

# Audit of lessons learnt from the COVID-19 and Ukraine crisis as regards disrupted supply chains

## Federal Office for National Economic Supply, State Secretariat for Economic Affairs, Switzerland Global Enterprise

### Key facts

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The global restrictions on trade flows due to the COVID-19 pandemic and the ongoing Ukraine crisis also led to shortages of goods and services for businesses in Switzerland; supply chains were disrupted. The federal offices involved in supporting the economy in the event of supply chain problems are the Federal Office for National Economic Supply (FONES), which is responsible for ensuring the country's economic supply of essential goods and services. In addition, the State Secretariat for Economic Affairs (SECO) is responsible for developing a suitable economic policy framework for the economy and for implementing sanctions. Finally, as the official Swiss organisation for export and location promotion, Switzerland Global Enterprise (S-GE) offers businesses support and advice in relation to export activities, international business relationships and supply chain problems, among other things.

The Swiss Federal Audit Office (SFAO) examined whether the measures taken by the (federal) offices FONES, SECO and S-GE in response to the crisis-related supply chain problems were coordinated and implemented in a targeted manner. It also assessed what lessons have been learnt and/or are still being learnt. Overall, the audit findings showed that the offices implemented the measures appropriately during the crisis and that they had proven to be useful. Lessons have been learnt from the crises and will continue to be learnt in the future.

### **Processes and measures were adapted in a targeted manner where necessary**

In response to the COVID-19 pandemic, the National Economic Supply (NES) decided – following numerous enquiries from the business community – to temporarily activate three measures in an adapted form in order to ensure road transport capacities. The measures, which could be implemented by the FONES with existing resources, helped to alleviate and even avert the feared supply bottlenecks for everyday goods in Switzerland.

SECO's analyses and information on the crisis-related effects of supply chain disruptions and on economic policy measures provide an important basis for political decision-making. They create an ideal economic policy framework for strengthening the resilience of supply chains in Switzerland. SECO also initiated and intensified contact with key players and interest groups from the Swiss business community during the crises in order to exchange information, discuss challenges and develop joint solutions.

The extensive sanctions against Russia imposed by the European Union and adopted by Switzerland led to around 20,000 enquiries from businesses to SECO by June 2023. Within a few days, SECO had created the necessary capacity to provide advice by telephone and email by flexibly reallocating internal resources. Due to the ongoing high workload for monitoring the application of sanctions, SECO was authorised to create a total of ten additional positions. The adoption of sanctions against Russia also led to an increased number of enquiries from affected businesses at S-GE. Both SECO and S-GE were able to handle these well.

### **Lessons still to be learnt**

Based on its experiences, the FONES is currently adapting the processes and principles of the implemented road measures and is continuing to examine how these adjustments can also be transferred to the comparable NES measures in a targeted manner. The FONES plans to publish a report on the adapted NES measures in 2024.

In the context of the ongoing Ukraine crisis, SECO considers it too early to draw any conclusive lessons. As an end to the crisis is not in sight, the SFAO suggests that the implementation of measures to date be analysed promptly, in order to draw appropriate lessons for supporting companies affected by supply chain problems.

### **A coordinated external network to deal with supply chain problems is important**

The COVID-19 and Ukraine crises have highlighted the importance of diplomatic and economic external networks when it comes to gathering information on the nature and extent of global supply chain problems and resolving them. Against this backdrop, it is crucial that Switzerland maximises the full potential of its external network in times of crisis. The SFAO still sees opportunities for the FONES to further involve the Swiss Business Hubs which are integrated into the Swiss representations abroad and has formulated a corresponding recommendation.

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