



Session 3: Trade Facilitation, NTM, SPS

Yann Duval

Chief, Trade Policy and Facilitation Section
of the Trade, Investment and Innovation Division, UNESCAP

What is Trade Facilitation?

- “The plumbing of international trade” (Staples, 1998)
- “The simplification and harmonization of international trade procedures”, where trade procedures are the “activities, practices and formalities involved in collecting, presenting, communicating and processing **data and other information required for the movement of goods in international trade.**” (WTO documents)
- “Any measure, or set of measures, that aims to **increase the cost-effectiveness** of international trade transactions”.

UN Global Survey on Digital and Sustainable Trade Facilitation (TF): www.untfsurvey.org



60 trade facilitation (TF) measures in 163 countries

General TF

- **WTO TFA-related measures** (e.g., publication of trade regulations and procedures)

Digital TF

- Paperless trade (e.g. e-customs declaration)
- Cross-border paperless trade (e.g., e-Phyto exchange)

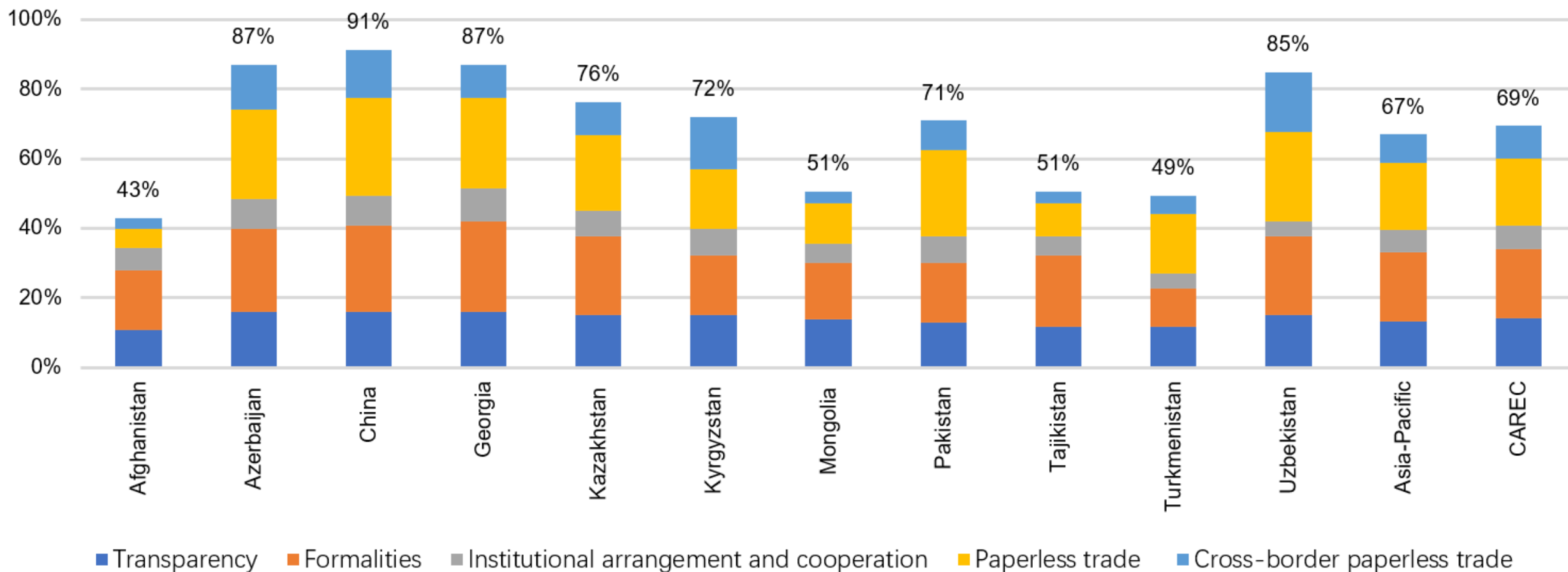
Sustainable TF

- SMEs (e.g., special support for completing procedures)
- Agriculture (e.g., accelerated clearance of perishables)
- Women (e.g. female representation in committees)

Other TF

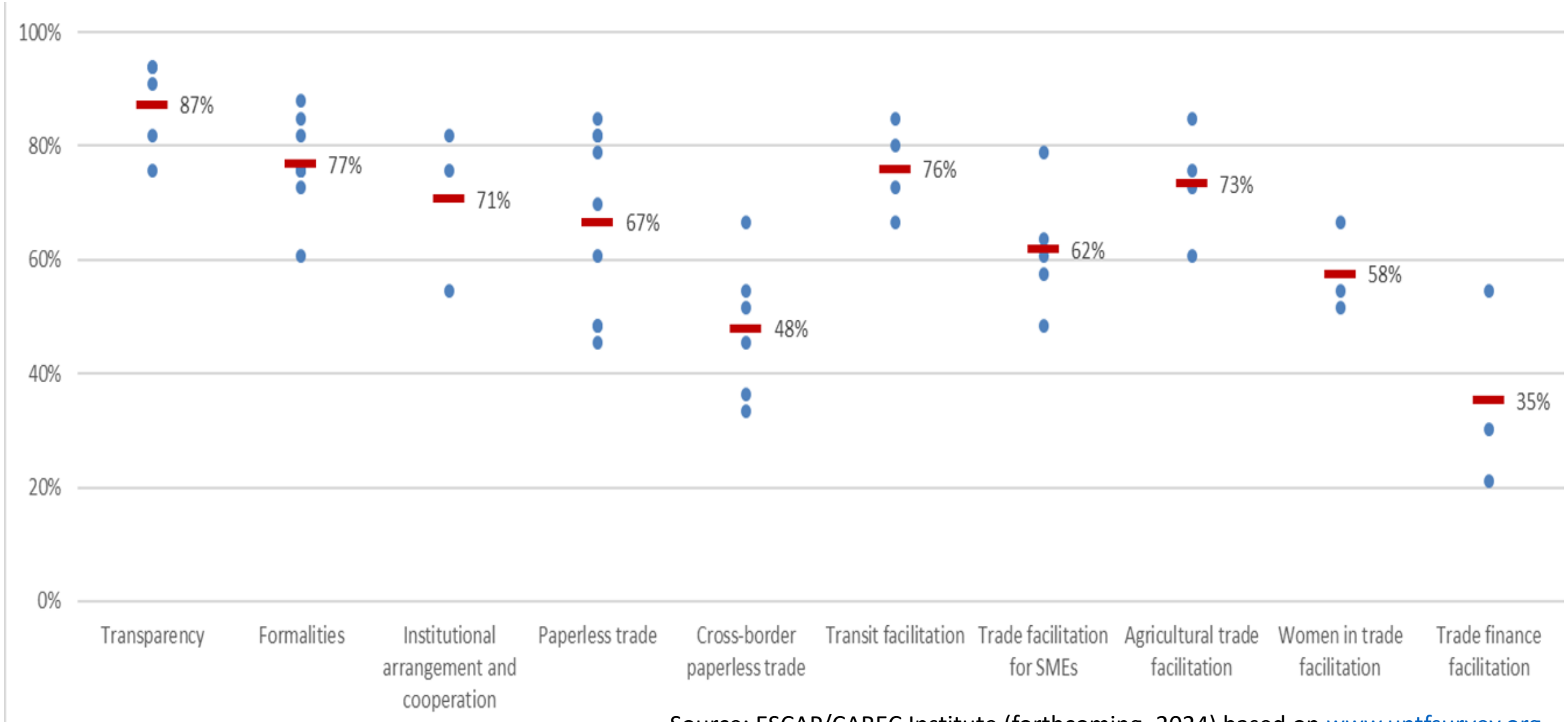
- Trade finance (e.g. credit facility based on trade docs)
- TF in times of crisis

Trade Facilitation Implementation in CAREC



Source: ESCAP/CAREC Institute (forthcoming, 2024) based on www.untfsurvey.org

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Trade Facilitation in Regional Trade Agreements (RTAs)

- **Scope of Trade Facilitation in RTAs varies** since no agreed definition
 - e.g. Non-tariff measures (NTMs) included in the scope of Trade Facilitation in ASEAN
- **Most RTAs now have a standalone chapter** on Customs and Trade Facilitation
 - as well as trade facilitation-related provisions in other chapters, e.g. “paperless trade(ing)” provisions in e-commerce chapters, or harmonization/mutual recognition provisions in SPS / TBT chapters

RCEP Chapter 4 “Customs Procedures and Trade Facilitation”

Articles 4.2, 4.3 of the Regional Comprehensive Economic Partnership (RCEP)

- Article 4.2: Objectives

The objectives of this Chapter are to: (a) ensure predictability, consistency, and transparency in the application of customs laws and regulations of each Party; (b) promote efficient administration of customs procedures of each Party, and the expeditious clearance of goods; (c) simplify customs procedures of each Party and harmonise them to the extent possible with relevant international standards; (d) promote cooperation among the customs authorities of the Parties; and (e) facilitate trade among the Parties, including through a strengthened environment for global and regional supply chains.

- Article 4.3: Scope

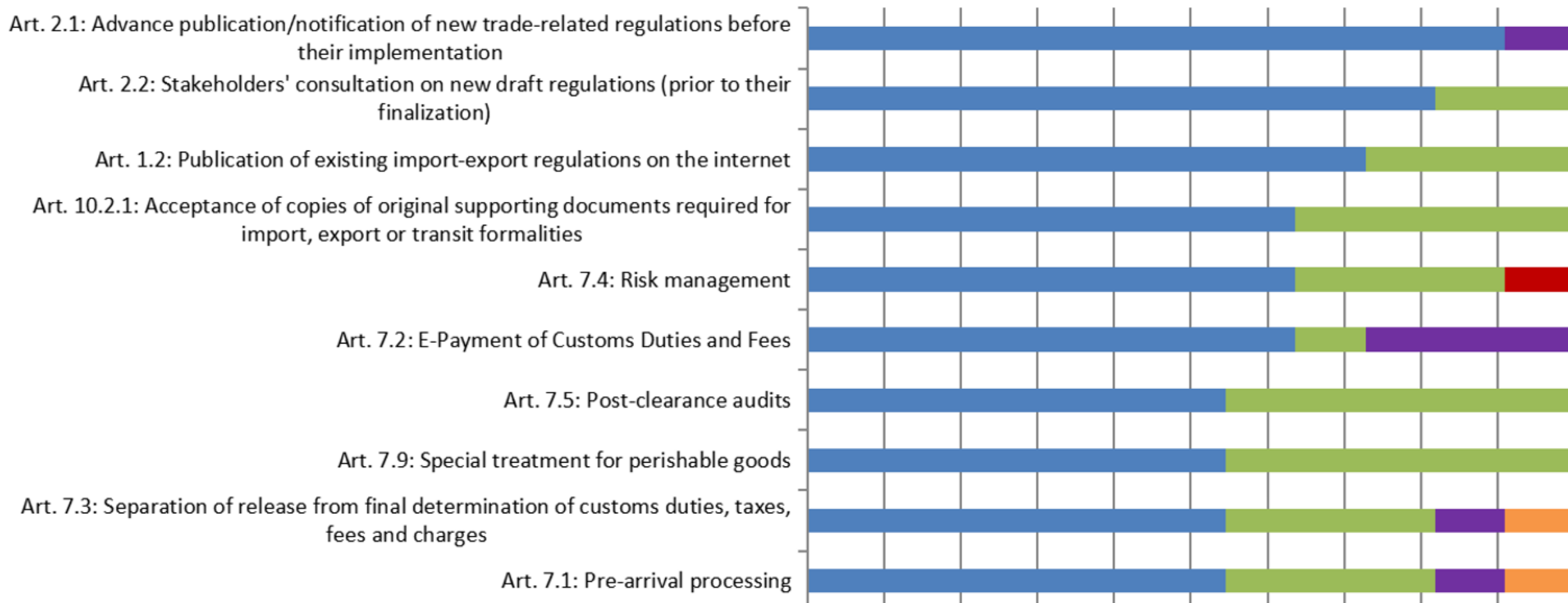
This Chapter shall apply to customs procedures applied to goods traded among the Parties and to the means of transport which enter or leave the customs territory of each Party.

Baseline Option: WTO TFA provisions

- publication of information and other transparency related measures
- release and clearance of goods
- border agency cooperation
- Fees and formalities connected with importation, exportation and transit
- freedom of transit
- customs cooperation

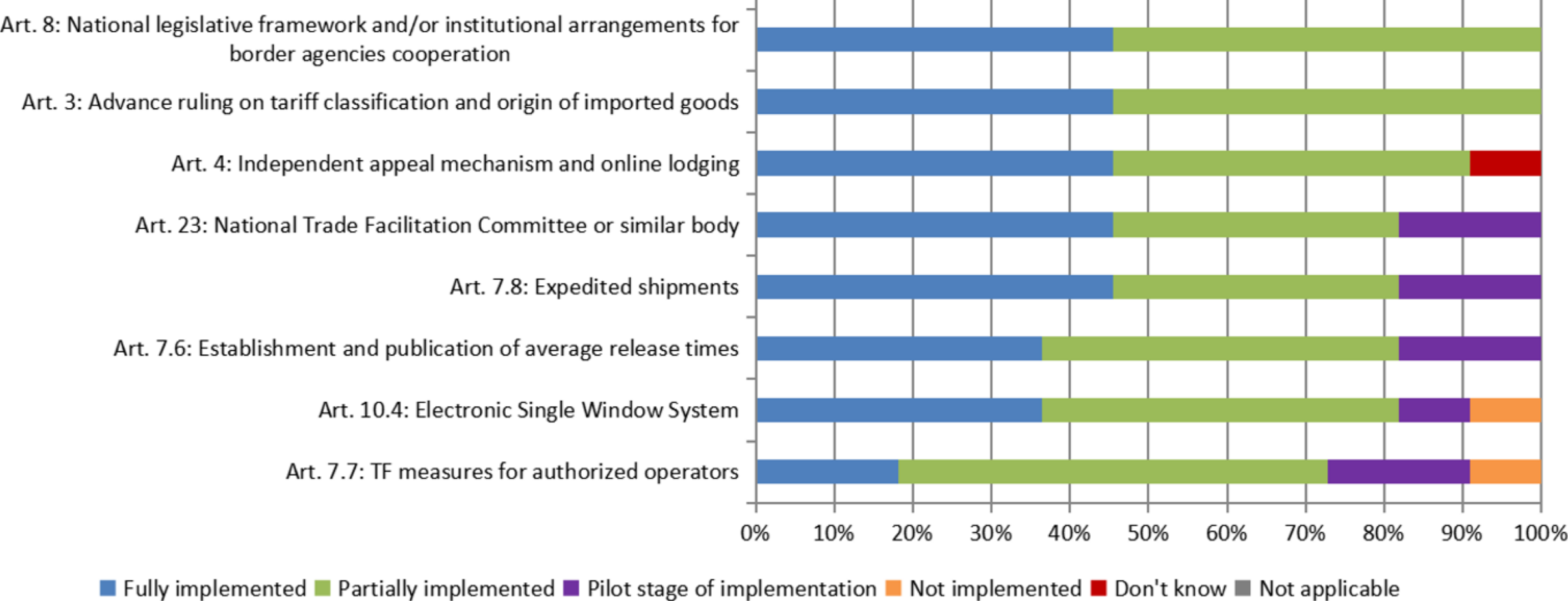
- Special and differential treatment (Category A,B,C system)

WTO TFA measures implementation in CAREC



Source: ESCAP/CAREC Institute (forthcoming, 2024) based on www.untfsurvey.org

WTO TFA measures implementation in CAREC



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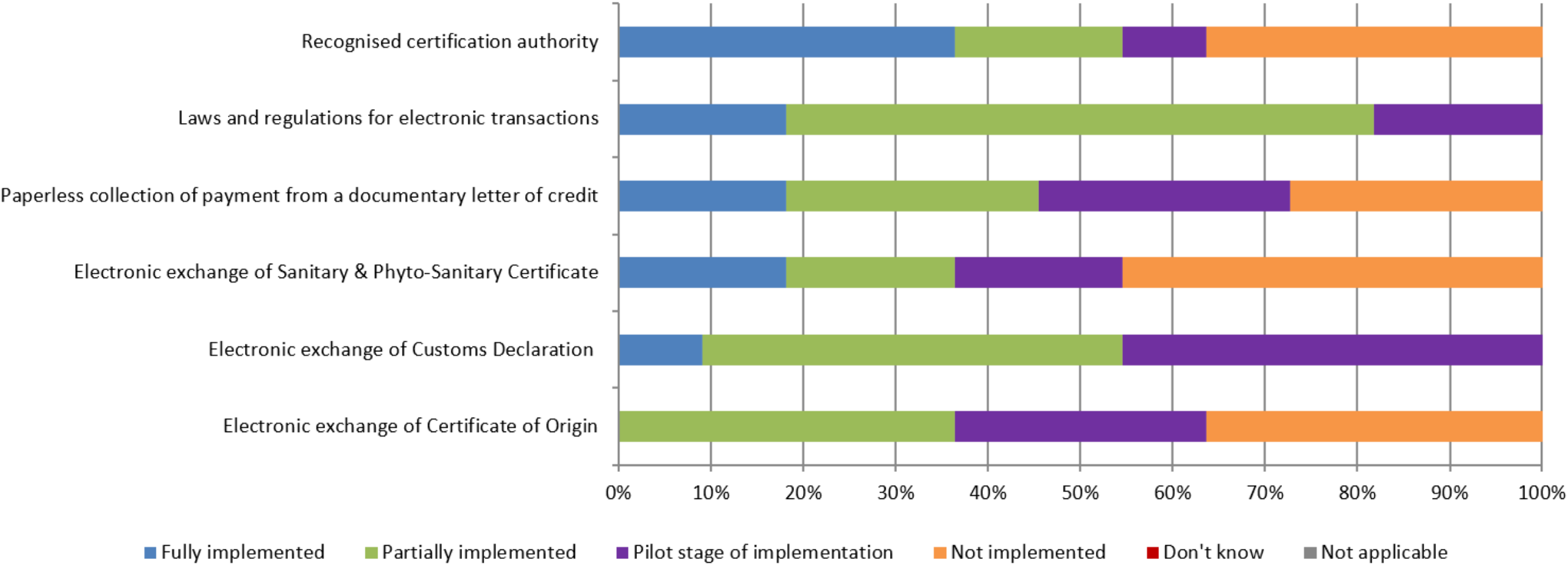


WTO TFA+ measures

- CAREC wide facilities or mutual recognition measures
 - e.g. MRA of Authorized Operators, CAREC Trade Portal
- Measures related to automation/digitalization of trade procedures
 - e.g., CAREC Single Window system; other paperless and cross-border paperless trade measures
- Measures targeting specific groups or sectors with special needs
 - e.g., women, SMEs, agriculture sector...
- Measures for transit and/or trade finance facilitation
- Measures for trade in times of crisis
 - e.g., see UN model chapter on trade in times of crisis in RTAs

See list of Digital and Sustainable Trade Facilitation Measures at untfsurvey.org

Cross-Border Paperless Trade in CAREC



Source: ESCAP/CAREC Institute (forthcoming, 2024) based on www.untfsurvey.org



Trade-offs to consider

- Simplified trade / customs procedures versus regulatory challenges;
- Advanced trade facilitation measures such as paperless trade and single window systems versus the capacity and cost for implementation;
- Cooperation between border agencies versus administrative challenges.

Concluding remarks

- Significant scope for accelerating progress and cooperation on trade facilitation in CAREC [and reducing trade costs]
- Important to build upon and leverage existing multilateral and regional trade facilitation initiatives, agreements and international standards, e.g.
 - WTO TFA (and possibly the JSI on e-commerce)
 - CPTA (Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific)
 - 6 CAREC countries already party to the UN treaty
 - UNCITRAL model laws related to paperless trade/transport
 - UN/CEFACT and WCO recommendations and standards
- Capacity building essential for advanced measures

For more information on trade facilitation in RTAs:

The screenshot shows a web browser window with the URL <https://legal.tina.trade/app/issue/13>. The page features the TINA logo and navigation links for 'Key Issue Areas', 'Text Search', and 'Comparison'. A dark blue header contains the text 'Trade Facilitation'. Below this, there are four content cards, each with a title, a short paragraph, and an 'EXPLORE MORE...' button. The cards cover topics such as the definition of trade facilitation, its incorporation in RTAs, trade-offs, and key sub-issues. A vertical 'Feedback' button is visible on the right side of the page.

legal.tina.trade

→ Trade in Goods

→ “trade facilitation”

Or search for trade facilitation provisions in 460+ existing trade agreements!