



Trade Facilitation and Paperless Trade Implementation in Asia and the Pacific

Regional Report 2017



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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://unnex.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 chains¹.

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.

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The United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific (UNNExT),² 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),³ where the preliminary findings from the global survey were presented, are gratefully acknowledged.

² <http://unnex.t.unescap.org>

³ https://www.wto.org/english/tratop_e/devel_e/a4t_e/aid4trade_e.htm

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Abbreviations

ADB	Asian Development Bank
AEO	Authorized economic operator
ASEAN	Association of Southeast Asian Nations
ECA	United Nations Economic Commission for Africa
ECE	United Nations Economic Commission for Europe
ECLAC	United Nations Economic Commission for Latin America and the Caribbean
ENEA	East and North-East Asia
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
ESCWA	United Nations Economic and Social Commission for Western Asia
ICT	Information and communications technology
ITC	International Trade Centre
LDC	Least developed country
LLDC	Landlocked developing country
NCA	North and Central Asia
NTFC	National trade facilitation committee
OCO	Oceania Customs Organization
OECD	Organization for Economic Co-operation and Development
PIDE	Pacific Island Developing Economies
SAARC	South Asian Association for Regional Cooperation
SDGs	Sustainable Development Goals
SEA	South-East Asia
SELA	Latin American and Caribbean Economic System
SIDS	Small island developing states
SSWA	South and South-West Asia
TFA	Trade Facilitation Agreement
UN/CEFACT	United Nations Centre for Trade Facilitation and Electronic Business
UNCTAD	United Nations Conference on Trade and Development
UNNExT	United Nations Network of Experts for Paperless Trade and Transport for Asia and the Pacific
UNRC	United Nations Regional Commission
USA	United States of America
WTO	World Trade Organization

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

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	343% (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://databank.worldbank.org/data/views/variableselection/selectvariables.aspx?source=escap-world-bank-international-trade-costs> and <http://www.unescap.org/tid/artnet/trade-costs.asp>.

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.⁴ 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 Forums 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 2013⁵, 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 5 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 at the auspices of ESCAP⁶. 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).

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 2: Grouping of trade facilitation measures included in the questionnaire

Grouping		Trade facilitation measure (and question No.) in the questionnaire
General TF measures	Transparency	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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		<ul style="list-style-type: none"> 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		<ul style="list-style-type: none"> 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		<ul style="list-style-type: none"> 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		<ul style="list-style-type: none"> 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

Grouping	Trade facilitation measure (and question No.) in the questionnaire
	41. Government has taken actions to make the single windows more easily accessible to SMEs (e.g., by providing technical consultation and training services to SMEs on registering and using the facility.) 42. Government has taken actions to ensure that SMEs are well represented and made key members of National Trade Facilitation Committees (NTFCs)
Trade facilitation and agricultural trade	43. Testing and laboratory facilities are equipped for compliance with sanitary and phytosanitary (SPS) standards in your country 44. National standards and accreditation bodies are established for the purpose of compliance with SPS standards in your country 45. Application, verification and issuance of SPS certificates is automated
Women and trade facilitation	46. The existing trade facilitation policy/strategy incorporates special consideration of women involved in trade 47. Government has introduced trade facilitation measures to benefit women involved in trade

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

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.

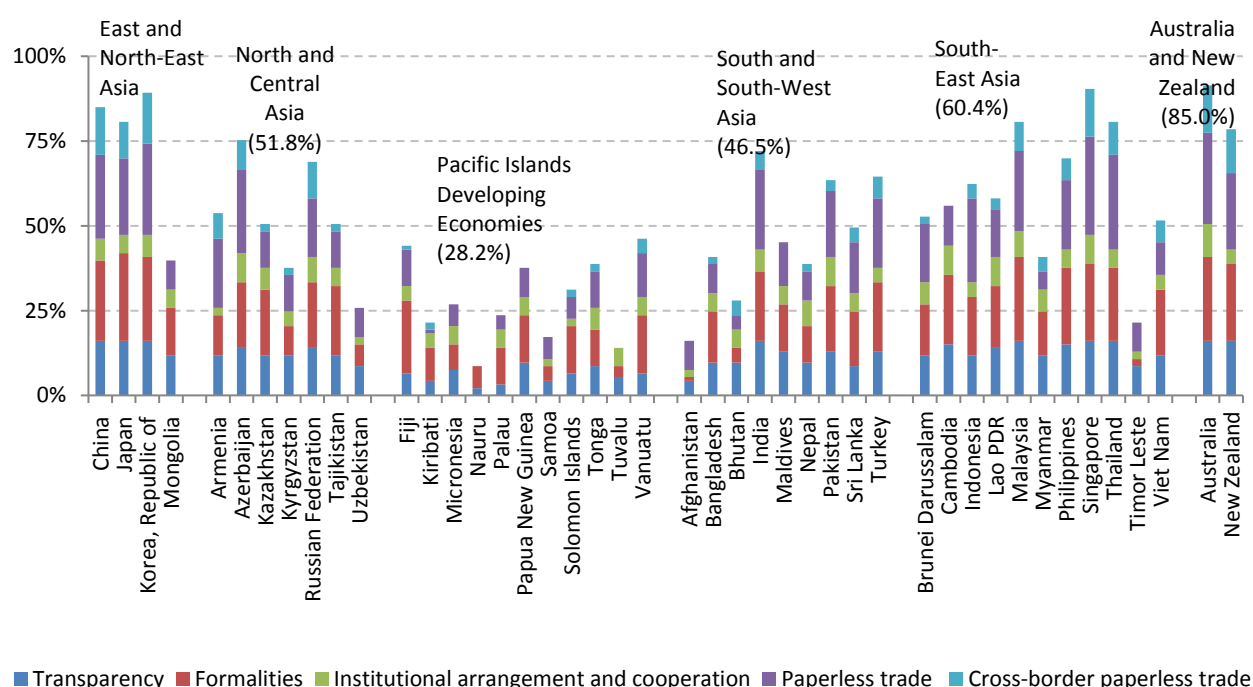
Step 3. Data validation by national governments: The ESCAP Secretariat sent the completed questionnaire to each national government to ensure that the country had the opportunity to review the dataset and provide any additional information. The feedback from national governments was incorporated to finalize 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 survey⁷. 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

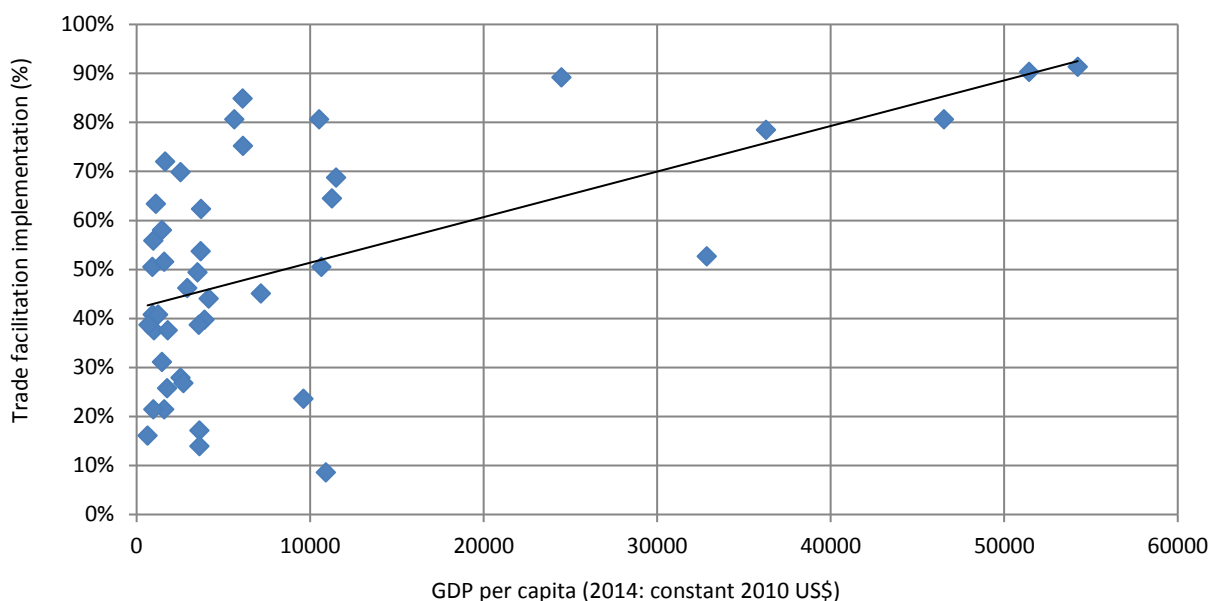


Source: The second UNRC survey on trade facilitation and paperless trade implementation

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.

Figure 2: Trade facilitation implementation and GDP per capita of 44 Asia-Pacific economies

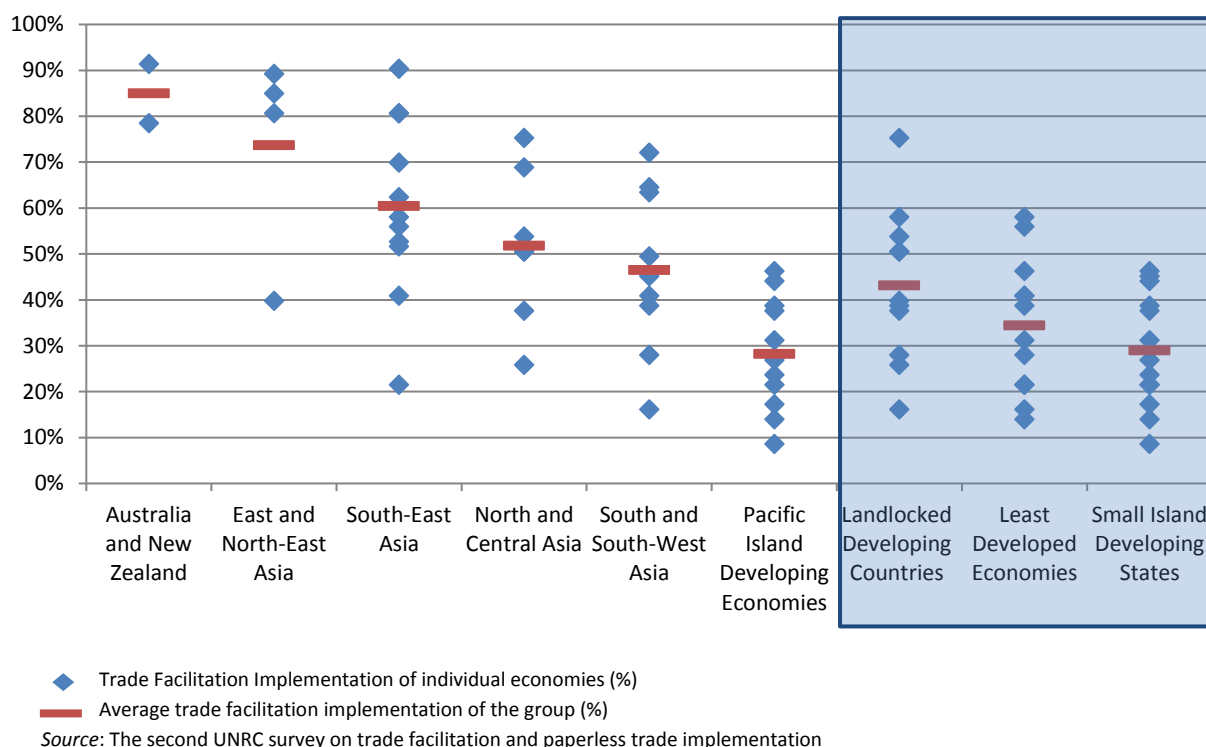


Source: The second UNRC survey on trade facilitation and paperless trade implementation; World Bank, World Development Indicators, accessed 30 June 2017.

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%.

Figure 3: Trade facilitation implementation in Asia-Pacific sub-regions and countries with special needs, 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 SIDs. This should be viewed as an important achievement in the context of the Vienna Programme of Action (VPoA).⁸

2.2 Most and least implemented trade facilitation measures

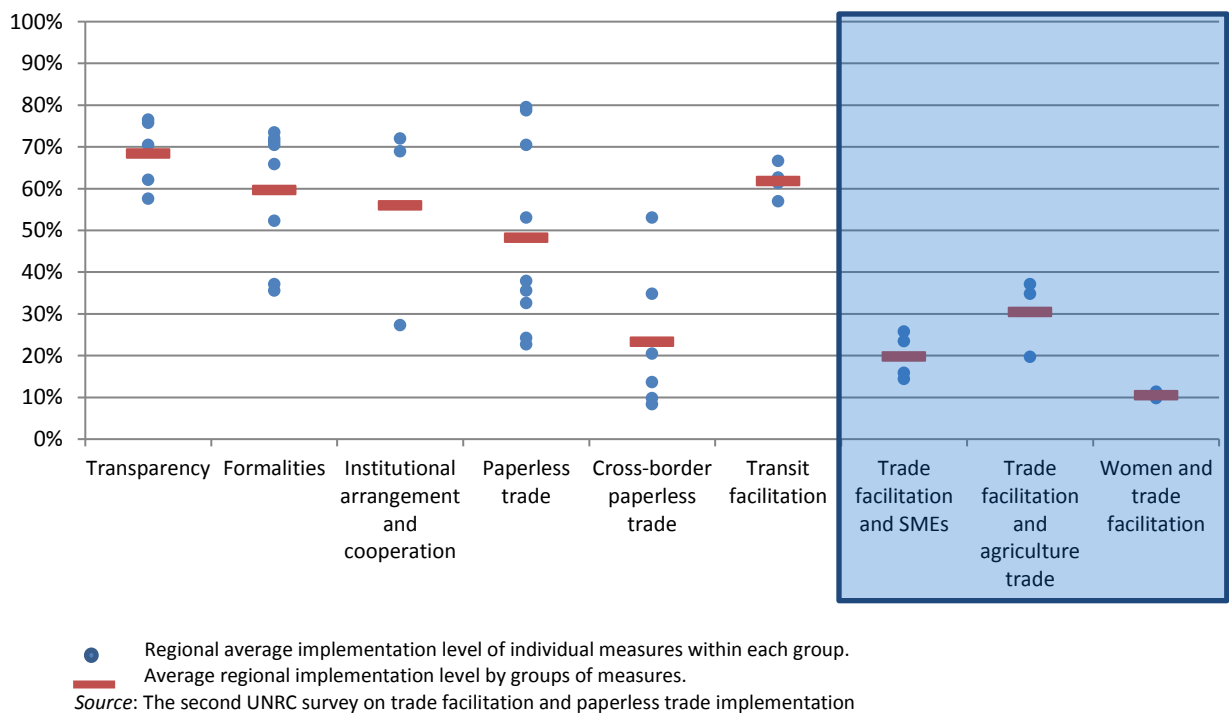
All countries are engaged in implementation of various “transparency” and “formalities” measures. As shown in Figure 4 and Table 3, “transparency” measures such as *Stakeholder consultation on new draft regulations prior to implementation* have been the most implemented: regional average implementation 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%.

⁸ <http://unohrrls.org/about-lllcs/programme-of-action/>

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



**Table 3: Most and least implemented measures in Asia-Pacific, 2017
(within each group of trade facilitation measures)**

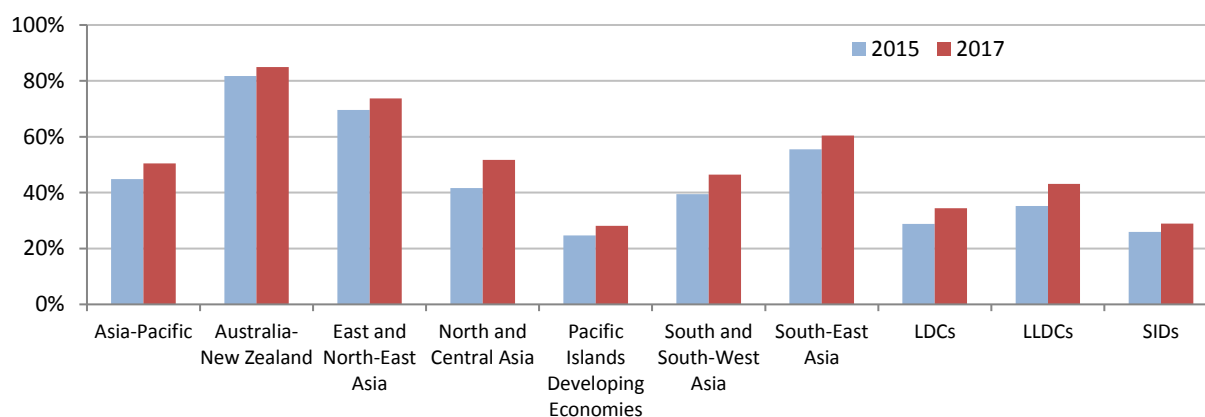
Category of trade facilitation measures	Most implemented (% of countries)		Least implemented (% of countries)	
	Measure	Implemented fully, partially or on pilot basis / Fully implemented (% of countries/% of countries)	Measure	Implemented fully, partially or on pilot basis / Fully implemented (% of countries/%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

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

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)

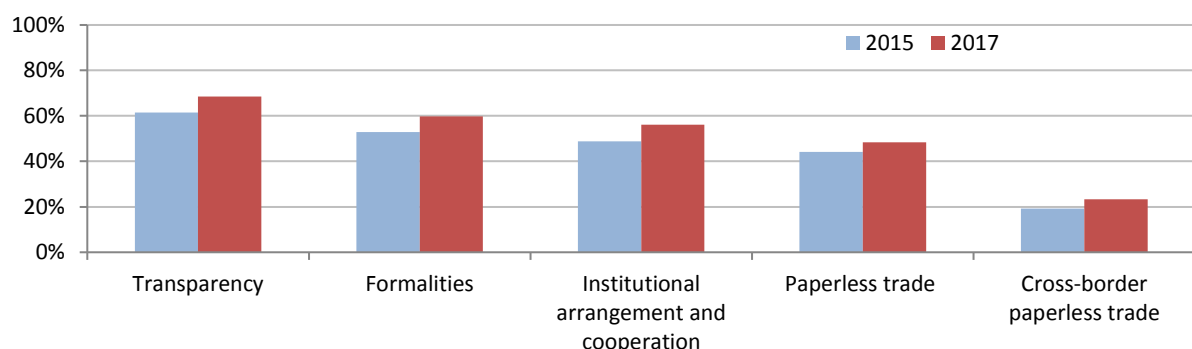
Figure 5: Trade facilitation implementation by subregions in Asia and the Pacific, 2015 and 2017



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

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).

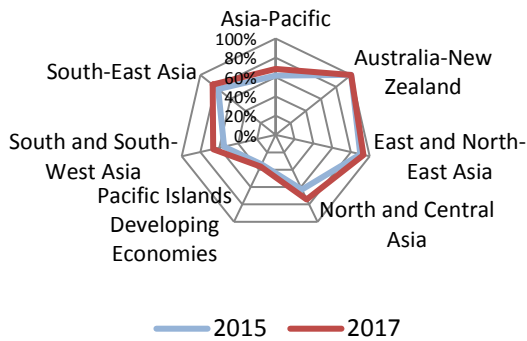
Figure 6: Implementation of different groups of trade facilitation measures in Asia-Pacific, 2015 and 2017



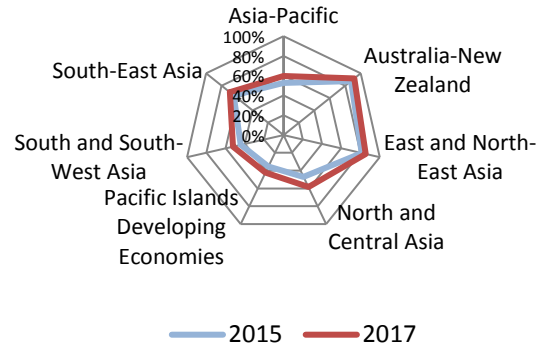
Source: The second UNRC survey on trade facilitation and paperless trade implementation

Figure 7: Implementation of trade facilitation measures by Asia-Pacific subregions, 2015 and 2017

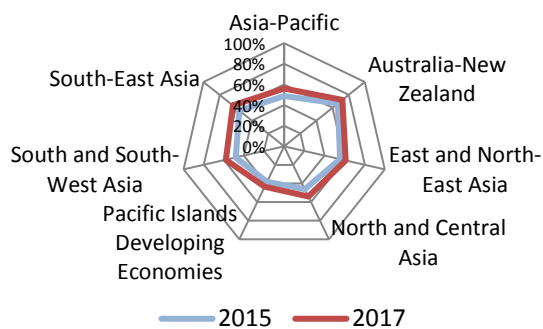
Transparency



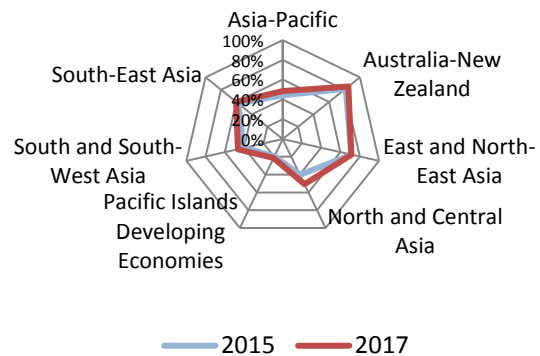
Formalities



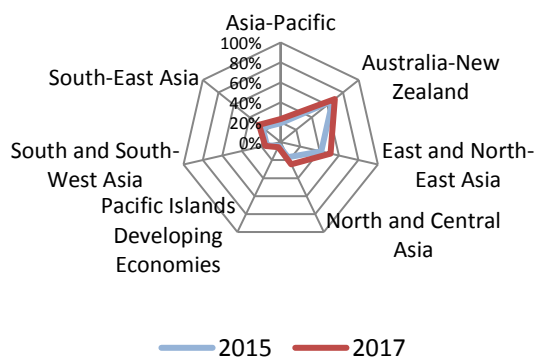
Institutional arrangement and cooperation



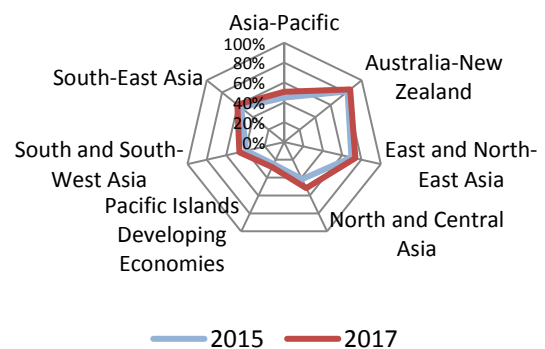
Paperless trade



Cross-border paperless trade



Overall implementation



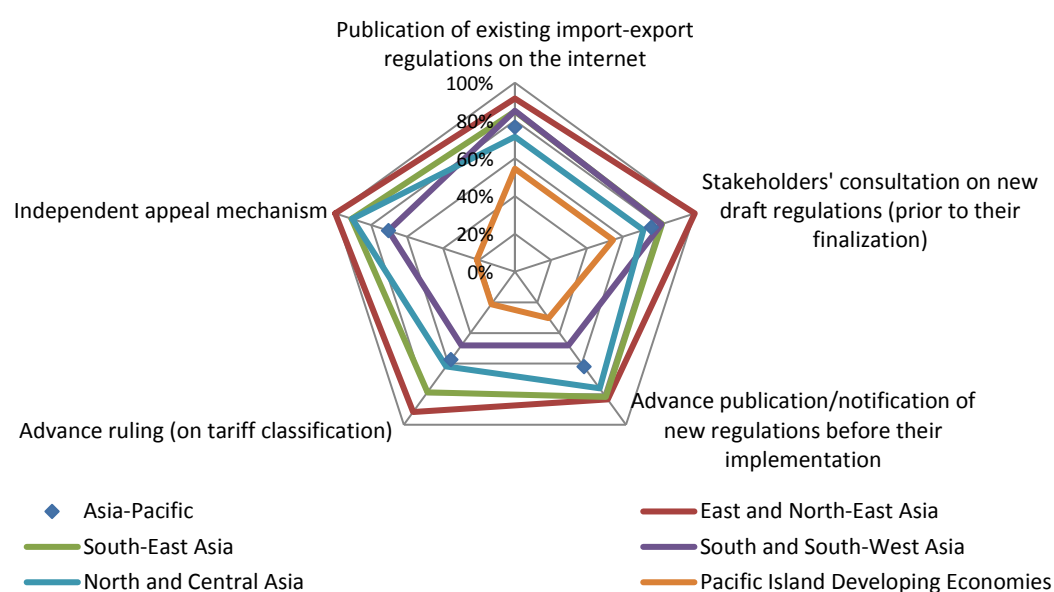
Source: The second UNRC survey on trade facilitation and paperless trade implementation

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

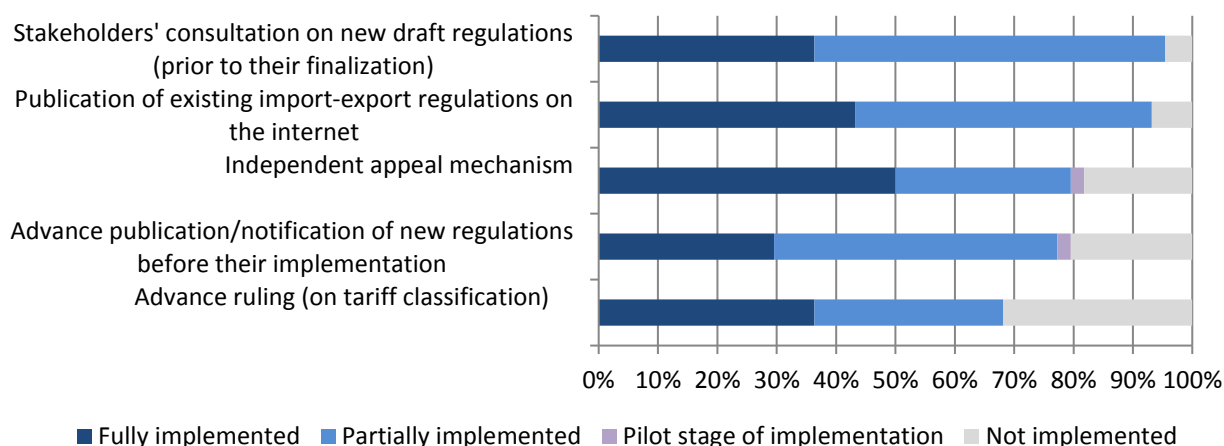


Source: The second UNRC survey on trade facilitation and paperless trade implementation

Figure 9 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

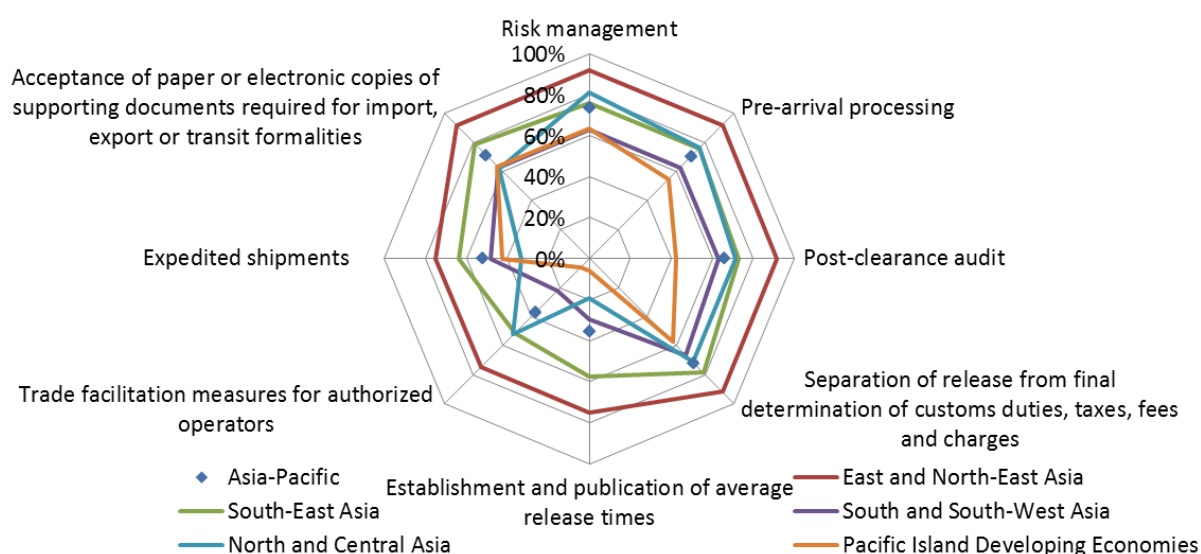


Source: The second UNRC survey on trade facilitation and paperless trade implementation

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.

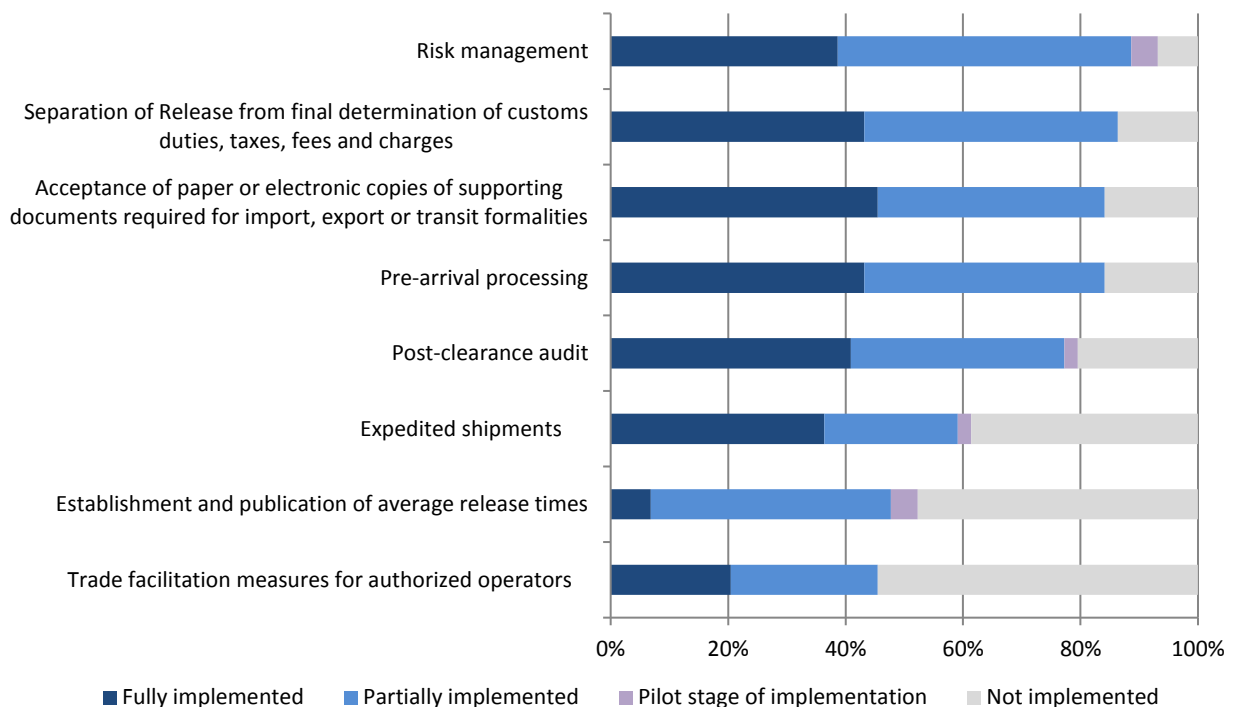
Figure 10: Implementation of trade “formalities” facilitation measures: Asia-Pacific average, 2017



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



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

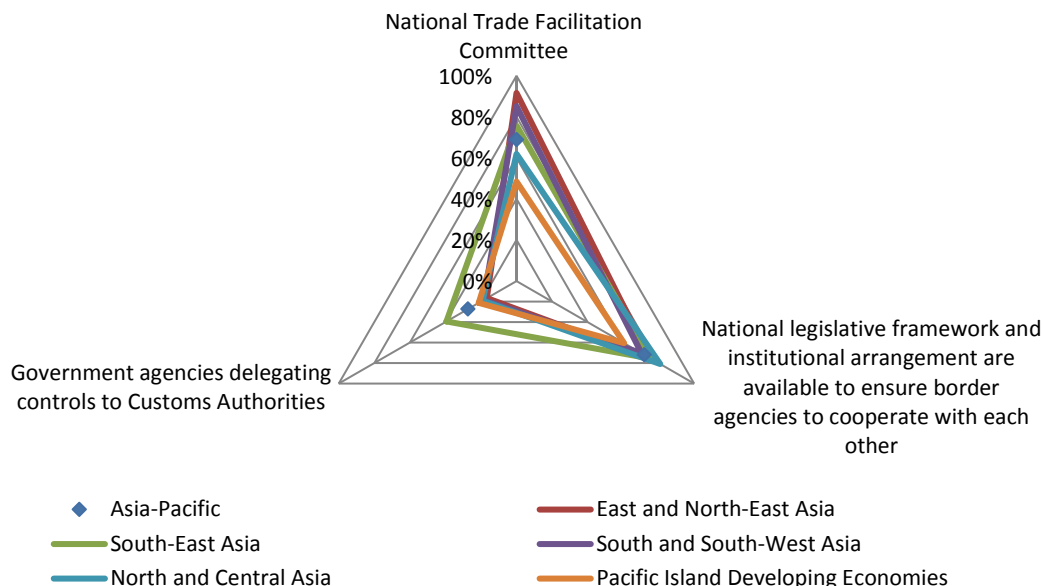
3.3 “Institutional arrangement and cooperation” measures

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.

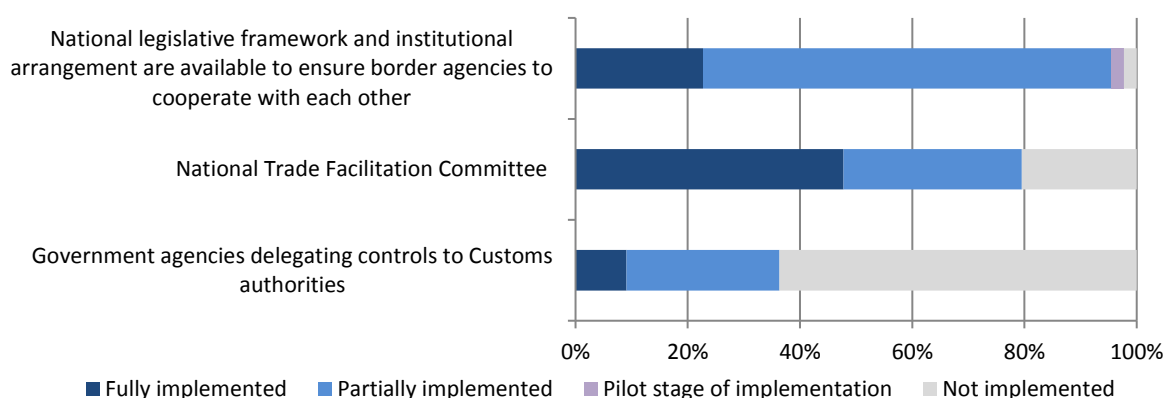
Figure 12: Implementation of “institutional arrangement and cooperation” measures: Asia-Pacific average, 2017



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.⁹ 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



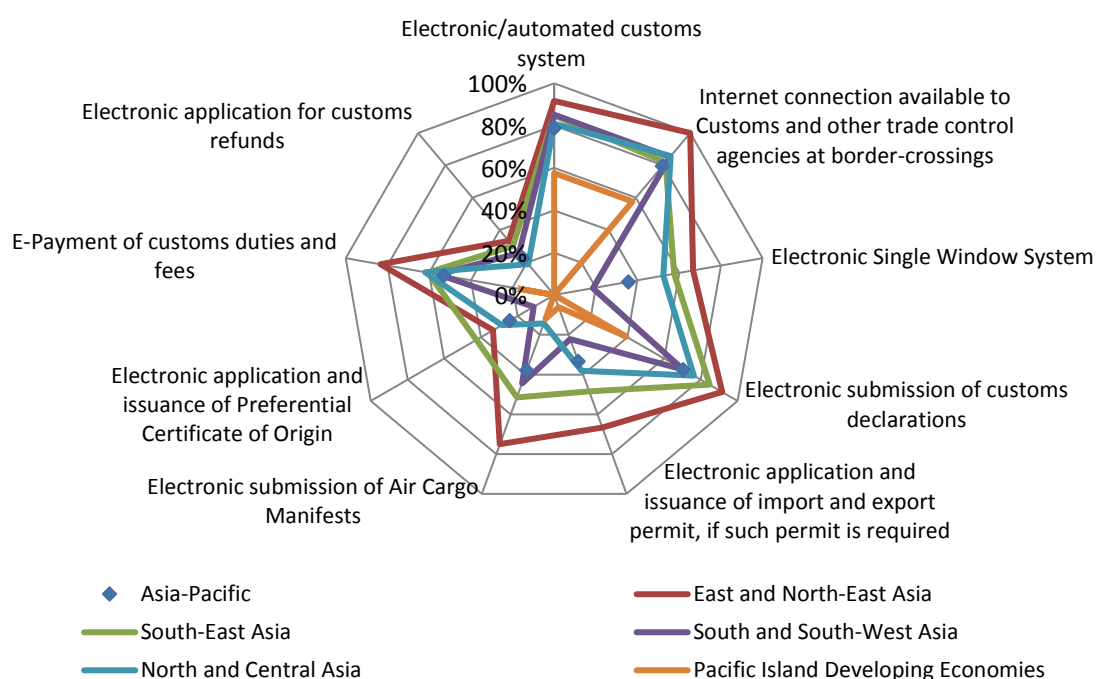
Source: The second UNRC survey on trade facilitation and paperless trade implementation

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*.

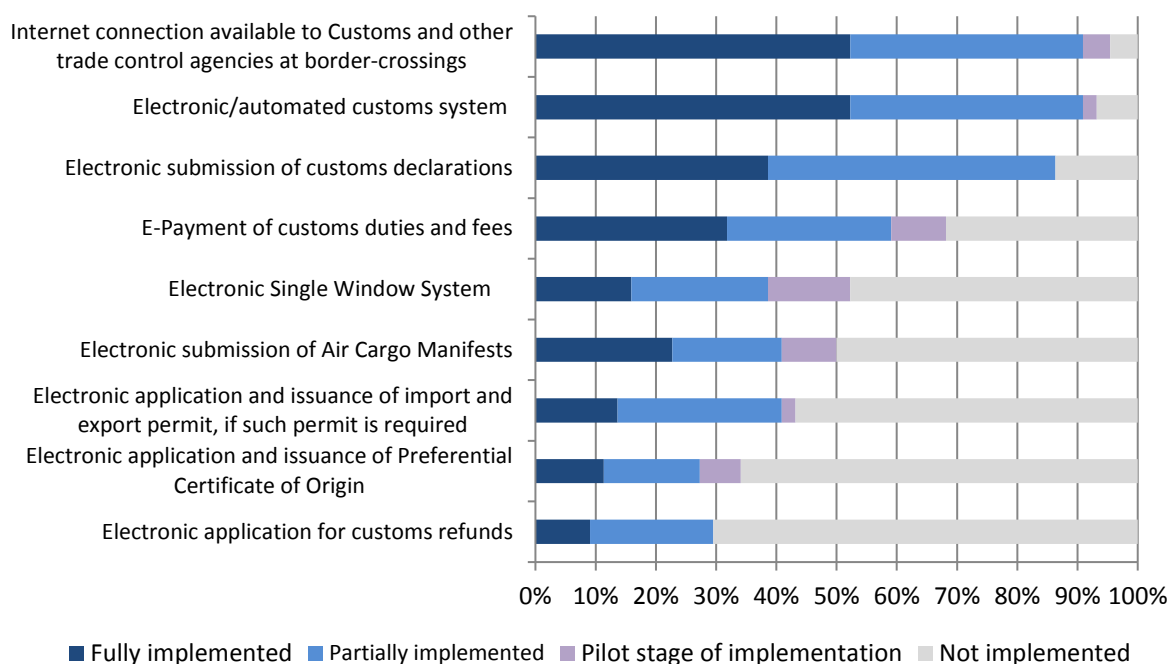
Figure 14: Implementation of “paperless trade” measures: Asia-Pacific average, 2017



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

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.

Figure 15: State of implementation of “paperless trade” measures in Asia-Pacific economies, 2017



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

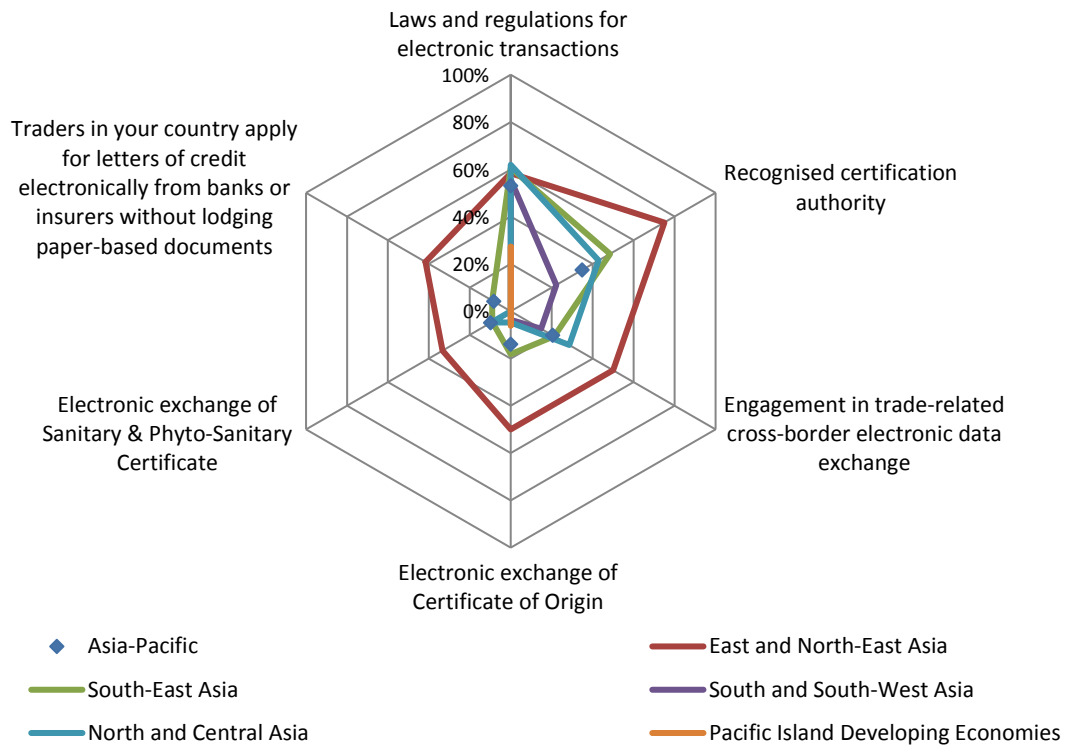
Some relatively simpler measures such as *Electronic application and issuance of import and export permit*, *Electronic application and Issuance of Preferential Certificate of Origin*, and *Electronic application for customs refunds* are even less implemented than *Single Window*. This could be partially 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 regulation 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.

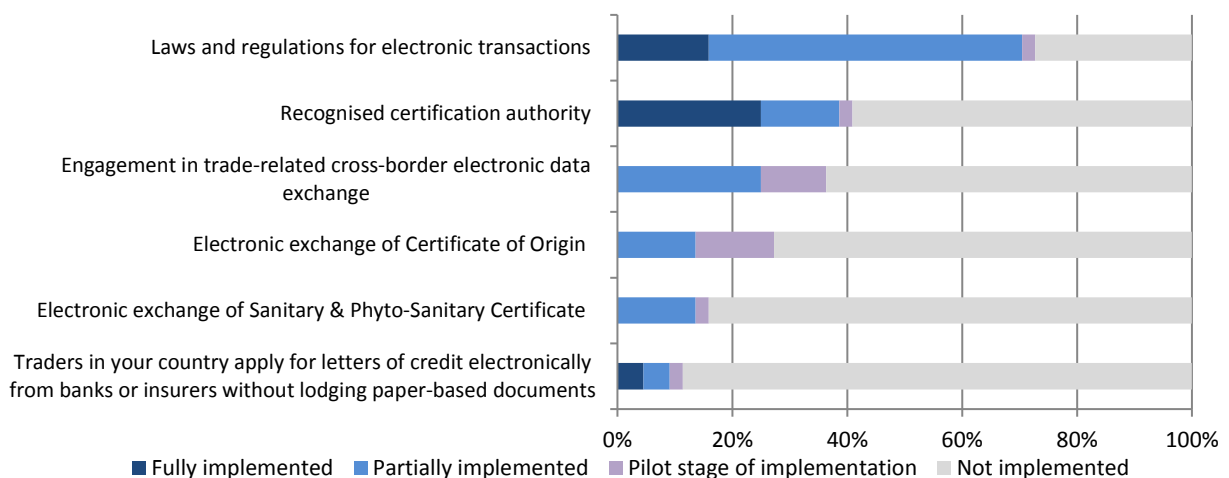
Figure 16: Implementation of “cross-border paperless trade” measures: Asia-Pacific average, 2017



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

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



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

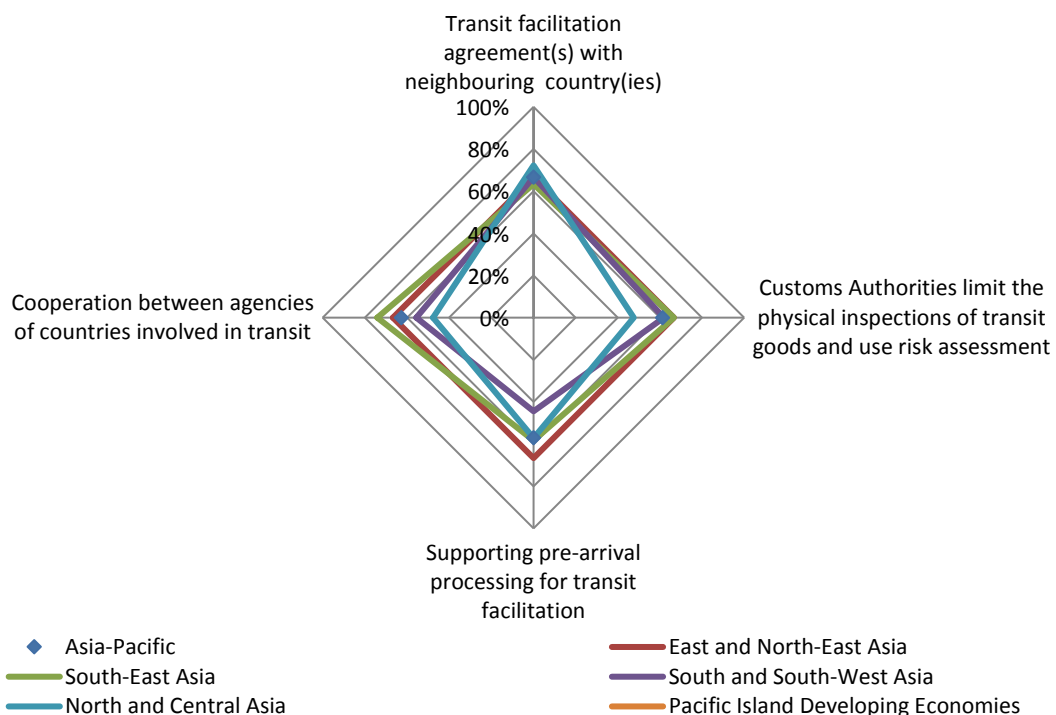
Due to lack of institutional and legal frameworks to support cross-border paperless trade, *Engagement in trade-related cross-border electronic data exchange* has been typically conducted on a limited basis with a few specific trade partners, and often only on a partial or pilot implementation. Indeed, *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*.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.

Figure 18: Implementation of “transit facilitation” measures: Asia-Pacific average, 2017

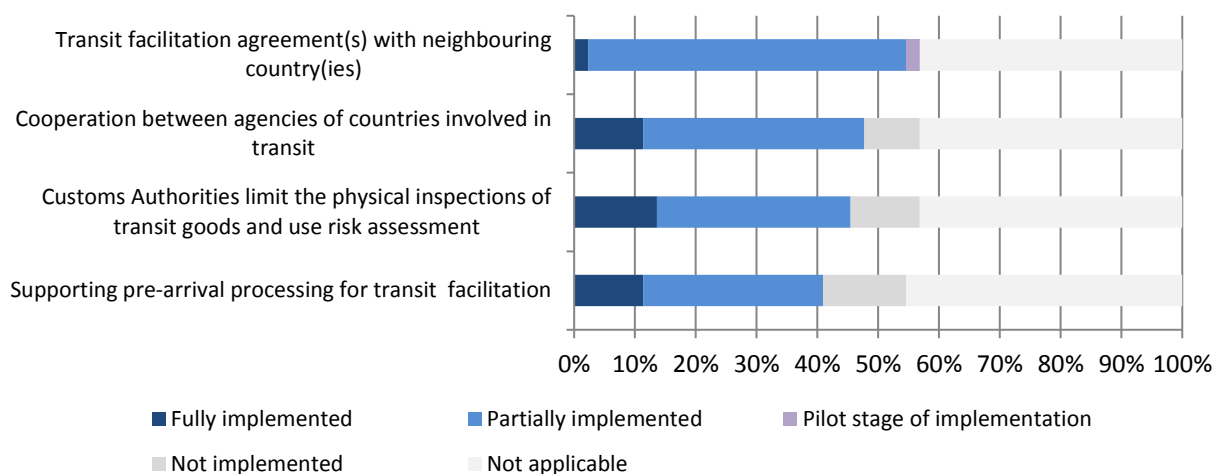


Source: The second UNRC survey on trade facilitation and paperless trade implementation

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

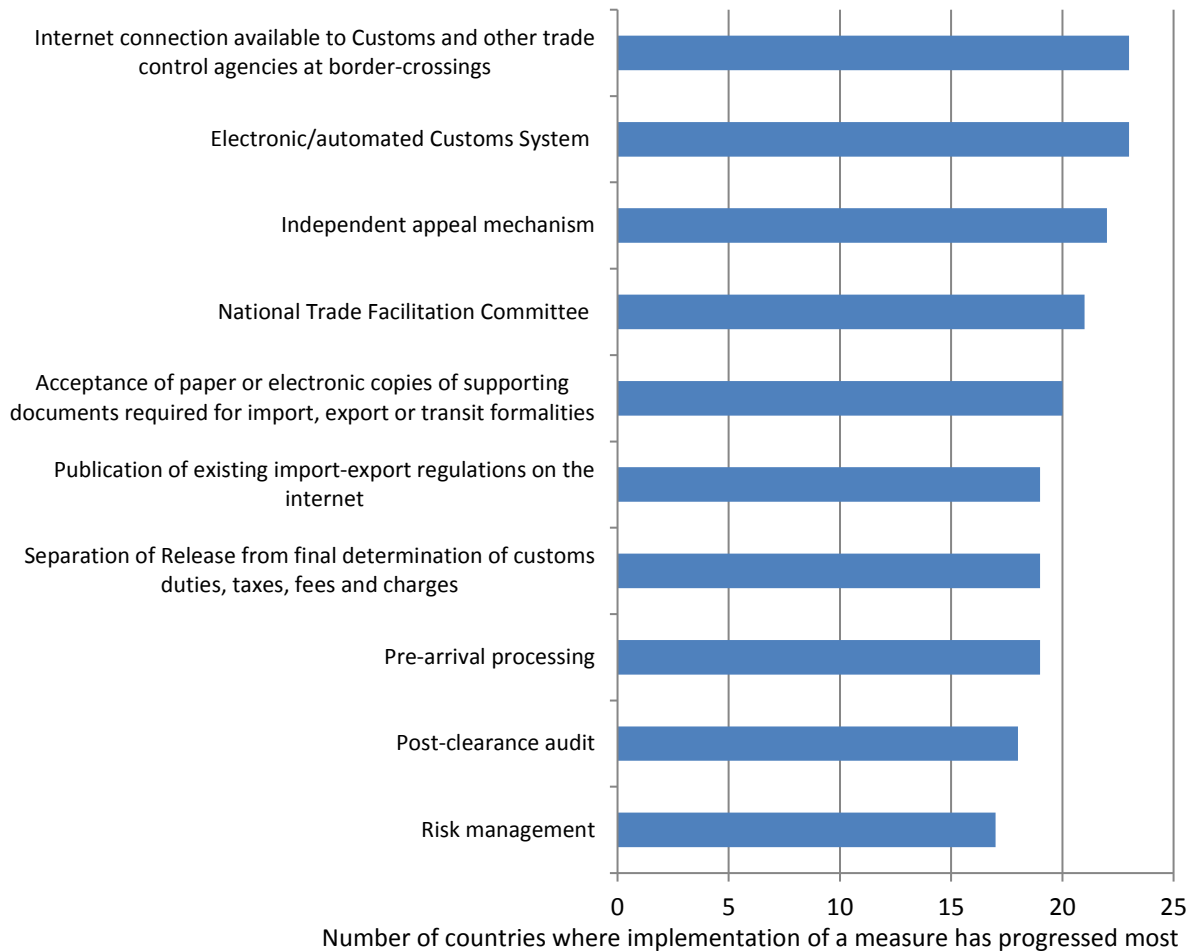


Source: The second UNRC survey on trade facilitation and paperless trade implementation

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.

Figure 20: Trade facilitation measures on which most progress was made in Asia-Pacific economies since 2016

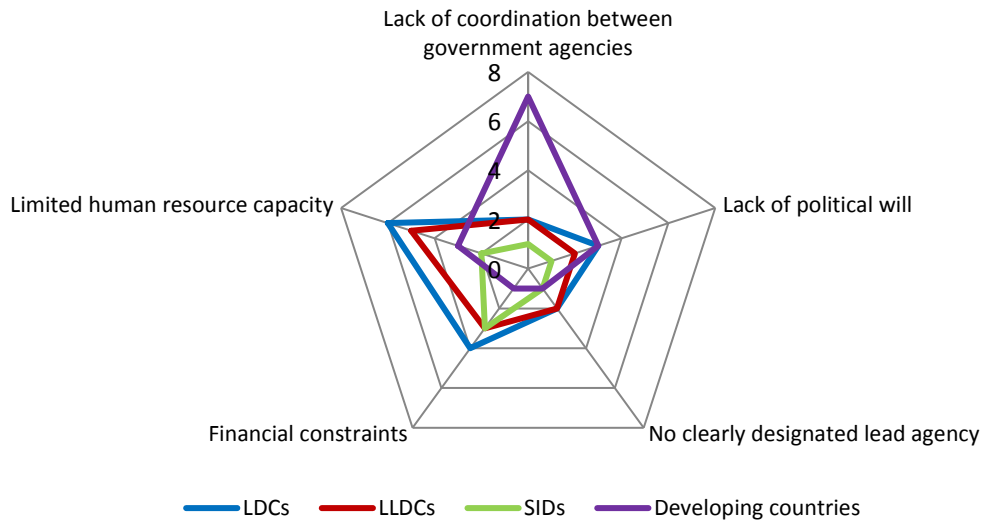


Source: The second UNRC survey on trade facilitation and paperless trade implementation

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, SIDs and other developing countries in implementing trade facilitation measures



Note: Data show the number of countries.

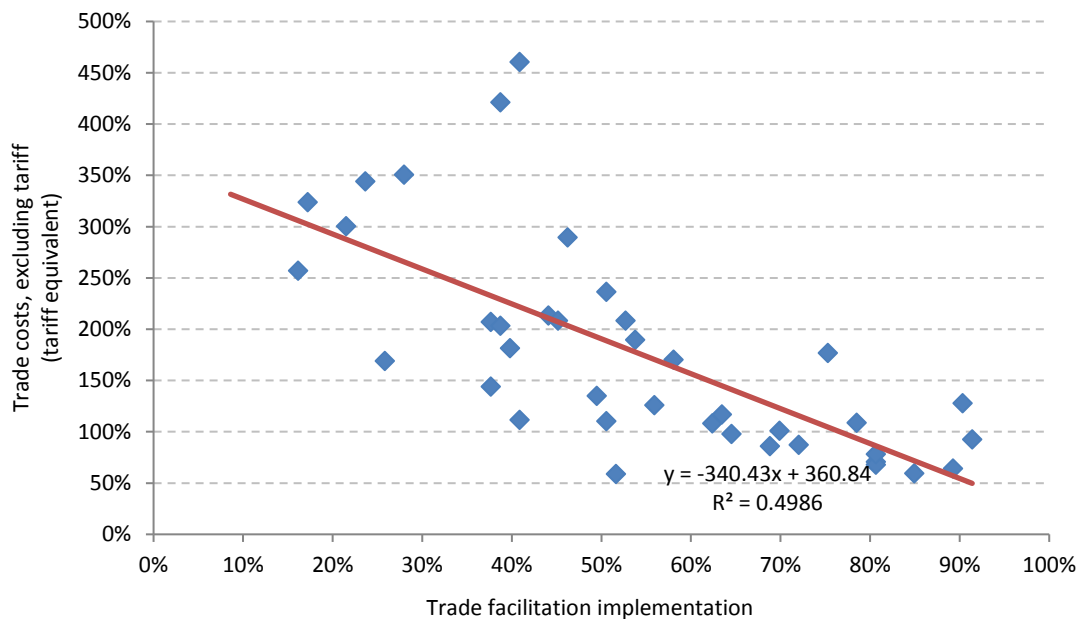
Source: The second UNRC survey on trade facilitation and paperless trade implementation

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 SIDs. In contrast, *Lack of coordination between Government agencies* seems to be more pronounced than other challenges in other developing countries.

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.¹¹

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,¹² 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.

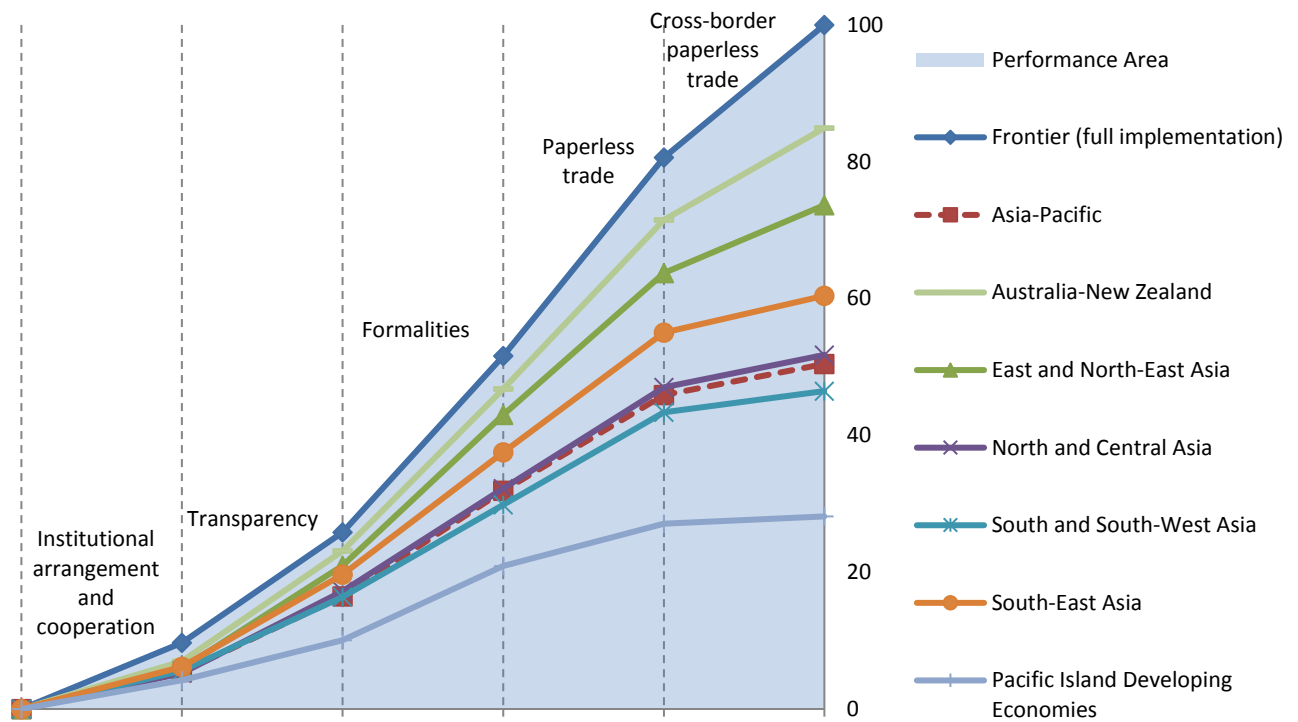
Remarkably, the only trade facilitation performance “monitoring” measure included in the survey (*Establishment and publication of average release times*), has not been widely implemented across the region. This is worth highlighting, as what ultimately matters is not how many measures one implements, 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.¹³

¹² See ESCAP (2014) at <http://www.unescap.org/resources/estimating-benefits-cross-border-paperless-trade>

¹³ 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.

Figure 23: Moving up the trade facilitation ladder towards seamless international supply chains



Note: the figure shows cumulative trade facilitation implementation scores of Asia-Pacific sub-regions for 31 common trade facilitation measures included in the survey. Full implementation of all measures = 100.
 Source: The second UNRC survey on trade facilitation and paperless trade implementation

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

Definition of stage of implementation	Coding/ Scoring
<p>Full implementation: 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.</p>	3
<p>Partial implementation: 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.</p>	2
<p>Pilot stage of implementation: 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.</p>	1
<p>Not implemented: 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.</p>	0

Annex 2: Grouping of the countries surveyed¹⁴

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

- *East and North East-Asia (ENEAs)*: 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 needs¹⁵:

- *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.¹⁶

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://unohrrls.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.

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