

# **[Digital] Trade Facilitation in Asia and the Pacific: State of Play and the WTO Trade Facilitation Agreement**

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# Outline

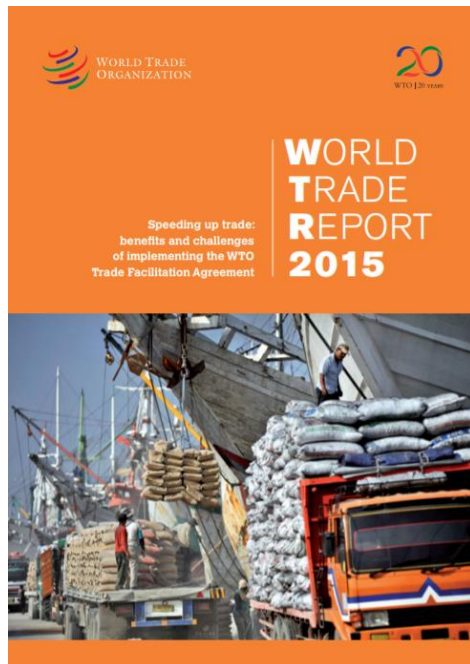
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- ❖ Introduction
- ❖ Regional State of Play
  - Trade costs & Trade Facilitation Performance
- ❖ WTO Trade Facilitation Agreement
  - ❖ Overview & Update
  - ❖ TFA and Information & Communication Technologies (ICT) / Paperless Trade
- ❖ Trade Facilitation and Paperless Trade Implementation in Asia-Pacific
  - ❖ Towards cross-border paperless trade
- ❖ Conclusions
- ❖ Annex - Support from ESCAP



# Trade Facilitation (TF)?

## - Definitions



[https://www.wto.org/english/res\\_e/booksp\\_e/world\\_trade\\_report15\\_e.pdf](https://www.wto.org/english/res_e/booksp_e/world_trade_report15_e.pdf)

**Table A.1: Definitions of trade facilitation**

### a) Academic literature

Study	Definition
Duval (2007).	Trade facilitation involves increasing the efficiency of trading processes. Trade facilitation involves making customs, transport, and banking and insurance (services and infrastructure) more efficient. Trade facilitation cannot simply be limited either to at-the-border or to customs control processes, since these two sets of processes are only two of a number of other processes (e.g., payment and logistics) that affect the efficiency of a trade transaction.
Grainger (2011).	Trade facilitation looks at how procedures and controls governing the movement of goods across national borders can be improved to reduce associated cost burdens and maximize efficiency while safeguarding legitimate regulatory objectives.
Persson (2013).	Trade facilitation refers to making it easier for traders to move goods across borders by making cumbersome cross-border trade procedures more efficient.
Portugal-Perez and Wilson (2012).	Trade facilitation measures can be undertaken along two dimensions: a "hard" dimension related to tangible infrastructure such as roads, ports, highways, telecommunications, as well as a "soft" dimension related to transparency, customs management, the business environment, and other institutional aspects that are intangible.
Zaki (2014).	Trade facilitation includes five main elements: 1) simplification of trade procedures and documentation; 2) harmonization of the trade practices and rules; 3) more transparent information and procedures of international flows; 4) recourse to new technologies to promote international trade; 5) more secured means of payment for international commerce.

### b) International organizations

Institution/source	Definition
Asia-Pacific Economic Cooperation (APEC) <i>Source: APEC (2007).</i>	Trade facilitation refers to the simplification and rationalization of customs and other administrative procedures that hinder, delay or increase the cost of moving goods across international borders.
European Commission <i>Source: <a href="http://ec.europa.eu/taxation_customs/customs/policy_issues/trade_facilitation/index_en.htm">http://ec.europa.eu/taxation_customs/customs/policy_issues/trade_facilitation/index_en.htm</a></i>	Trade facilitation can be defined as the simplification and harmonization of international trade procedures including import and export procedures. Procedures in this context largely refer to the activities (practices and formalities) involved in collecting, presenting, communicating and processing the data required for movement of goods in international trade.
International Chamber of Commerce (ICC) <i>Source: ICC (2007).</i>	Improvements in the efficiency of the processes associated with trading in goods across national borders.
Organisation for Economic Co-operation and Development (OECD) <i>Source: Moisé et al. (2011).</i>	Trade facilitation refers to policies and measures aimed at easing trade costs by improving efficiency at each stage of the international trade chain.

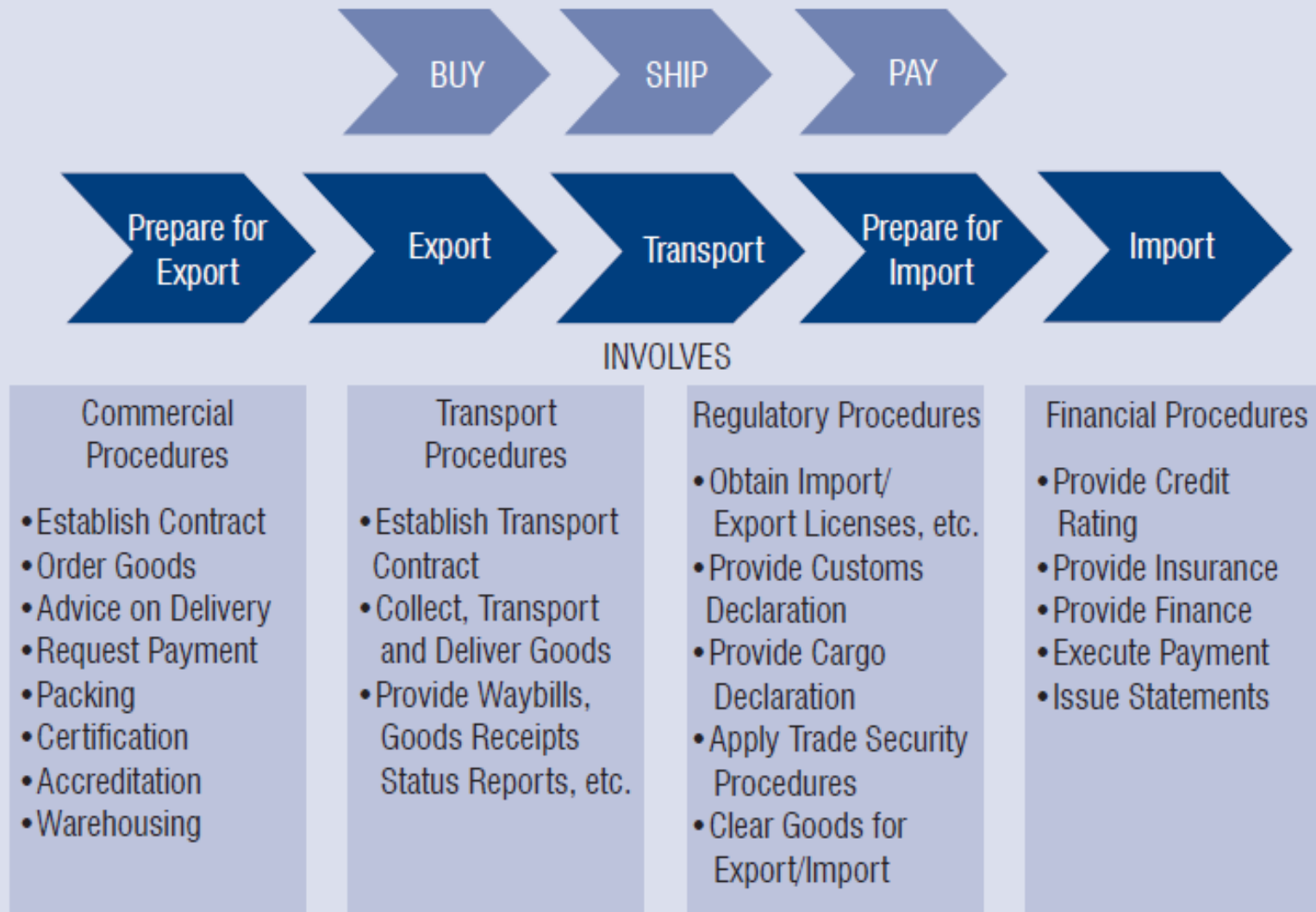
# Trade Facilitation (TF)? - Definition

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

# Trade Facilitation? → Definition





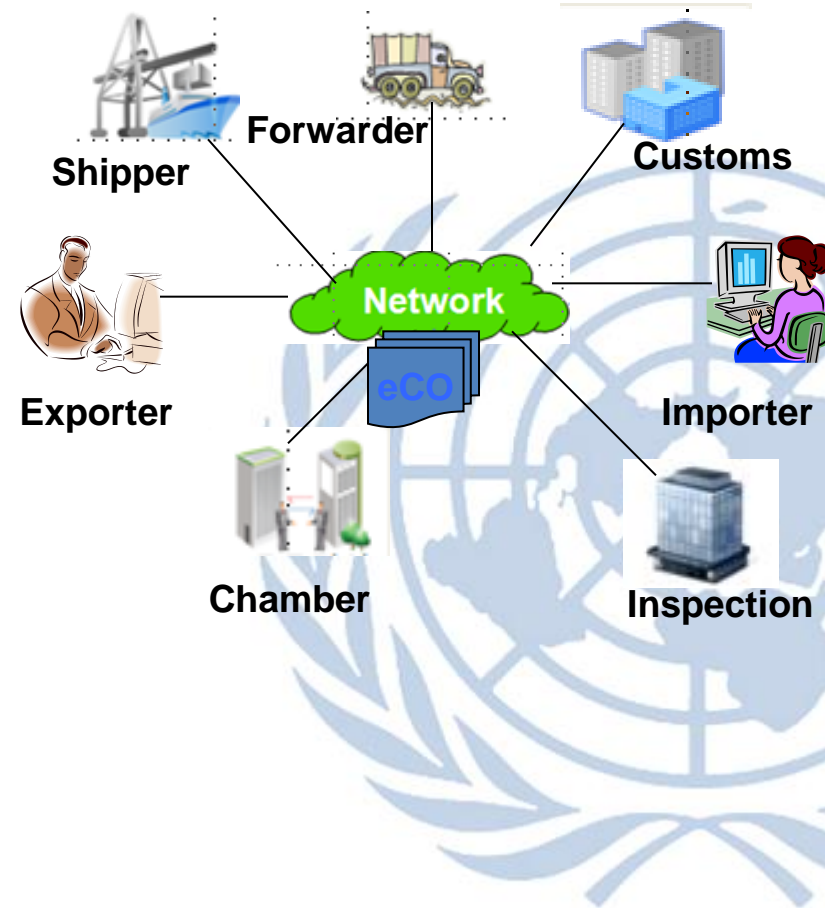
# Paperless Trade ( Digital Trade Facilitation)?

## ■ Paperless Trade

Conduct of trade activities on the basis of electronic rather than paper documents *e.g. electronic Customs declaration, electronic cert. of origin*  
(application of e-commerce to international trade domain)

## ■ Paperless Trade Systems

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



# Benefits of Trade Facilitation & Paperless Trade

## Government

Effective & Efficient  
Deployment of  
Resources

Correct  
Revenue  
Yield

Improved  
Trader  
Compliance

Enhanced  
Security

Increased  
Integrity &  
Transparency

***Trade  
Facilitation  
&  
Paperless  
Trade***

## Traders

Cutting Costs  
through  
Reducing Delays

Faster  
Clearance &  
Release

Predictable  
Application and  
Explanation of Rules

Effective & Efficient  
Deployment of  
Resources

Increased  
Transparency

# Expected gains from trade facilitation

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





# Exercise / Group Discussion (5-7 mn.)

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## Why are trade facilitation & paperless trade increasingly important?

- Please identify at least 4 reasons why TF & Paperless Trade are ***increasingly*** important

- ***Guideline:***

- \*List the reasons in a PPT slide; and send it to [duvaly@un.org](mailto:duvaly@un.org) , putting your Group No. in the *Subject line*.



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**Table 4.1 Intra- and extraregional comprehensive trade costs in the Asia-Pacific region  
(excluding tariff costs)**

*(Percentage)*

Region	ASEAN-4	East Asia-3	North and Central Asia - 4	Pacific Islands Developing Economies	SAARC-4	AUS-NZL	EU-3
ASEAN-4	76% (8%)						
East Asia-3	75% (5%)	51% (-3%)					
North and Central Asia - 4	354% (11%)	175% (-6%)	121% (7%)				
Pacific Islands Developing Economies	172% (-10%)	175% (-3%)	369% (29%)	132% (-10%)			
SAARC-4	128% (1%)	124% (-1%)	285% (2%)	318% (2%)	116% (11%)		
AUS-NZL	101% (4%)	88% (-5%)	336% (-7%)	83% (-8%)	138% (-5%)	52% (-4%)	
EU-3	106% (-1%)	85% (-3%)	152% (-8%)	209% (-4%)	115% (2%)	108% (-1%)	43% (-5%)
USA	86% (10%)	63% (0%)	177% (-1%)	163% (-6%)	110% (6%)	100% (4%)	67% (1%)

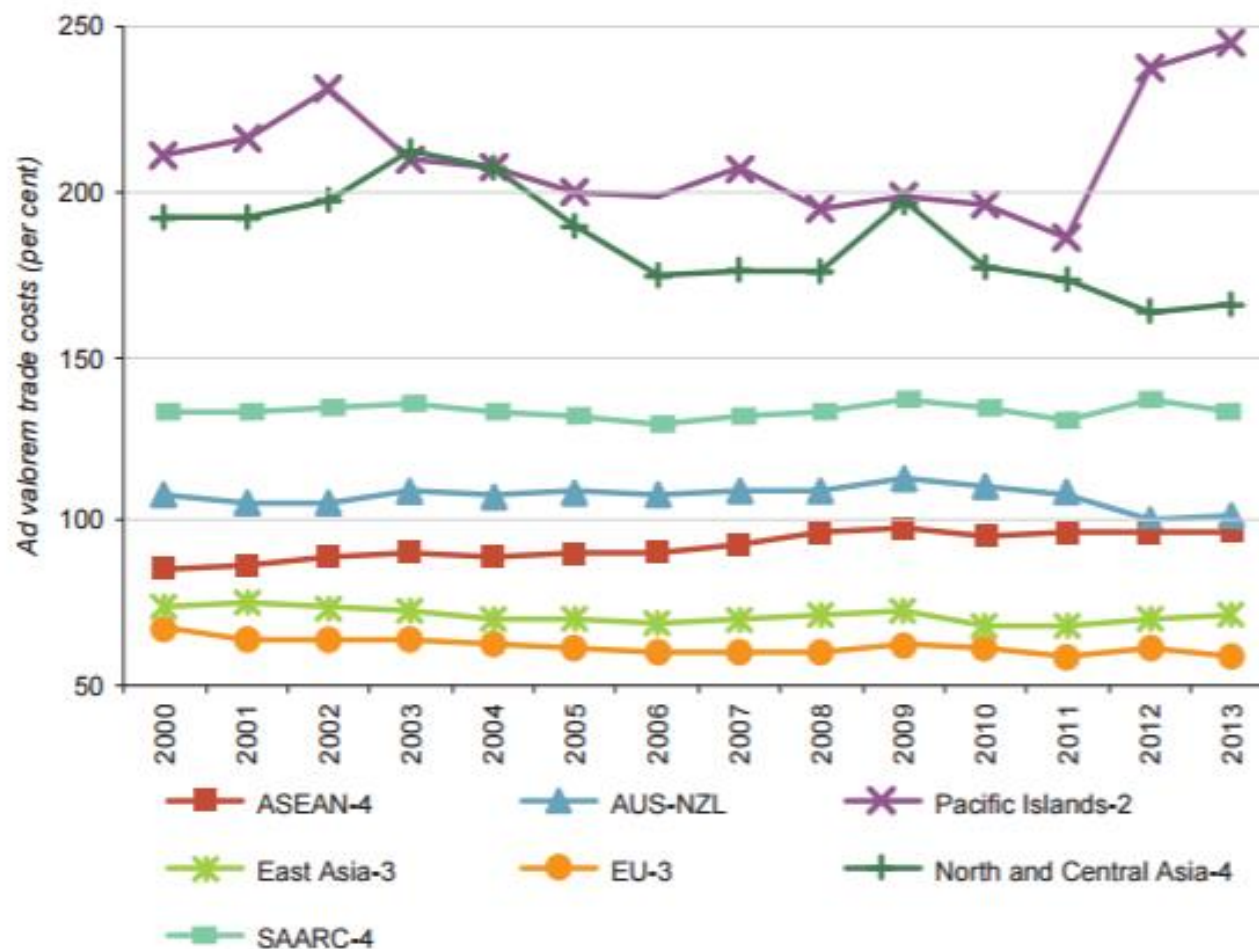
*Source:* ESCAP-World Bank Trade Costs Database (accessed June 2016).

*Note:* Trade costs shown are average trade costs during 2009-2014 and may be interpreted as tariff equivalents. Changes in average trade costs between 2002-2007 and 2009-2014 are in parenthesis. Refer to notes of figure 4.1 for

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

**Figure  
4.1**

## Trade costs of Asia-Pacific subregions with large developed economies, 2000-2013



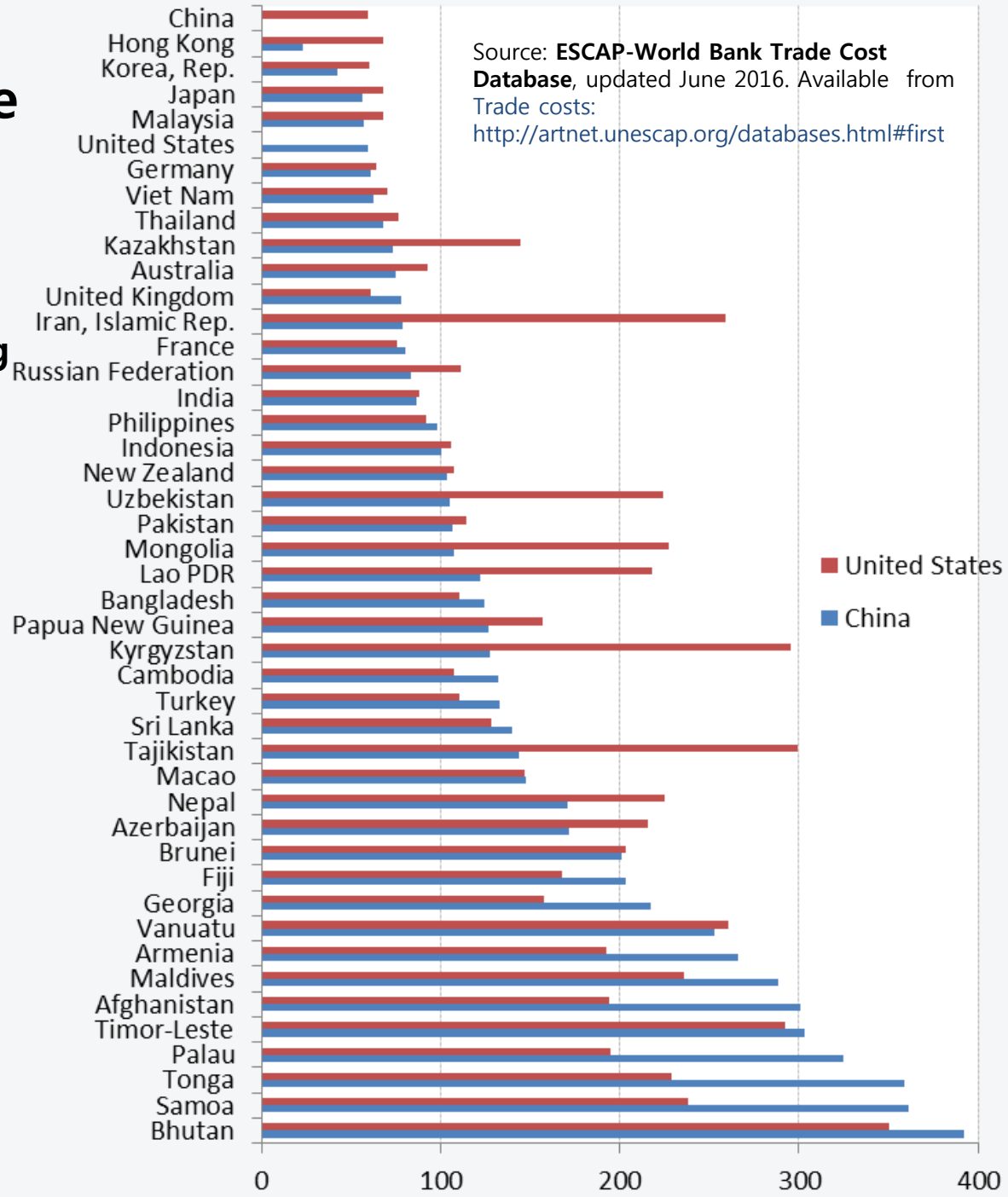
Sources: ESCAP-World Bank Trade Costs Database (accessed June 2016).

Note: ASEAN-4 – Indonesia, Malaysia, the Philippines and Thailand; AUS-NZL – Australia and New Zealand; East Asia-3 – China, Japan and the Republic of Korea; EU-3 – Germany, France and the United Kingdom; Pacific Islands-2 – Fiji and Papua New Guinea; North and Central Asia-4 – Georgia, Kazakhstan, Kyrgyzstan and the Russian Federation; and SAARC-4 – Bangladesh, India, Pakistan and Sri Lanka. Trade costs shown are tariff equivalents, calculated as trade-weighted average trade costs of countries in each subregion with the three largest developed economies (Germany, Japan and the United States).

# Bilateral comprehensive trade costs of selected economies with China and United States

(ad valorem equivalents, excluding tariff costs, 2009-2014)

Source: **ESCAP-World Bank Trade Cost Database**, updated June 2016. Available from Trade costs: <http://artnet.unescap.org/databases.html#first>



# Trade Facilitation Performance

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Examples:

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



# ESCAP-OECD Handbook on Indicators for Trade Facilitation

- A new “digital” resource introducing key databases and indicators for trade cost and trade facilitation monitoring
- Direct links to all relevant indicators and databases included
- **Version 1 (May 2017)**

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



# Group Exercise (20-30 mn.)

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- Collect most recent data and compare the countries in your group with China (and any other countries of your choice) in terms of:

- Logistics Performance
- Ease of trading across borders
- Maritime Transport Efficiency (Liner Shipping Connectivity)

- **Guideline:**

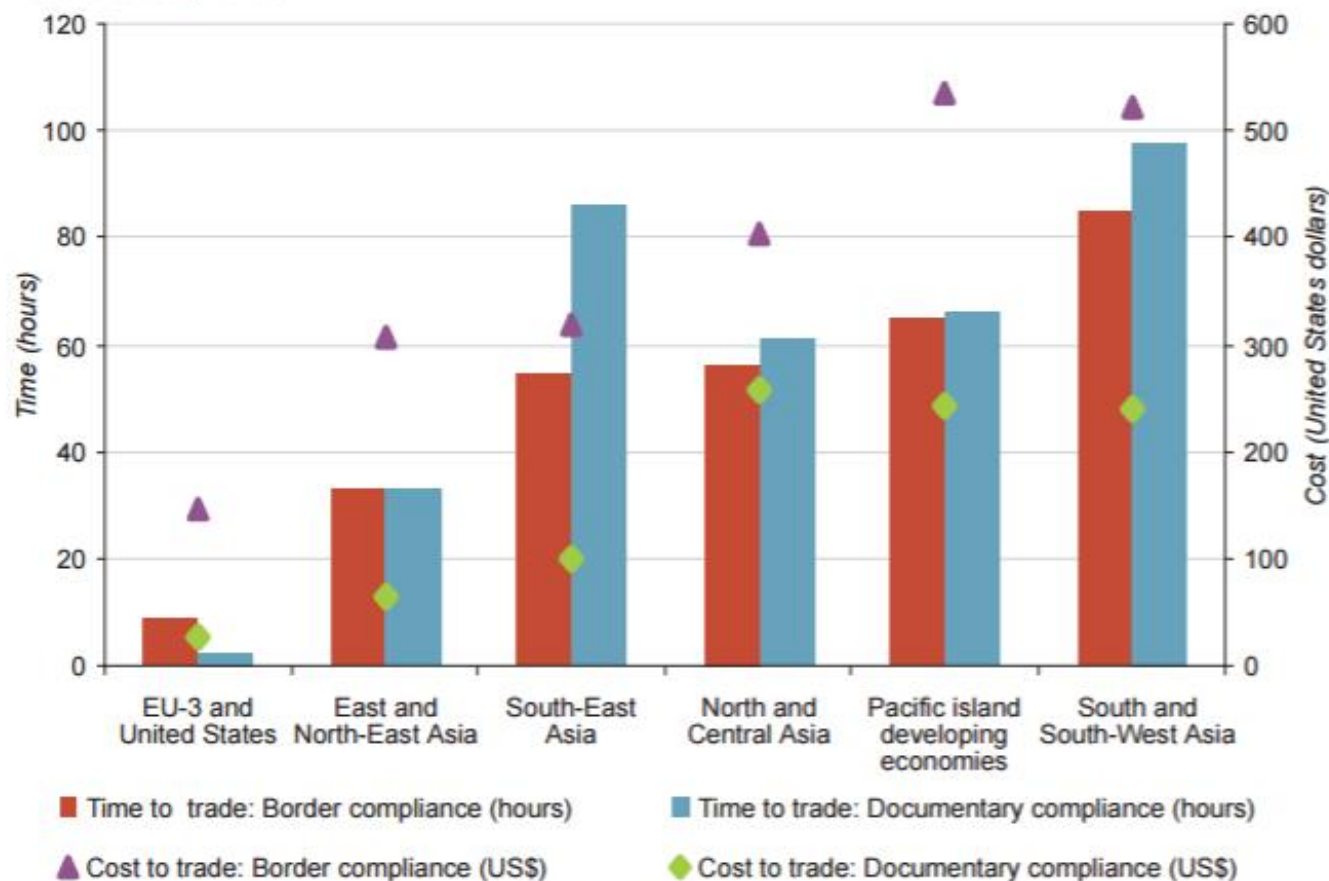
- \*Use LPI, Doing Business and LSCI databases to do this (*refer to the ESCAP-OECD Handbook for relevant web links*)

- \*Summarize your findings in up to 3 PPT slides

- \*Send the slides to [duvaly@un.org](mailto:duvaly@un.org) , putting your *Group No. in the Subject line.*

**Figure  
4.5**

## Border and trade documentary compliance, by Asia-Pacific subregion, compared with EU-3 and the United States, 2016

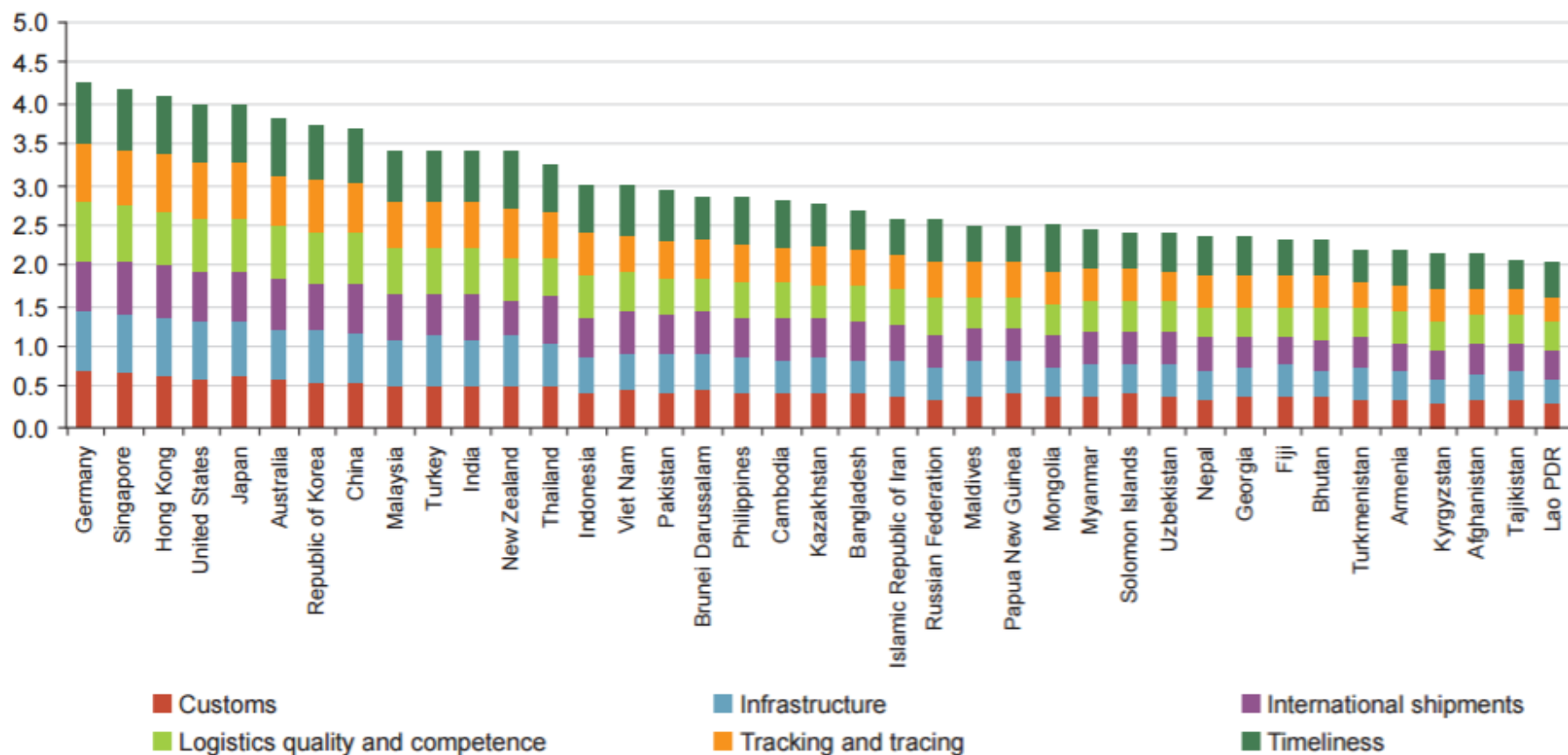


Sources: Calculation based on World Bank Doing Business Report 2016 (accessed July 2016).

Note: EU-3 and the United States – France, Germany, United Kingdom and United States; East and North-East Asia – China, Hong Kong, China, Japan, Republic of Korea and Mongolia; South-East Asia – Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor-Leste and Viet Nam; North and Central Asia – Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Russian Federation, Tajikistan and Uzbekistan; Pacific island developing economies – Fiji, Kiribati, Marshall Islands, Federated States of Micronesia, Palau, Papua New Guinea, Samoa and Solomon Islands; South and South-West Asia – Afghanistan, Bangladesh, Bhutan, India, Islamic Republic of Iran, Maldives, Nepal, Pakistan, Sri Lanka and Turkey.

**Figure  
4.4**

## Performance across six dimensions of trade logistics, 2016



Sources: World Bank Logistics Performance Index (accessed July 2016).

**Table  
4.2****Performance rankings according to LPI, TAB and LSCI, 2016**

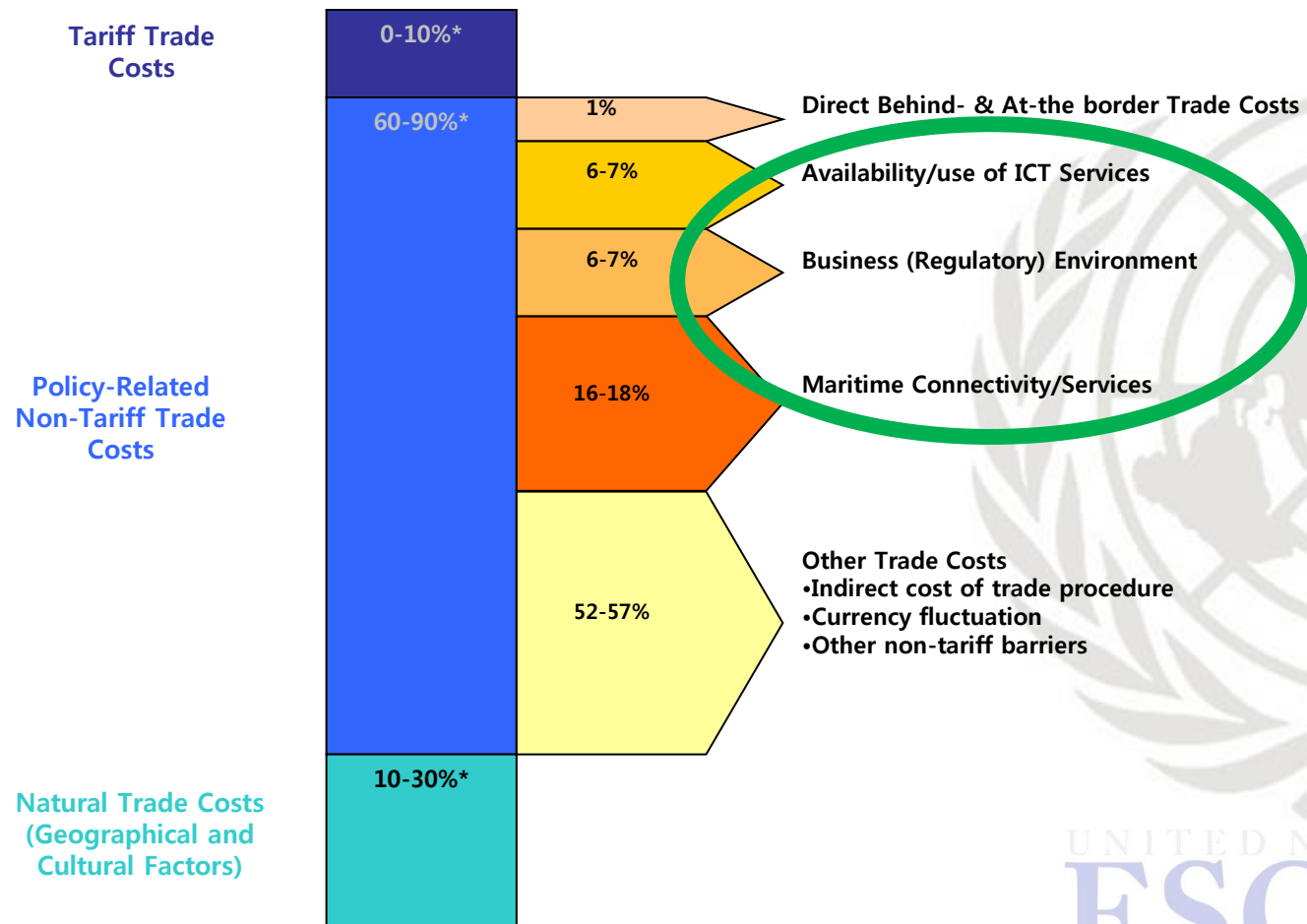
Economy	LPI rank 2016	TAB rank 2016	LSCI rank 2016	Economy	LPI rank 2016	TAB rank 2016	LSCI rank 2016
Germany	1	35	8	Bangladesh	87	172	113
Singapore	5	41	3	Islamic Republic of Iran	96	167	88 <sup>a</sup>
Hong Kong, China	9	47	6	Russian Federation	99	170	49
United States	10	34	7	Maldives	104	137	138
Japan	12	52	18	Papua New Guinea	105	163	139
Australia	19	89	76	Mongolia	108	74	1 <sup>a</sup>
Republic of Korea	24	31	4	Myanmar	113	140	142
China	27	96	1	Solomon Islands	116	141	140
Malaysia	32	49	5	Uzbekistan	118	159	49 <sup>a</sup>
Turkey	34	62	36	Nepal	124	60	43 <sup>a</sup>
India	35	133	43	Georgia	130	78	154
New Zealand	37	55	92	Bhutan	135	21	43 <sup>a</sup>
Thailand	45	56	46	Fiji	136	73	131
Indonesia	63	105	86	Armenia	141	29	36 <sup>a</sup>
Viet Nam	64	99	25	Kyrgyzstan	146	83	49 <sup>a</sup>
Pakistan	68	169	63	Afghanistan	150	174	63 <sup>a</sup>
Philippines	71	95	101	Lao People's Democratic Republic	152	108	46 <sup>a</sup>
Cambodia	73	98	155	Tajikistan	153	132	63 <sup>a</sup>
Kazakhstan	77	122	49 <sup>a</sup>	Guam	N/A	47	133
Azerbaijan	87	94	36 <sup>a</sup>	Sri Lanka	N/A	90	24

Note: LPI rankings are based on the World Bank Logistics Performance Index Report 2016; TAB rankings are based on the World Bank Doing Business Report 2016; and UNCTAD LSCI rankings are based on data in 2016.

<sup>a</sup> The LSCI ranking of each landlocked country is based on the ranking of its main transit country.

# Key factors in lowering trade costs – Asia-Pacific Perspective

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



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



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# The WTO Trade Facilitation Agreement (TFA)

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

# Structure of the TFA

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

# Examples of TF provisions (in TFA section 1)

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

# Examples of TF provisions (in TFA section 1)

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

# Examples of TF provisions (in TFA section 1)

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

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



# Special & Differential Treatment (TFA Section II)

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

# Category B

## Notification and Implementation

Developing Countries

Notify the Committee the provisions and indicative dates for implementation

Notify **definitive** dates for implementation

Member may request an extension of the notification period

1 year

2 years

3 years

Entry into Force

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

Confirm designations of provisions and notify its dates for implementation.

Member may request an extension

Source:  
Modified from  
Raúl Torres

LDCs

2017

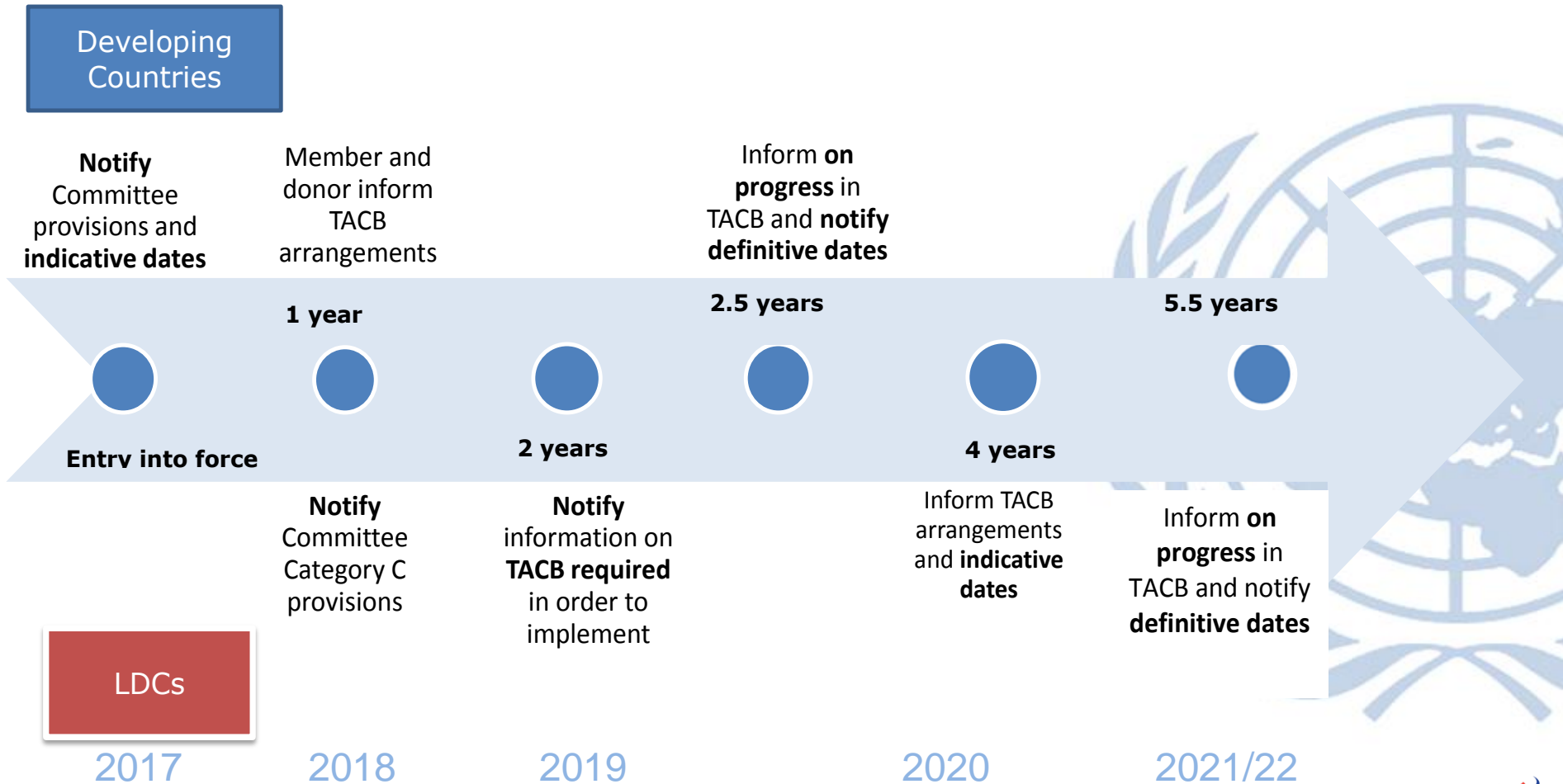
2018

2019

2020

# Category C

## Notification and Implementation



# Gains from WTO TFA implementation

- Trade cost reductions almost double if full implementation of binding + not binding measures (-11%)
- ICT applications in TF (i.e. paperless trade measures) have high trade cost reduction potential

Table  
4.3

Changes in international trade costs of the Asia-Pacific region as a result of WTO TFA implementation

(Percentage)

	WTO TFA (Binding only)		WTO TFA (Binding + non-binding)		WTO TFA+ (Binding + non-binding + other paperless trade)	
	Partially implemented	Fully implemented	Partially implemented	Fully implemented	Partially implemented	Fully implemented
<b>Model 1</b>						
Overall TF	-3.15	-6.77	-5.38	-11.11	-6.71	-13.16
<b>Model 3</b>						
Transparency	-0.79	-1.67	-1.13	-3.09	-1.13	-3.09
Formalities	-2.25	-3.17	-2.66	-3.95	-2.66	-3.95
Institution	-0.10	-0.35	-0.10	-0.35	-0.10	-0.35
Paperless trade	-	-	-1.45	-2.34	-2.91	-4.83

Source: ESCAP (2015a).

# WTO TFA and application of ICT

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- Rarely any binding requirements to apply ICT or use electronic documents in implementation of the TF provisions
- “ICT-heavy” measures (e.g., Single Window) often “best endeavor” in nature
- In practice, effective implementation of many of the TF measures will require use of ICT and move to digital customs and paperless trade
  - e.g., Art. 2; opportunity to comment; Art. 7: Release and clearance of Goods, Art. 10: Formalities and Documentation Requirements

# WTO TFA and application of ICT (1)

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Information other than in the language of the Member except as stated in paragraph 2.2.

## 2 Information Available Through Internet

2.1 Each Member shall make available, and update to the extent possible and as appropriate, the following through the internet:

- (a) a description<sup>1</sup> of its procedures for importation, exportation, and transit, including procedures for appeal or review, that informs governments, traders, and other interested parties of the practical steps needed for importation, exportation, and transit;
- (b) the forms and documents required for importation into, exportation from, or transit through the territory of that Member;
- (c) contact information on its enquiry point(s).

2.2 Whenever practicable, the description referred to in subparagraph 2.1(a) shall also be made available in one of the official languages of the WTO.

2.3 Members are encouraged to make available further trade-related information through the internet, including relevant trade-related legislation and other items referred to in paragraph 1.1.

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# WTO TFA and application of ICT (2)

## 1 Pre-arrival Processing

1.1 Each Member shall adopt or maintain procedures allowing for the submission of import documentation and other required information, including manifests, in order to begin processing prior to the arrival of goods with a view to expediting the release of goods upon arrival.

1.2 Each Member shall, as appropriate, provide for advance lodging of documents in electronic format for pre-arrival processing of such documents.

## 2 Electronic Payment

Each Member shall, to the extent practicable, adopt or maintain procedures allowing the option of electronic payment for duties, taxes, fees, and charges collected by customs incurred upon importation and exportation.

## 3 Separation of Release from Final Determination of Customs Duties, Taxes, Fees and Charges

3.1 Each Member shall adopt or maintain procedures allowing the release of goods prior to the final determination of customs duties, taxes, fees, and charges, if such a determination is not done prior to, or upon arrival, or as rapidly as possible after arrival and provided that all other regulatory requirements have been met.

# WTO TFA and application of ICT (3)

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(d) not maintained, including parts thereof, if no longer required.

1.2 The Committee shall develop procedures for the sharing by Members of relevant information and best practices, as appropriate.

## 2 Acceptance of Copies

2.1 Each Member shall, where appropriate, endeavour to accept paper or electronic copies of supporting documents required for import, export, or transit formalities.

2.2 Where a government agency of a Member already holds the original of such a document, any other agency of that Member shall accept a paper or electronic copy, where applicable, from the agency holding the original in lieu of the original document.

2.3 A Member shall not require an original or copy of export declarations submitted to the customs authorities of the exporting Member as a requirement for importation.<sup>11</sup>

<sup>11</sup> Nothing in this paragraph precludes a Member from requiring documents such as certificates, permits

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# WTO TFA and application of ICT (4)

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international standards. As appropriate, the Committee may identify specific standards that are of particular value to Members.

## 4 Single Window

4.1 Members shall endeavour to establish or maintain a single window, enabling traders to submit documentation and/or data requirements for importation, exportation, or transit of goods through a single entry point to the participating authorities or agencies. After the examination by the participating authorities or agencies of the documentation and/or data, the results shall be notified to the applicants through the single window in a timely manner.

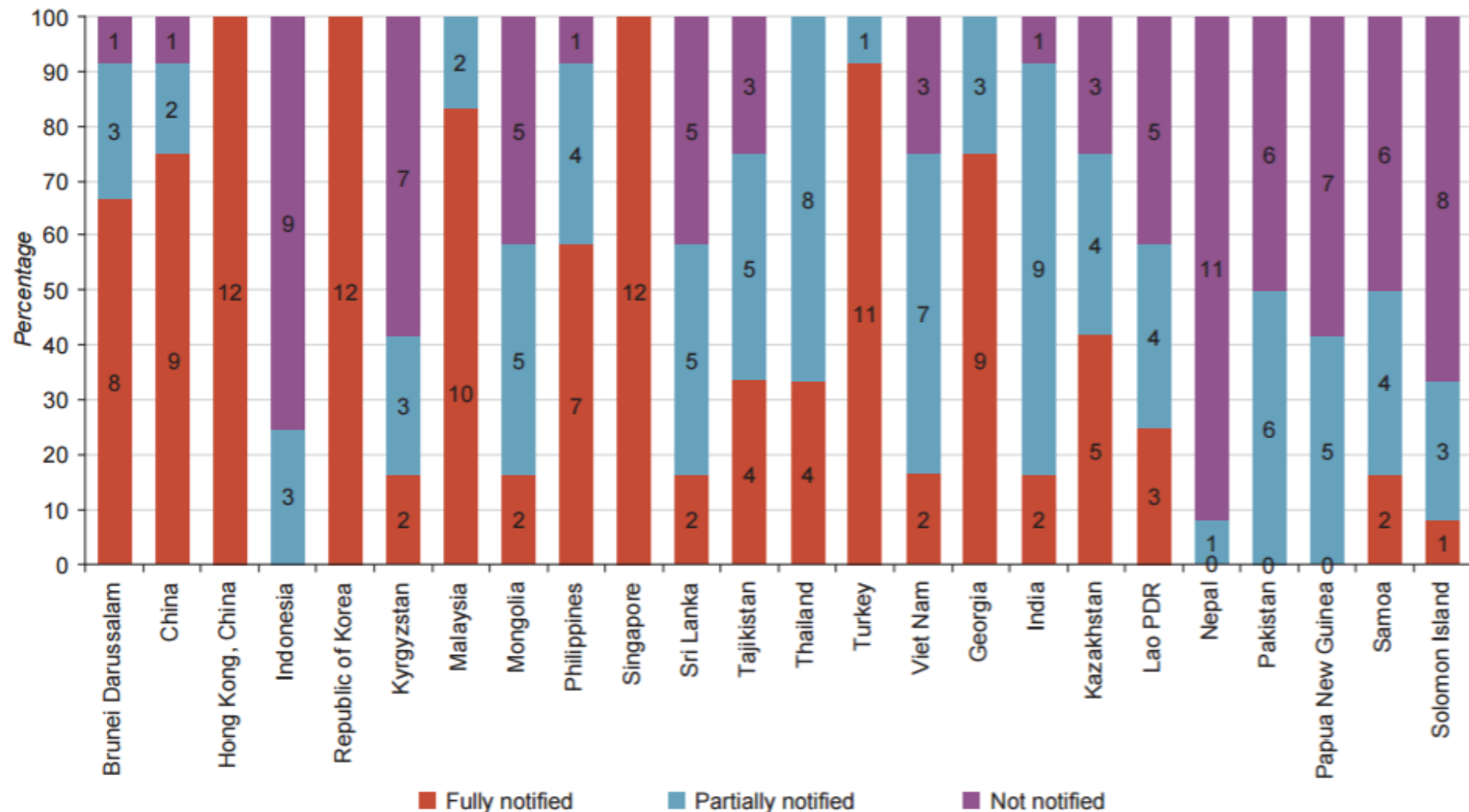
4.2 In cases where documentation and/or data requirements have already been received through the single window, the same documentation and/or data requirements shall not be requested by participating authorities or agencies except in urgent circumstances and other limited exceptions which are made public.

4.3 Members shall notify the Committee of the details of operation of the single window.

4.4 Members shall, to the extent possible and practicable, use information technology to support the single window.

**Figure  
4.6**

## Category A notifications of 24 Asia-Pacific economies (article level)



Sources: Updated from Duval and Bayona (2015).

# Group Exercise (15 mn.)

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- Go to the **TFA database** at <http://www.tfafacility.org/>
- In *Asia-Pacific*:
  - Which are the top 3 most notified articles under Category A?
  - Which are the 3 least notified articles?
- Review the ratification/notification status of countries in your group\*:
  - Has it ratified the WTO TFA? If so, Has it notified category A measures?\*
  - How many percent of the provisions has it notified under Cat. A?
  - Make a list of articles / TF measures *your countries* have NOT notified under category A
  - Should the non-notified measures be put in Cat. B or C?

\* If your country has not notified or is not a WTO member, look at a neighboring developing country trade partner (e.g., for Bhutan, either Nepal or India)

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# The UN Global Survey on Trade Facilitation and Paperless Trade Implementation

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The survey is being conducted by five UN regional commissions, with overall coordination of ESCAP and support from other partners

- first Global Survey conducted in 2015
- **second Global Survey on-going with data to be released in 2017**



United Nations  
Economic Commission for Africa



International  
Trade  
Centre



UNITED NATIONS CONFERENCE ON  
**TRADE AND DEVELOPMENT**  
PROSPERITY FOR ALL



**EAEU** Eurasian  
Economic  
Union



Oceania  
**Customs**  
ORGANISATION SECRETARIAT

UNITED NATIONS  
**ESCAP**

# Structure of the Questionnaire (1):

## Common measures included in the 2015 & 2017 surveys

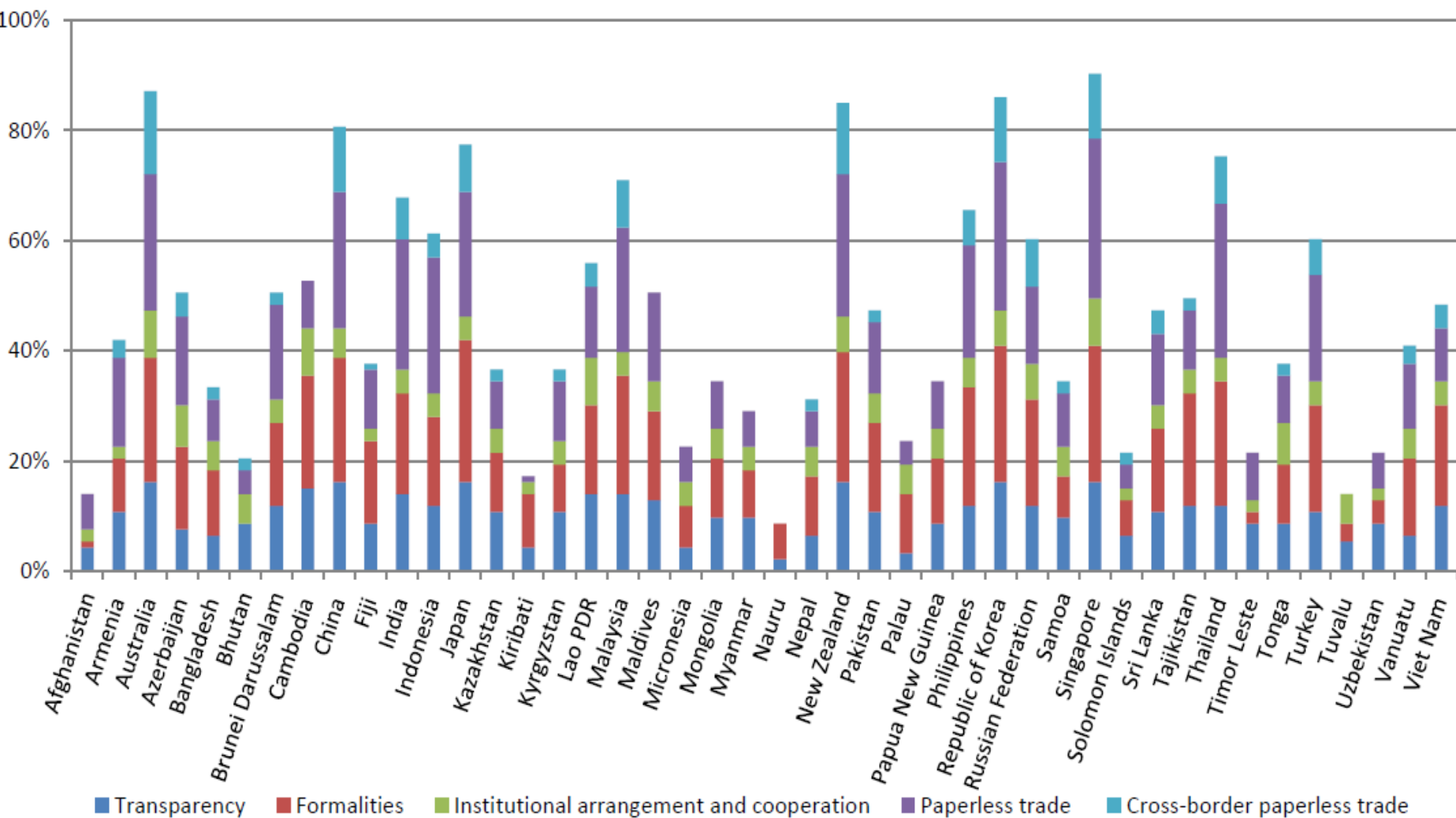
		Trade facilitation measure (and question No.) in the questionnaire
General TF measures	Transparency	2. Publication of existing import-export regulations on the Internet 3. Stakeholder consultation on new draft regulations (prior to their finalization) 4. Advance publication/notification of new regulation 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

# Structure of the Questionnaire (2):

## Common measures include in the 2015 & 2017 surveys

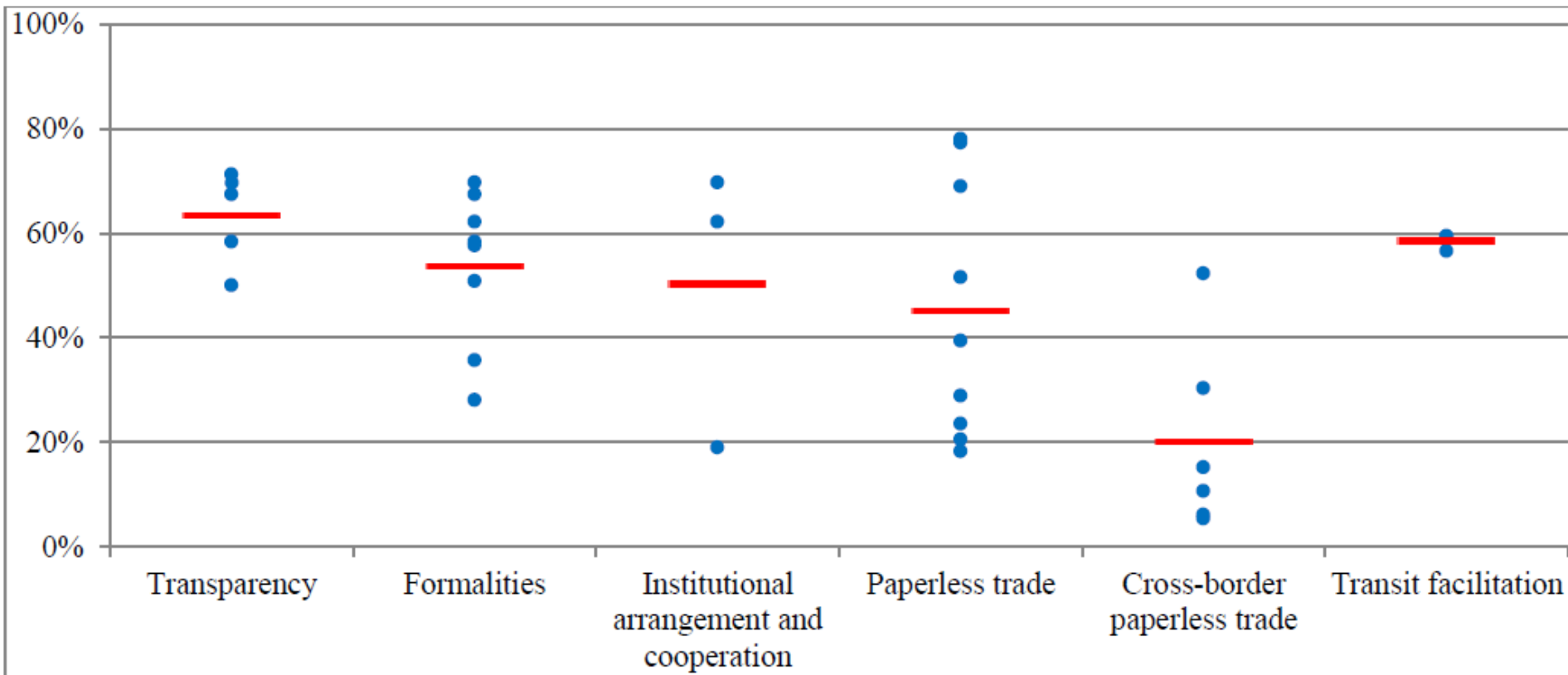
Paperless trade	<ul style="list-style-type: none"> <li>15. Electronic/automated Customs System established (e.g., ASYCUDA)</li> <li>16. Internet connection available to Customs and other trade control agencies at border-crossings</li> <li>17. Electronic Single Window System</li> <li>18. Electronic submission of Customs declarations</li> <li>19. Electronic Application and Issuance of Trade Licenses</li> <li>20. Electronic Submission of Sea Cargo Manifests</li> <li>21. Electronic Submission of Air Cargo Manifests</li> <li>22. Electronic Application and Issuance of Preferential Certificate of Origin</li> <li>23. E-Payment of Customs Duties and Fees</li> <li>24. Electronic Application for Customs Refunds</li> </ul>
Cross-border paperless trade	<ul style="list-style-type: none"> <li>25. Laws and regulations for electronic transactions are in place (e.g. e-commerce law, e-transaction law)</li> <li>26. Recognized certification authority issuing digital certificates to traders to conduct electronic transactions</li> <li>27. Engagement of the country in trade-related cross-border electronic data exchange with other countries</li> <li>28. Certificate of Origin electronically exchanged between your country and other countries</li> <li>29. Sanitary &amp; Phyto-Sanitary Certificate electronically exchanged between your country and other countries</li> <li>30. Banks and insurers in your country retrieving letters of credit electronically without lodging paper-based documents</li> </ul>
Transit facilitation	<ul style="list-style-type: none"> <li>35. Transit facilitation agreement(s) with neighbouring country(ies)</li> <li>36. Customs Authorities limit the physical inspections of transit goods and use risk assessment</li> <li>37. Supporting pre-arrival processing for transit facilitation</li> <li>38. Cooperation between agencies of countries involved in transit</li> </ul>

# Overall implementation of trade facilitation measures in 44 Asia-Pacific economies surveyed



# TF and Paperless Trade Implementation in Asia-Pacific

Transparency measures most implemented;  
Cross-border paperless trade measures least implemented



*Note:* Blue dots show regional average implementation level of individual measures within each group.  
— Average regional implementation level by groups of measures.

# TF and Paperless Trade Implementation in Asia-Pacific

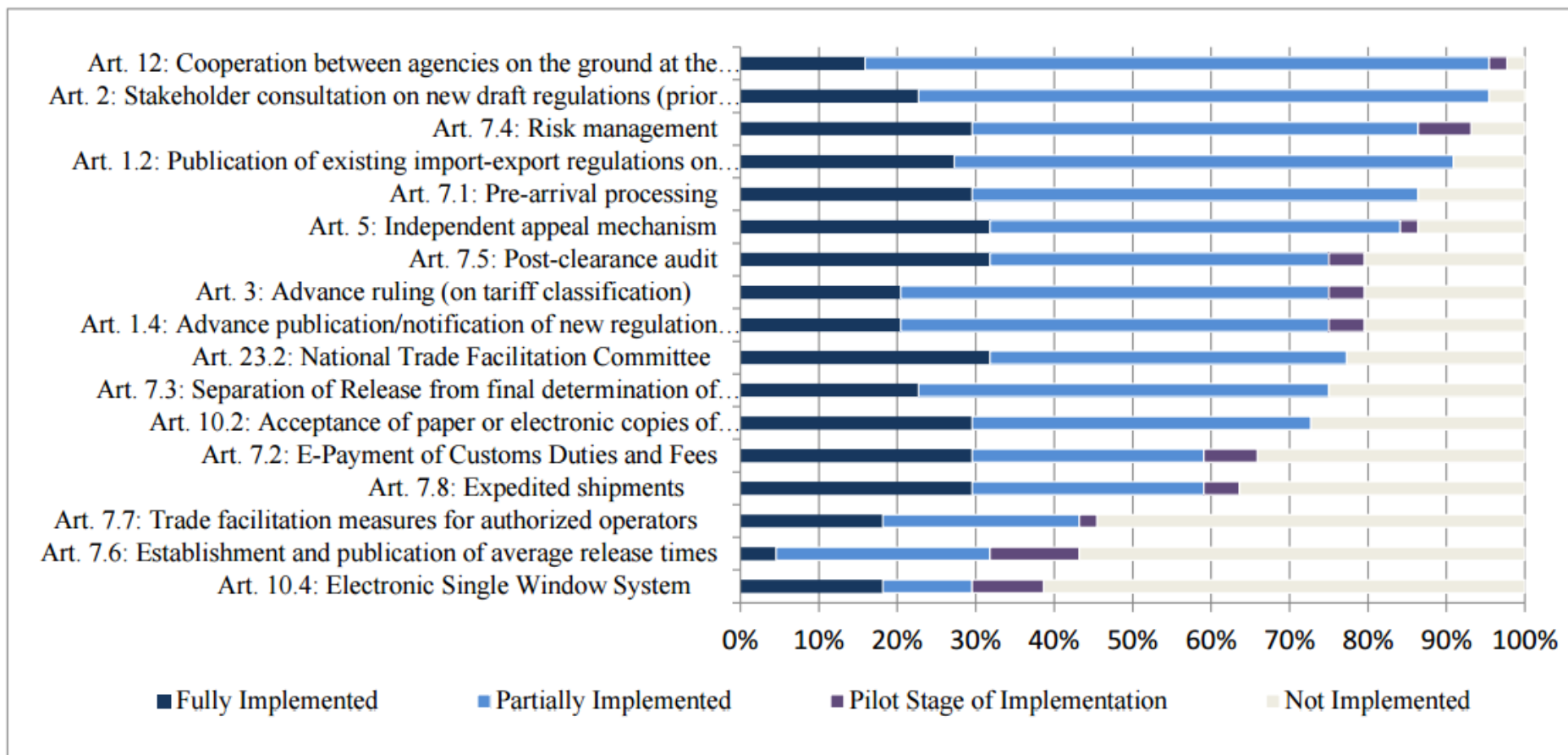
## Most and least implemented TF measures in Asia-Pacific

	Most implemented	Least implemented
Transparency	<ol style="list-style-type: none"> <li>1. Stakeholder consultation on new draft regulations (prior to their implementation)</li> <li>2. Publication of existing import-export regulations on the internet</li> </ol>	<ol style="list-style-type: none"> <li>1. Advance ruling (on tariff classification)</li> <li>2. Advance publication/notification of new regulation before their implementation</li> </ol>
Formalities	<ol style="list-style-type: none"> <li>1. Risk management</li> <li>2. Pre-arrival processing</li> </ol>	<ol style="list-style-type: none"> <li>1. Establishment and publication of average release times</li> <li>2. Trade facilitation measures for authorized operators</li> </ol>
Institutional arrangement and cooperation	<ol style="list-style-type: none"> <li>1. Cooperation between agencies on the ground at the national level</li> <li>2. Establishment of National Trade Facilitation Committee</li> </ol>	<ol style="list-style-type: none"> <li>1. Government agencies delegating controls to Customs authorities</li> </ol>
Paperless trade	<ol style="list-style-type: none"> <li>1. Internet connection available to Customs and other trade control agencies at border-crossings</li> <li>2. Electronic/automated Customs System</li> </ol>	<ol style="list-style-type: none"> <li>1. Electronic Application and Issuance of Preferential Certificate of Origin</li> <li>2. Electronic Application for Customs Refunds</li> </ol>
Cross-border paperless trade	<ol style="list-style-type: none"> <li>1. Laws and regulations for electronic transactions</li> <li>2. Recognised certification authority</li> </ol>	<ol style="list-style-type: none"> <li>1. Banks and insurers retrieving letters of credit electronically without lodging paper-based documents</li> <li>2. Electronic exchange of Sanitary &amp; Phyto-Sanitary Certificate</li> </ol>
Transit facilitation	<ul style="list-style-type: none"> <li>- Cooperation between agencies of countries involved in transit</li> <li>- Customs authorities limit the physical inspections</li> </ul>	<ol style="list-style-type: none"> <li>1. Supporting pre-arrival processing for transit facilitation</li> </ol>



# Implementation of WTO TFA-related measures in Asia –Pacific

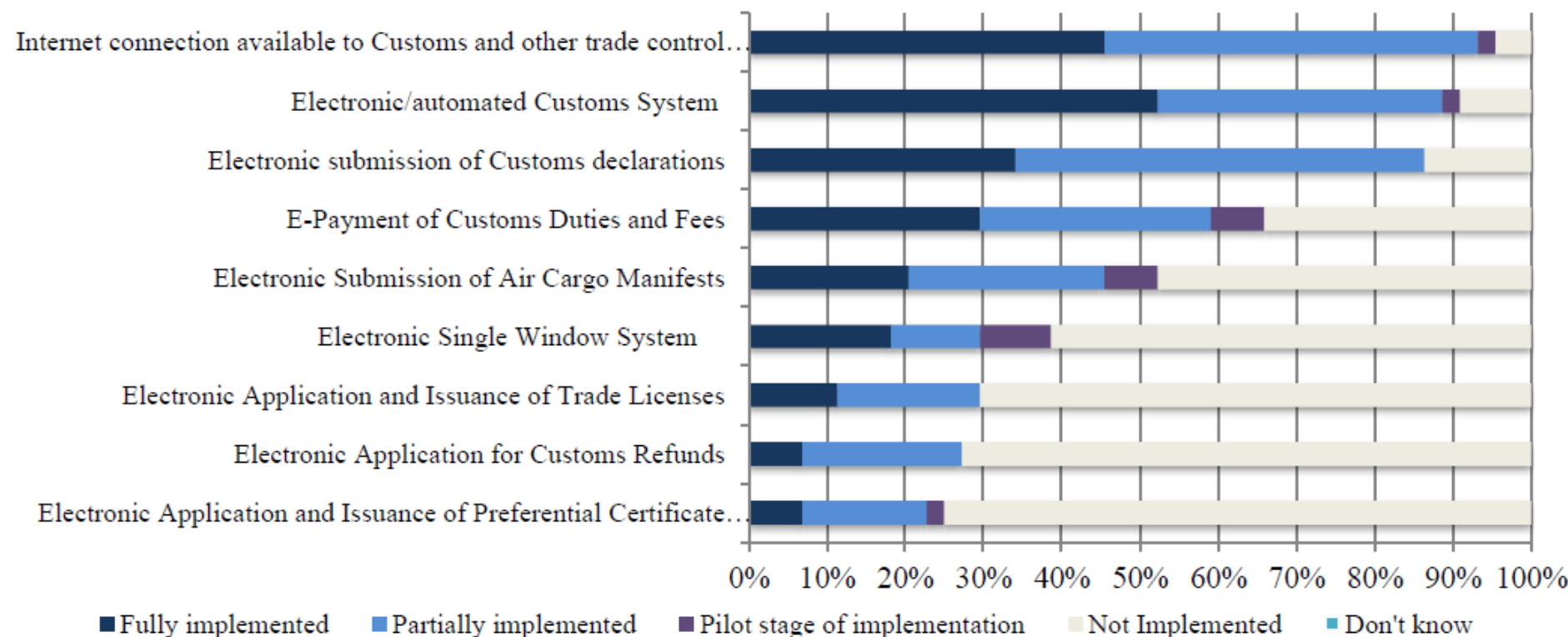
**Figure 4: Implementation of WTO TFA-related measures in Asia-Pacific: 2015 (% of countries)**



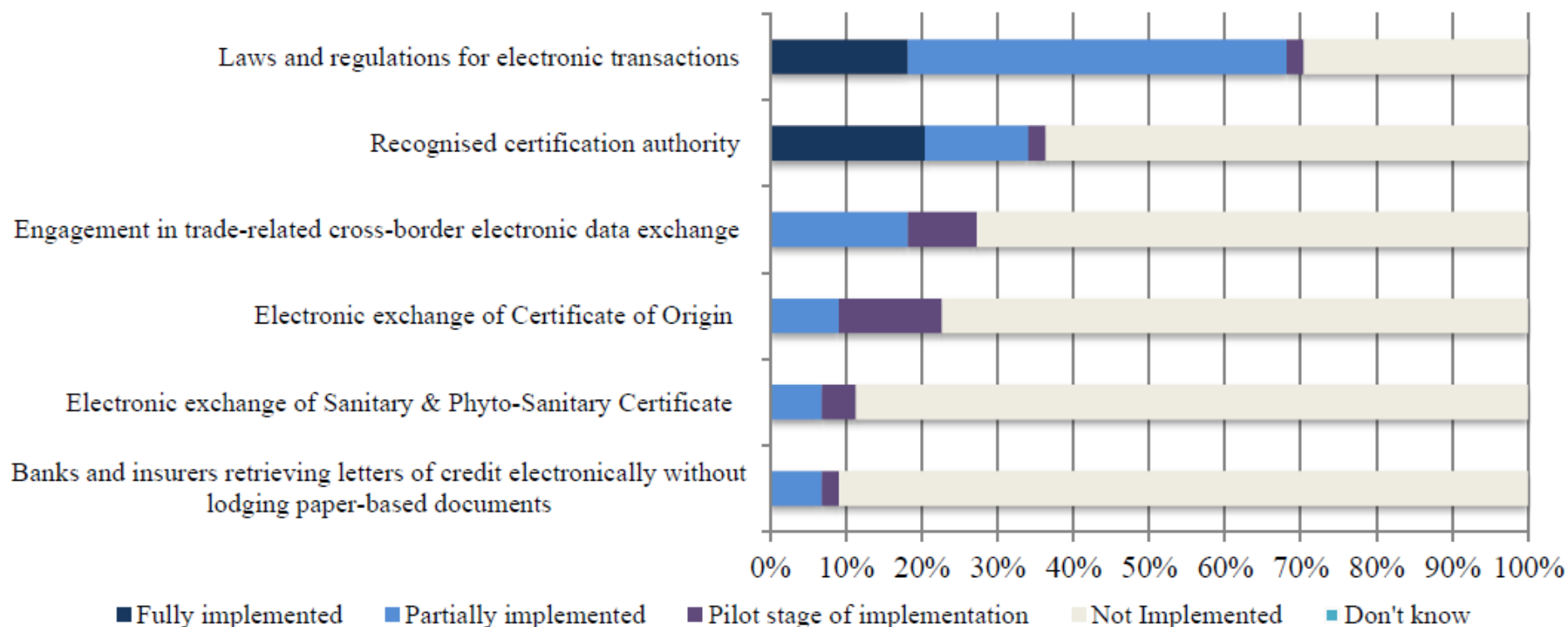
Source: ESCAP, UNRC TF Survey 2015

<http://www.unescap.org/sites/default/files/Trade-Insights-No12.pdf>

**Figure 12: State of implementation of “paperless trade” measures in Asia-Pacific economies (in %)**

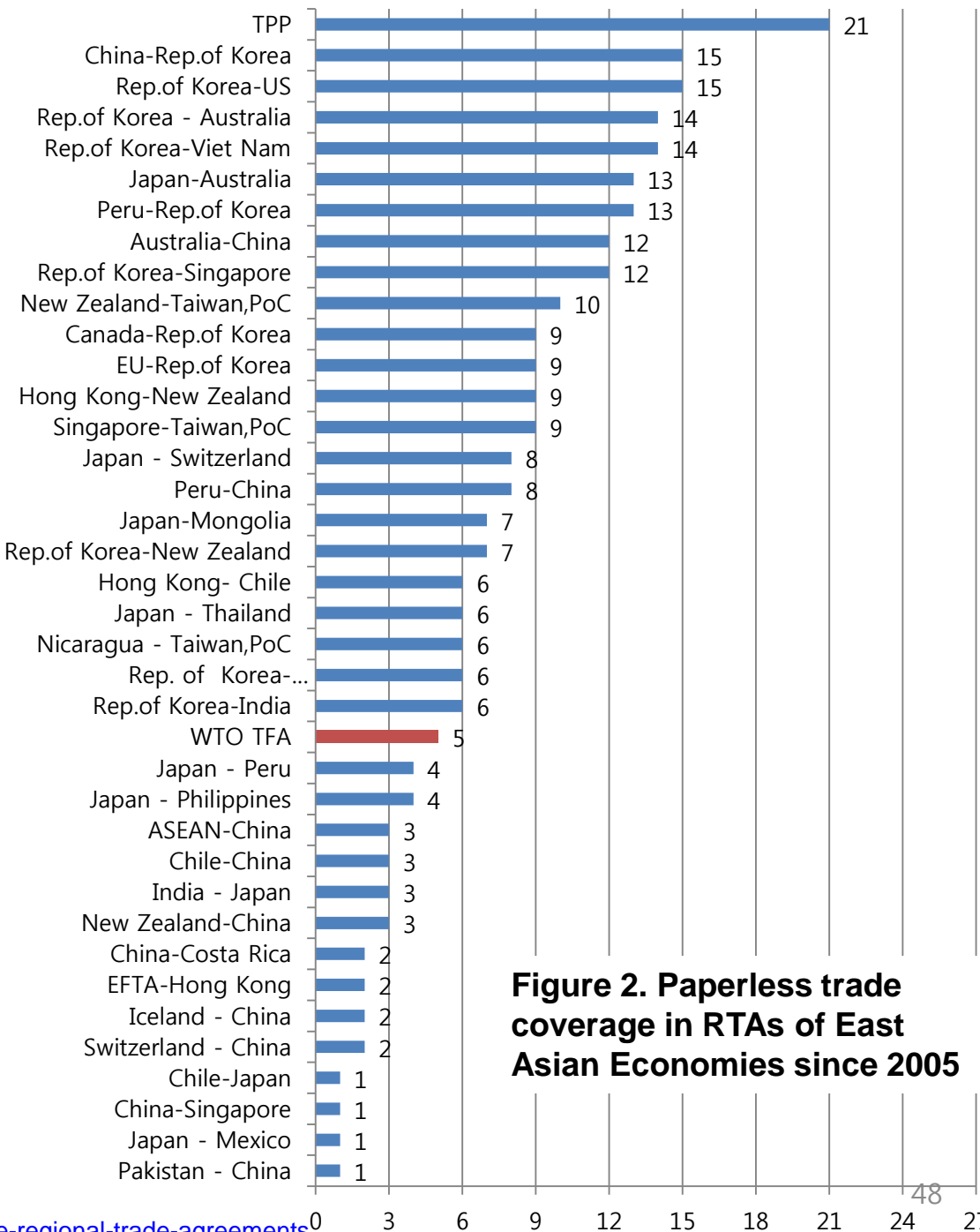


**Figure 14: State of implementation of “cross-border paperless trade” measures in Asia-Pacific economies (in %)**



# Paperless trade coverage of RTAs

- Figure shows number of measures (out of 27) that are featured in each RTA
- Measures mainly found in **TF & Customs** chapters, and **e-commerce** chapters
- Regional findings:
  - TPP most far reaching
  - Rep.of Korea, USA, and Australia/N-Z leading
  - East Asia is leading subregion, followed by South-East Asia
  - RTAs of South and Central Asia are (far) behind; India as a leader

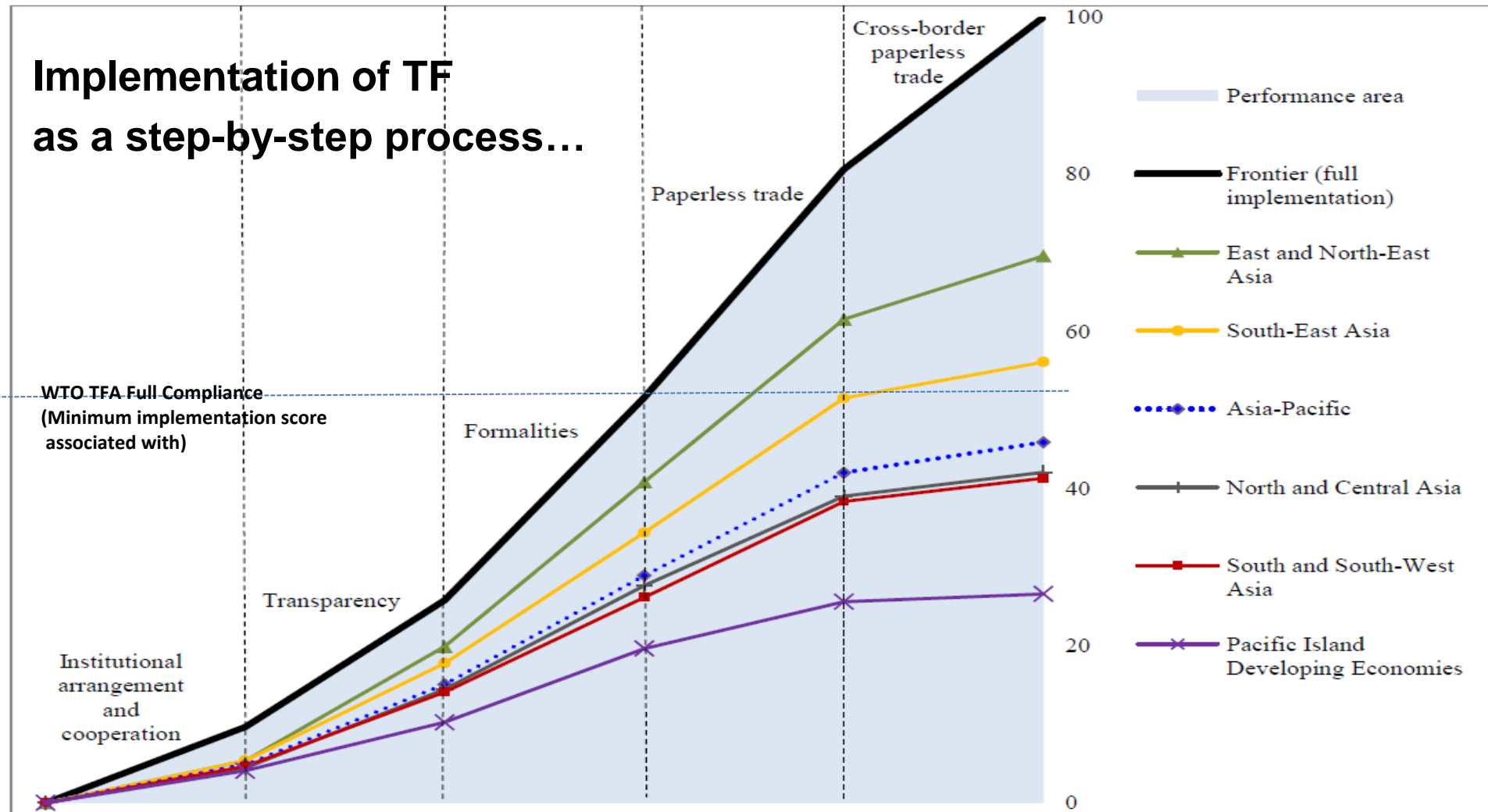


**Figure 2. Paperless trade coverage in RTAs of East Asian Economies since 2005**

# Towards “Next Generation” TF [and cross-border e-commerce] in Asia-Pacific

Figure 20: Moving up the trade facilitation ladder towards seamless international supply chains

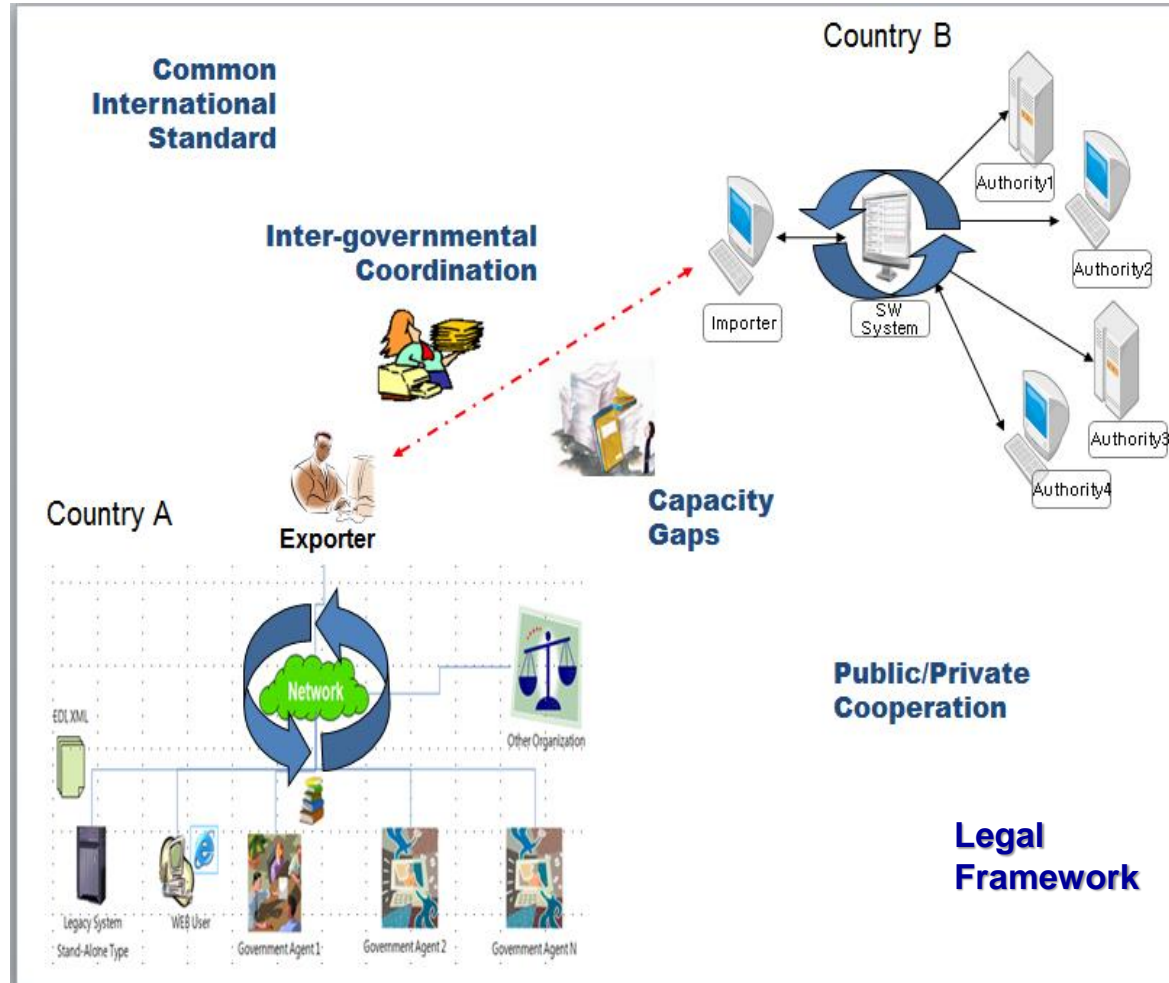
Implementation of TF  
as a step-by-step process...



Note: the figure shows cumulative trade facilitation implementation scores of Asia-Pacific sub-regions for five groups of trade facilitation measures included in the survey. Full implementation of all measures = 100.

# Challenges to moving forward on cross-border paperless trade

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





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

## ❑ A new UN Treaty

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

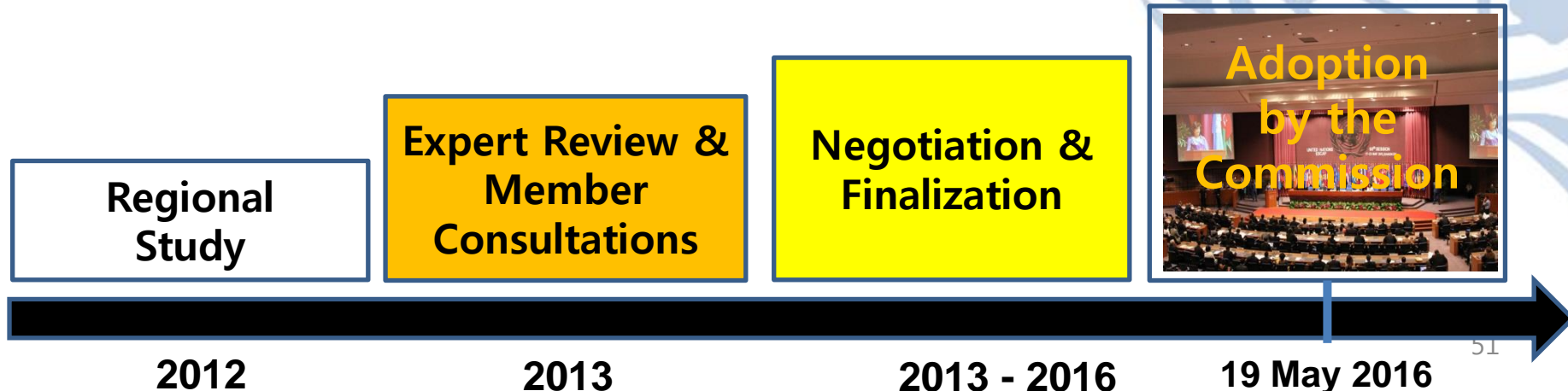
## ❑ Objective

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

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

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

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





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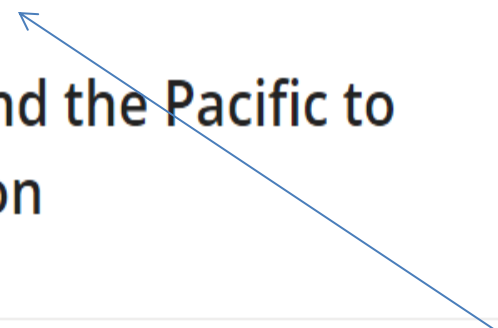
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[“It is expected to provide countries of Asia and the Pacific with a new tool and “digital” complement for better implementation of the WTO Trade Facilitation Agreement \(TFA\) and the development of cross-border e-commerce.”](#)



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

01.10.2016

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

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

The screenshot shows a web browser window with multiple tabs open, including 'Inbox', 'Welcor', 'Pan-As', 'Module', 'UNNE', 'asycud', 'unctad', 'webdtl', and 'Framev'. The address bar displays 'https://paa.net/?p=1007'. The website header features the PAA.net logo and navigation links: 'About', 'Charter', 'Partners', 'Press Centre', 'Events Directory', and 'Contact us'. A breadcrumb trail reads 'Home / 2016 News Archives, Press Centre, Press Release / Pan-Asian e-Commerce Alliance Supports New UN Treaty on Paperless Trade Facilitation'. A '< Previous' link is visible on the right. On the left, a 'PAA Members' list includes: CIECC - China, Trade-Van - Chinese Taipei, Tradelink - Hongkong SAR, EDI-I - Indonesia, NACCS - Japan, KTNET - Korea, TEDMEV - Macau SAR, Dagang Net - Malaysia, InterCommerce - Philippines, CrimsonLogic - Singapore, and CAT Telecom - Thailand. The main article title is 'Pan-Asian e-Commerce Alliance Supports New UN Treaty on Paperless Trade Facilitation'. The text of the article states: '20 October 2016 – Pan-Asian e-Commerce Alliance (PAA) fully supports the new United Nations (UN) Treaty on Paperless Trade Facilitation which was opened to members for signing on 1 October 2016. The Agreement provides the framework for cross border electronic exchange of trade documents, as well as for the respective governments to adopt message standards and secure data communication protocols, thereby harmonizing various initiatives on bilateral and multilateral paperless trade initiatives. Further, the Treaty serves as a tool for an efficient implementation of the WTO Trade Facilitation Agreement and the WCO Revised Kyoto Convention.' At the bottom, a line reads: 'As a pioneer in realizing cross border paperless trade and transactions, the PAA continuously extends its collaboration with'. The ESCAP logo is partially visible in the bottom right corner.

PAA Members

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

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

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

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

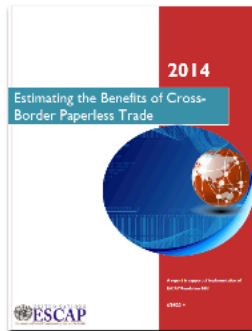
As a pioneer in realizing cross border paperless trade and transactions, the PAA continuously extends its collaboration with

UNITED NATIONS  
**ESCAP**

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

# Benefits of Cross-Border Paperless Trade

## Estimating the Benefits of Cross-Border Paperless Trade



**Date:** Tuesday, June 24, 2014

**Type:** Books

### ABSTRACT

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

### DOWNLOAD:

Benefits of Cross-Border Paperless Trade

✓ Download

**Annual regional export gains :**

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

**Export time reduction: 24% to 44%**

**Export cost reduction: 17% to 31%**

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

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

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

## Article 1: Objective

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

Article 5:  
General  
Principles

Article 8:  
Cross-border  
Mutual  
Recognition

Article 11:  
Institutional  
Arrangements

Article 12:  
Action Plan

Article 13:  
Pilot Projects  
and Sharing  
of Lessons  
Learned

Article 14:  
Capacity  
Building



A Unique Opportunity to Highlight your Country's Effort to support regional cooperation and trade competitiveness

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## **Signing Ceremony for the Framework Agreement on the Facilitation of Cross-Border Paperless Trade in Asia and the Pacific**

**Where? UNCC, Bangkok**

**When? 29 August 2017**

*As part of a High-level Dialogue on Enhancing Regional Trade through  
Effective Participation in the Digital Economy*





# Outline

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- ❖ Introduction
- ❖ Regional State of Play
  - Trade costs & Trade Facilitation Performance
- ❖ WTO Trade Facilitation Agreement
  - ❖ Overview & Update
  - ❖ TFA and Information & Communication Technologies (ICT) / Paperless Trade
- ❖ Trade Facilitation and Paperless Trade Implementation in Asia-Pacific
- ❖ Conclusions
  - Annex - Support from ESCAP

# Concluding remarks

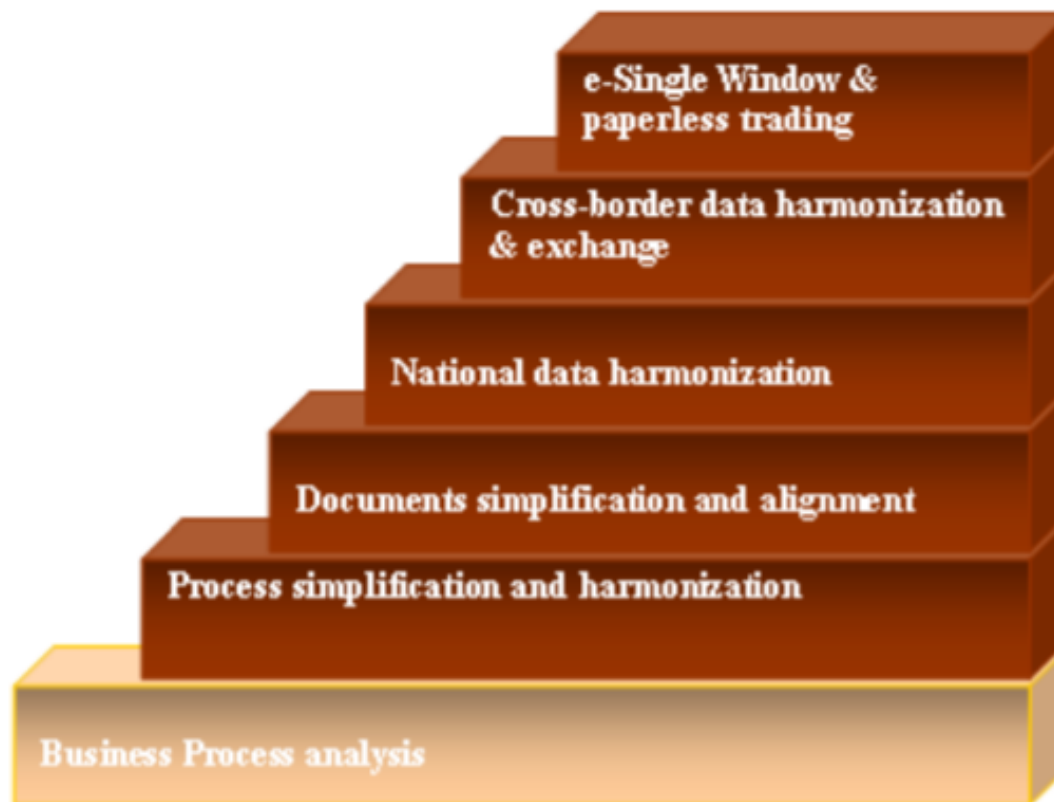
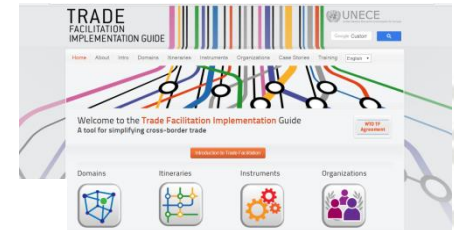
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- Trade facilitation essential to trade competitiveness and enabling participation in production networks
  - A lot of room for improvement in Asia-Pacific LDCs
- Need to keep the “big picture in mind” to be able to really reduce trade costs
  - Need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



# Concluding remarks

- What about implementation of TF measures?
  - Many organizations provide guidance and
  - Useful compendium at: [tfig.unece.org](http://tfig.unece.org)



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❖ Annex: Support from ESCAP



# United Nations ESCAP



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

# Trade Facilitation Programme in ESCAP

## Legislative

- ❑ Enabling paperless trade (Res. 68/3)
- ❑ Interim Intergov. Steering Group on Cross-border Paperless Trade Facilitation (Res. 70/6)
- ❑ Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (Res. 72/4)

## Knowledge

- ❑ ESCAP-WB Trade Cost Database
- ❑ Paperless Trade Guides & Impact analyses
- ❑ Global Trade Facilitation & Paperless Trade Implementation Survey
- ❑ Trade Process Analysis Database

## Capacity Building

- ❑ Business Process Analysis
- ❑ Single Window & Paperless Trade Implementation
- ❑ Trade & Transport Facilitation Monitoring Mechanism
- ❑ Agricultural & SME trade facilitation
- ❑ WTO TFA implementation support
- ❑ UNNExT Masterclass



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



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

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

[www.unnext.unescap.org](http://www.unnext.unescap.org)



UNITED NATIONS  
**ESCAP**  
Economic and Social Commission for Asia and the Pacific

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



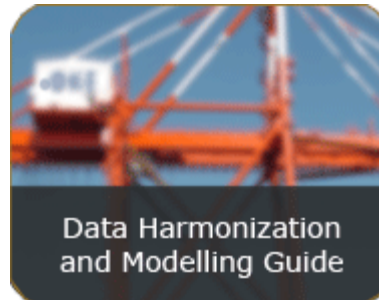


# UNNExT Single Window Implementation Toolkit for Trade Facilitation

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## SINGLE WINDOW IMPLEMENTATION TOOLKIT

FOR TRADE FACILITATION



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

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

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

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Trade, Investment & Innovation

## BPA TRAINING

### Training Overview

Module 1 - BPA Introduction

Module 2 - UML

Module 3 - Project Scope Setting

Module 4 - Project Planning

Module 5 - Data Collection

Module 6 - Process Analysis

Module 7 - From BPA to TTFMM

## ADDITIONAL RESOURCES

Course Study Guide

UNNEXt BPA Guide for TF

TTFMM Guide

BPA Case Studies

Trade Process Analysis Database

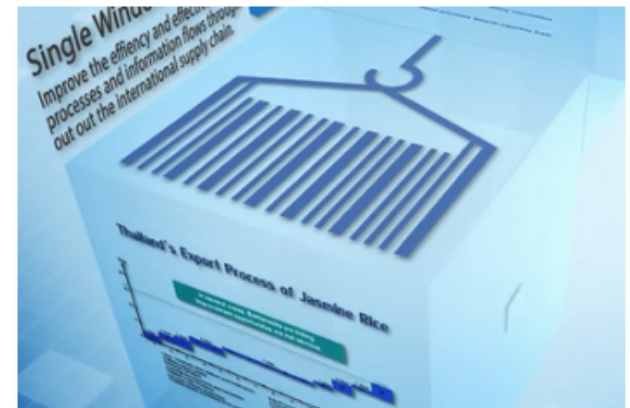
## E-Learning Series on Business Process Analysis for Trade Facilitation

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

The course is divided as follows:

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

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



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# Thank you

[www.unescap.org/our-work/trade-investment/trade-facilitation](http://www.unescap.org/our-work/trade-investment/trade-facilitation)

[unnex.unescap.org](http://unnex.unescap.org)

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

