

Trade Facilitation in Asia-Pacific State of Play

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

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Way forward in Asia-Pacific and Lessons learned



Trade Facilitation (TF)? - Definition



- “the simplification and harmonization of international trade procedures”
- **“increasing the cost effectiveness of international trade transactions”**

Trade Facilitation? → Definition

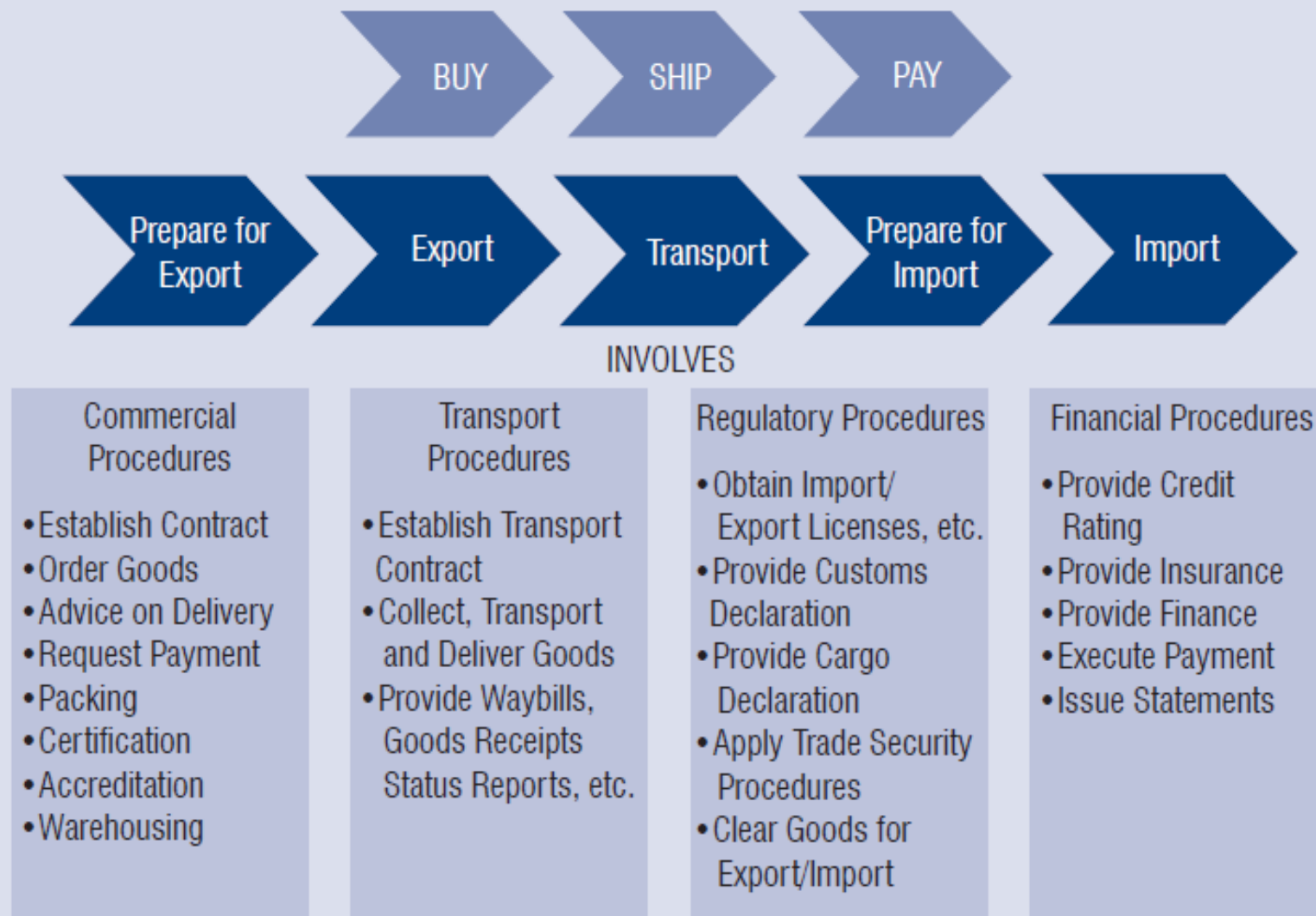


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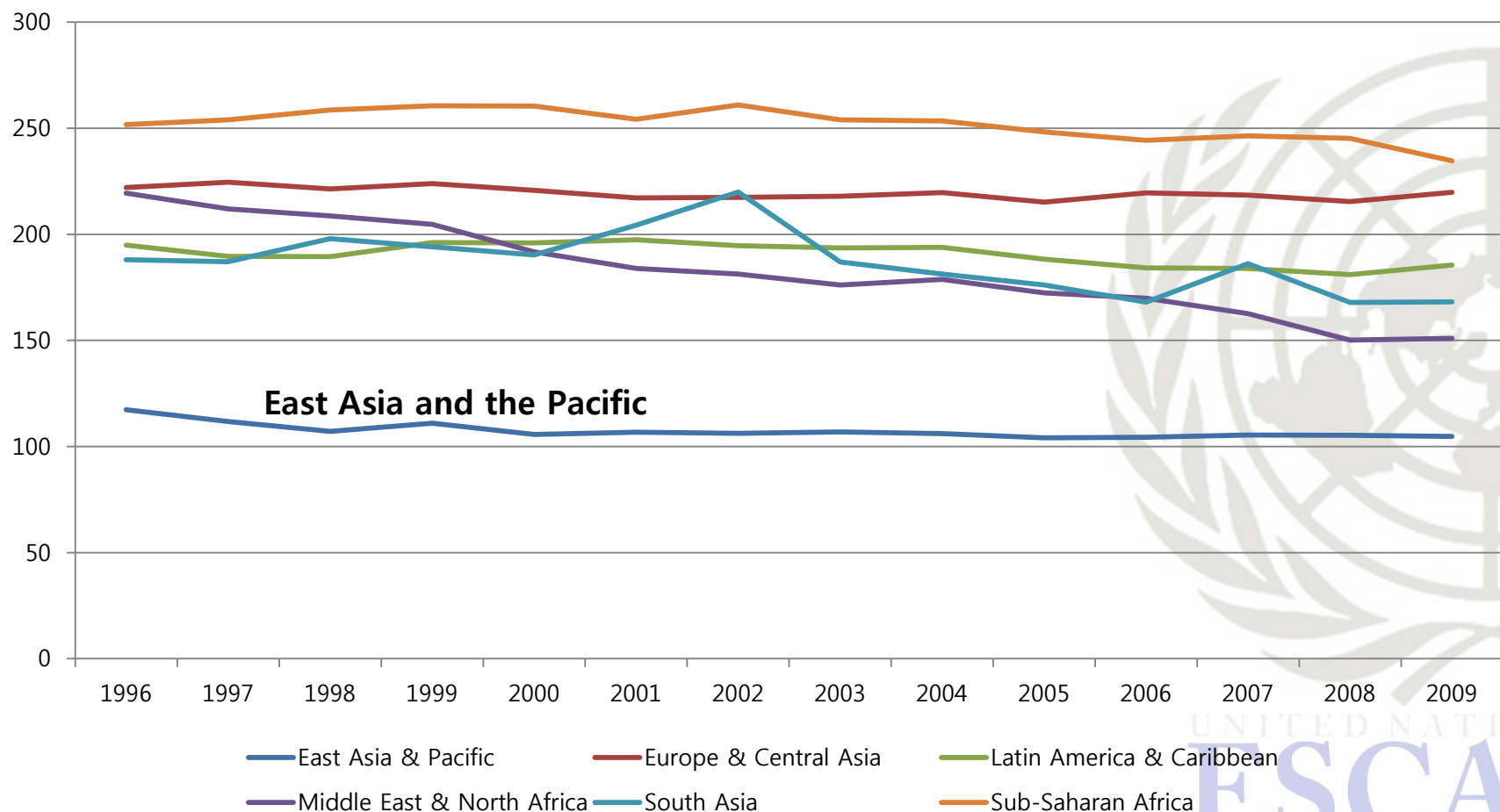
IV

Way forward in Asia-Pacific and Lessons learned



International trade costs in developing regions*

Asia-Pacific region as a whole doing relatively well...



*based on ESCAP-World Bank International Trade Cost Database

<http://data.worldbank.org/data-catalog/trade-costs-dataset>

Intra- and Inter-regional trade costs of Asia and the Pacific subregions*

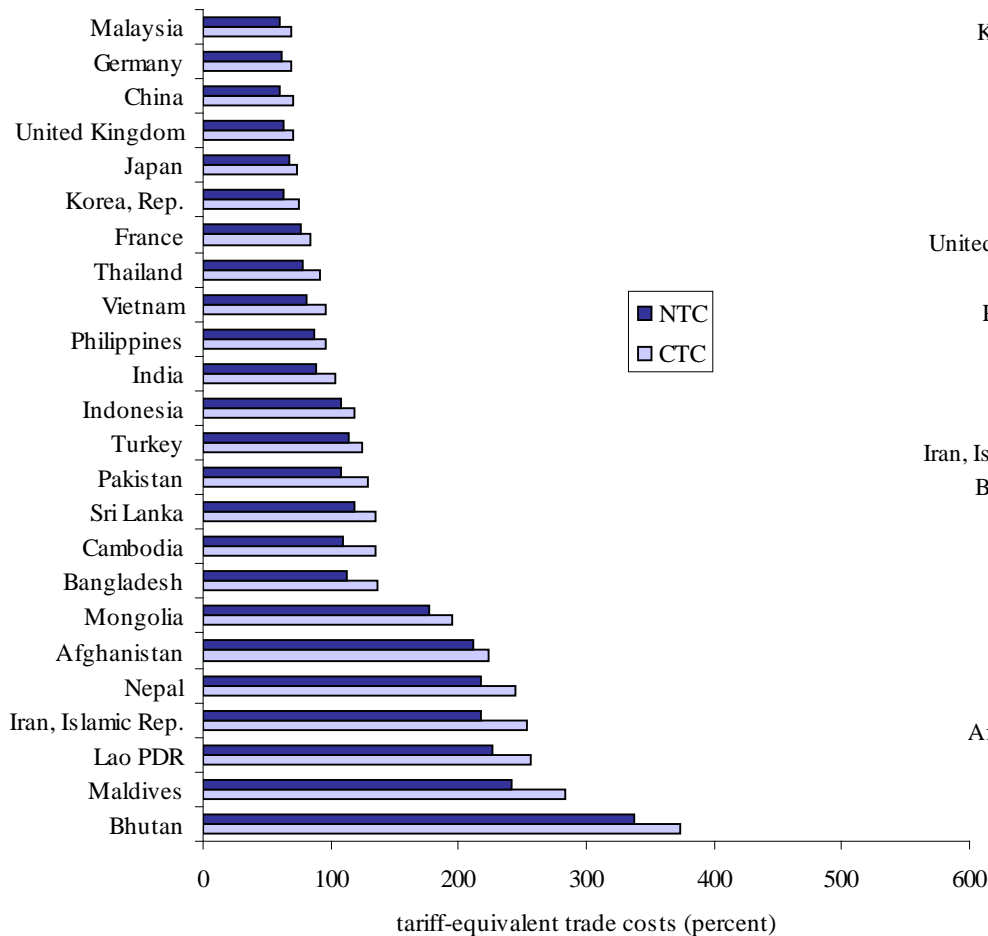
Region	ASEAN-4	East Asia-3	North and Central Asia	SAARC-4	AUS-NZL	EU-3	USA
ASEAN-4	75 (3.08%)	78 (7.71%)	381 (7.94%)	126 (0.74%)	86 (-11.54%)	110 (6.58%)	84 (12.36%)
East Asia-3	78 (7.71%)	52 (-8.46%)	221 (-12.09%)	125 (1.85%)	80 (-14.21%)	86 (-5.59%)	63 (-1.36%)
North and Central Asia	381 (7.94%)	220 (-12.09%)	141 (0.47%)	260 (-13.15%)	296 (-14.39%)	166 (-4.86%)	191 (3.46%)
South Asia (SAARC-4)	126 (0.74%)	125 (1.85%)	261 (-13.15%)	105 (-0.65%)	127 (-8.08%)	115 (5.96%)	108 (8.26%)
AUS-NZL	86 (-11.54%)	80 (-14.21%)	296 (-14.39%)	127 (-8.08%)		102 (-5.90%)	90 (-4.67%)
European Union (EU-3)	110 (6.58%)	86 (-5.59%)	166 (-4.86%)	115 (5.96%)	102 (-5.90%)	46 (-0.38%)	67 (1.07%)
USA	84 (12.36%)	63 (-1.36%)	191 (3.46%)	108 (8.26%)	89 (-4.67%)	67 (1.07%)	

*Based on ESCAP-World Bank trade cost database, excluding tariff costs.
Percentage changes in trade cost between 2001-2004 and 2007-2010 are in parentheses.

Bilateral Trade Costs: Selected Economies with China and USA (2006-2011)

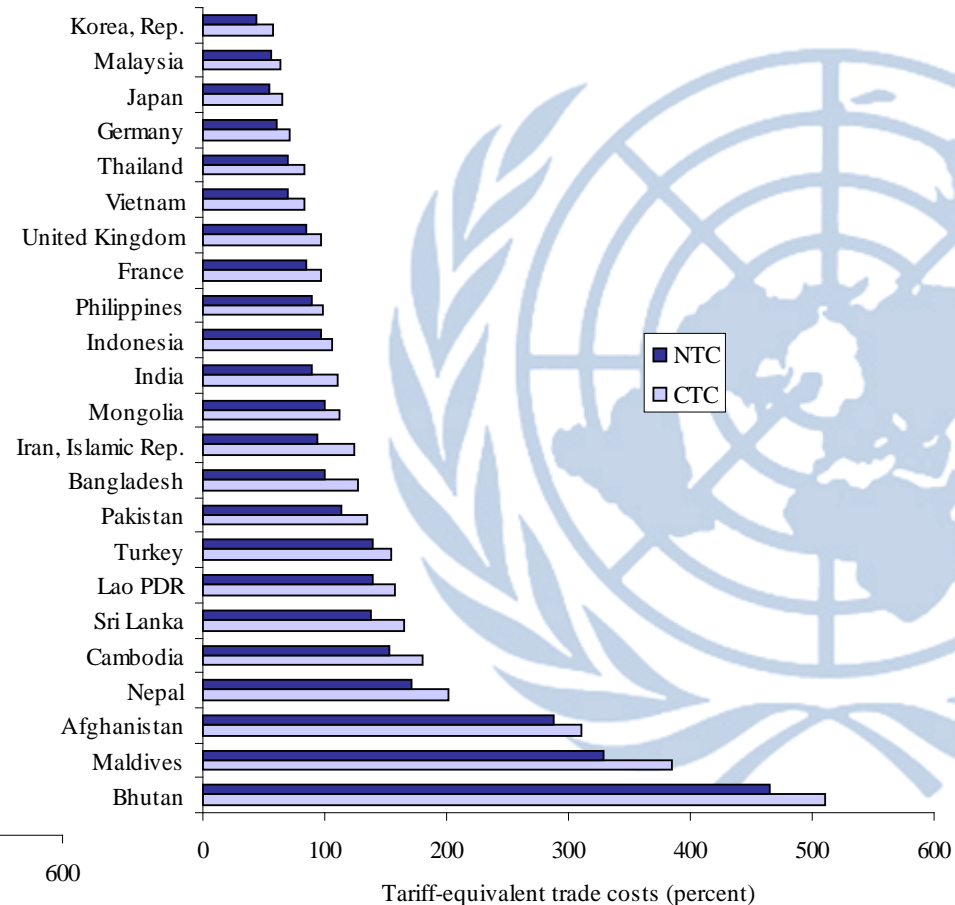
Comprehensive Trade Costs (CTC) and CTC excluding tariff (NT-CTC) between

selected economies and the **USA** (2006-2011)

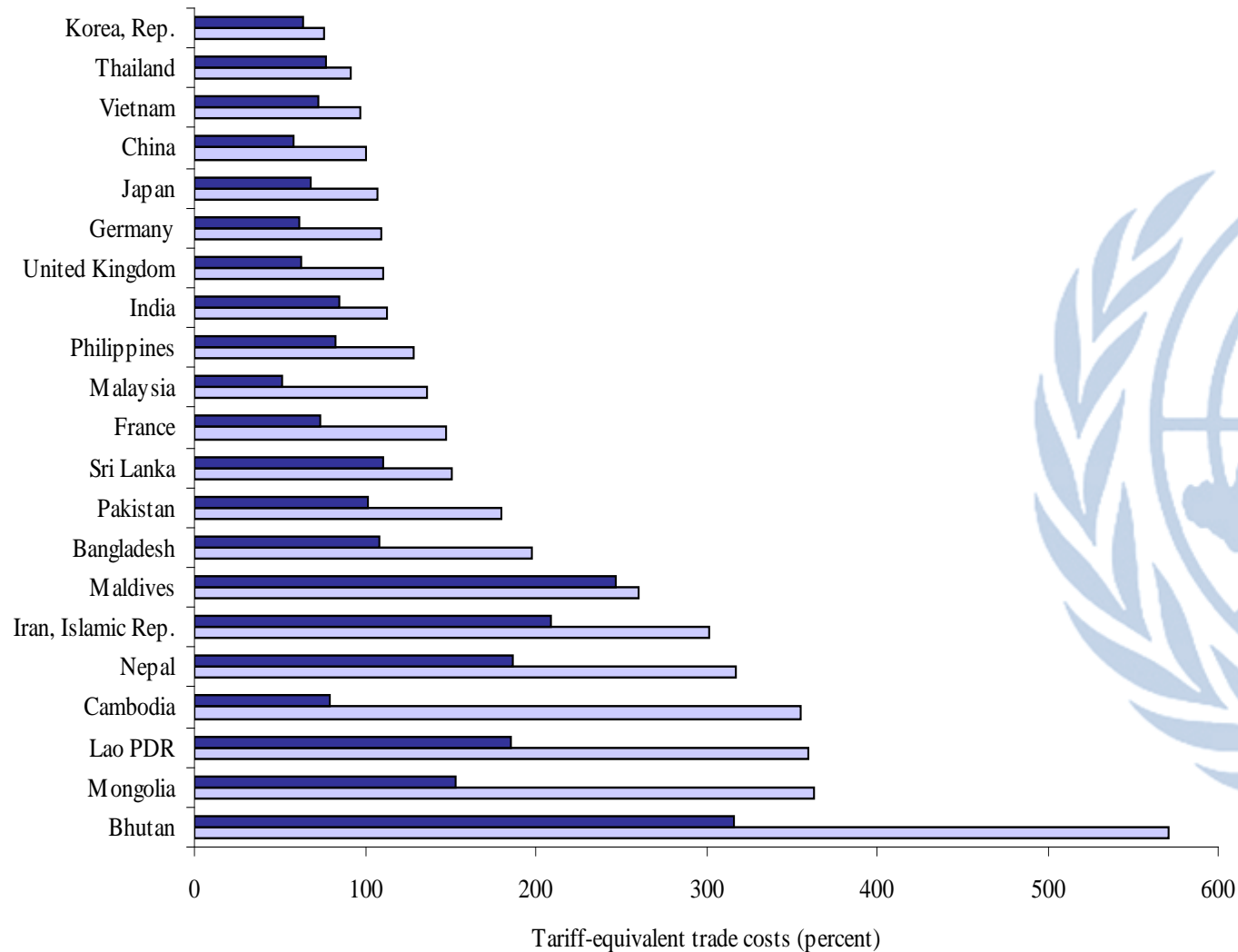


Comprehensive Trade Costs (CTC) and CTC excluding tariff (NT-CTC)

between selected economies and **China** (2006-2011)





Agriculture and Manufacturing Trade Costs, Excluding tariffs, between Selected Economies and China (2006-2011)



How to Access Trade Cost Data

<http://www.unescap.org/tid/artnet/trade-costs.asp>

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ESCAP-World Bank Trade Cost Database


(Global version issued December 2012)

The ESCAP Trade and Investment Division, in support to the ARTNeT research programme on trade facilitation, initiated development of a bilateral trade cost database in 2010 in an effort to increase understanding of the cost of trading between countries in Asia and the Pacific and beyond. The trade cost measure, based on Novy (2012), is a comprehensive all-inclusive measure based on micro-theory and calculated using macro-economic data, providing an alternative measure of trade facilitation performance. Following release of a first version of the database in 2010 using trade and GDP data, [1] an improved and expanded version 2 was released in December 2011 - based on gross output data and providing sectoral trade cost estimates for about 100 countries.[2]


In late 2011, United Nations ESCAP and the World Bank (WB) joined hands to develop a common standard methodology for calculating comprehensive international trade costs and provide the research and policy community with a global reference. The resulting ESCAP-World Bank Trade Cost Database covers 178 countries and is available below, as well as on the WB website.[3]

- [ESCAP-World Bank Trade Cost Database](#) [stata file]
- [ESCAP-World Bank Trade Cost Database \(2005-2010\)](#) [excel]
- [Metadata](#)
- [User Note](#)

Note: Earlier versions of the databases are available upon request to the authors.

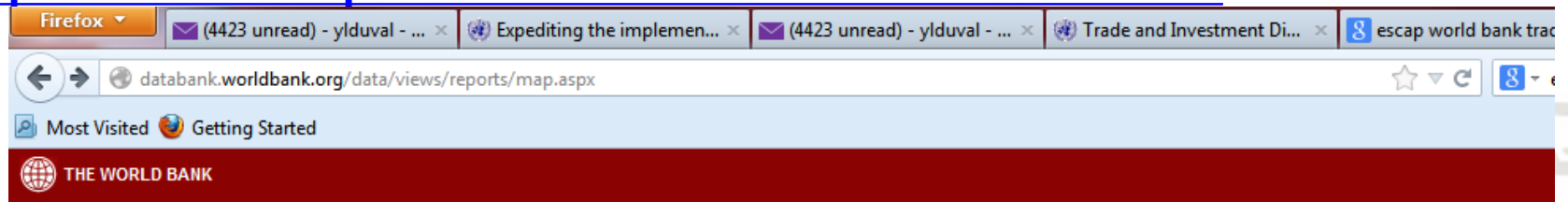


Debapriya Batcharya
Distinguished Fellow
Centre for Policy Dialogue, Bangladesh



How to Access Trade Cost Data

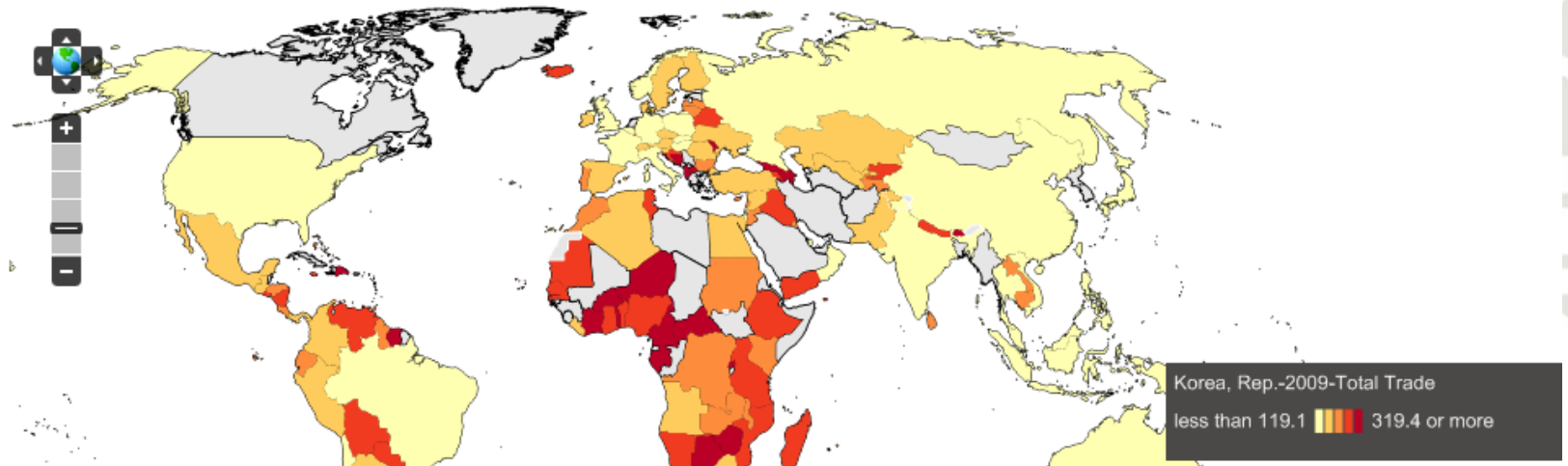
<http://databank.worldbank.org/data/views/variableselection/selectvariables.aspx?source=escap-world-bank:-international-trade-costs#>



World DataBank ESCAP World Bank: International Trade Costs

TABLE CHART

Partner: Korea, Rep. Time: 2009 Sector: Total Trade



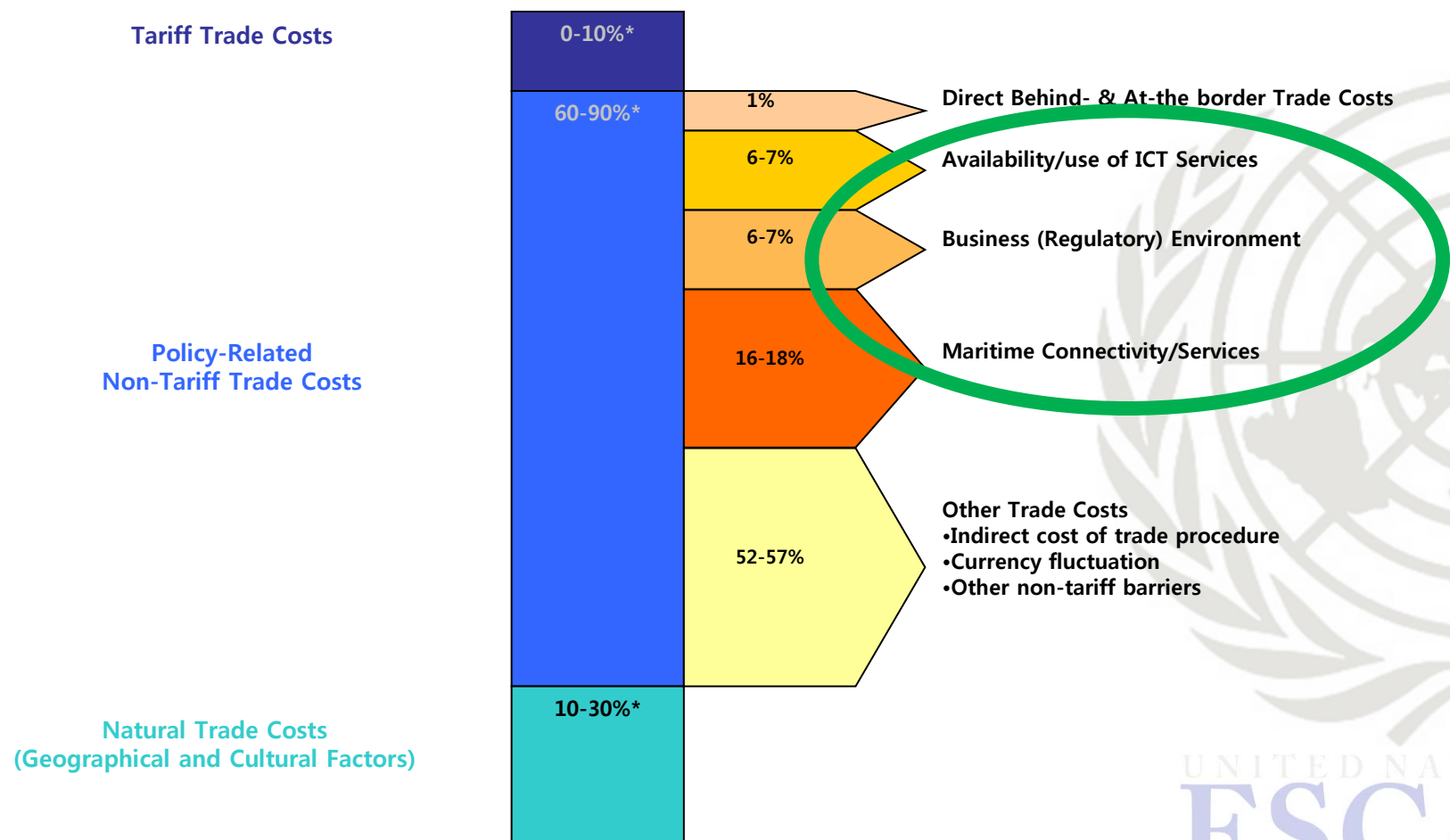
Source: ESCAP World Bank: International Trade Costs

Disclaimer:

This map was produced by Staff of the World Bank. The boundaries, colors, denominations and any other information shown on this map do not imply, on the part of The World Bank Group, any judgment of any territory, or any endorsement or acceptance of such boundaries.

Key factors in lowering trade costs – Asia-Pacific Perspective

Contribution of natural barriers, behind-the border facilitation and trade-related practice to trade costs



* Illustrative based on casual observation of the data only. Natural trade costs for landlocked countries may be outside the range shown for natural trade costs.

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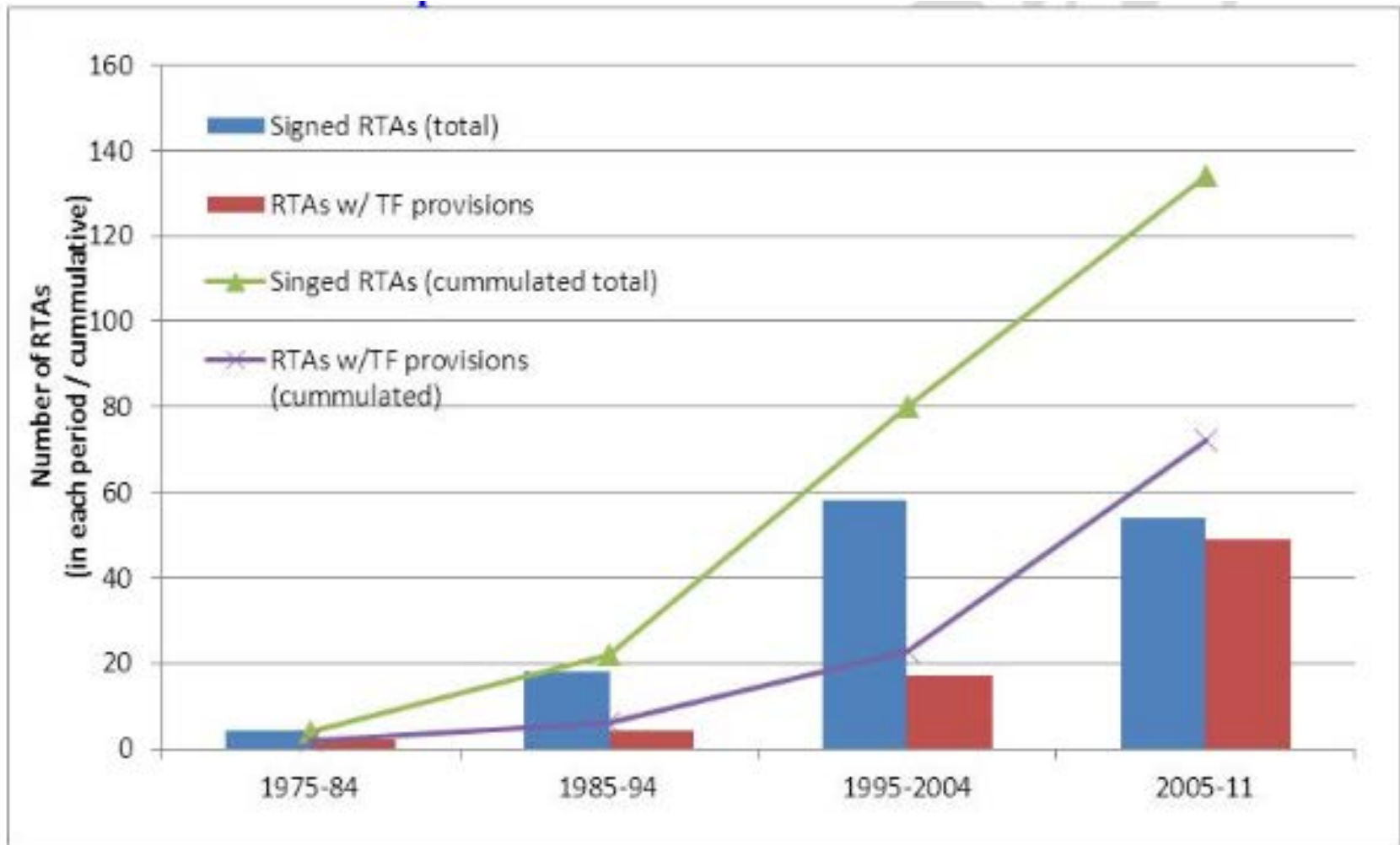
III

What have Asian countries done to facilitate trade?

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Way forward in Asia-Pacific and Lessons learned

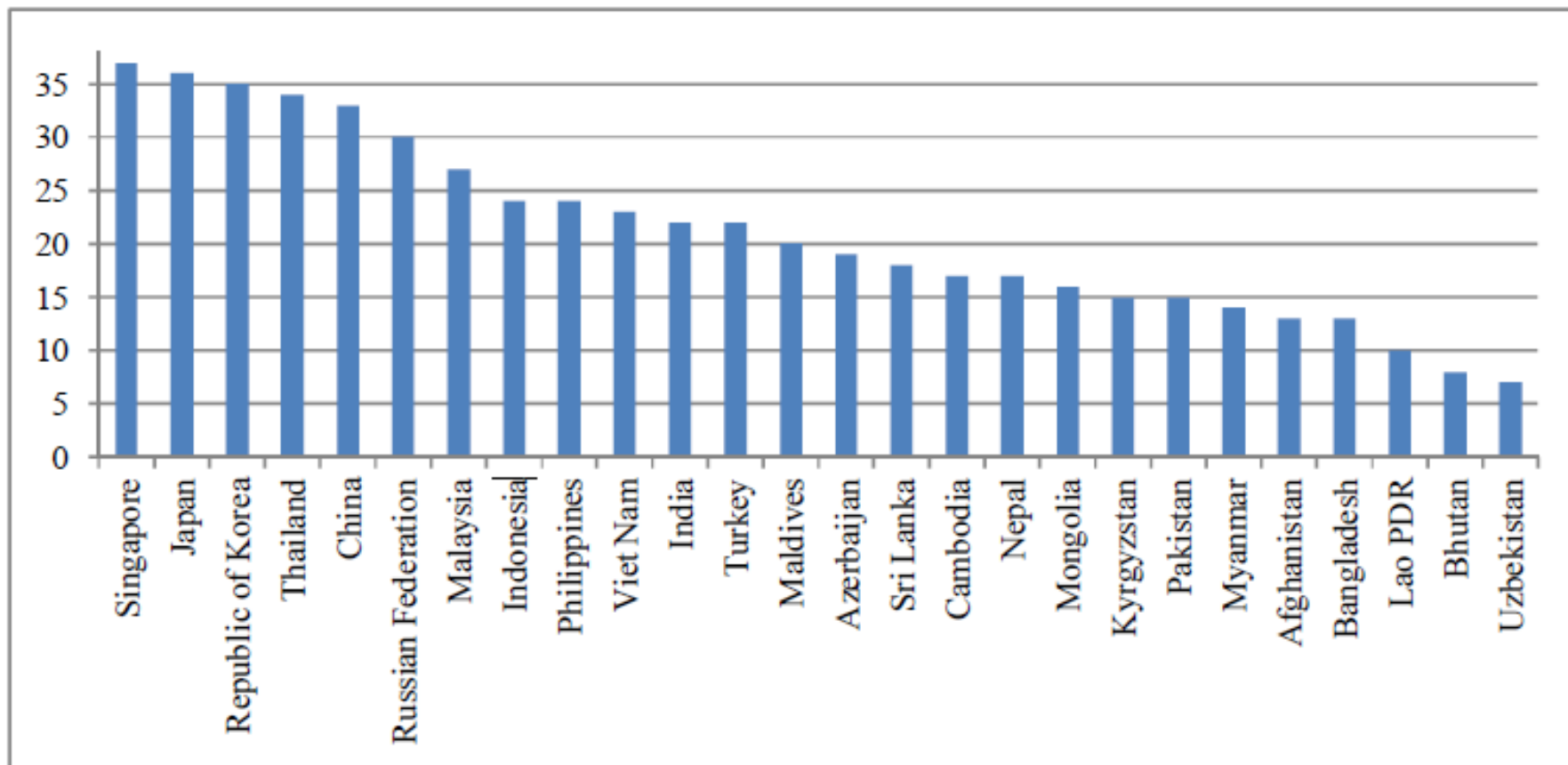
Bilateral/regional trade agreements with trade facilitation provisions involving Asia-Pacific countries



Source: Duval (2011)

Trade facilitation & paperless trade implementation in Asia – APTFF Survey 2012

Figure 1. Trade Facilitation and paperless trade implementation scores of selected Asian countries



Note: a large score means advanced level of implementation

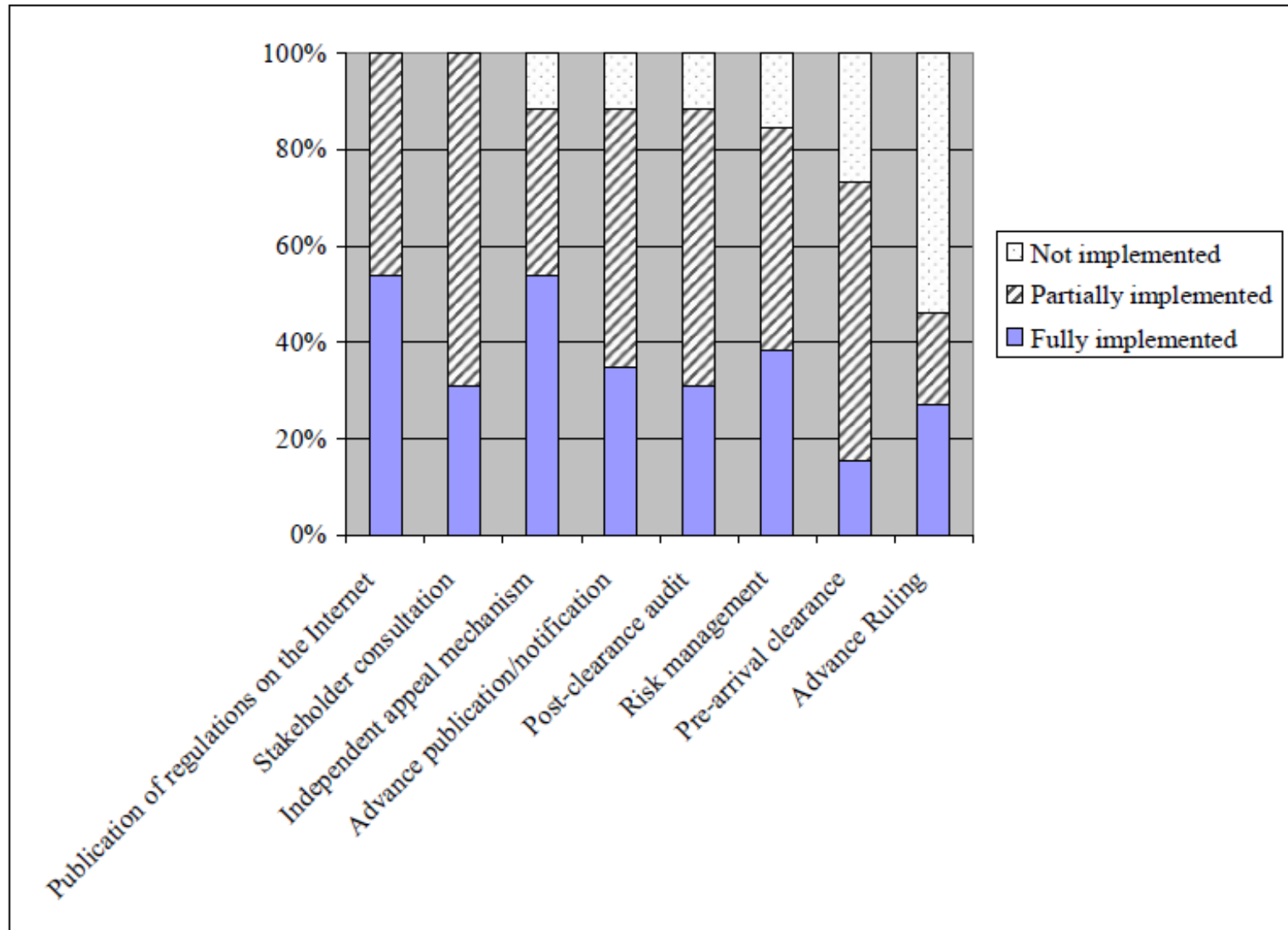
Source: calculated based on the APTFF 2012 survey data.

Surveys were completed by participants to the Asia Pacific Trade Facilitation Forum (APTFF) 2012 involved in trade facilitation in their own countries, as well as other selected experts. Following consistency checks and collection of additional and complementary data by ESCAP after the Forum, a dataset of trade facilitation implementation in 26 Asian countries was finalized for the year 2012.

Full data analysis available at: <http://www.unescap.org/tid/projects/tfforum12-survey.asp>

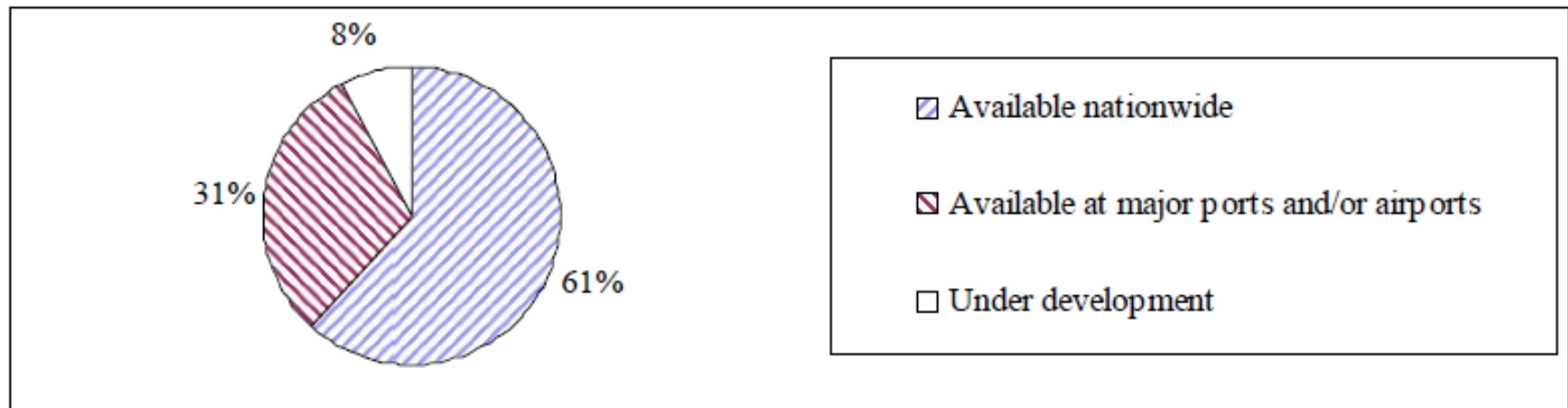
Trade facilitation & paperless trade implementation in Asia – APTFF Survey 2012

Implementation of WTO-related trade facilitation measures by Asian countries



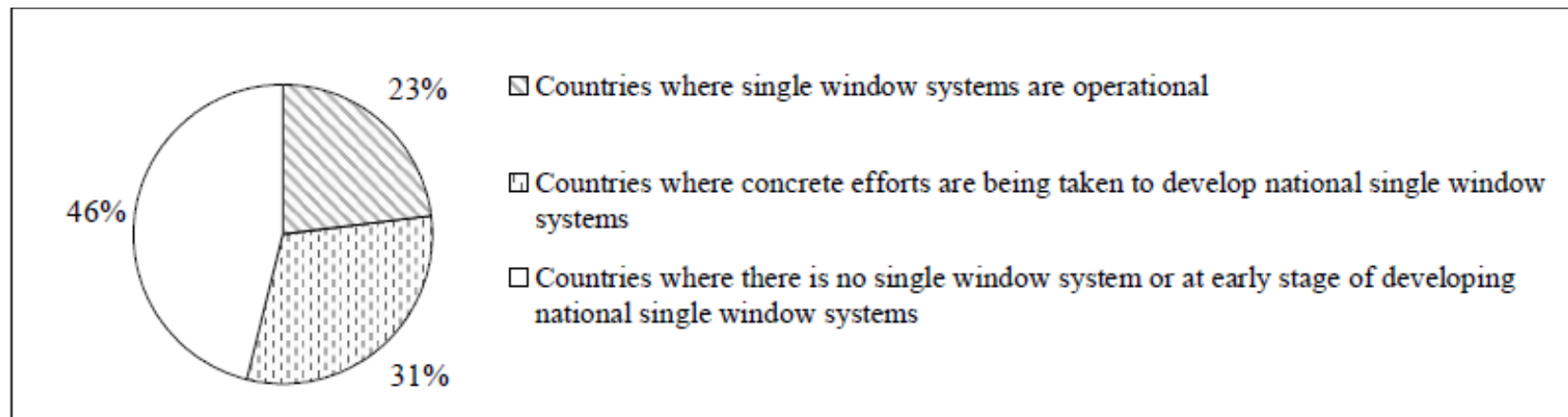
Trade facilitation & paperless trade implementation in Asia – APTFF Survey 2012

Availability of electronic/automated customs systems in Asian countries



Source: APTFF 2012 survey

Development of National Single Window system in Asian countries



Source: APTFF 2012 survey

Assignment!😊

- 2013 Country Survey on Trade Facilitation and Paperless Trade Implementation
 - Three parts:
 - General trade facilitation measures (related to WTO negotiations)
 - SW & Paperless trade
 - 2013 focus: Publication of procedures and documents
 - Designed both as an expert survey and for capacity building
 - Confidential: individual responses not released
- Available online in English and Russian
 - <http://www.unescap.org/tid/projects/tfforum13-survey.docx>
 - <http://www.unescap.org/tid/projects/tfforum13-survey-ru.docx>
 - Paper copy available on request
- Please send to lim6@un.org on or before 15 Oct. 2013

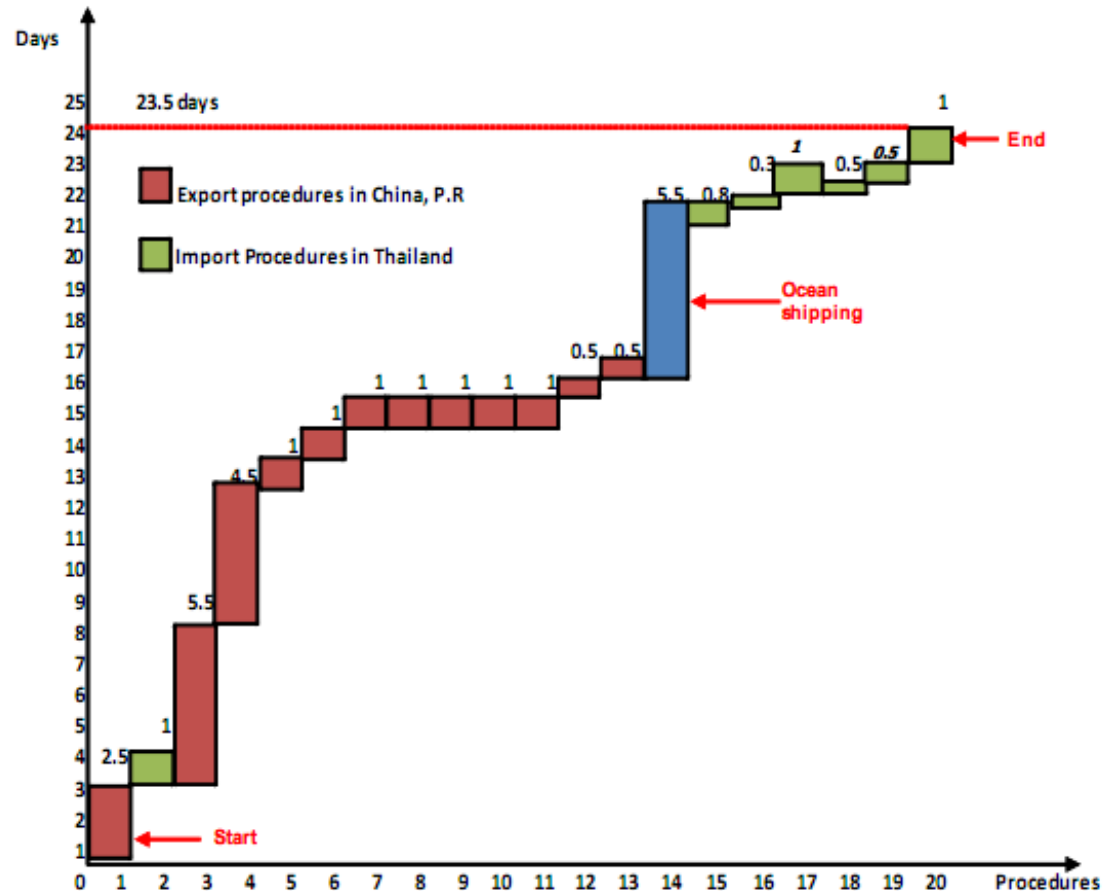
Lessons learned from Asian experience

- Trade facilitation begins at home
 - Strong political will a must
- Institutionalize trade facilitation / assign a lead agency
 - Regular stakeholder consultations
 - **Consult and systematically involve the private sector**
- Set ambitious (long-term) targets
 - National/regional paperless trade
- Apply information and communication technologies (ICT)
 - **Don't forget the legal framework**
- Take a holistic approach to trade facilitation in order to identify bottlenecks along the entire supply/transaction chain
 - Services and behind the border measures often key to efficiency
 - Sector-by-sector focus (e.g., agriculture) to be considered
 - **Measure progress & update strategy accordingly**

Business Process Analysis (BPA) for Trade Facilitation

Sr. No	Process	Days
1	Buy	2.50
2	Obtain permission for raw materials release	1.00
3	Obtain export permit	5.50
4	Arrange transport	4.50
5	Arrange inspection	1.00
6	Prepare customs declaration	1.00
7	Collect empty containers from yard	1.00
8	Stuff a container	1.00
9	Transfer to port of departure	1.00
10	Clear goods through customs	1.00
11	Handle containers and stow on vessel	1.00
12	Obtain cargo insurance	0.50
13	Prepare documents for payment	0.50
14	Ocean shipping	5.50
15	Request for vessel berthing	0.75
16	Unload goods from vessel	0.25
17	Declare goods to Customs	1.00
18	Arrange goods for inspection	0.50
19	Inspect and release goods	0.50
20	Pay	1.00
	Total	23.50

Trade in Electronics from CHINA to THAILAND



Source: ARTNeT Working Papers 88 and 103.

Number of parties: 11 on export side; 12 on import side
 Number of documents: 17 on export side; 44 on import side

For more information, visit the *United Nations Network of Experts for Paperless Trade in Asia and The Pacific*

www.unescap.org/unnext/

UNNExT
United Nations Network of Experts for
Paperless Trade in Asia and the Pacific

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Upcoming event:
Global Trade Facilitation Conference
"Beyond Single Window: Paperless Supply Chains for Inclusive Development"
Bangkok, Thailand
18-19 November 2013

Thank You! (duvaly@un.org)