

Trade Facilitation in East and Central Asia

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Role of EARD in Trade Facilitation

- **CAREC**

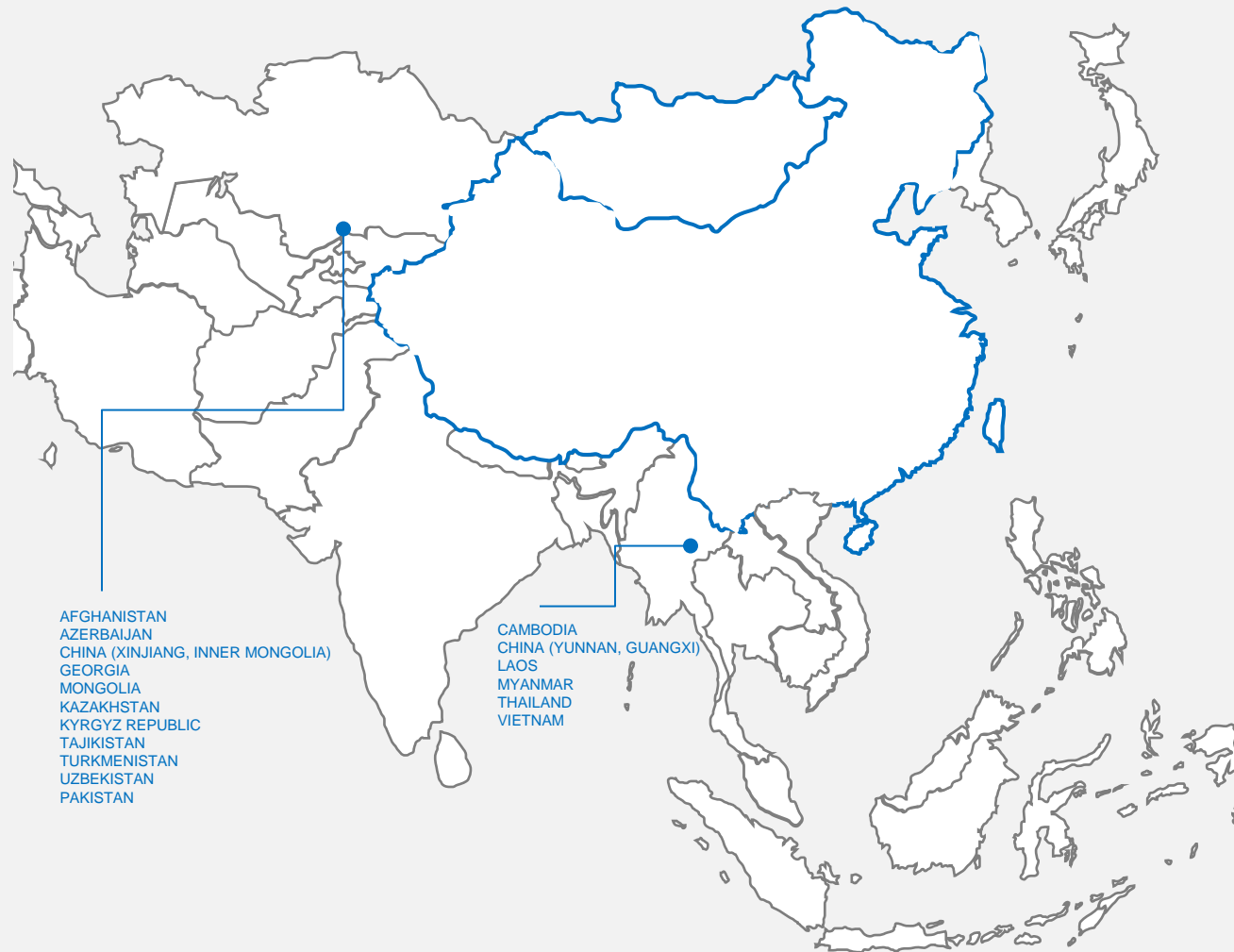
Leads the CAREC Trade Facilitation sector

- **PRC-MON**

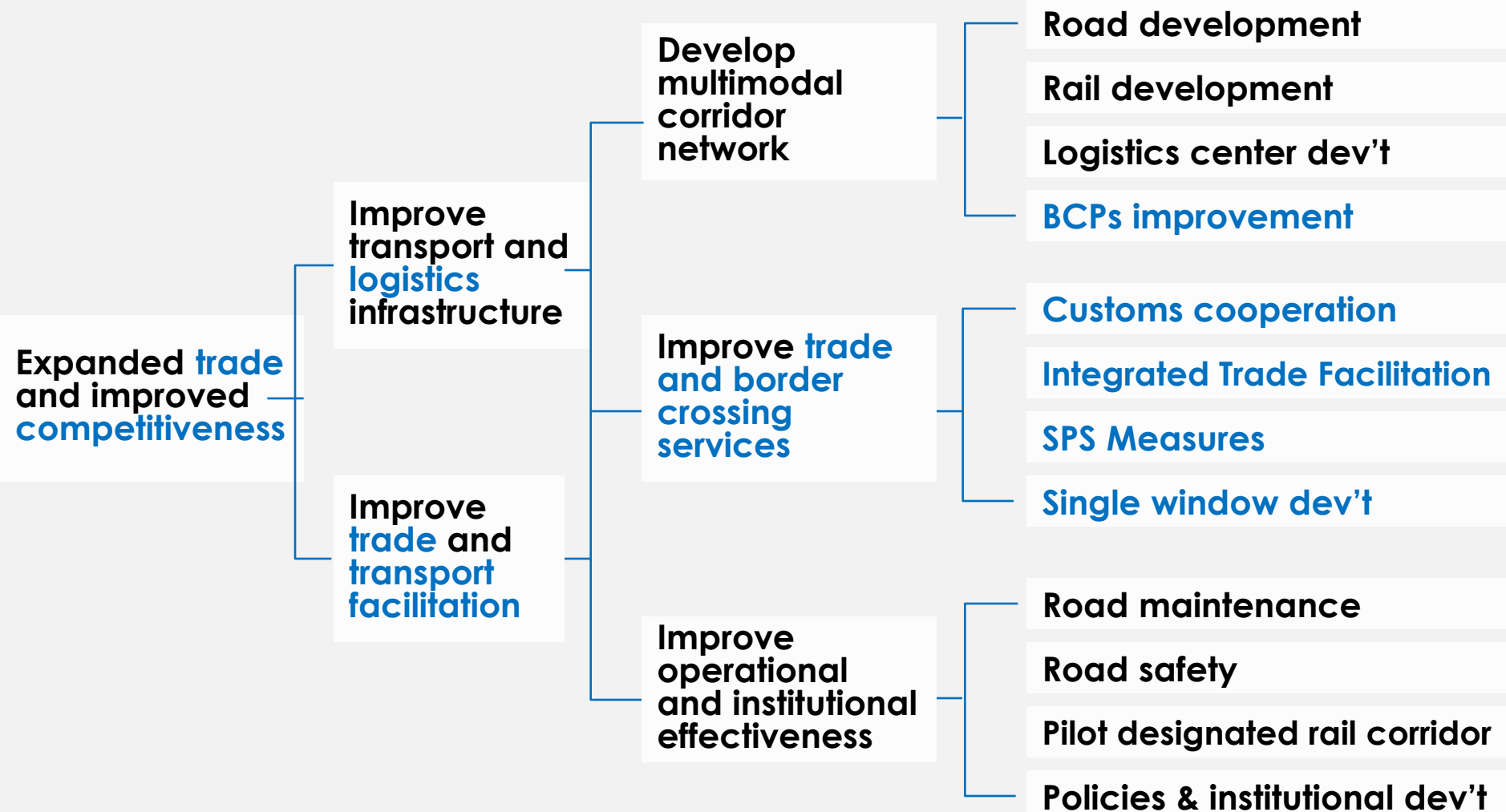
Supports cooperation and trade facilitation initiatives in East Asia

- **GMS**

Supports cooperation between PRC and GMS countries (led by SERD)



Refined Transport and Trade Facilitation Strategy 2020



WCO	WTO	ECE / ESCAP
<ul style="list-style-type: none">• Accession to RKC• Risk management• Authorized Economic Operator• Time release study• Coordinated Border Management• WCO data model and SW• ADB-IADB (Asia and America) experience sharing	<ul style="list-style-type: none">• Sanitary and Phytosanitary (STDF, also with FAO, etc)• Potential work with WTO on Trade Facilitation Agreement	<ul style="list-style-type: none">• TCD / CPMM• APTFF• Business process analysis and SW• UNNEXT (for SW)• UNCEFACT (for standard setting)
CAREC Institute	IOM	Bilateral
<ul style="list-style-type: none">• Tools to Improve Border Management: TRS and CPMM• Sub-Regional Workshop on Coordinated Border Management	<ul style="list-style-type: none">• Coordinated Border Management• Cross Border Technical Working Group• SOP manual/Roadmap for collaboration• Joint Trainings	<ul style="list-style-type: none">• USAID• GIZ• JICA

2 Major Components

Customs Cooperation

- CAREC Customs Cooperation Committee (CCC)
- Standardization and harmonization of customs procedures
- CAREC Customs Information Common Exchange (CCICE)
- Customs Risk Management
- Joint Customs Control (JCC)
- CAREC Advanced Transit System (CATS) – Pilot
- Time Release Study (TRS) and its implementation in CAREC

Integrated Trade Facilitation

- Single Window Development and Border Crossing Point Improvement
- Private Sector Participation
- Corridor Performance Measurement and Monitoring (CPMM)
- Sanitary and Phytosanitary (SPS) Measures for Trade Facilitation
- Coordinated Border Management (CBM)

Customs Cooperation

- **CAREC Customs Cooperation Committee (CCC)**

serves as platform to discuss reforms and share experiences in resolving issues

- **Annual meeting of heads of customs of CAREC member countries**

- **5 priority areas**

- simplification and harmonization of procedures
- ICT and data exchange
- risk management and post entry audit
- joint customs control
- regional transit

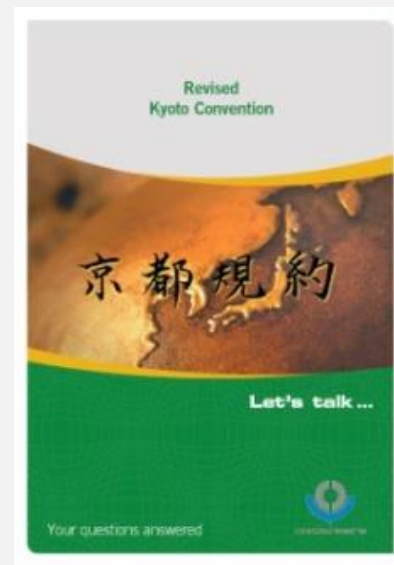


15th Annual Meeting, 21–22 September 2016, Singapore

Customs: Simplification and harmonization of customs procedures

Standardization and harmonization of customs procedures

- RKC Accession
- Situation/Gap Analysis
- Plans underway for workshops in KGZ and TKM



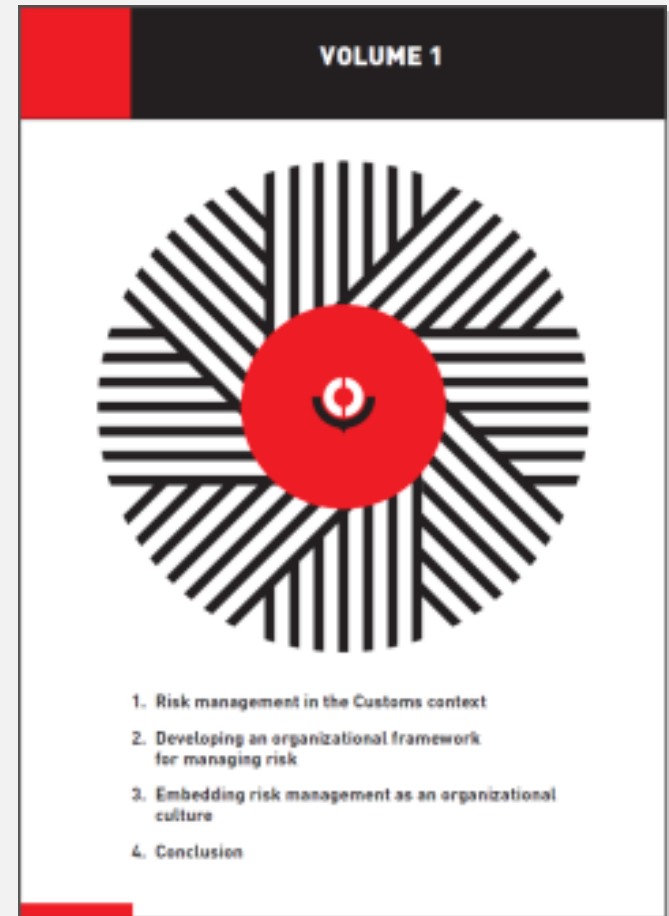
Acceded	AZB, PRC, KAZ MON, PAK, TAJ
Not Acceded	AFG, GEO, KGZ, TKM, UZB

Customs: Customs Information Exchange System for CAREC - Framework and Pilot Project Development

- **Assessed readiness and maturity—
AZE, KAZ, KGZ, MON, TAJ, UZB**
- **Two proposed pilot models:**
 - ✓ Simple – MON, KGZ, TAJ
 - ✓ Complex (transit) – AZE, KAZ, UZB
- **CAREC Customs Information
Common Exchange (CCICE)**



- Risk Management Training/Assessment – KAZ, KGZ, TAJ, UZB
- AZE, KAZ and MON have started to implement **Authorized Economic Operators (AEO) Programs**



- Phase 1 : document harmonization
- Phase 2 : mutual recognition of inspection results
- Phase 3 : joint border inspections

JCC pilot along the borders of Mongolia and the People's Republic of China

- Case study covers success factors and challenges of unified cargo manifests

- Proposed CAREC Transit Guarantee Mechanism
- Identified options for the establishment of an effective and affordable corridor-based customs transit regime
- CAREC Advanced Transit System (CATS) - Pilot along Corridor 2a —AZE, GEO, KAZ

Time Release Study (TRS) and its application in CAREC



- TRS measures customs activities as they relate to trade facilitation at the border
- TRS seeks to accurately measure elements of trade flows for well-conceived decisions to improve performance
- Consultation Dialogues
- TRS-CPMM Workshops for Customs officials

✓ National

- ❖ Mongolia (Aug 2017)
- ❖ Tajikistan (Aug 2016)
- ❖ Kazakhstan (Nov 2015)
- ❖ Kyrgyz Rep (Nov 2015)
- ❖ Uzbekistan

✓ Regional

- ❖ Urumqi (May 2016)
- ❖ Almaty (Apr 2017)

- a. Single Window Development and Border Crossing Point Improvement
- b. Private Sector Participation
- c. Corridor Performance Measurement and Monitoring (CPMM)
- d. Sanitary and Phytosanitary (SPS) Measures for Trade Facilitation
- e. Coordinated Border Management (CBM)

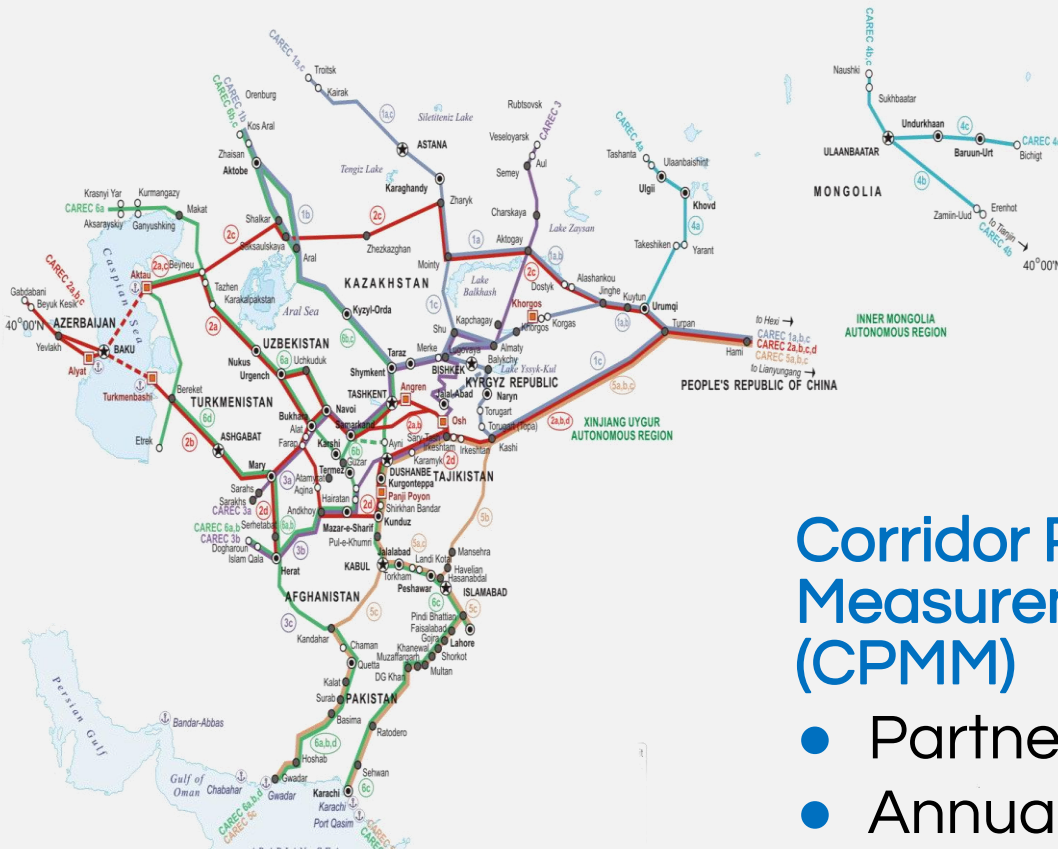
Single Window Development and Border Crossing Point Improvement

1. **Objective: efficient and increased movement of goods and people across CAREC countries**

2. **ADB TA and Loan Projects**
 - **RIBS projects in KGZ, TAJ and MON ongoing**
 - improvement and upgrading of select border crossing points
 - development of national single windows
 - **PAK project for improving its BCPs recently signed.**
 - **Other countries may submit requests for assistance**

CAREC Federation of Carrier and Forwarder Associations (CFCFA)

- 22 associations
- 7th CFCFA Annual Meeting, Singapore, 21 Sep 2016



Corridor Performance Measurement and Monitoring (CPMM)

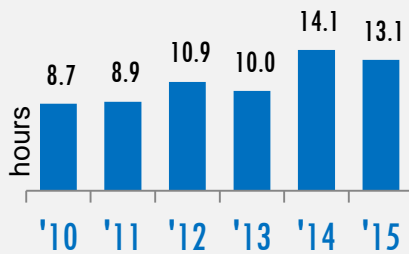
- Partner Associations
- Annual Report 2015
- Trade Facilitation Indicators

Objectives

- Detailed measurement and monitoring of corridor efficiency
- Identify bottlenecks, Improve predictability
- Data support for benchmark and project impact measurement

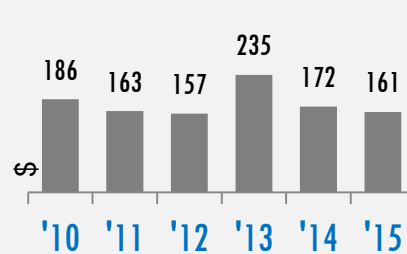
Trends

- Border crossing duration was seen on a steady decline, but remains problematic, since 2012. Inclusion of BCPs at the AFG-PAK borders in the sample contributed to the high average starting 2014.
- Trend on transit cost factors has been erratic due to oil price fluctuations.
- Speed Without Delay exhibits an upward trend indicating better roads.



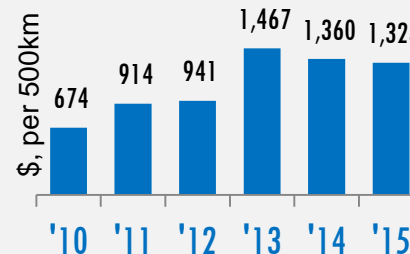
TFI1

Time to Clear a BCP



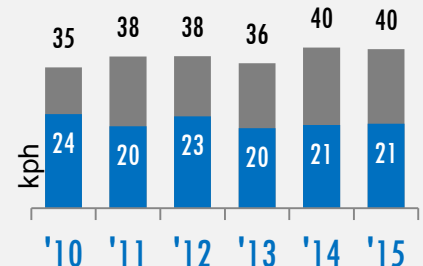
TFI2

Cost Incurred at BCP



TFI3

Cost Incurred to Travel a Corridor Section



TFI4

Speed to Travel on CAREC Corridors (SWD)

Key findings

Top Delays (Hours)		Top Cost Factors (\$)	
ROAD	RAIL	ROAD	RAIL
<ul style="list-style-type: none"> • Customs clearance (6.4 hrs) • Waiting in queue (5 hrs) • Loading/unloading (2.2 hrs) • Emergency repair (1.3 hrs) • Escort/convoy (1 hr) 	<ul style="list-style-type: none"> • Restriction on entry (24.5 hrs) • Lack of wagons (23.3 hrs) • Waiting for priority trains to pass (14.7 hrs) • Busy reloading facilities (13 hrs) • Transloading at gauge change (8.6 hrs) 	<ul style="list-style-type: none"> • Customs clearance (\$106) • Loading/unloading (\$106) • Escort/convoy (\$51) • Road toll (\$50) • Health/quarantine (\$22) 	<ul style="list-style-type: none"> • Transloading at gauge change (\$217) • Unload cargoes (\$102) • Busy reloading facilities (\$100) • Commercial inspection (\$97) • Customs inspection (\$87)

- Unofficial payments are frequent at border crossing particularly during customs clearance.

Moving forward...

- ADB has been working with the government to address these issues thru border development projects such as RIBS. CPMM has been instrumental in identifying problematic BCPs which prove vital for transport and trade facilitation in the region.

1. SPS measures as barrier to trade
2. CAREC Common Agenda for Modernization of SPS Measures endorsed by MC in September 2015
3. Mongolia: Regional Upgrades of Sanitary and Phytosanitary Measures for Trade Project - loan signed December 2015; now effective
4. Transforming SPS Measures for Trade – regional TA under preparation



- **CBM ensures efficient and effective processes and procedures used by all regulatory agencies**
- **Objective: To facilitate trade and clearance of travelers while ensuring secure borders**
- **Workshops to introduce CBM**
 - Mongolia National Workshop (Ulaanbaatar, May 2016)
 - Sub-regional Workshop involving delegates from KAZ, KGZ, TAJ (Bishkek, Nov 2016)
- **Study on the movement of people in CAREC**
- **Establish National Trade Facilitation Committees**
 - PAK: National Transport and Trade Facilitation Committee
 - TAJ: Presidential Decree No. 529 on the establishment of coordinating committee on trade procedures facilitation

Guangxi Regional Cooperation and Integration Promotion Investment Program (GRIP)

Strategic Context

- GMS economic corridor development
- PRC-Vietnam cooperation initiatives
- RCI: opening up PRC's border areas
- RCI in PRC CPS
- Guangxi: constraints and untapped potential

Project at a Glance

- **Impact:** Greater economic integration
- **Outcome:** RCI opportunities realized
- **5 Interlinked Outputs:**
 - SME
 - financial services
 - e-commerce
 - BEZ development
 - connectivity

For further inquiries, please contact:

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Thank you.
