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**2022/SOM2/CTI/005**

Agenda Item: VI d

## **Lessons from the COVID-19 Pandemic: A Renewed Agenda for the Free Trade Area of the Asia-Pacific**

Purpose: Information

Submitted by: Policy Support Unit, APEC Secretariat



**Second Committee on Trade and Investment  
Meeting  
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# Lessons from the COVID-19 Pandemic: A Renewed Agenda for FTAAP

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Advancing Free Trade  
for Asia-Pacific Prosperity

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# COVID-19: Critical challenges affecting trade

1. Disruption in **accessing essential goods**.
2. Disruption in trade in **services**.
3. Difficulties in **supply chain logistics**.
4. **Digital** transformation.
5. **Transparency** issues.
6. **Regulatory bottlenecks** affecting trade in essential goods.

# Challenge # 1: Disruption in accessing to essential goods

Issues with export restrictions/prohibitions and import charges

**NTMs in the APEC region in response of the COVID-19 pandemic (as of 7 March 2022, change from 8 September 2020 in parenthesis)**

Measures/Status	In Force	No Longer in Force	Accumulated Total
Facilitating Trade	19 (+1)	10 (+1)	29 (+2)
Restricting Trade	6 (-6)	22 (+11)	28 (+5)
<b>Total</b>	<b>25 (-5)</b>	<b>32 (+12)</b>	<b>57 (+7)</b>

**Import tariff reduction in response of the COVID-19 pandemic**

Status/Date	As of 8 Sep 2020	As of 7 March 2022	Difference
In force	10	20	+10
Not in force	5	7	+2
<b>Total</b>	<b>15</b>	<b>27</b>	<b>+12</b>

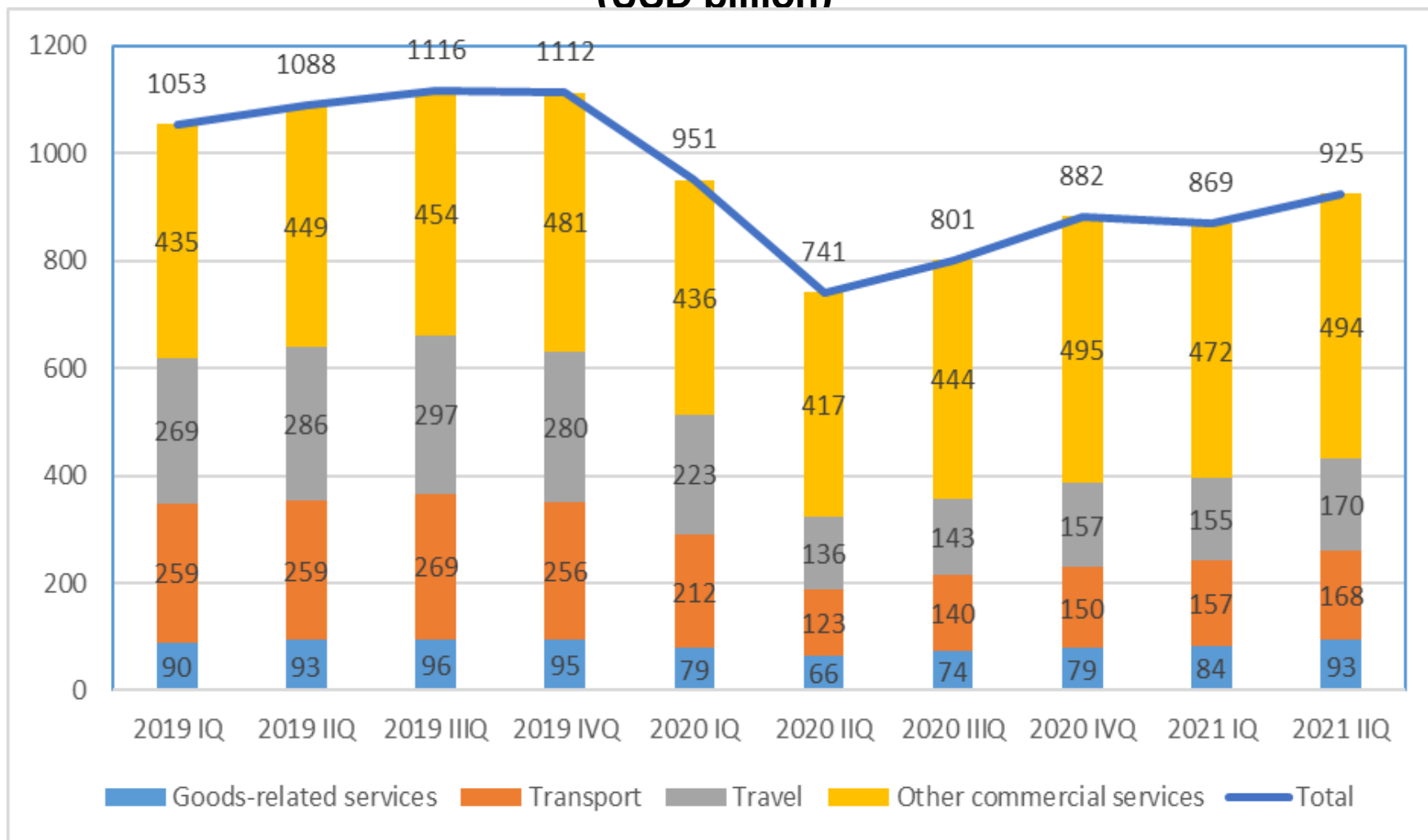


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## Challenge # 2: Disruption of trade in services

Services relying on cross-border movement of people are mostly affected

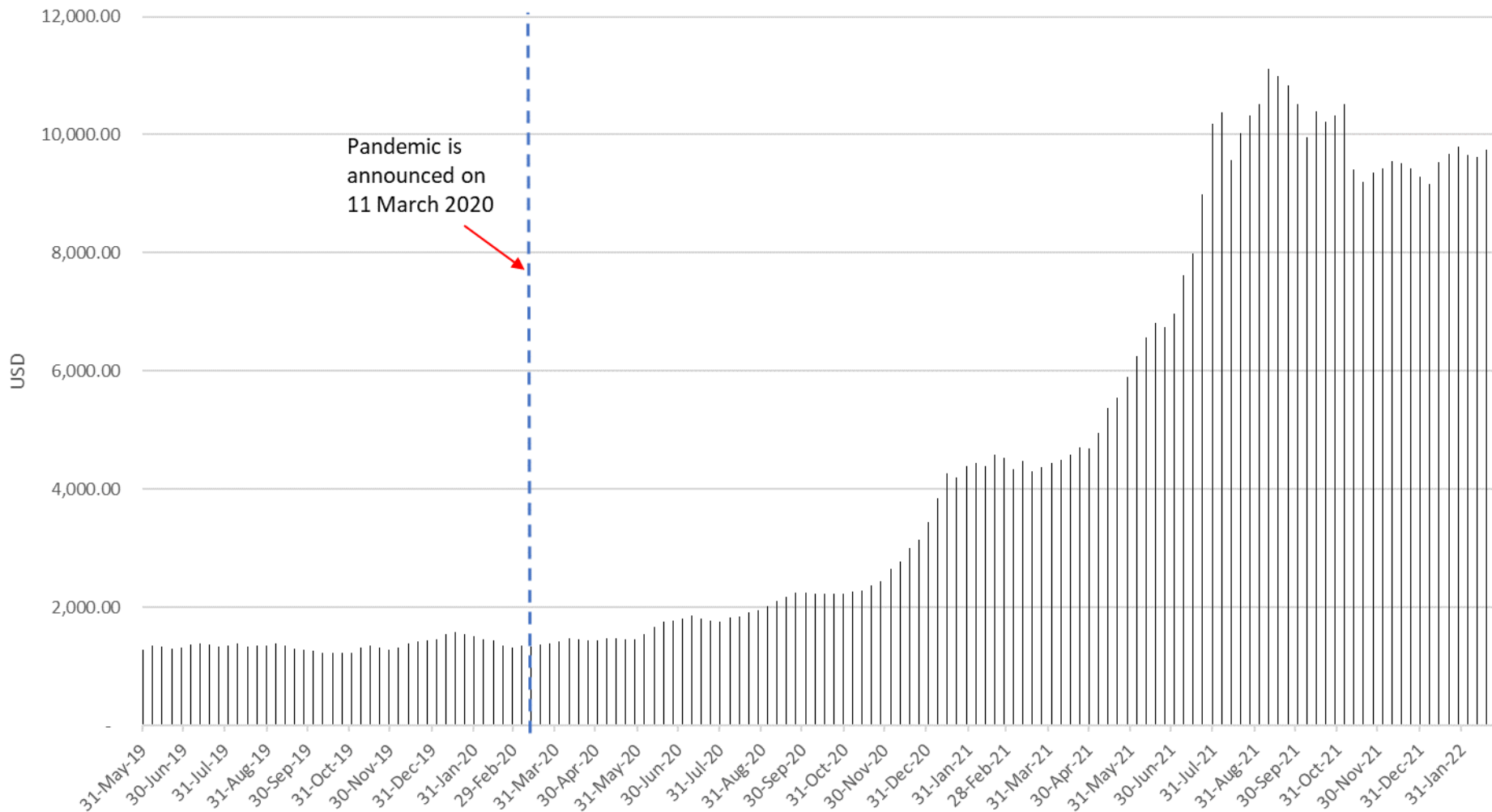
**Trade in services by APEC member economies  
(USD billion)**



# Challenge # 3: Difficulties in supply chain logistics

Connectivity issues, delays and soaring shipping costs.

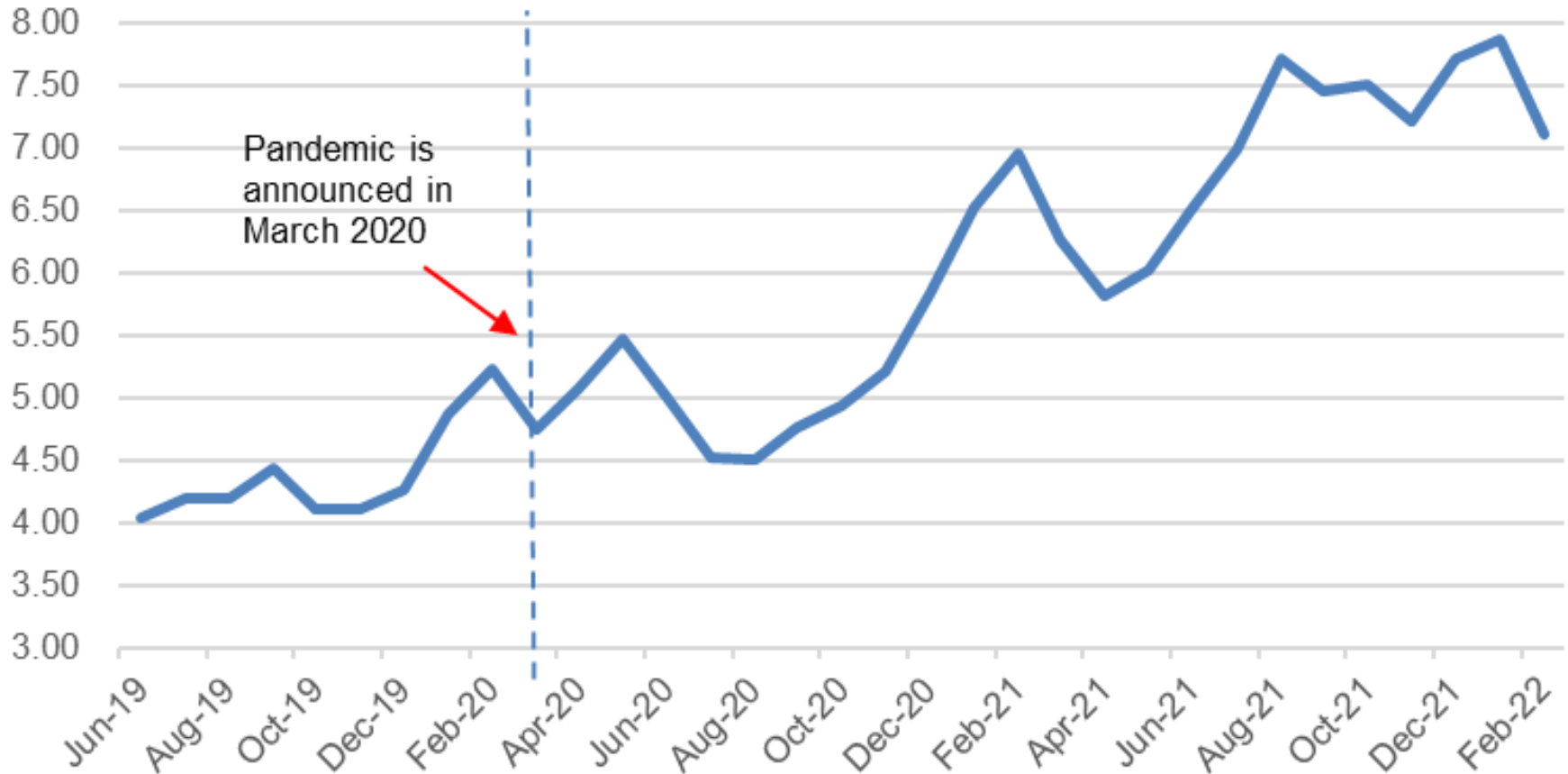
## Weekly Freightos Baltic Global Container Index (USD)



# Challenge # 3: Difficulties in supply chain logistics

Connectivity issues, delays and soaring shipping costs.

## Global Average Delays for Late Vessel Arrivals (days)

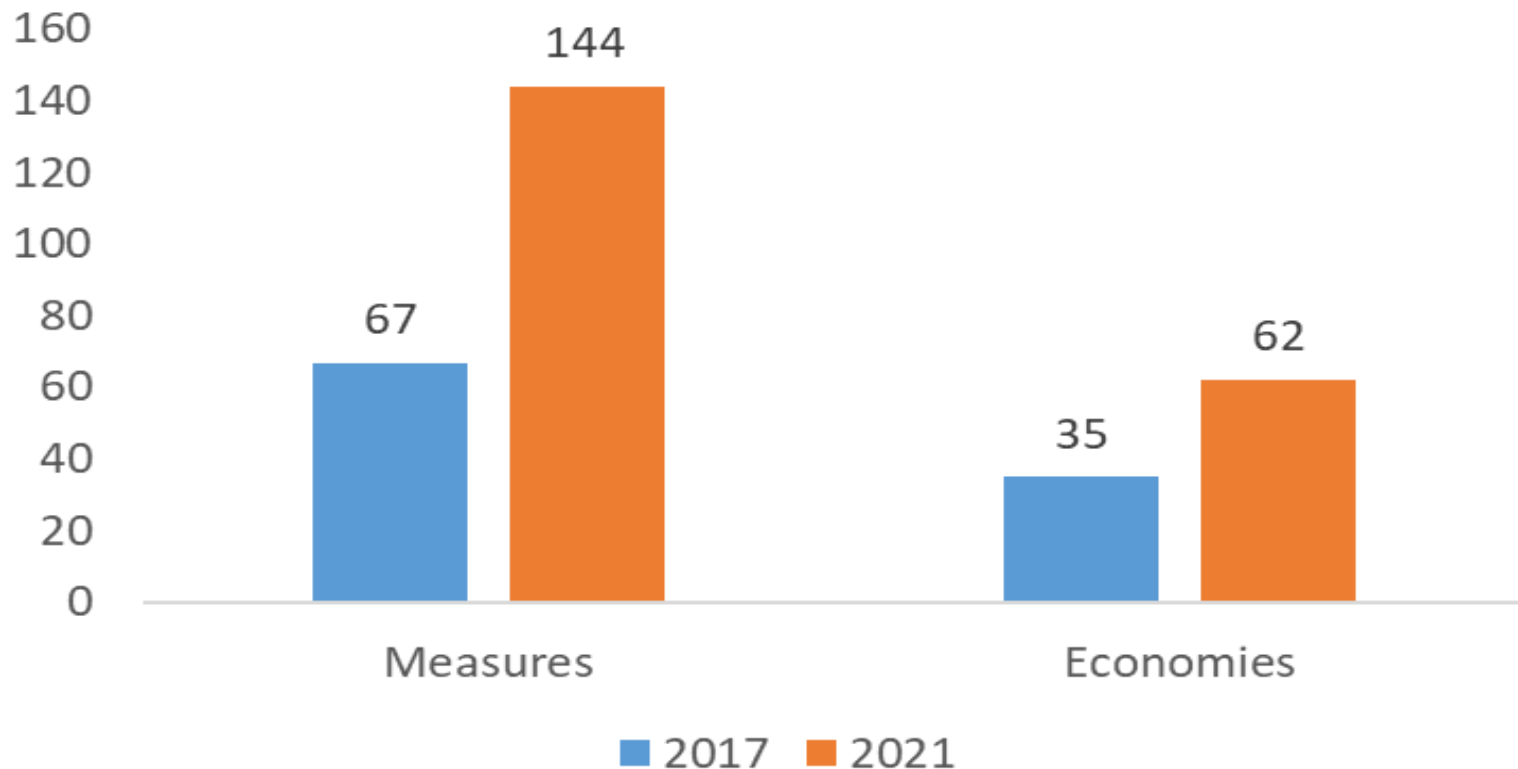


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## Challenge # 4: Digital transformation

Trade rules are not evolving at the same pace

### Number of data localization measures in force and implementing economies



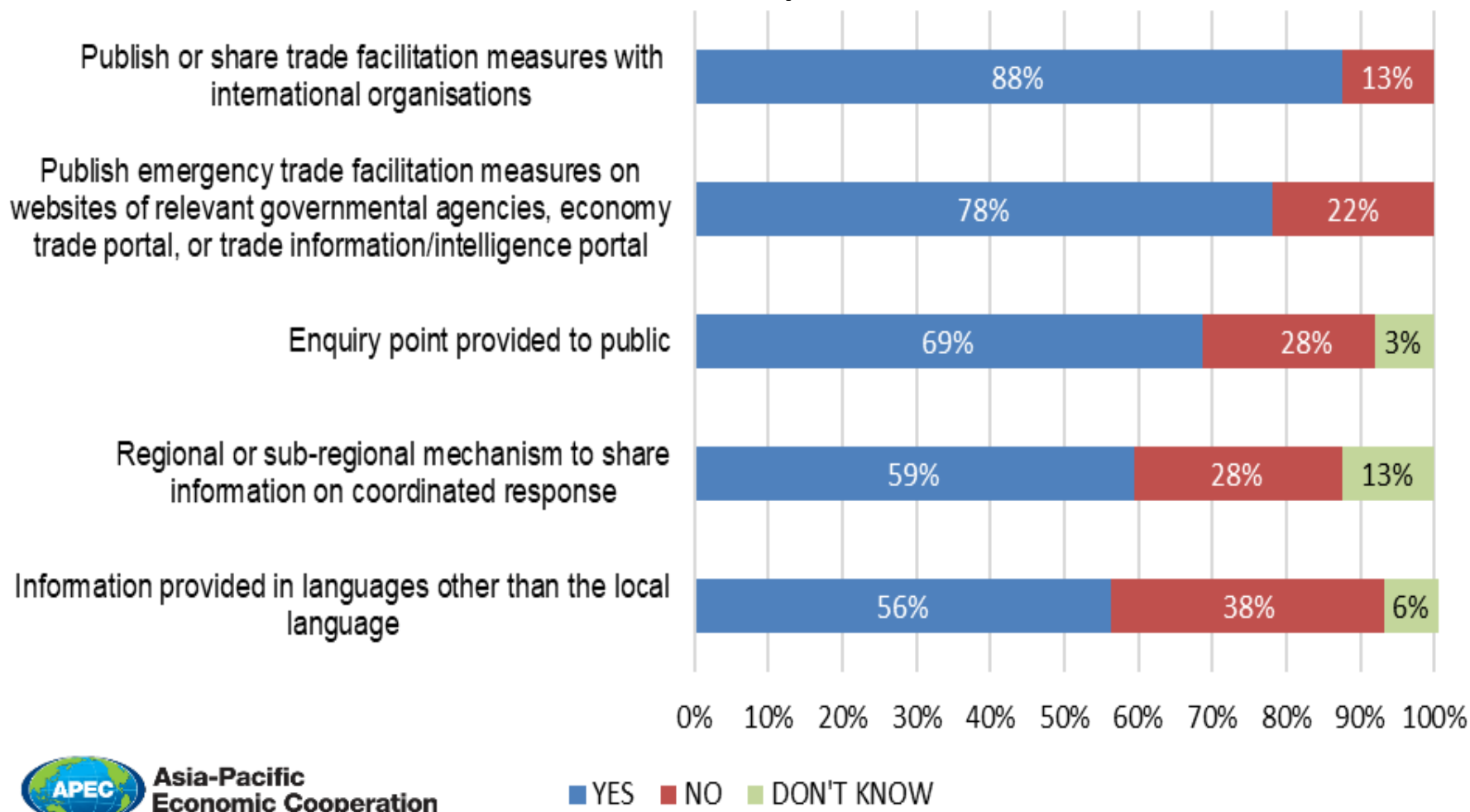
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## Challenge # 5: Transparency

Many new regulations or changes during pandemic. They need to reach exporters, importers, producers and consumers quickly.

### UNESCAP survey on implementation of transparency measures in times of crisis and the COVID-19 pandemic



## Challenge # 6: Regulatory Issues

Regulatory bottlenecks could affect trade of essential goods

- Lack of **proportionality and compatibility** of measures.
- Complexity of **intellectual property** rights
- **Good Manufacturing Practice** and divergences in protocols among economies
- Lack of proper **inter-institutional coordination**



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# Recommendations to revise FTAAP work programmes in the context of the COVID-19 pandemic

## Trade in Goods on essential goods

- **Definition** of essential goods
- Commitments to ensure **availability**
- Avoid **export restrictions** and exempt them from **import tariffs** on a permanent basis

## Trade in Services

- Keep airports, port, customs and border facilities **operational**
- Facilitate **cross-border movement of business people** and those working in **essential business**
- **Harmonization of criteria** to allow travel

## Trade Facilitation and border management

- Facilitate cross-border **movement of airline crew and maritime seafarers**
- Accelerate implementation of **WTO TFA**
- Use of **technology** and **paperless** procedures
- Border **cooperation** and technical **assistance**

# Recommendations to revise FTAAP work programmes in the context of the COVID-19 pandemic

## Digital Issues

- **Modern trade rules** to foster digital economy
- Rules on **data privacy, localization, cross-border data flows**
- E-commerce rules on **e-payments, consumer protection, e-signatures**

## Transparency

- More “teeth” to transparency provisions
- **Emergency** situations
- **Appropriate sanctions** against not duly reporting new regulations or changes.

## Regulatory Issues

- Standards & Conformance: Work on **risk assessment, harmonization, mutual recognition and equivalence**
- Intellectual Property: Support **temporary waiver** of certain obligation on the **WTO TRIPS**

# Recommendations to revise FTAAP work programmes - Issues with rising interest

Areas in mega-FTAs not recently addressed at the APEC Capacity-Building Needs Initiative (CBNI):

- Trade in goods: Rules of origin, SPS
- Trade in services: Sectoral services sectors, movement of natural persons/business people
- Other disciplines: government procurement, state-owned enterprises, environment, labor, regulatory coherence

Other areas of rising interest with limited or absent rules at multilateral levels:

- Inclusion (e.g. gender, SMEs, indigenous cooperation)
- Development and economic cooperation

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