



Leveraging trade facilitation for supply chain resilience

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» Global supply chains during COVID-19

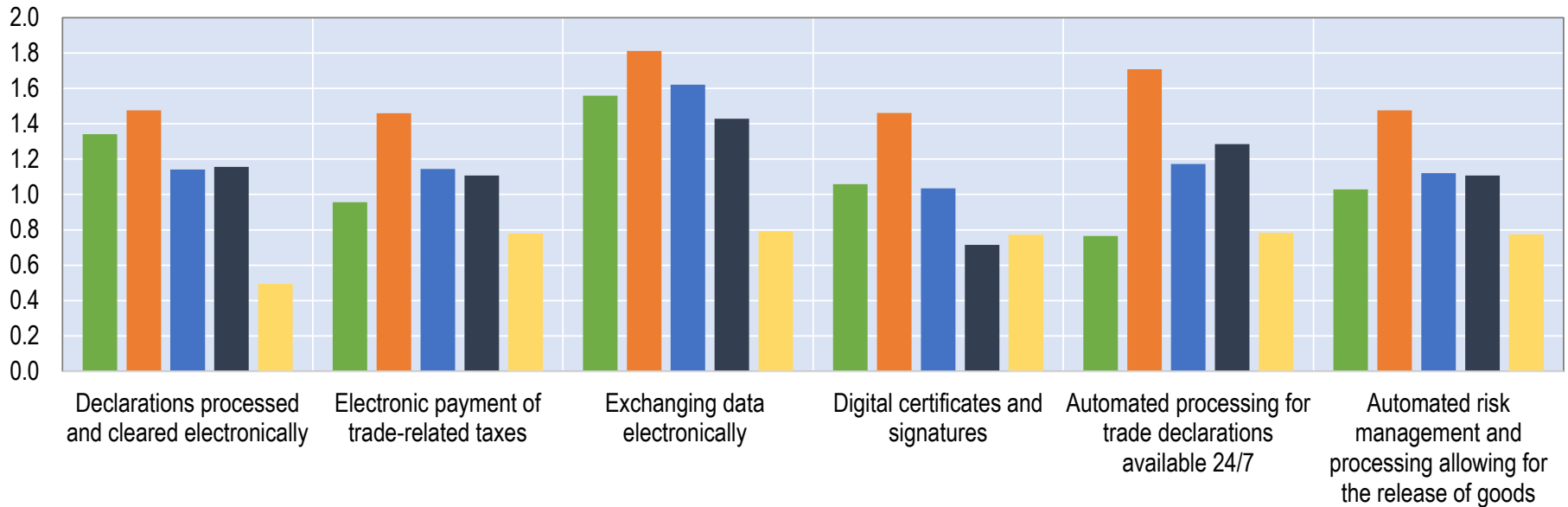
- In the context of the COVID-19 crisis, global supply chains have been affected by shocks relating to: demand, transport and logistics, supply
- Stresses on supply chains were also created by regulatory failures, lack of clear information and panic buying of certain goods, or export restrictions
- Notwithstanding these stresses, overall, supply chains have held up reasonably well to date in the context of the COVID-19 crisis
- In the face of the shocks from COVID-19, ensuring the resilience of global supply chains has become a key concern for policymakers, both to guarantee the supply of essential goods and to underpin a strong and resilient global economy more broadly
- COVID-19 is also leading to a reassessment of the likelihood and severity of different risks, and of the necessary risk management strategies to ensure supplies of 'essential' goods

Getting goods across borders during COVID-19: What TF measures helped to address disruptions

Most regions were able to capitalize on existing automation tools at borders during COVID-19

■ Asia-Pacific
 ■ Europe and Central Asia
 ■ Americas
 ■ Middle East and North Africa
 ■ Sub-Saharan Africa

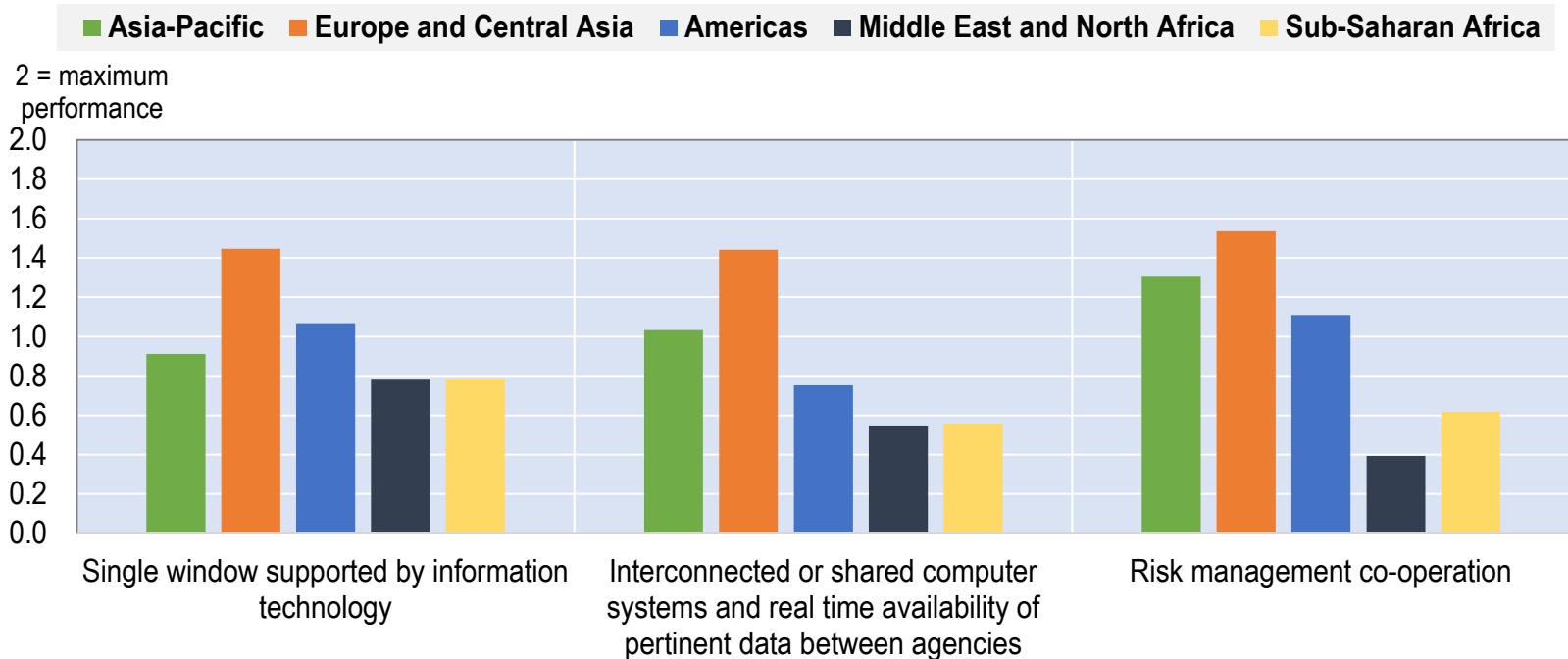
2 = maximum performance



Source: OECD Trade Facilitation Indicators (TFIs).

Getting goods across borders during COVID-19: What TF measures helped to address disruptions

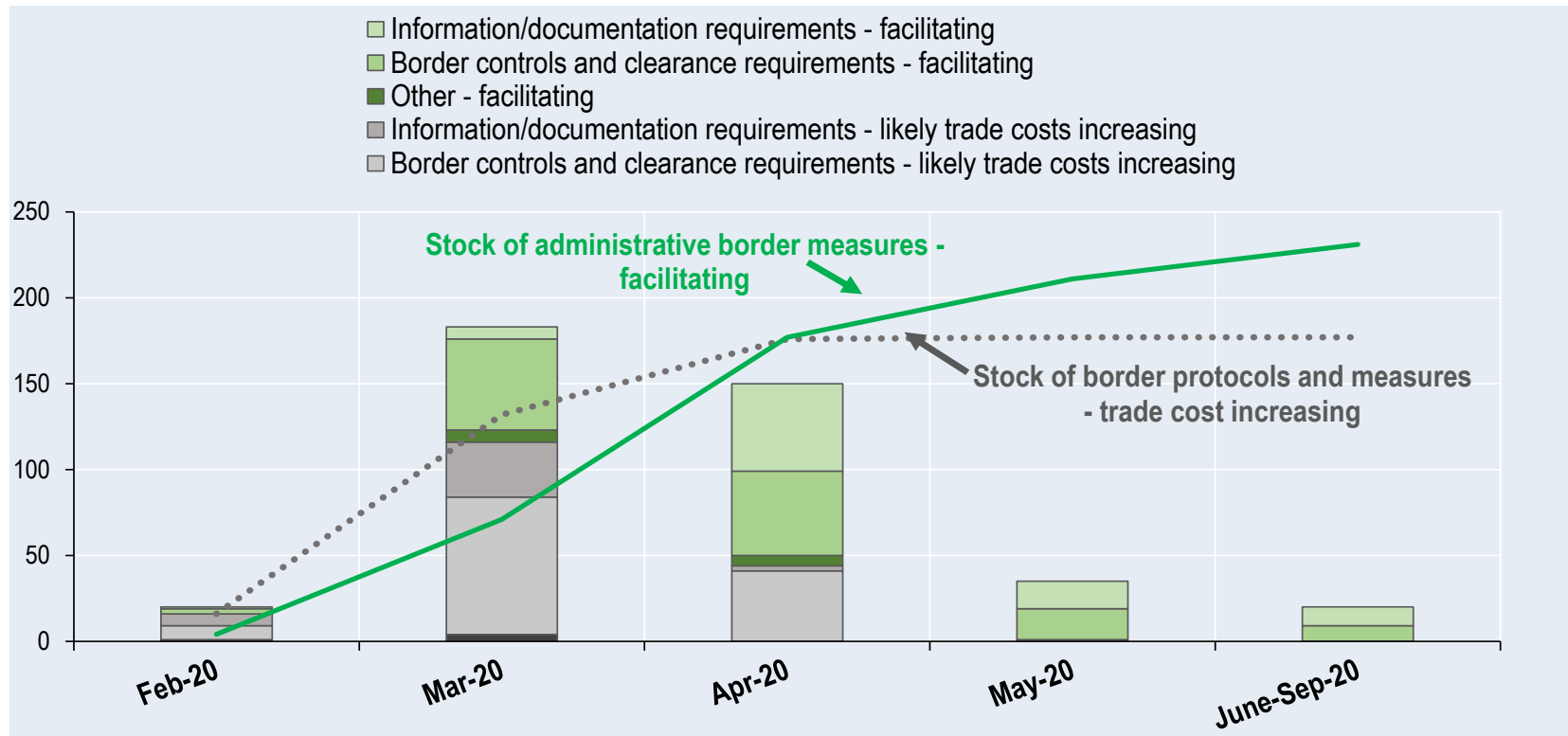
Most regions could also capitalize on existing border agency co-operation mechanisms



Source: OECD Trade Facilitation Indicators (TFIs).

Getting goods across borders during COVID-19: What TF measures helped to address disruptions

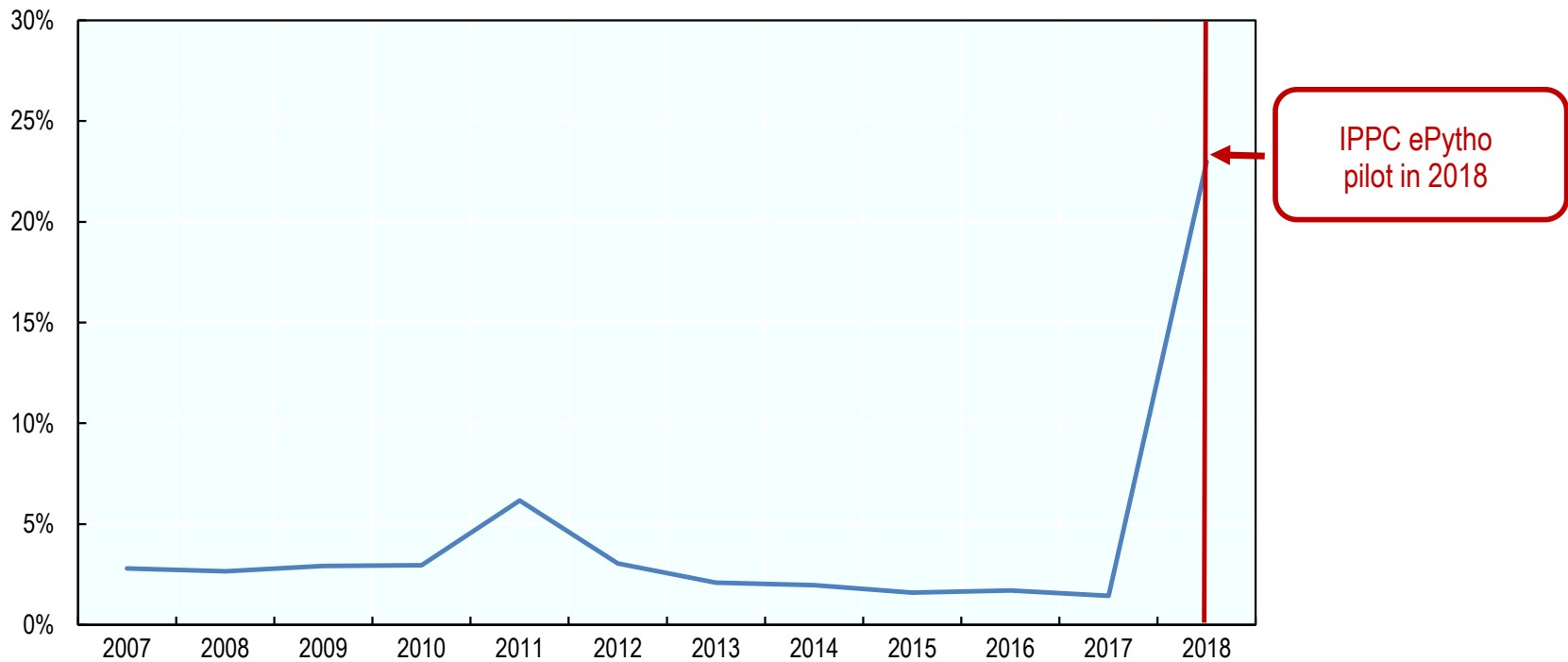
Facilitating measures versus new, potentially cost-increasing, protocols during COVID-19



Source: OECD (2020), *Getting goods across borders in times of COVID-19*, <http://www.oecd.org/coronavirus/policy-responses/getting-goods-across-borders-in-times-of-covid-19-972ada7a/>.

Getting goods across borders during COVID-19: Increasing role of digital tools

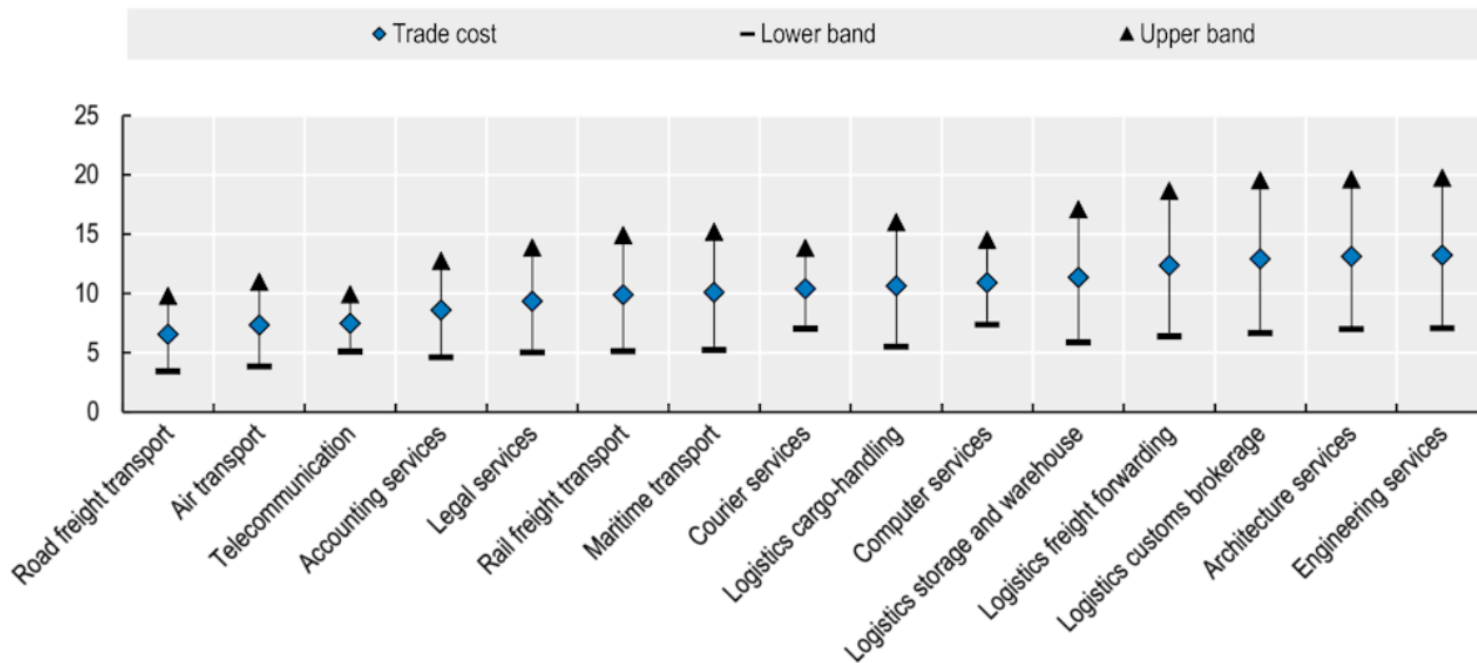
Proportion of bilateral trade flows covered by phytosanitary electronic certificates per year



Source: OECD (2021), https://www.oecd-ilibrary.org/agriculture-and-food/digital-opportunities-for-sanitary-and-phytosanitary-sps-systems-and-the-trade-facilitation-effects-of-sps-electronic-certification_cbb7d0f6-en.

Growing interlinkages between goods and services: Trade costs increases in logistics and transportation

Estimates of trade costs increases for services due to COVID-19 disruptions
By sector, % of export values

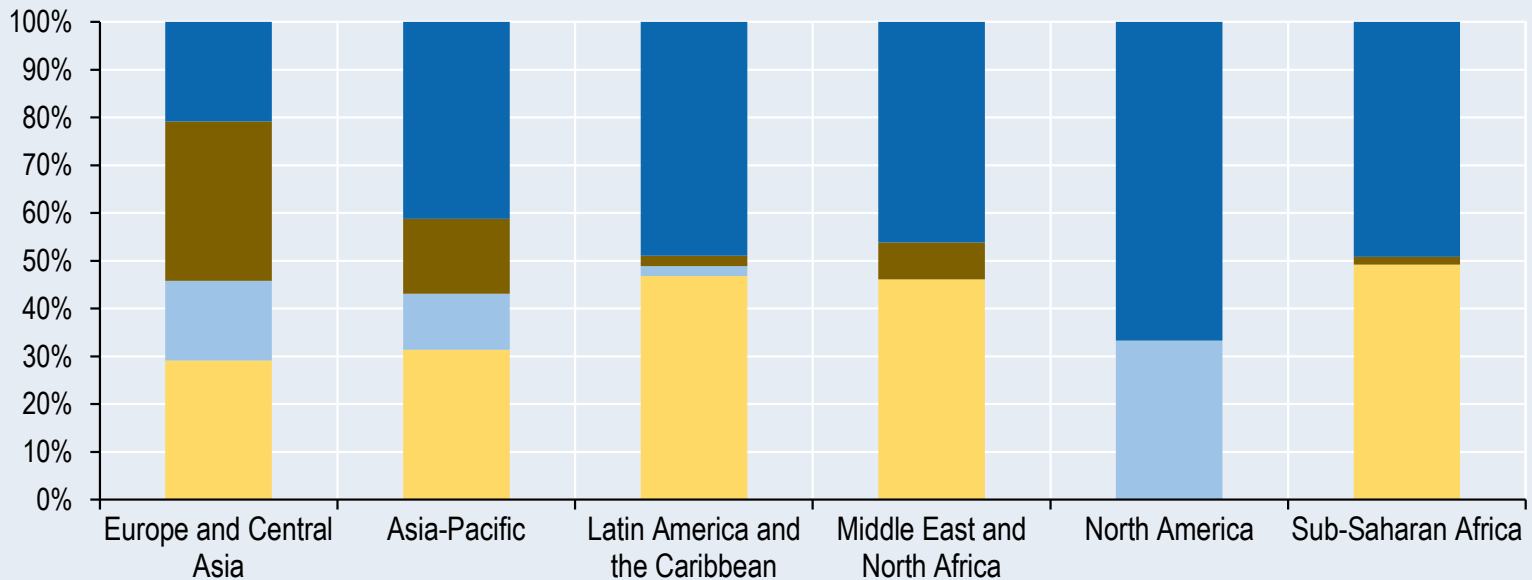


Source: OECD (2021), <https://www.oecd.org/coronavirus/policy-responses/covid-19-international-mobility-and-trade-in-services-the-road-to-recovery-ec716823/>.

Growing interlinkages between goods and services: Specific challenges for digitally ordered parcels

- Transit: Network capacity limitations
- Transit: Restrictions on type of shipments (e.g. weight, size, product type)
- At the border: Delays associated with specific controls / new protocols / volume increase
- Last mile: Restrictions on specific geographic routes / delays

frequency of challenges identified (%), by region

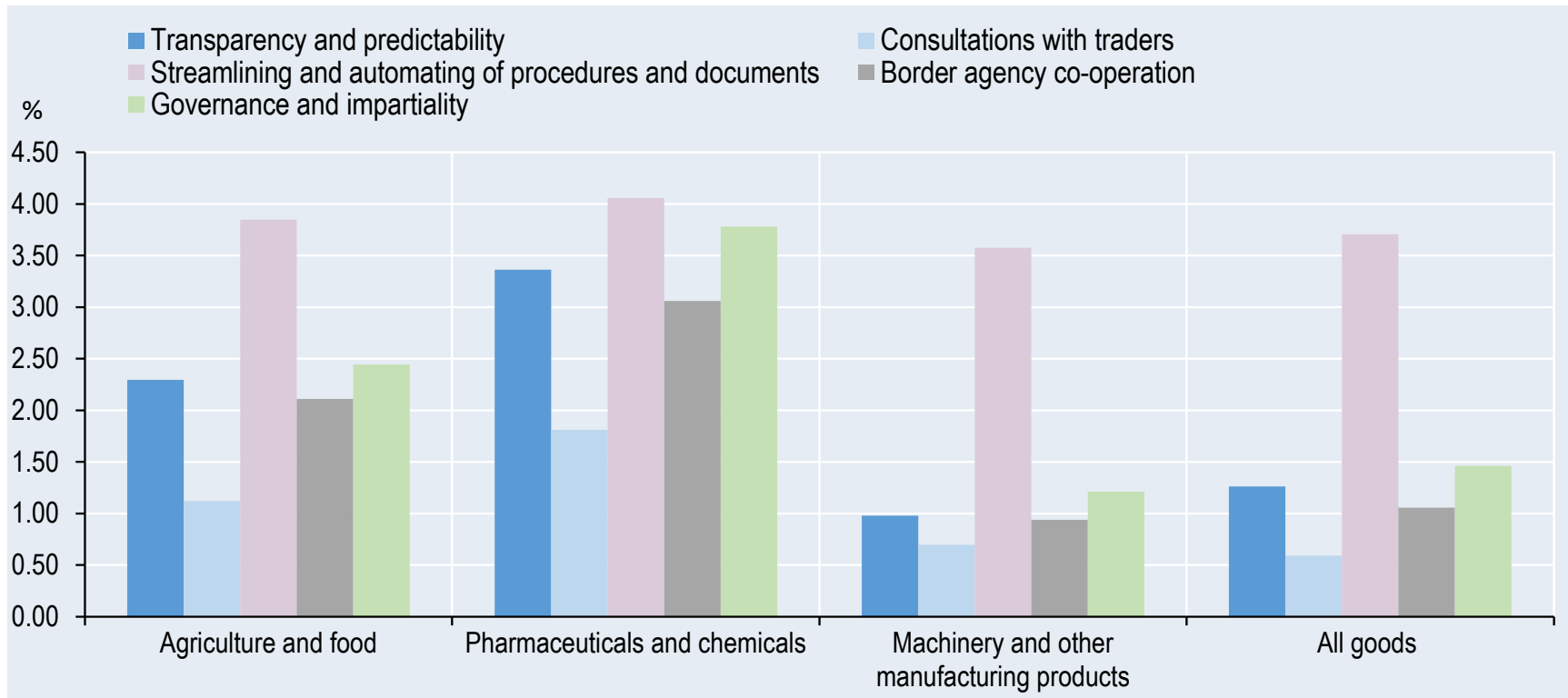


Source: OECD (2020), <https://www.oecd.org/coronavirus/policy-responses/connecting-businesses-and-consumers-during-covid-19-trade-in-parcels-d18de131/> / .

What next for trade facilitation?

More can be done in specific TF areas

Potential increases in trade from improvements in the Trade Facilitation Indicators (TFIs)

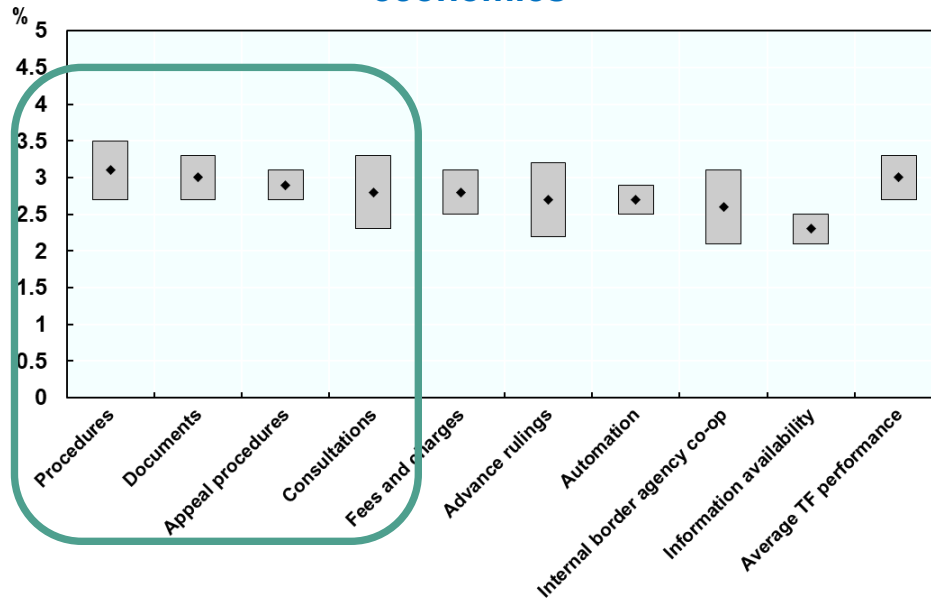


Source: OECD (2020), *Getting goods across borders in times of COVID-19*, <http://www.oecd.org/coronavirus/policy-responses/getting-goods-across-borders-in-times-of-covid-19-972ada7a/>.

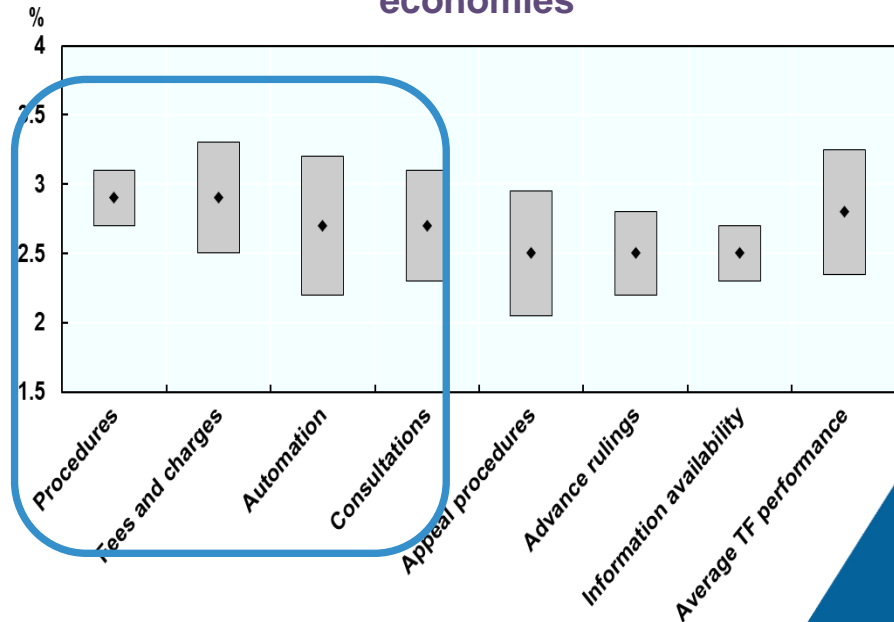
» What next for trade facilitation? Some reforms matter more for SMEs

Effect of a 0.1 TFI improvement (by area) on the probability of SMEs engaging in international trade

Exporting, SMEs in developing economies



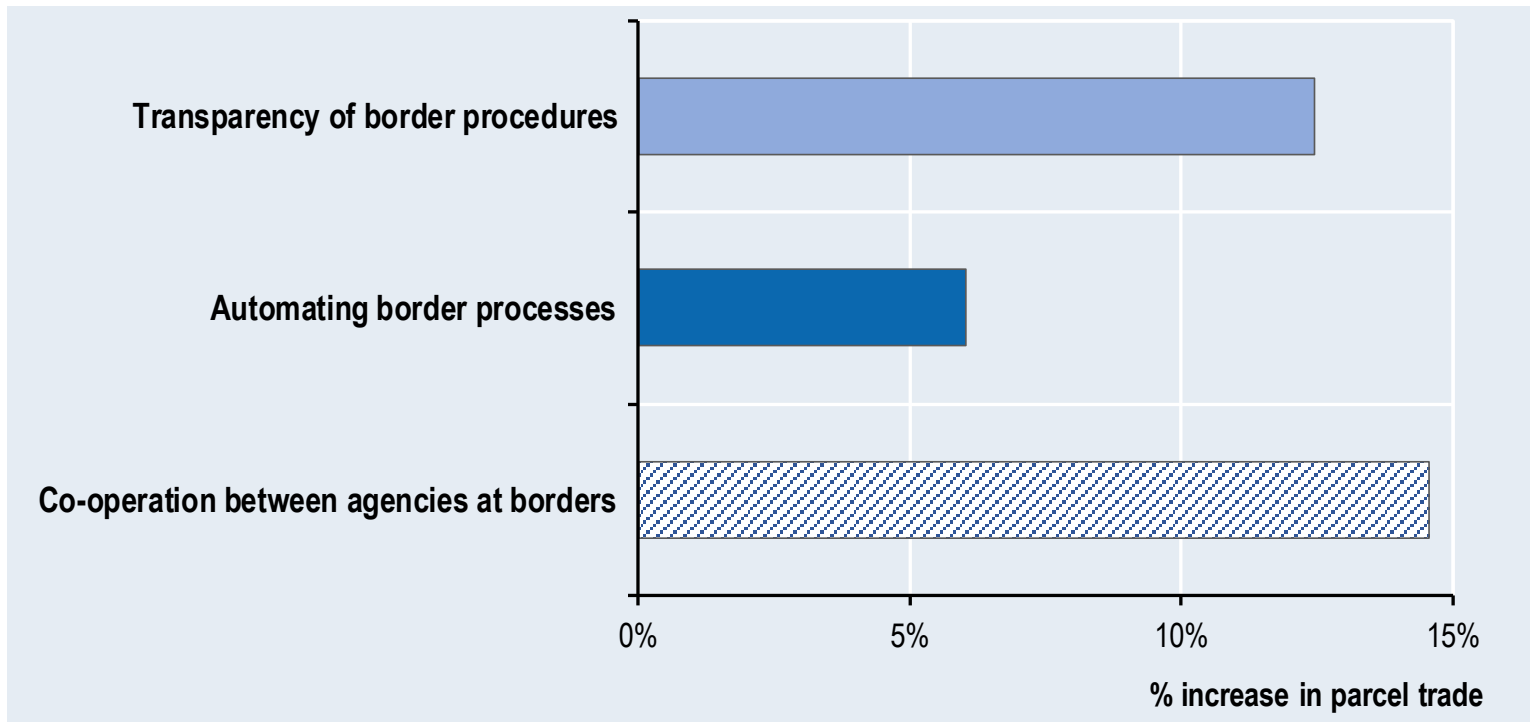
Exporting, SMEs in developed economies



Source: López González, J. and S. Sorescu (2019), https://www.oecd-ilibrary.org/trade/helping-smes-internationalise-through-trade-facilitation_2050e6b0-en.

» What next for trade facilitation? » Some reforms matter more for digitally-ordered goods

Potential increases in parcels trade (%) from improvements in trade facilitation



Source: López González, J. and S. Sorescu (2021, forthcoming), *Trade in the time of parcels*.

» What next for trade facilitation?

Throughout “normal” and crisis times, transparency and availability of information can not only help map out bottlenecks and risks, but also highlight and transmit good practices:

- *More transparency is needed along the entire supply chain* – this could be achieved through better linking at-the-border with behind-the-border issues as well as with transportation aspects in order to respond to global challenges and better mitigate disruptions.
- *Expanding the scope of co-ordination with private sector stakeholders* is needed to devise solutions that can best be mobilised when needed to act under pressure and time constraints.

» What next for trade facilitation?

Bridging gaps in trade facilitation performance will ensure reliable and robust co-ordination mechanisms and help businesses address risks and enhance agility:

- *Further reducing gaps in areas like automation and streamlining of border processes will support the design of co-ordinated approaches between points of entry/exit in responding to shocks and disruptions. Co-ordinated early-warning systems across border posts can alert traders and shippers, allowing them to adjust routes in real-time and effectively prevent supply chain blockages.*
- *Reducing trade facilitation gaps will support firms in their resilience strategies and help the logistics of trade to rapidly adjust capacity, diversify routes, enhance network agility, and cut costs. This can also contribute to vaccines distribution and an inclusive recovery.*

 **Thank you for your attention!**

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