

Digital and Sustainable Trade Facilitation in the Association of the Southeast Asian Nations 2023

Key Findings

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Content

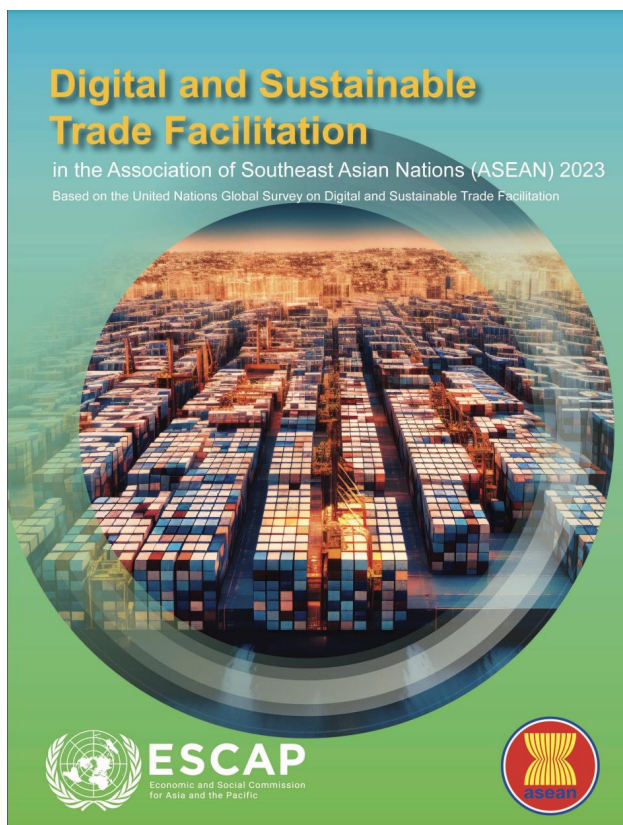
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Digital and Sustainable Trade Facilitation in the Association of the Southeast Asian Nations (ASEAN) 2023



The outcomes of the latest United Nations Global Survey on Digital and Sustainable Trade Facilitation of the Association of Southeast Asian Nations (ASEAN) Member States reveal substantial and ongoing advancements in the adoption of an extensive array of trade facilitation measures that surpass the requirements set by the World Trade Organization Trade Facilitation Agreement. Notably, the survey encompasses numerous advanced measures pioneered by ASEAN as part of its commitment to implement the ASEAN Single Window Agreement (ASW).

As the ASEAN digital transformation agenda progresses into its next phase, expediting the digitalization of trade processes remains an utmost priority. This report underscores the fact that the implementation of digital trade facilitation measures by the AMS has enabled them to surpass regional averages in Asia and the Pacific. This success can be attributed to collective efforts through initiatives like the ASW, which reflect continuous advancements. With such progress, the AMS that have not joined the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific may explore the possibility of accession and subsequently leverage the UN treaty to promote its digital solutions to other Asian and Pacific countries and address capacity gaps within the bloc.



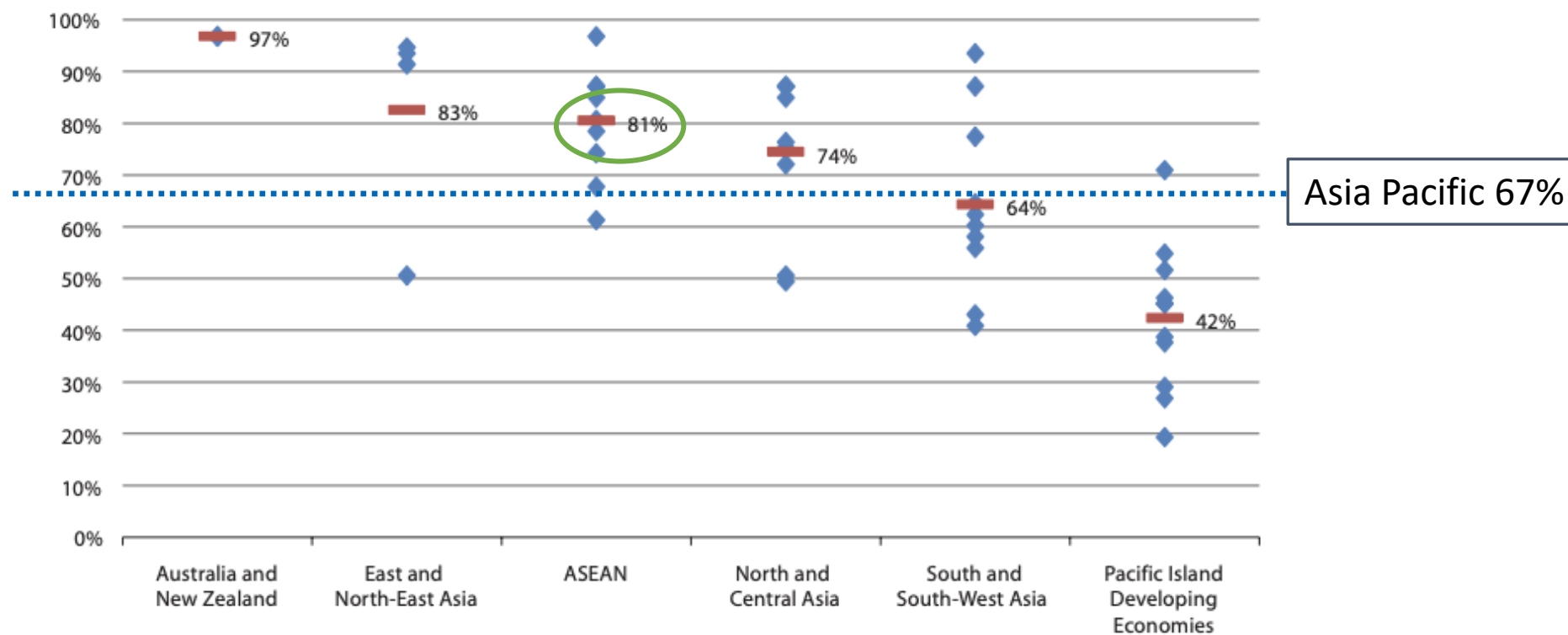
Armida Salsiah Alisjahbana
Executive Secretary of ESCAP



Dr. Kao Kim Hourn
Secretary-General of ASEAN

Trade facilitation implementation in Asia-Pacific subregions including ASEAN

- **ASEAN** achieved an impressive subregional **implementation rate of 81%** (compared with 79% in 2021)



Source: Digital and Sustainable Trade Facilitation in the Association of the Southeast Asian Nations (ASEAN) 2023

Trade facilitation implementation by ASEAN Member States between 2021 and 2023

Top countries

#1 Viet Nam (+7%)

#2 Lao PDR (+5%)

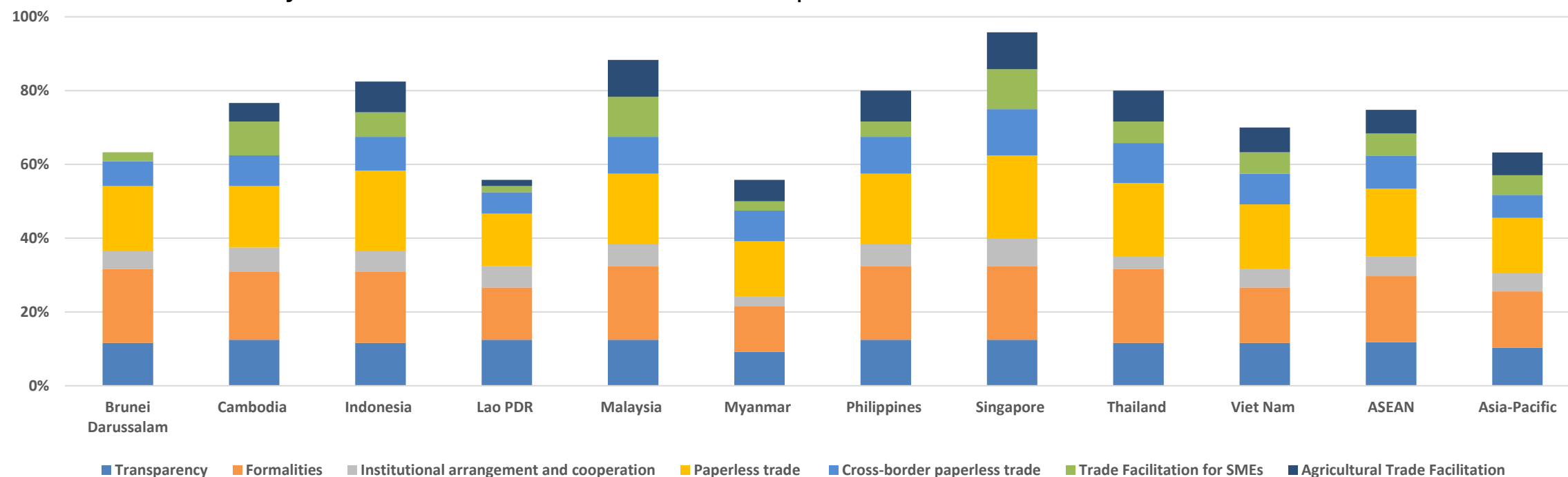
- The 7 percentage points increase for **Viet Nam** mainly comes from sub-groups '**Paperless trade**' (5 out of 7 percentage points), '**Cross-border paperless trade**' and '**Transparency**' (both 1 out of 7 percentage points)
- The 5 percentage points increase for **Laos PDR** mainly comes from sub-groups '**Paperless trade**' (2 out of 5 percentage points), '**Transparency**' and '**Formalities**' (both 1 out of 5 percentage points)



Source: Digital and Sustainable Trade Facilitation in the Association of the Southeast Asian Nations (ASEAN) 2023

Overall implementation of trade facilitation measures in ASEAN countries including additional sustainable measures

- The need for substantial progress in TF measures related to ‘**Trade facilitation for SMEs**’ and ‘**Agricultural trade facilitation**’
- **Singapore** has achieved a world-leading level of implementation at 96%.
- **Indonesia** and **Malaysia** have also achieved commendable implementation rates of more than 80%



Source: Digital and Sustainable Trade Facilitation in the Association of the Southeast Asian Nations (ASEAN) 2023

Overview of the implementation

Average implementation of different sub-groups of trade facilitation measures by ASEAN Member States

- The most significant progress are in measures related to **‘Paperless trade’ at 81%** and **‘Cross-border paperless trade’ at 60%**
- Measures under the **“Sustainable Trade Facilitation” group** are among the **least implemented**, especially the implementation rate for **‘Women in trade facilitation’ at only 33%**.

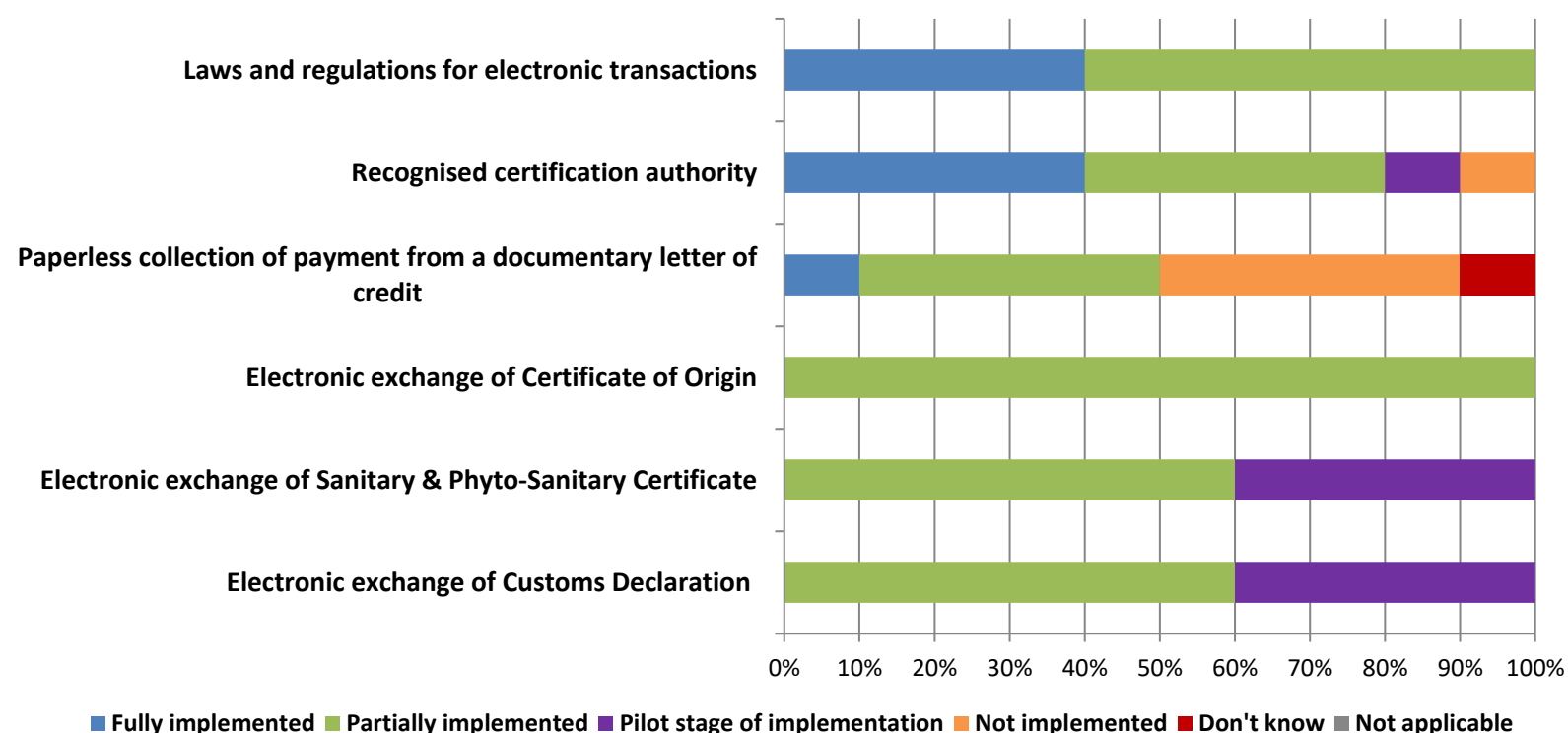


Source: Digital and Sustainable Trade Facilitation in the Association of the Southeast Asian Nations (ASEAN) 2023

Overview of the Implementation

State of implementation of 'Cross-border paperless trade' in ASEAN

- **80% of countries** within ASEAN have either fully or partially implemented '**laws and regulations for electronic transactions**', '**electronic exchange of Certificate of Origin**' and '**recognized certification authority**'.
- The measure with the **lowest implementation rate** is the '**paperless collection of payment from documentary letter of credit**', remaining unimplemented in 40% of countries.



Source: Digital and Sustainable Trade Facilitation in the Association of the Southeast Asian Nations (ASEAN) 2023

Overview of the Implementation

Good Practices in Cross-border paperless trade

Continuous utilization of the ASW



Indonesia; Malaysia Thailand; Viet Nam	July 2022, these four countries fully issued e-form D , hardcopy is only issued when ASW has technical problems.
ASEAN	ASEAN Member States have expanded the ASW to facilitate the exchange of other trade- related documents, such as the ASEAN Customs Declaration Document (ACDD) , which are now exchanged among nine ASEAN members with 1.7 million ACDD exchanged in 2022.
Indonesia; Thailand; Philippines	Indonesia and Thailand have exchanged electronic Phytosanitary (e-Phyto) certificates since December 2022, while the Philippines will join them by the end of 2023.
ASEAN	In addition, ASEAN Member States are engaged in discussions with Dialogue Partners , including China, Japan, the Republic of Korea and the United States of America, to explore the exchange of various trade-related documents .

Source: Digital and Sustainable Trade Facilitation in the Association of the Southeast Asian Nations (ASEAN) 2023

Overview of the Implementation

Good Practices in Cross-border paperless trade : Cross-Border Paperless Trade Database

- Home
- Legal Instrument
- Implementation Instrument
- Projects & Services
- Submit a Project
- References

Stakeholders

Documents exchanged

Facilitation procedures

Innovative cooperation projects

Technical requirements



Latest Projects

Digital Container Shipping Association –standardised foundation for digitalisation

Global
Commercial Transactions, Forwarding and cargo handling, Transport, Insurance, Regulatory/official control, Payment

Total Trade Platform

Operating
Global
Commercial Transactions, Forwarding and cargo handling, Transport, Insurance, Regulatory/official control, Payment

bConnect

Operating
Other
Commercial Transactions, Regulatory/official control

Source: <https://www.digitalizetrade.org/>

ESCAP support to Digital TF: The Framework Agreement on the Facilitation of Cross-Border Paperless Trade in Asia and the Pacific (CPTA)

- **A UN Treaty: enabling and action-oriented**
 - ✓ Open to interested (53) ESCAP member states to become parties
 - ✓ **Entered into force in 2021**
- **Objective**
 - ✓ To facilitate cross-border paperless trade (data exchange) among willing ESCAP member states by providing a dedicated intergovernmental framework to develop legal and technical solutions
 - ✓ Complementary to the WTO Trade Facilitation Agreement (TFA) as well as (sub)regional efforts



Source: <https://www.unescap.org/kp/cpta>

The Framework Agreement on the Facilitation of Cross-Border Paperless Trade in Asia and the Pacific (CPTA)

- **100% growth** in number of parties in 2022 (YoY)
- **More countries** expected to join in 2023/24
- **Work on-going on:** model protocols for data exchange and identification of pilot projects
- **Next session of the Paperless Trade Council:** June 2024

Participant	Signature	Ratification, Acceptance(A), Approval(AA), Accession(a)
Armenia	22 Sep 2017	
Azerbaijan		2 Mar 2018 a
Bangladesh	29 Aug 2017	13 Oct 2020
Cambodia	29 Aug 2017	
China	29 Aug 2017	22 Nov 2020 AA
Iran (Islamic Republic of)	29 Sep 2017	29 May 2020
Mongolia		27 Jul 2022 a
Philippines		23 Dec 2019 a
Republic of Korea		28 Nov 2022 a
Russian Federation		18 Aug 2023 a
Tajikistan		8 Dec 2022 a
Timor-Leste		5 Apr 2022 a
Turkmenistan		4 May 2022 a
Tuvalu		8 Dec 2022 a

Source: https://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg_no=X-20&chapter=10&clang=_en#EndDec

Good Practices in Women in trade facilitation

The Philippines

The Philippines has established a permanent presence of the **Women Business Council Philippines, Inc.**, comprising women business leaders and entrepreneurs who actively contribute to shaping trade policies and initiatives. This ensures the structural and permanent inclusion of women traders in the programme.

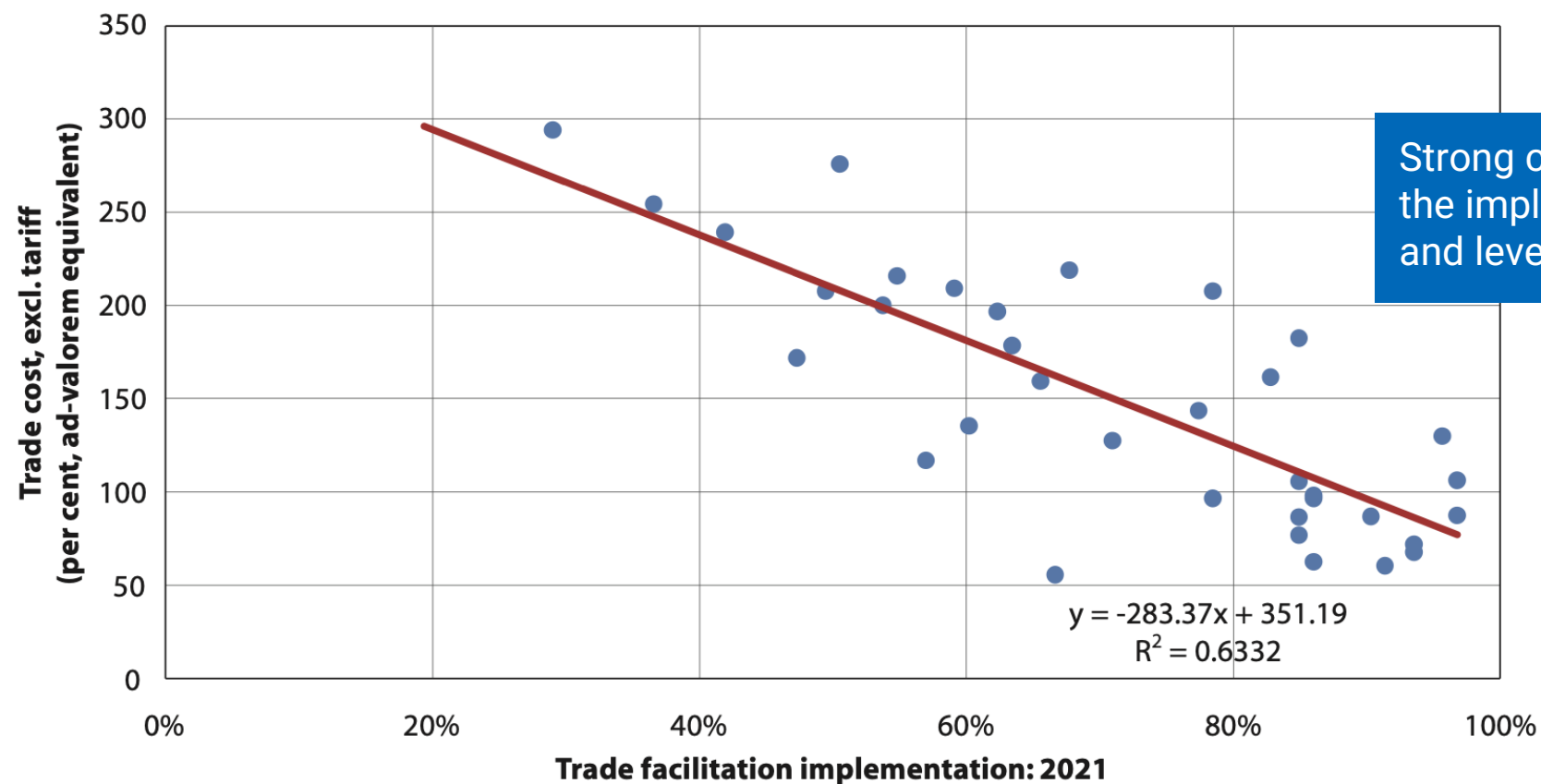
Cambodia

The SeT4SME Project has embedded capacity building to help SMEs looking for shipping their small packages and seizing the global e-commerce opportunities, **with the primary focus on women-owned businesses.**

Thailand

The **Women Entrepreneur Hour Seminar** has been organized regularly by The Office of Small and Medium Enterprises Promotion (OSMEP)

Trade facilitation implementation and trade costs



Source: UN Trade Facilitation Survey and ESCAP/World Bank Trade Cost.

Changes in trade costs in ASEAN resulting from implementation of trade facilitation and paperless trade

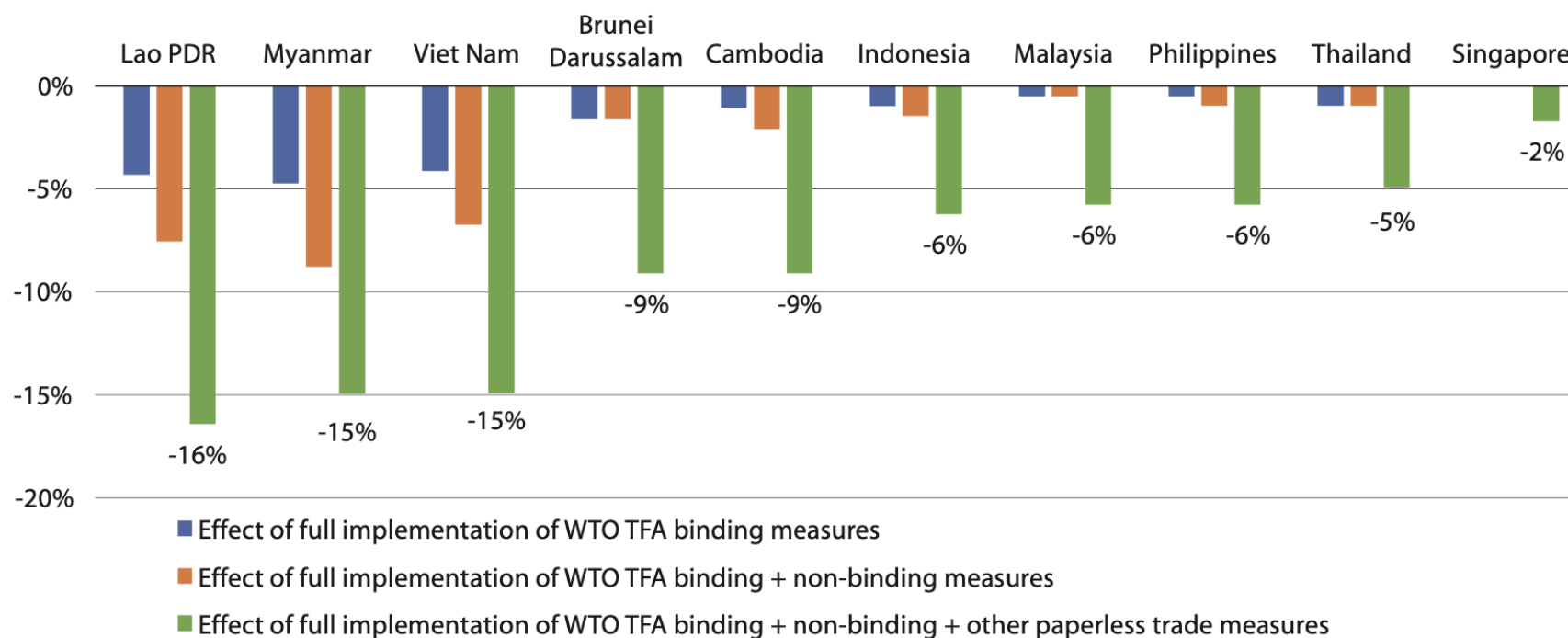
Trade digitalization can help to significantly *reduce trade costs by nearly 9%*.

ASEAN: trade costs model	WTO TFA (binding only)		WTO TFA (binding + non binding)		WTO TFA+ (binding + binding + non other paperless and cross-border paperless trade)	
	Partially implemented	Fully implemented	Partially implemented	Fully implemented	Partially implemented	Fully implemented
Model 1						
Overall trade facilitation	-0.13%	-1.87%	-0.19%	-3.06%	-2.49%	-8.95%
Model 2						
General trade facilitation measures	-0.10%	-1.40%	-0.10%	-1.90%	-0.18%	-2.30%
Digital trade facilitation measures	0.00%	0.00%	-0.08%	-0.65%	-2.36%	-6.35%

Source: ESCAP, based on data from www.untfsurvey.org and ESCAP/World Bank Trade Cost database.

Impact of trade facilitation implementation on trade costs of ASEAN economies

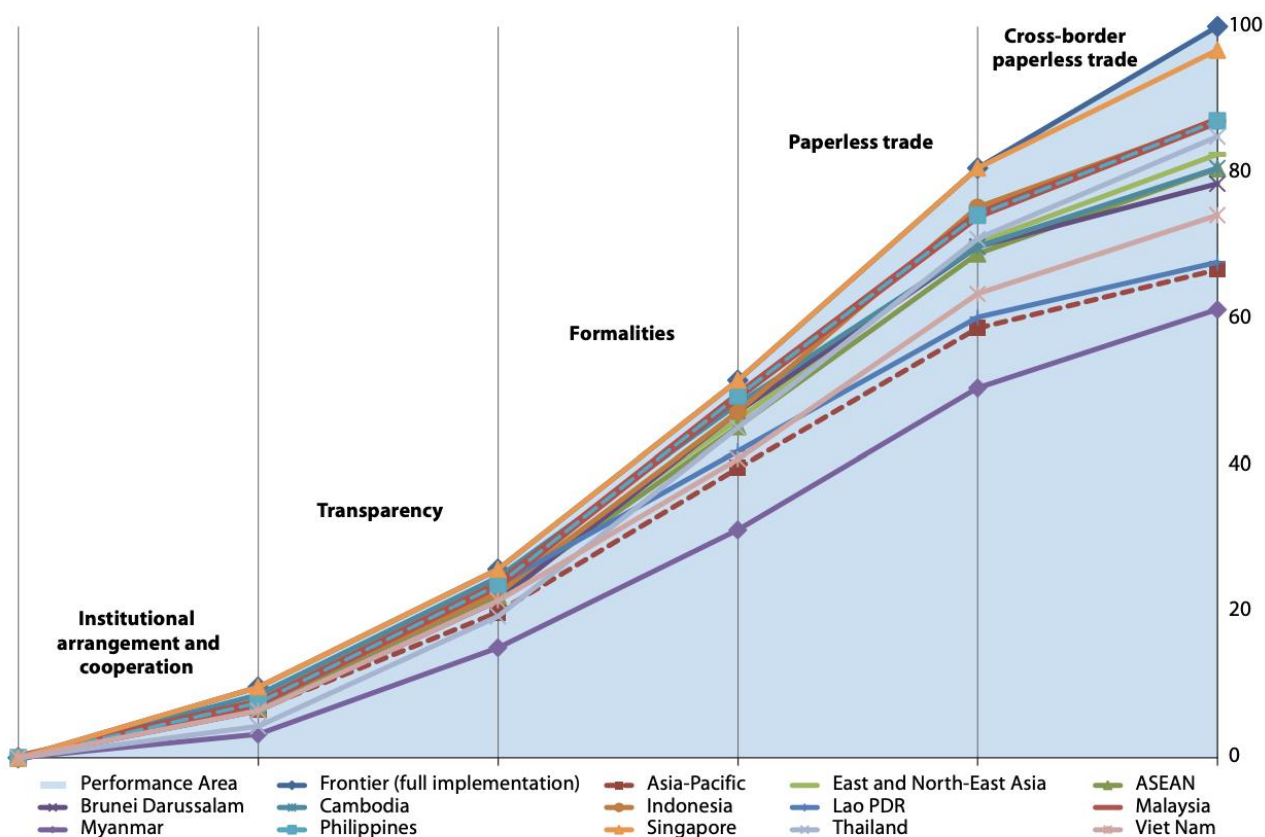
- **The full implementation of trade facilitation measures results in trade cost reductions for all economies.**
- However, achieving such trade cost reductions will require closer cooperation between economies on developing interoperable paperless trade systems.



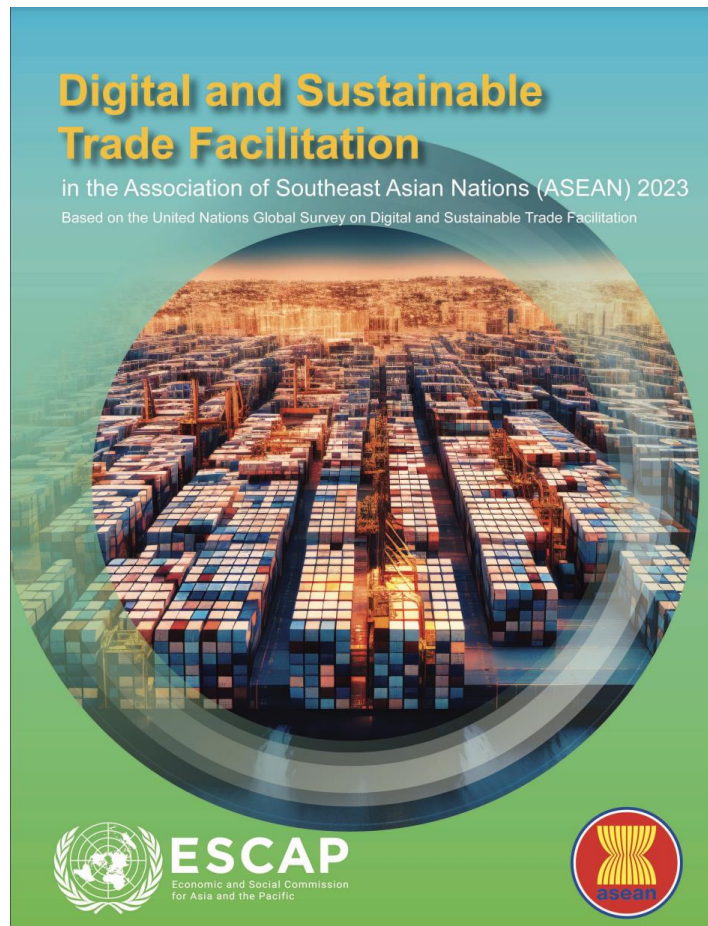
Source: ESCAP, based on data from www.untfsurvey.org and ESCAP/World Bank Trade Cost database.

Conclusion and the way forward

Moving up the trade facilitation ladder towards seamless international supply chains



- Crucial to implement paperless trade and establishing seamless electronic exchange of trade data and documents between ASEAN and its trading partners.
- The Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific offers further opportunities for ASEAN countries to promote their own initiatives and solutions and support the further advancement of the ASEAN Single Window.
- Room to further enhance cooperation, especially in emerging technologies, e-commerce and climate-smart trade.



THANK YOU

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<https://www.untfsurvey.org/report>



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