



Greater Tumen Initiative



Supported by United Nations Development Programme

# Way Forward for GTI Single Window Implementation



**Workshop on Cross-Border Trade Facilitation and Single Window Implementation in Northeast Asia**

12-13 APR 2017, Vladivostok, Russian Federation

# Outline of Presentation

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Trade and Investment Sector of GTI

2

Trade and Trade Facilitation in GTI

3

Way Forward for GTI Single Window

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**Trade and Investment Sector of GTI**

2

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Way Forward for GTI Single Window

# Vision and Objectives

**Build a great partnership for common prosperity among neighbors**

Promote the rehabilitation and construction of basic **transportation** infrastructure and major transportation

Deregulate the **border crossing** procedures in GTR  
Create a favorable environment to facilitate **trade** and attract private sector **investment**

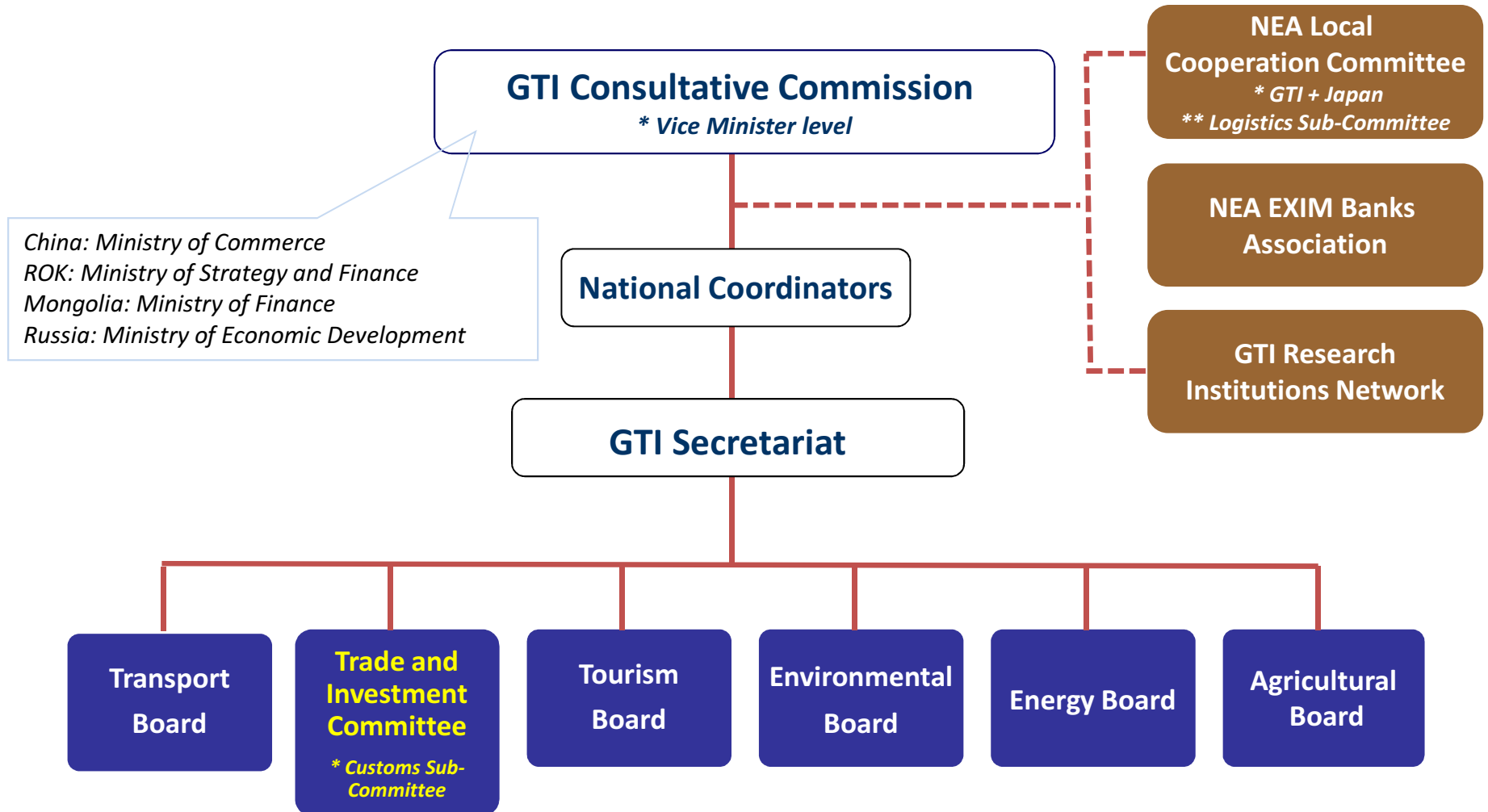
Promote GTR as a globally attractive **tourism** destination

Establish an effective institutional mechanism for **energy** policy support

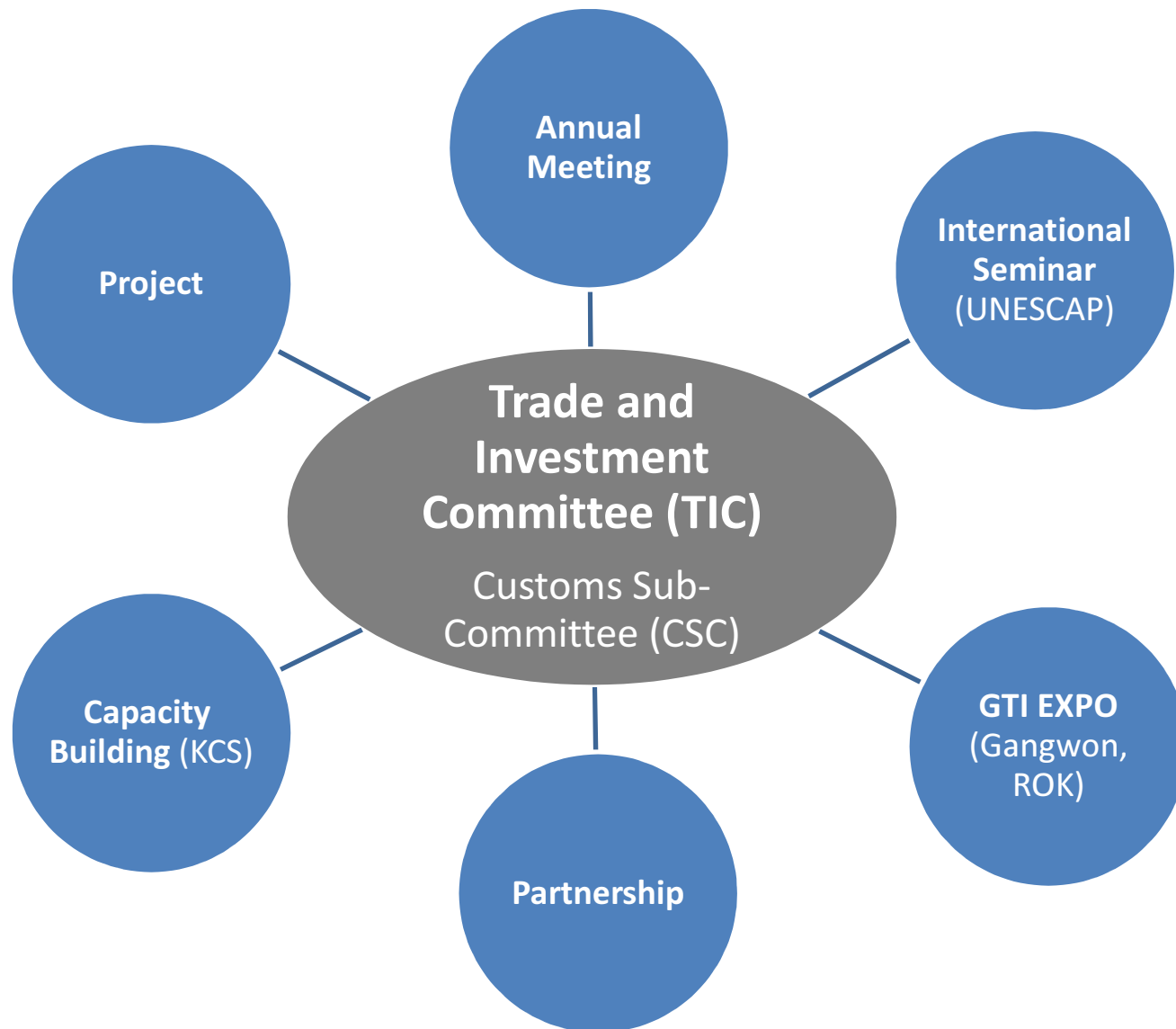
Promote **environmental** sustainability in GTR

Strengthen the partnerships with **Japan** and **DPRK**  
Enhance the capacity of GTI and transition it into an **international organization**

# Institutional Structure of GTI



# Activities of Trade & Investment Sector



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Way Forward for GTI Single Window

# 1. Trade Volume of GTI Members

Heavy interdependence

Importance of Chinese market



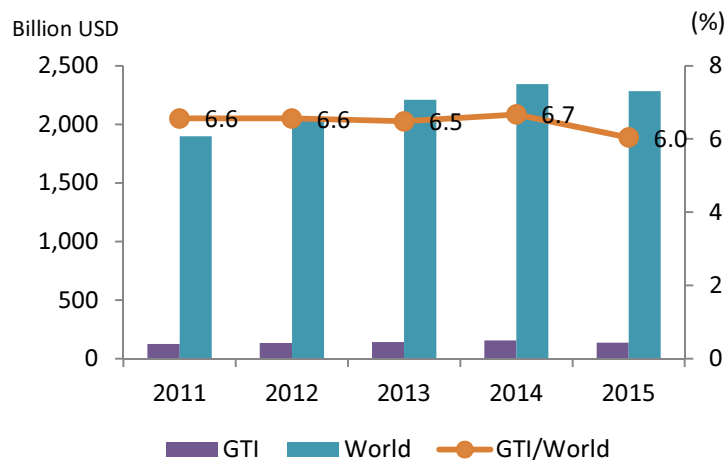
Mongolia's high dependence on GTI

Decrease in trade volume



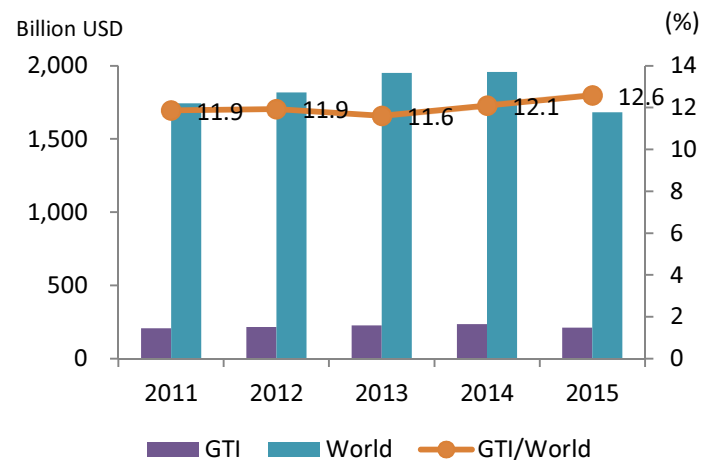
# Export & Import of GTI Members

## China's product export



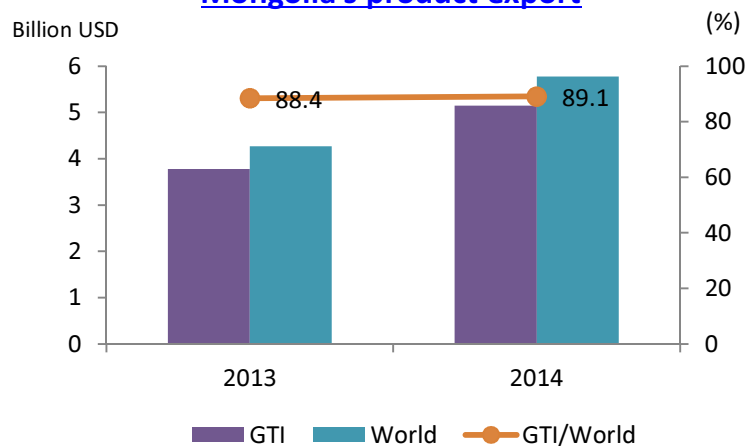
• Calculations based on <http://comtrade.un.org>, <http://www.trademap.org>

## China's product import



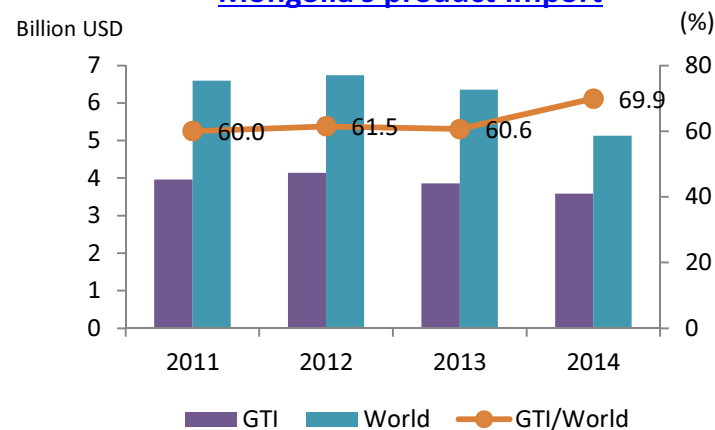
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## Mongolia's product export



• Calculations based on <http://www.trademap.org>

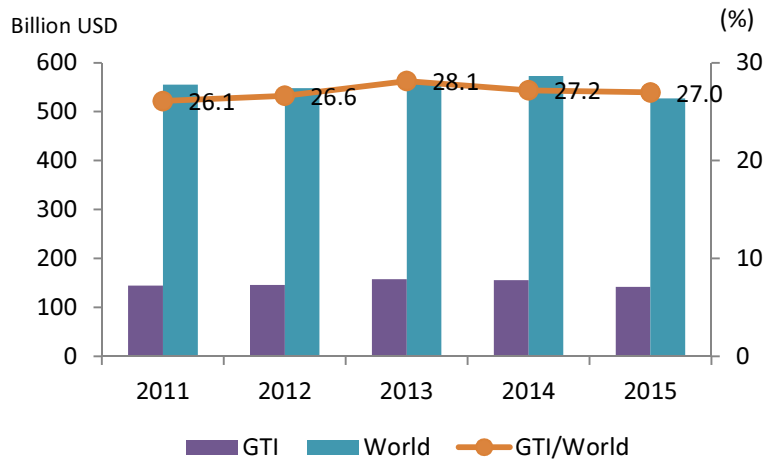
## Mongolia's product import



• Calculations based on <http://www.trademap.org>

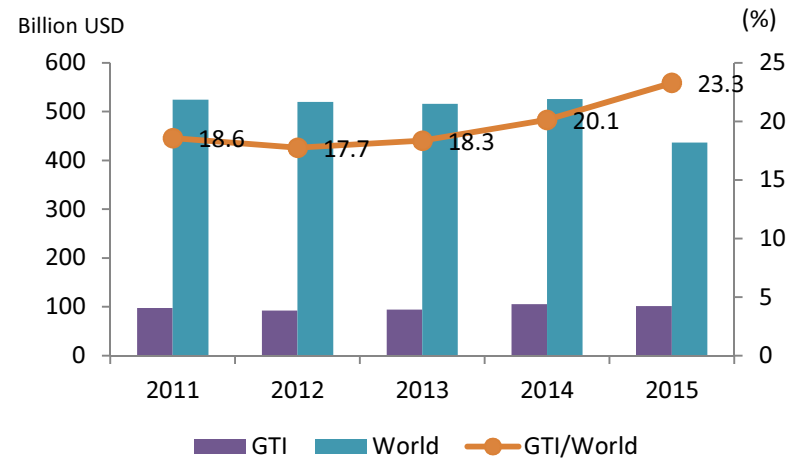
# Export & Import of GTI Members

## ROK's product export



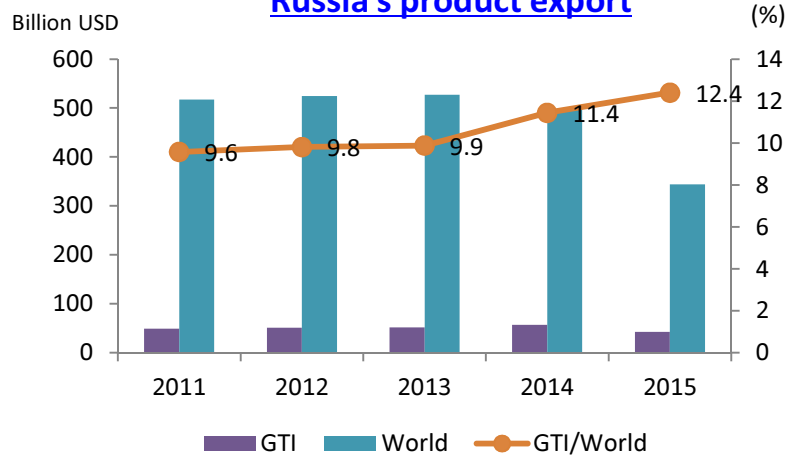
• Calculations based on <http://comtrade.un.org>, <http://www.trademap.org>

## ROK's product import



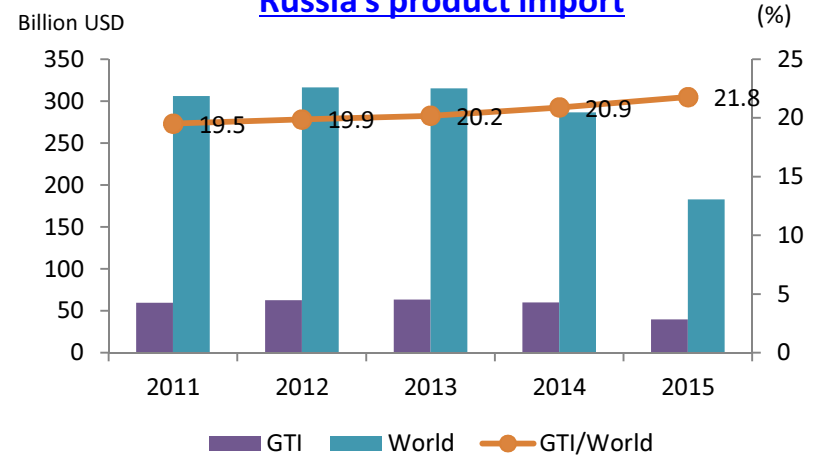
• Calculations based on <http://www.trademap.org>

## Russia's product export



• Calculations based on <http://comtrade.un.org>, <http://www.trademap.org>

## Russia's product import



• Calculations based on <http://comtrade.un.org>, <http://www.trademap.org>

## 2. Trade Facilitation of GTI Members

Long way to go for  
global best practice?

Different level of  
development



Improvement needed  
in formalities

Challenge &  
Opportunity

## 2-1. Trading Across Borders of GTI Members (World Bank)

	Rank		Time Required (hours) (Export/Import)				Cost Required (US\$) (Export/Import)			
			Documentary compliance		Border compliance		Documentary compliance		Border compliance	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
<b>China</b>	96	96	21.2/ 65.7	21.2/ 65.7	25.9/ 92.3	25.9/ 92.3	84.6/ 170.9	84.6/ 170.9	522.4/ 776.6	522.4/ 776.6
<b>Mongolia</b>	74	103	115/ 115	168/ 115	37/ 22	62/ 48	64/ 83	64/ 83	41/ 60	191/ 210
<b>ROK</b>	31	32	1/ 1	1/ 1	14/ 6	13/ 6	11/ 27	11/ 27	185/ 315	185/ 315
<b>Russia</b>	170	140	42.5/ 42.5	25.4/ 42.5	96/ 96	96/ 96	500/ 500	92/ 152.5	1,125/ 1,125	765/ 1,125

\* Source: Doing Business 2016 & 2017 ([www.doingbusiness.org](http://www.doingbusiness.org))

## 2-2. Trade Facilitation Indicators (OECD)

Trade Facilitation Indicators	China		Mongolia		ROK		Russia		Best Practice (average top quartile)
	2012	2015	2012	2015	2012	2015	2012	2015	2015
Information availability	1.56	1.80	1.80	1.90	1.61	1.89	1.20	1.40	1.88
Involvement of the trade community	1.50	1.75	1.00	1.75	1.00	1.60	1.75	1.00	1.95
Advance rulings	1.50	1.43	1.67	1.00	1.33	1.30	1.20	1.71	1.83
Appeal procedures	1.71	1.13	1.29	0.88	2.00	1.67	1.25	1.38	1.89
Fees & Charges	2.00	1.75	1.50	1.25	1.25	1.00	0.50	1.00	1.80
<i>Formalities (documents)</i>	1.17	0.83	1.00	0.67	1.60	1.71	0.50	0.67	1.68
<i>Formalities (automation)</i>	1.25	1.75	1.00	1.50	2.00	1.57	0.50	1.00	1.92
<i>Formalities (procedures)</i>	1.29	1.50	1.47	1.25	1.18	1.41	0.62	0.73	1.55
Internal border agency cooperation	1.00	1.00	1.50	1.67	1.67	1.75	2.00	1.00	2.00
External border agency cooperation	-	1.00	1.67	1.75	1.58	2.00	2.00	1.67	1.74
<i>Governance &amp; Impartiality</i>	1.86	1.57	1.57	1.63	1.50	2.00	1.33	1.38	1.90

\* Source: <http://www2.compareyourcountry.org/trade-facilitation>

\* Red numbers: Areas for action \* 2 represents the best performance

# TFI (OECD): Major areas for Action

Trade Facilitation Indicators	China	Mongolia	ROK	Russia
<i>Formalities (documents)</i>	<ul style="list-style-type: none"> <li>■ Expand the acceptance of copies of documents</li> <li>■ Reduce the number of documents required to import and export and the time for preparing such documents</li> </ul>	<ul style="list-style-type: none"> <li>■ Reduce the number of documents required for import and export and the necessary time to prepare such documents</li> </ul>		<ul style="list-style-type: none"> <li>■ Expand the acceptance of copies of documents</li> <li>■ Reduce the number of documents required for import and export and the time necessary to prepare such documents</li> </ul>
<i>Formalities (automation)</i>	<ul style="list-style-type: none"> <li>■ <u>Promote the availability of full time automated processing for Customs</u></li> </ul>	<ul style="list-style-type: none"> <li>■ <u>Improve the quality of telecommunication s and IT supporting the automation of border processes</u></li> </ul>	<ul style="list-style-type: none"> <li>■ <u>Improve the percentage of import and export procedures expedited electronically</u></li> </ul>	<ul style="list-style-type: none"> <li>■ <u>Improve the capacity of IT systems to exchange data electronically</u></li> <li>■ <u>Promote the availability of full-time automated processing for Customs</u></li> </ul>

# TFI (OECD): Major areas for Action

Trade Facilitation Indicators	China	Mongolia	ROK	Russia
<b>Formalities (procedures)</b>	<ul style="list-style-type: none"> <li>■ Reduce the average clearance time and improve the efficiency of the clearance process</li> <li>■ Reinforce Authorised Economic Operator programs</li> <li>■ Adjust Customs working hours to commercial needs</li> </ul>	<ul style="list-style-type: none"> <li>■ <u>Complete the development of the Single Window currently under elaboration</u></li> <li>■ <u>Reduce the average clearance time and the percent of physical inspections</u></li> <li>■ Provide preferential treatment for perishable goods concerning the separation of release from clearance</li> <li>■ Expand the use of Authorised Operator programs</li> <li>■ Further simplify procedures in terms of associated costs</li> <li>■ Adjust Customs working hours to commercial needs</li> </ul>	<ul style="list-style-type: none"> <li>■ Further expand the use of pre-arrival processing of goods and of post-clearance audits</li> <li>■ Expand the use of Authorised Operator programs</li> </ul>	<ul style="list-style-type: none"> <li>■ <u>Envisage the development of a Single Window</u></li> <li>■ Publish the average clearance time consistently and on a periodic basis for major Customs offices</li> <li>■ <u>Reduce the average clearance time and the percent of physical inspections</u></li> <li>■ Provide accelerated controls for perishable goods and preferential treatment concerning the separation of release from clearance</li> <li>■ Expand the possibility to have goods released prior to final determination and payment of Customs duties</li> <li>■ Expand the use of Authorised Operator programs</li> <li>■ Further simplify procedures in terms of both associated time and costs</li> <li>■ Adjust Customs working hours to commercial needs</li> </ul>
<b>Governance &amp; Impartiality</b>	<ul style="list-style-type: none"> <li>■ Publish annual Customs activity reports</li> </ul>	<ul style="list-style-type: none"> <li>■ Support the Customs' ethnic policy</li> <li>■ Publish annual Customs activity reports</li> </ul>		<ul style="list-style-type: none"> <li>■ Provide clear provisions for the financing of the Customs administration</li> <li>■ Publish annual Customs activity reports</li> </ul>

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**Way Forward for GTI Single Window**



# GTI Single Window – A Policy Suggestion from GTI TF Study (2015, UNDP China)

## Benefit

- (Government): effective and efficient deployment of resources, better revenue yield, improved trader compliance, enhanced security, increased integrity and transparency
- (Private Sector): reduced costs, faster clearance of goods, predictable application and explanation of rules, efficient utilization of resources, transparency and predictability

## Situation of GTI members

- (ROK) extensive single window system in place
- (China) implementing paperless trade system; in advanced stage of moving into single window system
- (Mongolia) mulling over possibility of single window system
- (Russia) in process of implementation of single window system

## Approach (Bottom UP)

- Provide time for national system to emerge and evolve in all countries
- Link them to regional single window after gaining experience in handling national system \* (Top-down) make commitment for implementing SW → set deadline for implementing national system

# Way Forward for GTI Single Window

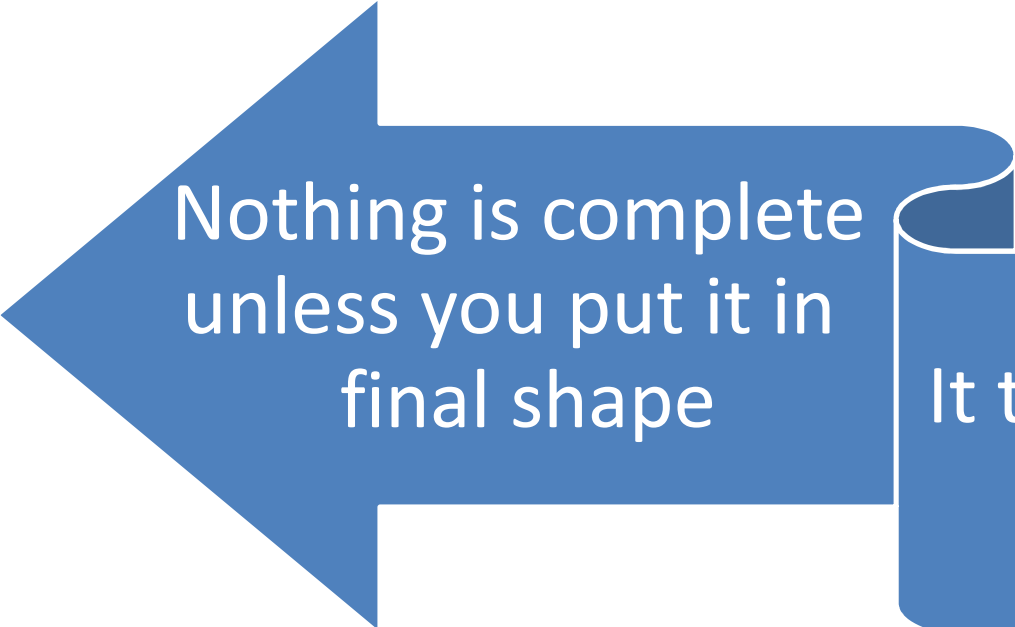
## Prerequisite for national system

(GTI TF Study, 2015)

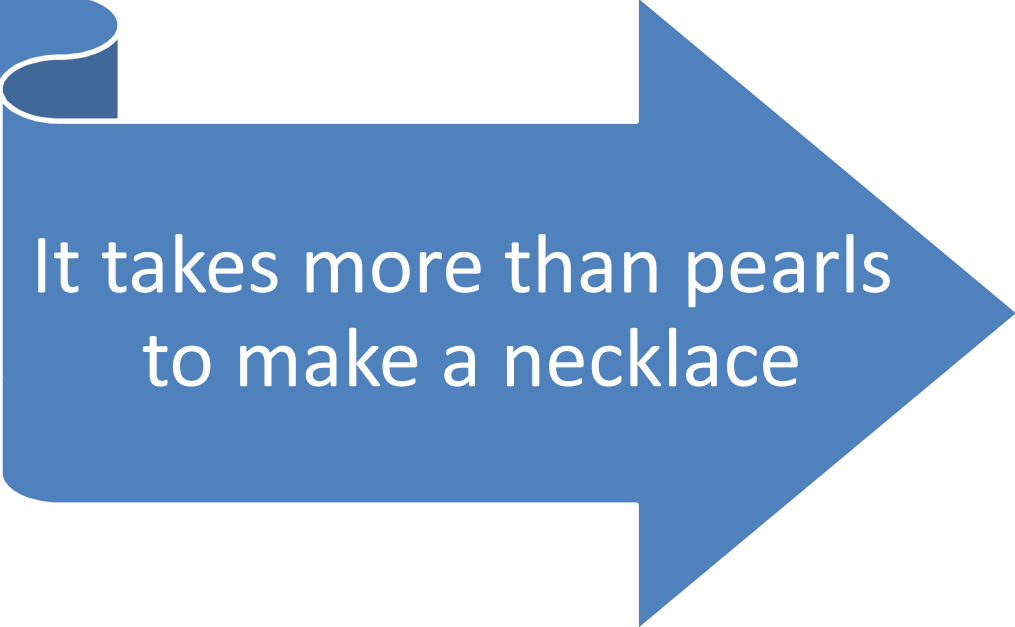
- High level political commitment
- Willingness of stakeholders to cede some of their authorities for a greater good
- Sound technical expertise of implementing organization
- A solid legal basis for implementation

## Suggestions for consideration

- Reinforce **human resource** in GTI Secretariat
- Mobilize **financial resource** from members and partners
- Organize a **Working Group** to tackle GTI Single Window (operate at least 2-3 years; have quarterly meetings)
- Conduct a **Study** on Implementation of GTI Single Window (analysis of current situation (e.g. BPA); comparison among member countries to identify strong and weak points; recommendation for future cooperation, etc.)
- Organize GTI **events**, focusing on GTI Single Window for continuous information sharing and capacity building
- Closely cooperate with **UNESCAP** (Frame Work Agreement)
- Set up a **Roadmap** for implementation of GTI Single Window



Nothing is complete  
unless you put it in  
final shape



It takes more than pearls  
to make a necklace

**Thank you very much !**

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