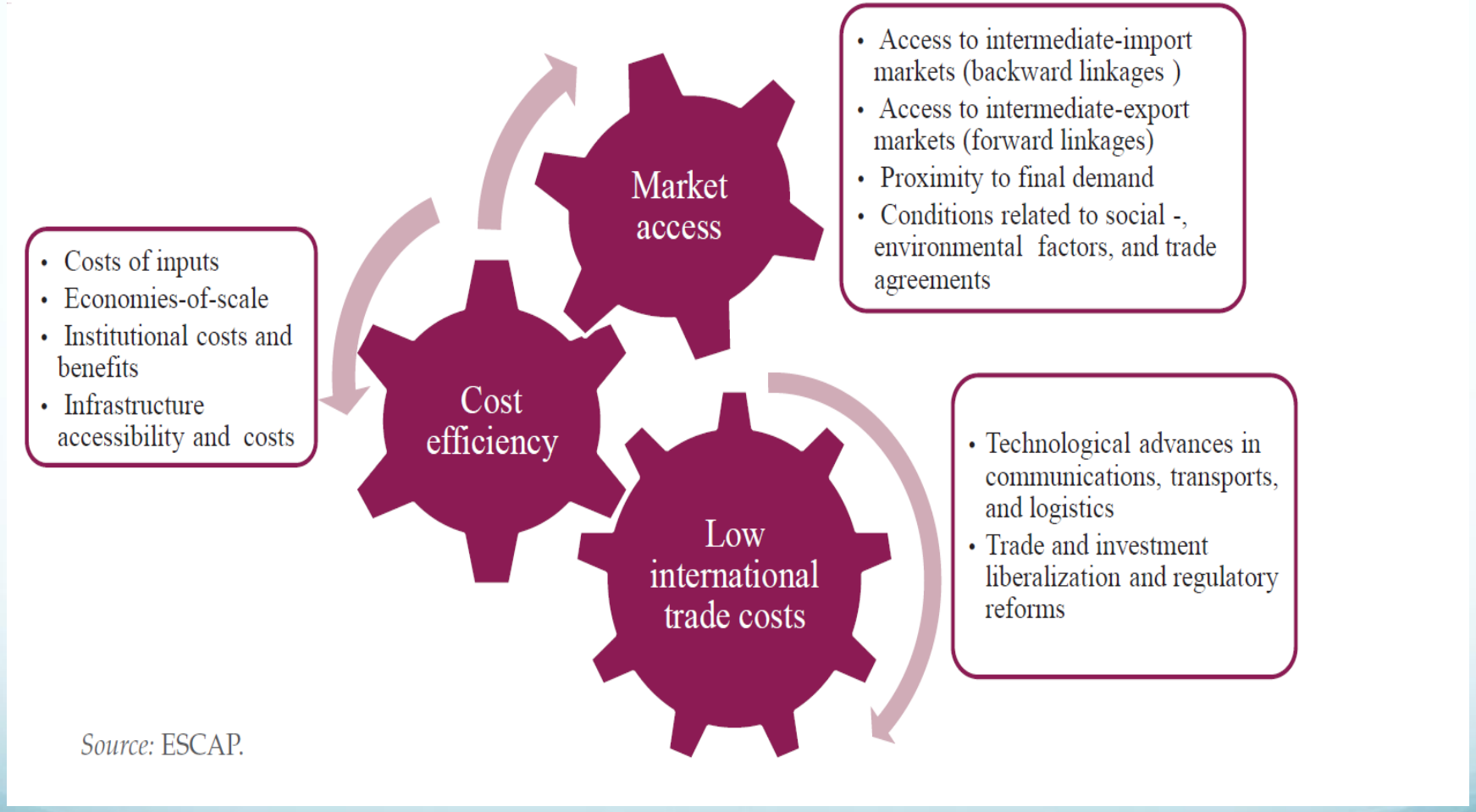
Making Better Connections in 'Factory Asia'

Susan F. Stone
Director, Trade, Investment and Innovation Division
UNESCAP

Making Global Value Chains Work for ASEAN
OECD-ERIA Joint Regional Symposium
Hanoi, Vietnam
13 June 2016

Factors behind GVCs



Source: ESCAP.

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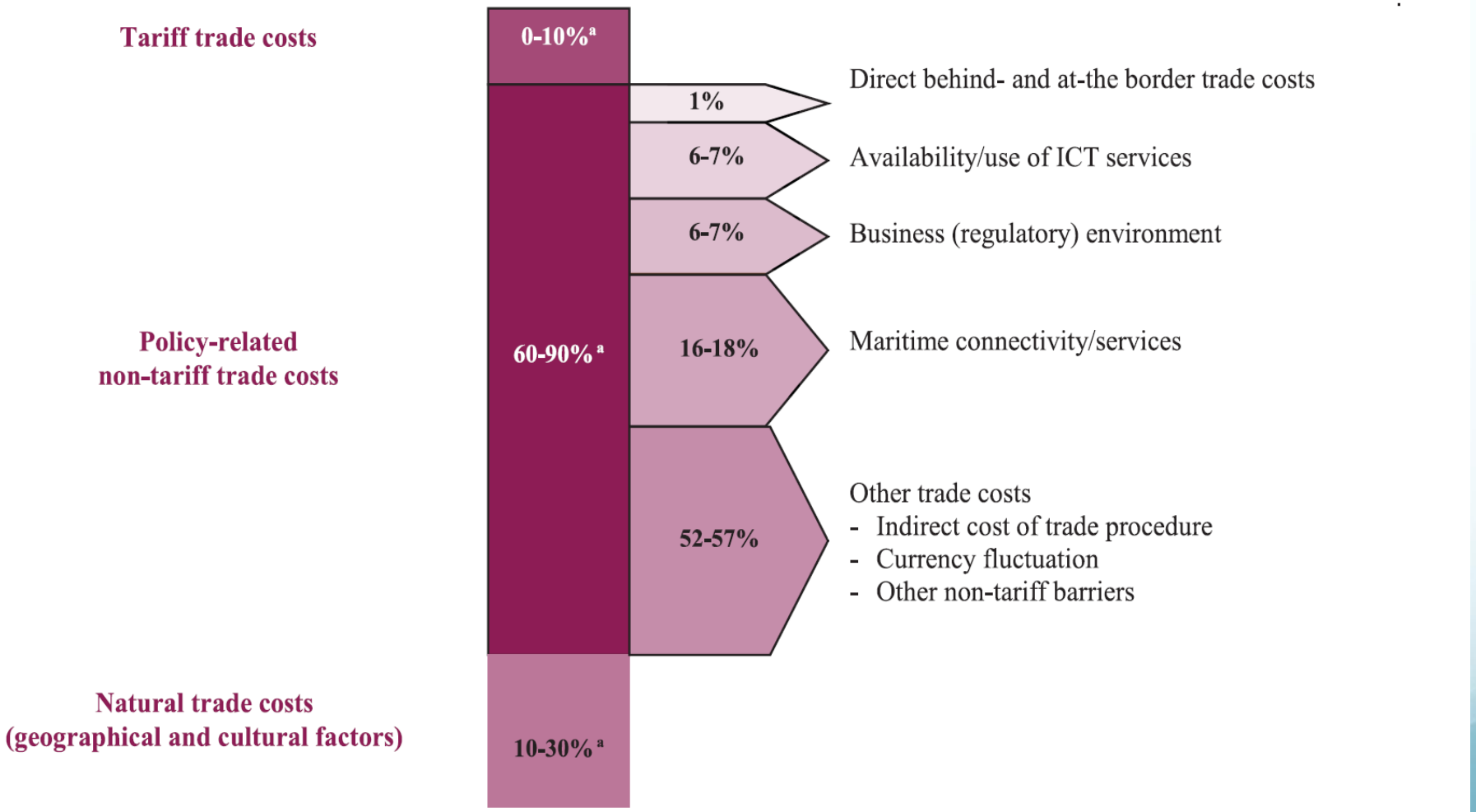
Trade Costs in the Region

Region	ASEAN-4	East Asia-3	North and Central Asia - 4	Pacific Islands Developing Economies	SAARC-4	AUS-NZL	EU-3
ASEAN-4	76%						
	(8%)						
East Asia-3	75%	51%					
	(5%)	(-3%)					
North and Central	354%	175%	121%				
Asia - 4	(11%)	(-6%)	(7%)				
Pacific Islands	172%	175%	369%	132%			
Developing Economies	(-10%)	(-3%)	(29%)	(-10%)			
SAARC-4	128%	124%	285%	318%	116%		
	(1%)	(-1%)	(2%)	(2%)	(11%)		
AUS-NZL	101%	88%	336%	83%	138%	52%	
	(4%)	(-5%)	(-7%)	(-8%)	(-5%)	(-4%)	
EU-3	106%	85%	152%	209%	115%	108%	43%
	(-1%)	(-3%)	(-8%)	(-4%)	(2%)	(-1%)	(-5%)
USA	86%	63%	177%	163%	110%	100%	67%
	(10%)	(0%)	(-1%)	(-6%)	(6%)	(4%)	(1%)

Source: ESCAP-World Bank Trade Cost Database, updated June 2015. Available from http://databank.worldbank.org/data/views/variableselection/selectvariables.aspx?source=escap-world-bank-international-trade-costs and http://www.unescap.org/tid/artnet/trade-costs.asp.

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Contributions of policy-related Factors to changes in trade costs



Intra- and inter-regional trade costs in goods sector

		Gross Shipment						Value added					
		ASEAN-4	East Asia-3	IND	AUS-NZL	EU-3	USA	ASEAN-4	East Asia-3	IND	AUS-NZL	EU-3	USA
ASEAN-4	1995	89	94	134	115	108	86	125	109	163	150	130	101
	2000	80	89	137	110	112	80	99	94	150	139	118	94
	2005	74	83	127	111	116	87	98	83	129	142	125	94
	2008	84	87	121	110	124	93	97	81	118	132	131	94
	2009	85	86	122	113	121	96	97	82	117	139	132	96
East Asia-3	1995	94	82	155	115	114	79	109	87	156	131	124	90
	2000	89	75	151	110	106	76	94	72	139	119	107	79
	2005	83	64	128	106	98	73	83	58	105	113	99	75
	2008	87	64	117	105	98	73	81	57	98	110	99	72
	2009	86	62	116	101	96	73	82	59	100	111	102	74
IND	1995	134	155		169	127	122	163	156		179	151	141
	2000	137	151		165	127	119	150	139		174	134	131
	2005	127	128		154	116	110	129	105		154	115	109
	2008	121	117		146	109	99	118	98		134	110	96
	2009	122	116		140	110	105	117	100		135	113	100
AUS-NZL	1995	115	115	169	58	128	111	150	131	179	84	138	121
	2000	110	110	165	54	125	102	139	119	174	84	138	118
	2005	111	106	154	55	120	103	142	113	154	82	138	121
	2008	110	105	146	56	120	104	132	110	134	79	141	122
	2009	113	101	140	54	117	105	139	111	135	85	150	127
EU-3	1995	108	114	127	128	53	84	130	124	151	138	69	87
	2000	112	106	127	125	47	74	118	107	134	138	66	83
	2005	116	98	116	120	45	74	125	99	115	138	65	84
	2008	124	98	109	120	47	73	131	99	110	141	69	83
	2009	121	96	110	117	45	75	132	102	113	150	70	85
USA	1995	86	79	122	111	84		101	90	141	121	87	
	2000	80	76	119	102	74		94	79	131	118	83	
	2005	87	73	110	103	74		94	75	109	121	84	
	2008	93	73	99	104	73		94	72	96	122	83	
	2009	96	73	105	105	75		96	74	100	127	85	

Trade Costs and GVCs

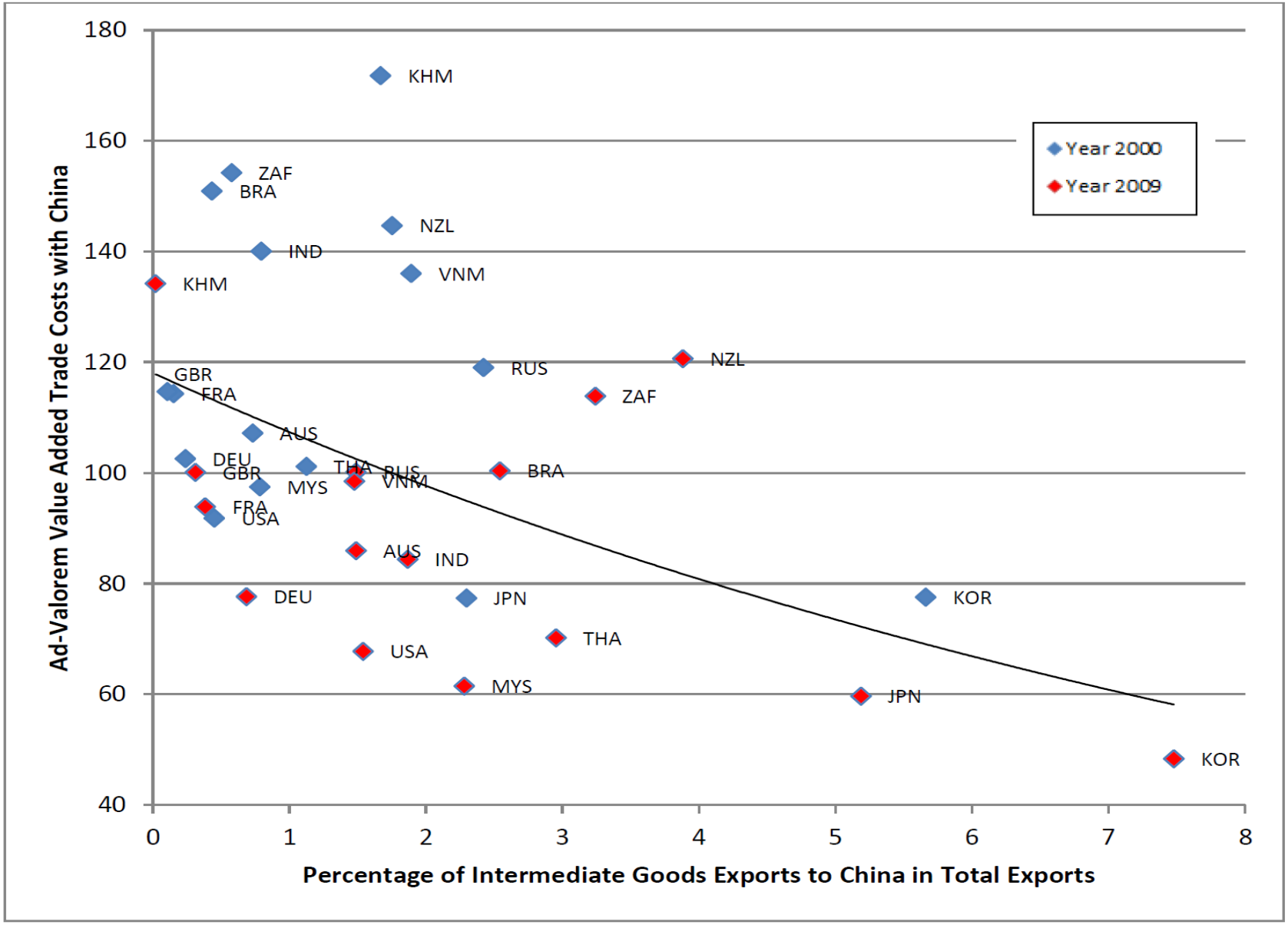
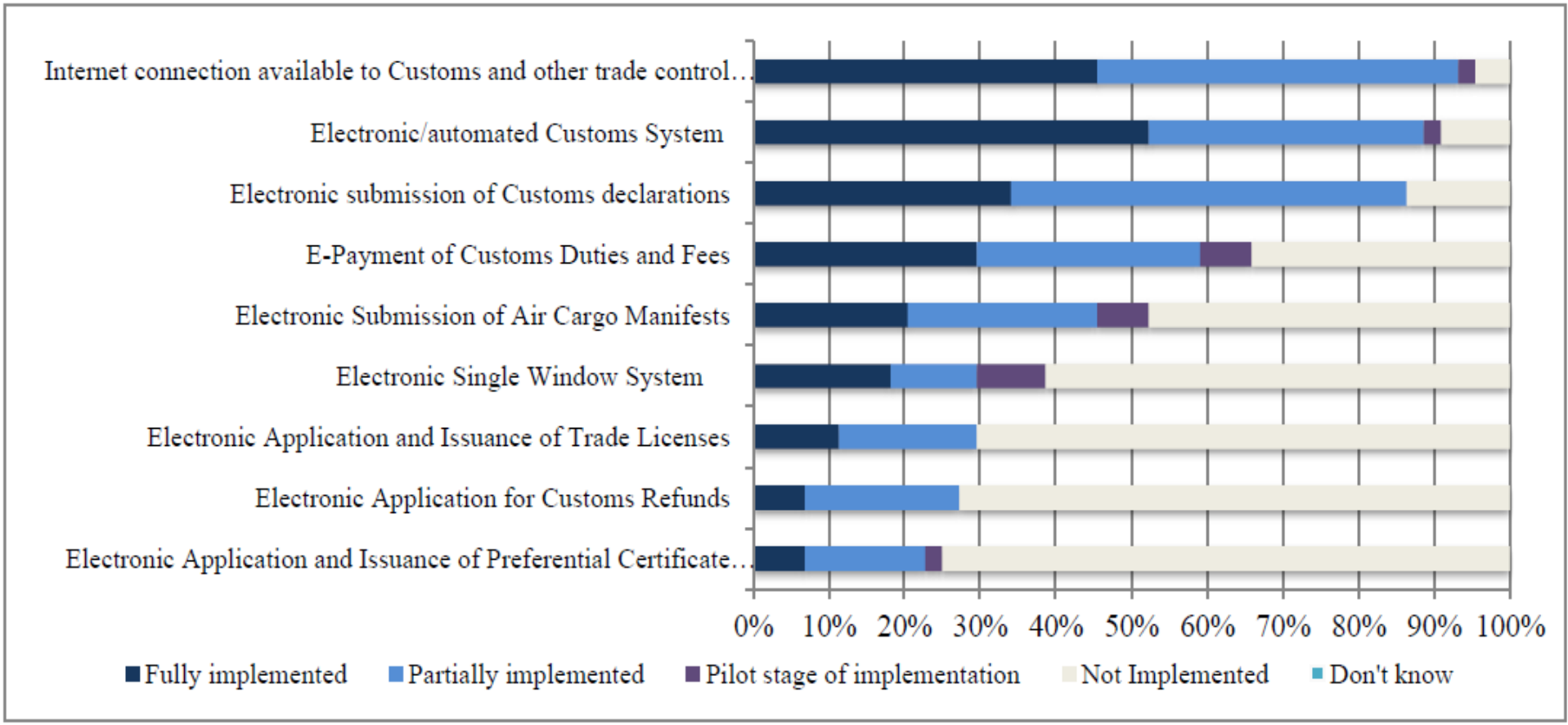


Figure 12: State of implementation of "paperless trade" measures in Asia-Pacific economies (in %)

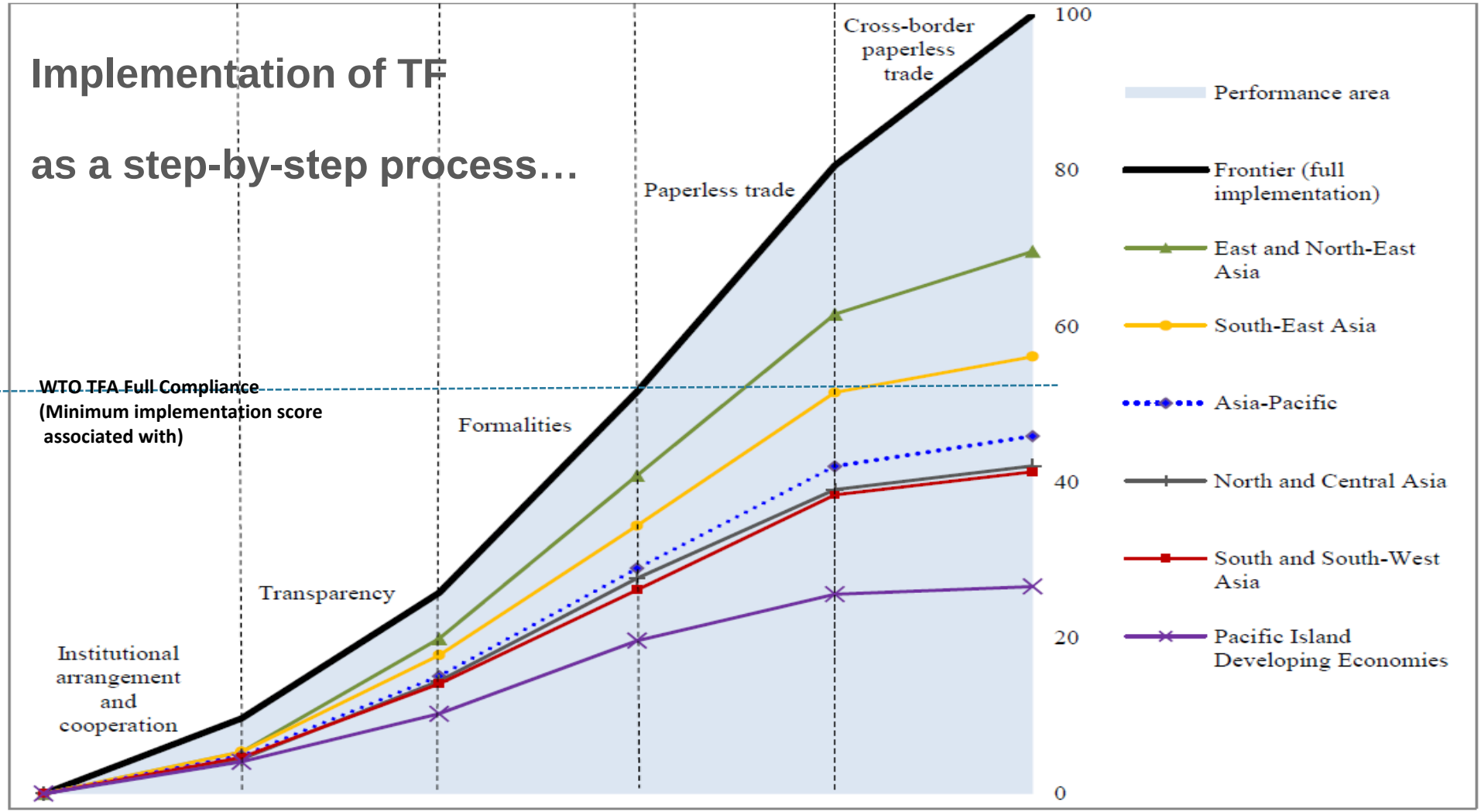


Source: unnext.unescap.org/UNTFSurvey2015.asp

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Towards "Next Generation" TF [and cross-border e-commerce] in Asia-Pacific

Figure 20: Moving up the trade facilitation ladder towards seamless international supply chains



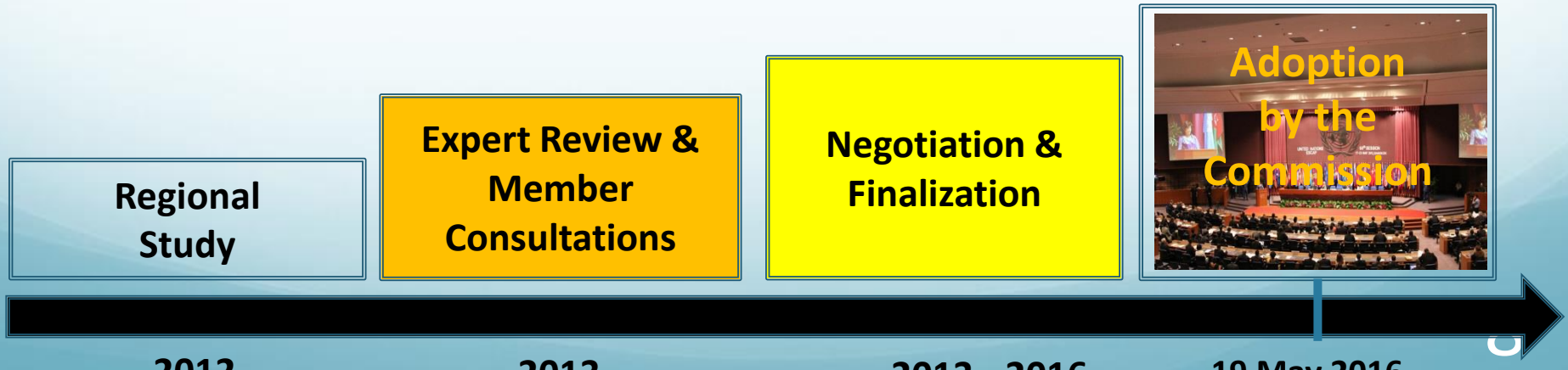
Note: the figure shows cumulative trade facilitation implementation scores of Asia-Pacific sub-regions for five groups of trade facilitation measures included in the survey. Full implementation of all measures = 100.

Framework Agreement on the Facilitation of Cross-Border Paperless Trade in Asia and the Pacific

- **A new UN Treaty**
  - Open to interested (53) ESCAP member states (voluntary) to become parties
  - Opening for signature set to **1 October 2016** at UN Headquarters, New York
- **Objective**

  To facilitate cross-border paperless trade (data exchange) among willing ESCAP member states by providing a dedicated intergovernmental framework to develop legal and technical solutions

  - Complementary to the WTO Trade Facilitation Agreement as well as (sub)regional efforts
- **4 year step-by-step development process (ESCAP resolutions 68/3,70/6,72/4)**
  - Over 30 countries directly involved in finalizing the treaty text in March 2016



Framework Agreement on the Facilitation of Cross-Border Paperless Trade in Asia and the Pacific

Key features

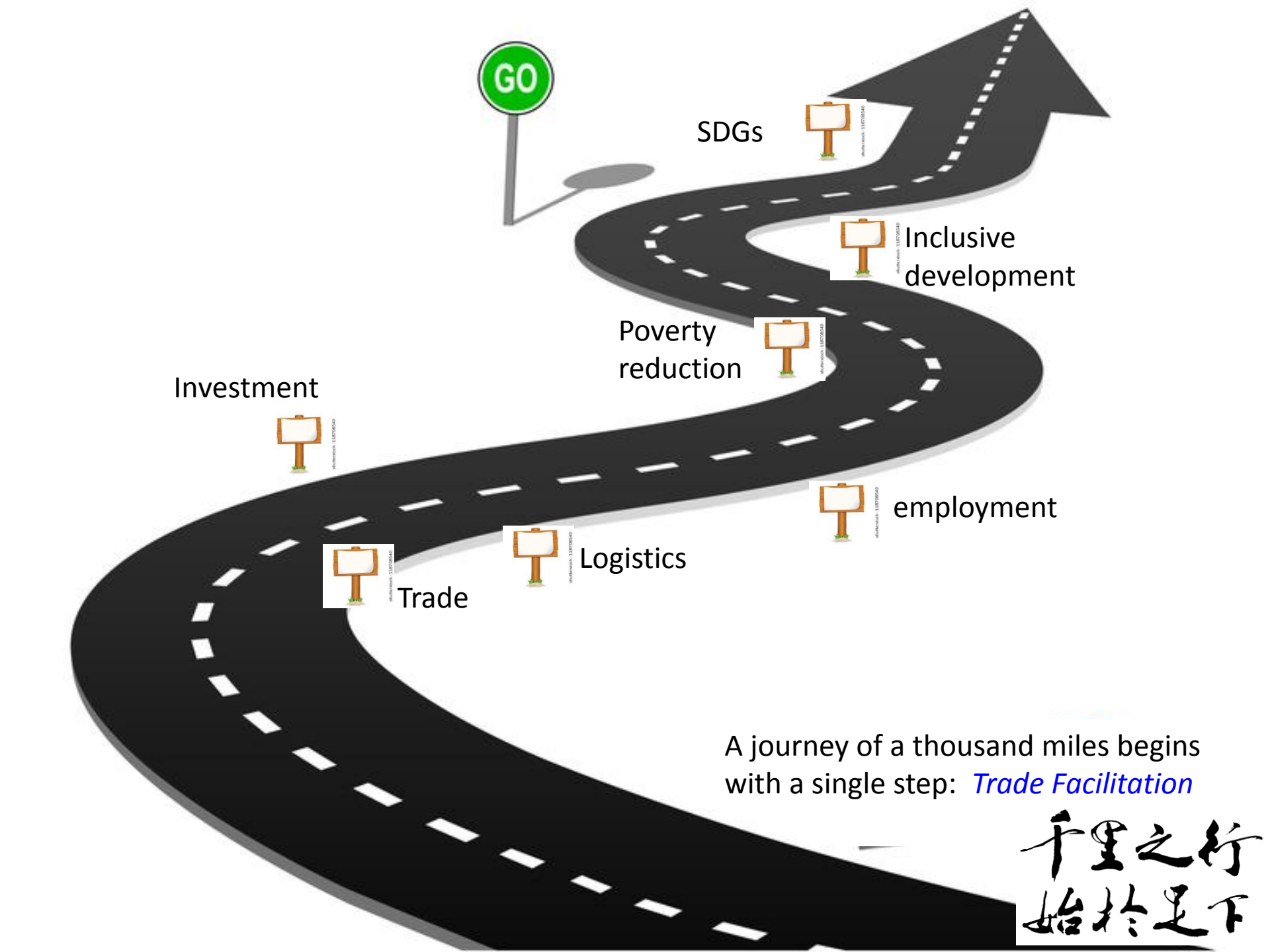
- **Enabling framework: The focus is on promotion and facilitation of cross-border paperless trade (i.e., exchange of electronic trade data between the Parties not mandatory)**
- **A set of general principles: To facilitate interoperability between paperless trade systems and to ensure that solutions developed under the Agreement lead *both to higher levels of trade facilitation and regulatory compliance***


United Nations E/ESCAP/...
Economic and Social Council
Economic and Social Commission for Asia and the Pacific
Resolution 69/5
Enabling paperless trade and the cross-border recognition of electronic data and documents for inclusive and sustainable intraregional trade facilitation

- **UN treaty with a multi-layered institutional arrangement and ESCAP as Secretariat: Provides a strong dedicated platform for collaboration**
- **A comprehensive action plan: To develop standardized solutions and protocols for cross-border electronic exchange and recognition of trade-related data and documents, including pilot projects**
- **Capacity building provision**

[Entry into force after 5 ESCAP Member States ratify]

See: http://communities.unescap.org/cross-border-paperless-trade-facilitation


GO
SDGs
Inclusive development
Poverty reduction
Investment
employment
Logistics
Trade
A journey of a thousand miles begins with a single step: *Trade Facilitation*
千里之行始於足下

Questions/Comments?

Thank you!

http://www.unescap.org/our-work/trade-investment