

Multi-year Expert Meeting  
on Transport, Trade Logistics and  
Trade Facilitation  
9th Session

**Sustainable and resilient transport and  
trade facilitation in times of pandemic  
and beyond: key challenges and  
opportunities**

12–14 July 2022

**Implementing Sustainable and  
Transparent Trade Facilitation Reforms:  
Private sector view**

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## **Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation**

Ninth session, 12–14 July 2022

### **Agenda Item 3**

#### **Implementing Sustainable and Transparent Trade Facilitation Reforms:**

##### **Private sector view: Carlos ENRIQUEZ**

Each country's regulatory environment affects global trade and investment, thus, having a direct impact on potential economic growth and development opportunities. This is important because trade and customs regulatory frameworks are constantly changing due to multiple factors, including:

- **International commitments under regional trade agreements:** e.g. origin regimes, specific customs requirements.
- **New government priorities:** e.g. more and more complex trade restrictions and increased data requirements (sustainability, labour, security)
- **Political decisions:** e.g. increased protectionist tendencies
- **Budgetary restrictions:** e.g. focus on revenue collection and increased duties and taxes
- **Changes in trade landscape:** e.g. explosion of e-commerce (additional strain on Customs and need to adapt processes)
- **Emergency situations:** e.g. ad hoc border management processes

These challenges are not new; however, an important lesson from the COVID-19 pandemic is that we all have to become more resilient and better equipped to appropriately face the challenges of a Volatile, Uncertain, Complex and Ambiguous (VUCA) world.

In this regard, **trade facilitation (TF) reform becomes a key element that brings benefits for both businesses and governments.** For businesses, it reduces trade costs by making more efficient the movement of goods across borders, thus generating new business and employment opportunities. On the other hand, modern and efficient border procedures allow governments to better meet their policy objectives, including fair and efficient revenue collection, effective law enforcement, and investment attraction.

TF may comprise a wide range of reforms and measures whose economic impact vary greatly. One important first step is to have a **global common understanding among all relevant stakeholders of the concept of TF, which can be broadly described as the elimination of stumbling blocks to make legitimate trade easier, faster, and more inclusive.** This will help to ensure policy coherence and consistency.

**Key drivers of successful and sustainable TF reforms are:**

1. Political will and support for an integrated, whole-of-government approach to TF;
2. Sustainable public-private partnerships based on mutual trust and cooperation;
3. Transparent, predictable, and legitimate institutional work frameworks;
4. Concrete action plans with priority areas for strategic cooperation that yield benefits for both; and
5. Appropriate monitoring, evaluation, and review.

The Trade Facilitation (TFA) provides an excellent framework and policy direction to build and operationalize sustainable TF reforms to enhance the business-enabling environment.

If effectively implemented and complemented by relevant international standards such as those developed by the World Customs Organization (WCO), it can strengthen the public and private sectors' ability to better face current and future challenges, and to mitigate the consequences of trade disruptions, including those highlighted by the COVID-19 pandemic, such as **changes in trade patterns** (e.g. urgent demand for essential goods, new multiple suppliers, shifts in modes of transport, etc.); **port congestions and delays; increase in transport costs; staff shortages; and new trade restrictions.**

In this context, international organizations like UNCTAD play a key role in supporting sustainable TF reforms, on areas like the following:

- ✓ **Implementation and enhancement of National Trade Facilitation Committees (NFTCs)** that can guarantee:
  - Effective engagement from private sector
  - That recommendations translate into actions / regulatory changes
  - Work towards set deadlines
  - Effective monitoring and evaluation

Risk: No follow up of commitments resulting in no regulatory changes

- ✓ **Risk management, Digitalization, and Streamlining of border procedures:** ASYCUDA automated customs system allows for automation and digitalization of customs procedures, including through **pre-arrival processing** of information (submission of manifest, declaration and other customs data), **integration of risk management** (selectivity criteria – lane selection), and **paperless processes**.

Risk: No effective use of ASYCUDA functionalities, for example by continuing with high level of inspections ignoring selectivity criteria

- ✓ **Progress monitoring and evaluation of TF reforms:** The “Reform Tracker” project management tool can significantly help in the coordination and monitoring of reforms to ensure that they deliver effective and impactful results.

Risk: TF reform paralyzed due to lack of political will and support

- ✓ **E-commerce and Law Reform:** build the capacity of policymakers and lawmakers in understanding the key issues underpinning e-commerce with a view to providing enabling e-commerce legal frameworks, particularly to support MSMEs participation.

Risk: Law reform hindered by new regulations by different agencies

## Conclusions

- ✓ **Political will and support is crucial to advance TF reform.** An example of this were the measures adopted to facilitate movement and clearance of COVID-19 vaccines, although other equally important products were not benefitted.
- ✓ **Key to rethink border management and adopt a coordinated border management approach** to ensure policy coherence.
- ✓ **An important step to enhance government and business resiliency is to keep streamlined and digitalized border processes** (effectively implementing TFA and international standards).
- ✓ **Public-private coordination on TF reform is fundamental** to ensure that it addresses (public and private) needs in an effective and efficient manner, enabling the business environment and enhancing compliance.