

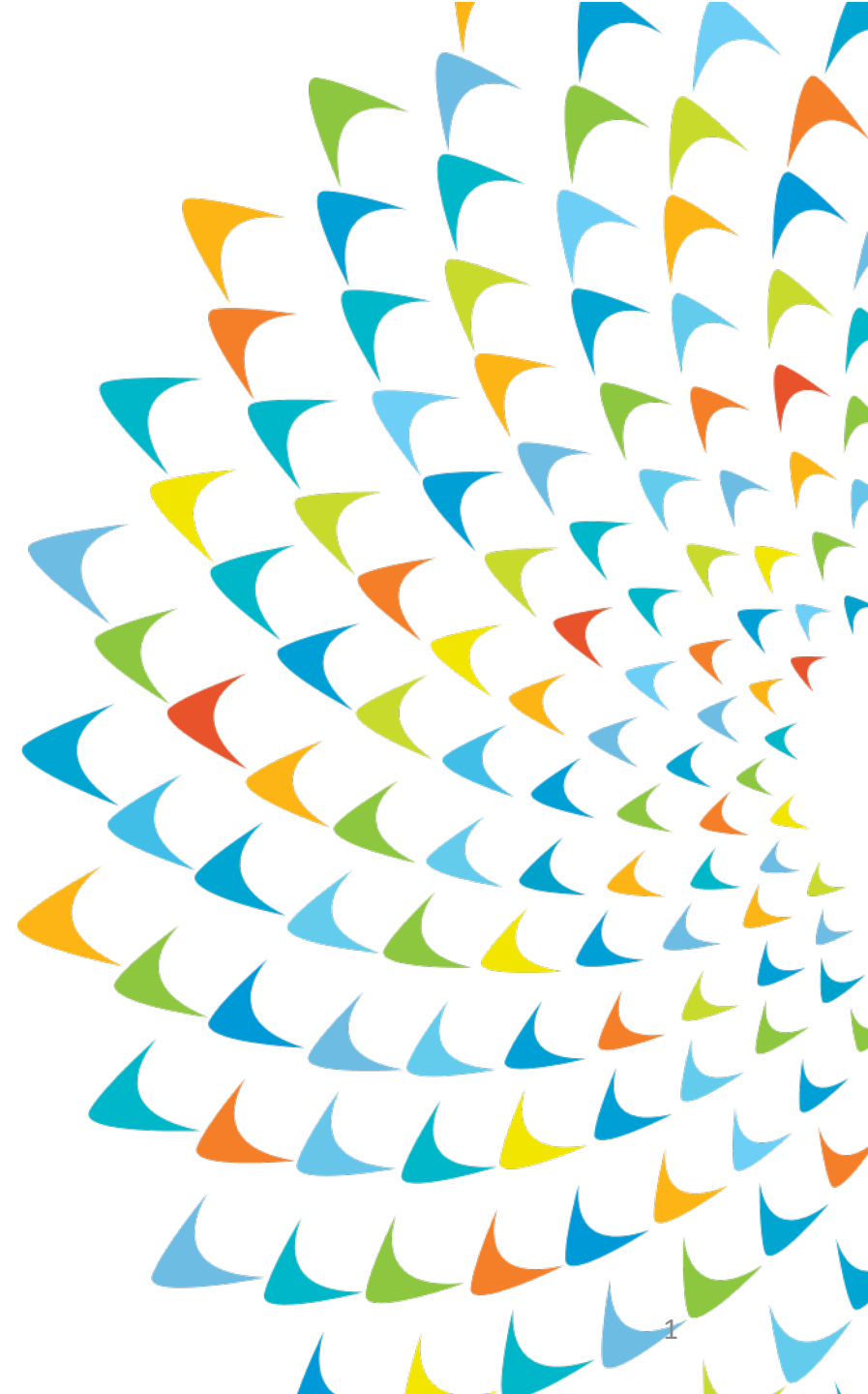
Integrated Approach to Trade and Transport Facilitation for Sustainable Outcome

Sanchita Basu Das, Economist, ADB

10TH Asia Pacific Trade Facilitation Forum

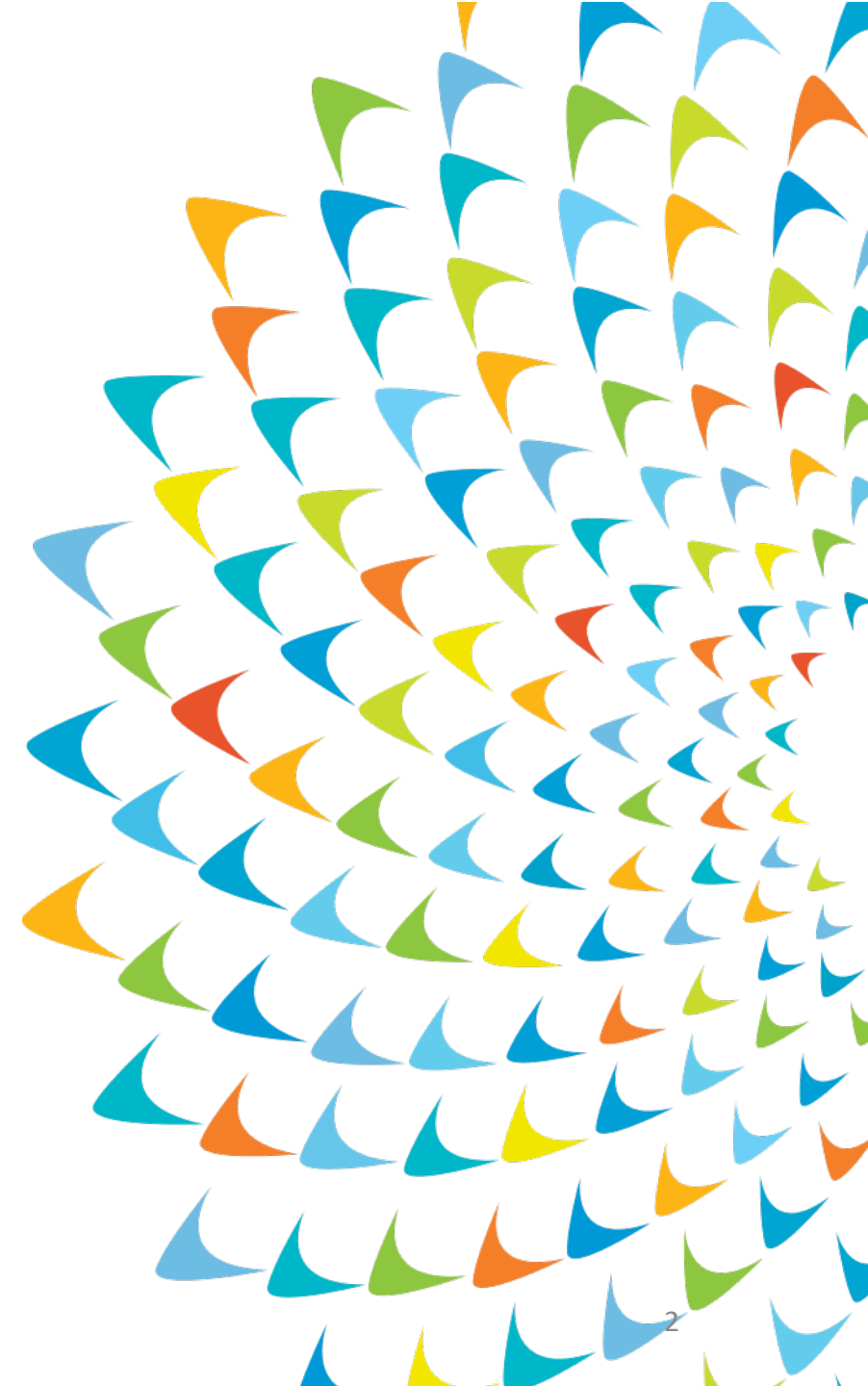
Session 3: Making trade facilitation more sustainable – lessons learned from good practices

29-30 August 2022



Agenda

- **Rationale for an Integrated Approach**
- **Current State and Gap Assessment**
- **Policy Recommendations**



Rationale for an Integrated Approach

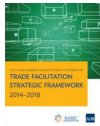
- Trade enhancement needs both trade facilitation measures and transport network.
- A WTO study highlights transport and travel costs together with information and transaction costs explain the largest share of trade costs for goods (45% of total trade cost).
 - Both hard and soft aspects of ‘at the border’ and ‘behind the border’ ecosystems need to be strengthened to promote trade
- During COVID-19, supply chain disruption happened both at the border and behind the border.
- Pace of digitalization increased and offered opportunity to harness the potential to build resilience from future shocks.
- Trade facilitation measures or provisions have evolved overtime– from being procedure focused initially to now being more sustainability oriented

Current State and Gap Assessment

Identified 6 Clusters and 11 themes from 74 provisions based on selected documents



WTO Trade Facilitation Agreement



ADB SASEC Trade Facilitation Strategic Framework



ADB CAREC Transport and Trade Facilitation Strategy



ASEAN Trade Facilitation Framework









ADB-UNESCAP Trade and Transport Study



UN Regional Commissions Survey on Trade Facilitation



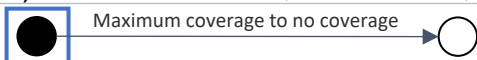
World Bank Trade and Transport Facilitation Assessment

- 1**  **Customs Procedures & Formalities**
 - ▶ Simplification & Harmonization
 - ▶ Digitization
- 2**  **SPS / TBT**
- 3**  **Stakeholder Coordination**
 - ▶ Institutional Coordination / Capacity Building
 - ▶ Stakeholder Involvement
- 4**  **Transit and Cross Border Facilities**
- 5**  **Transport Infrastructure**
- 6**  **Sustainability and Resilience**
 - ▶ Trade Finance
 - ▶ Sustainable Trade
 - ▶ SME Trade Facilitation



Current State and Gap Assessment

Relative coverage of thematic clusters across TTF frameworks	Customs Procedures and Formalities		SPS/TBT	Stakeholder Coordination		Transit and Cross Border Facilities		Transport	Sustainability and Resilience		
	Simplification and Harmonization	Digitization	Standardization	Institutional Coordination / Capacity Building	Stakeholder Involvement	Transit	Cross Border Facilities	Transport Infrastructure	Trade Finance	SME Trade Facilitation	Sustainable Trade
WTO TFA, 2013	●	◐	◐	●	●	◐	○	○	○	○	○
ADB SASEC Strategic Framework 2014	◐	◐	●	◐	○	◐	●	○	○	○	○
ADB CAREC TTFS 2014	◐	◐	◐	◐	○	○	◐	◐	○	○	○
ASEAN Trade Facilitation Framework 2020	◐	◐	◐	○	●	◐	○	○	◐	○	○
World Bank Trade and Transport Facilitation Assessment 2010	◐	◐	○	◐	◐	○	◐	●	◐	○	○
ADB-UNESCAP Trade and Transport Study*, 2020	◐	◐	◐	◐	◐	◐	○	○	◐	◐	○
UN RCs Survey on TF*, 2021	◐	●	●	◐	○	●	○	○	●	●	●



* - Survey

High Coverage

Medium Coverage

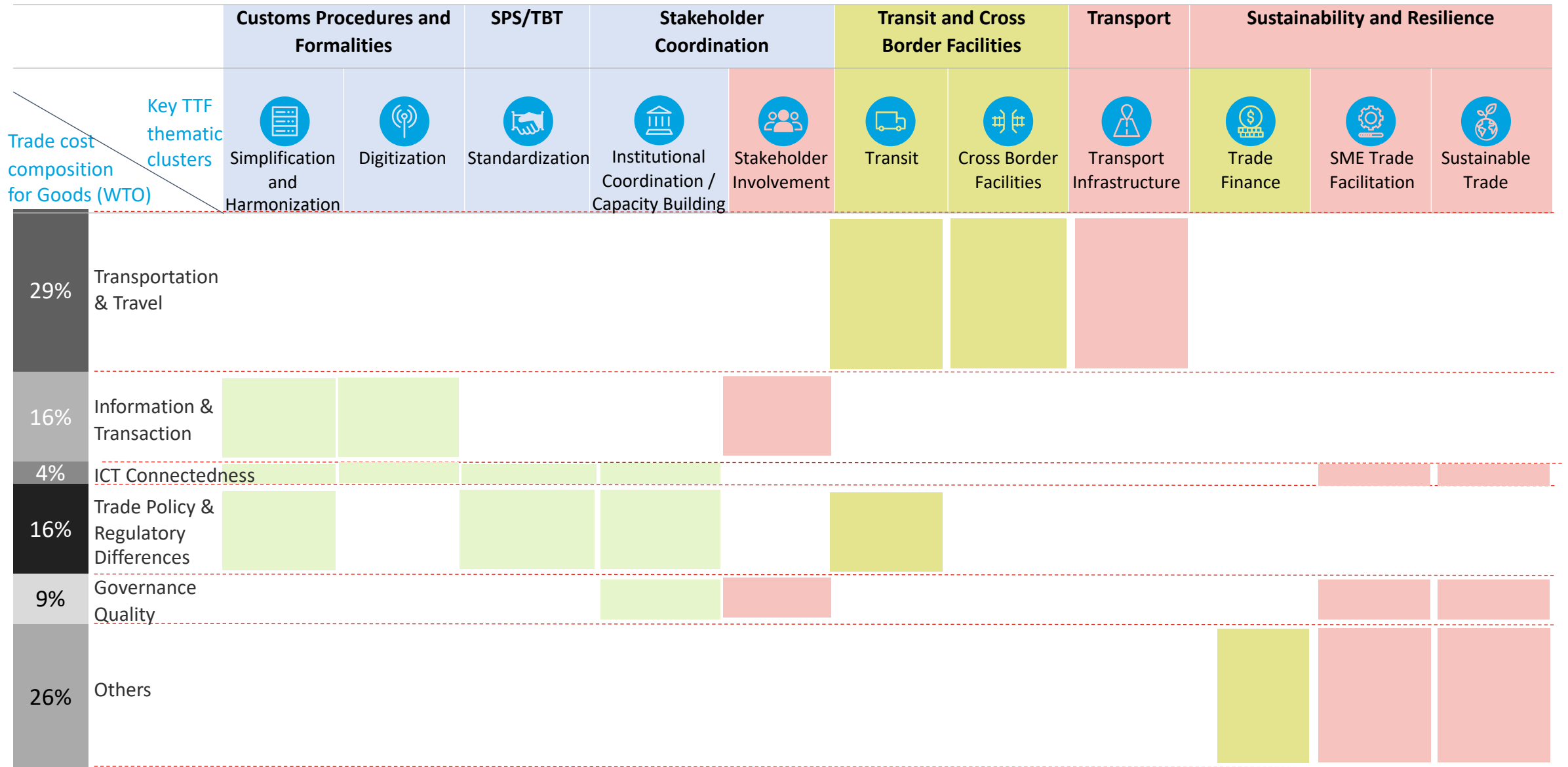
Low Coverage

Transport Agreements are often Discussed Separately

Non-exhaustive

Transport Agreements	Background and Benefits	Provisions
Intergovernmental Agreement on Asian Highway Network	First treaty developed under UN ESCAP secretariat - 2005 - It serves as a part of ESCAP's overall goal to see the development of an international, integrated, intermodal transport and logistics system for the region.	Provides framework for coordinated development of international highways in Asia as well as between Asia and Europe, improving quality of infrastructure and efficiency of operation. The roads, route signs, signs etc in the ASIAN highway network should be brought into conformity with ASIAN highway design standards
Coastal Shipping Agreement - India and Bangladesh	Signed in 2015, the agreement seeks to promote two-way trade through their respective ports. Earlier shipping cargo used to ply between the countries through Colombo/Singapore/ Klang ports. Reduced transport time from 25 days to 7 days. Savings of \$300 per container. Reduces dependency on third-country ports	Same treatment to each other's vessels as it would have done to national vessels used in international shipping. Treated as coastal shipping, eligible for 40% concession on vessel and cargo charges. Reduces congestion at Petrapole- Benapole Land Customs Station.
Bilateral transport Agreement between South Africa and Malawi, Zimbabwe, Zambia and Mozambique	Bilateral transport agreement for control and regulation of the transportation of passenger vehicles or cargo between the Republic of South Africa (SA) and Malawi, SA and Zambia, SA and Zimbabwe and SA and Mozambique	The agreement is Limited to bilateral trade and vehicle movement. Contains the procedures for application of Permit for a carrier for transit, provisions for vehicle manifest, vehicular requirements and documentation, harmonization of standards, for vehicles and drivers, etc.
COMESA-EAC-SADC Tripartite Multi-lateral Cross Border Road Transport Agreement	Part of the Tripartite transport and transit facilitation programme and approved in October 2019, it contains laws and regulations on cross border road transport, road traffic, transport of dangerous goods, transport transgressions. The agreement covers 23 states under the COMESA, EAC and SADC and 2 additional beneficiary states	Tripartite legal framework for harmonization of road traffic and transport-related aspects, including vehicle registration documents, transport operator registration, vehicle fitness testing, driver training and testing, as well as driving license categories based on appropriate international standards, including United Nations Standards.

Key Determinants of Trade Costs are yet to be Adequately Covered



Source: The WTO Global Trade Costs Index and Its Determinants, WTO Working Papers, 12 Feb 2021, No.2021/06 and Study Team Analysis

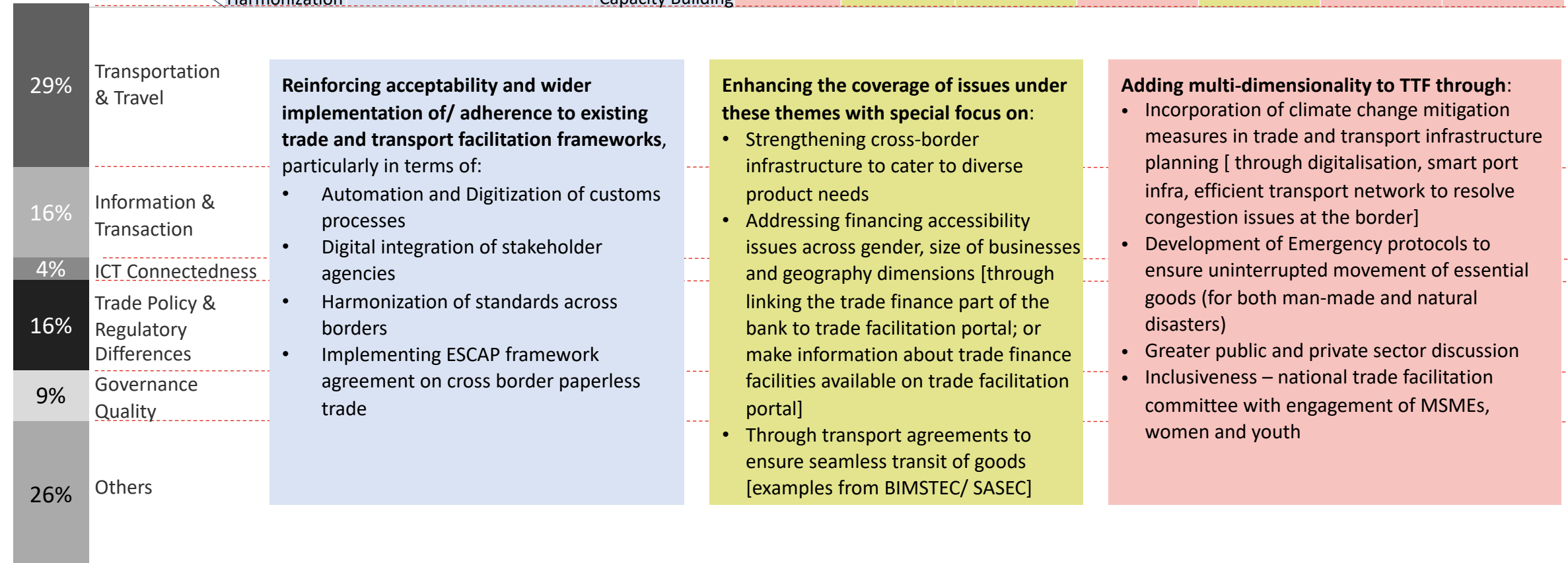
High Coverage

Medium Coverage

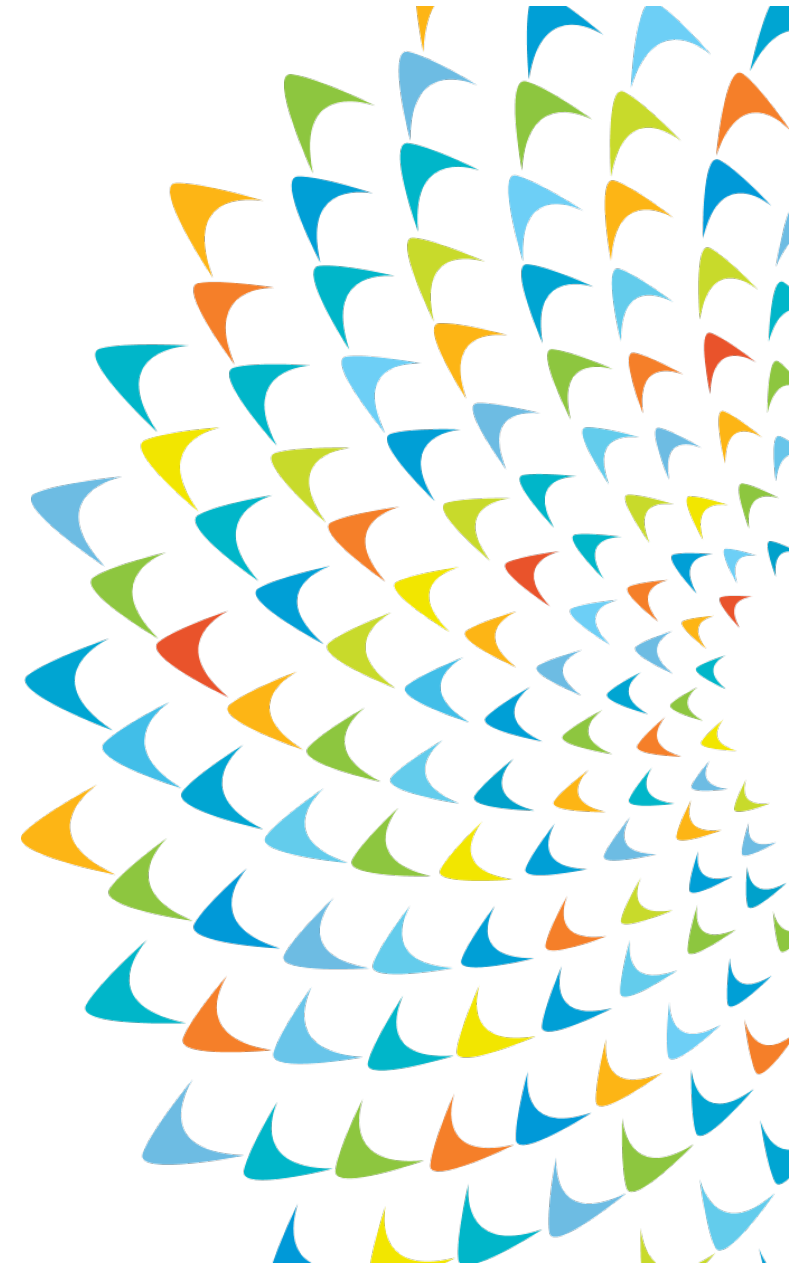
Low Coverage

Policy Recommendations

		Customs Procedures and Formalities		SPS/TBT	Stakeholder Coordination		Transit and Cross Border Facilities		Transport	Sustainability and Resilience		
Trade cost composition for Goods (WTO)	Key TTF themes											
		Simplification and Harmonization	Digitization	Standardization	Institutional Coordination / Capacity Building	Stakeholder Involvement	Transit	Cross Border Facilities	Transport Infrastructure	Trade Finance	SME Trade Facilitation	Sustainable Trade



Thank You



Simplification and Harmonization

- 1 Accede to the Revised Kyoto Convention
- 2 Implement the WCO SAFE Framework
- 3 Reengineer business process and documentation
- 4 Adoption of new simplified customs codes that are harmonized with international standards.
- 5 Strengthen risk management systems at BCPs in order to expedite the clearance
- 6 Simplify trade rules and procedures, Remove or reduce restrictive or unnecessary practices
- 7 Non-discriminatory rules and procedures
- 8 Access to adequate legal appeal procedures
- 9 Creating an outreach portal (single-window COVID-19 portal) to provide information
- 10 Publishing and notifying trade facilitation measures to relevant international organizations
- 11 24/7 clearance system at major ports
- 12 Reduction and waiving of taxes and duties for essential goods to combating the spread of the pandemic
- 13 Allowing trusted traders/ Authorized Economic Operators (AEO) with expedited clearance
- 14 Publication of existing import-export regulations on the Internet
- 15 Advance publication/notification of new trade-related regulations before their implementation
- 16 Advance ruling on tariff classification and origin of imported goods
- 17 Post-clearance audits
- 18 Establishment and publication of average release times
- 19 Online publication of emergency trade facilitation measures

Digitization

- 1 Upgrade to automated customs management systems
 - 2 Develop National Single Windows
 - 3 Modernize and update the rules and procedures based on adoption of modern techniques and technology
 - 4 Leveraging information technology and facilitate more streamlined customs procedures and electronic exchange of information between transport and control authorities
 - 5 Implementing Government digital platforms to facilitate remote working
 - 6 Electronic submission and exchange of documents
 - 7 Introducing e-registration of travel documents
 - 8 Acceptance of copies of original supporting documents required for import, export or transit formalities
 - 9 Electronic application and issuance of import and export permits, Certificate of Origin
 - 10 E-Payment of Customs duties and fees
 - 11 Electronic application for Customs refunds
 - 12 Recognized certification authority issuing digital certificates to traders to conduct electronic transactions
-