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Reports of rapporteurs

Report of the Rapporteur for Asia and the Pacific

I. Introduction

1. This is the report of the Rapporteur for Asia and the Pacific, covering several important sessions on trade facilitation in the region since the twenty-fourth session of the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) Plenary in April 2018.

2. The main focus in the Asia-Pacific region is that of data communication occurring smoothly, cost-effectively and safely between trading partners and related stakeholders, especially given the growth of global supply chains utilizing e-business. There are many challenges in creating and developing the information and communication technology infrastructures and networks that play an important role in governing high-level, transparent, global supply/value chains. The countries and regional bodies in the Asia Pacific region continue their efforts to realize the potential of electronic business and trade facilitation for regional development.

II. Activities conducted by the Asia Pacific Council for Trade Facilitation and Electronic Business (AFACT)

3. AFACT is positioned to stimulate, improve and promote the ability of business, trade and administrative organizations in the Asia Pacific region to exchange products and relevant services effectively using international standards and best practices—especially those developed and promoted by UN/CEFACT. Most of the active members of AFACT have continued to pursue joint activities, of benefit to all member countries, over the last year.

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4. All members look forward to facilitating international trade transactions and contributing to the growth of e-commerce in a non-political environment. As of 2018, AFACT had 20 members (Afghanistan, Australia, Bangladesh, Cambodia, China, India, Indonesia, Iran, Japan, Korea, Malaysia, Mongolia, Pakistan, Philippines, Saudi Arabia, Singapore, Sri Lanka, Thailand, Vietnam and Taiwan Province of China), a liaison member from the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and an associate member from the Pan Asian e-commerce Alliance (PAA).

5. Each member assigns a Head of Delegation (HoD) and each liaison member and associate member assigns a representative to participate in AFACT meetings.

6. Every year, one HoD is chosen to host and chair the annual meetings. The host for 2018 was Bangladesh and the host for 2019 is Thailand. Iran will take on the role of permanent Secretariat to support the host HoD.

A. The structure of AFACT

7. A Steering Committee (StC) for managing, coordinating and promoting AFACT activities is convened in two face-to-face annual meetings, and whenever necessary in web-conference format.

8. Three Executive Committees have been formed to undertake concrete works: Business Domain Committee (BDC), Technology and Methodology Committee (TMC) and Community Support Committee (CSC).

9. Working groups have been formed within the BDC for the following subjects: Tourism, Travel and Leisure (TT&L) and Cross-border e-commerce (eCom).

10. AFACT is a liaison member of ISO/TC154 and intends to be a member of the United Nations Trade Data Elementary Directory (UNTDED) – ISO 7372 Joint Maintenance Agency.

B. AFACT annual meetings

11. A mid-term meeting in the first half of the year and a plenary in the latter half of the year are held annually. All members are welcome to attend, share experiences and knowledge and identify key strategic issues.

12. The 36th Plenary meeting of AFACT was held in Dhaka, Bangladesh on 9-11 May 2018.

13. In 2019, AFACT annual meetings are planned as follows:

- The 37th Mid-term meeting in Thailand during the second quarter of 2019; and
- The 37th Plenary meeting and eASIA Awards 2019 in Thailand during the fourth quarter of 2019.

C. Topics of AFACT activities

1. Reporting on progress in UN/CEFACT Forums

14. The Rapporteur provided a report on the activities of the UN/CEFACT Forums at the AFACT Plenary meeting, other conferences featuring key themes, and continuing and newly started projects under related UN/CEFACT Domains. Experts who participated in the relevant UN/CEFACT Forums reported in detail on the above in both the TMC and BDC sessions.

2. Travel, Tourism and Leisure (TT&L) Working Group

15. The TT&L Working Group is actively working within AFACT. The activities of the Travel and Tourism Domain of the UN/CEFACT Forum were reported to provide support based on the needs of the region and to discuss some local related issues to be solved by the Working Group.

16. The Working Group is focusing on the following work items:

- Small-scale Lodging House (SLH) Pilot Project: SLHs are hotels, or any type of lodging facilities, which are often located in rural areas near tourist attractions and are favoured by travellers who seek an authentic and local experience. The pilot project was launched by AFACT members to promote the use of SLH-related standards developed by UN/CEFACT and to exchange information in a standardized way. New business created among the AFACT members is expected.
- Green Paper on Sustainable Tourism (Experience Programs): the goal of this project was to research requirements for the development of rural tourism as a stand-alone activity and, more likely, as a rural component of urban tourism. The work on the Green Paper on Sustainable Tourism (Experience Programs) was finished. Future work on standardization activities for Experience Programs is being discussed by the TT&L Working Group.

3. Cross-border e-commerce (eCom) Working Group

17. E-commerce is a commercial transaction between a buyer and seller which is initiated on an online platform; these two actors could be either economic operators (companies) or direct consumers. The eCom Working Group discusses customs procedures and documents related to goods imported via cross-border e-commerce channels in order to levy import duties and/or taxes on goods delivery based on the transactions of a cross-border e-marketplace platform. As such, related scenarios, business processes, key documents and product classification codes are being collected from the AFACT members. The information needs to be simplified and standardized to be exchanged effectively between the e-marketplace platforms of both sides.

4. Electronic Phytosanitary Certificate (ePhyto)

18. The Association of South East Asian Nations (ASEAN) member states are working to expand the ASEAN Single Window (ASW) to support the exchange of electronic Phytosanitary Certificates based on the UN/CEFACT eCert standard. After this is accomplished in the ASEAN region, ePhyto data exchange among the AFACT members is also expected.

III. ASEAN Single Window: Trade facilitation for the ASEAN economic community

19. The ASEAN Single Window (ASW) was officially launched on 1 January 2018. This was based on the principles of UNECE Recommendation 33 on Single Window as well as Recommendation 36 on Single Window Interoperability. The five ASEAN member states, namely Indonesia, Malaysia, Singapore, Thailand and Vietnam, confirmed readiness to accept the electronic data of e-ATIGA Form D—the preferential certificate of origin exchanged through the ASW gateway for granting preferential tariff duties under the ASEAN Trade in Goods Agreement (ATIGA). Additional documents, including the ASEAN Customs Declaration Document (ACDD) and the electronic Sanitary and Phytosanitary Certificate (eSPS) will be exchanged through the ASW gateway in the near future.

20. The use of electronic data exchange to grant preferential tariff duty represents a key milestone for the ASW initiative. The operationalization of the ASW provides benefits to each of the ASEAN member states by streamlining trade procedures and documentation—particularly for government agencies (i.e. customs and other relevant institutions)—and by reducing the time and cost of doing business for traders. ASEAN member states will be able to use the ASW both for trade facilitation and improved compliance.

IV. Collaboration with the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)

A. Brief activity report of ESCAP

1. Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific

21. This United Nations treaty, developed by ESCAP members, was open for signature by ESCAP member states on 1 October 2016. Five ESCAP member states (Armenia, Bangladesh, Cambodia, China and Iran) formally signed the Framework Agreement in 2017. Azerbaijan acceded to the Framework Agreement in March 2018. The treaty is currently open to all ESCAP member states for accession – or ratification for those who signed it earlier.

2. E-learning course on Business Process Analysis (BPA) for trade facilitation

22. An online learning course, based on the United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific (UNNExT) *BPA Guide to Simplify Trade Procedures*, which includes testing and certification systems, is available free of charge to use.

3. Research and analysis on trade facilitation and paperless trade

23. Various ESCAP resources and statistical databases on trade facilitation and paperless trade are available, including the following:

- ESCAP-World Bank Trade Cost Database;
- Trade Process Analysis Database;
- Asia-Pacific Trade and Investment Report 2018: Recent Trends and Developments;
- Trade Facilitation and Paperless Trade Implementation in CAREC Countries;
- Trade Facilitation and Paperless Trade Implementation in APEC Economies;
- Trade Facilitation and Paperless Trade Implementation in Asia-Pacific Countries with Special Needs;
- Cross-border Single Window Interoperability: A Managerial Guide;
- Single Window for Trade Facilitation: Regional Best Practices and Future Development;
- Trade Facilitation and Paperless Trade Implementation in Organization for Islamic Cooperation (OIC);
- Facilitating Compliance to Food Safety and Quality for Cross-border Trade; and
- Conducting a Needs Assessment Survey and User Requirement Study for Electronic Phytosanitary Certification System: Experience of Malaysia.

4. Events on trade facilitation in 2018

24. Various events were held in 2018 including the following:
- 4th Meeting of the Interim Intergovernmental Steering Group on Cross-border Paperless Trade Facilitation;
 - 5th Meeting of the Legal and Technical Working Groups on Cross-border Paperless Trade Facilitation, Bangkok, Thailand;
 - Capacity building workshop on cross-border paperless trade facilitation: Implications of emerging technologies, Bangkok, Thailand;
 - 5th Meeting of the ESCAP Sustainable Business Network, Hong Kong, China;
 - Asia Pacific Business Forum (APBF) 2018, Hong Kong, China;
 - ITD-ESCAP Workshop on Trade Facilitation and Paperless Trade, Bangkok, Thailand;
 - Regional workshop on Using Evidence Based Trade Policy for Achieving the Sustainable Development Goals in LDCs and LLDCs, Thimphu, Bhutan; and
 - UNNExT Task Force on Cross-border Electronic Data Exchange – North-East Asia, Bangkok, Thailand.

5. Scheduled events on trade facilitation in 2019

25. The following events are scheduled in 2019:
- 6th Meeting of the Legal and Technical Working Groups on Cross-border Paperless Trade facilitation, Bangkok, Thailand in March;
 - 5th Meeting of the Interim Intergovernmental Steering Group on Cross-Border Paperless Trade Facilitation, Bangkok, Thailand in March;
 - Forum on Trade Digitalization for Sustainable Regional Integration, Bangkok, Thailand in March; and
 - Asia-Pacific Business Forum (APBF) 2019, Port Moresby, Papua New Guinea in June.

V. Conclusion

26. According to the World Trade Organization (WTO) Trade Facilitation Agreement (TFA) database, as of 2018, 36 WTO members in Asia and the Pacific (Afghanistan, Australia, Bahrain, Bangladesh, Brunei, Cambodia, China, Fiji, Hong Kong, India, Indonesia, Israel, Japan, Jordan, Korea, Kuwait, Lao, Macao, Malaysia, Mongolia, Myanmar, Nepal, New Zealand, Oman, Pakistan, Papua New Guinea, Philippines, Qatar, Samoa, Saudi Arabia, Singapore, Sri Lanka, Taiwan Province of China, Thailand, United Arab Emirates and Vietnam) have ratified the Trade Facilitation Agreement.

27. Experts from Asia and the Pacific actively joined UN/CEFACT activities to create various globally effective deliverables. These deliverables will continue to contribute to the implementation of trade facilitation in Asia and the Pacific region. The region continues the implementation of paperless trade and electronic business to increase trade and transport facilitation and to improve the cost-effectiveness of business. Further collaboration between AFACT and ESCAP would accelerate achievement in this area.