

# Trade Facilitation and Paperless Trade Implementation in Central Asia

**Results of the UN Global Survey 2017**

Trade Policy and Facilitation Section

Trade, Investment and Innovation Division

**United Nations Economic and Social Commission for  
Asia and the Pacific**

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## Reference

## Annex

# Introduction

# Why trade facilitation?



Source: 1. ESCAP (2017), Asia-Pacific Trade and Investment Report 2017: Channeling Trade and Investment into Sustainable Development; 2. ESCAP (2017), Digital Trade Facilitation in Asia and the Pacific, Studies in Trade, Investment and Innovation No.87.

# UN Global Survey on Trade Facilitation and Paperless Trade Implementation (2017)



## **38 trade facilitation measures in 4 groups:**

- General trade facilitation (TFA-related)
  - » Transparency [e.g. publication of regulations on internet]
  - » Formalities [e.g. application of risk management]
  - » Institutional arrangement & cooperation [e.g., NTFCs]
- Transit facilitation (TFA-related)
- Paperless trade [e.g., e-customs declaration]
- Cross-border paperless trade [e.g., exchange of e-COs]

## **For 2017, newly added measures on:**

- Trade facilitation for SMEs
- Agricultural trade facilitation
- Women in trade facilitation

**Coverage: Global, 120 countries**

# Interactive Database of Global Survey

## UN Global Survey on Trade Facilitation and Paperless Trade Implementation 2017



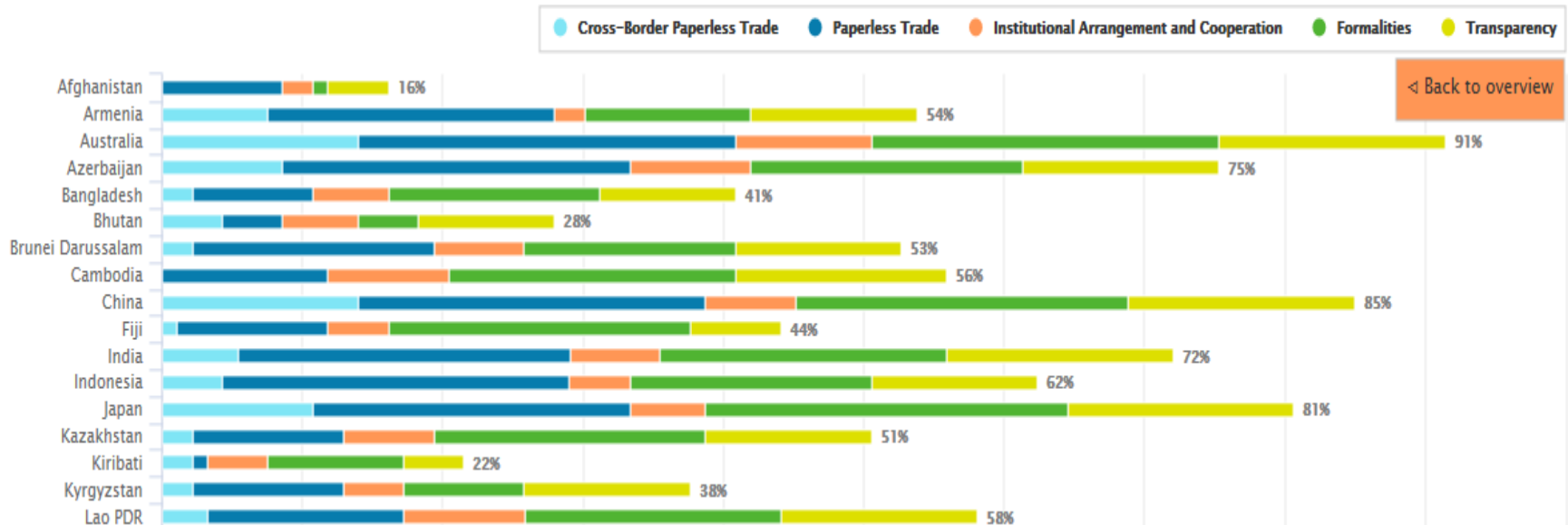
Asia-Pacific data

Global data

Download report

Tip: export this chart by clicking here

### Trade Facilitation and Paperless Trade Implementation in Asia and the Pacific



< Back to overview

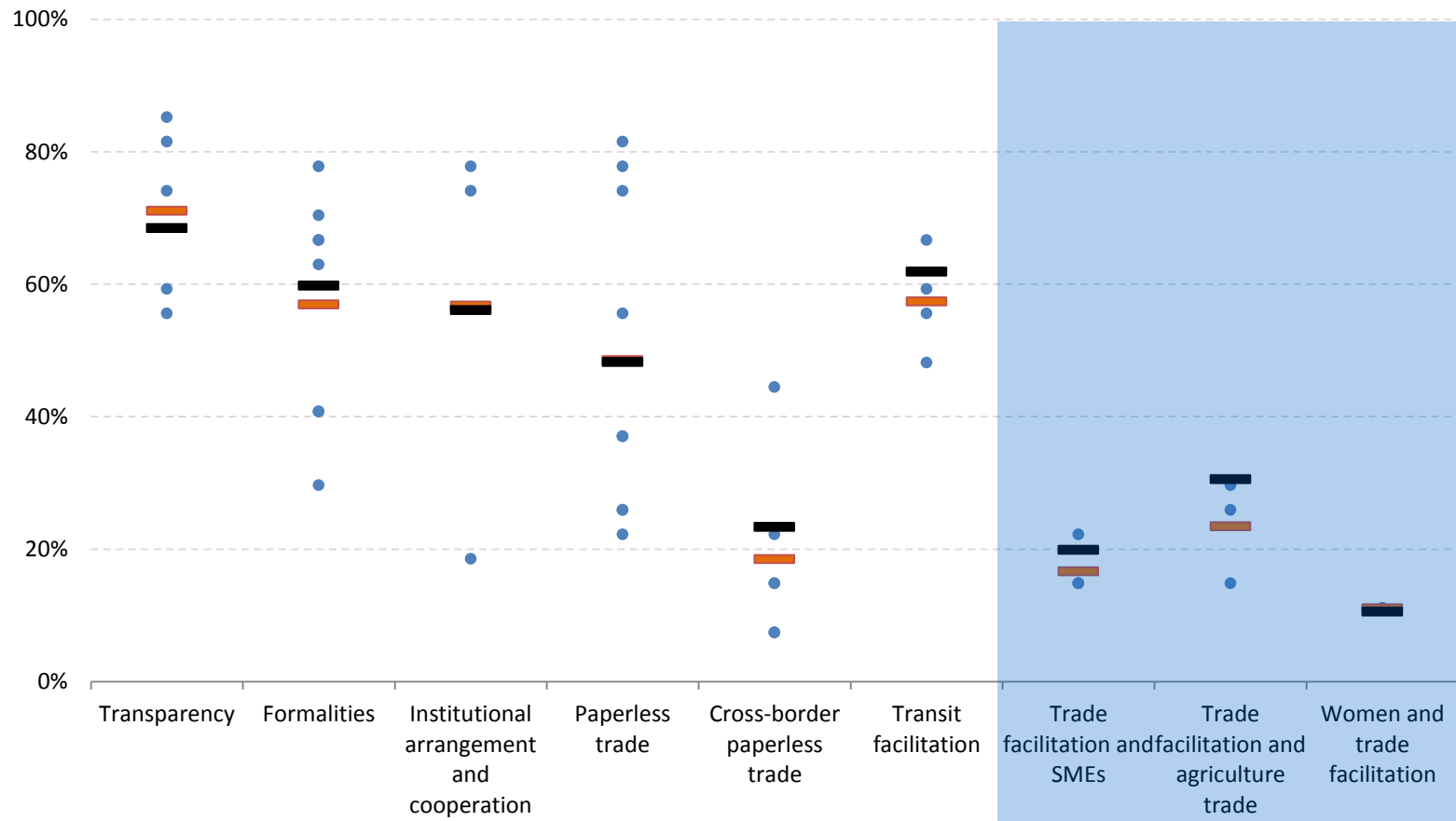
Link: <https://unnex.unescap.org/AP-TFSurvey2017/>

Source: ESCAP, based on UN Global Survey on Trade Facilitation and Paperless Trade Implementation 2017.

# Results of the Global Survey

# Regional snapshot

**Figure 1 Implementation of different groups of trade facilitation measures, 2017**



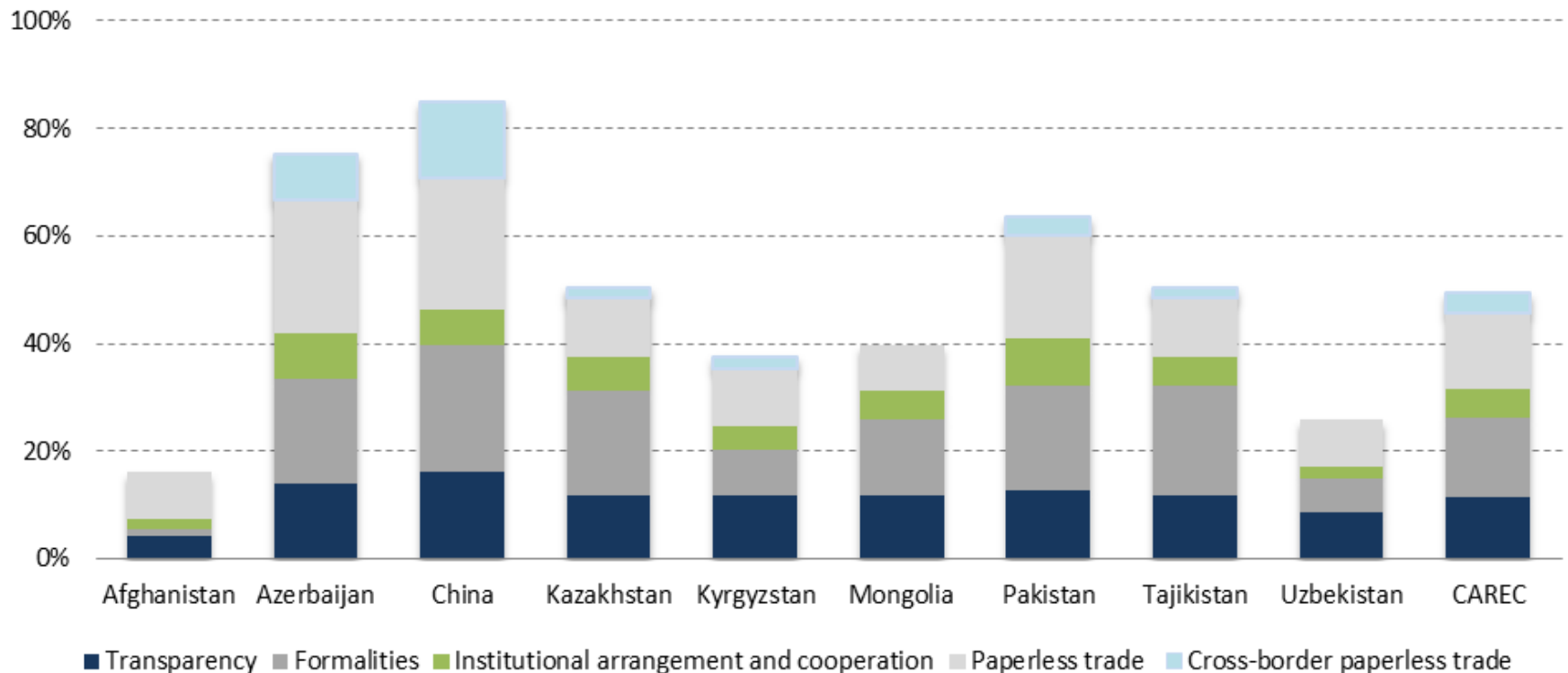
- ◆ Regional average implementation level of individual measures within each group
- Average CAREC implementation level
- Average Asia-Pacific implementation level

Source: ESCAP, based on UN Global Survey on Trade Facilitation and Paperless Trade Implementation 2017



# Overall implementation

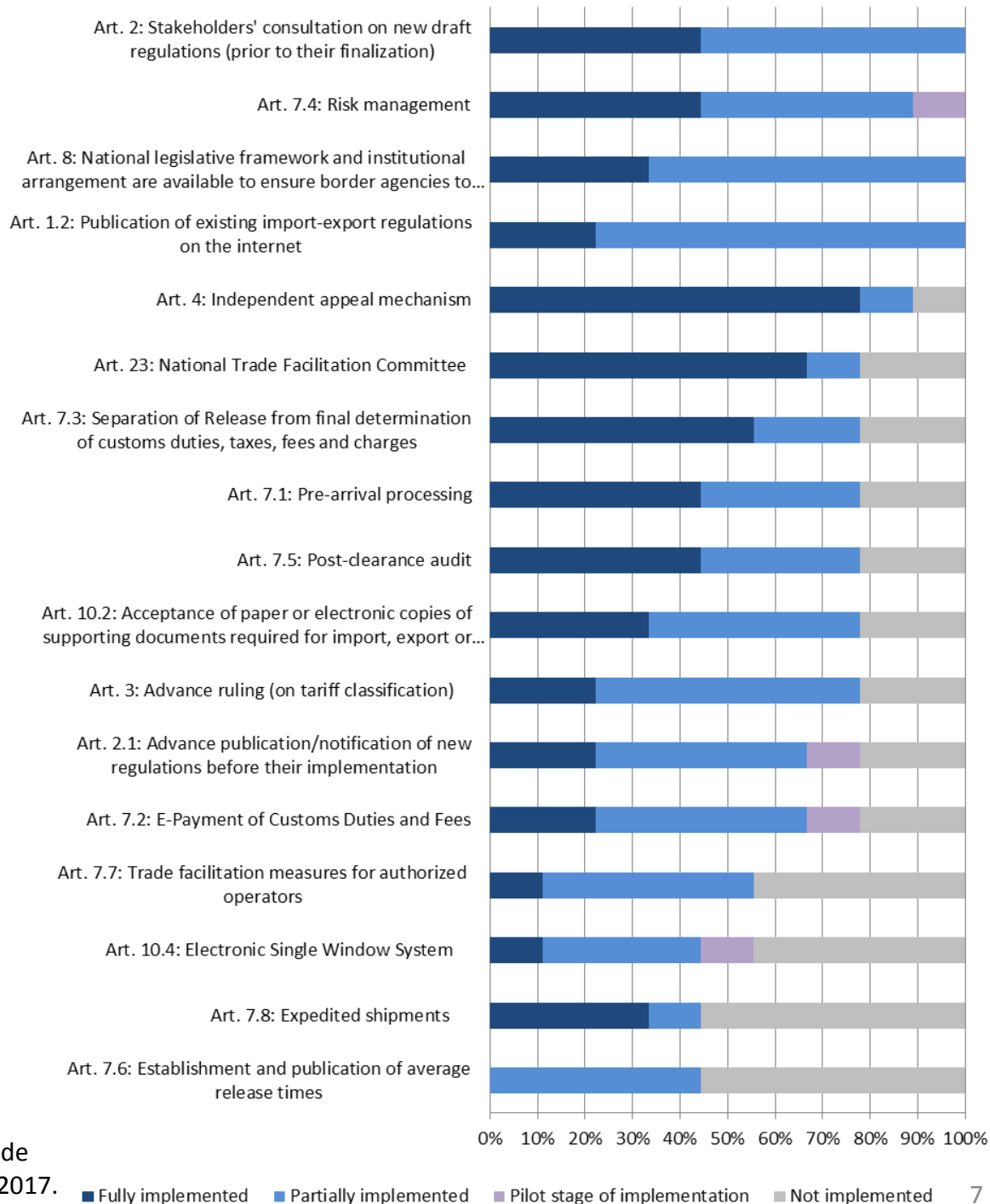
**Figure 2 Overall implementation of trade facilitation measures, 2017**



Source: ESCAP, based on UN Global Survey on Trade Facilitation and Paperless Trade Implementation 2017.

# Trade Facilitation under WTO TFA

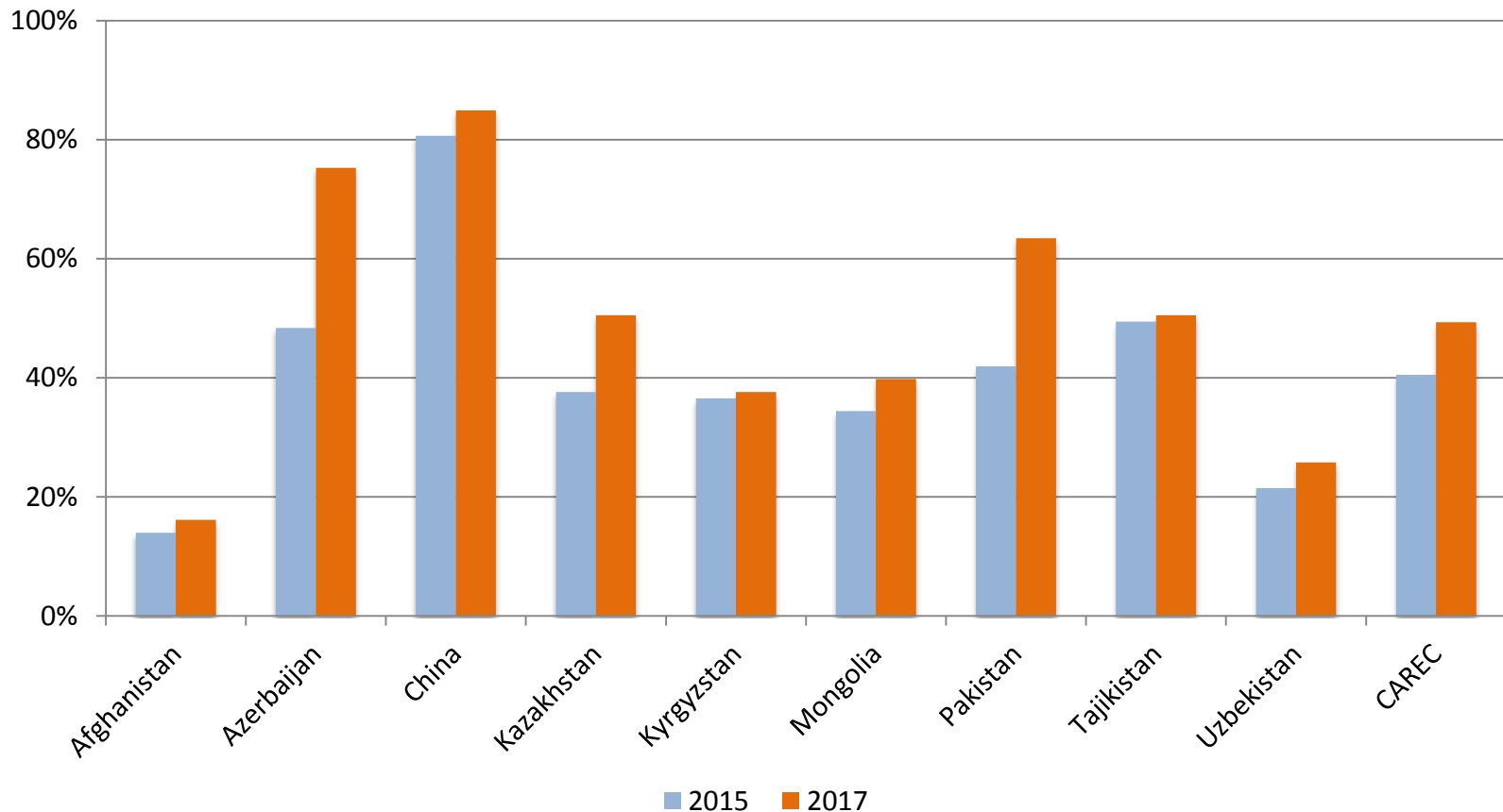
**Figure 3 Level of implementation  
of WTO-TFA related measures  
(excluding transit measures),  
2017**



Source: ESCAP, based on UN Global Survey on Trade Facilitation and Paperless Trade Implementation 2017.

# Progress in implementation

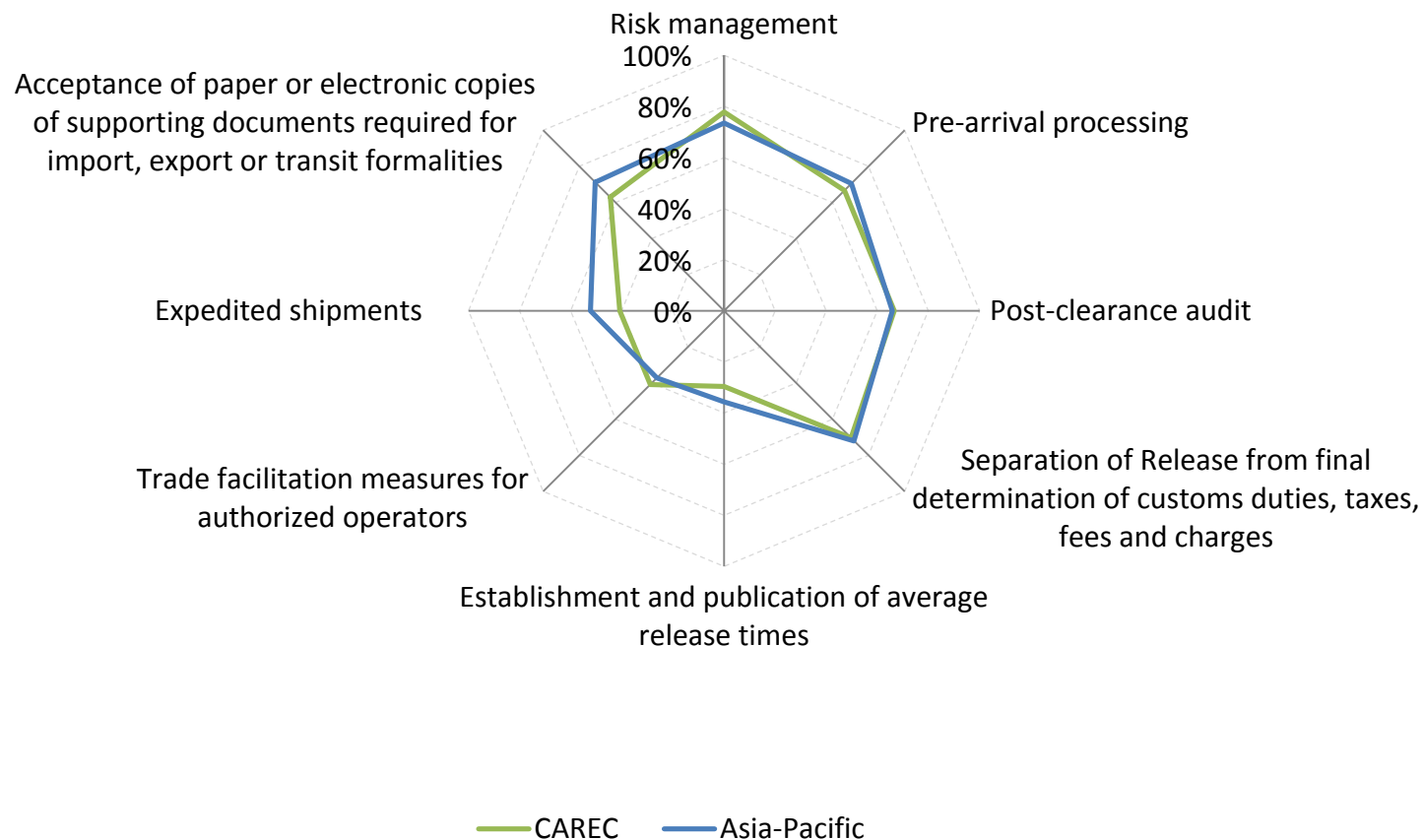
**Figure 4 Progress of trade facilitation implementation, 2015 and 2017**



Source: ESCAP, based on UN Global Survey on Trade Facilitation and Paperless Trade Implementation 2017.

# Details of implementation in 2017

**Figure 5 Implementation of formalities measures, 2017**

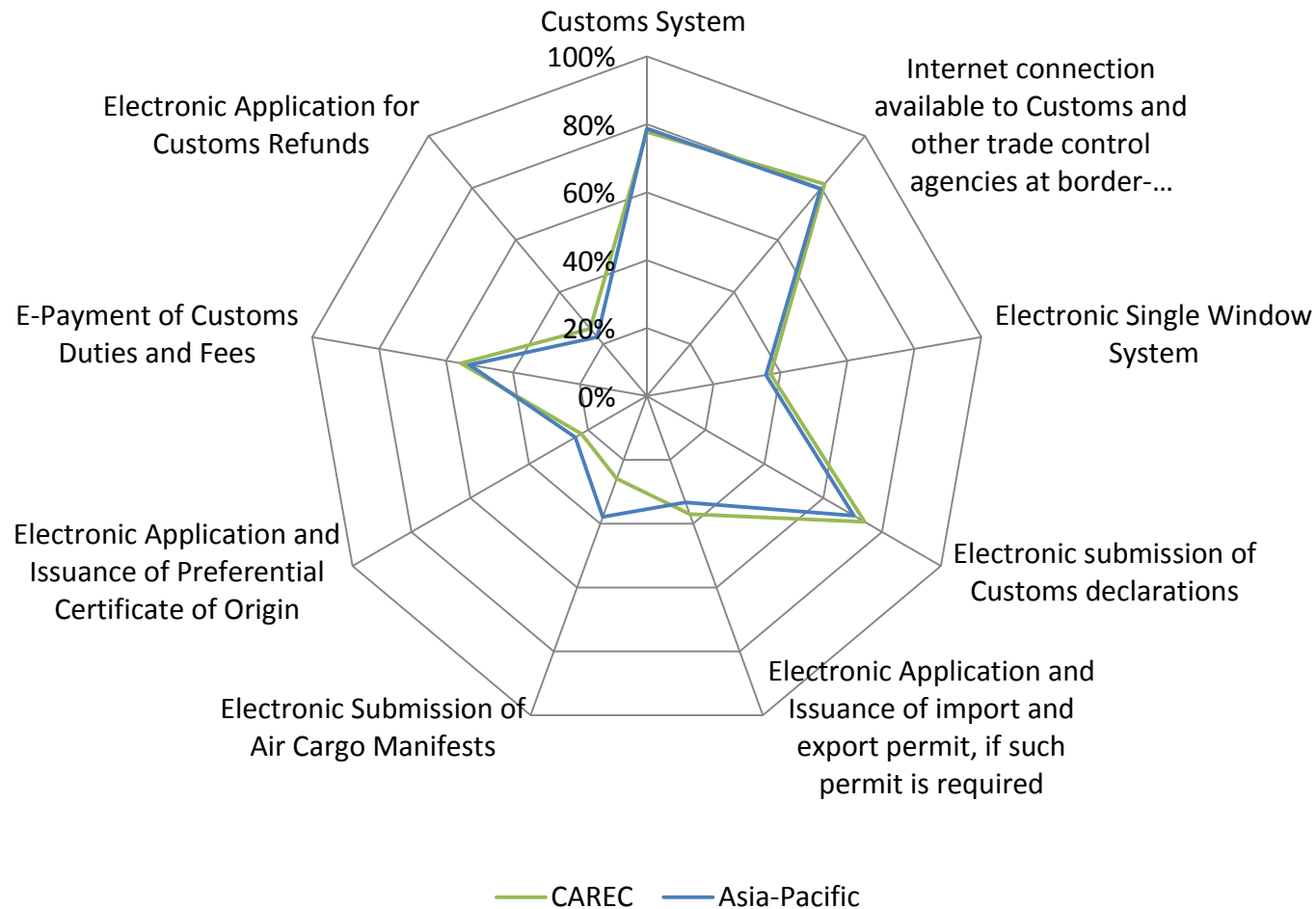


Source: ESCAP, based on UN Global Survey on Trade Facilitation and Paperless Trade Implementation 2017.

**Note: Implementation of other measures are attached in annex.**

# Details of implementation in 2017

**Figure A3 Implementation of paperless trade measures, 2017**



Source: ESCAP, based on UN Global Survey on Trade Facilitation and Paperless Trade Implementation 2017.

# Impact of trade facilitation

# The impact of trade facilitation on CAREC as a whole

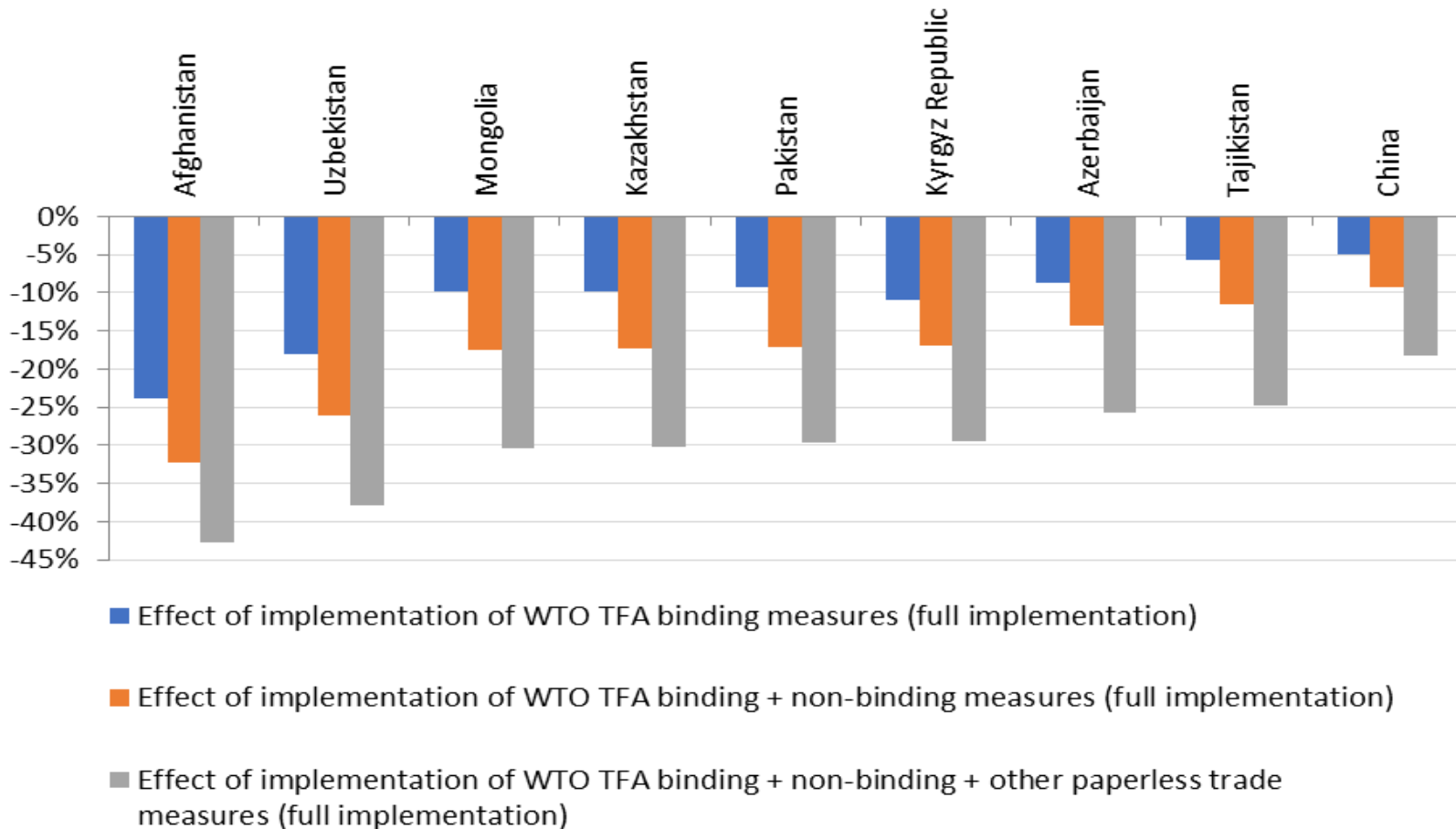
**Table 1 Changes in trade costs in CAREC resulting from implementation of trade facilitation and paperless trade**

Trade costs reduction from TFI improvement: CAREC	WTO TFA (binding)		WTO TFA (binding + non-binding)		WTO TFA+ (binding + non-binding + other paperless and cross-border paperless)	
	Partially implemented	Fully implemented	Partially implemented	Fully implemented	Partially implemented	Fully implemented
<b>Model 1</b>						
Overall TF	-5.66%	-11.25%	-9.37%	-18.01%	-19.77%	-29.87%
<b>Model 2</b>						
General TF	-5.31%	-10.33%	-7.45%	-14.62%	-8.62%	-15.86%
Paperless and cross-border paperless trade	0.00%	0.00%	-1.91%	-3.22%	-10.23%	-14.11%

Source: ESCAP, based on UN Global Survey on Trade Facilitation and Paperless Trade Implementation 2017.

# The impact of trade facilitation on CAREC members

**Figure 6 Impact of trade facilitation implementation on trade costs of CAREC members**



Source: ESCAP, based on UN Global Survey on Trade Facilitation and Paperless Trade Implementation 2017.



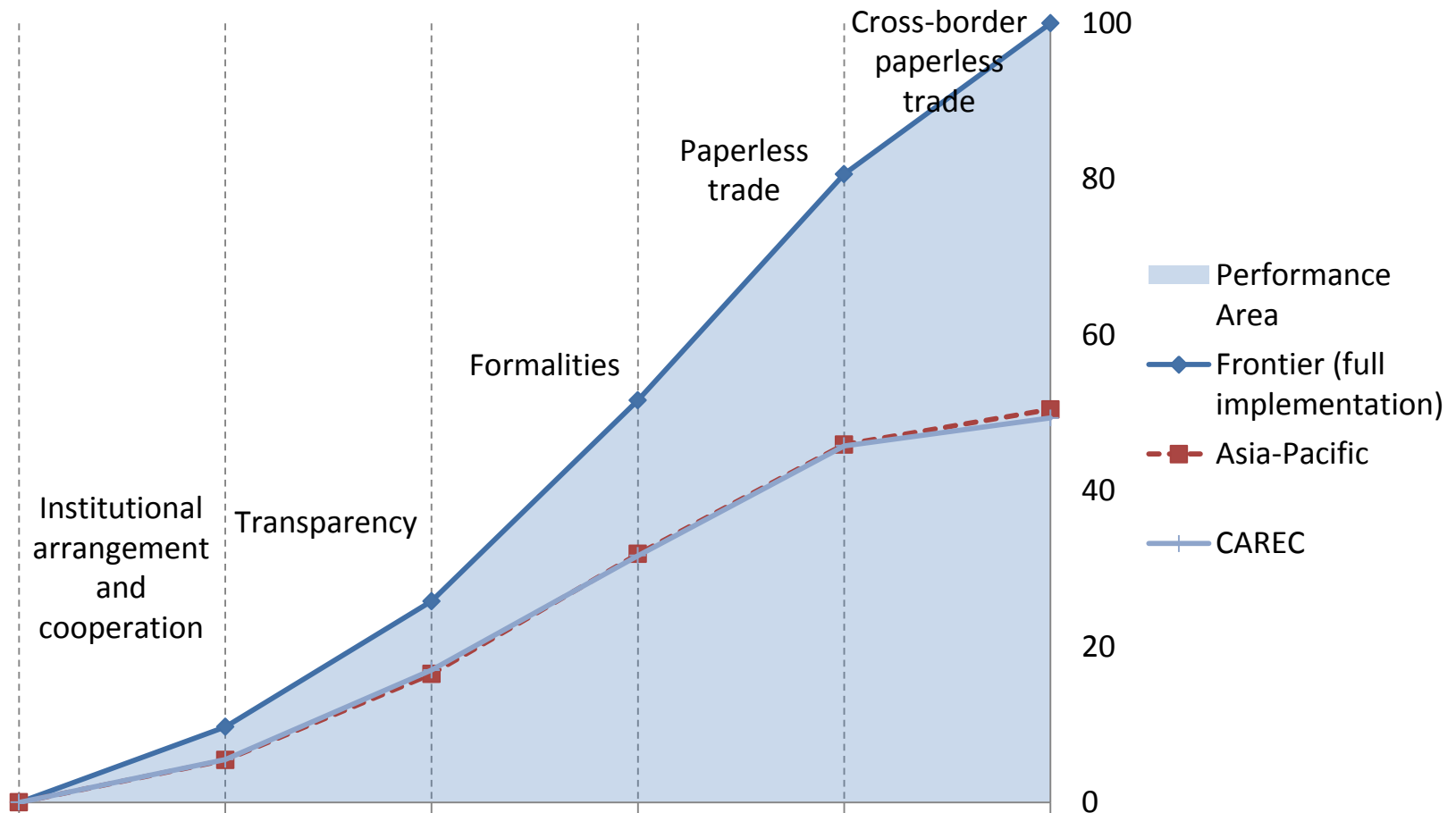
# Conclusion

# Main findings

- CAREC implementation rate stood at **49%** in 2017
- **China** and **Azerbaijan** had the highest implementation rate
- CAREC made progress from **41%** in 2015
- **Transparency** registered the highest implementation level in CAREC
- Paperless implementation of TFA measures and electronic exchange of trade data and documents across border (**cross-border paperless trade**) results in a trade cost reduction of nearly **30%** for CAREC.

# Moving up the trade facilitation ladder

**Figure 7 Moving up the ladder towards seamless international supply chains**



Source: ESCAP, based on UN Global Survey on Trade Facilitation and Paperless Trade Implementation 2017

Note: the figure shows cumulative trade facilitation implementation scores of CAREC for five groups of trade facilitation measures included in the survey. Full implementation of all measures = 100.

# Challenges to moving forward on cross-border paperless trade

- Adoption of common International Standards
- Harmonization of legal frameworks
- Capacity gaps among the parties
- Cooperation between public and private sectors
- Lack of intergovernmental coordination mechanism

## Interim Intergovernmental Steering Group on Cross-border Paperless Trade Facilitation

The Interim Intergovernmental Steering Group on Cross-border Paperless Trade Facilitation was established by ESCAP Commission Resolution 70/6: Implementation of the decision of the Ad Hoc Intergovernmental Meeting on a Regional Arrangement for the Facilitation of Cross-border Paperless Trade.

### The Steering Group is mandated to:

- (1) make further improvements to the draft text of the regional arrangement on facilitation of cross-border paperless trade as a potential intergovernmental agreement;
- (2) prepare a draft road map for the implementation of substantive provisions in the draft text of the regional arrangement on facilitation of cross-border paperless trade; and
- (3) other functions as agreed by the Steering Group.

### For more information about the meetings of the Steering Group see:

- First Meeting of the Steering Group: 1-3 April 2015
- Second Meeting of the Steering group: April 2016 (tbc)



Framework Agreement on Cross-Border Paperless Trade Facilitation in Asia and the Pacific [text finalized by the Steering Group in March 2016; 31 participating Member States]

# The Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific

## Fact

- Developed by 25 Asian and Pacific countries
- Over 4 years
- Adopted as a UN treaty in May 2016
- An inclusive and enabling platform
- Signed by Armenia, Bangladesh, Cambodia, China and Islamic Republic of Iran
- Acceded by Azerbaijan

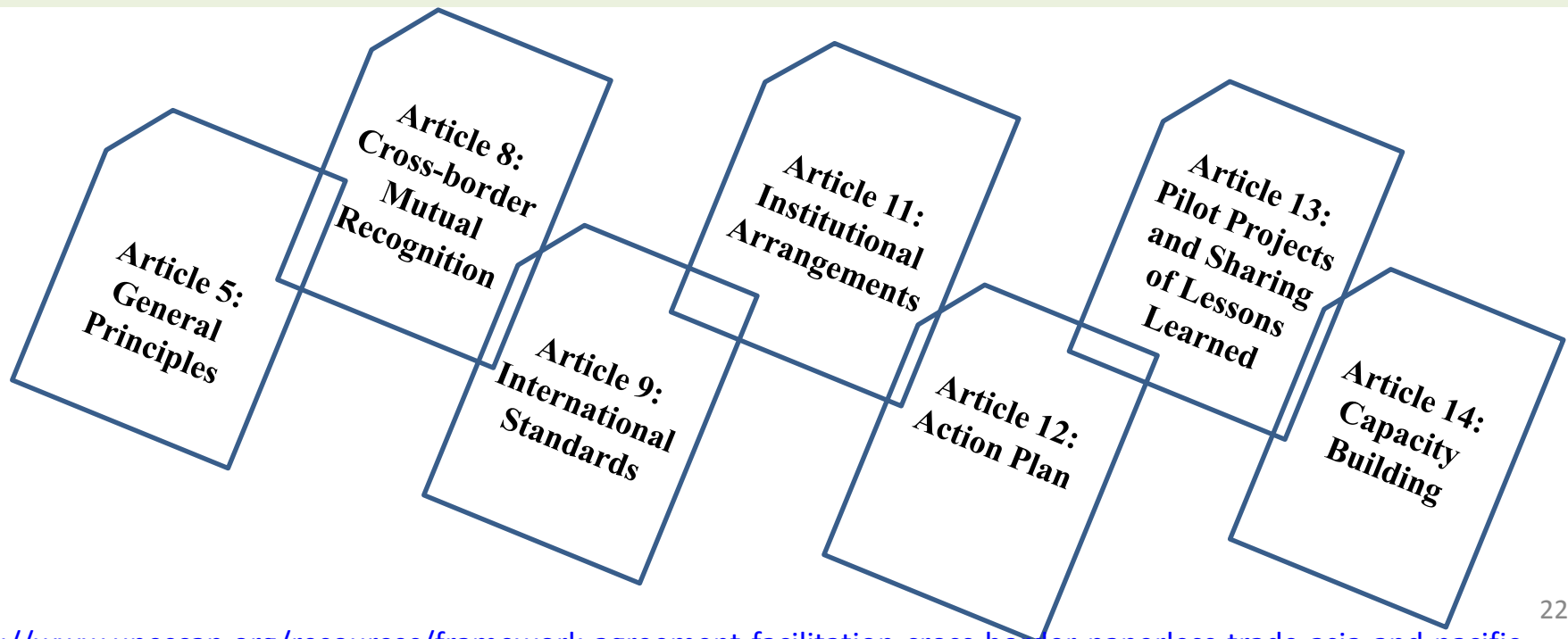
## Benefit

- Digitalization of trade processes
- Enabling the seamless electronic exchange and legal recognition of trade-related data and documents across borders
- Support development of national and subregional trade systems
- Prepare interoperability with similar paperless trade systems elsewhere
- Help promote existing paperless trade solutions

# Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific: **Key Provisions**

## Article 1: Objective

The objective of the present Framework Agreement is **to promote cross-border paperless trade** by enabling the exchange and mutual recognition of trade-related data and documents in electronic form and facilitating interoperability among national and subregional single windows and/or other paperless trade systems, for the purpose of making international trade transactions more efficient and transparent while improving regulatory compliance.



# Way Forward

- **Set ambitious goals on trade facilitation**
- **Take advantage of the WTO TFA and complementary regional initiatives such as the Framework Agreement on paperless trade**
- **Use the NTFCs to address trade facilitation in a holistic manner (whole-of-supply-chain approach)**
- **Strengthen public-private sector collaboration**
- **Consider cross-border e-exchange of data/documents when developing national systems**
- **Prioritize capacity building for “other government agencies” (OGAs); and consider measures for agriculture and SMEs**
- **Closely monitor implementation AND performance; and consider establishment of national trade and transport facilitation monitoring mechanisms (TTFMMs) under NTFCs**

# Thank you

- Email: [duvaly@un.org](mailto:duvaly@un.org)
- Website: <http://www.unescap.org/our-work/facilit>



The screenshot displays the ESCAP website's header and main content area. The header includes the ESCAP logo, the text "7 YEARS OF CONNECTING ASIA AND THE PACIFIC", and a navigation menu with links: About, Commission, 2030 Agenda, Our Work, Subregional Offices, Partners, Research & Data, Media Centre, and Events. Below the navigation menu, there are two tabs: "Home" and "Trade, Investment & Innovation". The main content area features a section titled "BPA TRAINING" with a list of modules: Training Overview, Module 1 - BPA Introduction, Module 2 - UML, Module 3 - Project Scope Setting, Module 4 - Project Planning, Module 5 - Data Collection, Module 6 - Process Analysis, and Module 7 - From BPA to TTFMM. To the right of this list is a large heading "E-Learning Series on Business Process Analysis for Trade Facilitation" and a paragraph describing the course. Below the paragraph is a list of modules: Module 1: BPA for Trade Facilitation - An Introduction, Module 2: Unified Modeling Language, and Module 3: Project and Scope Setting. A small image of a book titled "Single Window" is also visible. In the bottom right corner, there is a language selector button labeled "EN Engl".

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**BPA TRAINING**

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- Module 4 - Project Planning
- Module 5 - Data Collection
- Module 6 - Process Analysis
- Module 7 - From BPA to TTFMM

**ADDITIONAL RESOURCES**

- Course Study Guide
- UNNExT BPA Guide for TF

## E-Learning Series on Business Process Analysis for Trade Facilitation

The Business Process Analysis (BPA) online training course has been developed by the ESCAP Trade, Investment and Innovation Division based on the UNNExT BPA Guide to Simplify Trade Procedures. BPA is considered the first necessary step to simplifying trade procedures. The course consists of seven modules and introduces a step-by-step approach to conducting BPA. It is aimed at government officials and other stakeholders responsible for trade facilitation. This course is also available in Russian.

The course is divided as follows:

- Module 1: BPA for Trade Facilitation - An Introduction
- Module 2: Unified Modeling Language
- Module 3: Project and Scope Setting

EN Engl



**THANK YOU FOR YOUR ATTENTION**



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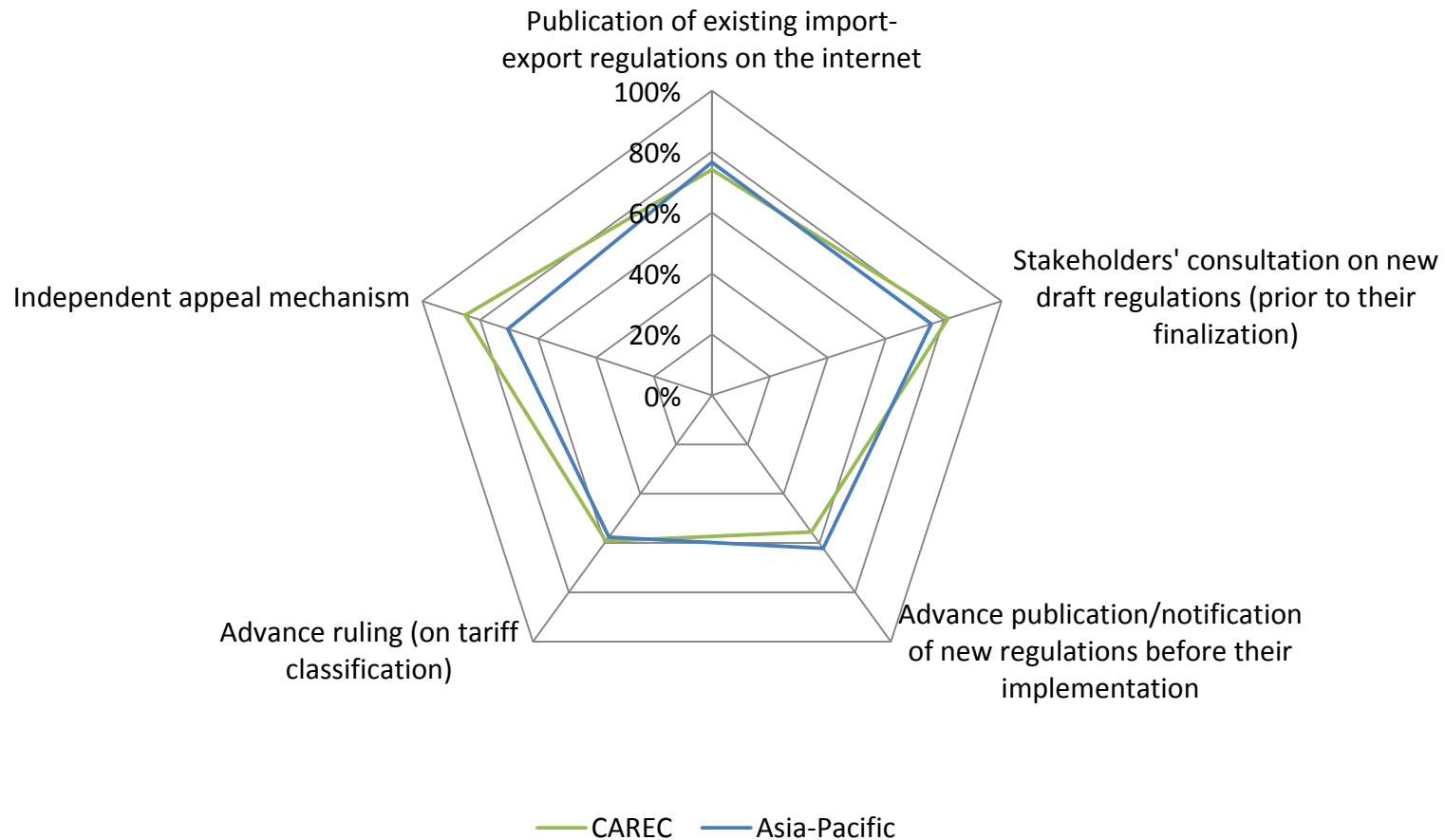
# Reference

- ✓ United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific (UNNExT), available from <https://unnex.unescap.org/>
- ✓ Interactive Database of UN Global Survey on Trade Facilitation and Paperless Trade Implementation, available from <https://unnex.unescap.org/AP-TFSurvey2017/>
- ✓ Various reports on UN Global Survey on Trade Facilitation and Paperless Trade Implementation 2017, available from <https://unnex.unescap.org/content/un-global-survey-trade-facilitation-and-paperless-trade-implementation-2017>
- ✓ UN ESCAP (2017). *Asia-Pacific Trade and Investment Report 2017: Channeling Trade and Investment into Sustainable Development*. Available from <http://www.unescap.org/publications/APTIR2017>
- ✓ UN ESCAP (2017), Digital Trade Facilitation in Asia and the Pacific, Studies in Trade, Investment and Innovation No.87. Available from <http://www.unescap.org/publications/digital-trade-facilitation-asia-and-pacific-studies-trade-investment-and-innovation-87>

# Annex

# Details of implementation in 2017

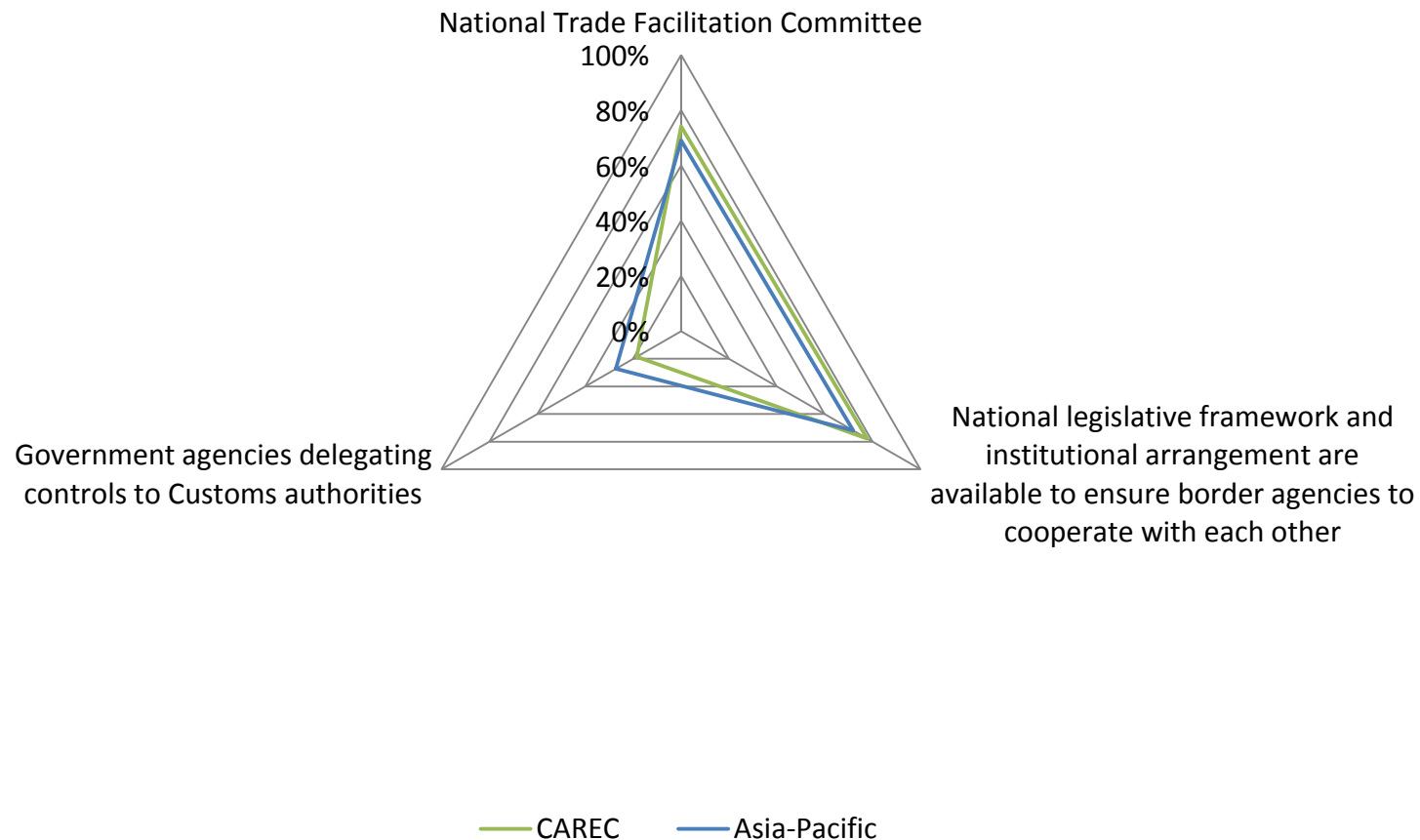
**Figure A1 Implementation of transparency measures, 2017**



Source: ESCAP, based on UN Global Survey on Trade Facilitation and Paperless Trade Implementation 2017.

# Details of implementation in 2017

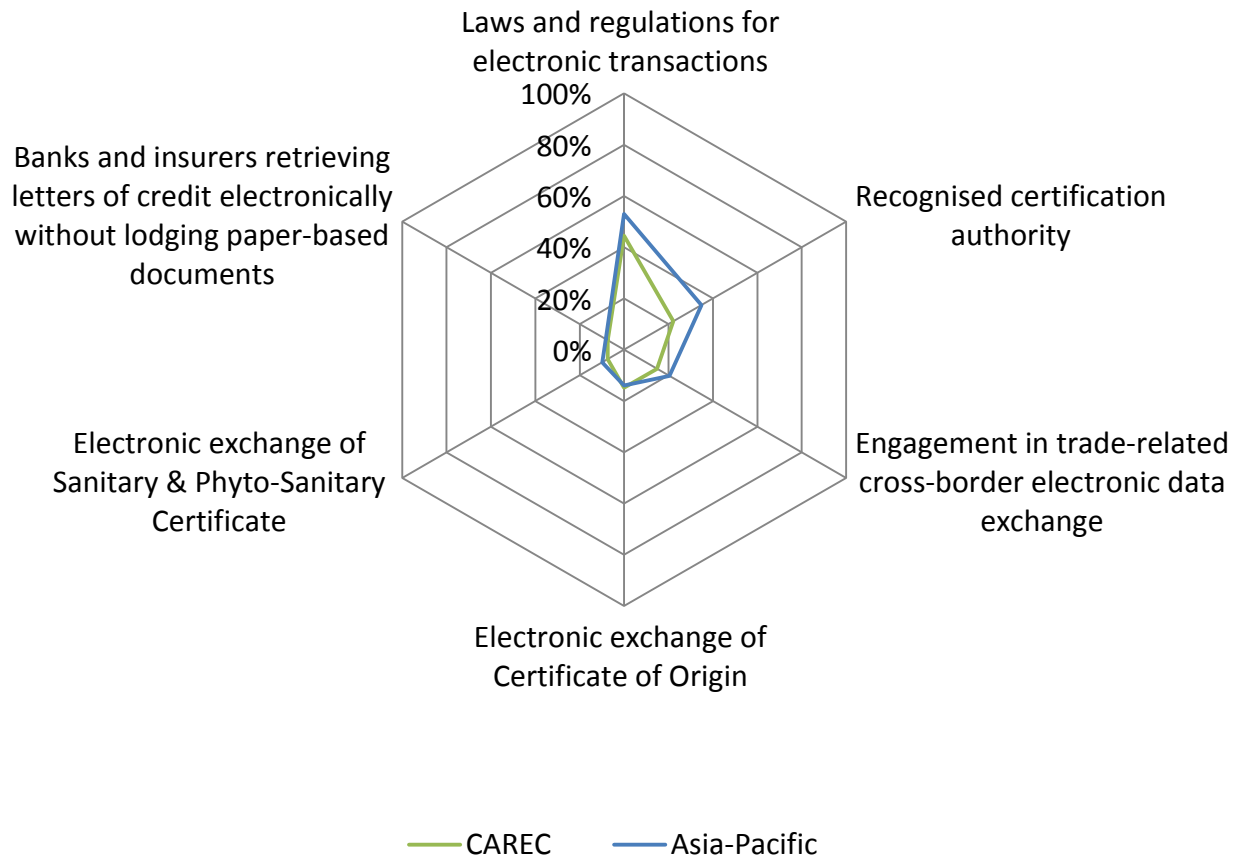
**Figure A2 Implementation of Institutional arrangement and cooperation measures, 2017**



Source: ESCAP, based on UN Global Survey on Trade Facilitation and Paperless Trade Implementation 2017.

# Details of implementation in 2017

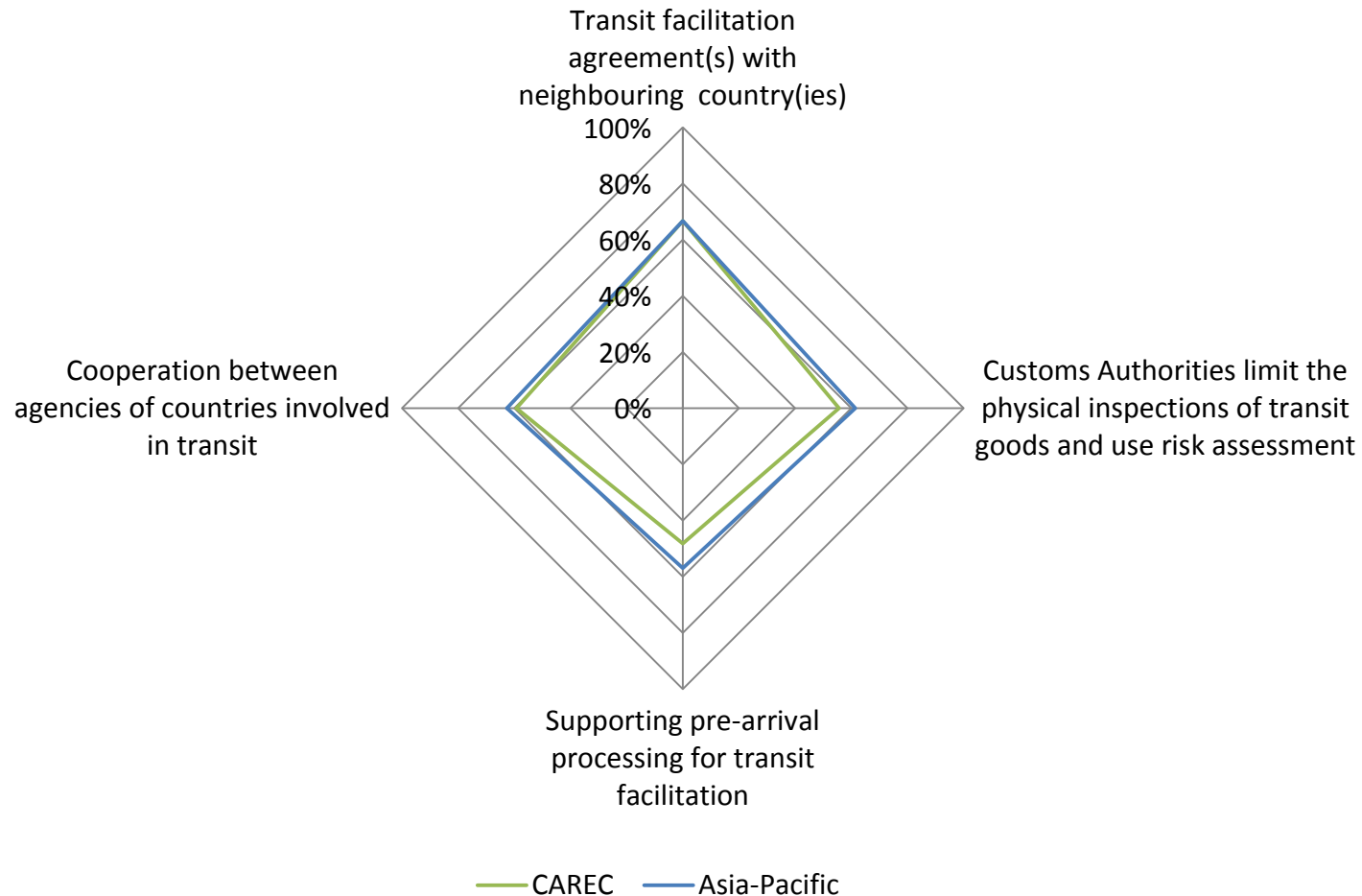
**Figure A4 Implementation of cross-border paperless trade measures, 2017**



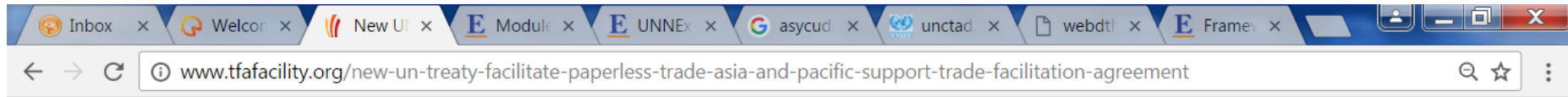
Source: ESCAP, based on UN Global Survey on Trade Facilitation and Paperless Trade Implementation 2017.

# Details of implementation in 2017

**Figure A5 Implementation of transit measures, 2017**



Source: ESCAP, based on UN Global Survey on Trade Facilitation and Paperless Trade Implementation 2017.



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# New UN treaty to facilitate paperless trade in Asia and the Pacific to support Trade Facilitation Agreement implementation

01.10.2016

A new UN treaty, entitled *Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific*, will open for signature on 1 October 2016. It is expected to provide countries of Asia and the Pacific with a new tool and "digital" complement for better implementation of the WTO Trade Facilitation Agreement (TFA) and the development of cross-border e-commerce. Grounded on a common set of general principles and a dedicated intergovernmental platform, the regional treaty will provide Parties with enhanced opportunities to exchange and harmonize practices, build each other's capacity, and multilaterally develop, adopt and implement more specific and detailed technical and/or legal protocols needed to achieve safe and secure cross-border paperless trade. Implementation will build upon existing international standards as well as on-going bilateral and subregional initiatives, such as the ASEAN Single Window.

In May 2012, Member States of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) adopted a Resolution on Enabling Paperless



# Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific: **Features/Benefits**

## ❑ **Region-wide multilateral intergovernmental platform (Article 11)**

Establishes dedicated space for collaboration and acceleration of paperless trade implementation. Fosters harmonization and reduce need for ad-hoc bilateral approaches; Helps implement existing “paperless trading” commitments in RTAs;

## ❑ **General Principles (Article 5)**

Guiding principles: Improve both trade facilitation AND regulatory compliance; Improve transboundary trust; Promotes interoperability; Adopt/use international standards (Art. 9);

## ❑ **Action Plan (Article 12)**

Helps in planning and identifying gaps. Allows Parties with different implementation level to set actions based on their respective readiness;

## ❑ **Strong capacity building programme (Article 14)**

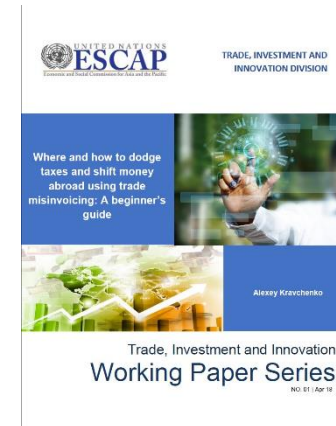
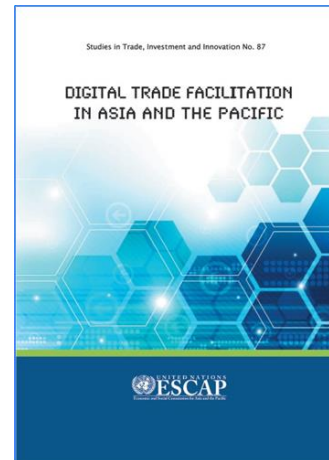
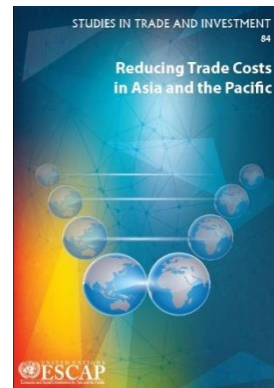
Enhanced opportunities for capacity building based on proven (high-level) commitment to achieving paperless trade. Strong emphasis on knowledge sharing and CB/TA among parties; Inclusive initiative, designed to benefit countries at all levels of development;

## ❑ **Pilot projects (Article 13)**

Share information on pilot projects on identify new ones; Allows parties to adjust and test systems before engaging in actual cross-border trade data exchange

→ **Better implementation of WTO TFA and bilateral/subregional initiatives**

# Benefits of Cross-Border Paperless Trade



## Trade benefits

Annual regional export gains  
of up to \$257 bn;  
Export time reduction: 24% to 44%;  
Export cost reduction: 17% to 31%

## Trade control/security benefits:

Advanced and more accurate information available for risk  
management;  
Identification of trade misinvoicing (Note: As much as 7.6% of  
regional tax revenue may have been lost in 2016 due to  
fraudulent export and import value declarations).

Source: <http://www.unescap.org/publications/digital-trade-facilitation-asia-and-pacific-studies-trade-investment-and-innovation-87> ; among others