

COVID 19 Pandemic - Global Logistics & Express Delivery

LESSONS LEARNED & RECOMMENDATIONS

Background...



Networks of global express delivery companies keep adapting to ensure services



Consumers increasingly buy online



Customs border processing capacity seriously hampered where digitized risk assessment and release does not exist



Clearance delays for PPE shipments and any paper-based processes lead to border blockages



SMEs disproportionately impacted by border complexity



Governments demonstrate willingness to "build back better" with lessons learned from the pandemic



- **Allow "express" services to remain "express"**

- Express delivery services have shown extraordinary resilience throughout the pandemic. They have also shown to be essential for the continuity of global supply chains and for the door-to-door supply of urgently needed goods such as medical equipment, medicine, and food. In a future pandemic resurgence or other potential disaster, we will need **a global understanding of the need for "essential services," which includes express delivery services.**

- We will also need to make sure that all levels of government are coordinated to ensure uninterrupted door-to-door delivery of key shipments. This includes national agencies as well as regional and local governments.



- **Liberalize all-cargo air transport services**

- The requirements of all-cargo air transport services differ from those for passenger services. The difference has been clearly demonstrated by the pandemic. Pre-crisis, approximately half of air cargo moved in the belly space of passenger planes. As the pandemic hit, 90% of passenger flights were grounded, and the belly space capacity was lost. Instead, all-cargo flights continued to operate and kept critical supplies moving globally. It follows that air cargo services should be treated differently from air passenger services. **To encourage the expansion of air cargo operations, all-cargo services should be liberalized.**



- **Implement ICAO protocols to enable the movement of air cargo crew**

- Over the course of the COVID-19 crisis, we learned how much easier it is to ensure air cargo crews are in an environment with a lower infection risk than their passenger counterparts. Yet, we can't achieve an operational air cargo network if our crew can't adhere to flight schedules and get adequate rest time due to ill-fitted measures. We strongly **support the implementation of the ICAO Public Health Corridor for cargo pilots and support crew** to keep global supply chains working during any crisis. Additionally, **airport operations must be kept open for all-cargo traffic, and special airport hotel plans should be in place to make sure crew can rest without exposure to the public.**

LESSONS LEARNED & RECOMMENDATIONS



• **Enable surface transport to deliver the last mile**

- The express supply chain is multimodal (air and surface). Cargo flights help us carry goods quickly from one country to another, but it's surface transportation that ensures end-to-end service.
- During the pandemic, uncoordinated national restrictions at both the border and inland – such as curfews, bans on deliveries in certain districts, differing requirements for delivery drivers, etc. – disrupted operations in many countries. There were many instances in which cargo could not leave airports or warehouses, causing severe backlogs and space constraints. **Governments should develop surface transport plans that can be immediately deployed in future crises, including the exemption of express delivery services from any transport restrictions.**



• **Approach border clearance like a gateway, not a checkpoint**

- Customs and border agencies provide an essential service during a crisis to ensure that the import, export, and transit of goods can clear borders quickly. **Standardization and harmonization across the world's border agencies will help ensure predictability and transparency.** Existing international treaties such as the Revised Kyoto Convention and the WTO's Trade Facilitation Agreement can make this possible – but they must be fully implemented.
- This pandemic has also shown that **electronic records, e-payment, and digital risk management processes** are critical for fast border clearance. All of these solutions reduce physical contact to a minimum, help mitigate staffing shortages, and ensure focus is on high-risk shipments.



• **Reduce the cost of cross-border business to support getting back to business**

- The decline in global trade, travel, and tourism – coupled with significant financial bail-out support – is putting government revenues under severe pressure in many countries, especially for developing economies. Small businesses in particular face disproportionate impact from the cost of cross-border transactions. Governments should **pursue solutions that reduce these costs, such as establishing meaningful thresholds for duty-free entry and simplifying the collection of duties and taxes for low-value shipments.** The less costly it is to trade across borders, the more economic activity will take place.



• **Humanitarian relief should be a permanent strategy, not designed while in the middle of a crisis**

- The pandemic made it clear that many governments did not have specific regulations and procedures in place to define essential goods and services, nor to clear critical shipments quickly. Governments and international organizations should engage with the private sector and plan ahead to make sure critical relief shipments can move quickly when the next crisis hits. We also recommend expanding the WCO's Authorized Economic Operator program to include a mechanism that kicks in during multinational crises so that known and compliant carriers can continue to move critical shipments.



• **Establish a trade recovery regime to ensure goods keep moving**

- Government agencies and the private sector should collaborate to put plans in place to make sure trade faces minimal disruptions during a crisis and can recover quickly once the crisis passes.
- Such plans should be multilateral and multi-agency and involve all interested stakeholders in the supply chain. There are examples on which the international community can build, like APEC's Trade Recovery Program and Supply Chain Recovery Toolkit.