

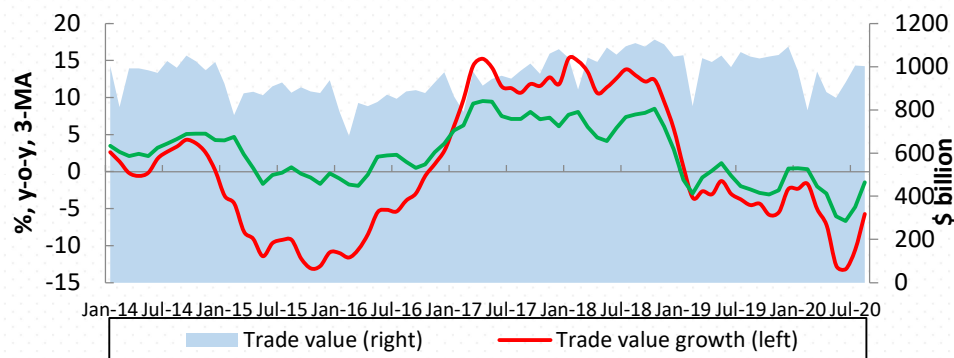
# Trade and transport connectivity in the age of pandemics: Opportunities for strengthening regional cooperation

Presentation by ADB and ESCAP

## COVID-19 pandemic impact on trade, connectivity and related measures

- Temporary export and import bans for essential medical equipment and further trade restrictions of essential goods
- Closures of points of entry—air, sea, and land—along with strengthened border crossing and quarantine procedures
- Temporary disruptions of supply chain networks due to interruptions of productions and bottlenecks in sourcing resources and deploying key personnel on sites

**Global trade value and volume growth rate is expected to continue on a downward trend.**



## Trade and transport facilitation measures amid COVID-19 in the Asia-Pacific region

- The crisis has accelerated the implementation of trade and transport facilitation globally.
- Many international and regional organizations are actively promoting international best practices.
- This presents an opportunity to turn trade and transport facilitation measures into **sustainable and streamlined** practices, strengthen **regional connectivity**, spur the development of **paperless trade** and **build back better**.

# 1. Transparency and Institutional Coordination

- Creating outreach portals and notifying to relevant international organizations
- **However, lacking easily accessible and up-to-date sources : for traders, a substantial constraint**
- Nearly all countries have established a governing body to develop and coordinate COVID-19 countermeasures; also over 60% of the border agencies with domestic and cross-border coordination mechanisms
- **However, coordinating bodies often lack the competency or mandate to implement trade facilitation measures – Importance of national trade facilitation committees (NTFCs)**

## 2. Simplification of Customs Procedures and Expedited Clearance

- While many trade-restrictive measures were implemented in the early stages of the pandemic, over 90% of the countries have **shifted towards simplification of trade procedures and expedited clearances** as the pandemic progressed.\*
- The most commonly applied measures were:
  - Reducing tariffs, VAT and customs fees
  - Expedited clearance of essential goods
  - Simplification of import, export and transit documentary requirements and procedures

*\*Based on ESCAP Survey on Trade Facilitation in Times of Crisis and Pandemic (will be included as an additional module in the UN Global Survey on Digital and Sustainable Trade Facilitation (untfsurvey.org) from 2021 onward)*

### 3. Digital Trade and Trade Facilitation

- COVID-19 pandemic has demonstrated clear needs to leverage the greater use of **paperless trade systems** with the support of adequate information technology and facilitate full implementation of digital trade facilitation measures.
- **Trade digitalization efforts:** National single window (Tajikistan), ePhyto (Uzbekistan), e-CO (India, EAEU) and subregional agreement to align their legislations with international standards for e-commerce (CAREC)

## 4. Transport and transit facilitation

- The COVID-19 pandemic has significantly pushed up transport and travel cost and revealed the vulnerability of the transport sector.
- Still, various measures implemented to ensure the **continued movement of international freight:** Members of the Asia Highway Network and the Trans-Asian Railway Network kept all, or at least a significant portion of their land borders open for freight. Two thirds have implemented special trade and transport facilitation measures. Rail played a vital link for the movement of essential goods and medical supplies.\*

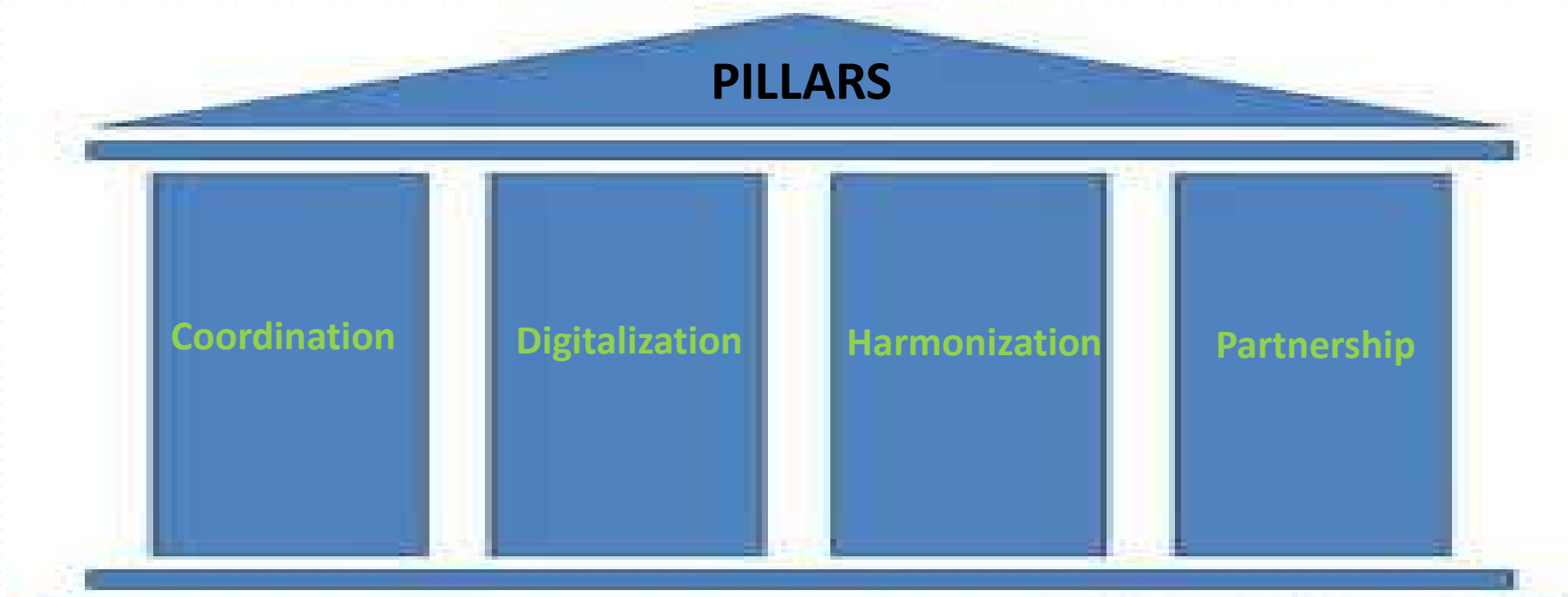
*\*Based on ESCAP survey on Freight Transport Policy Responses to COVID-19 and inventory of policy responses to COVID-19*

## 5. Business Facilitation and Trade Finance

- Supporting MSMEs: as a priority in business financial support packages; implemented measures to enable MSMEs to gain easier access to trade-related information and foreign buyers
- Global and regional efforts:
  - Joint statement declaring a global crisis in trade finance amid the pandemic and called for urgent actions to address it (WTO, IFC, EBRD, ADB, AfDB, ITFC, IDB Invest)
  - ADB increased the Trade and Supply Chain Finance Program (TSCFP)



## Building Back Better



*Mobilizing existing trade and transport facilitation (TTF) mechanisms including bilateral and regional agreements*

## Pillar 1: Coordination

*Improving cross-border procedures*

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### Facilitating border formalities:

- Keeping borders open for freight with “green lanes”
- Implementing expedited protocols for entry and exit screening and testing
- Leveraging innovative forms of border-crossing formalities
- Identifying and according priority to the clearance and transportation of essential supplies

### Enhancing institutional actions

- Strengthening national and regional TTF institutional mechanisms, e.g. customs
- Bolstering research and analysis on contracts for international carriage of goods, land and multimodal transport



## Pillar 1: Coordination



CAREC Integrated Trade Agenda 2030 and Rolling Strategic Action Plan 2018–2020	GMS Transport and Trade Facilitation Action Program	SASEC Trade Facilitation Strategic Framework
Priority lanes and exclusive counters at customs border checkpoints; minimum inspection and simplified submission of documentary requirements	Fast-track priority lane/eco-friendly lane/green channel; accelerate deployment and implementation of GMS Road Transport Permit; electronic customs clearance	Earmarking separate lanes for priority handling and release of critical goods; expeditious clearance of medicines and other critical goods
Developing national single windows and improving border crossing points (RIBS projects)	Extending single-window inspection for goods traffic at selected border crossing points (border of Viet Nam and Lao PDR)	Cross-border trade facilitation routes initiative/border crossing pairs
CAREC Customs Cooperation Committee (CCC) and cross-border joint inspections	GMS National Transport Facilitation Committee/Joint Committee for the GMS Cross-Border Transport Agreement (CBTA)	SASEC Trade Facilitation Working Group; SASEC Customs Subgroup

## Pillar 2: Digitalization

*Robust technical infra and end-to-end digital processes*

### Accelerating use of ICT and paperless trade

- National and regional single windows
- Electronic exchange of trade-related documents

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

- Common set of general principles
- Dedicated intergovernmental platform for cross-border paperless trade

### Promoting Smart Transport Connectivity

- Asian Highway Network
- Trans-Asian Railway Network
- Subregional Transport Corridors



## Pillar 2: Digitalization



<p>Harmonized electronic system for goods in transit (CAREC Advanced Transit System and Information Common Exchange)</p>	<p>Electronic customs transit systems in economic corridors; digital tracking through technologies such as blockchain, on-board mass, and radio frequency identification</p>	<p>Electronic cargo tracking system to facilitate transport and transit</p>
<p>National single windows in place (TAJ and AZE) or in development (KGZ and MON) to enable digital and paperless processing</p>	<p>Single stop inspection</p>	<p>National single windows and use of blockchain technology</p>
<p>Framework for E-commerce development and promotion of cross-border paperless trade</p>	<p>Cross-border E-commerce cooperation platform</p>	<p>Enhanced use of automation, ranging from electronic submission of declarations to machine-based release of consignments; duties and fees collected through e-payments; paperless processes to cover entire customs clearance process; zero contact cargo clearance procedures</p>

## Pillar 3: Harmonization

- Incorporating pandemic-related provisions in regional trade agreements (RTAs)
  - ESCAP Policy Hackathon and online repository: development of model provisions that could plug the gaps in existing RTAs, promote cooperation and predictability in times of future crises and build resilience in the post-pandemic future.
- Formulation of proposals for crisis-response provisions in regional and bilateral transport agreements and/or elaboration of a model bilateral agreement with insertion of such recommended clauses



## Pillar 3: Harmonization

 Central Asia Regional Economic Cooperation Program	 Greater Mekong Subregion	 South Asia Subregional Economic Cooperation
<p>Cross-border transport agreements for commercial freight and passenger operations</p>	<p>Cross-Border Transport Facilitation Agreement/Early Harvest</p>	<p>Bangladesh, Bhutan, India and Nepal (BBIN) Motor Vehicle Agreement</p>
<p>Implementation of global agreements to standardize/harmonize processes - Implementation of WTO TFA</p>	<p>Implementation of WCO RKC and WTO TFA</p>	<p>Publication and notification of trade facilitation measures to WTO and WCO.</p>

## Pillar 4: Partnership

### *Engaging the private sector to respond to COVID-19*



- Roles of private sector:
  - Support resilient trade recovery, including smart solutions and digital platforms for public services
  - Enhance information flows
  - Develop and implement business continuity plans
  - Ensure supply chain connectivity

***Building back better requires strengthened partnership between public and private sectors through coordinated and streamlined regional response to fuel resilient recovery and development across borders.***



## Pillar 4: Partnership



<p>CAREC Federation of Carrier and Forwarder Associations/Corridor Performance Measurement and Monitoring (CPMM) mechanism</p>	<p>GMS Freight Transport Association under the GMS Business Forum</p>	
<p>CAREC Business Development Forum</p>	<p>GMS Business Council; GMS Private Sector Forum; Mekong Tourism Forum; public-private forums</p>	
<p>Authorized economic operators; Silk Road Air Pass Proposal</p>	<p>Authorized economic operators; Customs-Business partnership</p>	<p>Authorized economic operators</p>

## CONCLUSIONS AND WAY FORWARD

- Need for more resilient and efficient cross-border transport and trade connectivity and facilitation via greater regional cooperation
- Greater involvement of multilateral and national agencies in trade finance
- Important role of national and regional coordination bodies, and agreements
  - National trade facilitation committees (NTFCs)
  - Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific
  - Intergovernmental agreements on the Asian Highway and the Trans-Asian Railway Networks