

# Overcoming Post-Covid Foreign Trade Challenges:

How To Digitalize International Trade Management  
To Thrive In The Post-Covid Era



# NEW FOREIGN TRADE CHALLENGES: WHAT'S NEXT AFTER COVID?



*COVID-19 has spawned new trade restrictions and threatens to widen old trade divisions.”*

- World Bank

The pandemic taught global businesses an invaluable lesson not to be dependent on one supplier alone. It magnified the disadvantages of heavy reliance on offshore partners. Businesses realized the need for establishing alternate sources to make their networks more resilient. [Back-shoring](#), [nearshoring](#), and [regionalization](#) have become major discussions in the global arena. Although some experts [say](#) that this seismic shift will not happen overnight or may take a decade to materialize, global players must proactively address its potential impact on their enterprise.

Aside from value chain reconfiguration, the aftermath of COVID-19-related shipping and logistics disruptions will also be a major concern. The crisis worsened port congestion, which resulted in costly delays. Logistics providers and freight forwarders suffered reduced business hours due to lockdowns and social distancing protocols.

Airlines have committed to [increasing dedicated air cargo capacity](#) after the pandemic to help address the shortages. But heightened cargo inspections and cross-border control protocols will remain a bottleneck moving forward.

Businesses will also deal with new Covid- and non-Covid-related trade restrictions and agreements, such as follows:

**Modern trade agreements (deep trade agreements)**, which will cover not merely trade but also a range of policy areas, including protection of the environment and intellectual property rights.

**Export bans due to safety concerns.** Experts think that it will become a long-term challenge, particularly on food exports. [According to APEC](#), “the food security situation is stronger now compared to the 2007–2008 global food crisis.”

New sustainability issues will also confront international traders. These include the [differently designed Carbon Border Adjustment Mechanism \(CBAM\)](#), which resulted from a lack of consensus among nations. Experts think this could hamper businesses’ efforts to mitigate climate change.

Moreover, international businesses also need to keep pace with the digital transformation of the global value chain. The pandemic has accelerated supply chains’ digital transformation, with companies leaning toward adopting digital trade. This opens various new opportunities but also creates new foreign trade issues — such as data privacy, integrity, and transparency — that can lead to diplomatic friction.

Experts [suggest](#) that new-generation trade agreements should include rules governing data processing to avoid compromise of online sales of goods and services. At the enterprise level, companies can help address the issue by eliminating manual procedures that often lead to data privacy, integrity, and transparency issues.

## Major Post-Covid Foreign Trade Challenges

-  Global value chain reconfiguration
-  Logistics and transportation disruptions
-  New trade restrictions and agreements
-  New sustainability issues
-  Digital trade implications

To thrive in the post-Covid world, foreign traders should innovate their international trade management strategies and approaches.

## WHY DIGITALIZATION OF INTERNATIONAL TRADE MANAGEMENT HAS BECOME MORE CRUCIAL THAN EVER

Industry experts share why digital transformation will remain key to foreign trade success.



### It is critical to delivering efficiencies to cross-border activities.

“The costs and delays associated with onerous documentation woven into a web of regulations are especially too taxing for micro, small, and medium-sized enterprises (MSMEs) to engage in international trade [...] Digitalization is a critical component to [...] delivering efficiencies to cross-border activities. Seamless digitalized trade would be transformational to the global economy and would make the world more secure through greater transparency and more robust global supply chains.”

— [Development Asia](#)



### It helps advance the circular economy.

“The manual and written entries and receipts result in excessive costs, delays, and errors. Critically, these inefficiencies come at a cost to people, the planet, and business. Just this month, the G7 committed to digitizing trade over the next 12 to 18 months, recognizing the urgent need for the modernization of the industry.”

— Closed Loop Partners ([published on GreenBiz](#))



### It optimizes supply chain agility, responsiveness, and resilience.

“Accelerating end-to-end digitization can enable organizations to have visibility across the whole value chain—from the production of raw materials to the end customer—and better meet the needs of their customers. A bonus: it improves the agility and responsiveness of operations without increasing costs.”

— [McKinsey](#)

Digitalization of international trade management goes beyond technology infrastructure optimization. It is not limited to the integration of digital technologies and digitization of assets. It requires a holistic approach — a change in tools, processes, and people.

# HOW TO STRATEGICALLY DIGITALIZE INTERNATIONAL TRADE MANAGEMENT

To ensure digital transformation success, businesses should use the right approach, the right technology solutions, and the right guidance from a trusted innovator.



## Use the TradeBlazer's Approach.

The TradeBlazer's Approach involves assessing and understanding your unique needs before implementing change. At Ropaar, we use the TradeBlazer's Approach to ensure our clients' transformation is aligned to their global footprint and risk exposure needs. Then we help them accelerate time-to-value with domain experience, frameworks, and algorithmic intelligence (AI/ML).

Unlike generic approaches to digital transformation, the TradeBlazer's Approach is uniquely tailored to international trade management innovation. It is built to address the specific pain points supply chain organizations experience due to unpredictable changes in the global market, empowering them to innovate swiftly and surely.



## Use next-generation foreign trade solutions engineered by a reputable vendor.

Part of our TradeBlazer's Approach is helping businesses determine the right mix of digital solutions to address their unique foreign trade problems. We help them gradually or completely migrate to a digital environment using proven on-premise and cloud SAP solutions, including the following:

- SAP Global Trade Services (GTS)
- SAP International Trade Management
- SAP Watch List Screening
- SAP Business Logistics Network
- SAP Transportation Management

We help our clients accelerate time-to-value and maximize their SAP investments by ensuring that the implementation project is aligned to their specific foreign trade goals and overall business objectives, simplifying the integration of SAP solutions with their existing on-premise and cloud infrastructure, and providing training to ensure high user adoption and successful change management.



## Always seek expert help.

The complexities of designing an innovation approach, hiring and building the right project team, selecting the right mix of solutions, and doing the actual implementation and integration can be extremely overwhelming and taxing. The entire process can take your focus away from more crucial activities.

By leveraging the expertise of a trusted innovator, you can skip the less critical tasks, focus on decision making, avoid costly mistakes, and enable continuous transformation.

## ➤ FINAL THOUGHTS

International trade is hyper-dynamic. Disruptions can happen in a minute, if not a second. Only by digitally transforming your foreign trade processes can you be more proactive in dealing with dynamic changes in foreign trade. But to reap the full benefits of digital transformation, you need to use the right approach, harness the right tools, and seek guidance from a reliable business innovator with domain and technical expertise.

## References

- <sup>1</sup> *Trade Agreements in a Post-COVID-19 World*. **The World Bank**. <https://www.worldbank.org/en/events/2020/07/28/trade-agreements-in-a-post-covid-19-world>
- <sup>2</sup> *Post COVID-19 Global Trade And Business Environment And Maritime Supply Chain*. **Emerald Publishing**. <https://www.emeraldgrouppublishing.com/journal/mabr/post-covid-19-global-trade-and-business-environment-and-maritime-supply-chain>
- <sup>3</sup> *International Trade in Post-COVID Era*. **CGTN**. <https://www.youtube.com/watch?v=Sl4g19t23QQ>
- <sup>4</sup> *The Impact of COVID-19 on Logistics*. **International Finance Corporation**. [https://www.ifc.org/wps/wcm/connect/2d6ec419-41df-46c9-8b7b-96384cd36ab3/IFC-Covid19-Logistics-final\\_web.pdf?MOD=AJPERES&CVID=naqOED5](https://www.ifc.org/wps/wcm/connect/2d6ec419-41df-46c9-8b7b-96384cd36ab3/IFC-Covid19-Logistics-final_web.pdf?MOD=AJPERES&CVID=naqOED5)
- <sup>5</sup> *Export Restrictions and Food Security in the Context of the COVID-19 Pandemic*. **Asia-Pacific Economic Cooperation**. <https://www.apec.org/publications/2020/05/export-restrictions-and-food-security-in-the-context-of-the-covid-19-pandemic>
- <sup>6</sup> *Trade and Environment: The Prospects of a Carbon Border Adjustment Mechanism*. **ISPI**. <https://www.ispionline.it/it/pubblicazione/trade-and-environment-prospects-carbon-border-adjustment-mechanism-29579>
- <sup>7</sup> *Trade facilitation: Critical to COVID-19 recovery*. **World Bank Group**. <https://blogs.worldbank.org/trade/trade-facilitation-critical-covid-19-recovery>
- <sup>8</sup> *Enabling the Digital Transformation of Global Trade in the New Normal*. **Development Asia**. <https://development.asia/policy-brief/enabling-digital-transformation-global-trade-new-normal>
- <sup>9</sup> *How Digitizing Global Supply Chains Will Advance The Circular Economy*. **GreenBiz**. <https://www.greenbiz.com/article/how-digitizing-global-supply-chains-will-advance-circular-economy>
- <sup>10</sup> *The need for resiliency*. **Mckinsey & Company**. <https://www.mckinsey.com/business-functions/operations/our-insights/the-need-for-resiliency>

## ABOUT ROPAAR

Ropaar is an SAP Services Company focused on Global Trade, Transportation, and Logistics. We are an SAP North America Silver Partner committed to solving complex Trade Compliance problems through Superior Domain Expertise, Effective Collaboration, and Cutting Edge Thought Leadership.

We are independent thinkers and innovative problem solvers. Our practitioners have straddled the cusp of SAP technology and trade for over 18 years, helping customers realize the full value of optimized trade, transportation, and logistics operations.