

Top foreign trade challenges in the post COVID era and how to overcome them using SAP Trade Management & Supply Chain Solutions

Businesses should fortify their enterprise for the aftermath of the pandemic. This requires knowing what lies ahead and what measures can proactively be implemented to thrive during the pandemic and beyond.

Here are the top post-Covid foreign trade challenges businesses should prime themselves for.

1. Global value chain reconfiguration.

-  Back-shoring
-  Regionalization
-  Near-shoring

What to do:

-  Be steps ahead.
-  Start innovating your processes.
-  Consider having both local and international suppliers to ensure resiliency and reliability.

2. Logistics and transportation disruptions.

During the pandemic:

-  The container shipping sector was severely affected by social restrictions and lockdowns.
-  Ports became more congested due to stricter health protocols and reduced manpower, leading to costly delays.
-  Shipping intermediaries suffered reduced business hours.

What to do:

-  Optimize cargo visibility, transparency, and traceability to help streamline the process and minimize costly delays.

Post-COVID:

-  Airlines will increase dedicated air cargo capacity.
-  Heightened cargo inspections and cross-border control protocols will remain a bottleneck.

3. New trade restrictions and agreements.

“COVID-19 has spawned new trade restrictions and threatens to widen old trade divisions.” — World Bank

-  Modern trade agreements (deep trade agreements)
-  Export bans due to safety concerns

What to do:

-  Optimize cargo visibility, transparency, and traceability to help streamline the process and minimize costly delays.

4. New sustainability issues.

During the pandemic:

-  Differently designed CBAMs or emissions pricing systems that vary from country to country
-  Climate change
-  Customers' demand for sustainability

What to do:

-  Invest in new-age foreign trade solutions to find the right balance between sustainability, cost, and customer experience.

5. Digital trade implications.

-  Digital trade adoption could lead to new foreign trade issues and diplomatic friction
-  Data privacy, integrity, and transparency issue

What to do:

-  Include rules governing data processing.
-  Eliminate manual procedures that often lead to data privacy, integrity, and transparency issues.
-  Automate and standardize processes using cutting-edge solutions such as SAP GTS and International Trade Management.

Successfully Navigate Post-Covid Foreign Trade Challenges

At Ropaar, we have helped various companies from across different industries to prime their enterprise for the next normal. We helped them assess their unique landscape and implement cutting-edge SAP global trade solutions to help them execute in the new normal. Contact us to learn more.

About Ropaar

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