

Trade Facilitation for Sustainable Development in Asia and the Pacific

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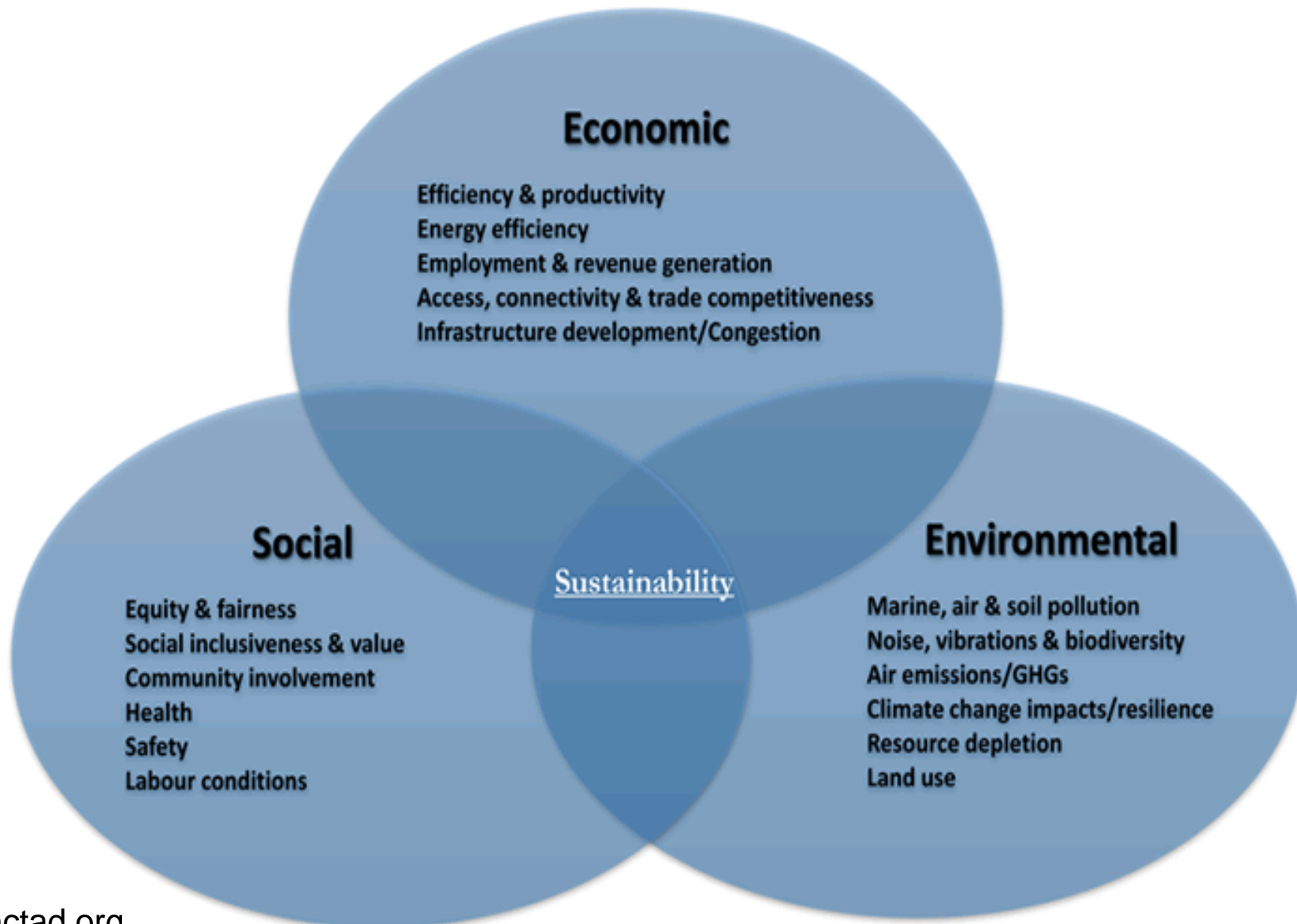


Outline

- ❖ Introduction
- ❖ Regional State of Play
 - Trade costs & Trade Facilitation Performance
- ❖ WTO Trade Facilitation Agreement
 - ❖ Overview
 - ❖ Update
- ❖ Digital and Sustainable Trade Facilitation Implementation in Asia-Pacific
 - ❖ UN Global Survey results
 - ❖ Towards cross-border paperless trade: New UN treaty for Asia and the Pacific
- ❖ Conclusions
- Annex - Support from ESCAP



Sustainable Development?





Sustainable Development Goals

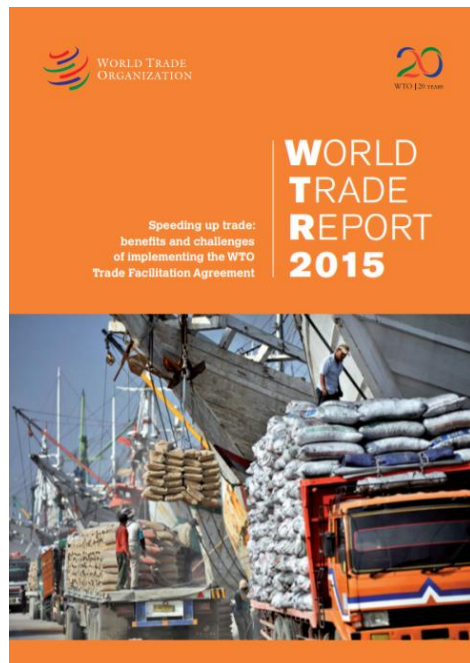


<https://Sustainabledevelopment.un.org>

Trade identified as a key
Means of Implementation

Trade Facilitation (TF)?

- Definitions



https://www.wto.org/english/res_e/booksp_e/world_trade_report15_e.pdf

Table A.1: Definitions of trade facilitation

a) Academic literature

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

b) International organizations

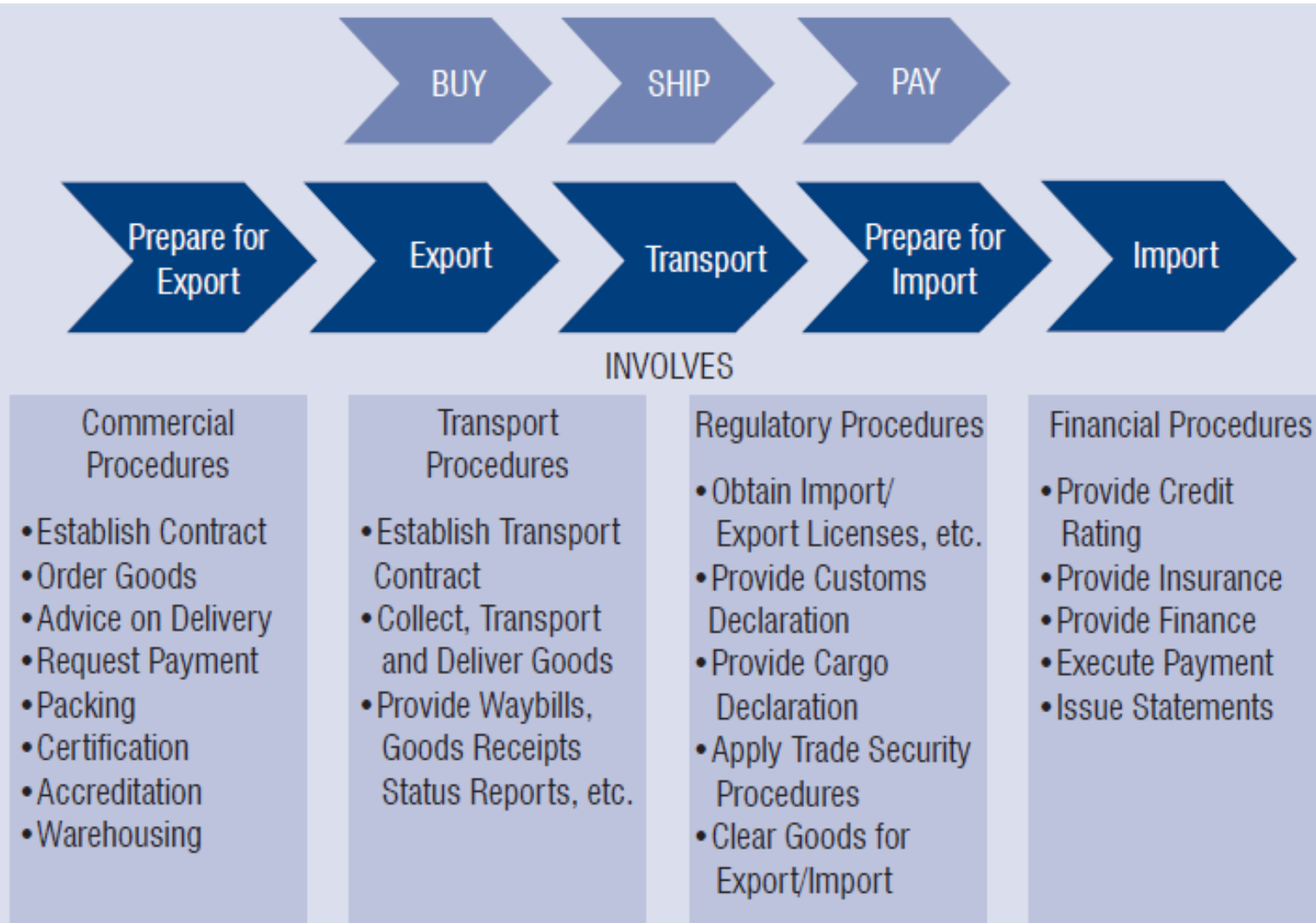
Institution/source	Definition
Asia-Pacific Economic Cooperation (APEC) <i>Source: APEC (2007).</i>	Trade facilitation refers to the simplification and rationalization of customs and other administrative procedures that hinder, delay or increase the cost of moving goods across international borders.
European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

Trade Facilitation (TF)? - Definition



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

Trade Facilitation? → Definition



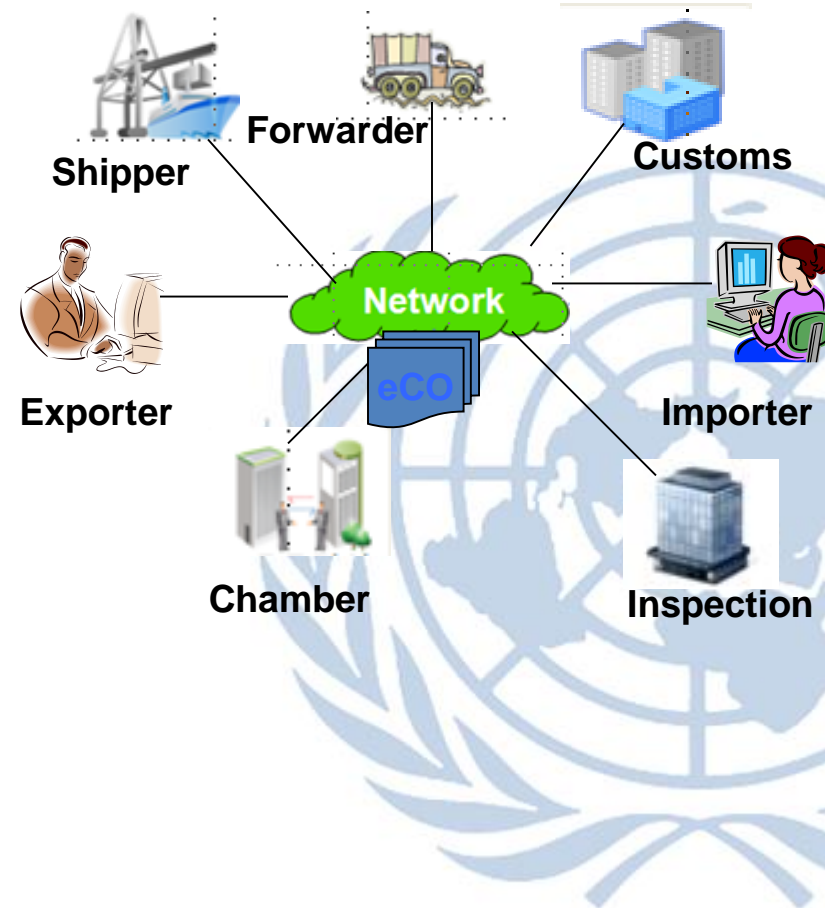
Paperless Trade (Digital Trade Facilitation)?

■ Paperless Trade

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

■ Paperless Trade Systems

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



Benefits of Trade Facilitation & Paperless Trade

Government

Effective & Efficient
Deployment of
Resources

Correct
Revenue
Yield

Improved
Trader
Compliance

Enhanced
Security

Increased
Integrity &
Transparency

***Trade
Facilitation
&
Paperless
Trade***

Traders

Cutting Costs
through
Reducing Delays

Faster
Clearance &
Release

Predictable
Application and
Explanation of Rules

Effective & Efficient
Deployment of
Resources

Increased
Transparency

Expected gains from trade facilitation

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



Questions for Discussion

1. Why have trade facilitation & paperless trade become increasingly important ?
2. How does trade facilitation relates to the three dimensions of sustainable development?

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Trade Costs in Asia and the Pacific

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

Region	ASEAN-4	East Asia-3	North and Central Asia-4	Pacific Islands Developing Economies	SAARC-4	AUS-NZL	EU-3
ASEAN-4	76.1% (1.3%)						
East Asia-3	78.3% (6.0%)	55.0% (7.6%)					
North and Central Asia-4	334.1% (-7.8%)	168.6% (-4.5%)	113.1% (-7.3%)				
Pacific Islands Developing Economies	168.5% (-7.9%)	162.6% (-6.6%)	378.2% (21.5%)	133.3% (-0.5%)			
SAARC-4	132.8% (5.1%)	124.2% (0.6%)	304.9% (7.0%)	253.2% (-19.4%)	121.3% (10.3%)		
AUS-NZL	102.6% (3.6%)	87.8% (-2.2%)	373.0% (5.5%)	88.6% (4.2%)	137.2% (-4.5%)	55.5% (3.0%)	
EU-3	104.5% (-4.1%)	85.6% (0.8%)	149.9% (-3.8%)	197.2% (-7.3%)	114.3% (0.2%)	107.5% (-2.0%)	42.1% (-5.6%)
USA	87.6% (6.7%)	65.2% (5.6%)	181.2% (0.8%)	164.0% (-0.6%)	114.7% (7.1%)	101.1% (2.0%)	67.5% (2.3%)

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:

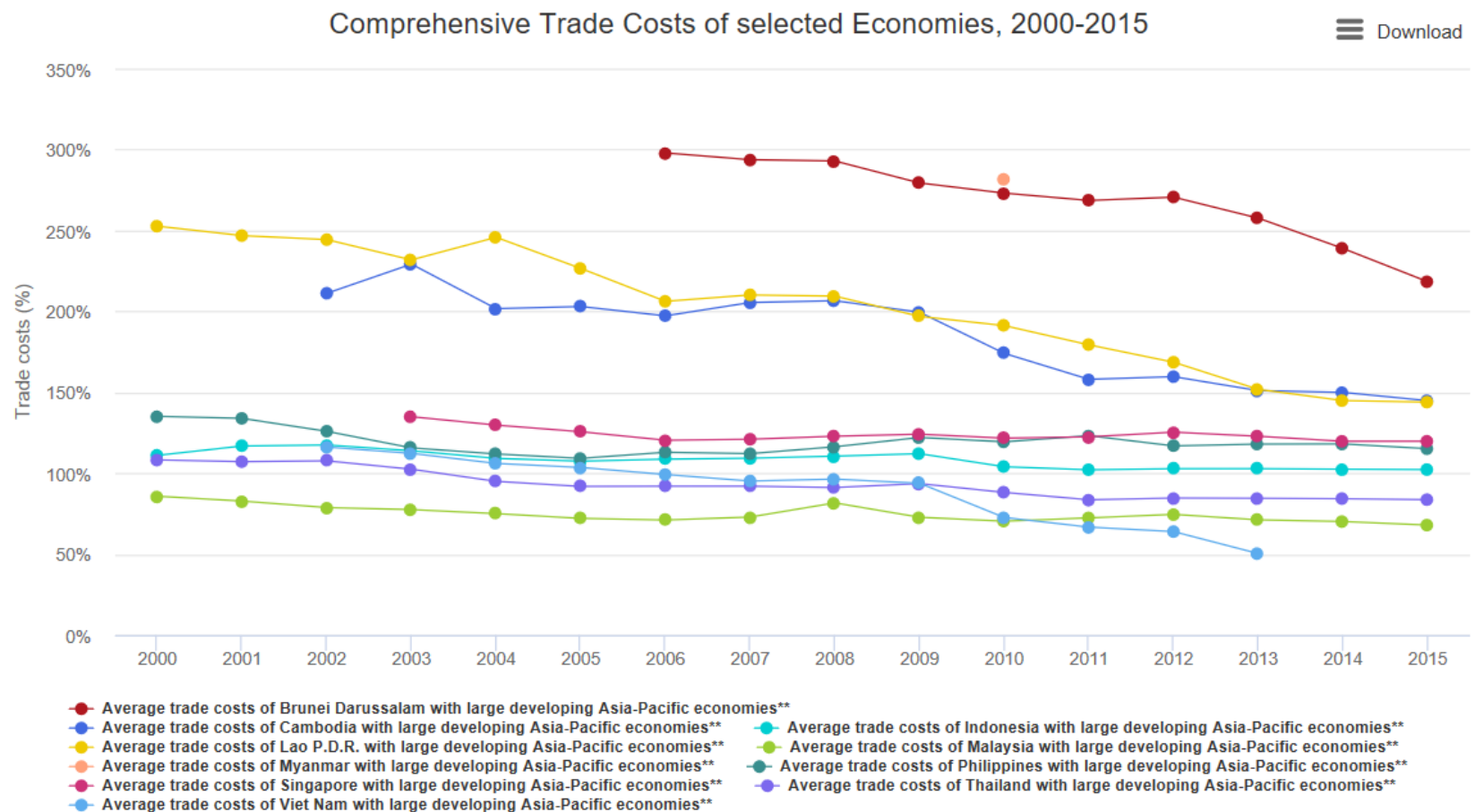
<http://www.unescap.org/resources/escap-world-bank-trade-cost-database>

How to view ESCAP-World Bank Trade Cost trends of countries?

- Go to ARTNeT: <https://artnet.unescap.org/>
- Click “Databases” on the menu
- Click “**Asia-Pacific Trade Indicators Portal**”
- Select “Vizualize data over time (trend)”;
- Select “**Comprehensive trade costs with large Asia-Pacific Developing Economies**” OR Select “**Comprehensive trade costs with large developed countries**”
- *[click “Continue” button at bottom of page]*
- Select countries you are interested in.
- *[click “Continue” button at bottom of page]*
- *[click “Vizualize data”]*

APTIP Asia-Pacific Trade Indicators Portal

You have selected the indicator **Comprehensive trade costs with large developing Asia-Pacific economies**, for 11 (associate) member States over the period **2000-2016**.

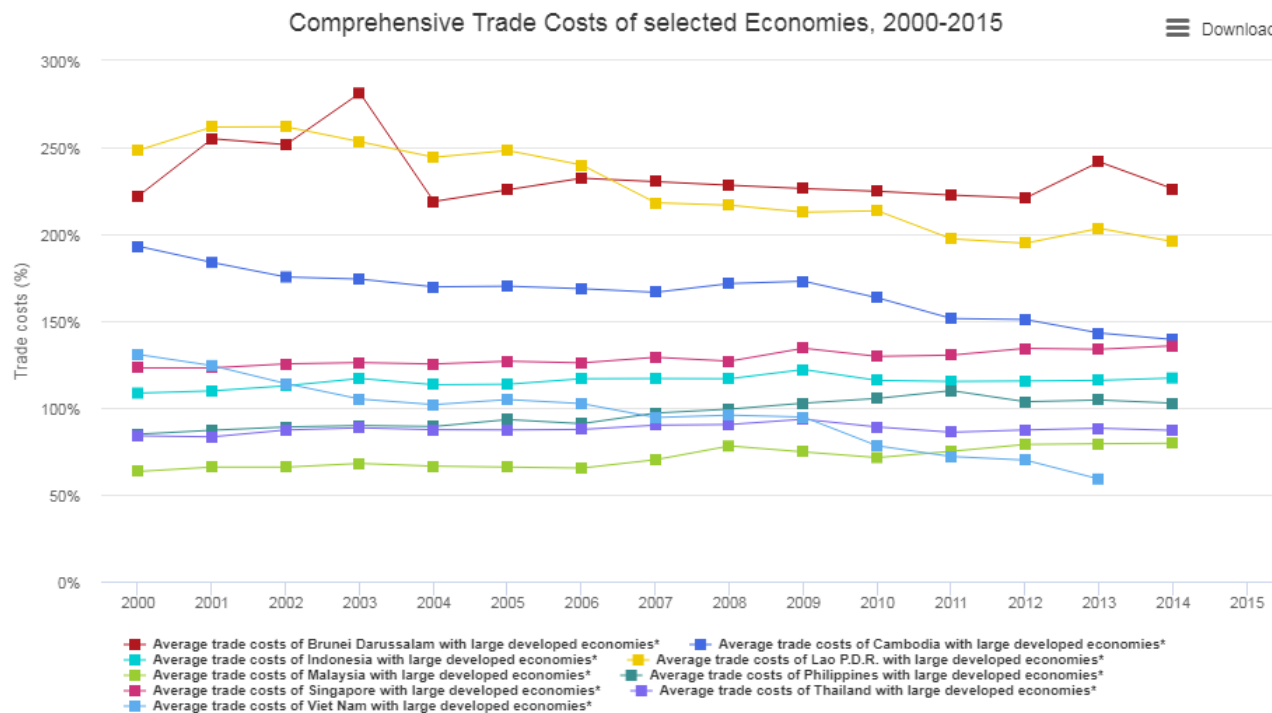
[New Search](#)




APTIP Asia-Pacific Trade Indicators Portal

You have selected the indicator **Comprehensive trade costs with large developed economies**, for 11 (associate) member States over the period **2000-2016**.

[New Search](#)



Data source: ESCAP - World Bank Trade Cost Database | Produced with: ESCAP Asia-Pacific Trade Indicators Portal

Data source: ESCAP - World Bank Trade Cost Database

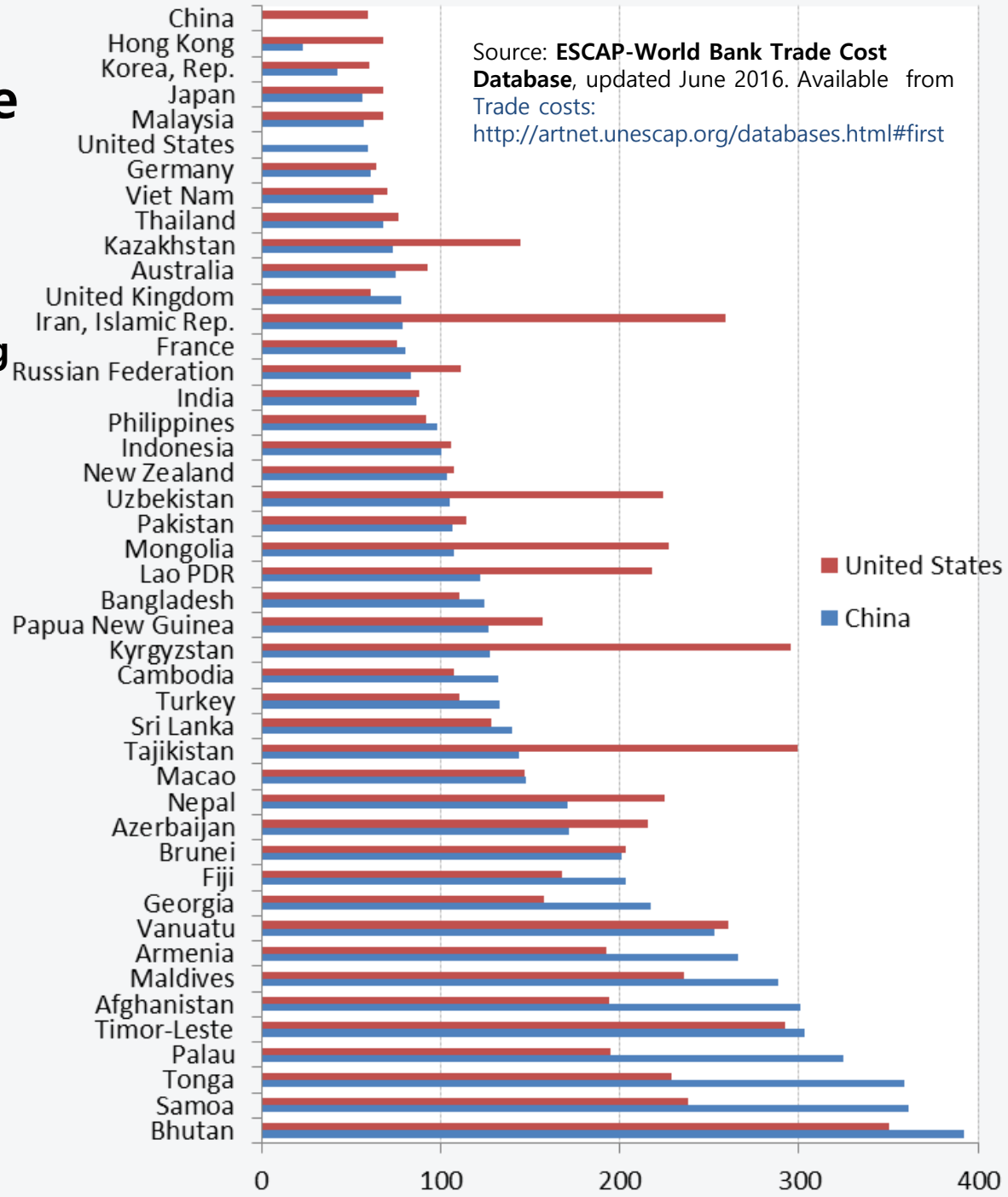
Notes: *) Weighted average aggregate trade costs with large developed economies: Japan, USA, Germany.

Missing data: Missing data on trade costs with large developed economies for the member States: Myanmar; Timor-Leste.

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

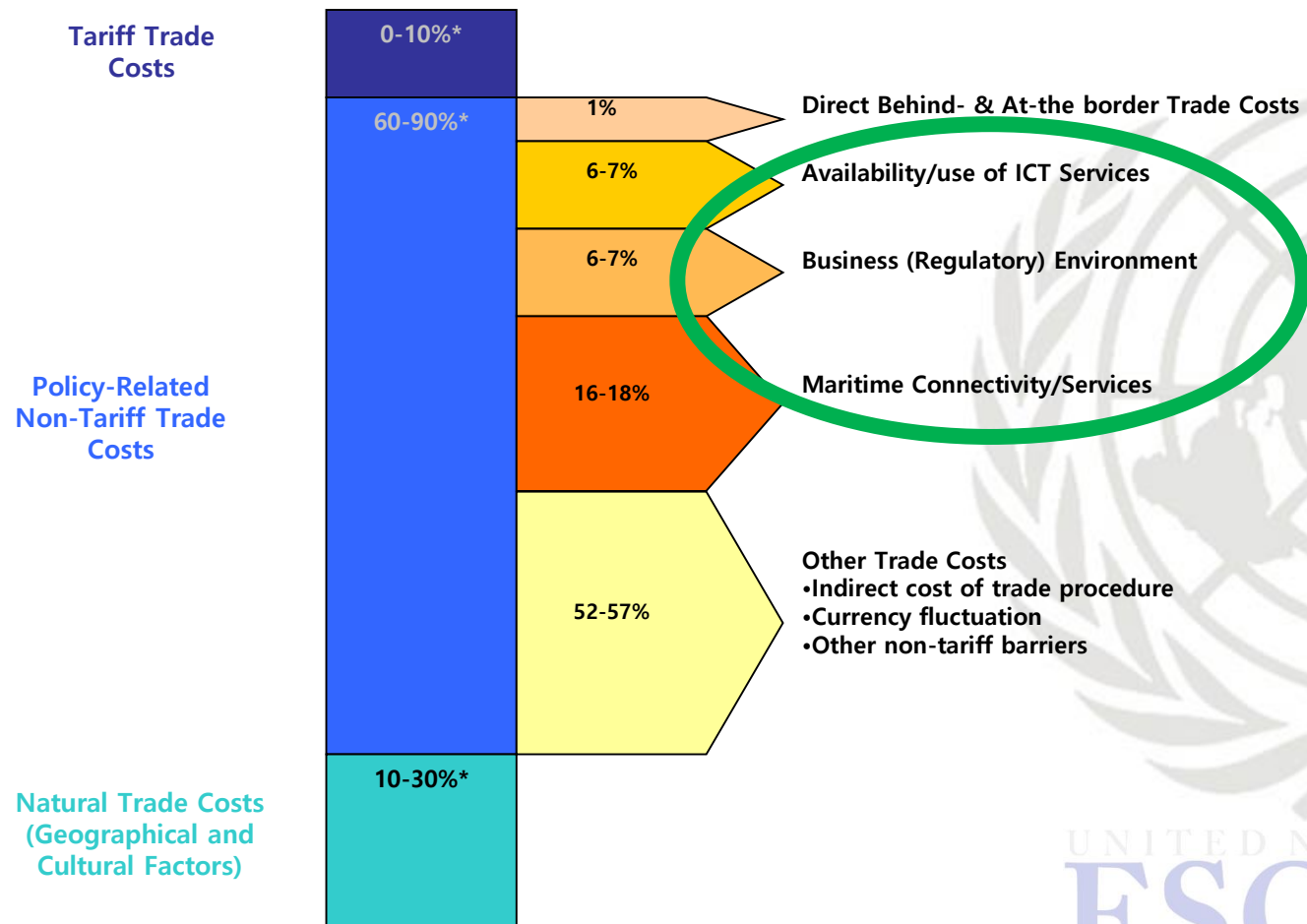
(ad valorem equivalents, excluding tariff costs, 2009-2014)

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



Key factors in lowering trade costs – Asia-Pacific Perspective

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



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

Trade Facilitation Performance

Examples:

- WB Trading Across Border (TAB) indicators
 - www.doingbusiness.org
- UN Global Trade Facilitation Survey
 - <https://untfsurvey.org>
- WB Logistics Performance Index
 - <http://lpi.worldbank.org/>
- UNCTAD Liner Shipping Connectivity Index
 - <http://unctadstat.unctad.org/wds/TableView/tableView.aspx?ReportId=92>
- WEF Enabling Trade Index (*composite of others*)



ESCAP-OECD Handbook on Indicators for Trade Facilitation

- A new “digital” resource introducing key databases and indicators for trade cost and trade facilitation monitoring
- Direct links to all relevant indicators and databases included

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

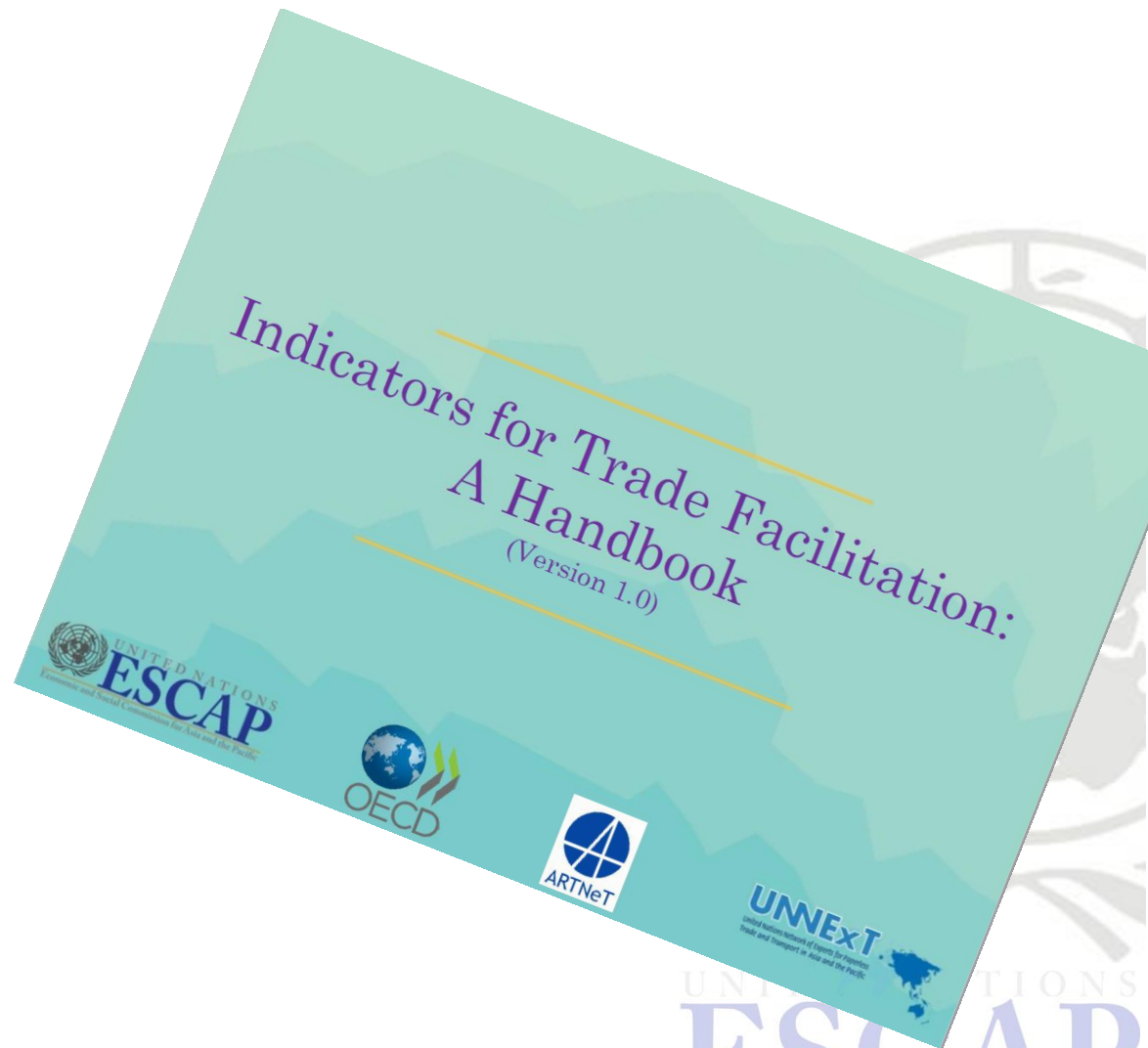


Table of contents by source

I. [ESCAP-World Bank Trade Costs Database](#)

- [UNESCAP-World Bank Trade Costs Database](#)
- [UNESCAP Value-Added Trade costs Database](#)

II. [World Bank Doing Business Trading across borders](#)

- [Trading Across Borders Rank Indicator](#)
- [Border Compliance: Time and cost to export/import](#)
- [Documentary Compliance: Time and cost to export/import](#)
- [Domestic Transport: Time and cost to export/import](#)

III. [World Bank Enterprise Surveys](#)

- [Days to clear a direct exports through customs](#)
- [Days to clear imports from customs](#)
- [Percent of firms identifying customs and trade regulations as major constraint](#)

IV. [OECD Trade Facilitation Indicators](#)

- [Eleven Trade Facilitation indicators](#)

V. [United Nations Global Survey on Trade Facilitation and Paperless Trade Implementation](#)

- [General Trade Facilitation measures](#)
- [Paperless Trade measures](#)
- [Cross-border Paperless Trade measures](#)
- [Transit Facilitation measures](#)

VI. [World Bank Logistic Performance Index \(LPI\)](#)

- [World Bank Logistic Performance Index \(International\)](#)
- [World Bank Logistic Performance Index \(Domestic\)](#)
 - i. [Environment and Institutions](#)
 - ii. [Performance](#)

VII. [UNCTAD Liner Shipping Connectivity Index \(LSCI\) & Liner Shipping Bilateral Connectivity Index \(LSBCI\)](#)

- [Five components of the LSCI](#)
- [Five components of the LSBCI](#)

VIII. [World Economic Forum, The Global Enabling Trade Report](#)

- [Border administration](#)
 - i. [Efficiency and transparency of border administration](#)
- [Infrastructure](#)
 - i. [Availability and quality of transport infrastructure](#)
 - ii. [Availability and quality of transport services](#)
 - iii. [Availability and use of ICTs](#)

IX. [World Bank & OECD Services Trade Restrictiveness Index \(STRI\)](#)

- [World Bank STRI](#)
- [OECD STRI](#)

X. [Beyond Aggregate Indicators and Cross-country Databases: Trade and Transport Facilitation Monitoring Mechanism \(TTFMM\)](#)

DOING BUSINESS

Measuring Business Regulations

DATA RANKINGS REPORTS SUBNATIONAL METHODOLOGY RESEARCH BUSINESS REFORMS LAW LIBRARY CONTRIBUTORS ABOUT MEDIA

Data / Trading Across Borders

Trading across Borders

Select a topic

Doing Business records the time and cost associated with the logistical process of exporting and importing goods. *Doing Business* measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

Given the importance of trade digitalization, in *Doing Business 2018*, the Trading across Borders questionnaire included research questions on the availability and status of implementation of Electronic Data Interchange (EDI) and Single Window (SW) systems. With this information, *Doing Business* built a comprehensive dataset on the adoption and level of sophistication of electronic platforms in 190 economies. These data are not used to compute the distance to frontier score or ranking of the ease of doing business. The new dataset on EDI and SW systems is available [here](#).

Data Distance to Frontier What is Measured Why it Matters DB Reforms Good Practices FAQ Other Resources

 = Subnational *Doing Business* data available.  = Multi-city data for same economy is available.



Economy ▲	Trading Across Borders DTF	Trading Across Borders rank	Time to export: Border compliance (hours)	Cost to export: Border compliance (USD)	Time to export: Documentary compliance (hours)	Cost to export: Documentary compliance (USD)
▲ Region						
East Asia & Pacific	69.97	102	55.9	387.5	68.2	112.1
Europe & Central Asia	83.96	58	28.0	191.4	27.9	113.8
Latin America & Caribbean	68.71	101	62.5	526.5	53.3	110.4
Middle East & North Africa	58.07	121	62.6	464.4	74.3	243.6
OECD high income	93.92	25	12.7	149.9	2.4	35.4
South Asia	58.32	126	59.4	369.8	77.0	179.5
Sub-Saharan Africa	52.56	137	100.1	592.1	87.8	215.1



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• Global Ranking

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Domestic LPI

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QUICK DOWNLOAD

Full LPI Dataset:
2007, 2010, 2012,
2014, 2016, 2018



AROUND THE WORLD

LPI Top Performer

Germany Compared to
its Income Group

China Domestic LPI

China's Domestic
Performance
compared to Region
and Income
Averages

World Regions

Compares World
Bank regions to LPI
Top Performer

WORLD REGIONS

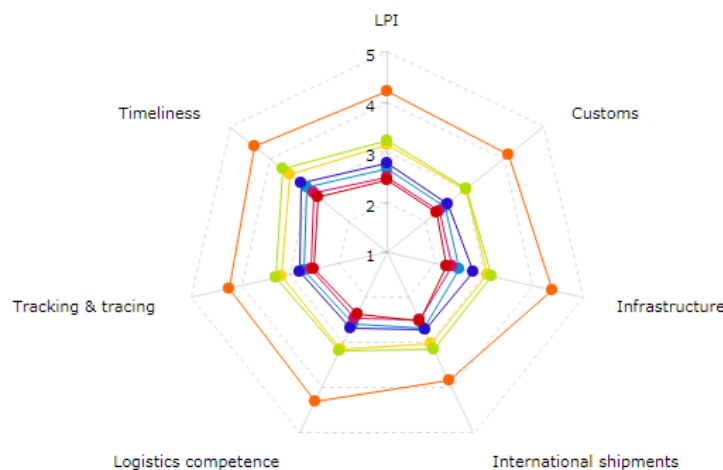
Compares World Bank regions to LPI Top Performer

Country Score Card: Germany 2018

Radar Column Line

chart by amcharts.com

Germany 2018



Germany 2018

Region: East Asia & Pacific 2018

Region: Europe & Central Asia 2018

Region: Latin America & Caribbean 2018

Region: Middle East & North Africa 2018

Region: South Asia 2018

Region: Sub-Saharan Africa 2018

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The WTO Trade Facilitation Agreement (TFA)

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

Structure of the WTO TFA

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

Examples of TF provisions (in TFA section 1)

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

Examples of TF provisions (in TFA section 1)

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

Examples of TF provisions (in TFA section 1)

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

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

Source:
Raúl Torres



ESCAP

Special & Differential Treatment (TFA Section II)

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

Category B

Notification and Implementation

Developing Countries

Notify the Committee the provisions and indicative dates for implementation

Notify **definitive** dates for implementation

Member may request an extension of the notification period

1 year

2 years

3 years

Entry into Force

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

Confirm designations of provisions and notify its dates for implementation.

Member may request an extension

Source:
Modified from
Raúl Torres

2017

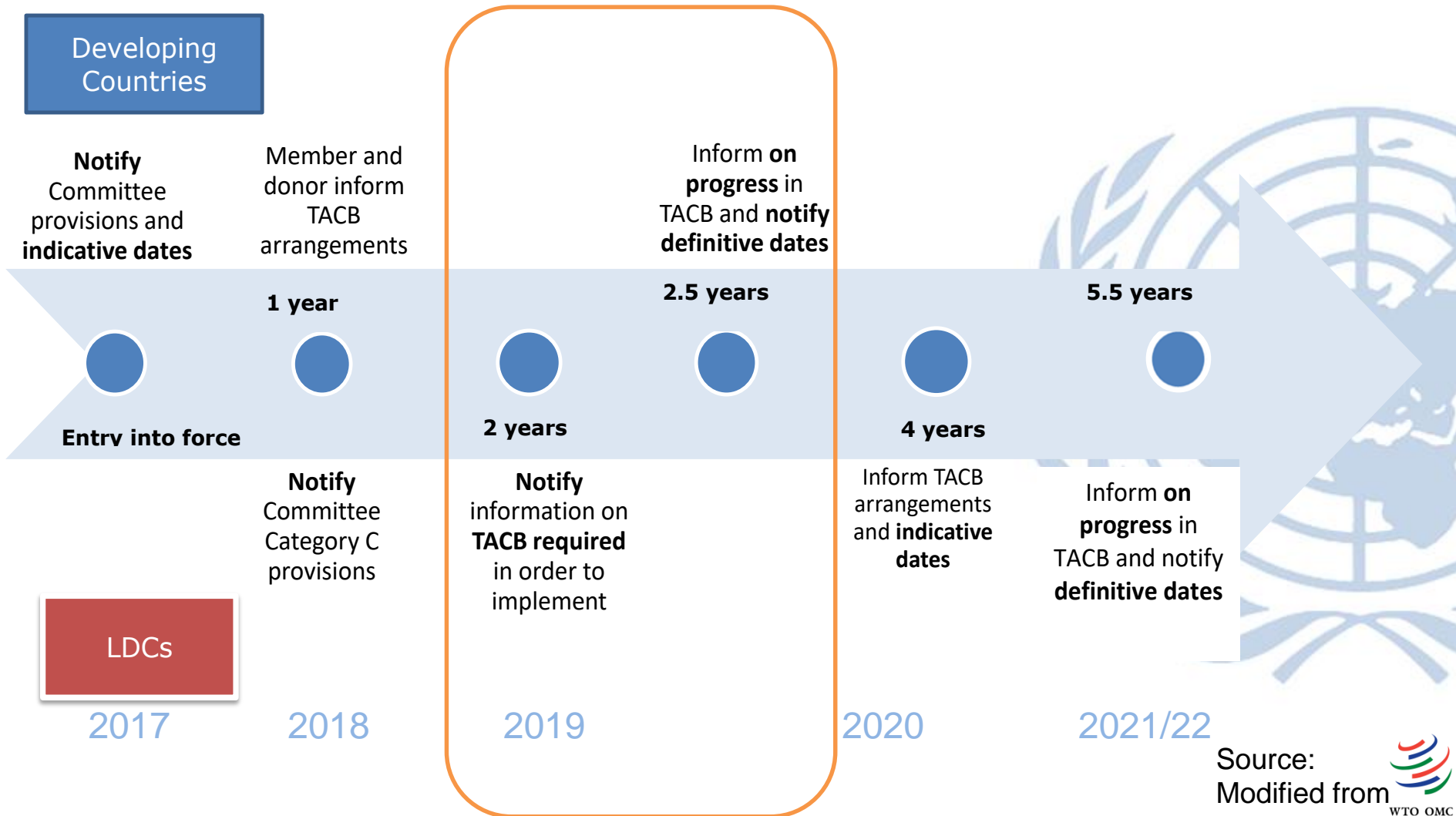
2018

2019

2020

Category C

Notification and Implementation



Source:
Modified from
Raúl Torres

Latest (official) information on TFA

- Visit the **TFA database** at <https://www.tfadatabase.org/>
- **Example of what you can find out:**
 - In Asia-Pacific, which are the top 3 most notified articles under Category A? Which are the 3 least notified articles?
 - Has your country ratified the WTO TFA? When? If so, Has it notified Category A/B/C measures?
 - How many percent of the provisions has it notified under Cat. A?
 - Which Articles / TF measures *your country* has NOT notified under category A? When does it expect to achieve 100% implementation?



Implementation dashboard

This dashboard provides an analysis of the rate of TFA implementation commitments by all WTO Members today and over time. Collectively, these commitments provide a roadmap of when the TFA can be expected to be fully implemented by the entire membership. The information is based on implementation commitments by:

- developed Members who have committed to implement the Agreement upon entry into force, that is by 22/02/2017; and
- developing and LDC Members who have committed to set their own timetable for implementation in their [categories A, B and C notifications](#)

[Breakdown of implementation commitments by developed, developing and LDC Members](#)

Rate of implementation commitments by all WTO Members

60.6%

rate of implementation commitments

7.9%

rate of implementation commitments

11.3%

rate of implementation commitments

20.3%

rate of implementation commitments yet to

Implementation of the WTO Trade Facilitation Agreement in Asia and the Pacific: 2 years on

ANTHONIN LEVELU* AND YANN DUVAL**

Highlights

The WTO Trade Facilitation Agreement (TFA) entered into force in 2017. The analysis of official notifications submitted to the WTO by ESCAP members and associate members reveals that significant progress has been made by Asia-Pacific developing economies in implementing the agreement. Highlights of the analysis include the following:

- 37 Asia-Pacific economies included in this analysis have, on average, notified 65% of the substantive provisions in the WTO TFA in category A. In other words, 65% of the WTO TFA has already been implemented in the region, a 6-percentage point increase from 2017.
- Measures most notified in category B, i.e. indicating more time is needed for their implementation, are measures related to Sub-article 1.4 “Notifications”, Sub-article 2.2 “Consultations” and Sub-article 6.1 “General Disciplines on Fees and Charges”.
- 5 measures most notified under category C, i.e. requiring technical assistance and capacity building, are: Article 10.4 “Single Window”, Article 7.7 “Trade Facilitation measures for Authorized Operators”, Article 7.4 “Risk Management”, Article 10.3 “Use of International Standards” and Article 8 “Border Agency Cooperation”.
- Asia-Pacific LDCs’ average rate of implementation is 27%, according to their category A notification. They require capacity building and technical assistance for 50% of the WTO TFA provisions.
- Transparency notifications, where countries are supposed to provide information on actual implementation of several TFA measures, are very useful but are not fully complied with.
- Some developing countries are at risk of losing access to implementation flexibilities and technical assistance, as they have yet to notify definitive dates of implementation of some provisions (deadline: 22 August 2019).
- Given the best-endeavour nature of many WTO TFA provisions, as well as incentives for developing countries to notify under other categories, category A notifications provide an imperfect picture of implementation of trade facilitation measures.

**Anthonin Levelu was a graduate student of economics and an intern in the Trade, Investment and Innovation Division (TIID), United Nations Economic and Social Commission for Asia and the Pacific (ESCAP).*

***Yann Duval is Chief, Trade Policy and Facilitation Section, TIID, ESCAP (duvaly@un.org).*

- Asia-Pacific countries have notified 65% of the WTO TFA notified in category A
- Asia-Pacific LDCs indicated they require CB/TF for 50% of the measures
- TFA notifications only an imperfect picture of implementation

<https://www.unescap.org/resource-series/escap-trade-insights>

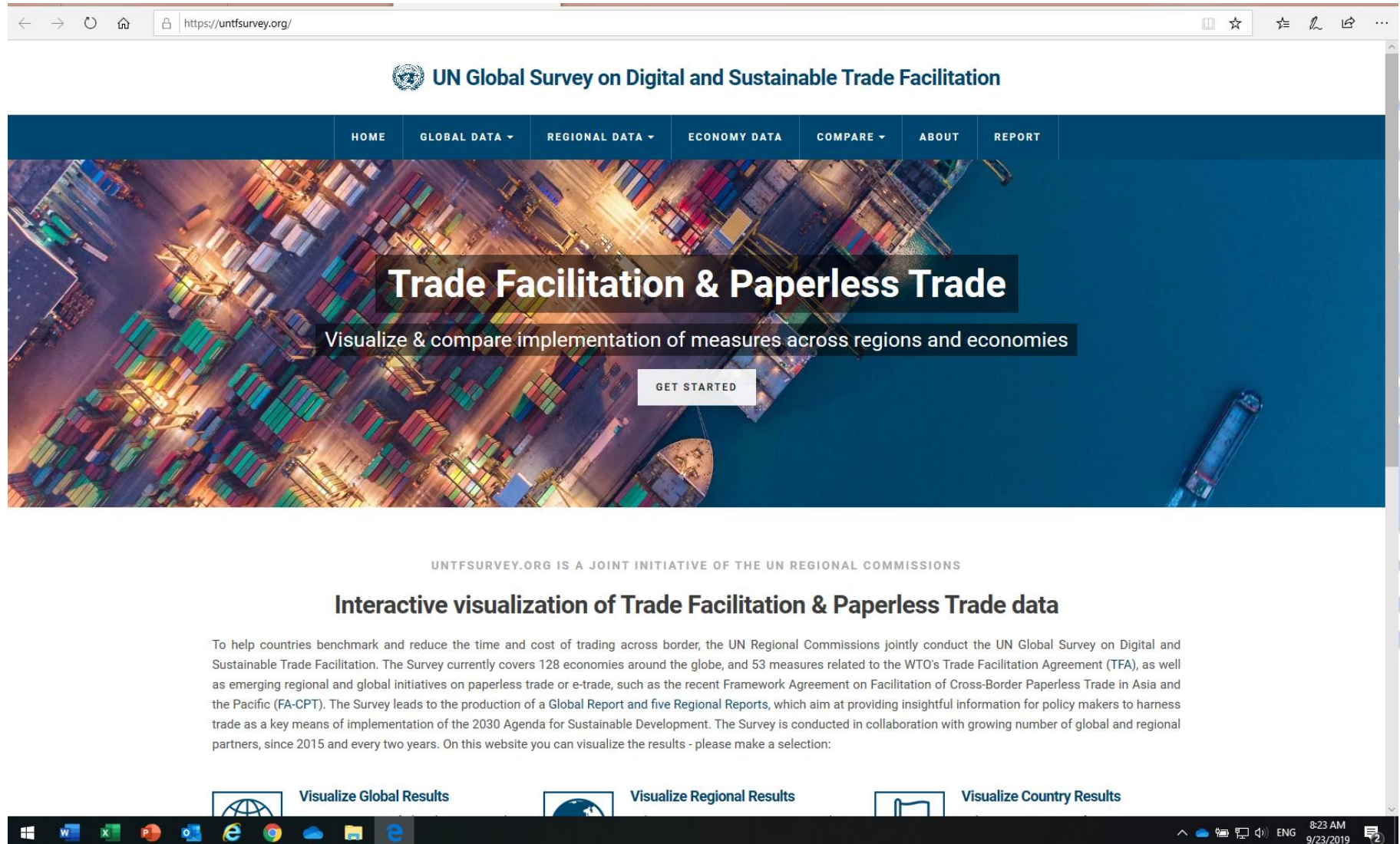
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United Nations Global Survey on Digital and Sustainable Trade Facilitation

untfsurvey.org



The screenshot shows the homepage of the United Nations Global Survey on Digital and Sustainable Trade Facilitation website. The browser address bar displays <https://untfsurvey.org/>. The website header includes the UN logo and the title "UN Global Survey on Digital and Sustainable Trade Facilitation". A navigation bar contains links: HOME, GLOBAL DATA, REGIONAL DATA, ECONOMY DATA, COMPARE, ABOUT, and REPORT. The main banner features an aerial view of a port with colorful shipping containers and a large text overlay: "Trade Facilitation & Paperless Trade" with the subtitle "Visualize & compare implementation of measures across regions and economies" and a "GET STARTED" button. Below the banner, a section titled "Interactive visualization of Trade Facilitation & Paperless Trade data" explains the survey's purpose and provides three options: "Visualize Global Results", "Visualize Regional Results", and "Visualize Country Results". The Windows taskbar at the bottom shows the date as 9/23/2019 and the time as 8:23 AM.

UN Global Survey on Digital and Sustainable Trade Facilitation

HOMEGLOBAL DATAREGIONAL DATAECONOMY DATACOMPAREABOUTREPORT

Trade Facilitation & Paperless Trade

Visualize & compare implementation of measures across regions and economies

[GET STARTED](#)

UNTFSURVEY.ORG IS A JOINT INITIATIVE OF THE UN REGIONAL COMMISSIONS

Interactive visualization of Trade Facilitation & Paperless Trade data

To help countries benchmark and reduce the time and cost of trading across border, the UN Regional Commissions jointly conduct the UN Global Survey on Digital and Sustainable Trade Facilitation. The Survey currently covers 128 economies around the globe, and 53 measures related to the WTO's Trade Facilitation Agreement (TFA), as well as emerging regional and global initiatives on paperless trade or e-trade, such as the recent Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific (FA-CPT). The Survey leads to the production of a Global Report and five Regional Reports, which aim at providing insightful information for policy makers to harness trade as a key means of implementation of the 2030 Agenda for Sustainable Development. The Survey is conducted in collaboration with growing number of global and regional partners, since 2015 and every two years. On this website you can visualize the results - please make a selection:

[Visualize Global Results](#)[Visualize Regional Results](#)[Visualize Country Results](#)

UN TF Survey is forward looking and WTO TFA+

Grouping of trade facilitation measures and correspondence with TFA articles

Grouping		Question Number		Trade Facilitation Measure in the Questionnaire	Related TFA Articles
		2017	2019		
General Trade Facilitation Measures	Transparency (5 measures)	2	2	Publication of existing import-export regulations on the internet	1.2
		3	3	Stakeholder consultation on new draft regulations	2.2
		4	4	Advance publication/notification of new regulations before their implementation	2.1
		5	5	Advance ruling	3
		9	9	Independent appeal mechanism	4
	Formalities (8 measures)	6	6	Risk management	7.4
		7	7	Pre-arrival Processing	7.1
		8	8	Pre-arrival processing	7.5
		10	10	Post-clearance audit	7.3
		11	11	Separation of release from final determination of customs duties, taxes, fees, and charges	7.6
		12	12	Establishment and publication of average release times	7.7
		13	13	Expedited shipments	7.8
		14	14	Acceptance of paper or electronic copies of supporting documents required for import, export or transit formalities	10.2.1
	Institutional cooperation and arrangement (5 measures)	1	1	Establishment of a national trade facilitation committee or similar body	23
		31	31	Cooperation between agencies on the ground at the national level	8
		32	32	Government agencies delegating controls to customs authorities	
		33	33	Alignment of working days and hours with neighboring countries at border crossings	8.2(a)
		34	34	Alignment of formalities and procedures with neighboring countries at border crossings	8.2(b)
	Transit facilitation (4 measures)	35	35	Transit facilitation agreement(s) with neighboring country(ies)	
		36	36	Customs authorities limit the physical inspection of transit goods and use risk assessment	10.5
		37	37	Supporting pre-arrival processing for transit facilitation	11.9
		38	38	Cooperation between agencies of countries involved in transit	11.16

UN TF Survey is forward looking and WTO TFA+

Grouping of trade facilitation measures and correspondence with TFA articles

Grouping		Question Number		Trade Facilitation Measure in the Questionnaire	Related TFA Articles
		2017	2019		
Digital Trade Facilitation Measures	Paperless Trade (10 measures)	15	15	Electronic/automated Customs System established (e.g., Automated System for Customs Data)	10.4
		16	16	Internet connection available to customs and other trade control agencies at border crossings	
		17	17	Electronic Single Window System	
		18	18	Electronic submission of customs declarations	
		19	19	Electronic application and issuance of Import and Export Permit	
		20	20	Electronic submission of sea cargo manifests	
		21	21	Electronic submission of air cargo manifests	
		22	22	Electronic application and issuance of Preferential Certificate of Origin	7.2
		23	23	E-payment of customs duties and fees	
		24	24	Electronic application for customs refunds	
	Cross-border (6 measures)	25	25	Laws and regulations for electronic transactions are in place (e.g., e-commerce law, e-transaction law)	
		26	26	Recognized certification authority issuing digital certificates to traders to conduct electronic transactions	
		27	27	Customs declaration electronically exchanged between your country and other countries	
		28	28	Certificate of origin electronically exchanged between your country and other countries	
		29	29	Sanitary and phytosanitary certificate electronically exchanged between your country and other countries	
		30	30	Banks and insurers in your country retrieving letters of credit electronically without lodging paper-based documents	

UN TF Survey is forward looking and WTO TFA+

Grouping of trade facilitation measures and correspondence with TFA articles

Grouping		Question Number		Trade Facilitation Measure in the Questionnaire	Related TFA Articles
		2017	2019		
Sustainable Trade Facilitation	Trade Facilitation for SMEs (5 measures)	39	39	Trade-related information measures for SMEs	
		40	40	Government has developed specific measures that enable SMEs to more easily benefit from the AEO scheme	
		41	41	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)	
		42	42	Government has taken actions to ensure that SMEs are well represented and made key members of National Trade Facilitation Committees	
		-	43	Other special measures to reduce costs for SMEs	
	Agricultural trade facilitation (4 measures)	43	44	Testing and laboratory facilities are equipped for compliance with sanitary and phytosanitary (SPS) standards in your main trading partners	
		44	45	National standards and accreditation bodies are established for the purpose of compliance with SPS standards	
		45	46	Application, verification, and issuance of SPS certificates is automated	
		-	47	Special treatment given to perishable goods at border crossings	7.9
	Women in trade facilitation (3 measures)	46	48	The existing trade facilitation policy/strategy incorporates special consideration of women involved in trade	
		47	49	Government has introduced trade facilitation measures aimed at women involved in trade	
		-	50	Female membership in the National Trade Facilitation Committee	
Trade Finance Facilitation (3 measures)		-	51	Single window facilitates traders with access to finance	
		-	52	Banks allow electronic exchange of data between trading partners or with banks in other countries to reduce dependence on paper documentation and advance digital trade	
		-	53	A variety of trade finance services available	

Implementation rates of trade facilitation measures and related data made publicly available at: untfsurvey.org



Trade Facilitation and Paperless Trade Implementation in Asia and the Pacific

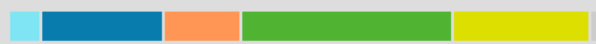
● Cross-Border Paperless Trade
 ● Paperless Trade
 ● Institutional Arrangement and Cooperation
 ● Formalities
 ● Transparency



Bangladesh

Trade facilitation score of 40.86%

Transparency: 9.68%; Formalities: 15.05%; Institutional Arrangement and Cooperation: 5.38%; Paperless Trade: 8.60%; Cross-Border Paperless Trade: 2.15%.



General Trade Facilitation Measures

National Trade Facilitation Committee:	Fully implemented	Publication of existing import-export regulations on the internet:	Fully implemented
Stakeholders' consultation on new draft regulations (prior to their finalization):	Partially implemented	Advance publication/notification of new regulations before their implementation:	Partially implemented
Advance ruling (on tariff classification):	Not implemented	Risk management:	Planning stage
Pre-arrival processing:	Fully implemented	Post-clearance audit:	Partially implemented
Independent appeal mechanism:	Partially implemented	Separation of Release from final determination of customs duties, taxes, fees and charges:	Partially implemented
Establishment and publication of average release times:	Partially implemented	Trade facilitation measures for authorized operators:	Not implemented
Expedited shipments:	Partially implemented	Acceptance of paper or electronic copies of supporting documents required for import, export or transit formalities:	Partially implemented
Electronic/automated Customs System:	Partially implemented		

Paperless Trade Facilitation

Internet connection available to Customs and other trade control agencies at border-crossings:	Fully implemented	Electronic Single Window System:	Not implemented
Electronic Application and Issuance of import and export permit, if such permit is required:	Not implemented	Electronic submission of Customs declarations:	Partially implemented
Electronic Application and Issuance of Preferential Certificate of Origin:	Not implemented	Electronic Submission of Sea Cargo Manifests:	Partially implemented
		Electronic Submission of Air Cargo Manifests:	Not implemented
		E-Payment of Customs Duties and Fees:	Planning stage
		Electronic Application for Customs Refunds:	Not implemented

Towards Cross-Border Paperless Trade

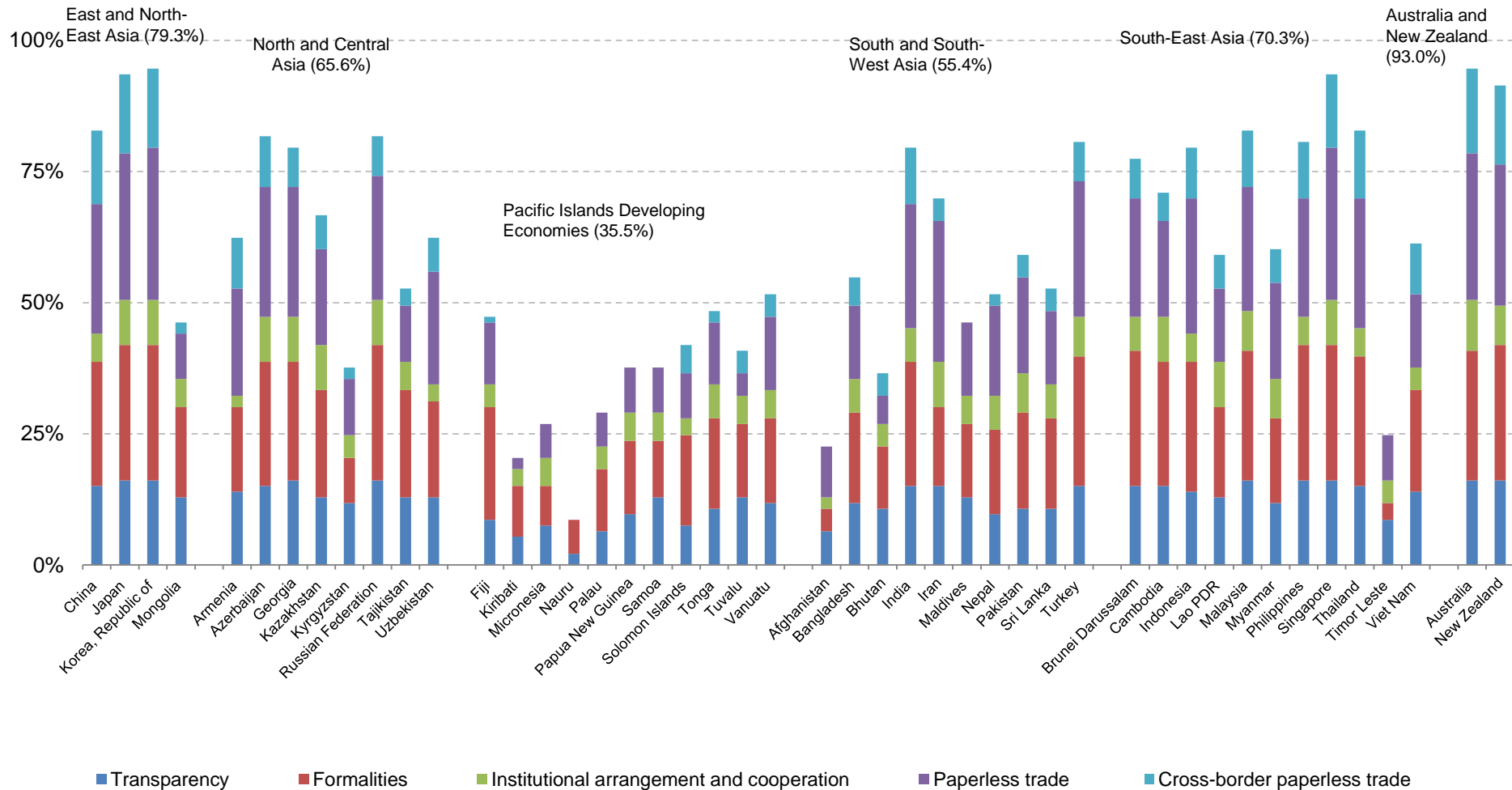
Laws and regulations for electronic transactions:	Partially implemented	Recognised certification authority:	Not implemented
Engagement in trade-related cross-border electronic data exchange:	Not implemented	Electronic exchange of Certificate of Origin:	Not implemented
		Electronic exchange of Sanitary & Phyto-Sanitary Certificate:	Not implemented
Traders in your country apply for letters of credit electronically from banks or insurers without lodging paper-based documents:	Not implemented		

Border Agency Cooperation

National legislative framework and institutional arrangements:	Partially implemented	Government agencies delegating controls to Customs:	Not implemented
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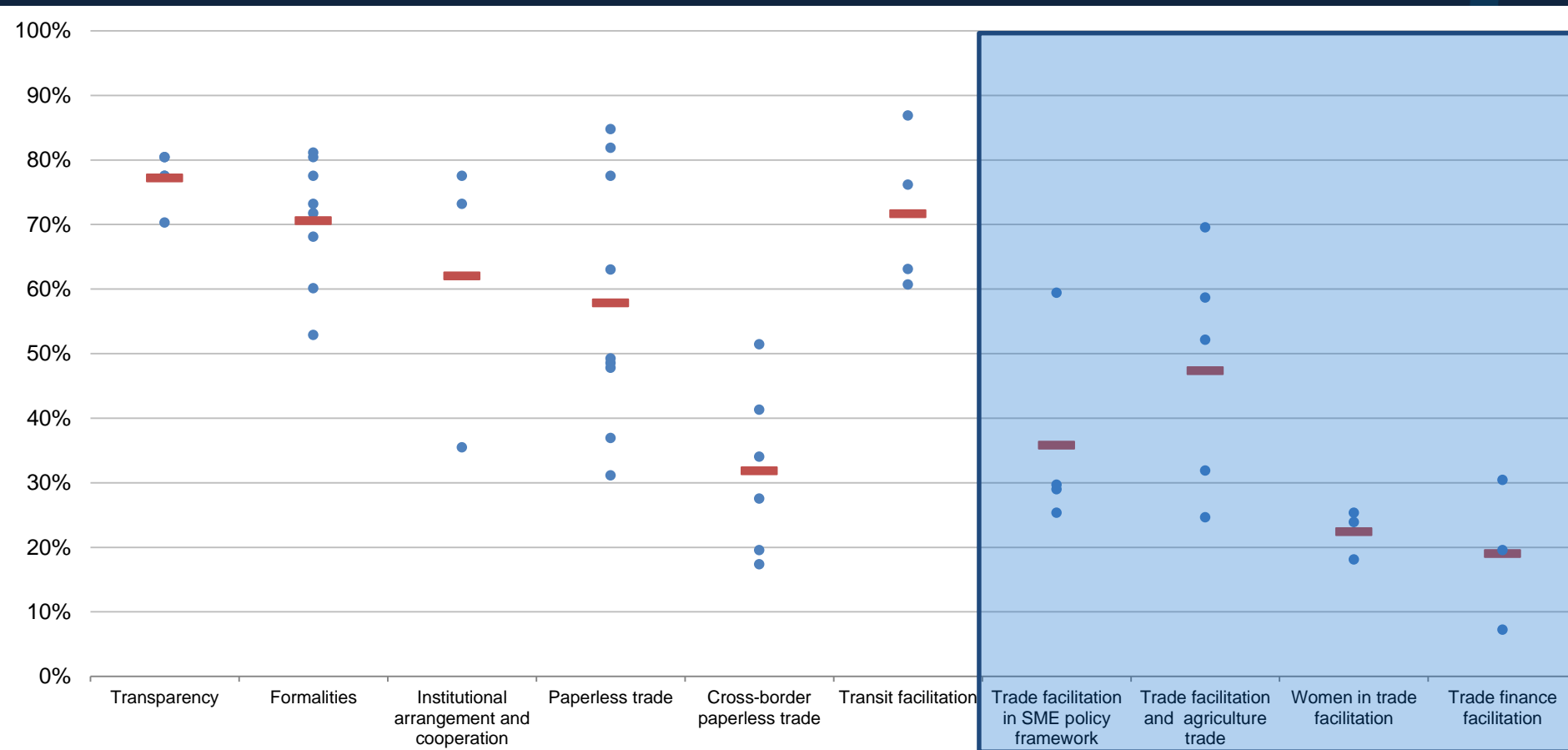
unfssurvey.org

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



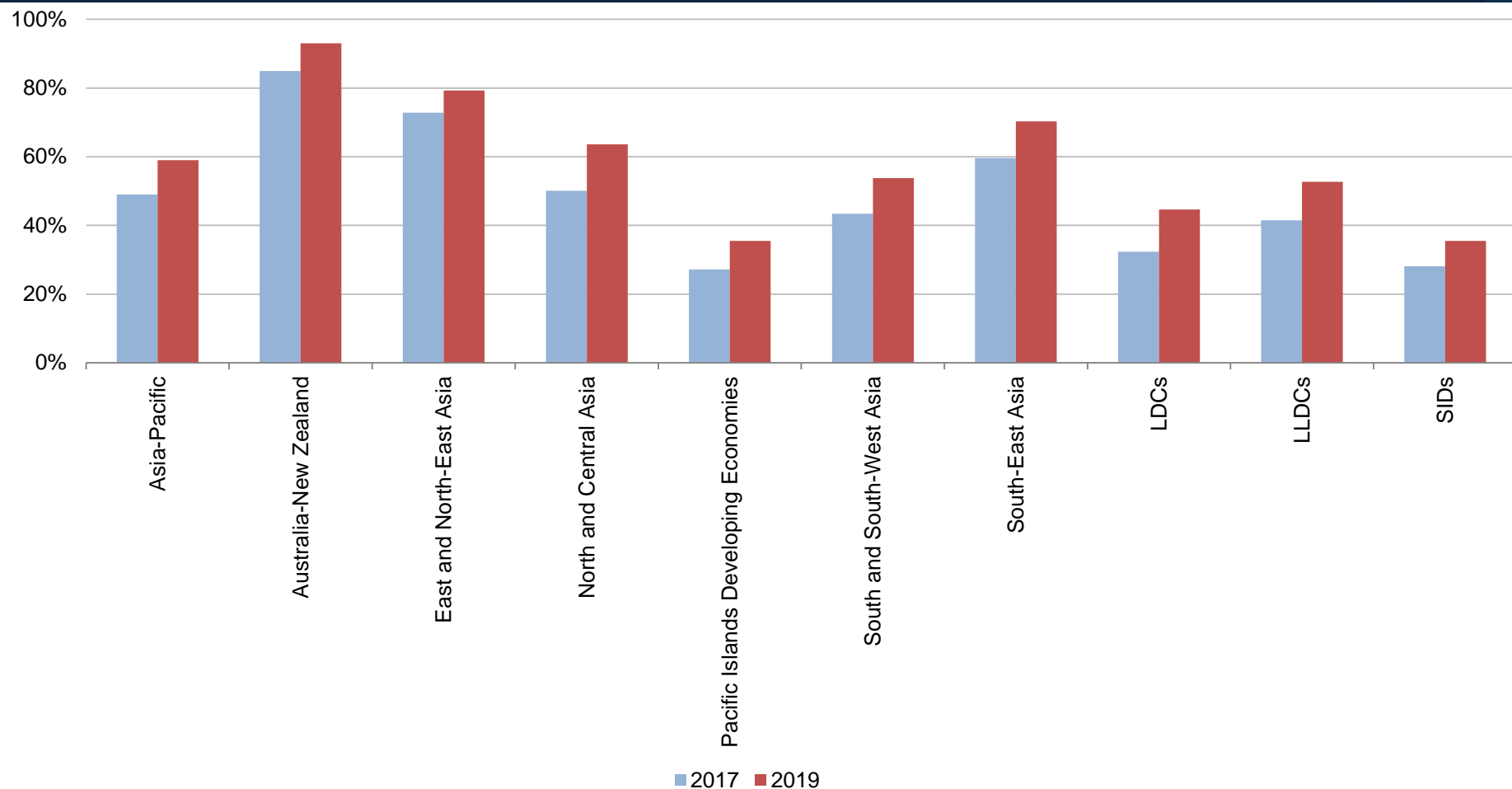
Source: ESCAP (2019); untfsurvey.org

Implementation of different groups of trade facilitation measures: Asia-Pacific average



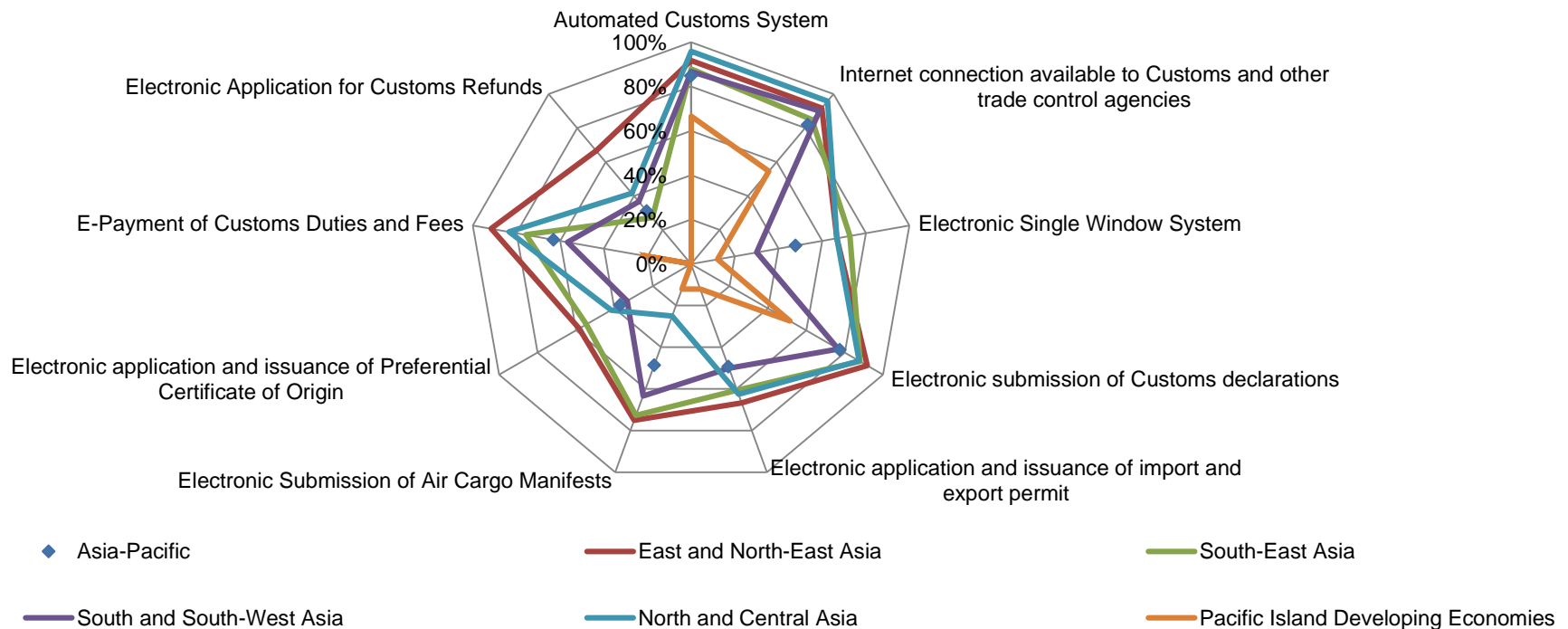
Source: ESCAP (2019); untfsurvey.org

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



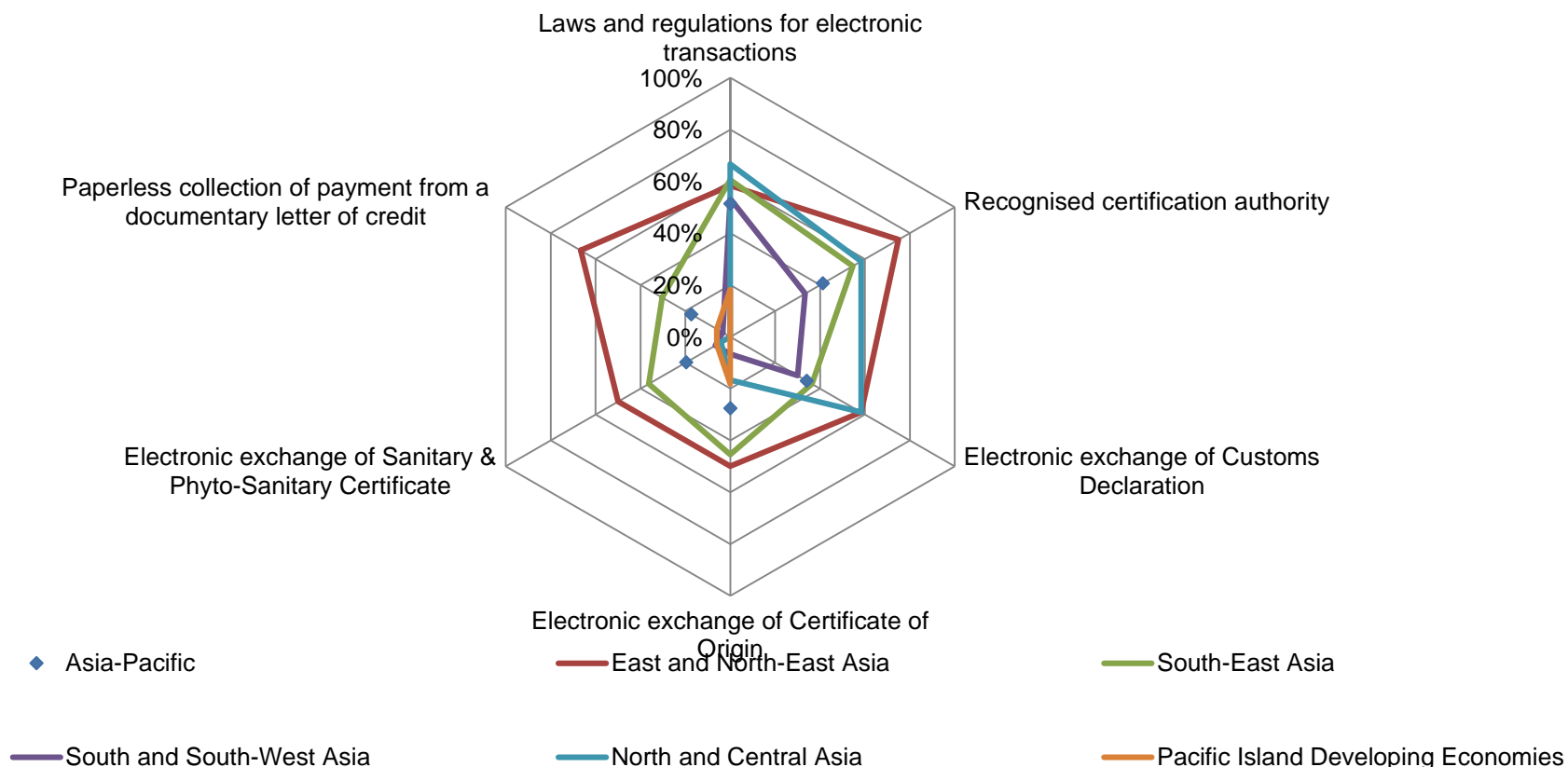
Source: ESCAP (2019); untfsurvey.org

Implementation of 'paperless trade' measures:



Source: ESCAP (2019); untfsurvey.org

Implementation of 'cross-border paperless trade' measures: Asia-Pacific average



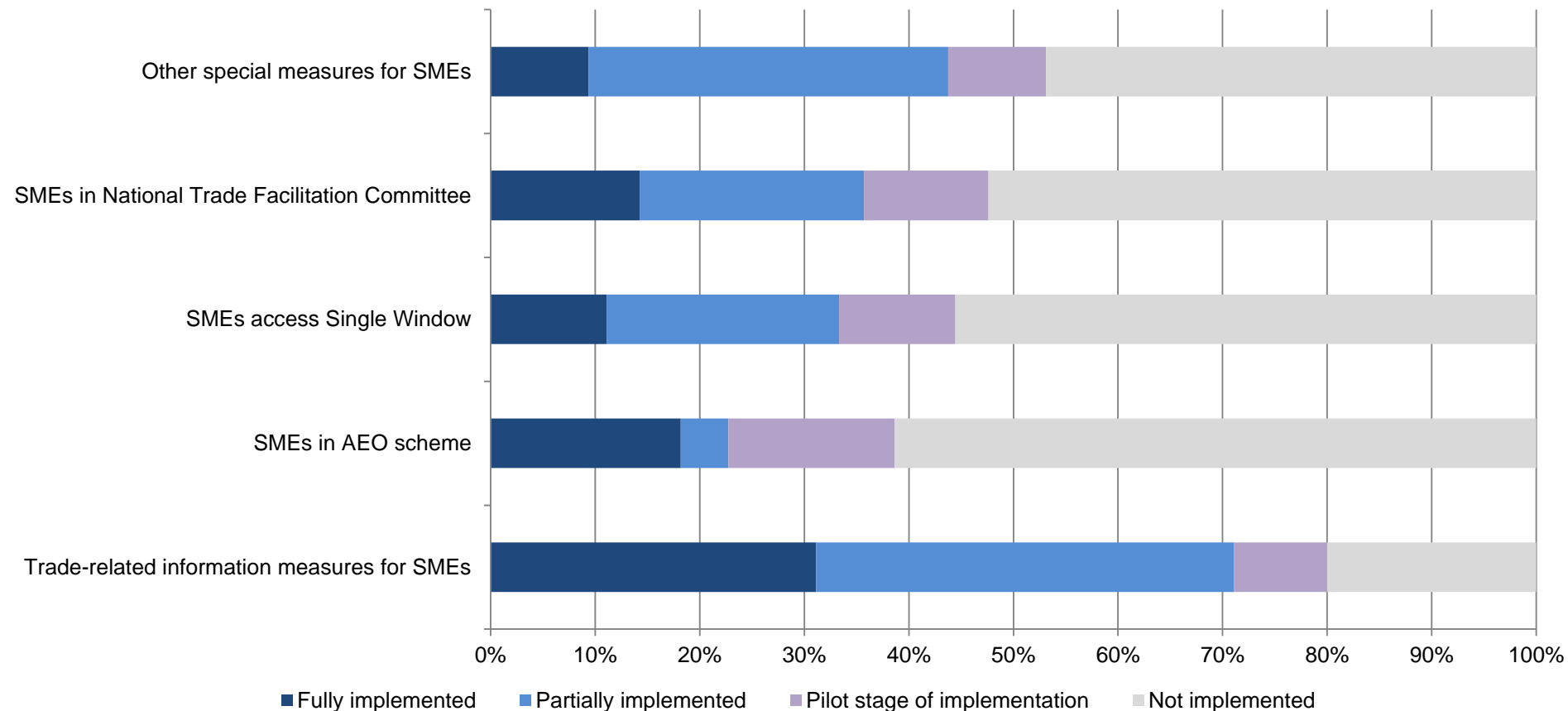
Source: ESCAP (2019); untfsurvey.org

Least implemented measures in Asia and the Pacific

- *WTO TFA-related measures*
 - Advance rulings
 - Authorized operators programs
 - [Electronic] Single Window systems
- *Cross-border paperless trade measures*
 - E-exchange of SPS certificates
 - Paperless letters of credit
- *TF measures targeted at SMEs and Women*



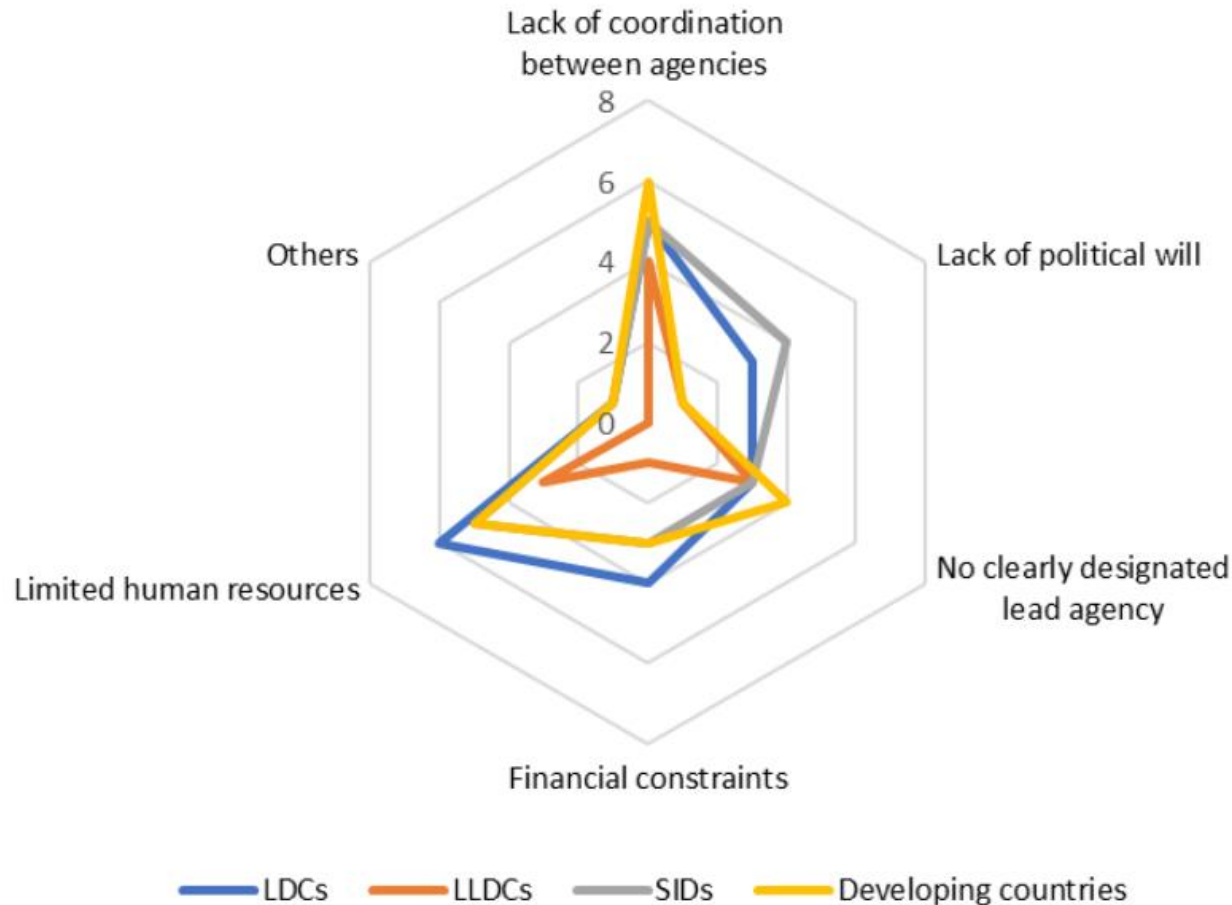
State of implementation of 'trade facilitation for SMEs' measures in Asia-Pacific Economies



Source: ESCAP (2019); untfsurvey.org

Key challenges for making further progress in Asia and the Pacific

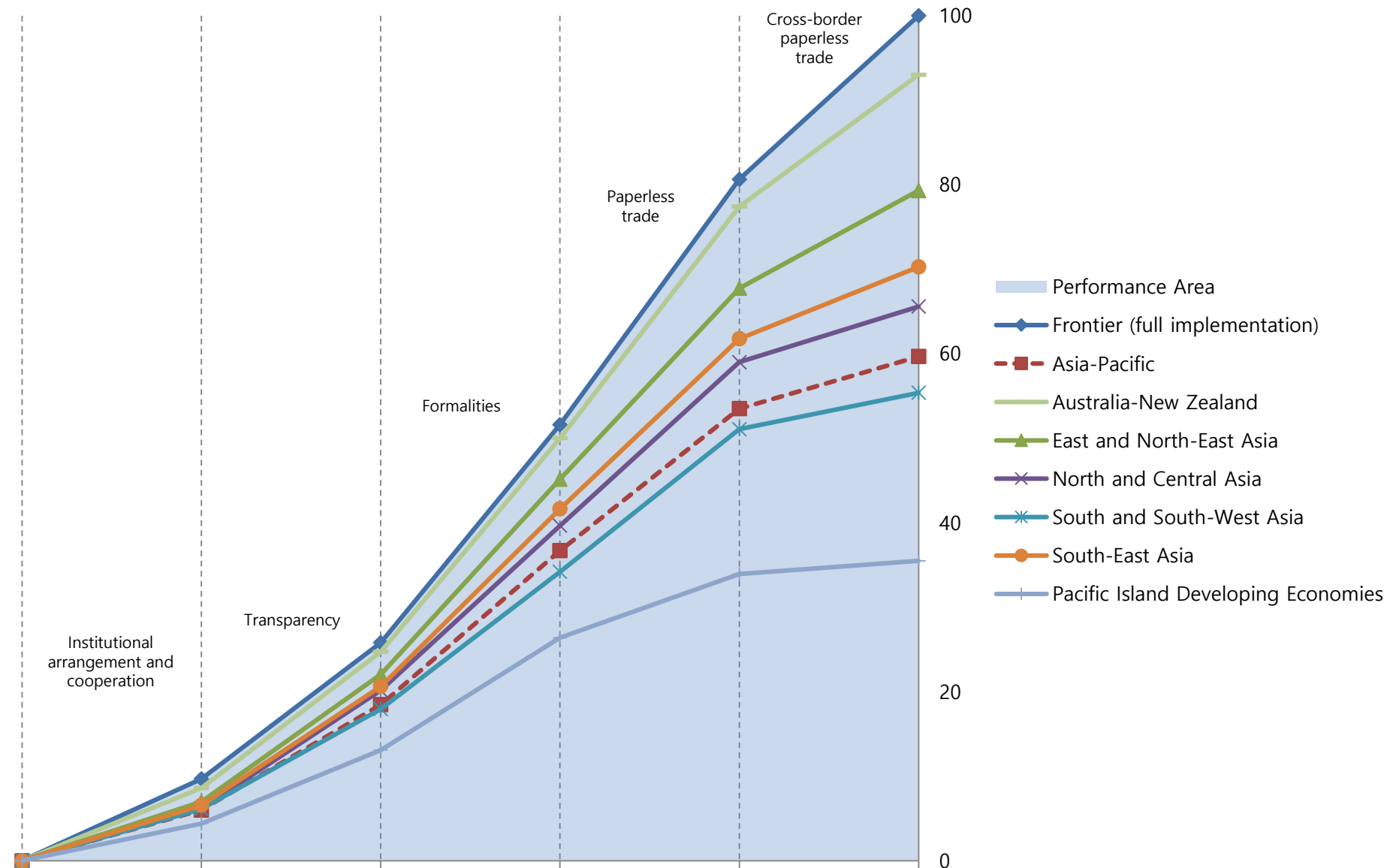
Figure 29: Challenges faced by Asia-Pacific LDCs, LLDCs, SIDSs and other developing countries in implementing trade facilitation measures



Note: data shows the number of countries

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

Moving up the trade facilitation ladder towards seamless international supply chains



Source: The UN Global Survey on Digital and Sustainable Trade Facilitation (2019)

Expected gains from WTO TFA implementation in Asia-Pacific (update)

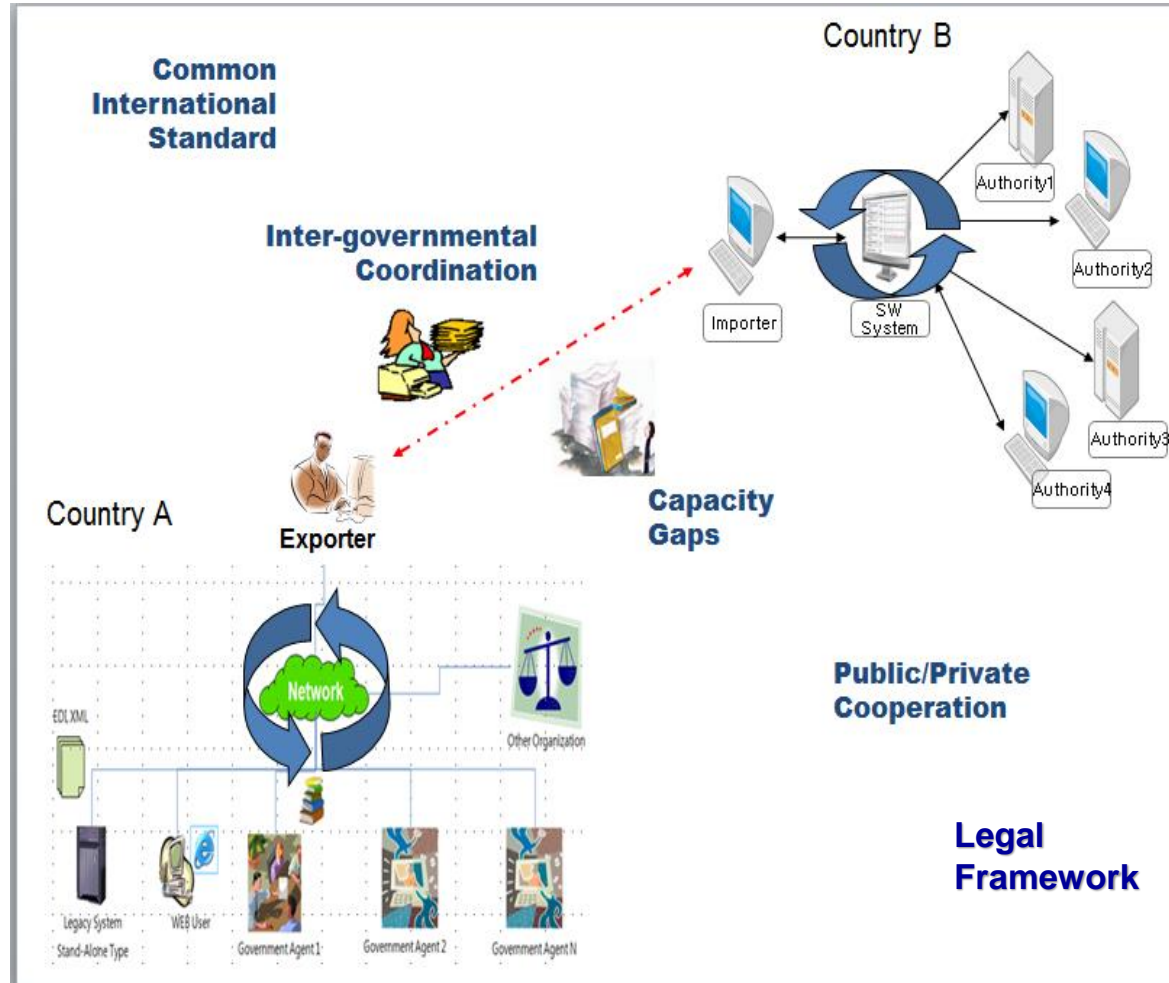
- Trade cost reductions almost double if full implementation of binding + not binding measures (-10%)
- ICT applications in TF (i.e. paperless trade measures) have high trade cost reduction potential (additional 7%)

Table 7: International Trade Cost Changes in Asia and the Pacific Resulting from World Trade Organization Trade Facilitation Agreement Implementation

Asia and Pacific	WTO TFA (binding only)		WTO TFA (binding + non binding)		WTO TFA+ (binding + non binding + other paperless and cross-border paperless trade)	
	Partially implemented	Fully implemented	Partially implemented	Fully implemented	Partially implemented	Fully implemented
Model 1						
Overall TFI	-2.70%	-5.74%	-4.64%	-9.45%	-10.37%	-16.37%
Model 3						
Transparency	-0.81%	-1.74%	-1.29%	-3.27%	-1.29%	-3.27%
Formalities	-1.67%	-2.93%	-2.26%	-4.00%	-2.26%	-4.00%
Institution	-0.41%	-1.35%	-0.41%	-1.35%	-1.37%	-2.44%
Paperless and cross-border paperless	-	-	-1.39%	-2.24%	-6.73%	-9.26%

Challenges to moving forward on cross-border paperless trade

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



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

❑ A new UN Treaty

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

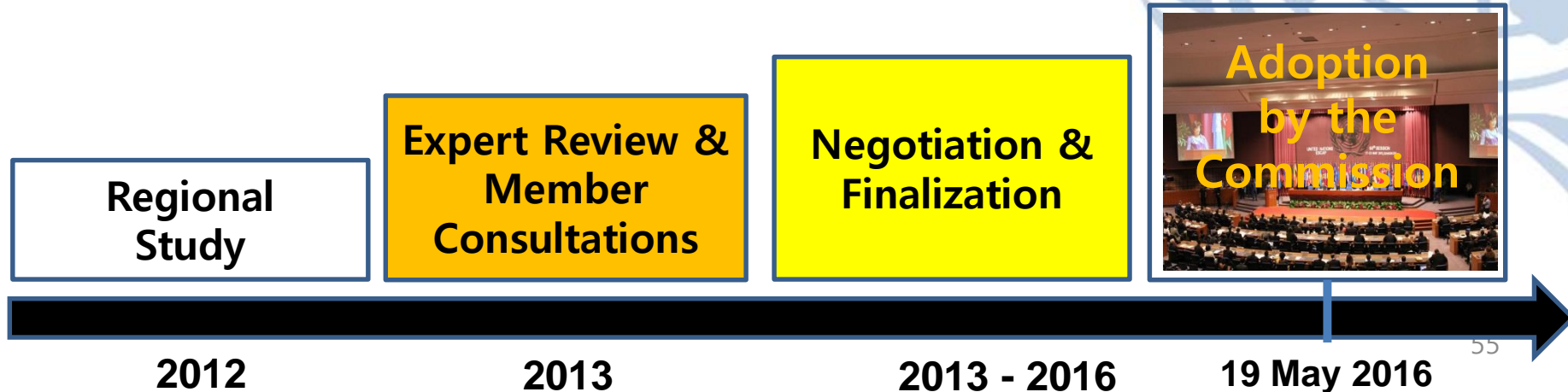
❑ Objective

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

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

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

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



Home

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

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

01.10.2016

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

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

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

PAA Members

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

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

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

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

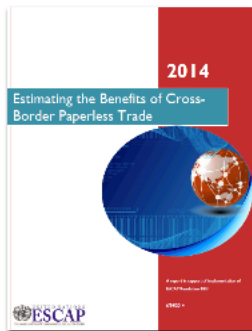
As a pioneer in realizing cross border paperless trade and transactions, the PAA continuously extends its collaboration with

UNITED NATIONS
ESCAP

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

Benefits of Cross-Border Paperless Trade

Estimating the Benefits of Cross-Border Paperless Trade



Date: Tuesday, June 24, 2014

Type: Books

ABSTRACT

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

DOWNLOAD:

Benefits of Cross-Border Paperless Trade

▼ [Download](#)

Annual regional export gains :

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

Export time reduction: 24% to 44%

Export cost reduction: 17% to 31%

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

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

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

Article 1: Objective

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

Article 5:
General
Principles

Article 8:
Cross-border
Mutual
Recognition

Article 11:
Institutional
Arrangements

Article 12:
Action Plan

Article 13:
Pilot Projects
and Sharing
of Lessons
Learned

Article 14:
Capacity
Building

Outline

- ❖ Introduction
- ❖ Regional State of Play
 - Trade costs & Trade Facilitation Performance
- ❖ WTO Trade Facilitation Agreement
 - ❖ Overview
 - ❖ Update
- ❖ Digital and Sustainable Trade Facilitation Implementation in Asia-Pacific
 - ❖ UN Global Survey results
 - ❖ Towards cross-border paperless trade: New UN treaty for Asia and the Pacific
- ❖ Conclusions
- Annex - Support from ESCAP



Concluding remarks

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

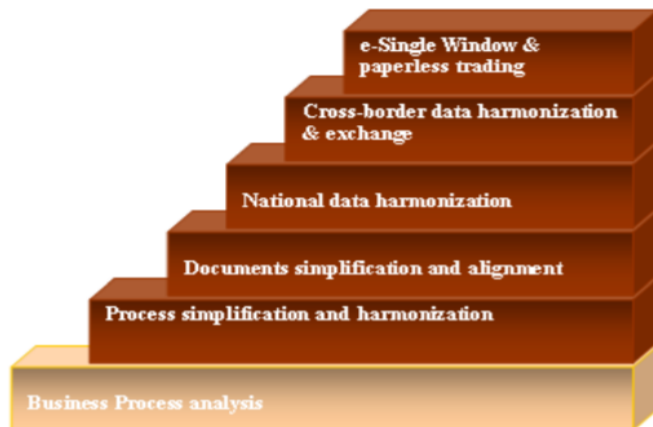


Concluding remarks

- What about implementation of TF measures?
 - Many organizations provide guidance and support
 - Useful compendium at: **tfig.unece.org**



- Starting point: Business Process Analysis
- Key measure: Single Window



UNNExT Guides
unnex.unescap.org



UNITED NATIONS
ESCAP

- ANNEX -

Trade Facilitation Support from ESCAP



United Nations ESCAP



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

Trade Facilitation Programme in ESCAP

Legislative

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

Knowledge

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

Capacity Building

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

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



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

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

www.unnext.unescap.org



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



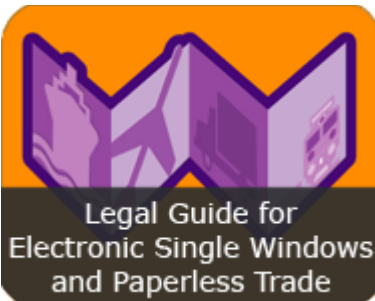
United Nations Network of Experts for
Paperless Trade in Asia and the Pacific



UNNExT Single Window Implementation Toolkit for Trade Facilitation

SINGLE WINDOW IMPLEMENTATION TOOLKIT

FOR TRADE FACILITATION



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

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

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

Home

Trade, Investment & Innovation

BPA TRAINING

Training Overview

Module 1 - BPA Introduction

Module 2 - UML

Module 3 - Project Scope Setting

Module 4 - Project Planning

Module 5 - Data Collection

Module 6 - Process Analysis

Module 7 - From BPA to TTFMM

ADDITIONAL RESOURCES

Course Study Guide

UNNExT BPA Guide for TF

TTFMM Guide

BPA Case Studies

Trade Process Analysis Database

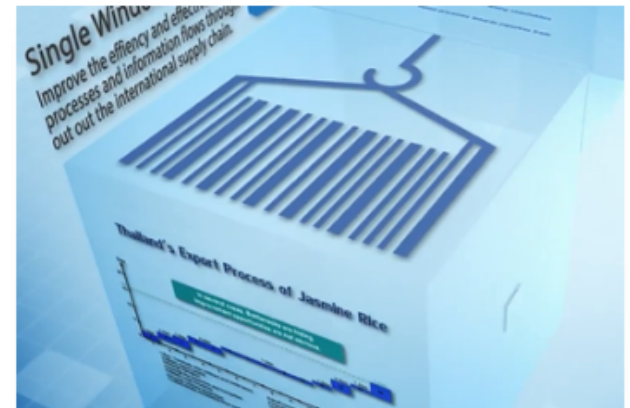
E-Learning Series on Business Process Analysis for Trade Facilitation

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

The course is divided as follows:

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

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



Thank you

www.unescap.org/our-work/trade-investment/trade-facilitation

unnex.unescap.org

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

