

Trade Digitalization in Asia and the Pacific: State of Play

& Update on the Framework Agreement on Facilitation of Cross-Border Paperless Trade (CPTA)

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UN Global Survey on Digital and Sustainable Trade Facilitation



2023
5th Global Survey

- Biennial since 2015 - the latest 5th Survey covering 163 countries (47 Asia-Pacific countries)
- Conducted jointly by UN Regional Commissions (ECA, ECE, ECLAC, ESCAP, ESCWA) and UNCTAD
- Monitor progress on TF: enable evidence-based policy-making + identify areas for capacity building / tech assistance



Survey scope: WTO TFA+

60 trade facilitation measures in 4 groups & 11 sub-groups

General TF

Transparency, Formalities, Transit,
Institutional arrangement and cooperation,

Digital TF

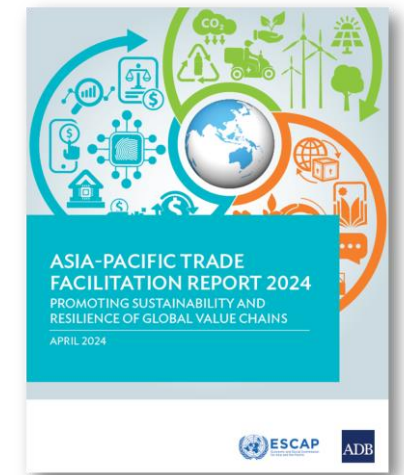
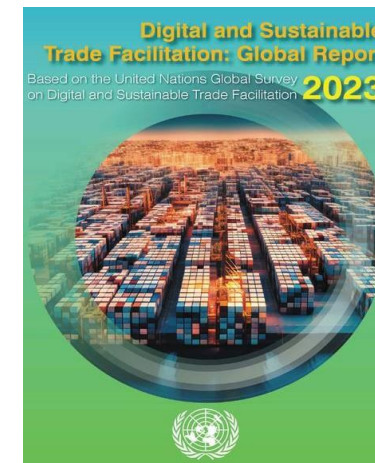
Paperless trade
Cross-border paperless trade

Sustainable TF

Small and Medium Enterprises (SMEs)
Agricultural Sector, Women in TF

Other TF

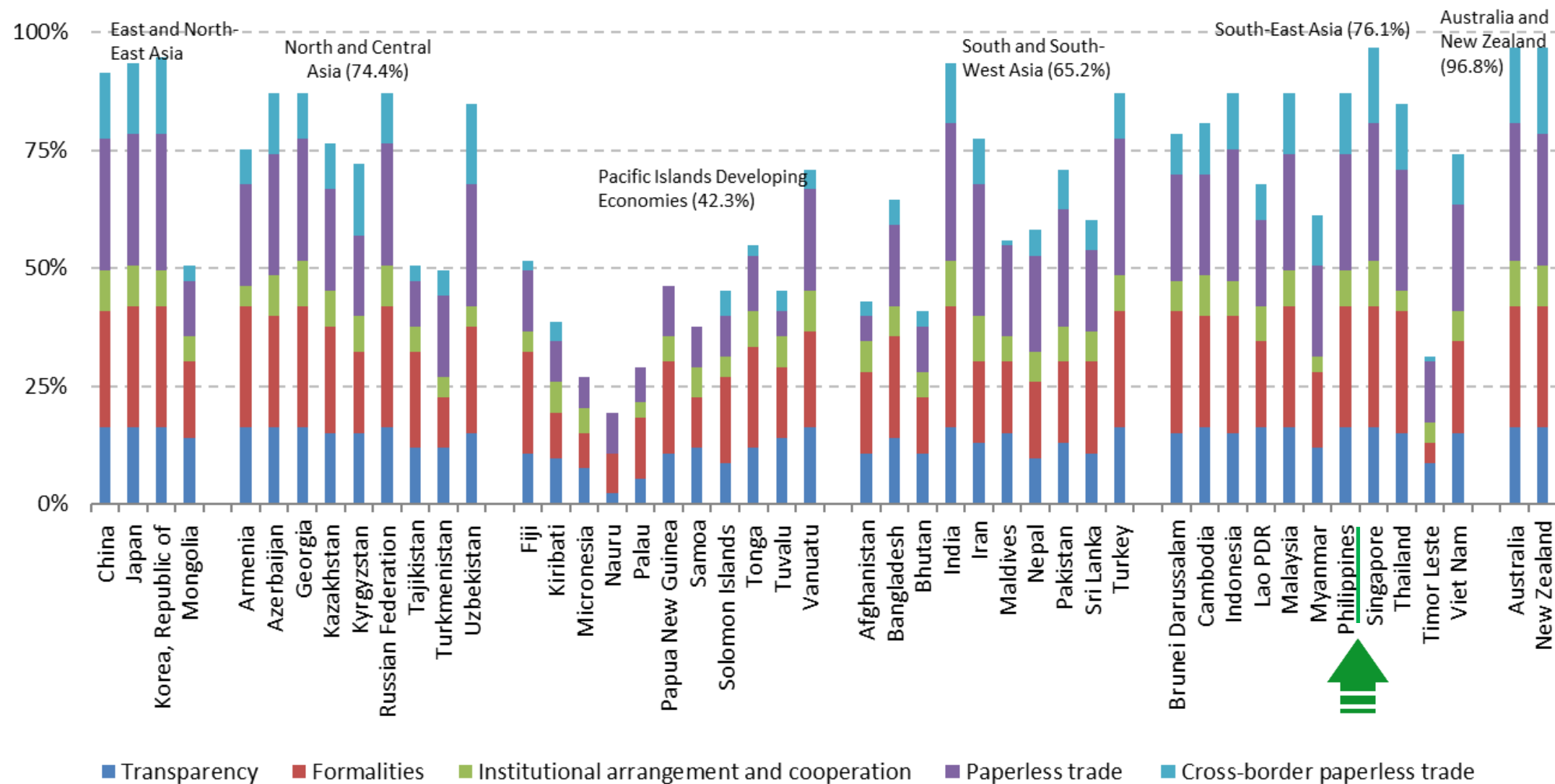
Trade finance
TF in times of crisis



website:

[UNTFSURVEY.ORG](https://untfsurvey.org)

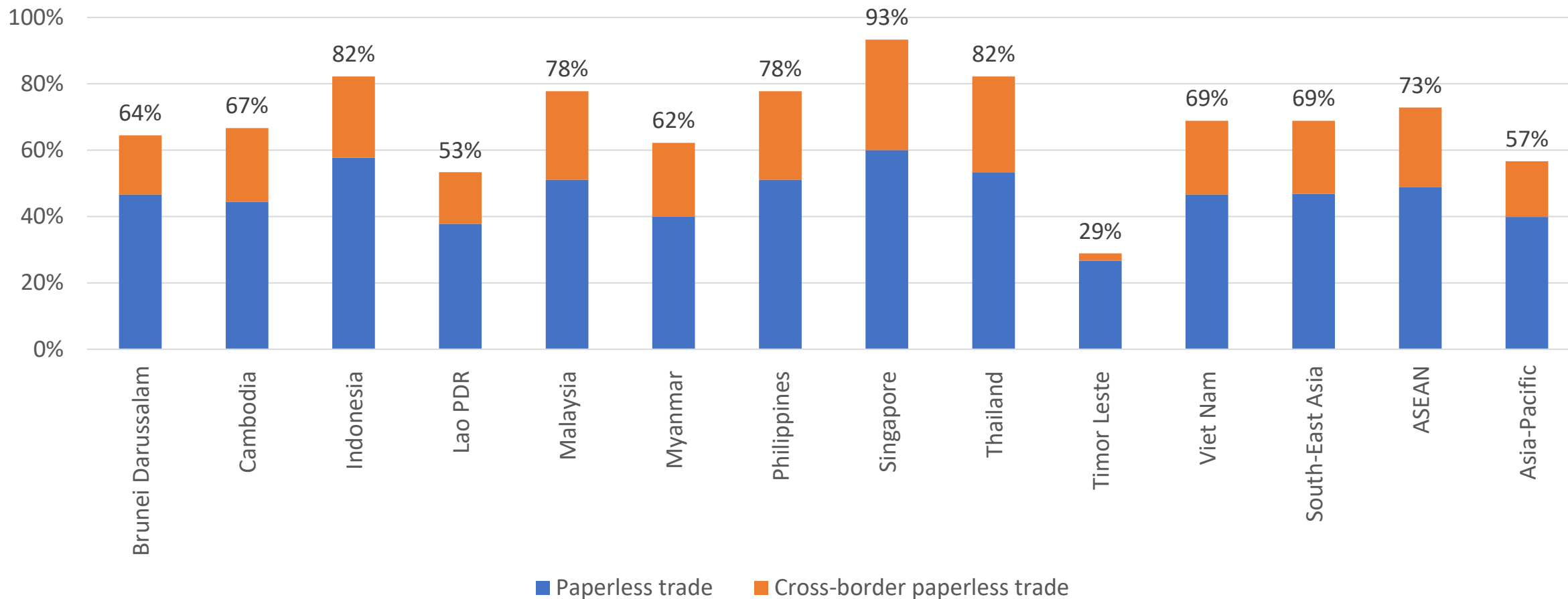
Implementation varies greatly between subregions and countries



Source: The UN Global Survey on Digital and Sustainable Trade Facilitation, 2023.

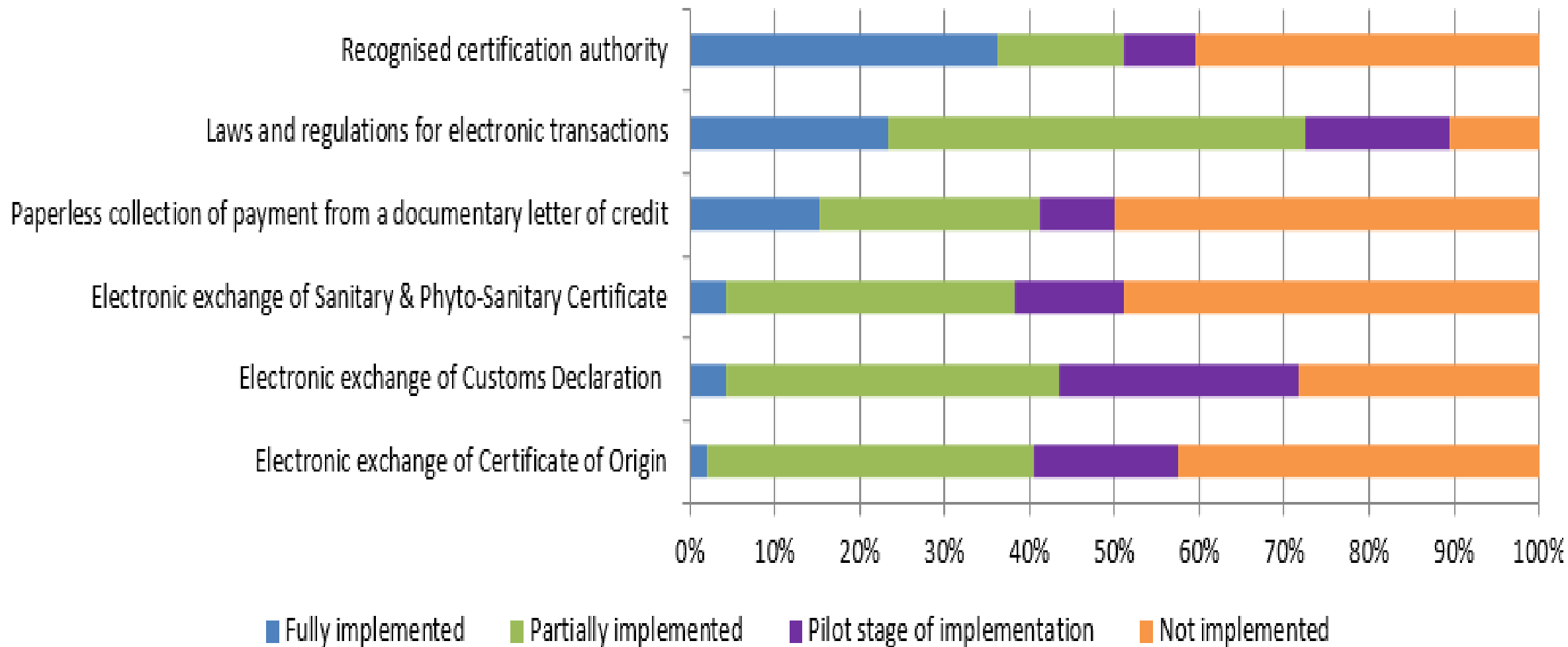
UN Trade Digitalization Index

State of implementation of trade procedure digitalization in South-East Asian countries



Source: tdi.digitalizetrade.org

Cross-border paperless trade implementation remains a challenge (at the global level)



Source: UN Global Survey Report on Digital and Sustainable Trade Facilitation 2023

Challenges to Moving forward on Cross-border Paperless Trade



International Standards



Harmonization of legal frameworks



Capacity gaps among the parties (infrastructure & HR)



Cooperation between public and private sectors



Lack of intergovernmental coordination mechanism



Framework Agreement on the Facilitation of Cross-Border Paperless Trade in Asia and the Pacific (CPTA)

□ A UN Treaty: enabling and action-oriented

- ✓ Open to interested (53) ESCAP member states (voluntary) to become parties
- ✓ Developed in and by Asia (South-South cooperation) for Asia and the World

□ Objective

- ✓ 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
- ✓ Complementary to the WTO Trade Facilitation Agreement (TFA) as well as (sub)regional efforts



Framework Agreement on the Facilitation of Cross-Border Paperless Trade in Asia and the Pacific (CPTA)

- 100+% growth in ratification since entry into force in 2021
- Strong participation of landlocked countries
- Need more involvement of ASEAN and South Asian countries

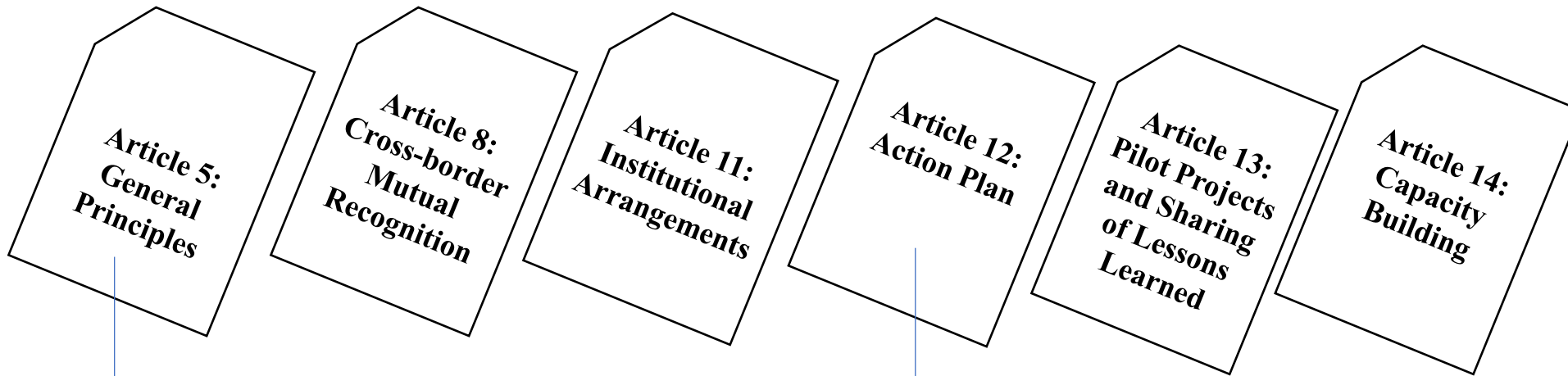
Participant	Signature	Ratification, Acceptance(A), Approval(AA), Accession(a)
Armenia	22 Sep 2017	
Azerbaijan		2 Mar 2018 a
Bangladesh	29 Aug 2017	13 Oct 2020
Cambodia	29 Aug 2017	
China	29 Aug 2017	22 Nov 2020 AA
Iran (Islamic Republic of)	29 Sep 2017	29 May 2020
Kyrgyzstan		20 Dec 2023 a
Mongolia		27 Jul 2022 a
Philippines		23 Dec 2019 a
Republic of Korea		28 Nov 2022 a
Russian Federation		18 Aug 2023 a
Tajikistan		8 Dec 2022 a
Timor-Leste		5 Apr 2022 a
Turkmenistan		4 May 2022 a
Tuvalu		8 Dec 2022 a
Uzbekistan		5 Nov 2024

Key Provisions of CPTA

Article 1: Objective

The objective of the present Framework Agreement is **to promote cross-border paperless trade** by enabling the exchange and mutual recognition of trade-related data and documents in electronic form and facilitating interoperability among national and subregional single windows and/or other paperless trade systems, for the purpose of **making international trade transactions more efficient and transparent while improving regulatory compliance.**

- **No requirement to exchange data and documents with (all) parties**



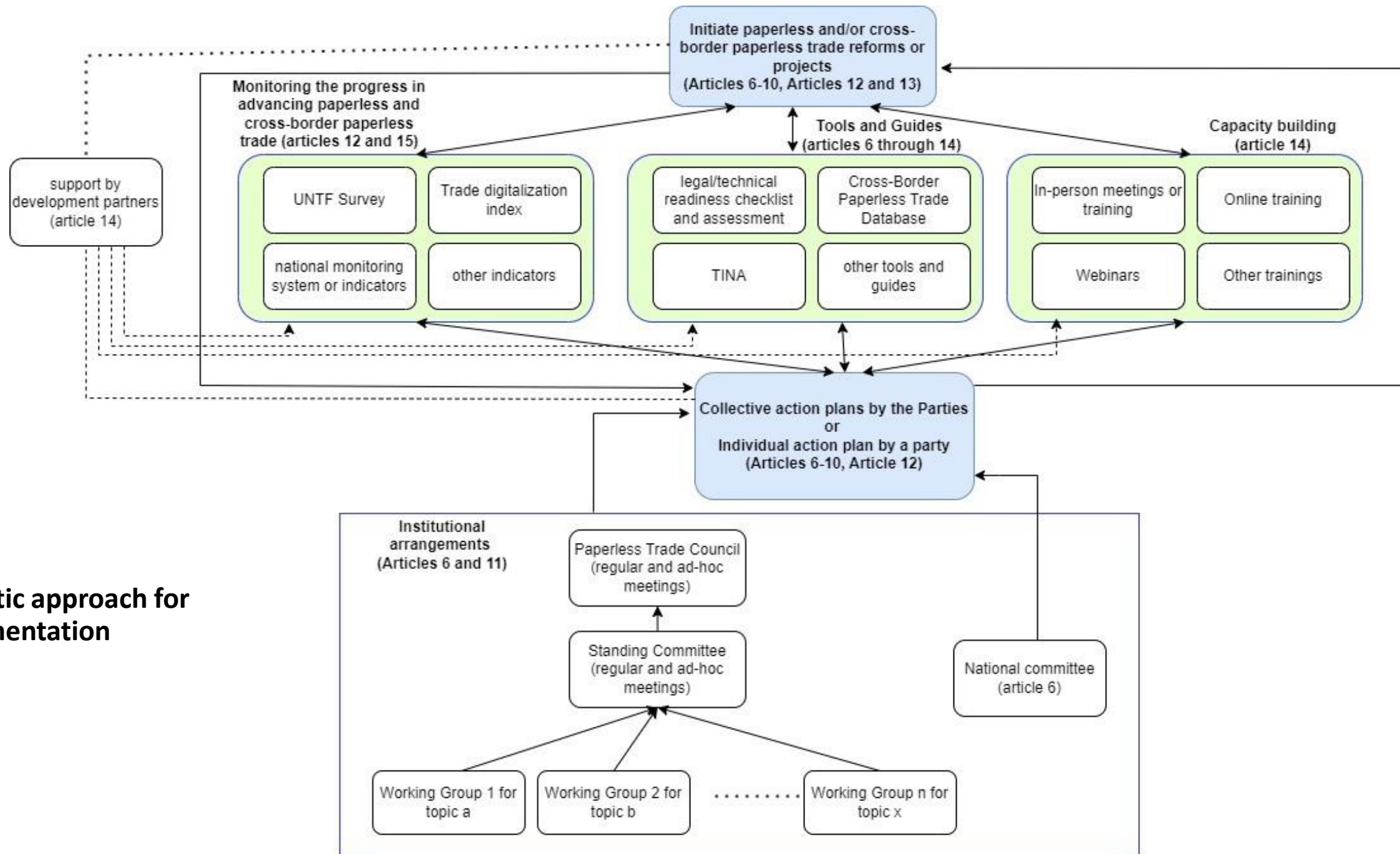
- **Fully consistent with UNCITRAL model laws and the G20 trade digitalization principles**

- **No legal or regulatory changes required prior to ratification**
- **Each party sets its own action plan and timeline for implementation once onboard**

<https://www.unescap.org/projects/cpta>

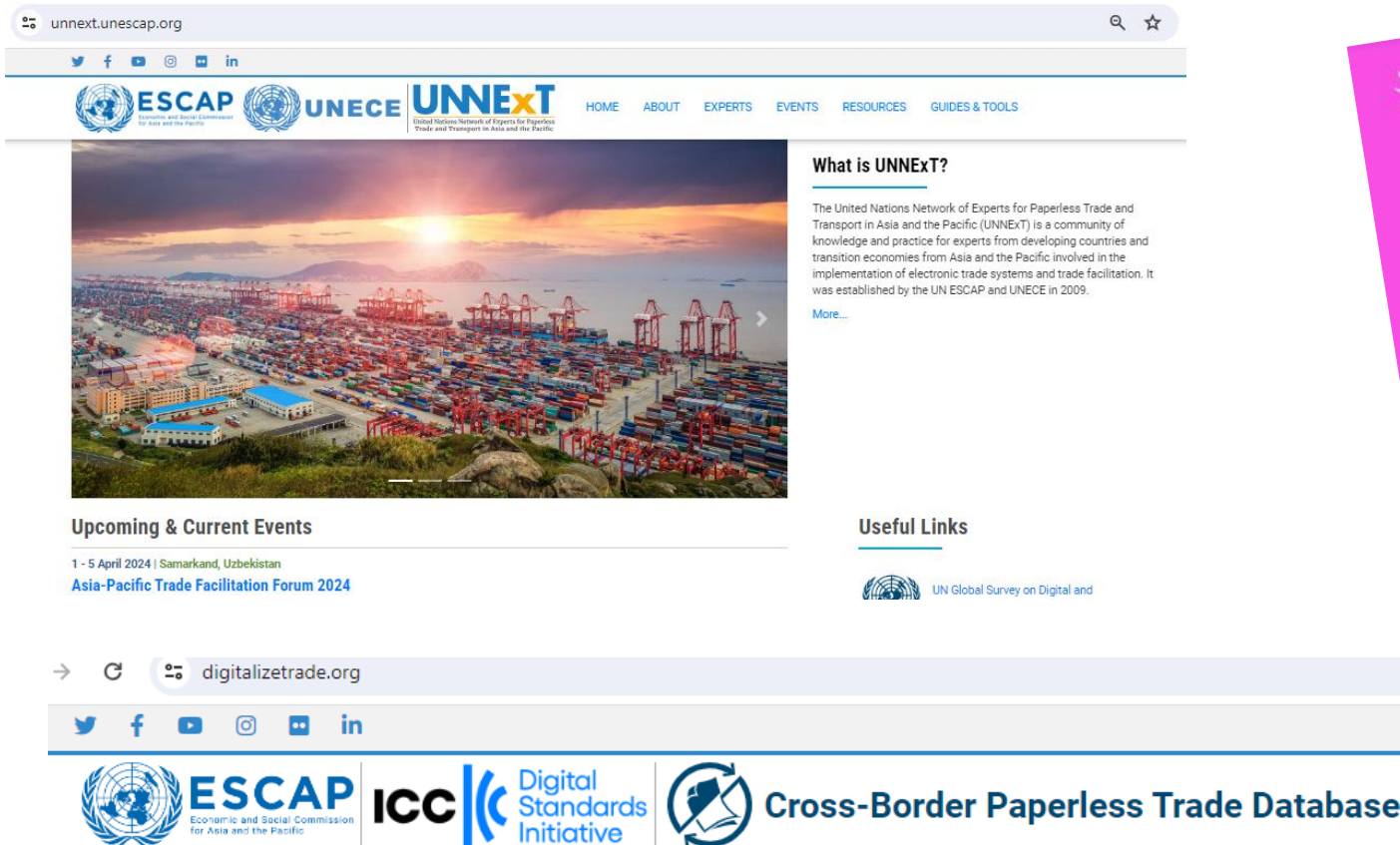
Geopolitical /Security considerations

- **CPTA is a UN treaty and NOT a preferential trade agreement**
 - no market access implications
- **CPTA is a facilitating framework and does NOT require parties to exchange trade data and documents with others**
 - Binding protocols for exchange could be negotiated under the Framework but would require separate ratification/accession by each Party



A holistic approach for implementation

Capacity building on trade digitalization



The screenshot shows the UNNEXT website (unnex.unescap.org) and the digitalizetrade.org website. The UNNEXT website features a header with logos for ESCAP, UNECE, and UNNEXT, and a main section titled "What is UNNEXT?" with a description of the network. The digitalizetrade.org website features a header with logos for ESCAP, ICC, Digital Standards Initiative, and Cross-Border Paperless Trade Database.



Based on checklists and **18+ national readiness assessments** done by ESCAP

Online courses (example):

Next-Generation Trade Facilitation: <https://www.unescap.org/training/ngtf> ; new course on SW upcoming

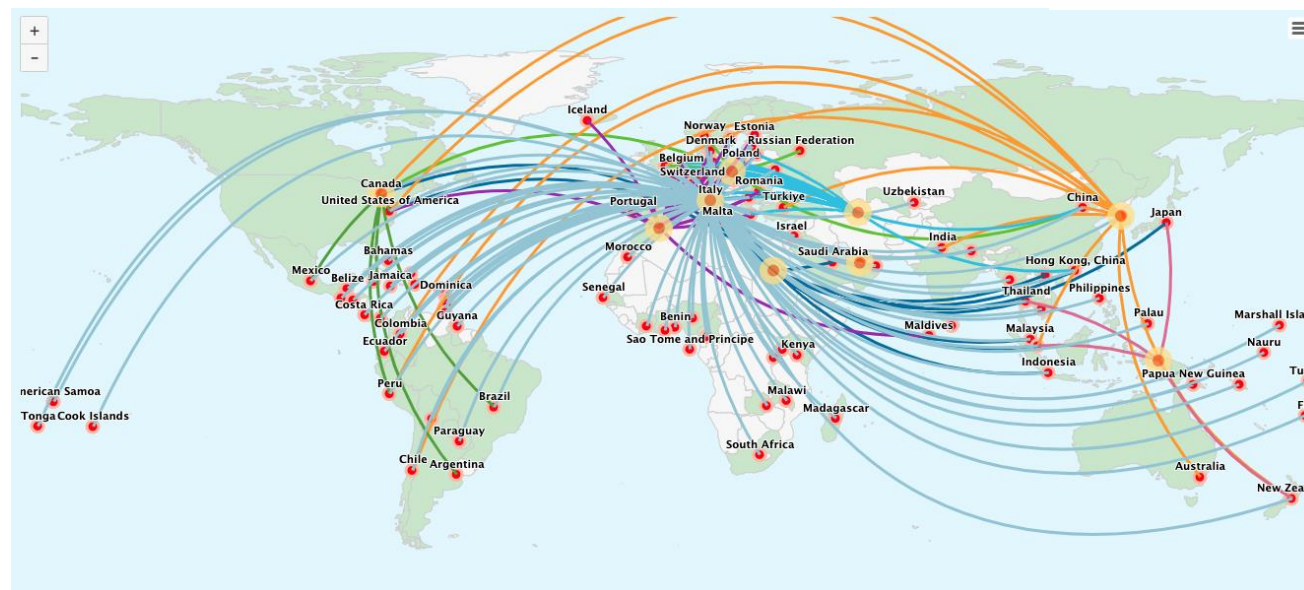
Capacity building event:

ESCAP-WCO Masterclass on e-Single Window and Data Analytics, Seoul, 23-27 Nov. 2024

Cross-Border Paperless Trade Database (digitalizetrade.org)

1. To facilitate the sharing of knowledge and expertise gained from previous and on-going **projects and services** on cross-border trade digitalization.

2. To list all the **legal instruments** available to countries to accelerate the development and harmonization of legal frameworks



3. To cover **implementation instruments** used to implement paperless trade, in particular international and industry-specific standards, technical recommendations, etc.

Urgency of acceding to CPTA

- The expansion of the CPTA membership means that implementation of CPTA will be accelerated
- Currently, the Parties are
 - reviewing/revising the Collective Action Plan
 - Discussing Mutual Recognition of Electronic Data/Docs in a dedicated CPTA Working Group
 - Discussing an initial list of recommended international standards
 - Drafting national Individual Action Plans
- Next milestone: SC and PTC meetings during the **Paperless Trade Week, 9-13 June**

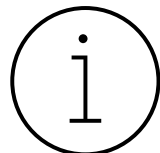


Timely accession to the UN treaty will enable countries to fully contribute to regional (and potentially global) trade digitalization solutions

Cross-border paperless trade report & databases



**ADB-ESCAP
Asia-Pacific Trade
Facilitation Report 2024**



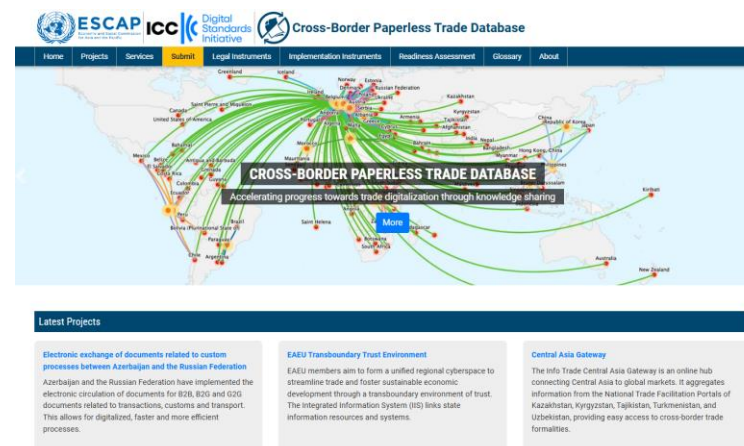
**6th UNTF Global Survey 2025
ongoing**



UNTF.SURVEY.ORG IS A JOINT INITIATIVE OF THE UN REGIONAL COMMISSIONS AND UNCTAD

To help countries benchmark and reduce the time and cost of trading across borders, the UN Regional Commissions and UNCTAD jointly conduct the UN Global Survey on Digital and Sustainable Trade Facilitation. The Survey currently covers over 160 economies around the globe, and 60 digital and sustainable trade facilitation measures. The forward looking set of measures include those featured in the WTO's Trade Facilitation Agreement (TFA), as well as in emerging regional and global initiatives on paperless trade or e-trade, such as the Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific (CPTA). It also includes measures designed to ensure more inclusive participation in trade, such as measures specifically targeted at SMEs or women traders. The Survey leads to the production of a Global Report and Regional Reports, which aim at providing insightful information for policy makers to harness trade as a key means of implementation of the 2030 Agenda for Sustainable Development. The Survey is conducted in collaboration with a growing number of global and regional partners, since 2015 and every two years. On this website you can visualize the results - please make a selection:

UNTF Survey database – www.untfsurvey.org



Cross-border Paperless Trade database – digitalizetrade.org

Thank you for your attention



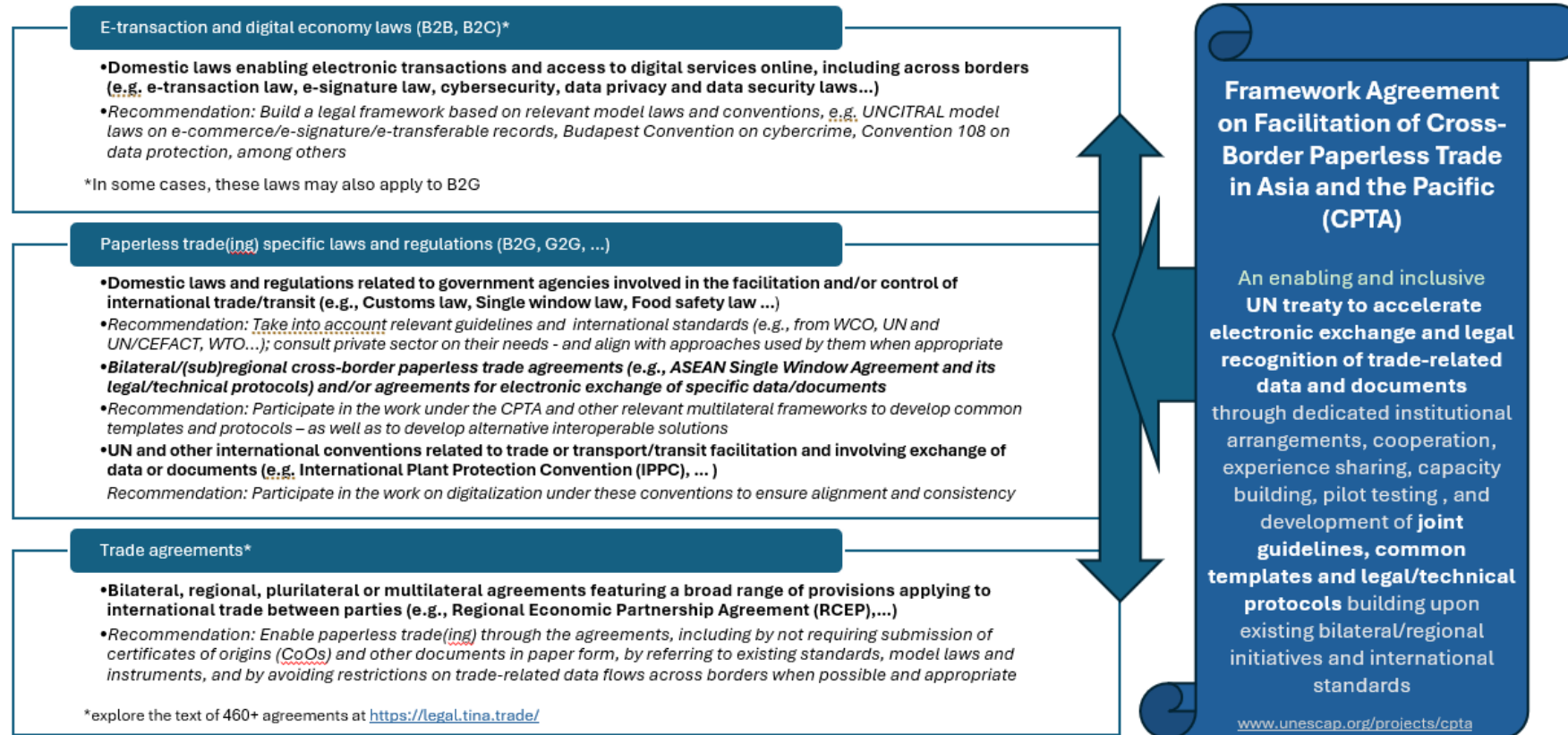
ESCAP
Economic and Social Commission
for Asia and the Pacific

<https://www.unescap.org/blog/identifying-key-elements-legal-framework-cross-border-paperless-trade>

A framework for analysis

Key elements of the legal framework for cross-border paperless trade

(including core recommendations and role of the CPTA)



Recommendation: To the extent possible, ensure consistency across laws and regulations in the three areas to achieve seamless flow of goods through international supply chains

Source: United Nations ESCAP

Source: Duval and Xue, Identifying key elements of the legal framework for cross-border paperless trade, <https://www.unescap.org/blog/identifying-key-elements-legal-framework-cross-border-paperless-trade>

Overview of Provisions



CPTA: Contents

Preamble

Articles 1 to 16: Substantive clauses

Article 1: Objective

Article 2: Scope

Article 3: Definitions

Article 4: Interpretation

Article 5: General principles

Article 6: National Policy Framework, Enabling Domestic Legal Environment and Paperless Trade Committee

Article 7: Facilitation of Cross-border Paperless Trade and Development of national Single Window(s)

Article 8: Cross-border Mutual Recognition of Trade-related Data and Documents in Electronic Form

Article 9: International Standards for Exchange of Trade-related Data and Documents in Electronic Form

Article 10: Relation with Other Legal Instruments Enabling Cross-Border Paperless Trade

Article 11: Institutional Arrangements

Article 12: Action Plan

Article 13: Pilot Projects and Sharing of Lessons Learned

Article 14: Capacity Building

Article 15: Implementation of the present Framework Agreement

Article 16: Other agreements in force

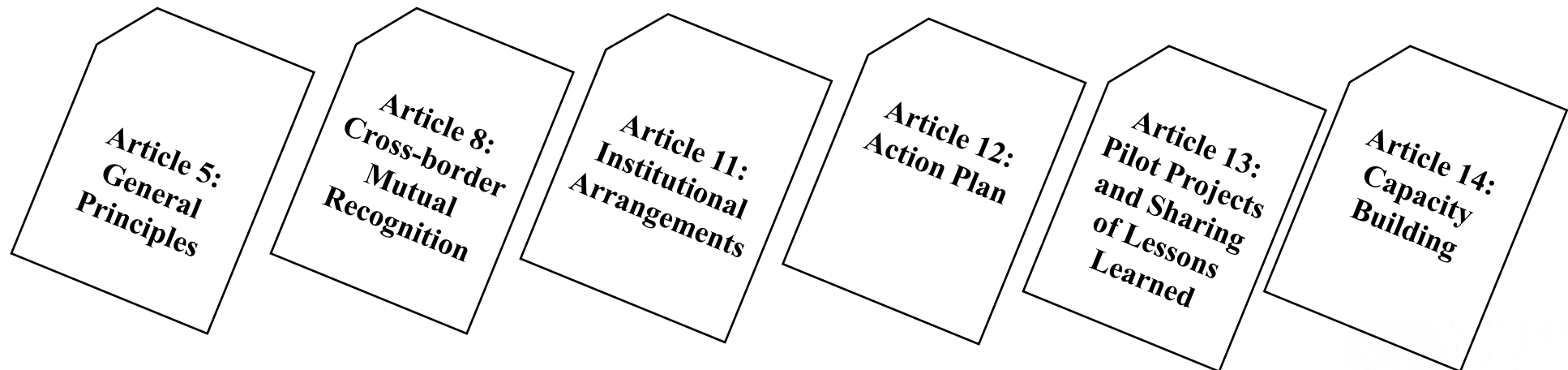
Articles 17 to 25: Final clauses



Overview of Provisions: Key Provisions

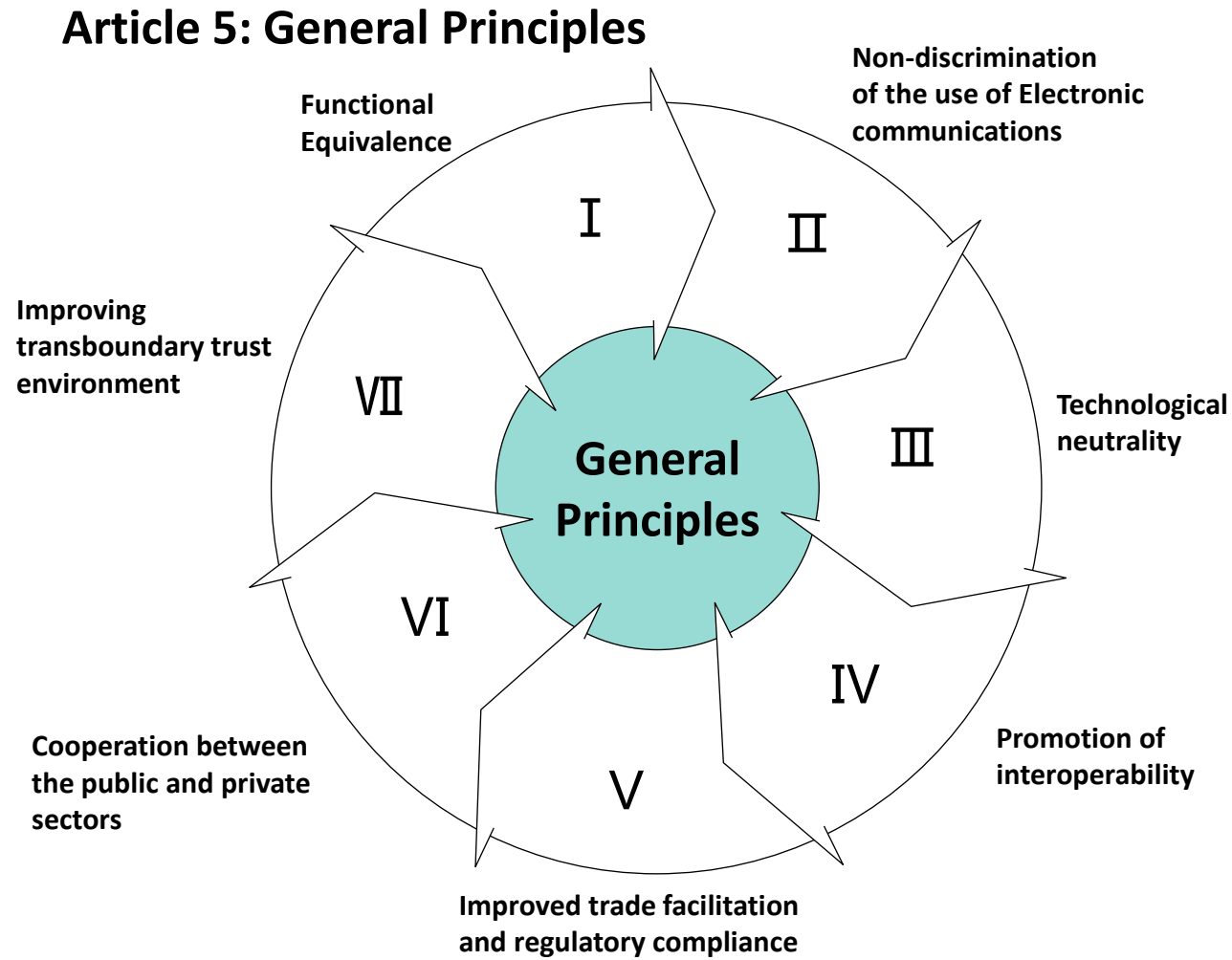
Article 1: Objective

The objective of the present Framework Agreement is **to promote cross-border paperless trade** by enabling the exchange and mutual recognition of trade-related data and documents in electronic form and facilitating interoperability among national and subregional single windows and/or other paperless trade systems, for the purpose of **making international trade transactions more efficient and transparent while improving regulatory compliance.**



<http://www.unescap.org/resources/framework-agreement-facilitation-cross-border-paperless-trade-asia-and-pacific>

Article 5: General Principles



Overview of Provisions: Cross-border mutual recognition

Article 8: Cross-border mutual recognition of trade-related data and documents in electronic form

1. The Parties shall provide for mutual recognition of trade-related data and documents in electronic form originating from other Parties on the basis of a substantially equivalent level of reliability.
2. The substantially equivalent level of reliability would be mutually agreed upon among the Parties through the institutional arrangement established under the present Framework Agreement.
3. The Parties may enter into bilateral and multilateral arrangements to operationalize cross-border mutual recognition of trade-related data and documents in electronic form, in a manner consistent with the principle of the transboundary trust environment and all the other general principles, provided that the provisions of these bilateral and multilateral arrangements do not contradict the present Framework Agreement.



Overview of Provisions: Action plan

Article 12: Action plan

1. The Standing Committee, under the supervision of the Paperless Trade Council, shall develop a comprehensive action plan
2. The implementation schedule for each Party shall be developed as part of the action plan based on a self-assessment of their readiness.



Overview of Provisions:

Pilot projects and sharing of lessons learned

Article 13: Pilot projects and sharing of lessons learned

1. The Parties shall endeavor to initiate and launch pilot projects on cross-border exchange of trade-related data and documents in electronic form, among customs and other regulatory agencies. The Parties shall collaborate on such pilot projects through the institutional arrangements established under the present Framework Agreement.
2. The Parties shall report to the Standing Committee on the progress of pilot projects to facilitate the sharing of experience and lessons learned and to establish a collection of best practices for interoperability of cross-border exchange of trade-related data and documents in electronic form. The exchange of experience and lessons learned would extend beyond the Parties to the present Framework Agreement, to the extent possible and as appropriate, in an effort to promote paperless trade implementation throughout the region and beyond.

Overview of Provisions: Capacity building

Article 14: Capacity-building

1. The Parties may cooperate to provide technical support and assistance to each other in order to facilitate the implementation of the present Framework Agreement.
2. The Parties may collaborate on capacity-building through the institutional arrangements established under the present Framework Agreement.
3. The Parties shall give special consideration to requests from least developed and landlocked developing countries for technical assistance and cooperation arrangements designed to assist them in developing their paperless trade capacity and in taking full advantage of the potential benefits of the present Framework Agreement.
4. The Parties may invite development partners for more effective technical and financial assistance in the implementation of the present Framework Agreement.



Overview of Provisions:

Provisions for promoting cross-border interoperability

Article 9 International standards for exchange of trade-related data and documents in electronic form

1. The Parties shall endeavor to apply international standards and guidelines in order to ensure interoperability in paperless trade and to develop safe, secure and reliable means of communication for the exchange of data.
2. The Parties shall endeavor to become involved in the development of international standards and best practices related to cross-border paperless trade.

Article 10 Relation to other legal instruments enabling cross-border paperless trade

1. The Parties may, where appropriate, adopt relevant international legal instruments concluded by United Nations bodies and other international organizations.
2. The Parties shall endeavor to ensure that the cross-border exchange of trade-related data and documents in electronic form is consistent with international law as well as regional and international regulations and best practices, as identified by the institutional arrangements established under the present Framework Agreement.

Overview of Provisions: Provision on Single Window

Article 7: Facilitation of cross-border paperless trade and development of single-window systems

1. The Parties shall endeavor to facilitate cross-border paperless trade by enabling exchange of trade-related data and documents in electronic form, utilizing the existing systems in operation or creating new systems.
2. The Parties are encouraged to **develop single-window systems** and use them for cross-border paperless trade. In developing single-window systems or upgrading existing ones, the Parties are encouraged to make them consistent with the general principles provided in the present Framework Agreement.

Significant room to cut trade costs through trade digitalization

Trade digitalization can *reduce trade costs in the ASEAN by approximately 9%*.

ASEAN : trade costs model	WTO TFA (binding only)		WTO TFA (binding + non binding)		WTO TFA+ (binding + non binding + other paperless and cross-border paperless trade)	
	Partially implemented	Fully implemented	Partially implemented	Fully implemented	Partially implemented	Fully implemented
Model 1						
Overall trade facilitation	-0.13%	-1.87%	-0.19%	-3.06%	-2.49%	-8.95%
Model 2						
General trade facilitation measures	-0.10%	-1.40%	-0.10%	-1.90%	-0.18%	-2.30%
Digital trade facilitation measures	-	-	-0.08%	-0.65%	-2.36%	-6.35%

Source: Digital and Sustainable Trade Facilitation in the ASEAN, 2023.

General equilibrium results on export growth, real wage growth and growth in producer price (in %) from WTO TFA+ Trade Digitalization



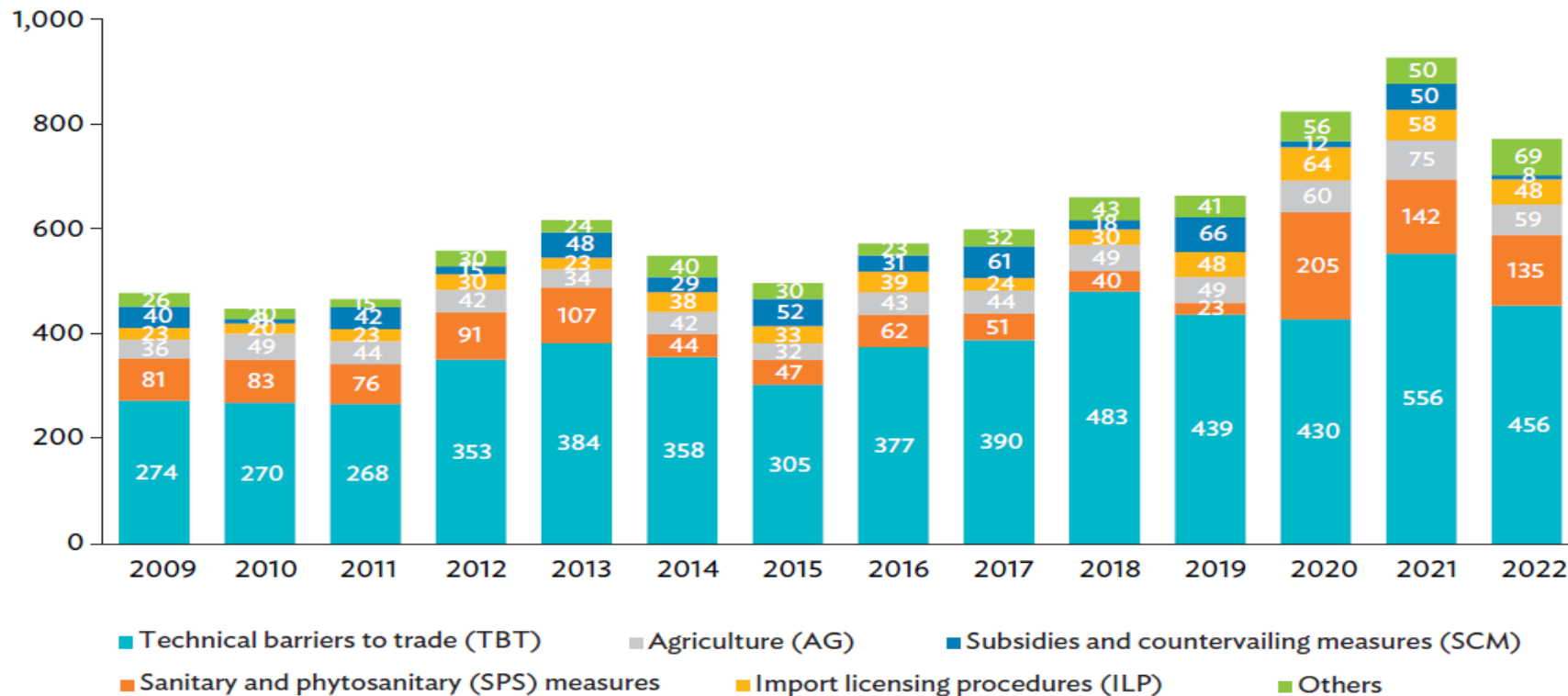
Country	Export growth		Real wage growth		Growth in producer's prices	
	Partially implemented	Fully implemented	Partially implemented	Fully implemented	Partially implemented	Fully implemented
Brunei Darussalam	4.17%	10.93%	1.62%	4.40%	-0.65%	-1.74%
Cambodia	6.47%	14.35%	2.54%	6.21%	-1.44%	-3.83%
Indonesia	4.55%	15.06%	0.17%	0.59%	-0.04%	-0.49%
Lao PDR	11.11%	28.53%	1.82%	4.98%	-1.12%	-3.11%
Malaysia	2.98%	7.14%	1.87%	4.83%	-0.93%	-2.57%
Philippines	2.45%	17.90%	0.14%	1.07%	-0.19%	-1.41%
Thailand	2.51%	9.48%	0.42%	1.67%	-0.15%	-0.93%
Viet Nam	3.67%	10.43%	3.36%	10.70%	-1.81%	-5.70%

Source: Author's calculations based on Duval and Utoktham (2024), "Partial and General Equilibrium Impacts of Trade Digitalization using Structural Gravity Model", online available at <https://repository.unescap.org/handle/20.500.12870/7374>

Environment-related notifications to WTO are on the rise

Most provisions fall under Agreements on Technical Barriers to Trade, Sanitary and Phytosanitary Measures

Number of environment-related notifications by WTO Agreement, 2009 – 2022



Source: WTO. Environmental Database. <https://edb.wto.org/notifications> (accessed 15 December 2023).

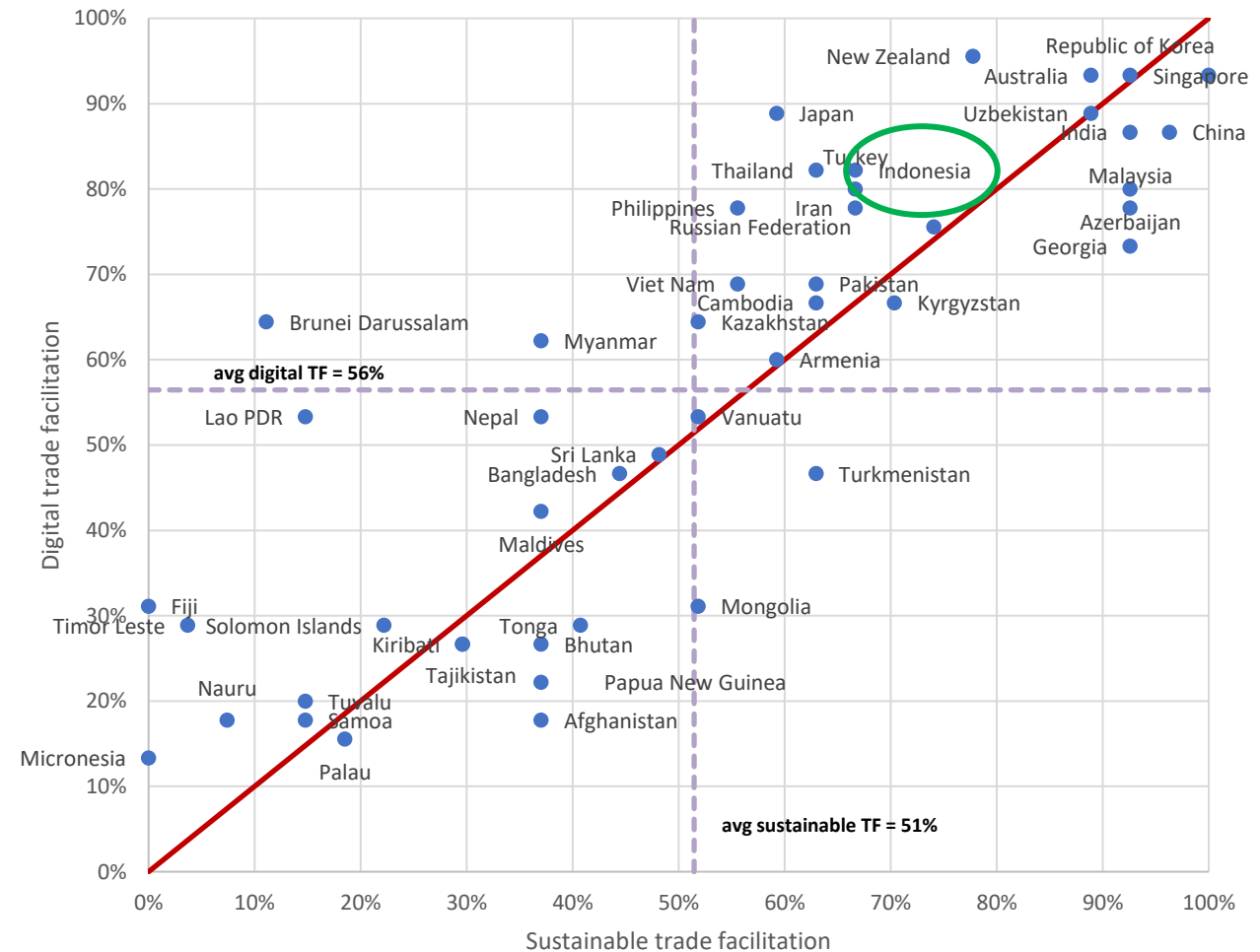
Synergetic opportunities between digital and sustainable



- A strong positive correlation between the digital and sustainable TF
- Forward-looking: Climate smart trade achieved through trade digitalization

“Each single end-to-end trade transaction undertaken fully digitally could save emissions equivalent to planting 1.5 trees. For the whole of Asia-Pacific, this implies savings of about 13 million tons of CO2 annually, equivalent to the carbon absorbed by 400 million trees.”

Source: www.unescap.org/kp/APTIR2021



Source: ADB/ESCAP, 2024. Asia-Pacific Trade Facilitation Report 2024.



Various trade facilitation measures can be matched with specific sustainability and resilience objectives

Factors	Role of Trade Facilitation	Examples of Trade Facilitation Measures
GVC Sustainability		
Supply Chain Transparency and Traceability	Enhance transparency and flow of cross border information exchange on supply chain events.	Traceability for Sustainable Trade: A Framework to design Traceability Systems for Cross Border Trade
Sustainable Sourcing and Material Use	Allow better access to production inputs that are sustainably sourced.	Streamlined border controls and simplified procedures for inputs and materials that are sustainably sourced. UN ECE Sustainable Procurement
Environmental Standards Compliance	Ensure environmental sustainability and prevention of illegal trade environmentally destructive commodities and substances like hazardous waste and endangered species.	Green Customs Initiative ; WTO Agreement on Fisheries Subsidies .
GVC Resilience		
Supply Chain Visibility and Transparency	Enhances transparency through improved customs procedures and better information sharing across borders	APEC List of Environmental Goods , WCO's HS classification for COVID-19 medical supplies , ADB's Supply Chain Maps for Pandemic-Fighting Products ,
Diversification	Helps firms better access and establish relationships with international partners	Most trade facilitation measures help reduce trade costs, leading to enhanced export diversification
Flexible Production and Logistics	Supports the agility needed in logistics and supply management through simplified procedures and faster border crossings	Authorized operators (specified in WTO TFA)
Technological Adoption	Paperless trade facilitation supports the seamless flow of data and goods across borders	UN Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (CPTA)
Regulatory Compliance and Standards	Making compliance easier by harmonizing standards and regulations	ICC Digital Standards Initiative , ISSB Sustainability Disclosure standards , UNCITRAL Model Law on Electronic Transferable Records
Financial Strength and Flexibility	Easier access to trade finance can support the financial stability of businesses in GVCs.	G20 support for trade finance , national and regional trade finance measures

Source: ADB-ESCAP Trade Facilitation Report 2024

Realizing trade digitalization: a dedicated UN treaty for Asia-Pacific countries

Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (CPTA)

A UN Treaty: enabling and action-oriented TF

- ▶ Open to interested (53) ESCAP Member states to become parties
- ▶ Entered into force in 2021

Objective of the CPTA

- ▶ Facilitate cross-border paperless trade (data exchange) among willing ESCAP member States by providing a dedicated intergovernmental framework to develop legal and technical solutions
- ▶ Complementary to the WTO Trade Facilitation Agreement (TFA) as well as (sub)regional efforts

14 Parties and several more in the domestic process



Source: <https://www.unescap.org/kp/cpta>

Key elements of the legal framework for cross-border paperless trade

(including core *recommendations* and role of the CPTA)



E-transaction and digital economy laws (B2B, B2C)*

- **Domestic laws enabling electronic transactions and access to digital services online, including across borders (e.g. e-transaction law, e-signature law, cybersecurity, data privacy and data security laws...)**
- *Recommendation: Build a legal framework based on relevant model laws and conventions, e.g. UNCITRAL model laws on e-commerce/e-signature/e-transferable records, Budapest Convention on cybercrime, Convention 108 on data protection, among others*

*In some cases, these laws may also apply to B2G

Paperless trade(ing) specific laws and regulations (B2G, G2G, ...)

- **Domestic laws and regulations related to government agencies involved in the facilitation and/or control of international trade/transit (e.g., Customs law, Single window law, Food safety law ...)**
- *Recommendation: Take into account relevant guidelines and international standards (e.g., from WCO, UN and UN/CEFACT, WTO...); consult private sector on their needs - and align with approaches used by them when appropriate*
- **Bilateral/(sub)regional cross-border paperless trade agreements (e.g., ASEAN Single Window Agreement and its legal/technical protocols) and/or agreements for electronic exchange of specific data/documents**
- *Recommendation: Participate in the work under the CPTA and other relevant multilateral frameworks to develop common templates and protocols – as well as to develop alternative interoperable solutions*
- **UN and other international conventions related to trade or transport/transit facilitation and involving exchange of data or documents (e.g. International Plant Protection Convention (IPPC), ...)**
- *Recommendation: Participate in the work on digitalization under these conventions to ensure alignment and consistency*

Trade agreements*

- **Bilateral, regional, plurilateral or multilateral agreements featuring a broad range of provisions applying to international trade between parties (e.g., Regional Economic Partnership Agreement (RCEP),...)**
- *Recommendation: Enable paperless trade(ing) through the agreements, including by not requiring submission of certificates of origins (CoOs) and other documents in paper form, by referring to existing standards, model laws and instruments, and by avoiding restrictions on trade-related data flows across borders when possible and appropriate*

*explore the text of 460+ agreements at <https://legal.tina.trade/>

Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific (CPTA)

An enabling and inclusive UN treaty to accelerate electronic exchange and legal recognition of trade-related data and documents through dedicated institutional arrangements, cooperation, experience sharing, capacity building, pilot testing, and development of **joint guidelines, common templates and legal/technical protocols** building upon existing bilateral/regional initiatives and international standards

www.unescap.org/projects/cpta

Recommendation: To the extent possible, ensure consistency across laws and regulations in the three areas to achieve seamless flow of goods through international supply chains

Source: United Nations ESCAP