

Corona – Trade Policy Challenges

In times of the corona crisis, **customs duties, taxes and non-tariff trade barriers** are globally hampering the urgently needed exchange of goods to combat the corona pandemic.

- Cross-border trade in pharmaceuticals and health products must be ensured also without customs duties. The EU should call on all countries to join the *WTO Pharmaceutical Zero-for-Zero Initiative* and extend it to all pharmaceutical and medical goods.
- The G20 countries should agree on a crisis moratorium on new tariffs and non-tariff barriers. It is important that international trade can be maintained as much as possible. Trade conflicts should be resolved as quickly as possible so as not to further disturb already disrupted supply chains.

Restrictions on the free movement of persons apply worldwide, including the EU and Germany, which also affect the **movement of goods and services trade**.

- To maintain international supply chains, the EU should ensure that the movement of goods and services trade is not restricted. In particular, full transparency about the measures taken and a seamless exchange of information between the various authorities involved in the monitoring is necessary.

Export controls for protective equipment have been introduced worldwide, including for the EU and Germany. The German export ban was lifted on March 19th. The EU export controls for third countries continue to exist; EFTA and closely associated countries are exempt since March 21st. Further exports can be permitted by the Member States if they do not threaten the availability of protective equipment.

- Restrictions on trade to protect public health should be kept to a minimum and should be of the shortest possible duration. Timely transparency is important for German companies so they know for which exports they receive an export licence in Germany. In order to maintain the complex global supply chains, exceptions and licensing requirements should be created for exports to third countries - in particular, for deliveries to foreign subsidiaries, for deliveries to foreign companies in the health care sector, for cases of hardship and, last but not least, for internal use.
- In the short term, general licensing conditions for unproblematic cases should be created in Germany in order to facilitate customs clearance for these cases.

Worldwide, **customs clearance** is subject to delays in the transport and processing of physical documents.

- Authorities should enable a full electronic data exchange between companies and customs for import and export clearance.
- The postponement of the full digitalisation of all customs procedures to 2025, (originally planned for the end of 2020 in EU customs law) is now becoming doubly painful for companies due to the corona pandemic. Therefore, the digitisation of customs processes that have so far remained non-digitalised should be intensified wherever possible.

Due to the corona pandemic, home office, digital commerce and digital networking have become more important than ever. But the lack of international regulations renders **digital trade** extremely vulnerable to unilateral restrictions.

- WTO members should extend the e-commerce moratorium on digital data transfers by one year until June 2021.
- All WTO members should agree on a global e-commerce agreement by the end of 2020 to regulate digital trade globally and in a non-discriminatory manner.
- Simplifications for goods with a service component (Mode 5) should be agreed in all trade negotiations.

Globally, most **trade negotiations** have come to a halt.

- The annulled 12th WTO Ministerial Conference should be rescheduled as quickly as possible, if necessary, digitally.
- The coalition of the willing for an interim solution to maintain the WTO Appellate Body should put its solution into effect immediately, so that the corona crisis does not turn into a protectionism crisis.
- Since a significant part of the pharmaceutical and medical technology supply chains include the USA, China, Switzerland and India, negotiations with these countries should be intensified.
- The EU Council should ratify the EU-Vietnam Agreement in a virtual meeting.
- Against the background of the decoupling discussion the fragility of global supply chains through protectionism becomes structural. The EU should therefore intensify its relations with its neighbourhood.

Procedures on trade defence are getting more difficult as EU officials can no longer carry out the necessary operational inspections.

- The protection of the EU economy against unfair trade practices of third countries must be ensured. To this end, the deadlines for submitting complaints by affected companies should be made more flexible and more frequent use of written submissions should be made.