Digital and Sustainable Trade Facilitation in Asia and the Pacific: REGIONAL REPORT 2019

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

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The report is available at: https://unnext.unescap.org/content/un-global-survey-digital-and-sustainable-trade-facilitation-2019

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The report has been issued without formal editing.
FOREWORD

The UN Global Survey on Digital and Sustainable Trade Facilitation is 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 West Asia (ESCWA). Led by ESCAP, it aims to gather information from countries worldwide on implementation of digital and sustainable trade facilitation 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 first and second global surveys were conducted in 2015 and 2017 as part of the Joint UN Regional Commissions (UNRC) Approach to Trade Facilitation agreed in 2010 by the Executive Secretaries of all five United Nations Regional Commissions. The joint approach was designed to enable the Regional Commissions 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). This initiative has benefitted from the input 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), Oceania Customs Organization Secretariat (OCO), Association of South East Asia Nations (ASEAN) and Eurasian Economic Commission (EEC).

This third survey builds upon the earlier surveys and include new forward-looking measures related to trade digitalization, trade finance and sustainable development. Indeed, the Agenda 2030 for Sustainable Development recognizes international trade – along with science, technology and innovation – as one of the key means of implementation of the agreed Sustainable Development Goals.

Against this background, we hope that this report further supports the economies around the region to make trade simpler, cheaper and more sustainable through the use and application of technology and innovations in international trade procedures.

The regional report should be read together with the global report, sub-regional and country notes. The underlying dataset can be used by researchers and analysts for any further analysis. Further information is available at https://untfsurvey.org/

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ACKNOWLEDGEMENTS

The regional report is part of a global survey effort on the implementation of trade facilitation and paperless trade measures, undertaken jointly by the five United Nations Regional Commissions for Africa (ECA), Europe (ECE), Asia and the Pacific (ESCAP), Latin America and the Caribbean (ECLAC) and West Asia (ESCWA). The report was prepared by Jiangyuan Fu and Chorthip Utoktham under the guidance of Yann Duval and the overall supervision of Mia Mikic, all from the Trade, Investment and Innovation Division (TIID) of ESCAP. Mr. Vasan Narang, TIID, ESCAP informally edited and formatted the report for release.

Akhmad Bayhaqi from the Asia-Pacific Economic Cooperation (APEC) Policy Support Unit, Cuong Ba Tran and Anki Agustrin from the Association of Southeast Asian Nations (ASEAN) Secretariat, Roy Lagolago and Kalei Billings-Dugu of the Oceania Customs Organization (OCO), Patrick Goettner from United Nations Conference on Trade and Development (UNCTAD), and Maria-Theresa Pisani and Salehin Khan of the United Nations Economic and Commission for Europe (ECE), as well as Yuhua Zhang and Sangwon Lim from ESCAP also contributed to the survey efforts, in particular by facilitating data collection from relevant experts as well as data validation in several countries. The active participation of the participants to the Asia-Pacific Forum on Trade Digitalization for Sustainable Regional Integration and the interim Intergovernmental Steering Group on Cross-Border Paperless Trade Facilitation, held on 12-15 March 2019, in the initial data collection effort is gratefully acknowledged. The United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific (UNNExT), a knowledge community supported by ESCAP and ECE, also greatly facilitated data collection.

Comments and suggestions received from participants at the United Nations Regional Commissions (UNRCs) side event to the 7th Global Review on Aid for Trade (Geneva, July 2019), where the preliminary findings from the global survey were presented, are gratefully acknowledged. Authors are also grateful to Alexander Malaket, Doina Buruiiana and Olivier Paul from the International Chamber of Commerce (ICC) Banking Commission for their inputs and suggestions on the trade finance component of the 2019 Survey.

Preparation of the report benefited from the financial support of China and the Republic of Korea in 2019.
EXECUTIVE SUMMARY

Reducing trade costs is essential in enabling economies to effectively participate in regional and global value chains and for them to continue to use trade as an important engine of growth and sustainable development. Reducing non-tariff sources of trade costs, including cumbersome regulatory trade procedures and documentation, is essential to lower trade costs and make trade more inclusive. The WTO Trade Facilitation Agreement (TFA) and new regional trade digitalization initiatives provides guidance on measures that should be considered for implementation.¹

In this context, the report presents results of the United Nations Global Survey on Digital and Sustainable Trade Facilitation for 46 countries of the Asia-Pacific region. The WTO TFA+ Survey was conducted during the first half of 2019 and covered 53 trade facilitation measures categorized under four groups: “General Trade Facilitation”, “Digital Trade Facilitation”, “Sustainable Trade Facilitation” and “Trade Finance”.

The regional implementation rate increased by over 10% since the last survey was conducted in 2017, reaching nearly 60% in 2019. All countries and subregions have made progress. The highest progress is observed in North and Central Asia, followed by South-East Asia, and South and South-West Asia.

Trade facilitation implementation levels vary greatly across sub-regions. Aside from Australia and New Zealand, East and North East Asia achieved the highest average level of implementation at 79.3%, followed by South-East Asia, North and Central Asia, and South and South-West Asia. Pacific Island Developing Economies lag far behind other sub-regions. At country level, the Republic of Korea, Japan, Singapore, Australia and New Zealand achieve scores in excess of 90%.

Trade facilitation implementation levels also vary across groups of measures. The region’s implementation of WTO TFA-related measures are relatively high, at 60%-80%. Implementation of national paperless trade measures are also relatively high, as many countries endeavour to develop e-payment systems for duties and fees and initiate development electronic single window facilities. However, implementation of cross-border paperless trade remains very low, given difficulties involved in achieving consensus on technical and legal issues associated with exchanging electronic data and documents across borders. In this respect, the Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific provides a unique platform for ESCAP member states to accelerate progress.

Measures under the “sustainable trade facilitation” category are least implemented, particularly those targeted at women and SMEs. These measures are not specified in multilateral and/or regional agreements but need to be further emphasized to ensure trade facilitation benefits a wider range of stakeholders. Data on implementation of “trade finance” facilitation measures were collected for the first time this year and does not provide a complete picture. It suggests, however, a serious lack of awareness about the importance of these measures and how they could be integrated in trade facilitation strategies.

¹ For example, the Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific was signed or acceded to by six countries, namely, Armenia, Bangladesh, Cambodia, China, Islamic Republic of Iran, and Azerbaijan. About 20 other States are at various stages of the treaty accession process and also participate annually in the interim Intergovernmental Steering Group on Cross-Border Paperless Trade Facilitation, a body that spearheaded the negotiation of the treaty and is now supporting its implementation.
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<th>Description</th>
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</thead>
<tbody>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
</tr>
<tr>
<td>AEO</td>
<td>Authorized economic operator</td>
</tr>
<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
</tr>
<tr>
<td>ECA</td>
<td>United Nations Economic Commission for Africa</td>
</tr>
<tr>
<td>ECE</td>
<td>United Nations Economic Commission for Europe</td>
</tr>
<tr>
<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
</tr>
<tr>
<td>ITC</td>
<td>International Trade Centre</td>
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<tr>
<td>LDC</td>
<td>Least developed country</td>
</tr>
<tr>
<td>LLDC</td>
<td>Landlocked developing country</td>
</tr>
<tr>
<td>NTFC</td>
<td>National trade facilitation committee</td>
</tr>
<tr>
<td>OCO</td>
<td>Oceania Customs Organization</td>
</tr>
<tr>
<td>OECD</td>
<td>Organization for Economic Co-operation and Development</td>
</tr>
<tr>
<td>PIDE</td>
<td>Pacific island developing economies</td>
</tr>
<tr>
<td>SIDS</td>
<td>Small island developing states</td>
</tr>
<tr>
<td>TFA</td>
<td>Trade Facilitation Agreement</td>
</tr>
<tr>
<td>UN/CEFACT</td>
<td>United Nations Centre for Trade Facilitation and Electronic Business</td>
</tr>
<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
</tr>
<tr>
<td>UNNExT</td>
<td>United Nations Network of Experts for Paperless Trade and Transport for Asia and the Pacific</td>
</tr>
<tr>
<td>UNRC</td>
<td>United Nations Regional Commission</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organization</td>
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</table>
1. INTRODUCTION

1.1 BACKGROUND AND OBJECTIVE OF THE GLOBAL SURVEY ON DIGITAL AND SUSTAINABLE TRADE FACILITATION 2019

Reducing trade costs is essential in enabling economies to effectively participate in regional and global value chains and for them to continue to use trade as an important 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 42.1% average tariff on the value of goods traded (see Table 1). China, the Republic of Korea and Japan (East Asia-3) and Australia-New Zealand come closest to matching the low intra-EU trade costs, with average trade costs among them amounting to a 55% and 55.5% tariff-equivalent, followed by the middle-income members of the Association of Southeast Asian Nations (ASEAN), whose intra-regional trade costs stand at 76.1% tariff-equivalent.

Other groups of Asia-Pacific economies face much higher costs when trading with each other, particularly in Central Asia, South Asia and the South Pacific. The scope for further reducing trade costs among the Asia-Pacific 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 (over 130%), two neighboring Asian sub-regions, are much higher than those between ASEAN and the EU (104.5%) or between SAARC and the United States of America (114.7%).

Recent studies suggest that many of the trade cost reductions achieved over the past decade have been through eliminating or lowering tariffs. Further trade cost reduction, therefore, will have to come from tackling non-tariff sources of trade costs, such as inefficient transport and logistics infrastructure and services, as well as cumbersome regulatory procedures and documentation. Indeed, trade facilitation, including paperless trade, has taken on an 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. Since then, six countries have signed or acceded to the Framework Agreement and about 20 States have been working together on an implementation roadmap as part of an interim Intergovernmental Steering Group on Cross-Border Paperless Trade Facilitation.

Since 2012, the ESCAP secretariat has been systematically collecting and analyzing information on the implementation of trade facilitation measures in the region. The purpose has been to provide a sound basis for capacity building and technical assistance programs and to enable the countries to design and prioritize their own trade facilitation implementation plans and strategies. The first and second regional surveys 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

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2 Trade costs shown here comprehensive and all-encompassing. See Arvis et al. (2016) for methodological details, available at: https://www.cambridge.org/core/journals/world-trade-

3 For example, see ESCAP (2011), Asia-Pacific Trade and Investment Report 2011, United Nations.
extensive discussions at the Global Trade Facilitation Forum 2013, it was decided that the regional surveys should be conducted at a global level jointly by all UNRCs. Accordingly, the first two global surveys were conducted in 2015 and 2017, respectively. This report features the results of the third global survey, renamed the UN Global Survey on Digital and Sustainable Trade Facilitation to better reflect its content, conducted in 2019 for Asia and the Pacific. It covers 46 developed and developing economies from 6 different sub-regions.

Table 1: Intra-and Extra-Regional Comprehensive Trade Costs in the Asia-Pacific Region

<table>
<thead>
<tr>
<th>Region</th>
<th>ASEAN-4</th>
<th>East Asia-3</th>
<th>North and Central Asia-4</th>
<th>Pacific Islands Developing Economies</th>
<th>SAARC-4</th>
<th>AUS-NZL</th>
<th>EU-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASEAN-4</td>
<td>76.1%</td>
<td>55.0%</td>
<td>334.1%</td>
<td>168.6%</td>
<td>120.2%</td>
<td>-</td>
<td></td>
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<tr>
<td>East Asia-3</td>
<td>78.3%</td>
<td>6.0%</td>
<td>55.6%</td>
<td>168.6%</td>
<td>120.2%</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>North and Central Asia-4</td>
<td>334.1%</td>
<td>168.6%</td>
<td>113.1%</td>
<td>133.3%</td>
<td>120.2%</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Pacific Islands Developing Economies</td>
<td>168.5%</td>
<td>162.6%</td>
<td>378.2%</td>
<td>133.3%</td>
<td>120.2%</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>SAARC-4</td>
<td>132.8%</td>
<td>124.2%</td>
<td>304.9%</td>
<td>125.2%</td>
<td>120.2%</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>AUS-NZL</td>
<td>102.6%</td>
<td>87.8%</td>
<td>373.0%</td>
<td>88.6%</td>
<td>120.2%</td>
<td>55.5%</td>
<td></td>
</tr>
<tr>
<td>EU-3</td>
<td>104.5%</td>
<td>85.6%</td>
<td>149.9%</td>
<td>197.2%</td>
<td>120.2%</td>
<td>107.5%</td>
<td>42.1%</td>
</tr>
<tr>
<td>USA</td>
<td>87.6%</td>
<td>65.2%</td>
<td>181.2%</td>
<td>164.0%</td>
<td>120.2%</td>
<td>101.1%</td>
<td>67.5%</td>
</tr>
</tbody>
</table>

Note: Trade costs may be interpreted as tariff equivalents and are calculated based on the 4 most recent years for which data is available (i.e., 2014-2017). Numbers in parenthesis are changes in trade costs between 2011-14 and 2014-2017. ASEAN-4: Indonesia, Malaysia, Philippines, Thailand; EastAsia-3: China, Japan, Republic of Korea; North and Central Asia-4: Georgia, Kazakhstan, Kyrgyzstan, Russian Federation; Pacific Island 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.

Available at: [https://databank.banquemondiale.org/data/source/escap-world-bank:-international-trade-costs](https://databank.banquemondiale.org/data/source/escap-world-bank:-international-trade-costs) and [https://artnet.unescap.org/databases](https://artnet.unescap.org/databases)

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4 The Global Trade Facilitation Forum was organized jointly by all the UN Regional Commissions (UNRCs) and took place in Bangkok in November 2013.
The 2019 survey instrument builds upon the original instrument (formerly known as the Global Survey on Trade Facilitation and Paperless Trade Implementation), which was prepared according to the final list of commitments included in the WTO Trade Facilitation Agreement (TFA) supplemented by forward looking measures thought to be implemented under the UN treaty on paperless trade facilitation, then still under negotiation – it was since adopted in 2016 as the Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific.\(^5\)

The 2019 Survey includes 53 trade facilitation measures which are categorized into four groups and eleven sub-groups. The first group of “general trade facilitation measures” includes many of the WTO TFA measures under 4 subgroups: ‘Transparency’, ‘Formalities’, ‘Institutional Cooperation and Arrangement’ and ‘Transit Facilitation’. The second group of “Digital Trade Facilitation Measures” include 2 subgroups: ‘Paperless Trade’, and ‘Cross-Border Paperless Trade’. The third group of “Sustainable Trade Facilitation Measures” includes 3 subgroups: ‘Trade Facilitation for SMEs’, ‘Agricultural Trade Facilitation’ and ‘Women in Trade Facilitation’. In 2019, a fourth and new group of “Trade Finance Facilitation” was also pilot tested – developed in cooperation with the International Chamber of Commerce (ICC) Banking Commission.

The overall scope of the survey goes beyond the measures included in the WTO TFA. Most paperless trade, particularly ‘Cross-Border Paperless Trade’ measures, are not specifically featured in the WTO TFA, although their implementation in many cases would support the better and digital implementation of the TFA. Most measures in the “sustainable trade facilitation” group are also not specifically included in the WTO TFA, except for some of the agricultural trade facilitation measures.

### Table 2: Grouping of trade facilitation measures and correspondence with TFA articles

<table>
<thead>
<tr>
<th>Grouping</th>
<th>Question #</th>
<th>Trade facilitation measure in the questionnaire</th>
<th>TFA Articles</th>
</tr>
</thead>
<tbody>
<tr>
<td>General TF Measures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transparency (5 measures)</td>
<td>2</td>
<td>Publication of existing import-export regulations on the Internet</td>
<td>1.2</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>Stakeholder consultation on new draft regulations (prior to their finalization)</td>
<td>2.2</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>Advance publication/notification of new regulations before their implementation (e.g. 30 days prior)</td>
<td>2.1</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>Advance ruling (on tariff classification)</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>Independent appeal mechanism (for traders to appeal customs rulings and the rulings of other relevant trade control agencies)</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>Risk management (as a basis for deciding whether a shipment will be physically inspected or not)</td>
<td>7.4</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>Pre-arrival processing</td>
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<table>
<thead>
<tr>
<th>Grouping</th>
<th>Question #</th>
<th>Trade facilitation measure in the questionnaire</th>
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<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2019</td>
<td></td>
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<tr>
<td>Formalities (8 measures)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>8</td>
<td>8</td>
<td>8</td>
<td>Post-clearance audit</td>
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<tr>
<td>10</td>
<td>10</td>
<td>10</td>
<td>Separation of Release from final determination of customs duties, taxes, fees and charges</td>
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<tr>
<td>11</td>
<td>11</td>
<td>11</td>
<td>Establishment and publication of average release times</td>
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<td>12</td>
<td>12</td>
<td>12</td>
<td>Trade facilitation measures for authorized operators</td>
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<td>13</td>
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<td>Expedited shipments</td>
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<td>14</td>
<td>14</td>
<td>Acceptance of paper or electronic copies of supporting documents required for import, export or transit formalities</td>
</tr>
<tr>
<td>Institutional cooperation and arrangement (5 measures)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>1</td>
<td>Establishment of a national trade facilitation committee or similar body</td>
</tr>
<tr>
<td>31</td>
<td>31</td>
<td>31</td>
<td>Cooperation between agencies on the ground at the national level</td>
</tr>
<tr>
<td>32</td>
<td>32</td>
<td>32</td>
<td>Government agencies delegating controls to customs authorities</td>
</tr>
<tr>
<td>33</td>
<td>33</td>
<td>33</td>
<td>Alignment of working days and hours with neighboring countries at border crossings</td>
</tr>
<tr>
<td>34</td>
<td>34</td>
<td>34</td>
<td>Alignment of formalities and procedures with neighboring countries at border crossings</td>
</tr>
<tr>
<td>Transit facilitation (4 measures)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>35</td>
<td>35</td>
<td>35</td>
<td>Transit facilitation agreement(s) with neighboring country(ies)</td>
</tr>
<tr>
<td>36</td>
<td>36</td>
<td>36</td>
<td>Customs Authorities limit the physical inspection of transit goods and use risk assessment</td>
</tr>
<tr>
<td>37</td>
<td>37</td>
<td>37</td>
<td>Supporting pre-arrival processing for transit facilititation</td>
</tr>
<tr>
<td>38</td>
<td>38</td>
<td>38</td>
<td>Cooperation between agencies of countries involved in transit</td>
</tr>
<tr>
<td>Paperless trade (10 measures)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>15</td>
<td>15</td>
<td>Electronic/automated Customs System established (e.g. ASYCUDA)</td>
</tr>
<tr>
<td>16</td>
<td>16</td>
<td>16</td>
<td>Internet connection available to customs and other trade control agencies at border-crossings</td>
</tr>
<tr>
<td>17</td>
<td>17</td>
<td>17</td>
<td>Electronic Single Window System</td>
</tr>
<tr>
<td>18</td>
<td>18</td>
<td>18</td>
<td>Electronic submission of Customs Declarations</td>
</tr>
<tr>
<td>19</td>
<td>19</td>
<td>19</td>
<td>Electronic application and issuance of Import and Export Permit</td>
</tr>
<tr>
<td>20</td>
<td>20</td>
<td>20</td>
<td>Electronic submission of Sea Cargo Manifests</td>
</tr>
<tr>
<td>Grouping</td>
<td>Question #</td>
<td>Trade facilitation measure in the questionnaire</td>
<td>TFA Articles</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>------------</td>
<td>-----------------------------------------------------------------------------------------------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>2019</td>
<td></td>
</tr>
<tr>
<td>Cross-border paperless trade</td>
<td>21</td>
<td>21</td>
<td>Electronic submission of Air Cargo Manifests</td>
</tr>
<tr>
<td>(6 measures)</td>
<td>22</td>
<td>22</td>
<td>Electronic application and issuance of Preferential Certificate of Origin</td>
</tr>
<tr>
<td></td>
<td>23</td>
<td>23</td>
<td>E-Payment of customs duties and fees</td>
</tr>
<tr>
<td></td>
<td>24</td>
<td>24</td>
<td>Electronic application for customs refunds</td>
</tr>
<tr>
<td>Trade facilitation for SMEs</td>
<td>25</td>
<td>25</td>
<td>Laws and regulations for electronic transactions are in place (e.g. e-commerce law, e-transaction law)</td>
</tr>
<tr>
<td>(5 measures)</td>
<td>26</td>
<td>26</td>
<td>Recognized certification authority issuing digital certificates to traders to conduct electronic transactions</td>
</tr>
<tr>
<td></td>
<td>27</td>
<td>27</td>
<td>Customs declaration electronically exchanged between your country and other countries</td>
</tr>
<tr>
<td></td>
<td>28</td>
<td>28</td>
<td>Certificate of Origin electronically exchanged between your country and other countries</td>
</tr>
<tr>
<td></td>
<td>29</td>
<td>29</td>
<td>Sanitary &amp; Phytosanitary Certificate electronically exchanged between your country and other countries</td>
</tr>
<tr>
<td></td>
<td>30</td>
<td>30</td>
<td>Banks and insurers in your country retrieving letters of credit electronically without lodging paper-based documents</td>
</tr>
<tr>
<td>Sustainable TF Measures</td>
<td>39</td>
<td>39</td>
<td>Trade-related information measures for SMEs</td>
</tr>
<tr>
<td></td>
<td>40</td>
<td>40</td>
<td>Government has developed specific measures that enable SMEs to more easily benefit from the AEO scheme</td>
</tr>
<tr>
<td></td>
<td>41</td>
<td>41</td>
<td>Government has taken actions to make single windows more easily accessible to SMEs (e.g. by providing technical consultation and training services to SMEs on registering and using the facility.)</td>
</tr>
<tr>
<td></td>
<td>42</td>
<td>42</td>
<td>Government has taken actions to ensure that SMEs are well represented and made key members of National Trade Facilitation Committees (NTFCs)</td>
</tr>
<tr>
<td></td>
<td>43</td>
<td>43</td>
<td>Other special measures for SMEs</td>
</tr>
<tr>
<td>Agricultural trade facilitation</td>
<td>43</td>
<td>44</td>
<td>Testing and laboratory facilities are equipped for compliance with sanitary and phytosanitary (SPS) standards in your main trading partners</td>
</tr>
<tr>
<td>(4 measures)</td>
<td>44</td>
<td>45</td>
<td>National standards and accreditation bodies are established for the purpose of compliance with SPS standards</td>
</tr>
<tr>
<td></td>
<td>45</td>
<td>46</td>
<td>Application, verification and issuance of SPS certificates is automated</td>
</tr>
<tr>
<td></td>
<td>46</td>
<td>47</td>
<td>Special treatment given to perishable goods at border-crossings</td>
</tr>
</tbody>
</table>
Table 3: A three-step approach for data collection and validation

<table>
<thead>
<tr>
<th>Data submission by experts:</th>
<th>The survey instrument was sent by the ESCAP Secretariat to trade facilitation experts (in governments, the private sector and academia) in Asia-Pacific countries to gather preliminary information. The questionnaire was also made publicly available online and disseminated with the support of the Asia-Pacific Economic Cooperation (APEC) Policy Support Unit, the United Nations Conference on Trade and Development (UNCTAD) Secretariat and the United Nations Network of Experts for Paperless Trade and Transport for Asia and the Pacific (UNNExT). In some cases, the questionnaire was also sent to relevant national trade facilitation authorities or agencies and regional trade facilitation partners or organizations, such as OCO and ASEAN. This first step took place essentially between January and April 2019.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data verification by the UNRCs Secretariat:</td>
<td>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 April 2019.</td>
</tr>
<tr>
<td>Data validation by national governments:</td>
<td>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 were incorporated in order to finalize the dataset. Step 3 took place between April and May 2019. In the case of ASEAN members, the preliminary data was also made available for review through the ASEAN Trade Facilitation Joint Consultative Committee (ATF-JCC).</td>
</tr>
</tbody>
</table>
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 as below. 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 were defined in ESCAP (2017).

**Table 4: Definition of each Stage of implementation**

<table>
<thead>
<tr>
<th>Stage of implementation</th>
<th>Coding/Scoring</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Full Implementation:</strong> the trade facilitation measure implemented is in full compliance with commonly-accepted international standards, recommendations and conventions such as the Revised Kyoto Convention, UN/CEFACT Recommendations, or the WTO Trade Facilitation Agreement (TFA); it is implemented in law and in practice; it is available to essentially all relevant stakeholders nationwide, and supported by adequate legal and institutional frameworks, as well as adequate infrastructure and financial and human resources. A TFA provision included in the commitments given under Notifications of Category A may generally be considered as a measure which is fully implemented by the country, with a caveat that the provision will be implemented by a Least-Developed Country (LDC) member within one year of the TFA agreement coming into force. If a country registers positive response for all sub-questions concerning a given trade facilitation measure, that measure should be considered fully implemented.</td>
<td>3</td>
</tr>
<tr>
<td><strong>Partial Implementation:</strong> a measure is considered to be partially implemented if at least one of the following is true: (1) the trade facilitation measure is in partial - but 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 the measure; (3) the measure is being used but on an unsustainable, short-term or ad-hoc basis; (4) the measure is implemented in some - but not all - targeted locations (such as key border crossing stations); or (5) some - but not all - targeted stakeholders are fully involved.</td>
<td>2</td>
</tr>
<tr>
<td><strong>Pilot Stage of Implementation:</strong> a measure is considered to be at the pilot stage of implementation if, in addition to meeting the general attributes of partial implementation, it is available only to a very small portion of the intended stakeholder group (or at certain location) and/or is being implemented on a trial basis. When a new trade facilitation measure is at the pilot stage of implementation, the old measure is often continuously used in parallel to ensure that the service is still provided even when there has been a disruption with the new measure. This stage of implementation also includes relevant rehearsals and preparation for the full implementation.</td>
<td>1</td>
</tr>
<tr>
<td><strong>Not implemented:</strong> a measure has not been implemented at this stage. However, this stage may still include initiatives or efforts towards implementation of the measure. For example, under this stage, (pre)feasibility studies or planning for the implementation can be carried out; and consultation with stakeholders on the implementation may be arranged.</td>
<td>0</td>
</tr>
</tbody>
</table>
2. TRADE FACILITATION IMPLEMENTATION IN ASIA-PACIFIC: OVERVIEW

Figure 1 shows the overall implementation levels of 46 Asia-Pacific countries based on a common set of 31 trade facilitation and paperless trade measures also included in the previous UN surveys. The regional average implementation of this comprehensive set of measures stands at 59.7%. The implementation of trade facilitation measures in the region is very heterogeneous. The Republic of Korea, Japan, Singapore, Australia and New Zealand achieve implementation rates in excess of 90%, while implementation in several other Pacific countries barely reaches 30%.

Figure 1: Overall implementation of trade facilitation measures in 46 Asia-Pacific countries

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2019

6 Among the 53 measures surveyed, three measures including Electronic Submission of Sea Cargo Manifests, Alignment of working days and hours with neighbouring countries at border crossings, and Alignment of formalities and procedures with neighbouring countries at border crossings are excluded for calculating the overall score as they are not relevant to all countries surveyed. Four “transit facilitation” measures are also excluded for the same reason. Additionally, “Trade facilitation for SMEs”, “agricultural trade facilitation”, “women in trade facilitation”, and “trade finance facilitation” are excluded as these are newly added groups of measures not included in the original UN Survey.
In general, more advanced or larger economies are at a higher level of implementation than low income economies, including the small or less developed countries such as LDCs or small Pacific countries. However, implementation levels in these low-income economies differ dramatically from one country to another (see Figure 2). Some LDCs, for example, Cambodia and Lao PDR have implementation rates greater than 50%. This might be explained by ASEAN joint efforts on digital trade facilitation measures, in particular the implementation of ASEAN Single Window to accelerate cross-border paperless trade within the region and with non-ASEAN trade partners. Similarly, Tonga, Vanuatu, Fiji and Maldives have achieved relatively high scores although they are small island developing states (SIDS).

Figure 2: Trade facilitation implementation and GDP per capita of 46 Asia-Pacific economies

![Graph showing trade facilitation implementation vs GDP per capita.](image)

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2019; World Bank, World Development Indicators, accessed 22 May 2019

### 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 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 79.3%, 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 35.5%.

Trade facilitation implementation varies greatly within each sub-regional grouping. Differences in trade facilitation implementation levels are at their most pronounced in South-East Asia (SEA), but only because the group includes Timor Leste, a country that is not member of ASEAN. Indeed, the ASEAN regional integration processes appear to have played a significant and positive role in trade facilitation implementation, and the SEA sub-region has achieved higher implementation rates than several other sub-regions (such as NCA, SSWA and PIDE). Differences in trade facilitation implementation levels are less
pronounced within PIDEs. This may be explained by the fact that these small islands are generally isolated economies and face similar implementation constraints.

Figure 3: Trade facilitation implementation in Asia-Pacific sub-regions and countries with special needs

Countries with special needs in the Asia-Pacific region face certain challenges in the 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 average levels of trade facilitation than LDCs or SIDSs. This could be viewed as the implementation of coordinated support provided to address the special needs of landlocked developing countries, an important achievement in the context of the Vienna Programme of Action (VPoA).

2.2 MOST AND LEAST IMPLEMENTED TRADE FACILITATION MEASURES

All countries are engaged in the implementation of various ‘transparency’ and ‘formalities’ measures. As shown in Figure 4 and Table 3, ‘transparency’ measures, such as publication of existing import-export regulations on the internet and Stakeholders’ consultation on new draft regulations (prior to their finalization) have been the most implemented: the regional average implementation rate amounts to 77%. The implementation rate of ‘formalities’ and ‘transit’ measures are approximately 70%. The regional average implementation of the ‘institutional arrangements and inter-agency cooperation’ is above 60%.

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7 Timor Leste could arguably be integrated in PIDE rather than SEA, given it is a small island developing state (SIDS) with Observer status at the Pacific Islands Forum Secretariat.
Figure 4: Implementation of different groups of trade facilitation measures: Asia-Pacific average

The regional average level of implementation of ‘paperless trade’ measures reaches 57.9%. While many economies have developed legal frameworks to enable paperless trade, the implementation of ‘cross-border paperless trade’ has yet to begin in many developing countries and the average rate of implementation is just above 30%.

Figure 4 shows that agricultural trade facilitation has been generally well implemented. However, when it comes to other sustainable trade facilitation measures, very few countries have customized their measures to support SMEs and women as reflected by the low average implementation rates of 35.9% and 22.5%, respectively.

Trade finance facilitation measures, included for the first time in the survey, are the least implemented group of measures, with an implementation rate of 19.1%. This low implementation rate is in part explained by the absence of data for about half of the countries. Regardless, however, the results point to significant room for improvement particularly in this area, given its importance to small and medium-sized traders.

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2019
<table>
<thead>
<tr>
<th>Category</th>
<th>Most implemented (% of countries)</th>
<th>Least implemented (% of countries)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Measure</td>
<td>Implemented fully, partially and on a pilot basis (%) / Full implementation (%)</td>
</tr>
<tr>
<td>Transparency</td>
<td>Publication of existing import-export regulations on the internet/Stakeholders’ consultation on new draft regulations (prior to their finalization)</td>
<td>95.7 / 50.0</td>
</tr>
<tr>
<td>Formalities</td>
<td>Risk management</td>
<td>97.8 / 43.5</td>
</tr>
<tr>
<td>Institutional arrangement and cooperation</td>
<td>National legislative framework and/or institutional arrangements for border agencies cooperation</td>
<td>95.7 / 32.6</td>
</tr>
<tr>
<td>Paperless trade</td>
<td>Automated Customs System</td>
<td>95.7 / 63.0</td>
</tr>
<tr>
<td>Cross-border paperless trade</td>
<td>Laws and regulations for electronic transactions</td>
<td>73.9 / 15.2</td>
</tr>
<tr>
<td>Transit facilitation</td>
<td>Customs Authorities limit the physical inspections of transit goods and use risk assessment</td>
<td>58.7 / 41.3</td>
</tr>
<tr>
<td>Trade facilitation in SME policy framework</td>
<td>Trade-related information measures for SMEs</td>
<td>78.3 / 30.4</td>
</tr>
<tr>
<td>Trade facilitation and agriculture trade</td>
<td>Special treatment for perishable goods</td>
<td>84.8 / 45.7</td>
</tr>
<tr>
<td>Women in trade facilitation</td>
<td>Trade facilitation measures aimed at female traders</td>
<td>45.7 / 2.2</td>
</tr>
<tr>
<td>Trade finance facilitation</td>
<td>Variety of trade finance services available</td>
<td>50.0 / 4.3</td>
</tr>
</tbody>
</table>

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2019

2.3 PROGRESS IN IMPLEMENTATION BETWEEN 2017 AND 2019

The implementation rate for 31 common trade facilitation measures at the regional level increased by approximately 10 percentage points from 49% in 2017 to 59% in 2019 (Figure 5). This suggests that countries generally accelerated their implementation efforts over the last two years, as the increase in implementation between 2015 and 2017 was only 5.6%. The highest progress is observed in North and Central Asia: the implementation rate of the sub-region increased by approximately 13.5 percentage points.

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9 The average implementation rate in the 2017 Survey report published by ESCAP in 2017 was 50.4%. However, 2017 implementation data was revised downward slightly for some countries based on information collected in 2019, hence the new average implementation rate of 49.1%.
points (from 50.1% in 2017 to 63.6% in 2019). Substantial progress is also observed in South-East Asia and South and South-West Asia where the implementation rate of the sub-regions increased by 10.7 and 10.4 percentage points, respectively. Implementation rates in other sub-regions increased by 6 to 10 percentage points.

Among groups of countries with special needs, LDCs have made the most progress since 2017 (12.3 percentage points), followed by LLDCs (11.2 percentage points). SIDs saw only a 7.4 percentage point increase in trade facilitation implementation over the past two years. This may be in part explained by the fact that LDCs have easier access to aid for trade facilitation (Figure 5).

Figure 5: Trade facilitation implementation by sub-regions in Asia and the Pacific, 2017 and 2019

In terms of groups of trade facilitation measures, the most progress has been observed in streamlining trade ‘formalities’: the implementation rate has risen by 12.5 percentage points (from 58% in 2017 to 70.5% in 2019). Similarly, the implementation rate of the ‘transparency’ measures has increased by almost 10 percentage points (from 66.8% in 2017 to 76.4% in 2019). The Implementation rates of both ‘paperless’ and ‘cross-border paperless measures’ rose by approximately 9.1 and 9.5 percentage points, respectively. ‘Institutional arrangement and cooperation’ have seen the slowest improvement, with a rise of 7.6 percentage points between 2017 and 2019, possibly due to persistent problems related to inter-agency collaboration and delegation of authority among border control agencies (Figure 6).

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10 See for example through the Enhanced Integrated Framework (https://www.enhancedif.org) or the WTO Trade Facilitation Facility (https://tfafacility.org).
Figure 6: Implementation of different groups of trade facilitation measures in Asia-Pacific, 2017 and 2019

Figure 7 shows improvements in different sub-regions for five main groups of measures. It suggests that Pacific Islands have made particularly good progress in implementing transparency measures, but not other groups of measures. Australia and New-Zealand, and East and North-East Asia have made particularly significant progress in institutional arrangements and cooperation measures (Several countries in these sub-regions have undertaken ambitious reforms in border control, merging agencies together to achieve efficiency gains). South and South-West Asia have made relative more progress on paperless trade (e.g., India actively developed its single window environment over the past 2 years), while South-East Asia made most progress in cross-border paperless trade, through implementation of its ASEAN Single Window.

11 See for example, China Customs and China Inspection and Quarantine integration (http://english.customs.gov.cn/Reform/html/index.html)

12 http://asw.asean.org/
Figure 7: Implementation of trade facilitation measures by Asia-Pacific sub-regions, 2017 and 2019

Transparency

Formalities

Institutional arrangement and cooperation
Paperless trade

Cross-border paperless trade

Overall implementation

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2019
3. THE 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. The average level of implementation for all five ‘transparency’ measures across the region is over 70% (refer to Figure 4). The implementation levels of these measures across sub-regions vary widely, with East and North-East Asia achieving nearly full implementation of these measures. The implementation of advance rulings is found to be particularly challenging for both North and Central Asia and the Pacific Islands Developing Economies (Figure 8).

Figure 8: Implementation of ‘transparency’ measures: Asia-Pacific average

Figure 9 lists the number of countries that have fully and partially implemented ‘transparency’ measures in descending order. Publication of existing import-export regulations on the internet and stakeholder consultation on new draft regulations (prior to their finalization) are the two most implemented ‘transparency’ measures in the region, as 95% of the 46 economies have either fully or partially implemented them. 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 76% of the countries (or 35 countries) in the region. Five have not started implementing it yet. The other two measures in this group, advance publication/notification of new regulations before their implementation and independent appeal mechanism have been implemented by most countries surveyed.
3.2 ‘FORMALITIES’ MEASURES

Eight ‘formalities’ measures are related to Articles 6-10 of the WTO FTA 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 when it comes to measures in this group (Figure 10). *Risk management*, *separation of release from final determination of customs duties, taxes, fees and charges*, 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 in most sub-regions.

The *risk management* measure has been implemented by 45 countries (98%) of the Asia-Pacific countries surveyed, although in some cases only on a pilot basis. *Acceptance of copies of supporting documents instead of originals* and *separation of release from final determination of customs duties, taxes, fees and charges* have both been implemented fully, partially or on a pilot basis by more than 90% of the countries (43 countries or more). *Pre-arrival processing* and *post-clearance audit* have also been either fully or partially implemented by over 85% of the countries surveyed (Figure 11).
Among ‘Institutional arrangement and cooperation’ measures, Figure 12 shows that the National legislative framework and institutional arrangement available to ensure border agencies cooperate with each other (cooperation between agencies), and National Trade Facilitation Committee or similar body measures have already been quite extensively implemented in the region and most sub-regions. In
contrast, the implementation levels of mechanisms enabling government agencies to delegate controls to customs authorities remains low in the Asia-Pacific. This is particularly the case for Pacific Island Developing Economies, where the implementation level of this measure is less than 25%.

While the National legislative framework and/or institutional arrangements for border agencies cooperation measure is being implemented by almost all countries (over 95%), Figure 13 shows that its implementation has been essentially partial. In fact, only 15 (33%) 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 some countries and less than 50% of the countries (21 out of 46) have taken any action towards its implementation.

Figure 12: Implementation of ‘institutional arrangement and cooperation’ measures: Asia-Pacific

The most fully implemented measure of the three measures considered in this group is establishment of National Trade Facilitation Committee or similar body. The establishment of such a committee is mandatory for all countries that have ratified the WTO TFA.\(^{13}\) Nearly 90% of the countries have formally established a committee or have a de facto committee in place, although not created by a legal instrument. However, it often remains unclear whether such a body is fully operational or has the authority and membership necessary to support effective trade facilitation reforms, including implementation of paperless and cross-border paperless trade measures.

\(^{13}\) See Article 23.2 of the WTO TFA.
Figure 13: State of implementation of ‘institutional arrangement and cooperation’ measures for trade facilitation in Asia-Pacific economies

<table>
<thead>
<tr>
<th>Measure</th>
<th>0%</th>
<th>10%</th>
<th>20%</th>
<th>30%</th>
<th>40%</th>
<th>50%</th>
<th>60%</th>
<th>70%</th>
<th>80%</th>
<th>90%</th>
<th>100%</th>
</tr>
</thead>
</table>
| National legislative framework and/or institutional arrangements for border agency cooperation | ![Graph](image)
| National Trade Facilitation Committee or similar body                  | ![Graph](image)
| Government agencies delegating controls to Customs authorities         | ![Graph](image)

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2019

3.4 ‘PAPERLESS TRADE’ MEASURES

The regional and sub-regional average levels of implementation for the nine ‘paperless trade’ measures vary widely, as shown in Figure 14. At the regional level, the automated customs system measure is among the most implemented measures of all trade facilitation measures included in the survey. The implementation levels of ‘paperless trade’ measures in East and North-East Asia, and South-East Asia exceed those in the other sub-regions, especially for electronic single window system, electronic application and issuance of import and export permit, electronic submission of customs declarations, electronic submission of air cargo manifest, and e-payment of customs duties and fees.

Recognizing the importance of having the basic ICT infrastructure and services to enable ‘paperless trade’, nearly all countries (96%) have fully or partially made electronic/automated customs system available. Over 90% of the countries surveyed have implemented the Internet connection to trade control agencies at border-crossing and electronic submission of customs declaration measures at least on a partially basis. The electronic single window system has been implemented fully, partially, or on a pilot basis by 32 countries, or nearly 70% of all the Asia-Pacific countries surveyed. Electronic payment of customs duties and fees is also at least partially available in over 65% of countries surveyed. However, a refund can only be made electronically in very few of the countries surveyed. Most countries still request refunds to be applied for with paper documents (See Figure 15).
Some relatively simpler measures such as electronic application and issuance of import and export permit, electronic submission of air cargo manifest, 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 single window systems in most countries are developed and led by Customs and information and documents issued by other trade-related agencies are not fully automated or connected with single window.
3.5 ‘CROSS-BORDER PAPERLESS TRADE’ MEASURES

Among the six ‘cross-border paperless trade’ measures, shown in Figure 16, two measures, *law and regulations for electronic transactions*, and *Electronic exchange of Customs Declaration*, 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 between stakeholders along the entire international supply chain too. The other four measures relate to the actual exchange of specific trade-related data and documents across borders in order to achieve a fully integrated paperless transformation.

Figure 16 shows the average scores for implementing the ‘cross-border paperless trade’ measures. At the regional level, the implementation of these measures has been very slow, except *laws and regulation for electronic transactions* where the implementation level is slightly above 50%. The pattern is very similar at the sub-regional level, apart from East and North-East Asia, and South-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

![Figure 16: Implementation of ‘cross-border paperless trade’: measures: Asia-Pacific average](image)

*Source: UN Global Survey on Digital and Sustainable Trade Facilitation, unftsurvey.org, 2019*

Figure 17 shows that more than 60% of the countries surveyed in the Asia-Pacific region have at least partially developed the *legal and regulatory frameworks needed to support electronic transactions*, but these frameworks are mostly 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 needed to issue traders with recognized electronic signature certificates to conduct electronic transactions*, which have yet to be readily established by half of the countries in the region, even on a pilot basis.
Due to the lack of institutional and legal frameworks to support cross-border paperless trade and the lack of capacity to establish paperless systems in many developing economies, electronic exchange of trade-related documents such as customs declaration, certificate of origin, sanitary and phytosanitary certificate have been typically conducted on a limited basis with a few specific trade partners, and often only partially in the pilot stage of implementation. Paperless collection of payment from a documentary letter of credit has also been fully implemented by Australia and the Republic of Korea and under limited implementation by 10 other economies in 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. The intent of these measures is to reduce, as much as possible, the formalities associated with transit trade, allowing efficient passage of goods from one country/region to another. These measures are particularly important to landlocked developing countries, whose goods typically need to go through a neighbouring country’s territory before reaching a seaport for onward transportation to their destinations. Efficient transit will be the key to unlock the potentials of landlocked countries, accelerate regional development and boost regional and international trade. As shown in Figure 18, the implementation level of ‘transit’ measures in the region is over 60% across all measures.

While all four ‘transit facilitation’ measures have been implemented by most of the countries involved, implementation has mainly been partial. Indeed, transit facilitation agreement(s) with neighbouring

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14 These measures are not directly applicable to all countries across 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.
country(ies) is considered fully implemented in only 4 countries, although most of the countries where ‘transit facilitation’ is applicable, have at least partially implementing it, i.e., they have transit agreements with at least one of their neighbouring country. Similarly, cooperation between agencies of countries involved in transit and supporting pre-arrival processing for transit facilitation are fully in place in 13 and 10 countries, respectively. Customs Authorities limit the physical inspections of transit goods and use risk assessment is comparatively a well-accepted approach in transit facilitation and almost all countries surveyed that are relevant to ‘transit’ have limited the physical inspections of transit goods based on risk assessment (Figure 19).

Figure 18: Implementation of ‘transit facilitation’ measures: Asia-Pacific average

![Graph showing the percentage of countries with transit facilitation measures](source)

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untsurvey.org, 2019

Figure 19: State of implementation of ‘transit facilitation’ measures in Asia-Pacific economies

![Bar chart showing the state of implementation of transit facilitation measures](source)

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untsurvey.org, 2019
3.7 ‘TRADE FACILITATION FOR SMES’ MEASURES

Regional implementation of the overall five ‘trade facilitation for SMEs’ measures is generally low. Trade-related information measures for SMEs are relatively widely implemented in the region (59.4%). However, regional implementation level of other specific measures, such as SMEs in National Trade Facilitation Committee, SMEs in Authorized Economic Operators (AEO) schemes, and SMEs access Single Window, generally does not exceed 30% (Figure 20).

As shown in Figure 21, over 75% of the countries have introduced trade-related information measures for SMEs. More than 40% of the countries surveyed have also included SME representation in National Trade Facilitation Committees. Measures aimed at providing specific assistance for SMEs to participate in the AEO scheme and for SMEs to access the single window are at least partially implemented in approximately 22% and 33% of countries, respectively (Figure 21). About 30% of countries are in the process of implementing additional measures for SMEs, such as provision of deferred duty payment for SMEs or developing a specific action plan dedicated to trade facilitation measures for SMEs.

Figure 20: Implementation of ‘trade facilitation for SMEs’ measures: Asia-Pacific average

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2019
3.8 ‘AGRICULTURAL TRADE FACILITATION’ MEASURES

The implementation levels of ‘agricultural trade facilitation’ measures, as shown in Figure 22, vary significantly across sub-regions with East and North-East Asia achieving over 90% when it comes to three measures: testing and laboratory facilities available to meet SPS standards of main trading partners, special treatment for perishable goods, and national standards and accreditation bodies to facilitate compliance with SPS standards in this grouping, while implementation rates for Pacific Islands Developing Economies are low across all measures in this group.

Special treatment for perishable goods, and national standards and accreditation bodies are both implemented by more than 70% of the countries surveyed. Testing and laboratories facilities are also in place in over 60% of the countries surveyed in the region, although implemented mainly on a partial basis as such facilities and services often remain in short supply. Electronic application and issuance of SPS certificates is an on-going challenge for most countries. Full implementation of this measure has only been achieved in about 10% of Asia-Pacific countries. This may be partly explained by the fact that the current common practice on the import side remains to accept only paper certificates. The low implementation level of electronic application and issuance of SPS certificates also echoes with the findings of several cross-border paperless trade readiness assessment studies that customs are much more advanced than other trade-related government agencies in using electronic systems - SPS certificates are typically issued by agencies under the ministries of food and agriculture.

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15 With the support of the Government of China and the Enhanced Integrated Framework, assessments have been conducted in 8 developing and least-developed countries of the region in 2018-19. These are conducted on the basis of readiness checklists developed by the Intergovernmental Steering Group on Cross-Border Paperless Trade Facilitation (see http://communities.unescap.org/cross-border-paperless-trade-facilitation).
Figure 22: Implementation of ‘agricultural trade facilitation’ measures: Asia-Pacific average

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2019

Figure 23: Level of implementation of ‘agricultural trade facilitation’ measures in Asia-Pacific economies

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2019
3.9 ‘WOMEN IN TRADE FACILITATION’ MEASURES

The regional and sub-regional average levels of implementation for the three ‘women in trade facilitation’ measures, as shown in Figure 24, is very low. The regional average implementation rates is approximately 22.5% across all of the measures, suggesting plenty of room for improvement. This could be explained by the fact that despite gender equality being mainstreamed in many policy initiatives, specific gender concerns for female traders remain limited and do not extend to trade facilitation. East and North-East Asia has achieved higher implementation levels regarding ‘women in trade facilitation’ than other sub-regions, however, implementation rates of measures to ensure female membership in national trade facilitation committee is only 41.7%.

Figure 24: Implementation of ‘women in trade facilitation’ measures: Asia-Pacific average

As shown in Figure 25, over 40% of the countries have implemented trade facilitation measures aimed at female traders, although essentially on a pilot or partial basis. These measures may range from having a gender focal point in the Ministry of Trade and/or in Customs, supporting the establishment of an association or network of female traders, or training programmes or standards in place to ensure equal access to trade and related job opportunities. The trade facilitation policy/strategy incorporates special consideration of female traders to some extent in about one third of the countries of the region, sometimes as part of broader trade policy frameworks making reference to gender equality (Figure 25).

For nearly half of the countries surveyed, it was not possible to determine whether female membership in the National Trade Facilitation Committee is required. Efforts to ensure female representation in national

16 Measures aimed at female traders include having a gender focal point in the Ministry of Trade/Customs, establishing associations or networks for female traders, and offering training programmes, certificates and standards in order to provide equal access to trade and job opportunities for female traders.

17 See sub-questions to Question No. 48 in the Survey instrument, available at: https://unnext.unescap.org/content/un-global-survey-digital-and-sustainable-trade-facilitation-2019
trade facilitation committees appear to have been made in less than a quarter of the countries surveyed. Given that gender equality and the empowerment of women are important elements of the Sustainable Development Agenda - and the typically limited participation of women in trade and trade facilitation - more countries may consider measures to enhance gender balance in national trade facilitation committees.

Figure 25: State of implementation of ‘women in trade facilitation’ measures in Asia-Pacific economies

![Graph showing state of implementation of 'women in trade facilitation' measures](image)

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, unftsurvey.org, 2019

3.10 ‘TRADE FINANCE FACILITATION’ MEASURES

Trade finance has been a key catalyst of the expansion of international trade. Given its importance as an enabler of international trade transactions,18 ‘trade finance facilitation’ has been incorporated into the 2019 Survey as a new group of measures for the first time, on a pilot basis. The regional average implementation across all three measures included, as shown in Figure 26, is very low at 19.1%, with the regional average implementation of single windows that facilitate traders access to finance at only 7.3%, suggesting significant opportunities for enhancement.19 The results also suggest large discrepancies across sub-regions in trade finance facilitation implementation. Average implementation levels of East and North-East Asia reached more than 60% across all three measures, far exceeding the implementation levels in other sub-regions.

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18 Trade finance facilitates and mitigates the risks associated with the flow of money from buyer to seller, which greatly facilitate the flow of goods from seller to buyer. Both the flows of money and goods are themselves enabled by the flow of data and documents between buyer and seller.

Figure 26: Implementation of ‘trade finance facilitation’ measures: Asia-Pacific average

Results for this group of measure are subject to extra caution, as no information could be successfully collected on ‘trade finance facilitation’ measures in nearly half of the countries – and the data collected for other countries is incomplete. As shown in Figure 27, the most implemented measure of the three measures in this group is making a wide variety of trade finance services available. At least some trade finance services are available in almost 80% of the countries for which data is available. However, much fewer countries enable companies access to a complete range of trade finance products and services. More than half of the countries for which data is available have banks that allow electronic exchange of data between trading partners, or with banks in other countries, in order to reduce dependence on paper documentation and advance digital trade. However, only 4 countries surveyed (less than 10%) have, to some extent, implemented single window facilitates access to finance for traders (Figure 27).

Although about 80% of trade is supported by trade finance globally, the results suggest that trade finance services need to be further developed in the region, which is generally consistent with the findings by ADB of an annual $1.5 trillion trade finance gap. The high rates of “Don’t know” also point to the fact that trade facilitation experts and officials who provided or validated the survey are not familiar with trade finance. Traditional trade facilitation actors, including Customs and Ministries in charge of trade, may see procedures related to financing and payment of international trade transactions as outside their scope of work. Given the interdependence between goods and financial flows, however, the results suggest a need for greatly enhanced coordination and cooperation between them and those involved in developing financial and payment services.

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20 Full implementation is determined when all the following 6 products listed in the survey questionnaire are available: documentary letter of credit, import finance, export finance, factoring or receivables finance, payables finance, and inventory finance.

Figure 27: State of implementation of ‘trade finance facilitation’ measures in Asia-Pacific economies

Figure 28 shows the 10 trade facilitation measures which have been most fully implemented in the region by 2019. It suggests that many countries across the Asia-Pacific region have prioritized improving their electronic/automated Customs System, Internet connection available to customs and other trade control agencies, and acceptance of copies of supporting documents required for import/export or transit fatalities to achieve full implementation over the past years. Many countries have also worked on ‘transparency’ and ‘institutional arrangement’ measures such as national trade facilitation committee or similar body, and independent appeal mechanism. Significant progress has been made to achieve full implementation.

Experts involved in the survey were also requested to identify and rank the three key challenges faced by their countries in the implementation of trade facilitation measures. Responses were received from 20 countries. ‘Lack of coordination between agencies’ and ‘limited human resources’ were identified as key challenging factors in 17 and 15 countries, respectively. These two challenges were also identified as the most pressing challenges as both challenges are ranked as the most serious challenge by 9 countries. ‘No clearly designated lead agency’ was also seen as one of the as key challenges with 11 countries identifying it as a challenge and 6 countries identifying it as the most serious challenge.

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2019
Figure 28: Trade facilitation measures most fully implemented in Asia and the Pacific (46 countries)

The relevance of the challenges associated with trade facilitation shown in Figure 29 vary across groups of countries. Lack of coordination between agencies appears to be a common challenge across all groups and it is more pronounced than other challenges. *Limited human resource capacity* appears to be most acute for LDCs and other developing countries. *Lack of political will* appears to be relatively more pertinent than other challenges for SIDSs.
Figure 29: Challenges faced by Asia-Pacific LDCs, LLDCs, SIDSs and other developing countries in implementing trade facilitation measures

Note: data shows the number of countries

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, unftsurvey.org, 2019
4. CONCLUSION AND WAY FORWARD

This report presents data on trade facilitation and paperless trade implementation collected from 46 economies across the Asia-Pacific region and covering 6 different sub-regions and 3 groups of countries with special needs, namely LDCs, LLDCs, and SIDSs. The survey covered not only the 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 30 confirms the strong relationship between international trade costs for Asia-Pacific countries and their level of trade facilitation implementation.

**Figure 30: Trade facilitation implementation and trade costs for Asia-Pacific economies**

![Graph showing the relationship between trade facilitation implementation and trade costs](image)

Notes: Countries’ trade costs are based on average comprehensive bilateral trade costs with Germany, China and the USA and expressed as ad valorem equivalents (%)

*Source: ESCAP-World Bank International Trade Cost Database (June 2019 update) and UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2019*

Based on a package of 31 common trade facilitation measures included in the survey, the regional average trade facilitation implementation is found to be 59.7%, an increase of 10% compared to last survey result, but also 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’, ‘streamline formalities’, and ‘enhance institutional cooperation’. While customs authorities in essentially all countries have been actively developing automated systems to speed up customs clearance while also improving control. Approximately 70% of the economies are now actively engaging in the implementation of more advanced national multi-agency paperless systems, such as a national electronic single window, enabling electronic data and information sharing among government agencies and business to serve the purpose of paperless trade.

Significant progress has been made in cross-border (bilateral, sub-regional or regional) paperless trade, by virtue of the implementation of compatible, integrated and synchronised regional platforms bilaterally and in several sub-regions that boost cross-border trade to collaborate on exchanging electronic of data and documents, including the implementation
of ASEAN Single Window. However, the implementation of cross-border paperless trade remains low. This is not surprising given that, on the one hand, many developing economies in the region are at an early stage of development of national paperless systems and that, on the other hand, more advanced countries with paperless systems in place that are not fully interoperable with each other. In that regard, given the large potential benefits associated with the implementation of these next generation trade facilitation measures, it is in the interest of countries from all groups to work together and develop the legal and technical protocols needed for the seamless exchange of regulatory and commercial data and documents along the international supply chain.

The Framework Agreement for the Facilitation of Cross-Border Paperless Trade (“Framework Agreement”) is a UN Treaty that aims to accelerate the implementation of digital trade facilitation measures for trade and development. 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. The adoption and implementation of the intergovernmental Framework Agreement for the Facilitation of Cross-Border Paperless Trade can further leverage the benefits of cross-border paperless trade solutions. Therefore, all countries in the region are encouraged to become a party to the treaty as soon as possible to take advantage of what the agreement offers, especially in terms of accessing capacity building and technical assistance.

Remarkably, countries in the Asia-Pacific region have made significantly improvement to implement the only trade facilitation performance “monitoring” measure included in the survey (establishment and publication of average release times). Although this monitoring measure is not fully implemented widely across the region, over 70% of the countries have taken actions towards improvement. This is worth highlighting, as what ultimately matter is not how many measures one implements, but how effective they have been in reducing the time and cost of trade transaction. 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 31 shows the 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 the implementation of trade facilitation measures. The next step is to make 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 exchange of trade data and documents 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.23

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23 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 31: 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: UN Global Survey on Digital and Sustainable Trade Facilitation, unftsurvey.org, 2019

Going forward, digital trade facilitation offers a great opportunity to reduce trade costs and increase trade volume in the region. Member countries can enhance their competitiveness in global markets and improve the effectiveness of their participation in global value chains through paperless trade and the seamless electronic exchange of trade data and documents. In this respect, the Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific not only supports and complements the WTO TFA but also provide a unique platform for ESCAP member states to tap into their potential. Indeed, making further progress on trade facilitation...
and digitalization can be expected to increase regional annual net exports by $16 billion.\(^{24}\)

When it comes to “sustainable trade facilitation”, the implementation of “inclusive” measures to promote SMEs and the participation of women in trade remains low. SMEs are key players in the global economy and have important roles to play in digitalized trade, yet trade facilitation measures tailored to SMEs are insufficient. As noted in the *World Trade Report 2016*, SMEs are still facing disproportionate barriers to trade, and they should be better included in the international trade frameworks.\(^{25}\) Recommendation 33 of UN/CEFACT recognizes the significance of the single window for trade generally and SMEs specifically.\(^{26}\) Facilitation for AEOs is also one of the two TFA measures that specifically mentions SMEs.\(^{27}\) Therefore, building the capacity of SMEs and taking them into account in trade facilitation policies are of critical importance in achieving sustainable trade facilitation. Similarly, there is a lack of awareness on the importance of gender mainstreaming in trade facilitation. Guiding women in understanding trade procedures, setting guidelines for standards bodies to ensure a more balanced representation of the interests of women and men, and promote the participation and decision-making of women in trade facilitation and standards related activities, could have a significant impact on increasing exports and enabling women to achieve higher income opportunities.\(^{28}\)

“Trade finance facilitation” is the new group of measures that has, for the first time, been considered in the Global Survey. The role of trade finance in international trade is important, and the availability and adequate provision of finance is essential for a healthy trading system. This is particularly true for developing economies and SMEs seeking to benefit from trade opportunities. Financing and payment are essential parts of the overall international trade transaction process. Awareness of trade finance processes appear to be limited among trade policy and facilitation specialists. Trade finance today is still a very paper-based business across the region.\(^{29}\) Therefore, trade facilitation policymakers and enforcers need to work together with stakeholders in the financial sectors to see how trade finance can be facilitated and integrated into trade facilitation implementation strategies, including single window development plans.

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\(^{26}\) See UN/CEFACT ‘Recommendation and Guidelines on establishing a Single Window to enhance the efficient exchange of information between trade and government’

\(^{27}\) Article 7.2 (b) provides that to the extent possible, specific criteria to qualify as an authorized operator shall not restrict the participation of small and medium-sized enterprises. The other TFA measure that mentions SMEs concerns advance rulings.

\(^{28}\) UNECE (2017), Briefing note on the contribution of UN/CEFACT to UN Sustainable Development Goal 5, Executive Committee, Centre for Trade Facilitation and Electronic Business, Twenty-third session.

\(^{29}\) This is with reference to traditional trade finance products covered in the Survey (e.g., documentary credits). Supply chain finance and open account transactions are not covered in the Survey and involve much less paper flows.