A Regional Agenda for Trade Facilitation for the Greater Asia-Pacific Region

Background

The following regional agenda is an outcome of the Asia-Pacific Trade Facilitation Forum 2009, during which 130 senior officials, private sector representatives and experts from over 21 countries around the region worked together to outline actions needed to advance trade facilitation in the region. Particular focus was placed on the following three areas: Transit trade facilitation, Automation and electronic exchange of trade information, and Supply-chain security and risk management.

The Agenda is essentially based on the summary presentations made by the three working group chairs in the final session of the Forum. These presentations and other Forum documents are available at: http://www.unescap.org/tid/projects/tfforum.asp.

General trade facilitation recommendations, or those identified by all three working groups, are listed first (section 1), followed by more specific recommendations pertaining to each of the three above-mentioned areas or made only by one of the groups (section 2-4).

1. General Recommendations/Actions

The Forum highlighted the importance of continuous technical assistance and capacity building in the area of trade facilitation. While on-going efforts at the global, regional and national levels were fully acknowledged and appreciated, a number of actions were identified to further advance trade facilitation in Asia and the Pacific.

Actions needed at the regional level:
1. Improve regional/subregional connectivity, including through development of regional/subregional economic and transit corridors and institutional strengthening;
2. Harmonize trade-related legal and regulatory systems, including those related to product standards and certification.
3. Share experience on effective and pragmatic subregional approaches to trade facilitation such as GMS, CAREC and BIMP-EAGA,[1] with a view to improve the effectiveness of the existing regional/subregional cooperation initiatives and identify synergies among them.

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[1] GMS: Greater Mekong Subregion; CAREC: Central Asia Regional Economic Cooperation; BIMP-EAGA: Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area.

4. Facilitate collection and exchange of information and expertise in trade facilitation and automation, including through organization of a regular regional trade facilitation forum and/or exhibition and development of regional networks and community of practices in trade facilitation (e.g., UNNExT)[2].

5. Consider development of a regional trade facilitation cooperation program and mechanism for the greater Asia-Pacific region, building on existing regional/subregional initiatives;

6. Promote capacity building programs on trade facilitation supported and implemented jointly or in a coordinated manner by relevant global and regional organizations, including ADB, ESCAP and WCO Asia-Pacific Regional Office for Capacity Building.

7. Facilitate funding of cross-border projects on trade facilitation, particularly those involving information and communication technologies (ICT).

8. Simplify accession procedures to international conventions/agreements, and/or provide technical assistance for negotiation and implementation;

9. Support conclusion of a WTO trade facilitation agreement as an important part of the Doha Round of negotiations.

Actions needed at the national level

a. Create effective institutional mechanisms to improve inter-agency coordination and cooperation and foster public-private partnerships for trade facilitation;

b. Publish and make easily accessible the laws, regulations and procedures affecting trade;

c. Simplify and standardize trade documents and procedures according to international standards;

d. Reduce lead time resulting from inspection of low risk shipments and separate inspection of goods by different border agencies;

e. Accelerate Customs reform including introduction of risk management and authorized consignor/consignee programmes;

f. Adopt ICT-enabled trade facilitation measures, including establishment of national electronic Single Window, and ensure effective operation and maintenance of the ICT-based systems once established;

g. Develop training institutions and programs to increase the knowledge and skills of staff in regulatory agencies, particularly at the border checkpoints, as well as those of freight forwarders and other service providers;

h. Actively participate in regional and subregional cooperation programmes aimed at facilitating trade and transport;

i. Accede to relevant trade and transport facilitation agreements and conventions (e.g., WCO Revised Kyoto Convention), and ensure national laws and regulations are consistent with these instruments.

j. Consider joining the Asia-Pacific Trade Agreement (APTA) and its related trade facilitation framework agreement.

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[2] UNNExT is the United Nations of Expert for Paperless Trade in Asia and the Pacific;
http://www.unescap.org/unnext/

2. Recommendations/Actions for Transit Trade Facilitation

Specific challenges identified in this area included: *Inadequate trade and transport infrastructure and logistics services; Cumbersome documents and procedures, and excessive physical inspections; Insufficient availability and use of information and communication technologies; Lack of appropriate regional transit regimes and insufficient participation in multilateral cooperation on transit; Weak institutional and human capacities; Lack of appropriate legal and regulatory systems; and Uneven trade/transit facilitation performance across ESCAP region.*

Actions needed at the regional level:
1. Develop multimodal corridors including inter-modal competition between road and rail transport;
2. Promote collaboration among the service providers, business communities at regional/sub-regional level to promote partnership in trade logistics and transport services;
3. Improve coordination of regulatory agencies' operations, particularly Customs operations at regional/subregional level and at border checkpoints;
4. Upgrade the regional transit system to electronic data interchange;
5. Improve coverage and efficiency in ICT to support shipment tracking systems (based on GPS, GPRS, RFID[3] and other technologies and solutions);
6. Effectively conclude and support implementation of transit and transport agreements at bilateral and regional level;
7. Admit vehicles liability insurance among relevant countries;
8. Establish regional guarantee system;
9. Undertake regional actions in building capacity of the countries in road safety and road maintenance.

Actions needed at the national level:
a. Upgrade domestic trade/transport infrastructure such as roads, railways, waterways, warehouse, and border facilities;
b. Develop domestic logistics services and open logistics services market on a reciprocal basis;
c. Improve the regulatory regime of inter-modal transport to create a sound base for promoting trade logistics;
d. Eliminate unnecessary inspections of transit shipments;
e. Participate actively in the negotiations of regional transit agreements and implement them in a timely manner;
f. Accede to global conventions/agreements aimed at facilitating transit, such as UNECE TIR Convention and WCO A.T.A. Convention;
g. Implement Integrated Border Management (IBM) systems and One or Single Stop Inspection at borders;
h. Frame and enact laws on some key issues such as carrier's liability on road and rail movement, and marine insurance.

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[3] Geographic Positioning System, General Packet Radio Service, Radio Frequency Identification.

3. Recommendations/Actions for Automation and Electronic Exchange of Trade Information

Specific challenges identified in this area included: *Process rationalization and data harmonization; Taking all the stakeholders on board; Incomplete or incompatible legal and security framework for e-trade transactions; Lack of a National champion and lead agency for trade facilitation; lack of a regional/global level champion and lead agency for trade facilitation; how to integrate systems of developing and least-developed countries (at very different stage of development), and the digital divide within and among countries in the region.*

Actions needed at the regional level:
1. Use UNNExT as a platform for best practices and lessons learnt in establishing a single window environment
2. Build capacity in business process analysis and rationalization of cross-border trade procedures, and on implementation of e-transaction projects
3. Support regional electronic single window initiatives
4. Harmonize cross-border legal and security frameworks for e-transactions
5. Encourage participation in the development and adoption of standards and recommendations of the regional and global initiatives of AFACT and UN/CEFACT[4]
6. Increase awareness and understanding of political decision-makers and top management of the need to adopt e-transaction capacity at the national and regional level
7. Improve technology readiness of least development countries

Actions needed at the national level:
a. Conduct business process analysis and rationalization of trade procedures before IT induction;
b. Identify champion and national lead agency for driving strategic project for e-Trade in the country and participation in the regional initiatives;
c. Work towards establishment of a national single window and participate in relevant regional single window initiatives;
d. Integrate all stakeholders in the national e-Trade facilitation projects;