



Economic and Social Council

Distr.: General
16 January 2017

Original: English

Economic Commission for Europe

Executive Committee

Centre for Trade Facilitation and Electronic Business

Twenty-third session

Geneva, 3-4 April 2017

Item 5 of the provisional agenda

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-second session of the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) Plenary in April 2016.
2. One 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, including e-mobile 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 materialize the potential of electronic business and trade facilitation for regional development.

II. Year 2016 annual activity of the Asia Pacific Council for Trade Facilitation and Electronic Business (AFACT):

3. AFACT is positioned to play a very important role in promoting trade by integrating electronic business through the use of international standards and best practices—especially those developed and promoted by UN/CEFACT—in the Asia Pacific region. The majority of the active members of AFACT have continued to pursue joint activities, of benefit to all member countries, over the last year.
4. All members look forward to developing ways to both collaborate in e-commerce and to increase adaptability and flexibility in a non-political environment. As of 2016,

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AFACT had 20 members (Afghanistan, Australia, Bangladesh, Cambodia, China, India, Indonesia, Iran, Japan, Korea, Malaysia, Mongolia, Pakistan, Philippines, Singapore, Sri Lanka, Saudi Arabia, Thailand, Vietnam and Taiwan Province of China), a liaison member in the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) and an associate member in 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. In 2016, the host was Japan.
7. In 2017, Iran will take on the role of permanent secretariat to support the host HoD.

A. The structure of AFACT

8. A Steering Committee (StC) for managing, coordinating and promoting AFACT activities is convened whenever necessary in web-conference format, and also in two face-to-face annual meetings.
9. StC is composed of the host member HoD, last and next years' host HoDs, two elected HoDs, committee chairs, the permanent secretariat, a UN/CEFACT Vice Chair, the UN/CEFACT Rapporteur for Asia and the Pacific and the representative of ESCAP.
10. Three Executive Committees (ECs) have been formed to undertake concrete work:
 - Business Domain Committee (BDC);
 - Technology & Methodology Committee (TMC);
 - Community Support Committee (CSC).
11. Working groups (WGs) have been formed within ECs for the following subjects:
 - SHARP (Secured, Authenticated, Accountable interchange Platform) WG and TT&L (Travel, Tourism and Leisure) WG in BDC;
 - Cloud computing WG in TMC.
12. AFACT is a liaison member of ISO/TC154 and full member of UNTDED-ISO 7372 Joint Maintenance Agency.¹

B. AFACT annual meetings

13. 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.

1. 2016 AFACT annual meetings

- The 34th Mid-term meeting: Hamamatsu in Japan, 23-25 May 2016.
- The 34th Plenary meeting: Tokyo in Japan, 7-9 November 2016.

¹ <http://www.isotc154.org/>

2. 2017 AFACT annual meetings (scheduled)

- The 35th Mid-term meeting: Tamsui (New Taipei City) in Taiwan Province of China, 26-28 April 2017.
- The 35th Plenary: Taipei City in Taiwan Province of China, 10-13 September 2017.

C. Topics of AFACT activities

1. Reporting of progress in UN/CEFACT Forums

14. The Rapporteur provided a report on the activities of the UN/CEFACT 27th and 28th Fora at the AFACT Mid-term and Plenary meetings, which also covered mini-conferences featuring key themes, as well as continuing and newly started projects under related UN/CEFACT Programme Development Areas and Domains. Experts who participated in the relevant UN/CEFACT Fora reported in detail on the above in both the TMC/CSC and BDC sessions.

2. Aiming to progress in the Facilitation of Business process and e-Business

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

15. The WG is actively working within AFACT, which has twice held face-to-face meetings and several online meetings among members in 2016. The primary objective of the meetings was to report on the activities of the Travel/Tourism Domain of the UN/CEFACT Forum, to provide support to these activities based on the needs of the region, and to discuss some local issues to be solved by the WG.

16. The WG is focusing on the following three working items:

2.1.1 *Small scaled Lodging House International Pilot Project*

17. After the completion of the Small scaled Lodging House (SLH) standardization process project at the UN/CEFACT Forum, the WG decided to take the standards developed by the Forum and apply them to an international pilot project involving six AFACT members. The pilot project is now in its second stage. The first stage was mainly to understand the SLH standards and the standardization of processes during the implementation of the project. The second stage is going to use new technologies such as mobile, cloud, SNS, etc. (which will be prevalent in the Travel/ Tourism Domain in the near future) and to propose to the UN/CEFACT Forum some provisions for the application of these technologies globally.

18. It is well understood that it will not be easy to complete the international project based on the schedule set up by the members, and yet the members are doing their best to complete it in the desired timeframe. Among the participating members, Taiwan Province of China, Japan and Thailand are closest to the target.

19. The Executive Guide for the SLH Information Process Project is being drafted by the WG under the guidance of the UN/CEFACT Forum, to be ultimately submitted to the Forum for global use.

2.1.2. *DTI Process Project*

20. The second working item is to complete the DTI (Destination Travel Information) Process Project, which was initially proposed by Korea to the UN/CEFACT Forum. However, the project chair was not able to continue working on it. Therefore, the WG has decided to assign a new leader to complete it as soon as possible.

2.1.3. *Experience Programme*

21. This working item is expected to be a new process project in the UN/CEFACT Forum, as proposed by the WG. India and Japan are particularly interested in taking the lead in the WG to chart a way forward on this proposal. This is expected to provide potential benefits to regions in all countries.

22. At the suggestion of the Bureau of the UN/CEFACT Forum, a Green Paper, which will explain the objective, scope, etc. of this future project, is being compiled for submission to UN/CEFACT Forum for global attention.

2.2. **Approach for establishing a new Working Group on ‘Cross-Border eMarketplace’**

23. In order to levy import duties and/or taxes on goods and services (or consumption taxes) deliveries based on the transactions of a cross-border eMarketplace platform these need to be traced by customs. As such, business processes, documents, and data elements need to be simplified in order to be exchanged more efficiently between the eMarketplace platforms of both sides. Therefore, AFACT plans to form a new working group under the Business Domain Committee (BDC) to collaborate with the eCom Subgroup of the Asian-Oceanian Computing Industry Organization (ASOCIO). The former focuses on technical aspects, taking requirements specified by the experts from (primarily) the latter organization. Currently, the Cross-Border eMarketplace Working Group (CB/eMP WG) is seeking endorsements from three AFACT members.

2.3. **CCL utilization in Asia**

24. AFACT has a project organizing domain-specific requirements in Asia based on the UN/CEFACT Core Components Library (CCL). Any domain-specific messages may be designed using CCL and any requirements for new Business Information Entities (BIEs) (not in CCL) can be submitted to UN/CEFACT. Those domain-specific messages will be registered in the message registry for publication. The policy for CCL utilization in Asia is based on the following principles:

- Various domains should have interoperability for trade facilitation and eBusiness
- All the domains should respect international standards
- Domain requirements should be respected in the standard environment

2.4. **Financial EDI**

25. The commercial sector, in cooperation with the finance sector, has initiated the financial Electronic Data Interchange (EDI) project. The objective of the project is business innovation through sharing commercial information with the financial sector. The commercial sector expects to improve business productivity (such as reconciliation) and to improve cash management (such as the Cash Conversion Cycle) while the financial sector is expecting to avoid risks (such as monitoring the business) and to find new financial opportunities (such as Supply Chain finance). In order to facilitate the environment for the financial EDI, the remittance advice project of UN/CEFACT has been proposed and released. The financial EDI will use the UN/CEFACT Standard on Remittance Advice and ISO 20022 on Payment Initiation (Pain) and Cash Management (Camt).

3. Contribution to United Nations Sustainable Development Goals (SDGs)

26. The following AFACT members' approaches on themes related to SDGs were shared:

3.1. Sustainable Fishery Management through Information Management (FLUX)

27. An expert from Thailand delivered a presentation about their current approach in establishing a Command Center for Combating Illegal Fishing (CCCIF) and building up infrastructure for data cleaning and system integration in order to proceed with Advanced Data Analysis using electronic information.

3.2. Electronic certification for agricultural products

28. A presentation was delivered by experts from Thailand regarding the decision of the Association of Southeast Asian Nations (ASEAN) to incorporate five further messages into the specification of the ASEAN Single Window (ASW). One of these was the electronic Sanitary and Phytosanitary Measures (e-SPS) certificate. The work is currently being carried out by ASEAN's Agricultural Workgroup. Experts from Thailand and Malaysia (both ASEAN members) participated in the AFACT Plenary meeting and provided a draft e-SPS report to the ASEAN SPS Contact Point (ASCP). The e-SPS final report will be presented at the fourth ASCP Meeting in March 2017.

4. Collaboration with ESCAP

29. The 2016 AFACT plenary approved the amendment of an AFACT by-law to define the status of ESCAP as an AFACT liaison member.

4.1. Brief activity report of ESCAP to 2016 AFACT plenary meeting

30. The ESCAP representative gave a brief presentation on the following:

4.1.1. The progress of the 'Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific'

31. This United Nations treaty, developed by ESCAP members, was finalized by the third meeting of the Interim Intergovernmental Steering Group in March 2016 and adopted by the ESCAP Commission in May 2016. It was opened for signature to member states of ESCAP on 1 October 2016.

4.1.2. Trade and Transport Facilitation Monitoring Mechanism (TTFMM)

32. A UNECE Recommendation on this subject is being developed, and is currently under public review.

4.1.3. An e-learning course on Business Process Analysis (BPA) for Trade Facilitation

33. An e-learning course on Business Process Analysis (BPA) for Trade Facilitation was launched, including an online learning platform—based on the United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific (UNNEXT) BPA Guide—with testing and certification systems available for use free of charge.

4.1.4. *Supporting the 28th UN/CEFACT Forum in Bangkok in September 2016.*

4.1.5. *Other Work Programmes and projects related to Research & Analysis on Trade Facilitation and Paperless Trade*

- ESCAP-World Bank Trade Cost Database;
- Global Survey and Paperless Trade Implementation;
- Trade Process Analysis Database;
- Policy analysis (e.g. impact of paperless trade implementation on trade costs).

4.1.6. *Recent events: Various events were held in 2016 including the following*

- National Validation workshops of Baseline Studies of TTFMM for Buthan, Bangladesh and Nepal;
- Workshop on Implementation of e-SPS and Automation for Agriculture Trade Facilitation in Bangkok;
- Workshop on Cross-Border Paperless Trade Facilitation in Bangkok;
- Workshop on the Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific in Bangkok;
- Workshop on Promoting Cross-Border Agricultural Trade for Sustainable Development in Bangkok.

4.1.7. *Scheduled events: The following events are scheduled in 2017.*

- Fourth Meeting of the Legal and Technical Working Groups (of the Interim Intergovernmental Steering Group) on Cross-Border Paperless Trade Facilitation in March;
- Third Meeting of the Interim Intergovernmental Steering Group on Cross-Border Paperless Trade Facilitation in March;
- Capacity Building Workshop on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific in March;
- 3rd UNNEXt Masterclass in April;
- The 8th Asia Pacific Trade Facilitation Forum in September/October;
- Follow-up on TTFMM.

4.2. AFACT-ESCAP joint Capacity Building Workshop on the Advancement of Cross-Border Paperless Trade and Trade Facilitation

34. Following the AFACT 2016 Plenary, AFACT-ESCAP—in cooperation with the United Nations Commission on International Trade Law Regional Centre for Asia and the Pacific (UNCITRAL RCAP)—organized a joint Capacity Building Workshop on 9 November 2016. Over 30 government officials, private sector stakeholders and academics participated in the workshop, which provided an opportunity for them to share experiences and increase understanding on this issue.

35. There were presentations and discussions on the following topics:

- The ‘Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific’ by ESCAP;

- The 'Electronic Communications Convention as enabling Cross-Border Paperless Trade' by UNCITRAL RCAP;
- 'Practices on Trade Facilitation & Paperless Trading in Taiwan Province of China' and 'Electronic Certificate of Origin in Taiwan Province of China' by an expert of AFACT;
- 'Business Innovation through sharing commercial information with the financial sector' by an expert of AFACT.

5. Collaboration with ASOCIO

36. As mentioned in sub-chapter 2.2, page 4, AFACT plans to form a new working group under the Business Domain Committee (BDC) to collaborate with the eCom Subgroup of the Asian-Oceania Computing Industry Organization (ASOCIO).

37. ASOCIO, established in 1984, is dedicated to developing a computing society and industry across the Asia-Oceania region by promoting trade as well as fostering relationships between its member economies. ASOCIO formed the ASEAN Economic Community (AEC) Digital Taskforce in October 2015 to provide a voice for the Information and Communications Technology (ICT) industry on AEC implementation. eCom, one of the subgroups of ASOCIO, has a mandate to drive programmes that will put in place the incentives, legal & tax framework, and infrastructure to help grow regional cross-border commerce in the e-commerce space within AEC, and also to develop regional e-commerce champions.

38. A key driver in the ASEAN Economic Community (AEC) blueprint is Information and Communications Technology (ICT). A strong ICT framework will help create an environment that is favorable for attracting and promoting trade, investment and entrepreneurship. Strategic measures of the AEC 2025 are based on the following pillars:

- Economic Transformation;
- People Integration and Empowerment through ICT;
- Innovation;
- ICT Infrastructure Development;
- Human Capital Development;
- ICT in the Single Market;
- New Media and Content Industry;
- Information Security and Assurance.

39. Connected through ICT, global e-commerce performs a vital role in cross-border trade and facilitating foreign investment through the supply of intermediary services. Strategic measures in facilitating e-commerce transactions in ASEAN include the following:

- Harmonizing consumer rights and protection laws;
- Harmonizing legal frameworks for online dispute resolution, taking into account available international standards;
- Schemes on e-identity and authorization (electronic signature);
- A coherent and comprehensive framework on personal data protection.

III. Conclusion

40. The region continues to implement paperless trading and electronic business reforms to increase trade facilitation and drive cost-effectiveness for business. Further collaboration between AFACT and ESCAP would accelerate achievement of this approach.

41. Experts from the Asia and the Pacific region actively joined the UN/CEFACT activity to create various globally effective deliverables.

42. These deliverables will continually contribute to the implementation of trade facilitation in Asia and the Pacific region as well.
