

UNESCAP - WORKSHOP ON FACILITATION OF CROSS-BORDER PAPERLESS TRADE

APEC EXPERIENCE IN CROSS BORDER TRADE INITIATIVES

By:

AMRAN SAMEON,

Vice Chair,

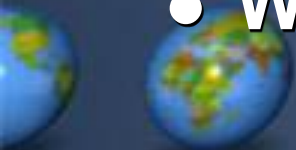
APEC E-Commerce Steering Group (ECSG)

22 APRIL 2014, BANGKOK, THAILAND.



A. PRESENTATION OUTLINE

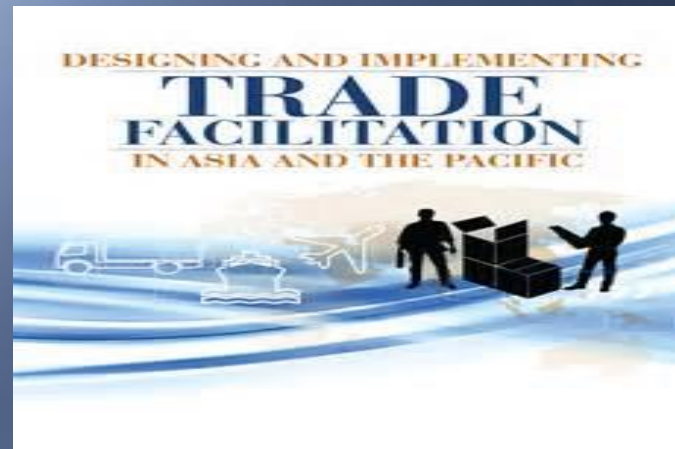
- **INTRODUCTION OF APEC ECSG**
- **ECSG (PTS & DPS) INITIATIVES**
- **PAPERLESS TRADE INCLUDING CROSS BORDER**
- **ISSUE & CHALLENGES ON PAPERLESS TRADE (EXPERIENCES & PRACTICES)**
- **WAY FORWARD**



B. APEC MEMBER OF ECONOMIES:



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1. INTRODUCTION OF APEC - ECSG



INTRODUCTION

APEC E-Commerce Steering Group

- The APEC ELECTRONIC COMMERCE STEERING GROUP (ECSG) under APEC COMMITTEE OF TRADE & INVESTMENT (CTI).
- Meets twice annually - SOM1 and SOM3.
- Two (2) Subgroups:
 - Data Privacy Subgroup (DPS): CBPR
 - Paperless Trading Subgroup (PTS): e-Commerce
- The recent ECSG Meeting 19-20 February 2014 Shangri-La Hotel, Ningbo, China was the 29th Meeting.

APEC - ECSG :

- Objectives:

- promotes electronic commerce.
- explores best develop predictable, transparent and optimised legal, regulatory and policy environments for Member economies.
- enable economies utilise information and communication technologies to drive economic growth and social development.



Cont'd ECSG :

- ECSG agreed that numerous e-commerce related initiatives have been endorsed since 1998.
- However, the degree of success in reaching the implementation stage varies.
- Moving forward, ECSG agreed to take stock of the on-going initiatives and develop indicator / KPI, to better monitor the implementation of future projects.

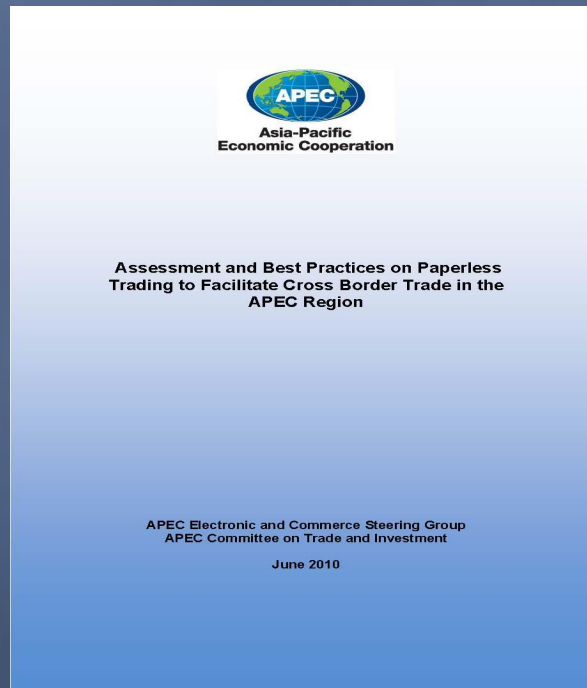
2. ECSG (DPS & PTS)

INITIATIVES :

i.



ii.



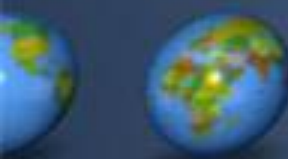
i. ECSG DPS INITIATIVES



BACKGROUND DATA PRIVACY SUB-GROUP

APEC Privacy Framework

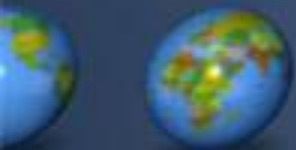
- In November 2004, Ministers for the twenty-one APEC Economies endorsed the APEC Privacy Framework.
- The Framework is comprised of a set of guiding principles on:
 - developing consistent domestic approaches to personal information privacy protections; and
 - regional approach to promote accountable and responsible transfers of personal information between APEC Economies.



BACKGROUND

APEC Cross Border Privacy Rules System (CBPR):

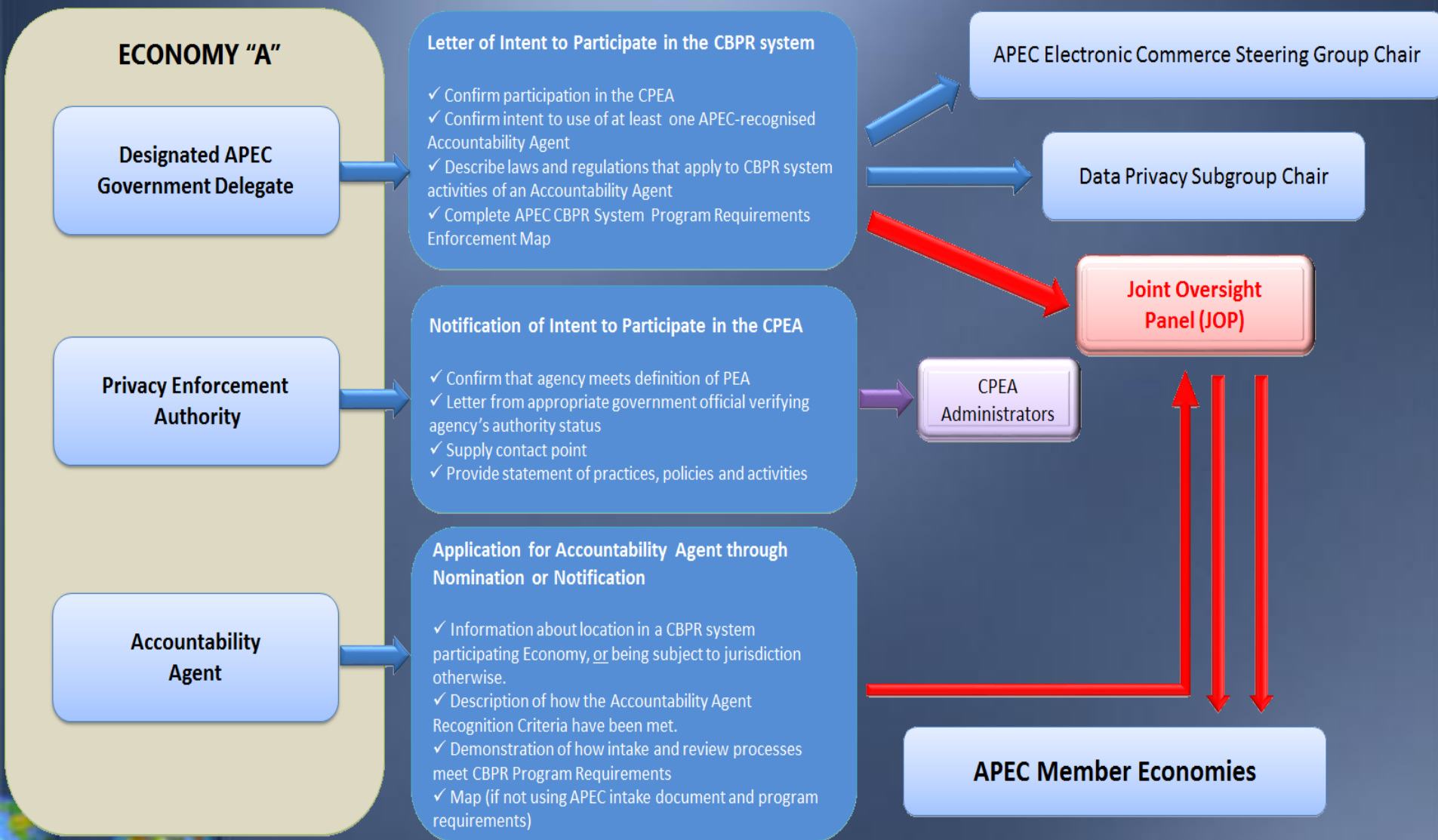
- Endorsed by APEC Leaders in 2011.
- A voluntary accountability-based system.
- APEC Cross Border Privacy Rules (CBPR) System developed by participating APEC economies.
- In collaboration between Government and representatives of industry and civil society.



Compliance & Requirements

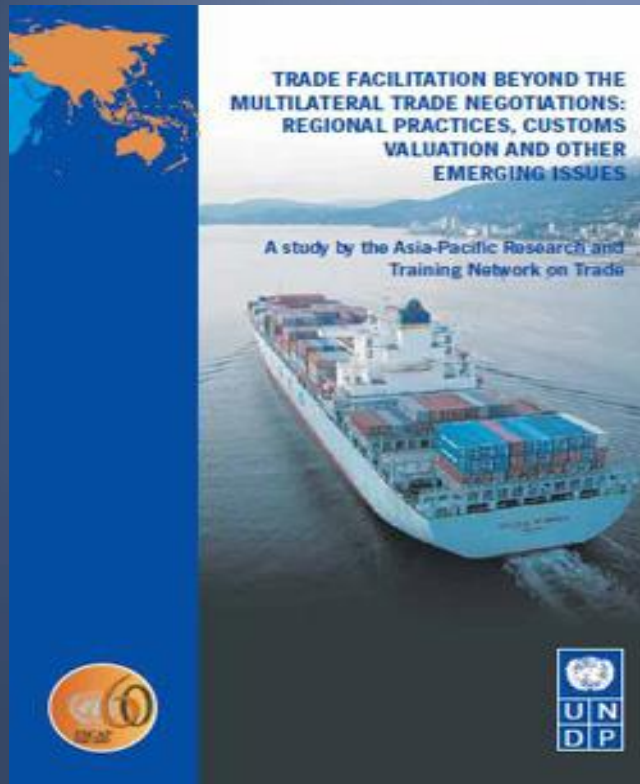
- Participation is voluntary. Once an organization has been certified for participation in the CBPR System, these privacy policies and practices will become binding.
- Participant will be enforceable by an appropriate authority, such as a regulator to ensure compliance with the CBPR program requirements.

Structure of the APEC Cross Border Privacy Rules (CBPR) system



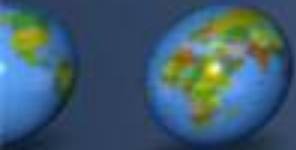
3. PAPERLESS TRADE, CROSS BORDER –

i. APEC's EXPERIANCES:



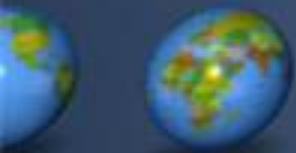
The 1998 Blueprint for Action on E-Commerce:

- The 1998 Blueprint for Action on E-Commerce was designed to consolidate and reinforce various APEC initiatives related to e-commerce.
- Among the initiatives introduced is the Paperless Trading Initiative where APEC members have agreed to reduce or eliminate the requirement for paper documents needed for customs and other cross-border trade administration by 2005 for developed economies and 2010 developing economies.



Electronic Initiative:

- Electronic single windows are directly relevant for APEC supply chain connectivity
- Need to broaden current approach to enhance trade facilitation:
 - focus also on legal framework
 - encompass B2B transactions
- APEC member economies in ideal position to adopt uniform law of electronic transactions and the Electronic Communications Convention



ADVANTAGES:

The Benefits on Paperless Trade, Cross Border :

- Revenue losses from in-efficient border trade procedures;
- Harmonizing & simplifying on-line documents would reduce trade costs;



Cont'd...

- Streamlining procedures bring trade cost reductions for ESCAP Regional economies;
- Automating processes would reduce trade costs for all countries;
- Ensuring the availability of trade-related information generate cost savings for all countries.



ECSG PTS INITIATIVES

i. Paperless Trading Cross Border



The World Bank International Trade Department and the Transport Unit invite you to:

TRADE LOGISTICS AND FACILITATION

BROWN BAG LUNCH SEMINAR SERIES

SEMINAR THREE:
Improving Trade Facilitation Through Automated Customs Tools

Tom Doyle
Global Customs Lead
Public Service Operating Group
Accenture, Ltd

The seminars are FREE but space is LIMITED. Click [HERE](#) to reserve a seat or email to get more information about the series.

This is a monthly seminar series. For further information or to suggest other topics and speakers please contact Monica Alina Mustra at 202-458-8963 or by email at mmustra@worldbank.org.



DATE: NOVEMBER 27, 2007
TIME: 12:30pm to 2:00pm
LOCATION: MC 2-360



Electronic Single Window Facilities in APEC member economies:

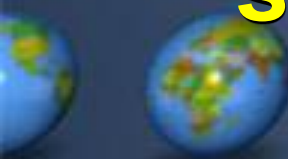
APEC supply chain connectivity framework and electronic single windows:

- chokepoint 4: improving clearance of goods by customs;
- chokepoint 5: simplifying customs documentation
 - equivalence to various functions of paper documents (original, signed, etc.); e-archiving.

Key Chokepoints:

Lack of transparency / awareness of regulatory issues

- **Inefficient clearance of goods at Customs**
- **Burdensome customs documentation**
- **Variations in cross-border standards and regulations**



Other Chokepoints

- *Lack of capacity of local / regional logistics sub-providers*



**PTS
PRODUCED
FEW
GUIDANCES
PAPERLESS
TRADING TO
FACILITATE
CROSS
BORDER
TRADE IN
APEC
REGION:**



**Asia-Pacific
Economic Cooperation**

**Assessment and Best Practices on Paperless
Trading to Facilitate Cross Border Trade in the
APEC Region**

**APEC Electronic and Commerce Steering Group
APEC Committee on Trade and Investment**

June 2010

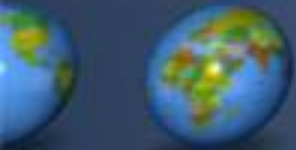
ECO Project:

A PPP Project under APEC ECSG

Participants from public and private sectors in ECO Pathfinder Project:

- South Korea: Ministry of Knowledge Economy (MKE), Korea Chamber of Commerce and Industry, KTNET (Customs service provider).
- Chinese Taipei: Bureau of Foreign Trade (BOFT, MOEA), Department of Customs Administration (MOF), Directorate General of Customs (MOF), FTNet (Trade-Van, Customs service provider of FTNet).

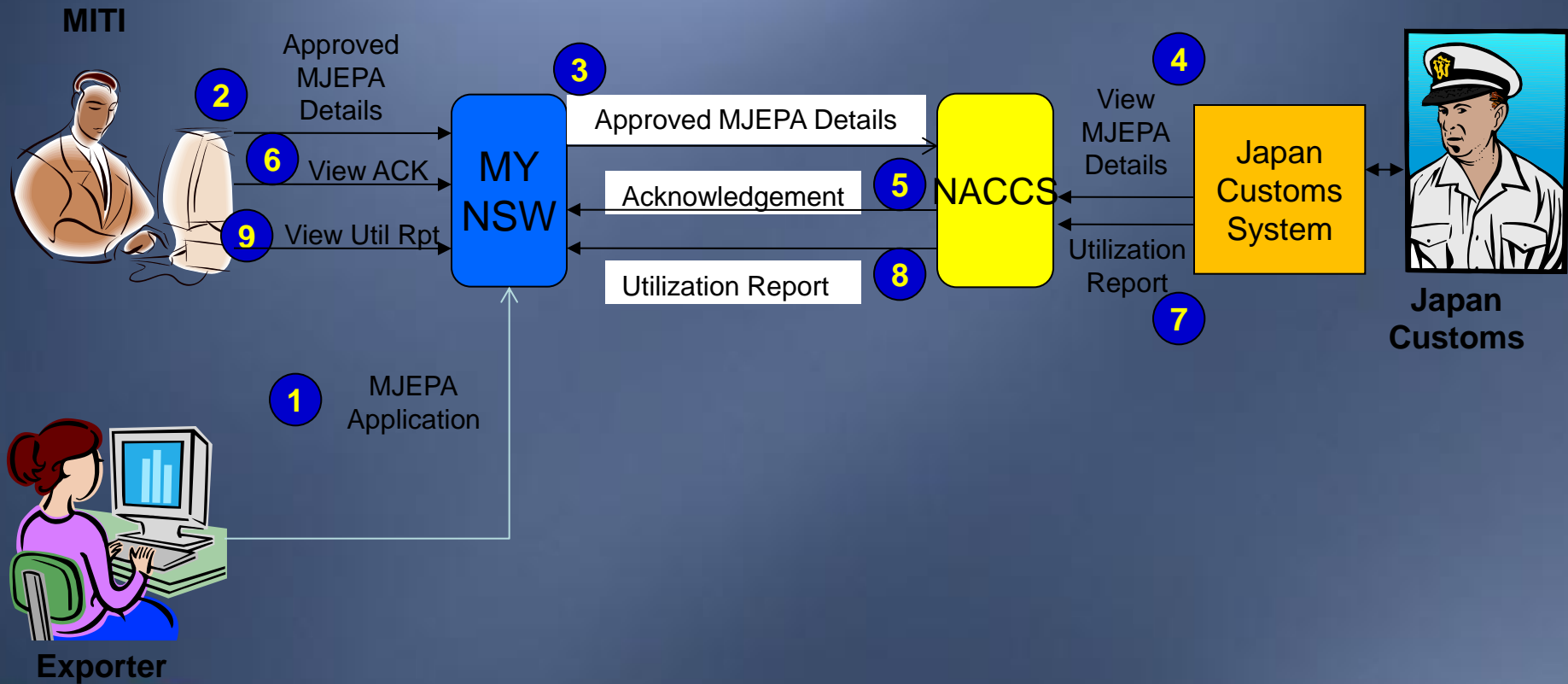
EXAMPLE FOR IMPLEMENTATION:



MY-JP Exchange Project Scope

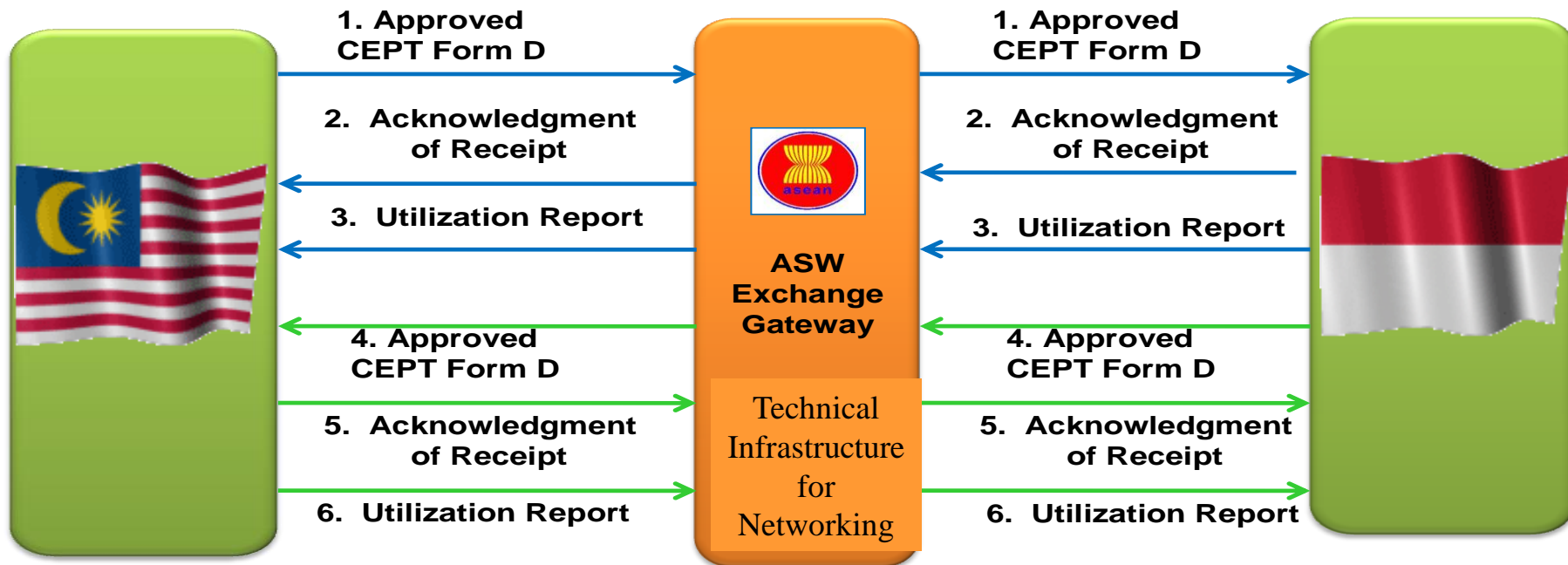
- Integrating ePCO with NACCS Japan
 - One way communication
- MITI send e-PCO data to Japan Customs
(17 selected companies historical data)
- Enhanced Message
 - e-PCO message specification
 - Enhanced Acknowledge message specification
 - Enhanced CO Utilization Report message specification

MY-JP MJEPA EXCHANGE PROCESS FLOW



BAKGROUND (cont.)

ASW PILOT PROJECT PROCESS FLOW BETWEEN MALAYSIA - INDONESIA



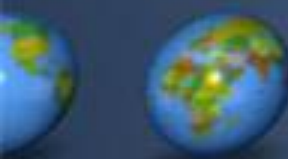
BENEFITS OF INITIATIVE

- Demonstrated feasibility of electronic e-PCO exchange to ASEAN Member States
- ASW Technical Working Group - taken results of Technical Feasibility Initiative as it option to start the technical architecture to link ASEAN Member States in the ASW;



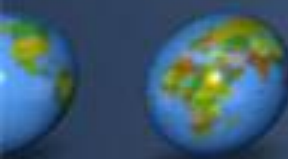
BENEFITS OF CROSS BORDER E-TRADE FACILITATION

- Simplification:
 - Fast and efficient exchange of data
 - Strengthen custom revenue collection through custom reform
- Automation:
 - Lowering transaction cost
 - Ability to predict delivery time and cost for investors



BENEFITS OF CROSS BORDER E-TRADE FACILITATION (cont.)

- Harmonization
 - Harmonize and standardize international trade transaction
- Greater transparency
 - Increase Foreign Direct Investment (FDI) and Domestic Direct Investment (DDI)
 - Reduce revenue leakage due to corruption and fraud



Benefit of Technical Feasibility Testing

- Test environment where 3 APEC economies' NSWs integrate and operate simultaneously;
- Enable seamless routing and communication between NSWs;
- Expedited customs clearance & release of cargoes;
- Reduce costs & time of doing business;
- Standardized & harmonized data exchange;
- Preparation for electronic readiness for future regional data exchange (ASW, APEC, ESCAP Region);
- Discover potential errors / shortfall; and
- Gaining experience from domain expertise of participating economies.

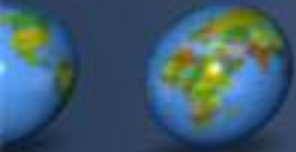
D. ESCAP REGION PAPERLESS **TRADE INITIATIVE:**

The United Nations Economic and Social Commission
for Asia and the Pacific Members.



Cont'd...

- The in-depth analysis of existing practices & thorough assessment of regional requirements detailed will help to lay the foundation for conducting further studies on designing implementation measures.
- It supports the development and implementation of practical regional arrangement (s) in the Asia-Pacific region, as mandated by ESCAP Resolution 68/3.



C. PAPERLESS TRADE, CROSS BORDER

At Country level:



- Study the business process of the stakeholders involved in export/import activities in each country.
- Formulate and recommend re-engineering of processes that are appropriate in order to reduce the time taken, number of documents involved and the also the cost for export/import activities in Malaysia.
- Work with the relevant stakeholders to implement the necessary re-engineering of processes.
- Initiate improvements based on the World Bank Ease of Doing Business report as one of the benchmark with other economies.



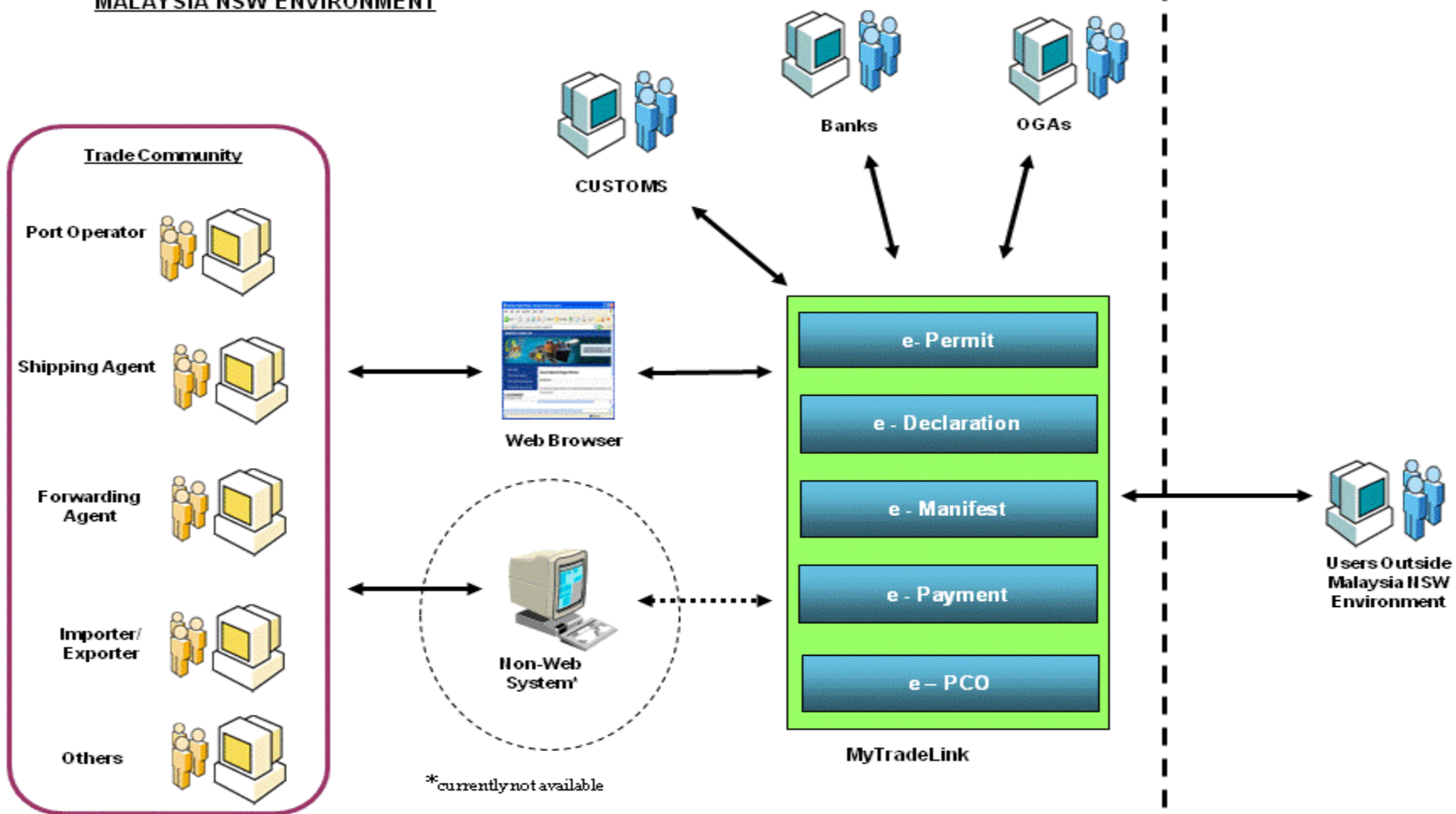
World Bank Report

Ease of Doing Business

Trading Across Borders



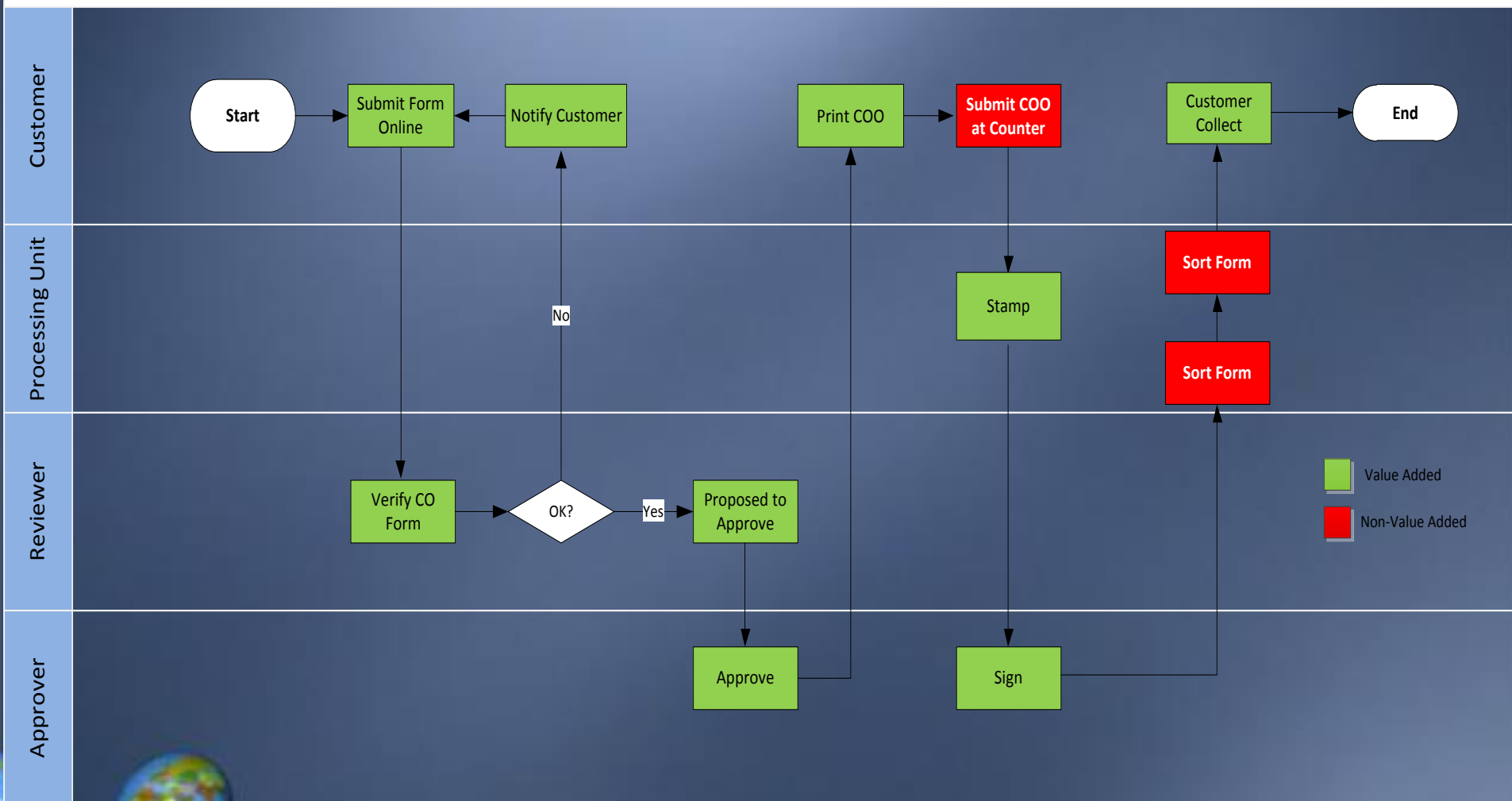
MALAYSIA NSW ENVIRONMENT



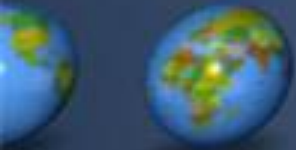
Process the application- ePCO?

(AS IS) Transaction Type: Application for ePCO

Cross Functional Chart ver 1.0



4. ISSUES & CHALLENGES ON PAPERLESS TRADE



The Two Faces of ESCAP Region Challenges:

Community

Trading

ESCAP

ESCAP

Regulatory

Authorities



**How do
we could
Implement for
ESCAP
Regional
Arrangement
For Paperless
Trade & Cross
Border..?**



APEC's EXPERIENCES:

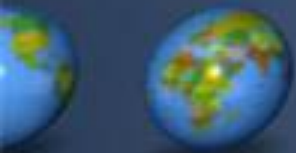


What need to
be done to
ESCAPE
Regional
Arrangement
?



Where .. Within & Beyond..

- **Economic benefits are evident**
- **We are ready to work together**

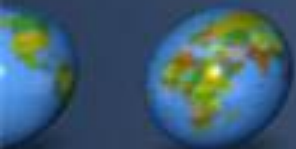


Collaboration Among ESCAP Regional Arrangement Member Countries:





Proposed Solutions



WAY FORWARD



IT Application



Std'ize Legal
Arrangement



Simplific't'n
Process

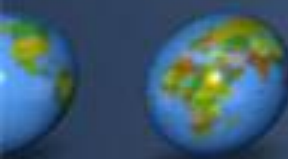
ESCAP REGION - Building The Road Ahead:

- COLLABORATION
- INFRASTRUCTURE
- LEGAL
- HARMONISATION
- SIMPLIFICATION, etc.



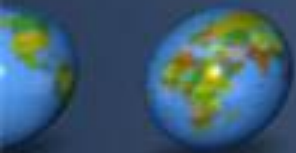
Proposed Action

1. Each Member State need to establish their NSW;
2. Accelerate establishment of ESCAP Regional Arrangement for Single Window system for advanced data sharing between customers and government / regulatory agencies.
3. Intensify and broaden ESCAP Regional Arrangement for Business-to-Customs co-operation
4. Develop self programs for cargo screening security requirements; high risk assessment data, etc.



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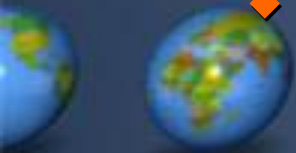
1. Utilize consistent and standardized business processes across ESCAP Region (participating countries);
2. Deploy common IT systems and business processes to drive the business



NEXT STEP

- Implementation :

- ◆ Member countries already establish their NSW ;
- ◆ Steering Committee;
- ◆ Technical Committee;
- ◆ Legal Committee ;
- ◆ Adopt & develop the end-to-end process flow for the entire value chain ;
- ◆ Etc ...



THANK YOU

