

Digital and Sustainable Trade Facilitation: Global Report 2019

Executive Summary

Reducing trade costs is essential in enabling economies to effectively participate in regional and global value chains and for them to continue to use trade as an important engine of growth and sustainable development. Many of the trade cost reductions achieved over the past decade have been through eliminating or lowering tariffs. Reducing non-tariff sources of trade costs, such as inefficient transport and logistics infrastructure and services, as well as cumbersome regulatory procedures and documentation will further contribute to the trade cost reductions. Indeed, trade facilitation, including paperless trade, has taken on an increasing importance as evidenced by the entry into force of the WTO Trade Facilitation Agreement in February 2017 and several other regional initiatives.

This report presents the main findings of the Third UN Global Survey on Digital and Sustainable Trade Facilitation, jointly conducted by the five United Nations Regional commissions (UNRCs). The survey covers 128 economies from 8 regions, with a key focus on four main areas: “General Trade Facilitation” in relation to the implementation of selected measures under the WTO Trade Facilitation Agreement (TFA); “Digital Trade Facilitation” regarding the implementation of innovative, technology-driven measures aimed at enabling the use and exchange of electronic trade data and documents; “Sustainable Trade Facilitation” with regards to trade facilitation for SMEs, agricultural sector and women; and “Trade Finance”.¹ The key findings of the survey are summarized as follows:

- The global average implementation of the ambitious and forward-looking set of measures included in the survey stands at 62.7%. Developed economies have the highest implementation rate (79.7%), while the Pacific Islands have the lowest (35.5%). Among the developing regions, South-East and East Asia, and Latin America and the Caribbean achieve high implementation rates at 71.2% and 68.9% respectively. Implementation in Sub-Saharan Africa – which includes some of the poorest countries in the world – is only 47.8%, second only to the Pacific Islands.
- Australia and Republic of Korea (94.6%) tie for first place as the best overall performers, followed by Belgium, the Netherlands, Japan and Singapore, each with an implementation rate of 93.6%. Among developing regions, the Republic of Korea (94.6%) and Singapore (93.6%) lead in South-East and East Asia. Mexico leads the Latin America and the Caribbean, while Morocco leads the Middle East and North Africa region. Azerbaijan, Russian Federation and the Republic of North Macedonia (81.7%) together lead the South and East Europe, Caucasus and Central Asia region, while India (79.6%) leads the way in South Asia.
- Countries with special needs – LDCs, LLDCs and SIDSs – achieve similar implementation rates, ranging between 43% and 55%, which is significantly below the global average implementation rate. This result confirms the need to provide these countries with special technical assistance and capacity-building support to help them bridge their existing implementation gaps.
- The global average implementation level for ‘Paperless Trade’ stands at 61%. The implementation rates vary greatly depending on the individual measures considered. The implementation level for ‘Cross-Border Paperless Trade’ (36%) is substantially lower than that of other groups of measures.
- “Sustainable Trade Facilitation” measures aim to make trade facilitation measures more inclusive and align them with the sustainable development goals. Implementation of measures in the ‘trade facilitation for

¹ “Trade Finance” is a new group of measures piloted in the UN ESCAP, UN ESCWA and UN ECE questionnaires.

SMEs' (36%) and 'women in trade facilitation' (23%) categories remains low, pointing to a lack of awareness of the special needs of certain groups of stakeholders.

- Measures related to trade finance facilitation are also found to be lacking in implementation. For example, although access to finance is essential to trade facilitation, less than 15% of countries for which data could be collected have plans in place to facilitate access to credit through the single windows they are developing.

The report also examines the progress made by 99 countries covered in both the 2017 and 2019 Global Surveys. Implementation at the global level has, on average, increased by 8.1 percentage points over the last two years. The most progress is observed in *South and East Europe, Caucasus and Central Asia* and *Sub-Saharan Africa*, where implementation rates have increased by 11.5 percentage points. A substantial improvement was also observed in *South Asia* (9.7 percentage points), *South-East and East Asia* (9.3 percentage points), *Pacific Islands* (8.3 percentage points) and *Latin America and the Caribbean* (7.8 percentage points). In contrast, progress was less significant in the *Middle East and North Africa*, and *Developed Economies*, where increases of only 3.2 and 4.3 percentage points have taken place, respectively.

Overall, countries globally have made significant progress in trade facilitation since the WTO Trade Facilitation Agreement entered into force in 2017. Looking forward, while efforts in enhancing transparency and streamlining formalities at the national level should continue, more attention will need to be paid to cross-border cooperation and interoperability issues among paperless trade systems, so as to enable the safe and seamless flow of electronic data and documents along international supply chains. Trade facilitation strategies will also need to become more holistic and inclusive, in order to address the needs of specific sectors (e.g., agriculture) or groups (e.g., SMEs and women) and to better support the implementation of the 2030 Agenda for Sustainable Development.

Detailed regional and country-level results of the UN Global Survey on Digital and Sustainable Trade Facilitation are available at: <https://untfsurvey.org/>