



TRAD



# Main Challenges and Success Factors for Facilitating Trade in the OIC:



## Key Findings from the Second Global Survey on Trade Facilitation and Paperless Trade Survey 2017



11th Meeting of the COMCEC Trade Working Group  
Ankara, 8 March 2019



# Second Global Survey on Trade Facilitation and Paperless Trade 2017

- **Follow-up to the First UNRCs Global Survey on Trade Facilitation and Paperless Trade Implementation (2015)**
  - **Increasing number of partners, both global, regional and subregional:** UNCTAD, International Trade Centre, OECD, ADB, ASEAN, Oceania Customs Organization, Eurasian Economic Commission.
- **Objective:** *“to enable countries to better understand and monitor progress on implementation of TF, including paperless trade measures; to support evidence-based policy making, and highlight capacity building and technical assistance needs”*
  - In support of implementation of the 2030 Sustainable Development Agenda
  - as well as the WTO Trade Facilitation Agreement
  - and the growing number of paperless trade initiatives

# Second Global Survey on Trade Facilitation and Paperless Trade 2017: **Scope and Geographical Coverage**

## **38 trade facilitation measures in 4 groups:**

- General trade facilitation (TFA-related)
  - Transparency [e.g. publication of regulations on internet]
  - Formalities [e.g. application of risk management]
  - Institutional arrangement & cooperation [e.g., NTFCs]
- Transit facilitation (TFA-related)
- Paperless trade [e.g., e-customs declaration]
- Cross-border paperless trade [e.g., exchange of e-COs]

## **For 2017, newly added measures on:**

- Trade facilitation for SMEs
- Agricultural trade facilitation
- Women in trade facilitation

**Coverage: Global, 120 countries including 34 OIC members**

**COMCEC-ECE-ESCAP Report for OIC**

# Global Survey on Trade Facilitation and Paperless Trade: **Indicators**

Section A		
General TF measures	Transparency	<ul style="list-style-type: none"> <li>2. Publication of existing import-export regulations on the Internet</li> <li>3. Stakeholder consultation on new draft regulations (prior to their finalization)</li> <li>4. Advance publication/notification of new regulation before their implementation (e.g., 30 days prior)</li> <li>5. Advance ruling (on tariff classification)</li> <li>9. Independent appeal mechanism (for traders to appeal Customs and other relevant trade control agencies' rulings)</li> </ul>
	Formalities	<ul style="list-style-type: none"> <li>6. Risk management (as a basis for deciding whether a shipment will or will not be physically inspected)</li> <li>7. Pre-arrival processing</li> <li>8. Post-clearance audit</li> <li>10. Separation of Release from final determination of customs duties, taxes, fees and charges</li> <li>11. Establishment and publication of average release times</li> <li>12. Trade facilitation measures for authorized operators</li> <li>13. Expedited shipments</li> <li>14. Acceptance of paper or electronic copies of supporting documents required for import, export or transit formalities.</li> </ul>
	Institutional arrangement and cooperation	<ul style="list-style-type: none"> <li>1. Establishment of a national trade facilitation committee or similar body</li> <li>31. Cooperation between agencies on the ground at the national level</li> <li>32. Government agencies delegating controls to Customs authorities</li> <li>33. Alignment of working days and hours with neighbouring countries at border crossings</li> <li>34. Alignment of formalities and procedures with neighbouring countries at border crossings</li> </ul>

# Global Survey on Trade Facilitation and Paperless Trade: **Indicators**

<p><b>Paperless trade</b></p>	<p>15. Electronic/Automated Customs System established (e.g., ASYCUDA)          16. Internet connection available to Customs and other trade control agencies at border-crossings          17. Electronic Single Window system          18. Electronic submission of Customs declarations          19. Electronic application and issuance of trade licences          20. Electronic submission of Sea Cargo Manifests          21. Electronic submission of Air Cargo Manifests          22. Electronic application and issuance of Preferential Certificate of Origin          23. E-Payment of customs duties and fees          24. Electronic application for customs refunds</p>
<p><b>Cross-border paperless trade</b></p>	<p>25. Laws and regulations for electronic transactions are in place (e.g. e-commerce law, e-transaction law)          26. Recognized certification authority issuing digital certificates to traders to conduct electronic transactions          27. Engagement of the country in trade-related cross-border electronic data exchange with other countries          28. Certificate of Origin electronically exchanged between your country and other countries          29. Sanitary and Phytosanitary Certificate electronically exchanged between your country and other countries          30. Banks and insurers in your country retrieving letters of credit electronically without lodging paper-based documents</p>

# Second Global Survey on Trade Facilitation and Paperless Trade 2017: **Methodology**

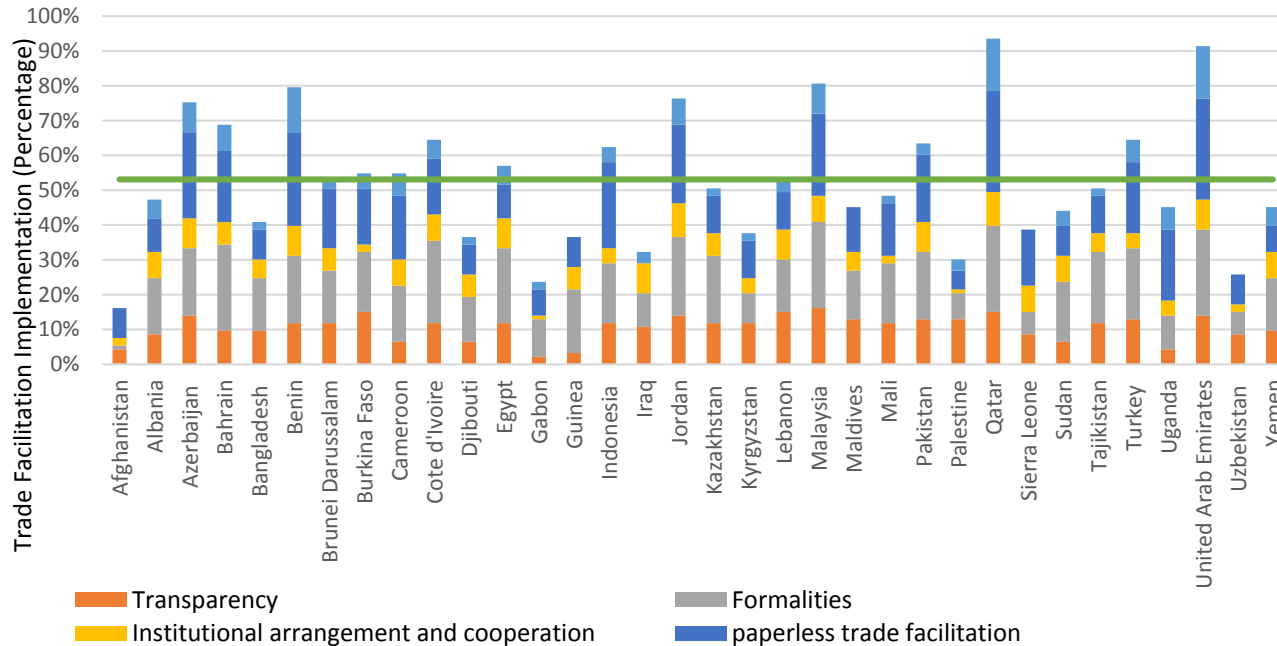
## **A three-step approach for data collection**

STEP 1: Experts and any interested parties fill the questionnaire (or update the pre-filled 2015 questionnaire)

STEP 2: UNRCs verify the data by cross-checking answers from experts, desk research, and further interviews with respondents and informants.

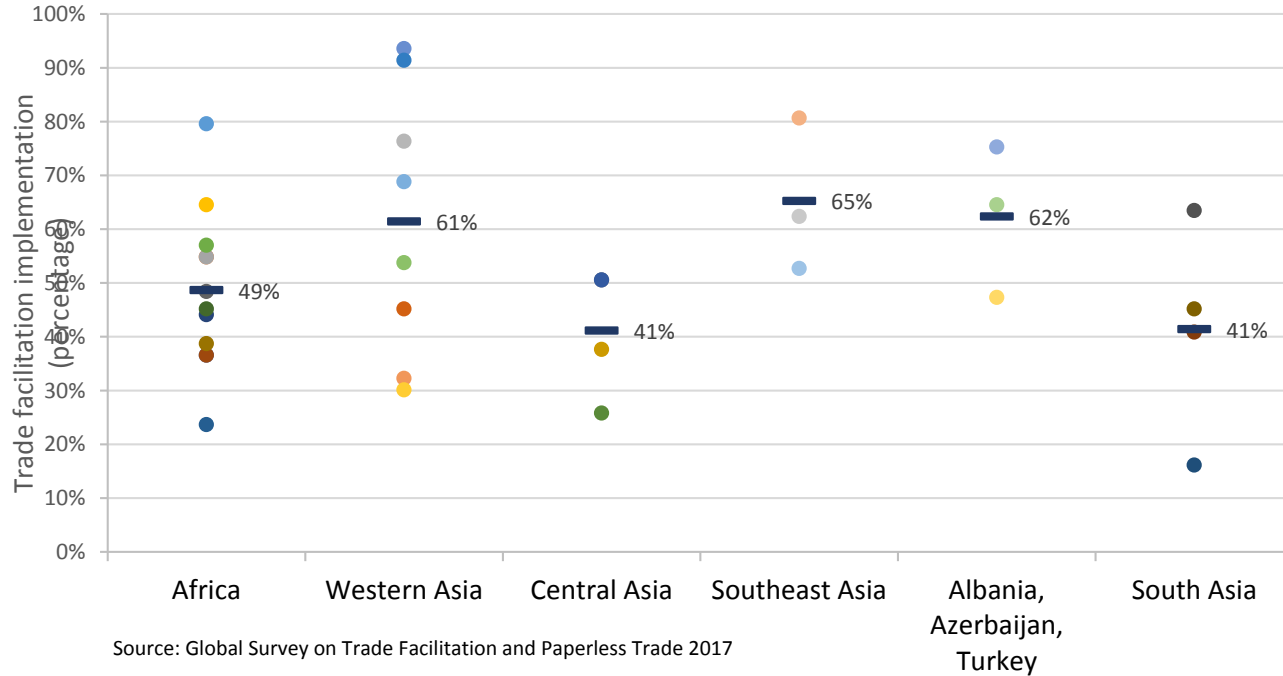
STEP 3: Some RCs sent the preliminary results to the countries for final validation.

# Overall Implementation of trade facilitation measures in OIC



Source: Global Survey on Trade Facilitation and Paperless Trade 2017

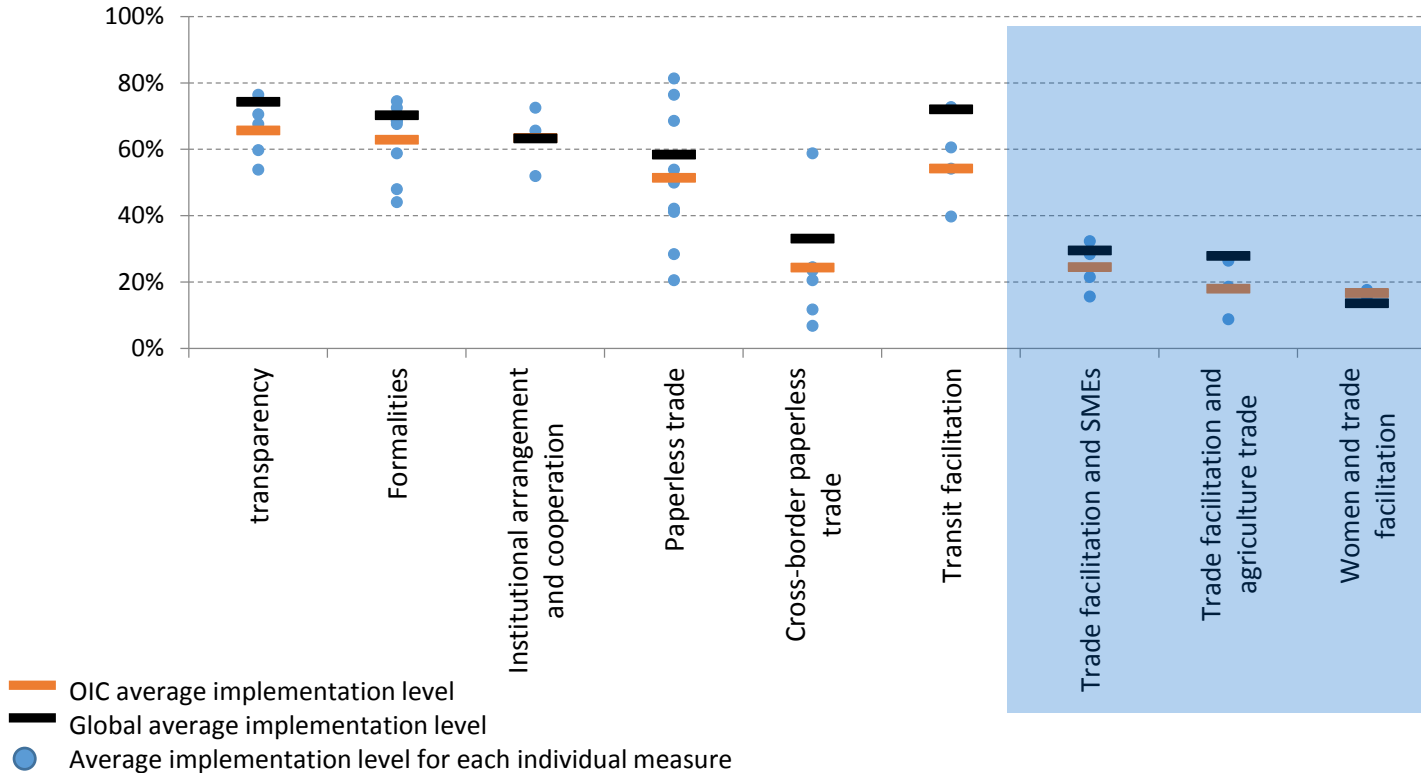
# Trade facilitation implementation in OIC regions and sub-regions



Source: Global Survey on Trade Facilitation and Paperless Trade 2017



# Implementation of different groups of trade facilitation measures in OIC



Source: Global Survey on Trade Facilitation and Paperless Trade 2017'

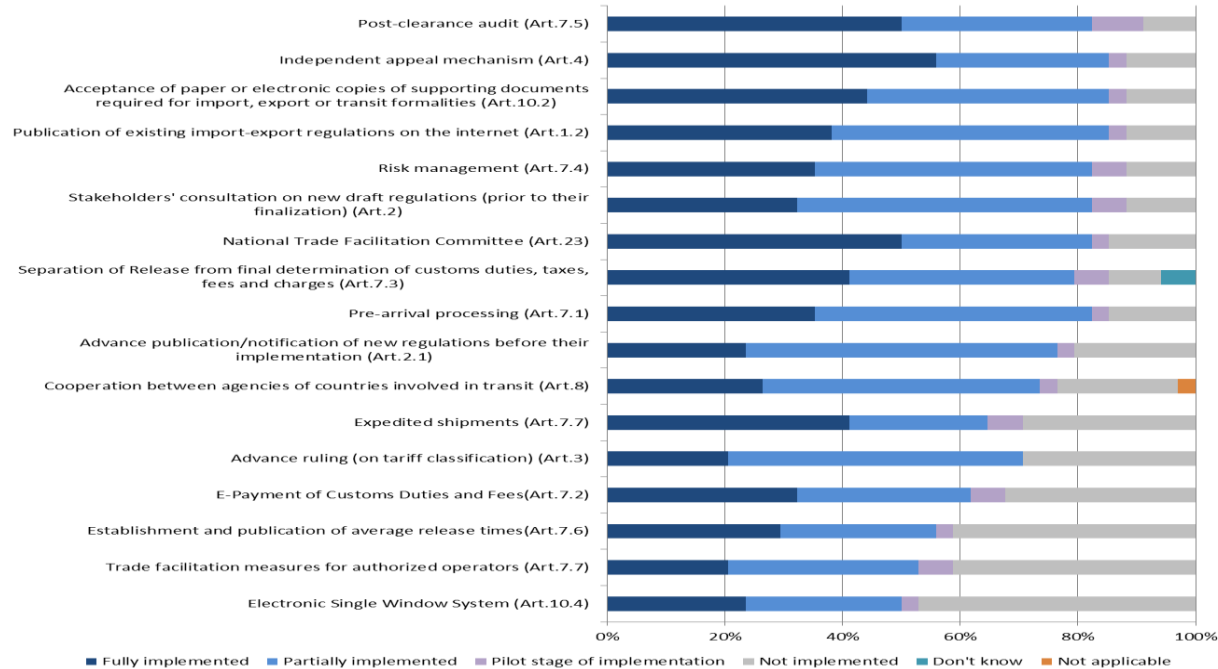
# Most and least implemented measures in OIC

Category	Most implemented (% of countries)			Least implemented (% of countries)		
	Measure	Pilot stage and Partial	Full implementation	Measure	At least pilot stage implemented	Full implementation
Transparency	Independent appeal mechanism	88	56	Advance ruling (on tariff classification)	71	21
Formalities	Post-clearance audit	91	50	Trade facilitation measures for authorized operators	59	21
Institutional arrangement and cooperation	National legislative framework and institutional arrangement are available to ensure border agencies to cooperate with each other	88	24	Government agencies delegating controls to Customs authorities	65	26
Paperless trade	Internet connection available to Customs and other trade control agencies at border-crossings	94	44	Electronic Application for Customs Refunds	26	12
Cross-border paperless trade	Laws and regulations for electronic transactions	74	32	Electronic Exchange of Sanitary & Phytosanitary Certificate	12	0

# Most and least implemented measures in OIC

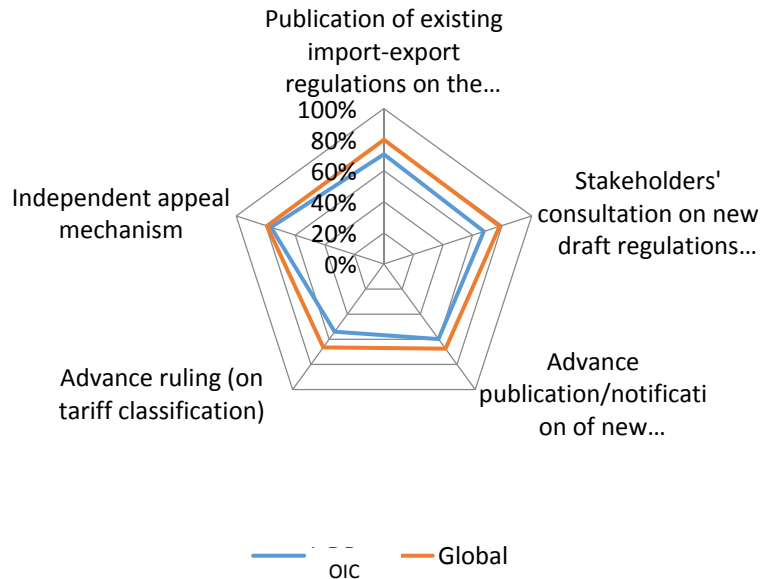
Transit facilitation	Transit facilitation agreement(s) with neighbouring country(ies)	91	29	Supporting pre-arrival processing for transit facilitation	50	9
Trade facilitation and SMEs	Government has developed trade facilitation measures that ensure easy and affordable access for SMEs to trade related information	38	12	Government has developed specific measures that enable SMEs to more easily benefit from the AEO scheme	21	12
Trade facilitation and agricultural trade	National standards and accreditation bodies are established for the purpose of compliance with SPS standards in your country	32	5	Application, verification and issuance of SPS certificates is automated	15	3
Women in trade facilitation	The existing trade facilitation policy/strategy incorporates special consideration of women involved in trade	24	9	Government has introduced trade facilitation measures to benefit women involved in trade	21	9

# Level of implementation of WTO-TFA related measures (excluding transit facilitation) in OIC



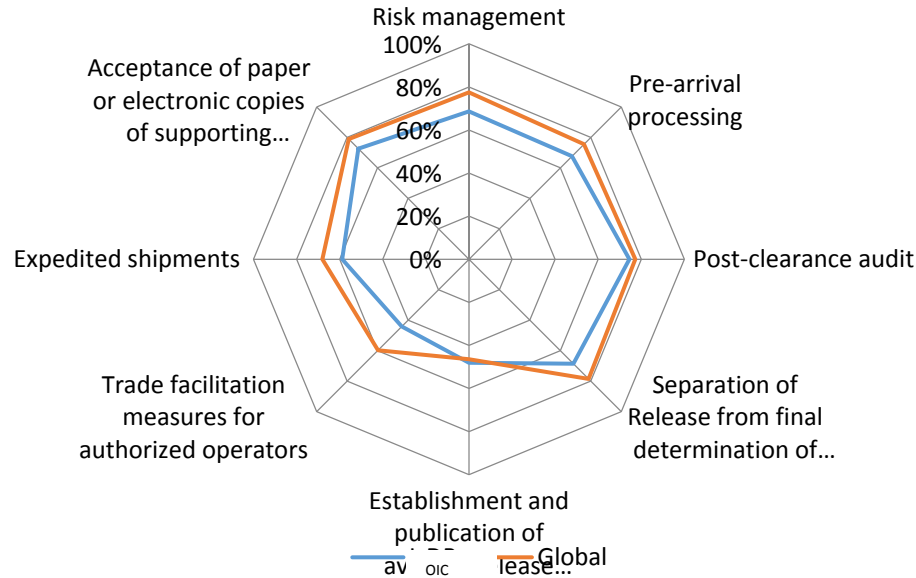
Source: Global Survey on Trade Facilitation and Paperless Trade 2017

# Global Survey on Trade Facilitation and Paperless Trade: **Transparency**



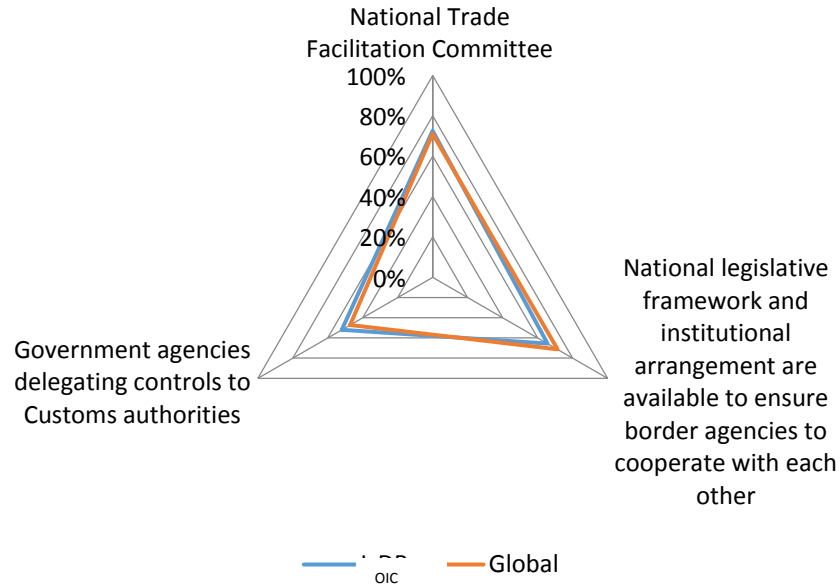
Source: Global Survey on Trade Facilitation and Paperless Trade 2017

# Global Survey on Trade Facilitation and Paperless Trade: **Formalities**



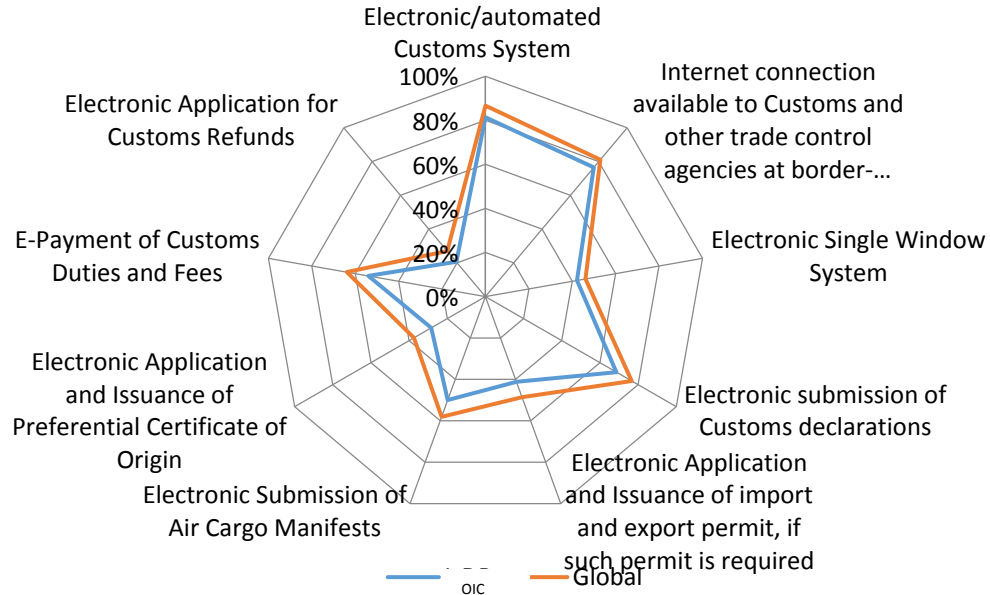
Source: Global Survey on Trade Facilitation and Paperless Trade 2017

# Global Survey on Trade Facilitation and Paperless Trade: **Institutional Arrangement**



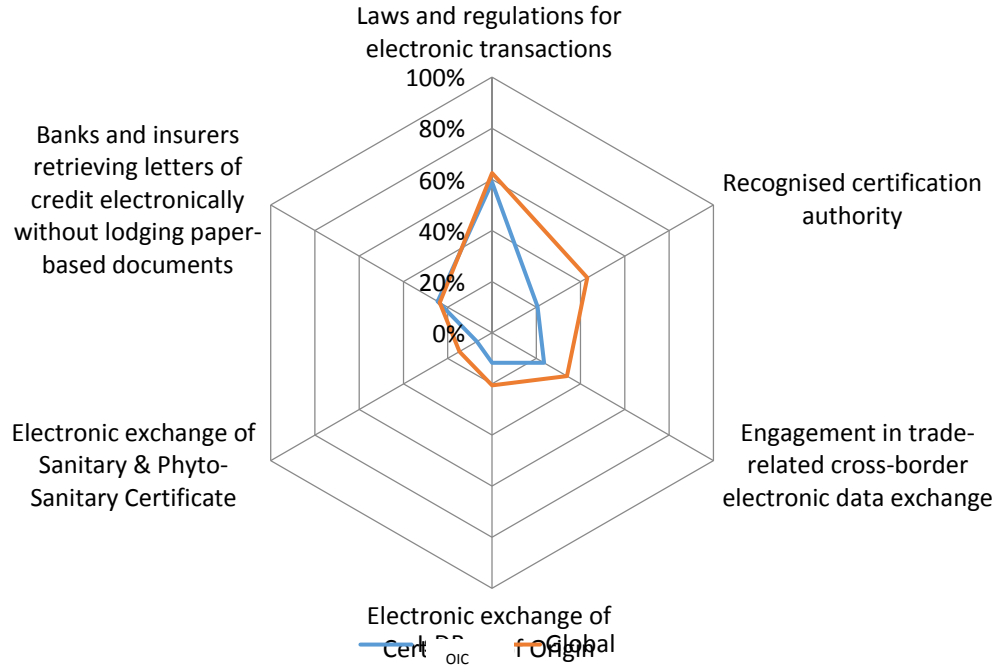
Source: Global Survey on Trade Facilitation and Paperless Trade 2017

# Global Survey on Trade Facilitation and Paperless Trade: **Paperless Trade**



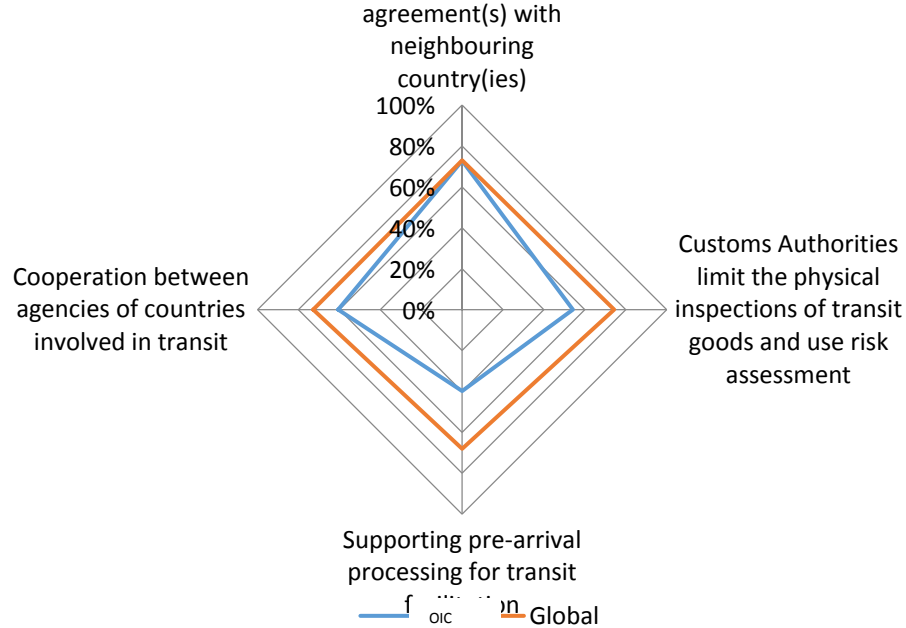


# Global Survey on Trade Facilitation and Paperless Trade: **Cross Border Paperless Trade**



Source: Global Survey on Trade Facilitation and Paperless Trade 2017

# Global Survey on Trade Facilitation and Paperless Trade: **Transit Facilitation**



# Global Survey on Trade Facilitation and Paperless Trade: **Specific challenges**

- Major reforms required in paperless trade and cross-border paperless trade categories including on :
  - Actual implementation of the measures while legal framework is partially in place.
  - Electronic issuance and submission of certificates, single window, e-payments of customs duties, manifests and licenses, (paperless trade)
  - Electronic exchange of certificate of origin, SPS certificate, trade – related cross border data, electronic letter of credit, recognized certification authority (cross border paperless trade)
- Transit facilitation (e.g. pre-arrival processing)
- Trade facilitation for SMEs and agriculture sector, facilitate women participation

# Global Survey on Trade Facilitation and Paperless Trade: **Generic challenges**

Lack of robust institutional arrangement e.g. on government agencies delegating control to Customs at borders (partially implemented) and cooperation between border agencies

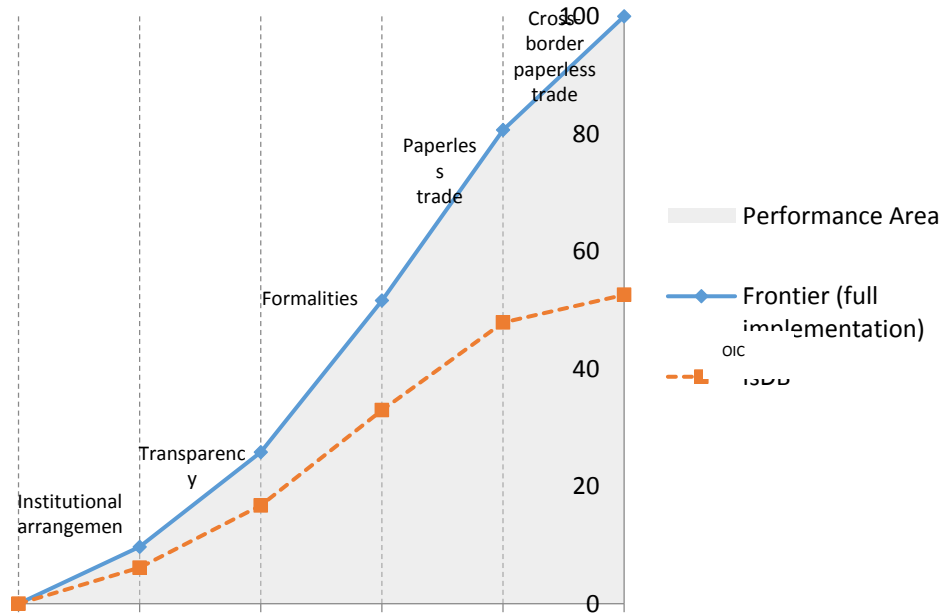
Lack of human resources capacity

Insufficient cooperation between government agencies

Lack of clear lead agencies

# Global Survey on Trade Facilitation and Paperless Trade: Moving up the ladder

Moving up the trade facilitation ladder towards seamless international supply chains



Source: Global Survey on Trade Facilitation and Paperless Trade 2017

# Global Survey on Trade Facilitation and Paperless Trade: Potential Success Factors

## Trade Facilitation is a step by step process

- Institutional arrangement for prioritizing policy reforms (national trade facilitation roadmap, clear role of NTFCs, private sector engagement)
- Transparent trade processes
- Simpler formalities
- Paperless systems
- Gradual uptake or application of international standards

## Towards 2030 Agenda for Sustainable Development

- Inclusive and sustainable Trade Facilitation – SMEs, agriculture sector, women participation

# Conclusions



Disparities across sub-regions in TF



But many countries actively moving beyond WTO TFA implementation towards paperless trade & cross-border paperless trade but more needs to be done



The 2030 Sustainable Development Agenda – SMEs, agriculture, women



UNECE provides key recommendations and standards and is developing projects to ensure progress can be made in an inclusive manner



Need for deeper analysis of country results

# UN/CEFACT work for TF and Paperless Trade

40 Policy Recommendations



440 e-Business Standards

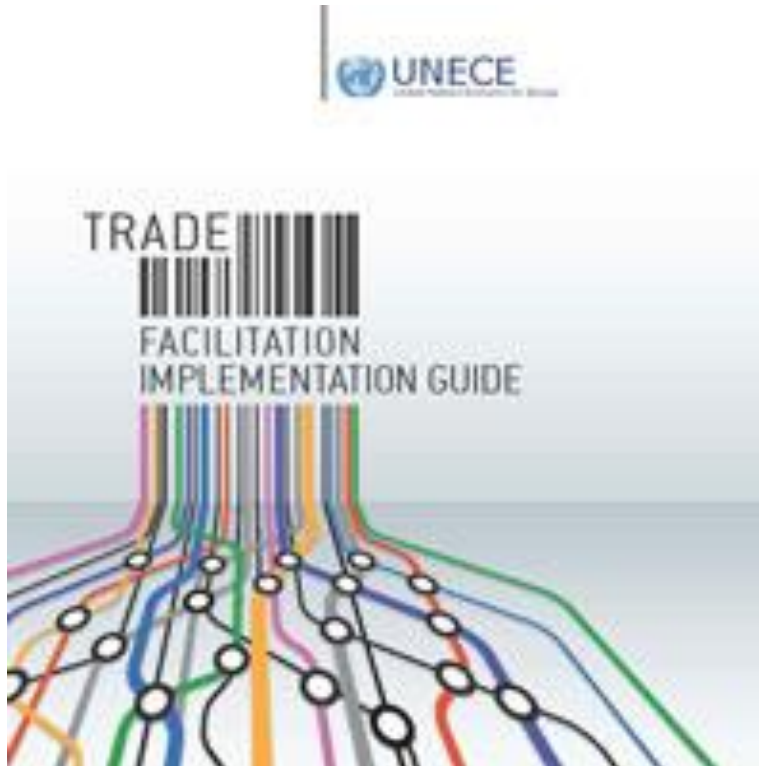


Guidelines, Briefs, Case Studies





# Trade Facilitation Implementation Guide (TFIG)



<https://tfig.unece.org>

Available in five  
languages  
including  
Arabic, English,  
French, Russian  
and  
Spanish

# UN/CEFACT New Projects

Core Principles for the  
Operation of Single  
Window

Cross Industry Invoice

Supply Chain and Multi-  
Modal Reference Data  
Model

Single Submission Portal  
(project)

Pipeline Data Carrier

Trusted Transboundary  
environment for legally  
significant interactions

Blockchain application  
to Trade Facilitation

Smart container  
(Project)

Traceability of  
Sustainable Supply  
Chains (Agri-food,  
Fishery, Textile)



**Thank you!**

**Salehin Khan**  
**Trade Facilitation Section**  
**Economic Cooperation and**  
**Trade Division**  
[khan.salehin@un.org](mailto:khan.salehin@un.org)

 @unece