

# Regional Organizations Cooperation Mechanism for Trade Facilitation (ROC-TF) NEWSLETTER

## IN FOCUS

The 2016 GFP Forum highlights key interventions for “Inclusive participation for effective Trade Facilitation Reforms”. The annual Forum of the Global Facilitation Partnership for Transportation and Trade (GFP) was held on the 1 June in Shanghai, China. The GFP members encouraged the private sector to mobilise their expertise in support of trade facilitation reforms in order to develop effective trade facilitation solutions for SMEs in particular. **Read more on page 2.**



**Framework Agreement on Cross-border Paperless Trade Facilitation adopted by UN Regional Commission for Asia-Pacific** on 19 May 2016 in Bangkok, Thailand. The agreement will facilitate the exchange of electronic trade data and documents among willing ESCAP member states. The treaty will open for signature from 1 October 2016 at United Nations Headquarters, New York. **More information is available here:**

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

**WCO, WTO and Japan Customs support Asia-Pacific region for prompt implementation of the WTO Trade Facilitation Agreement** during regional workshop initiated under the WCO Mercator Programme. The workshop, which took place from 6-10 June in Kasiwa, Japan stressed the significant economic benefits from the early and full implementation of the WTO TFA. **Find out more on page 5.**

## UPCOMING

The 28th UN/CEFACT Forum, Bangkok, Thailand, 26-30 September 2016, is organised and hosted by UNECE, ESCAP and ETDA Thailand. This global Forum is expected to bring together over 100 international experts on trade facilitation and electronic business standards. **For further information and online registration please visit:** <http://www.unece.org/28thuncef/actforum>

## PUBLICATION IN FOCUS

### Making the WTO Trade Facilitation Agreement Work for SMEs

This ITC and ESCAP publication advocates for mainstreaming trade facilitation in development strategies for small and medium-sized enterprises (SMEs). **For more recent publications see page 15.**

## FEATURED ANALYSIS

**Removing obstacles to low value consignments trade for Asia-Pacific small and medium-sized enterprises.** Digitalisation has enabled the emergence of low value consignments trade and has established a platform for SMEs in developing countries to participate in global trade. For SMEs to be able to reap the benefits, identified barriers must be reduced. **See page 9 for the analysis.**

## RESOURCES

**UNCTAD's National Trade Facilitation Committee (NTFC) Empowerment Programme** is an intensive professional programme for Secretariat and members of NTFCs. Interested in learning about the programme? **See page 19.**

**World Bank & ESCAP Trade Cost Database** has been updated and now includes bilateral international trade costs among 180 countries from 1995 to 2014. **Available here:** <http://artnet.unescap.org/databases.html#first>

*The ROC-TF newsletter is a biannual publication, which features updates, publications and forthcoming activities of regional and international organizations working on trade facilitation in the Asia-Pacific region.*

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# PROJECT/ACTIVITY UPDATE

## Selected project/activity updates from ROC-TF organizations on Trade Facilitation

### JOINT ACTIVITIES and PARTNERSHIPS

#### ICC, ITC, UNIDO and partners

##### 2016 Annual Forum of the Global Facilitation Partnership for Transportation and Trade (GFP), 1 June 2016, Shanghai, China

Successful trade facilitation reforms require inclusive participation by governments and government agencies, international and local businesses (including small and medium-sized enterprises), and development partners. Efficient and effective ways for creating such wide-ranging national partnerships was the focus of discussion at the 2016 meeting of the Global Facilitation Partnership for Trade and Transport (GFP), as was the identification of ways to support the current global momentum, created by the WTO Trade Facilitation Agreement, towards implementing quick, easy, predictable, cost-efficient and compliant cross-border processes.



Recognising the important role international commerce plays for inclusive economic growth, the GFP called for a renewed push for public-private partnerships that engage the entire range of business stakeholders in order to better identify local and regional trade facilitation reform opportunities and challenges. When reform is undertaken, the GFP also called on governments and businesses to mobilise business experience and expertise to collaboratively design and implement policy and regulatory improvements for a more conducive trade environment. This will, in turn, boost trade transparency and expand supply-chains' functionality – ultimately leading to increased trade-led economic growth, job creation and sustainable development.

The meeting was co-organised by the International Chamber of Commerce (ICC), the International Trade Centre (ITC) and the UN Industrial Development Organization (UNIDO), in collaboration with the UN Economic Commission for Europe (UNECE), the UN Conference on Trade and Development (UNCTAD), the World Customs Organisation (WCO) and the World Bank Group. ESCAP also facilitated the participation of an expert from the United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific (UNNExT) to the event.

The GFP Steering Committee agreed on the following:

- The WTO Trade Facilitation Agreement provides a unique opportunity for a more business-conducive trade environment in developing and emerging markets;
- The changing landscape of international trade and the advent of global value chains requires more agile, predictable and less costly clearance processes – including adequate quality infrastructure, risk-based inspections and the multilateral recognitions of test results and other certificates;
- E-commerce unleashes opportunities for SMEs to participate in international trade, provided that trade facilitation mechanisms are in place which allow the efficient flow of small consignments;
- The need for greater participation by the private sector, including SMEs, in the identification, design, implementation and monitoring of trade facilitation reforms

More information is available here:

[https://www.unido.org/fileadmin/user\\_upload/Outcome\\_Statement\\_GFP\\_Forum\\_2016\\_Shanghai.pdf](https://www.unido.org/fileadmin/user_upload/Outcome_Statement_GFP_Forum_2016_Shanghai.pdf)

#### ADB and ESCAP

##### ESCAP and ADB support the Pacific Islands in Trade and Transport Facilitation Monitoring, 14-22 July 2016, Fiji



ADB and ESCAP organized a workshop on the baseline study of Trade and Transport Facilitation Monitoring Mechanism (TTFMM) in Suva, Fiji on 14 July 2016 with over 20 participants including policymakers, government officials, and industry

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and private sector stakeholders from Fiji attending the sessions and expressing keen interest to support the implementation of the baseline study. The workshop also provided the project team with an opportunity to collect essential preliminary data. This national event was held in conjunction with a related ADB-ESCAP Regional Workshop on Trade and Transport Facilitation and Port Efficiency held from 18-22 July 2016 in Nadi, Fiji. ESCAP, ADB, IMO and the Secretariat of Pacific Community jointly organised the workshop which brought together nearly 30 participants from the Cook Islands, Fiji, Federated States of Micronesia, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. The workshop recognised the importance of establishing sustainable national trade and transport facilitation monitoring mechanisms in order to sustain the advancement of trade facilitation and transport connectivity.

**More information available here:** <http://www.unescap.org/announcement/sustainable-transport-and-trade-workshop-discusses-enhanced-maritime-connectivity>

### **ADB and ESCAP support data collection in Bhutan for establishing Trade and Transport Facilitation Monitoring baseline, 29 May-3 June 2016, Thimphu, Bhutan**

From 29 May to the 3 June 2016, ESCAP, in collaboration with ADB, undertook a mission to Bhutan to implement baseline studies for the Trade and Transport Facilitation Monitoring Mechanism. This mission is part of the ongoing ADB-ESCAP project to help 3 countries in South Asia, (Bhutan, Bangladesh and Nepal), to develop effective monitoring systems for their trade and transport facilitation reforms and measures, and to optimise trade and transport processes. The mission focused on data collection and analysis for conducting the Time Release Study (TRS). Senior government officials and Customs officers appreciated the usefulness of TTFMM for monitoring trade and transport facilitation and supported the establishment of TTFMM in the long-term for the country.

**For more information about TTFMM:** <http://www.unescap.org/resources/towards-national-integrated-and-sustainable-trade-and-transport-facilitation-monitoring>

### **ADB and WCO**

#### **Launch of new Maldives Customs Service training module on Customs valuation, February 2016**

The WCO and the Asian Development Bank (ADB) have been jointly working on a multi-year project in South Asia for members of SASEC (South Asia Sub-regional Economic Cooperation) namely Bangladesh, Bhutan, India, Maldives, Nepal and Sri Lanka, in the area of Customs valuation. The project, which ran for three years (July 2013 – June 2016), was funded by ADB and facilitated by both national and WCO experts. The project comprised of a series of sub-regional and national workshops, the objectives - dependent upon the priority of the respective administrations - include creating a pool of national trainers, developing a valuation training module and standard operating practices for Customs valuation control, and enhancing the cooperation of experts in the sub-region.



**For more information see:**

<http://www.wcoomd.org/en/media/newsroom/2016/february/launch-of-new-maldives-customs-service-training-module-on-customs-valuation.aspx>

### **ADB and ESCAP collaboration on APTFF**

ADB and ESCAP have agreed in principle that the 8th Asia-Pacific Trade Facilitation Forum (APTFF) will be held next year in September 2017. Interested host countries and partners are welcome to contact the ESCAP Trade Facilitation Team to discuss collaboration and/or send suggestions on priority themes and topics to be addressed in the next APTFF. **For more information please contact:** [escap-tid@un.org](mailto:escap-tid@un.org)



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### ASEAN and USAID

**ASEAN and USAID training Single Window Operators for live operation of ASEAN Single Window, 16-17 March 2016, Singapore**



To prepare the ASEAN Member States (AMS) for the live operation of the ASEAN Single Window (ASW), the USAID-funded ASEAN Connectivity through Trade and Investment (US-ACTI) project organised a workshop on ASW Gateway Operations in Singapore on 16-17 March, 2016. The ASEAN Single Window enables the electronic exchange of shipment information between traders and governments, and between exporting and importing countries that expedites cargo clearance processes, reduces cost and time of doing business, and enhances trade efficiency and competitiveness. The ASW is now operational between Indonesia and Singapore with Malaysia, Thailand and Vietnam ready to come on board before July. US-ACTI will continue to provide support to expand the ASW to cover more countries and more types of documents in 2016 and beyond.

**More information is available here:** [http://asw.asean.org/events/item/competent-single-window-operators-key-in-efficient-trade-and-competitiveness?category\\_id=83](http://asw.asean.org/events/item/competent-single-window-operators-key-in-efficient-trade-and-competitiveness?category_id=83)

### ECO and IDB

**Economic Cooperation Organization (ECO) and Islamic Development Bank (IDB) workshop discusses joint study and regional programme for the modernisation of border crossing points, 2 March 2016, Istanbul, Turkey**

The “Wrap-up Meeting/Workshop on the ECO/IDB Feasibility Study on Implementation of Customs related provisions of the Transit Transport Framework Agreement and Preparation of Regional Programme for Modernization of Border Crossing Points” was held on 2<sup>nd</sup> March 2016 at the premises of the Union of Chambers and Commodity Exchanges of Turkey in Istanbul. The Representatives/National Consultants from nine ECO Member States and ECO International Consultants participated in the Meeting. The representatives of Islamic Development Bank and International Road Transport Union as well as the ECO Secretariat also attended the Event. The Meeting further continued its agenda by looking into the questionnaires completed by the National Consultants with a view to finalising them as a major component of the final report.



**More information is available here:** [http://www.ecosecretariat.org/ftproot/Press\\_RIs/2016/March/2II.htm](http://www.ecosecretariat.org/ftproot/Press_RIs/2016/March/2II.htm)

### STDF and UNIDO

**Meeting food safety and hygiene standards can spice up export opportunities, 21 June 2016, Geneva, Switzerland**



Improving the capacity of traders to meet food safety and hygiene standards can help to boost exports and improve competitiveness, participants heard at a session on Sri Lanka's cinnamon industry held at the WTO's headquarters on 21 June. The session was organised by the Standards and Trade Development Facility (STDF) — a WTO-supported programme — and the United Nations Industrial Development Organization (UNIDO). The

STDF is a global partnership established by the WTO and four other international organizations — Food and Agriculture Organization (FAO), World Organisation for Animal Health (OIE), World Bank and World Health Organization (WHO) — to help exporters of agricultural goods increase their ability to meet international food safety and hygiene standards. In partnership with UNIDO, the STDF is working on a project to strengthen Sri Lanka's capacity in this area and to increase its competitiveness in the global market.

**More information is available here:** [https://www.wto.org/english/news\\_e/news16\\_e/stdf\\_21jun16\\_e.htm](https://www.wto.org/english/news_e/news16_e/stdf_21jun16_e.htm)

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### UNECE, UNDP Uzbekistan and GIZ

#### UNECE and partners help Central Asian countries to explore their trade potential in nuts and dried fruits, 11-13 July 2016, Tashkent, Uzbekistan

UNECE, together with the United Nations Development Programme (UNDP) and the German aid agency (GIZ), and supported by the Ministry for Foreign Economic Relations, Investment and Trade of Uzbekistan held, in Tashkent, a practical training workshop on Agri-Food Supply Chains in the Cross-Border Trade of Nuts and Dried Fruit focusing on quality, food safety, business processes and potential markets. The first training of its kind in Uzbekistan, the workshop brought together over 70 participants from Uzbekistan and Central Asia, and from both the public and private sectors -- all keen on learning more about how to explore the region's large but so far largely untapped export potential in this sector. Participants received comprehensive insights into how to increase their countries' competitiveness based on international best practice; food safety; quality and its assurance; UNECE marketing standards; and improved business processes. UNECE's experts from around the world (Europe, Asia and America) trained participants in practical training sessions and at Uzbekistan's first International Fruit and Vegetable Fair. Focused follow-up training tailored to specific national requirements will be organised at national levels with local partners and aid agencies. A similar workshop in 2015 led to concrete decisions by Tajikistan and Kyrgyzstan to adopt UNECE standards for nuts and dried fruit and to gradually pool their production for improved joint export potential. The nuts and dried fruit sector has the potential to provide opportunities for Central Asia and, as in the times of the ancient silk routes, both westward and eastward markets.



For more information, please visit: <http://www.unece.org/index.php?id=42531#/>

### UNECE and WTO

#### Ashgabat Trade Policy Forum, 11-13 May 2016, Ashgabat, Turkmenistan



The United Nations Economic Commission for Europe (UNECE), in partnership with the World Trade Organization (WTO) and the Government of Turkmenistan, organised a Trade Policy Forum on "Central Asia and the Multilateral Trading System" from 11 to 13 May 2016 in Ashgabat, Turkmenistan. The Forum focused on two themes at the top of the trade policy and economic agenda for senior policy makers in Central Asia: i) Accession to the WTO; and ii) Regional Integration, including Trade Facilitation. This Forum brought together senior

representatives of the United Nations Special Programme for the Economies of Central Asia (SPECAs) — Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan — as well as Iran. Representatives of selected development partners were also invited.

More information is available here: [https://www.wto.org/english/thewto\\_e/acc\\_e/ashgabat2016\\_e.htm](https://www.wto.org/english/thewto_e/acc_e/ashgabat2016_e.htm)

### WCO and WTO

#### WCO Asia Pacific Regional Workshop on WTO Trade Facilitation Agreement, 6-10 June 2016, Kashiwa, Japan

The WCO, in cooperation with the WTO, ROCB A/P and Japan Customs, organised WCO Asia/Pacific Regional Workshop on the WTO Trade Facilitation Agreement (TFA) in Japan Customs Training Institute in Kashiwa, Japan. A total of 29 delegates from 23 WCO Member administrations in the Asia Pacific region attended. This Workshop was the first of its second round of the "over-all track" initiative under the on-going Mercator Program, following the one held in March 2015 in Jakarta, Indonesia. The Workshop featured experience-sharing among the Member administrations on least implemented provisions of the TFA, such as National Committees on Trade Facilitation, Authorised Operators, separation of the release of goods from determination



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of duties and taxes, risk management and post clearance audit, transit, advance rulings, establishment and publication of Time Release Studies. TFA provisions were linked to the WCO instruments and tools that would support Members in implementing the TFA with a view to deepening the Members' understanding on these facilitation measures

**More information is available here:** <http://www.wcoomd.org/en/media/newsroom/2016/june/wco-supports-ap-regions-towards-prompt-implementation-of-the-wto-trade-facilitation-agreement.aspx>

## ORGANIZATION UPDATES

### Asian Development Bank (ADB)

#### Post-Clearance Audit Training, 13 – 24 July 2016, Chittagong, Bangladesh



The Bangladesh National Board of Revenue (NBR) will conduct training on post-clearance audit (PCA), in support of efforts to strengthen efficient management of Customs valuation. The training will take place on 13-21 and 24 July 2016, in Chittagong, Bangladesh. The Revised Kyoto Convention, through Chapter 6 of the General Annex, requests all contracting parties to implement robust PCA, which helps ensure both effective trade facilitation and the proper collection of national revenue by implementing effective, audit-based controls at border clearance. The PCA Training aims to enhance participants' understanding of PCA and skills needed to improve implementation of PCA in Bangladesh. Specific components of the training will include, among others, audit principles, planning, and reporting; advance notification procedures; internal controls; and a practical hands-on aspect.

**More information is available here:** <http://sasec.asia/index.php?page=event&eid=208&url=bangladesh-post-clearance-audit-training>

#### ASYCUDA World Training in Sirsiya Dry Port, 26 June – 22 July 2016, Nepal

The Nepal Department of Customs (DOC) is in the process of graduating its core Customs automation system from ASYCUDA++ to the web-based ASYCUDA World, with assistance from the ADB. Following the successful pilot implementation, the Sirsiya Dry Port Customs Office in Birgunj, Nepal was selected as the second pilot site of ASYCUDA World in Nepal. On 16 July 2016, the Sirsiya Dry Port Customs Office began implementing the ASYCUDA World system. In line with the updating of its core Customs automation system, the Nepal DOC, with ADB support, conducted an ASYCUDA World Training at the Sirsiya Dry Port Customs Office on 26 June–22 July 2016. The training program successfully developed capacity of brokers, Customs officials, and bank personnel involved in revenue collection, using the system and the terminal operator; and fine-tuned and tested the ASYCUDA World system, in preparation for system roll-out in Sirsiya Dry Port Customs.



**More information is available here:** <http://sasec.asia/index.php?page=event&eid=207&url=asycuda-world-training-in-sirsiya-dry-port>

#### Interactive SASEC Corridor Map on Website, 3 June 2016



The interactive SASEC Corridor Map on the SASEC Program website and SASEC Mobile App is your gateway to SASEC projects. View projects by sector—energy, transport, trade facilitation, and ICT—or by corridor using the interactive map, to learn how the SASEC Program is helping promote regional prosperity in South Asia. The map also includes project information and links to SASEC project pages.

**More information is available here:** <http://www.sasec.asia/index.php?page=news&nid=461&url=sasec-corridor-maps>



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### SASEC ASYCUDA Subregional Network Meeting, 8-9 June 2016, Kathmandu, Nepal

The SASEC ASYCUDA Subregional Network (SASUN) Meeting, hosted by the Nepal Department of Customs, was held on 8-9 June 2016 in Kathmandu, Nepal. The Meeting drafted the terms of reference (TOR) for the SASEC ASYCUDA Subregional Network (SASUN), which was established by the four SASEC ASYCUDA user countries - Bangladesh, Maldives, Nepal, and Sri Lanka - as a platform to improve technical capacity of Customs administrations at a subregional level. The Meeting agreed that SASUN will facilitate sharing of experience, and seek collaborative solutions for common issues, to enable the four SASEC ASYCUDA user countries to achieve higher levels of efficiency and optimal system sustainability. The Meeting was facilitated by international experts from the United Nations Conference on Trade and Development (UNCTAD) and ADB, and was attended by officials from Customs administrations of Bangladesh, Maldives, Nepal, and Sri Lanka.



More information available here: <http://www.sasec.asia/index.php?page=event&eid=203&url=sasec-asycuda-subregional-mechanism-meeting>

### Association of Southeast Asian Nations (ASEAN) Secretariat

#### RCEP Roundtable on the WTO Trade Facilitation Agreement, 26 April 2016, Perth, Australia

ASEAN Secretariat, Australia and the Philippines, as Chair of the Regional Comprehensive Economic Partnership (RCEP) sub-committee on customs and trade facilitation, organised a roundtable on the WTO Trade Facilitation Agreement in Perth, Australia on 26 April 2016. The roundtable was organised as part of the sub-committee meeting and attended by negotiators from all ASEAN countries as well as Australia, China, India, Japan, New Zealand and the Republic of Korea, all participating in the sub-committee. Following a status update on the WTO TFA implementation, implications and relationships between the multilateral agreements and regional initiatives were discussed. ESCAP presented the results of the [Global Survey on Trade Facilitation and Paperless Trade Implementation](#) and introduced the [Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia-Pacific](#) at the meeting.

### Greater Tumen Initiative (GTI)

#### Restructuring of Trade Facilitation Committee into Trade and Investment Committee, 28 April, Seoul, Republic of Korea



At the 16<sup>th</sup> GTI Consultative Commission meeting on 28 April 2016 (Seoul, ROK), the GTI member countries finally approved the restructuring of the current GTI Trade Facilitation Committee (TFC) into the GTI Trade and Investment Committee (TIC). The GTI member countries agreed to restructure TFC with a broader mandate during the 15th GTI Consultative Commission meeting on 17 September 2014 (Yanji, China). The newly established TIC will deal with comprehensive agendas, not limited to trade facilitation which was the main target of TFC, on trade and investment and supervise its Sub-Committee, the GTI Customs Sub-Committee which will focus on trade facilitation issues in customs domain.

For more information please see: <http://www.tumenprogramme.org/>

### Oceania Customs Organisation (OCO)

#### OCO holds 18<sup>th</sup> Annual Conference, 1 June 2016, Funafuti, Tuvalu

The Oceania Customs Organisation (OCO) held the 18th OCO Annual Conference on 1 June 2016 in Funafuti, Tuvalu. The Conference was convened under the theme of "Digital Customs: Progressive Engagement" synchronised with the WCO's theme for 2016, and attended by 26 delegates from 17 OCO Member Customs administrations,



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12 representatives from 11 OCO partner organisations. Under the chairmanship of Tuvalu, the delegates discussed OCO's governance and management matters, including the budget and annual workplan, which was followed by an informal technical workshop session.

More information is available here: <http://www.rocb-ap.org/article-detail/250/>

### Standards and Trade Development Facility (STDF)

#### Seminar on Electronic SPS Certification, 28 June 2016, Geneva

STDF's expert-led seminar on electronic SPS certification held on 28 June brought together over 150 people from WTO Members, international organisations and global business. The seminar shared the latest knowledge and good practice on automated systems operating worldwide and their impact on facilitating trade by cutting time and costs. Sessions included updates on and programmes from IPPC, Codex, OIE, UNECE, WCO, UNESCAP, UNCTAD and the European Commission. 22 countries or regional blocs worldwide have fully implemented eCERT, the standard used for electronic SPS certificates, or are at the implementation stage. The seminar looked at the value of the Single Window as the single entry point for all import, export and transit requirements. If information is electronic, data is submitted once and reused for multiple procedures. 70+ countries have, or are close to having, a nationwide Single Window in place. Developing countries were seen to experience the most challenges to going paperless, but they also stand to make important gains, as experiences from Kenya and the Philippines have shown. More focus is needed on technology uptake and capacity building.

More information about the STDF Seminar is available here: <http://www.standardsfacility.org/STDF-eCert-Seminar>

### United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)

#### ESCAP Commission adopts Framework Agreement on Cross-border Paperless Trade Facilitation, 15-19 May 2016, Bangkok, Thailand



At its 72nd Session, the ESCAP Commission adopted the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific. The objective of the agreement is to facilitate cross-border paperless trade (data exchange) among willing ESCAP member states by providing a dedicated intergovernmental framework to develop legal and technical solutions. The regional treaty text is both ambitious and pragmatic, so that as many member states as possible can join and benefit from it, regardless of their current level of paperless trade development. The agreement will contribute to regional economic

cooperation and integration, and also enhance economic competitiveness of the region by providing momentum for member states to implement advanced trade facilitation measures, particularly paperless systems such as Single Window, in connection with the implementation of the WTO Trade Facilitation Agreement. The Framework Agreement was finalised during the second meeting of the Interim Intergovernmental Steering Group on Cross-Border Trade Facilitation, which had representation from 31 member states.



The treaty will be open for signature by interested ESCAP member States from 1 October 2016 at UN Headquarters, New York. More information is available here: <http://communities.unescap.org/cross-border-paperless-trade-facilitation>

#### ESCAP launches two new projects on cross-border paperless trade

ESCAP has launched two new projects entitled "Capacity building towards cross-border paperless trade for trade facilitation in Mongolia and East and Northeast Asia and Central Asia" and "Promoting regional best practices in the application of Single Windows systems for trade facilitation in Eurasian Economic Union and



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North and Central Asia." Both projects are funded by the government of the Russian Federation. The former intends to facilitate cross-border paperless trade data exchange between Mongolia and other countries in East and Northeast Asia, while the latter intends to promote interoperability between Single Windows and paperless trade systems in North and Central Asia and members of the Eurasian Economic Union.

Find more resources on paperless trade and Single Window implementation here: <http://unnnext.unescap.org/>

### Myanmar trade officials trained by ESCAP on trade process analysis and WTO TFA, 12-13 May 2016, Yangon, Myanmar

In partnership with the Research and Information System for Developing Countries (RIS) and the Centre for Economic and Social Development (CESD), Myanmar, ESCAP organised the *Capacity Building Workshop on Trade Facilitation: Global Agenda and Regional Priorities* in Yangon, Myanmar on 12-13 May. This 2-day workshop was designed to bring participants up-to-speed with progress on the WTO Trade Facilitation Agreement, Trade Process Analysis and Trade and Transport Facilitation Monitoring, as well as the regional [Framework Agreement on Facilitation of Cross-border Paperless Trade](#), which was negotiated under the auspices of ESCAP. About 25 participants, from academia, universities, think-tanks, the private sector and government officials, received hands-on training to improve awareness of data and tools available in this subject area. The participants were introduced to [ESCAP's recently launched online Business Process Analysis Course](#).



More information about this workshop is available here: <http://www.unescap.org/events/capacity-building-workshop-trade-facilitation-global-agenda-and-regional-priorities-myanmar>

### Capacity Building Workshop on Cross-Border Paperless Trade Facilitation: Gains from Implementation, 25 March 2016, Bangkok, Thailand

This workshop, which was held back-to-back with the 2nd meeting of the Intergovernmental Steering Group on Cross-border Paperless Trade Facilitation, brought more than 60 officials from 30 countries in Asia and the Pacific to discuss potential gains from facilitating cross-border paperless trade for both public and private sectors. The workshop provided an opportunity for experts from both public and private sectors to share their views and experiences on how to realise gains from implementing cross-border paperless trade.

More information is available here: <http://www.unescap.org/events/capacity-building-workshop-cross-border-paperless-trade-facilitation>

## World Customs Organization (WCO)

### WCO National Training on Trade Facilitation Agreement for Thailand, 31 May - 3 June 2016, Bangkok, Thailand

The WCO, in cooperation with the ROCB A/P, organised the WCO National Training on WTO Trade Facilitation Agreement (TFA) for Thai Customs at the Thai Customs Headquarters in Bangkok, Thailand, on 31 May - 3 June 2016 under the sponsorship of CCF/Japan. A total of 42 participants from Thai Customs Headquarters and regional branch offices undertook the training. The resource persons gave an overview of the WTO TFA and pertinent WCO activities, including Mercator Programme and development of guides and tools for the implementation of the TFA, including Implementation Guide and Analysis of Section 1 of TFA. Challenges associated with the implementation of TFA, in particular those classified into Category B by the Government of Thailand, were discussed. The resource persons explained each provision and introduced relevant international instruments and WCO tools to the participants. The participants made the most of this training opportunity to clarify their uncertainties on the TFA to ensure its proper implementation.



More information is available here: <http://www.rocb-ap.org/article-detail/256/?cmid=5hqbut4i3b4niuinv80hskllh2>

## ESCAP Trade Insights: Removing obstacles to low value consignments trade for Asia-Pacific small and medium-sized enterprise<sup>1</sup>

### *Digital trade by SMEs in developing countries*

Providing a solid policy framework for SMEs<sup>2</sup> to prosper has proven to be a vital strategy for growth in developing countries (ESCAP, 2012). In most developing countries SMEs play a pivotal role in job creation and are the backbone of economic growth. Using a sample of 104 countries, a World Bank study found that SMEs contributed on average to around 50 per cent of full-time employment in developing countries (Ayyagari et al., 2011). The contribution of SMEs<sup>3</sup> to employment in selected Asia-Pacific economies varies but in many countries SMEs account for the majority of total (formal) employment. Their contribution is especially notable in landlocked developing countries such as Nepal (85 per cent), Mongolia (73.6 per cent) or Uzbekistan (73.9 per cent).

The diffusion of digital technology and the digitalisation of products and services have transformed the global trade environment. Digitalisation allows for developing country SMEs, whose activities are often constrained by small and unsophisticated domestic markets, which hampers the development of large consumer markets and thus economies of scale, to become globally competitive and to participate in international trade in ways that previously were not possible. Alongside easier access to an international client base, digital trade benefits for SMEs include *inter alia*: (i) lower-cost access to essential imported inputs, (ii) reduced information search-, transaction-, and advertising costs and (iii) the possibility of finding niches, specializing in tasks and becoming part of global value chains (Nejadirani, Behraves and Rasouli, 2011). Ultimately, digital trade has great potential of enhancing socio-economic development. SMEs using the Internet frequently have an up to 22 per cent higher revenue growth than those that do not use the Internet at all or use it at low levels (Dean et al., 2012). One study found that companies using the Internet to a high degree are twice as likely to have an international as well as a national customer base compared to merely selling locally, than their counterparts that do not use the Internet or only do so sparingly (Dean et al., 2012). This could *inter alia*, result from the fact that creating a globally accessible website, for example, immediately allows companies an international presence without establishing a costly physical overseas presence. Being able to access foreign markets through digital means is especially beneficial in raising the profile of SMEs in developing countries trading in low value goods—such as clothing or handicrafts—which typically have constrained finances and thus limited budget for activities such as attending trade missions or making sales calls on potential foreign customers in order to get purchasing orders. Being able to access foreign markets through digital means is additionally particularly valuable to firms in landlocked and small island countries, where travel aimed at acquiring clients abroad is more costly and time consuming (ADB, 2015).

This note considers only digitally-enabled exports of physical goods and does not dwell on the parallel opportunities for SMEs to deliver goods and services purely digitally. Digital trade has been changing the composition of goods trade, making it more commercially viable to export low value or a smaller volume of goods. Data supports this showing that from 2011 to 2014 the cross-border delivery of small packets, parcels and packages increased by 48 per cent, with the Asia and Oceania region showing significant trade surpluses in such deliveries (UNCTAD, 2015). Figure 1 confirms the trend of increased trade in small packets, parcels and packages for selected Asia-Pacific economies.<sup>4</sup> Customs, infrastructural, and regulatory regimes, however, are often still tailored to traditional large-volume trade flows or transactions. High fixed trade costs such as

<sup>1</sup> This analysis is an excerpt from ESCAP Trade Insight Issue 18: *Removing obstacles to low value consignments trade for Asia-Pacific small and medium-sized enterprise* by Pascale Bourquin and Adam Heal. The full analysis is available here:

<http://www.unescap.org/resources/removing-obstacles-low-value-consignments-trade-asia-pacific-small-and-medium-sized>

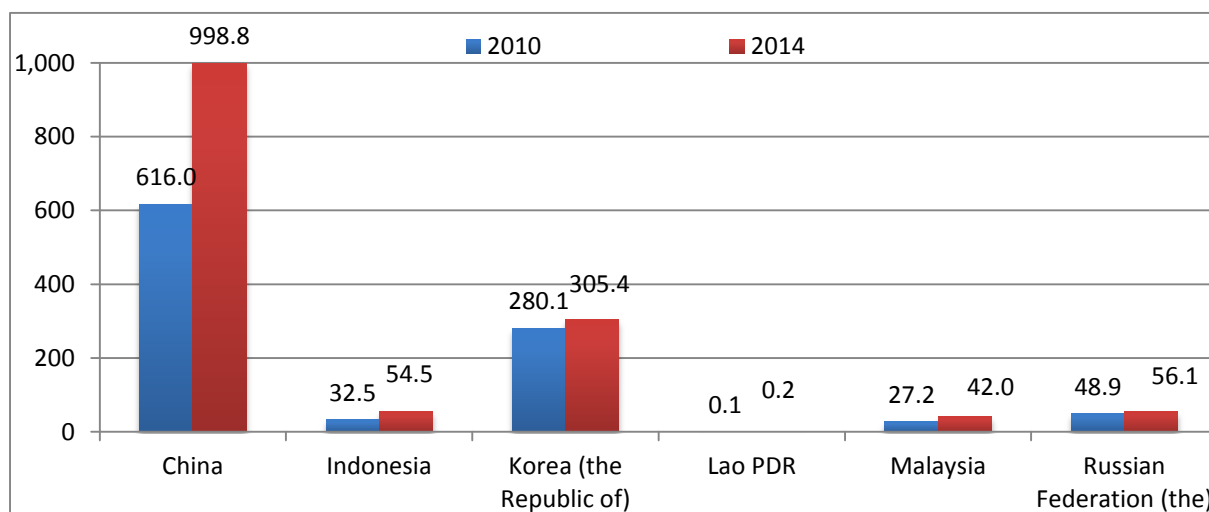
<sup>2</sup> No globally adopted definition of SMEs exists: Countries independently use criteria such as number of employees, annual sales and revenues, assets and capital or investment in order to determine whether a company is an SME or not (APEC, 2013).

<sup>3</sup> Here defined as companies with up to 250 full-time employees.

<sup>4</sup> It must be noted, however, that data does not allow an individual analysis of cross-boarder vs. intra-country trade trends for this time period.

regulatory compliance costs or shipping costs, are especially burdensome for SMEs involved in low value consignments trade, as they make up a higher proportion of total costs compared to larger exporters trading in higher value or higher volumes.

**Figure 1: Number of small postal parcels (in millions) sent and received in 2010 vs. 2014 (both domestically and internationally)**



Source: Author calculations based on Universal Postal Union [UPU], Postal Statistics, Accessed 24 May 2016  
Small Postal Parcels = up to 20 Kilogrammes

## Costly border procedures

Preparing, submitting, processing and storing cargo and goods declarations - paper or electronic – can be extremely costly not only for affected industries, but also for public administrations. The fixed costs that occur often remain constant no matter the value of the affected shipment. Therefore, in the case of low value shipments, governments may end up spending more resources on administrative processes than the aggregate value they collect in duties and taxes (UNECE, 2015). Additional to being costly, administrative procedures are sometimes slow, often delaying products from reaching end consumers, or components from entering the supply chain, ultimately resulting in a reduction of trade.

Establishing *de-minimis* thresholds,<sup>5</sup> which enable small consignments to pass through customs free of taxes and duties and undergoing more relaxed clearance procedures, can eliminate timely and costly procedures. Moreover, it may improve the efficiency of customs by allowing administrations to concentrate on higher value and at-risk shipments. At the same time the establishment of a *de-minimis* threshold can be achieved without compromising security, as key data gathering and security screenings may be retained, and goods requiring licensing or goods such as alcohol and tobacco may be exempted from the *de-minimis* rule (ICC, 2015).

The higher the *de-minimis* threshold, the higher the value of a shipment may be whilst still passing customs free of duties and taxes (USCBC, 2013). Research indicates that some governments are not applying a cost-benefit analysis accordingly, resulting in inefficiencies caused by *de-minimis* thresholds being set too low (see i.e. Hufbauer and Wong, 2011 or Holloway and Rae, 2012). This research also showed that increasing *de-minimis* thresholds leads to positive net economic benefits and positive job creation impacts whilst simultaneously allowing public revenue collection to focus on more important issues. When setting *de-minimis* thresholds, governments should take factors such as inflation rates, risk management impacts, duties collected versus administrative costs and other costs of cross border trade transactions, as well as industry impacts, into account.

<sup>5</sup> The International Chamber of Commerce (ICC) defines *de-minimis* thresholds as “valuation ceilings for goods, including documents and trade samples, below which no duty or tax is charged and clearance procedures, including data requirements, are minimal” (ICC, 2015).



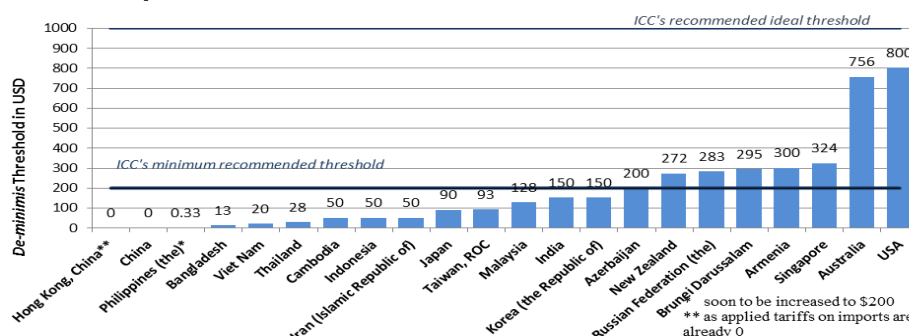
The benefits accruing from higher *de-minimis* thresholds are especially valuable for SMEs who can take advantage of digital platforms to export low value packages to consumers overseas (ICC, 2015). Higher *de-minimis* thresholds allow them to participate in global trade by using e-commerce to export and import single low-value shipments without meeting complex and costly trade rules. Additionally, by being able to deliver their products to customers faster, they are better able to meet the expectations of the digital era.

Both the Revised Kyoto Convention (RKC) adopted in 1999 as well as the WTO Bali Agreement of 2013 call for Members to set relevant *de-minimis* thresholds and to regularly revise them.<sup>6</sup> Today countries apply diverse *de-minimis* thresholds, ranging from none at all to \$1000. In March 2016 the United States Customs and Border Protection announced that it was raising the *de-minimis* threshold for the first time since 1993 from its previous level of \$200 to \$800 (CBP, 2016). Taking into account both cost savings at various points of the supply chain<sup>7</sup> as well as losses in government revenue due to non-collection of tax and duties,<sup>8</sup> the change in the U.S.-*de-minimis* threshold was estimated<sup>9</sup> to result in a net payoff of at least \$17 million annually (Hufbauer and Wong, 2011). Initially the U.S. tried to push for a similar increase in *de-minimis* thresholds for all parties involved in negotiating (at that time) the Trans-Pacific Partnership (TPP) Agreement. However, ultimately it was agreed merely to include a provision requiring all countries to enforce a *de-minimis* threshold and to review it regularly, not specifically defining the value it should take on.<sup>10</sup>

In January 2016 the Philippine Congress passed an Act, which if signed into law, will raise the Philippine's *de-minimis* threshold significantly from 33 cents to \$200 (Rappler, 2016). Moving in the opposite direction, both the Australian and the New Zealand government are currently considering lowering the *de-minimis* thresholds in their country, facing pressure from certain industries that believe the relative high thresholds are disadvantaging domestic retailers (KPMG, 2015). China, as a further example, recently<sup>11</sup> eliminated provisions that allowed for taxes to be waived on imported goods purchased via e-commerce when they amounted to less than RMB 50 (approx. \$8). Additionally, it removed its *parcel tax*, which specifically allowed for goods retailed online via cross-border digital commerce to be taxed at a lower rate than other goods (WSJ, 2016). Such governmental trade policies can be extremely detrimental to SMEs trading in low value goods and in the extreme may lead to them refraining from entering the digital global trade market.

The International Chambers of Commerce (ICC) recommends that countries adopt a *de-minimis* threshold of at least \$200, and should aspire to a rate of \$1000 (ICC, 2012). Figure 2 shows that there are large differences in the *de-minimis* regimes between Asia-Pacific countries and that most have thresholds far below the recommended \$1000.

**Figure 2: Examples of *de-minimis* thresholds in selected Asia-Pacific economies**



Source: Global Express Association, 2016 and respective government websites

<sup>6</sup> See RKC Transitional standard 4.13 and 2013 Bali Package paragraph 8.2.

<sup>7</sup> Such as cost savings for customers and for express firms.

<sup>8</sup> It was estimated that 3.8 million shipments would fall into the range of affected shipments ( \$200-\$800 range (as of 2011)).

<sup>9</sup> These estimates stem from 2011. Acknowledging the fact that firstly, low value consignments have become increasingly important due to digital trade and secondly, that cross border trade volumes have become more significant, using present data, these estimates would presumably be much larger.

<sup>10</sup> See paragraph 5.7 of TPP text (<https://www.tpp.mfat.govt.nz/text>).

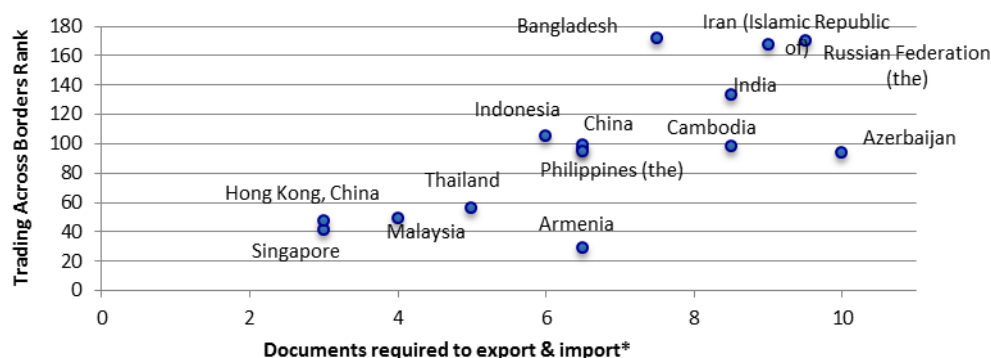
<sup>11</sup> With effect on April 8 2016.

A 2012 study of twelve APEC economies found that raising *de-minimis* thresholds in Japan, Indonesia, Malaysia, the Philippines and Thailand to \$200 would result in net economic gains of \$304 million, \$49 million, \$23 million, \$21 million and \$79 million annually, respectively with savings in *government resources* being the largest benefit followed by *savings in business compliance* (Holloway and Rae, 2012). These amounts would presumably be larger today due to the increased importance of low value shipments and cross-border trade for SMEs. Furthermore, net economic gains would presumably be even larger if the *de-minimis* thresholds were raised further to, for instance, the \$1000 threshold recommended by the ICC.

In order to unlock overall economic gains and especially to expand the opportunities for SMEs to participate in cross-border digital trade, countries could work together to set a minimum *de-minimis* threshold level throughout the region or among groups of cooperating countries. Emerging regional trade agreements such as the Regional Comprehensive Economic Partnership could be one vehicle for cooperation on this issue. Regional collaboration would leverage the benefits accrued from taking unilateral action and would allow individual countries to have the option of applying thresholds to better suit their individual circumstances.

In the absence of sufficiently high *de-minimis* thresholds or when SMEs trade in consignment-values that surpass the thresholds, streamlining other customs procedures, for instance by lowering the amount of documents required by an importer or exporter, can become critical for low value consignments digital trade, similar to the case of *traditional* trade. As can be seen in Figure 3 the average number of documents required at the border to import and export significantly varies between selected Asia-Pacific countries and serves as a good indicator of *Trade Across Borders Efficiency*. The number of required documents is especially high in South Asia (with an average of 8.75) and in some economies in Central Asia such as Kazakhstan (11) and Kyrgyzstan (10) (ADB, 2015).

**Figure 3: Average number of documents needed to export and import and trade efficiency**



Source: World Bank Doing Business 2014 and 2015, accessed May 10 2016

\* Calculated as mean of documents required for exports and those required for imports

Studies have estimated that reducing the number of documents required by an importer by 10 per cent would increase trade by 11 per cent (ADB, 2015). Implementing paperless trade systems, as called for in Article 10.4 of the WTO Trade Facilitation Agreement, reduces the number of documents required by allowing for the exchange of trade-related data and documents to take place electronically, making fulfilling documentation requirements more efficient and effective. Hong Kong's implementation of its paperless system, the "Digital Trade and Transportation Network (DTTN)", for example, is estimated to have generated cost savings to SMEs of nearly \$0.9 million per year (APEC, 2011). A number of Asia-Pacific economies are currently in the process of implementing such systems: the regional average level of implementation of paperless trade amounts to under 50 per cent (ESCAP, 2015). However, large differences in the level of implementation of paperless trade measures exist between individual countries.

ESCAP research found that whilst many Asia-Pacific countries have developed frameworks to enable paperless trade, most have not begun the implementation of cross-border paperless trade (ESCAP, 2015). In order for the benefits of paperless trade to accrue to SMEs wishing to enter the digital global trade environment by trading low

value goods across borders, however, paperless trade systems must be recognized and implemented across borders. The ESCAP Framework Agreement on Cross-Border Paperless trade agreed in 2016 is a step in this direction. However, in order for SMEs to be able to reap the benefits, paperless trading systems must specifically be made more easily accessible to SMEs, for instance through assistance to help them register and use the facilities (ESCAP, 2016a).

## Conclusion

Digitalisation has enabled the emergence of low value consignments trade and has established a platform for SMEs in developing countries to participate in global trade. However, with companies involved in low value consignments trade being more sensitive to trade costs, and e-commerce particularly hinging on efficient delivery, transportation and payment systems, trade costs entailing high fixed cost components and lacking infrastructure can easily make trade uneconomic. In order for SMEs in developing countries to be able to reap the benefits of cross-border digital trade in low value goods, identified barriers must be reduced. Critical actions include: raising *de-minimis* thresholds; lowering customs document requirements; establishing low-cost and efficient transportation, delivery services, telecommunications and broadband networks; and establishing a legal framework that gives players the confidence to conduct online transactions. The nature of cross-border digital trade requires that such policies be interoperable. Asia-Pacific countries should therefore strive to not only concentrate on improving domestic policies and procedures, but to additionally coordinate and work together with their neighbours to build the required infrastructure and to allow for mutual recognition or even harmonization of the systems, procedures, enforcement mechanisms and laws that affect digital trade.

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# RESOURCES AND PUBLICATIONS

## PUBLICATION IN FOCUS

### ITC & ESCAP: Making the WTO Trade Facilitation Agreement Work for SMEs

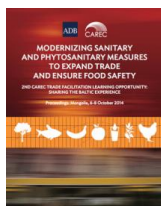


This guide, jointly developed by ESCAP and the International Trade Centre (ITC), provides policy makers and trainers with a succinct overview of articles of the WTO Trade Facilitation Agreement (TFA) particularly relevant to Small and Medium Enterprises (SMEs) and identifies examples of SME-specific programmes, measures and interventions that can support the implementation of such provisions. In order to maximise the benefits of the TFA for SMEs, it is suggested that the trade facilitation measures featured in the TFA be mainstreamed in the broader SME development and internationalisation initiatives and programmes that may already be in place. The guide highlights the potential role of SME Centres in disseminating information on trade procedures, facilitating SME consultations on trade facilitation matters, and providing special services for SMEs to participate in AEO programmes and access single window facilities. Several steps that authorities and agencies in charge of trade facilitation and SME development (which are in many countries under different ministries) may consider jointly taking as part of WTO TFA implementation are outlined as a practical way forward. A regulatory review checklist for small business trade facilitation is also proposed.

This publication is available here: <http://www.unescap.org/resources/making-wto-trade-facilitation-agreement-work-smes>

## ADB

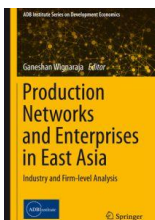
### Modernizing Sanitary and Phytosanitary Measures to Expand Trade and Ensure Food Safety: 2nd CAREC Trade Facilitation Learning Opportunity - Sharing the Baltic Experience, February 2016



Sanitary and phytosanitary (SPS) measures are critical for ensuring food safety standards and for preventing diseases and pests in plants and animals. The workshop, "Modernizing Sanitary and Phytosanitary Measures to Expand Trade and Ensure Food Safety: Sharing the Baltic Experience," focused on best practices in the area of integrated trade facilitation, one of the priorities under the refined CAREC Trade and Transport Facilitation Strategy 2020.

Available here: <http://www.adb.org/publications/modernizing-sanitary-and-phytosanitary-measures-expand-trade-and-ensure-food-safety>

### Production Networks and Enterprises in East Asia - Industry and Firm-level Analysis, January 2016



For the first time, this book brings together the key methods in industry and firm-level analysis of production networks in East Asia. This book offers lessons for other developing regions (e.g. South Asia, Latin America, Eastern Europe and Africa) interested in joining production networks to achieve industrialisation and growth. The chapters are written by well-known global and Asian experts who have conducted industry and firm-level analysis of production networks in East Asia. This book covers special chapter: The Evolution of Industrial Networks in East Asia: Stylized Facts and Role of Trade Facilitation Policies.

Available here: <http://www.adb.org/publications/production-networks-and-enterprises-east-asia-industry-and-firm-level-analysis>

## ESCAP

### UNNExT E-Learning Course on Business Process Analysis for Trade Facilitation



The United Nations ESCAP has launched an online course on Business Process Analysis (BPA) for Trade Facilitation. This e-learning series is based on the UNNExT Business Process Analysis Guide to Simplify Trade Procedures developed by ESCAP jointly with UNECE. In seven modules, the course explains how a BPA can be conducted to study existing trade processes and develop new and improved ways to trade across borders. The

# RESOURCES AND PUBLICATIONS

course caters to both policymakers and other stakeholders involved in trade facilitation and development of trade regulations and procedures. By the end of the course, participants are expected to be able to start designing a BPA project and/or to participate in its implementation and management. The course includes around 1 hour and 45 minutes of video lectures divided into seven modules and supported by reading material, for a total estimated learning time of about 5 hours. The material can be used for self-study, as well as incorporated in existing courses and programmes related to international trade, supply chain management, and regulations.

**You can access the e-learning series and related study guide via:** <http://www.unescap.org/our-work/trade-investment/trade-facilitation/bpa-course> For more information please contact: [escap-tid@un.org](mailto:escap-tid@un.org)

## UNNExT Brief 18: Streamlining and Automating Procedures in Agricultural Trade: A Case Study of the Philippines



This brief introduces the case of streamlining and automating procedures for agricultural trade in the Philippines. In particular, it outlines the implementation of the Department of Agriculture Trade System, which seeks to automate processes for the trade regulatory agencies involved in agricultural trade and to facilitate the use of electronic documents and procedures. By considering the case of the Philippines, this brief highlights some of the key challenges and success factors for implementing automated systems for agrifood trade.

**Available here:** <http://www.unescap.org/our-work/trade-investment/trade-facilitation/publications>

## ESCAP and UNECE

### Implementing UN/CEFACT e-Business standards in agricultural trade: A handbook for policy makers and project managers, March 2016



This Handbook presents a general framework for the design of e-Business projects in the agrifood sector using open, international standards. It specifically looks at four e-Business standards developed by UN/CEFACT in the areas of Electronic phytosanitary certificates; Electronic reporting of sustainable fishery management; Electronic exchange of laboratory analysis results; Electronic management and exchange of CITES permits/certificates; and approaches to traceability in agricultural trade. The Handbook supports project managers and policy makers in developing and transition economies to design, plan and implement projects for improvement of competitiveness of their agricultural trade using latest eBusiness and trade facilitation approaches. The Handbook has been written by the UNECE and UNESCAP together with the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT). **Available here:** <http://www.unece.org/index.php?id=42602>

### ICC Recommendations on Authorized Economic Operators, May 2016



With growing demand for greater security in trade, an increasing number of customs administrations have begun to implement Authorized Economic Operators (AEO) programmes. While there are over 60 AEO programmes at the time of release of the ICC statement, the benefits for companies are not self-evident and the application processes are burdensome. The policy statement underlines the important role that AEO programmes could play in promoting cross-border trade but only when offering tangible benefits to companies and not jeopardising trade facilitation for traders without AEO-status - most notably small and medium sized enterprises. Furthermore, in the interests of harmonisation, ICC recommends that AEO programmes be based on the World Customs Organization (WCO) SAFE Framework of standards and countries pursue mutual recognition agreements. The ICC statement provides concrete recommendations for a way forward and ICC will continue to engage with the World Customs Organization, other intergovernmental organisations and government officials to ensure AEO continues to serve the needs of business and foster cross-border trade and economic growth.

**Available here:** <http://www.iccwbo.org/Advocacy-Codes-and-Rules/Document-centre/2016/ICC-Recommendations-on-Authorized-Economic-Operators/>

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## ESCAP and World Bank

### ESCAP-World Bank Trade Cost Database: Update available



The joint trade cost database was updated in June this year. It now includes bilateral international trade costs among 180 countries from 1995 to 2014.

**The updated data is available at:** <http://artnet.unescap.org/databases.html#first> and will be made available on the World Bank DataBank later this year.

## UNCTAD

### Policy Issues in International Trade and Commodities, Study Series No. 72, April 2016



This paper presents a unique analysis of bilateral liner shipping connectivity and its evolution over 9 years during the period 2006 to 2014. The relevance of the analysis stems from two original contributions. First, the paper proposes a unique bilateral liner shipping connectivity index based on five components capturing the overall quality of a liner shipping connection between two countries, whether a direct liner service exists or not. Second, it shows the evolution of bilateral liner shipping connectivity across time and qualifies the contribution of each component of the index. Results show that the top 50 Liner Shipping Bilateral Connectivity Indexs (LSBCIs) are found on connections between at maximum 15 countries, and that the top 250 LSBCIs are found on connections between at maximum 40 countries.

**Available here:** <http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=1501>

## UNECE

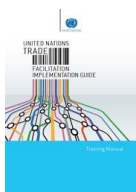
### Updated Trade Facilitation Implementation Guide (TFIG)



The United Nations Trade Facilitation Implementation Guide (TFIG) is a web-based interactive tool that supports countries in the implementation of Trade Facilitation reform. The tool (<http://tfig.unece.org>) has been updated to better reflect requirements under the WTO TFA, including new itineraries on Setting up a National Trade Facilitation Body and Developing a National Trade Facilitation Roadmap.

**Available here:** <http://tfig.unece.org>

### TFIG Training Manual



The TFIG Training Manual has been developed for handling workshops based on the contents of TFIG. It provides guidelines and tools for a three-day workshop on the Guide. It helps trainers to prepare for their sessions, shows them how to structure the training, and gives pedagogical and didactical guidelines for achieving the participants' learning objectives.

**For more information:** <http://www.unece.org/index.php?id=41818>

## World Bank

### Trade Logistics in the Global Economy – The Logistics performance Index and Its Indicators 2016, June 2016



This is the fifth edition of Connecting to Compete, a report summarising the findings from the new dataset for Logistics Performance Index (LPI) and its component indicators. The 2016 LPI also provides expanded data on supply chains performance and constraints in more than 125 countries, including information on time, cost, and reliability and ratings on domestic infrastructure quality, services, or border agencies. The 2016 LPI encapsulates the firsthand knowledge of movers of international trade. This information is relevant for policymakers and the private sector seeking to identify reform priorities for “soft” and “hard” trade and logistics infrastructure.

**Available here:** [https://wb-lpi-media.s3.amazonaws.com/LPI\\_Report\\_2016.pdf](https://wb-lpi-media.s3.amazonaws.com/LPI_Report_2016.pdf)



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## WTO

### World Trade Statistics 2016, 21 July 2016



The WTO launched a new annual statistical publication — the “World Trade Statistical Review” — on 21 July. This new publication provides insights into how world trade has evolved in recent years by analysing the latest trade statistics within an economic context. The publication opens with an overview of world trade developments in 2015, and an assessment of the trade outlook in early 2016. This is followed by an in-depth analysis of the latest trends in the global trade of goods and commercial services. The publication contains a detailed look at the participation of developing economies in world trade, analysing in particular the role of least-developed countries. It also provides a summary of the main developments in trade-policy making, highlighting the latest data on WTO members’ use of trade-restrictive and trade-facilitating measures.

Available here: [https://www.wto.org/english/res\\_e/statis\\_e/wts2016\\_e/wts2016\\_e.pdf](https://www.wto.org/english/res_e/statis_e/wts2016_e/wts2016_e.pdf)

### Trade Finance and SMEs: Bridging the gaps in provision, 2016



Trade finance plays a key role in helping developing countries participate in global trade. Easing the supply of credit in regions where trade potential is the greatest could have a big impact in helping small businesses grow and in supporting the development of the poorest countries. This publication takes a detailed look at this issue and emphasises the importance of multilateral agencies working together in response.

Available here: [https://www.wto.org/english/res\\_e/publications\\_e/tradefinsme\\_e.htm](https://www.wto.org/english/res_e/publications_e/tradefinsme_e.htm)

### Reducing Trade costs in LDCs: The role of aid for Trade, July 2016



This study analyses the role of Aid for Trade in reducing trade costs in least developed countries (LDCs). The analysis builds on questionnaires and case studies submitted as part of the Aid-for-Trade monitoring and evaluation exercise for the Fifth Global Review of Aid for Trade. Trade costs are high in LDCs and constitute a major impediment to their participation in international trade. The most important sources of trade costs in LDCs are inadequate transport infrastructure, cumbersome border procedures, and compliance with non-tariff measures for merchandise exports. In the case of LDC services exports, major drivers of trade costs include ICT networks, poor regulation, low skill levels, the recognition of professional qualifications and restrictions on the movement of natural persons. LDCs are well aware of the issue of high trade costs, which is addressed by more than 90% of LDCs in their national strategies. Trade facilitation is the top Aid-for-Trade priority for LDCs, which is also reflected in increasing Aid-for-Trade flows. The analysis of questionnaires, case studies, diagnostic trade integration studies and existing econometric work illustrates the important role played by Aid-for-Trade interventions in lowering trade costs in LDCs.

Available here: [https://www.wto.org/english/res\\_e/reser\\_e/ersd201605\\_e.pdf](https://www.wto.org/english/res_e/reser_e/ersd201605_e.pdf)

## UNCTAD EMPOWERMENT PROGRAM

### for National Trade Facilitation Committees

UNCTAD provides an intensive professional program for the Secretariat and members of National Trade Facilitation Committees (NTFCs). The main objective is to help them implement, in a coordinated manner, trade facilitation reforms, including the provisions of the WTO Trade Facilitation Agreement (TFA). Successful committees and its members will be granted a completion certificate.



#### BENEFITS

- Establishing an NTFC, if needed
- Improving teamwork dynamics within the NTFCs
- Launching a National Roadmap for mainstreaming trade facilitation in development policy
- Ensuring impact sustainability by transferring knowledge with a Training-of-Trainers approach
- Providing a sign of quality for donors & international agencies



#### KEY ASPECTS

- Courses developed by international experts and in collaboration with other UN & International organisations
- Content tailor-made to country specific needs
- e-learning & face-to-face trainings
- Interactive methodology: "learning by doing"
- Technical visits in the field & Training-of-Trainers module included



#### FLEXIBLE MODULES

- A total of 6 modules of 30 hours
- Modules length from 3 to 5 days
- Possibility to choose sequence of modules depending on current & future needs
- Optional Module 0 on establishing NTFCs



#### TARGET AUDIENCE & LANGUAGE

- Course conceived for current & future members of NTFC, including its Secretariat & a high variety of public & private sector members
- Available in English, French and Spanish
- Other languages can be available upon request



#### CERTIFICATION

After successful achievement of the Empowerment Program, members of the National Trade Facilitation Committee will be granted an UNCTAD certification of completion.

The empowered NTFCs will be featured in UNCTAD's online repository on NTFCs: [unctad.org/tf](http://unctad.org/tf)

# UPCOMING EVENTS

REGIONAL EVENTS			
Event	Date	Venue	Organizer
National Validation workshop on Baseline Study of Trade and Transport Facilitation Monitoring Mechanism (TTFMM)	28 - 29 Jul 2016	Kathmandu, Nepal	ADB and ESCAP
National Validation workshop on Baseline Study of TTFMM	31 July – 1 August	Dhaka, Bangladesh	ADB and ESCAP
National Validation workshop on Baseline Study of TTFMM	3 - 4 August	Thimphu, Bhutan	ESCAP and ADB
15th Customs Cooperation Committee (CCC) Meeting	August (TBC)	TBC	ADB
47th ASEAN Economic Ministers' Meeting	August (TBC)	TBC	ASEAN
The National Bureau of Economic Research (NBER) Japan Project Meeting	1 August	ADB, Tokyo	ADB
APEC Business Advisory Council (ABAC) 3	1-4 August	Schenzhen, China	APEC
Eighth Greater Mekong Subregion (GMS) Economic Corridors Forum (ECF-8)	4 August	Phnom Penh, Cambodia	ADB
Seminar on Single Window and Data Harmonization	September (TBC)	Kiev, Ukraine	UNECE
5th International Capacity Building Program on Trade Facilitation	September (TBC)	Cheonan ROK	GTI
SASEC Trade and Transport Facilitation Working Group Meeting	September (TBC)	Sri Lanka	ADB
8th Annual Meeting of the CAREC Federation of Carrier and Forwarder Associations (CFCFA)	September (TBC)	TBC	ADB
2016 APEC Business Ethics for SMEs Forum – Facilitating Trans-Pacific Collaboration for Small and Medium Enterprises	5-6 September	Lima, Peru	APEC
1st Working Group Meeting for AEO Cooperation Scheme among GTI Customs Administrations	6 September	Beijing, China	GTI
2016 ADB Trade Finance Program (TFP) Award Ceremony and Global Launch of ADB Trade Finance Gaps Study	7 September	Singapore	ADB
Consultation Meeting with CAREC National Focal Points	7-8 September	Bangkok, Thailand	ADB
ADB Transport Forum 2016	12-16 September	Manila, Philippines	ADB
28 <sup>th</sup> UN/CEFACT Forum	26-30 September	Bangkok, Thailand	UNECE
CAREC Senior Officials Meeting	25 October	Islamabad, Pakistan	ADB
15th CAREC Ministerial Conference	26 October	Islamabad, Pakistan	ADB
Workshop on e-SPS Implementation	November (TBC)	Bangkok, Thailand	ESCAP
Workshop on Quality Standards and Food Safety for Agri-products	November (TBC)	Bangkok, Thailand	ESCAP
SPECA Economic Forum and Governing Council	November (TBC)	Ganja, Azerbaijan	UNECE
Regional Seminar on GTI Cross-Border Trade Facilitation and Single Window Implementation	November (TBC)	Vladivostok, Russia	GTI
6 <sup>th</sup> SASEC Customs Subgroup Meeting	November (TBC)	TBC	ADB
6th GTI International Seminar on Trade Facilitation in Northeast Asia	November (TBC)	Incheon, ROK	GTI
4th GTI 2016 Trade & Investment EXPO	November (TBC)	Sokcho, ROK	GTI



# UPCOMING EVENTS

Inaugural Meeting of Trade and Investment Committee & Customs Sub-Committee	November (TBC)	Incheon, ROK	GTI
APEC Business Advisory Council (ABAC) 4	14-17 November	Lima, Peru	APEC
Final Consultation Regional Transit Study	December (TBC)	TBC	ADB

## NATIONAL EVENTS

Nepal DOC: Stakeholders Consultation on Next Phase Customs Reform and Modernization Strategies and Action Plan (2017 - 2021)	TBC	Kathmandu, Nepal	SASEC
FOW Trading Singapore, 2016	22 September	Singapore	AFACT

### Featured Upcoming Event: 28th UN/CEFACT Forum in Bangkok, Thailand



The 28th UN/CEFACT Forum will take place on 26-30 September 2016. This event is co-organised and hosted by UNECE, ESCAP and ETDA Thailand.

Priorities at the Forum are:

- Advancing current projects and domain activities
- Performing ongoing maintenance tasks (such as UN/EDIFACT Data Maintenance Requests)
- Formulating and approving a series of new projects to be conducted within the framework of the approved programme of work
- Continuing liaison and cooperation activities with external organisations (governmental as well as industry and standards consortia)
- Advancing UN/CEFACT's current and forthcoming technical framework

Half-day Mini Conferences are planned on the following topics:

- New project on women in Trade Facilitation
- Project on the Core Principles of the Operation of Single Windows
- eCert Project
- Activities of the UN/CEFACT Travel and Tourism Domain
- Project on Transboundary Movement of Wastes
- Trade and Supply Chain Finance Project

Some other key topics that will be discussed at this Forum are:

- Project on Transport and Trade Facilitation Monitoring Mechanisms
- FLUX User Community
- Joint meeting with the Thai National Shippers' Council (TNSC)

For further information and online registration, please visit: <http://www.unece.org/28thuncefactforum>

## GLOBAL

### **WTO members urged to start preparing for entry into force of Trade Facilitation Agreement, 4 March 2016**

WTO members were urged on 3 March to start preparing for the entry into force of the new Trade Facilitation Agreement (TFA) by notifying to the WTO what their technical assistance and capacity-building needs are, and how much time they will need to ensure effective implementation of the Agreement. The chairman of the Preparatory Committee on Trade Facilitation (PCTF), Esteban Conejos, told the committee on 3 March that the WTO has now received 81 "Category A" notifications from members indicating which provisions of the TFA they will implement upon entry into force of the Agreement (or one year after entry into force for least developed countries — LDCs).

[https://www.wto.org/english/news\\_e/news16\\_e/fac\\_04mar16\\_e.htm](https://www.wto.org/english/news_e/news16_e/fac_04mar16_e.htm)

## REGIONAL AFGHANISTAN

### **Afghanistan to become 164th WTO member on 29 July 2016, 29 June 2016**

Afghanistan has notified the WTO that its Parliament has ratified its Protocol of Accession, clearing the final hurdle for its WTO membership. According to WTO rules, Afghanistan will become the 164th member of the Organization on 29 July, 30 days after its instrument of acceptance was deposited at the WTO. Afghanistan's ambassador, Dr Suraya Dalil, deposited the instrument of acceptance of the country's Protocol of Accession with Director-General Roberto Azevêdo. The country's accession Protocol was ratified by Afghanistan's parliament on 18 June. Afghanistan applied for WTO membership in 2004, with members of the accession working party concluding the negotiations on 11 November 2015.

[https://www.wto.org/english/news\\_e/news16\\_e/acc\\_afg\\_29jun16\\_e.htm](https://www.wto.org/english/news_e/news16_e/acc_afg_29jun16_e.htm)

## AZERBAIJAN

### **Customs reforms underway, *Azernews*, 29 June 2016**

Azerbaijan plans to introduce innovations in the customs field beginning in August in order to optimise customs control over the import and export operations. Chairman of the State Customs Committee Aydin Aliyev said these innovations are aimed at ensuring more operative and more transparent customs clearance, as well as developing relations between government officials and entrepreneurs based on modern management principles. In this regard, it is planned to construct green corridors, use the entry-exit system and a search system. The corridors system facilitates the work of customs and simplifies the procedures for crossing the border customs control.

The red corridor works with those who must declare their property, and the green corridor is created for the travelers, who do not have things with them, which are subject to declaring.

[http://www.azernews.az/news.php?news\\_id=98637&cat=business](http://www.azernews.az/news.php?news_id=98637&cat=business)

## BANGLADESH

### **New Trade Portal Makes it Easier to do Business in Bangladesh, 17 March 2016**

With the launch of its new trade portal, the government of Bangladesh's is making import and export information more easily accessible to traders interested in doing business in the country. The portal, a website that provides documents and information on the trade process, is hosted by the Ministry of Commerce with support from the World Bank Group and is expected to accelerate growth in Bangladesh and increase investments. The Bangladesh Trade Portal will make it easier for traders and investors to comply with regulatory requirements associated with the importation and exportation of goods as well as help Bangladesh comply with the World Trade Organization's (WTO) Bali Agreement on Trade Facilitation. The Agreement calls for countries to tackle barriers and liberalise trade.

<http://www.worldbank.org/en/news/feature/2016/03/17/new-trade-portal-makes-it-easier-to-do-business-in-bangladesh.print>

## BHUTAN

### **Local products to be certified within the country, *Kuensel*, 10 June 2016**

The Bhutan Standards Bureau (BSB) can now certify local products for the international market. The National Accreditation Board for Certification Bodies (NABCB), India has licensed the bureau with accreditation for product certification, earlier in March this year. BSB chief engineer Karma Wangdi said that the bureau has been accredited to certify only three products manufactured in the country for now. Grade 43 OPC cement (Ordinary Portland Cement), along with bitumen emulsion and TMT reinforcement bars will now be certified by BSB to be exported from the country. Accreditation is the recognition of the competence of a conformity assessment bodies such as laboratories, inspection and certification bodies, by an independent third party, based on assessment against criteria laid down in international standards. Such assessments include technical competence, compliance of the management systems and its effectiveness as well as the requirements of impartiality. The accreditation is an international system to reduce technical barriers to trade and facilitates free movement of goods and services across the borders.

<http://www.kuenselonline.com/local-products-to-be-certified-within-the-country/>

## CAMBODIA

### **Cambodia ratifies Trade Facilitation Agreement, 12 February 2016**

Cambodia has ratified the Trade Facilitation Agreement (TFA), becoming the 8th least-developed country to do so. Cambodia deposited its TFA instrument of acceptance with the WTO Secretariat on 12 February. This makes Cambodia the 69th WTO member to ratify the TFA. The Agreement will enter into force once two-thirds of the WTO membership has formally accepted the Agreement. Concluded at the WTO's 2013 Bali Ministerial Conference, the TFA contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. It further contains provisions for technical assistance and capacity building in this area. The TFA led the way for developing and least-developed countries in the way it will be implemented. For the first time in WTO history, the requirement to implement the Agreement was directly linked to the capacity of the country to do so. In addition, the Agreement states that assistance and support should be provided to help them achieve that capacity. [https://www.wto.org/english/news\\_e/news16\\_e/fac\\_12feb16\\_e.htm](https://www.wto.org/english/news_e/news16_e/fac_12feb16_e.htm)

## CHINA

### **China ratifies UN TIR Convention with new trade prospects in view, 26 July 2016**

The People's Republic of China has become the 70th country to ratify the United Nations TIR Convention, the global standard for international freight customs transit. China's ratification is an important step in improving land and multimodal transport between Asia and Europe, and a sign of the country's steady integration into global transport and trade norms. The TIR System will, in particular, underpin China's Belt and Road Initiative, aiming to boost trade, development and cooperation along ancient Silk Road routes. TIR-operating countries around China, including Afghanistan, Kazakhstan, Kyrgyzstan, Mongolia, Russia and Tajikistan, are also set to see a boost to transport and trade when the system becomes operational in China. Pakistan is also currently implementing TIR after its own ratification of the convention last year. The world's only universal customs transit system and one of the most successful international transport conventions, TIR makes border crossings faster, more secure and more efficient, reducing transport costs, and boosting trade and development. The United Nations Secretary General has confirmed that the TIR Convention will enter into force in China on 5 January 2017.

<https://www.iru.org/resources/newsroom/china-ratifies-un-tir-convention-new-trade-prospects-view>

## FIJI

### **Fiji can face legal action if it does not commit to TFA, FBC News, 26 April 2016**

Fiji can face legal action from its trading partners if it does not live up to the expectations of the Trade Facilitation Agreement. Permanent Secretary for Industry and Trade Shaheen Ali revealed this while speaking at the Stakeholder Meeting on Trade Facilitation Agreement Ratification. Ali says it is vital for various trade and business stakeholders to remain committed towards its trading partners. "If we make a commitment that is not implemented we could potentially attract legal challenges from our trading partners if they feel if they are affected by our action". The Trade Facilitation Agreement provides for the movement and release of goods and also sets out measures for effective cooperation between customs and other appropriate authorities.

<http://www.fbc.com.fj/fiji/39735/fiji-can-face-legal-action-if-it-does-not-commit-to-tfa>

## INDIA

### **National Committee on Trade Facilitation soon: Nirmala Sitharaman, The Economic Times, 3 May 2016**

India is setting up a national panel that will cut red-tape for the export-import industry while also ensuring faster clearances of merchandise, in line with the commitment to the World Trade Organisation (WTO). "India has also initiated the process to set-up a National Committee on Trade Facilitation (NCTF) to domestically coordinate and implement the (WTO) Trade Facilitation Agreement," Commerce Minister Nirmala Sitharaman told the parliamentary consultative committee attached to the ministry, according to a release.

<http://economictimes.indiatimes.com/news/economy/policy/national-committee-on-trade-facilitation-soon-nirmala-sitharaman/articleshow/52093284.cms>

## INDIA and THAILAND

### **India and Thailand to speed up free trade agreement talks, Livemint, 18 June 2016**

India and Thailand outlined a road map for cooperation in areas spanning defence and maritime security to increased trade and economic interaction in a bid to impart new momentum to their ties. The two countries agreed to speedily conclude the India-Thailand Free Trade Agreement and bilateral investment treaty alongside putting infrastructure projects linking the two countries like the Asian Trilateral Highway—connecting India to Thailand through Myanmar—on the fast track. India has been trying to add more content to its "Look East" policy, outlined in the early 1990s to increase linkages with the economically vibrant Association of South-East Asian Nations or Asean.

<http://www.livemint.com/Politics/oDh5aCFiNGoy23oolwQFGJ/India-Thailand-to-speed-up-free-trade-agreement-talks.html>

## PAKISTAN

### **MoC to propose revision of trade-related SROs, *the Nations*, 5 May 2016**

The Ministry of Commerce (MoC) will propose a revision in the trade-related Statutory Regulatory Order in order to provide maximum facilitation to the exporters. This was decided in a meeting chaired by the Minister for Commerce, Engr. Khurram Dastgir Khan to make proposals for trade facilitation for the 2015 budget and to discuss strategies for the Strategic Trade Policy Framework (STPF) III which will be announced after the budget this year. The Minister said that the trade facilitation measures proposed in the budget will be followed by a detailed implementation mechanism so that traders may receive benefits from those measures instantly. It was decided that MoC will conduct a study to analyse the successful trade facilitation models introduced by other countries in the region having relatively similar economic conditions and learn from their experience.

<http://nation.com.pk/business/05-Mar-2015/moc-to-propose-revision-of-trade-related-sros>

## PHILIPPINES

### **PH ratifies trade facilitation deal under WTO, *Business Inquirer*, 24 February 2016**

The Philippines has ratified the World Trade Organization's Trade Facilitation Agreement (TFA), an accord seen to significantly benefit local industries given the expected reduction in trading costs globally. "The President has already approved our TFA. We're just finalizing the paperwork for the Instrument (of Acceptance)," Trade Secretary Adrian S. Cristobal Jr. said in an interview with the Inquirer on Tuesday. The submission of the Instrument of Acceptance means that WTO member has completed its domestic process, accepts the agreement, and is prepared to start implementing the TFA. This also means all related Philippine agencies have submitted their certificates of concurrence to the Department of Foreign Affairs. Cristobal said the government would soon be ready to submit all necessary TFA documents to Geneva.

<http://business.inquirer.net/207510/ph-ratifies-trade-facilitation-deal-under-wto>

## SRI LANKA

### **Sri Lanka ratifies Trade Facilitation Agreement, 31 May 2016**

Concluded at the WTO's 2013 Bali Ministerial Conference, the TFA contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. It further contains provisions for technical assistance and capacity building in this area. The TFA will enter into force once two-thirds of the

WTO membership has formally accepted the Agreement. With the acceptance by Sri Lanka, the number of TFA ratifications now stands at 81. Thus, the WTO has received three-quarters of the ratifications needed to bring the TFA into force. On 31 July 2014 Sri Lanka submitted its [Category A](#) notification to the WTO indicating which provisions of the TFA it intends to implement upon entry into force of the agreement.

[https://www.wto.org/english/news\\_e/news16\\_e/fac\\_31may16\\_e.htm](https://www.wto.org/english/news_e/news16_e/fac_31may16_e.htm)

## TURKEY

### **Turkey notifies acceptance of Trade Facilitation Agreement, 16 March 2016**

Turkey has ratified the new Trade Facilitation Agreement (TFA), becoming the 71st WTO member to do so. H. E. Ambassador Haluk Ilıcak and Hüsni Dilerme, Deputy Under-Secretary with the Turkish Ministry of Economy, presented their country's instrument of acceptance to WTO Deputy Director-General Yi Xiaozhun on 16 March. Concluded at the WTO's 2013 Bali Ministerial Conference, the TFA contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. It further contains provisions for technical assistance and capacity building in this area. The TFA will enter into force once two-thirds of the WTO membership has formally accepted the Agreement.

[https://www.wto.org/english/news\\_e/news16\\_e/fac\\_16mar16\\_e.htm](https://www.wto.org/english/news_e/news16_e/fac_16mar16_e.htm)

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