

An aerial night photograph of a busy port. A large cargo ship is docked at a pier, with its deck illuminated. The ship is surrounded by numerous yellow gantry cranes. In the foreground, there are large stacks of colorful shipping containers (red, blue, green, yellow) arranged in neat rows. The water is dark, and the overall scene is lit by the port's lights, creating a vibrant and industrial atmosphere.

Digital and Sustainable Trade Facilitation in Asia and the Pacific **2019**

Based on the United Nations Global Survey
on Digital and Sustainable Trade Facilitation

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



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Digital and Sustainable Trade Facilitation in Asia and the Pacific 2019

Based on the United Nations Global Survey on Digital
and Sustainable Trade Facilitation



FOREWORD

The UN Global Survey on Digital and Sustainable Trade Facilitation is jointly conducted by five United Nations Regional Commissions (UNRCs) for Africa (ECA), Europe (ECE), Asia and the Pacific (ESCAP), Latin America and the Caribbean (ECLAC) and West Asia (ESCWA). Led by ESCAP, it aims to gather information from countries worldwide on implementation of digital and sustainable trade facilitation measures. The results of the survey will enable countries and development partners to better understand and monitor progress on trade facilitation, support evidence-based public policies, share best practices and identify capacity building and technical assistance needs.

The first and second global surveys were conducted in 2015 and 2017 as part of the Joint UNRCs Approach to Trade Facilitation agreed in 2010 by the Executive Secretaries of all five UNRCs. The joint approach was designed to enable the Regional Commissions to present a joint and global view on trade facilitation issues in the context of the negotiations of the Doha Round at the World Trade Organization (WTO). This initiative has benefitted from the input of many partners such as the Organization for Economic Co-operation and Development (OECD), the United Nations Conference on Trade and Development (UNCTAD), the International Trade Centre (ITC), Asian Development Bank (ADB), Oceania Customs Organization (OCO) Secretariat, Association of Southeast Asian Nations (ASEAN) and Eurasian Economic Commission (EEC).

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

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

The regional report should be read together with the global report, subregional and country notes. The underlying dataset, available upon request, can be used by researchers and analysts for any further analysis. More information is available at <https://untfsurvey.org/>



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

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

Comments and suggestions received from participants at the UNRCs side event to the seventh Global Review on Aid for Trade (Geneva, July 2019), where the preliminary findings from the global survey were presented, are gratefully acknowledged. Authors are also grateful to Alexander Malaket, Doina Buruiana and Olivier Paul from the International Chamber of Commerce (ICC) Banking Commission for their inputs and suggestions on the trade finance component of the 2019 Survey. The research assistance provided by Danijel Bajt and Vasan Narang, TIID, ESCAP in finalizing the report is appreciated. Tony Oliver edited the report.

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EXECUTIVE SUMMARY

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

In this context, this report presents results of the United Nations Global Survey on Digital and Sustainable Trade Facilitation for 46 countries of the Asia-Pacific region. The survey was conducted during the first half of 2019 and covered 53 trade facilitation measures categorized under four groups: General trade facilitation, Digital trade facilitation, Sustainable trade facilitation and Trade finance. As such, the scope of the survey is “TFA+”, i.e., it includes measures specified in the WTO TFA as well as complementary digital, sustainable and other measures not specifically included in that agreement.

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

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

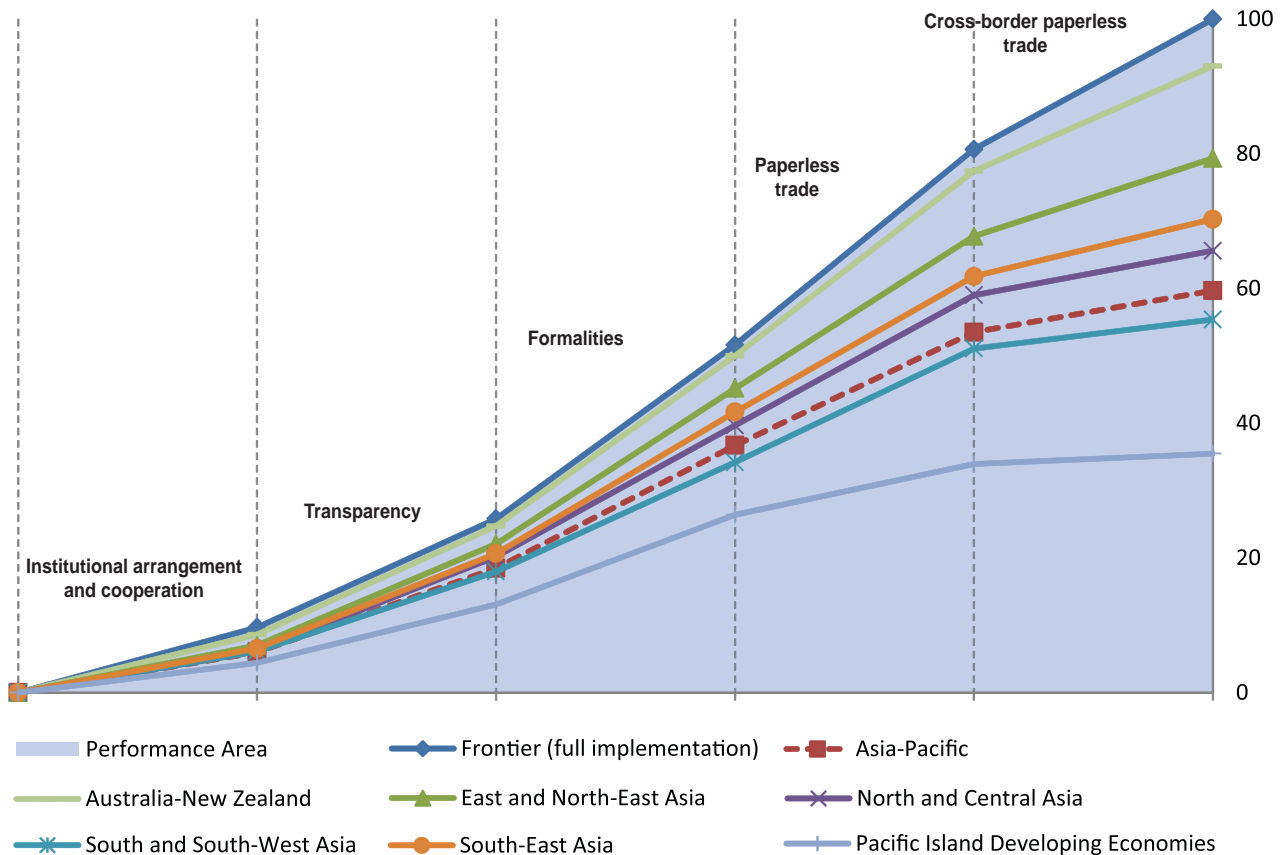
Trade facilitation implementation levels also vary across groups of measures. The region’s implementation of WTO TFA-related measures is relatively high, at 60-80%. Implementation of national paperless trade measures is also relatively high, as many countries are endeavouring, to develop e-payment systems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

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

¹ For example, the Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific was signed or acceded to by seven countries, i.e., Armenia, Bangladesh, Cambodia, China, the Islamic Republic of Iran, Azerbaijan and the Philippines. About 20 other States are at various stages of the treaty accession process and participate annually in the interim Intergovernmental Steering Group on Cross-Border Paperless Trade Facilitation, a body that spearheaded the negotiation of the treaty and is now supporting its implementation.

The report also includes an analysis of the impact on trade cost from increasing implementation of trade facilitation and paperless trade measures in Asia and the Pacific. Full implementation of binding measures in the WTO TFA results in a decrease of trade costs of 5.8%, while full implementation of all WTO TFA measures results in a 9.4% reduction. In contrast, digital implementation of the TFA, together with enabling the seamless electronic exchange of trade data and documents across borders, results in much larger trade costs reductions that average nearly 17% for the Asia-Pacific region as a whole. Acceding to the Framework Agreement, an enabling United Nations treaty open to all 53 ESCAP member States, regardless of their current level of development, may help participating countries to accelerate progress in this area once it enters into force.

Moving up the trade facilitation ladder towards seamless international supply chains



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

Note: The figure shows cumulative trade facilitation implementation scores of Asia-Pacific subregions for 31 common trade facilitation measures included in the survey. Full implementation of all measures = 100.

This Asia-Pacific report may best be read in conjunction with the Global report on the results of the UN Global Survey on Digital and Sustainable Trade Facilitation 2019, available at <https://untfsurvey.org/>²

² See also the ADB-ESCAP Asia-Pacific Trade Facilitation Report 2019: Bridging Trade Finance Gaps through Technology. Available at <https://www.adb.org/publications/asia-pacific-trade-facilitation-report-2019>

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Abbreviations

ADB	Asian Development Bank
AEO	Authorized economic operator
ASEAN	Association of Southeast Asian Nations
ECA	United Nations Economic Commission for Africa
ECE	United Nations Economic Commission for Europe
ECLAC	United Nations Economic Commission for Latin America and the Caribbean
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
ESCWA	United Nations Economic and Social Commission for Western Asia
EU	European Union
GATT	General Agreement on Tariffs and Trade
ICC	International Chamber of Commerce
ICT	Information and communications technology
ITC	International Trade Centre
LDC	Least developed country
LLDC	Landlocked developing country
NTFC	National trade facilitation committee
OCO	Oceania Customs Organization
OECD	Organization for Economic Co-operation and Development
SAARC	South Asian Association for Regional Cooperation
SIDS	Small island developing states
SPS	Sanitary and phytosanitary
TFA	Trade Facilitation Agreement
TIID	Trade, Investment and Innovation Division
UN/CEFACT	United Nations Centre for Trade Facilitation and Electronic Business
UNCTAD	United Nations Conference on Trade and Development
UNNExT	United Nations Network of Experts for Paperless Trade and Transport for Asia and the Pacific
UNRC	United Nations Regional Commission
VPoA	Vienna Programme of Action
USA	United States of America
WTO	World Trade Organization





1

Introduction

1.1 Background and Objective of the Global Survey on Digital and Sustainable Trade Facilitation 2019

Reducing trade costs is essential to enabling economies to effectively participate in regional and global value chains and for them to continue using trade as an important engine of growth and sustainable development. According to the latest data from the ESCAP-World Bank International Trade Cost Database, the overall cost of trading goods among the three largest European Union (EU) economies is equivalent to a 42.1% average tariff on the value of goods traded (table 1).³ China, Japan and the Republic of Korea (East Asia-3) and Australia-New Zealand come closest to matching the low intra-EU trade costs, with average trade costs among them amounting to a 55% and 55.5% tariff-equivalent, respectively, followed by the middle-income members of the Association of Southeast Asian Nations (ASEAN), whose intraregional trade costs stand at 76.1% tariff-equivalent.

Other groups of Asia-Pacific economies face much higher costs when trading with each other, particularly in Central Asia, South Asia and the South Pacific. The scope for further reducing trade costs among the Asia-Pacific

³ Trade costs shown here are comprehensive and all-encompassing. See Arvis and others, 2016, for methodological details, available at <https://doi.org/10.1017/S147474561500052X>

economies is best understood when looking at interregional trade costs. For example, the trade costs between Southeast (ASEAN-4) and South (SAARC-4) Asian economies (over 130%), two neighbouring Asian subregions, are much higher than those between ASEAN and the EU (104.5%) or between SAARC and the United States of America (114.7%).

Recent studies suggest that many of the trade cost reductions achieved over the past decade have been through eliminating or lowering tariffs.⁴ Further trade cost reduction, therefore, will have to come from tackling non-tariff sources of trade costs, such as inefficient transport and logistics infrastructure and services, as well as cumbersome regulatory

procedures and documentation. Indeed, trade facilitation, including paperless trade, has taken on increasing importance as evidenced by the entry into force of the World Trade Organization (WTO) Trade Facilitation Agreement (TFA) in February 2017. In Asia and the Pacific, the *Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific* ("Framework Agreement"), a United Nations treaty, was adopted by the ESCAP member States on 19 May 2016. Since then, seven countries have signed or acceded to the Framework Agreement and about 20 States have been working together on an implementation roadmap as part of an interim Intergovernmental Steering Group on Cross-Border Paperless Trade Facilitation.

Table 1: Intra- and extraregional 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-NZ	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-NZ	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%)

Source: ESCAP-World Bank Trade Cost Database (July 2019 update). Available at <https://databank.banquemondiale.org/data/source/escap-world-bank-international-trade-costs> and <https://artnet.unescap.org/databases>.

Note: Trade costs may be interpreted as tariff equivalents and are calculated based on the four most recent years for which data are available (i.e., 2014-2017). Numbers in parenthesis are changes in trade costs between 2011-2014 and 2014-2017. ASEAN-4: Indonesia, Malaysia, the Philippines and Thailand; East Asia-3: China, Japan and the Republic of Korea; North and Central Asia-4: Georgia, Kazakhstan, Kyrgyzstan and Russian Federation; Pacific Island Developing Economies: Fiji and Papua New Guinea; SAARC-4: Bangladesh, India, Pakistan and Sri Lanka; AUS-NZ: Australia and New Zealand; EU-3: Germany, France and the United Kingdom of Great Britain and Northern Ireland; USA: the United States of America.

⁴ For example, see ESCAP, 2011, *Asia-Pacific Trade and Investment Report 2011*, United Nations.

Since 2012, the ESCAP Secretariat has been systematically collecting and analysing information on the implementation of trade facilitation measures in the region. The purpose has been to provide a sound basis for capacity building and technical assistance programmes as well as enable the countries to design and prioritize their own trade facilitation implementation plans and strategies. The first and second regional surveys on trade facilitation and paperless trade implementation were conducted in 2012 and 2013, in conjunction with the Asia-Pacific Trade Facilitation Forums, organized by ESCAP and the Asian Development Bank (ADB). Under the Joint United Nations Regional Commissions (UNRCs) Approach to Trade Facilitation and following extensive discussions at the Global Trade Facilitation Forum 2013,⁵ it was decided that the regional surveys should be conducted at the global level jointly by all UNRCs. Accordingly, the first two global surveys were conducted in 2015 and 2017, respectively. This report features the results of the third global survey, renamed as the United Nations Global Survey on Digital and Sustainable Trade Facilitation, to better reflect its content, conducted in 2019 for Asia and the Pacific. It covers 46 developed and developing economies from six different subregions.

1.2 Survey Instrument and Methodology 2019: WTO TFA+

The 2019 survey instrument builds upon the original instrument (formerly known as the Global Survey on Trade Facilitation and Paperless Trade Implementation), which was prepared in accordance with the final list of commitments included in the WTO TFA, supplemented by forward looking measures thought to be implemented under the United Nations treaty on paperless trade facilitation, then still under negotiation and adopted in 2016 as the Framework Agreement.⁶

The 2019 survey includes 53 trade facilitation measures, which are categorized into four groups and 9 subgroups (table 2). The first group of General trade facilitation measures includes many of the WTO TFA measures under four subgroups: Transparency, Formalities, Institutional arrangement and cooperation and Transit facilitation. The second group of Digital trade facilitation measures includes two subgroups: Paperless trade, and Cross-border paperless trade. The third group of Sustainable trade facilitation measures includes three subgroups: Trade facilitation for SMEs, Agricultural trade facilitation and Women in trade facilitation. In 2019, a new fourth group of Trade finance facilitation – developed in cooperation with the International Chamber of Commerce (ICC) Banking Commission – was also pilot-tested.

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

ESCAP adopted a three-step approach to develop the dataset (table 3). Data was collected between January and May 2019.

Based on the data collected, each of the trade facilitation measures included in the survey was rated as “fully implemented”, “partially implemented”, “on a pilot basis” or “not implemented”. Definitions for each stage are provided in table 4. A score (weight) of 3, 2, 1 and 0 was assigned to each of the four implementation stages to calculate implementation scores for individual measures across countries, regions or categories. Country groupings used in the analysis are shown in figure 1.

⁵ The Global Trade Facilitation Forum was organized jointly by the five United Nations Regional Commissions (UNRCs) in Bangkok in November 2013.

⁶ Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific, available at <https://www.unescap.org/resources/framework-agreement-facilitation-cross-border-paperless-trade-asia-and-pacific>

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

Grouping		Question	Trade facilitation measure in the questionnaire	TFA Articles
General TF measures	Transparency (5 measures)	2	Publication of existing import-export regulations on the Internet	1.2
		3	Stakeholder consultation on new draft regulations (prior to their finalization)	2.2
		4	Advance publication/notification of new regulations before their implementation (e.g., 30 days prior)	2.1
		5	Advance ruling (on tariff classification)	3
		9	Independent appeal mechanism (for traders to appeal customs rulings and the rulings of other relevant trade control agencies)	4
	Formalities (8 measures)	6	Risk management (as a basis for deciding whether a shipment will be physically inspected or not)	7.4
		7	Pre-arrival processing	7.1
		8	Post-clearance audit	7.5
		10	Separation of release from final determination of customs duties, taxes, fees and charges	7.3
		11	Establishment and publication of average release times	7.6
		12	Trade facilitation measures for authorized operators	7.7
		13	Expedited shipments	7.8
		14	Acceptance of paper or electronic copies of supporting documents required for import, export or transit formalities	10.2.1
	Institutional arrangement and cooperation (5 measures)	1	Establishment of a national trade facilitation committee or similar body	23
		31	Cooperation between agencies on the ground at the national level	8
		32	Government agencies delegating controls to customs authorities	
		33	Alignment of working days and hours with neighbouring countries at border crossings	8.2(a)
		34	Alignment of formalities and procedures with neighbouring countries at border crossings	8.2(b)
	Transit facilitation (4 measures)	35	Transit facilitation agreement(s) with neighbouring country(ies)	
		36	Customs authorities limit the physical inspection of transit goods and use risk assessment	10.5
		37	Supporting pre-arrival processing for transit facilitation	11.9
		38	Cooperation between agencies of countries involved in transit	11.16
	Digital TF measures	Paperless trade (10 measures)	15	Electronic/automated Customs System established (e.g. ASYCUDA)
16			Internet connection available to customs and other trade control agencies at border-crossings	
17			Electronic Single Window System	10.4
18			Electronic submission of Customs Declarations	
19			Electronic application and issuance of Import and Export Permit	
20			Electronic submission of Sea Cargo Manifests	
21			Electronic submission of Air Cargo Manifests	
22			Electronic application and issuance of Preferential Certificate of Origin	
23	E-payment of customs duties and fees	7.2		

Table 2: (continued)

Grouping		Question	Trade facilitation measure in the questionnaire	TFA Articles	
Digital TF measures	Cross-border paperless trade (6 measures)	24	Electronic application for customs refunds		
		25	Laws and regulations for electronic transactions are in place (e.g., e-commerce law, e-transaction law)		
		26	Recognized certification authority issuing digital certificates to traders to conduct electronic transactions		
		27	Customs Declaration electronically exchanged between your country and other countries		
		28	Certificate of Origin electronically exchanged between your country and other countries		
		29	Sanitary and Phytosanitary (SPS) Certificate electronically exchanged between your country and other countries		
		30	Banks and insurers in your country retrieving letters of credit electronically without lodging paper-based documents		
Sustainable TF measures	Trade facilitation for SMEs (5 measures)	39	Trade-related information measures for SMEs		
		40	Government has developed specific measures that enable SMEs to more easily benefit from the AEO scheme		
		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	Government has taken actions to ensure that SMEs are well-represented and made key members of National Trade Facilitation Committees (NTFCs)		
		43	Other special measures for SMEs		
	Agricultural trade facilitation (4 measures)	44	Testing and laboratory facilities are equipped for compliance with SPS standards in main trading partners		
		45	National standards and accreditation bodies are established for the purpose of compliance with SPS standards		
		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)	48	The existing trade facilitation policy/strategy incorporates special consideration of women involved in trade		
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			

Source: The Third UNRC Survey on Trade Facilitation and Paperless Trade and United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2019, available at untfsurvey.org

Table 3: A three-step approach for data collection and validation

Data submission by experts	The survey instrument was sent by the ESCAP Secretariat to trade facilitation experts (in Governments, the private sector and academia) in Asia-Pacific region countries to gather preliminary information. The questionnaire was also made publicly available online and disseminated with the support of the Asia-Pacific Economic Cooperation (APEC) Policy Support Unit, the United Nations Conference on Trade and Development (UNCTAD) Secretariat, and the United Nations Network of Experts for Paperless Trade and Transport for Asia and the Pacific (UNNExT). In some cases, the questionnaire was also sent to relevant national trade facilitation authorities or agencies and regional trade facilitation partners or organizations, such as Oceania Customs Organization (OCO) and ASEAN. This first step took place essentially between January and April 2019.
Data verification by the UNRC Secretariats	The ESCAP Secretariat cross-checked the data collected in Step 1. Desk research and data sharing among UNRCs and survey partners were carried out to further check the accuracy of data. Face-to-face or telephone interviews with key informants were arranged to gather additional information when needed. The outcome of Step 2 was a consistent set of responses per country. Step 2 took place between January and April 2019.
Data validation by national Governments	The ESCAP Secretariat sent the completed questionnaire to each national Government to ensure that the country had the opportunity to review the dataset and provide any additional information. The feedback from national Governments were incorporated in order to finalize the dataset. Step 3 took place between April and May 2019. In the case of ASEAN members, the preliminary data were also made available for review through the ASEAN Trade Facilitation Joint Consultative Committee (ATF-JCC).

Table 4: Definition of each stage of implementation

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





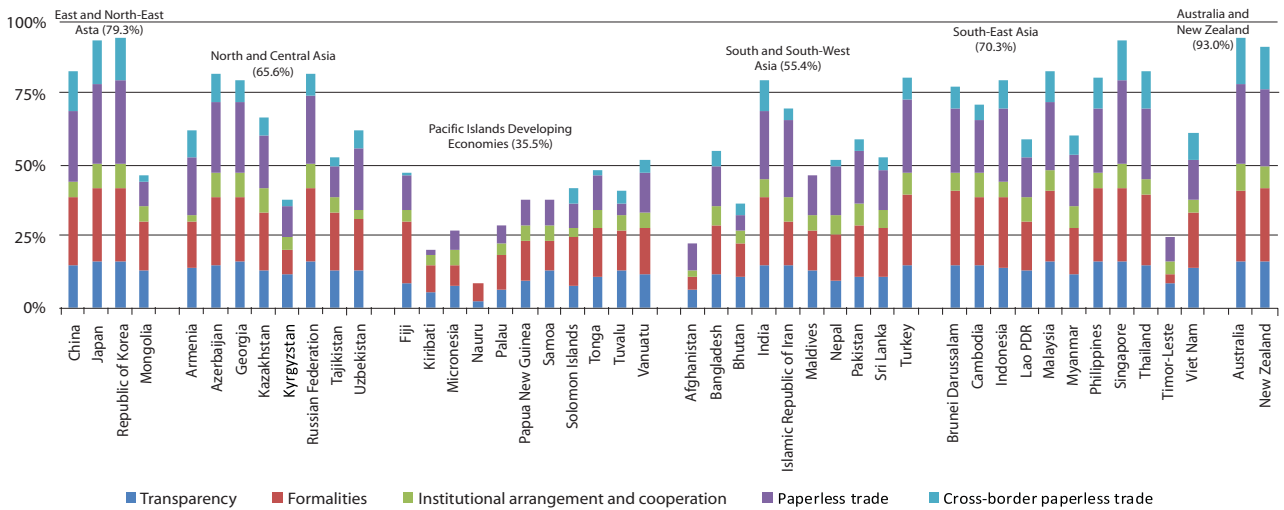
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Trade Facilitation Implementation in Asia-Pacific: Overview

Figure 1 shows the overall implementation levels of 46 Asia-Pacific countries based on a common set of 31 trade facilitation and paperless trade measures also included in the previous United Nations surveys.⁷ The regional average implementation of this comprehensive set of measures stands at 59.7%. The implementation of trade facilitation measures in the region is heterogeneous. Australia, Japan, New Zealand, the Republic of Korea and Singapore achieve implementation rates in excess of 90%, while implementation in several other Pacific countries barely reaches 30%.

⁷ Among the 53 measures surveyed, three measures including electronic submission of sea cargo manifests, alignment of working days and hours with neighbouring countries at border crossings, and alignment of formalities and procedures with neighbouring countries at border crossings are excluded in calculating the overall score as they are not relevant to all the countries surveyed. Four Transit facilitation measures are also excluded for the same reason. Additionally, Trade facilitation for SMEs, Agricultural trade facilitation, Women in trade facilitation and Trade finance facilitation are excluded as these are newly added groups of measures not included in the original United Nations survey.

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

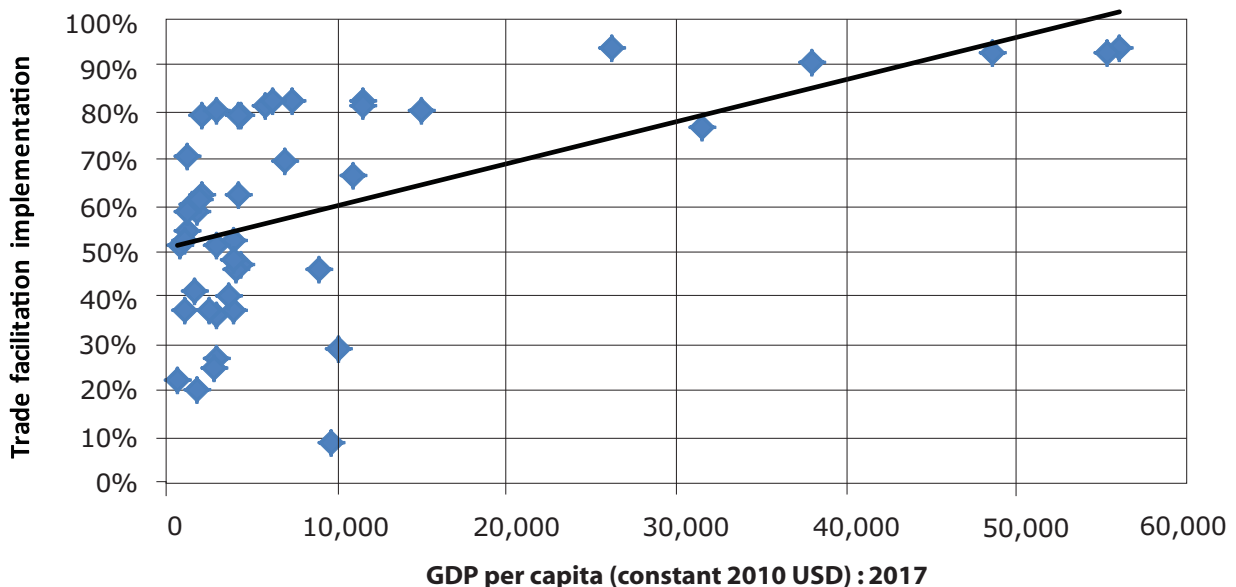


Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2019, available at unftsurvey.org

In general, more advanced or larger economies are at a higher level of implementation than low income economies, including the small or less-developed countries such as Least Developed Countries (LDCs) or small Pacific countries. However, implementation levels in these low-income economies differ dramatically from one country to another (figure 2). Some LDCs – e.g., Cambodia and the Lao People’s Democratic Republic – have

implementation rates greater than 50%. This might be explained by ASEAN joint efforts on digital trade facilitation measures, in particular the implementation of ASEAN Single Windows to accelerate cross-border paperless trade within the region and with non-ASEAN trade partners. Similarly, Fiji, Maldives, Tonga and Vanuatu have achieved relatively high scores, although they are Small Island Developing States (SIDS).

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



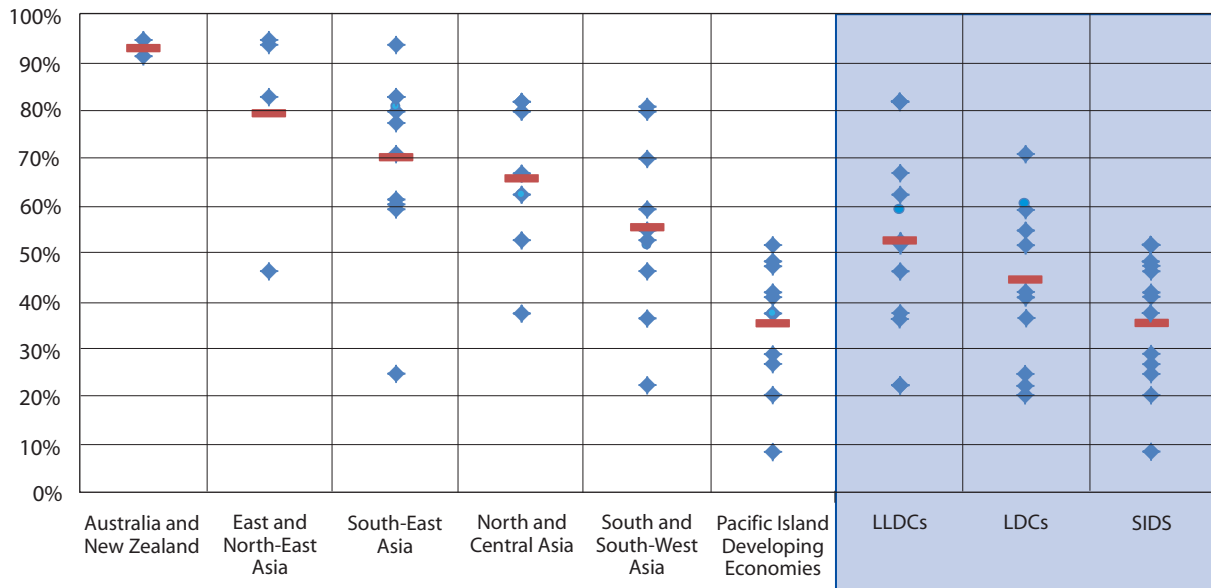
Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2019, available at unftsurvey.org; World Bank, World Development Indicators, accessed 22 May 2019.

2.1 Implementation in Subregions and Countries with Special Needs

Figure 3 presents an overview of the implementation of trade facilitation measures in the subregions and groups of countries with special needs, i.e., Landlocked Developing Countries (LLDCs), LDCs and SIDS. Apart from Australia and New Zealand (AUS&NZ), East and North-East Asia achieved the highest average level of implementation at 79.3%, followed by South-East Asia, North and Central Asia and South and South-West Asia. Pacific Island Developing Economies lag far behind other subregions at 35.5%.

Trade facilitation implementation varies greatly within each subregional grouping. Differences in trade facilitation implementation levels are at their most pronounced in South-East Asia, but only because the group includes Timor-Leste, a country that is not member of ASEAN. Indeed, the ASEAN regional integration processes appear to have played a significant and positive role in trade facilitation implementation, and the South-East Asian subregion has achieved higher implementation rates than several other subregions (such as North and Central Asia, South and South-West Asia and Pacific Island Developing Economies). Differences in trade facilitation implementation levels are less pronounced within Pacific Island Developing Economies.⁸ This may be explained by the fact that the small islands are generally isolated economies and face similar implementation constraints.

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



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

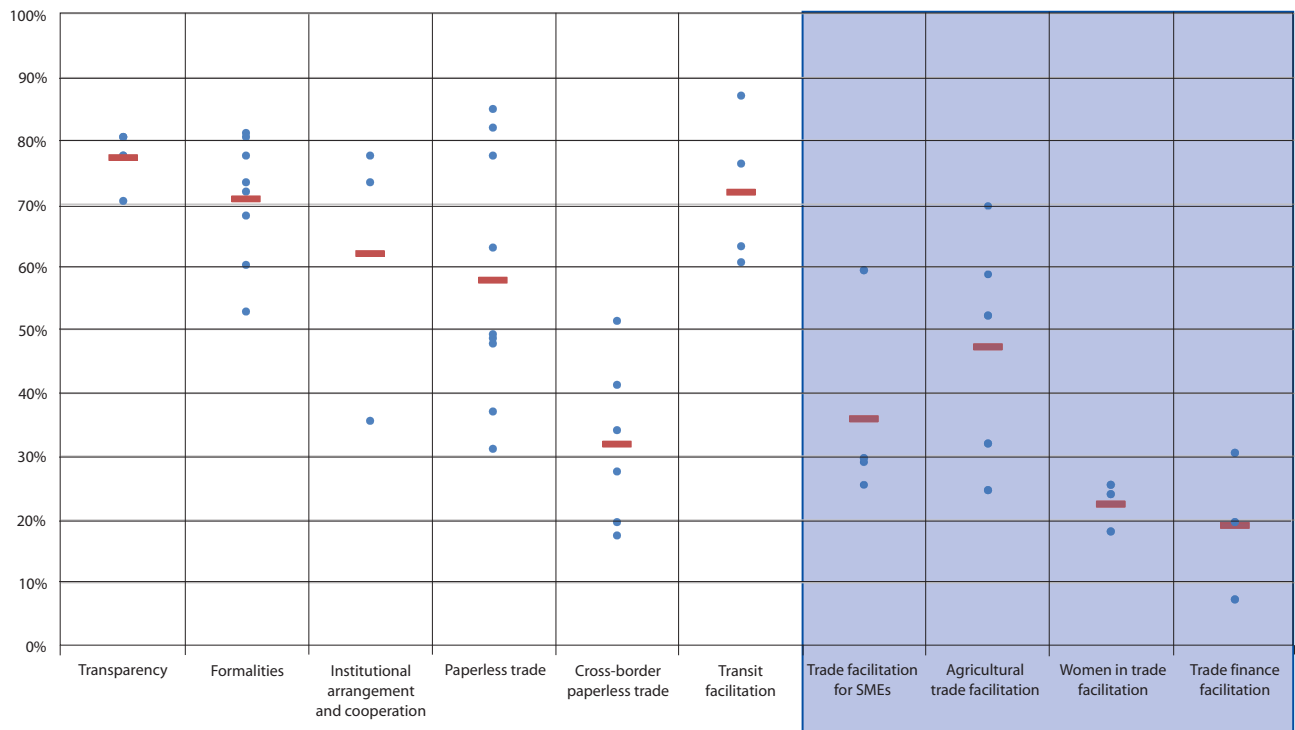
⁸ Timor-Leste could arguably be integrated in Pacific Island Developing Economies rather than South-East Asia, given that it is a SIDS with Observer status at the Pacific Islands Forum Secretariat.

Countries with special needs in the Asia-Pacific region face certain challenges in the implementation of trade facilitation, in particular paperless trade and cross-border paperless trade measures (figure 3). LLDCs, as a group, appear to have achieved higher average levels of trade facilitation than LDCs or SIDS. This could be viewed as the implementation of coordinated support provided to address the special needs of LLDCs, an important achievement in the context of the Vienna Programme of Action (VPoA).⁹

2.2 Most and Least Implemented Trade Facilitation Measures

All countries are engaged in the implementation of various transparency and formalities measures. As shown in figure 4 and table 5, Transparency measures, such as *publication of existing import-export regulations on the Internet* and *stakeholders' consultation on new draft regulations (prior to their finalization)* have been the most implemented – the regional average implementation rate amounts to 77%. The implementation rate of Formalities and Transit facilitation measures are approximately 70%. The regional average implementation of the Institutional arrangements and cooperation is above 60%. The regional average implementation of the Paperless trade and Cross-border paperless trade measures are approximately 58% and 32% respectively. The regional average implementation of the Trade facilitation for SMEs, Agricultural trade facilitation, Women in trade facilitation and Trade finance facilitation measures are approximately 36%, 47%, 23% and 19% respectively.

Figure 4: Implementation of different groups of trade facilitation measures, Asia-Pacific average



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

⁹ Vienna Programme of Action (VPoA), available at <http://unohrrls.org/about-lllcs/programme-of-action/>

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

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

Table 5: Most and least implemented measures in the Asia-Pacific region

Subgroup	Most implemented (% of countries)		Least implemented (% of countries)	
	Measure	Implemented fully, partially or on a pilot basis (%) / Full implementation (%)	Measure	Implemented fully, partially or on a pilot basis (%) / Full implementation (%)
Transparency	Publication of existing import-export regulations on the internet/Stakeholders consultation on new draft regulations (prior to their finalization)	95.7 / 50.0	Advance ruling on tariff classification and origin of imported goods	89.1 / 45.7
Formalities	Risk management	97.8 / 43.5	Trade facilitation measures for authorized operators	76.1 / 28.3
Institutional arrangement and cooperation	National legislative framework and/or institutional arrangements for border agencies cooperation	95.7 / 32.6	Government agencies delegating controls to customs authorities	45.7 / 17.4
Paperless trade	Automated Customs System	95.7 / 63.0	Electronic application for customs refunds	37.0 / 19.6
Cross-border paperless trade	Laws and regulations for electronic transactions	73.9 / 15.2	Paperless collection of payment from a documentary letter of credit	26.1 / 4.3
Transit facilitation	Customs Authorities limit the physical inspections of transit goods and use risk assessment	58.7 / 41.3	Supporting pre-arrival processing for transit facilitation	47.8 / 21.7
Trade facilitation for SMEs	Trade-related information measures for SMEs	78.3 / 30.4	Other special measures for SMEs	37.0 / 6.5
Agricultural trade facilitation	Special treatment for perishable goods	84.8 / 45.7	Electronic application and issuance of SPS certificates	47.8 / 10.9
Women in trade facilitation	Trade facilitation measures aimed at female traders	45.7 / 2.2	Female membership in the National Trade Facilitation Committee	23.9 / 6.5
Trade finance facilitation	Variety of trade finance services available	50.0 / 4.3	Single Window facilitates traders to access to finance	8.7 / 4.3

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

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

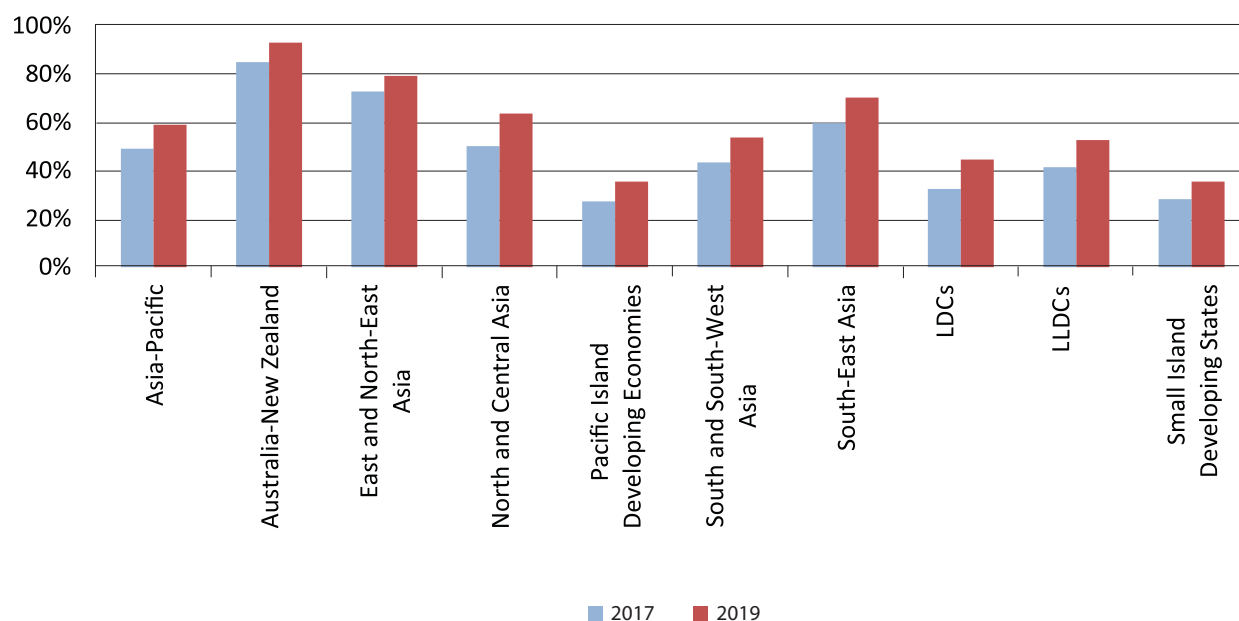
2.3 Progress in Implementation between 2017 and 2019

The implementation rate for 31 common trade facilitation measures at the regional level increased by approximately 10 percentage points from 49% in 2017 to 59% in 2019 (figure 5).¹⁰ This suggests that countries generally accelerated their implementation efforts over the last two years, as the increase in implementation rate between 2015 and 2017 was

only 5.6 percentage points. The highest progress is observed in North and Central Asia: the implementation rate of the subregion increased by approximately 13.5 percentage points (from 50.1% in 2017 to 63.6% in 2019). Substantial progress is also observed in South-East Asia and South and South-West Asia where the implementation rate of the subregions increased by 10.7 and 10.4 percentage points, respectively. Implementation rates in other subregions increased by 6 to 10 percentage points.

Among the groups of countries with special needs, LDCs have made the most progress since 2017 (12.3 percentage points), followed by LLDCs (11.2 percentage points). The SIDS saw only a 7.4 percentage point increase in trade facilitation implementation over the past two years. This may be in part explained by the fact that LDCs have easier access to aid for trade facilitation (figure 5).¹¹

Figure 5: Trade facilitation implementation by subregions in Asia and the Pacific, 2017 and 2019



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2019, available at unfssurvey.org

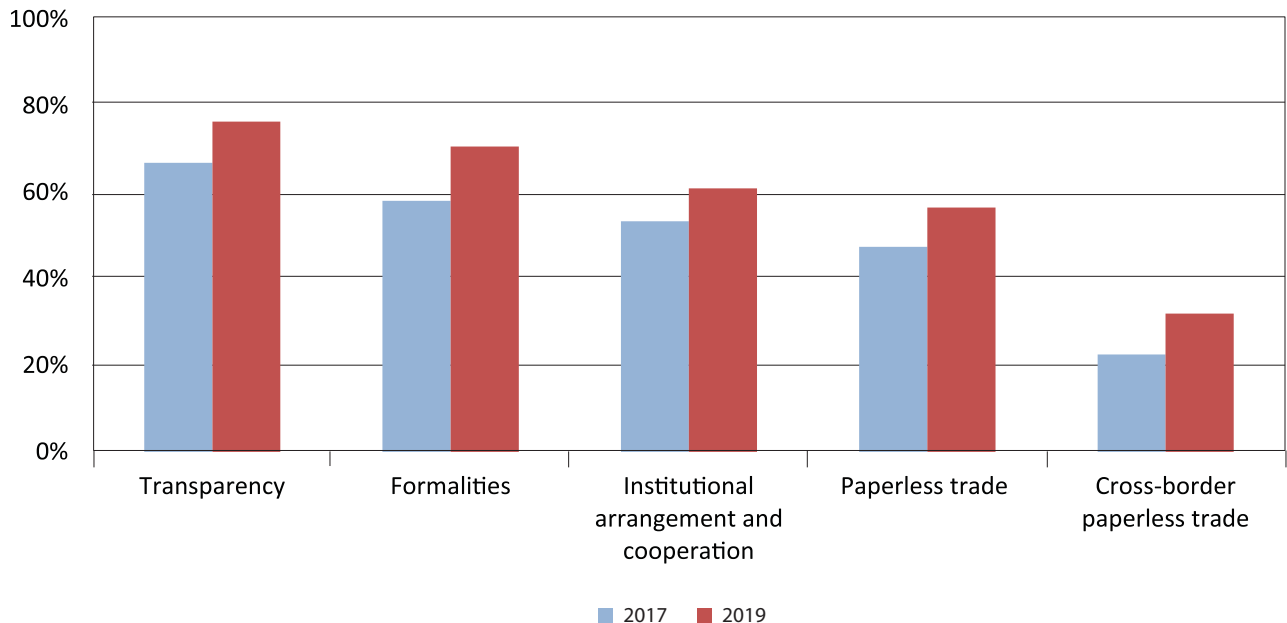
¹⁰ The average implementation rate in the 2017 survey report published by ESCAP in 2017 was 50.4%. However, 2017 implementation data were revised downwards slightly for some countries, based on information collected in 2019, hence the new average implementation rate of 49.1%.

¹¹ See, for example, through the Enhanced Integrated Framework or the WTO Trade Facilitation Facility, available respectively at <https://www.enhancedif.org/> and <https://tfafacility.org>

In terms of groups of trade facilitation measures, the most progress has been observed in streamlining trade Formalities: the implementation rate has risen by 12.5 percentage points (from 58% in 2017 to 70.5% in 2019). Similarly, the implementation rate of the Transparency measures has increased by almost 10 percentage points (from 66.8% in 2017 to 76.4% in 2019). The implementation rates of both Paperless and Cross-border paperless measures

rose by approximately 9.1 and 9.5 percentage points, respectively. Institutional arrangement and cooperation have seen the slowest improvement, with a rise of 7.6 percentage points between 2017 and 2019, possibly due to persistent problems related to inter-agency collaboration and delegation of authority among border control agencies (figure 6).

Figure 6: Implementation of different groups of trade facilitation measures in Asia-Pacific, 2017 and 2019



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2019, available at unfssurvey.org





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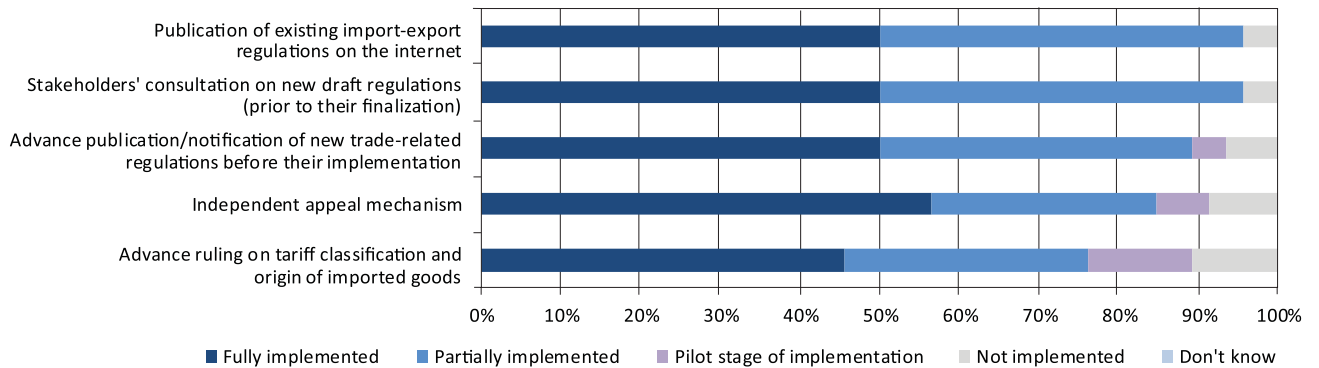
The Implementation of Trade Facilitation Measures: A Closer Look

3.1 Transparency Measures

Five trade facilitation measures included in the survey are categorized as Transparency measures. They relate to Articles 1-5 of the WTO TFA and GATT Article X on *publication and administration of trade regulations*. The average level of implementation for all five Transparency measures across the region is over 70% (refer to figure 4).

Figure 7 shows the percentage of countries that have fully and partially implemented Transparency measures in descending order. *Publication of existing import-export regulations on the internet* and *stakeholder consultation on new draft regulations (prior to their finalization)* are the two most implemented Transparency measures in the region, as 95% of the 46 economies have either fully or partially implemented them. Among the Transparency measures, *advance ruling (on tariff classification)* has been relatively less implemented. Still, it has been already either fully or partially implemented by 76% of the countries (or 35 countries) in the region. Five have not started implementing it yet. The other two measures in this group, *advance publication/notification of new regulations before their implementation* and *independent appeal mechanism* have been implemented by most countries surveyed.

Figure 7: State of implementation of Transparency measures for trade facilitation in Asia-Pacific economies



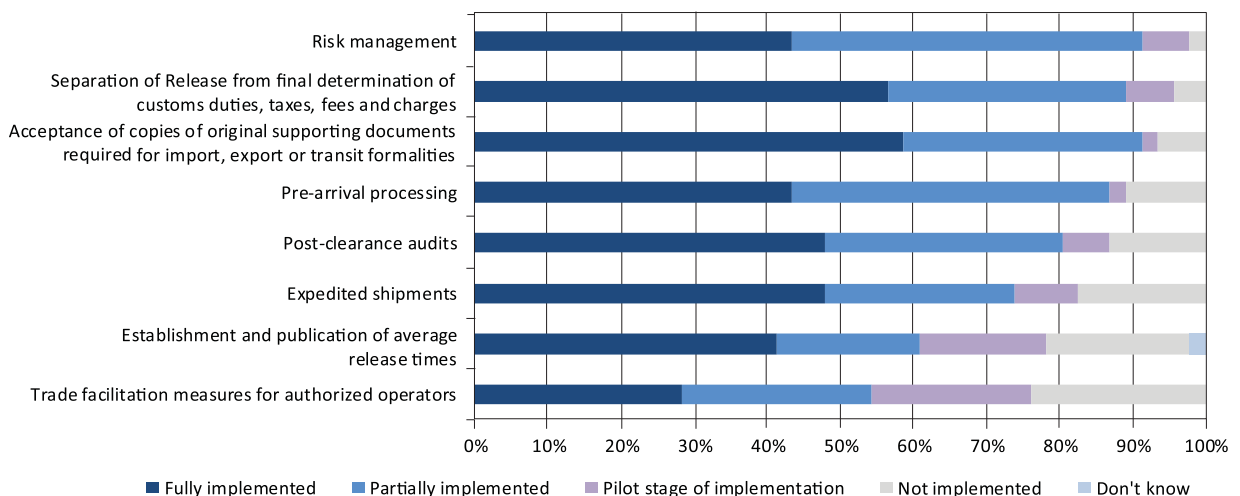
Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2019, available at untfsurvey.org

3.2 Formalities Measures

Eight Formalities measures are related to Articles 6-10 of the WTO TFA and GATT Article VIII on *Fees and Formalities connected with Importation and Exportation*. The level of implementation at the regional level is found to vary significantly when it comes to measures in this group (figure 8). *Risk management, separation of release from final determination of customs duties, taxes, fees and charges, and to a lesser extent, acceptance of paper or electronic copies of supporting documents required for import, export or transit formalities*, have been well implemented. In contrast, *trade facilitation measures for authorized operators*, and

establishment and publication of average release times have been less implemented in most subregions. The *risk management* measure has been implemented by 45 countries (98%) of the Asia-Pacific countries surveyed, although in some cases only on a pilot basis. *Acceptance of copies of supporting documents instead of originals and separation of release from final determination of customs duties, taxes, fees and charges* have both been implemented fully, partially or on a pilot basis by more than 90% of the countries (43 countries or more). *Pre-arrival processing* and *post-clearance audit* have also been either fully or partially implemented by over 85% of the countries surveyed (figure 8).

Figure 8: State of implementation of trade Formalities facilitation measures in Asia-Pacific economies



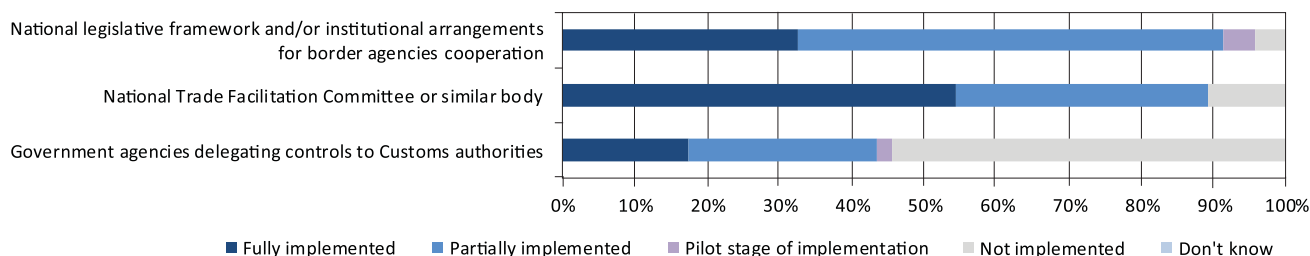
Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2019, available at untfsurvey.org

3.3 Institutional Arrangement and Cooperation Measures

Among Institutional arrangement and cooperation measures, figure 9 shows that the *National legislative framework and institutional arrangement available to ensure border agencies cooperate with each other (cooperation between agencies)*, and *National Trade Facilitation Committee or similar body measures* have already been quite extensively implemented in the region and most subregions. In contrast, the implementation levels of mechanisms enabling *government agencies to delegate controls to customs authorities* remains low in the Asia-Pacific. This is particularly the case for Pacific Island Developing Economies, where the implementation level of this measure is less than 25%. While the *National legislative framework and/or institutional arrangements for border agencies cooperation* measure is being implemented by almost all countries (over 95%), figure 9 shows that its implementation has been essentially partial. In fact, only 15 (33%) countries have fully implemented that

measure, highlighting the fact that strengthening cooperation among agencies is an on-going process. Arguably, the ultimate form of inter-agency collaboration is the delegation of authority by one or more agencies to another, as suggested by the measure *government agencies delegating controls to customs authorities*. Not surprisingly, this latter measure has only been implemented in some countries and less than 50% of the countries (21 out of 46) have taken any action towards its implementation. The most fully implemented measure of the three measures considered in this group is *establishment of National Trade Facilitation Committee or similar body*. The establishment of such a committee is mandatory for all countries that have ratified the WTO TFA.¹² Nearly 90% of the countries have formally established a committee or have a *de facto* committee in place, although not created by a legal instrument. However, it often remains unclear whether such a body is fully operational or has the authority and membership necessary to support effective trade facilitation reforms, including implementation of Paperless and Cross-border paperless trade measures.

Figure 9: State of implementation of Institutional arrangement and cooperation measures for trade facilitation in Asia-Pacific economies



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

3.4 Paperless Trade Measures

The regional average level of implementation for the nine Paperless trade measures varies widely, the *automated custom system* measure is among the most implemented measures of all trade facilitation

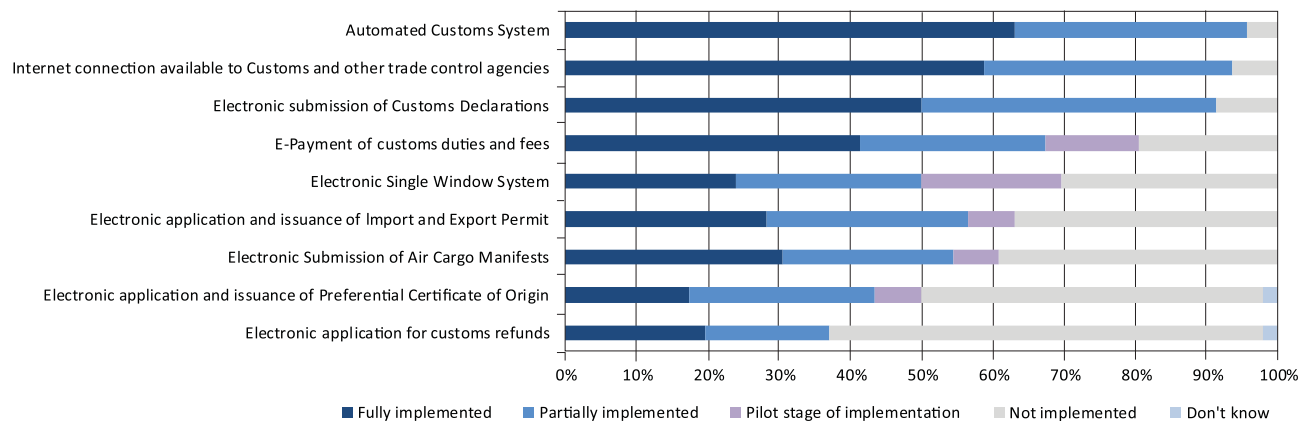
measures included in the survey (figure 10). All these measures involve the use and application of modern information and communication technologies (ICT) to trade formalities, starting from the availability of internet connections at border crossings and customs automation to full-fledged electronic single window facilities.

¹² See Article 23.2 of the WTO TFA.

Recognizing the importance of having the basic ICT infrastructure and services to enable paperless trade, nearly all countries (96%) have fully or partially made *electronic/automated customs system* available. Over 90% of the countries surveyed have implemented the *Internet connection to trade control agencies at border-crossing* and *electronic submission of customs declaration* measures at least on a partially basis. The electronic single window system has been implemented fully, partially, or on a pilot basis by 32 countries, or nearly 70% of all the Asia-Pacific countries surveyed. *Electronic payment of customs duties and fees* is also at least partially available in over 65% of countries surveyed. However, a refund can only be made electronically

in very few of the countries surveyed. Most countries still request refunds to be applied for with paper documents (figure 10). Some relatively simpler measures such as *electronic application and issuance of import and export permit*, *electronic submission of air cargo manifest*, *electronic application and issuance of preferential Certificate of Origin*, and *electronic application for customs refunds* are even less implemented than *single window*. This could be partially explained by the fact that single window systems in most countries are developed and led by Customs and information and documents issued by other trade-related agencies are not fully automated or connected with single window.

Figure 10: State of implementation of Paperless trade measures in Asia-Pacific economies



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

3.5 Cross-Border Paperless Trade Measures

Among the six Cross-border paperless trade measures, shown in figure 11, two measures, *laws and regulations for electronic transactions*, and *Electronic exchange of Customs Declaration*, are basic building blocks towards enabling the exchange and legal recognition of trade-related data and documents, not only among stakeholders within a country, but ultimately between stakeholders along the entire international supply chain too. The other four measures relate to the actual exchange of specific trade-related data and documents across

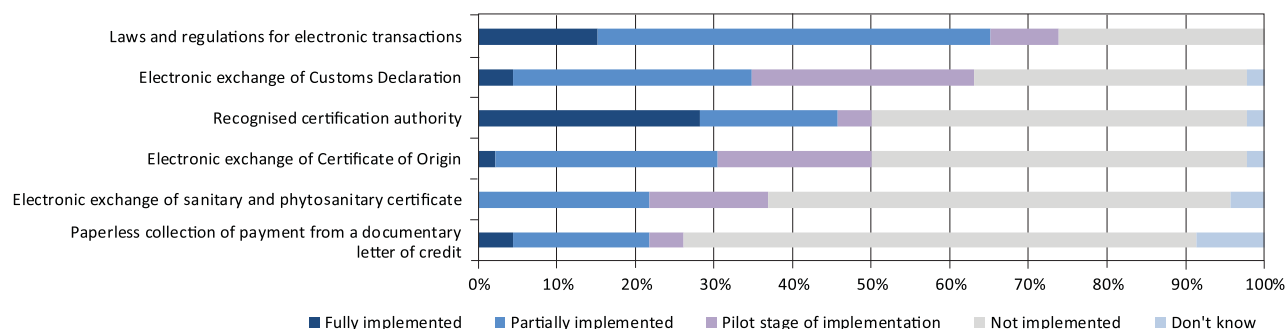
borders in order to achieve a fully integrated paperless transformation.

At the regional level, the implementation of these measures has been very slow, except *laws and regulation for electronic transactions* where the implementation level is slightly above 50% (figure 11). More than 60% of the countries surveyed in the Asia-Pacific region have at least partially developed the *legal and regulatory frameworks needed to support electronic transactions*, but these frameworks are mostly incomplete and may not readily support the legal recognition of electronic data or documents received from stakeholders in other countries. This is also true for *certification*

authorities needed to issue traders with recognized electronic signature certificates to conduct electronic transactions, which have yet to be readily established by half of the countries in the region, even on a pilot basis. Due to the lack of institutional and legal frameworks to support cross-border paperless trade and the lack of capacity to establish paperless systems in many developing economies, electronic exchange of trade-related documents

such as *customs declaration, certificate of origin, sanitary and phytosanitary certificate* have been typically conducted on a limited basis with a few specific trade partners, and often only partially in the pilot stage of implementation. *Paperless collection of payment from a documentary letter of credit* has also been fully implemented by Australia and the Republic of Korea and under limited implementation by 10 other economies in the region.

Figure 11: State of implementation of Cross-border paperless trade measures in Asia-Pacific economies



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

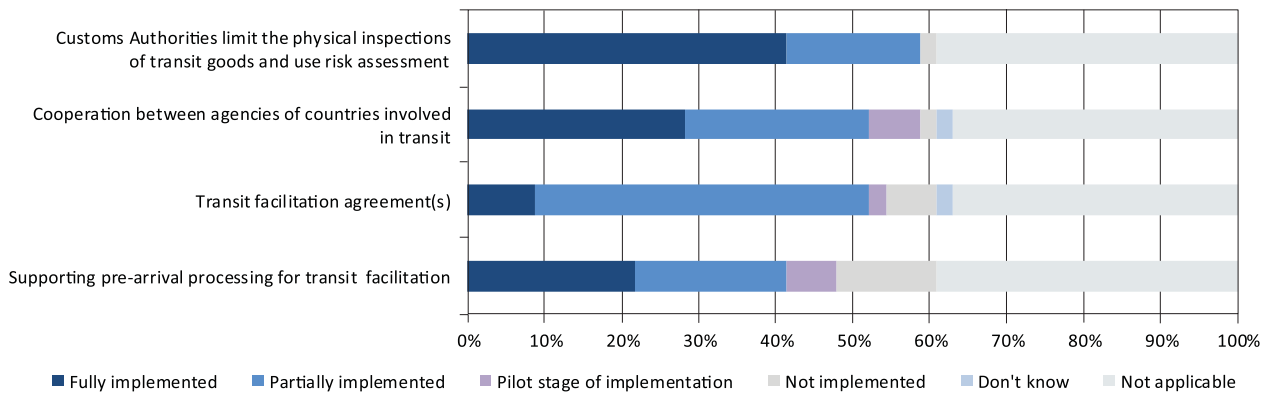
3.6 Transit Facilitation Measures

Four trade facilitation measures included in the survey relate specifically to transit facilitation and WTO TFA Article 11 on *Freedom of Transit*.¹³ The intent of these measures is to reduce, as much as possible, the formalities associated with transit trade, allowing efficient passage of goods from one country/region to another. These measures are particularly important to LLDCs, whose goods typically need to go through a neighbouring country's territory before reaching a seaport for onward transportation to their destinations. Efficient transit will be the key to unlock the potentials of landlocked countries, accelerate regional development and boost regional and international trade. The implementation level of Transit measures in the region is over 60% across all measures.

While all four Transit facilitation measures have been implemented by most of the countries involved, implementation has mainly been partial. Indeed, *transit facilitation agreement(s) with neighbouring country(ies)* is considered fully implemented in only 4 countries, although most of the countries where transit facilitation is applicable, have at least partially implemented it, i.e., they have transit agreements with at least one of their neighbouring countries. Similarly, *cooperation between agencies of countries involved in transit* and *supporting pre-arrival processing for transit facilitation* are fully in place in 13 and 10 countries, respectively. *Customs Authorities limit the physical inspections of transit goods and use risk assessment* is comparatively a well-accepted approach in transit facilitation and almost all countries surveyed that are relevant to transit have limited the physical inspections of transit goods based on risk assessment (figure 12).

¹³ These measures are not directly applicable to all countries across the region, as some countries are unlikely to see any traffic in transit in their territory. This is particularly the case of island countries but also of other countries facing specific geographical constraints.

Figure 12: State of implementation of Transit facilitation measures in Asia-Pacific economies



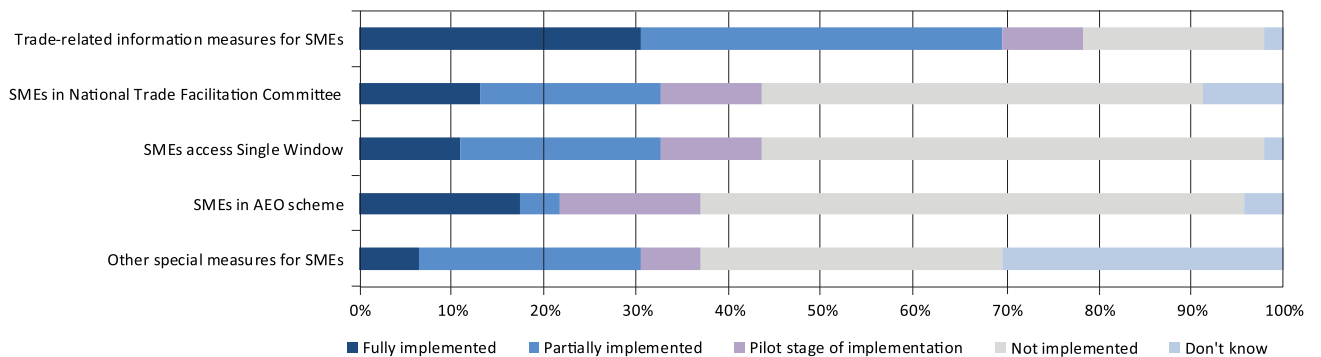
Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2019, available at unfssurvey.org

3.7 Trade Facilitation for SMEs Measures

Regional implementation of the overall five Trade facilitation for SMEs measures is generally low. *Trade-related information measures for SMEs* are relatively widely implemented in the region (59.4%). However, regional implementation level of other specific measures, such as *SMEs in National Trade Facilitation Committee*, *SMEs in Authorized Economic Operators (AEO) schemes*, and *SMEs access Single Window*, generally does not exceed 30% (figure 13).

As shown in figure 13, over 75% of the countries have introduced *trade-related information measures for SMEs*. More than 40% of the countries surveyed have also included *SME representation in National Trade Facilitation Committees*. Measures aimed at providing specific assistance for *SMEs to participate in the AEO scheme* and for *SMEs to access the single window* are at least partially implemented in approximately 22% and 33% of countries, respectively. About 30% of countries are in the process of implementing additional measures for SMEs, such as provision of deferred duty payment for SMEs or developing a specific action plan dedicated to trade facilitation measures for SMEs.

Figure 13: State of implementation of Trade facilitation for SMEs measures in Asia-Pacific economies



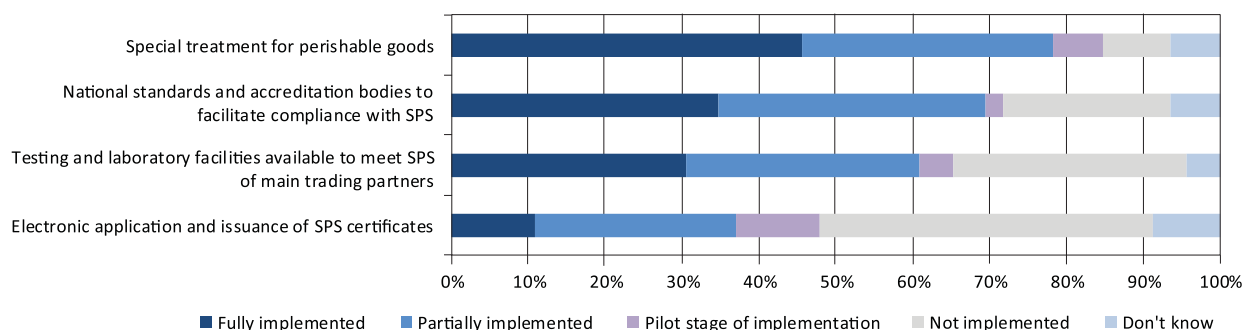
Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2019, available at unfssurvey.org

3.8 Agricultural Trade Facilitation Measures

The implementation levels of Agricultural trade facilitation measures are relatively high across the whole region. As shown in figure 14, *special treatment for perishable goods*, and *national standards and accreditation bodies* are both implemented by more than 70% of the countries surveyed. *Testing and laboratories facilities* are also in place in over 60% of the countries surveyed in the region, although implemented mainly on a partial basis as such facilities and services often remain in short supply. *Electronic application and issuance of*

SPS certificates is an on-going challenge for most countries. Full implementation of this measure has only been achieved in about 10% of Asia-Pacific countries. This may be partly explained by the fact that the current common practice on the import side remains to accept only paper certificates. The low implementation level of *electronic application and issuance of SPS certificates* also echoes with the findings of several cross-border paperless trade readiness assessment studies¹⁴ that customs are much more advanced than other trade-related government agencies in using electronic systems – SPS certificates are typically issued by agencies under the Ministries of food and agriculture.

Figure 14: Level of implementation of Agricultural trade facilitation measures in Asia-Pacific economies



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

3.9 Women in Trade Facilitation Measures

The regional average level of implementation for the three Women in trade facilitation measures is very low, standing at approximately 22.5% across all of the measures, suggesting plenty of room for improvement. This could be explained by the fact that despite gender equality being mainstreamed in

many policy initiatives, specific gender concerns for female traders remain limited and do not extend to trade facilitation.

As shown in figure 15, over 40% of the countries have implemented *trade facilitation measures aimed at female traders*,¹⁵ although essentially on a pilot or partial basis. These measures may range from having a gender focal point in the Ministry of Trade and/or in Customs, supporting the establishment of

¹⁴ With the support of the Government of China and the Enhanced Integrated Framework, assessments have been conducted in 8 developing and LDCs of the region in 2018-19 (<https://www.unescap.org/resources/readiness-assessments-cross-border-paperless-trade>). These are conducted on the basis of readiness checklists developed by the Intergovernmental Steering Group on Cross-Border Paperless Trade Facilitation (see <http://communities.unescap.org/cross-border-paperless-trade-facilitation>).

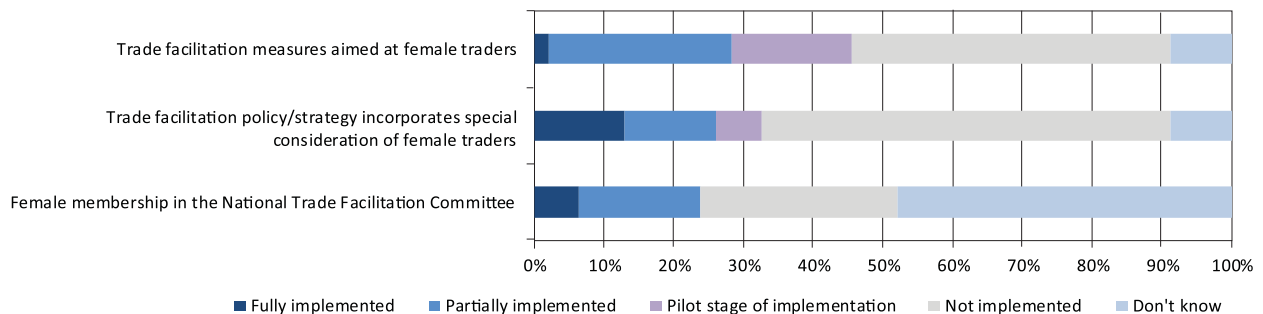
¹⁵ Measures aimed at female traders include having a gender focal point in the Ministry of Trade/Customs, establishing associations or networks for female traders, and offering training programmes, certificates and standards in order to provide equal access to trade and job opportunities for female traders.

an association or network of female traders, or training programmes or standards in place to ensure equal access to trade and related job opportunities.¹⁶ The *Trade facilitation policy/strategy incorporates special consideration of female traders* to some extent in about one third of the countries of the region, sometimes as part of broader trade policy frameworks making reference to gender equality.

For nearly half of the countries surveyed, it was not possible to determine whether *female membership in the National Trade Facilitation Committee* is

required. Efforts to ensure female representation in national trade facilitation committees appear to have been made in less than a quarter of the countries surveyed. Given that gender equality and the empowerment of women are important elements of the Agenda 2030 for Sustainable Development – and the typically limited participation of women in trade and trade facilitation – more countries may consider measures to enhance gender balance in national trade facilitation committees.

Figure 15: State of implementation of Women in trade facilitation measures in Asia-Pacific economies



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2019, available at unfssurvey.org

3.10 Trade Finance Facilitation Measures

Trade finance has been a key catalyst of the expansion of international trade. Given its importance as an enabler of international trade transactions,¹⁷ Trade finance facilitation has been incorporated into the 2019 Survey as a new group of measures for the first time, on a pilot basis. The regional average implementation across all three measures included is very low at 19.1%, with the average implementation of *single windows*

that facilitate traders' access to finance at only 7.3%, suggesting significant opportunities for enhancement.¹⁸ The results also suggest large discrepancies across subregions in trade finance facilitation implementation.

Results for this group of measures are subject to extra caution, as no information could be successfully collected on Trade finance facilitation measures in nearly half of the countries – and the data collected for other countries is incomplete. As shown in figure 16, the most implemented measure of the three measures in this group is making a wide

¹⁶ See sub-questions to Question No. 48 in the Survey instrument, available at: <https://unnex.unescap.org/content/un-global-survey-digital-and-sustainable-trade-facilitation-2019>

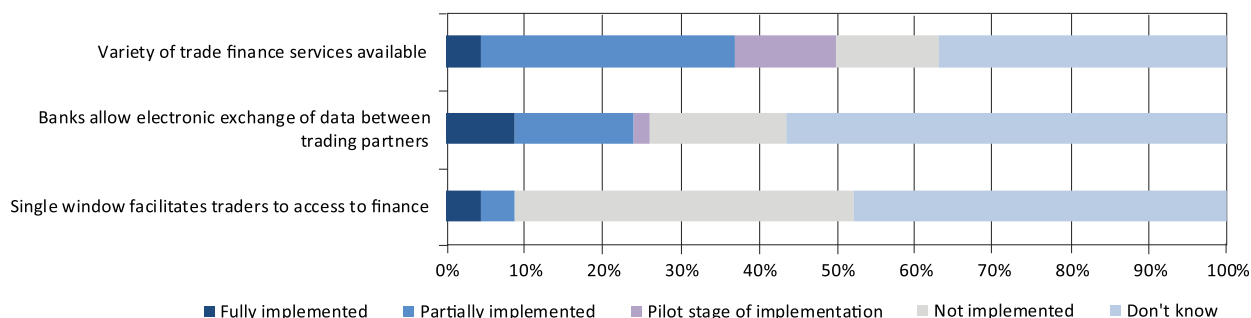
¹⁷ Trade finance facilitates and mitigates the risks associated with the flow of money from buyer to seller, which greatly facilitate the flow of goods from seller to buyer. Both the flows of money and goods are themselves enabled by the flow of data and documents between buyer and seller.

¹⁸ The ESCAP/UNNEXt study of Single Window best practices and future development included a private sector survey. The survey reveals that trade finance functionalities in trade Single Windows is a priority for traders, available at <https://www.unescap.org/resources/single-window-trade-facilitation-regional-best-practices-and-future-development>

variety of trade finance services available. At least some trade finance services are available in almost 80% of the countries for which data is available. However, much fewer countries enable companies access to a complete range of trade finance products and services.¹⁹ More than half of the countries for which data is available have *banks that allow electronic exchange of data between trading partners, or with banks in other countries*, in order to reduce dependence on paper documentation and advance digital trade. However, only 4 countries surveyed (less than 10%) have, to some extent, implemented *single window facilitates access to finance for traders*.

Although about 80% of trade is supported by trade finance globally, the results suggest that trade finance services need to be further developed in the region, which is generally consistent with the findings by ADB of an annual \$1.5 trillion trade finance gap.²⁰ The high rates of “Don’t know” also point to the fact that trade facilitation experts and officials who provided or validated the survey are not familiar with trade finance. Traditional trade facilitation actors, including Customs and Ministries in charge of trade, may see procedures related to financing and payment of international trade transactions as outside their scope of work. Given the interdependence between goods and financial flows, however, the results suggest a need for greatly enhanced coordination and cooperation between them and those involved in developing financial and payment services.

Figure 16: State of implementation of Trade finance facilitation measures in Asia-Pacific economies



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2019, available at unfssurvey.org

3.11 Progress and Challenges in Implementation

Figure 17 shows the 10 trade facilitation measures which have been most fully implemented in the region by 2019. It suggests that many countries across the Asia-Pacific region have prioritized improving their *electronic/automated Customs System, Internet connection available to customs*

and other trade control agencies, and acceptance of copies of supporting documents required for import export or transit formalities to achieve full implementation over the past years. Many countries have also worked on Transparency and Institutional arrangement and cooperation measures such as *national trade facilitation committee or similar body, and independent appeal mechanism*. Significant progress has been made to achieve full implementation.

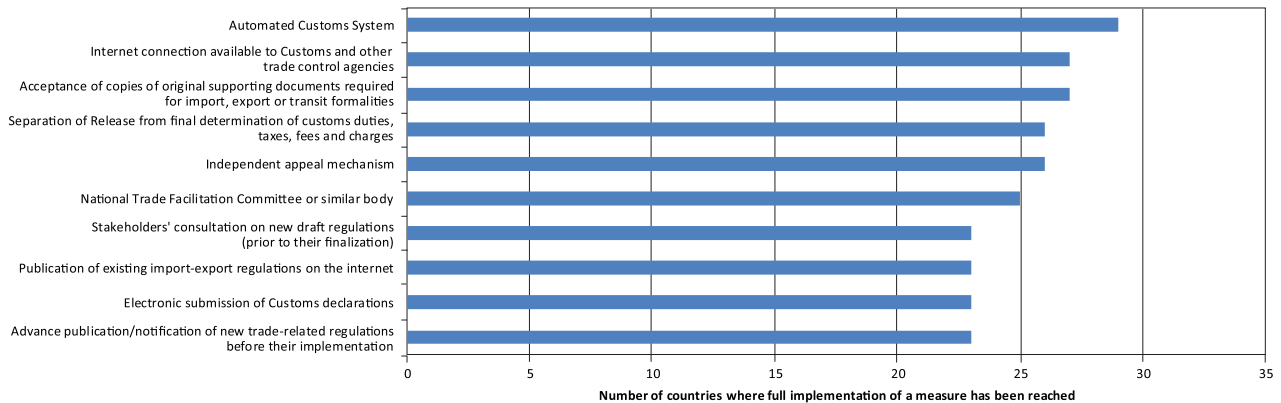
¹⁹ Full implementation is determined when all the following 6 products listed in the survey questionnaire are available: documentary letter of credit, import finance, export finance, factoring or receivables finance, payables finance, and inventory finance.

²⁰ 2017 Trade Finance Gaps, Growth, and Jobs Survey, Asian Development Bank, 2017, available at <https://www.adb.org/publications/2017-trade-finance-gaps-jobs-survey>

Experts involved in the survey were also requested to identify and rank the three key challenges faced by their countries in the implementation of trade facilitation measures. Responses were received from 20 countries. ‘Lack of coordination between agencies’ and ‘limited human resources’ were identified as key challenging factors in 17 and 15 countries, respectively. These two challenges were

also identified as the most pressing challenges as both challenges are ranked as the most serious challenge by 9 countries. ‘No clearly designated lead agency’ was also seen as one of the as key challenges with 11 countries identifying it as a challenge and 6 countries identifying it as the most serious challenge.

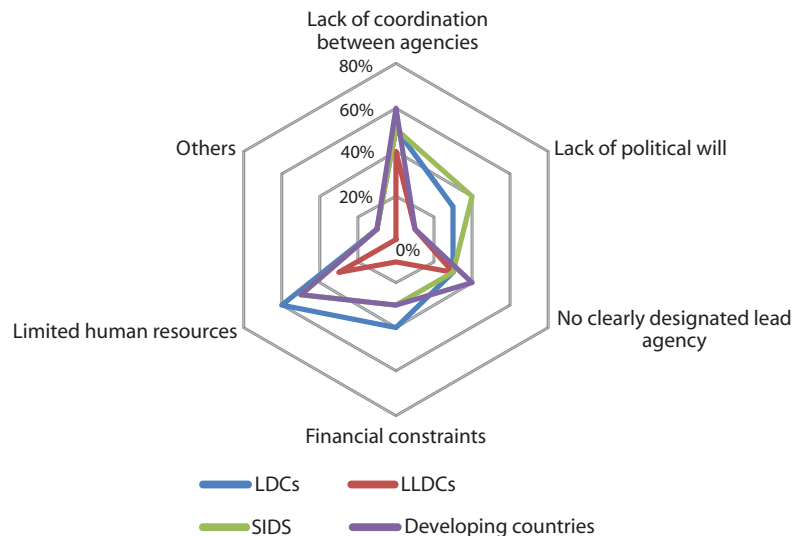
Figure 17: Trade facilitation measures most fully implemented in Asia and the Pacific (46 countries)



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

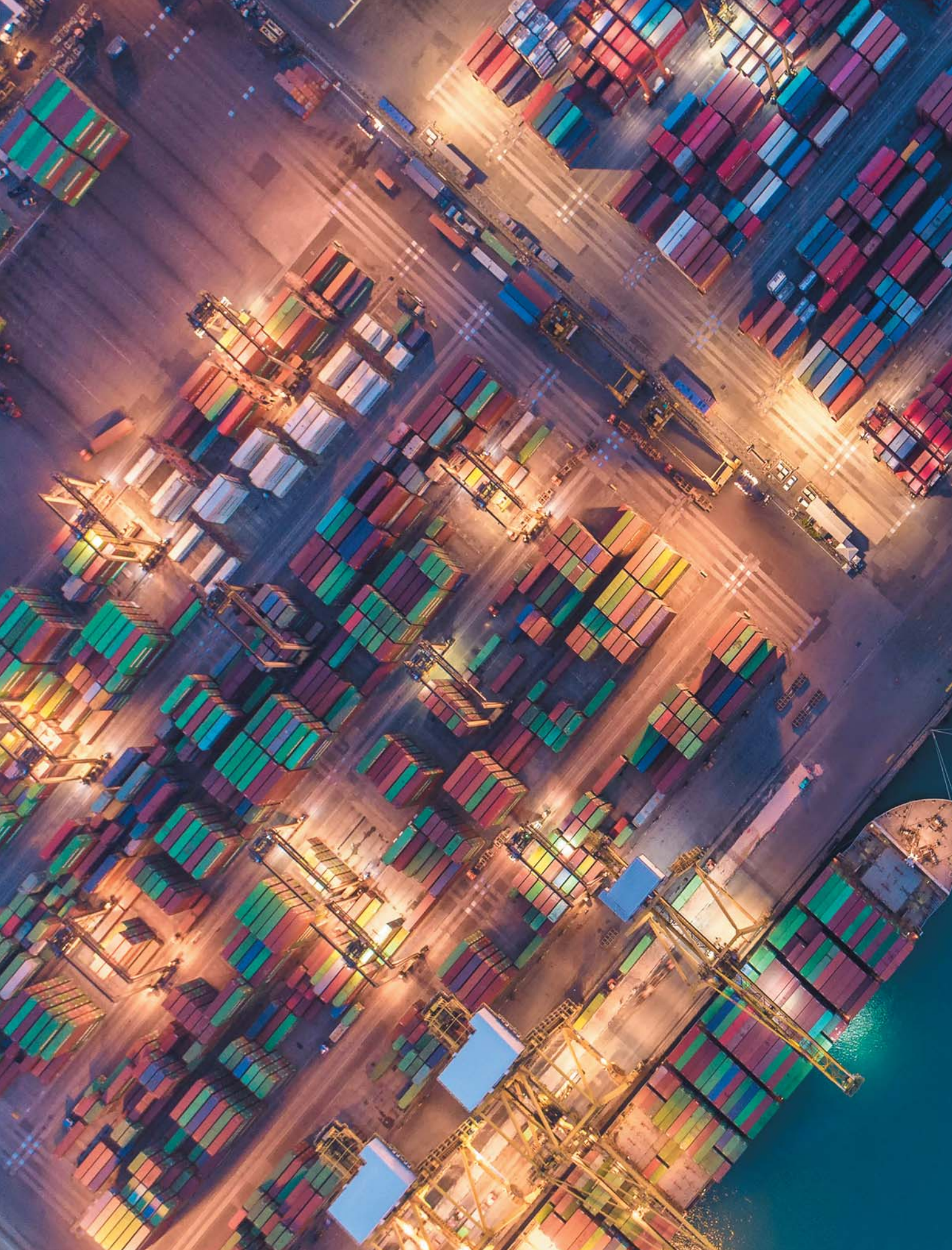
The relevance of the challenges associated with trade facilitation vary across groups of countries with special needs (figure 18). The lack of coordination between agencies appears to be a common challenge across all groups and it is more pronounced than other challenges. Limited human resource capacity appears to be most acute for LDCs and other developing countries. A lack of political will appears to be relatively more pertinent than other challenges for SIDS.

Figure 18: Challenges faced by Asia-Pacific LDCs, LLDCs, SIDS and other developing countries in implementing trade facilitation measures



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

Note: Data show the percentage of countries.





4

Assessing the Impact of Trade Facilitation in Asia and the Pacific

In order to assess the potential impact of the implementation of trade facilitation measures in Asia and the Pacific, we estimate a trade cost model as a function of trade facilitation implementation rates based on the survey data presented above, in addition to other traditional trade cost factors such as: (a) natural geographic factors (distance, “landlockedness” and contiguity); (b) cultural and historical distance (e.g., common official language and former colonial relationships); (c) the presence of regional trade agreements; (d) and maritime connectivity (table 6). The model is based on ADB/ESCAP (2019) by capturing the changes in trade costs resulting from each country’s own implementation of trade facilitation measures.²¹ The estimated models are then used to calculate potential trade cost gains from implementing different trade facilitation programmes.

The overall trade cost reductions that can be expected in the Asia-Pacific region from the implementation of three sets of trade facilitation measures are shown in table 6. The first set of trade facilitation measures is limited to implementation of WTO TFA binding measures only. The second set of measures includes all binding and non-binding WTO TFA measures included in the survey. The

²¹ Asia-Pacific Trade Facilitation Report 2019: Bridging Trade Finance Gaps through Technology, ADB/ESCAP (2019), available at <https://www.unescap.org/resources/asia-pacific-trade-facilitation-report-2019-bridging-trade-finance-gaps-through-technology>. The list of binding and non-binding WTO TFA measures is available in the Appendix.

final and most ambitious set is a WTO TFA+ set of measures, including digital implementation of TFA measures and cross-border paperless trade. For each set of measures, average changes in trade

cost achieved if all Asia-Pacific countries at least partially implement all measures, or if they all fully implement all measures, are calculated.

Table 6: Changes in trade costs in Asia and the Pacific resulting from implementation of trade facilitation and paperless trade

Asia-Pacific: trade costs model	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 trade facilitation	-2.84%	-5.79%	-4.57%	-9.39%	-10.52%	-16.92%
Model 2						
General trade facilitation	-1.52%	-3.05%	-1.99%	-4.29%	-2.35%	-4.76%
Paperless and cross-border paperless	–	–	-1.97%	-3.23%	-9.53%	-13.34%

Source: ADB/ESCAP (2019); UN Global Survey on Digital and Sustainable Trade Facilitation 2019, available at unftrsurvey.org

Two main findings emerge from this impact analysis (table 6). First, achieving basic compliance with WTO TFA by implementing only binding measures results in only modest trade cost reductions. Full implementation of binding measures results in a decrease of trade costs of 5.8%, while full implementation of all measures results in a 9.4% reduction. Second, the paperless implementation of the TFA measures, together with enabling the seamless electronic exchange of trade data and documents across borders, results in much larger trade cost reductions, averaging nearly 17% for Asia and the Pacific as a whole. The results of model 2 also suggest that most of the trade cost reductions are associated with paperless trade measures rather than conventional trade facilitation measures.

As shown in table 7, all the Asia-Pacific subregions would achieve significant trade cost reductions in accelerating implementation of paperless trade and enhancing cooperation in this area. The analysis suggests that Pacific Island Developing Economies

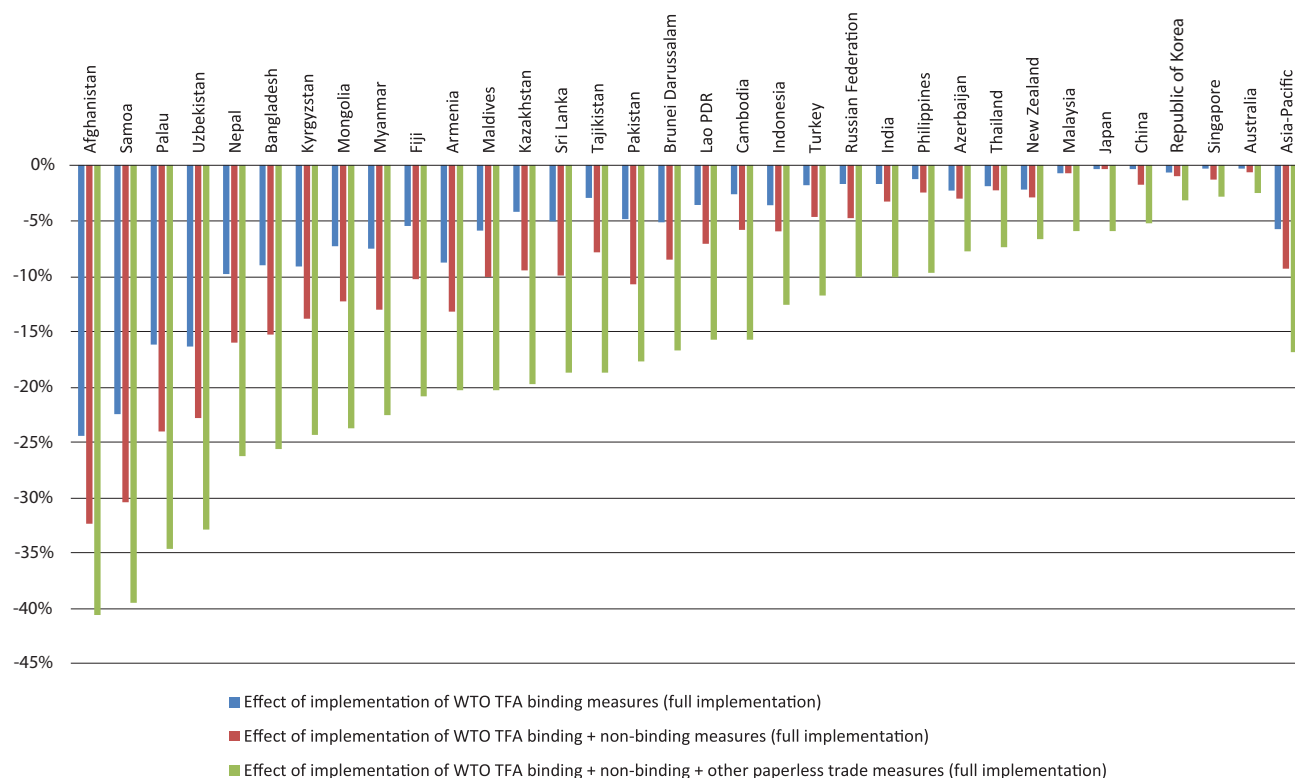
and Central Asia would benefit the most, with a cost reduction potential of 32% and 24%, respectively. While both East and North-East Asia and ASEAN are at advanced stages of implementation, full implementation of cross-border paperless trade measures could yield trade costs savings of more than 9% on average in these subregions.

At the individual economy level, all Asia-Pacific economies also stand to make gains from accelerating trade facilitation implementation, although the extent of these gains vary widely, given the wide differences in the existing state of implementation and levels of trade costs. As shown in figure 19, all three implementation scenarios result in trade cost reductions for all economies. However, the trade cost reductions are much larger when cross-border paperless trade is achieved. Capturing these trade cost reductions will require closer cooperation between economies on developing interoperable paperless trade systems, as envisaged in the Framework Agreement (see box 1).

Table 7: Changes in trade costs in Asia-Pacific subregions resulting from implementation of trade facilitation and paperless trade

Asia-Pacific subregions: trade costs model	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
Asia-Pacific	-2.84%	-5.79%	-4.57%	-9.39%	-10.52%	-16.92%
East and North-East Asia	-0.74%	-2.20%	-1.40%	-3.88%	-5.05%	-9.56%
North and Central Asia	-3.05%	-6.53%	-4.76%	-10.76%	-11.80%	-19.19%
South and South-West Asia	-4.07%	-7.87%	-6.84%	-12.85%	-14.08%	-21.45%
Pacific Island Developing Economies	-9.89%	-14.77%	-14.98%	-21.65%	-24.56%	-31.74%
ASEAN	-0.70%	-2.99%	-1.30%	-5.28%	-6.15%	-12.19%
Central Asia Regional economic Cooperation	-4.38%	-8.03%	-6.79%	-12.74%	-13.93%	-21.26%
Special Programme for the Economies of Central Asia	-5.87%	-9.94%	-8.51%	-14.96%	-16.57%	-24.09%

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, 2019, available at <https://untfsurvey.org>

Figure 19: Impact of trade facilitation implementation on trade costs of Asia-Pacific economies


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

Box 1: A regional United Nations treaty “leaving no one behind” to accelerate trade digitalization

Developed by a diverse group of more than 25 Asian and Pacific countries at very different stages of development over four years, the *Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific* was adopted by ESCAP in May 2016. It is designed as an inclusive and enabling platform that will benefit all participating countries, regardless of where they stand in terms of trade facilitation implementation.

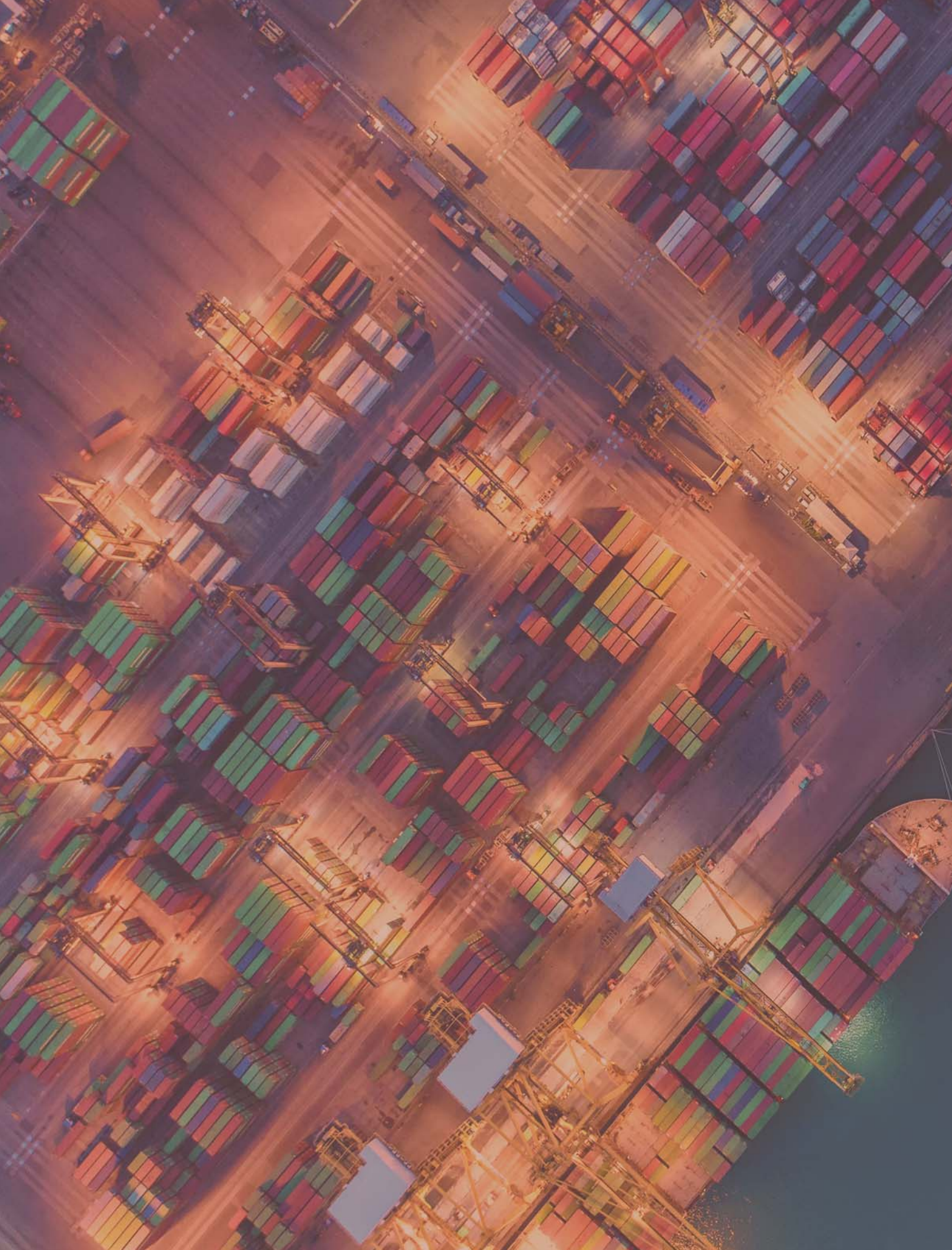
The Framework Agreement is fully dedicated to the digitalization of trade processes and enabling the seamless electronic exchange and legal recognition of trade-related data and documents across borders, rather than only between stakeholders located in the same country. Full implementation of cross-border paperless trade will not only reduce transaction time and costs but will also increase regulatory compliance and enable the more direct engagement of small and medium-size enterprises (SMEs) in international trade and cross-border e-commerce. Importantly, the Framework Agreement aims to facilitate and enable mutual recognition of electronic trade data and documents but does not make electronic data exchange mandatory among all Parties.

Armenia, Bangladesh, Cambodia, China, and the Islamic Republic of Iran signed the Agreement in 2017. Azerbaijan and the Philippines acceded to the treaty in 2018 and 2019, respectively. Another 20 countries are completing domestic procedures to accede, according to the most recent intergovernmental steering group meeting held in March 2019. The treaty will enter into force after five members have ratified or acceded to it. Implementing the Framework Agreement is expected to help ESCAP members meet and exceed single-window commitments of the WTO TFA, among others.

Achieving cross-border paperless trade across the region is a long and difficult endeavour; it cannot be achieved without close collaboration between countries. The Framework Agreement is expected to support the process by providing a dedicated institutional framework for countries with proven political will to develop legal and technical solutions for cross-border paperless trade, including through pilot projects, capacity building and technical assistance, based on existing international standards. Some of the benefits for ESCAP member States who become parties to the Framework Agreement include:

- (a) Accelerated progress towards a paperless trade environment at the national level on the basis of the political will demonstrated during the accession process to the Framework Agreement; and through access to structured and regular sharing of lessons learned on implementation of best practices;
- (b) Reduction in overall investment costs and maximization of return from investments in paperless trade systems, through concurrent development of national paperless trade systems and environment for cross-border trade data exchange;
- (c) Ready access to potential counterpart countries interested in negotiating and achieving cross-border data exchange, avoiding or reducing needs for engaging in numerous and/or potentially incompatible bilateral initiatives;
- (d) Direct participation in the development of pragmatic solutions for the cross-border exchange of trade documents. For more advanced countries with relevant experience and existing practices, this will enable them to ensure that new regional systems and solutions will be harmonized and interoperable with what they have already achieved on a bilateral and/or subregional basis;
- (e) Compliance with commitments the Party may have made through in its bilateral and plurilateral trade agreements, such as regional trade agreements (RTAs) to collaborate on exchanging electronic of data and documents (typically featured in “Paperless Trading” Articles in RTAs, or related provisions or agreements).

More details on the Framework Agreement, including a draft implementation roadmap, are available at: <http://www.unescap.org/resources/framework-agreement-facilitation-cross-border-paperless-trade-asia-and-pacific>



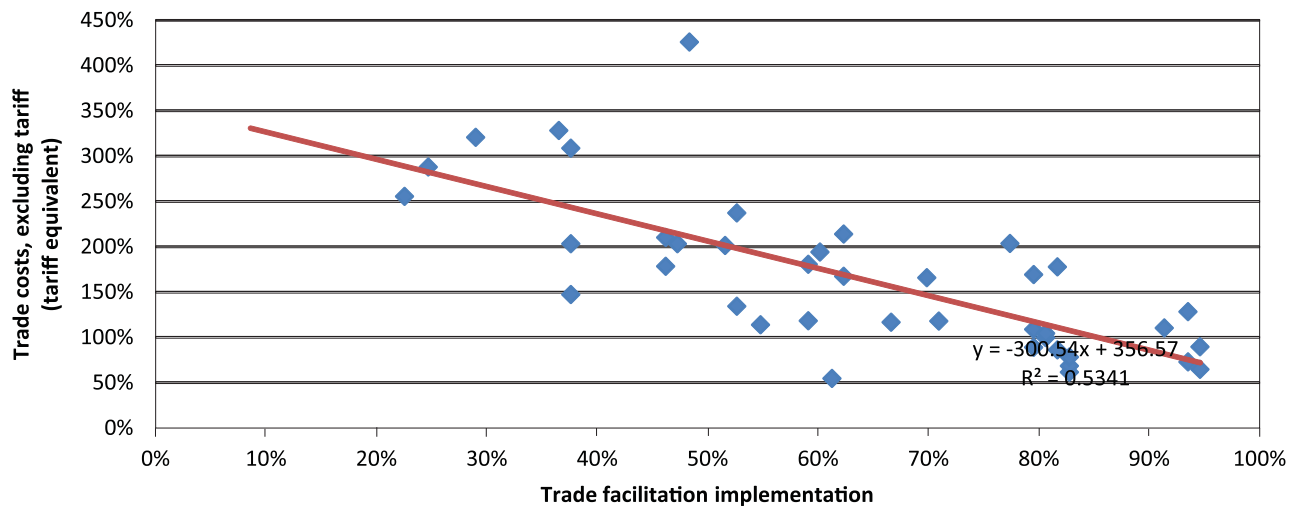


5

Conclusion and Way Forward

This report presents data on trade facilitation and paperless trade implementation collected from 46 economies across the Asia-Pacific region and covering six different subregions and 3 groups of countries with special needs, namely LDCs, LLDCs and SIDS. The survey covered not only the implementation of general trade facilitation measures, including most of those featured in the WTO TFA, but also more advanced ICT-based trade facilitation measures. Figure 20 confirms the strong relationship between international trade costs for Asia-Pacific countries and their level of trade facilitation implementation.

Based on a package of 31 common trade facilitation measures included in the survey, the regional average trade facilitation implementation was found to be 59.7%, an increase of 10 percentage points compared to the previous survey result, but also suggesting there is significant room for improvement. The assessment revealed that a large majority of countries in the region have been actively engaged in measures such as transparency, streamlining formalities, and enhancing institutional cooperation. Customs authorities in essentially all countries have been actively developing automated systems to speed up customs clearance while also improving control. Approximately 70% of the economies are now actively engaged in the implementation of more advanced national multi-agency paperless systems, such as national electronic Single Window, enabling electronic data and information sharing among government agencies and businesses for serving the purpose of paperless trade.

Figure 20: Trade facilitation implementation and trade costs for Asia-Pacific economies

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

Note: The trade costs of countries are based on average comprehensive bilateral trade costs with Germany, China and the USA and expressed as ad valorem equivalents (%).

Significant progress has been made in cross-border (bilateral, subregional or regional) paperless trade, by virtue of the implementation of compatible, integrated and synchronised regional platforms bilaterally as well as in several subregions that boost cross-border trade. This has enhanced collaboration in electronic exchanges of data and documents, including the implementation of the ASEAN Single Window. However, the implementation of cross-border paperless trade remains low. This is not surprising given that, on the one hand, many developing economies in the region are at an early stage of development of national paperless system while, on the other hand, more advanced countries have paperless systems in place that are not fully interoperable with each other. In that regard, given the large potential benefits associated with the implementation of these next-generation trade facilitation measures,²² it is in the interest of countries from all groups to work together and develop the legal and technical protocols needed for the seamless exchange of regulatory and commercial data and documents along the international supply chain.

The Framework Agreement for the facilitation of cross-border paperless trade is a United Nations treaty that aims to accelerate the implementation of digital trade facilitation measures for trade and development. Negotiated as an inclusive and flexible intergovernmental platform to enable the electronic exchange of trade-related data and documents across borders among parties, the Framework Agreement is set to benefit all parties regardless of their current state of implementation of paperless trade. The adoption and implementation of the intergovernmental Framework Agreement can further leverage the benefits of cross-border paperless trade solutions. Therefore, all countries in the region are encouraged to become parties to the treaty as soon as possible in order to take advantage of what the agreement offers, especially in terms of accessing capacity-building and technical assistance.

Remarkably, countries in the Asia-Pacific region have made significantly improvement in implementing the only trade facilitation performance monitoring measure included in the survey

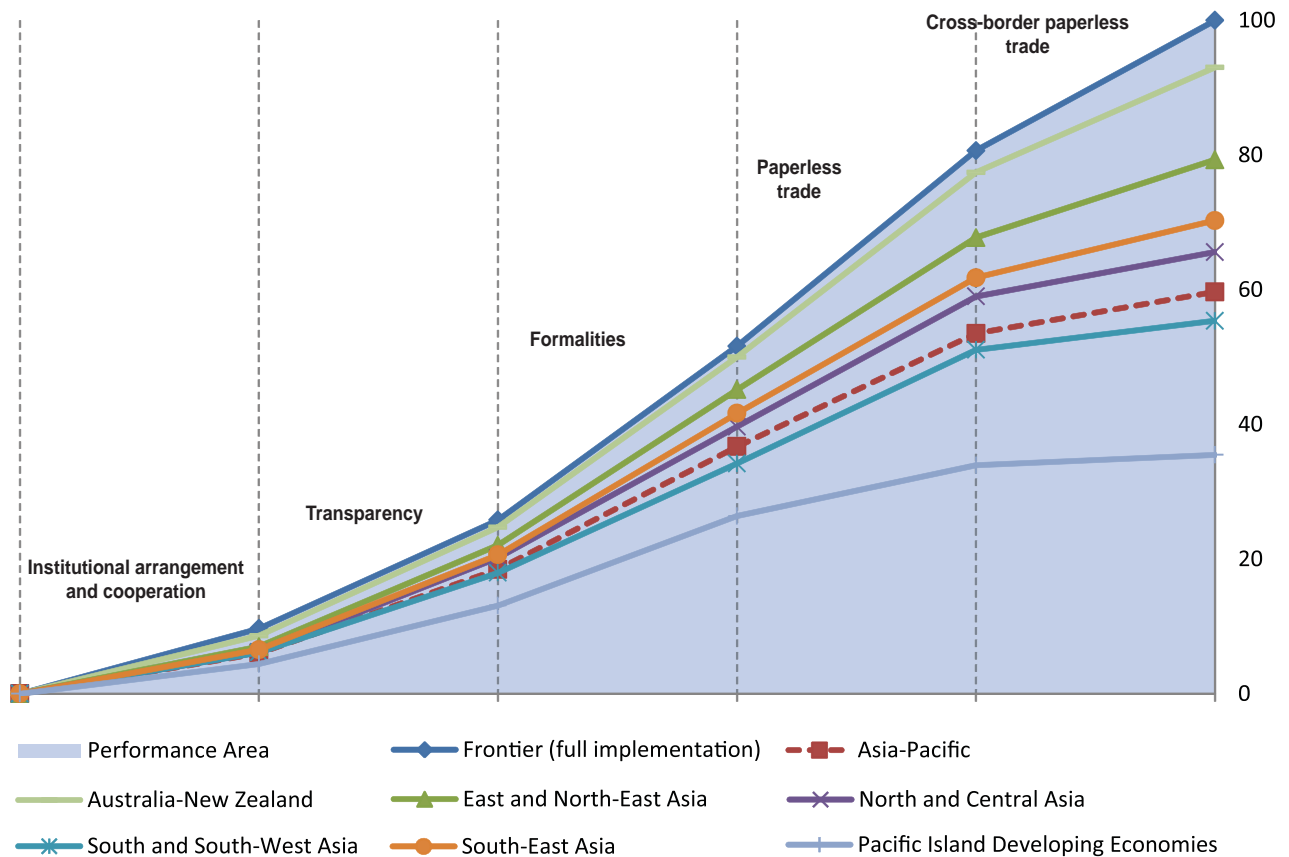
²² See Estimating the Benefits of Cross-Border Paperless Trade, UN ESCAP, 2014 available at <https://www.unescap.org/resources/estimating-benefits-cross-border-paperless-trade>

(establishment and publication of average release times). Although this monitoring measure is not fully implemented widely across the region, more than 70% of the countries have taken action towards improvement. This is worth highlighting, as what ultimately matters is not how many measures are implemented, but how effective they have been in reducing the time and cost of trade transactions. Indeed, it is important to realize that trade facilitation and paperless trade measures are very much interrelated and that the effect of a particular measure on trade transaction costs depends on whether, and how well, other measures have been implemented.

To further advance trade facilitation and paperless trade, figure 21 shows that the implementation is a step-by-step process, based on the groups of measures included in this survey. Trade facilitation

begins with the setting up of the institutional arrangement needed to prioritize and coordinate the implementation of trade facilitation measures. The next step is to make trade processes more transparent by sharing information on existing laws, regulations and procedures as widely as possible, and consulting with stakeholders when developing new ones. Designing and implementing simpler and more efficient trade formalities is the third step. The re-engineered and streamlined processes may first be implemented based on paper documents, but they can then be further improved through ICT and the development of paperless trade systems. The ultimate step is to enable the electronic exchange of trade data and documents by traders, Governments and service providers within national (Single Window and other) systems, for use and re-use in providing stakeholders in partner countries with the

Figure 21: Moving up the trade facilitation ladder towards seamless international supply chains



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

Note: The figure shows the cumulative trade facilitation implementation scores of Asia-Pacific subregions for 31 common trade facilitation measures included in the survey. Full implementation of all measures = 100.

information they need to speed up the movement of goods and reduce the overall costs of trade.²³

Looking ahead, digital trade facilitation offers a great opportunity to reduce trade costs and increase trade volume in the region. Member countries can enhance their competitiveness in global markets and improve the effectiveness of their participation in global value chains through paperless trade and the seamless electronic exchange of trade data and documents. In this regard, the Framework Agreement not only supports and complements the WTO TFA but also provides a unique platform for ESCAP member States to tap into their potential. Indeed, making further progress on trade facilitation and digitalization can be expected to increase regional annual net exports by \$16 billion.²⁴

When it comes to Sustainable trade facilitation, the implementation of “inclusive” measures to promote SMEs and the participation of women in trade remains low. SMEs are key players in the global economy and have important roles to play in digitalized trade, yet trade facilitation measures tailored to SMEs are insufficient. As noted in the *World Trade Report 2016*, SMEs are still facing disproportionate barriers to trade, and they should be better included in the international trade frameworks.²⁵ Recommendation 33 of UN/CEFACT recognizes the significance of the single window for trade generally and SMEs specifically.²⁶ Facilitation for AEOs is also one of the two TFA measures that specifically mentions SMEs.²⁷ Therefore, building the capacity of SMEs and taking them into account in

trade facilitation policies are of critical importance in achieving sustainable trade facilitation.

Similarly, there is a lack of awareness on the importance of gender mainstreaming in trade facilitation. Guiding women in understanding trade procedures, setting guidelines for standards bodies to ensure a more balanced representation of the interests of women and men, and promoting the participation and decision-making of women in trade facilitation and standards-related activities, could have a significant impact on increasing exports and enabling women to achieve higher income opportunities.²⁸

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

²³ This step-by-step process is inspired by and generally consistent with the UN/CEFACT step-by-step approach to trade facilitation in the move towards a Single Window environment.

²⁴ *Asia-Pacific Trade and Investment Report 2017: Channeling Trade and Investment into Sustainable Development*, ESCAP, 2017, available at <https://www.unescap.org/publications/APTIR2017>

²⁵ *WTO World Trade Report 2016: Levelling the Trading Field for SMEs*, available at https://www.wto.org/english/res_e/publications_e/wtr16_e.htm

²⁶ See UN/CEFACT “Recommendations and Guidelines on establishing a Single Window to enhance the efficient exchange of information between trade and government”.

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

²⁸ UNECE, 2017, Briefing note on the contribution of UN/CEFACT to United Nations Sustainable Development Goal 5, Executive Committee, Centre for Trade Facilitation and Electronic Business, twenty-third session.

²⁹ This refers to traditional trade finance products covered in the survey (e.g., documentary credits). Supply chain finance and open account transactions are not covered in the survey and involve much less paper flow.



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