10th Asia-Pacific Trade Facilitation Forum (APTFF)
Singapore, 29-30 August 2022

Summary & Highlights

The 10th APTFF was organized by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) and the Asian Development Bank (ADB), in collaboration with the Ministry of Trade and Industry, Singapore. The theme of APTFF 2022 was “Next Generation Trade Facilitation for Sustainable Development” and brought together over 250 participants from more than 40 countries.

Focusing on the theme of the Forum, the high-level panel session examined the role and opportunities for trade digitalization and emerging technologies in ensuring that all stakeholders and groups can gain from trade facilitation. The session discussed advances made during the COVID-19 period in trade digitalization – in both the public and private sectors – and its contribution to facilitating trade in times of crisis. It was recommended that this momentum be built upon to further developments in trade facilitation, and to aid in the pandemic recovery and strengthen resilience and sustainability. The session underscored that, even as digitalization and automation should continuously evolve in support of sustainable development, challenges pertaining to harmonization, regulation and standards, risk management, and associated capacity building must be addressed to better enable next generation trade facilitation for all, including for women traders and SMEs. The Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific (CPTA) was identified as a useful tool in enabling inclusive implementation of paperless trade, leaving no one behind, especially if both developing and more advanced countries from the region actively participated.

Session 1 “Digital and Sustainable Trade Facilitation in Asia and the Pacific – State of play and prospects” provided an update on trade facilitation implementation in the Asia-Pacific region, based on the results of the UN Global Survey on Digital and Sustainable Trade Facilitation 2021 (https://untfsurvey.org). The session highlighted the benefits in trade cost-reduction that trade digitalization could bring, through implementing paperless and cross-border paperless trade measures associated with the CPTA. The session also introduced good practices from Asia-Pacific countries, such as the Networked Trade Platform of Singapore. It was identified that challenges were faced in cross-border paperless trade, due to a lack of infrastructure and coordination across agencies and stakeholders. Some recommendations were made to advance trade digitalization in the region, through governments’ strong commitments to advancing trade facilitation with an emphasis on trade digitalization; coordination among relevant agencies and stakeholders within countries; subregional, regional and global cooperation (including sharing good practices for capacity building); structural reforms including the establishment and
updating of regulatory frameworks; and development of ICT infrastructure and human resources.

Session 2 “Regional initiatives for trade digitalization – Progress made and way forward” focused on current and forthcoming regional, subregional, and other cross-country initiatives in trade digitalization. The session covered a range of efforts from Asia-Pacific and its subregions, as well as from Africa and Latin America. The session noted the need to provide legal certainty and reduce barriers to digital trade, and foster trust among both operators and consumers. This requires an enabling environment, encompassing improved access to digital infrastructure and enhanced privacy, data protection and cybersecurity, among other areas. Legal and technical readiness assessment on cross-border paperless trade may be conducted at the national and regional level to make progress, using the ESCAP-UNCITRAL assessment guides and associated WTO toolkit. Examples were also highlighted on how Free Trade Agreements can be brought into the digital era, through the incorporation of elements that foster or are more conducive to digital trade. The session emphasized that vulnerable groups must not be left behind in the digital transformation journey, and that regional initiatives should address needs for digital tools and the development of digital skills. It also highlighted that international guidelines and best practices on cross-border e-commerce should be developed and adopted.

Session 3 “Making trade facilitation more sustainable – Lessons learned from good practices” discussed how trade facilitation can be made more sustainable and inclusive. The session noted that implementation of sustainable trade facilitation measures targeted at groups and sectors with special needs was much lower than implementation of other measures in the UN Global Survey. It emphasized that digital trade provided an opportunity for SMEs and women to gain better access to international markets and global supply chains. It was argued that enhancing trade facilitation is a shared responsibility between the public and private sectors. Therefore, public-private partnerships and effective dialogue and cooperation across government and with the private sector should be the cornerstone of trade facilitation reforms. It was stressed that an integrated approach to trade and transport facilitation would be crucial for sustainable outcomes. The session also highlighted that cross-border paperless trade still remained a challenge, and such challenges would be effectively addressed under the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific. In this connection, the session was informed that Kyrgyzstan planned to accede to the Framework Agreement in early 2023.

Session 4 “Facilitating trade finance for MSMEs” noted the huge unmet demand for trade finance over the last decade, which reached its peak in 2020 at $1.7 trillion. This is estimated to widen further to $2 trillion in 2022. SMEs experience higher rejection rates in trade finance applications, arising from stringent requirements such as collaterals and guarantees along with higher interest rates. The main challenge for SMEs is to find
predictable and affordable working capital to prepare goods and services for sale to reliable buyers. Pilot tests in providing guarantees for SMEs by development finance institutions and working closely with SME finance providers and local business development services yielded positive results. The key is for donors and development finance institutions to support guarantees that specifically target short-term financing of the main multiplier areas of value chains, along with well-coordinated end-to-end technical support. In the longer term, common digital standards are needed to bring the trade community together. This includes support for the Digital Standards Initiative, Legal Entity Identifier, and enactment of laws relating to acceptance of electronic transfer of records.

Session 5 “Aid for sustainable trade facilitation – Evolving needs and available support” discussed country perspectives in their need for sustainable trade facilitation, and available support in this area from development partners. The session noted that developing countries faced challenges in infrastructure development, the establishing of legal frameworks, and the building up of institutional capacities for trade facilitation. Technical assistance and support from development partner and the private sector is needed in financing and building up not only analytical capabilities and human resources, but also hard capacity in terms of infrastructure. The session highlighted that greater country and stakeholder ownership should be at the centre of trade facilitation reform. Engagement of stakeholders, especially in the early stages of projects and reforms, and across government agencies and the private sector is vital for building stronger partnerships. For longer-term stability, interagency agreements should be codified to establish rules and ensure continuity of work regardless of government changes. It was also noted that National Trade Facilitation Committees should be well-supported, including through legal frameworks, mandates, and adequate structure and resources.

Session 6 was dedicated to presentations by the four winners of the Asia-Pacific Trade Facilitation Innovation Awards 2022. The awards were given to cases which demonstrated implementation of innovative trade facilitation measures, such as by using digital means and channels, and with strong linkage to the 2030 Sustainable Development Agenda. The four winners were: China Customs for its smart customs inspection and digital border information connectivity project; Infocomm Media Development Authority, Singapore, for TradeTrust; Korea Trade Network for FTA-Korea Plus; and TradeWaltz Inc. for TradeDX.

13 capacity building and other side events were held back-to-back with the APTFF 2022. All programmes and presentations are available online. For details, please visit https://www.unescap.org/events/2022/asia-pacific-trade-facilitation-forum-2022.