Trade Facilitation in South Asia Subregion Economic Cooperation (SASEC)

Trade Forum Session 2: Enhancing Sustainable and Resilient Trade Facilitation

ADB Head Quarter, Manila, 20 March 2024

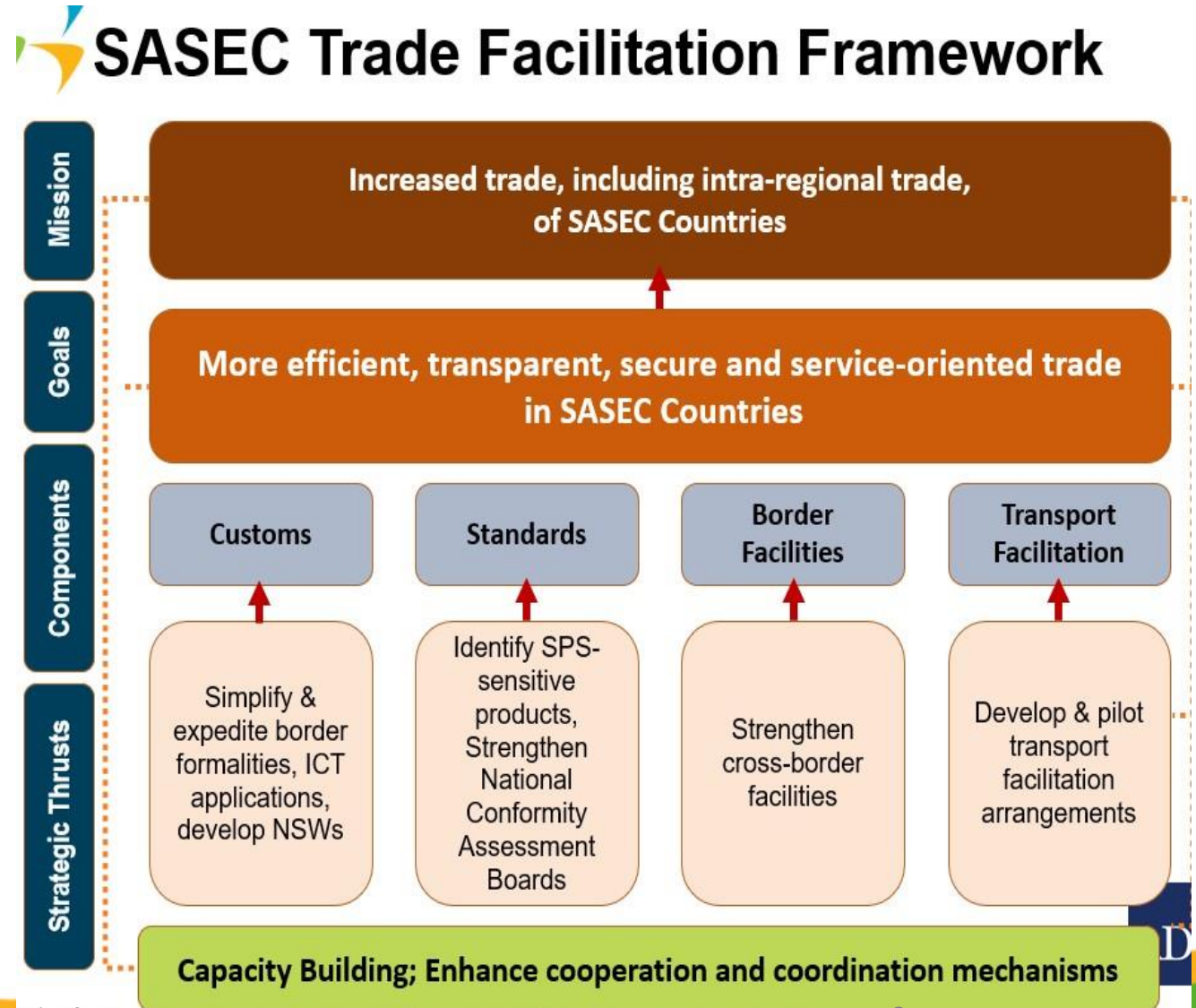# Trade Facilitation – A key pillar of SASEC

SASEC – Common Vision

- Boosting intraregional trade and cooperation in South Asia,
- Developing connectivity and trade with Southeast Asia.
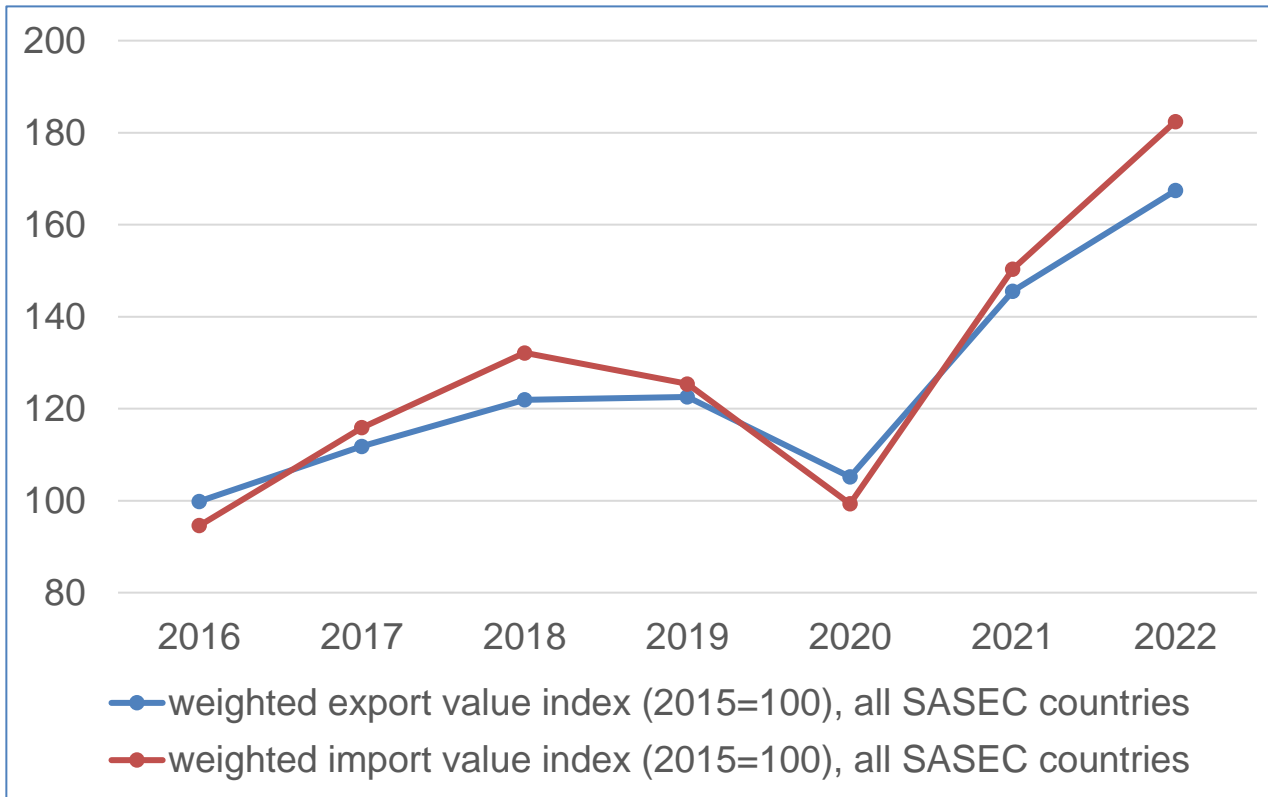
Strategic Objective

- Comprehensive approach to transport and trade facilitation,

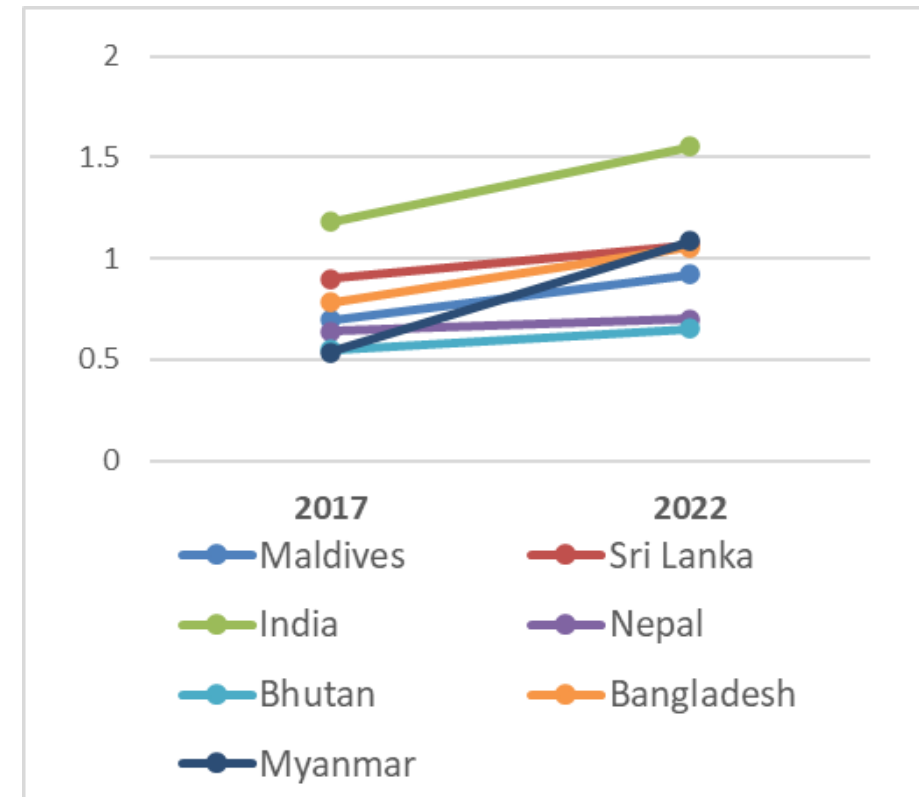Trade Facilitation has remained a key pillar of SASEC

SASEC Trade Facilitation Framework

Mission: Increased trade, including intra-regional trade, of SASEC Countries

Goals: More efficient, transparent, secure and service-oriented trade in SASEC Countries

Components:
- Customs
- Standards
- Border Facilities
- Transport Facilitation

Strategic Thrusts:
- Simplify & expedite border formalities, ICT applications, develop NSWs
- Identify SPS-sensitive products, Strengthen National Conformity Assessment Boards
- Strengthen cross-border facilities
- Develop & pilot transport facilitation arrangements

Capacity Building; Enhance cooperation and coordination mechanisms

SASEC Countries' Development under the Previous Vision (2017-2022)

Trade index of SASEC countries

Average trade facilitation performance

Source: Key Indicators Database (ADB), World Development Indicators, OECD trade facilitation indicators

SASEC Customs Subgroup

SCS had formulated Sub Regional Projects (SRPs) to –

- Improve the facilitation of cross-border trade and transit in the SASEC subregion
- Strengthen the cooperation among SASEC customs administrations for better compliance monitoring, and
- Conduct border management in a coordinated manner.

SRP	ACTIVITY
1	Exchange of documents at major border crossing points
2	Border meetings between Customs authorities
3	Electronic exchange of pre-arrival data
4	Use of Electronic Cargo Tracking System (ECTS)
5	Cross-Border Transport Facilitation Routes Initiatives
6	Resiliency Action Plan
7	Coordinated Border Management

Merely WTO TFA Box Ticking?

SCS as exchange of info platform and strengthening cooperation leads to:

- Faster assistance during disaster
- Closer coordination during pandemic
- Learning on how emerging issues mainstreamed into national Trade facilitation projects.

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Resiliency Action - Recommendation for Business Community

Tariffs and Fees
- Waiver and deferment, e-payment, temporary imports

Easing formalities
- Simplified declarations, accepted copies of documents, reduced scale of physical inspections

Digitalization
- Accepting digital uploads of supporting documents, electronic information flow among regulators/NSW, e-delivery orders

Coordination
- Mutual recognition of controls, coordinated inspections, communication hotlines

Assistance to SMEs
- Set up crisis teams, Helpdesks, online publication

Operations and Staffing
- Staff counselling, border operations to be declared as essential services

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Digitalization for Trade Facilitation

Enabling legislation	National Single Window
Automation & Paperless process	E-payments
Pre-arrival processing	Trade Information Portals
Risk management	Use of Non Intrusive equipment

Fully digitalizing regulatory procedures around trade could save between 32 and 86 kg of CO_2 equivalents per end-to-end transaction.

UNESCAP Estimates

Scaled to trading volumes in Asia and the Pacific, this implies potential savings of 13 million tons, equivalent to planting 439 million trees!

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Progress towards Paperless Processing in SASEC

Electronic filing – digital uploads -- data exchange

Electronic exchange of pre-arrival data between Customs Administrations being discussed to improve risk management

Exchange between National Single Windows, going forward

Scenario analysis* of the impact of trade facilitation implementation in Asia and the Pacific revealed that:

- If paperless and cross-border paperless trade measures are implemented in addition to the WTO TFA measures, trade costs could be reduced by up to 26%.

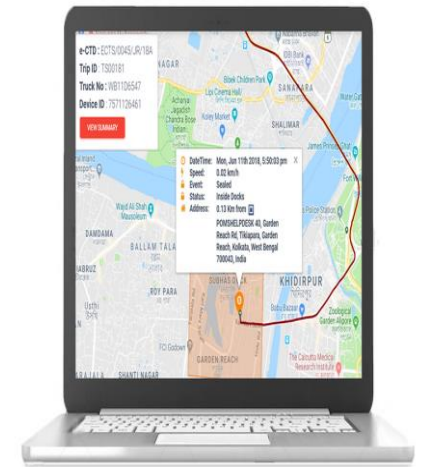- *UNESCAP - Impact of implementation of digital trade facilitation on trade costs*

Facilitation of
Nepal Transit Cargo through India

Before the Pilot
- Manual process
- Excessive documentation
- Delay in discharge of bonds
- Lack of visibility
- Inadequate security and monitoring capability

- Using ECTS (E-Seals with GNSS facility), and
- Web application with –
  - Provision for filing declaration & supporting documents, scrutiny and approval by customs
  - Tracking facility for regulators and other stakeholders (as per access privileges granted).
  - Dashboards for Customs officers and private sector
  - Fee payment for use of ECTS facility

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Thank you