

Forum on Trade Digitalization for Sustainable Regional Integration

14-15 March, Bangkok

Regional State of Play in Trade Digitalization

Yann Duval

Trade, Investment and Innovation Division
UNESCAP



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



Trade digitalization (Paperless Trade)?

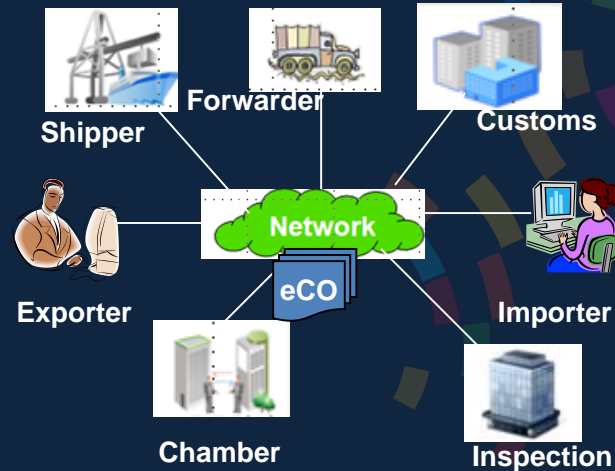
- Paperless Trade

Conduct of trade activities on the basis of electronic rather than paper documents *e.g. electronic Customs declaration, electronic cert. of origin*

(application of e-commerce to international trade domain)

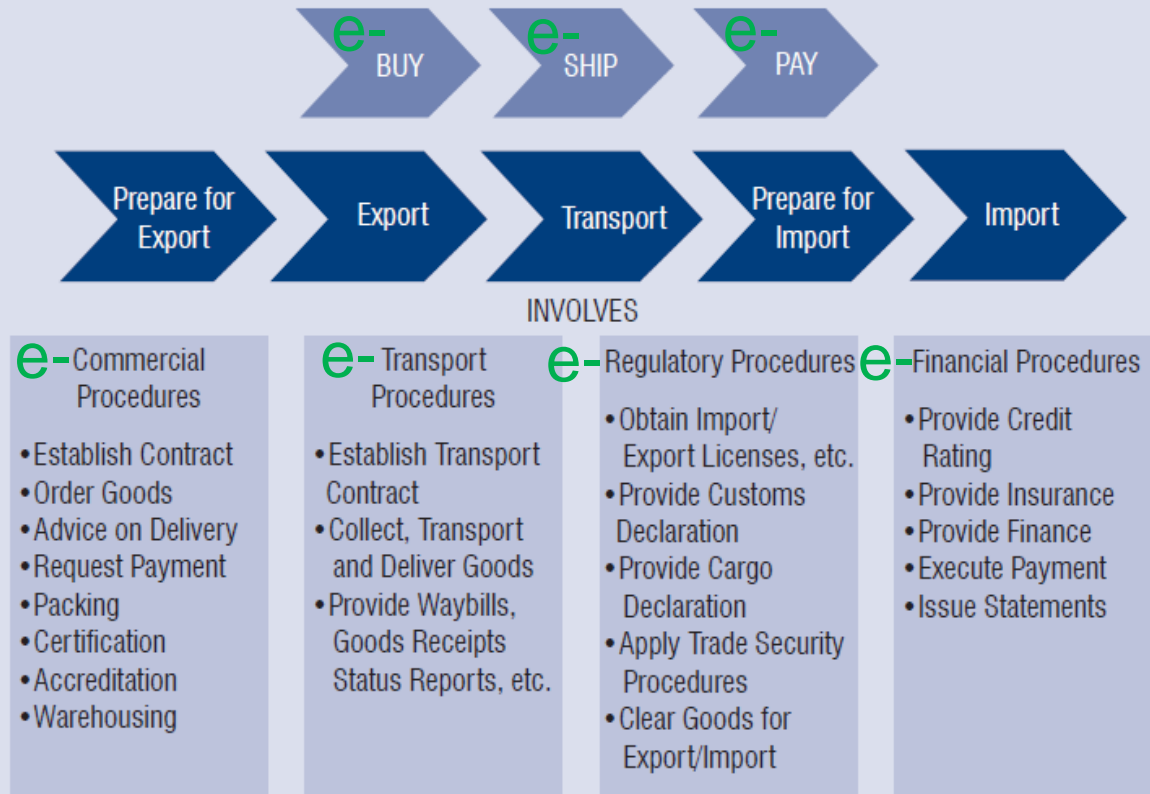
- Paperless Trade Systems

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



Trade Facilitation? → Making trade procedures more efficient

Trade Digitalization? → Digital or e- Trade Facilitation



Benefits of Trade Facilitation & Paperless Trade

Government

Effective & Efficient
Deployment of
Resources

Correct
Revenue
Yield

Improved
Trader
Compliance

Enhanced
Security

Increased
Integrity &
Transparency

Traders

Cutting Costs
through
Reducing Delays

Faster
Clearance &
Release

Predictable
Application and
Explanation of Rules

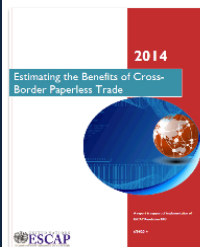
Effective & Efficient
Deployment of
Resources

Increased
Transparency

***Trade
Facilitation
&
Paperless
Trade***

Benefits of Cross-Border Paperless Trade

Estimating the Benefits of Cross-Border Paperless Trade



Date: Tuesday, June 24, 2014

Type: Books

DOWNLOAD:

Benefits of Cross-Border Paperless Trade

[Download](#)

ABSTRACT

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

Annual regional export gains : \$36 bn (for partial implementation) to \$257 bn (full implementation)

Export time reduction: 24% to 44%

Export cost reduction: 17% to 31%

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



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

Sustainable Regional integration?

Regional integration which balances the three dimensions of the 2030 Sustainable Development Agenda: **Economic**, **Social** and **Environmental**

Trade digitalization for sustainable regional integration?

- Asia-Pacific economies working together on reducing trade costs, leaving no-one behind
- Ensuring measures put in place are inclusive (accessible to SMEs, Women...)
- Making trade more efficient and reducing (relative) use of fossil fuel and paper in the process

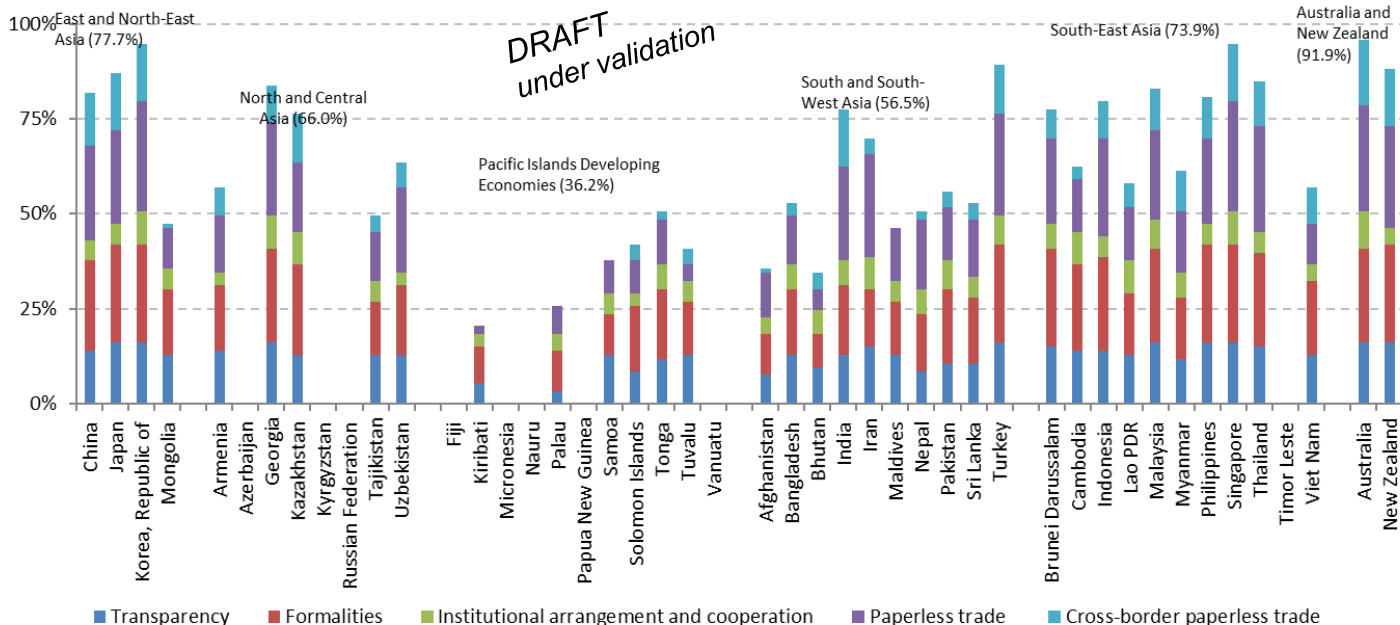


Agenda

- Partial & preliminary early results of the **UN Global Survey on Digital and Sustainable Trade Facilitation 2019** for Asia and the Pacific
 - Survey Scope: WTO TFA + paperless trade + sustainable TF
 - Based on responses received until 8 March 2019
 - “Not for quotation”: Data & responses yet to be cleaned & fully validated
 - official release to take place in July 2019
 - Results to be available at UNTFSURVEY.ORG
- Conclusions



Overall Implementation of Trade Facilitation & Paperless Trade (37 Asia-Pacific countries)

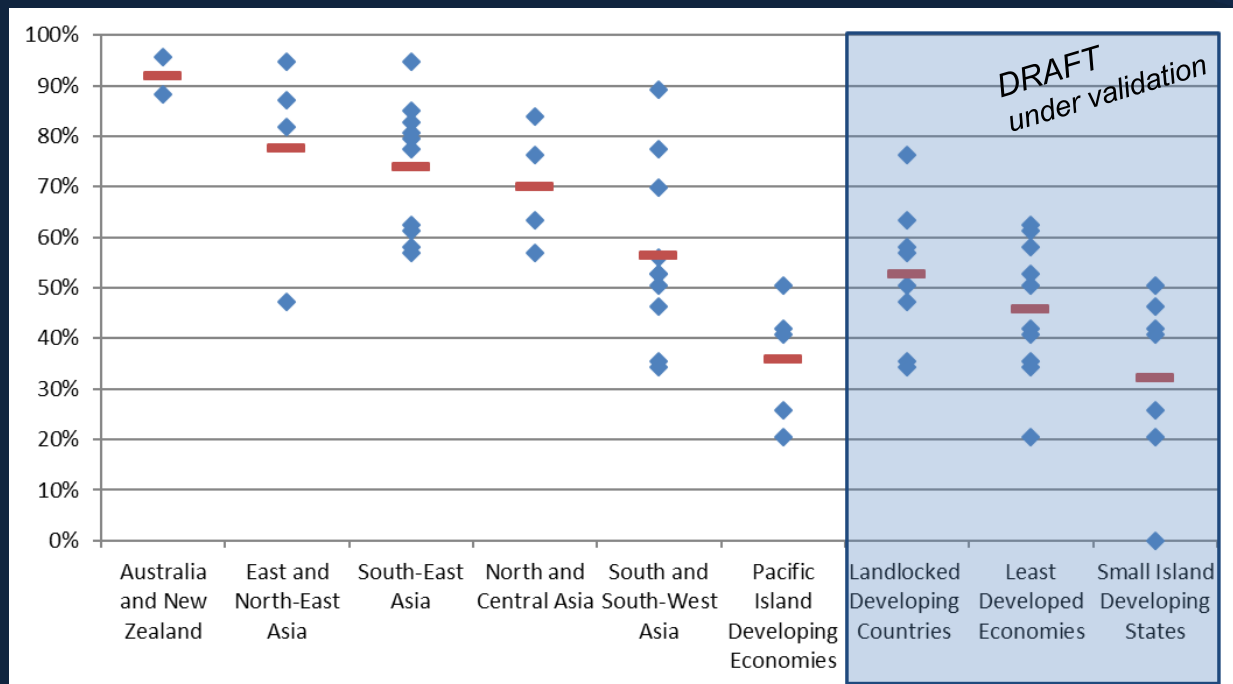


Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

Note: ESCAP is still receiving feedback from some member countries on data validation. Therefore, the results may be further – probably slightly – revised in the final report to be issued in the coming months.



Trade Facilitation Implementation across Asia-Pacific Subregions and Countries with Special Needs

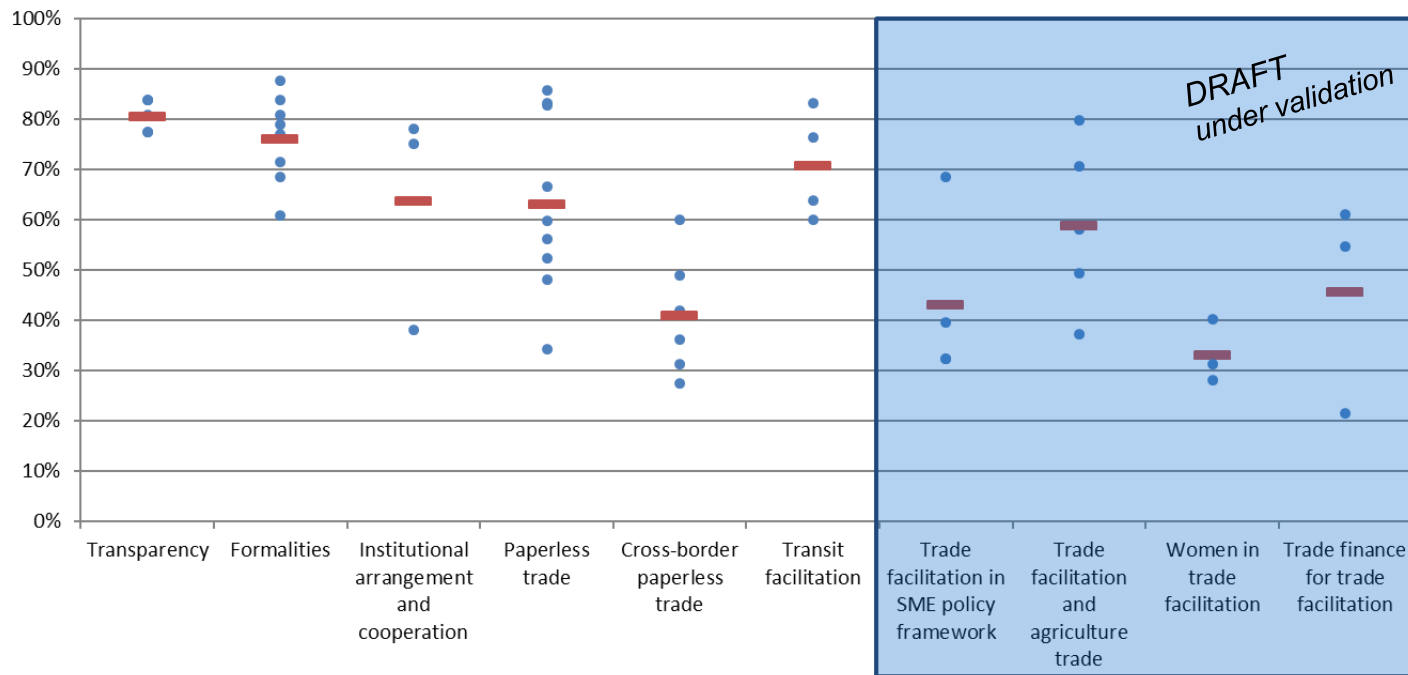


Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

Note: ESCAP is still receiving feedback from some member countries on data validation. Therefore, the results may be further – probably slightly – revised in the final report to be issued in the coming months.



Implementation of Different Groups of Trade Facilitation Measures in Asia and the Pacific

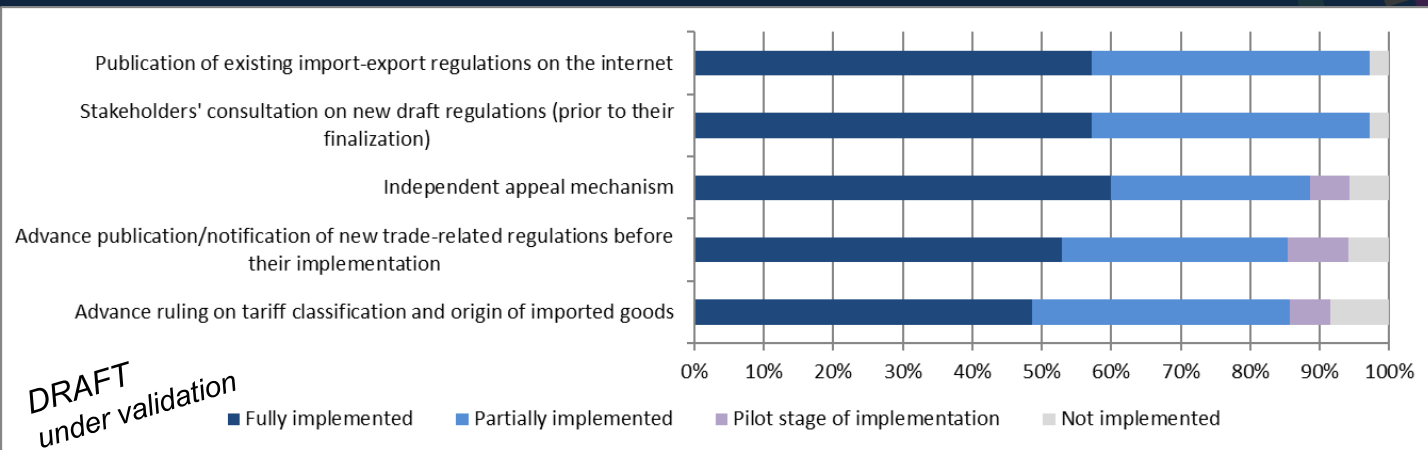


Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

Note: ESCAP is still receiving feedback from some member countries on data validation. Therefore, the results may be further – probably slightly – revised in the final report to be issued in the coming months.



State of implementation of trade facilitation measures in Asia and the Pacific: Transparency

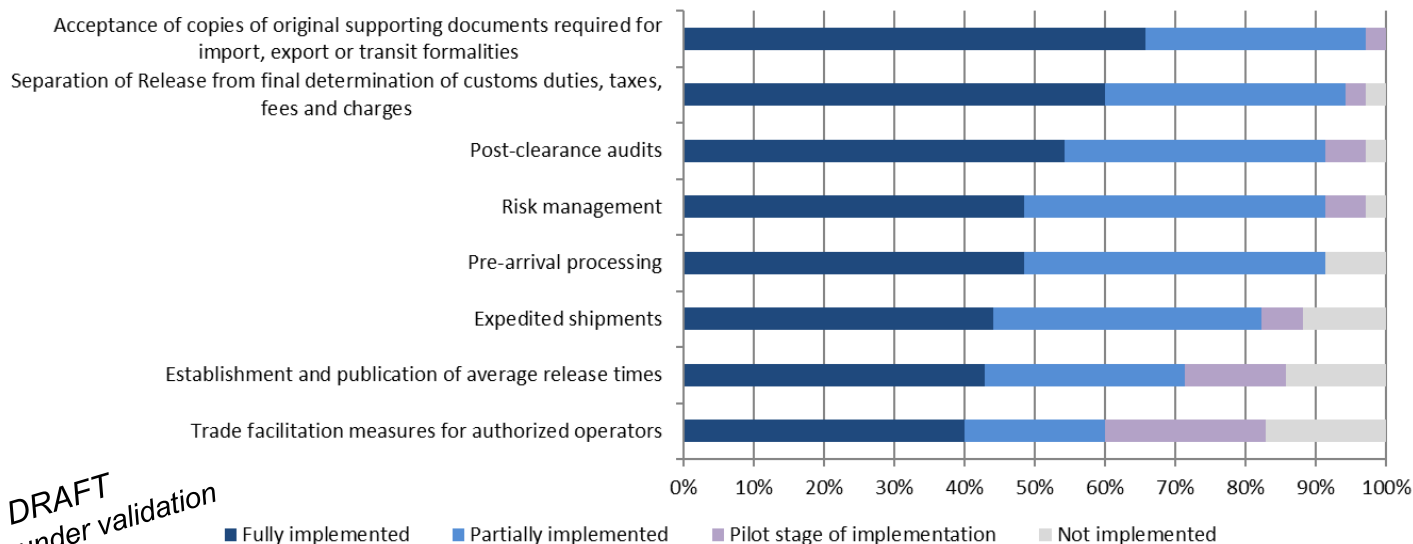


Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

Note: ESCAP is still receiving feedback from some member countries on data validation. Therefore, the results may be further – probably slightly – revised in the final report to be issued in the coming months.



State of implementation of trade facilitation measures in Asia and the Pacific : Formality

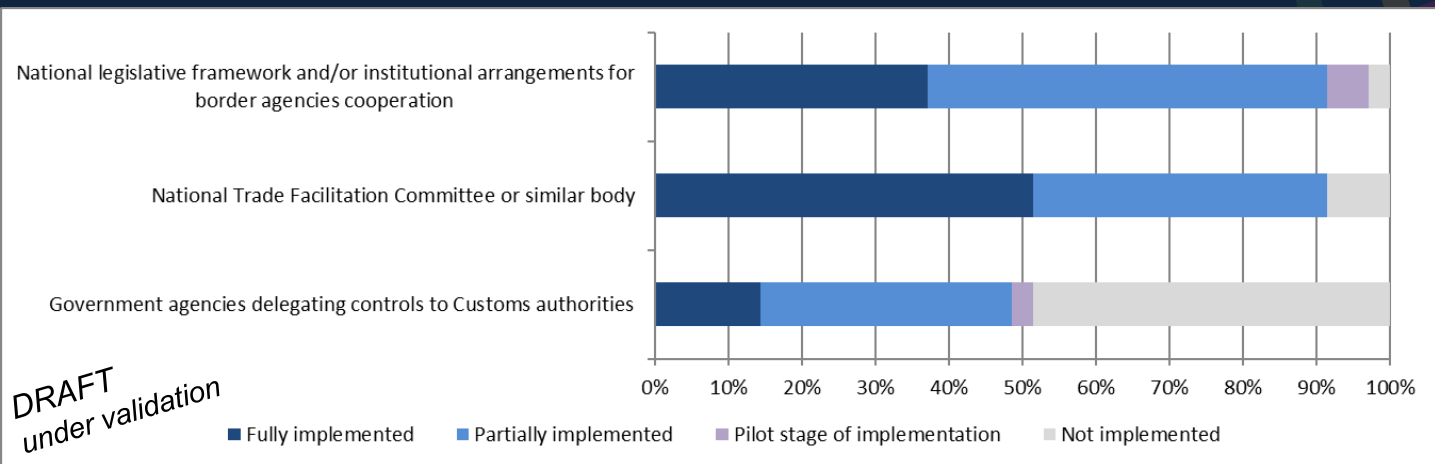


Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

Note: ESCAP is still receiving feedback from some member countries on data validation. Therefore, the results may be further – probably slightly – revised in the final report to be issued in the coming months.



State of implementation of trade facilitation measures in Asia and the Pacific : Institutional arrangement and cooperation



Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

Note: ESCAP is still receiving feedback from some member countries on data validation. Therefore, the results may be further – probably slightly – revised in the final report to be issued in the coming months.

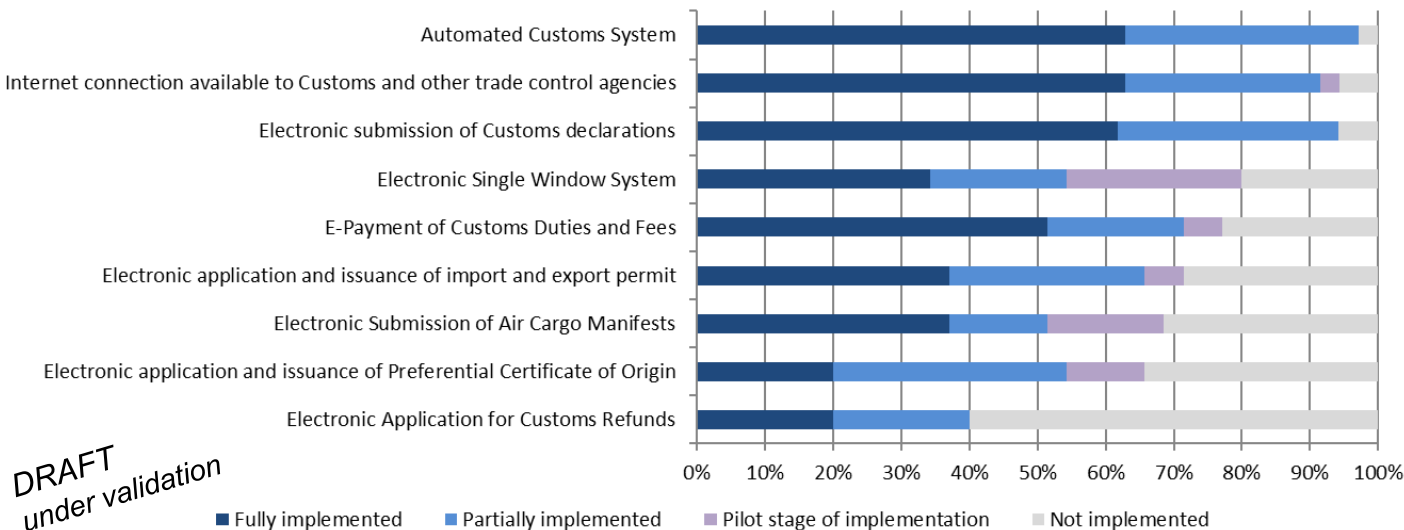


Digital trade facilitation measures

- Paperless trade
- Cross-border paperless trade



State of implementation of trade facilitation measures in Asia and the Pacific : Paperless trade

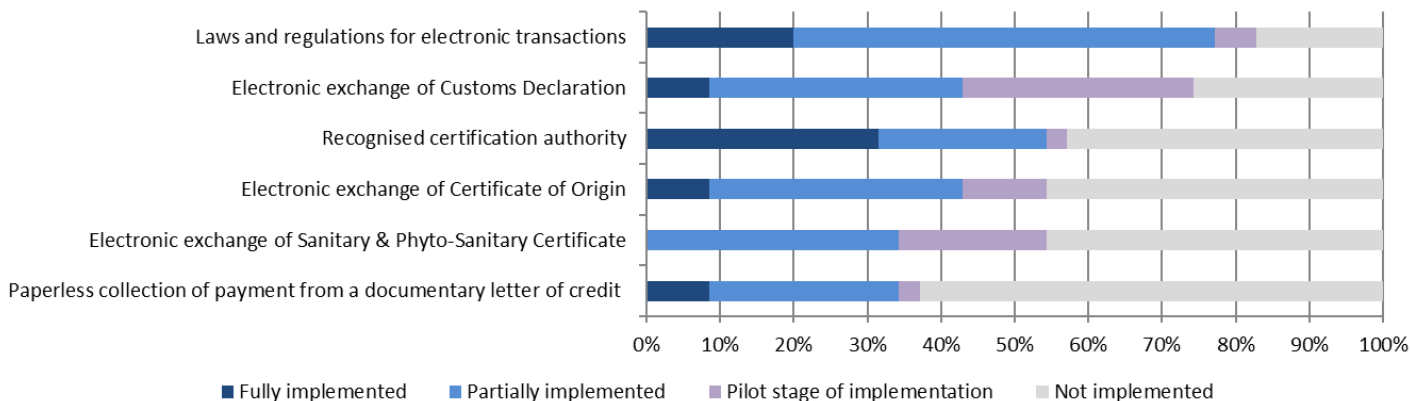


Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

Note: ESCAP is still receiving feedback from some member countries on data validation. Therefore, the results may be further – probably slightly – revised in the final report to be issued in the coming months.



State of implementation of trade facilitation measures in Asia and the Pacific : Cross-border paperless trade



Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

Note: ESCAP is still receiving feedback from some member countries on data validation. Therefore, the results may be further – probably slightly – revised in the final report to be issued in the coming months.

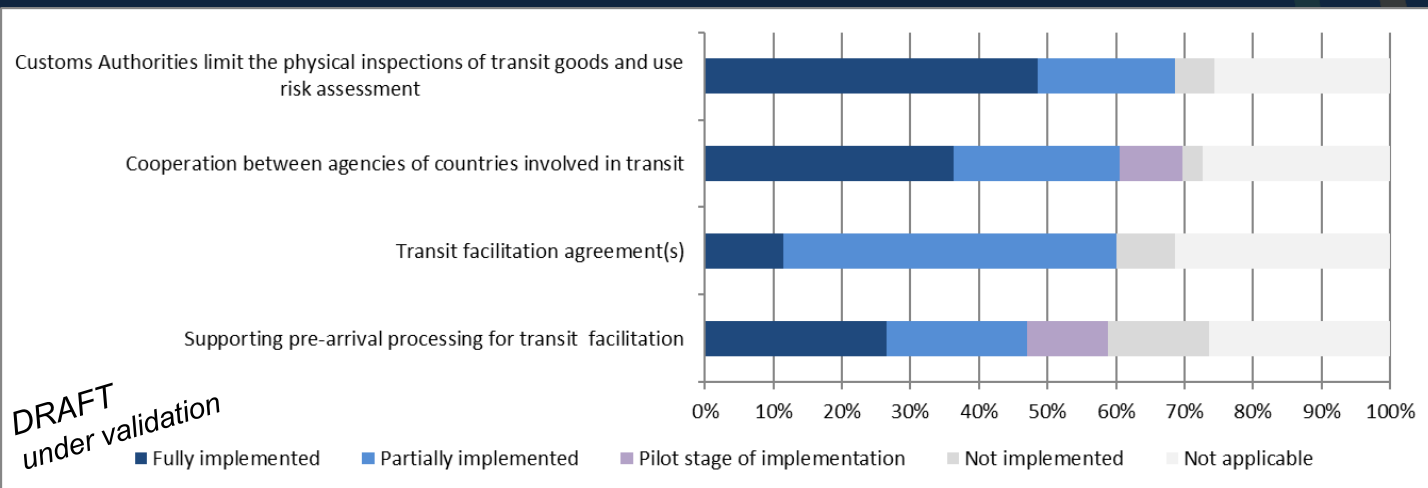


Sustainable trade facilitation measures

- for transit
- for SMEs
- for agriculture
- for Women



State of implementation of trade facilitation measures in Asia and the Pacific : Transit facilitation

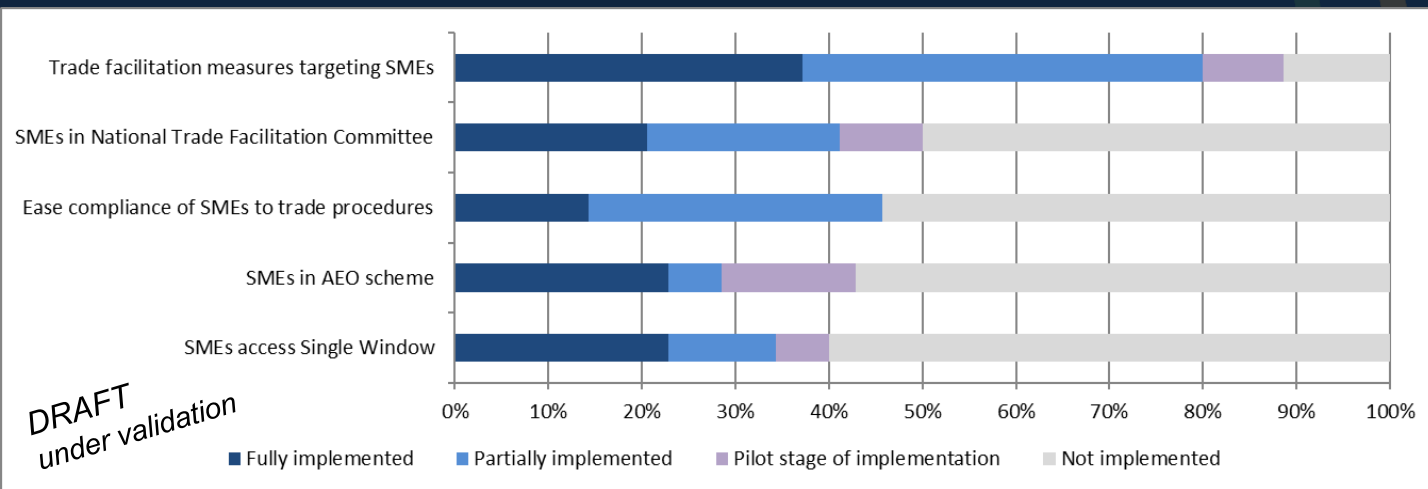


Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

Note: ESCAP is still receiving feedback from some member countries on data validation. Therefore, the results may be further – probably slightly – revised in the final report to be issued in the coming months.



State of implementation of trade facilitation measures in Asia and the Pacific : Trade facilitation in SME policy framework

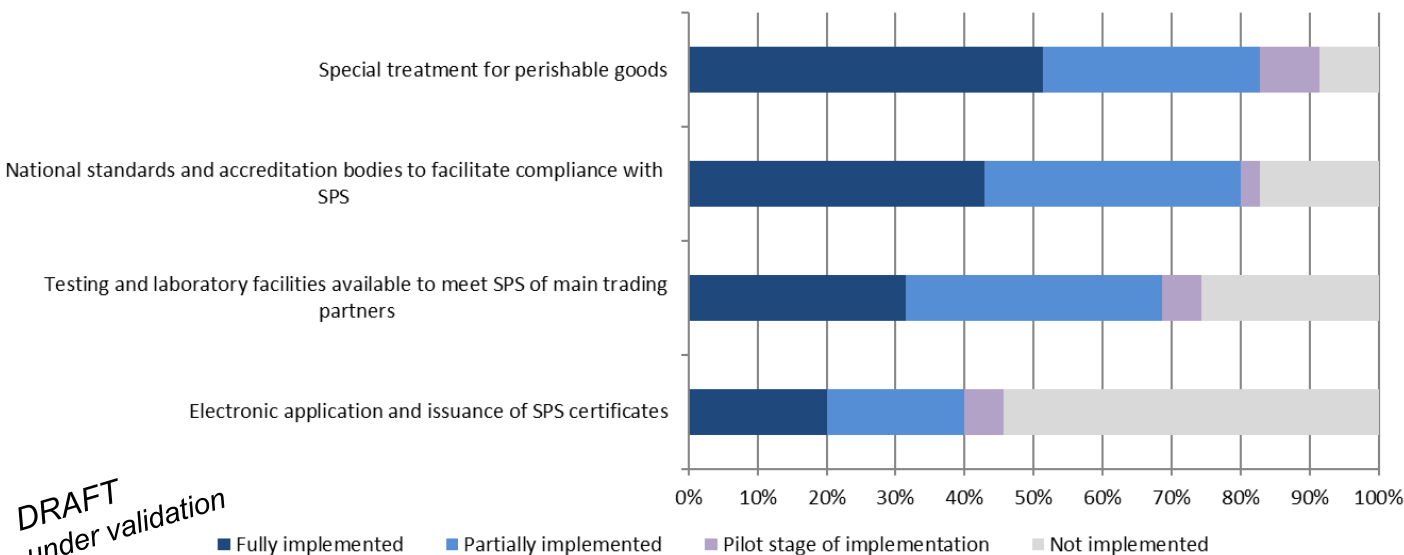


Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

Note: ESCAP is still receiving feedback from some member countries on data validation. Therefore, the results may be further – probably slightly – revised in the final report to be issued in the coming months.



State of implementation of trade facilitation measures in Asia and the Pacific : Trade facilitation and agriculture trade

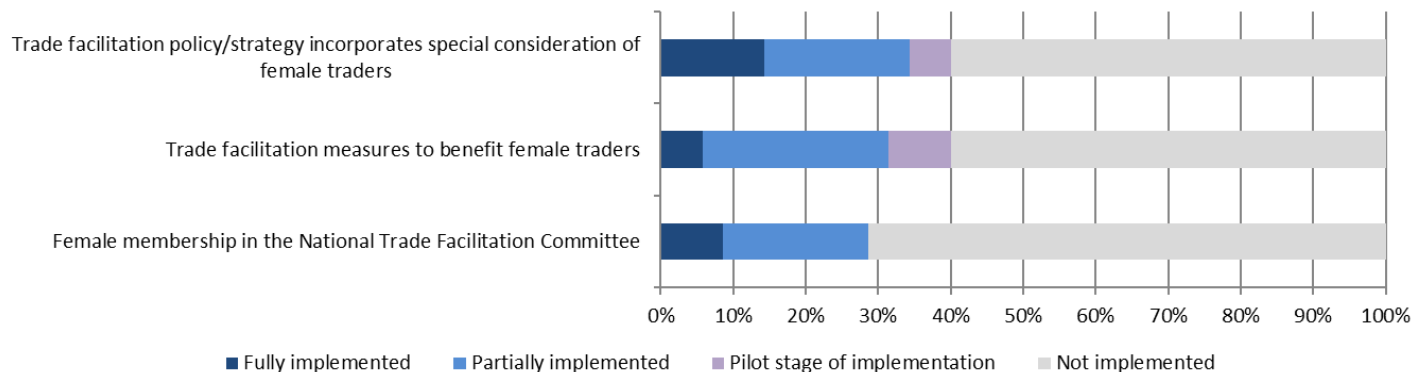


Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

Note: ESCAP is still receiving feedback from some member countries on data validation. Therefore, the results may be further – probably slightly – revised in the final report to be issued in the coming months.



State of implementation of trade facilitation measures in Asia and the Pacific : Women in trade facilitation



Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

Note: ESCAP is still receiving feedback from some member countries on data validation. Therefore, the results may be further – probably slightly – revised in the final report to be issued in the coming months.



Most and least implemented TF measures in Asia-Pacific

DRAFT under validation

Category	Most implemented (% of countries)		Least implemented (% of countries)	
	Measure	Implemented fully, partially and on a pilot basis (%) / Full implementation (%)	Measure	Implemented fully, partially and on a pilot basis (%) / Full implementation (%)
Transparency	Publication of existing import-export regulations on the internet	97.1 / 57.1	Advance publication/notification of new trade-related regulations before their implementation	91.4 / 51.4
Formalities	Acceptance of copies of original supporting documents required for import, export or transit formalities	100.0 / 65.7	Trade facilitation measures for authorized operators	82.9 / 40.0
Institutional arrangement and cooperation	National legislative framework and/or institutional arrangements for border agencies cooperation	97.1 / 37.1	Government agencies delegating controls to Customs authorities	51.4 / 14.3
Paperless trade	Automated Customs System	97.1 / 62.9	Electronic Application for Customs Refunds	40.0 / 20.0
Cross-border paperless trade	Laws and regulations for electronic transactions	82.9 / 20.0	Paperless collection of payment from a documentary letter of credit	37.1 / 8.6
Transit facilitation	Customs Authorities limit the physical inspections of transit goods and use risk assessment	68.6 / 48.6	Supporting pre-arrival processing for transit facilitation	57.1 / 25.7
Trade facilitation in SME policy framework	Trade facilitation measures targeting SMEs	88.6 / 37.1	SMEs access Single Window	40.0 / 22.9
Trade facilitation and agriculture trade	Special treatment for perishable goods	91.4 / 51.4	Testing and laboratory facilities available to meet SPS of main trading partners	74.3 / 31.4
Women in trade facilitation	Trade facilitation measures to benefit female traders	40.0 / 5.7	Female membership in the National Trade Facilitation Committee	28.6 / 8.6
Trade finance for trade facilitation	Trade finance services available	48.6 / 14.3	Single window facilitates traders to access to finance	14.3 / 5.7

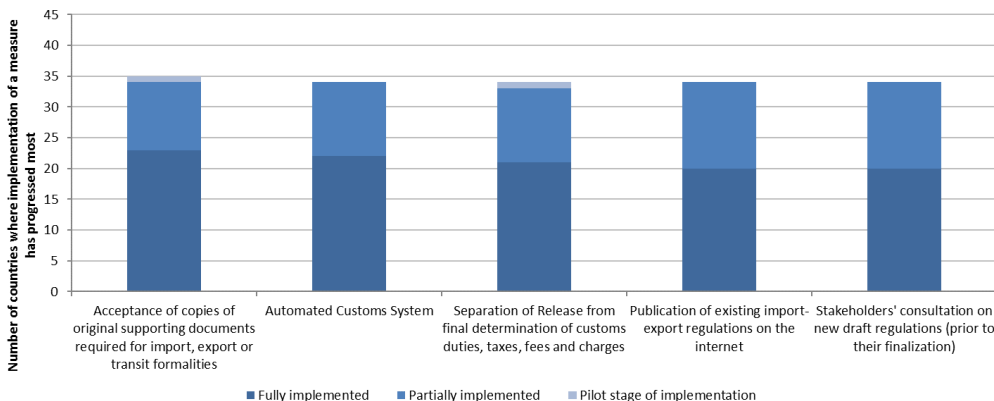
Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

Note: ESCAP is still receiving feedback from some member countries on data validation. Therefore, the results may be further – probably slightly – revised in the final report to be issued in the coming months.

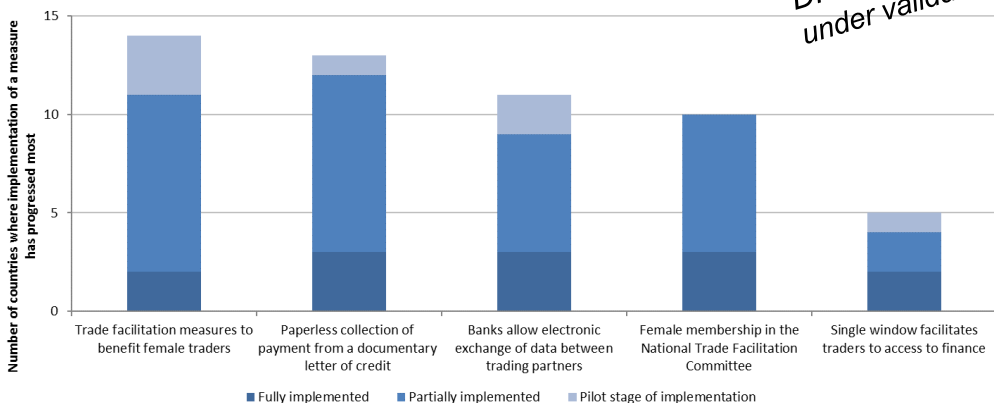


Most and least implemented TF measures in Asia-Pacific

Top 5 most implemented measures in Asia-Pacific



Top 5 least implemented measures in Asia-Pacific

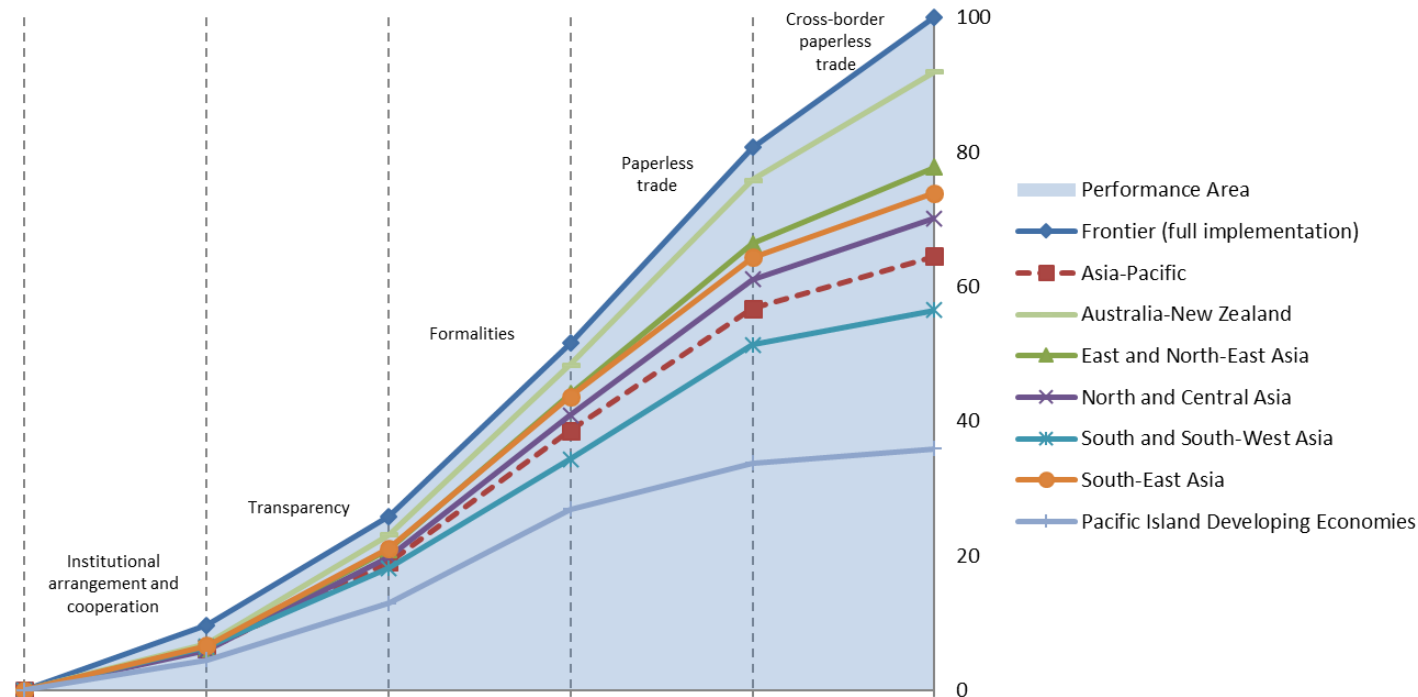


DRAFT
under validation

Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

Note: ESCAP is still receiving feedback from some member countries on data validation. Therefore, the results may be further – probably slightly – revised in the final report to be issued in the coming months.

Moving up the trade facilitation ladder towards seamless international supply chains



Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

Note: ESCAP is still receiving feedback from some member countries on data validation. Therefore, the results may be further – probably slightly – revised in the final report to be issued in the coming months.



Implications

DRAFT
under validation

- **Significant progress since 2017**
- **Limited attention to needs of special groups or sectors** (inclusiveness of TF / Trade Digitalization efforts)
- **Facilitation not sufficiently holistic** (limited e-trade finance)
- **Still a long way to cross-border paperless trade**
 - Need to (1) accelerate development of policy framework in support of trade digitalization & (2) scale-up / leverage bilateral or subregional initiatives
 - The new UN treaty dedicated to cross-border trade digitalization can help!



Facilitating Cross-border Paperless Trade in Asia and the Pacific

INTRODUCTION TO
THE
FRAMEWORK AGREEMENT
ON THE FACILITATION OF
CROSS - BORDER PAPERLESS
TRADE IN ASIA AND THE PACIFIC

In line with the 2030 Agenda for Sustainable Development,

Facilitating Cross-border Paperless Trade in Asia and the Pacific

35 views

Up next

CTI 6 : Asia-Pacific Trade and Investment Report 2018
United Nations ESCAP

8:27 AM
3/14/2019

https://www.youtube.com/watch?time_continue=3&v=H5nywxwD62g



THANK YOU

WWW.UNESCAP.ORG



UNESCAP

UNESCAP

UNESCAP

UNITEDNATIONSESCAP

UNITEDNATIONSESCAP

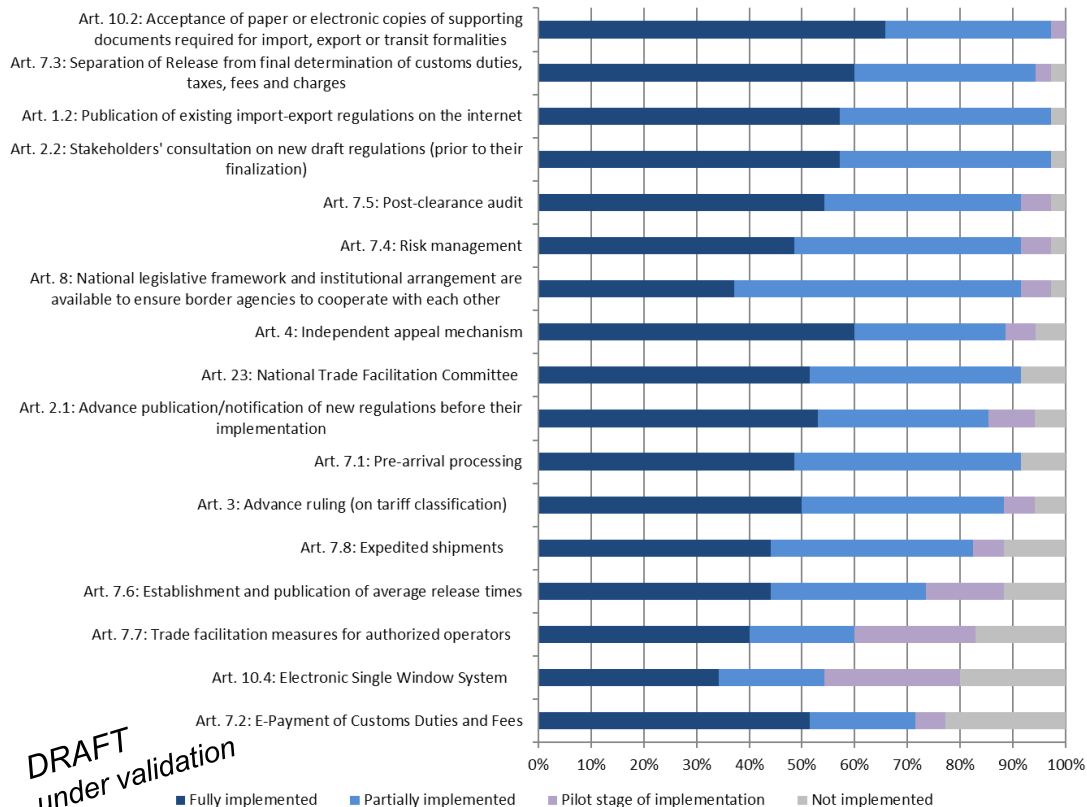


UNITED NATIONS
ESCAP

Economic and Social Commission for Asia and the Pacific



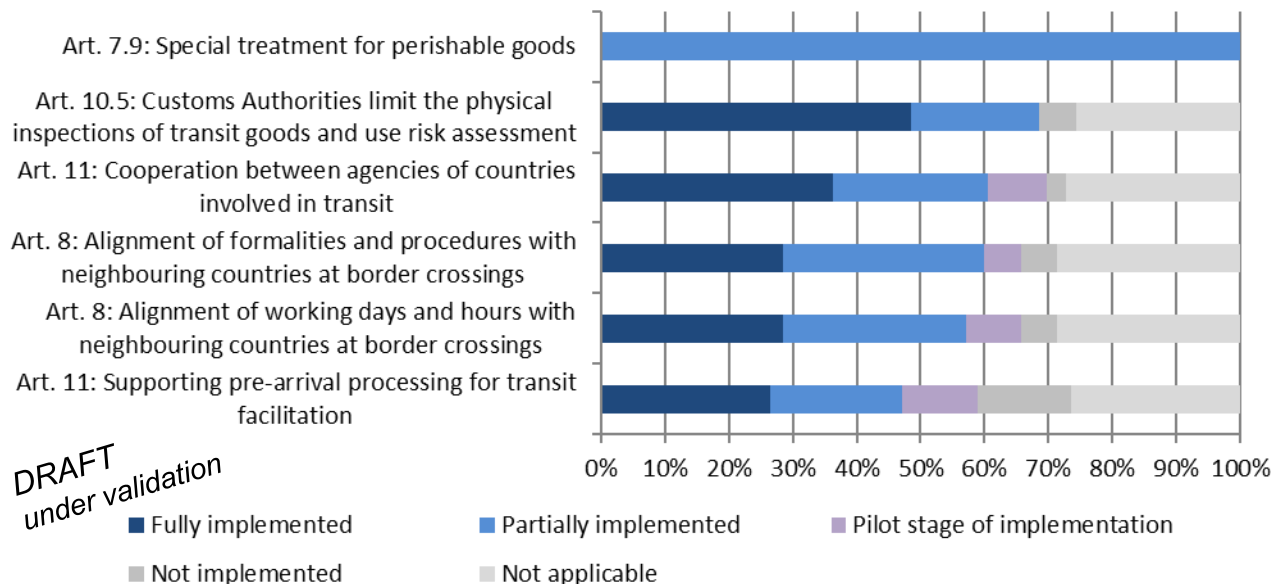
State of implementation of trade facilitation measures in Asia and the Pacific: WTO TFA perspective



Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

Note: ESCAP is still receiving feedback from some member countries on data validation. Therefore, the results may be further – probably slightly – revised in the final report to be issued in the coming months.

State of implementation of trade facilitation measures in Asia and the Pacific: WTO TFA perspective (cont'd)

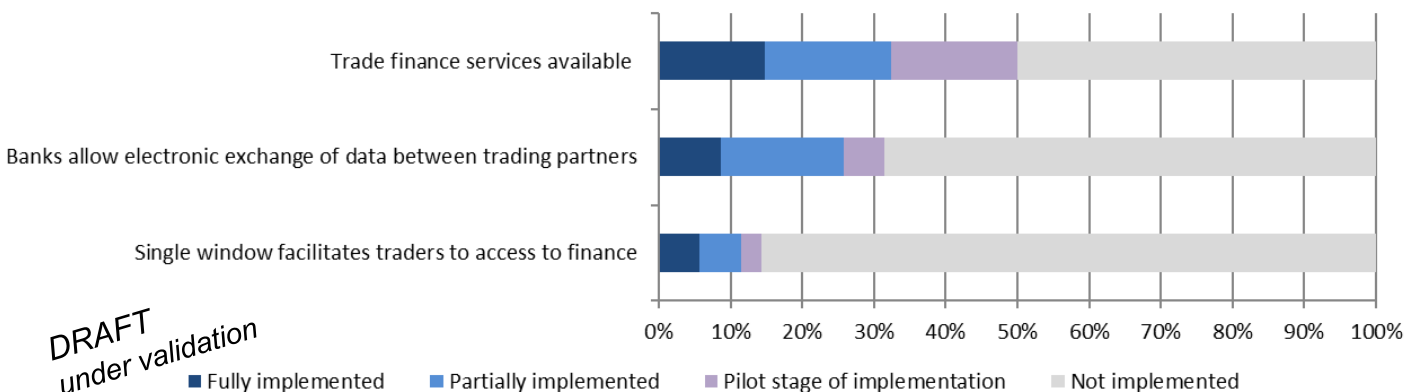


Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

Note: ESCAP is still receiving feedback from some member countries on data validation. Therefore, the results may be further – probably slightly – revised in the final report to be issued in the coming months.



State of implementation of trade facilitation measures in Asia and the Pacific : Trade finance for trade facilitation



Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

Note: ESCAP is still receiving feedback from some member countries on data validation. Therefore, the results may be further – probably slightly – revised in the final report to be issued in the coming months.



Trade costs in Asia-Pacific: ESCAP-World Bank Trade cost database

Region	ASEAN-4	East Asia-3	North and Central Asia - 4	Pacific Islands Developing Economies	SAARC-4	AUS-NZL	EU-3
ASEAN-4	76.2% (3.4%)						
East Asia-3	77.6% (6.0%)	53.3% (2.9%)					
North and Central Asia - 4	342.2% (0.2%)	170.1% (-4.6%)	115.4% (-3.8%)				
Pacific Islands	167.6% (-9.6%)	166.1% (-4.9%)	367.4% (24.8%)	127.5% (-7.3%)			
Developing Economies	131.6% (4.6%)	123.3% (-1.9%)	304.0% (8.6%)	289.5% (-7.4%)	119.4% (10.8%)		
SAARC-4	101.2% (2.4%)	86.8% (-4.7%)	357.2% (-0.9%)	83.8% (-4.3%)	136.7% (-6.3%)	54.1% (-0.9%)	
AUS-NZL	105.1% (-3.2%)	84.7% (-1.1%)	149.2% (-6.4%)	197.7% (-8.4%)	113.6% (-0.3%)	107.4% (-2.9%)	42.1% (-6.9%)
EU-3	86.7% (7.2%)	64.3% (3.0%)	176.0% (-2.8%)	159.8% (-4.8%)	113.1% (5.7%)	100.9% (1.7%)	66.9% (0.4%)

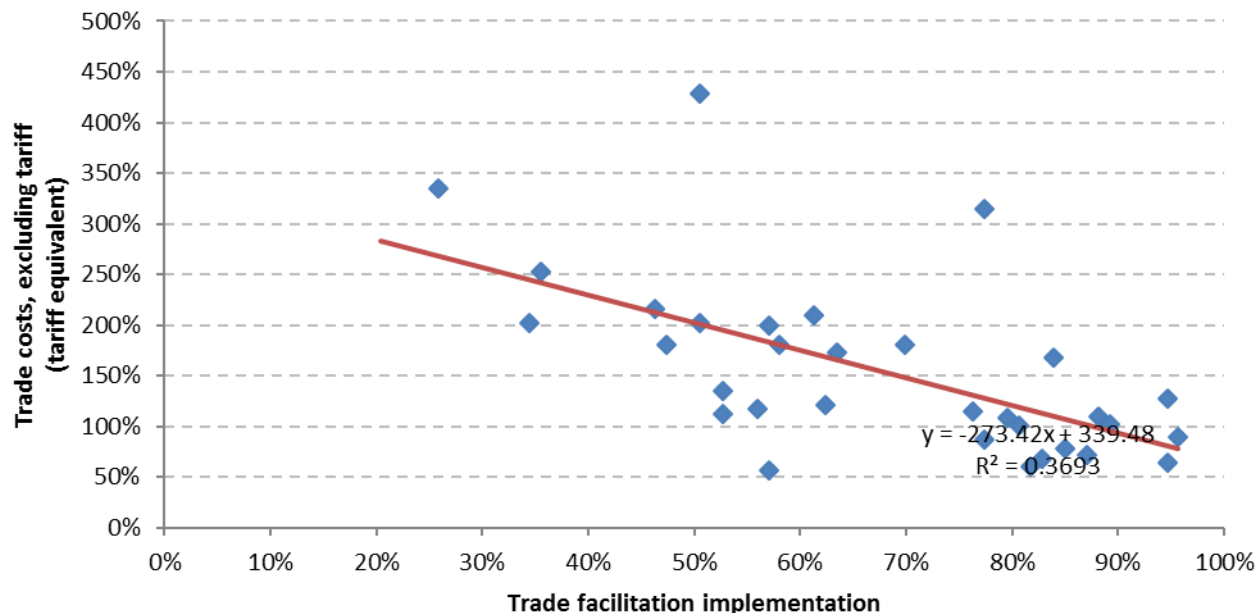
Source: ESCAP-World Bank Trade Cost Database, updated June 2018. Available from <https://artnet.unescap.org/databases#tradecost> and <https://www.unescap.org/resources/escap-world-bank-trade-cost-database>.

Notes: Trade costs may be interpreted as tariff equivalents. Percentage changes in trade costs between 2005-2010 and 2011-2016 are in parentheses.

ASEAN-4: Indonesia, Malaysia, Philippines, Thailand; East Asia-3: China, Japan, Republic of Korea; EU-3: Germany, France, United Kingdom; SAARC-4: Bangladesh, India, Pakistan, Sri Lanka; Pacific island developing economies: Fiji, Papua New Guinea; North and Central Asia: Georgia, Kazakhstan, Kyrgyzstan, Russian Federation.



Relationship between TF implementation and trade costs in Asia-Pacific



Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

Note:

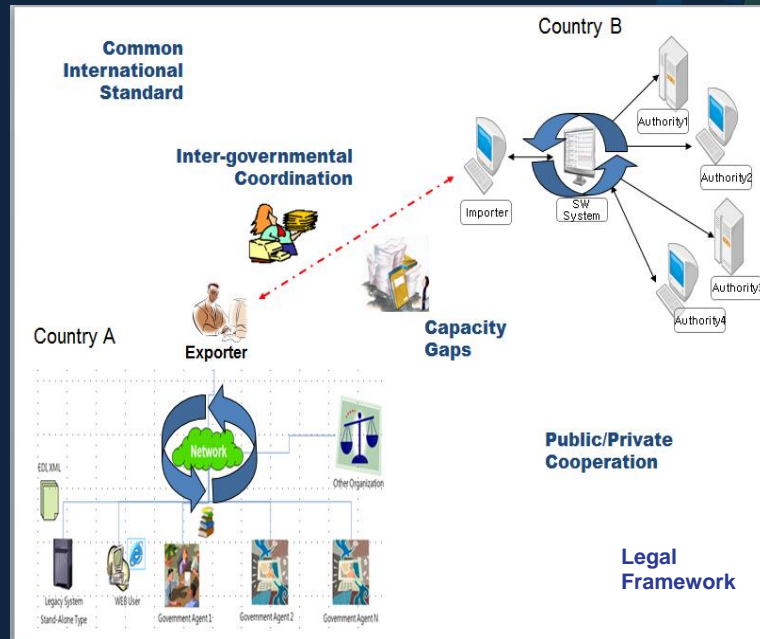
(1) ESCAP is still receiving feedback from some member countries on data validation. Therefore, the results may be further – probably slightly – revised in the final report to be issued in the coming months.

(2) Trade costs, excluding tariff, is exhibited in terms of average of period 2011-2016 of a country with 3 global trading partners, namely, China, Germany and the USA.



Challenges to moving forward on cross-border paperless trade

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



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

❑ A new UN Treaty

- Open to interested (53) ESCAP member states (voluntary) to become parties
- Enabling and action-oriented agreement

❑ Objective

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

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

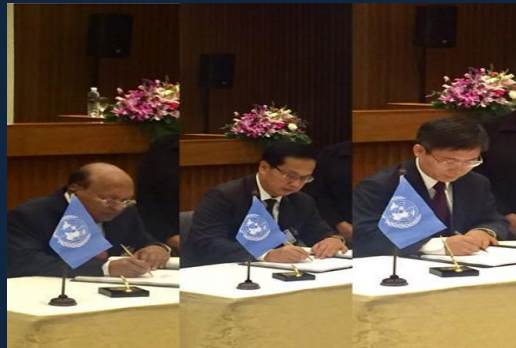
❑ 4 year step-by-step development process (ESCAP resolutions 68/3,70/6,72/4)

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



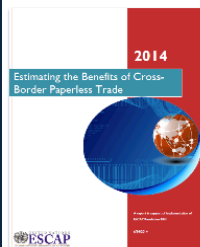
Framework Agreement on the Facilitation of Cross-Border Paperless Trade in Asia and the Pacific - Update

- ❑ Five countries signed and one acceded
 - ✓ Signed: Armenia, Bangladesh, Cambodia, China and Islamic Republic of Iran
 - ✓ Acceded: Azerbaijan
- ❑ Implementation plan on the way
 - ✓ Draft road map for implementation
 - ✓ Legal and Technical Readiness checklists
- ❑ Once five countries ratified or acceded to it, the treaty will enter into force



Benefits of Cross-Border Paperless Trade

Estimating the Benefits of Cross-Border Paperless Trade



Date: Tuesday, June 24, 2014

Type: Books

DOWNLOAD:

Benefits of Cross-Border Paperless Trade

[Download](#)

ABSTRACT

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

Annual regional export gains : \$36 bn (for partial implementation) to \$257 bn (full implementation)

Export time reduction: 24% to 44%

Export cost reduction: 17% to 31%

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



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

Benefits of FA-PT

❑ **Region-wide multilateral intergovernmental platform**

Builds upon existing bilateral/subregional initiatives; Supports WTO TFA implementation; Forster harmonization and minimize necessity for numerous bilateral/subregional intergovernmental approach;

❑ **Strong capacity building programme**

Inclusive imitative, open to Asia-Pacific countries at all levels of development; Strong emphasis on knowledge sharing and CB/TA among parties

❑ **Pilot projects**

Allow parties to adjust their systems before engaging in actual cross-border trade data exchange

❑ **Action Plan**

Allow parties with different implementation level to set actions based on their respective readiness

❑ **Mutual recognition**

Commit to the goal, while allowing flexibility in how to materialize the goal

