



# Digital and Sustainable Trade Facilitation

in East and North-East Asia 2021

Based on the United Nations Global Survey on Digital and Sustainable Trade Facilitation



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# EXECUTIVE SUMMARY

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Reducing trade costs is essential in enabling economies to participate in regional and global value chains effectively and continue using trade as an important engine of growth and sustainable development. The recent surge in shipping costs and the subsequent disruption of the international supply chain has put additional pressure on already high trade costs in Asia and the Pacific. Trade facilitation plays a significant role in avoiding unnecessary costs and enhancing efficiency through streamlined and digitalized trade. The World Trade Organization (WTO) Trade Facilitation Agreement (TFA) and regional trade digitalization initiatives such as the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (CPTA) provide guidance on measures considered for implementation.

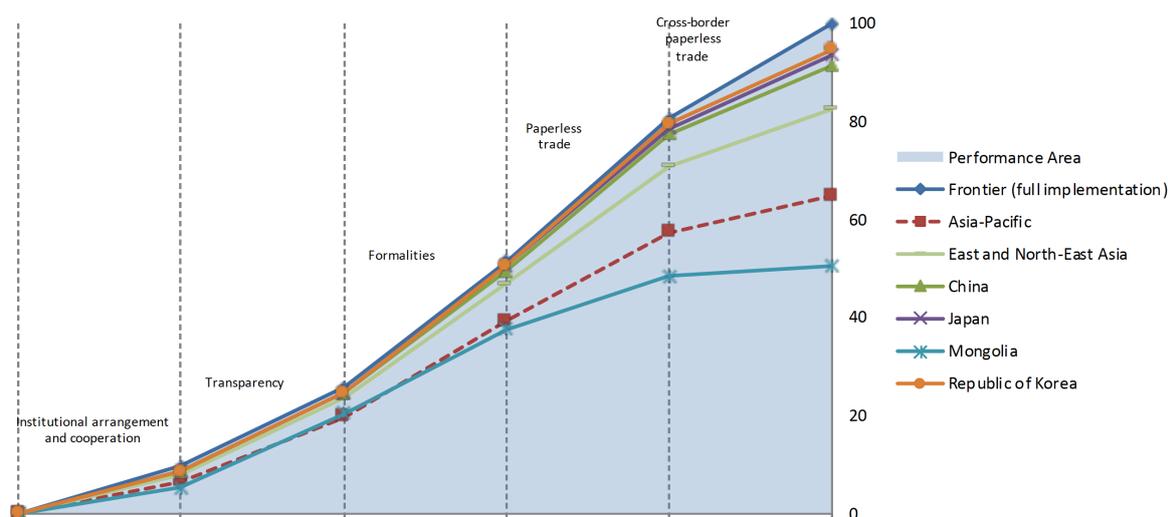
In this context, this report presents results of the 2021 United Nations Global Survey on Digital and Sustainable Trade Facilitation for four countries in East and North-East Asia, namely China, Japan, Republic of Korea and Mongolia, reviewing the progress of trade facilitation reforms. It presents a detailed analysis based on 58 trade facilitation measures that are classified into four groups (“General Trade Facilitation”, “Digital Trade Facilitation”, “Sustainable Trade Facilitation” and “Other Trade Facilitation”) and a further 11 sub-groups covering both binding and non-binding WTO TFA measures, as well as measures beyond the scope of WTO TFA. The report reveals that:

- East and North-East Asia implementation rate of the trade facilitation measures stands at 82.5%, significantly higher than the Asia-Pacific regional average of 64.9%. Within the Asia-Pacific region, the implementation level of East and North-East Asia is next only to that in Australia and New Zealand (96.8%).
- In East and North-East Asia, implementation remains relatively homogenous, except for Mongolia. China, Japan and the Republic of Korea achieve world-leading implementation rates of over 90%, whereas Mongolia stands at approximately 50%.
- East and North-East Asian countries have implemented many of the WTO TFA related measures, particularly transparency and formalities related measures. However, cross-border paperless trade implementation remains relatively low compared to the implementation levels of the other measures.
- Measures under the “Sustainable Trade Facilitation” group are diversely implemented. These measures are not specified in most multilateral and/or regional agreements but need to be further emphasized to ensure that trade facilitation benefits a wider range of stakeholders. Measures regarding agricultural trade facilitation achieve very high implementation, standing at 85.4%. Measures regarding trade facilitation for SMEs also have a relatively high implementation rate, standing at nearly 67%, whereas measures targeted at women in trade are quite low, standing at approximately 47%.
- Measures related to trade facilitation in times of crisis are newly incorporated as part of the 2021 survey, with an implementation rate of approximately 68%, higher than the regional average level.

The analysis presented in this report, based on the latest data available, confirms that digital trade facilitation measures can result in significant benefits to the countries in the subregion. Full implementation of binding and non-binding WTO TFA measures could decrease trade costs by 2.8%. In contrast, digital trade facilitation measures, enabling the seamless electronic exchange of trade data and documents across borders, will help significantly reduce trade costs by 7.5% for East and North-East Asian countries in a full implementation scenario.

Moving forward, trade facilitation implementation may be seen as a step-by-step process, based on the groups of measures included in the survey – i.e., enhancing the institutional arrangement; establishing transparency; implementing efficient trade formalities; development of paperless trade systems, followed by enabling trade data and documents within these systems, including national Single Windows, to be safely and securely used and reused by authorized stakeholders along the international supply chain (see figure). Especially in the case of paperless and cross-border paperless trade, countries need to work together to develop and implement the legal and technical protocols needed for the seamless exchange of regulatory and commercial data and documents within and between countries. In this regard, the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (CPTA) could support countries in gradually moving to “less-paper” and then to paperless and cross-border paperless trade by providing a dedicated, inclusive and capacity-building focused intergovernmental platform.

**Figure. Moving up the trade facilitation ladder towards seamless international supply chains**



Note: the figure shows cumulative trade facilitation implementation scores of Asia-Pacific sub-regions for 31 common trade facilitation measures included in the survey. Full implementation of all measures =100.

Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, [untfsurvey.org](https://untfsurvey.org).

This East and North-East Asia report may best be read in conjunction with the upcoming Global and Asia-Pacific report on the results of the UN Global Survey on Digital and Sustainable Trade Facilitation 2021, which will be available at <https://untfsurvey.org/>.

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