











SUPPLY CHAINS IN TIMES OF COVID-19: CHALLENGES AND OPPORTUNITIES FOR LATIN AMERICA

Discussion Summary

19 August 2020



The <u>Global Alliance for Trade Facilitation</u> (the Alliance)—with the International Chamber of Commerce's (ICC) national committees for Bolivia, Colombia and Ecuador—held a webinar on how supply chains have changed as a result of the Covid-19 pandemic.

The panellists discussed trends in regional value chains and emerging opportunities for the full implementation of the World Trade Organization's Trade Facilitation Agreement (TFA) in the region. In attendance were a number of business representatives from Latin America and beyond.

Perales opened the session by explaining how the Alliance is redefining how trade facilitation reforms are conducted by ensuring businesses and governments work hand-in-hand to identify and deliver reforms. He stressed the importance of the private sector's "knowledge and dynamism" for delivering effective TFA implementation.

Antelo explained how the pandemic has been an opportunity to advance trade facilitation in Bolivia. "Trade facilitation stopped being just an important issue on the agenda, and became an urgent matter. We realised that without it, we would not be able to recover our economy." Antelo also explained that since the pandemic, Bolivia has actually improved its trade facilitation performance and increased its ranking in the <u>WTO trade facilitation database</u>.

THE PANEL CONSISTED OF

- Jean Pierre Antelo President of ICC Bolivia
- Jose Francisco Mafla
 Customs and Foreign Trade
 Partner at Brigard & Urrutia
- Sonsoles Garcia
 Partner at COMERX_EC and President of the Foreign
 Trade and Investment Policy
 Commission of ICC Ecuador
- Jose Raul Perales
 Deputy Director of the
 Global Alliance for Trade
 Facilitation and Director
 of Trade at the Center
 for International Private
 Enterprise

Meanwhile in Colombia, Mafla said Covid-19 has led to "a willingness [by customs] to migrate towards the digital and electronic". He also noted that risks associated with long distances and logistical complexity have encouraged major firms in countries like the United States to relocate production processes from China and other Asian countries to Colombia, Mexico and Latin America more broadly. Colombia also ratified the TFA on 6 August 2020, reaffirming its commitment to speed up trade processes.

Garcia explained that despite the challenging times for international trade, Ecuador has actually increased its exports during the pandemic, specifically in bananas and shrimp, the only country in Latin America to do so. She stressed that the export sector would have benefited even more if there had been better trade facilitation measures in place, including a greater number of refrigeration units and more staff, as well as biosecurity systems.

Overall, panellists agreed that while previously there had been a reluctance from authorities to digitise export and import processes, the pandemic has led authorities to endorse this key change. "Authorities realised that digitising certain processes can be done quickly and easily, without the negative impact that had been feared," Antelo said. For example, the pandemic has meant that in Bolivia, legislation was passed requiring that all the usual customs procedures be digitised. Nonetheless, challenges remain for inter-agency cooperation in the acceptance and exchange of documents for trade in pharmaceutical and medical goods.

Overall, Latin American countries have taken a number of steps forward on trade facilitation as a result of Covid-19, but countries are moving at different speeds and there is more that can be done.

To find out more, you can watch a replay of the webinar <u>here</u> (in Spanish).

For more information on the Global Alliance for Trade Facilitation click here.

WHO IS THE GLOBAL ALLIANCE FOR TRADE FACILITATION

The Global Alliance for Trade Facilitation is a public-private partnership for trade-led growth. We believe that international trade should be simple, fast and cost-effective, creating new business opportunities, enabling greater economic and social development and reducing poverty. Our work is designed to help governments in developing and least developed countries implement the World Trade Organization's Trade Facilitation Agreement. We bring together governments and businesses as equal partners to identify opportunities to address customs delays and unnecessary red-tape at borders, and design and deploy reforms that deliver commercially quantifiable results.

To get involved or for more information, please contact us at info@tradefacilitation.org www.tradefacilitation.org

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