## UNNExT Advisory Group Meeting on Paperless Trade Facilitation for SMEs 23 September 2014 United Nations Conference Center (Room D), Bangkok

## **Background**<sup>1</sup>

Small and Medium Enterprises (SMEs)<sup>2</sup> are fundamental for broad based economic growth, employment generation as well as for supporting international trade, export growth and economic competitiveness. Yet, their participation in and ability to benefit from international trade is often constrained. SMEs importing or exporting goods across national borders are faced with a number of non-tariff barriers to trade including inadequate access to market and regulatory information, higher costs of regulatory compliance, transport and logistics for small volumes and/or infrequent shipments, increasingly high health, safety and technical standards, and limited access to suitable financing and payment instruments. These barriers are especially high in developing and land locked countries.

SMEs in developing countries can generally be expected to be prime beneficiaries of trade facilitation and paperless trade<sup>3</sup>, as complicated procedures impact more SMEs than large companies. While traderelated documents were often submitted and exchanged through expensive private networks in the early years of paperless trade development, new technologies have emerged that make it cost effective for SMEs to participate and more readily benefit from paperless trade. However, large companies are often well equipped to take full advantage of ICT systems and such systems are often implemented with limited attention to the need of small enterprises and infrequent traders.

This meeting is undertaken as part of the implementation of the work programme of the United Nations Network for Paperless Trade in Asia and the Pacific (UNNExT) - see <u>unnext.unescap.org</u> for details.

## **Purpose of the Meeting**

The aim of this first Advisory Group Meeting is to provide advice and inputs to the Secretariat for the development of a UNNExT Guide - and related training material – on facilitating participation of small enterprises in trade through the design and implementation of paperless trade facilities and related policies catering to the specific needs and constraints they face.

The primary audience for the planned guide and training material will be policy makers in developing countries, providing them with guidance and examples of how to facilitate the creation of an enabling environment for SMEs paperless trade. It is expected that the guide and training material should complement the UNNExT Guides already issued on single window implementation as well as more general guides on SME policies - and not duplicate them.

Therefore, expert's inputs and experiences are thought to identify paperless trade measures that could have a proportionally larger impact on smaller enterprises and traders (as opposed to large ones), as well as on SMEs specific measures that would need to be integrated into national governments trade facilitation reform plans and paperless trade system designs.

Expected participants: 10-15 experts from public and private sector.

<sup>&</sup>lt;sup>1</sup> UNNExT is supported by a UN Development account project 'Deepening Regional Connectivity: Strengthening Capacities of Asian Developing Countries to Increase Intra-regional Trade by Implementing Paperless Trade and Transport Facilitation Systems' aiming to build national governments' capacity to implement paperless systems for cross-border trade and transport facilitation, including national and regional single windows in Asian developing countries.

<sup>&</sup>lt;sup>2</sup> Developing countries in Asia and the Pacific typically define SMEs, including microenterprises, as commercial entities with less than 100 - 300 employees (*Policy Guidebook for SME Development in Asia and the Pacific*, UNESCAP, 2012). For the purpose of this meeting, experts shall focus on enterprises with less than 100 employees.

<sup>&</sup>lt;sup>3</sup> Trade taking place on the basis of electronic communications, including exchange of trade-related data and documents in electronic form.

## Programme

| 8.30 – 9.00   | Access UNCC and Registration  |
|---------------|---|
| 9.00 - 9.30   | Welcome Remarks & Introduction to project background and SME paperless trade facilitation   |
|               | <b>component</b><br>This session will provide experts with background information on the Advisory Group Meeting and the<br>Guide for paperless trade facilitation for SMEs.<br>ESCAP Secretariat  |
| 9.30 - 10.30  | Priority policies and government measures to facilitate SMEs access and use of paperless trade  |
|               | systems<br>Trade facilitation is especially important for SMEs, on which the impact of inefficient processes and<br>cumbersome government regulation can be highest due to the scale of their operations and resources.<br>This session will provide an overview of main constraints faced by SMEs within the scope of the 'buy-<br>ship-pay model <sup>4</sup> ', and identify specific measures governments should take to encourage participation of<br>SMEs in international trade and access or use of relevant paperless trade systems. |
|               | <b>Insights from ARTNeT research and the Philippines experience</b><br>Dr. Florian Alburo   |
|               | Facilitating the "Buy" Process for SMEs: Development of e-commerce and e-business platforms to facilitate market access and the role of governments <i>Prof. Jian Wang</i>  |
| 10.30 - 10.45 | Coffee break  |
| 10.45 - 12.00 | Facilitating trade of SMEs through paperless trade in Asia: (Sub)regional experiences and sector specific needs   |
|               | <b>Cross-border transport and logistics in GMS: which paperless systems/applications/features to facilitate SME &amp; infrequent trader participation?</b><br><i>Ms. Christine Soutif</i>   |
|               | <b>Trade &amp; Customs Facilitation in ASEAN: lessons from implementation of current trade facilitation and paperless trade measures</b><br><i>Mr. Dennis C. Pantastico</i>   |
|               | <b>Facilitating trade of small agricultural enterprises: relevant paperless application and constraints in implementation – a perspective from Indonesia</b> <i>Dr. Tomy Perdana</i>  |
|               | <b>Experience from landlocked countries: Nepal and Azerbaijan</b><br>Mr. Rajan Sharma<br>Mr. Igbal Babayev  |
|               | <b>Experience from GMS: Cambodia</b><br>Mr. Ly Visal  |
| 12.00 - 13.00 | Lunch   |
| 13.00 - 14.00 | Single window systems and beyond: Ensuring SMEs really can use and benefit from the facilities  |
|               | <b>Ensuring SMEs can effectively benefit from single window system implementation: perspective from Singapore and key design issues</b> <i>Mr. Jonathan Koh</i>   |

<sup>&</sup>lt;sup>4</sup> Buy-ship-pay model: <u>http://tfig.unece.org/contents/buy-ship-pay-model.htm</u>

|               | <ul> <li>Applications for SME trade facilitation beyond single window and the role of public-private sector partnerships: Perspective from KTNET</li> <li>Mr. Rama Ha</li> <li>E-commerce systems for SMEs international trade: Perspective from the African Alliance for ecommerce and the role of governments</li> <li>Mr Daniel Sarr and Ms. Nogaye Diagne Diop</li> </ul> |
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| 14.00 - 14.30 | Coffee break  |
| 14.30 - 15.15 | <b>Paperless trade financing for SMEs.</b> This session will identify and summarize priority policies, regulation and measures that can facilitate SMEs participation in international trade and access/use of Internet banking, e-payments, and e-trade finance for SMEs.  |
|               | <b>The "Pay" Process: electronic transactions for SMEs</b><br>Ms. Pitinan Kooarmornpatana   |
| 15.15 - 16:15 | <b>Open discussion and implications for the Guide</b><br>The Guide outline will be reviewed for comments and inputs based on the presentations and discussions<br>on different key SME trade facilitation policy aspects and requirements   |
| 16.15 - 16.30 | Closing remarks   |





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