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TRADE FACILITATION DURING COVID-19 PANDEMIC

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Abstract: The role of international trade was irreplaceable at the start of the COVID-19 pandemic crisis, especially the trade in medical supplies and food for all affected countries. Trade as a part of this crisis, certainly should not be an element of further countries' closing and new trade barriers implementation. On the contrary, it could be a way to exceed these problems, especially if all participants in the trade point out the same aims of the normal trading during the pandemic crisis and implementation of Trade Facilitation Agreement provisions. The effects of Trade Policy measures during the COVID-19 crisis and their relation with the Trade Facilitation Agreement were analyzed in this paper. Trade measures applied at the beginning of the crisis have dual character, trade facilitating and trade restricting. This paper highlights the tariff reduction and non-tariff barriers decrease, as possible approaches for the trade policy. The aim of this paper is to show the extent to which the TF agreement, ratified recently, could be applied during the time of the pandemic. This paper provides an overview of a number of trade policy measures that have slowed down the implementation of this agreement. It also points out the role of this agreement, as one of the most important instruments that could be used to expedite the movement of goods, which is especially necessary during the pandemic.

Keywords: trade facilitation, non-tariff measures, tariff reduction, trade liberalization, trade restrictions, COVID-19 pandemic.

JEL classification: F10, F13, F53

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1. Introduction

The pandemic situation demands urgent implementation of trade policy measures, but the manner of their creation and implementation would be decisive in creating an environment without trade distortions. Countries are faced with mutual goals to accelerate the flow of goods and protect health security and needs of the domestic market of each individual country, but without creating new trade barriers.

The current pandemic has been occurring during the same period with the implementation of the long-awaited Trade Facilitation Agreement (TFA), adopted in 2013, under the auspices of the World Trade Organization (WTO) and entered into force in 2017. The main aim of the TFA was expedition of the movement, release and clearance of goods, with special reference on goods in transit. These aims couldn't be achieved without the cooperation of customs administration and other authorities in relation to the customs, as well as trade capacity building, especially lacking in many developing countries (WTO, 2013).

Apart from the fear that the pandemic crisis would be a new obstacle to the further implementation of the TFA, a new health situation has opened a new role of this agreement and pointed out its basic principles which could be implemented as governments measures, to prevent many other problems provoked by the pandemic situation. One of the main challenges certainly is expeditious moving of goods, connected with the pandemic situation. It covers essential medical goods, food and IT supplies. Further implementation of the TFA provisions is connected to the same goals that creators of new government measures in pandemic situation could have. It is not opposed to it. The main aim of the TFA is achieving a new facilitation of trade flows which should enable economies to fully benefit and participate in world trade.

Many countries have implemented some measures hindering exports. According to experts' opinion, this economic shock shouldn't be followed by protectionism (Baldwin & Evenett, 2020). But, at the start of the implementation of some provisions of the TFA, some measures of the opposite direction or character have been applied, primarily caused by pandemic crisis. As the trade facilitation implementation is at its beginning, instead of lighting this bright role, many undesirable measures have been applied, making the future of this process very vulnerable. Although both the merchandise trade and trade in services are affected, some sectors are particularly affected, such as medical supplies and food which are in the focus of the whole world in a moment. Diversification of production processes is already well-established, production processes are internationalized, supply chains depend on normal functioning of the international trade, with open routes for trading.

With the appearance of the virus, trade facilitation process has got a new role for all participants in the trade. Many governments, for a short period of only a few

months, implemented numerous measures to achieve a double goal. On the one hand, to limit contacts and prevent further impact of COVID-19, and on the other, to enable free trade flows. At the first glance, these goals seem to be contradictory. Especially, concerning the fact that they had to free roads for resources necessary to fight the virus, mostly medical equipment and food, at the same time, when more than 90 countries, until July 2020, had introduced restricting measures, or even bans, for exports of products linked with the medical side of the battle against virus (WTO et al., 2020). These measures, even a few months later, became a serious challenge to the TF process. In addition to the threat to the TF process, some other negative elements have emerged, also. The implementation of further measures concerning the health and safety measures and protective measures for workers and passengers in shipping ports and border crossings and for all other participants in international trade, manifested mostly in the implementation of quarantine measures, sometimes even in port closing and in the use of additional security requirements and more documents. At the very beginning of the pandemic, more than 50 countries changed their protocols concerning their shipping ports (OECD, 2020). All those approaches provoked the raise of costs and the loss of time. Instead of full implementation of TF measures, the new pandemic situation brought the rise of the opposite character measures implementation.

2. The characteristics of the COVID-19 Pandemic crisis

It was said that the COVID-19 impact reflected both as a supply and a demand shock for the world trade, at the same time. That negative impact is expected for both categories, for trade in goods and services, too. (Baldwin & Tomiura, 2020) Among many similarities with other pandemics that hit the world in the past, this COVID-19 crisis has shown some particularities, making it a quite unique. This position is due to the difference between the affected countries, depending on their level of development. Whereas the pandemics during the post-war period achieved negative impact on less influential economies, COVID-19 crisis is oriented towards the developed, or towards countries with a high share in the world economy. The most affected are China, Korea, Italy, Japan, USA and Germany, having high share of 55% in world GDP and 60% in world manufacturing, as well as 50% in world manufacturing exports (Baldwin & Tomiura, 2020, p.59). Their slowdown may entail the decrease of production and trade in other, less developed economies. The decrease of trade volume did not occur equally across continents and world regions. This decline didn't occur at the same time and with the same impact, also. The slowdown, first, hit the Eastern Asia. After a few months from the beginning of the crisis, the main negative impact on trade was recorded in Europe and North America, while decline in Asia had been modest, observing the overall results for Asia as the continent (WTO, 2021b).

The positive element of this crisis is the fact that the implementation of exports restrictions on food was at considerably lower level than during the food crisis 2007-08. The analysis of that crisis has shown that export restrictions on food are not the solution and that they could be detrimental (Lee & Prabhakar, 2021).

Concerning the fact that every recent crisis has interrupted normal functioning of supply chains, especially COVID-19 crisis, many opinions are going in the direction of further fostering supply chains role and their recovery. As these chains are widely used all around the world, implemented and used primarily for improving productivity, although their role is temporarily decreased, very soon it would be possible to expect their recovery, based on this main reason of their existence. Besides productivity increase, one of their main assignments is a risk reduction, to avoid dependence on only a limited number of suppliers. This reason is one more argument for the fast recovery of supply chains (Baldwin & Tomiura, 2020).

A very obvious goal that international organizations wanted to be reached, during the COVID-19 crisis, was keeping supply chains functioning, especially for agrifood products and medical supplies. These products, in addition to IT products and services, are called the essentials. Their normal flows became endangered, by cancellation of many flights, by increases of prices for air cargo and by the increase of the duration necessary for delivery. These barriers resulted in the increase of air freight costs between China and North America, for more than 30% at the start of the COVID-19 crisis, compared to costs in October 2019. Same costs in the relation Europe-North America increased even more, for 60% (OECD, 2020, p.24). The increase of the delivery time also threatened normal trade flows for time-sensitive medical equipment and food products. Import and export procedures, even in normal circumstances, could create burdensome atmosphere for trading, very often exceeding the level of necessary protection. With the rising demand for medical products, the rise of problems in the exchange of these products also became obvious.

A few negative consequences of a pandemic outbreak obstructed normal trade flows. As these products mostly are produced and delivered using global supply chains, across a number of countries, barriers in normal functioning of production networks became burdensome. Apart from this factor, they are faced with disruptions in international transports, both over sea ports and over land border crossings. Expecting shortages of these products on the domestic market, many countries have imposed export restrictions and even, prohibitions on exports. For only two months after the crisis started, in mid May 2020, about 85 countries imposed these measures. The majority of countries which imposed restrictions and bans were WTO member countries, 76 of them (CCSA, 2020, p.32).

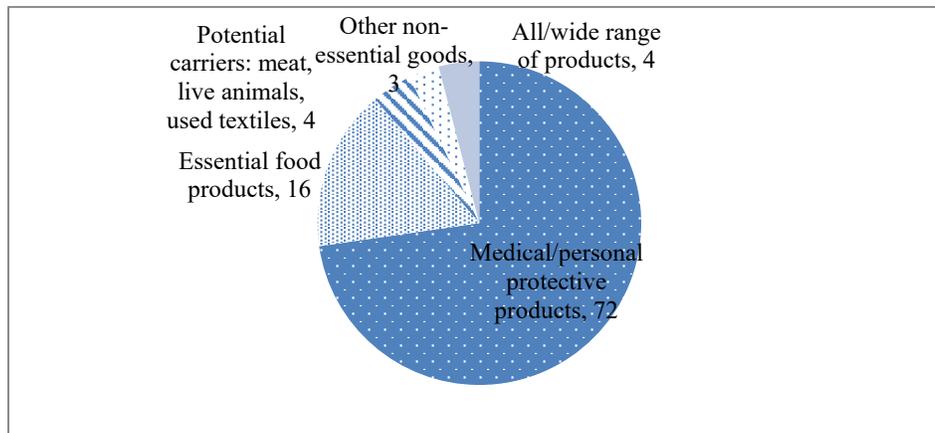
Table 1: Number of export prohibitions and restrictions introduced to combat the COVID-19 pandemic, by type of product

Type of product	Number of export prohibitions and restrictions
Face and eye protection	77
Protective garments	52
Gloves	49
Sanitizers/Disinfectants	30
Pharmaceuticals	22
Foodstuffs	20
Medical devices, incl. ventilators	12
Other medical supplies	11
COVID-19 test kits	7
Toilet paper	2
Soap	3

Source: CCSA (2020). *How COVID-19 is changing the world: a statistical perspective: Volume II*. New York: Committee for the Coordination of Statistical Activities, p. 32.

Analyzing the data in Table 1, we can notice that the most dominant category of products, burdened by restrictions and prohibitions, are products which could be classified as Personal Protection Products (PPP) or equipment. As expected, these are products for face and eye protection products, protective garments and gloves. At the second place, by its frequency as subjects to the export limitations are sanitizers, pharmaceuticals and foodstuffs.

Figure 1: Non-tariff Measures Product Coverage (%)



Source: Based on data: UNCTAD (2021). COVID-19 and NTMs, downloaded: <https://unctad.org/topic/trade-analysis/non-tariff-measures/covid-19-and-ntms>, accessed: 21.03.2021.

Very similar conclusions could be done after the UNCTAD research. By the UNCTAD classification of affected group of products, according to the implementation of non-tariff measures, mostly affected are medical/personal protective products, with 72%, followed by essential food products with 16%. Other groups are minimally affected.

Many institutions and organizations, immediately, several weeks after the outbreak of the pandemic, tried to classify and list all categories of products facing the most intensive and obvious barriers in trade. These listings indicate the most sensitive position of the medical equipment and food.

3. Tariff reductions

At the beginning and during the pandemic, the problem hasn't been price based, the problem was the availability of goods. Many countries have taken the attitude that they should implement some measures from the domain of the trade policy. The first opinion and solution to avoid possible barriers to trade, at the beginning of the pandemics, was the tariffs elimination on COVID-19 medical supplies and on soap. The expected revenue reduction after the tariff elimination was the first reason contra tariff elimination, meaning that many countries would lose the part of their revenue. However, many countries decided otherwise.

The World Customs Organization insisted on the tariff reduction solution during the pandemics, but only for specific list of products. The WCO' Secretariat provided the joint WCO/WHO HS classification list for COVID-19 medical Supplies and the list of priority medicines, with the ability to customize and add to the lists even some new, but significant products. The HS classification reference for COVID-19 medical supplies, edited by the WCO, shows the group of relevant products classified in one of six groups. (WCO, 2020a) These six product groups had been the subjects of trade in 2018 with the value of 714.3 billion USD. With added soap trade of 9.5 billion USD, their total trade level was almost 725 billion USD (GTA, 2020, p. 9). These values indicated the need for tariffs reduction on imports of these products during the crisis, even the joint commitment to cancel taxes for medical supplies and soap import.

But this reduction could cause some revenue losses for importing countries. The following table data indicate that only minimal losses could be expected for a number of categories of countries. The G20 countries would have the highest level of losses, 6 USD billions. Taking into account the different ways of calculating losses due to the elimination of taxes, it can be estimated that the loss of public revenues in the world would be between 4.5 and 9 USD billions, approximately. Developing countries, non-G20, may need a compensation of only 2 USD billions if they join to this initiative. Upper and lower bound calculations are based on the effects of the Regional Trade Agreements (RTAs) and Generalised Systems of

Preferences (GSP), with no tariff preferences used in the first one and with no tariffs implemented for medical supplies and soap by all RTAs and GSP for the second calculation.

Table 2: Total revenue losses from eliminating tariffs on COVID-19 medical supplies and on soap using the WCO's classification of COVID-19 medical supplies, 2018

(in billions USD)

Groups on nations	Categories of COVID-19-related products and soaps							Total
	Covid-19 test kits and related apparatus	Disinfectants and sterilisation products	Medical consumables	Other medical devices	Protective garments	Soap*	Thermometers	
Worldwide (upper bound)	0.93	3.27	0.96	0.15	2.96	0.52	0.04	8.83
Worldwide (lower bound)	0.62	1.65	0.52	0.12	1.48	0.10	0.03	4.52
G20 countries	0.77	1.96	0.79	0.13	2.18	0.23	0.04	6.11
Non-G20 countries	0.17	1.29	0.17	0.02	0.78	0.29	0.01	2.73
Non-G20 developing countries	0.11	1.19	0.14	0.02	0.20	0.24	0.00	1.90
LDCs	0.00	0.03	0.01	0.00	0.01	0.06	0.00	0.10
APEC (upper bound)	0.65	1.52	0.55	0.06	1.46	0.16	0.03	4.43
APEC (lower bound)	0.44	0.80	0.24	0.05	0.73	0.04	0.02	2.32
Total trade of these categories, 2018	185.3	308.6	96.3	75.8	45.3	9.5	3.0	723.80

*-Additional products which are not included in WCO list

Source: GTA (2020). *Tackling Covid-19 Together: the Trade Policy Dimension*. St. Gallen: Global Trade Alert/ University of St. Gallen, p. 10.

We can conclude that data of possible trade losses after the tariff elimination for these groups of products show very modest level of losses, with the value of almost 9 USD bill. The highest level of projected losses was about 6 USD billions for G20 countries, followed by the loss of APEC countries. These results have showed that possible losses are not significant.

The first steps concerning elimination of tariff and non-tariff barriers for medical supplies came from the region of Latin America: Brazil, Colombia and Paraguay. (GTA, 2020) Although their governments had strained public finances,

due to the provision of economic assistance packages and many health sector policy interventions for these countries, highly valued stocks of medical supplies have become a more significant goal than collecting the revenue from tariffs.

As the trade policy for all countries is formed as the base for usual and normal functioning, these urgent and specific circumstances needed a different approach, even unilateral tariff elimination and the review of all NTMs which could affect the import of necessary products, mostly medical supplies.

4. Trading across borders during COVID-19 crisis - the TF Agreement implementation as a possible way forward

At the beginning of the pandemic crisis, the new challenge for the further implementation of the TF measures was providing and facilitating logistical support for essential products: medical supplies, food and IT. These products have been faced with many barriers, first of all, logistical barriers, which prevented these products from reaching their destinations and normal global supply. This term “logistical barriers” has very strong connection with the non-tariff barriers implementation, especially administrative ones.

Beside tariff barriers, there is an open space for the implementation of many non-tariff barriers, especially administrative ones. That is why it is necessary to apply some of the TF measures for expediting certification procedures and border inspections for medical supplies and food, without putting at risk overall security. It could be overcome by the:

- intensification of digitalisation, as a part of the Trade Capacity Building,
- enabling the decrease of physical inspections and
- reducing the document exchange.

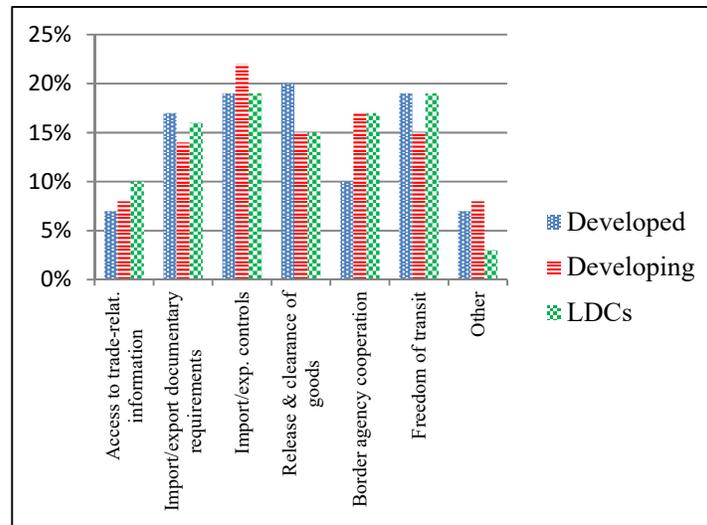
After the start of the COVID-19 pandemic crisis, some institutions like the WTO, Trade Facilitation Agreement Facility (TFAF), International Chamber of Commerce (ICC) and Global Alliance for Trade Facilitation (the Alliance), have found the elements of making that situation easier, precisely reinforced by the further implementation of the WTO Trade Facilitation Agreement. They have found that some procedures connected with import, export and transit, during the crisis, had a positive, while the others had the negative impact on trade. These positive ones have made many processes less cumbersome and less time-consuming and *vice versa*. They wanted to obtain a reliable analysis of the ways that COVID-19 could make impacts on the movement of goods across borders and to evaluate the possible role of the TF Agreement taking that analysis into account.

For the evaluation of the TF Agreement role during the Pandemic, they decided to organize an on-line survey for many stakeholders in trading, government and private sector representatives. The main aim of this survey was a differentiation

between trade processes, which have become more cumbersome or demanding more time for its completion, during the pandemic. The responses made by the participants from different countries classified by their level of development, pointed to the similar source of problems. For almost all of them, especially for the Developing (DCs) and the Least Developed Countries (LDCs), the import/export controls (e.g. tests and inspections), were processes which made the most of difficulties in trade. The LDCs, beside the same source of problems, they noted the problem provoked by the issue of freedom of transit, as expected. They are particularly burdened by the challenges of transit. For developed countries, beside the import-export controls, the main problem was found in release and clearance of goods. The access to trade-related information was assessed as a process that became less complicated and required less time to implement, in the period since the crisis began, for all categories of countries classified by the level of development. (WTO et al., 2020)

The recommendations of these institutions, seriously interested in trade development, especially during these unpredictable times, according to results of their survey, notably are oriented towards the further improvements of access to trade-related information and border agency coordination and cooperation, expecting their positive impact (WTO et al., 2020).

Figure 2: Response by development level



Note - Evaluation of trade-related processes which have become more cumbersome or time-consuming during the crisis;

Source: Based on data: WTO, ICC, Global Alliance for Trade Facilitation (2020). *The Covid-19 Crisis and Trade Facilitation: Results of WTO/ICC/Global Alliance for Trade Facilitation Survey*. Geneva: WTO: TFAF, p. 6.

It was also noted that some countries are not able to respond to these new challenges due to the lack of trade capacity to implement TF measures. Governments of many developed countries have seen barriers due to the outbreak of the pandemic in the trade capacity building, especially for already weak DCs and LDCs. The government of Japan has oriented its financial support for the WCO's project directed towards the improvement of the DCs' customs administration to respond to new challenges of the pandemic. The first step would be the development of the WCO Guidelines for Customs administration, especially developed for urgent situations. Beside that was the WCO web-site with consolidated information about all categories and challenges connected with the new situation (WCO, 2020b).

The new recognized role of customs administration should be:

- facilitating and expediting the clearance process for medical supplies and food,
- providing the participants in global supply chains flows with necessary protection,
- reduce possible infections in their offices.

This example is the result of a rising awareness that the customs administration can make a major contribution in reducing the impact of the pandemic and the result of a new awareness that TF process could be another way for finding a good new exit from the crisis.

The best practices and new solutions that would be collected and adopted, while facing new challenges, should continue to be used even after the end of the pandemic, for some subsequent special and urgent situations, if they come.

5. The heterogeneity of non-tariff measures during the pandemic

All measures used during the COVID-19 crisis are called trade measures and they refer to both tariff and non-tariff measures (UNCTAD, 2021). Trade policy measures implemented from the start of the COVID-19 crisis, apart from tariffs, belong to the very extensive category of the non-tariff measures (NTMs). Although the main aims of their implementation were trade facilitating, some of them became trade restricting, as well. Their number was changing during the pandemic.

Trade measures applied after the pandemic outbreak are grouped into two categories:

- the first group consists of measures that accelerate trade flows and provide sufficient quantities of medical equipment and food, as essential categories, and
- the second group of measures that negatively affects trade flows and additionally slows it down.

After the outbreak of the pandemic, these measures were applied in about 140 countries around the world, and they had both positive and negative effect on trade flows. These data point out the dominant role of non-tariff measures. There was about 280 non-tariff measures implemented during the few first months from the pandemic start, with both positive and negative impacts on trade (UNCTAD, 2021).

The obvious fact is that the spread of the crisis has provoked the rise of the NTMs implementation. During spring and summer 2020, until mid-August 2020, one extended list of tariffs and NTMs was created. This list included the number of even 384 imposed trade policy measures as the trade response to the situation. The most interesting is the fact that the implementation of 283 NTMs was in the focus of trade policy creators, compared to only 101 tariff measures, thus continuing the tendency of the second half of the 20th century, when the role of tariffs became almost negligible. Tariffs have been used mostly with trade facilitating character, with 97 tariff measures for that purpose and with only 4 tariff measures implemented as trade restricting. On the contrary, only the third part of the implemented NTMs, 104 of them were oriented towards trade facilitation, while 179 NTMs were trade restricting.

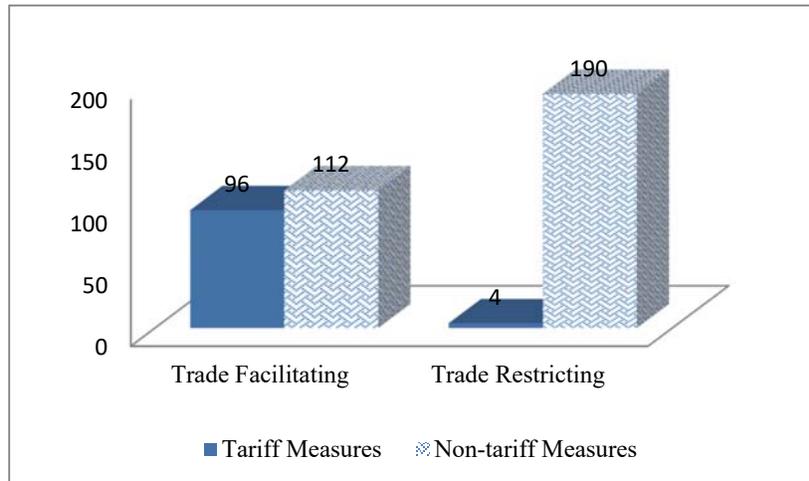
Table 3: COVID-19 trade measures

	Tariffs	NTMs
Trade Facilitating	97	104
Trade Restricting	4	179
Total	101	283

Source: Lee, S. & Prabhakar, D. (2021). *COVID-19 Non-Tariff Measures: The Good and the Bad, through a Sustainable Development Lens*, (UNCTAD/SER.RP/2021/3 Research Paper No.60), Geneva: UNCTAD, Figure 1, p. 6.

These data are not much changed until spring 2021, exactly until mid-March 2021, because until then, the number of applied non-tariff measures was more than 300, meaning approximately, 20 NTMs more, compared to spring 2020.

As measures quickly were introduced, so quickly that many of them were abolished. Until the mid-March 2021, about 40% of them were abolished, while 60% of them stayed still active. Trade facilitating measures have been oriented towards the relaxation of authorization and licensing requirements, as well as the exemptions of import taxes. Trade restricting measures, despite their negative meaning, they were not motivated negatively because they prevented shortages of essential goods, mostly. These measures have been applied on trade in medical goods, essential food products and some non-essential have been added, too. (UNCTAD, 2021)

Figure 3: COVID-19 trade measures

Source: Based on data: UNCTAD (2021). COVID-19 and NTMs, downloaded: <https://unctad.org/topic/trade-analysis/non-tariff-measures/covid-19-and-ntms>, accessed: 21.03.2021.

Among trade facilitating measures, the most frequently used were measures which had the aim to eliminate or delay import tariffs and other duties and charges, especially for essential goods, medical supplies and food. They were implemented mostly on imports (Lee & Prabhakar, 2021). These were measures from categories L41 (tax and duty exemptions, reductions, other fiscal incentives reducing the burden of taxes otherwise due), used 61 times, followed by G4 (Regulations concerning terms of payment for imports), used 6 times, followed by measures that had not been applied as often as these (Lee & Prabhakar, 2021, p. 8).

These measures had the facilitating character, meaning that their implementation had a strong and positive impact on the overall realization of the foreign trade business, with trade flow acceleration. They were grouped as (UNCTAD, 2021):

- Tax and duty exemptions (L41)
- Relaxation of SPS requirements (A83, B7, B14, B83),
- Easing of non-automatic licensing requirements (E125)

Between trade restricting measures, the majority, meaning 150 out of 179 was oriented towards exports. The most frequently used, between 179 trade restricting measures, certainly were measures P31-Export prohibition, applied for 104 times and P33-Licensing, permit or registration requirements to export in 36 cases (Lee & Prabhakar, 2021, pp. 6-8).

The use of NTMs during the pandemic crisis has its specificities. Once again, this crisis has shown the interdependence of trade community at high level. The high number of implemented NTMs, until mid-August 2020, trade facilitating, or trade restricting has shown that the implementation of measures individually, or as a group, started with the implementation by some countries, has entailed the application of the same, or at least, similar sort of measures, by many other countries.

6. Trade restrictions, export bans and trade facilitation during the COVID-19 pandemic and the attitude of the relevant international organisations

With the rise of the COVID-19 attack, the new important issue emerged. It was the fact that many WTO's member countries have imposed export bans and other trade restrictions for medical products (WTO, 2021b). Beside them, even some import bans and quantitative restriction on imports and exports and non-automatic import licensing, also are included in possible measures that could be applied during the pandemic crisis. These obstacles to trade, in a moment of intensification of the TF implementation, certainly are additional, unexpected obstacles, which might slow down, or even jeopardize the full implementation of the TF.

Bearing in mind the fact that WTO was established with the purpose to prevent trade restrictions and to enable normal trade flows, a dilemma appeared, whether these restrictions were in line with the basic principles of the WTO. Whereas the WTO members have the right to introduce trade measures to protect public health and national welfare, these measures certainly are in accordance with the basic WTO principles. The only possible problem for the WTO principles would be the way of application of these measures, if they were discriminatory applied towards any WTO member country, or if it was a hidden barrier to trade. The same situation could be with the interpretation of the WTO's Agreement on Application of Sanitary and Phytosanitary Measures — SPS. The member countries are able to implement all SPS measures with the aim to protect human, plant and animal lives, or their health and, in that situation, these measures couldn't be interpreted as barriers to trade. The only requirement for that is an appropriate manner of their application, to the extent which is necessary to reach the objective of protection. The WTO members are obliged to inform other member countries about imposing new measures, or about the change of already existing ones.

Apart from the decrease of the administrative non-tariff barriers role, the other component of the TF process, certainly are some of the technical non-tariff barriers, analyzed from the aspect of their implementation. If they are implemented with the aim to prevent or decrease trade, then they could become administrative non-tariff barriers. If they are science-based, they have a role to protect human security. An important part of technical non-tariff barriers, certainly are SPS measures, having a double role. If they are implemented in a way to take more time

than necessary for taking controls and cause food loss and waste, they become administrative non-tariff barriers, changing their character. But during the pandemic crisis, the protection of the biosecurity certainly is a dominant assignment. The real challenge is preventing this protection to become a non-tariff barrier. Specific COVID-19 caused SPS requirements shouldn't have a restrictive impact on trade flows, only biosecurity protective.

The negative effects of imposing export restrictions could be the creation of the panic buying effect together with the effect of creating shortages. The creators of the trade policy need to make agreements on the temporary use of export restrictions for medical supplies, if these restrictions are necessary in order to protect the rules-based trading system.

The G20 meeting in May 2020 brought the attitude that all trade measures which could be adopted during the crisis with the aim to oppose pandemic, especially export restrictions on essential goods, should be transparently defined, for a temporary period and they have to be proportionate and targeted for solving the problem, not to create new barriers to trade or or slow down global supply chains (G20, 2020). Besides, the Statement indicates the necessity of further implementation of WTO TF Agreement, with a special focus on the implementation of its measures, especially threatened after the outbreak of the pandemic, defined in Article 7 —Release and clearance of goods. However, this Statement is pointing out the totality of the TF domain tasks to be fulfilled, although they are very opposed to each other in a mutual relationship. On one side, there are requirements to facilitate cross-border travel and reduction of the SPS measures, and on the other is the safeguarding public health.

Although Article XI of the General Agreement on Tariffs and Trade (GATT) from 1994, prohibits export bans and restrictions, the export bans could be used during the pandemic because they are allowed to be imposed temporarily, especially to prevent or relieve critical shortages (WTO, 2020). The Article XX of the GATT-1994 on General Exemptions provides (to member countries) the right to implement export restrictions if their aim is the protection of human, animal, or plant life, or health, with the condition that these restrictions do not create conditions for discrimination of other countries (WTO, 2012a). Article XXI complements this set of rights to impose trade restrictions for national security reasons, stating that contracting parties would be allowed to take actions they consider necessary for the protection of their essential security interests (WTO, 2012b). Under the series of conditions, by GATT-1994, member countries have the right to impose trade restrictions, but the emphasis is on their time-limited use.

Constant WTO's monitoring of trade-restricting measures on the one side, and trade facilitating measures, on the other, provides balance of trade measures imposed by member countries, besides their intention not to violate the basic principles of the WTO.

Some of basic recommendations of the OECD experts are oriented towards three different segments, with a special reference on the export restriction measures implementation (OECD, 2020, p. 4):

1. Ensuring transparency — this principle is based on the experience of the 2007-08 food price crisis, meaning the orientation of governments toward sharing information about markets, policies and stocks especially for key commodities. This approach would make it possible to prevent a crisis connected with panic buying, stockpiling without a real need and export restrictions;
2. Cutting tariffs on essential medical products, from the list of precisely defined products to which this measure should be applied;
3. Disciplines on export restrictions — the prohibition of external restrictions, or at least the establishment of clear rules on when and for how long these measures could be used, with the aim of preventing other unnecessary barriers to international trade;

The Global Trade Alert (GTA) experts call for the implementation of the cooperative trade policy approach, advocating the view that trade may be one of the solutions to the human crisis, not an obstacle. They also conclude that trade restrictions are not the valid solution for the rising demand of medical supplies and soap (GTA, 2020).

As the conclusion that tariff reduction alone, is not the desired measure to be implemented, the GTA has added to this measure, the group of other measures. The GTA suggested the adoption by all governments, the package of trade policy measures. The focus is on a few trade policy measures, first of all, the elimination of tariffs for all goods classified at the mentioned WCO list. At the second place is the elimination of the export curbs for these products and the reviewing all non-tariff barriers and regulations, limiting trade flows of COVID-19 products, after that. They have pointed out even the trade facilitation measures, concerning both hard and soft trade infrastructure. Among hard infrastructure, which has to be strengthened, they pointed out transportation, and by soft, they thought about communication and improvement of the cross-border trade for COVID-19 products (GTA, 2020).

Even the World Bank (WB) has edited its list of possible steps towards trade facilitation during the COVID-19 crisis, using examples of the best practices. It is a list of measures, implemented individually by some countries (World Bank Group, 2020):

- Relaxation of procedural formalities
- Risk management to prioritize clearance of imports and exports of low-risk critical supplies
- Border agency cooperation to facilitate the import of critical supplies (including medical and food items)

- Information technology to support trade (e.g., single windows and trade information portals)
- Extending border agency working hours
- Increased dialogue between industry and government
- Increasing the availability of trade-related information on websites and through inquiry points
- Protection of front-line workers;

Many of these proposals made by the WB are correlated with numerous articles of the WTO TF Agreement. This similarity of attitudes confirms the complementarity of the WB and the WTO goals.

Summarizing these attitudes and approaches of many institutions and organizations about the implementation of the trade policy acceptable measures during the pandemic, and especially about some very logically proposed measures and behaviours in specific circumstances, it could be concluded that these measures gave good framework for action, but their application in practice diminished their impact. However, panic shopping has taken place, export bans have been very prolonged during the time and the trade faced with limitations to smaller territories, focusing its activities on more limited spaces in the territorial sense, including individual EU countries.

7. Conclusion

The role of the trade facilitation process is probably one of the most expected areas to help providing the normal trade flows by imposing measures for ensuring the quality and safety of imported goods, without impeding these trade flows. These measures should enable normal trade flows without creating new barriers during the pandemic. It could be done by expediting border procedures, recognizing the certificates, using risk-management and by making the customs procedures more flexible, without compromising basic products security and safety criteria. One of the main tasks is keeping the supply chains normal functioning, especially for the essentials, medical supplies and food. Many imposed trade restrictions with the aim to protect interests of domestic markets, especially for the essentials, they could be justified only if they are implemented under clear conditions and with high level of transparency for all stakeholders in trade.

The role of institutions is monitoring and evaluating the implementation of these measures. The solution could be found in providing the balance of trade restricting and trade facilitating measures. Tariff and non-tariff barriers both are the sources of possible slowdown of the potential results in the battle against the virus. Recommendations for the creators of the trade policy go from cutting tariffs for the essentials, especially medical supplies, imposing of export restrictions, but under the clear rules and leading towards sharing information to prevent unnecessary

stockings and panic buying. The special role is given to the battle with NTMs and to further implementation of the TF Agreement. The intensification of the TFA further implementation will enable the mitigation of crisis' negative aspects, to some extent.

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OLAKŠAVANJE MEĐUNARODNE TRGOVINE TOKOM KOVID PANDEMIJE

Apstrakt: Uloga međunarodne trgovine bila je nezamenljiva na početku krize izazvane pandemijom KOVID-19, posebno kada je u pitanju trgovina medicinskim proizvodima i hranom, za sve pogođene zemlje. Međunarodna trgovina, kao deo ove krize, svakako nije element koji vodi do daljeg zatvaranja zemalja i uvođenja novih trgovinskih barijera. Naprotiv, upravo bi međunarodna trgovina mogla biti sredstvo da se prevaziđu ovi problemi, posebno ako svi učesnici u međunarodnoj trgovini ističu značaj istih ciljeva, poput odvijanja normalnih trgovinskih tokova tokom pandemijske krize i implementacije odredaba Sporazuma o olakšavanju trgovine. Ovaj rad ispituje efekte mera spoljnotrgovinske politike tokom KOVID-19 krize, kao i njihovu usklađenost sa Sporazumom o olakšavanju trgovine. Mere spoljnotrgovinske politike koje su primenjene na početku krize imaju dvostruki karakter, olakšavaju međunarodnu trgovinu, ali je neke od njih mogu i ograničavati. Ovaj rad ističe moguće pristupe spoljnotrgovinske politike u vidu smanjenja nivoa carina i smanjenja necarinskih barijera. Cilj ovog rada je da pokaže u kojoj meri bi se nedavno ratifikovani Sporazum o olakšavanju trgovine mogao primeniti u vreme pandemije. U ovom radu dat je pregled brojnih mera spoljnotrgovinske politike, koje su ipak usporile primenu ovog Sporazuma. Ukazano je i na ulogu upravo ovog Sporazuma kao jednog od važnih instrumenata koji bi se mogao iskoristiti za ubrzanje kretanja robe, što je posebno neophodno tokom pandemije.

Ključne reči: Olakšavanje međunarodne trgovine, necarinske mere, snižavanje carina, spoljnotrgovinska liberalizacija, spoljnotrgovinska ograničenja, KOVID-19 pandemija.

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