

COUNTER-MEASURES TO SUSTAIN TRADE FACILITATION DURING AND AFTER COVID-19 PANDEMIC IN THE OIC MEMBER COUNTRIES

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Objectives

to put forth the effects of Covid-19 on the world economy and the economies of the OIC countries

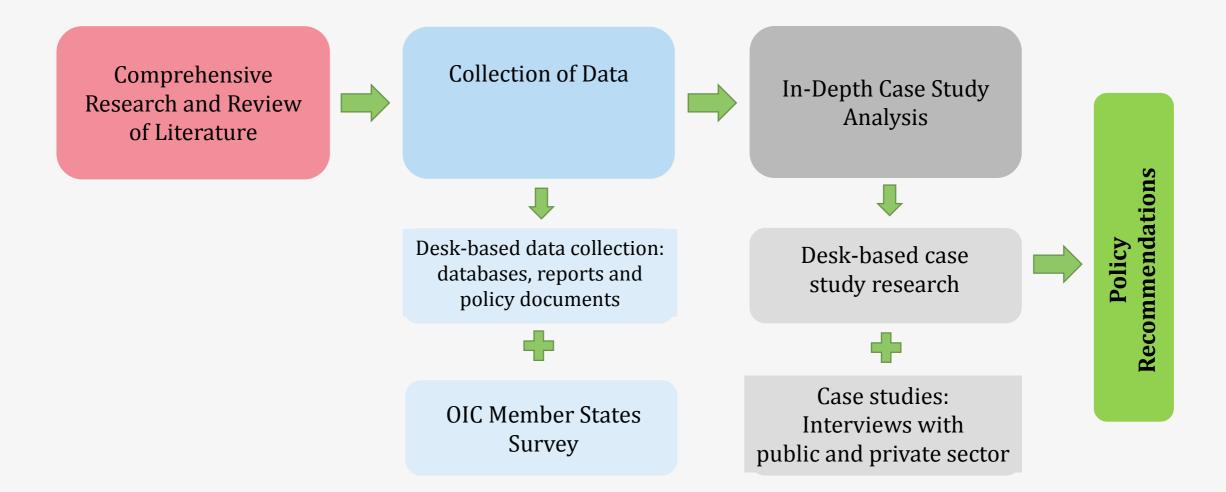
to elaborate trade facilitation measures utilized to alleviate the effects of Covid-19

to discuss the post-pandemic world economy emphasizing opportunities and threats for the OIC countries

to provide policy recommendations on trade facilitation specific to the OIC countries to eliminate some of the impediments of the pandemic to trade.

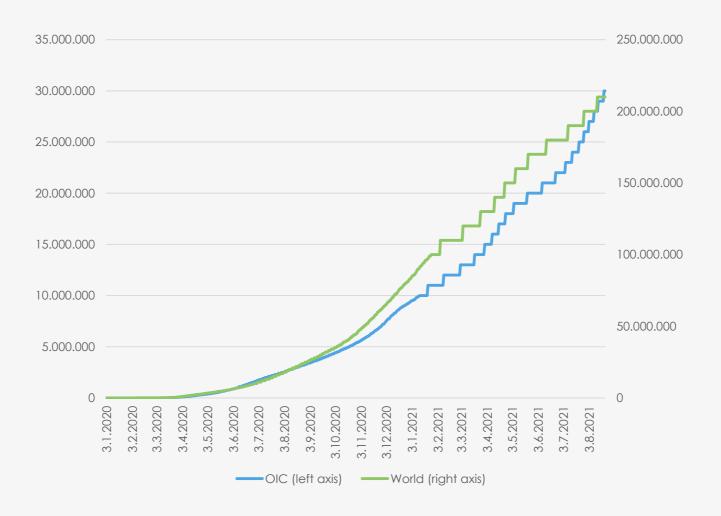


Methodology



Background:
Overview of the Impact of
Covid-19 Pandemic

Cumulative Cases



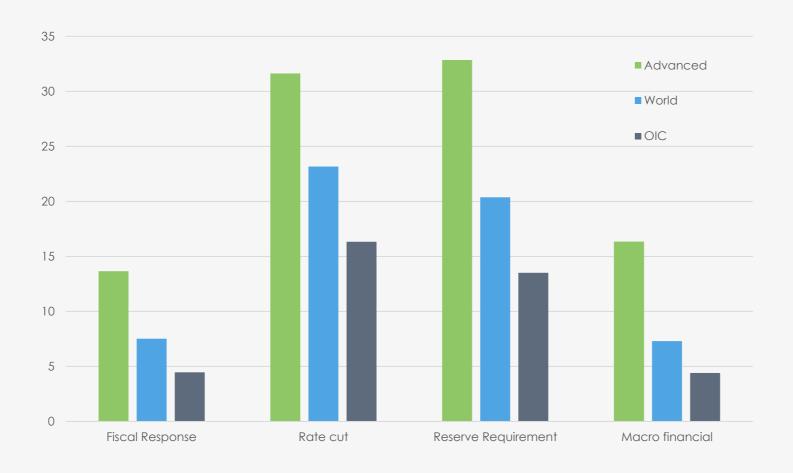


Industrial production volume excluding construction





▶ Economic Policy responses to the pandemic





Imports of goods and services

Exports of goods and services







Background: Trade Facilitation Related Responses to the Pandemic

Pandemic affected trade in many channels

Export bans or restrictions

Disruptions in transport and logistics

New protocols, additional border controls & new documentation requirements

Stringency measures

Fewer personnel working at the customs

Production decline in GVCs



COVID-19 trade and trade-related measures since the outbreak of the pandemic

	Facilitating	Phased-out	Restrictive	Phased-out	Total
Import	148	43	13	4	161
Export	84	7	114	65	198
Other	16	3	9	5	25
Total	248	53	136	74	384



Recommendations to facilitate trade by international organizations

TFA serves the necessary tools for trade facilitation

Implementation of TFA by an individual country would limit the benefits

To maximize the benefits of TFA, countries and trade partners need to implement TFA together

Some pandemic specific practical recommendations

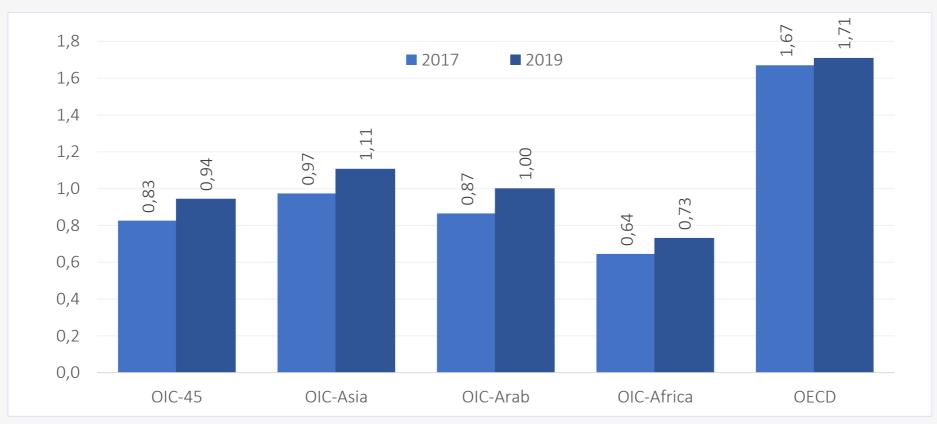
Useful in the short-run, until the necessary infrastructure prepared for TFA implementation



Desk Based Data Collection: Trade Facilitation in OIC Countries

▶ Before the Pandemic

Average Performance of OIC Countries in Trade Facilitation - OECD TFI

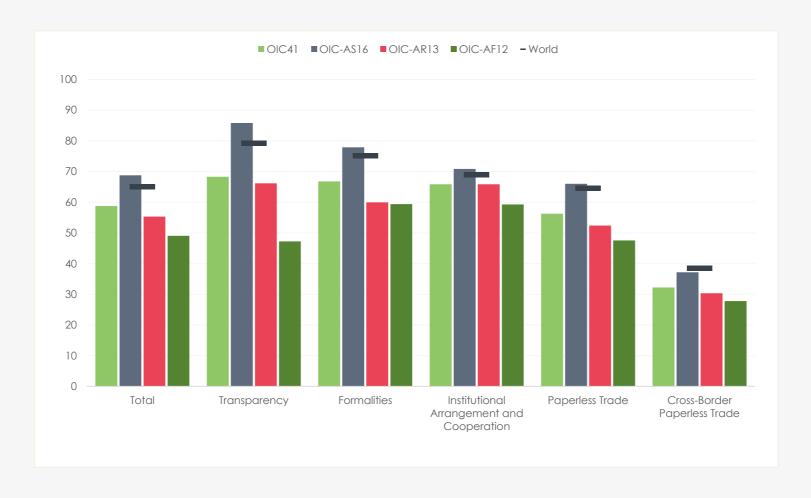


Source: OECD Trade Facilitation Indicators. Data covers 45 OIC MCs, including 14 in the Asia Group, 16 in the Arab Group and 15 in the Africa Group.



▶ Before the Pandemic

Performance of OIC Countries in Trade Facilitation, by indicator and subgroups





► After the Pandemic

Trade facilitation measures implemented during the pandemic – facilitating trade for essential goods

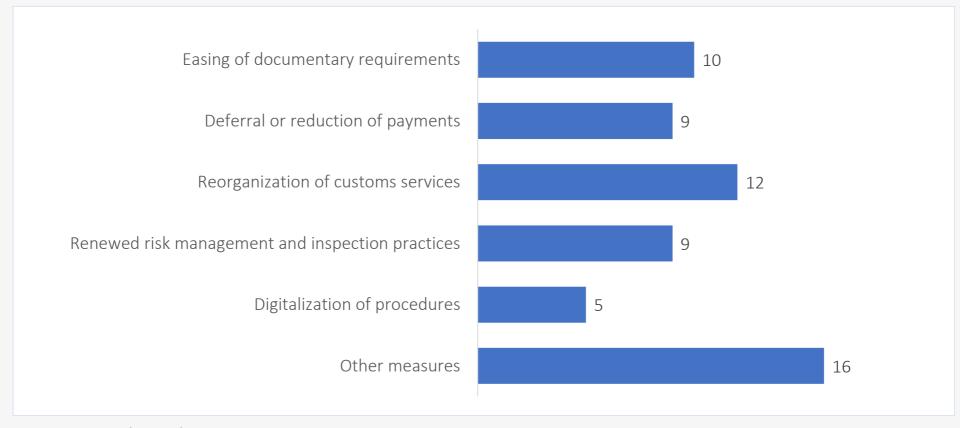


Source: WCO (2020a).



► After the Pandemic

Trade facilitation measures implemented during the pandemic – supporting the economy



Source: WCO (2020a).



Desk-based case study research

Rationale behind case choices

Canada

- A long-standing supporter of trade facilitation at global level
- During the pandemic, smooth flow of goods across borders
- Advanced measures to provide traders greater flexibility in fulfilling the customs procedures without major impediment

Korea

- Access to intermediate goods were more critical
- Smooth flow of intermediate goods for manufacturing
- Maintains one of the most advanced electronic customs clearance system in the world, adopted by many countries

Oman

- Long-term ambition to become a logistics hub
- Enable access to essential goods by further improving the logistics infrastructure during the pandemic
- One of the **first** countries in the world in fulfilling all requirements of the **TFA of the WTO** in 2020

Case Studies: Canada

Before the pandemic

- Long standing supporter of trade facilitation
- Already well-advanced streamlining customs procedures in place.

During the pandemic

- Implementation of the e-Longroom initiative,
- Extension of timeframe for all payments due to the CBSA,
- Grace period for late accounting penalties,
- Extension of the period for submitting corrections for trade compliance,
- Temporary waiving of customs duties & sales taxes on all related goods.

Case Studies: Korea

Before the pandemic

- The Korea Customs Service (KCS) considered at the cutting edge of international best practice
- The UNI-PASS system: the world's first 100% electronic clearance portal system, which is taken as a model by some OIC countries (Kazakhstan, Kyrgyzstan, Uzbekistan and Cameroon)

During the pandemic

- Customs Clearance Support Centres for COVID-19 at major Customs offices to maintain the GVCs by facilitating the raw materials.
- Uninterrupted services by KCS to provide speedy clearance
- Based on transparency in trade regulations and digitization of customs
- Value chain disruption prevented

Case Studies: Oman

Before the pandemic

- One of the first countries fulfilling all requirements of the Trade Facilitation Agreement of the WTO in 2020
- It reflects the readiness of regulations, legislation and business environment

During the pandemic

- An efficient coordination mechanism among the related agencies established
- Direct importing practices to reduce import time and ensure the supply of essential goods
- Measures were in line with efficient logistics infrastructure and becoming an important trade hub

THANKS



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