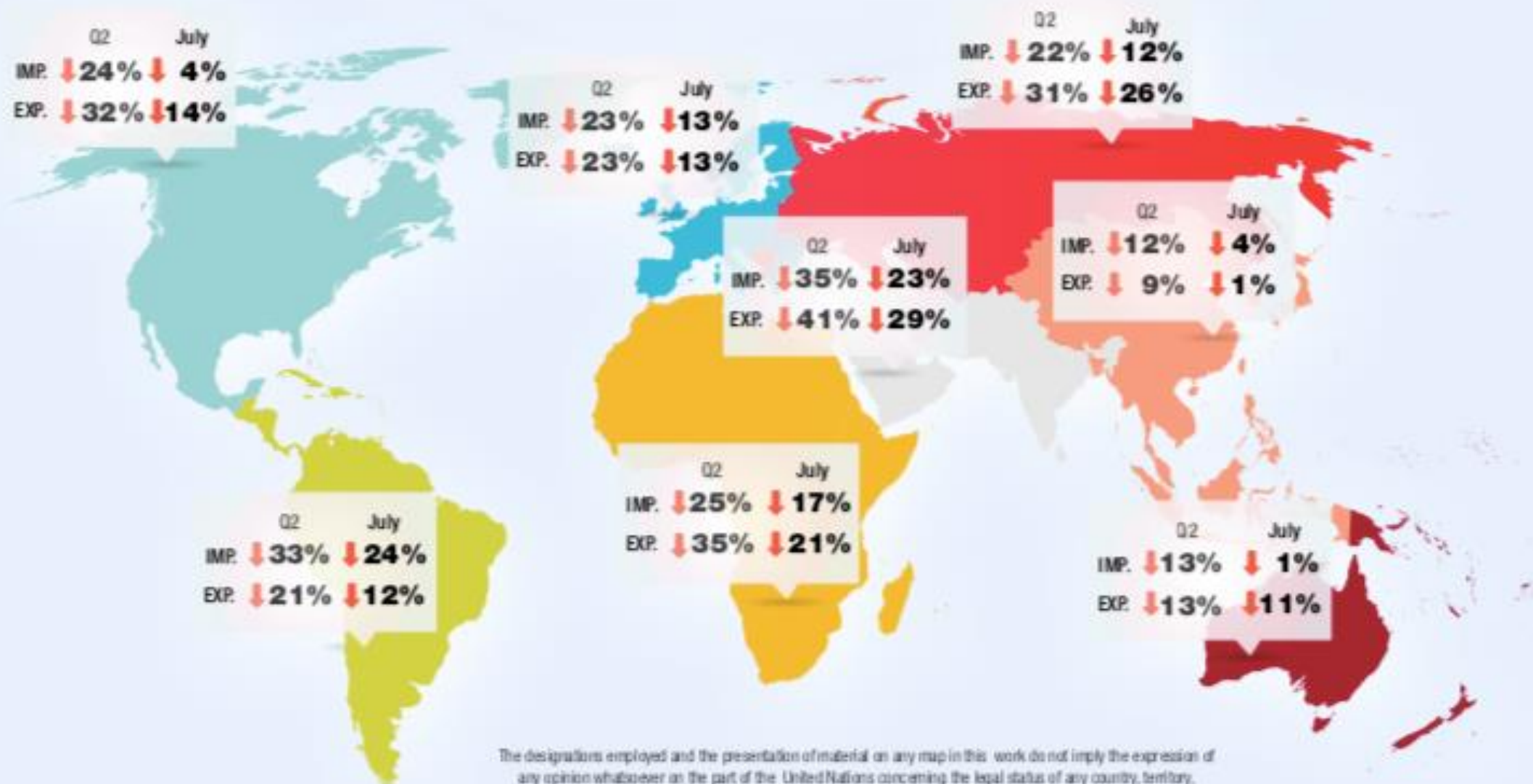
(Percentage)



Source: UNCTAD (forthcoming).

Note: Year-on-year percentage changes.

Trade has fallen dramatically in most regions except in East Asia and Pacific



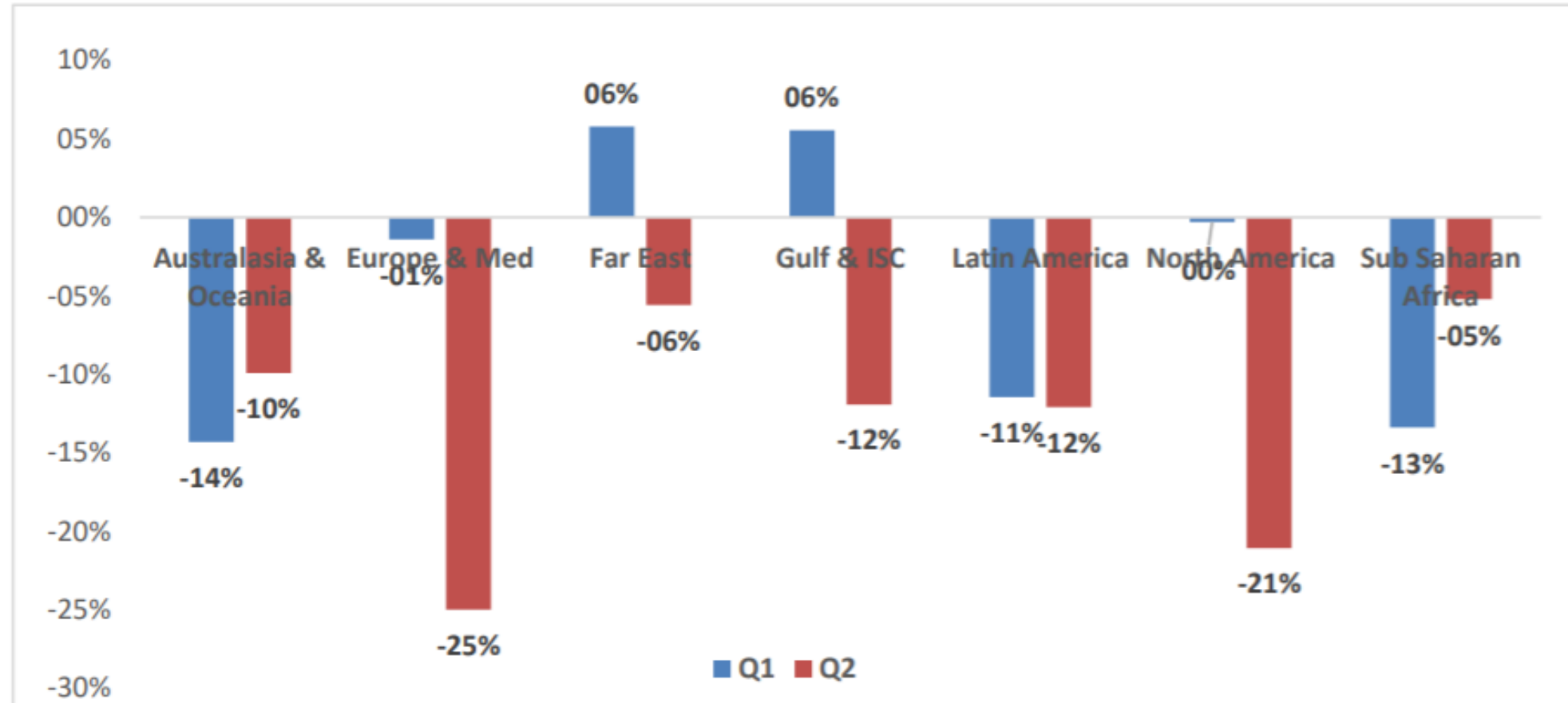
Source: UNCTAD calculations based on national statistics. Changes are year-over-year. Data excludes intra-EU trade.

Trade among developing countries has been relatively more resilient.

	Q2 2020		July 2020	
	Import	Export	Import	Export
Developed countries	↓ 20%	↓ 22%	↓ 10%	↓ 14%
Developing countries	↓ 18%	↓ 17%	↓ 10%	↓ 6%
South-South Trade	↓ 16%		↓ 8%	

Source: UNCTAD calculations based on national statistics. Changes are year-over-year. Data excludes intra-EU trade.

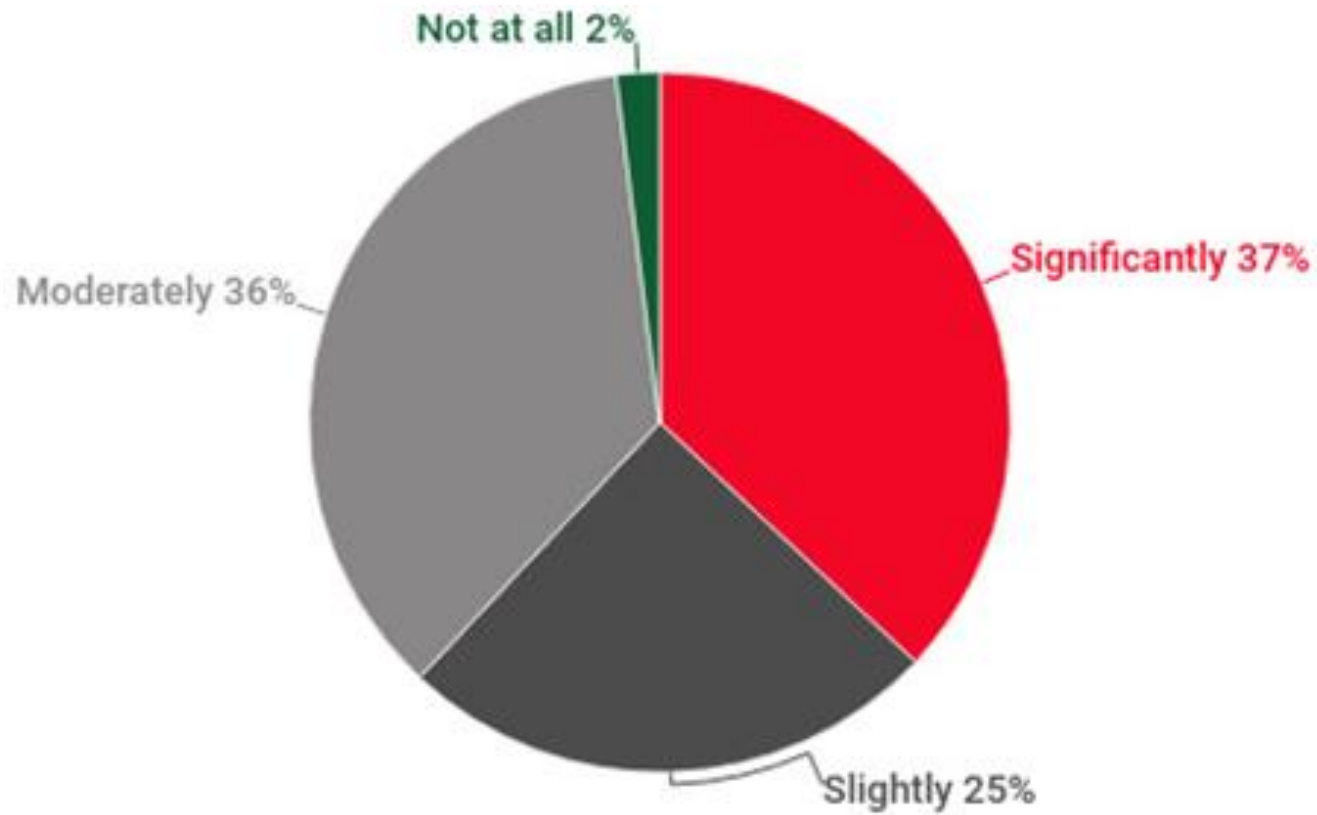
Total number of ship calls by region in 2020 (Percentage change over 2019)







Source: UNCTAD calculations, based on AIS data collected and provided by MarineTraffic.

Note: Data for Q2 of 2020 are preliminary. They are based on Weeks 13 – Weeks 24 and are compared with the same weeks of 2019.

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

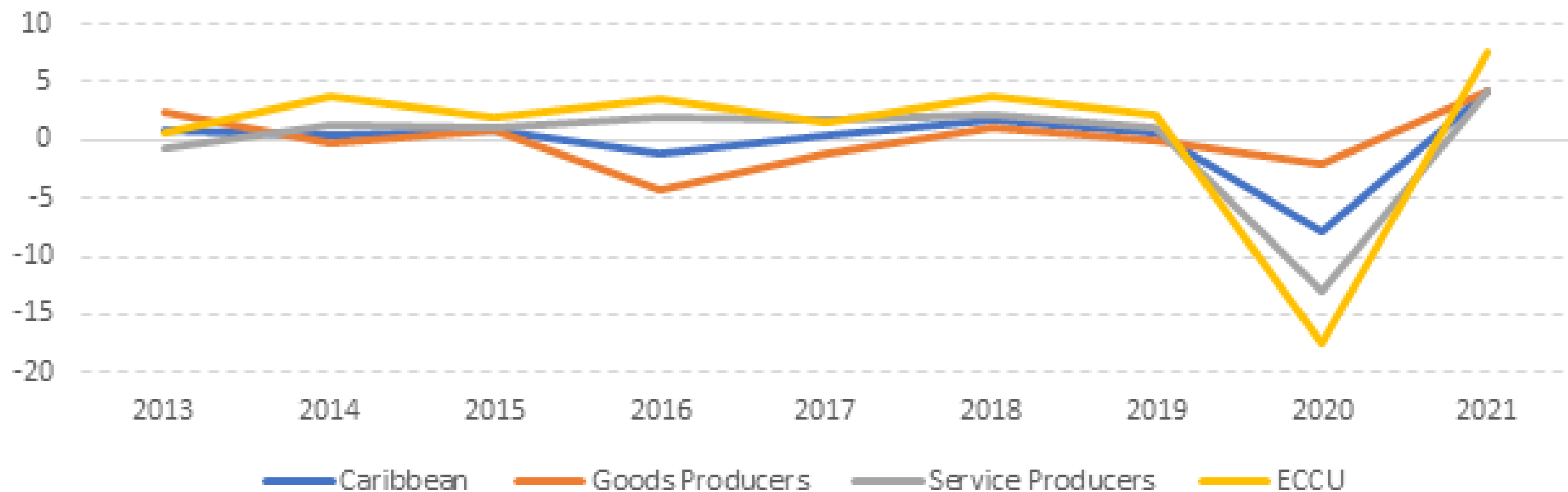


Elements of trajectories and impacts on international production

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

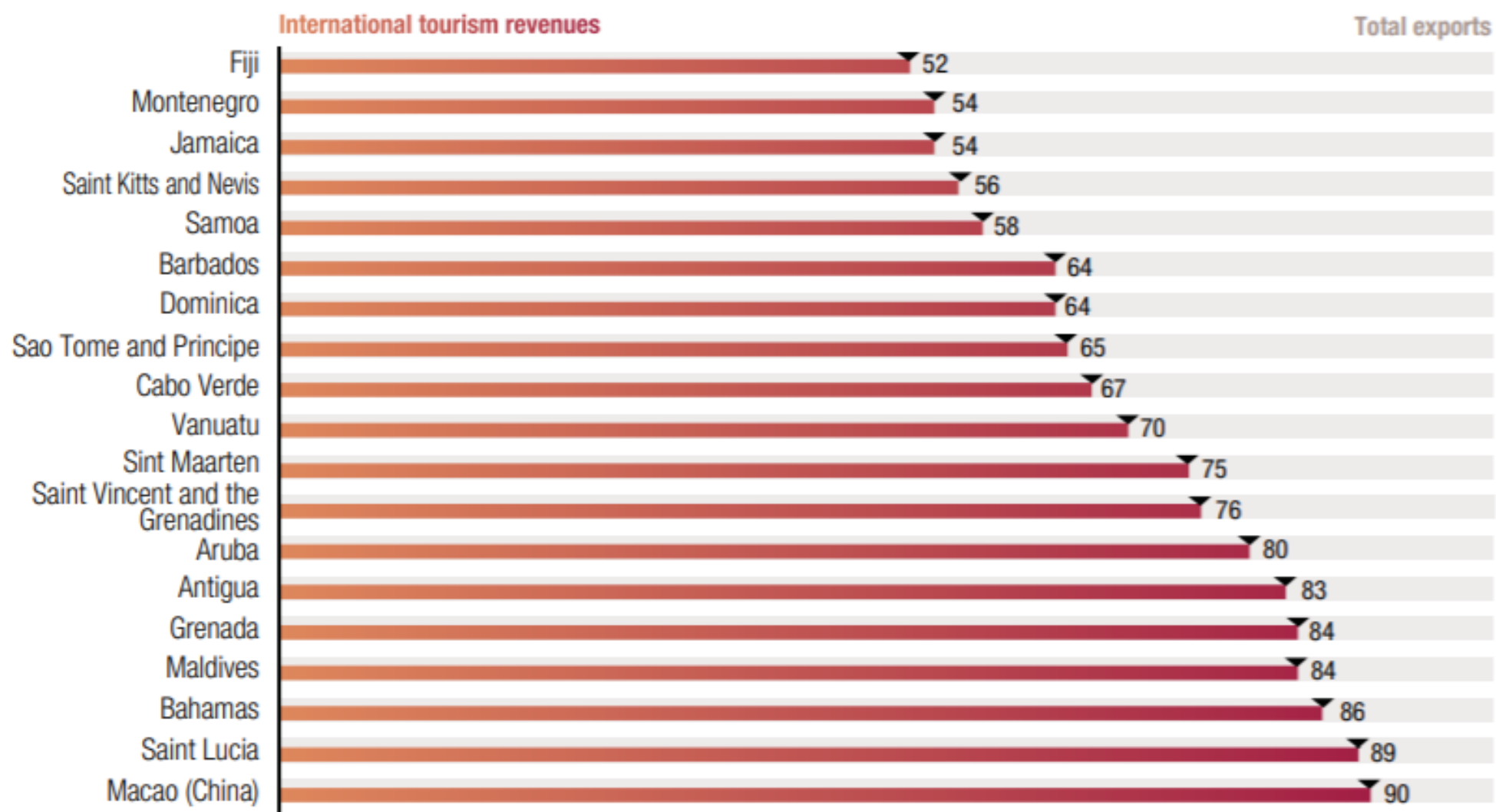


Caribbean growth rates
(Percentage)



International tourism revenues as share of total exports, selected tourist destinations

(Percentage)

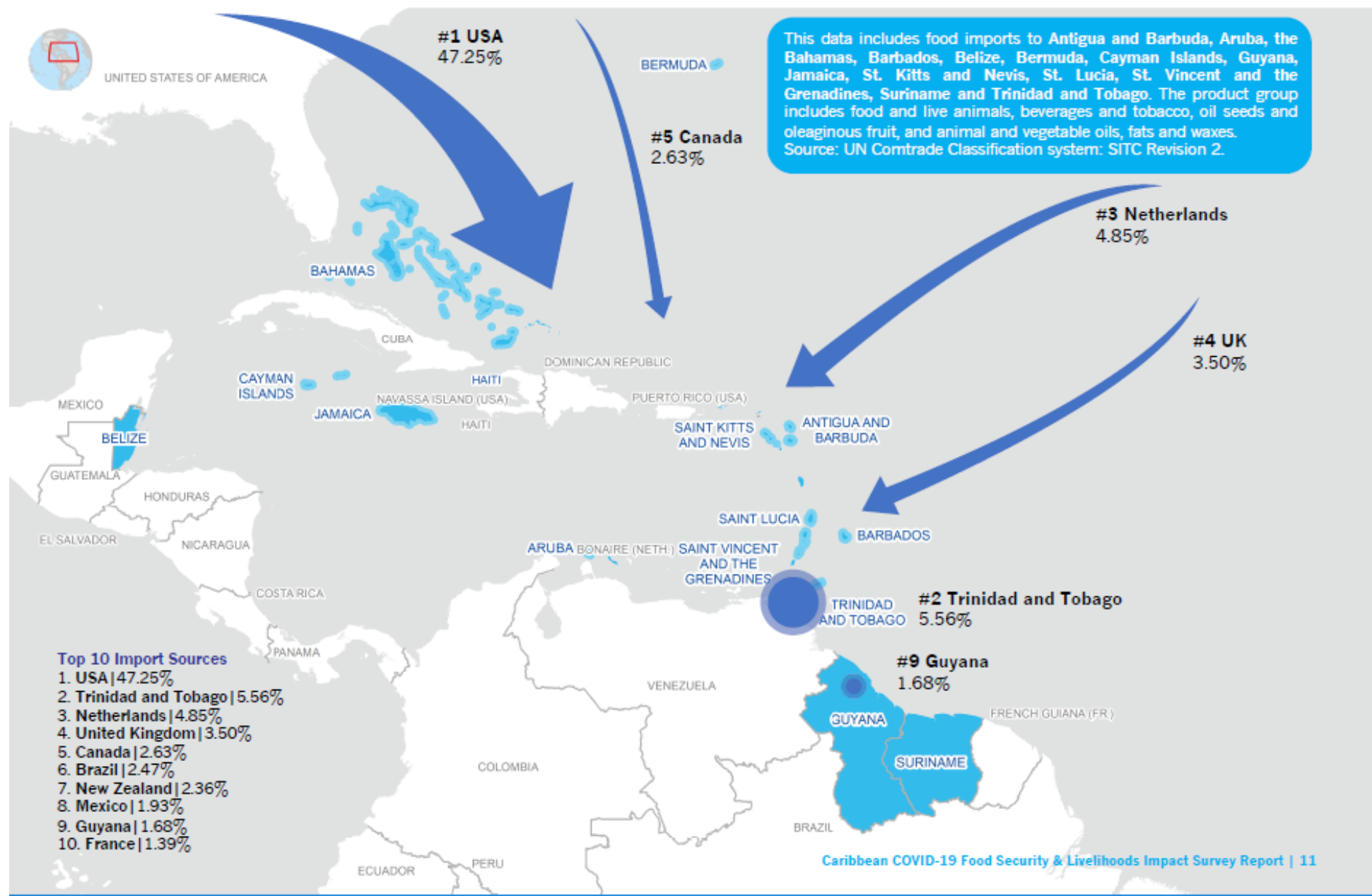


Source: UNWTO, 2020c.

Note: The selection of economies is based on UNWTO, 2020c.

ANNEX 1. FOOD IMPORTS FOR THE REGION

Over 80% of food in the Caribbean is imported (FAO). Trinidad and Tobago and Guyana are the only 2 countries from the region making the top 10 list of import sources. The 31st CARICOM Intersessional meeting held in February 2020 declared a push to reduce the region's USD\$5 billion import bill over the next 5 years.

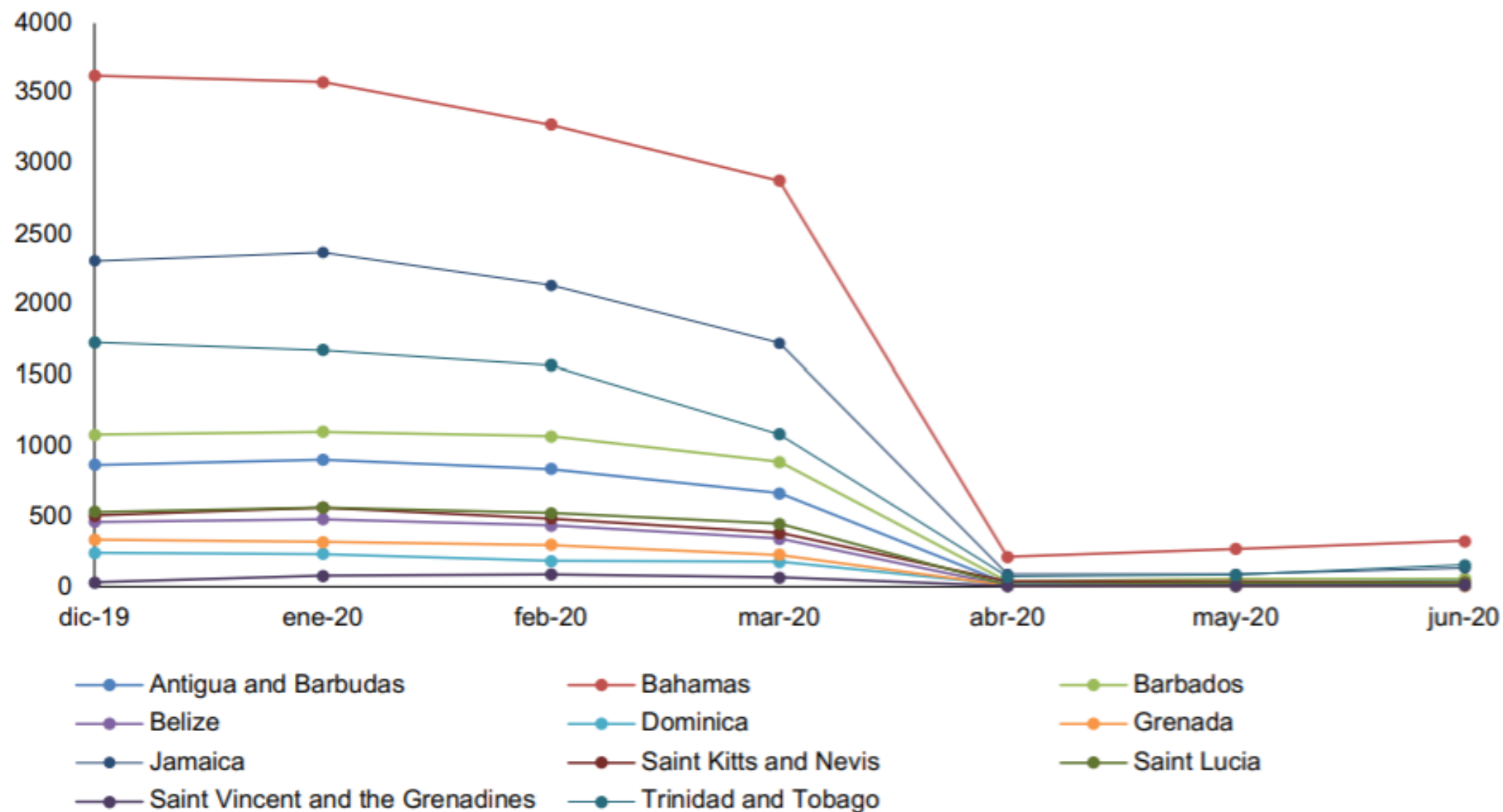


Liner shipping connectivity index (LSCI)

Country	2019 Q2	2020 Q2	$\Delta\%$
Jamaica	34.75	33.69	-3.1
Bahamas	30.83	29.82	-3.3
Trinidad & Tobago	15.43	15.60	1.1
Suriname	8.46	9.47	11.9
Belize	10.88	8.64	-20.6
Guyana	8.63	8.19	-5.1
Barbados	7.30	7.36	0.9
Saint Vincent	6.79	6.79	0.1
Dominica	6.31	6.33	0.2
Grenada	6.19	6.19	0.1
Saint Lucia	6.49	5.90	-9.1
Saint Kitts & Nevis	6.33	5.78	-8.7
Antigua & Barbuda	5.15	5.01	-2.8

Source: Own elaboration based on data from UNCTADSTAT.

Figure 2
Monthly number of aircraft departures



Source: Own elaboration based on data from International Civil Aviation Organization (ICAO), June 22nd, 2020.

ES-Caribbean countries entry restrictions for COVID-19

Country name	Travel		Cargo	
	Airport	Seaports	Airport	Seaports
Antigua and Barbuda				
Bahamas				
Barbados				
Belize				
Dominica				
Grenada				
Guyana				
Jamaica				
Saint Kitts and Nevis				
Saint Lucia				
Saint Vincent and the Grenadines				
Suriname				
Trinidad and Tobago				

Restricted;
 Permitted;
 Partially

Source: Own elaboration based on official national sources. June 25th, 2020.

Trade measures to face the COVID-19

Measure on	Country	Products	Measure
EXPORT	Antigua and Barbuda	Food, personal protective equipment	Duty and tax relief measures on essential relief items and key food items.
	Jamaica	Specified products	Cut in export-related fees and charges.
IMPORT	Bahamas	Non-medical face masks	The importation of non-medical protective face masks is prohibited.
	Belize	Disinfectants, cleaning products, soap, face masks, hand sanitizers	Conditional exemption of import duty and General Sale Tax (GST).
	Guyana	Medical supply products	Guyana waives VAT on medical supplies for testing, prevention and treatment
	Jamaica	Medical supply products	Jamaica waived customs duty on the importation of masks, gloves, hand sanitizer and liquid hand soap.
	Saint Kitts and Nevis	Vegetables, fruits, juices, pharmaceuticals, personal protective equipment	Temporary import tariff reduction/elimination on certain products. Imports also exempted from VAT.
	Saint Lucia	Personal items, food, clothing, toys and other household consumables	100% waiver of import duty. Electronic items are excluded.
	Saint Vincent and the Grenadines	Personal protective equipment, pharmaceutical products	Cabinet granted approval for 100% waiver of import duty and VAT on some products.
	Suriname	Food, personal protective equipment	Suspension of import duties on some goods.
	Trinidad and Tobago	Pharmaceutical products	Suspension of the Common External Tariff on products not produced regionally.

Source: Own elaboration based on National sources and the International Trade Center.

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



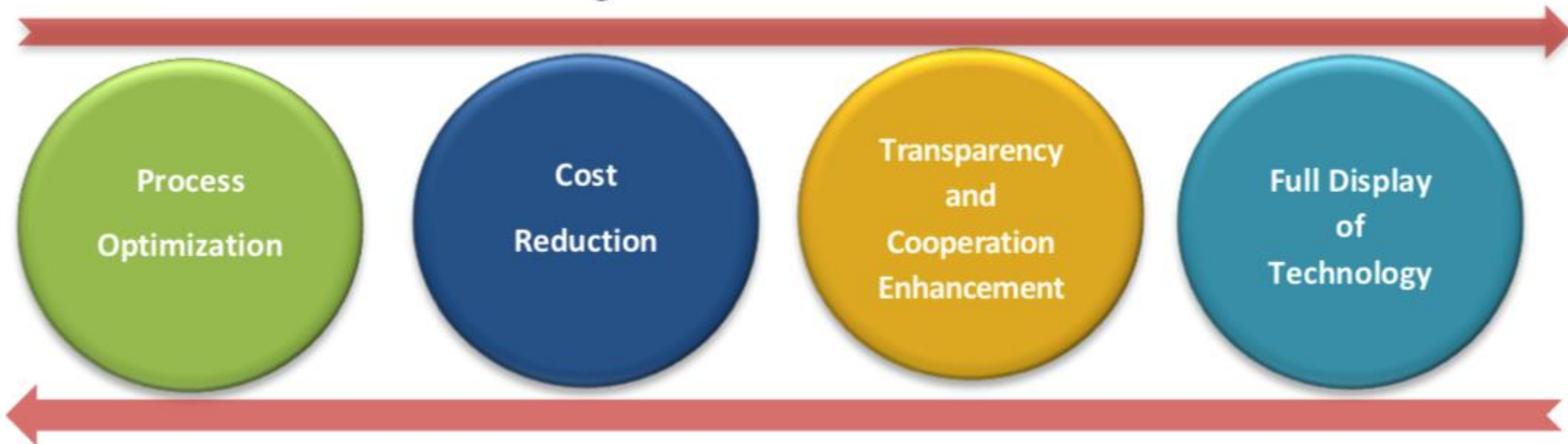
UNCTAD PROPOSED Action Plan in response to COVID-19

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 while continuing to protect global public health.

- Governments to refrain from any unjustified restraints on traffic
 - Ports operations (SIDS)
- 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.
- SIDS and partners to strengthen global and regional cooperation on transport connectivity and coordination

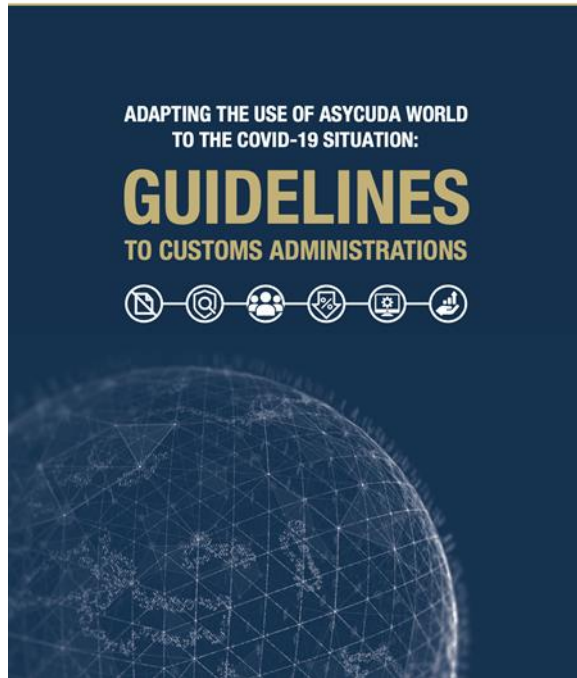
National Trade Facilitation Committees - part of the recovery and preparing for future crisis

- **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

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





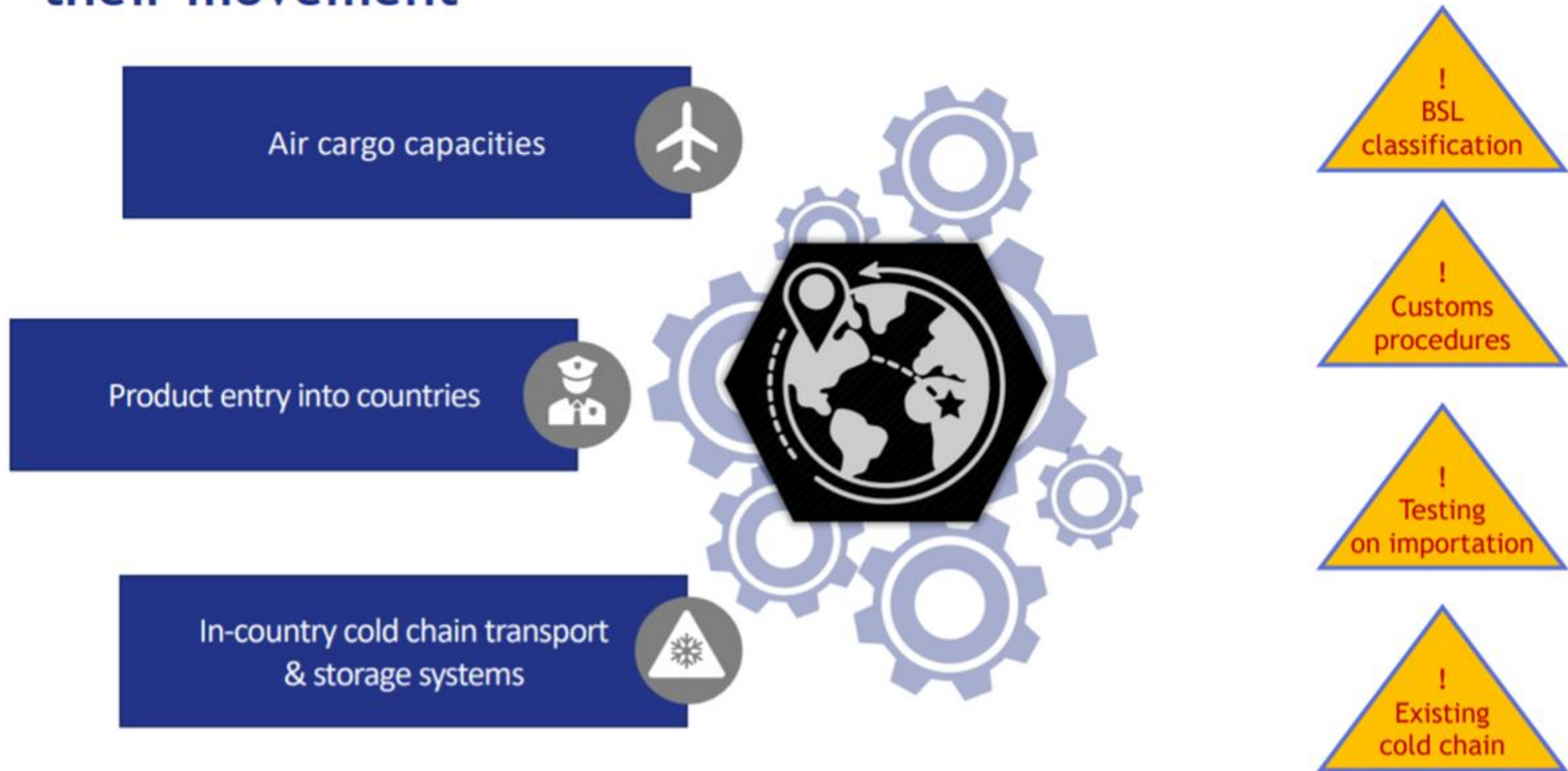
GUIDELINES FOR CUSTOMS ADMINISTRATIONS

- 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

COVID-19 vaccines have to be delivered rapidly to vaccination sites to conserve shelf life but distribution obstacles can slow their movement



What does it take to deliver 10bn vaccine doses worldwide?

Starting from Q4 2020 vaccines for emergency use are expected to be shipped around the globe; Emerging actors like governments and NGOs face similar challenges in orchestrating vaccine distribution as for PPE – yet the stakes are even higher.

10+ bn vaccines needed
=

7.8 bn global population
×

~70% immunization in population to achieve herd immunity
×

~1.8 avg. doses/person needed for immunization

200,000

Movements by pallet shippers



15,000,000

Deliveries in cooling boxes



15,000

Flights



Source: World Bank; DHL; McKinsey



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Thank you for your attention

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

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