

**UNITED NATIONS
ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC**

**Meeting Report of
Subregional Meeting on Development of Regional Arrangements for the
Facilitation of Cross-border Paperless Trade: South East Asia**

Date: 9 July 2013

Venue: Meeting Room E, UNCC, Bangkok, Thailand

I. INTRODUCTION

(1) Background

1. The Commission in its resolution 68/3 in May 2012 requested the secretariat to support and facilitate the process for the development of regional arrangements on the facilitation of cross-border paperless trade, including by conducting studies, developing potential options, and organizing expert review and member consultations.
2. Following the conduct of a regional study to examine current practices and various options for cross-border paperless trade facilitation, as well as follow-up expert reviews to verify the study recommendations, the secretariat is organizing a series of subregional meetings to elicit feedback and suggestions from ESCAP member countries in order to refine and achieve consensus on a proposed draft text of a regional arrangement.

(2) Organization of the Meeting

3. The Subregional Meeting on Development of Regional Arrangements for the Facilitation of Cross-border Paperless Trade: South East Asia was organized by the Economic and Social Commission for Asia and the Pacific (ESCAP) Secretariat in Bangkok on 9 July 2013 and co-hosted by the Ministry of Commerce, Thailand.
4. Agenda of the Meeting is attached as Annex 1 to this report.

(3) Attendance

5. The Meeting was attended by national focal points or official nominees from the following ESCAP member countries in South East Asia: Cambodia, Lao People's

Democratic Republic, Myanmar, Thailand and Vietnam. Experts from Indonesia, Malaysia, Philippines and Singapore also attended the Meeting.

6. The list of participants is attached as Annex 2 to this report.

(4) Opening of the Meeting

7. Mr. Yann Duval, Chief, Trade Facilitation Unit, Trade and Investment Division, ESCAP, delivered opening remarks with a warm welcome to all the participants of the Meeting, emphasizing importance of the Meeting in developing a regional arrangement that accommodates requirements of the region as a whole, requesting active participation of all the participants in the discussion. He also expressed special thanks to the Thai Ministry of Commerce for kindly co-hosting the Meeting.
8. Ms. Leena Phongpruksa, Deputy Director General, Department of Trade Negotiations, Ministry of Commerce, Thailand, in her opening remarks, highlighted the excellent collaboration between the Ministry and ESCAP. She emphasized the importance of paperless trade and Thailand's support to the successful implementation of Resolution 68/3.

II. PROCEEDINGS

(1) Introduction to the Implementation of ESCAP Resolution 68/3

9. The secretariat provided a detailed explanation of ESCAP Resolution 68/3, including the history of the Resolution, its implication for member countries and the mandate it provided to the secretariat.
10. The secretariat highlighted key milestones in the implementation of the Resolution, including consultation on the draft study, release of the study, expert reviews, member consultations and reporting of progress at the Third Session of the Committee on Trade and Investment in November 2013.

(2) Introduction to the Findings of the Regional Study and Expert Review

11. The secretariat introduced findings from the Study on Regional Arrangements for Facilitation of Cross-border Paperless Trade in Asia and the Pacific with the support of one of the regional experts who conducted the Study.
12. The Study, comprising of four chapters, covers need for regional arrangements on paperless trade in Asia Pacific Region, review of existing arrangements for the facilitation of paperless trade, proposed contents and features of regional arrangement, and conclusion and way forward, as well as two annexes

13. The study proposes a voluntary form of regional agreement with flexible trade data exchange mechanism as the best option for the Asia Pacific to take in the regional context.
14. The secretariat explained that the study was prepared in consultation with national focal points (nominated by their Government for the implementation of ESCAP Resolution 68/3) as well as regional experts, who met for an expert review of the draft study in November 2012 in Sri Lanka and participated in subsequent online review of revised study report in February 2013. Following release of the study, the initial draft text of the regional arrangement featured in annex to the report was further reviewed in two Expert Group Meetings. The secretariat highlighted that the draft text, including the explanatory note, tabled for discussion in the Meeting was the outcome of such an extensive expert review.

(3) Introduction to and Discussion on the Draft Text of Regional Arrangement and Explanatory Note

15. The secretariat introduced the draft text as well as the explanatory note paragraph by paragraph, covering all articles, including preambular, substantive and final clauses.
16. In order to facilitate discussion and for easy reference, relevant parts of the draft text and explanatory notes were reviewed together, inviting the participants to provide feedback and suggestions relating to those provisions.
17. Extensive discussions took place among the participants. Major conclusions and recommendations are in section III of the report.

(4) Other Matters

18. No other matters were discussed.

III. MAJOR CONCLUSIONS AND RECOMMENDATIONS

19. After extensive and constructive discussion, the Subregional Meeting for South East Asia arrived at the following major conclusions and recommendations.
20. The Meeting noted that the draft text of the regional arrangement was developed based on the Resolution 68/3 itself and refined based on outcome of the expert group meetings in 2013.
21. The words “ESCAP members” in the first sentence of the draft text were suggested to be revised for specificity of its applicable scope, such as “ESCAP Members and Associate Members.” The secretariat would consult with the Office of Legal Affairs and revise it for proper wording.

22. In the second paragraph of Preambular part starting with “Recognizing that paperless trade.....”, it was suggested to add “ economic development” in the sentence, reading “enhances the expansion of trade opportunities and economic development.....”
23. With reference to the fourth paragraph starting with “Considering....”, much discussion took place on appropriateness of specifying Single Window here, considering different environment and approaches in different countries. It was proposed to modify the wording from “in implementing national electronic Single Window systems to expedite.....” to “in implementing electronic systems at the national level to expedite...”. The Meeting noted inconsistent use of words “electronic” and “paperless trade” in some parts of the draft text, including this paragraph. The secretariat would ensure consistency in the use of those words in the next revision of the draft text.
24. With reference to Article 1, it was proposed to define “subregional” in the context of this text in the Explanatory Note, so as to avoid any confusion.
25. Suggestion was made on developing a database of cross-border paperless trade projects and initiatives as part of implementing the arrangement/agreement since it can help stakeholders better understand paperless trade through cases and examples.
26. Much discussion was made on scope of trade, i.e., whether it includes licensing, Customs procedures, transport, logistics, etc., since current text mentions only export, import and transit. The secretariat is to revise the definition as “international trade in goods, including their import, export, transit and related services”, while examples of related services would be specified in the relevant part of the Explanatory Note.
27. It was suggested to put some definitions currently in the Explanatory Note back to the draft texts since the Explanatory Note is not an official part of the arrangement. In particular, with reference to Article 5, it was proposed that definitions of first two general principles provided in the Explanatory Note should be moved to the draft text to clarify meaning of these 2 principles.
28. With reference to Article 7, much discussion took place on list of representative organizations, agencies and stakeholders. It was proposed to delete all the listing of representatives and elaborate the issue instead in the Explanatory Note. It was also suggested to add the wording “subject to domestic rules and regulations” at the end of the first sentence of Article 7.1.
29. With reference to Article 11, it was suggested to add “and guidelines” after the words “international standards”

30. With reference to Article 12, one participant suggested to replace “shall endeavor to” with “are encouraged to” to make this sentence sound less binding.
31. With reference to Article 14.2, the second sentence is proposed to be revised as “The Standing Committee shall be composed of senior representatives of each party.....”
32. For Article 14.3, it was suggested to revise “which shall report to the Standing Committee on the implementation of this Arrangement/Agreement and the related Action Plan” into “which shall report to the Standing Committee on the implementation of the related Action Plan under this Arrangement/Agreement”.
33. For Article 14.4, it was requested to specify the role of the secretariat more specifically. This could be done both in the draft text as well as in the Explanatory Note.
34. For Article 15.2, it was suggested to modify “...a roadmap for the implementation of...” to “...a roadmap for the adoption of...”
35. With reference to Article 17, the Meeting requested to incorporate the Explanatory Note text on capacity building into the draft text. Proposal was also made on specifying role of the secretariat for facilitating the process, in particular financial support.
36. The Meeting appreciated the quality of this first draft text. Participants found the provisions of the draft text generally acceptable given the non-binding nature of most provisions, with some participants arguing for a higher level of binding in some cases. Some provisions of the draft text were viewed as possible difficulties, such as national policy framework and national paperless trade committee. For members to support the proposed arrangement/agreement, national consultation across different agencies was viewed necessary since paperless trade has a cross-sectoral nature. Importance of capacity building component in the arrangement was re-emphasized, in particular by the participating LDCs.

IV. ADOPTION OF THE CONCLUSIONS AND RECOMMENDATIONS

The major conclusions and recommendations of the Subregional Meeting on Development of Regional Arrangements for the Facilitation of Cross-border Paperless trade: South East Asia were adopted at Bangkok on 9 July 2013. Participants requested the secretariat to revise the draft text of the arrangement and the explanatory note taking into account the conclusions and recommendations reached.

ANNEX 1: AGENDA OF THE MEETING

UNITED NATIONS ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC

Subregional Meeting on Development of Regional Arrangements for the Facilitation of Cross-border Paperless Trade: South East Asia

Date : 9 July 2013

Venue: Meeting Room E, UNCC, Bangkok, Thailand

FINAL AGENDA

1. Opening of the Meeting

- Mr. Yann Duval, Chief, Trade Facilitation Unit, Trade and Investment Division, United Nations ESCAP
- Ms. Leena Phongpruksa, Deputy Director General, Department of Trade Negotiations, Ministry of Commerce, Thailand

2. Introduction to the Implementation of ESCAP Resolution 68/3

- Mr. Yann Duval, Chief, Trade Facilitation Unit, Trade and Investment Division, United Nations ESCAP

3. Introduction to the Findings of the Regional Study and Expert Review

- Mr. Sangwon Lim, Trade Facilitation Unit, Trade and Investment Division, United Nations ESCAP
- Mr. Shashank Priya, Commissioner, Central Excise & Service Tax, Patna (Bihar), India

4. Introduction to and Discussion on the Draft Text of Regional Arrangement and Explanatory Note

- a) Preamble
- b) Substantive Clause
- c) Final Clauses

5. Other Matters

6. Adoption of Major Conclusions and Recommendations

ANNEX 2: LIST OF PARTICIPANTS

Subregional Meeting on Development of Regional Arrangements for the Facilitation of Cross-border Paperless Trade: South East Asia

9 July 2013
Bangkok, Thailand

FINAL LIST OF PARTICIPANTS

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