Trade Facilitation and Paperless Trade Implementation in Asia and the Pacific

Regional Report 2017
The Economic and Social Commission for Asia and the Pacific (ESCAP) serves as the United Nations’ regional hub promoting cooperation among countries to achieve inclusive and sustainable development. The largest regional intergovernmental platform with 53-member States and 9 associate members, ESCAP has emerged as a strong regional think-tank offering countries sound analytical products that shed light on the evolving economic, social and environmental dynamics of the region. The Commission’s strategic focus is to deliver on the 2030 Agenda for Sustainable Development, which it does by reinforcing and deepening regional cooperation and integration to advance connectivity, financial cooperation and market integration. ESCAP’s research and analysis coupled with its policy advisory services, capacity building and technical assistance to governments aims to support countries’ sustainable and inclusive development ambitions.


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The report has been issued without formal editing.
Preface

This report analyses the results of the second United Nations Global Survey on Trade Facilitation and Paperless Trade Implementation. The Survey was jointly conducted in 2017 by the United Nations Regional Commissions, namely the Economic Commission for Latin America and the Caribbean (ECLAC), the Economic and Social Commission for Western Asia (ESCWA), the Economic Commission for Africa (ECA), and the Economic and Social Commission for Europe (UNECE), and led by Economic and Social Commission for Asia and the Pacific (ESCAP). The aim of the Survey is to gather information from countries worldwide on implementation of trade facilitation and paperless trade measures. The results of the survey will enable countries and development partners to better understand and monitor progress on trade facilitation, support evidence-based public policies, share best practices and identify capacity building and technical assistance needs.

The second global survey builds upon the first one conducted in 2015, which served as a key initiative under the Joint UNRC Approach to Trade Facilitation by all five United Nations Regional Commissions in 2010. The Approach was designed to present a joint and global view on trade facilitation issues in the context of the negotiations of the Doha Round at the World Trade Organization (WTO). The survey represents collective efforts of many partners such as the Organization for Economic Cooperation and Development (OECD), the United Nations Conference on Trade and Development (UNCTAD), the International Trade Centre (ITC), Asian Development Bank (ADB), Association of Southeast Asian Nations (ASEAN), Oceania Customs Organization Secretariat (OCO) and Eurasian Economic Commission (EEC).

In the context of 2030 Agenda for Sustainable Development which recognizes international trade - along with science, technology and innovation - as one of the key means of implementing sustainable development goals, the current report provides a useful stock-take for the countries in the region to further streamline trade procedures and advance trade facilitation.

The regional report should be read together with global report, subregional and country notes. The underlying dataset can be used by researchers and analysts for any further analysis. Further information is available at https://unnext.unescap.org/content/global-survey-trade-facilitation-and-paperless-trade-implementation-2017.
Executive Summary

Reducing trade costs is essential for developing economies to participate in international production networks and effectively use trade as an engine of growth and sustainable development. This can be accomplished by tackling non-tariff sources of trade costs and addressing cumbersome regulatory procedures and documentation requirements. Indeed, trade facilitation including paperless trade has taken increasing importance as evidenced by the entry into force of the WTO Trade Facilitation Agreement (TFA), as well as the growing number of regional and subregional initiatives for facilitating the electronic exchange of information along international supply chains\(^1\).

This report presents key results of the second global survey on trade facilitation and paperless trade implementation, covering 44 countries in Asia and the Pacific. The survey questionnaire includes 47 trade facilitation measures under seven groups—(i) general trade facilitation measures; (ii) paperless trade; (iii) cross-border paperless trade; (iv) transit facilitation; (v) trade facilitation for small and medium-sized enterprises (SMEs); (vi) agricultural trade facilitation; and (vii) women and trade facilitation.

Trade facilitation implementation rates vary widely across and within subregions. Apart from Australia and New Zealand, average implementation is highest in East and Northeast Asia (73.7%), followed by Southeast Asia (60.1%), North and Central Asia (51.8%), and South and Southwest Asia (46.5%). The Pacific lags at 28.2%. The region’s implementation rates on the WTO TFA related measures are relatively high, at 50–70%. However, paperless trade and, in particular, cross-border paperless trade implementation remain limited. Average implementation rates for measures aimed at facilitating trade for SMEs and facilitating women participation in trade are low, at 39% and 23% respectively.

Average implementation rates of general trade facilitation as well as paperless trade measures increased by approximately 5.6 percentage points between 2015 and 2017, from 44.8% to 50.4%. The largest progress is observed in Central Asia where the implementation rate rises by 10.2 percentage points during that period. Substantial progress is also observed in South and South-West Asia and the implementation rate improves by 7.1 percentage points. Implementation rates of other subregions rise by 3 to 5 percentage points. Limited human resource capacity seems to be the key challenge for Asia-Pacific Least Developed and Landlocked Developing Countries (LDCs and LLDCs) in making further progress, while Lack of coordination between Government agencies seems to be the most important challenge in other developing countries.

Going forward, digitalization offers immense potential to enhance trade facilitation implementation and further reduce trade costs in Asia and the Pacific. The Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific, which complements the WTO TFA by facilitating paperless trade, provides a unique opportunity for participating countries to accelerate electronic exchange of trade-related data and documents across borders and to overcome challenges on cross-border paperless trade.

\(^1\) For example, the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific was signed by Bangladesh, Cambodia, China, Armenia, and Iran (Islamic Republic of) as of 30 September 2017, and the ratification process has been started on 1 October 2017 in these members.
Acknowledgements

The second global survey was jointly conducted by five United Nations Regional Commissions for Africa (ECA), Europe (ECE), Asia and the Pacific (ESCAP), Latin America and the Caribbean (ECLAC) and Western Asia (ESCWA). The initiative was led and coordinated by ESCAP.

The regional report is part of this global survey effort. It was prepared by Tengfei Wang, Yann Duval, Chorthip Utoktham and Yuhua ZHANG, from Trade, Investment and Innovation Division, ESCAP. Critical review by Mohammad Farhad from Bangladesh Foreign Trade Institute and contribution from Ying Liu and Luca Stanus-Ghib during their internship at ESCAP are gratefully acknowledged.

Support from the following organizations and individuals is gratefully acknowledged: Bismark Sitorus from UNCTAD, Mohammad Saeed from ITC; Evdokia Moise from OECD, Laisiana Tugaga from Oceania Customs Organization Secretariat (OCO), Dinara Sekerbaeva and Aleksei Bondarenko from Eurasian Economic Commission (EEC).

The United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific (UNNExT), a knowledge community supported by ESCAP and ECE, greatly facilitated data collection. Comments and suggestions received from participants to the United Nations Regional Commission (UNRC) side event to the 6th Global Review on Aid for Trade (Geneva, 12 July 2017), where the preliminary findings from the global survey were presented, are gratefully acknowledged.

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2 http://unnext.unescap.org
3 https://www.wto.org/english/tratop_e/devel_e/a4t_e/aid4trade_e.htm
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<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
</tr>
<tr>
<td>AEO</td>
<td>Authorized economic operator</td>
</tr>
<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
</tr>
<tr>
<td>ECA</td>
<td>United Nations Economic Commission for Africa</td>
</tr>
<tr>
<td>ECE</td>
<td>United Nations Economic Commission for Europe</td>
</tr>
<tr>
<td>ECLAC</td>
<td>United Nations Economic Commission for Latin America and the Caribbean</td>
</tr>
<tr>
<td>ENEA</td>
<td>East and North-East Asia</td>
</tr>
<tr>
<td>ESCAP</td>
<td>United Nations Economic and Social Commission for Asia and the Pacific</td>
</tr>
<tr>
<td>ESCWA</td>
<td>United Nations Economic and Social Commission for Western Asia</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and communications technology</td>
</tr>
<tr>
<td>ITC</td>
<td>International Trade Centre</td>
</tr>
<tr>
<td>LDC</td>
<td>Least developed country</td>
</tr>
<tr>
<td>LLDC</td>
<td>Landlocked developing country</td>
</tr>
<tr>
<td>NCA</td>
<td>North and Central Asia</td>
</tr>
<tr>
<td>NTFC</td>
<td>National trade facilitation committee</td>
</tr>
<tr>
<td>OCO</td>
<td>Oceania Customs Organization</td>
</tr>
<tr>
<td>OECD</td>
<td>Organization for Economic Co-operation and Development</td>
</tr>
<tr>
<td>PIDE</td>
<td>Pacific Island Developing Economies</td>
</tr>
<tr>
<td>SAARC</td>
<td>South Asian Association for Regional Cooperation</td>
</tr>
<tr>
<td>SDGs</td>
<td>Sustainable Development Goals</td>
</tr>
<tr>
<td>SEA</td>
<td>South-East Asia</td>
</tr>
<tr>
<td>SELA</td>
<td>Latin American and Caribbean Economic System</td>
</tr>
<tr>
<td>SIDS</td>
<td>Small island developing states</td>
</tr>
<tr>
<td>SSWA</td>
<td>South and South-West Asia</td>
</tr>
<tr>
<td>TFA</td>
<td>Trade Facilitation Agreement</td>
</tr>
<tr>
<td>UN/CEFACT</td>
<td>United Nations Centre for Trade Facilitation and Electronic Business</td>
</tr>
<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
</tr>
<tr>
<td>UNNExT</td>
<td>United Nations Network of Experts for Paperless Trade and Transport for Asia and the Pacific</td>
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<tr>
<td>UNRC</td>
<td>United Nations Regional Commission</td>
</tr>
<tr>
<td>USA</td>
<td>United States of America</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organization</td>
</tr>
</tbody>
</table>
1. Introduction

1.1 Background and objective of the Global Survey on Trade Facilitation and Paperless Trade Implementation 2017

It is well understood that reducing trade costs is essential in enabling economies to effectively participate in regional and global value chains and continue to use trade as a main engine of growth and sustainable development. According to the latest data from the ESCAP-World Bank International Trade Cost Database, the overall cost of trading goods among the three largest European Union (EU) economies is equivalent to a 42% average tariff on the value of goods traded (see Table 1). China, the Republic of Korea and Japan (East Asia-3) come closest to matching the low intra-EU trade costs, with average trade costs among themselves amounting for a 51% tariff-equivalent, followed by the middle-income members of the Association of Southeast Asian Nations (ASEAN), whose intra-regional trade costs stand at 76% tariff-equivalent.

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

<table>
<thead>
<tr>
<th>Region</th>
<th>ASEAN-4</th>
<th>East Asia-3</th>
<th>North and Central Asia - 4</th>
<th>Pacific Islands Developing Economies</th>
<th>SAARC-4</th>
<th>AUS-NZL</th>
<th>EU-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASEAN-4</td>
<td>76%</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>(6.7%)</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East Asia-3</td>
<td>76%</td>
<td>51%</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>(4.1%)</td>
<td>(-2.9%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North and Central Asia - 4</td>
<td>343%</td>
<td>167%</td>
<td>116%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(5.4%)</td>
<td>(-9.9%)</td>
<td>(-0.9%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pacific Islands Developing Economies</td>
<td>172%</td>
<td>173%</td>
<td>370%</td>
<td>130%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(-9.0%)</td>
<td>(-3.1%)</td>
<td>(21.6%)</td>
<td></td>
<td>(-8.8%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAARC-4</td>
<td>130%</td>
<td>123%</td>
<td>302%</td>
<td>300%</td>
<td>119%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3.5%)</td>
<td>(-2.1%)</td>
<td>(7.7%)</td>
<td></td>
<td>(-4.6%)</td>
<td>(12.9%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AUS-NZL</td>
<td>101%</td>
<td>87%</td>
<td>341%</td>
<td>82%</td>
<td>136%</td>
<td>51%</td>
<td></td>
</tr>
<tr>
<td>(2.9%)</td>
<td>(-5.4%)</td>
<td>(-4.9%)</td>
<td></td>
<td>(-8.9%)</td>
<td>(-6.7%)</td>
<td>(-4.9%)</td>
<td></td>
</tr>
<tr>
<td>EU-3</td>
<td>105%</td>
<td>84%</td>
<td>150%</td>
<td>204%</td>
<td>113%</td>
<td>108%</td>
<td>42%</td>
</tr>
<tr>
<td>(-3.4%)</td>
<td>(-3.4%)</td>
<td>(-7.1%)</td>
<td></td>
<td>(-7.1%)</td>
<td>(0.3%)</td>
<td>(-2.3%)</td>
<td>(-8.1%)</td>
</tr>
<tr>
<td>USA</td>
<td>86%</td>
<td>63%</td>
<td>174%</td>
<td>161%</td>
<td>112%</td>
<td>100%</td>
<td>67%</td>
</tr>
<tr>
<td>(8.0%)</td>
<td>(0.4%)</td>
<td>(4.5%)</td>
<td></td>
<td>(-5.4%)</td>
<td>(6.7%)</td>
<td>(2.9%)</td>
<td>(0.4%)</td>
</tr>
</tbody>
</table>


Notes: Trade costs may be interpreted as tariff equivalents. Percentage changes in trade costs between 2004-2009 and 2010-2015 are in parentheses. ASEAN-4: Indonesia, Malaysia, Philippines, Thailand; East Asia-3: China, Japan, Republic of Korea; North and Central Asia-4: Georgia, Kazakhstan, Kyrgyzstan, Russian Federation; Pacific islands developing economies: Fiji, Papua New Guinea; SAARC-4: Bangladesh, India, Pakistan, Sri Lanka; AUS-NZL: Australia, New Zealand; EU-3: Germany, France, United Kingdom; USA: the United States of America.

Other groups of Asia-Pacific economies face much higher costs of trading among each other, particularly in Central Asia, South Asia, and the South Pacific. The scope for further reducing trade costs among Asia-Pacific developing economies is best understood when looking at inter-regional trade costs. For example, the trade costs between Southeast (ASEAN-4) and South (SAARC-4) Asian economies (130%), two neighboring Asian sub-regions, are much higher than those between ASEAN and the EU (105%) or between SAARC and the United States of America (112%).
Recent studies suggest that much of the trade cost reductions achieved over the past decade have been through eliminating or lowering tariffs. Further trade cost reduction therefore will have to come from tackling non-tariff sources of trade costs, such as inefficient transport and logistics infrastructure and services, as well as cumbersome regulatory procedures and documentation. Indeed, trade facilitation, including paperless trade, has taken increasing importance as evidenced by the entry into force of the WTO Trade Facilitation Agreement in February 2017. In Asia and the Pacific, the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific, a UN treaty, was adopted by the ESCAP member states on 19 May 2016. More recently, five ESCAP members have signed the Framework Agreement and started the ratification process on 1 October 2017.

For the past several years, the ESCAP Secretariat has been systematically collecting and analyzing information on the implementation of trade facilitation measures in the region. These initiatives provide the basis for developing more relevant capacity building and technical assistance programs and enable the countries to design and prioritize their own trade facilitation implementation plans and strategies. The first and second regional survey on trade facilitation and paperless trade implementation were conducted in 2012 and 2013, in conjunction with the Asia-Pacific Trade Facilitation Forum organized by ESCAP and the Asian Development Bank (ADB).

Under the Joint UNRCs Approach to Trade Facilitation and following extensive discussions at the Global Trade Facilitation Forum 2013, it was decided that the regional survey should be conducted at the global level jointly by all UNRCs. Accordingly, the first two global survey were conducted in 2015 and 2017, respectively. This report features the results of the second global survey which covers 44 developed and developing economies from five different sub-regions.

1.2 Survey instrument and methodology

The survey instrument was prepared according to the final list of commitments included in the WTO Trade Facilitation Agreement (TFA) and the regional UN treaty on cross-border paperless trade facilitation under the auspices of ESCAP. The survey covers 47 main trade facilitation measures which are categorized into seven groups, namely: 1) General trade facilitation measures, 2) Paperless trade, 3) Cross-border paperless trade, 4) Transit facilitation, 5) Trade facilitation and SMEs, 6) Trade facilitation and agricultural trade and 7) Women and trade facilitation. The General trade facilitation measures and Transit facilitation measures are largely covered by the WTO TFA. In contrast, very few paperless trade measures are specifically included in the WTO TFA (Table 2).

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4 For example, see ESCAP (2011), Asia-Pacific Trade and Investment Report 2011, United Nations.
5 The Global Trade Facilitation Forum was organized jointly by all the UN Regional Commissions (UNRCs) and took place in Bangkok in November 2013. See http://www.unescap.org/events/global-trade-facilitation-conference-2013
6 http://www.unescap.org/resources/framework-agreement-facilitation-cross-border-paperless-trade-asia-and-pacific
<table>
<thead>
<tr>
<th>Grouping</th>
<th>Trade facilitation measure (and question No.) in the questionnaire</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General TF measures</strong></td>
<td></td>
</tr>
</tbody>
</table>
| Transparency                   | 2. Publication of existing import-export regulations on the Internet  
                                  3. Stakeholder consultation on new draft regulations (prior to their finalization)  
                                  4. Advance publication/notification of new regulation before their implementation (e.g., 30 days prior)  
                                  5. Advance ruling (on tariff classification)  
                                  9. Independent appeal mechanism (for traders to appeal Customs and other relevant trade control agencies’ rulings)                                                                                           |
| Formalities                    | 6. Risk management (as a basis for deciding whether a shipment will be or not physically inspected)  
                                  7. Pre-arrival processing  
                                  8. Post-clearance audit  
                                  10. Separation of release from final determination of customs duties, taxes, fees and charges  
                                  11. Establishment and publication of average release times  
                                  12. Trade facilitation measures for authorized operators  
                                  13. Expedited shipments  
                                  14. Acceptance of paper or electronic copies of supporting documents required for import, export or transit formalities                                                                 |
| Institutional arrangement and cooperation | 1. Establishment of a national trade facilitation committee or similar body  
                                                   31. Cooperation between agencies on the ground at the national level  
                                                   32. Government agencies delegating controls to Customs Authorities  
                                                   33. Alignment of working days and hours with neighbouring countries at border crossings, and  
                                                   34. Alignment of formalities and procedures with neighbouring countries at border crossings                                                                                               |
| **Paperless trade**            |                                                                                                                                                                                                                                                                       |
| 15. Electronic/automated Customs System established (e.g., ASYCUDA) | 16. Internet connection available to 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  
                                                   21. Electronic submission of Air 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 (e.g. e-commerce law, e-transaction law)  
                                                   26. Recognized certification authority issuing digital certificates to traders to conduct electronic transactions  
                                                   27. Engagement of the country in trade-related cross-border electronic data exchange with other countries  
                                                   28. Certificate of Origin electronically exchanged between your country and other countries  
                                                   29. Sanitary & Phyto-Sanitary Certificate electronically exchanged between your country and other countries  
                                                   30. Banks and insurers in your country retrieving letters of credit electronically without lodging paper-based documents                                                                 |
| Transit facilitation           | 35. Transit facilitation agreement(s) with neighbouring country(ies)  
                                                   36. Customs Authorities limit the physical inspections of transit goods and use risk assessment  
                                                   37. Supporting pre-arrival processing for transit facilitation  
                                                   38. Cooperation between agencies of countries involved in transit                                                                                                                                  |
| Trade facilitation and SMEs    | 39. Government has developed trade facilitation measures that ensure easy and affordable access for SMEs to trade related information  
                                                   40. Government has developed specific measures that enable SMEs to more easily benefit from the AEO scheme                                                                                           |
To capture the inclusive aspects of trade facilitation in the context of SDGs, three groups of trade facilitation measures including "trade facilitation for SMEs", "trade facilitation for agricultural trade" and "women and trade facilitation" were added to the Survey in 2017 while they were not included in the previous surveys.

The dataset was developed following a three-step approach:

**Step 1. Data submission by experts:** The survey instrument was sent by the ESCAP Secretariat to trade facilitation experts (from governments, private sector and/or academia) in Asia-Pacific countries to gather preliminary information. The questionnaire was also made publicly available online and disseminated with the support of OECD, ITC, UNCTAD and the UNNExT. In some cases, the questionnaire was also sent to relevant national trade facilitation authorities or agencies and regional trade facilitation partners or organizations. This first step took place essentially between January and April 2017.

**Step 2. Data verification by the ESCAP secretariat:** The ESCAP Secretariat cross-checked the data collected in Step 1. Desk research and data sharing among UNRCs and survey partners were carried out to further check the accuracy of data. Face-to-face or telephone interviews with key informants were arranged to gather additional information when needed. The outcome of Step 2 was a consistent set of responses per country. Step 2 took place between January and May 2017.

**Step 3. Data validation by national governments:** The ESCAP Secretariat sent the completed questionnaire to each national government to ensure that the country had the opportunity to review the dataset and provide any additional information. The feedback from national governments was incorporated to finalize the dataset. Step 3 took place between June and July 2017.

Based on the data collected, each of the trade facilitation measures included in the survey was rated as “fully implemented”, “partially implemented”, “on a pilot basis”, or “not implemented”. Definitions for each stage are provided in Annex 1. A score (weight) of 3, 2, 1 and 0 was assigned to each of the 4 implementation stages to calculate implementation scores for individual measures across countries, regions or categories. Country groupings used in the analysis are defined in Annex 2.
2. Trade facilitation implementation in Asia-Pacific: overview

Figure 1 shows the overall implementation levels of 44 Asia-Pacific countries based on a common set of 31 trade facilitation and paperless trade measures included in the survey\(^7\). The regional average implementation of this comprehensive set of trade facilitation measures stands at 50.4%. The implementation of trade facilitation measures in the region is very heterogeneous. Australia, Republic of Korea, Singapore, China and Japan achieve implementation rates in excess of 80%, while implementation in several Pacific countries barely reaches 15%.

![Figure 1: Overall implementation of trade facilitation measures in 44 Asia-Pacific countries, 2017](image)

In general, more advanced or larger economies are at a higher level of implementation than many other countries in the region including the small or less developed countries such as LDCs or small Pacific countries (see Figure 2). However, this is not always the case. For example, while Cambodia and Lao PDR are LDCs, both achieve high implementation rates. Similarly, Maldives achieves a relatively high score although it is a small island developing state (SIDS) that only recently graduated from the LDC group.

\(^7\) Among the 47 trade facilitation measures surveyed, three measures including Electronic Submission of Sea Cargo Manifests (No. 20), Alignment of working days and hours with neighbouring countries at border crossings (No. 33), and Alignment of formalities and procedures with neighbouring countries at border crossings (No. 34) were excluded in calculating the overall score as they are not applicable to all countries surveyed. Similarly, four transit facilitation measures were also excluded. Three groups of trade facilitation measures related to SMEs, agricultural and women (measures 39-47) were excluded due to unavailability of data for some countries.
2.1 Implementation in sub-regions and countries with special needs

Figure 3 presents an overview of the implementation of trade facilitation measures in the sub-regions and the groups of countries with special needs, namely, LLDCs, LDCs and SIDS. Aside from Australia and New Zealand (AU&NZ), East and North-East Asia (ENEA) achieved the highest average level of implementation at 74%, followed by South-East Asia (SEA), North and Central Asia (NCA) and South and South-West Asia (SSWA). Pacific Island Developing Economies (PIDEs) lag far behind other sub-regions at 28%.

Source: The second UNRC survey on trade facilitation and paperless trade implementation; World Bank, World Development Indicators, accessed 30 June 2017.
Trade facilitation implementation varies widely within each sub-regional grouping. Differences in trade facilitation implementation levels are widest in South-East Asia (SEA). Despite this, regional integration processes appear to have played a significant and positive role in trade facilitation implementation, and the SEA subregion has achieved higher implementation rates than several other subregions (such as NCA, SSWA and PIDE). Differences in trade facilitation implementation levels are smallest within PIDEs. This may be explained by the fact that these small and generally isolated economies face similar implementation constraints.

Countries with special needs in the Asia-Pacific region face certain challenges in implementation of trade facilitation, in particular paperless trade and cross-border paperless trade measures (see Figure 3). LLDCs as a group appear to have achieved higher levels of trade facilitation on average than LDCs or SIDSs. This should be viewed as an important achievement in the context of the Vienna Programme of Action (VPoA).\footnote{\url{http://unohrlls.org/about-lldcs/programme-of-action/}}

2.2 Most and least implemented trade facilitation measures

All countries are engaged in implementation of various “transparency” and “formalities” measures. As shown in Figure 4 and Table 3, “transparency” measures such as \textit{Stakeholder consultation on new draft regulations prior to implementation} have been the most implemented: regional average implementation rate amount to 68.5%. Implementation rate of “Formalities” measures reach 60%. Regional average implementation of the “institutional arrangements and inter-agency cooperation” and “transit” measures is over 50%.
The regional average level of implementation of “paperless trade” measures also stands close to 50%. While many economies have developed legal frameworks to enable paperless trade, implementation of “cross-border paperless trade” has yet to begin in many developing countries and the average rate of implementation stands at 23%.

Figure 4 shows that agricultural trade facilitation has been generally well implemented. However, very few countries have customized trade facilitation measures to support SMEs and women, as reflected by the low average implementation rates at 20% and 11%, respectively, indicating significant room for improvement in these areas.

Figure 4: Implementation of different groups of trade facilitation measures: Asia-Pacific average, 2017

Source: The second UNRC survey on trade facilitation and paperless trade implementation
Table 3: Most and least implemented measures in Asia-Pacific, 2017
(within each group of trade facilitation measures)

<table>
<thead>
<tr>
<th>Category of trade facilitation measures</th>
<th>Measure</th>
<th>Most implemented (% of countries)</th>
<th>Least implemented (% of countries)</th>
<th>Source: The second UNRC survey on trade facilitation and paperless trade implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transparency</td>
<td>Stakeholders’ consultation on new draft regulations (prior to their finalization)</td>
<td>95.5 / 36.4</td>
<td>Advance ruling (on tariff classification)</td>
<td>68.2 / 36.4</td>
</tr>
<tr>
<td>Formalities</td>
<td>Risk management</td>
<td>93.2 / 38.6</td>
<td>Trade facilitation measures for authorized operators</td>
<td>45.5 / 20.5</td>
</tr>
<tr>
<td>Institutional arrangement and cooperation</td>
<td>National legislative framework and institutional arrangement are available to ensure border agencies to cooperate with each other</td>
<td>97.7 / 22.7</td>
<td>Government agencies delegating controls to Customs authorities</td>
<td>36.4 / 9.1</td>
</tr>
<tr>
<td>Paperless trade</td>
<td>Internet connection available to Customs and other trade control agencies at border-crossings</td>
<td>95.5 / 52.3</td>
<td>Electronic Application for Customs Refunds</td>
<td>29.5 / 9.1</td>
</tr>
<tr>
<td>Cross-border paperless trade</td>
<td>Laws and regulations for electronic transactions</td>
<td>72.7 / 15.9</td>
<td>Traders in your country apply for letters of credit electronically from banks or insurers without lodging paper-based documents</td>
<td>11.4 / 4.5</td>
</tr>
<tr>
<td>Transit facilitation</td>
<td>Transit facilitation agreement(s) with neighbouring country(ies)</td>
<td>56.8 / 2.3</td>
<td>Supporting pre-arrival processing for transit facilitation</td>
<td>40.9 / 11.4</td>
</tr>
<tr>
<td>Trade facilitation and SMEs</td>
<td>Government has developed trade facilitation measures that ensure easy and affordable access for SMEs to trade related information</td>
<td>36.4 / 9.1</td>
<td>Government has developed specific measures that enable SMEs to more easily benefit from the AEO scheme</td>
<td>20.5 / 11.4</td>
</tr>
<tr>
<td>Trade facilitation and agricultural trade</td>
<td>Testing and laboratory facilities are equipped for compliance with sanitary and phytosanitary (SPS) standards in your country</td>
<td>45.5 / 20.5</td>
<td>Application, verification and issuance of SPS certificates is automated</td>
<td>29.5 / 6.8</td>
</tr>
<tr>
<td>Women in trade facilitation</td>
<td>Government has introduced trade facilitation measures to benefit women involved in trade</td>
<td>18.2 / 2.3</td>
<td>The existing trade facilitation policy/strategy incorporates special consideration of women involved in trade</td>
<td>15.9 / 2.3</td>
</tr>
</tbody>
</table>
2.3 Progress in implementation between 2015 and 2017

Implementation rate of 31 common trade facilitation measures at the regional level increases by 5.6 percentage points from 44.8% in 2015 to 50.4% in 2017. The highest progress is observed in North and Central Asia: the implementation rate of the subregion increases by 10.2 percentage points (from 41.6% in 2015 to 51.8% in 2017). Substantial progress is observed in South and South-West Asia: the implementation rate of the subregion rises by 7.1 percentage points (from 39.4% in 2015 to 46.5% in 2017). Implementation rates of other subregions increase by 3 to 5 percentage points. (Figure 5)

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

In terms of groups of trade facilitation measures, most progress is observed in “Institutional arrangement and cooperation”: the implementation rate rises by 7.3 percentage points (from 48.7% in 2015 to 56.1% in 2017). Implementation rate of “Transparency” measures increases by 7 percentage points (from 61.5% in 2015 to 68.5% in 2017). Similarly, Implementation rate of the “Formalities” measures improves by 7 percentage points (from 52.8% in 2015 to 59.8% in 2017). Implementation rates of both “paperless” and “cross-border paperless measures” rise by 4 percentage points between 2015 and 2017 (figures 6 and 7).

Figure 6: Implementation of different groups of trade facilitation measures in Asia-Pacific, 2015 and 2017

Source: The second UNRC survey on trade facilitation and paperless trade implementation
Figure 7: Implementation of trade facilitation measures by Asia-Pacific subregions, 2015 and 2017

Source: The second UNRC survey on trade facilitation and paperless trade implementation
3. Implementation of trade facilitation measures: a closer look

3.1 “Transparency” measures

Five trade facilitation measures included in the survey are categorized as “transparency” measures. They relate to Articles 1-5 of the WTO TFA and GATT Article X on *Publication and Administration of Trade Regulations*. Average level of implementation of all five “transparency” measures across the region is over 50%. Implementation levels of these measures across sub-regions vary widely, with East and North-East Asia achieving nearly full implementation of these measures. Implementation of advance rulings is found to be particularly challenging for both South and South-West Asia and the Pacific Islands Developing Economies. (Figure 8)

![Figure 8: Implementation of “transparency” measures: Asia-Pacific average, 2017](image)

Figure 8 lists the number of countries that have fully and partially implemented “transparency” measures in descending order. *Stakeholder consultation on new draft regulations (prior to their finalization)* is the most implemented “transparency” measure in the region, as more than 95% of the 44 economies have either fully or partially implemented it.

Among the “transparency” measures, *Advance ruling (on tariff classification)* has been relatively less implemented. However, it has been already either fully or partially implemented by almost 70 per cent of the countries (or 30 countries) in the region. Fourteen countries have not started implementing them yet. The other three measures in this group, *Publication of existing import-export regulations on the internet*, *Independent appeal mechanism*, and *Advance publication/notification of new regulations before their implementation* have been implemented by most countries surveyed.
Figure 9: State of implementation of “transparency” measures for trade facilitation in Asia-Pacific economies, 2017

![Graph showing state of implementation of “transparency” measures for trade facilitation in Asia-Pacific economies, 2017]

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

3.2 “Formalities” measures

Eight “formalities” measures are related to the Articles 6-10 of the WTO TFA and GATT Article VIII on Fees and Formalities connected with Importation and Exportation. The level of implementation at the regional level is found to vary significantly across measures in this group (Figure 10). Risk management, Separation of release from final determination of customs duties, taxes, fees and charges and, and to a lesser extent, Acceptance of paper or electronic copies of supporting documents required for import, export or transit formalities, have been well implemented. In contrast, Trade facilitation measures for authorized operators and Establishment and publication of average release times have been less implemented by most subregions except for East and North-East Asia and South-East Asia.

Figure 10: Implementation of trade “formalities” facilitation measures: Asia-Pacific average, 2017

![Graph showing implementation of trade “formalities” facilitation measures: Asia-Pacific average, 2017]

Source: The second UNRC survey on trade facilitation and paperless trade implementation
Risk management has been implemented by 41 countries, or 93% of the Asia-Pacific countries surveyed, although in some cases only on a pilot basis. Risk Management and Separation of release from final determination of customs duties, taxes, fees and charges, have been implemented by over 85% of the countries surveyed (including some on a pilot basis). Acceptance of copies of supporting documents instead of originals and Pre-arrival processing have been partially or fully implemented by approximately 84% of the countries (37 countries). Post-clearance audit has also been either fully or partially implemented by 80% of the countries surveyed. (Figure 11)

Figure 11: State of implementation of trade “formalities” facilitation measures in Asia-Pacific economies, 2017

3.3 “Institutional arrangement and cooperation” measures

Among “Institutional and cooperation” measures, Figure 12 shows that National legislative framework and institutional arrangement are available to ensure border agencies to cooperate with each other (cooperation between agencies) has already been quite extensively implemented in the region and most sub-regions. In contrast, implementation levels of mechanisms enabling Government agencies to delegate controls to Customs Authorities remain well below 30% in Asia-Pacific. This is particularly for the case of East and North-East Asia, North and Central Asia and South and South-West Asia where the implementation level of this measure is below 20%.

While Cooperation between agencies is being implemented by almost all countries (98%), Figure 13 show that implementation has been essentially partial. In fact, only 10 countries have fully implemented that measure, highlighting the fact that strengthening cooperation among agencies is an on-going process. Arguably, the ultimate form of inter-agency collaboration is the delegation of authority by one or more agencies to another, as suggested by the measure Government agencies delegating controls to Customs Authorities. Not surprisingly, this latter measure has only been
implemented in a few of countries and over 60% of the countries (28 of 44) have not yet to take any action towards its implementation.

**Figure 12: Implementation of “institutional arrangement and cooperation” measures: Asia-Pacific average, 2017**

![National Trade Facilitation Committee](image1)

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

The most fully implemented measure of the three measures considered in this group is *Establishment of National Trade Facilitation Committee*. Establishment of such a committee is mandatory for all countries intent to ratify the WTO TFA. Approximately 80% of the countries have already established such a body, although it often remains unclear whether that body is fully operational or has the authority and membership necessary to support effective trade facilitation reforms.

**Figure 13: State of implementation of “institutional arrangement and cooperation” measures for trade facilitation in Asia-Pacific economies, 2017**

![Graph showing the state of implementation](image2)

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

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9 See Article 23.2 of the WTO TFA.
3.4 “Paperless trade” measures

The regional and sub-regional average levels of implementation of the nine “paperless trade” measures vary widely, as shown in Figure 14. At the regional level, Internet connection available to Customs and other trade control agencies at border-crossings is among the most implemented measures of all trade facilitation measures included in the survey. The implementation levels of “paperless trade” measures in South-East Asia and East and North-East Asia exceed those in the other sub-regions, especially for Electronic Single Window System, Electronic application and issuance of import and export permit and Electronic submission of Air Cargo Manifests.

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

Recognizing the importance of having the basic ICT infrastructure and services in place to enable “paperless trade”, nearly all countries (95%) have fully, partially, or on a pilot basis, made available Internet connection to trade control agencies at border-crossings (see Figure 15). Electronic/automated Customs System is fully implemented in more than half of the countries of the region, and is in any case available at the main Customs station(s) in 41 out of 44 countries included in the survey. Similarly, Electronic submission of customs declaration has been fully or partially implemented by 17 and 21 countries, respectively. Electronic Payment of customs duties and fees is also at least partially available in most countries surveyed. Electronic Single Window System has been implemented fully, partially, or on a pilot basis by 23 countries, or more than 50% of all the Asia-Pacific countries surveyed.
Some relatively simpler measures such as *Electronic application and issuance of import and export permit*, *Electronic application and Issuance of Preferential Certificate of Origin*, and *Electronic application for customs refunds* are even less implemented than *Single Window*. This could be partially explained by the fact that such agency-specific system may become redundant as single window systems are implemented. However, this also highlights that Customs in most countries are indeed much more advanced than other trade-related agencies in developing and using electronic and automation system for trade facilitation and compliance.

### 3.5 “Cross-border paperless trade” measures

Among six “cross-border paperless trade” measures, as shown in Figure 16, two measures, *Laws and regulations for electronic transactions* and *Recognized certification authority*, are basic building blocks towards enabling the exchange and legal recognition of trade-related data and documents not only among stakeholders within a country, but ultimately also between stakeholders along the entire international supply chain. The other four measures relate to the implementation of systems enabling the actual exchange of trade-related data and documents across borders to remove the need for sending paper documents.

Figure 16 shows the average scores for implementing the “cross-border paperless trade” measures. At the regional level, the implementation of these measures is very low, except *Laws and regulations for electronic transactions* whose implementation level is slightly over 50%. The pattern is very similar at the sub-regional level, apart from South-East Asia and East and North-East Asia whose implementation levels far exceed those of other sub-regions for most of the “cross-border paperless trade” measures.
Figure 16: Implementation of “cross-border paperless trade” measures: Asia-Pacific average, 2017

Figure 17 shows that more than 70% of the countries surveyed in the Asia-Pacific have at least partially developed the legal and regulatory frameworks needed to support electronic transactions, but that these frameworks remain incomplete and may not readily support the legal recognition of electronic data or documents received from stakeholders in other countries. This is also true for Certification Authorities (CAs) needed to issue traders with recognized electronic signature certificates, which have yet to be established by a large majority of countries in the region even on a pilot basis.

Figure 17: State of implementation of “cross-border paperless trade” measures in Asia-Pacific economies, 2017
Due to lack of institutional and legal frameworks to support cross-border paperless trade, **Engagement in trade-related cross-border electronic data exchange** has been typically conducted on a limited basis with a few specific trade partners, and often only on a partial or pilot implementation. Indeed, **Electronic exchange of Certificates of Origin** and **Electronic exchange of Sanitary & Phyto-Sanitary Certificates** have been implemented on a limited basis by less than 30% of the economies of the region.

### 3.6 “Transit facilitation” measures

Four trade facilitation measures included in the survey relate specifically to transit facilitation and **WTO TFA Article 11 on Freedom of Transit**.\(^\text{10}\) The intent of these measures is to reduce as much as possible all the formalities associated with traffic in transit, allowing goods from one country destined to another country to be transported through one or more other transit countries. These measures are particularly important to landlocked developing countries, whose goods typically need to go through a neighboring country’s territory before reaching a sea port for onward transportation to their destinations.

As shown in Figure 18, the implementation level of “transit” measures in the region are approximately 50% across all measures. In South-East Asia and East and North-East Asia, these levels are higher and oscillate around 70% in most measures.

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\(^{10}\) These measures are not directly applicable to all countries in the region, as some countries are unlikely to see any traffic in transit in their territory. This is particularly the case of “island” countries but also of other countries facing specific geographical constraints. Therefore, only the following 23 countries are included in the analysis of transit measures: Afghanistan, Armenia, Azerbaijan, Bangladesh, Brunei Darussalam, Cambodia, China, India, Indonesia, Kazakhstan, Kyrgyzstan, Lao PDR, Malaysia, Mongolia, Myanmar, Pakistan, Russian Federation, Singapore, Tajikistan, Thailand, Turkey, Uzbekistan and Viet Nam.
While all four transit facilitation measures have been implemented by more than 40% of the countries involved, implementation has mainly been partial. Indeed, *Transit facilitation agreement(s) with neighbouring country(ies)* is considered fully implemented in only 2% of the countries although 57% of the countries surveyed are at least partially implementing it. Similarly, *Limited physical inspection of goods in transit and pre-arrival processing of documents for goods in transit* are fully in place in less than 20% of the countries (Figure 19).

**Figure 19: State of implementation of “transit facilitation” measures in Asia-Pacific economies, 2017**

![Diagram showing state of implementation of transit facilitation measures](source: The second UNRC survey on trade facilitation and paperless trade implementation)

3.7 Progress and challenges in the implementation

Figure 20 shows the top 10 trade facilitation measures that the countries have made the most progress in implementing over the past 12 months.
While the data remains anecdotal in nature, it suggests that many countries across the Asia-Pacific region prioritize improving their *Electronic/automated Customs System* and *Internet connection available to Customs and other trade control agencies at border-crossings* over the past year. Many also work on implementing *Independent appeal mechanism*, as well as *Establishing National Trade Facilitation Committee*. Finally, implementation of *Acceptance of paper or electronic copies of supporting documents required for import, export or transit formalities* also see significant progress.

Experts involved in the survey are also requested to identify the three key challenges faced by their countries in the implementation of trade facilitation measures. Responses are received for 20 countries. *Limited human resource capacity* and *Lack of coordination between government agencies* are identified as the most pressing challenges in 16 and 12 countries, respectively. Both *No clearly designated lead agency* and *Financial constraints* are mentioned in 11 countries.
Figure 21: Challenges faced by Asia-Pacific LDCs, LLDCs, SIDSs and other developing countries in implementing trade facilitation measures

Five challenges associated with trade facilitation shown in Figure 21 vary significantly across groups of countries. Limited human resource capacity seems to be most severe for LDCs and LLDCs, Financial constraints seems to be relatively more pertinent than other challenges for SIDSs. In contrast, Lack of coordination between Government agencies seems to be more pronounced than other challenges in other developing countries.

Note: Data show the number of countries.
Source: The second UNRC survey on trade facilitation and paperless trade implementation
4. Conclusions and way forward

This report presents data on trade facilitation and paperless trade implementation collected from 44 economies across the Asia-Pacific region and covering 5 different sub-regions and 3 groups of countries with special needs, namely, LDCs, LLDCs and SIDSs. The survey covered not only implementation of general trade facilitation measures, including most of those featured in the WTO TFA, but also more advanced ICT-based trade facilitation measures. Figure 22 confirms the strong relationship between Asia-Pacific countries international trade costs and their level of trade facilitation implementation.\(^\text{11}\)

\[ y = -340.43x + 360.84 \]
\[ R^2 = 0.4986 \]

**Figure 22: Trade facilitation implementation and Trade Costs of Asia-Pacific 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 (June 2017 Update) and the second UNRC survey on trade facilitation and paperless trade implementation.

Based on a package of 31 trade facilitation measures included in the survey, regional average trade facilitation implementation is found to be approximately 50%, suggesting significant room for improvement. The assessment reveals that a large majority of countries in the region has been actively engaged in measures such as Transparency, Enhance inter-agency coordination and cooperation, and Streamline fees and formalities associated with trade transactions. While Customs in essentially all countries have been actively developing paperless systems to speed up customs clearance while also improving control, more than 50% of the economies are now also engaged in implementation of more advanced national multi-agency paperless systems, such as national electronic single windows.

However, implementation of cross-border (bilateral, sub-regional or regional) paperless trade systems remains low. This is not surprising given that, on one hand, many less advanced countries in the region

\(^{11}\) A simple linear regression of trade costs against trade facilitation implementation – estimated using Ordinary Least Squares (OLS) - shows that trade facilitation implementation levels explain about 50% of the variations in trade costs; and that a 5% increase in the level of trade facilitation implementation is associated with a decrease in trade costs of 17%.
are at an early stage of development of national paperless systems and that, on the other hand, more advanced countries have paperless systems in place that are not fully interoperable with each other. In that regard, given the large potential benefits associated with the implementation of these “next generation” trade facilitation measures, on the other hand, more advanced countries have paperless systems in place that are not fully interoperable with each other.

In that regard, given the large potential benefits associated with the implementation of these “next generation” trade facilitation measures, it is in the interest of countries from all groups to work together and develop the legal and technical protocols needed for the seamless exchange of regulatory and commercial data and documents along the international supply chain.

Some work has already been done bilaterally as well as in several Asian sub-regions (e.g., in ASEAN as part of implementation of the ASEAN Single Window). This work can be further leveraged at the regional level through adoption and implementation of the intergovernmental Framework Agreement for the Facilitation of Cross-border Paperless Trade. Negotiated as an inclusive and flexible intergovernmental platform to enable the electronic exchange of trade-related data and documents across borders among Parties, the Framework Agreement is set to benefit all parties regardless of their current state of implementation of paperless trade. Therefore, all countries in the region are encouraged to become a party of the treaty as soon as possible to take advantage of what the agreement offers, especially in terms of accessing to capacity building and technical assistance.

Remarkably, the only trade facilitation performance “monitoring” measure included in the survey (Establishment and publication of average release times), has not been widely implemented across the region. This is worth highlighting, as what ultimately matters is not how many measures one implements, but how effective they have been in reducing the time and cost of trade transactions. Indeed, it is important to realize that trade facilitation and paperless trade measures are very much inter-related and that the effect of a particular measure on trade transaction costs depends on whether, and how well, other measures have been implemented.

To further advance trade facilitation and paperless trade, Figure 23 shows implementation of trade facilitation as a step-by-step process, based on the groups of measures included in this survey. Trade facilitation begins with the setting up of the Institutional arrangement needed to prioritize and coordinate implementation of trade facilitation measures. The next step is to make the trade processes more Transparent by sharing information on existing laws, regulations and procedures as widely as possible and consulting with stakeholders when developing new ones. Designing and implementing simpler and more efficient trade Formalities is the third step. The re-engineered and streamlined processes may first be implemented based on paper documents, but can then be further improved through ICT and the development of Paperless trade systems. The ultimate step is to enable the electronic trade data and documents exchange by traders, government and service providers within national (single window and other) systems to be used and re-used to provide stakeholders in partner countries with the information they need to speed up the movement of goods and reduce the overall costs of trade.\footnote{See ESCAP (2014) at http://www.unescap.org/resources/estimating-benefits-cross-border-paperless-trade}

\footnote{This step-by-step process is inspired from and generally consistent with the UN/CEFACT step-by-step approach to trade facilitation towards a single window environment.}
Going forward, digital trade facilitation offers a great opportunity to reduce trade costs and increase trade volume for the region. Through paperless trade and seamless electronic exchange of trade data and documents, member countries can enhance their competitiveness in global markets and increase more effective participation in global value chains. In this respect, the Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific will not only complement the WTO TFA but also provides a unique platform for ESCAP member states to tap their potential. A recent ESCAP publication (2017), Asia-Pacific Trade and Investment Report-Channelling Trade and Investment into Sustainable Development, suggests that trade facilitation will result in an increase in net exports of $16 billion annually.

In the context of 2030 Agenda for Sustainable Development, member countries should introduce and implement new trade facilitation measures that incorporate inclusiveness and sustainability, especially the ones that benefit SMEs and the agricultural sector, as well as the participation of women in trade.
# Annex 1: Definition of the different stages of implementation

<table>
<thead>
<tr>
<th>Definition of stage of implementation</th>
<th>Coding/Scoring</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Full implementation</strong>: the trade facilitation measure implemented is in full compliance with commonly accepted international standards, recommendations and conventions (such as the Revised Kyoto Convention, UN/CEFACT Recommendations, or the WTO Trade Facilitation Agreement); it is implemented in law and in practice; it is available to essentially all relevant stakeholders nationwide, supported by adequate legal and institutional framework, as well as adequate infrastructure and financial and human resources.</td>
<td>3</td>
</tr>
<tr>
<td><strong>Partial implementation</strong>: a measure is considered to be partially implemented if at least one of the following is true: (1) the trade facilitation measure is not in full compliance with commonly accepted international standards, recommendations and conventions; (2) the country is still in the process of rolling out the implementation of measure; (3) the measure is practiced on an unsustainable, short-term or ad-hoc basis; (4) the measure is not implemented in all targeted locations (such as key border crossing stations); or (5) not all targeted stakeholders are fully involved.</td>
<td>2</td>
</tr>
<tr>
<td><strong>Pilot stage of implementation</strong>: A measure is considered to be at the pilot stage of implementation if, in addition to meeting the general attributes of partial implementation, it is available only to (or at) a very small portion of the intended stakeholder group (location) and/or is being implemented on a trial basis. When a new trade facilitation measure is under pilot stage of implementation, the old measure is often continuously used in parallel to ensure the service is provided in case of disruption of new measure. This stage of implementation also includes relevant rehearsals and preparation for the full-fledged implementation.</td>
<td>1</td>
</tr>
<tr>
<td><strong>Not implemented</strong>: simply means a trade facilitation measure has not been implemented. However, this stage does not rule out initiatives or efforts towards implementation of the measure. For example, under this stage, (pre)feasibility or planning of implementation can be carried out; and consultation with stakeholders on the implementation may be arranged.</td>
<td>0</td>
</tr>
</tbody>
</table>
Annex 2: Grouping of the countries surveyed

The survey covers 44 Asia-Pacific countries, which can be divided into the following six sub-regions:

- **East and North East-Asia** (ENEA): China, Japan, Mongolia and Republic of Korea;
- **North and Central Asia** (NCA): Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, Russian Federation, Tajikistan and Uzbekistan;
- **Pacific Island Developing Economies** (PIDEs): Fiji, Kiribati, Micronesia, Nauru, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu;
- **South and South-West Asia** (SSWA): Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka and Turkey;
- **Pacific developed countries** (AU&NZ): Australia and New Zealand;
- **South-East Asia** (SEA): Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor-Leste and Viet Nam.

Analysis is also extended to the following group of countries with special needs:

- **Least Developed Countries** (LDCs): Afghanistan, Bangladesh, Bhutan, Cambodia, Kiribati, Lao PDR, Myanmar, Nepal, Solomon Islands, Timor-Leste, Tuvalu and Vanuatu;
- **Landlocked Developing Countries** (LLDCs): Afghanistan, Armenia, Azerbaijan, Bhutan, Kazakhstan, Kyrgyzstan, Lao PDR, Mongolia, Nepal, Tajikistan and Uzbekistan;
- **Small Island Developing States** (SIDSs): Fiji, Kiribati, Maldives, Micronesia, Nauru, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu and Vanuatu.

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14 This grouping is largely in line with the Economic and Social Survey of Asia and the Pacific 2015.
15 More details are available at [http://unohrlls.org/UserFiles/1_countries_with_special_needs.pdf](http://unohrlls.org/UserFiles/1_countries_with_special_needs.pdf).
16 It is important to note that Afghanistan, Bhutan and Lao PDR are both LDCs and LLDCs, while Kiribati, Solomon Islands, Timor-Leste, Tuvalu and Vanuatu are both LDCs and SIDSs.
Annex 3: Explanatory notes

1. Any missing data element is treated as "don't know" (DK).
2. "Not applicable" (NA) was accepted as an answer for the following measures as geographical factors may not permit a country to implement such measures:

   Measure 20: Electronic Submission of Sea Cargo Manifests
   Measure 33: Alignment of working days and hours with neighbouring countries at border crossings
   Measure 34: Alignment of formalities and procedures with neighbouring countries at border crossings
   Measure 35: Transit facilitation agreement(s) with neighbouring country(ies)
   Measure 36: Customs Authorities limit the physical inspections of transit goods and use risk assessment
   Measure 37: Supporting pre-arrival processing for transit facilitation
   Measure 38: Cooperation between agencies of countries involved in transit

   In calculating overall implementation rate of a country, the above-mentioned measures were excluded. Furthermore, measures 39-47 were excluded for calculating the overall implementation rate of a country due to incompleteness of the dataset.

3. ESCAP dataset is finalized on 12 August 2017.