



**Asia-Pacific
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Supply Chain Challenges and Opportunities

Submitted by: American Chemistry Council



**Workshop on Opportunities and Challenges
for Global Value Chains During the COVID-19
Pandemic and Post-Pandemic Economic
Recovery
13-14 October 2022**



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Economic Cooperation

Supply Chain Challenges and Opportunities

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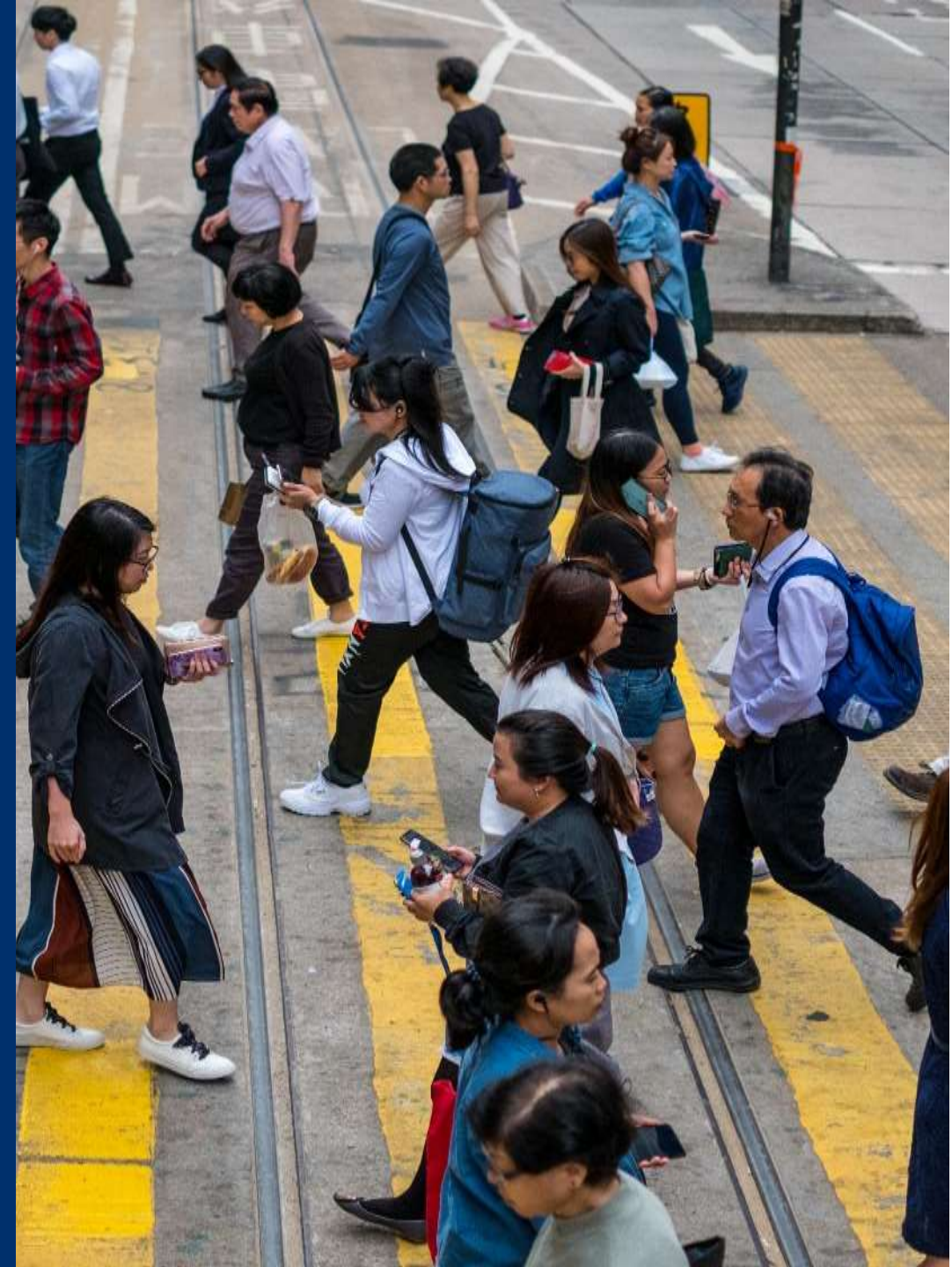
American Chemistry Council

APEC Workshop on Opportunities and Challenges for GVCs
during COVID-19 Pandemic and Post-Pandemic Economic
Recovery

14 October 2022

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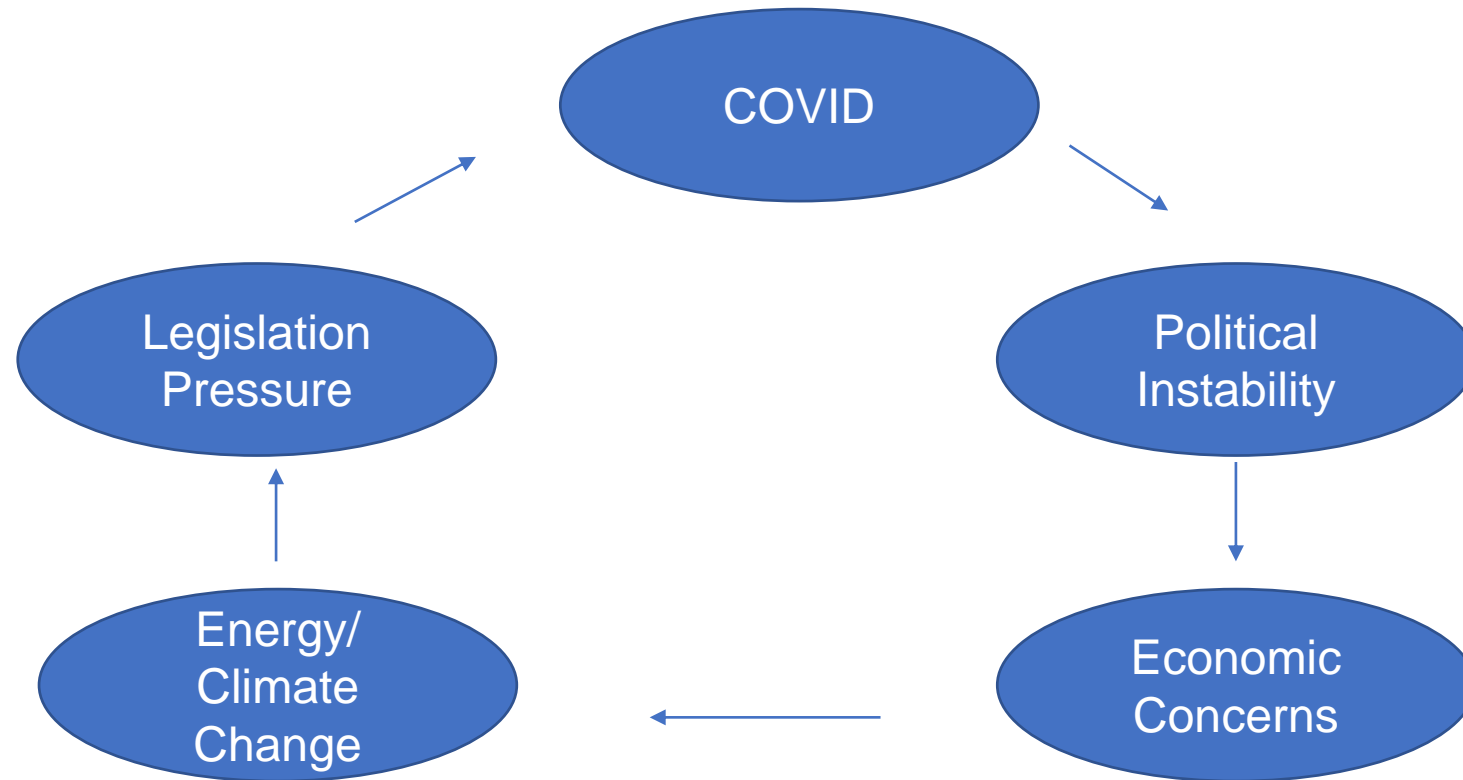
COVID Brought Many GVC/Supply Chain Issues Into Focus

- Domestic lockdowns and staff shortages and losses stopped or slowed the flow of many raw materials and finished goods
- Less than 2% of companies were fully prepared for COVID
- Hardest hit were industrial product companies (i.e., physical spacing, contact-tracing, PPE issues)
- Brought supply chain visibility, efficiency, and resiliency to top of mind
- Greater focus on environmental and sustainability goals (ESG)

GVC/Supply Chain Issues Brought By COVID Were Not New

- The WTO Trade Facilitation Agreement (TFA) highlighted several areas where greater trade facilitation could help alleviate supply chain pressures and bottlenecks
- Several APEC economies instituted more automated customs procedures that would decrease human interaction (e.g., having people to stand in line), document duplication, use of stamps and signatures, and consularization of documents.
- Vietnam made reforms to their system that would extend certification periods and reduce documentation requirements
- Much of the focus was on temporary measures to help facilitate COVID necessary goods (e.g., PPEs) but helped facilitate trade in all goods
- Making such measures permanent and accelerating TFA implementation would be ideal

Other Pressures Affecting GVC/Supply Chains



Incentives that Strengthen GVC/Supply Chain Resiliency in Chemicals

- Abundant sources of natural gas and natural gas liquids, the primary feedstocks and energy sources for manufacturing chemicals
- Timely review and approval of new chemistries under regulatory agencies
- Low cost imported intermediate inputs into manufacturing of chemicals
- Facilitation of high skilled labor
- Access to worker training/retraining programs and strengthening of worker skills and safety knowledge
- Strong protection of intellectual property rights, including trade secrets
- Public-private partnerships for research and development of new materials and technologies
- High standard protections for human health, safety, and the environment.

Problems and Opportunities

- Many economies have prioritized domestic or political interests over economic or global opportunities
 - Closer cooperation through regional and global economic initiatives are more likely to strengthen supply chain resiliency, advance sustainable development, and grow international trade and investment
1. New negotiating agenda that focuses on sustainability, regulatory cooperation, and new rules
 - Identify and remove tariff non-tariff barriers to the trade of critical materials and their inputs as well as on trade and deployment of environmental materials, inputs, and environmental technologies;
 - Promote the sustainable trade of materials, their inputs, and technologies.
 - Help promote and encourage the uptake of standards, such as product design, recycling and packaging standards
 - Identify public policies and governmental programs that can spur innovation and investment in sustainability-related technologies and processes
 - Develop common principles to ensure that domestic and regional approaches to sustainability are consistent with a rules-based trade system;
 - Encourage public-private sector dialogue to identify specific challenges and barriers to building sustainable products and processes;
 - Engage policymakers on removing regulatory and policy obstacles to innovation and adoption of new environmental technologies to maximize societal impact.

Problems and Opportunities

2. Strengthen regulatory cooperation

- Promotion and collaboration on the implementation of international standards (e.g., UN Globally Harmonized System of Classification and Labelling of Chemicals (GHS) and the OECD Mutual Acceptance of Data (MAD) system;
- Cooperation on prioritization of substances for review and collaboration
- Enhanced scientific cooperation, particularly on emerging regulatory issues
- Cooperation on data sharing and use of available data to avoid redoing studies.

3. Set new rules on subsidies and State-Owned Enterprises

- Updating WTO list of prohibited subsidies
- Ensuring greater transparency and compliance with notification of subsidies to the WTO
- Preventing governments from requiring that technology be transferred to the state, state-owned enterprises, or other domestic companies as a condition of market access or investment.

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