
Progress Made in Trade Facilitation in the Asia Pacific Region and Way Forward

**UNESCAP-GTI International Seminar on Trade Facilitation in North
East Asia
2 September 2015
Changchun, China**

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Asia and the Pacific (ESCAP)**



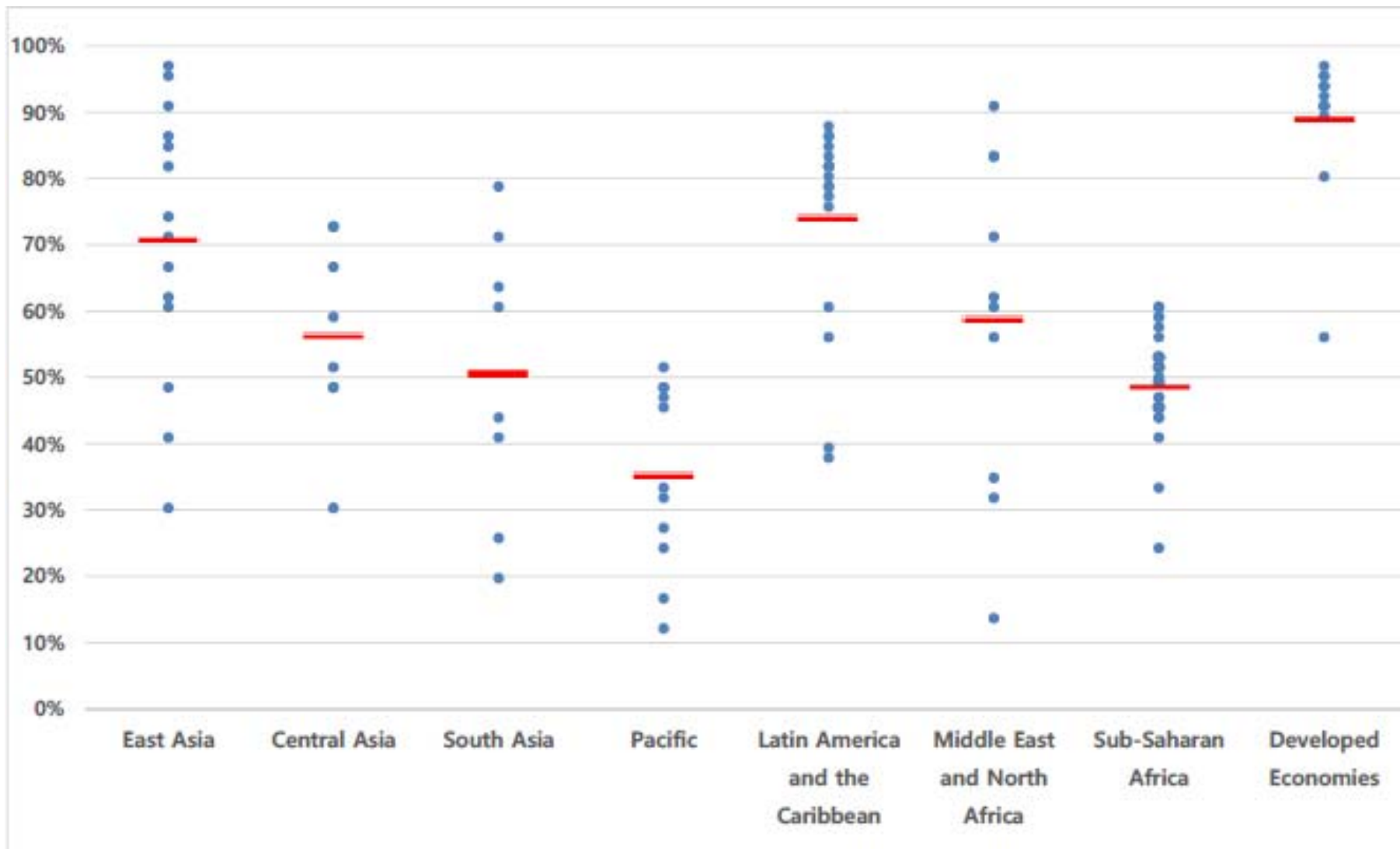
Trade Costs in the Region

(Sub-)Regions	ASEAN-4	East Asia-3	North & Central Asia-4	Pacific Islands-2	South Asia SAARC-4	AU-NZ	EU-3
ASEAN-4	76% (9%)						
East Asia-3	75% (5%)	51% (-5%)					
North & Central Asia-4	351% (9%)	177% (-7%)	121 (9%)				
Pacific Islands -2	175% (-11%)	174% (-9%)	368% (34%)	133% (-10%)			
South Asia SAARC-4	128% (2%)	125% (-0%)	282% (13%)	317% (2%)	114% (10%)		
AU-NZ	101% (4%)	89% (-3%)	338% (-5%)	73% (-22%)	142% (-1%)	54% (1%)	
EU-3	108% (2%)	85% (-4%)	152% (-8%)	211% (-6%)	114% (3%)	109% (0%)	43% (-4%)
USA	85% (11%)	63% (-0%)	180% (2%)	163% (-11)	109% (6%)	100% (4%)	67% (0%)

Note: Tariff-equivalent trade costs (i.e., in % of the value of goods)

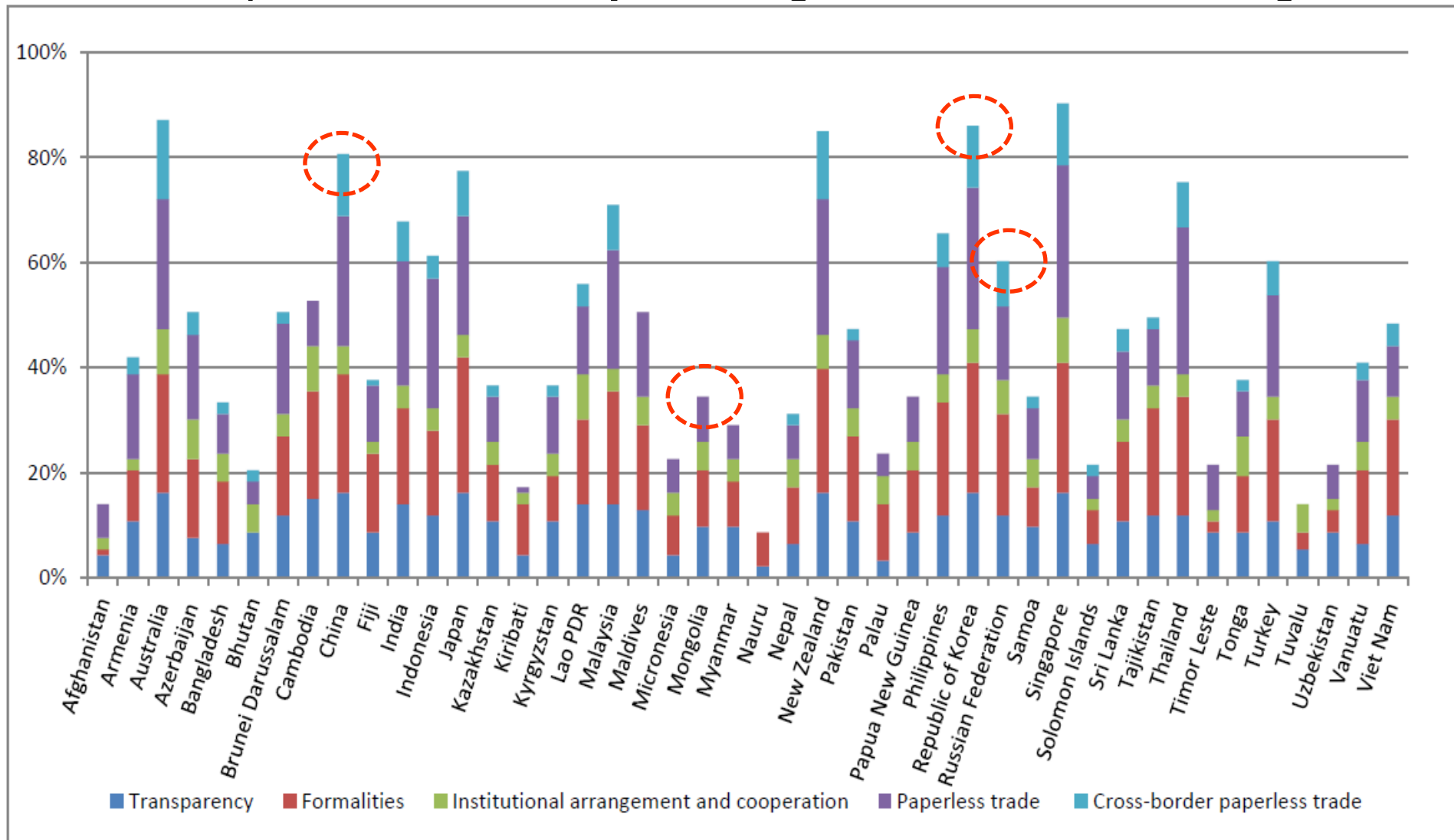
Source: ESCAP-World Bank International Trade Cost Database (June, 2015)

Trade facilitation implementation around the World (Cross-border paperless trade excluded)



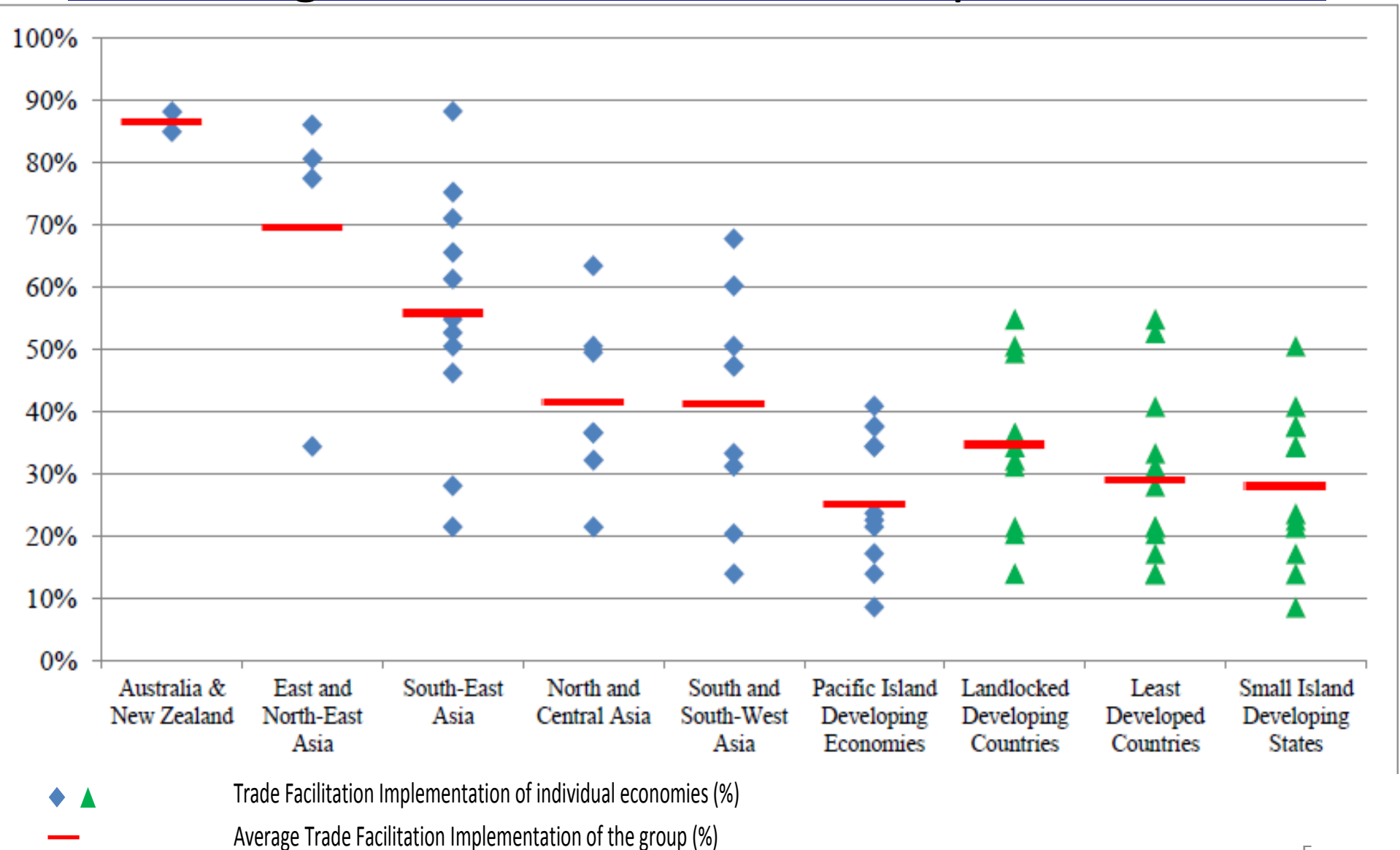
TF and Paperless Trade Implementation in Asia-Pacific

TF implementation very heterogeneous across the region



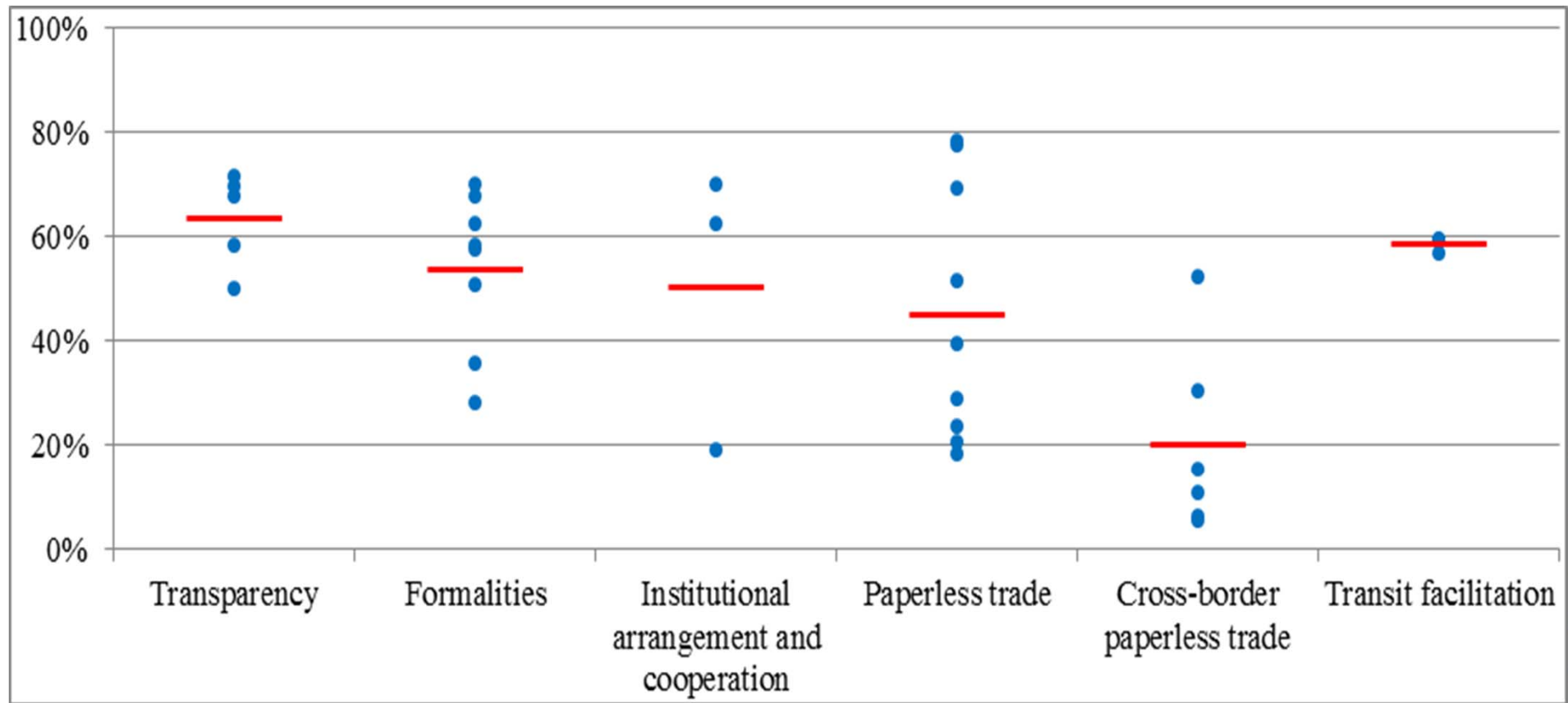
Source: ESCAP, UNRCs TF Survey 2015

Trade facilitation implementation in Asia-Pacific sub-regions and countries with special needs



Source: ESCAP, UNRCs TF Survey 2015

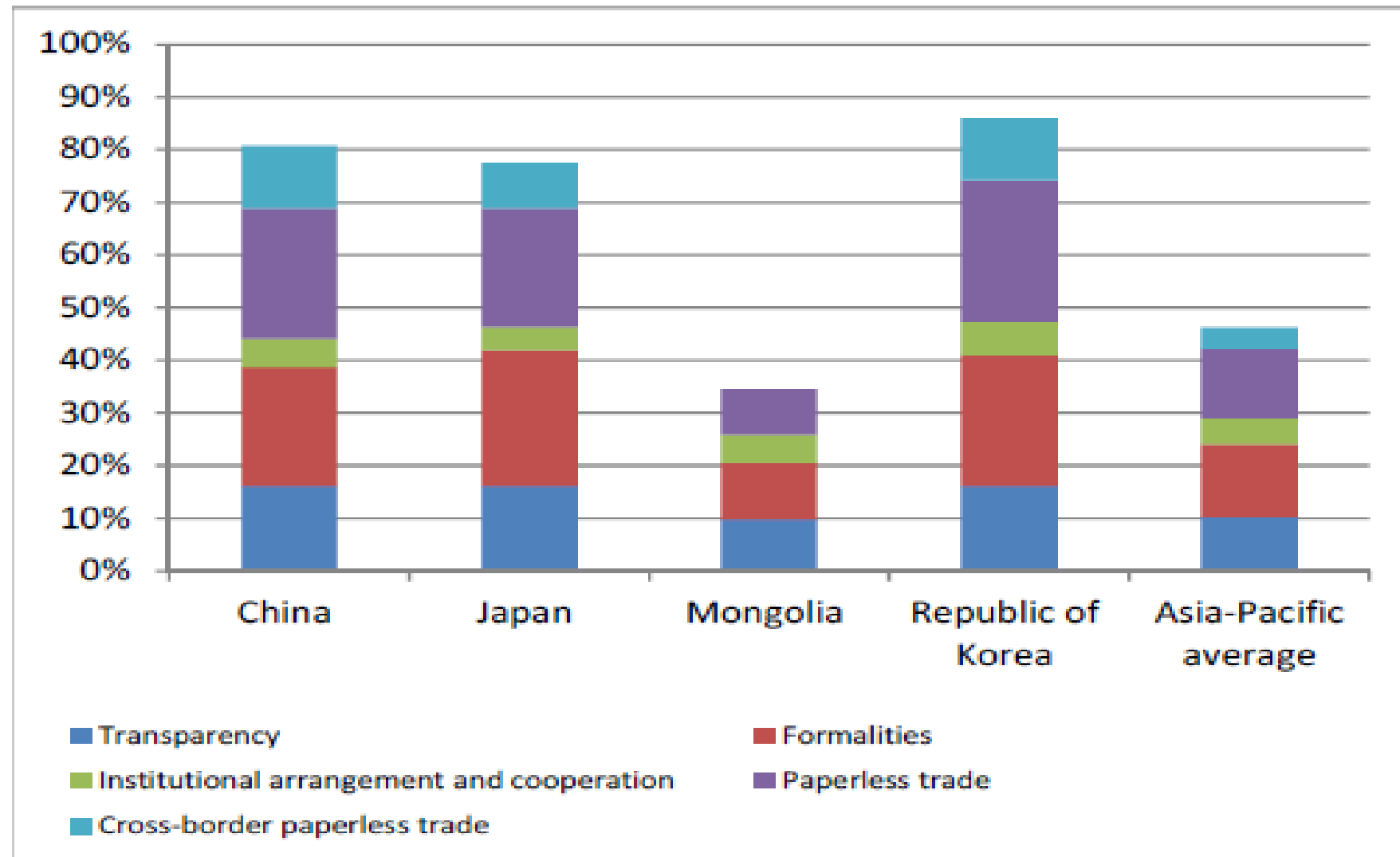
Implementation of trade facilitation measures by group: Asia-Pacific average



Most and least implemented measures in Asia-Pacific (by group of measures)

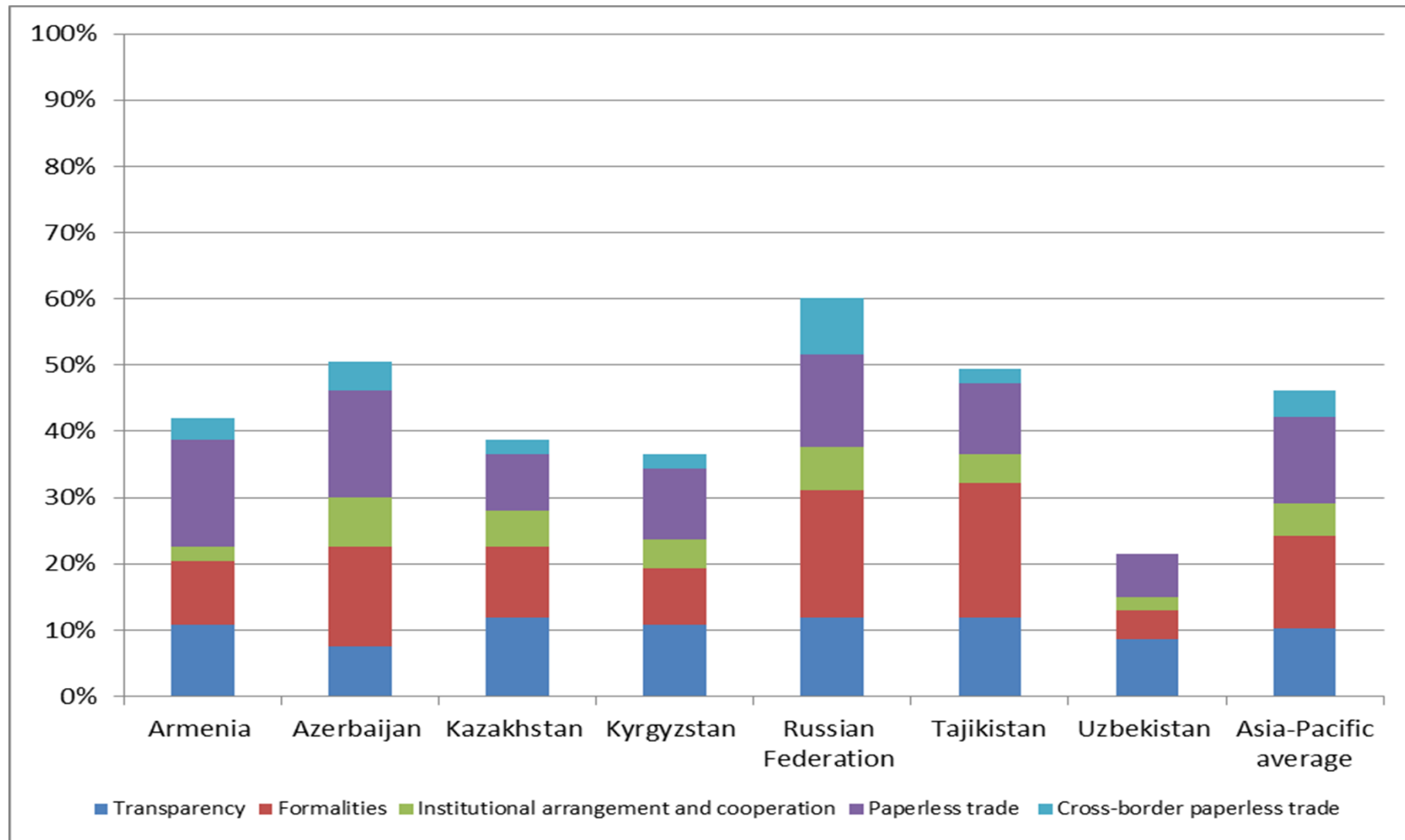
	Most implemented	Least implemented
Transparency	<ol style="list-style-type: none"> 1. Stakeholder consultation on new draft regulations (prior to their implementation) 2. Publication of existing import-export regulations on the internet 	<ol style="list-style-type: none"> 1. Advance ruling (on tariff classification) 2. Advance publication/notification of new regulation before their implementation
Formalities	<ol style="list-style-type: none"> 1. Risk management 2. Pre-arrival processing 	<ol style="list-style-type: none"> 1. Establishment and publication of average release times 2. Trade facilitation measures for authorized operators
Institutional arrangement and cooperation	<ol style="list-style-type: none"> 1. Cooperation between agencies on the ground at the national level 2. Establishment of National Trade Facilitation Committee 	<ol style="list-style-type: none"> 1. Government agencies delegating controls to Customs authorities
Paperless trade	<ol style="list-style-type: none"> 1. Internet connection available to Customs and other trade control agencies at border-crossings 2. Electronic/automated Customs System 	<ol style="list-style-type: none"> 1. Electronic Application and Issuance of Preferential Certificate of Origin 2. Electronic Application for Customs Refunds
Cross-border paperless trade	<ol style="list-style-type: none"> 1. Laws and regulations for electronic transactions 2. Recognised certification authority 	<ol style="list-style-type: none"> 1. Banks and insurers retrieving letters of credit electronically without lodging paper-based documents 2. Electronic exchange of Sanitary & Phyto-Sanitary Certificate
Transit facilitation	<ol style="list-style-type: none"> 1. Cooperation between agencies of countries involved in transit 2. Customs authorities limit the physical inspections of transit goods and use risk assessment 	<ol style="list-style-type: none"> 1. Supporting pre-arrival processing for transit facilitation

Overall implementation of trade facilitation measures in East and North-East Asia countries



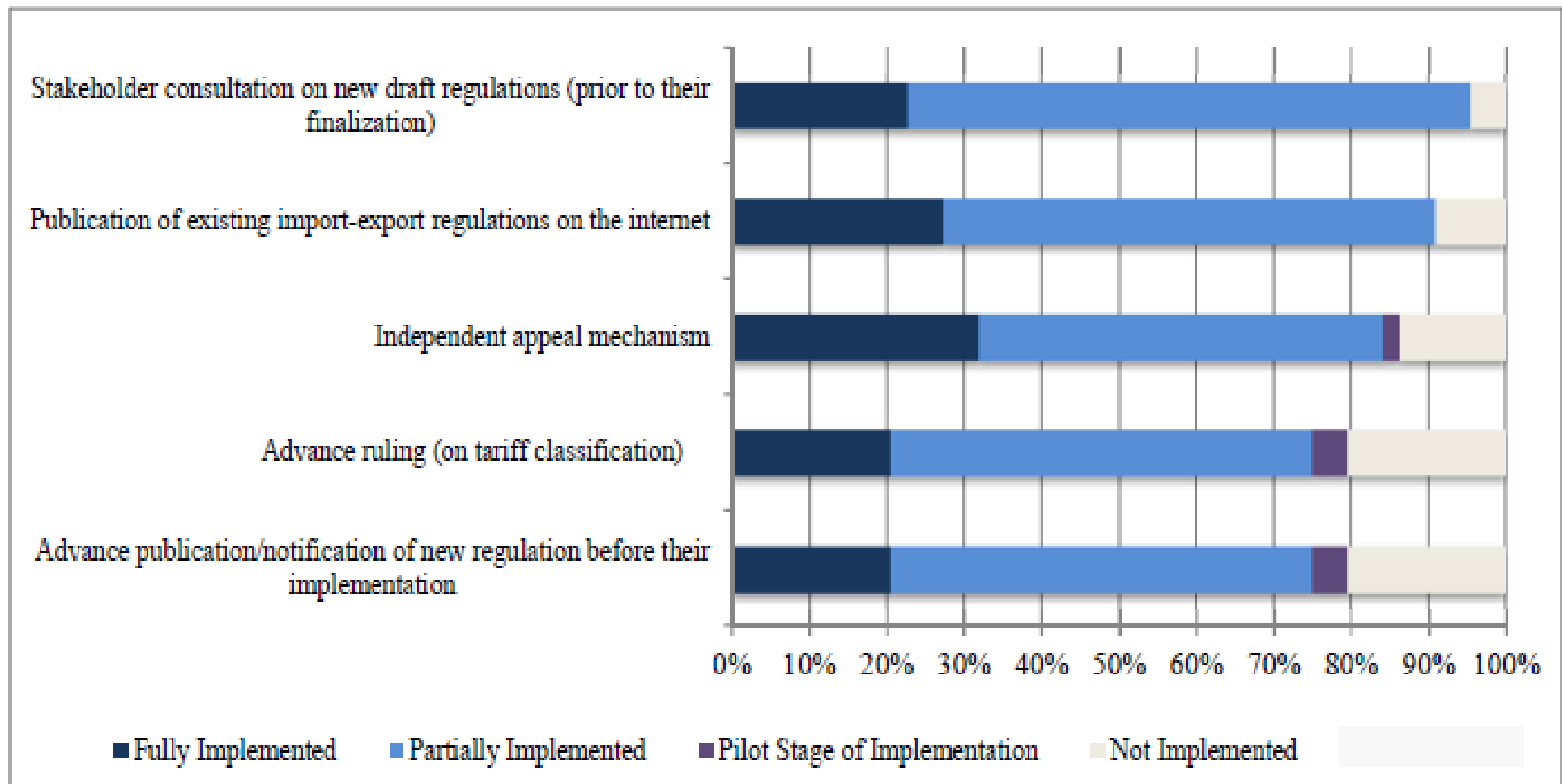
Source: ESCAP, UNRCs TF Survey 2015

Overall implementation of trade facilitation measures in North and Central Asia

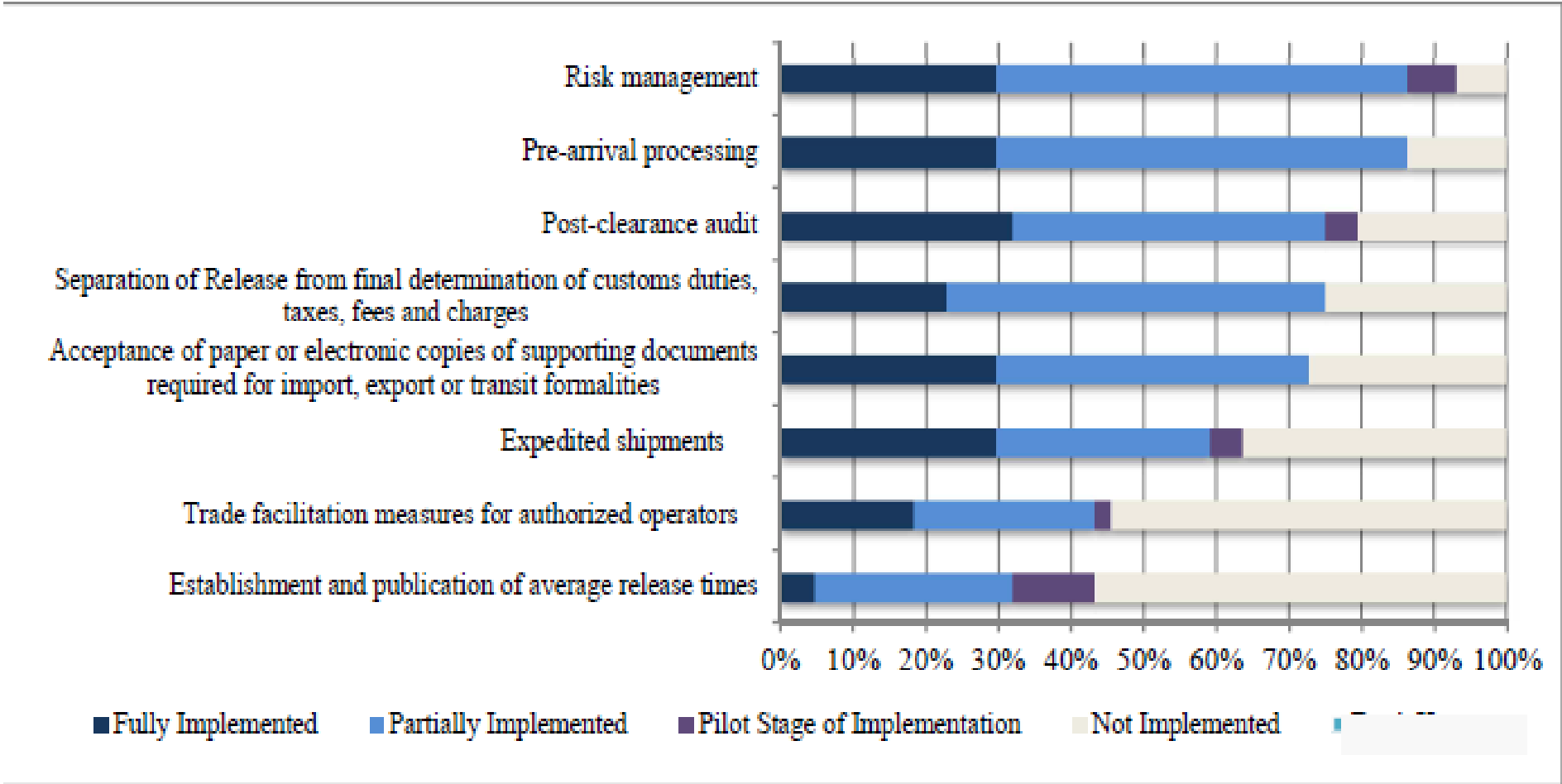


Source: ESCAP, UNRCs TF Survey 2015

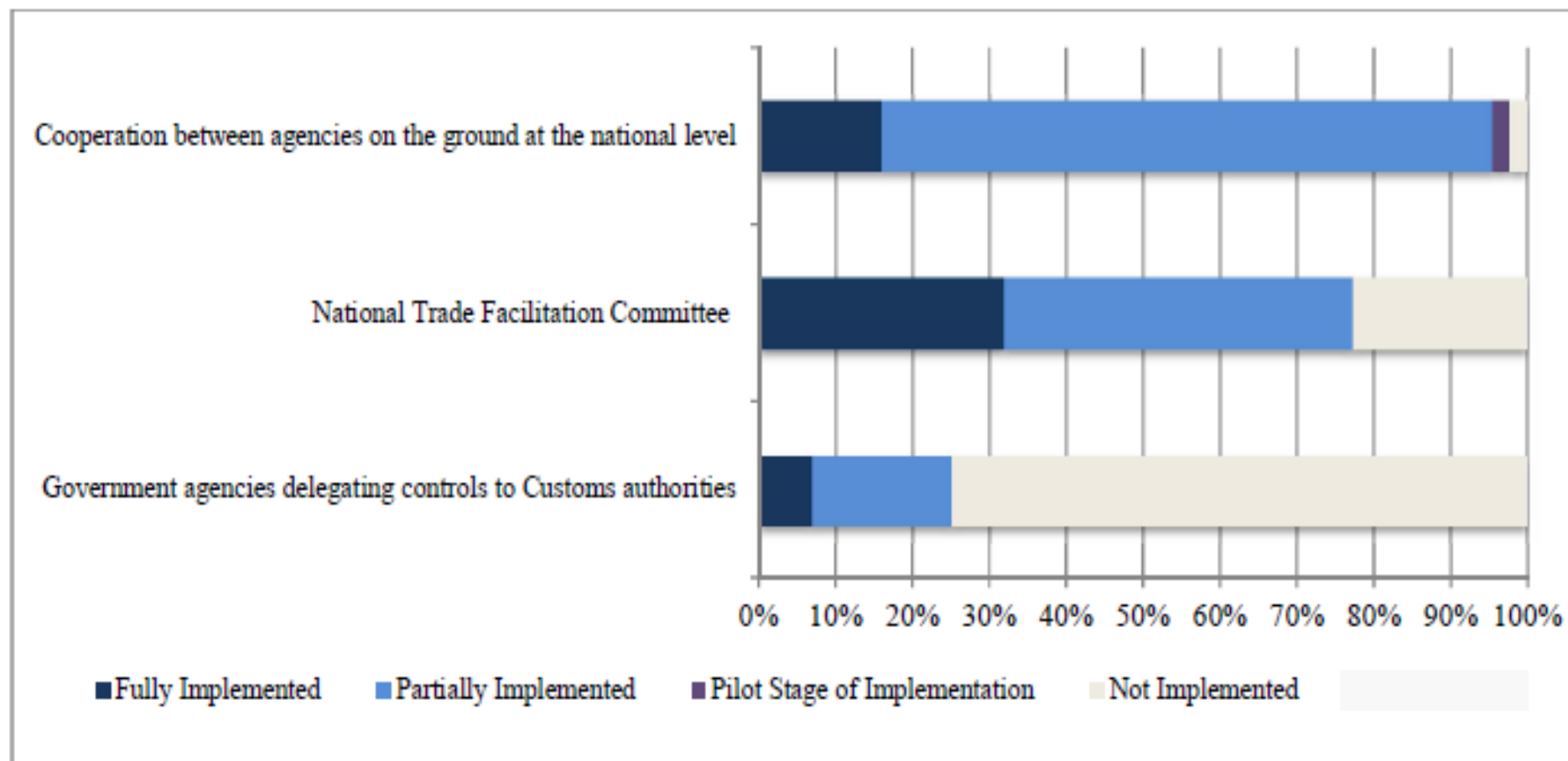
Implementation of “transparency” measures for trade facilitation in Asia-Pacific (AP) economies (in %)



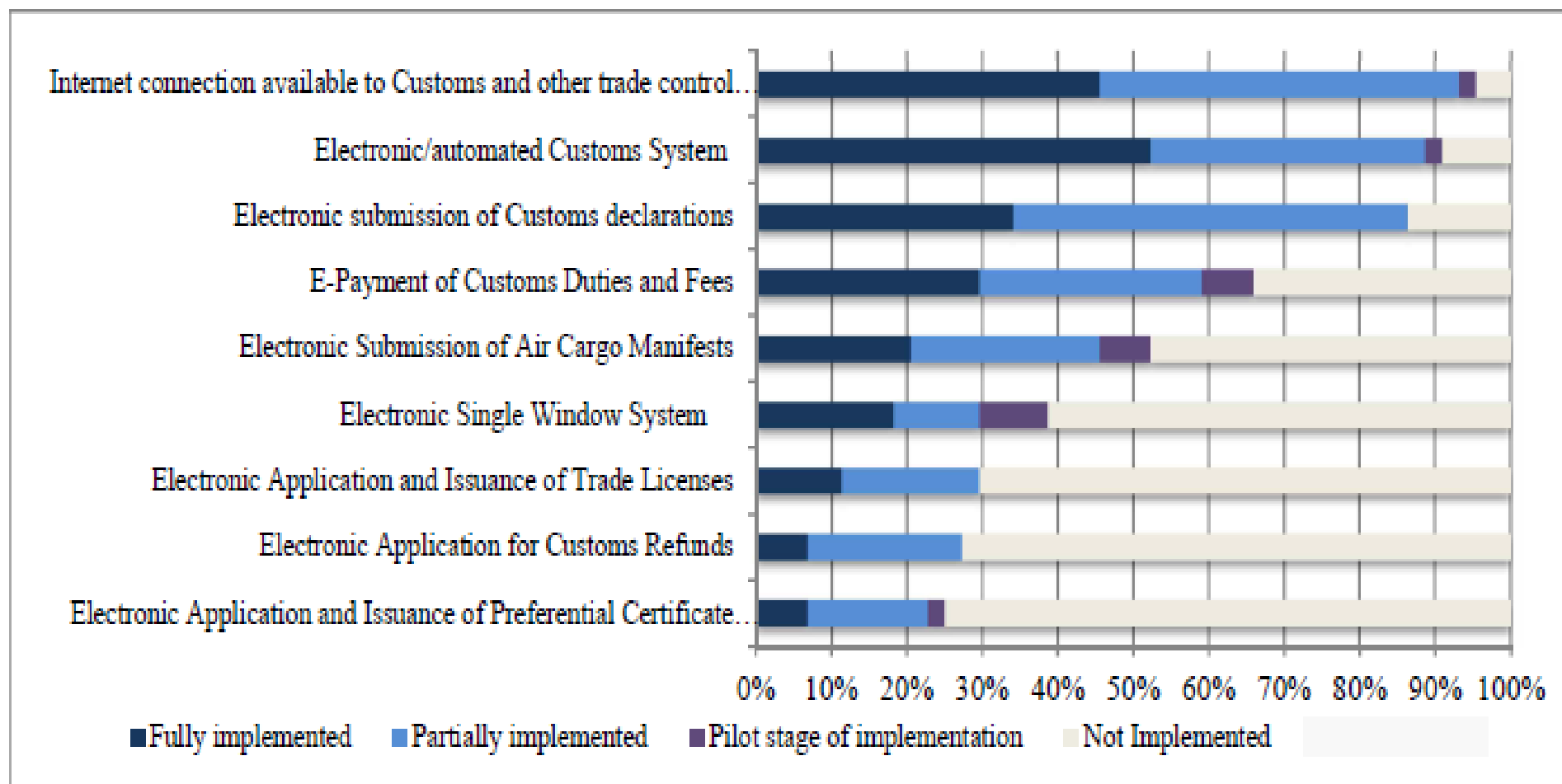
Implementation of trade “formalities” facilitation measures: AP average



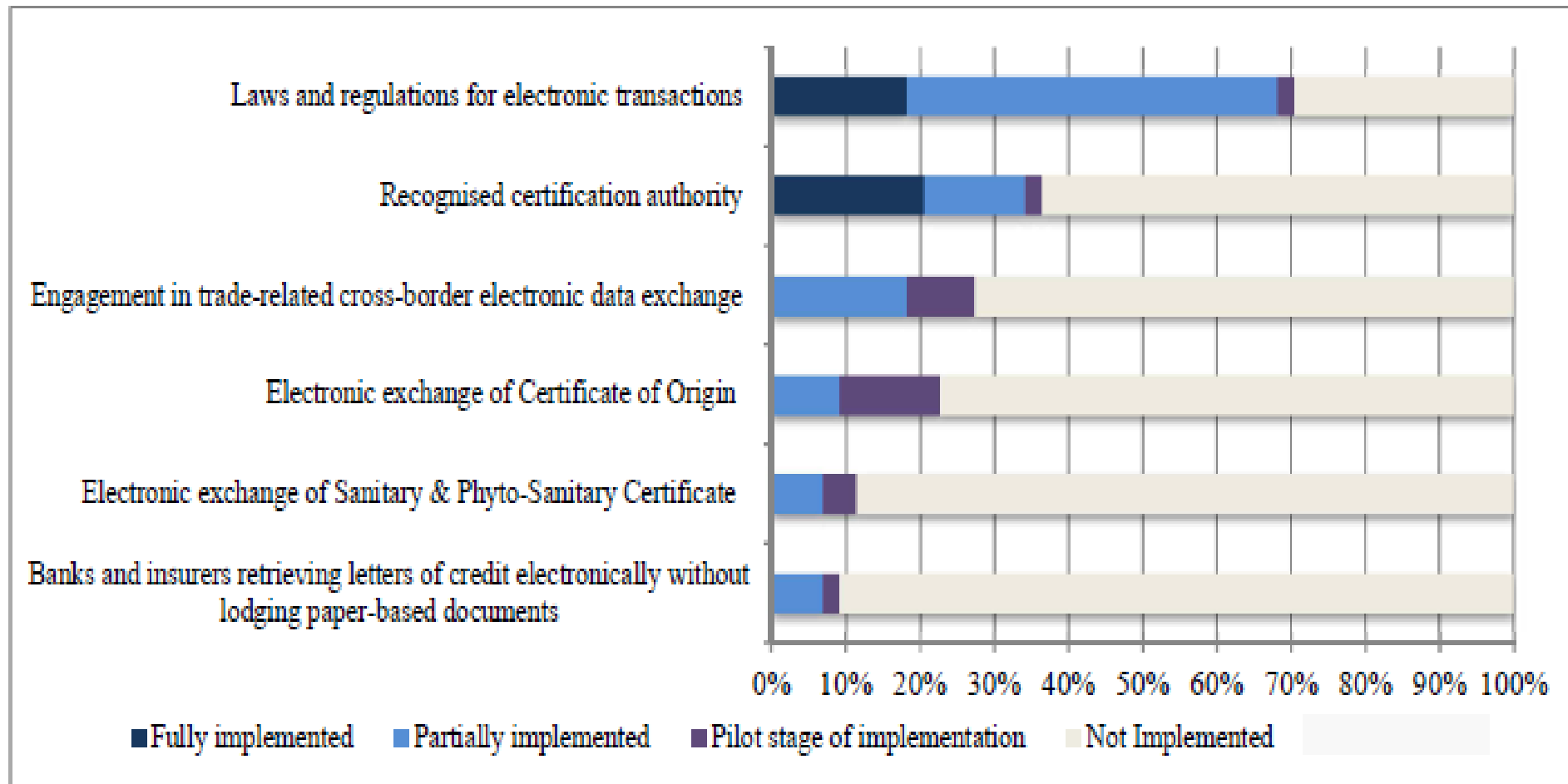
“Institutional arrangement and cooperation” measures for trade facilitation in AP economies (in %)



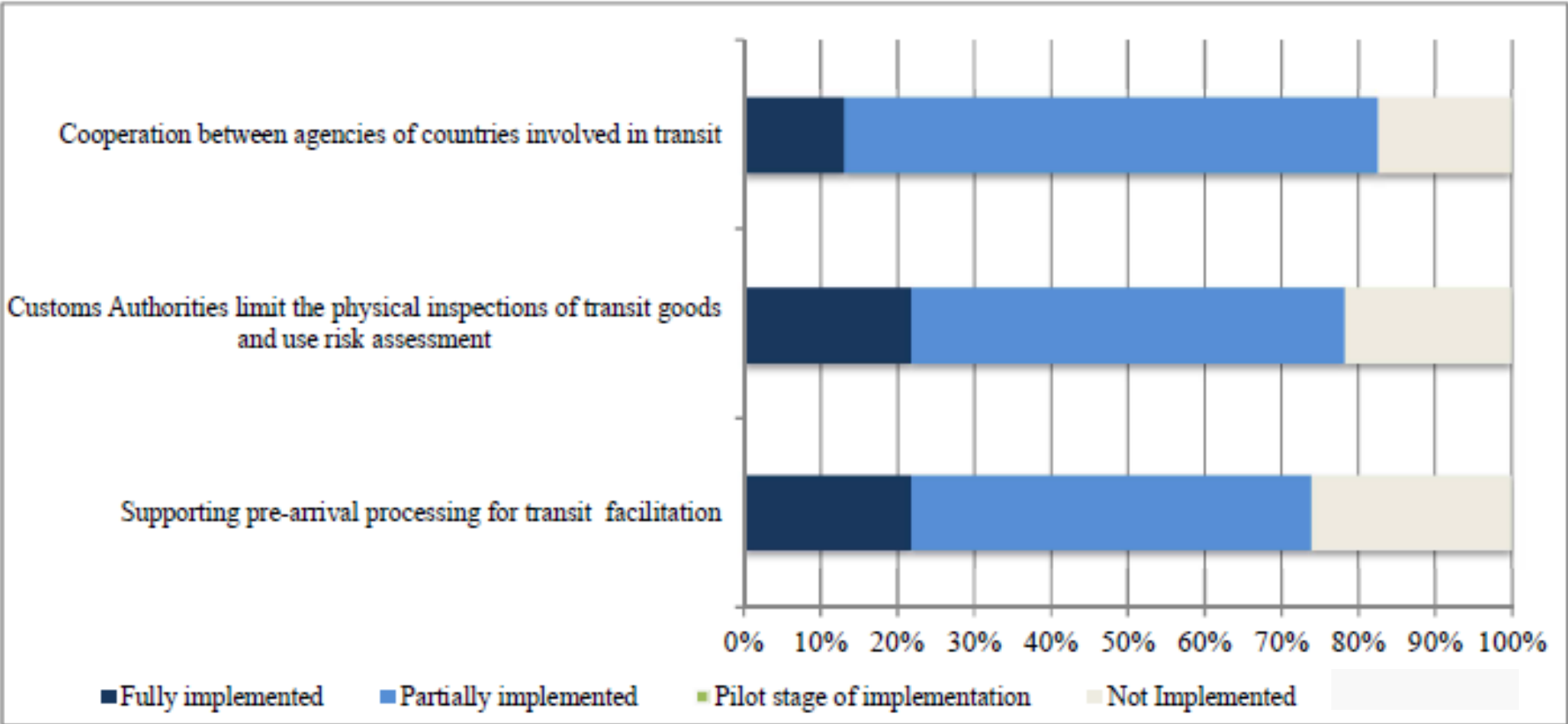
Implementation of “paperless trade” measures in AP economies (in %)



Implementation of “cross-border paperless trade” measures in AP economies (in %)

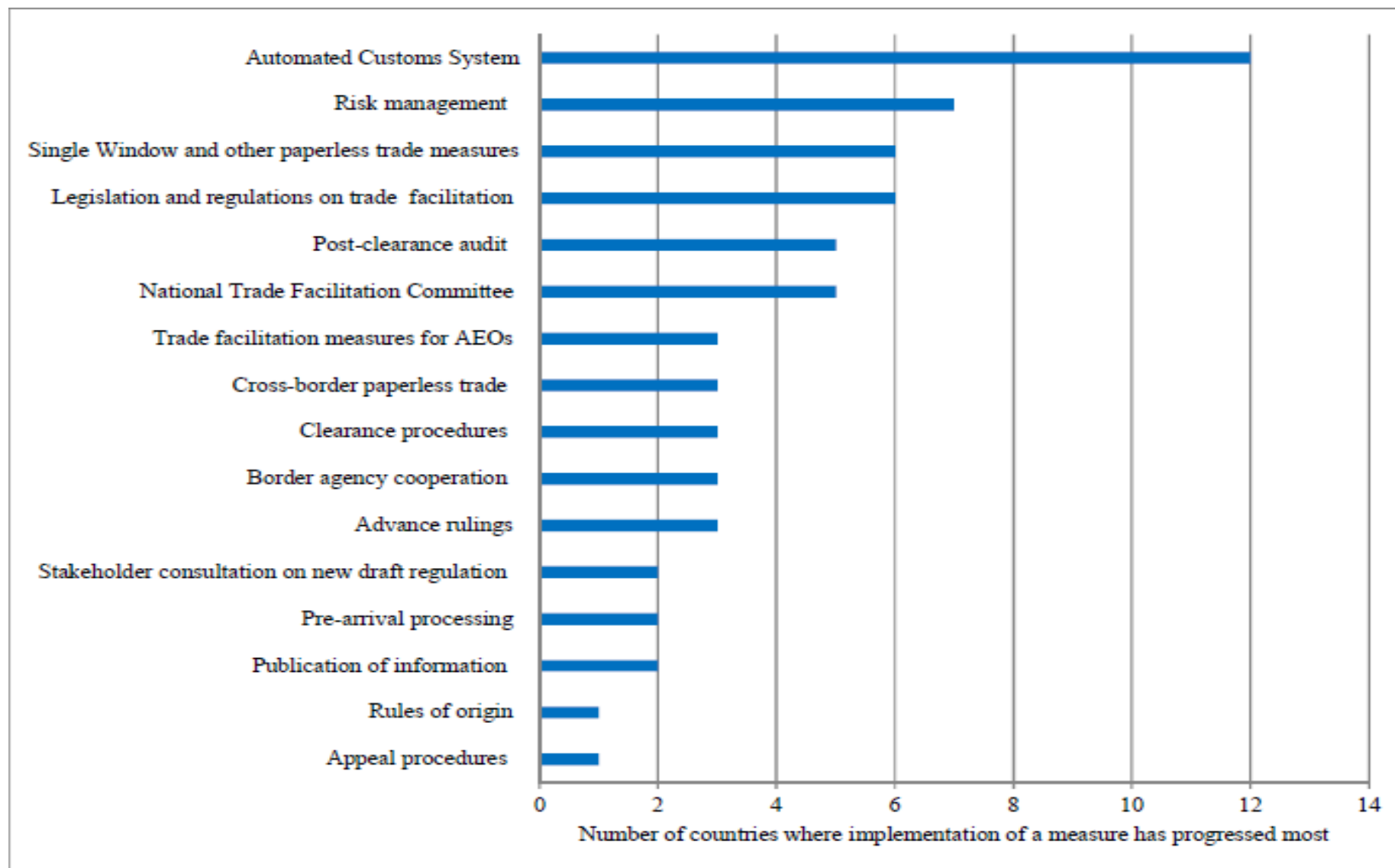


Implementation of “transit facilitation” measures in AP economies (in %)

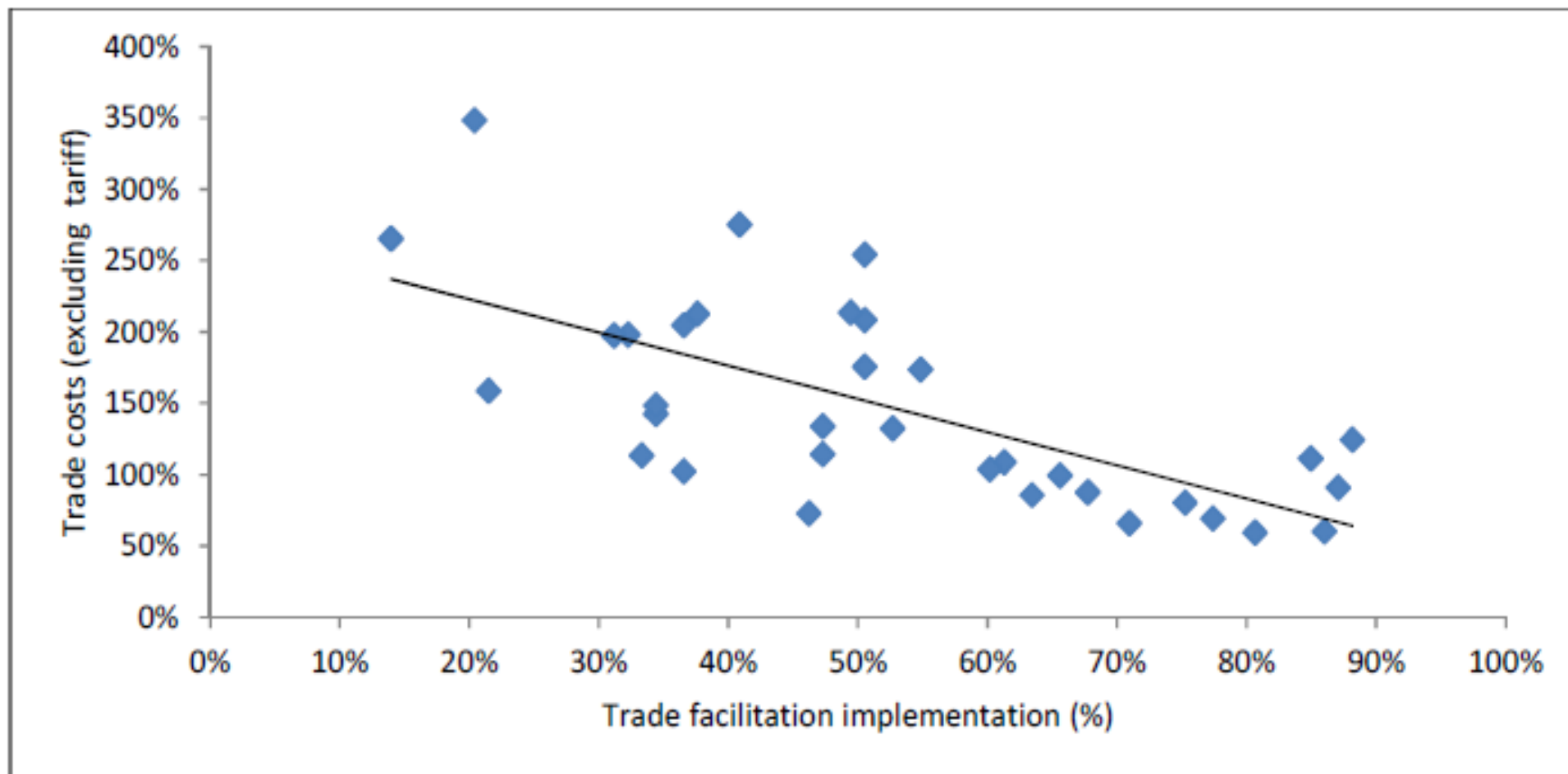


Source: ESCAP, UNRCs TF Survey 2015

Trade facilitation measures on which most progress was made in AP economies since 2013/14



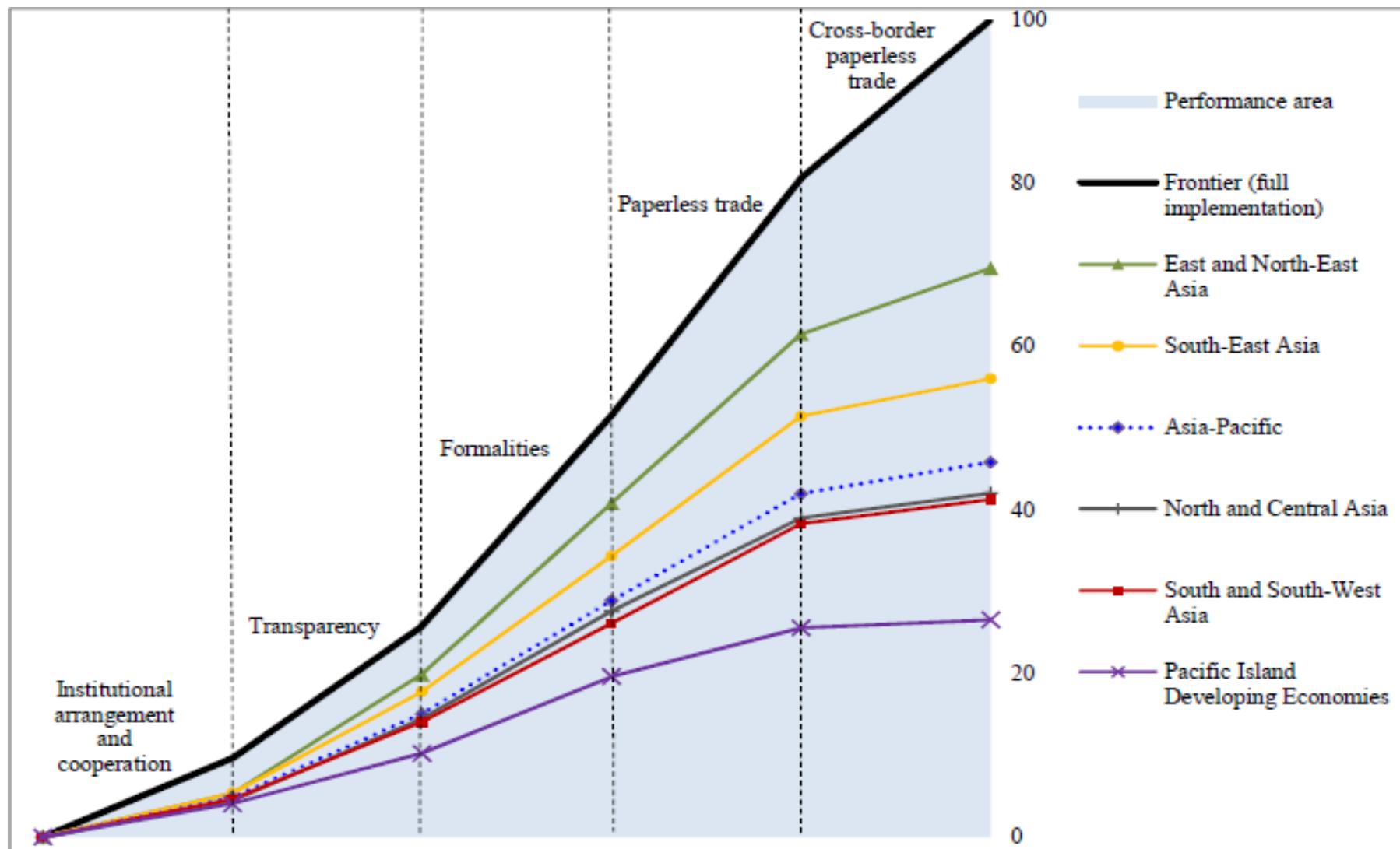
Trade facilitation implementation and Trade Costs of AP economies



Notes: Countries' trade costs are based on average comprehensive bilateral trade costs with Germany, China and the USA (2008-13) and expressed as ad valorem equivalents (%).

Source: ESCAP-World Bank International Trade Cost Database and ESCAP, UNRCs TF Survey 2015

Moving up the trade facilitation ladder towards seamless international supply chains



Note: the figure shows cumulative trade facilitation implementation scores of Asia-Pacific sub-regions for five groups of trade facilitation measures included in the survey. Full implementation of all measures = 100.

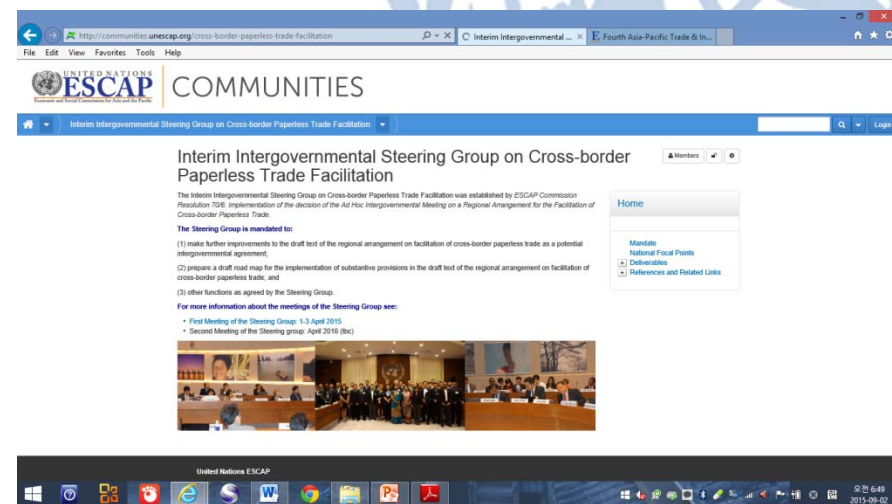
Source: ESCAP, UNRCs TF Survey 2015

ESCAP Regional Arrangement for Cross-border Paperless Trade Facilitation

- ✓ Purpose: To facilitate exchange of trade-related electronic documents and data across borders among ESCAP members
- ✓ Nature: a UN treaty draft text
 - (1) It is a ***voluntary agreement***. Once text is agreed by all ESCAP Members, each Member will have the opportunity to decide to join or not to join, and when.
 - (2) Most provisions center on measures facilitating cross-border paperless trade, not on detailed prescription on how to engage in cross-border paperless trade. Most provisions are ***best endeavor*** in nature.
 - (3) It is a **framework agreement (FA)**. The primary focus of the draft text of the regional arrangement is ***facilitation*** of cross-border paperless trade, not cross-border paperless trade itself. Adoption of the it will likely be followed by development (and voluntary adoption) by all or some participants of more detailed protocols to electronically exchange specific data and documents

Interim Intergovernmental Steering Group on Cross-border Paperless Trade Facilitation

- ✓ Created to improve draft text of a regional arrangement and prepare a draft road map for implementation of regional arrangement (ESCAP Resolution 70/6)
- ✓ Have Legal and Technical Working Groups under it to carry out actual tasks of improving the draft text and preparing a draft road map
 - First physical meeting on 9-11 September 2015, Bangkok
- ✓ Meet once a year to negotiate the draft text being improved by the working groups, until it is finalized



Upcoming Major ESCAP Events in Trade and Trade Facilitation

❖ **Asia Pacific Trade Facilitation Forum (APTFF) 2015**

- ✓ Where: Wuhan, China
- ✓ When: 20 - 21 October 2015
- ✓ Other back-to-back events
 - (1) Capacity building workshop on AEO and National TF Committee
 - (2) Workshop on e-SPS
 - (3) Workshop on TF Performance and Monitoring
 - (4) Exhibition
- ✓ Please visit: <http://unnex.unescap.org/tfforum15.asp>

❖ **Fourth ESCAP Trade and Investment Week**

- ✓ Where: Bangkok, Thailand
- ✓ When: 2-6 November 2015
- ✓ Please visit: <http://www.unescap.org/events/tiweek4>



THANK YOU!!!



Annex: Overview of UN Regional Commissions Global Survey on Trade Facilitation and Paperless Trade Implementation 2015

- **Survey Scope:** Goes beyond the scope of the TF measures included in the WTO Trade Facilitation Agreement (TFA)

- **38 TF measures covered (4 groups):**
- 1) General TF measures
 - 2) Paperless trade
 - 3) Cross-border paperless trade
 - 4) Transit facilitation
- Transparency
- Formalities
- Institutional arrangement and cooperation
-
- ```
graph LR; A[38 TF measures covered (4 groups):] --> B[Transparency]; A --> C[Formalities]; A --> D[Institutional arrangement and cooperation];
```

[ General TF measures, transit facilitation measures + some paperless trade measures related to WTO TFA provisions ]

- Data collected for **111 countries** around the World
- More details can be found at:

[unnext.unescap.org/UNTFSurvey2015.asp](http://unnext.unescap.org/UNTFSurvey2015.asp)

UNITED NATIONS  
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# Survey Scope

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|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>General TF Measures</b> | <b>Trade facilitation measure (and question no.) in survey questionnaire</b>                                                                                                                                                                                                                                                                                                                                                                           |
|                            | <b>Transparency</b><br>2. Publication of existing import-export regulations on the Internet<br>3. Stakeholder consultation on new draft regulations<br>4. Advance publication/notification of new regulations before their implementation<br>5. Advance ruling<br>9. Independent appeal mechanism                                                                                                                                                      |
|                            | <b>Formalities</b><br>6. Risk management<br>7. Pre-arrival processing<br>8. Post-clearance audit<br>10. Separation of release from final determination of duties, taxes, fees and charges<br>11. Establishment and publication of average release times<br>12. Trade facilitation measures for authorized operators<br>13. Expedited shipments<br>14. Acceptance of paper or electronic copies                                                         |
|                            | <b>Institutional arrangement and cooperation</b><br>1. Establishment of a national trade facilitation committee<br>31. Cooperation between agencies on the ground at the national level<br>32. Government agencies delegating controls to Customs authorities<br>33. Alignment of working days and hours with neighbouring countries at border crossings<br>34. Alignment of formalities and procedure with neighbouring countries at border crossings |



## **Trade facilitation measure (and question no.) in survey questionnaire**

### **Paperless trade**

- 15. Electronic/automated Customs System established
- 16. Internet connection available for Customs and other trade control agencies at border-crossings
- 17. Electronic Single Window System
- 18. Electronic submission of Customs declarations
- 19. Electronic Application and Issuance of Trade Licenses
- 20. Electronic Submission of Sea Cargo Manifests
- 22. Electronic Application and Issuance of Preferential Certificate of Origin
- 23. E-Payment of Customs Duties and Fees
- 24. Electronic Application for Customs Refunds

### **Cross-border paperless trade**

- 25. Laws and regulations for electronic transactions are in place
- 26. Recognized certification authority issuing digital certificates to traders for electronic transactions
- 27. Engagement of the country in trade-related cross-border electronic data exchange
- 28. Certificate of origin electronically exchanged
- 29. Sanitary and Phytosanitary (SPS) Certificate electronically exchanged
- 30. Banks and insurers retrieving letters of credit electronically without paper-based documents

### **Transit Facilitation**

- 35. Transit facilitation agreement(s) with neighbouring countries
- 36. Customs Authorities limit the physical inspections of transit goods and use of risk assessment
- 37. Supporting pre-arrival processing for trade facilitation
- 38. Cooperation between agencies of countries involved in transit

# Data Collection Methodology

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-Standard 3-step process:

**Step 1:** Data submission by experts (*Sept – Mar 2014*) - survey forms disseminated by UNRCs to experts from governments, private sector and/or academia

**Step 2:** Data verification by UNRCs (*Oct 2014–Apr 2015*) - Staff from UNRCs cross-checked collected data and augmented it through desk research and data sharing among UNRCs and survey partners

**Step 3:** Data verification by governments (*Apr – May 2015*) - Unified country data sent to national government or representatives to ensure that countries have the opportunity to review the dataset and provide additional information