

Trade Facilitation for Sustainable Development in Asia and the Pacific

Yann Duval
Chief, Trade Policy and Facilitation
Trade, Investment and Innovation Division
United Nations Economic and Social Commission for Asia and the Pacific

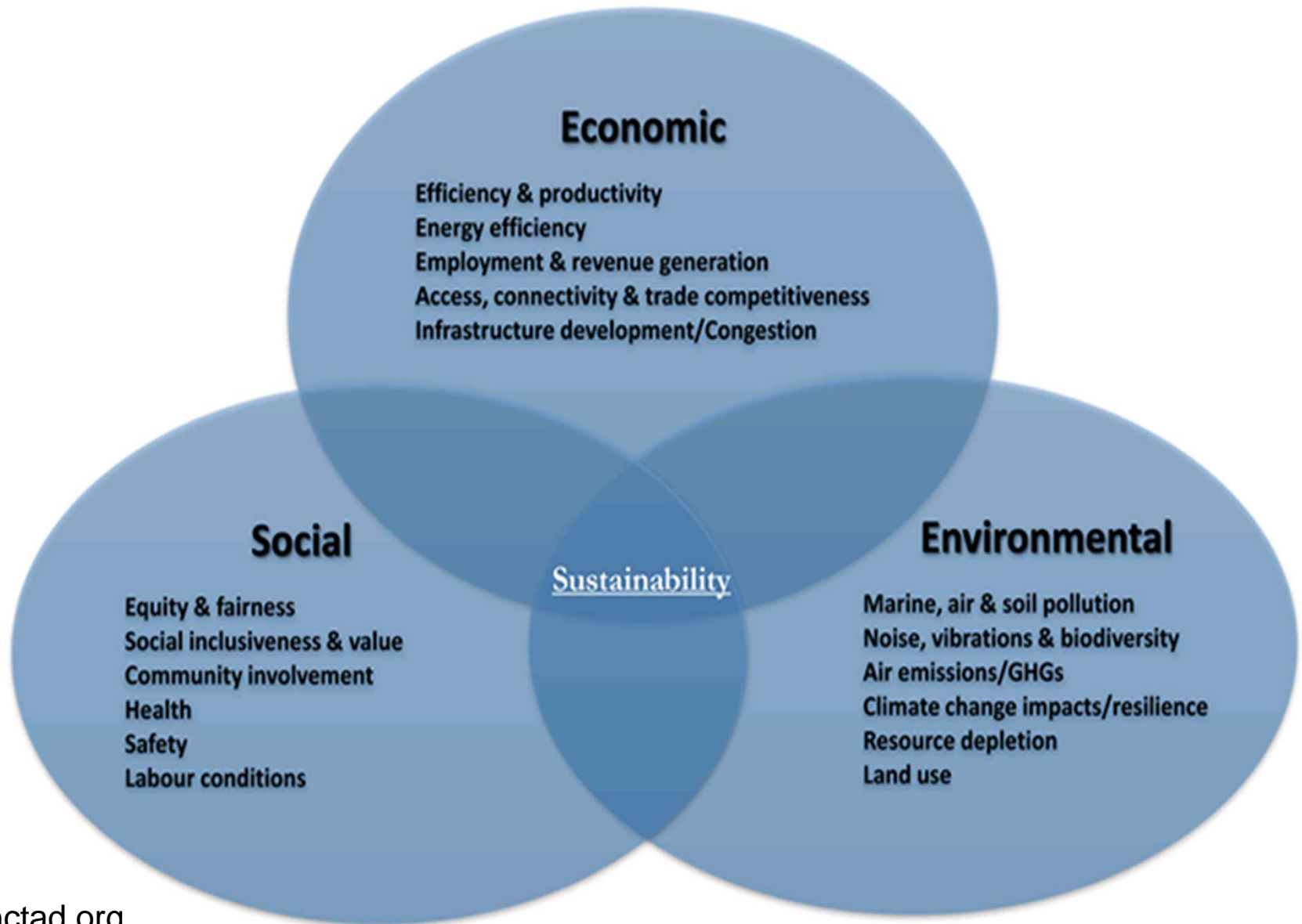


Outline

- ❖ Introduction
- ❖ Regional State of Play
 - Trade costs & Trade Facilitation Performance
- ❖ WTO Trade Facilitation Agreement
 - ❖ Overview
 - ❖ Update
- ❖ Trade Facilitation and Paperless Trade Implementation in Asia-Pacific
 - ❖ UN Global Survey results
 - ❖ Towards cross-border paperless trade: New UN treaty for Asia and the Pacific
- ❖ Conclusions
- Annex - Support from ESCAP



Sustainable Development?



[HOME](#)[HIGH-LEVEL POLITICAL FORUM](#)[STATES](#)[SIDS](#)[SDGS](#)[TOPICS](#)[UN SYSTEM](#)[STAKEHOLDER ENGAGEMENT](#)[PARTNERSHIPS](#)[RESOURCES](#)[ABOUT](#)

Sustainable Development Goals

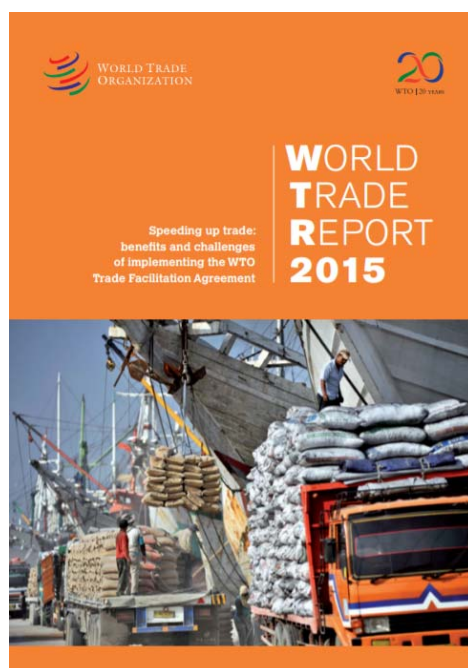


<https://Sustainabledevelopment.un.org>

Trade identified as a key
Means of Implementation

Trade Facilitation (TF)?

- Definitions



https://www.wto.org/english/res_e/booksp_e/world_trade_report15_e.pdf

Table A.1: Definitions of trade facilitation

a) Academic literature	
Study	Definition
Duval (2007).	Trade facilitation involves increasing the efficiency of trading processes. Trade facilitation involves making customs, transport, and banking and insurance (services and infrastructure) more efficient. Trade facilitation cannot simply be limited either to at-the-border or to customs control processes, since these two sets of processes are only two of a number of other processes (e.g., payment and logistics) that affect the efficiency of a trade transaction.
Grainger (2011).	Trade facilitation looks at how procedures and controls governing the movement of goods across national borders can be improved to reduce associated cost burdens and maximize efficiency while safeguarding legitimate regulatory objectives.
Persson (2013).	Trade facilitation refers to making it easier for traders to move goods across borders by making cumbersome cross-border trade procedures more efficient.
Portugal-Perez and Wilson (2012).	Trade facilitation measures can be undertaken along two dimensions: a "hard" dimension related to tangible infrastructure such as roads, ports, highways, telecommunications, as well as a "soft" dimension related to transparency, customs management, the business environment, and other institutional aspects that are intangible.
Zaki (2014).	Trade facilitation includes five main elements: 1) simplification of trade procedures and documentation; 2) harmonization of the trade practices and rules; 3) more transparent information and procedures of international flows; 4) recourse to new technologies to promote international trade; 5) more secured means of payment for international commerce.
b) International organizations	
Institution/source	Definition
Asia-Pacific Economic Cooperation (APEC) Source: APEC (2007).	Trade facilitation refers to the simplification and rationalization of customs and other administrative procedures that hinder, delay or increase the cost of moving goods across international borders.
European Commission Source: http://ec.europa.eu/taxation_customs/customs/policy_issues/trade_facilitation/index_en.htm	Trade facilitation can be defined as the simplification and harmonization of international trade procedures including import and export procedures. Procedures in this context largely refer to the activities (practices and formalities) involved in collecting, presenting, communicating and processing the data required for movement of goods in international trade.
International Chamber of Commerce (ICC) Source: ICC (2007).	Improvements in the efficiency of the processes associated with trading in goods across national borders.
Organisation for Economic Co-operation and Development (OECD) Source: Moisé <i>et al.</i> (2011).	Trade facilitation refers to policies and measures aimed at easing trade costs by improving efficiency at each stage of the international trade chain.

Trade Facilitation (TF)? - Definition



- “The plumbing of international trade” (Staples, 1998)
- “The simplification and harmonization of international trade procedures.”, where trade procedures are the “activities, practices and formalities involved in collecting, presenting, communicating and processing data and other information required for the movement of goods in international trade.” (WTO documents)
- “Any measure, or set of measures, that aims to increase the cost-effectiveness of international trade transactions”.

<http://www.gfptt.org/>

Trade Facilitation? → Definition



INVOLVES

Commercial Procedures

- Establish Contract
- Order Goods
- Advice on Delivery
- Request Payment
- Packing
- Certification
- Accreditation
- Warehousing

Transport Procedures

- Establish Transport Contract
- Collect, Transport and Deliver Goods
- Provide Waybills, Goods Receipts Status Reports, etc.

Regulatory Procedures

- Obtain Import/Export Licenses, etc.
- Provide Customs Declaration
- Provide Cargo Declaration
- Apply Trade Security Procedures
- Clear Goods for Export/Import

Financial Procedures

- Provide Credit Rating
- Provide Insurance
- Provide Finance
- Execute Payment
- Issue Statements

Paperless Trade (Digital Trade Facilitation)?

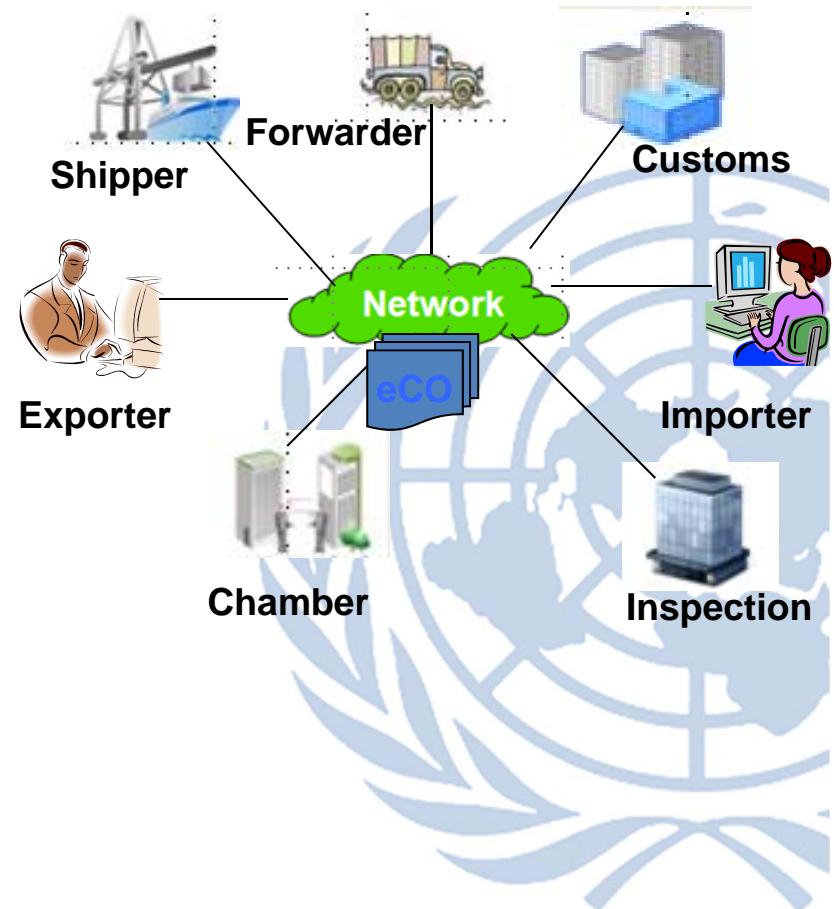
- Paperless Trade

Conduct of trade activities on the basis of electronic rather than paper documents *e.g. electronic Customs declaration, electronic cert. of origin*

(application of e-commerce to international trade domain)

- Paperless Trade Systems

Legal/regulatory and technical frameworks in which paperless trade transactions take place *e.g. Digital customs system, electronic Single Window facility, e-port management systems, Framework Act on Electronic Transaction (in RoK)*



Benefits of Trade Facilitation & Paperless Trade

Government

Effective & Efficient
Deployment of
Resources

Correct
Revenue
Yield

Improved
Trader
Compliance

Enhanced
Security

Increased
Integrity &
Transparency

*Trade
Facilitation
&
Paperless
Trade*

Traders

Cutting Costs
through
Reducing Delays

Faster
Clearance &
Release

Predictable
Application and
Explanation of Rules

Effective & Efficient
Deployment of
Resources

Increased
Transparency

Expected gains from trade facilitation

- Direct and indirect costs associated with trade documentation and cumbersome trade procedures:
1-15% of value of goods traded
 - \$350 billion annually for Asia and the Pacific
- A 1 day of delay prior to shipment reduces trade by 1%
- A 5% reduction in direct export costs result in a 4% increase in exports



Questions for Discussion

1. Why have trade facilitation & paperless trade become increasingly important ?
2. How does trade facilitation relates to the three dimensions of sustainable development?



Outline

- ❖ Introduction
- ❖ Regional State of Play
 - Trade costs & Trade Facilitation Performance
- ❖ WTO Trade Facilitation Agreement
 - ❖ Overview
 - ❖ Update
- ❖ Trade Facilitation and Paperless Trade Implementation in Asia-Pacific
 - ❖ UN Global Survey results
 - ❖ Towards cross-border paperless trade: New UN treaty for Asia and the Pacific
- ❖ Conclusions
- Annex - Support from ESCAP



Trade Costs in Asia and the Pacific

Table 1: Intra- and extra-regional comprehensive trade costs in the Asia-Pacific region (excluding tariff costs), 2010-2015

Region	ASEAN-4	East Asia-3	North and Central Asia - 4	Pacific Islands Developing Economies	SAARC-4	AUS-NZL	EU-3
ASEAN-4	76% (6.7%)						
East Asia-3	76% (4.1%)	51% (-2.9%)					
North and Central Asia - 4	345% (5.4%)	167% (-9.9%)	116% (-0.9%)				
Pacific Islands Developing Economies	172% (-9.0%)	173% (-3.1%)	370% (21.6%)	130% (-8.8%)			
SAARC-4	130% (3.5%)	123% (-2.1%)	302% (7.7%)	300% (-4.6%)	119% (12.9%)		
AUS-NZL	101% (2.9%)	87% (-5.4%)	341% (-4.9%)	82% (-8.9%)	136% (-6.7%)	51% (-4.9%)	
EU-3	105% (-3.4%)	84% (-3.4%)	150% (-7.1%)	204% (-7.1%)	113% (0.3%)	108% (-2.3%)	42% (-8.1%)
USA	86% (8.0%)	63% (0.4%)	174% (-3.5%)	161% (-5.4%)	112% (6.7%)	100% (2.9%)	67% (0.4%)

Source: ESCAP-World Bank Trade Cost Database (June 2017 update). Available at:

<http://www.unescap.org/resources/escap-world-bank-trade-cost-database>

How to view ESCAP-World Bank Trade Cost trends of countries?

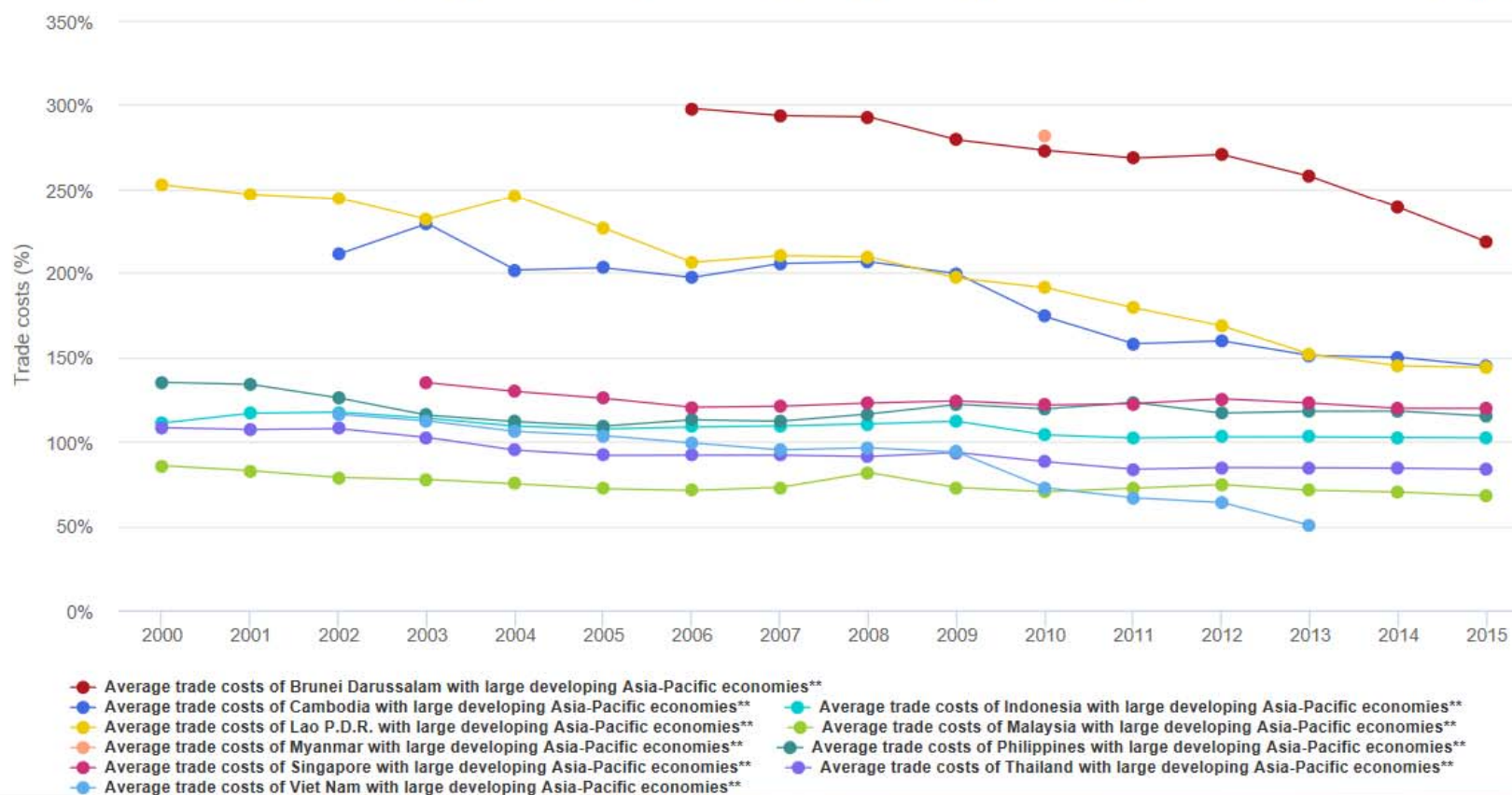
- Go to ARTNeT: <https://artnet.unescap.org/>
- Click “Databases” on the menu
- Click “**Asia-Pacific Trade Indicators Portal**”
- Select “Vizualize data over time (trend)”;
- Select “**Comprehensive trade costs with large Asia-Pacific Developing Economies**” OR Select “**Comprehensive trade costs with large developed countries**”
- *[click “Continue” button at bottom of page]*
- Select countries you are interested in.
- *[click “Continue” button at bottom of page]*
- *[click “Vizualize data”]*

APTIP Asia-Pacific Trade Indicators Portal

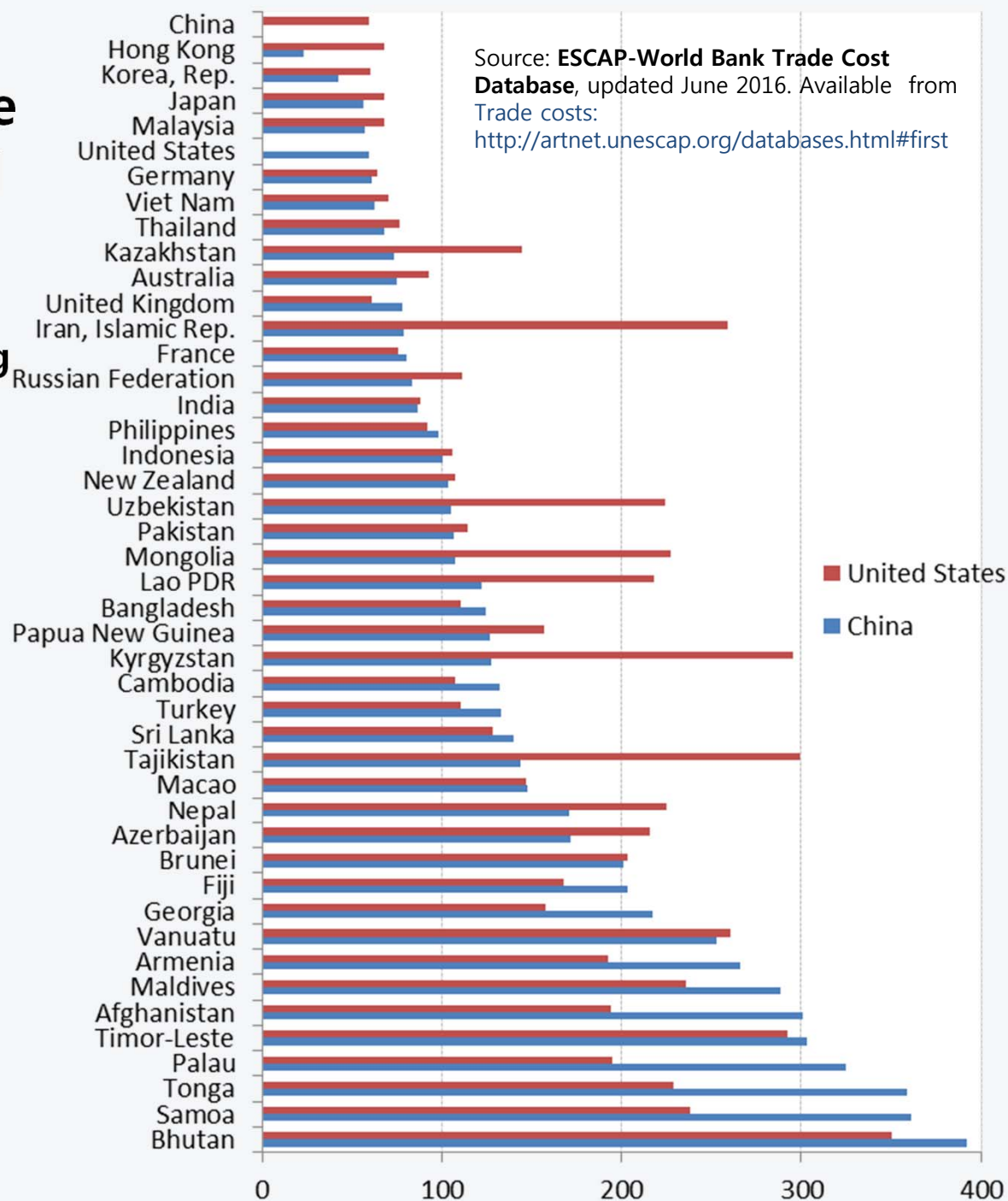
You have selected the indicator **Comprehensive trade costs with large developing Asia-Pacific economies**, for 11 (associate) member States over the period **2000-2016**.

[New Search](#)

Comprehensive Trade Costs of selected Economies, 2000-2015

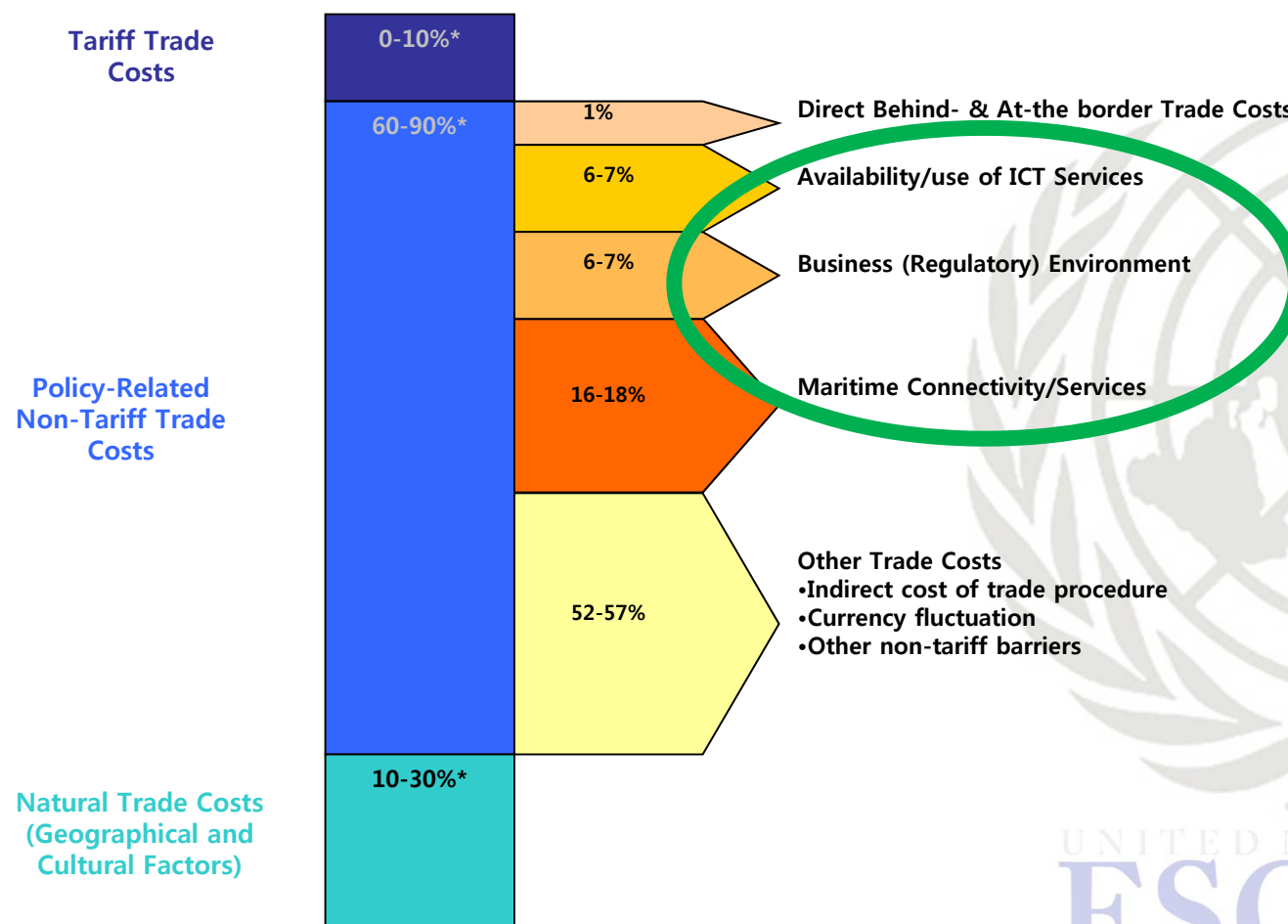
 Download


Bilateral comprehensive trade costs of selected economies with China and United States (ad valorem equivalents, excluding tariff costs, 2009-2014)



Key factors in lowering trade costs – Asia-Pacific Perspective

Contribution of natural barriers, behind-the border facilitation and trade-related practice to trade costs



* Illustrative based on casual observation of the data only. Natural trade costs for landlocked countries may be outside the range shown for natural trade costs.

Trade Facilitation Performance

Examples:

- WB Trading Across Border (TAB) indicators
 - www.doingbusiness.org
- WB Logistics Performance Index
 - <http://lpi.worldbank.org/>
- UNCTAD Liner Shipping Connectivity Index
 - <http://unctadstat.unctad.org/wds/TableView/tableView.aspx?ReportId=92>
- WEF Enabling Trade Index (*composite of others*)



ESCAP-OECD Handbook on Indicators for Trade Facilitation

- A new “digital” resource introducing key databases and indicators for trade cost and trade facilitation monitoring
- Direct links to all relevant indicators and databases included

<http://www.unescap.org/resources/escap-oecd-handbook-indicators-trade-facilitation>





Table of contents by source

- | | |
|---|---|
| <p>I. UNESCAP-World Bank Trade Costs Database</p> <ul style="list-style-type: none"> • UNESCAP-World Bank Trade Costs Database • UNESCAP Value-Added Trade costs Database <p>II. World Bank Doing Business Trading across borders</p> <ul style="list-style-type: none"> • Trading Across Borders Rank Indicator • Border Compliance: Time and cost to export/import • Documentary Compliance: Time and cost to export/import • Domestic Transport: Time and cost to export/import <p>III. World Bank Enterprise Surveys</p> <ul style="list-style-type: none"> • Days to clear a direct exports through customs • Days to clear imports from customs • Percent of firms identifying customs and trade regulations as major constraint <p>IV. OECD Trade Facilitation Indicators</p> <ul style="list-style-type: none"> • Eleven Trade Facilitation indicators <p>V. United Nations Global Survey on Trade Facilitation and Paperless Trade Implementation</p> <ul style="list-style-type: none"> • General Trade Facilitation measures • Paperless Trade measures • Cross-border Paperless Trade measures • Transit Facilitation measures | <p>VI. World Bank Logistic Performance Index (LPI)</p> <ul style="list-style-type: none"> • World Bank Logistic Performance Index (International) • World Bank Logistic Performance Index (Domestic) <ul style="list-style-type: none"> i. Environment and Institutions ii. Performance <p>VII. UNCTAD Liner Shipping Connectivity Index (LSCI) & Liner Shipping Bilateral Connectivity Index (LSBCI)</p> <ul style="list-style-type: none"> • Five components of the LSCI • Five components of the LSBCI <p>VIII. World Economic Forum, The Global Enabling Trade Report</p> <ul style="list-style-type: none"> • Border administration <ul style="list-style-type: none"> i. Efficiency and transparency of border administration • Infrastructure <ul style="list-style-type: none"> i. Availability and quality of transport infrastructure ii. Availability and quality of transport services iii. Availability and use of ICTs <p>IX. World Bank & OECD Services Trade Restrictiveness Index (STRI)</p> <ul style="list-style-type: none"> • World Bank STRI • OECD STRI <p>X. Beyond Aggregate Indicators and Cross-country Databases: Trade and Transport Facilitation Monitoring Mechanism (TTFMM)</p> |
|---|---|

[HOME](#) [DATA](#) [RANKINGS](#) [REPORTS](#) [SUBNATIONAL](#) [METHODOLOGY](#) [RESEARCH](#) [BUSINESS REFORMS](#) [LAW LIBRARY](#) [CONTRIBUTORS](#) [ABOUT](#) [MEDIA](#)

Trading across Borders

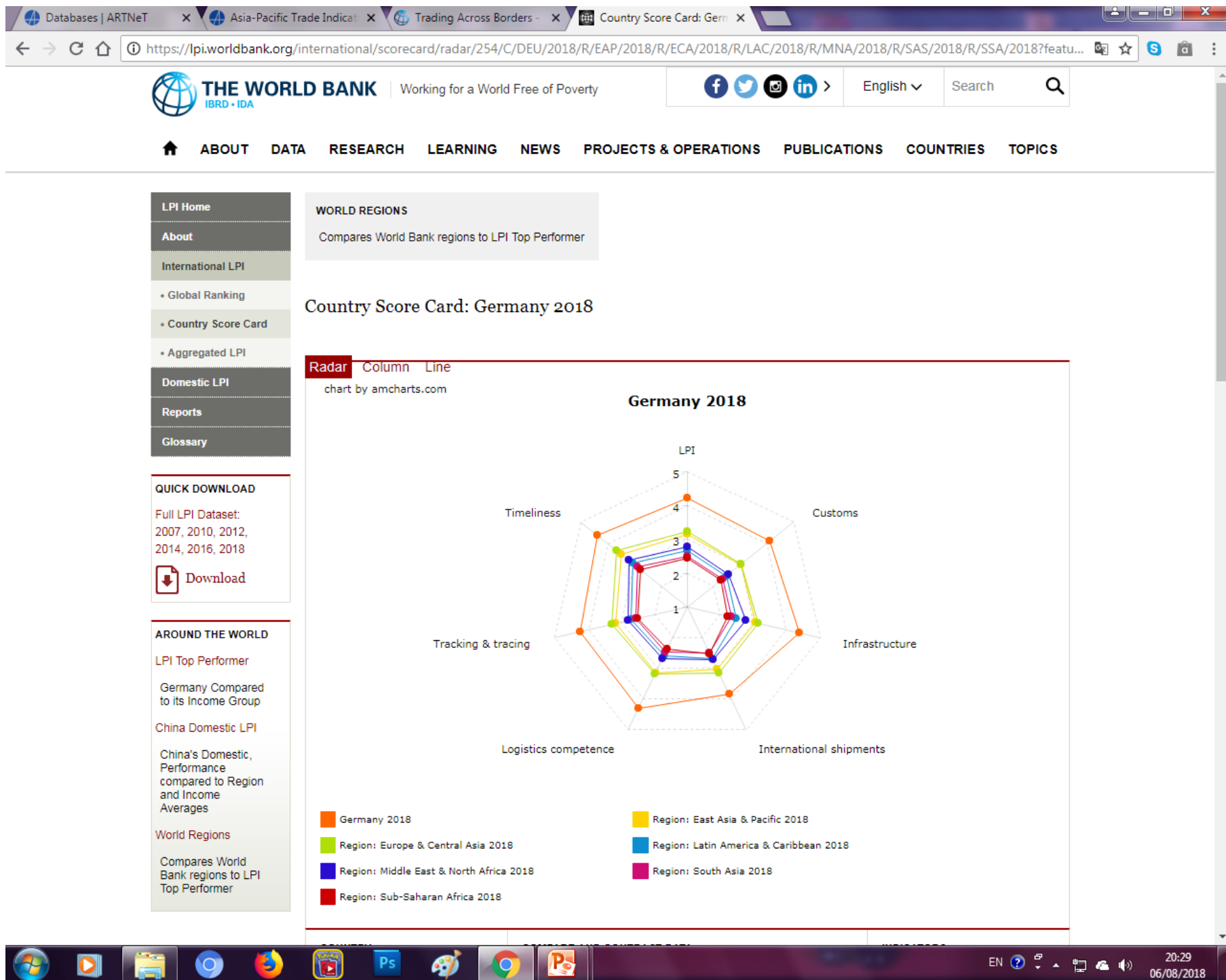
Select a topic

Given the importance of trade digitalization, in *Doing Business 2018*, the Trading across Borders questionnaire included research questions on the availability and status of implementation of Electronic Data Interchange (EDI) and Single Window (SW) systems. With this information, *Doing Business* built a comprehensive dataset on the adoption and level of sophistication of electronic platforms in 190 economies. These data are not used to compute the distance to frontier score or ranking of the ease of doing business. The new dataset on EDI and SW systems is available [here](#).

Data	Distance to Frontier	What is Measured	Why it Matters	DB Reforms	Good Practices	FAQ	Other Resources
-------------	----------------------	------------------	----------------	------------	----------------	-----	-----------------

 = Subnational *Doing Business* data available. = Multi-city data for same economy is available.

Economy ▲	Trading Across Borders DTF	Trading Across Borders rank	Time to export: Border compliance (hours)	Cost to export: Border compliance (USD)	Time to export: Documentary compliance (hours)	Cost to export: Documentary compliance (USD)
▲ Region						
East Asia & Pacific	69.97	102	55.9	387.5	68.2	112.1
Europe & Central Asia	83.96	58	28.0	191.4	27.9	113.8
Latin America & Caribbean	68.71	101	62.5	526.5	53.3	110.4
Middle East & North Africa	58.07	121	62.6	464.4	74.3	243.6
OECD high income	93.92	25	12.7	149.9	2.4	35.4
South Asia	58.32	126	59.4	369.8	77.0	179.5
Sub-Saharan Africa	52.56	137	100.1	592.1	87.8	215.1



Outline

- ❖ Introduction
- ❖ Regional State of Play
 - Trade costs & Trade Facilitation Performance
- ❖ WTO Trade Facilitation Agreement
 - ❖ Overview
 - ❖ Update
- ❖ Trade Facilitation and Paperless Trade Implementation in Asia-Pacific
 - ❖ UN Global Survey results
 - ❖ Towards cross-border paperless trade: New UN treaty for Asia and the Pacific
- ❖ Conclusions
- Annex - Support from ESCAP



The WTO Trade Facilitation Agreement (TFA)

- Negotiated over more than a decade
 - Focus on improvements of GATT Articles V (freedom of transit), VIII (fees and formalities for import/export) and X (publication and transparency of trade regulations) + customs cooperation
- Adopted in Bali in December 2013; **Entered into force in February 2017**
 - After 2/3 of WTO Members ratified it (110+ countries)
- New **baseline** for trade facilitation globally
- WTO FTA specifies list of TF measures, but implementation very flexible (in terms of how and when)
- www.tfafacility.org

Structure of the WTO TFA

- Preamble
- Section I:
 - TF disciplines (Articles 1-11)
 - Customs Cooperation (Article 12)
 - Institutional Arrangements (Article 13)
- Section II:
 - Special and Differential Treatment
- Final Provisions
- Annex 1 – Donor TA notification format

Source:
Raúl Torres



Examples of TF provisions (in TFA section 1)

- Publication:** publish a wide range of info related to procedures for clearing of goods for import/export.
- Stakeholder consultations:** prior to issuing new regulations
- Advance rulings:** binding decisions by Customs, on request, on classification/origin
- Appeal:** provides for the right of appeal or review on a decision made by Customs

Source:
Raúl Torres



UNITED NATIONS
ESCAP

Examples of TF provisions (in TFA section 1)

- **Risk Management:** focus on high-risk consignments to expedite release and clearance of low-risk goods
- **Single Window:** submission of documentation for import/export to a single electronic point.
- **Authorized operators:** lower documentation and inspections, rapid release, deferred payments, etc.
- **Expedited Shipments:** procedures to expedite the release of air cargo
- **Use of Int. Standards:** Harmonization of trade practices and rules



Examples of TF provisions (in TFA section 1)

- **Border Agency Cooperation:** ensure cooperation and coordination between authorities and agencies responsible for border controls to facilitate trade
- **Freedom of Transit:** strengthening of GATT Article V. Any transit regulations and formalities shall not:
 - a. Be maintained if circumstances/objectives no longer exist.
 - b. Constitute a disguised restriction on trade
- **Customs Cooperation:** Multilateral customs cooperation and exchange of relevant information.

Note: Some WTO TF provisions are binding [e.g., Art. 3: Advance Rulings], some are not [e.g., Art. 10.3: Use of International Standard]

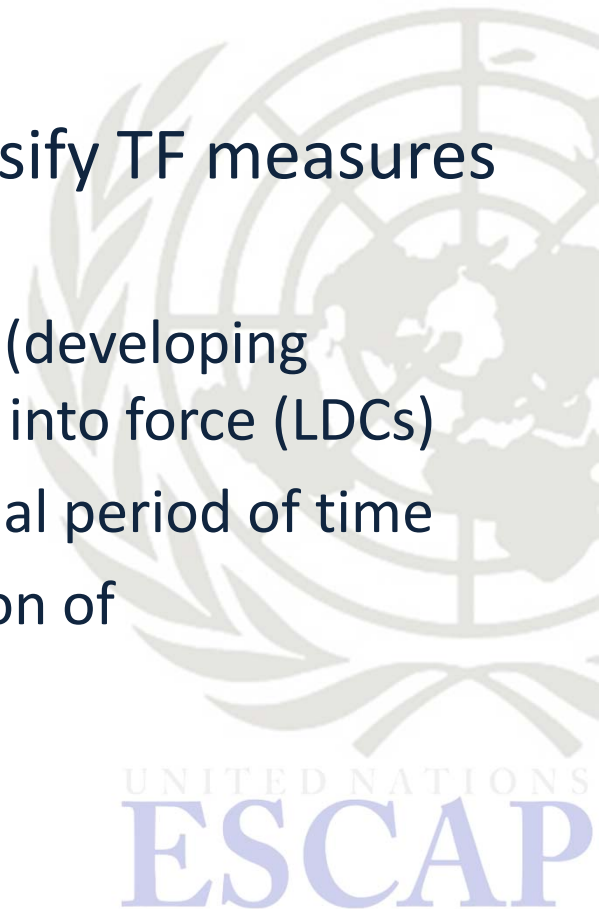
Source:
Raúl Torres



ESCAP

Special & Differential Treatment (TFA Section II)

- Section I will be implemented by developing and LDCs in accordance with Section II
- Developing countries & LDCs can classify TF measures in 3 categories:
 - **Cat. A:** Implement upon entry into force (developing countries) or within one year after entry into force (LDCs)
 - **Cat. B:** Implementation after a transitional period of time
 - **Cat. C:** Provisions requiring the acquisition of implementation capacity through TA/CB



Category B

Notification and Implementation

Developing Countries

Notify the Committee the provisions and indicative dates for implementation

Notify **definitive** dates for implementation

Member may request an extension of the notification period

1 year

2 years

3 years

Entry into Force

LDCs

Notify the Committee the provisions and **indicative** dates for implementation

Confirm designations of provisions and notify its dates for implementation.

Member may request an extension

2017

2018

2019

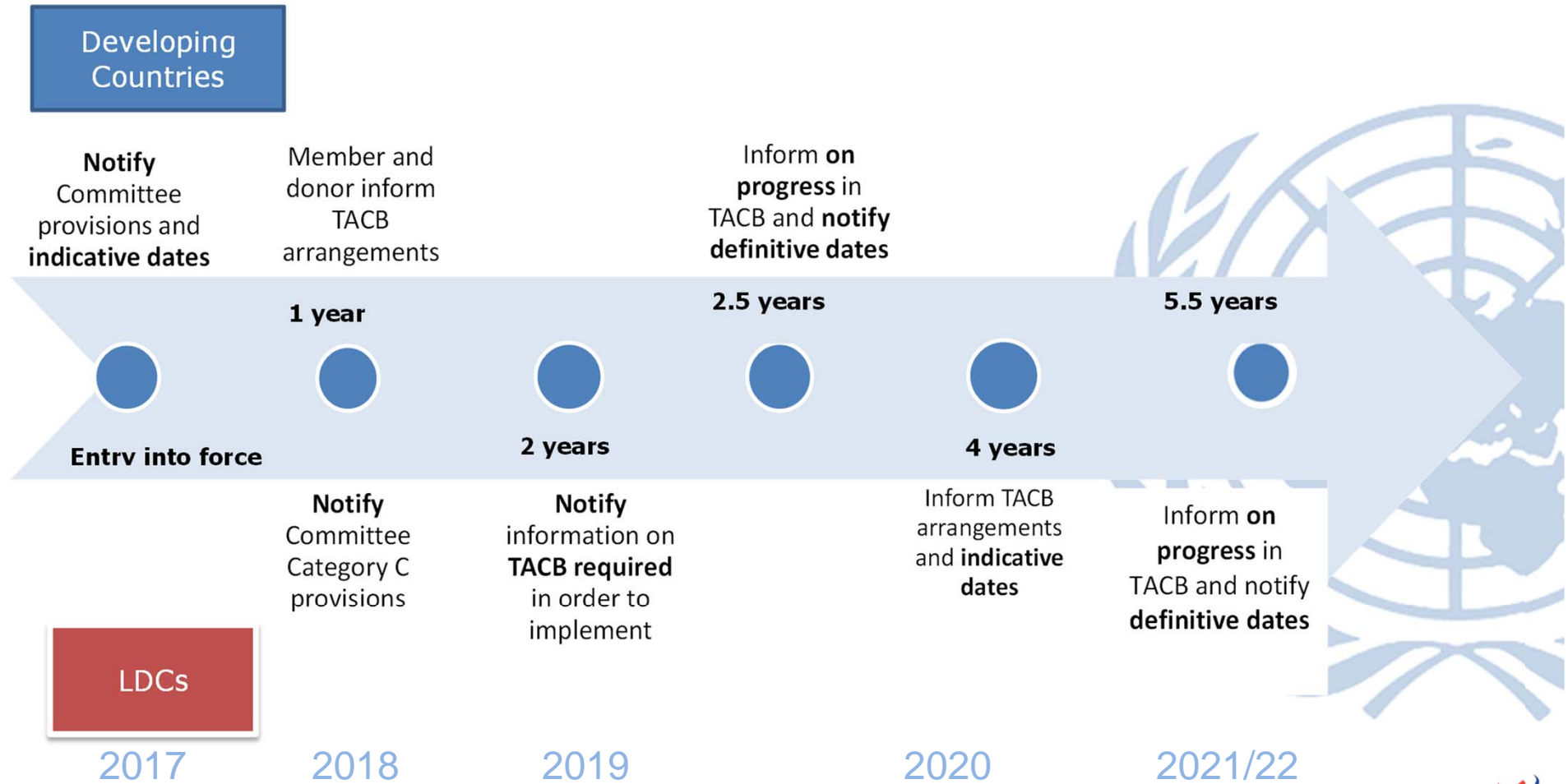
2020

Source:
Modified from
Raúl Torres



Category C

Notification and Implementation

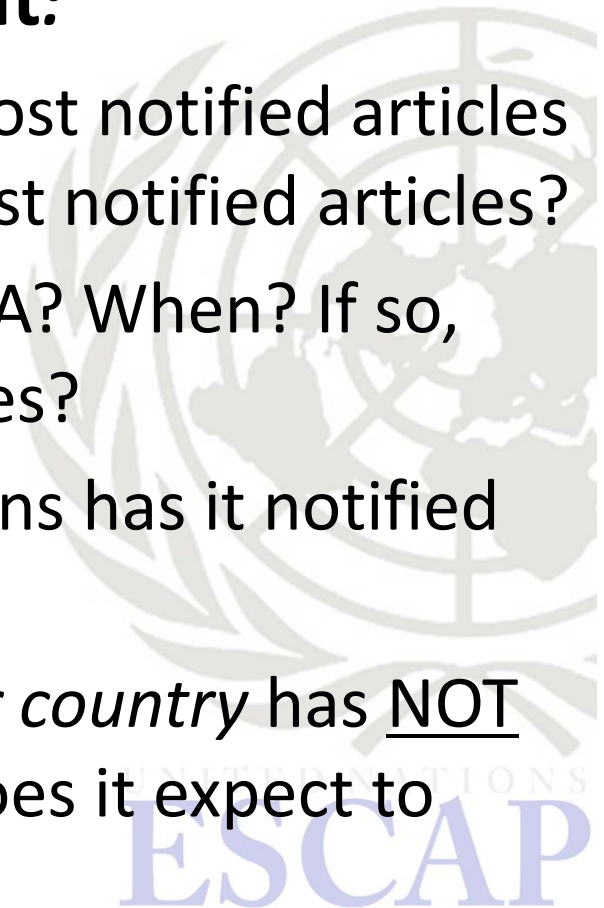


Source:
Modified from
Raúl Torres



Latest (official) information on TFA

- Visit the **TFA database** at <https://www.tfadatabase.org/>
- **Example of what you can find out:**
 - In Asia-Pacific, which are the top 3 most notified articles under Category A? Which are the 3 least notified articles?
 - Has your country ratified the WTO TFA? When? If so, Has it notified Category A/B/C measures?
 - How many percent of the provisions has it notified under Cat. A?
 - Which Articles / TF measures *your country* has NOT notified under category A? When does it expect to achieve 100% implementation?





Implementation dashboard

This dashboard provides an analysis of the rate of TFA implementation commitments by all WTO Members today and over time. Collectively, these commitments provide a roadmap of when the TFA can be expected to be fully implemented by the entire membership. The information is based on implementation commitments by:

- developed Members who have committed to implement the Agreement upon entry into force, that is by 22/02/2017; and
- developing and LDC Members who have committed to set their own timetable for implementation in their [categories A, B and C notifications](#)

[Breakdown of implementation commitments by developed, developing and LDC Members](#)

Rate of implementation commitments by all WTO Members

60.6%

rate of implementation commitments

7.9%

rate of implementation commitments

11.3%

rate of implementation commitments

20.3%

rate of implementation commitments yet to



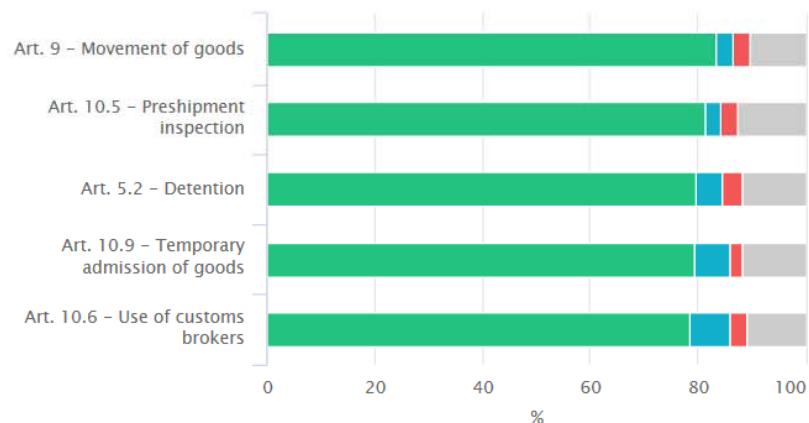
[> Explain these metrics](#)

[> Breakdown by groupings and regions](#)

Implementation progress by measure

Top 5 measures with highest implementation rate

Based on implementation commitments by all WTO Members

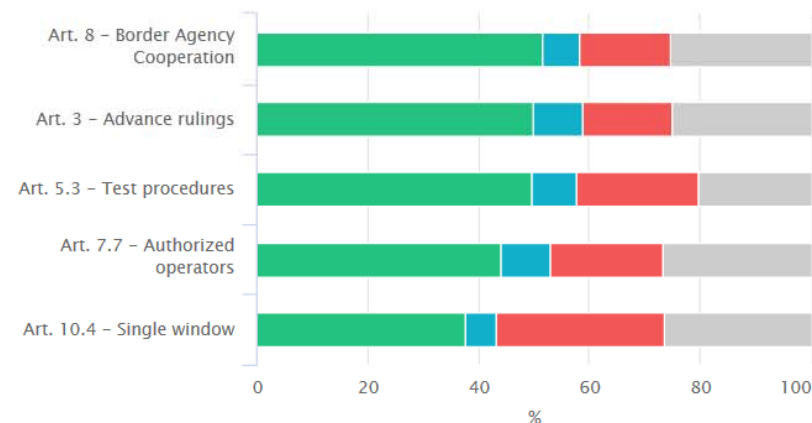


● Rate of implementation commitments today
● Rate of implementation commitments requiring additional time
● Rate of implementation commitments requiring additional time and assistance
● Rate of implementation commitments yet to be designated

[View full table](#)

Bottom 5 measures with lowest implementation rate

Based on implementation commitments by all WTO Members



● Rate of implementation commitments requiring additional time
● Rate of implementation commitments requiring additional time and assistance
● Rate of implementation commitments yet to be designated

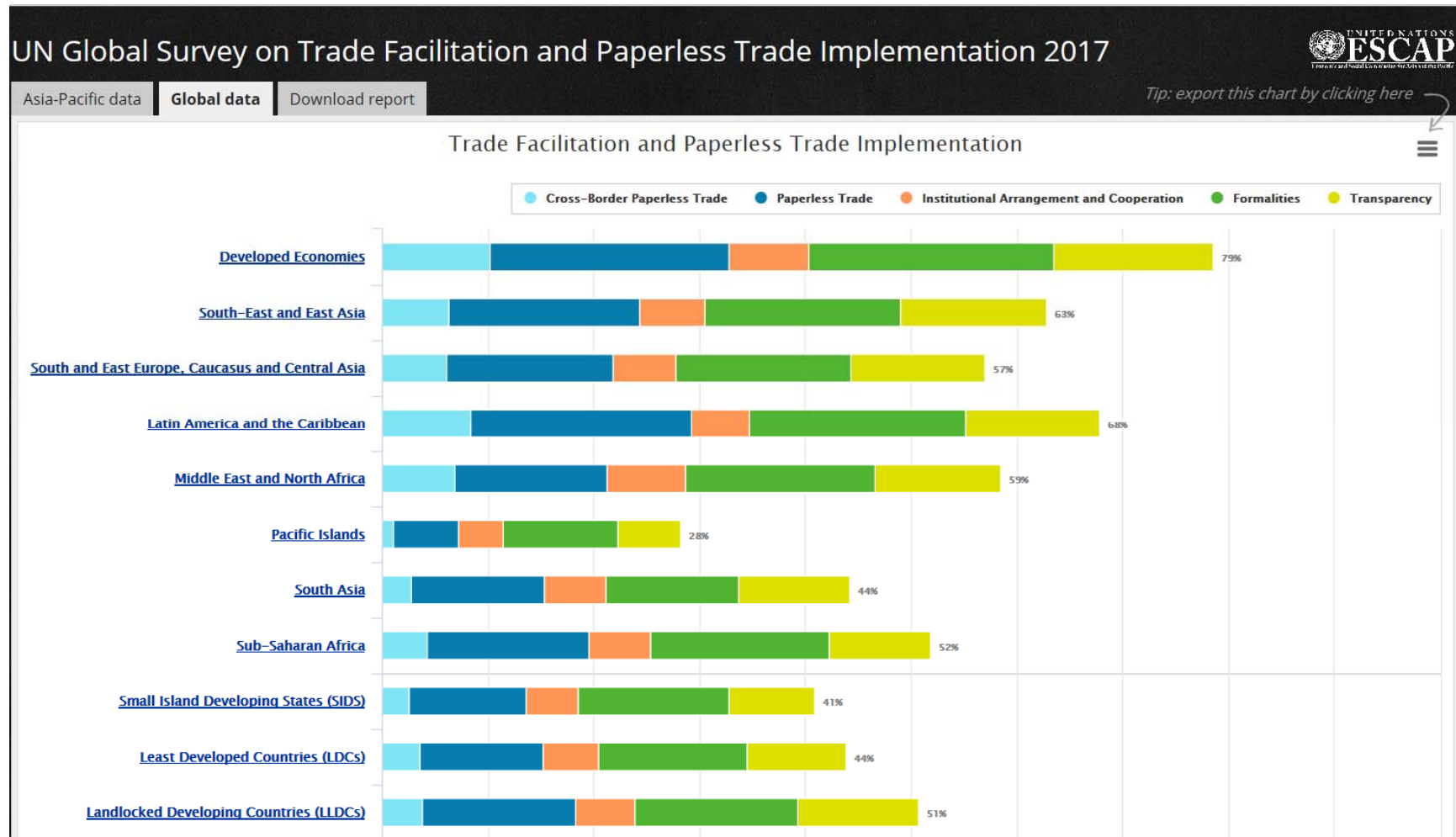


Outline

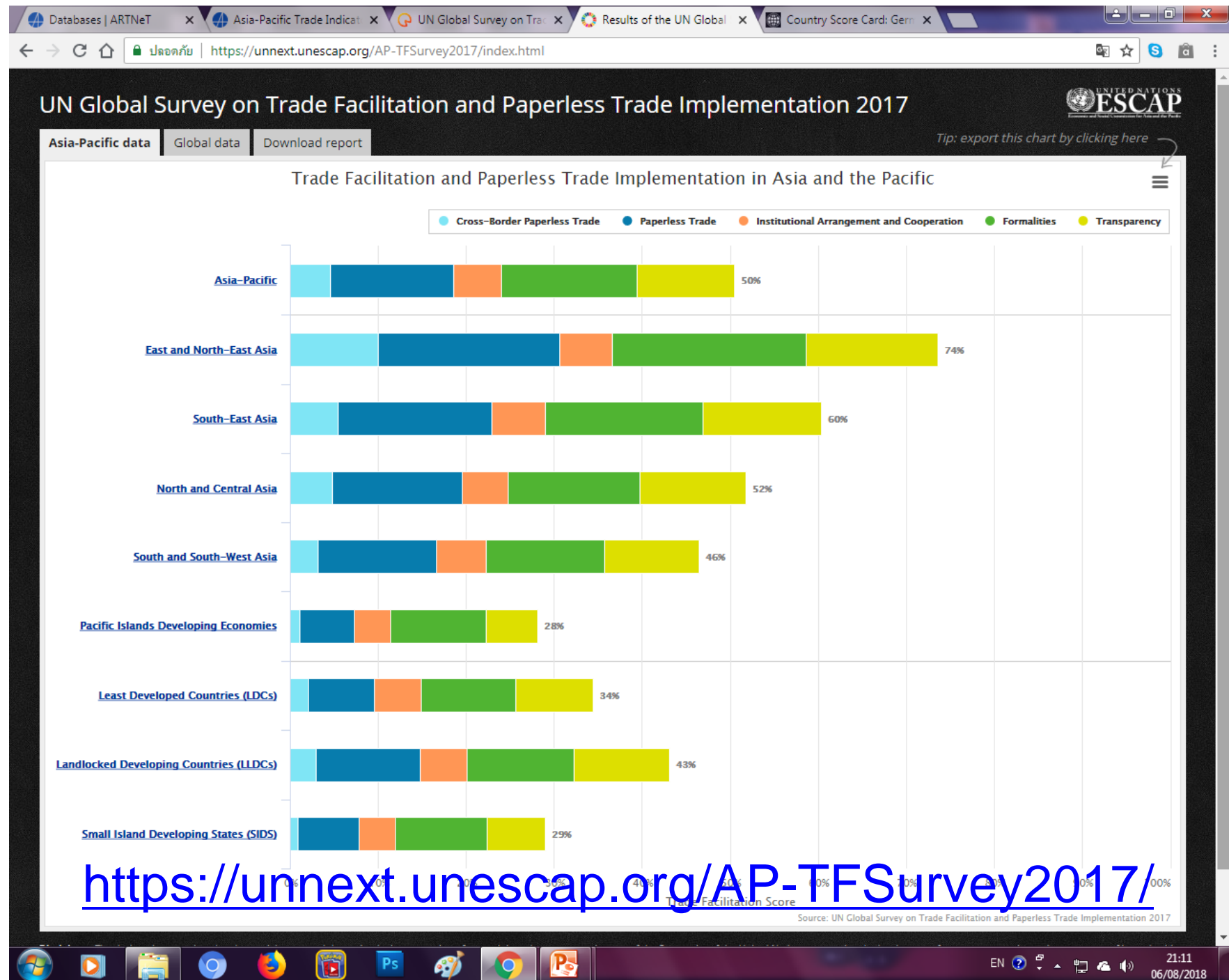
- ❖ Introduction
- ❖ Regional State of Play
 - Trade costs & Trade Facilitation Performance
- ❖ WTO Trade Facilitation Agreement
 - ❖ Overview
 - ❖ Update
- ❖ Trade Facilitation and Paperless Trade Implementation in Asia-Pacific
 - ❖ UN Global Survey results
 - ❖ Towards cross-border paperless trade: New UN treaty for Asia and the Pacific
- ❖ Conclusions
 - Annex - Support from ESCAP



United Nations Global Survey on Trade Facilitation and Paperless Trade Implementation



<https://unnex.unescap.org/AP-TFSurvey2017/>



Databases | ARTNeT
Asia-Pacific Trade Indicat
UN Global Survey on Trade Facilitation
Results of the UN Global Survey on Trade Facilitation
Country Score Card: Germany

<https://unnexnext.unescap.org/AP-TFSurvey2017/index.html>

Asia-Pacific data
Global data
Download report

Trade Facilitation and Paperless Trade Implementation in Asia and the Pacific

Cross-Border Paperless Trade
Paperless Trade
Institutional Arrangement and Cooperation
Formalities
Transparency

Bangladesh

Trade facilitation score of 40.86%
Transparency: 9.68%; Formalities: 15.05%; Institutional Arrangement and Cooperation: 5.38%; Paperless Trade: 8.60%; Cross-Border Paperless Trade: 2.15%.

General Trade Facilitation Measures

National Trade Facilitation Committee:	Fully implemented	Publication of existing import-export regulations on the internet:	Fully implemented
Stakeholders' consultation on new draft regulations (prior to their finalization):	Partially implemented	Advance publication/notification of new regulations before their implementation:	Partially implemented
Advance ruling (on tariff classification):	Not implemented	Risk management:	Planning stage
Pre-arrival processing:	Fully implemented	Post-clearance audit:	Partially implemented
Independent appeal mechanism:	Partially implemented	Separation of Release from final determination of customs duties, taxes, fees and charges:	Partially implemented
Establishment and publication of average release times:	Partially implemented	Trade facilitation measures for authorized operators:	Not implemented
Expedited shipments:	Partially implemented	Acceptance of paper or electronic copies of supporting documents required for import, export or transit formalities:	Partially implemented
Electronic/automated Customs System:	Partially implemented		

Paperless Trade Facilitation

Internet connection available to Customs and other trade control agencies at border-crossings:	Fully implemented	Electronic Single Window System:	Not implemented
Electronic Application and Issuance of import and export permit, if such permit is required:	Not implemented	Electronic submission of Customs declarations:	Partially implemented
Electronic Application and Issuance of Preferential Certificate of Origin:	Not implemented	Electronic Submission of Sea Cargo Manifests:	Partially implemented
		Electronic Submission of Air Cargo Manifests:	Not implemented
		E-Payment of Customs Duties and Fees:	Planning stage
		Electronic Application for Customs Refunds:	Not implemented

Towards Cross-Border Paperless Trade

Legislation and regulations for electronic transactions:	Partially implemented	Recognised certification authority:	Not implemented
Engagement in trade-related cross-border electronic data exchange:	Not implemented	Electronic exchange of Certificate of Origin:	Not implemented
		Electronic exchange of Sanitary & Phyto-Sanitary Certificate:	Not implemented
Traders in your country apply for letters of credit electronically from banks or insurers without lodging paper-based documents:	Not implemented		

Border Agency Cooperation

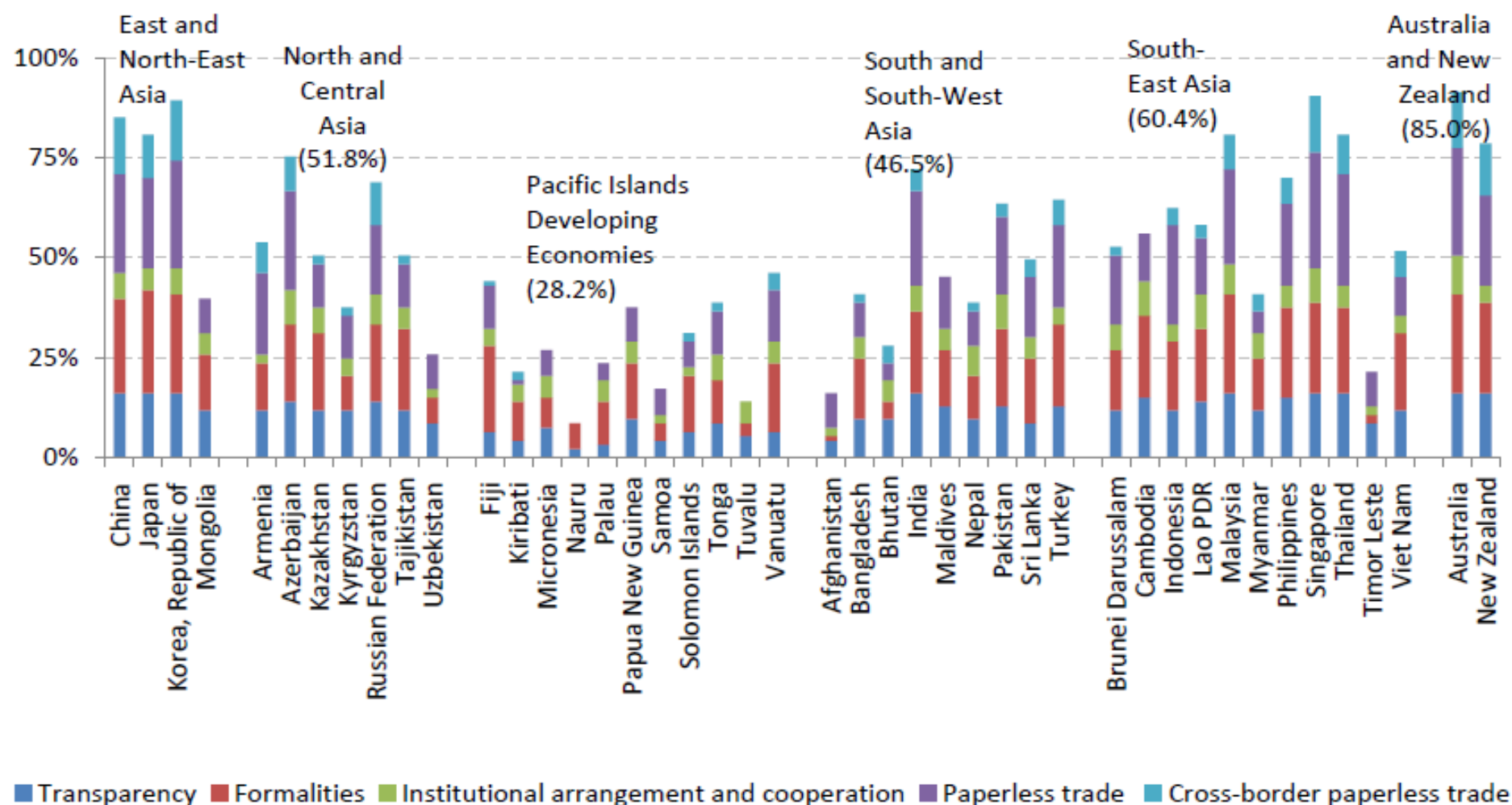
National legislative framework and institutional	Partially implemented	Government agencies delegating controls to Customs	Not implemented
--	-----------------------	--	-----------------

<https://unnexnext.unescap.org/AP-TFSurvey2017/>

Disclaimer: The data presented in this report is for informational purposes only and does not imply the endorsement of the United Nations.

Overall Implementation of Trade Facilitation Measures (44 Asia-Pacific countries)

Figure 1: Overall implementation of trade facilitation measures in 44 Asia-Pacific countries, 2017



Source: The second global survey on trade facilitation and paperless trade implementation (2017, preliminary)

Implementation of different groups of trade facilitation measures

Figure 4: Average implementation rates of different groups of trade facilitation measures

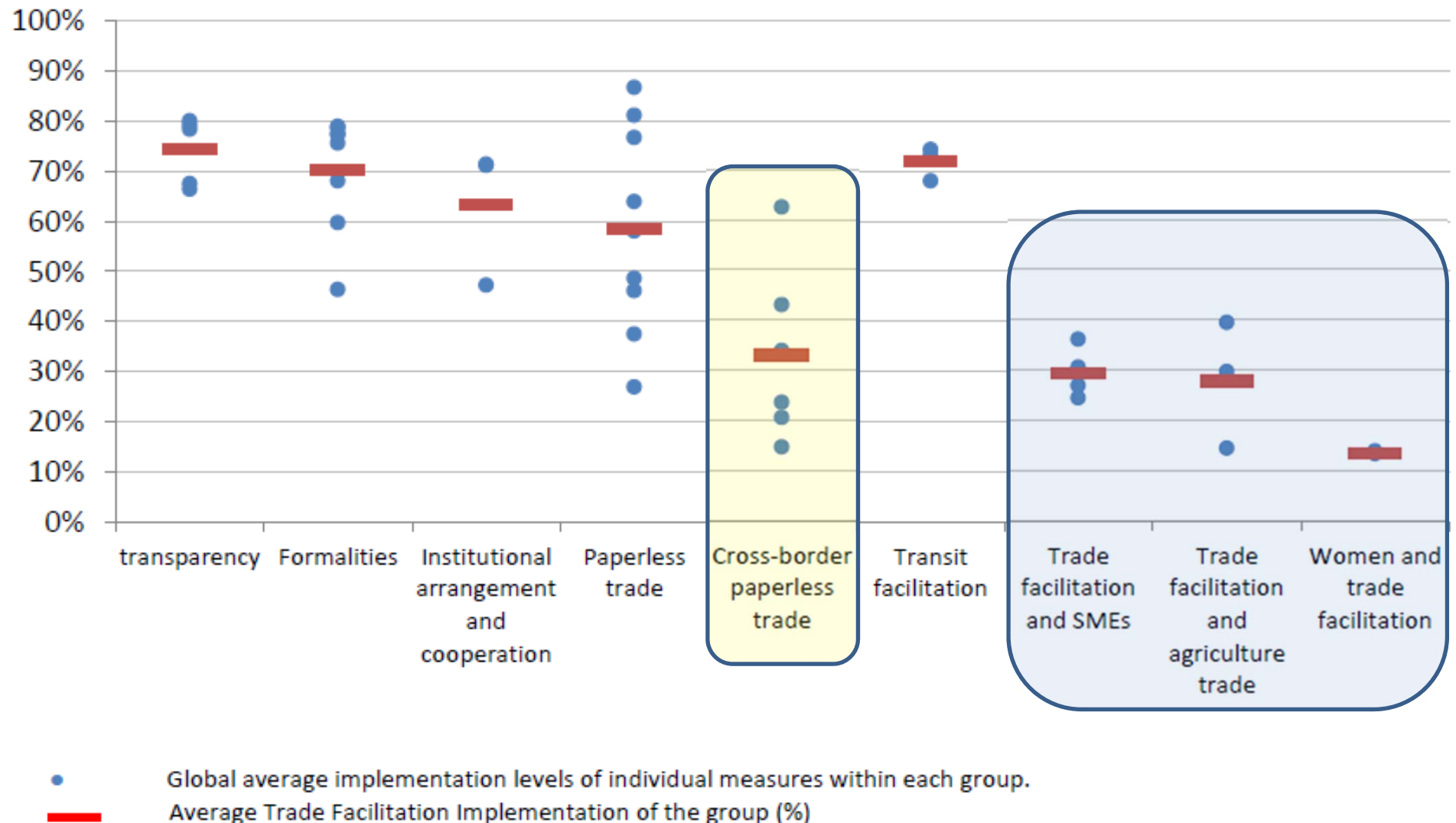
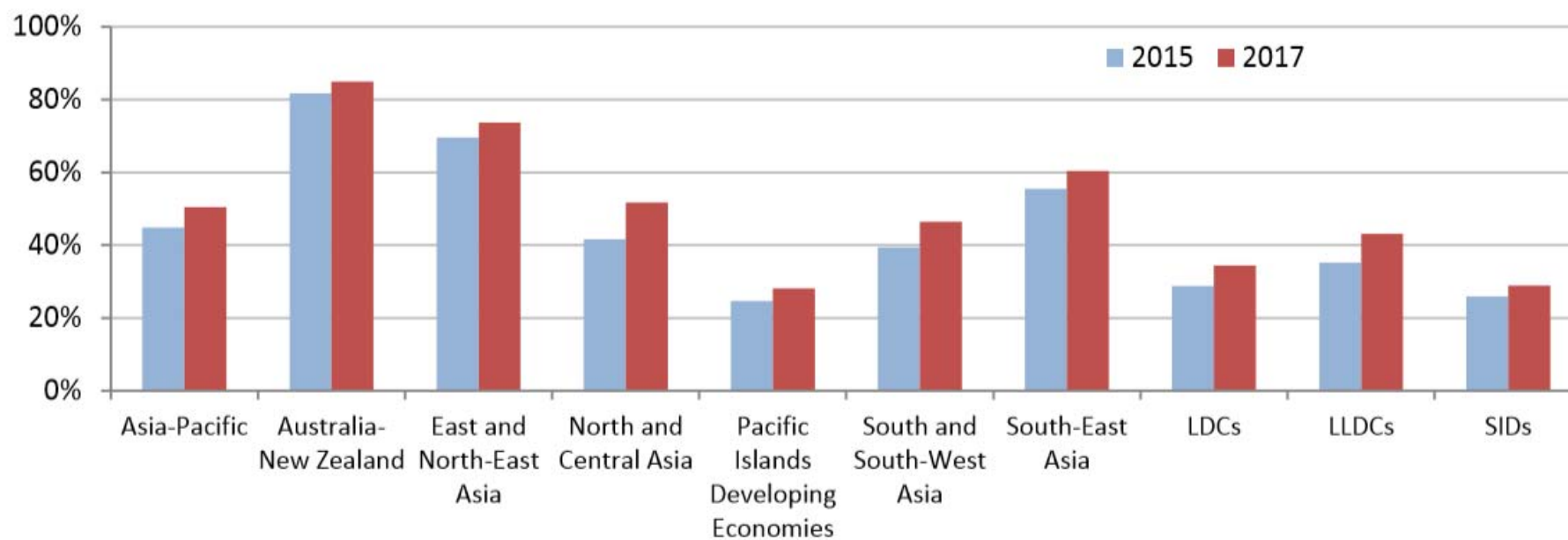


Figure 5: Trade facilitation implementation by subregions in Asia and the Pacific, 2015 and 2017



Source: The second UNRC survey on trade facilitation and paperless trade implementation

Figure 14: Implementation of “paperless trade” measures: Asia-Pacific average, 2017

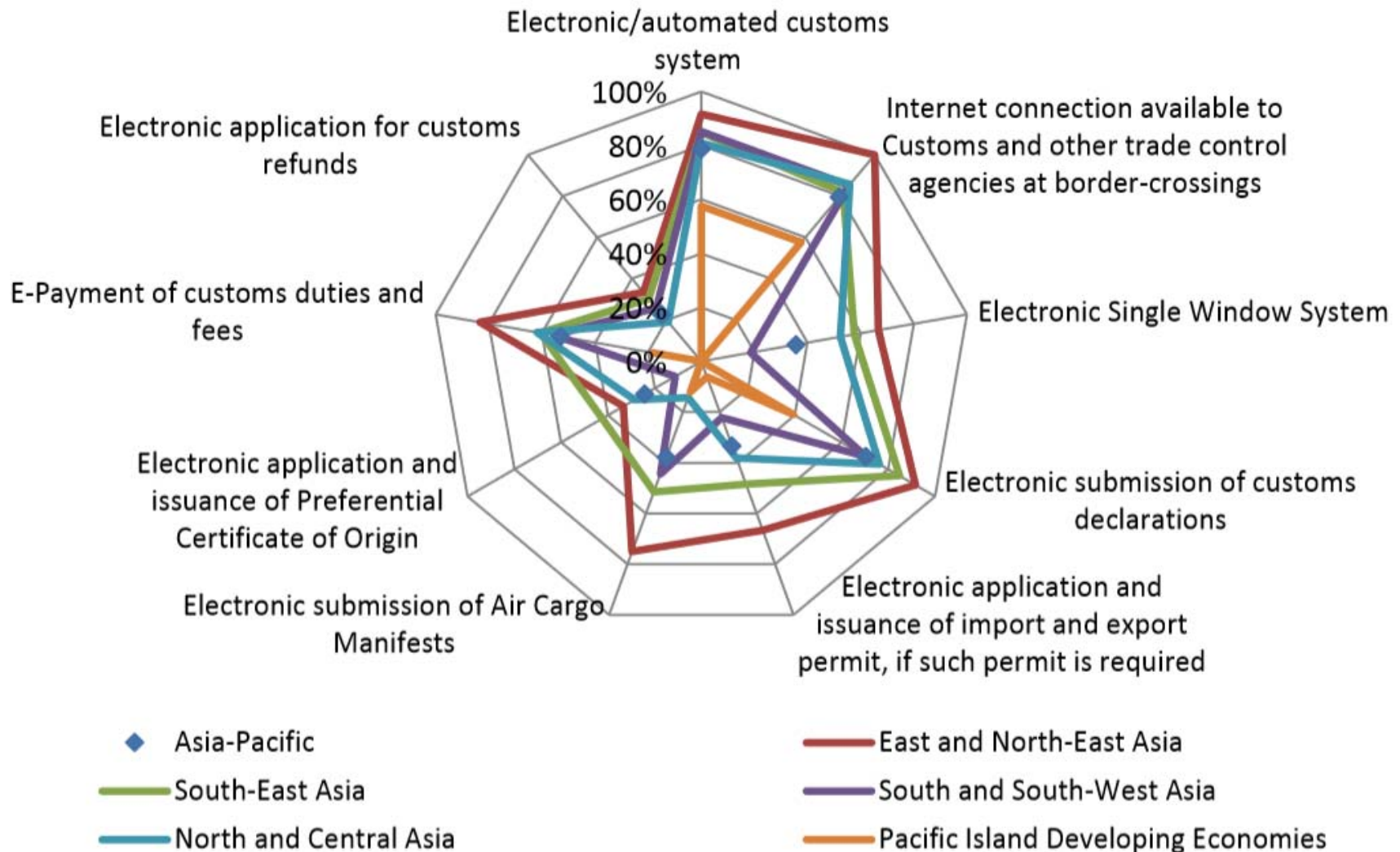
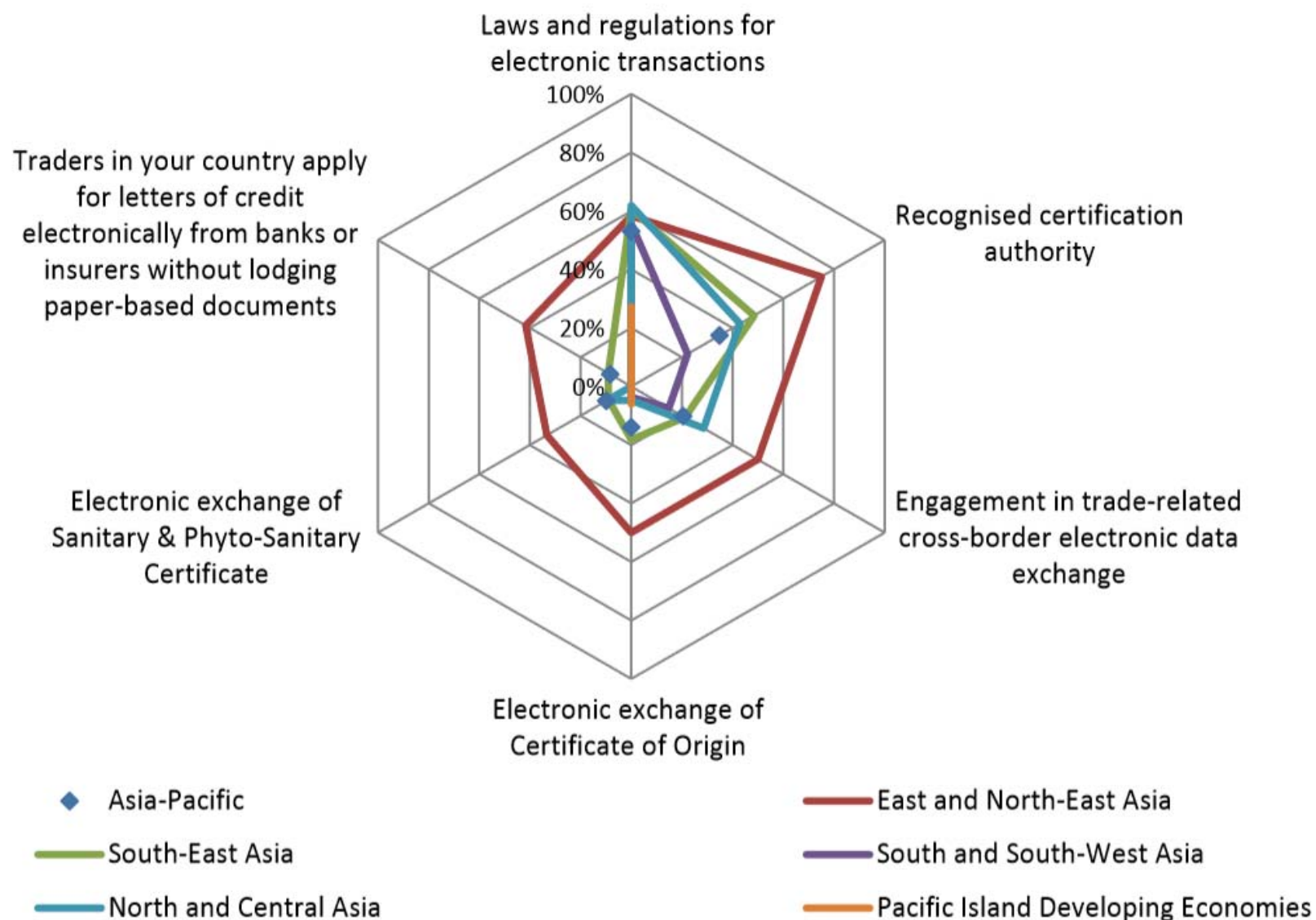


Figure 16: Implementation of “cross-border paperless trade” measures: Asia-Pacific average, 2017



Source: The second UNRC survey on trade facilitation and paperless trade implementation

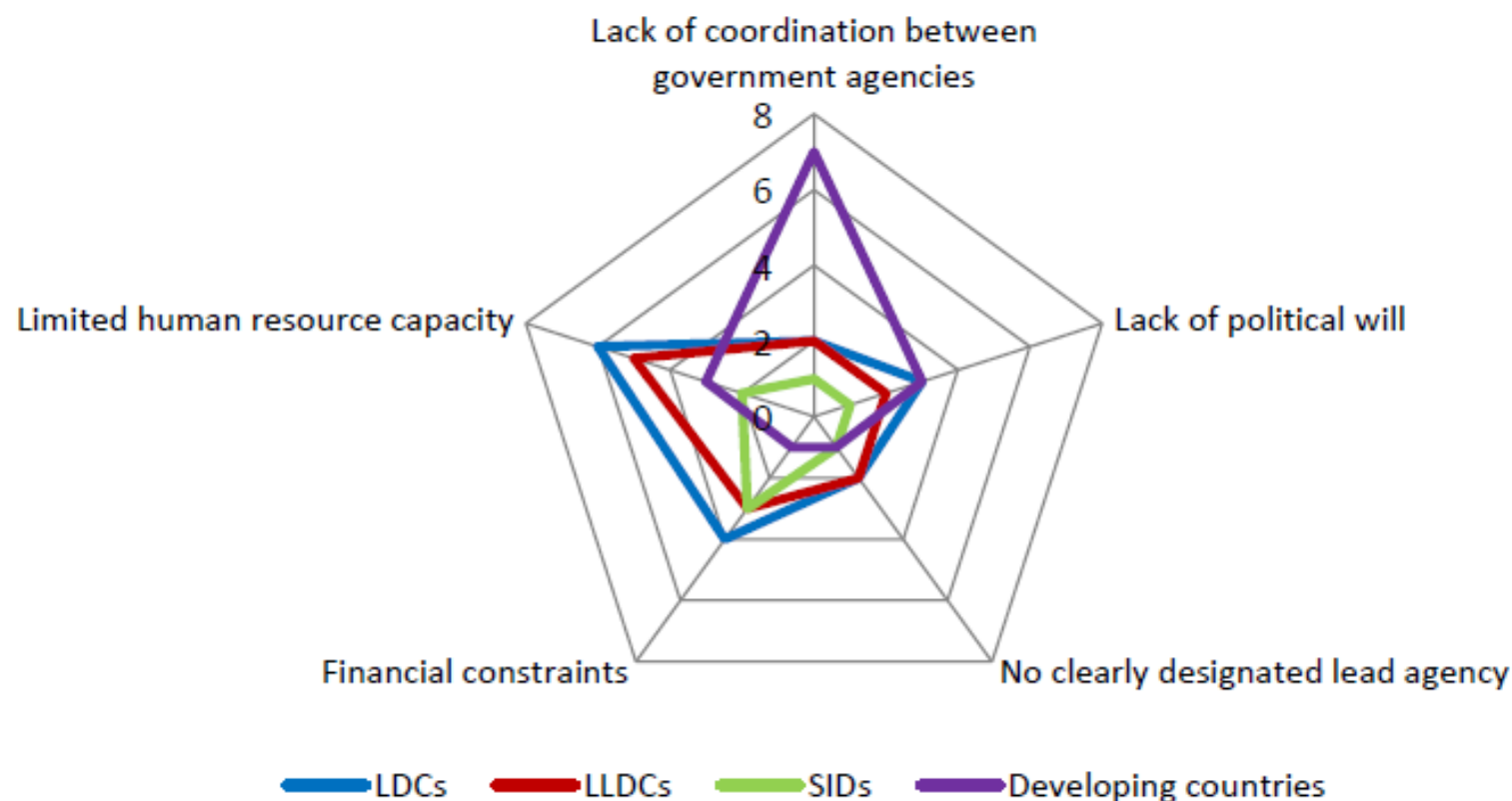
Least implemented measures in Asia and the Pacific

- *WTO TFA-related measures*
 - Advance rulings
 - Authorized operators programs
 - [Electronic] Single Window systems
- *Cross-border paperless trade measures*
 - E-exchange of SPS certificates
 - Paperless letters of credit
- *TF measures targeted at SMEs and Women*



Key challenges for making further progress in Asia and the Pacific

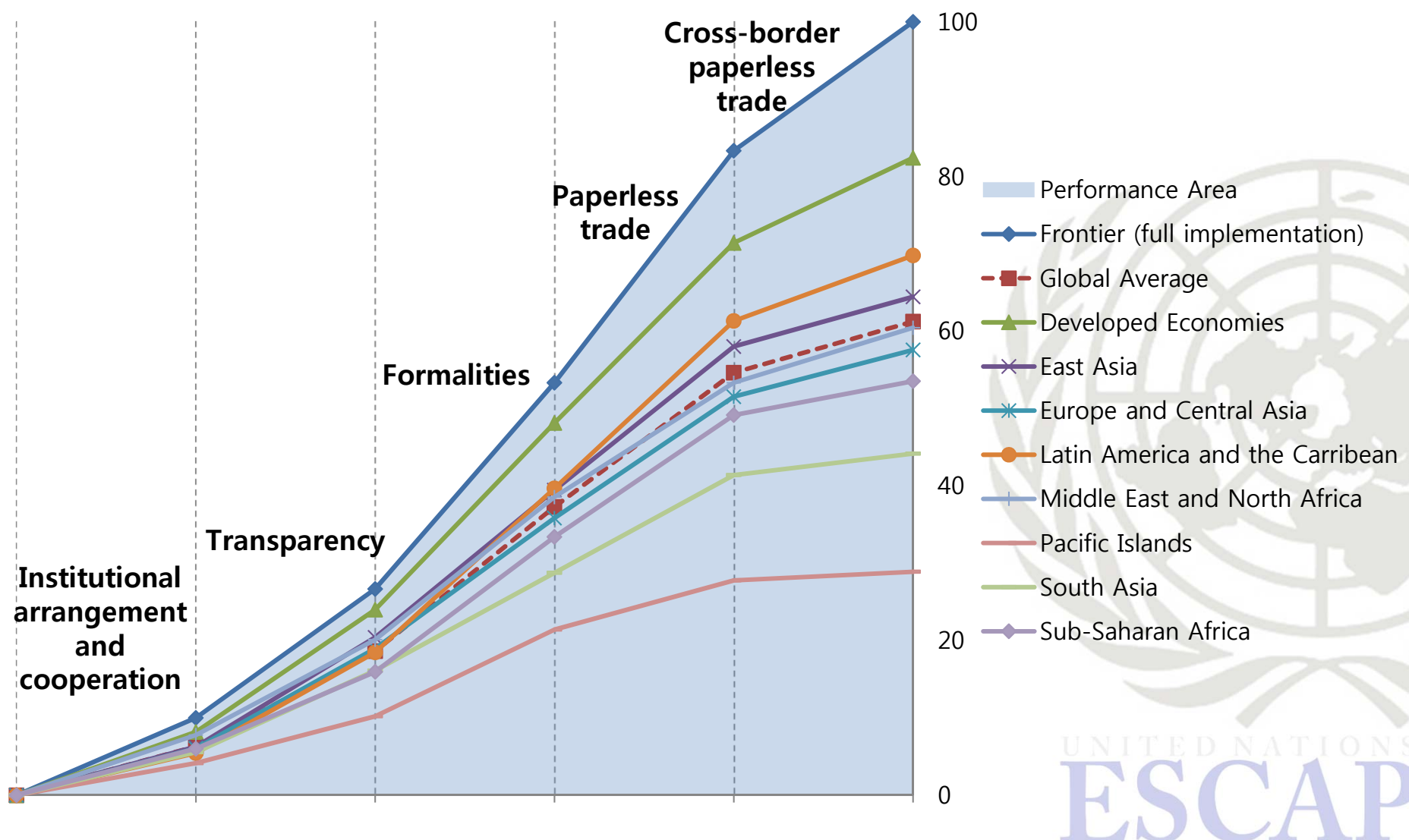
Figure 21: Challenges faced by Asia-Pacific LDCs, LLDCs, SIDSs and other developing countries in implementing trade facilitation measures



Note: Data show the number of countries.

Source: The second UNRC survey on trade facilitation and paperless trade implementation

Moving up the trade facilitation ladder towards seamless international supply chains



Source: The UN Global Survey on Trade Facilitation and Paperless Trade Implementation (2017)

Expected gains from WTO TFA implementation in Asia-Pacific (update)

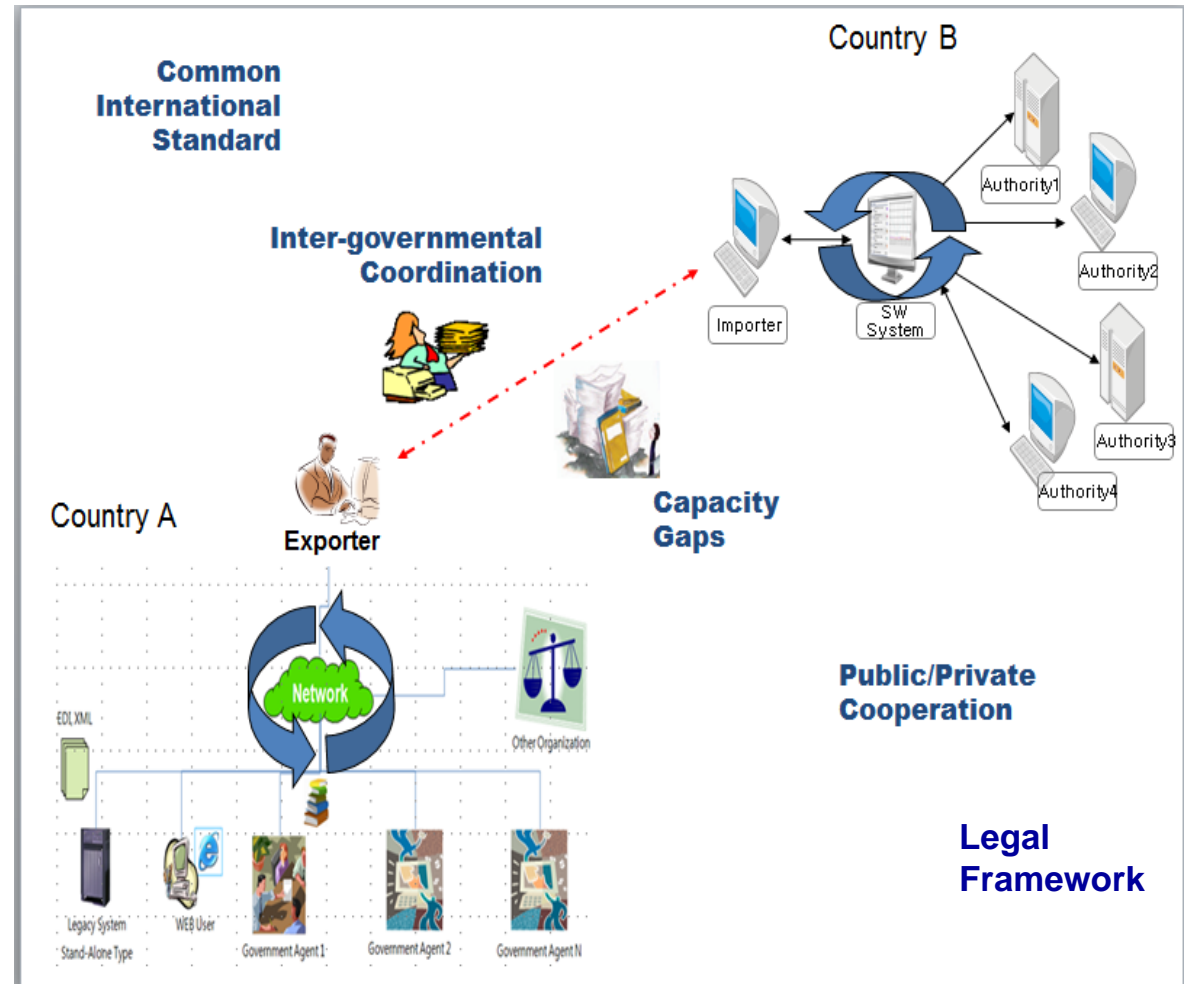
- Trade cost reductions almost double if full implementation of binding + not binding measures (-10%)
- ICT applications in TF (i.e. paperless trade measures) have high trade cost reduction potential (additional 7%)

Table 7: International Trade Cost Changes in Asia and the Pacific Resulting from World Trade Organization Trade Facilitation Agreement Implementation

Asia and Pacific	WTO TFA (binding only)		WTO TFA (binding + non binding)		WTO TFA+ (binding + non binding + other paperless and cross-border paperless trade)	
	Partially implemented	Fully implemented	Partially implemented	Fully implemented	Partially implemented	Fully implemented
Model 1						
Overall TFI	-2.70%	-5.74%	-4.64%	-9.45%	-10.37%	-16.37%
Model 3						
Transparency	-0.81%	-1.74%	-1.29%	-3.27%	-1.29%	-3.27%
Formalities	-1.67%	-2.93%	-2.26%	-4.00%	-2.26%	-4.00%
Institution	-0.41%	-1.35%	-0.41%	-1.35%	-1.37%	-2.44%
Paperless and cross- border paperless	-	-	-1.39%	-2.24%	-6.73%	-9.26%

Challenges to moving forward on cross-border paperless trade

- Adoption of common International Standards
- Harmonization of legal frameworks
- Capacity gaps among the parties (infrastructure & HR)
- Cooperation between public and private sectors
- Lack of intergovernmental coordination mechanism



Framework Agreement on the Facilitation of Cross-Border Paperless Trade in Asia and the Pacific - Overview

❑ A new UN Treaty

- Open to interested (53) ESCAP member states (voluntary) to become parties
- Opened for signature on **1 October 2016** at UN Headquarters, New York

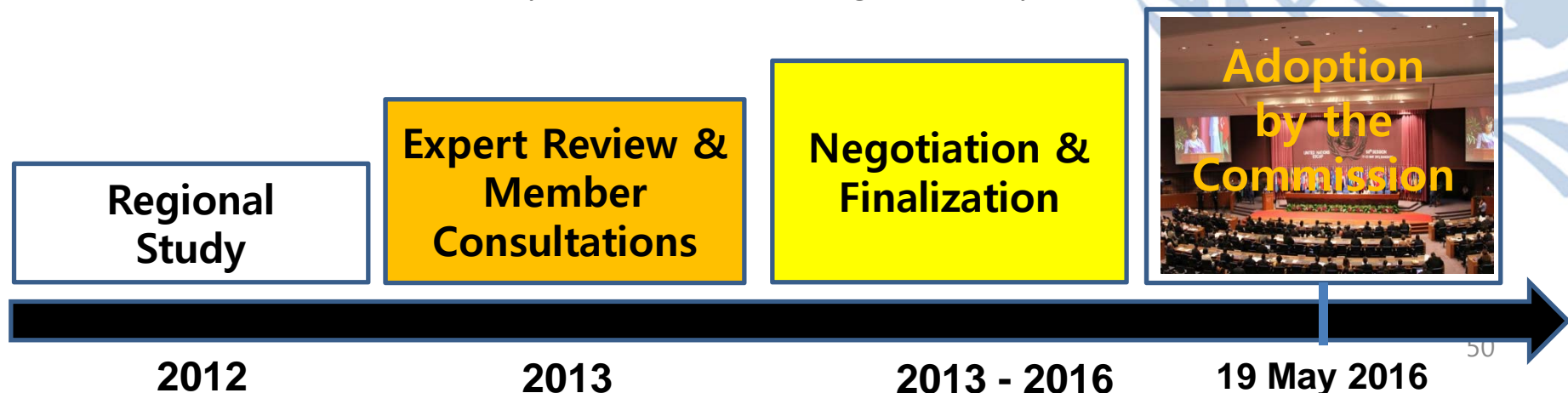
❑ Objective

To facilitate cross-border paperless trade (data exchange) among willing ESCAP member states by providing a dedicated intergovernmental framework to develop legal and technical solutions

- ❑ Complementary to the WTO Trade Facilitation Agreement as well as (sub)regional efforts

❑ 4 year step-by-step development process (ESCAP resolutions 68/3,70/6,72/4)

- ❑ Over 30 countries directly involved in finalizing the treaty text in March 2016



[“It is expected to provide countries of Asia and the Pacific with a new tool and “digital” complement for better implementation of the WTO Trade Facilitation Agreement \(TFA\) and the development of cross-border e-commerce.”](#)

New UN treaty to facilitate paperless trade in Asia and the Pacific to support Trade Facilitation Agreement implementation

01.10.2016

A new UN treaty, entitled *Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific*, will open for signature on 1 October 2016. It is expected to provide countries of Asia and the Pacific with a new tool and “digital” complement for better implementation of the WTO Trade Facilitation Agreement (TFA) and the development of cross-border e-commerce. Grounded on a common set of general principles and a dedicated intergovernmental platform, the regional treaty will provide Parties with enhanced opportunities to exchange and harmonize practices, build each other's capacity, and multilaterally develop, adopt and implement more specific and detailed technical and/or legal protocols needed to achieve safe and secure cross-border paperless trade. Implementation will build upon existing international standards as well as on-going bilateral and subregional initiatives, such as the ASEAN Single Window.

In May 2012, Member States of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) adopted a Resolution on Enabling Paperless Trade and the Cross-border Recognition of Electronic Data and Documents for Inclusive and Sustainable Intraregional Trade Facilitation. In May 2016, after four years of consultations and negotiations, the text of a new UN treaty to facilitate cross-border paperless trade in Asia and the Pacific was adopted. Participation

The screenshot shows a web browser window with multiple tabs open. The active tab is 'PAA.net'. The address bar shows 'https://paa.net/?p=1007'. The website header includes a navigation menu with links: About, Charter, Partners, Press Centre, Events Directory, and Contact us. Below the header, there is a breadcrumb trail: Home / 2016 News Archives, Press Centre, Press Release / Pan-Asian e-Commerce Alliance Supports New UN Treaty on Paperless Trade Facilitation. The main content area features a section titled 'PAA Members' with a list of member organizations. To the right, there is a large article titled 'Pan-Asian e-Commerce Alliance Supports New UN Treaty on Paperless Trade Facilitation' with a sub-header 'Pan-Asian e-Commerce Alliance Supports New UN Treaty on Paperless Trade Facilitation'. The article text states: '20 October 2016 – Pan-Asian e-Commerce Alliance (PAA) fully supports the new United Nations (UN) Treaty on Paperless Trade Facilitation which was opened to members for signing on 1 October 2016. The Agreement provides the framework for cross border electronic exchange of trade documents, as well as for the respective governments to adopt message standards and secure data communication protocols, thereby harmonizing various initiatives on bilateral and multilateral paperless trade initiatives. Further, the Treaty serves as a tool for an efficient implementation of the WTO Trade Facilitation Agreement and the WCO Revised Kyoto Convention.' At the bottom of the article, it says: 'As a pioneer in realizing cross border paperless trade and transactions, the PAA continuously extends its collaboration with'. The ESCAP logo is visible in the bottom right corner of the screenshot.

PAA Members

- CIECC - China
- Trade-Van - Chinese Taipei
- Tradelink - Hongkong SAR
- EDI-I - Indonesia
- NACCS - Japan
- KTNET - Korea
- TEDMEV - Macau SAR
- Dagang Net - Malaysia
- InterCommerce - Philippines
- CrimsonLogic - Singapore
- CAT Telecom - Thailand

Pan-Asian e-Commerce Alliance Supports New UN Treaty on Paperless Trade Facilitation

Pan-Asian e-Commerce Alliance Supports New UN Treaty on Paperless Trade Facilitation

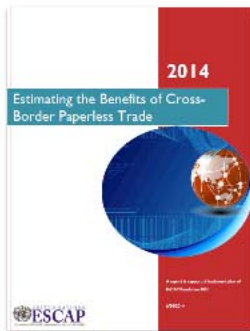
20 October 2016 – Pan-Asian e-Commerce Alliance (PAA) fully supports the new United Nations (UN) Treaty on Paperless Trade Facilitation which was opened to members for signing on 1 October 2016. The Agreement provides the framework for cross border electronic exchange of trade documents, as well as for the respective governments to adopt message standards and secure data communication protocols, thereby harmonizing various initiatives on bilateral and multilateral paperless trade initiatives. Further, the Treaty serves as a tool for an efficient implementation of the WTO Trade Facilitation Agreement and the WCO Revised Kyoto Convention.

As a pioneer in realizing cross border paperless trade and transactions, the PAA continuously extends its collaboration with

20.10.16 – Single window service providers across South-east and East Asia express support for the Framework Agreement

Benefits of Cross-Border Paperless Trade

Estimating the Benefits of Cross-Border Paperless Trade



Date: Tuesday, June 24, 2014

Type: Books

ABSTRACT

This report estimates the possible economic benefits—export gains, and cost savings—from partial or full implementation of cross-border paperless trade facilitation measures. Simulation results suggest that cross-border paperless trade has significant potential to reduce trade costs and boost trade in the Asia-Pacific region. Moreover, there is every reason to believe that these are low-end estimates of the possible economic gains from reform, due to the way in which the simulations are set up on a technical level, and the fact that they focus on implementation of cross-border measures only. In reality, paperless trade is typically implemented on a broader basis, which would tend to increase the level of export gains and cost savings reported here.

DOWNLOAD:

Benefits of Cross-Border Paperless Trade

▼ Download

Annual regional export gains :

\$36 bn (for partial implementation) to \$257 bn (full implementation)

Export time reduction: 24% to 44%

Export cost reduction: 17% to 31%

Total direct cost savings across all trade: \$1bn to \$7bn annually

Source: <http://www.unescap.org/resources/estimating-benefits-cross-border-paperless-trade>

Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific: **Key Provisions**

Article 1: Objective

The objective of the present Framework Agreement is **to promote cross-border paperless trade** by enabling the exchange and mutual recognition of trade-related data and documents in electronic form and facilitating interoperability among national and subregional single windows and/or other paperless trade systems, for the purpose of **making international trade transactions more efficient and transparent while improving regulatory compliance.**

Article 5:
General
Principles

Article 8:
Cross-border
Mutual
Recognition

Article 11:
Institutional
Arrangements

Article 12:
Action Plan

Article 13:
Pilot Projects
and Sharing
of Lessons
Learned

Article 14:
Capacity
Building

Outline

- ❖ Introduction
- ❖ Regional State of Play
 - Trade costs & Trade Facilitation Performance
- ❖ WTO Trade Facilitation Agreement
 - ❖ Overview
 - ❖ Update
- ❖ Trade Facilitation and Paperless Trade Implementation in Asia-Pacific
 - ❖ UN Global Survey results
 - ❖ Towards cross-border paperless trade: New UN treaty for Asia and the Pacific
- ❖ Conclusions
- Annex - Support from ESCAP



Concluding remarks

- Trade facilitation essential to trade competitiveness and enabling participation in production networks
 - A lot of room for improvement in Asia-Pacific LDCs
- Need to keep the “big picture in mind” to be able to really reduce trade costs
 - Need for a “whole of supply chain” approach to TF
 - Comprehensive assessment/analysis of import-export procedures needed + monitoring
- WTO TFA implementation provides a great opportunity to engage in TF reform
 - But achieving basic compliance will not be enough to be competitive
- Moving from paper to electronic exchange of documents will not be an option for much longer, so plan accordingly
- Participation in regional/subregional initiatives can make a difference



Concluding remarks

- What about implementation of TF measures?
 - Many organizations provide guidance and support
 - Useful compendium at: **tfig.unece.org**



- ANNEX -

Trade Facilitation Support from ESCAP

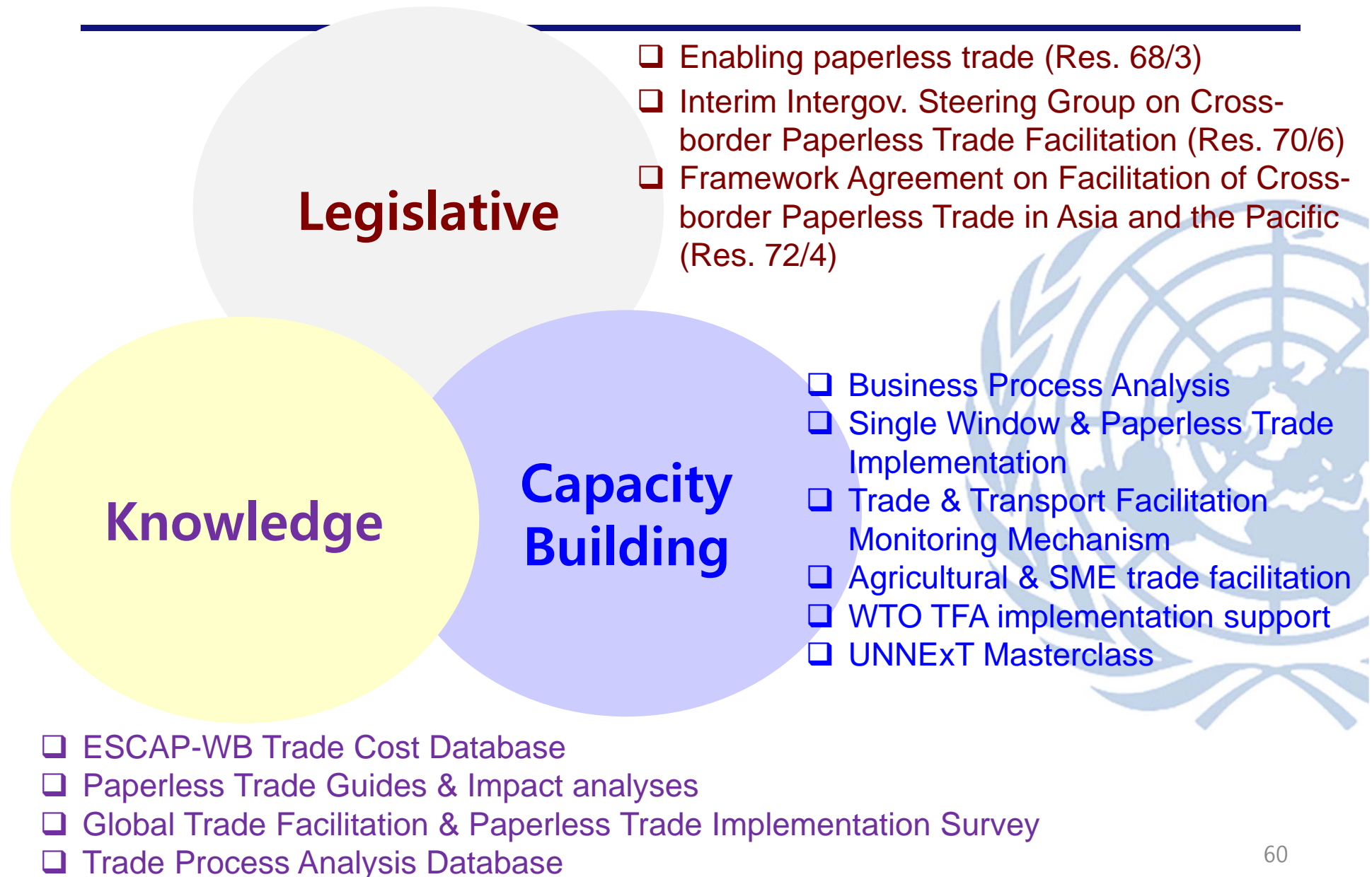


United Nations ESCAP



- UN ESCAP - Asia and the Pacific Regional Branch of the United Nations Secretariat
- 53 member countries covering Central, South, Southeast, East and South Pacific countries
- Mandate: Promote sustainable and inclusive socio-economic development in Asia and the Pacific - **through regional cooperation**
- Areas covered: Trade, Investment and Innovation, Transport, Macroeconomic Policy, Environment, Emerging Social issues, Information and Communication Technologies...
 - ❑ Trade, Investment and Innovation:
 - (1) Trade Facilitation;
 - (2) Trade Policy;
 - (3) Investment and Enterprise Development;
 - (4) Science, Technology and Innovation

Trade Facilitation Programme in ESCAP



United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific



“an ongoing community of knowledge and practice to facilitate the implementation of single window and paperless trade in the Asia-Pacific region ”

- Tools and guides development activities
- Advocacy and Technical Training Workshops

www.unnext.unescap.org



UNNExT Single Window Implementation Toolkit for Trade Facilitation

SINGLE WINDOW IMPLEMENTATION TOOLKIT FOR TRADE FACILITATION



Course Certificate on BPA for TF (since Sep. 2016)

Business in Af x Doing Business in Af x Country Score Card x E Framework Agreement x E E-Learning Series on x afghanistan member x

www.unescap.org/our-work/trade-investment-innovation/trade-facilitation/bpa-course

Home Trade, Investment & Innovation

BPA TRAINING

Training Overview

- Module 1 - BPA Introduction
- Module 2 - UML
- Module 3 - Project Scope Setting
- Module 4 - Project Planning
- Module 5 - Data Collection
- Module 6 - Process Analysis
- Module 7 - From BPA to TTFMM

ADDITIONAL RESOURCES

- Course Study Guide
- UNNEXt BPA Guide for TF
- TTFMM Guide
- BPA Case Studies
- Trade Process Analysis Database

E-Learning Series on Business Process Analysis for Trade Facilitation

The Business Process Analysis (BPA) online training course has been developed by the ESCAP Trade, Investment and Innovation Division based on the UNNEXt BPA Guide to Simplify Trade Procedures. BPA is considered the first necessary step to simplifying trade procedures. The course consists of seven modules and introduces a step-by-step approach to conducting BPA. It is aimed at government officials and other stakeholders responsible for trade facilitation. For more information, testing and certification please contact: escap-tid@un.org



The course is divided as follows:

- Module 1: BPA for Trade Facilitation - An Introduction
- Module 2: Unified Modeling Language
- Module 3: Project and Scope Setting
- Module 4: Project Planning
- Module 5: Data Collection and Process Documentation
- Module 6: Process Analysis and Recommendations Development
- Module 7: From BPA to Trade and Transport Facilitation Monitoring Mechanism

For guidance on how to study this course download the Study Guide.

<http://www.unescap.org/our-work/trade-investment-innovation/trade-facilitation/bpa-course>

Thank you

www.unescap.org/our-work/trade-investment/trade-facilitation

unnexnext.unescap.org

<http://communities.unescap.org/cross-border-paperless-trade-facilitation>

