



**Asia-Pacific
Economic Cooperation**

Advancing
Free Trade for Asia-Pacific
Prosperity

APEC Supply Chain Connectivity Framework Action Plan: Phase I and Phase II

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(For discussion only, please do not quote)



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Outline



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- Conclusion from the SCFAP I (2010-2015) review
- Introduction of SCFAP II key priorities
- Way forward

Supply-chain Connectivity Framework Action Plan 2010-2015



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- 1) **Transparency:** lack of transparency/awareness of full scope of regulatory issues affecting logistics; lack of awareness and coordination among government agencies on policies affecting logistics sector; absence of single contact point or champion agency on logistics matters.
- 2) **Infrastructure:** inefficient or inadequate transport infrastructure; lack of cross border physical linkages (e.g. roads, bridges).
- 3) **Logistics capacity:** lack of capacity of local/regional logistics sub-providers.
- 4) **Border Clearance:** inefficient clearance of goods at the border; lack of coordination among border agencies, especially relating to clearance of regulated goods “at the border”.
- 5) **Documentation:** burdensome procedures for customs documentation and other procedures (including for preferential trade).
- 6) **Multi-modal Connectivity:** under-developed multi-modal transport capabilities; inefficient air, land, and multimodal connectivity.
- 7) **Regulations & standards:** variations in cross-border standards and regulations for movements of goods, services and business travelers.
- 8) **Transit:** lack of regional cross-border customs-transit arrangements.

CP4: Border Clearance



The diagnostic report submitted to CTI (2014) noted that there are some disparity among APEC economies in the way clearance is processed at the border, the cross-border movement of goods continues to advance in the region. To further strengthen this effort, the report provided the following policy recommendations:

- Developing single window systems: alongside international interoperability efforts, support should also be provided to encourage domestic interoperability.
- Implementing the WCO guidelines on immediate release of consignments and TRS: to encourage more participation in the APEC Pathfinder to Enhance Supply Chain Connectivity by Establishing a Baseline De Minimis Value and to assist economies with data collection for TRS.
- Streamlining border institutions: streamlining the interactions of border institutions and associated processes reduces the time necessary for the movement of goods to internal or external market and thus facilitates goods clearance at the border, reducing time, costs, and uncertainty. This could be achieved through strengthening cooperation between Customs authorities and other government agencies both within and cross borders.

CP4: Border Clearance

- Establishing customer service in clearance: maintaining a single-point-of-contact to help traders resolve process issues arising from delays is a sound practice.
- Introducing pre-arrival customs processing and expedited release of goods: the advance submission of import documentation and other required information, including manifests, allows processing to commence prior to the arrival of goods that could minimize delay makes immediate release on arrival. This offers predictability and lower risks for traders.
- Allowing e-payment of customs charges and separating goods release from fiscal control: this will result in simplified and secure transactions in addition to reduce warehouse and storage costs.

SCFAP I evaluation: Conclusion



- Overall the updated results for the external indicators for SCFAP indicate good progress.
- There is a very strong improvement in quantitative indicators for time; as well as in the documentation indicators – which point to reduction in complexity of trade procedures.
 - Delays and burdensome documentation/procedures increase transaction costs by 1–15% of the value of world trade (OECD 2009). In addition, time spent for trade transactions could also be considered as cost.
- For cost figures, nominal indicators show that there has been an increase in costs over the years.
- Nevertheless, using cost figures that have been adjusted for inflation, APEC figures show some progress. As a note, when measuring the Trade Facilitation Action Plan II (TFAP II) progress, inflation-adjusted figures were also used instead of nominal ones.
- Other potential areas for improvements will be on access to good quality transport infrastructures and services, logistics services and import-export procedures.

Supply Chain Connectivity Framework Action Plan (SCFAP): 2017-2020 (*phase 2*)



“To reduce trade costs across supply chains & to improve supply chain reliability in supporting the competitiveness of business in the Asia Pacific region”

1. Lack of Coordinated Border Management and Underdeveloped Border Clearance and Procedures: MRA of AEO, GDS, National Committee on Trade Facilitation, SWS Interoperability.
2. Inadequate Quality and Lack of Access to Transportation Infrastructure and Services: PPP, APMEN, multi-modal transportation.
3. Unreliable Logistics Services and High Logistical Costs: e-payment systems, logistics services and workforce development, SMEs.
4. Limited Regulatory Cooperation and Best Practices: APEC Trade Repository, procedural and regulatory transparency in the development of trade-related policies.
5. Underdeveloped Policy and Regulatory Infrastructure for E-Commerce: Create access to reliable and accessible shipping options for MSMEs, Establish streamlined customs clearance procedures for e-commerce.

APEC Single Window Interoperability Study



- To identify best practices and main obstacles in implementing SWS international interoperability
- To identify organizational, legal and technical conditions, benefits and difficulties for its implementation
- To review existing work of different international organisations
- To show the benefits and challenges using SWS international interoperability
- To establish general recommendations to overcome main obstacles for its implementation

Moving Forward



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- Doing Business 2017 Report:
 - “..traders in economies with fully operational electronic systems (that allow for export and import customs declarations to be submitted and processed online) spend considerably less time on customs clearance.”
 - “Single windows may suffer from various institutional and regulatory limitations that stem from conflicting interest related to technical standards, data harmonization and information sharing.”
- WEF Global Enabling Trade Report 2016:
 - Singapore topping the ETI for the fifth consecutive edition.
 - Best practice of moving the institutional mindset from a regulatory to a more service-oriented, trade-facilitation focus.
- á Porto, Canuto and Morini (2015):
 - “... found that the presence of an Authorized Economic Operator program and the existence of a Single Window program will improve countries’ trade performance. By contrast, the existence of a Mutual Recognition Arrangement will not necessarily improve the countries’ trade performance.”

Thank You



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