



TRADE TRANSFORMING,  
CONNECTING FUTURE



# Enhancing AHKFTA Utilization Through Harmonized and Sustainable Operations in the Digital Era

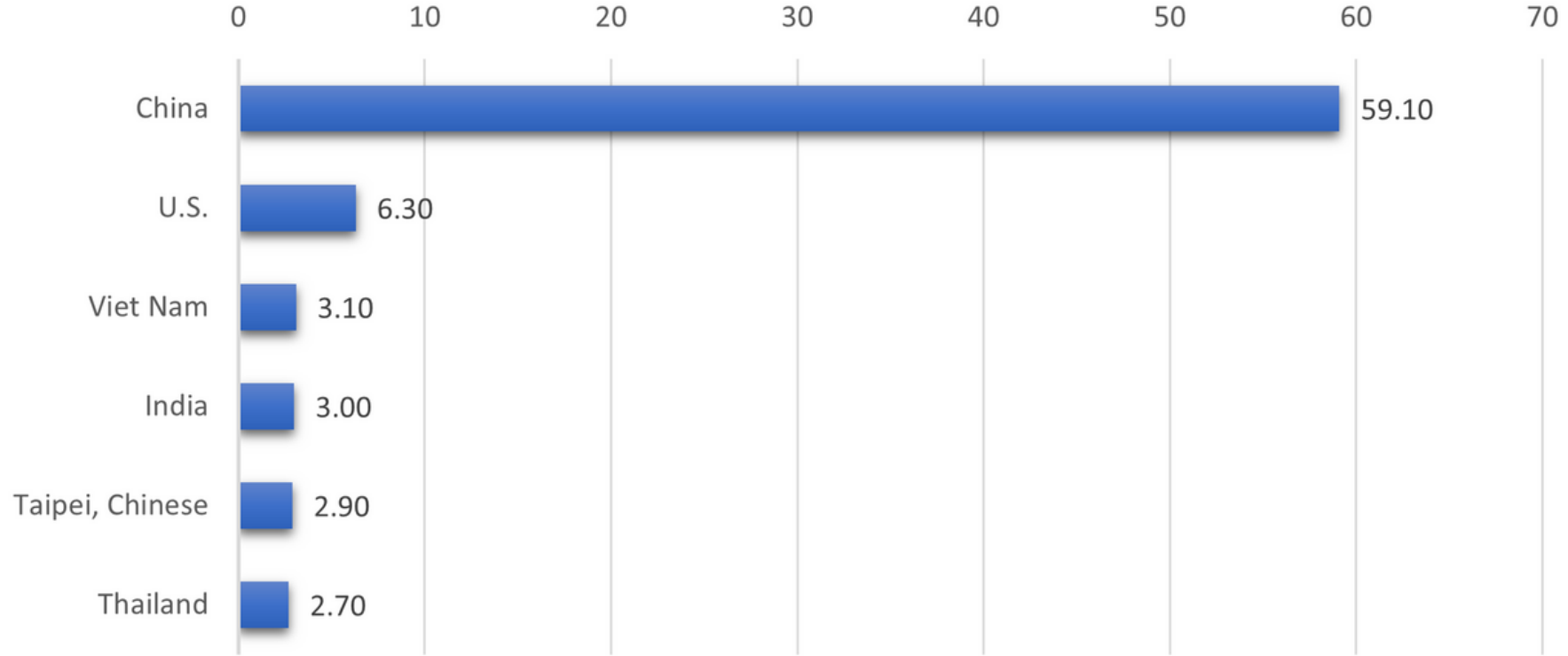
Woraphat Ditpan

Researcher, International Institute for Trade and Development



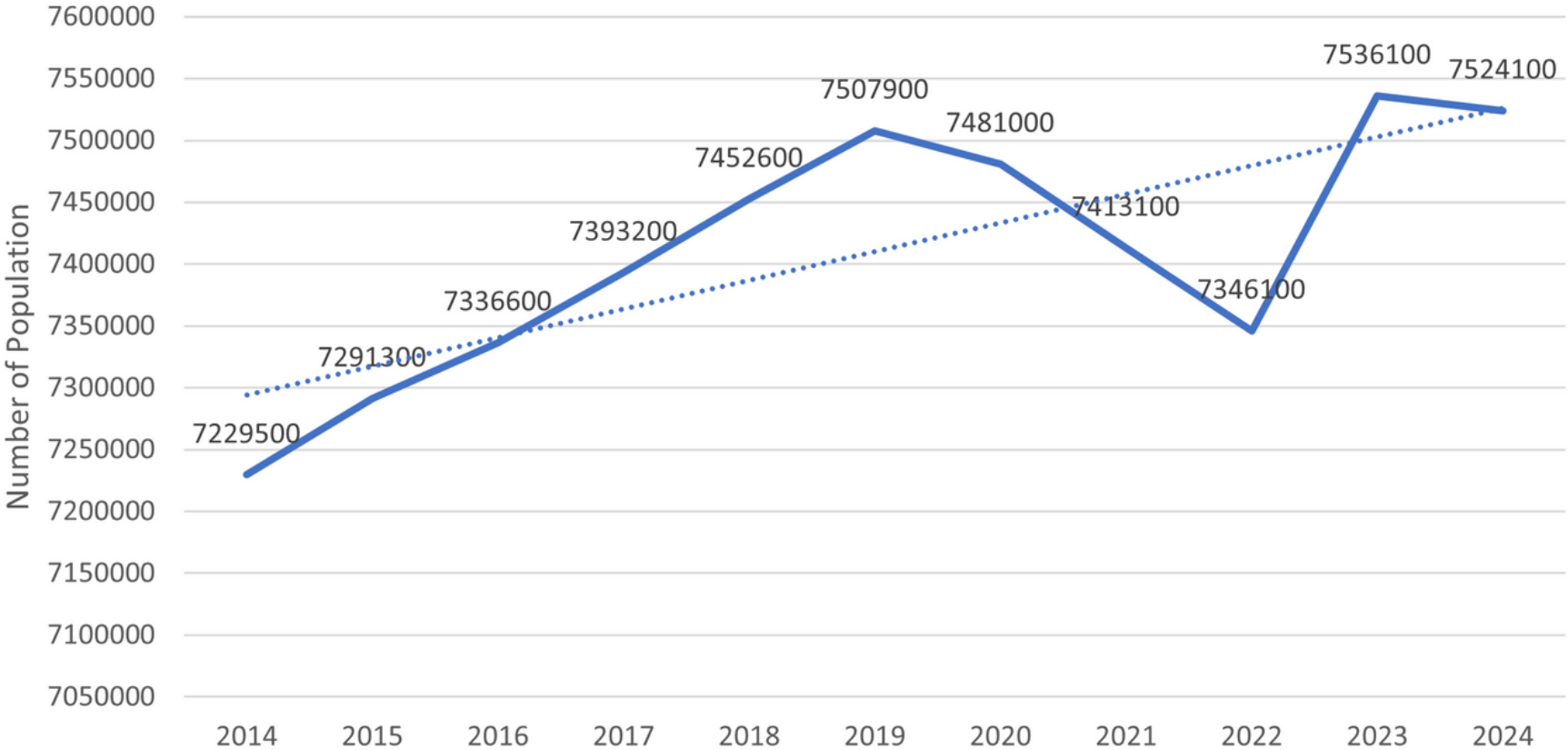
# Hongkong Overview

### List of Importing markets for the product exported by Hongkong 2024



Source: Trademap

### Hong Kong Population Total

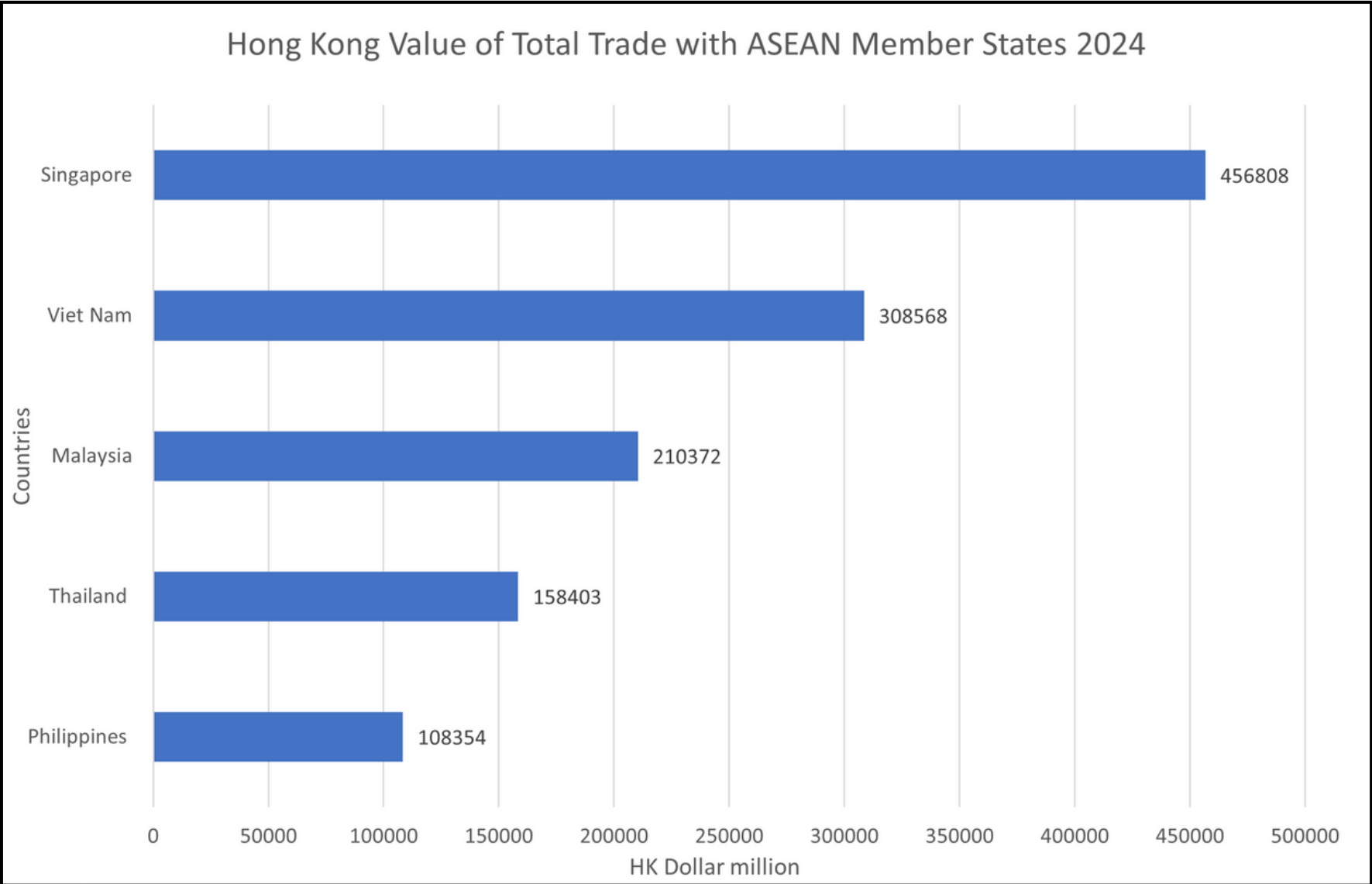


Source: The World Bank

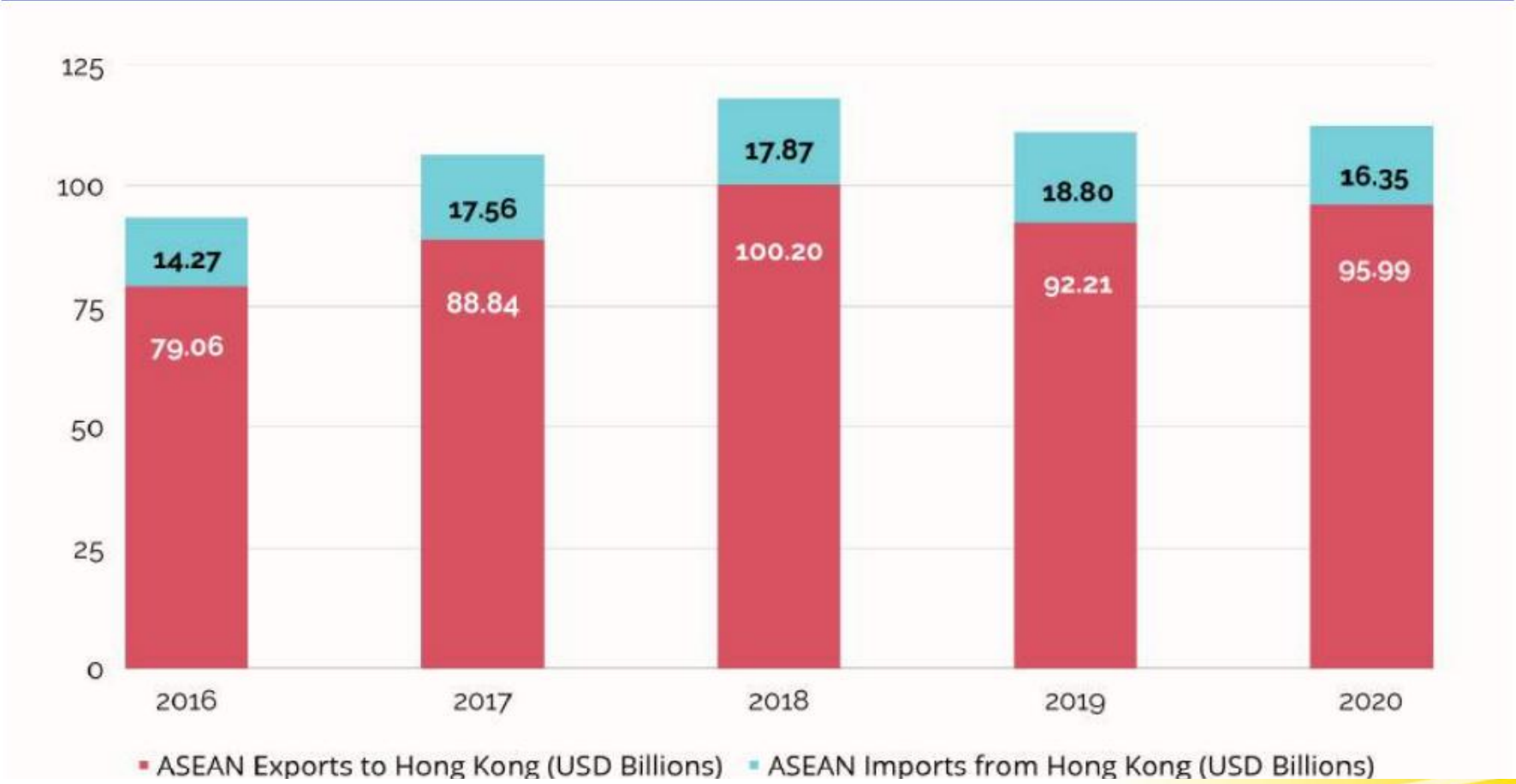




# Hongkong Overview



**Chart 1: ASEAN Trade with HKC (2016-2020)**



Source: ASEAN Trade Statistics Database

Source: Trade and Industry Department, Hong Kong

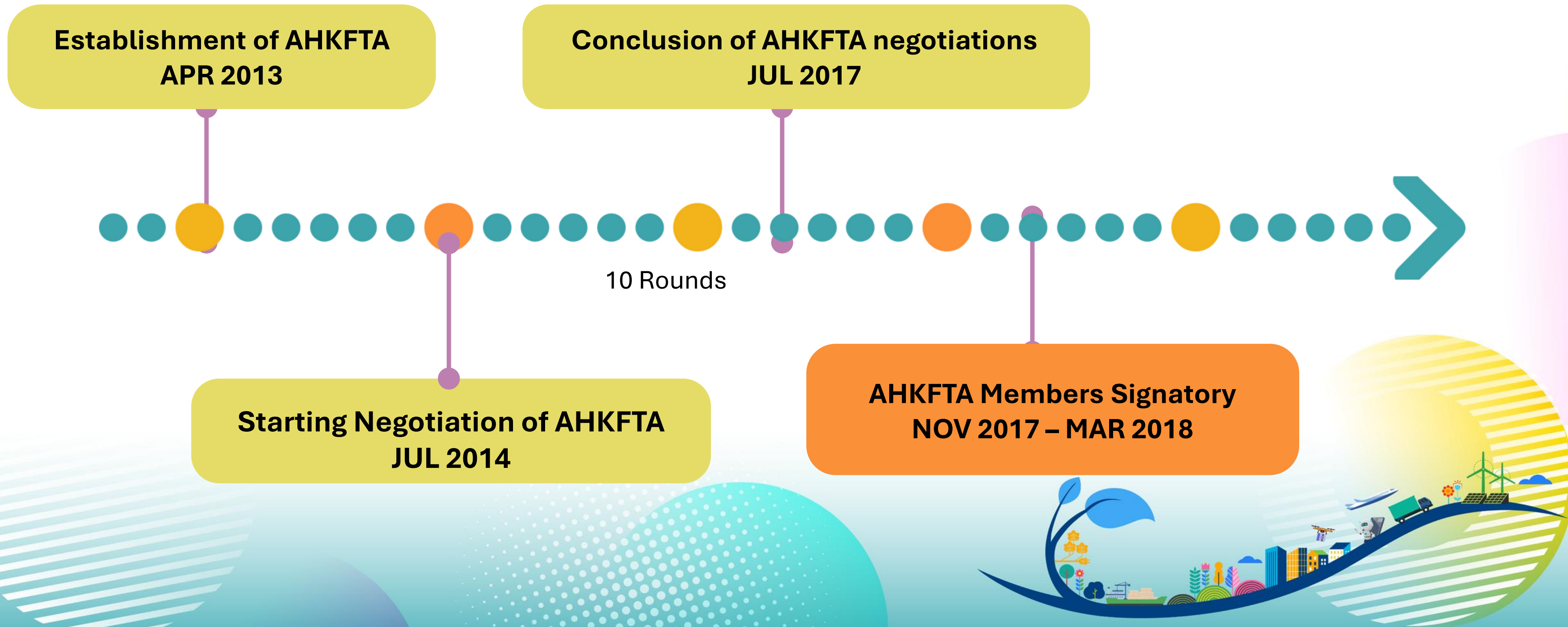


# Hongkong Overview

- **ASEAN was the 6th largest source of external investment in Hong Kong** at end-2023. ASEAN's inward direct investment in Hong Kong amounted to HK 452.8 Billion dollars, which accounts for 2.7 per cent of the total.
- Within the ASEAN, Singapore is Hong Kong's Largest ASEAN trade partner with a value of 456,808 HK Million
- Vietnam: 308,568 HK Million second-largest, reflecting strong and growing trade ties
- Malaysia, with 210,372 HK Million an important partner in ASEAN trade
- Philippines 108,354 HK million smallest among the group, but still contributes to trade diversification.



# ASEAN Hong Kong FTA Trajectory



# AHKFTA Overview and Importance

- **The importance of AHKFTA**

- The ASEAN-Hong Kong, China Free Trade Agreement (AHKFTA) and its Investment Agreement, effective since June 2019, **foster free and open trade and investment**
- Offers **improved market access and certainty by eliminating or reducing tariffs on goods, liberalising services trade, and facilitating customs** procedures and business travel.
- Provides comprehensive investment protection
- **AHKFTA provides avenues for manufacturers and direct exporters in ASEAN and Hong Kong**
- Promotes **increased trade and investment**, expand markets, and facilitates travel between regions.



# AHKFTA Overview and Importance

- **AHKFTA's Role in Expanding Opportunities**

- AHKFTA provides avenues for manufacturers and direct exporters in ASEAN and Hong Kong
- Promotes increased trade and investment, expands markets, and facilitates travel between regions.
- Offers opportunities for both large enterprises and SMEs to access markets for their products and services through trade and investment cooperation
- **Facilitates liberalization and simplification of trade and investment processes**, fostering development in targeted industries within ASEAN countries



# AHKFTA and The Provision in Technology and Trade Facilitation



- **Chapter 4 Article 9 Use of Information Technology System**
  - (1) The Customs Administration of each party, shall apply information technology in customs operations based on internationally accepted standards for expeditious customs clearance and release of goods.
  - (2) Each party shall endeavour to establish and operate its **single window system to enable traders to submit documentation or data requirements for importation, exportation or transit of goods through a single entry point** to its relevant authorities or agencies
- **Chapter 9 Economic and Technical Co-Operation (ECOTEK)**
  - ECOTEK aims to enhance AHKFTA benefits through capacity building and technical assistance.
    - Including Support the effective and efficient implementation and utilisation of the agreement
    - creating new opportunities for trade and investment and promoting competitiveness





# Agreement to Establish and Implement the ASEAN Single Window



## AGREEMENT TO ESTABLISH AND IMPLEMENT THE ASEAN SINGLE WINDOW

The Governments of Brunei Darussalam, the Kingdom of Cambodia, the Republic of Indonesia, the Lao People's Democratic Republic (hereinafter referred to as "Lao PDR"), Malaysia, the Union of Myanmar, the Republic of the Philippines, the Republic of Singapore, the Kingdom of Thailand and the Socialist Republic of Viet Nam, Member Countries of the Association of South East Asian Nations (hereinafter collectively referred to as "ASEAN" or "Member Countries" or individually as "Member Country"):

**RECALLING** the Declaration of ASEAN Concord II (Bali Concord II) of October 7 2003, pursuant to which ASEAN is working towards the realisation of an ASEAN Economic Community by 2020;

**RECALLING** that in moving towards the ASEAN Economic Community, ASEAN shall, *inter alia*, institute new mechanisms and measures to strengthen the implementation of its existing economic initiatives including the ASEAN Free Trade Area (AFTA);

## PART III DEVELOPMENT OF THE ASEAN SINGLE WINDOW

### Article 5 Obligations of Member Countries

1. Member Countries shall develop and implement their National Single Windows in a timely manner for the establishment of the ASEAN Single Window. Brunei Darussalam, Indonesia, Malaysia, Philippines, Thailand and Singapore shall operationalise their National Single Windows by 2008, at the latest. Cambodia, Lao PDR, Myanmar, and Viet Nam shall operationalise their National Single Windows no later than 2012.
2. Member Countries shall ensure that their line ministries and agencies co-operate with, and provide necessary information to their Lead agency in accordance with their national laws in the development and implementation of their National Single Windows.
3. Member Countries shall make use of information and communication technology that are in line with relevant internationally accepted standards in the development and implementation of their National Single Windows.
4. Member Countries shall work in partnership with industries and businesses to support the establishment of their National Single Windows.

# AHKFTA Project Overview

- **The core problems**

- **Inconsistent Procedures:** There are inconsistent and non-aligned document compliance and customs procedures among AHKFTA parties, leading to different actions and potential trade friction
- **Lack of Cooperation Platform:** The AHKFTA agreement outlines customs procedures but does not provide a formal platform for the agencies in charge of pre-departure documents (Like form AHK) to exchange views or observe best practices
- **No Digital Roadmap:** In the long term, the AHKFTA lacks a clear roadmap for digital cooperation and applying technological innovation to facilitate trade



# AHKFTA Project Objectives

- The Overall aim of the project is to
  - **Enhancing AHKFTA Utilization** and generate long-term intra-regional trade and productivity through trade facilitation and digital trade initiatives
  - **To adopt best practices on AHKFTA's document compliance and custom clearance** procedures to facilitate the agreement's utilization
  - For concerned parties to **successfully draft a roadmap** to apply digital innovation and methods to enhance AHKFTA utilization



# AHKFTA Utilization through harmonized and sustainable operations in the digital era

## Workplan

- **Duration:** November 14, 2023 - November 13, 2024
- **Target Participants:**
  - Government officials involved in AHKFTA CoO Implementation
  - Customs officials handling AHKFTA-related exports and imports
  - Officials from CoO issuing authorities
  - Private Sector Participants for Surveys
- **Attendance Method**
  - Online and On-site



# AHKFTA Utilization through harmonized and sustainable operations in the digital era

## Workplan

### First Phase (Mar-June 2024)

(Government Officials and Traders)

#### Task: Survey Questions

- **To see the problems that occur and gather valuable feedback** for improving our services/ products/ processes, ensuring that we meet the needs and expectations of our customers/users.
- **To adjust and to match with/among ASEAN members and ensure that our strategies, policies, and initiatives are aligned with the diverse needs**, preferences, and perspectives with the region.
- **To facilitate smoother import and export processes** by gaining insights into market trends, trade regulations, and consumer preferences through surveys.
- **To improve and update the digital system.** Conduct surveys to gather feedback, identify areas for improvement, and ensure a seamless transition



AHKFTA Utilization through harmonized and sustainable operations in the digital era

# Workplan

## Second Phase (June -July 2024)

**(Government Officials only)**

### Task: Draft Roadmap

- **On-site** Workshop in Hong Kong (4 days)
  - To observe the issuance of Certificates of Origin (**Form AHK**) as well as the customs clearance at the clearance point of Hong Kong SAR in order to comprehend the process at the destination
  - Workshop, presentation of survey findings.
  - Drafting of country reports.



AHKFTA Utilization through harmonized and sustainable operations in the digital era

# Workplan

## Third Phase (August 2024)

**(Government Officials only)**

**Task: Finalized Roadmap**

- **Online Training**

- **To deepen and strengthen AHKFA utilisation in the long-term.** An experts' forum will be organised to discuss and conduct a feasibility study to **further apply innovation and digital technology. Such as ASEAN single-window linkage to maximize AHKFTA** utilization Finalization of roadmap
- Adoption of digital innovation methods



AHKFTA Utilization through harmonized and sustainable operations in the digital era

## Workplan

### **Completion and Reporting (September - November 2024)**

#### **(Government Officials Only)**

#### **Task: Project Completion Report**

- Project completion report submission
- End-of project review meeting
- Expected to successfully adopt a roadmap to be proposed to ASEC for consideration and adoption of AHKFTA parties

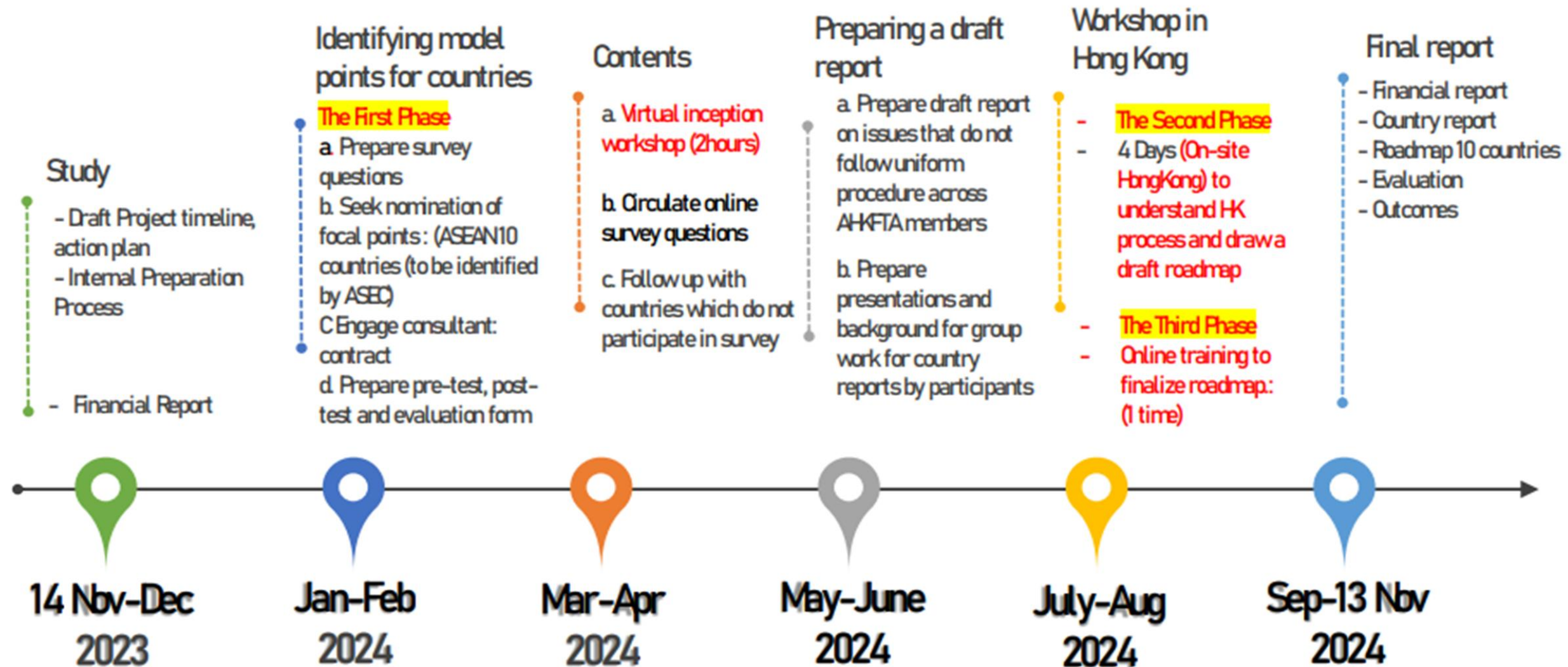


# AHKFTA Utilization through harmonized and sustainable operations in the digital era

## Project Timeline



### ASEAN – Hong Kong, China Free Trade Agreement: AHKFTA Project Timeline : 14 Nov 2023– 13 Nov 2024



AHKFTA Utilization through harmonized and sustainable operations in the digital era

## Project Outcomes



- **Adopt Best Practices on AHKFTA's Documents Compliances and Customs Clearance to Facilitate AHKFTA Utilization**
- **Successfully Draft a Roadmap to apply digital innovation and methods to enhance AHKFTA Utilization**
- **Final Report on Enhancing AHKFTA Utilization through Harmonized and Sustainable Operations in the Digital Era**



# AHKFTA Utilization through harmonized and sustainable operations in the digital era



工業貿易署  
Trade and Industry Department



## Enhancing AHKFTA Utilization through Harmonized and Sustainable Operations in the Digital Era



### EXECUTIVE SUMMARY

The study has been conducted with the aim to enhance AHKFTA utilization as well as generate long-term intra-regional trade and productivity through Trade Facilitation (TF) and Digital Trade initiative. The study highlights what the Parties should do for more efficient AHKFTA Utilization, and it also includes a Draft Roadmap for Enhancing AHKFTA utilization by Shifting to Digital System. During the consultations with the participants, it also came out very clearly that the FTA utilisation (preferential exports to another party) is very minimal. This is on account of fact that except three items, the import duties of Hong Kong, China is zero (duty free on MFN basis) from all countries and hence ASEAN exporters do not require any preferential treatment to export to Hong Kong, China. On the other hand, Hong Kong, China utilises some of the exports under FTA, as most of items are just traded through third countries and thus, they do not qualify for rules of origin. Yet, the participants felt that shifting to digital exchange of data for use of FTA could be a good learning experience for all parties. These experiences will be useful to build necessary provisions in other FTAs of ASEAN and Hong Kong, China.

The study finds that AHKFTA imports follow different documentary requirements for issuance of CoO as well as imports which is allowed under the agreement. This also leads to different processing times for exports and imports in different parties. It was also found that individually both, the ASEAN members as well as Hong Kong, China are processing online application by exporters for pre-verification and issuance of e-CoO, however, this is not used under the AHKFTA. This is because AHKFTA does not allow issuance of e-CoO, even though it allows exporters to file CoO applications electronically.

ASEAN members are using e-Coo successfully for their ATIGA, using National Single Window Systems; they still lack a robust online system to process cases electronically for all other FTAs. The AHKFTA also does not specify issuance and transmission of SPS and TBT certification electronically. In the consultations it was also found that the traders are not well equipped to submit documents electronically as they are not well aware of rules and procedures – which leads to delays in processing their cases.

#### Highlights of Survey Response of Issuing Authorities

- The survey was participated in by all 11 countries/parties. The officers who participated in survey had varied years of experience in issuing Certificate of Origin (CoO), with Thailand representative having the least experience of three (3) months and the longest is Myanmar representative having 20 years of experience.

All participating countries/parties stated that they follow pre-export verification. The time

# AHKFTA Final Report

## Report Findings



- **Utilization of AHKFTA**

- The Utilization of AHKFTA remains very limited
- Survey also shows many trader **lack awareness** on FTA benefits, rules and regulations.

- **Issuing Authorities (CoO)**

- **e-CoO system exist at national level but are not connected under AHKFTA**
- Concerns: IT system gaps, insufficient skilled staff, data security risks

- **Customs Procedures**

- **Clearance times** vary significantly
- **Acceptance of e-CoO also inconsistent**



# AHKFTA Final Report

## Report Findings

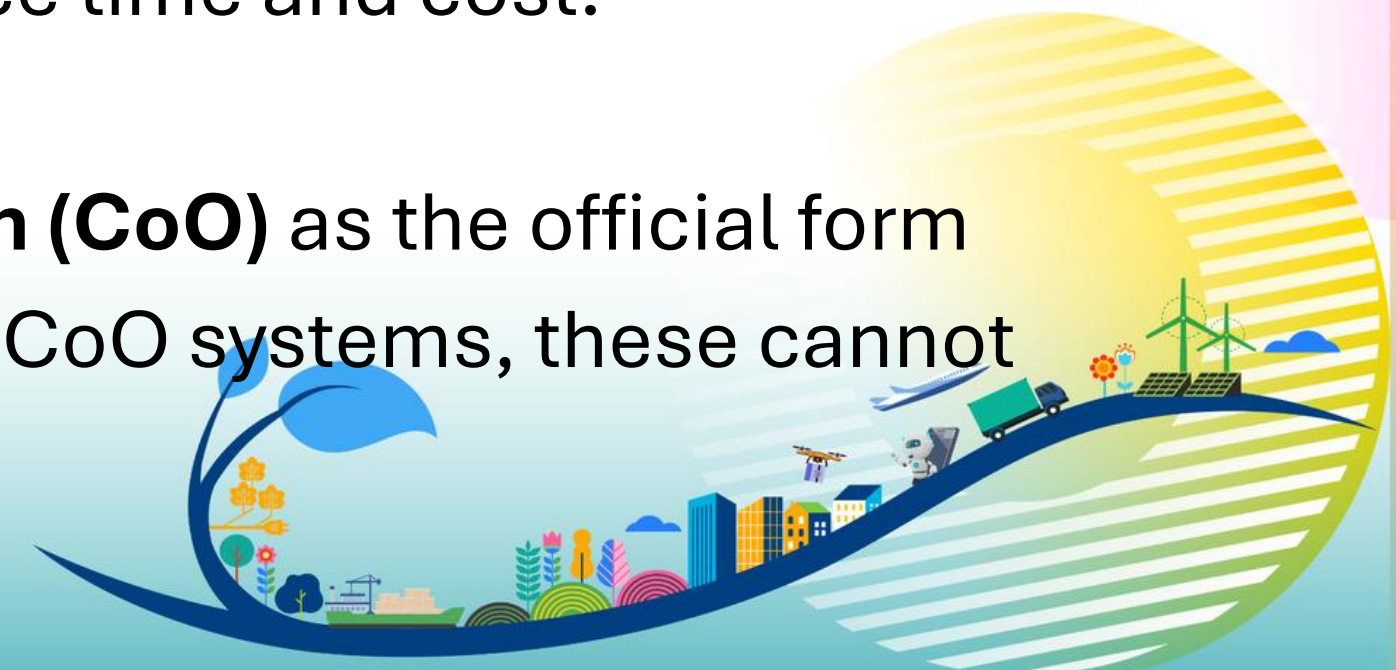


- **Traders**

- **Different Filing Systems across countries**
- **Time for issuance varies**, e-CoO normally 1-3 working days, but paper CoO often takes more than 7 days in some cases.
- **Paper documents can be lost or delayed**, causing clearance issues.
- SMEs have **low awareness of Rules of Origin (RoO)**
- **Traders support digital solutions** because they reduce time and cost.

- **Policy/ System Level**

- **AHKFTA** Currently refers to **Paper Certificats of Origin (CoO)** as the official form
- Although AMS and Hong Kong already have national e-CoO systems, these cannot be used under AHKFTA
- Lack of harmonization across B2B, B2G, and G2G
- Gaps in **IT readiness and Legal Framework**



# AHKFTA Final Report

## Report Findings



- **Capacity Building**

- Both Officials and Traders show **Limited Capacity in RoO and Digital Trade Processes.**
- IT Infrastructure and Cybersecurity Gaps remain in several AMS.
- Traders, especially SME, lack awareness and skills on AHKFTA utilisation and benefits etc.
- Without proper training and awareness, both officials and businesses **distrust e-CoO system**, fearing fraud, errors, or rejection at customs

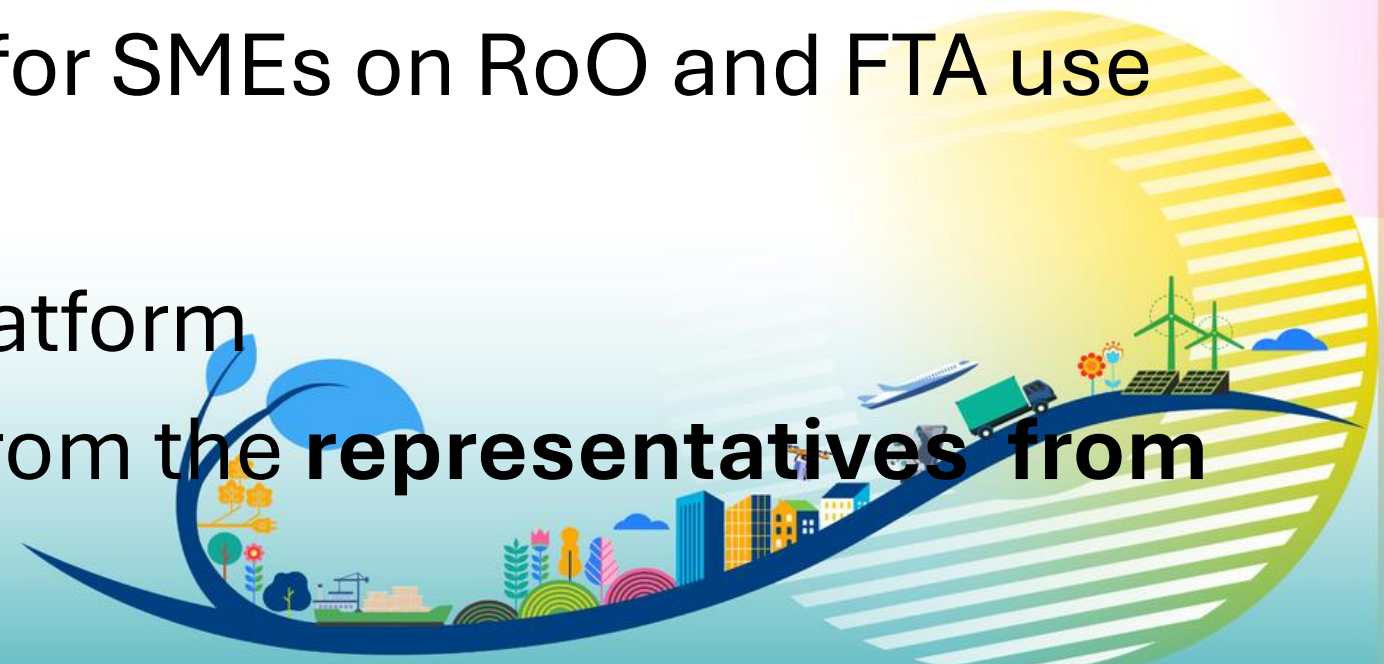


# AHKFTA Final Report

## Recommendations



- Amend AHKFTA provision to allow e-CoO
- Raise Awareness of FTA benefits and RoO among traders
- Connect National e-CoO systems under AHKFTA
- Strengthen IT capacity and data security
- Harmonize clearance procedures across AMS
- Ensure consistent acceptance of e-CoO
- Develop e-CoO verification system, Training program for SMEs on RoO and FTA use
- Update AHKFTA text to recognise digital CoO
- Utilise **ASEAN Single Window (ASW)** as exchange platform
- Initial ideas and discussions for the roadmap came from the **representatives from all 11 countries/parties**



# AHKFTA Final Report

## The way forward from the project



### Academic Paper on Digital Trade Facilitation under AHKFTA: Barriers, Opportunities, and the path toward digital integration

Digital Trade Facilitation under AHKFTA: Barriers, Opportunities, and the Path Toward Digital Integration

Woraphat Ditpan  
Researcher  
International Institute for Trade and Development

**Keywords:** Digital Trade, Digitalization, AHKFTA, ASEAN, Trade Facilitation, Single Window, Cross-Border Paperless Trade

#### Introduction

ASEAN was formed by the countries of Southeast Asia with the aim of enhancing economic cooperation and strengthening regional collaboration within the region. As a result of its establishment, the ASEAN Declaration outlined approximately seven objectives, with a particular focus on promoting economic growth, social progress, and cultural development through accelerated joint efforts, as well as maintaining close and beneficial cooperation with existing international and regional organizations. (ASEAN, 2025)

Given its objectives in promoting economic growth and fostering regional and international cooperation, ASEAN has established Free Trade Agreements (FTAs) with several countries. According to the ASEAN database, there are currently seven FTAs in place: ASEAN-Australia-New Zealand, ASEAN-China, ASEAN-India, ASEAN-Japan, ASEAN-Korea, ASEAN-Hong Kong, and the Regional Comprehensive Economic Partnership (RCEP). (Department of Trade Negotiation [DTN], 2025; and Association of Southeast Asian Nations [ASEAN], 2025)

The ASEAN-Hong Kong Free Trade Agreement (AHKFTA) is particularly noteworthy, as Hong Kong was ASEAN's sixth-largest trading partner in 2019 with a trade value of USD 111

### BankokBiznews: Exploring Positive Opportunities from Digitalization: Pathway to reducing trade costs in ASEAN Published 27th August 2025

Exploring Positive Opportunities from Digitalization: Pathways to Reducing Trade Costs in ASEAN

สำรวจโอกาสเชิงบวกจากดิจิทัล: เส้นทางลดต้นทุนการค้าอาเซียน



วรภัทร ดิษฐ์บ้าน  
นักวิจัย  
สถาบันระหว่างประเทศเพื่อการค้าและการพัฒนา (ITD)  
www.itd.or.th

ต้นทุนทางการค้า (Trade Cost) เป็นปัจจัยสำคัญต่อภาคธุรกิจและความสามารถในการแข่งขันของประเทศ การลดต้นทุนทางการค้าถือเป็นสิ่งจำเป็นอย่างยิ่ง องค์การการค้าโลก (WTO) ชี้ว่าต้นทุน



# Thank you

Email: [woraphat@itd.or.th](mailto:woraphat@itd.or.th)

Tel: +66948911969

[www.itd.or.th](http://www.itd.or.th)

