

# SASEC Program

## Trade Facilitation in Asia and the Pacific

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### Regional Workshop on Promoting Connectivity through Trade Facilitation and Aid for Trade

Incheon, Republic of Korea

27-28 March 2017



# SASEC Trade Facilitation

- SASEC Program overview
- SASEC Operational Plan and sectors
- Trade facilitation issues and challenges in South Asia
- SASEC Trade Facilitation Program
- SASEC Trade Facilitation Strategic Framework
- Future directions and priorities



# SASEC Overview

- Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, Sri Lanka
- **SASEC goal** – *“to increase trade and economic cooperation within South Asia, create linkages to East and Southeast Asia, and promote sustained and inclusive economic growth through regional cooperation”*
- **46 investment projects worth over \$9 billion**
- **69 TA projects worth over \$65 million**
- **4 sectors: transport, energy, trade facilitation, economic corridor development**
- ADB serves as SASEC Secretariat

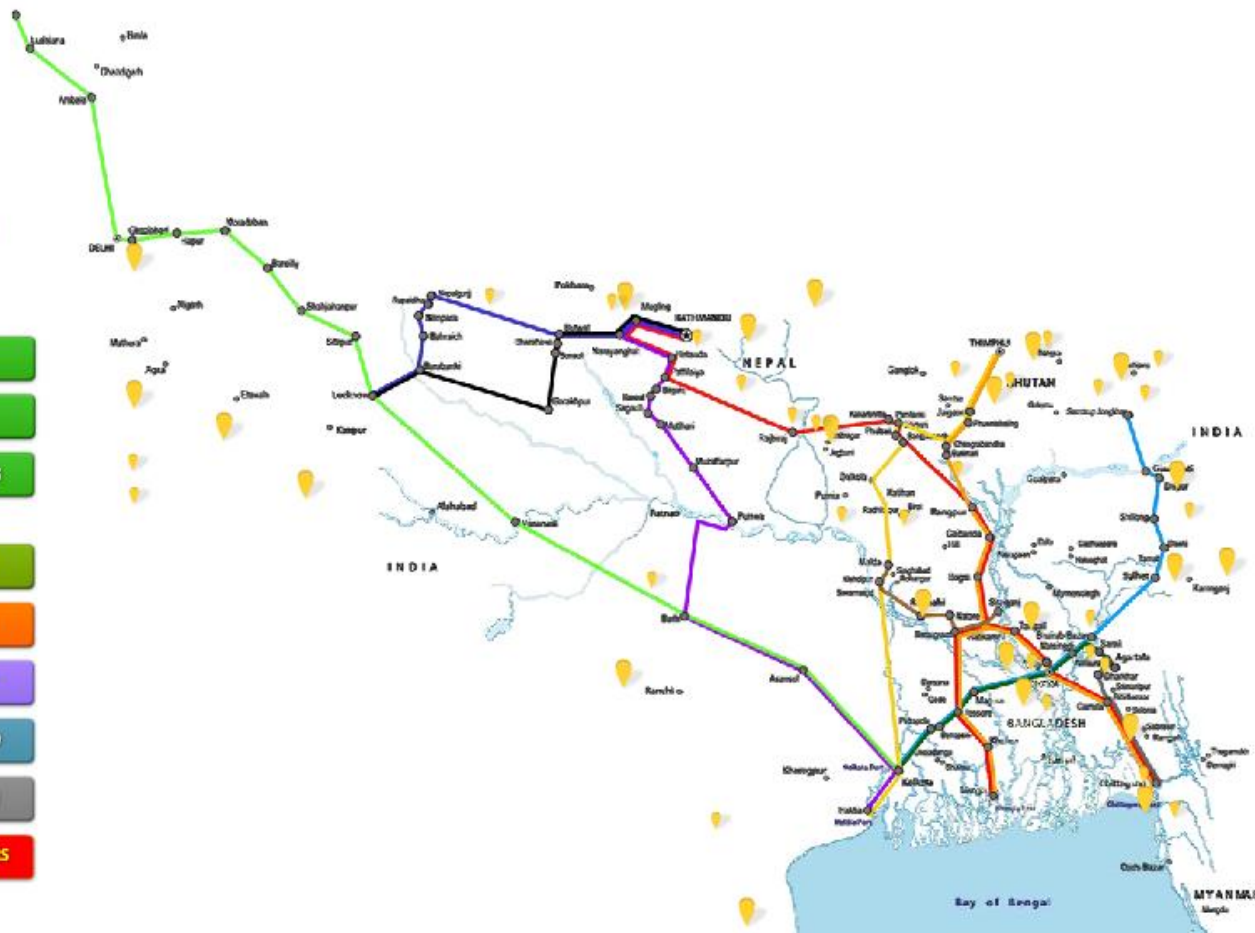


# Connecting through Corridors

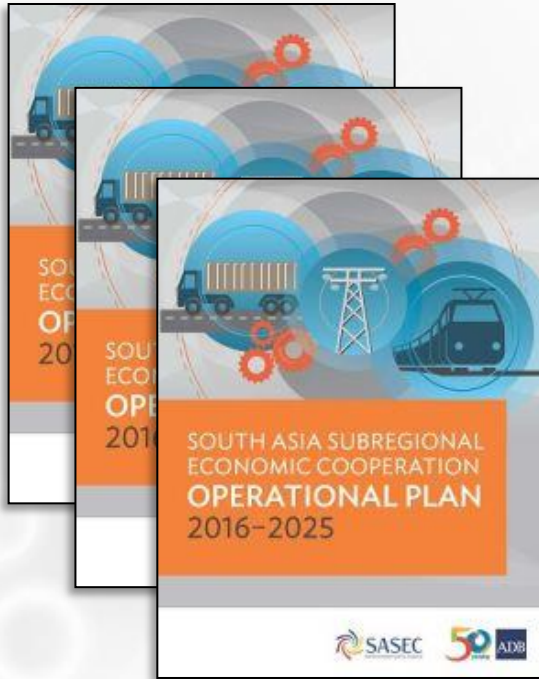


SASEC Regional  
Corridor Maps in  
South Asia

|             |               |
|-------------|---------------|
| TRANSPORT   | ENERGY        |
| TRADE       | ICT           |
| MULTISECTOR | ALL SECTORS   |
| CORRIDOR 1  | CORRIDOR 7    |
| CORRIDOR 2  | CORRIDOR 8    |
| CORRIDOR 3  | CORRIDOR 9    |
| CORRIDOR 4  | CORRIDOR 10   |
| CORRIDOR 5  | CORRIDOR 11   |
| CORRIDOR 6  | ALL CORRIDORS |



# SASEC Operational Plan



- First 10-year comprehensive long-term plan
- 4 sectors: 220+ priority projects: \$120+ billion
- SASEC Vision – overarching framework and long-term strategy to support sustained and inclusive growth in SASEC member countries



# Transport Sector



- Enhancing multimodal transport linkages – road, rail, maritime, inland water transportation
- Improving access, reducing congestion at border crossings, ports
- Improving logistics infrastructure

# Trade Facilitation Sector



- Customs measures, land- and sea-based
- Border and inland facilities, improved logistics, port processes, automation
- Through transport
- Improved operations of other border agencies, SPS/ TBT measures, NSW

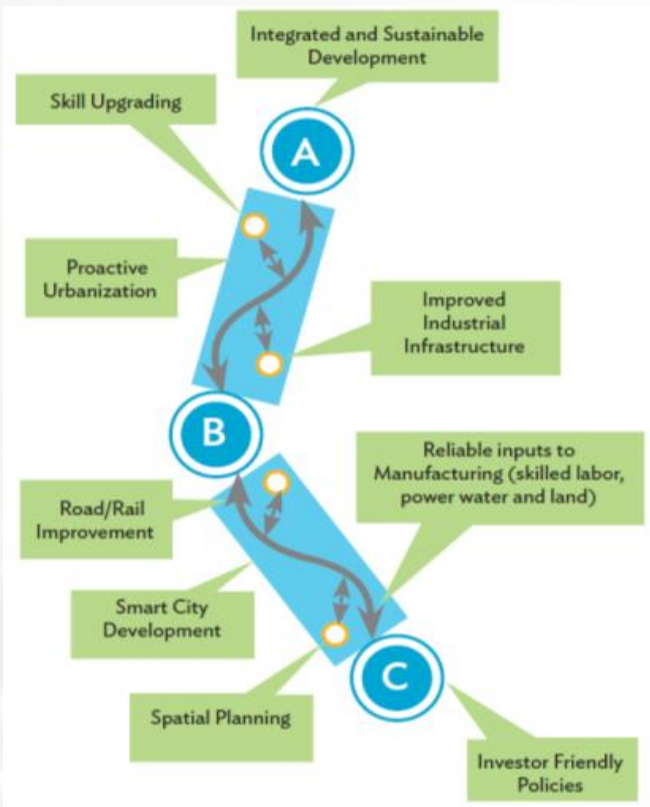
# Energy Sector



- Improve energy trade infrastructure
- Develop bilateral and regional power markets (long-term goal)
- Promote low-carbon alternatives, energy efficiency and conservation measures



# Economic Corridor Development



Transport and trade corridors



Industrial clusters



Urban development

# South Asia: TF Issues and Challenges

- Intra-regional trade share in SASEC countries – 4.5% of region's total trade in 2015
- High transaction costs, poor logistics performance, too many non-tariff barriers, cumbersome Customs procedures
- Limited automation of Customs systems
- Inadequate cross-border facilities
- Lack of effective transit arrangements
- Limited mechanisms for providing information to the private sector
- Physical remoteness from ports and access to global trading hubs
- Strengthening cooperation between governments to create efficient and integrated border management arrangements, including single-window systems

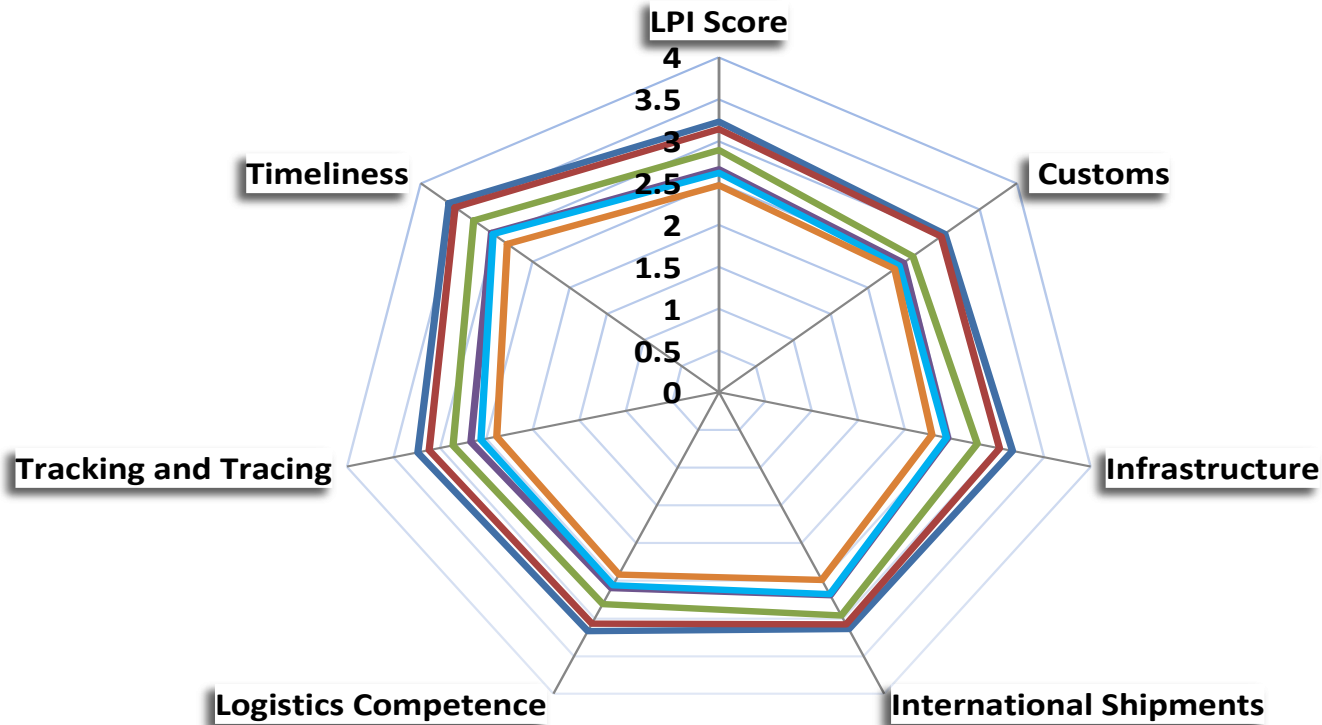


# Doing Business 2017

| Economy    | Ease of Doing Business Rank (Global) |      | Trading Across Borders |      |
|------------|--------------------------------------|------|------------------------|------|
|            | 2016                                 | 2017 | 2016                   | 2017 |
| Bangladesh | 178                                  | 176  | 173                    | 173  |
| Bhutan     | 71                                   | 73   | 26                     | 26   |
| India      | 131                                  | 130  | 144                    | 143  |
| Maldives   | 129                                  | 135  | 147                    | 147  |
| Myanmar    | 171                                  | 170  | 149                    | 159  |
| Nepal      | 100                                  | 107  | 72                     | 69   |
| Sri Lanka  | 109                                  | 110  | 89                     | 90   |

# South Asia: LPI 2016

- Europe & Central Asia
- East Asia & Pacific
- Middle East & North Africa
- Latin America & Caribbean
- South Asia
- Sub-Saharan Africa



Source: [lpi.worldbank.org/international/scorecard/radar/](http://lpi.worldbank.org/international/scorecard/radar/)

# SASEC Trade Facilitation Program (2012-2015)

- **Bangladesh, Bhutan, Nepal – \$48 million**
  - Accession to the RKC by all countries; amended RKC-compliant national legislations
  - Web-based Customs management systems launched/ongoing
  - Reduced import/export trade document management, simplified release, automated procedures
  - NSW piloted /under development / pre-feasibility study
  - trade information portals; client service centers
- **Japan Fund for Poverty Reduction TAs**

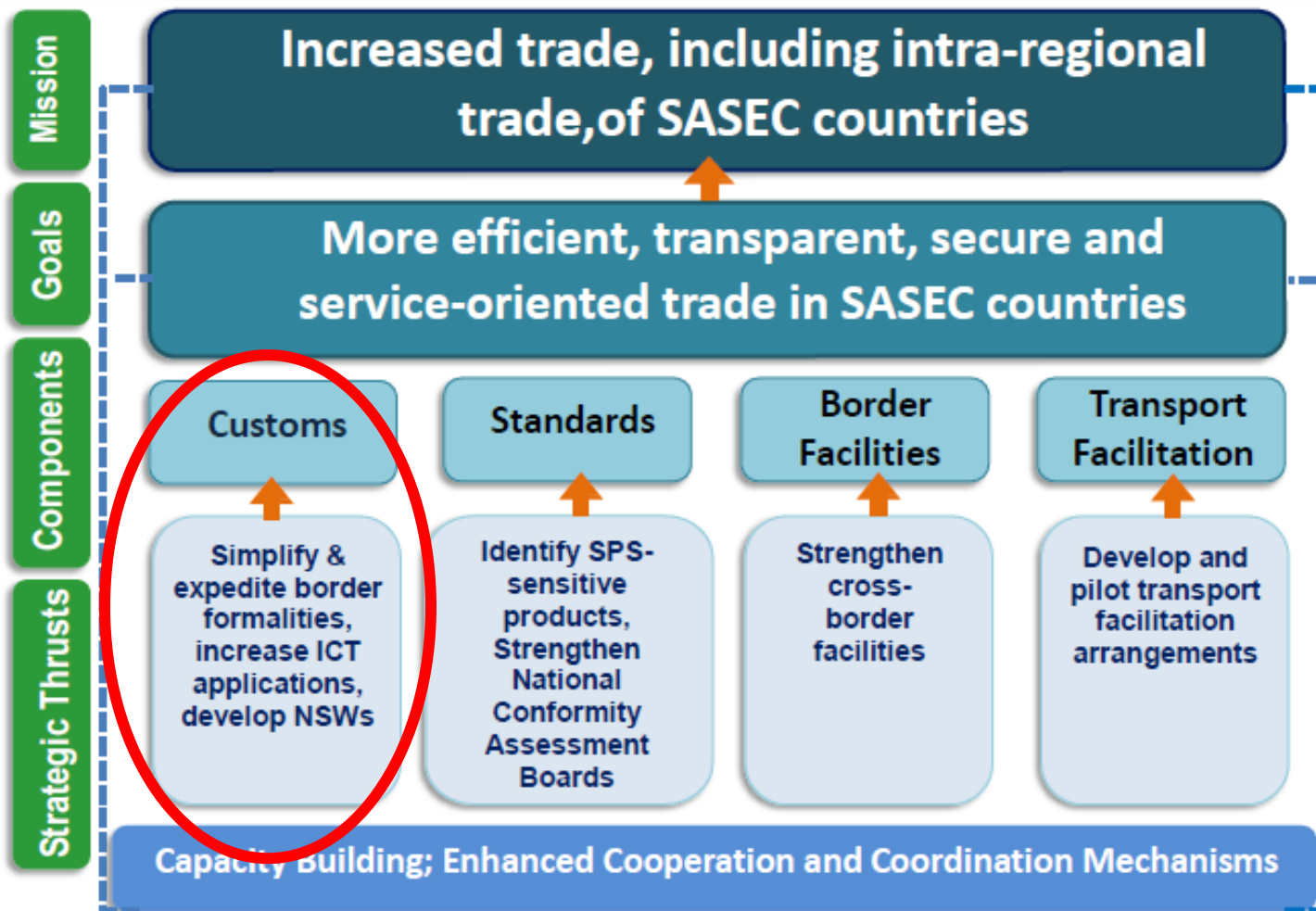


# SASEC Trade Facilitation



- Customs modernization & harmonization
- Standards & conformity assessment
- Cross border facilities improvement
- Through transport facilitation
- Institution & capacity building

# SASEC Trade Facilitation Strategic Framework



# SASEC Customs Modernization

## Customs Modernization

### SASEC Customs Subgroup Action Plan

#### 6 Subregional Projects

- Exchange of documents at major BCPs
- Assessment of regulatory framework and infrastructure for containerized movement of cargo at land borders
- Institutionalize border meetings among customs authorities at major BCPs
- Automation of transit processes
- FS of electronic exchange of data
- Supporting implementation of ASYCUDA World

#### 20 National Projects

- Over 13 capacity building events held in priority areas -
- Customs valuation
  - Risk assessment
  - Trusted trader programs
  - National single window
  - International standards and conventions
  - Post clearance audit



# SCS National Projects

## Priority Activities –

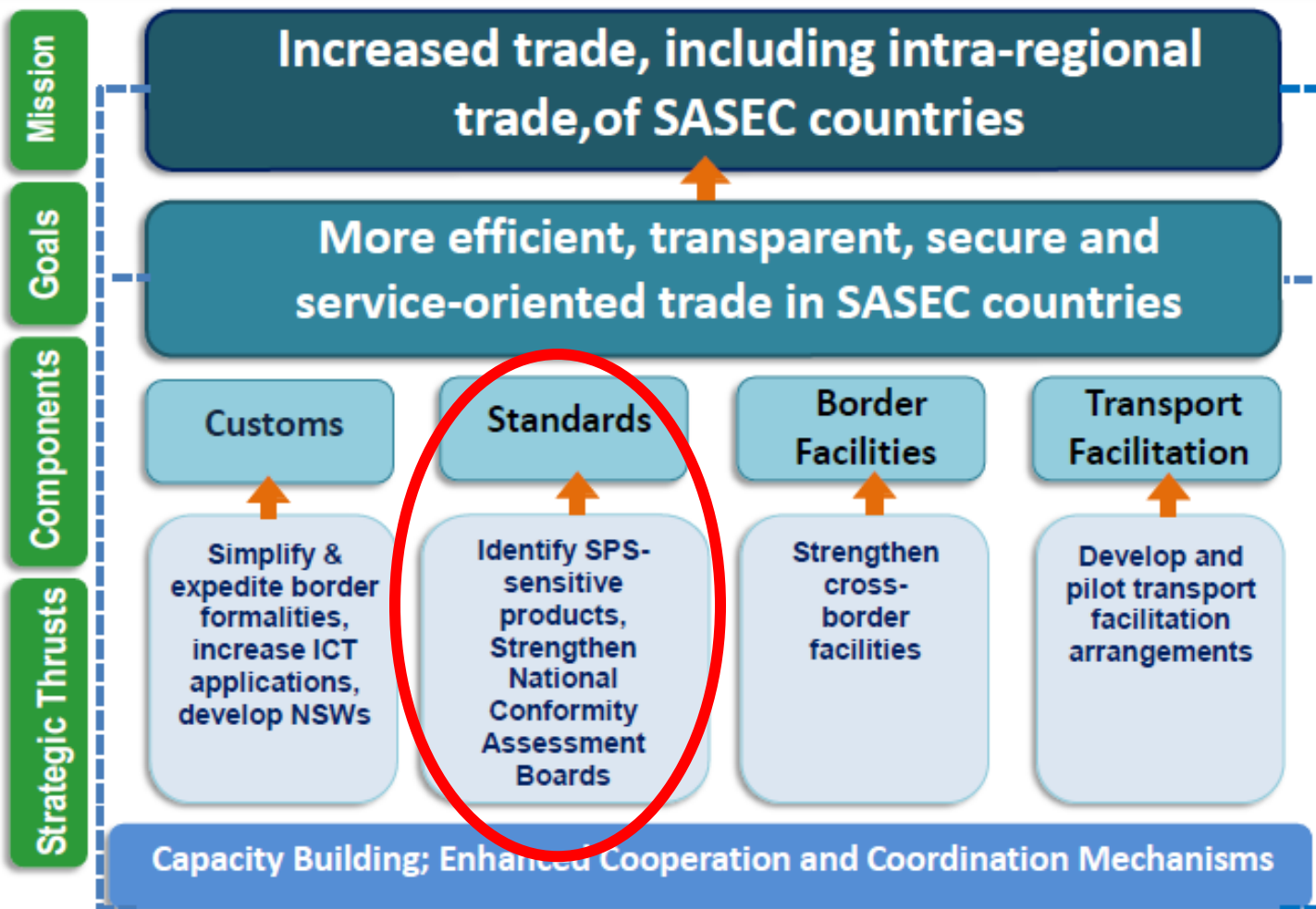
- Automation & connectivity
- National single window
- New RKC-compliant Customs Acts
- Trade portals
- Risk management
- Trusted trader/AEO
- Post-clearance audit
- Simplification of formalities

## Expected Outcomes –

- Speedier clearance systems
- Reduced transaction costs
- Better targeting of high risk cargo
- Improved compliance levels
- Efficient allocation and use of resources
- Transparency and partnership with private sector



# SASEC Trade Facilitation Strategic Framework

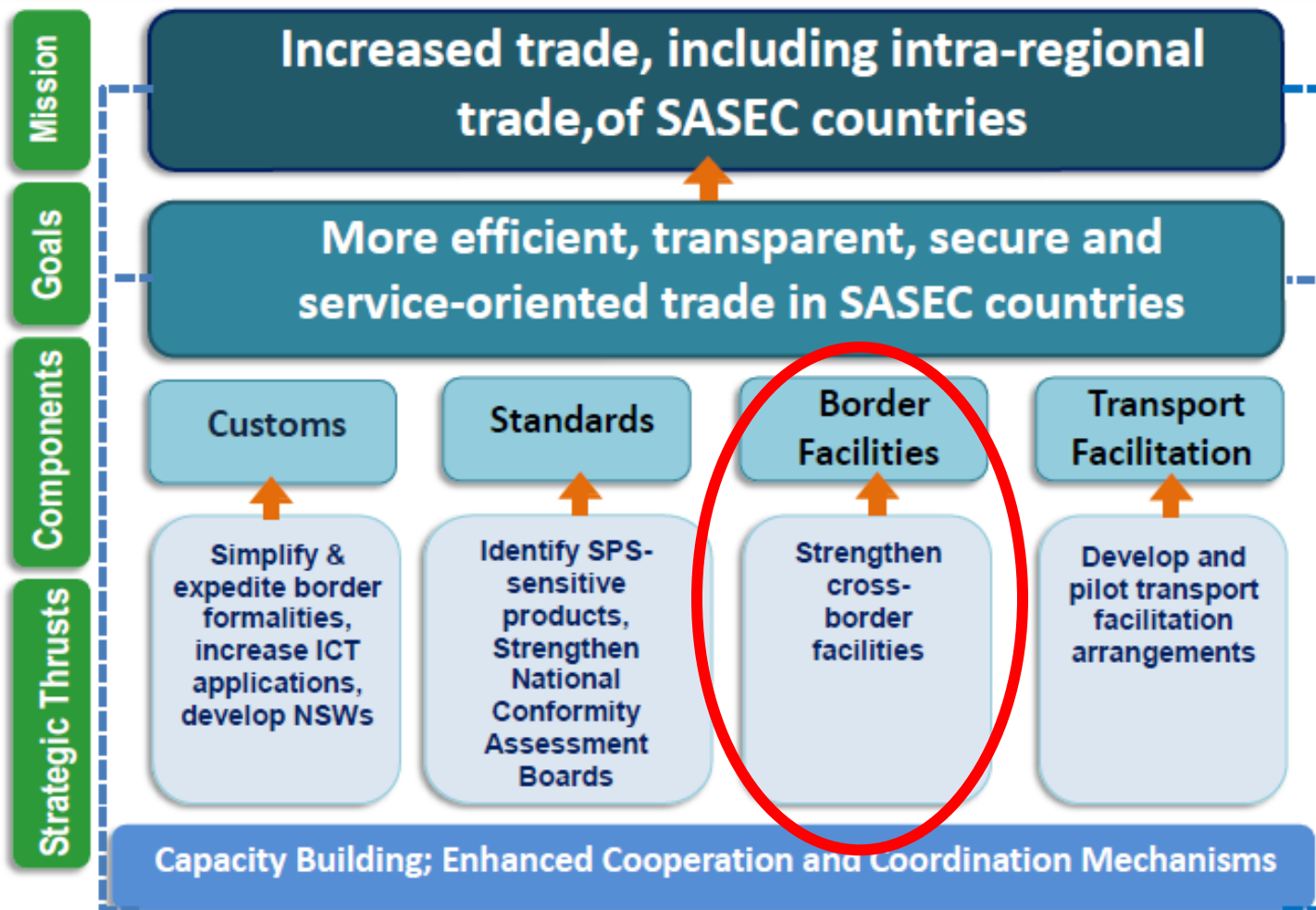


# SASEC SPS/TBT

- Subregional SASEC workshops in 2013 and 2014
- SASEC national and regional SPS/TBT diagnostic studies
  - Consultation Workshops held in all SASEC countries
  - National studies underway
- SASEC SPS/TBT Subgroup mechanism
- Cooperation with SARSO and SAARC



# SASEC Trade Facilitation Strategic Framework

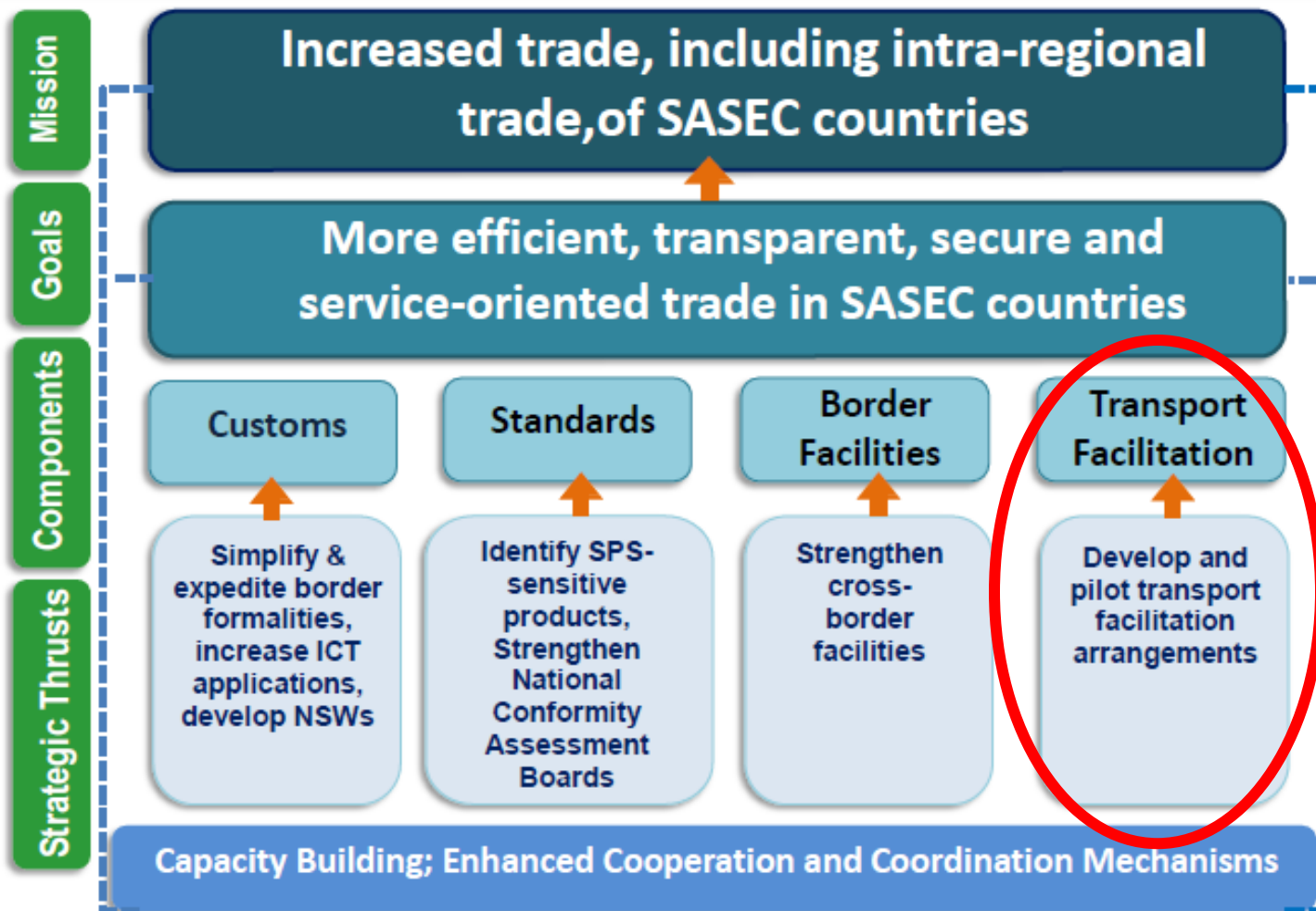


# Cross-border Facilities

- Ongoing SASEC road projects include components to improve border infrastructure –
  - Bangladesh (2012) – Improvement of land ports in Benapole and in Burimari
  - Bhutan (2014) – Mini-dry port in Phuentsholing and Alay land custom station
  - Bhutan (2016) – Procurement and installment of trade facilitation and logistics equipment
- Study on coordinated development of border infrastructure at select border points



# SASEC Trade Facilitation Strategic Framework



# Transport Facilitation

- Motor Vehicle Agreement (MVA) finalized and signed by Bangladesh, Bhutan, India, and Nepal (BBIN)
- Draft Protocol on movement of passenger vehicles substantively agreed; cargo trials conducted
- Draft MVA finalized by India, Myanmar, and Thailand
- Collaboration with UNESCAP in use of electronic tracking for transport and transit facilitation



# SASEC OP – Future Directions for Trade Facilitation

**Strategic Objective:** Follow a comprehensive approach to transport and trade facilitation

TRANSPORT &  
TRADE  
FACILITATION

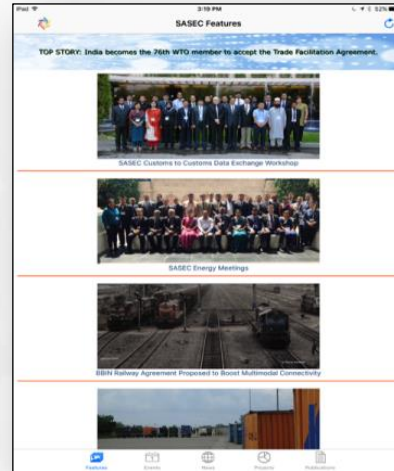
- Land-based
- Trade facilitation
- Customs
- Maritime-based
- Through transport
- SPS/TBT



# For More Information...



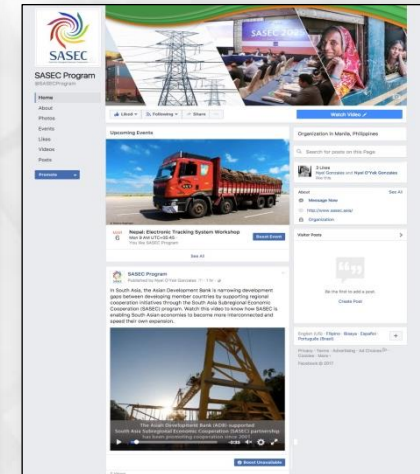
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