



The global voice of freight logistics

Trade Facilitation... the way out of COVID-19

Why trade facilitation?

It is commonly accepted that trade facilitation measures are now the key imperative to the reboot of economies out of COVID-19 disruptions. This requires public and private sector integration to address impediments and opportunities for change in regulatory and business practices as to the movement of goods, conveyances and people across borders. Economies who do not embrace change will not maintain their competitive advantages. FIATA has, since the inception of the World Trade Organization (WTO) Agreement on Trade Facilitation (TFA), fully endorsed the need for FIATA's National Association members to participate actively in TFA outcomes through National Committees on Trade Facilitation (NCTF) as referenced in Article 23.2 of the TFA.

FIATA has provided public comment as to its position on the TFA, as well as ongoing information to its members in relation to private sector opportunities to participate in trade facilitation arrangements. The issue was highlighted to delegates at the FIATA World Congress in Dublin during the Customs Affairs Institute plenary, as well as in Headquarters meetings since 2015. FIATA has also attended the United Nations Conference on Trade and Development (UNCTAD) forums, which have focused on a range of requirements from the setting up, running and support to NCTFs. The role of NCTFs can be found in Article 23.2 TFA: to facilitate, coordinate, and implement.

Mind shifts

In order to achieve the objectives of the TFA and NCTFs, there is a need for a significant mind shift by the three key parties: governments, regulators, and industry. Governments in the post-COVID-19 era need to drive and oversee the work being undertaken by regulators and the NCTF to ensure retention/restatement of economic competitiveness and trade expansion.

Regulators need to become integrated in the trade process, including being transparent and consistent in the application of regulations by way of effective compliance measures that educate to improve, and reward performance, rather than the arbitrary application of penalties. Engagement needs to be based on true engagement, rather than consultation for consultation's sake.

The support of industry is fundamental. It now has a legitimate position in trade-related facilitation matters and must commit resource allocation to meet the challenge. Too often, criticism is made on issues without any attempts to commit time and resources to making the change sought a reality.

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Initiatives such as the WTO's Trade Dialogues are excellent examples of the recent efforts to bridge the gap with industry actors in the context of COVID-19.

Trade is the key

In the post-COVID-19 era, the issue for each economy will be that of economic competitiveness and the restoration of wealth creation. This will only be achieved by moving away from the status quo in terms of each entity's posture and agendas. As normality starts to be restored and governmental restrictions are gradually eased, this is a crucial time for economies, and all stakeholders need to bring their brightest and best. This is a new challenge, with different needs and norms for both developed and developing economies, far beyond the scope of the World Bank Logistics Performance Index, for example, which was built on pre-COVID-19 elements. All will need to address border control and improvements within the logistics chain. What are the new advantages in trade digitalization across finance, carriage, regulatory clearance, contracts, fiscal and service provisions? A new paradigm awaits with its challenges, and its disruption to traditional business and practices.

Common rhetoric of government and regulators has tended to recognize the critical need to involve and engage with the private sector. Nevertheless, to date, engagement has in many instances been low. It is critical that this changes. It is the private sector which understands clearly where the regulatory and private sector bottlenecks are in the supply chain, and the ways and means to work with government and regulators in overcoming those issues to improve and facilitate trade.

FIATA is committed to encouraging the active participation of its National Association Members in NCTF arrangements. At the same time, all National Association members hold a critical responsibility to address deficiencies in governmental or regulatory approaches within their own national contexts with the relevant governmental ministers and agencies. Helping one's country and community to become more trade-efficient and friendly will also ensure the position of service providers in international trade logistics and supply chain management is maintained, and hopefully enhanced.