

**Asian Development Bank Inter-subregional Forum on Enhanced Implementation  
of the World Trade Organization Trade Facilitation Agreement  
October 30-31, 2018**

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# **Trade Facilitation and Digitalization for Inclusive Growth:**

**A new UN treaty to accelerate progress  
in Asia and the Pacific**

**30 – 31 October 2018  
Bangkok, Thailand**

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for Asia and the Pacific [ESCAP]**



# Trade Facilitation and the WTO TFA

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- **Trade facilitation essential to trade competitiveness and enabling participation in production networks**
  - A lot of room for improvement in Asia-Pacific LDCs
- **Need to keep the “big picture in mind” to be able to really reduce trade costs**
  - Need for a “whole of supply chain” approach to TF
  - Comprehensive assessment/analysis of import-export procedures needed + monitoring
- **WTO TFA implementation provides a great opportunity to engage in trade facilitation reform**
  - But achieving basic compliance will not be enough to be competitive
- **Moving from paper to electronic exchange of data/documents a must**
  - Regional/subregional initiatives can make a difference

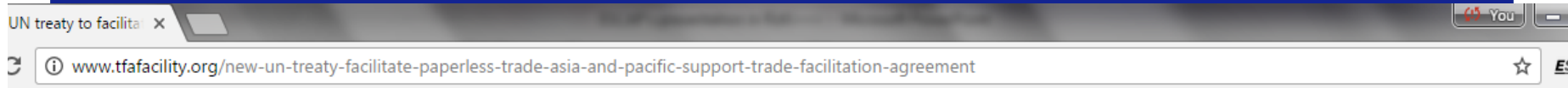
# Expected gains from WTO TFA implementation in Asia-Pacific

- Trade cost reductions almost double if full implementation of binding + not binding measures (-10%)
- ICT applications in TF (i.e. paperless trade measures) have high trade cost reduction potential (additional 7%)

Table 7: International Trade Cost Changes in Asia and the Pacific Resulting from World Trade Organization Trade Facilitation Agreement Implementation

Asia and Pacific	WTO TFA (binding only)		WTO TFA (binding + non binding)		WTO TFA+ (binding + non binding + other paperless and cross-border paperless trade)	
	Partially implemented	Fully implemented	Partially implemented	Fully implemented	Partially implemented	Fully implemented
Model 1						
Overall TFI	-2.70%	-5.74%	-4.64%	-9.45%	-10.37%	-16.37%
Model 3						
Transparency	-0.81%	-1.74%	-1.29%	-3.27%	-1.29%	-3.27%
Formalities	-1.67%	-2.93%	-2.26%	-4.00%	-2.26%	-4.00%
Institution	-0.41%	-1.35%	-0.41%	-1.35%	-1.37%	-2.44%
Paperless and cross- border paperless	-	-	-1.39%	-2.24%	-6.73%	-9.26%

# A regional UN treaty as an enabling tool for trade digitalization and full implementation of the WTO TFA



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“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.”

About the Facility	The Trade Facilitation Agreement	Notification & Ratification
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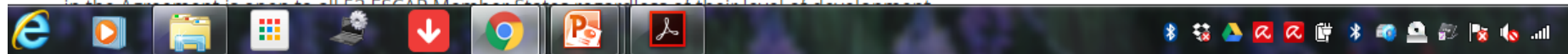
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## New UN treaty to facilitate paperless trade in Asia and the Pacific to support Trade Facilitation Agreement implementation

01.10.2016

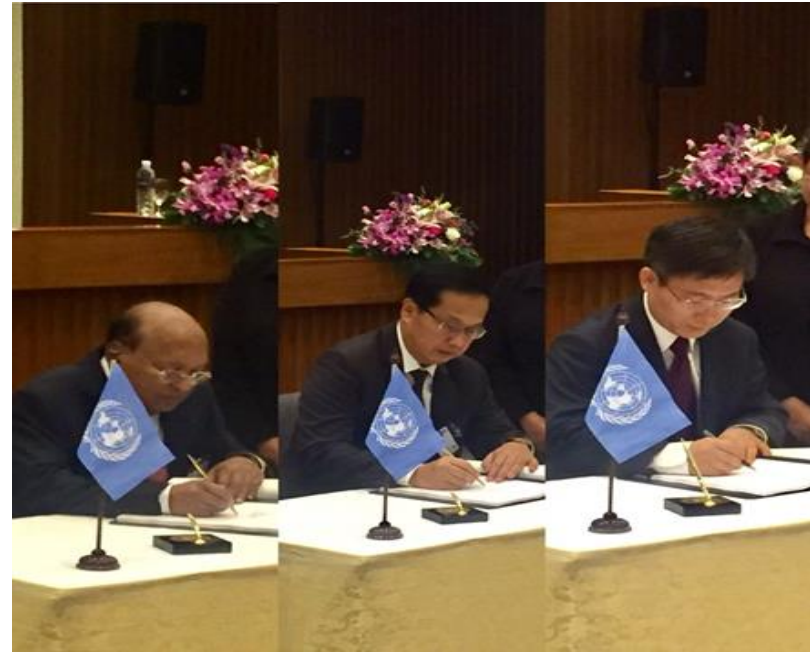
A new UN treaty, entitled *Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific*, will open for signature on 1 October 2016. It is expected to provide countries of Asia and the Pacific with a new tool and “digital” complement for better implementation of the WTO 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 Trade and the Cross-border Recognition of Electronic Data and Documents for Inclusive and Sustainable Intra-regional Trade Facilitation. In May 2016, after four years of consultations and negotiations, the text of a new UN treaty to facilitate cross-border paperless trade in Asia and the Pacific was adopted. Participation in the Agreement is open to all ESCAP Member States, regardless of their level of development.



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

- ❖ A **UN treaty** developed and open to all ESCAP member states
- ❖ Objective: to foster e-exchange and legal recognition of trade data and documents **across borders** to [1] cut trade and transit costs and [2] boost trade compliance
- ❖ Inclusive platform **accessible to countries at all levels of development**, with strong focus on planning, capacity building and innovation
- ❖ 25 countries actively engaged in accession process and drafting implementation roadmap



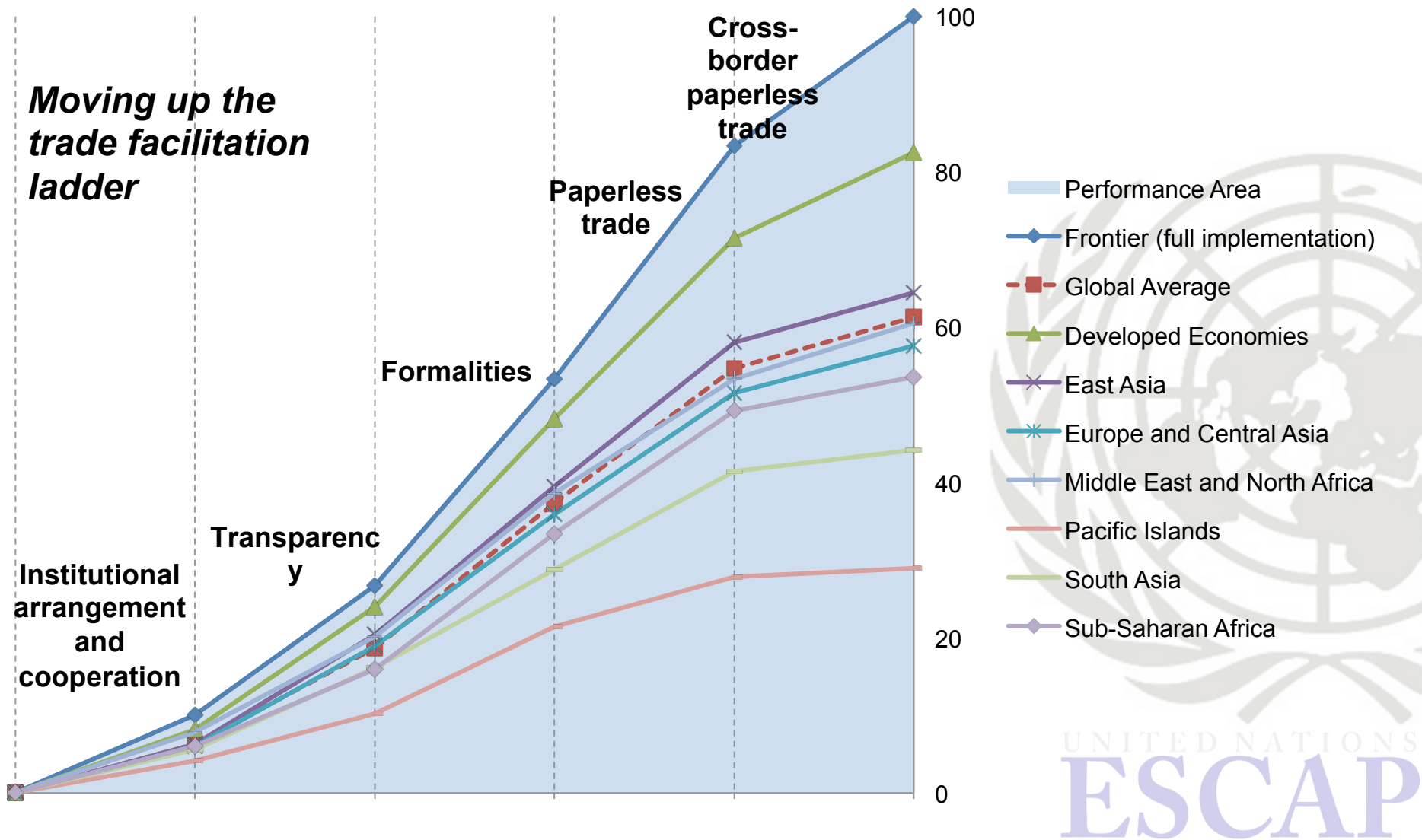
A screenshot of the United Nations Treaty Collection website. The page displays the title "20. Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific" and the location "Bangkok, 19 May 2016". The status is listed as "Not yet in force". A note indicates that the agreement shall enter into force ninety (90) days after the date on which the Governments of at least five (5) ESCAP member States have deposited their instruments of ratification, acceptance, approval or accession to the present Agreement pursuant to article 18, paragraphs 2 and 3. The website interface includes a search bar, navigation tabs for Overview, Depository, Registration &amp; Publication, Resources, Training, and Treaty Events, and a sidebar with various treaty-related links.

## Related ESCAP projects on Cross-border Paperless Trade Facilitation for Inclusive Growth

Projects	Activities	Funding
Capacity Building on Trade Facilitation to strengthen intra-regional cooperation (Phase II)	Advisory services and training on paperless trade (including <b>WCO-ESCAP- ROK UNNEXT Masterclass on single window</b> )	Government of Republic of Korea
Capacity building towards cross-border paperless trade for trade facilitation in East and Northeast Asia and Central Asia	Supporting cross-border electronic data exchange among Northeast Asian countries ( <b>China, Mongolia, Russia, Republic of Korea</b> )	Government of Russian Federation
Facilitating Cross-Border Paperless Trade along the Belt and Road Initiative (BRI) Corridors for Regional and Sustainable Development (Phase I)	Legal and technical readiness assessment for CB paperless trade in 4 LDCs and LLDCs ( <b>Armenia, Mongolia, Myanmar, Uzbekistan</b> )	Government of China
Cross-Border Paperless Trade in Least Developed Countries for Regional and Sustainable Development (Phase I)	Legal and technical readiness assessment for CB paperless trade in 4 LDCs ( <b>Bangladesh, Cambodia, Nepal, Timor-Leste</b> )	WTO EIF (Enhanced Integrated Framework)



# Be ambitious and prepare for the digital economy! ...Towards seamless international supply chains



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# Thank you

[www.unescap.org/our-work/trade-investment/trade-facilitation](http://www.unescap.org/our-work/trade-investment/trade-facilitation)

[unnexnext.unescap.org](http://unnexnext.unescap.org)

<http://communities.unescap.org/cross-border-paperless-trade-facilitation>





# United Nations Global Survey on Trade Facilitation and Paperless Trade Implementation

UN Global Survey on Trade Facilitation and Paperless Trade Implementation 2017



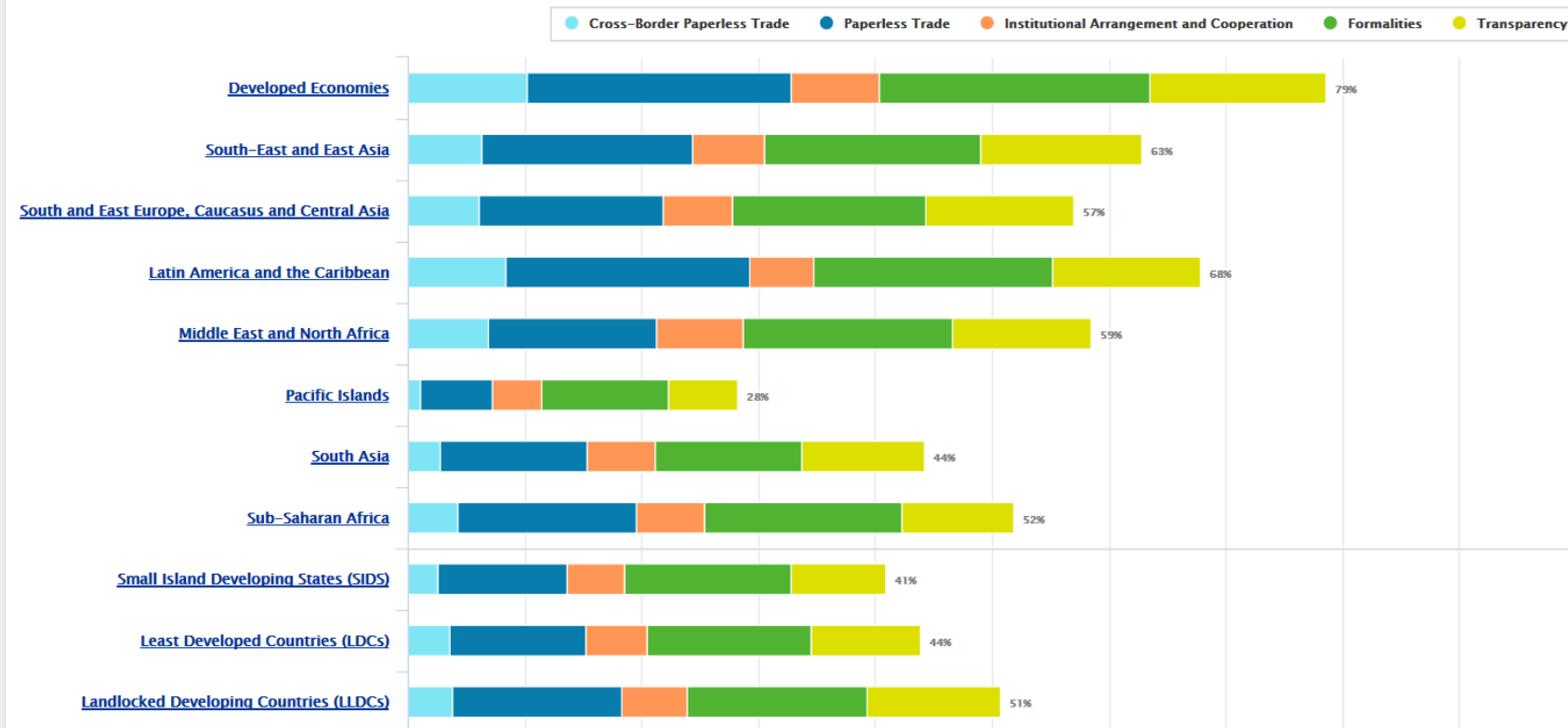
Asia-Pacific data

**Global data**

Download report

Tip: export this chart by clicking here

Trade Facilitation and Paperless Trade Implementation



<https://unnexst.unescap.org/AP-TFSurvey2017/>