Digitalization and logistics resilience – lessons learned from COVID-19 and challenges ahead

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Northern star and principles

Northern Star

The ICC Digital Standards Initiative (DSI) will work towards the ambitious aim of establishing a globally harmonized, digitized trade environment – directly addressing disruptions experienced during the COVID-19 crisis as a result of the reliance of trade flows on paper documentation.

Principles

- **Re-use rather than recreate**
  
  The ICC Digital Standards Initiative advocates for the adoption of existing standards, when viable.

- **Engage standard-setting bodies**
  
  Leverage the expertise and knowledge of trusted standard-setting bodies.

- **Consider all approaches**
  
  Deliver standards that enable both blockchain and non-blockchain based approaches.

- **Accessible to all**
  
  Establish standards that are truly accessible to carriers, exporters, importers, banks, and customs agencies.

- **Enhance capacity**
  
  Ensure that the appropriate capabilities within relevant industries are leveraged to overcome challenges.
<table>
<thead>
<tr>
<th>Lessons from COVID-19</th>
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<tbody>
<tr>
<td><strong>BENT BUT NOT BROKEN</strong></td>
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<tr>
<td>TRADE AND SUPPLY CHAIN PROVE MORE RESILIENT THAN IMAGINED</td>
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<td>Critical “essential workers”. Vital for next phase of recovery.</td>
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<td>Increase in costs, delays and fraud related events due to more paper bottleneck e.g. in BLs and LOI utilisation.</td>
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The challenges ahead...

**SPEED UP LEGISLATIVE REFORM**

United Nations (UNCITRAL)

Model Law on Electronic Transferable records (UNCITRAL MLETR)

- Bahrain (2018)
- Belize (2021)
- Kiribati (2021)
- Papua New Guinea (2022)
- Paraguay (2021)
- Singapore (2021)
- UAE - ADGM (2021)

UK?
G7?
G20?
APEC?
ASEAN?...

**HARMONISATION OF STANDARDS**

- dcsa
- BIMCO
- LEI
- GS1
- dun & bradstreet

**INTEROPERABILITY - THE ULTIMATE TEST**

- URDTT

API
What kind of policies can help?

<table>
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<tr>
<th>LEGAL RECOGNITION OF ELECTRONIC DOCUMENTS AND SIGNATURES</th>
<th>INTERGOVERNMENTAL COORDINATION</th>
<th>CONSULTATION WITH BUSINESS COMMUNITY TO ENSURE FIT AND VIABILITY</th>
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<tr>
<td>Identify the legal, regulatory and technical obstacles to use Electronic Transferable Records (ETRs)</td>
<td>Framework For G7 Collaboration On ETRs</td>
<td>Global digital identity system</td>
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<td>Commit to a timeframe to adopt MLETR in domestic. Identify a single lead department who is responsible for digitising trade and work with IOs.</td>
<td>Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (UNESCAP)</td>
<td>Cross-border flows of data</td>
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<td>Commit funding, capacity building to help lay down the digital infrastructure (legal, technical, business).</td>
<td>E-commerce Joint Statement Initiative Negotiations (WTO)</td>
<td>Interoperability among national/subregional single windows and other platforms</td>
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How to make modern trade rules work better for people and planet

Global Business Priorities for the World Trade Organization

Drawn from extensive consultations from ICC’s business network, these 27 recommendations provide a roadmap to enable the WTO to make the multilateral trading system better work for people and for the planet.