DIGITAL AND SUSTAINABLE TRADE FACILITATION IN THE ORGANISATION OF ISLAMIC COOPERATION (OIC) ASIAN COUNTRIES
DIGITAL AND SUSTAINABLE TRADE FACILITATION IN THE ORGANISATION OF ISLAMIC COOPERATION (OIC) ASIAN COUNTRIES

BASED ON THE UNITED NATIONS GLOBAL SURVEY ON DIGITAL AND SUSTAINABLE TRADE FACILITATION 2023

The Economic and Social Commission for Asia and the Pacific (ESCAP) is the most inclusive intergovernmental platform in the Asia-Pacific region. The Commission promotes cooperation among its 53 member States and 9 associate members in pursuit of solutions to sustainable development challenges. ESCAP is one of the five regional commissions of the United Nations. The ESCAP secretariat supports inclusive, resilient and sustainable development in the region by generating action-oriented knowledge, and by providing technical assistance and capacity-building services in support of national development objectives, regional agreements and the implementation of the 2030 Agenda for Sustainable Development.

The Islamic Development Bank (IsDB) is a multilateral development bank (MDB), working to improve the lives of those we serve by promoting social and economic development in Member countries and Muslim communities worldwide, delivering impact at scale.

The Islamic Centre for Development of Trade (ICDT), established in Casablanca in 1984, is the subsidiary Organ of the Organisation of Islamic Cooperation (OIC) in charge of promoting trade and investments in the OIC countries.
The report illuminates the transformative potential of digital trade facilitation in reducing trade costs and driving sustainable development. By embracing digital solutions to create an environment conducive to cross-border paperless trade, OIC Asian Countries can unlock new market opportunities and boost competitiveness through streamlined and efficient cross-border transactions.
Global trade is in the midst of a profound transformation, grappling with a perfect storm of challenges. The lasting effects of the COVID-19 pandemic, combined with geopolitical tensions and supply chain disruptions, have dramatically altered the international trade landscape, leading to increased costs and uncertainties. The Organisation of Islamic Cooperation (OIC) members in Asia are not immune to these global trends, highlighting the urgent need for them to expedite their adoption of digital and sustainable trade facilitation tools.

This report, “Digital and Sustainable Trade Facilitation in OIC Asian Countries” is a timely contribution to the region’s trade facilitation policy agenda based on the United Nations Global Survey on Digital and Sustainable Trade Facilitation findings. The report analyzes the current state of trade facilitation in OIC Asian Countries, offering valuable insights into trade facilitation’s institutional, digital and sustainability aspects. The results from a comprehensive assessment serve as solid evidence for identifying critical areas for improvement and knowledge exchange opportunities among OIC Asian Countries.

The report illuminates the transformative potential of digital trade facilitation in reducing trade costs and driving sustainable development. By embracing digital solutions to create an environment conducive to cross-border paperless trade, OIC Asian Countries can unlock new market opportunities and boost competitiveness through streamlined and efficient cross-border transactions. Moreover, this report underscores that digitalization initiatives, guided by the principles of social inclusivity and environmental sustainability, can empower SMEs, promote women’s participation in trade facilitation, and implement lasting measures to strengthen trade resilience in times of crisis.

A collaborative approach is not just beneficial but crucial to the success of digital and sustainable trade facilitation efforts. By harnessing the power of knowledge sharing across borders, we can unlock the vast potential for a more prosperous, inclusive, and sustainable future on a global scale.

This report is a call to action for OIC Asian Countries and development partners to unite in advancing the global trade facilitation agenda through active collaboration between the Economic and Social Commission for Asia and the Pacific (ESCAP), the Islamic Development Bank (IsDB), and the Islamic Centre for Development of Trade (ICDT). As partners, we are ready to leverage all available tools to facilitate the transfer of relevant know-how, expertise, and resources among the region’s countries and to extend this support to other OIC members beyond Asia.

We are confident that the insights provided in this report and the interactive database available at untfsurvey.org will greatly benefit OIC Asian Countries. They will serve as a solid foundation for further harmonized, resilient, and sustainable trade practices, providing the necessary information and guidance for informed decision-making.
The Digital and Sustainable Trade Facilitation in OIC Asian Countries report is part of a global survey effort on the implementation of trade facilitation and paperless trade measures, undertaken jointly by the five United Nations Regional Commissions for Africa (ECA), Europe (ECE), Asia and the Pacific (ESCAP), Latin America and the Caribbean (ECLAC) and West Asia (ESCWA) as well as the United Nations Conference on Trade and Development (UNCTAD).

The report was jointly prepared by ESCAP, Islamic Development Bank (IsDB) and Islamic Centre for Development of Trade (ICDT). Silvère Dernouh, Matthieu Levasseur, Chorthip Utoktham and Kexin Chen, under the guidance of Soo Hyun Kim and the overall supervision of Yann Duval, all from the Trade, Investment and Innovation Division (TIID) of ESCAP, provided the data analysis for OIC Asian Countries, collected as part of the United Nations Global Survey on Digital and Sustainable Trade Facilitation 2023. Under the guidance of Issa Faye, May Ali Babiker Eltahir, Imed Drine and Moncef Soudani, the IsDB team consisting of Kadir Basboga, Nazar Diab and Mohammed Bukhari from the IsDB’s Regional Integration Section at the Cooperation and Capacity Development Department as well as Latifa Elbouabdellaoui, Mamoudou Bocar Sall and Charif Elhamraoui from ICDT, contributed and reviewed the report.

Support from the following organizations and individuals is gratefully acknowledged, especially with regard to data collection and validation for this report – Cuong Ba Tran and Garlan Ayoga Irawan from the Association of Southeast Asia Nations (ASEAN) Secretariat; Ghulam Samad from the Central Asia Regional Economic Cooperation (CAREC) Institute; and Jie Wei (ECE). The United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific (UNNExT), acknowledge community supported by ESCAP and ECE, also greatly facilitated data collection.

Preparation of the report benefited from the support of the Republic of Korea as well as from the Government of France. The specific project on OIC Asian Countries benefited from the financial support of IsDB and ICDT.

Reducing trade costs is crucial for enabling economies to effectively participate in regional and global production networks and promote sustainable development. The OIC Asian Countries, as evidenced by the ESCAP-World Bank Trade Cost Database, continue to face high trade costs. In addition, further pressures added by the aftermath of the COVID-19 crisis continue to impede international trade, with geopolitical conflicts creating new supply chain disruptions and high inflation, increasing trade costs and uncertainties. Given this situation, trade facilitation assumes a pivotal role, facilitating more efficient and transparent trade procedures, thus reducing the vulnerability of global supply chains and overall trade costs.

Based on the 2023 United Nations Global Survey on Digital and Sustainable Trade Facilitation, this report examines the progress of trade facilitation reforms across 15 OIC Asian Countries. The report offers a comprehensive analysis based on 60 trade facilitation measures, which are categorized into four groups – “General Trade Facilitation,” “Digital Trade Facilitation,” “Sustainable Trade Facilitation” and “Other Trade Facilitation.” These measures encompass both binding and non-binding measures of the World Trade Organization (WTO) Trade Facilitation Agreement (TFA) as well as measures extending beyond the scope of the TFA.

The regional average implementation rate for 31 "General" and "Digital" trade facilitation measures stands at 71% in 2023, which is above the Asia-Pacific regional average of 67%. Still, OIC Asian Countries and subregions exhibit varying degrees of implementation with South-East Asia leading the way with implementation rates of 84%, led by Indonesia and Malaysia (87% each). North and Central Asia, led by Azerbaijan (87%), and South and South-West Asia, led by Türkiye (87%), follow with implementation rates of 70% and 66% respectively.

Based on the 2023 United Nations Global Survey on Digital and Sustainable Trade Facilitation, this report examines the progress of trade facilitation reforms across 15 OIC Asian Countries.
The Survey shows continued progress in streamlining and digitalizing trade processes in Asia and the Pacific. The average implementation rate has witnessed a rise, climbing from 69% in 2021 to 73% in 2023. The most significant progress has been witnessed in North and Central Asia, where implementation rates increased by 7 percentage points, rising from 67% in 2021 to 74% in 2023. This achievement is particularly noteworthy because all North and Central Asian OIC Countries are landlocked developing countries (LLDCs), facing unique trade logistics challenges and higher costs due to their lack of direct sea access.

In terms of improvements in trade facilitation measures among different sub-groups, progress has been made in 2023 across all measures compared with 2021, with the most impressive progress made in improving ‘women in trade facilitation’ with an increase of 11 percentage points. Moreover, significant progress has also been made in 2023 under “Digital Trade Facilitation”, notably for ‘cross-border paperless trade’ measures with an increase of 8 percentage points compared to 2021, although the implementation level remains relatively low.

The Survey results reveal that most countries have implemented some measures to improve transparency and simplify trade-related costs and procedures, with “General” trade facilitation measures exhibiting implementation rates over 70%. In addition, the ‘paperless trade’ sub-group shows a commendable implementation rate of 73%. In terms of ‘cross-border paperless trade’, there has been a notable increase of 8 percentage points compared with 2021, indicating significant progress. That said, the average implementation level of ‘cross-border paperless trade’ for OIC Asian Countries, at just 46%, remains substantially lower than the “General” trade facilitation measures.

Despite its importance in contributing to Sustainable Development Goals (SDGs) and modest progress made in the past years, implementation of “Sustainable Trade Facilitation” remains low, especially the adoption of inclusive measures to support SMEs. However, it is encouraging to note that OIC Asian Countries have a high implementation level for ‘women in trade facilitation’ measures at 54%, significantly surpassing the Asia-Pacific regional average of 42%. Also, a significant increase was noted, by 11 percentage points compared to 2021. This accomplishment highlights the efforts put into the integration of gender equality into various policy initiatives, addressing the specific concerns of women traders regarding trade facilitation. Regardless, the implementation level of “Sustainable Trade Facilitation” remains lower than that of “General Trade Facilitation”.

All OIC Asian Countries are encouraged to become a party to the United Nations treaty – the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (CPTA) as soon as possible.

Recognizing the importance of these specific groups in attaining sustainable and inclusive development, trade facilitation strategies should be formulated more comprehensively and inclusively.

The report highlights that significant trade cost reductions could be achieved through the implementation of paperless and cross-border paperless trade measures, surpassing the impact of conventional trade facilitation measures. Full implementation of binding and non-binding measures outlined in the WTO TFA could lead to a reduction in trade costs to just about 5%. Going beyond, the adoption of digital trade facilitation measures, facilitating seamless electronic exchange of trade data and documents across borders, has the potential to significantly reduce trade costs by about 13% for OIC Asian Countries in a full implementation scenario. Collaboration is essential not only for facilitation of trade procedures in general, but also specifically concerning paperless and cross-border paperless trade, where countries need to develop and implement necessary legal and technical protocols for the seamless exchange of regulatory and commercial data and documents at national and cross-border levels. Therefore, all OIC Asian Countries are encouraged to become a party to the treaty as soon as possible and promote harmonization of trade facilitation measures across the Asia-Pacific region.

Further information on the results of the UN Global Survey on Digital and Sustainable Trade Facilitation 2023 is available at https://untfsurvey.org/
4 ASSESSING THE IMPACT OF TRADE FACILITATION IN OIC ASIAN COUNTRIES 31

5 CONCLUSION AND THE WAY FORWARD 35

ANNEXES 39

Annex 1 List of participating countries 41
Annex 2 Grouping of trade facilitation measures and correspondence with TFA articles 42
Annex 3 A three-step approach for data collection and validation 43
Annex 4 Definition of each stage of implementation 44
TABLE 1  Intra-and extra-regional comprehensive trade costs in the Asia-Pacific region  05
FIGURE 1  Overall implementation of trade facilitation measures in OIC Asian Countries  09
FIGURE 2  Trade facilitation implementation in Asia-Pacific subregions including OIC Asian Countries  09
BOX 1  IsDB Support to Regional Cooperation and Integration  10
FIGURE 3  Implementation of different sub-groups of trade facilitation measures by OIC Asian Countries  10
TABLE 2  Most and least implemented measures in each sub-group of trade facilitation measures by OIC Asian Countries  11
FIGURE 4  Level of implementation of WTO TFA-related measures (excluding transit) by OIC Asian Countries  12
FIGURE 5  Trade facilitation implementation in OIC Asian Countries between 2021 and 2023  13
FIGURE 6  Average implementation of different sub-groups of trade facilitation measures in OIC Asian Countries between 2021 and 2023  13
BOX 2  ICDT Support to Trade Facilitation  14
FIGURE 7  State of implementation of transparency measures by OIC Asian Countries  17
FIGURE 8  State of implementation of transparency measures in OIC Asian Countries  17
FIGURE 9  State of implementation of formalities measures by OIC Asian Countries  18
FIGURE 10  State of implementation of formalities measures in OIC Asian Countries  18
FIGURE 11  State of implementation of institutional arrangement and cooperation measures by OIC Asian Countries  19
FIGURE 12  State of implementation of institutional arrangement and cooperation measures for trade facilitation in OIC Asian Countries  19
FIGURE 13  State of implementation of transit facilitation measures by OIC Asian Countries  20
FIGURE 14  State of implementation of transit facilitation measures in OIC Asian Countries  20
FIGURE 15  State of implementation of paperless trade measures by OIC Asian Countries  21
FIGURE 16  State of implementation of paperless trade measures in OIC Asian Countries  22
FIGURE 17  State of implementation of cross-border paperless trade measures by OIC Asian Countries  23
FIGURE 18  State of implementation of cross-border paperless trade measures in OIC Asian Countries  23
BOX 3  IsDB Support to the Interconnection of National Customs with the e-TIR Transit System  24
BOX 4  Climate-smart trade facilitation  24
FIGURE 19  State of implementation of trade facilitation and wildlife protection measures in OIC Asian Countries  24
FIGURE 20  State of implementation of trade facilitation measures for SMEs by OIC Asian Countries  25
FIGURE 21  State of implementation of trade facilitation measures for SMEs in OIC Asian Countries  25
BOX 5  Trade Facilitation for e-commerce  26
FIGURE 22  State of implementation of ‘trade facilitation for e-commerce’ in OIC Asian Countries  26
FIGURE 23  State of implementation of agricultural trade facilitation measures by OIC Asian Countries  27
FIGURE 24  State of implementation of agricultural trade facilitation measures in OIC Asian Countries  27
FIGURE 25  State of implementation of women in trade facilitation measures by OIC Asian Countries  28
FIGURE 26  State of implementation of women in trade facilitation measures in OIC Asian Countries  28
FIGURE 27  State of implementation of trade finance facilitation measures by OIC Asian Countries  29
FIGURE 28  State of implementation of trade finance facilitation measures in OIC Asian Countries  29
FIGURE 29  State of implementation of trade facilitation in times of crisis measures by OIC Asian Countries  30
FIGURE 30  State of implementation of trade facilitation in times of crisis measures in OIC Asian Countries  30
TABLE 3  Expected trade cost reduction from alternative trade facilitation reforms  33
FIGURE 31  Impact of trade facilitation implementation on trade costs of OIC Asian Countries’ economies  34
BOX 6  A regional United Nations treaty, “leaving no-one behind” to accelerate trade digitalization  34
FIGURE 32  Trade facilitation implementation and trade costs of Asia-Pacific economies  37
FIGURE 33  Moving up the trade facilitation ladder towards seamless international supply chains  38
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACDD</td>
<td>Association of Southeast Asian Nations Customs Declaration Document</td>
</tr>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
</tr>
<tr>
<td>AEO</td>
<td>Authorized economic operator</td>
</tr>
<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
</tr>
<tr>
<td>AUS</td>
<td>Australia</td>
</tr>
<tr>
<td>CA</td>
<td>Central Asia</td>
</tr>
<tr>
<td>CAREC</td>
<td>Central Asia Regional Economic Cooperation</td>
</tr>
<tr>
<td>CPTA</td>
<td>Cross-border Paperless Trade in Asia and the Pacific</td>
</tr>
<tr>
<td>ECE</td>
<td>United Nations Economic Commission for Europe</td>
</tr>
<tr>
<td>eCITES</td>
<td>CITES electronic</td>
</tr>
<tr>
<td>ESCAP</td>
<td>United Nations Economic and Social Commission for Asia and the Pacific</td>
</tr>
<tr>
<td>GHG</td>
<td>Greenhouse gases</td>
</tr>
<tr>
<td>ICC</td>
<td>International Chamber of Commerce</td>
</tr>
<tr>
<td>ICDT</td>
<td>the Islamic Centre for Development of Trade</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and Communications Technology</td>
</tr>
<tr>
<td>IRU</td>
<td>International Road Transport Union</td>
</tr>
<tr>
<td>IsDB</td>
<td>Islamic Development Bank</td>
</tr>
<tr>
<td>ITC</td>
<td>International Trade Centre</td>
</tr>
<tr>
<td>LDC</td>
<td>Least developed country</td>
</tr>
<tr>
<td>LLDC</td>
<td>Landlocked developing country</td>
</tr>
<tr>
<td>MCs</td>
<td>Member Countries</td>
</tr>
<tr>
<td>NCA</td>
<td>North and Central Asia</td>
</tr>
<tr>
<td>NZL</td>
<td>New Zealand</td>
</tr>
<tr>
<td>OIC</td>
<td>Organisation of Islamic Cooperation</td>
</tr>
<tr>
<td>OCO</td>
<td>Oceania Customs Organization</td>
</tr>
<tr>
<td>RCI</td>
<td>Regional cooperation and integration</td>
</tr>
<tr>
<td>RTAs</td>
<td>Regional trade agreements</td>
</tr>
<tr>
<td>SDGs</td>
<td>Sustainable Development Goals</td>
</tr>
<tr>
<td>SEA</td>
<td>South-East Asia</td>
</tr>
<tr>
<td>SMEs</td>
<td>Small and medium enterprises</td>
</tr>
<tr>
<td>SPS</td>
<td>sanitary and phytosanitary</td>
</tr>
<tr>
<td>SSWA</td>
<td>South and South-West Asia</td>
</tr>
<tr>
<td>TF</td>
<td>Trade Facilitation</td>
</tr>
<tr>
<td>TFA</td>
<td>Trade Facilitation Agreement</td>
</tr>
<tr>
<td>TPS</td>
<td>Trade Preferential System</td>
</tr>
<tr>
<td>UN/CEFACT</td>
<td>United Nations Centre for Trade Facilitation and Electronic Business</td>
</tr>
<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
</tr>
<tr>
<td>UNNExT</td>
<td>United Nations Network of Experts for Paperless Trade and Transport for Asia and the Pacific</td>
</tr>
<tr>
<td>UNRC</td>
<td>United Nations Regional Commission</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organization</td>
</tr>
</tbody>
</table>
INTRODUCTION
This report examines the progress of trade facilitation reforms across 15 OIC Asian countries, based on the 2023 United Nations Global Survey on Digital and Sustainable Trade Facilitation. As this introductory chapter explains, trade is a major driver of growth and sustainable development, so it is crucial to implement effective trade facilitation strategies. While significant progress has been made in reducing trade costs by eliminating or lowering tariffs, there is still an urgent need to address non-tariff barriers.
1.1: BACKGROUND AND OBJECTIVE

It is widely recognized that reducing trade costs plays a crucial role in facilitating the active engagement of economies in regional and global value chains, thereby ensuring that trade remains a main engine of growth and sustainable development. As shown in table 1, based on the latest data from the ESCAP-World Bank Trade Cost Database, comprehensive non-tariff trade costs between the Central Asia economies as well as South and South West Asia economies (141% and 165% tariff-equivalent, respectively) are still significantly higher than the costs of trading goods among the three largest economies in European Union (42% tariff-equivalent) or those between China, the Republic of Korea and Japan (58% tariff equivalent).

The aftermath of the COVID-19 crisis continues to impede international trade, with geopolitical conflicts creating new supply chain disruptions, and inflation increasing trade costs and uncertainties. Although global merchandise trade volumes exhibited a resilient rebound following the pandemic, trade growth faltered in 2022, with slow growth expected to persist throughout 2023, at 0.8% according to the latest World Trade Organization (WTO) estimate. However, trade facilitation measures play a crucial role in mitigating these challenges by enhancing efficiency through streamlined and digitalized processes. By implementing effective trade facilitation strategies, unnecessary costs can be reduced, helping to counter the trend of increasing trade costs.

In general, significant progress has been made in reducing trade costs by eliminating or lowering tariffs during the past few decades. Studies indicate that non-tariff measures can contribute up to twice as much to trade costs compared with ordinary Customs tariffs. Hence, to achieve additional trade cost reductions, it is imperative to tackle non-tariff barriers, such as inadequate transportation, logistics infrastructure, and services as well as complex regulatory procedures and documentation. In this context, this report presents a comprehensive overview of the results from the UN Global Survey on Digital and Sustainable Trade Facilitation 2023 for the Organisation of Islamic Cooperation (OIC) / Islamic Development Bank (IsDB) Member Countries (MCs) in Asia, which have overlapping membership with ESCAP. Furthermore, the potential impacts of implementing trade facilitation measures in these countries are assessed based on a trade cost model.

### TABLE 1: INTRA- AND EXTRA-REGIONAL COMPREHENSIVE TRADE COSTS IN THE ASIA-PACIFIC REGION

<table>
<thead>
<tr>
<th>REGION</th>
<th>CA-5</th>
<th>SEA-2</th>
<th>SSWA-3</th>
<th>AUS-NZL</th>
<th>EAST ASIA-3</th>
<th>EUROPE-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA-5</td>
<td>141.1%</td>
<td>334.9%</td>
<td>195.4%</td>
<td>456.4%</td>
<td>216.1%</td>
<td>210.0%</td>
</tr>
<tr>
<td>(1.2%)</td>
<td>(-8.6%)</td>
<td>(-7.6%)</td>
<td>(5.5%)</td>
<td>(9.8%)</td>
<td>(5.0%)</td>
<td></td>
</tr>
<tr>
<td>SEA-2</td>
<td>334.9%</td>
<td>61.1%</td>
<td>112.3%</td>
<td>96.4%</td>
<td>78.0%</td>
<td>104.2%</td>
</tr>
<tr>
<td>(-8.6%)</td>
<td>(-2.6%)</td>
<td>(-3.4%)</td>
<td>(3.0%)</td>
<td>(1.2%)</td>
<td>(0.9%)</td>
<td></td>
</tr>
<tr>
<td>SSWA-3</td>
<td>195.4%</td>
<td>112.3%</td>
<td>165.4%</td>
<td>149.9%</td>
<td>124.0%</td>
<td>96.5%</td>
</tr>
<tr>
<td>(-7.6%)</td>
<td>(-3.4%)</td>
<td>(24.5%)</td>
<td>(0.4%)</td>
<td>(1.6%)</td>
<td>(-1.0%)</td>
<td></td>
</tr>
<tr>
<td>AUS-NZL</td>
<td>456.4%</td>
<td>96.4%</td>
<td>149.9%</td>
<td>52.8%</td>
<td>89.6%</td>
<td>103.0%</td>
</tr>
<tr>
<td>(5.5%)</td>
<td>(3.0%)</td>
<td>(0.4%)</td>
<td>(0.8%)</td>
<td>(4.4%)</td>
<td>(-3.5%)</td>
<td></td>
</tr>
<tr>
<td>East Asia-3</td>
<td>216.1%</td>
<td>78.0%</td>
<td>124.0%</td>
<td>89.6%</td>
<td>58.0%</td>
<td>85.6%</td>
</tr>
<tr>
<td>(9.8%)</td>
<td>(1.2%)</td>
<td>(1.6%)</td>
<td>(4.4%)</td>
<td>(10.0%)</td>
<td>(1.0%)</td>
<td></td>
</tr>
<tr>
<td>Europe-3</td>
<td>210.0%</td>
<td>104.2%</td>
<td>96.5%</td>
<td>103.0%</td>
<td>85.6%</td>
<td>41.8%</td>
</tr>
<tr>
<td>(5.0%)</td>
<td>(0.9%)</td>
<td>(-1.0%)</td>
<td>(-3.5%)</td>
<td>(1.0%)</td>
<td>(-2.7%)</td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td>274.9%</td>
<td>84.6%</td>
<td>102.2%</td>
<td>97.7%</td>
<td>66.3%</td>
<td>65.6%</td>
</tr>
<tr>
<td>(13.0%)</td>
<td>(-3.4%)</td>
<td>(-2.8%)</td>
<td>(-1.6%)</td>
<td>(3.9%)</td>
<td>(-2.0%)</td>
<td></td>
</tr>
</tbody>
</table>

Available at [https://www.unescap.org/resources/escap-world-bank-trade-cost-database](https://www.unescap.org/resources/escap-world-bank-trade-cost-database) or [https://artnet.unescap.org/database#tradecost](https://artnet.unescap.org/database#tradecost)

Note: Trade costs may be interpreted as tariff equivalents. Percentage changes in trade costs between 2010-2015 and 2016-2021 are in parentheses.

CA-5: Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan; SEA-2: Indonesia, Malaysia; SSWA-3: India, Pakistan, Türkiye; East Asia-3: China, Japan, Republic of Korea; Europe-3: Germany, France, United Kingdom.

---

1.2: SURVEY INSTRUMENT AND METHODOLOGY

The UN Global Survey on Digital and Sustainable Trade Facilitation 2023 (hereafter called “the Survey”) builds upon the original instrument (formerly known as the Global Survey on Trade Facilitation and Paperless Trade Implementation). It was prepared according to the final list of commitments included in the WTO Trade Facilitation Agreement (TFA) and supplemented by forward-looking measures that are sought to be implemented under the United Nations treaty – the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (CPTA) – and those supporting inclusive and sustainable trade.

The 2023 Survey covers 60 trade facilitation measures commonly used by five United Nations Regional Commissions (UNRCs). The 60 measures are classified into four groups and 11 sub-groups (annex 2). The first group, “General Trade Facilitation,” includes many WTO TFA measures with sub-groups of ‘transparency,’ ‘formalities,’ ‘institutional arrangement and cooperation’ and ‘transit facilitation.’ The second group, “Digital Trade Facilitation” measures, includes ‘paperless trade’ and ‘cross-border paperless trade.’ The third group of “Sustainable Trade Facilitation” measures includes ‘trade facilitation for Small and medium enterprises (SMEs),’ ‘agricultural trade facilitation’ and ‘women in trade facilitation’ sub-groups. The fourth group “Other Trade Facilitation” measures includes ‘trade facilitation for e-commerce’ and ‘trade facilitation and wildlife protection.’

The overall scope of the Survey goes beyond the measures included in the WTO TFA. Most paperless trade measures, particularly for cross-border paperless trade, are not specifically featured in the WTO TFA. However, their inclusion in many cases would support better implementation of the TFA in digital form.

Most paperless trade measures, particularly for cross-border paperless trade, are not specifically featured in the WTO TFA. However, their inclusion in many cases would support better implementation of the TFA in digital form.
TRADE FACILITATION IMPLEMENTATION: OVERVIEW
The implementation of trade facilitation measures among OIC Asian countries varies. Progress has certainly been made, with the average implementation rate climbing from 69% in 2021 to 73% in 2023 based on 14 countries. But there is still room for improvement, and this chapter looks more closely at how OIC Asian countries fare within the context of Asia-Pacific as a whole, shedding light on some of the most and least implemented measures and the important ongoing role of development partners.
When it comes to 31 trade facilitation measures from 5 sub-groups under “General” and “Digital Trade Facilitation” (figure 1), the average rate standing at 71% in OIC Asian Countries appears to be above the regional average of 67% observed in the Asia-Pacific region. But among OIC Asian Countries, subregions exhibit varying degrees of implementation with South-East Asia leading the way with implementation rates of 84%, led by Indonesia and Malaysia (87% each). North and Central Asia, led by Azerbaijan (87%), and South and South-West Asia, led by Türkiye (87%), follow with implementation rates of 70% and 66% respectively.

When comparing OIC Asian Countries’ average implementation rate of these 31 trade facilitation measures with other subregions of the Asia-Pacific region, the data reveals room for improvement, with a rate of 71% (figure 2). OIC Asian Countries’ level of implementation ranks only fifth, after Australia and New Zealand (97%), East and North-East Asia (83%), South-East Asia (76%), and North and Central Asia (74%).

While progress has been made in various areas, there is still room for improvement. Indeed, when it comes to ‘trade finance facilitation’ and ‘cross-border paperless trade’ the implementation rates stand at 32% and 46% respectively, making them the least implemented sub-groups covered in the Survey (figure 3). Recognizing the importance of the 2030 Agenda for Sustainable Development, concerted efforts are necessary to enhance the participation and contribution of SMEs in trade facilitation as well as promote seamless electronic trade across borders throughout OIC Asian Countries. In this regard, IsDB’s support to regional cooperation and integration (box 1) for OIC Asian Countries could act as catalysts for advancing the socioeconomic development agenda in the region.

![Figure 1: Overall Implementation of Trade Facilitation Measures in OIC Asian Countries](source: The UN Global Survey on Digital and Sustainable Trade Facilitation, 2023. Available at untfsurvey.org)

![Figure 2: Trade Facilitation Implementation in Asia-Pacific Subregions Including OIC Asian Countries](source: The UN Global Survey on Digital and Sustainable Trade Facilitation, 2023. Available at untfsurvey.org)
**BOX 1: IsDB SUPPORT TO REGIONAL COOPERATION AND INTEGRATION**

IsDB has been supporting regional cooperation and integration (RCI) activities since its inception. The Bank’s RCI Policy aims to enable IsDB to become a primary connecting platform for its members, regional cooperation organizations, and communities to cooperate with each other. The policy is built on four pillars: (i) strengthening cross-border connectivity, (ii) improving the investment climate, (iii) promoting Islamic trade and finance, and (iv) supporting regional public goods.

The Bank is managing various grant programs to advance its RCI agenda. The RCI Grant Program provides capacity development support that complements IsDB’s hard infrastructure interventions with a focus on landlocked countries. Priority is given to cross-border physical and operational connectivity initiatives particularly in transport, energy, and digital sectors as well as the upgrading of border crossing points and the establishment of logistics centres and industrial zones.

The Investment Promotion Technical Assistance Program aims to strengthen the capacity of IsDB Member Countries’ investment promotion agencies and intermediaries to improve the investment climate and to attract domestic and foreign investment that contributes to sustainable development.

The Technical Assistance Program for Regional and Global Integration builds the institutional and human capacities of IsDB Member Countries to negotiate multilateral trade agreements, such as those discussed under the auspices of the WTO and others, to help countries participate in the global economy and to foster regional integration.

The Bank is also implementing a pioneering South-South Cooperation program, reverse linkage, which offers a practical tool to facilitate the transfer of know-how, expertise, and technology to IsDB Member Countries in need. Reverse linkage has been successfully utilized in a diverse range of sectors, including RCI-related operations.

The Bank is also implementing a pioneering South-South Cooperation program, reverse linkage, which offers a practical tool to facilitate the transfer of know-how, expertise, and technology to IsDB Member Countries in need.

**FIGURE 3: IMPLEMENTATION OF DIFFERENT SUB-GROUPS OF TRADE FACILITATION MEASURES BY OIC ASIAN COUNTRIES**

Source: The UN Global Survey on Digital and Sustainable Trade Facilitation, 2023. Available at untfsurvey.org
2.1: MOST AND LEAST IMPLEMENTED TRADE FACILITATION MEASURES

Table 2 offers insights into the implementation status of trade facilitation measures within each sub-group assessed in the Survey. In the ‘transparency’ sub-group, the measure ‘stakeholders’ consultation on new draft regulations (prior to their finalization)’ stands out as the most implemented. On the other hand, the least implemented measure is ‘authorities engaged in blockchain-based supply chain project covering trade finance’ from the ‘trade finance facilitation’ sub-group. This indicates the need for improvement in fostering the involvement of relevant authorities in blockchain initiatives on trade finance.

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>MOST IMPLEMENTED (% OF COUNTRIES)</th>
<th>LEAST IMPLEMENTED (% OF COUNTRIES)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MEASURE</td>
<td>IMPLEMENTED FULLY, PARTIALLY AND ON A PILOT BASIS (%) / FULL IMPLEMENTATION (%)</td>
</tr>
<tr>
<td>Transparency</td>
<td>Stakeholders’ consultation on new draft regulations (prior to their finalization)</td>
<td>100.0 / 86.7</td>
</tr>
<tr>
<td>Formalities</td>
<td>Acceptance of copies of original supporting documents required for import, export or transit formalities</td>
<td>100.0 / 60.0</td>
</tr>
<tr>
<td>Institutional arrangement and cooperation</td>
<td>National Trade Facilitation Committee or similar body</td>
<td>100.0 / 60.0</td>
</tr>
<tr>
<td>Paperless trade</td>
<td>Automated Customs System</td>
<td>100.0 / 66.7</td>
</tr>
<tr>
<td>Cross-border paperless trade</td>
<td>Laws and regulations for electronic transactions</td>
<td>100.0 / 26.7</td>
</tr>
<tr>
<td>Transit facilitation</td>
<td>Transit facilitation agreement(s)</td>
<td>93.3 / 20.0</td>
</tr>
<tr>
<td>Trade facilitation for SMEs</td>
<td>Trade-related information measures for SMEs</td>
<td>100.0 / 40.0</td>
</tr>
<tr>
<td>Agricultural trade facilitation</td>
<td>Special treatment for perishable goods</td>
<td>93.3 / 53.3</td>
</tr>
<tr>
<td>Women in trade facilitation</td>
<td>TF measures to benefit women involved in trade</td>
<td>93.3 / 26.7</td>
</tr>
<tr>
<td>Trade finance facilitation</td>
<td>Variety of trade finance services available</td>
<td>80.0 / 26.7</td>
</tr>
<tr>
<td>Trade facilitation in times of crisis</td>
<td>Online publication of emergency TF measures</td>
<td>93.3 / 46.7</td>
</tr>
</tbody>
</table>

Source: The UN Global Survey on Digital and Sustainable Trade Facilitation, 2023. Available at untdfsurvey.org

Figure 4 illustrates the extent of implementation of measures directly aligned with the requirements of the WTO TFA, as indicated by the data gathered during the Survey. These findings closely align with the information conveyed by countries through official notifications to the WTO. Among the countries, the measure with the highest implementation rate is ‘stakeholders’ consultation on new draft regulations (prior to their finalization)’. It is noteworthy that 87% of OIC Asian Countries have fully implemented these measures, while the remaining 13% have partially implemented them. The ‘trade facilitation measures for authorized operators’ are the least implemented with 27% of OIC Asian Countries having fully adopted this measure. Meanwhile, 67% of these countries have either partially implemented it or are in the pilot stage of implementation, and 6% of the countries have yet to initiate implementation.
## FIGURE 4

**Level of Implementation of WTO TFA-Related Measures (Excluding Transit) by OIC Asian Countries**

<table>
<thead>
<tr>
<th>Article</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2</td>
<td>Stakeholders’ consultation on new draft regulations (prior to their finalization)</td>
</tr>
<tr>
<td>1.2</td>
<td>Publication of existing import-export regulations on the internet</td>
</tr>
<tr>
<td>2.1</td>
<td>Advance publication/notification of new trade-related regulations before their implementation</td>
</tr>
<tr>
<td>7.3</td>
<td>Separation of release from final determination of customs duties, taxes, fees and charges</td>
</tr>
<tr>
<td>10.2.1</td>
<td>Acceptance of copies of original supporting documents required for import, export or transit formalities</td>
</tr>
<tr>
<td>7.5</td>
<td>Post-clearance audits</td>
</tr>
<tr>
<td>23</td>
<td>National Trade Facilitation Committee or similar body</td>
</tr>
<tr>
<td>7.1</td>
<td>Pre-arrival processing</td>
</tr>
<tr>
<td>7.2</td>
<td>E-Payment of Customs Duties and Fees</td>
</tr>
<tr>
<td>3</td>
<td>Advance ruling on tariff classification and origin of imported goods</td>
</tr>
<tr>
<td>7.4</td>
<td>Risk management</td>
</tr>
<tr>
<td>7.9</td>
<td>Special treatment for perishable goods</td>
</tr>
<tr>
<td>7.6</td>
<td>Establishment and publication of average release times</td>
</tr>
<tr>
<td>4</td>
<td>Independent appeal mechanism and online lodging</td>
</tr>
<tr>
<td>10.4</td>
<td>Electronic Single Window System</td>
</tr>
<tr>
<td>7.8</td>
<td>Expedited shipments</td>
</tr>
<tr>
<td>8</td>
<td>National legislative framework and/or institutional arrangements for border agencies cooperation</td>
</tr>
<tr>
<td>7.7</td>
<td>TF measures for authorized operators</td>
</tr>
</tbody>
</table>

Source: The UN Global Survey on Digital and Sustainable Trade Facilitation, 2023. Available at unftsurvey.org
Some progress has been made in the implementation of trade facilitation measures within OIC Asian Countries from 2021 to 2023. The average implementation rate has witnessed a rise, climbing from 69% in 2021 to 73% in 2023, based on 14 common countries (figure 5). More specifically, over the past two years, all subregions have steadily improved their trade facilitation implementation rates. The most significant progress has been witnessed in North and Central Asia, where implementation rates increased by 7 percentage points, rising from 67% in 2021 to 74% in 2023. This achievement is particularly noteworthy because all North and Central Asian OIC Countries are landlocked developing countries (LLDCs), facing unique trade logistics challenges and higher costs due to their lack of direct sea access.

This can be attributed to coordinated support designed to address the specific needs of LLDCs such as the Vienna Programme of Action for Landlocked Developing Countries 2014-2024, which prioritizes the unique development challenges faced by these countries. The programme places a strong emphasis on international trade and trade facilitation, with a particular focus on building efficient transit systems, transport infrastructure development, enhancing competitiveness, trade expansion, structural transformation, and regional cooperation, among other measures to transform these landlocked countries into well-connected and land-linked nations.³

Source: The UN Global Survey on Digital and Sustainable Trade Facilitation, 2023. Available at unftsurvey.org

#### FIGURE 5: TRADE FACILITATION IMPLEMENTATION IN OIC ASIAN COUNTRIES BETWEEN 2021 AND 2023

<table>
<thead>
<tr>
<th>Sub-region</th>
<th>2021 (%)</th>
<th>2023 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OIC: Asia</td>
<td>69%</td>
<td>73%</td>
</tr>
<tr>
<td>OIC: NCA</td>
<td>67%</td>
<td>74%</td>
</tr>
<tr>
<td>OIC: SSNA</td>
<td>64%</td>
<td>66%</td>
</tr>
<tr>
<td>OIC: SEA</td>
<td>83%</td>
<td>84%</td>
</tr>
</tbody>
</table>

Source: The UN Global Survey on Digital and Sustainable Trade Facilitation, 2023. Available at unftsurvey.org

#### FIGURE 6: AVERAGE IMPLEMENTATION OF DIFFERENT SUB-GROUPS OF TRADE FACILITATION MEASURES IN OIC ASIAN COUNTRIES BETWEEN 2021 AND 2023

<table>
<thead>
<tr>
<th>Sub-group</th>
<th>2019 (%)</th>
<th>2021 (%)</th>
<th>2023 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transparency</td>
<td>80%</td>
<td>85%</td>
<td>85%</td>
</tr>
<tr>
<td>Formalities</td>
<td>77%</td>
<td>80%</td>
<td>82%</td>
</tr>
<tr>
<td>Institutional arrangement and cooperation</td>
<td>62%</td>
<td>72%</td>
<td>75%</td>
</tr>
<tr>
<td>Paperless trade facilitation</td>
<td>27%</td>
<td>49%</td>
<td>48%</td>
</tr>
<tr>
<td>Cross-border paperless trade</td>
<td>34%</td>
<td>47%</td>
<td>50%</td>
</tr>
<tr>
<td>Trade facilitation for SMEs</td>
<td>26%</td>
<td>45%</td>
<td>46%</td>
</tr>
<tr>
<td>Agricultural trade facilitation</td>
<td>18%</td>
<td>29%</td>
<td>31%</td>
</tr>
<tr>
<td>Women in trade facilitation</td>
<td>5%</td>
<td>13%</td>
<td>17%</td>
</tr>
<tr>
<td>Trade facilitation in times of crisis</td>
<td>6%</td>
<td>7%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: The UN Global Survey on Digital and Sustainable Trade Facilitation, 2023. Available at unftsurvey.org

---

² A total of 15 OIC Asian Countries participated in the 2023 Survey, 14 of which also participated in the 2021 and 2019 Surveys. Only countries covered by all three Surveys are analyzed to assess progress in implementing trade facilitation measures over the previous two years in order to make the samples comparable.

³ Vienna Programme of Action (VPOA) for Landlocked countries | Development Policy and Performance Portal (finance.gov.ug)
Figure 6 shows the improvement between the 2019 and 2023 Survey years according to the sub-groups of trade facilitation measures for OIC Asian Countries. It shows a steady rise in implementation rates, although the increase is more moderate between 2021 and 2023 than between 2019 and 2021, with a 4 and 9 percentage point increase, respectively. In 2023, progress has been made compared with 2021 across all measures with the most impressive progress in improving ‘women in trade facilitation’ with an increase of 11 percentage points. Moreover, significant progress has also been made in 2023 under “Digital Trade Facilitation”, notably for ‘cross-border paperless trade’ measures with an increase of 8 percentage points compared to 2021, although the implementation level remains relatively low.

**BOX 2: ICDT SUPPORT TO TRADE FACILITATION**

The Islamic Centre for Development of Trade (ICDT) has the primary objective of strengthening its Member States’ ability to simplify foreign trade procedures, particularly by:

- Enforcing the WTO Agreement on Trade Facilitation, which stipulates the adoption of trade facilitation measures, notably those of category C;
- Supporting countries in digitalizing Customs procedures at borders, which include the "e-phyto" electronic quality certificate for agricultural products as implemented in Nigeria and Togo, "e-Vet" electronic veterinary certification, "e-TIR" and "e-CMR" electronic Customs and road transport documents in Africa and Central Asia;
- Supporting national trade facilitation committees as well as the implementation of Single Trade Windows at national and regional levels and the simplification of Customs procedures.

ICDT has launched a trade facilitation programme consisting of a series of activities aimed at facilitating intra-OIC trade and enhancing the benefits of trade-related legal frameworks at the level of the WTO and OIC Trade Preferential System (TPS-OIC) operationalization.

ICDT has also initiated a business intelligence program. The program is crafted to assist stakeholders in OIC Member Countries, empowering them to leverage the challenges they face by converting them into opportunities for intra-OIC trade and investment. In this regard, ICDT sets out to provide trade databases to assess intra-OIC trade and investment opportunities through:

- Setting up an OIC Trade HelpDesk covering the OIC zone: Statistics databases (OIC Trade Map) developed in partnership with International Trade Centre (ITC) on potential exports from OIC Member Countries (OIC Export Potential Map) and market access including tariff and non-tariff measures (OIC Mac Map).
- Creation of a dashboard covering all Halal industry sub-sectors: Islamic finance, fashion, cosmetics, pharmaceuticals, tourism, and agri-food.
- Creation of an investment platform (OIC Invest Map) to identify priority sectors and existing and potential foreign investors.
- Implementation of a procurement map (OIC Procurement Map) to provide detailed information for public tenders and contract awards.

To ensure continued progress in the implementation of trade facilitation measures within OIC Asian Countries, the Islamic Centre for Development of Trade (ICDT) is offering its capacity development support through various trade facilitation programs and activities (box 2).
IMPLEMENTATION OF TRADE FACILITATION MEASURES: A CLOSER LOOK
The 2023 United Nations Global Survey on Digital and Sustainable Trade Facilitation covers 60 trade facilitation measures, classified into four groups and 11 sub-groups. This chapter examines those sub-groups in more depth, looking at issues such as transparency, transit facilitation, paperless trade and agricultural trade facilitation. Progress was made in 2023 across all sub-groups compared with 2021, with the most impressive progress seen in improvements to ‘women in trade facilitation’. 
3.1: TRANSPARENCY

‘Transparency’ comprises five measures related to Articles 1 to 5 of the WTO TFA and GATT Article X on “Publication and Administration of Trade Regulations”. In this sub-group, OIC Asian Countries achieve an average implementation level of 88%, surpassing the Asia-Pacific average of 83%. Specifically, OIC Asian Countries’ implementation rate for the measure ‘stakeholders’ consultations on new draft regulations (prior to their finalization)’ stands at an impressive 96%. Additionally, the measure ‘publication of existing import-export regulations on the internet’ boasts a commendable implementation rate of 93% (figure 7).

In addition, figure 8 illustrates that measures under ‘transparency’ are implemented to various degrees among OIC Asian Countries. The measures ‘stakeholders’ consultation on new draft regulations (prior to their finalization)’ and ‘publication of existing import-export regulations on the internet’ have been fully implemented by 87% and 80% of these countries, respectively. Lastly, the two least implemented measures, ‘independent appeal mechanism and online lodging’ and ‘advance ruling on tariff classification and origin of imported goods’, have been fully implemented by 47% and 53% of OIC Asian Countries, respectively.

Source: The UN Global Survey on Digital and Sustainable Trade Facilitation, 2023. Available at untfsurvey.org
The ‘formalities’ sub-group encompasses eight general trade facilitation measures that aim to streamline trade procedures, aligning with the requirements outlined in Articles 6-10 of the WTO TFA and GATT Article VIII on “Release and Clearance of Goods”. In 2023, the implementation rate for all measures within the ‘formalities’ category stands at 79%, which closely aligns with the regional average of Asia and the Pacific, which is 76%. This implementation rate is primarily driven by the OIC Asian Countries in South-East Asia, which have a 100% implementation rate for 7 of the 8 measures studied. The measures with the highest implementation rate in the subregion are the ‘acceptance of copies of original supporting documents required for import, export, or transit formalities’ and ‘post-clearance audits’ reaching an implementation rate of 87%, followed by ‘separation of release from final determination of Customs duties, taxes, fees and charges’ with 82%. Furthermore, the subregional implementation rates for ‘risk management’ and ‘pre-arrival processing’ achieved a commendable 80% implementation rate (figure 9).

Among all the measures, ‘separation of release from final determination of Customs duties, taxes, fees and charges’ is the measure that has been the most implemented, considering that 67% of OIC Asian Countries have fully implemented this measure. ‘Acceptance of copies of original supporting documents required for import, export or transit formalities’, ‘post-clearance audits’, and ‘pre-arrival processing’ followed closely given that they have been fully implemented by 60% of OIC Asian Countries. Also, two measures have been fully implemented by 53% of OIC Asian Countries, namely ‘establishment and publication of average release times’ and ‘risk management’. Finally, the measure ‘trade facilitation measures for authorized operators’ has only been fully implemented by 27% of OIC Asian Countries, which remains relatively low (figure 10).

**Figure 9: State of Implementation of Formalities Measures by OIC Asian Countries**

![Diagram showing the implementation rates of formalities measures for OIC Asian Countries.](untfsurvey.org)

**Figure 10: State of Implementation of Formalities Measures in OIC Asian Countries**

![Bar chart showing the implementation status of formalities measures for OIC Asian Countries.](untfsurvey.org)
The ‘institutional arrangement and cooperation’ sub-group comprises three trade facilitation measures. These measures revolve around the longstanding recommendation to establish a national trade facilitation body that promotes coordination and cooperation among government agencies and other stakeholders involved in trade facilitation activities. In addition, all three measures are specified in various articles of the WTO TFA. For OIC Asian Countries, the implementation rate of these measures stands at 70%, slightly above the regional average in the Asia-Pacific region (68%).

Figure 11 illustrates the varying state of implementation for each measure within this sub-group. The measure with the highest implementation rate is the ‘national trade facilitation committee or similar body’, which exceeds 82%, followed by the measure ‘national legislative framework and/or institutional arrangements for border agency cooperation’, with an implementation rate of 76%. On the other hand, 27% of countries in this subregion have yet to implement the measure of ‘government agencies delegating border controls to Customs authorities’ or are not aware whether this measure has been implemented, making it the least implemented measure within this sub-group (figure 12). Interestingly, although OIC Asian Countries in North and Central Asia have the two lowest implementation rates for two of the three measures studied, they achieve the highest implementation rate for ‘national legislative framework and/or institutional arrangements for border agencies cooperation’.

Source: The UN Global Survey on Digital and Sustainable Trade Facilitation, 2023. Available at untsurvey.org
3.3: TRANSIT FACILITATION

Four trade facilitation measures surveyed pertain to ‘transit facilitation’ and are aligned with WTO TFA Article 11 on “Freedom of Transit.” These measures aim to simplify the formalities associated with transit traffic, enabling seamless transportation of goods through one or multiple transit countries. They hold particular significance for landlocked developing countries, as their goods often pass through neighbouring territories for transit. In the subregion, the implementation level of ‘transit facilitation’ stands at approximately 79%, mirroring the Asia-Pacific regional average of 78%. This high implementation rate is mainly driven by OIC Asian Countries in South-East Asia, with implementation rates higher than the overall OIC Asian Countries for all four measures.

‘Cooperation between agencies of countries involved in transit’ and ‘limit the physical inspections of transit goods and use risk assessment’ achieve the highest implementation rate, at 85% each (figure 13). However, despite a high implementation rate, these measures have been fully implemented in only 47% of the countries surveyed (figure 14). The measure ‘transit facilitation agreement(s)’ remains the least implemented with an implementation rate standing at 67%, with only 20% of OIC Asian Countries having fully implemented it.

![Figure 13: State of implementation of transit facilitation measures by OIC Asian countries](untfsurvey.org)

![Figure 14: State of implementation of transit facilitation measures in OIC Asian countries](untfsurvey.org)
Nine trade facilitation measures surveyed are categorized in the ‘paperless trade’ sub-group. These measures involve the utilization of modern information and communications technologies (ICT) in trade procedures, ranging from basic Internet connectivity at border crossings to comprehensive electronic Single Window systems. Many of these measures align with the provisions outlined in the WTO TFA. In OIC Asian Countries, the implementation level of ‘paperless trade’ stands at 73%, surpassing the Asia-Pacific regional average of 66%.

It is important to note that while the TFA encourages economies to implement such measures, it does not impose them as mandatory requirements. Consequently, there is a significant disparity in the implementation rates of the ‘paperless trade’ measures, ranging from 47% to 91%. As depicted in figure 15, ‘internet connection available to Customs and other trade control agencies’ reached a 91% implementation rate, the highest level in this sub-group. It is closely followed by the measures related to the ‘automated Customs system’ and ‘electronic submission of Customs Declarations’ that achieved an implementation rate of 87%. Conversely, the measure with the lowest implementation rate is ‘electronic application for Customs refunds’ with an implementation rate of 47%. Only 27% of OIC Asian Countries have fully implemented this measure, while implementation has not yet commenced in 40% of OIC Asian Countries (figure 16).

While the overall implementation rate of the ‘electronic single window system’ across OIC Asian Countries stands at 73%, there is still a significant opportunity for enhancement, as only 47% of these nations have fully implemented this system. Notably, Uzbekistan is actively engaged in advancing its Single Window framework, aiming to streamline all Customs procedures. Supported by the World Customs Organization (WCO), Uzbekistan’s initiatives include enhancing the electronic data exchange capabilities of the Single Window system, completing the WCO Data Model mapping exercise, and creating My Information Packages (MyIPs). These MyIPs will be shared with global stakeholders through the WCO’s MyIP repository, fostering greater collaboration and efficiency in international trade operations.
3.6: CROSS-BORDER PAPERLESS TRADE

The sub-group ‘cross-border paperless trade’ encompasses six measures aimed at facilitating the exchange and recognition of trade-related data and documents. Two fundamental measures in this category include the establishment of ‘laws and regulations for electronic transactions’ and ‘recognized certification authority’. These measures serve as essential foundations for enabling the secure exchange of trade-related information within a country and across the entire international supply chain.

In OIC Asian Countries, the average implementation rates of these two measures stand at 73% and 56% respectively. The remaining four measures focus on implementing systems that facilitate the actual exchange of trade-related data and documents across borders, eliminating the need for physical paper documents. In OIC Asian Countries, the implementation rate of ‘cross-border paperless trade’ stands at 46% and surpasses the Asia-Pacific regional average, but still has significant room to improve, being one of the two least implemented subgroups. Also, there are some variances in subregional performances.

The South-East Asian OIC Countries achieved significantly higher implementation for the two measures, ‘electronic exchange of certificates of origin’ and ‘recognized certification authority’ while North and Central Asian countries performed well for the ‘paperless collection of payment from a documentary letter of credit’ and ‘electronic exchange of Customs declaration’ (figure 17).

The lack of institutional and legal frameworks to support cross-border paperless trade, combined with limited capacity to implement paperless systems in economies, has resulted in the electronic exchange of trade-related documents being conducted on a limited basis.
with a few specific trading partners. Nevertheless, some progress has been made in this regard, particularly for the OIC Countries in South-East Asia, notably thanks to the rapid development of the Association of Southeast Asian Nations (ASEAN) Single Window. Specifically, over the past two years, Brunei Darussalam, Malaysia, and Indonesia have actively engaged in the exchange of trade administration documents, including the electronic Form-D and the ASEAN Customs Declaration Document (ACDD). Indonesia is going even further, having started to exchange e-Phyto certificates with Thailand5. Moreover, IsDB is supporting OIC Asian Countries in ensuring smooth and efficient implementation of the eTIR Transit System (box 3). These subregional initiatives are indispensable for advancing cross-border paperless trade in the region.

In addition to the need to advance paperless and cross-border paperless trade in OIC Asian Countries overall, with a greater emphasis on sustainable trade, the implementation of paperless and cross-border paperless trade facilitation measures could lead to making trade more sustainable and climate-smart (box 4).

---

5 Digital and sustainable trade facilitation in the Association of Southeast Asian Nations (ASEAN) 2023 | ESCAP (unescap.org)
BOX 3: IsDB SUPPORT TO THE INTERCONNECTION OF NATIONAL CUSTOMS WITH THE e-TIR TRANSIT SYSTEM

The eTIR international system aims to ensure the secure exchange of data between national Customs systems related to the international transit of goods, vehicles, or containers according to the provisions of the TIR Convention.

IsDB is collaborating with the United Nations Economic Commission for Europe (ECE) to ensure smooth and efficient implementation of eTIR interconnection projects in Asia. As part of the Bank’s efforts to leverage the eTIR system to facilitate trade among its Member Countries, IsDB, ECE, and the State Customs Committee of Uzbekistan jointly organized a meeting on “Making the Middle Corridor an e-TIR Corridor” in Samarkand, Uzbekistan on 21-22 June 2023. The event was attended by senior officials from the national Customs authorities and road transport associations of Islamic Republic of Iran, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan as well as international organizations including IsDB, ECE, the European Commission, and the International Road Transport Union (IRU).

The objective of this event was to discuss the technical aspects of interconnecting IsDB Member Countries to the eTIR transit system. As an immediate outcome of the meeting, ECE and IsDB initiated a new technical assistance project to support the Customs authorities of IsDB Member Countries in their interconnection to the eTIR system through capacity development activities.

BOX 4: CLIMATE-SMART TRADE FACILITATION

Climate-smart trade facilitation would refer to trade facilitation measures that aim to make trade greener, in line with Goal 13 of the Sustainable Development Goals (SDGs) on climate action. Digitalization is one key element in the green trade transition. The 2021 Asia-Pacific Trade and Investment Report highlighted the need for an acceleration of climate-smart trade solutions. Paperless and cross-border paperless trade measures can have positive impacts on protecting the environment and making trade more sustainable by reducing GHG emissions, both from embodied carbon emissions in paper production and in the emissions from transporting physical documents.

An ESCAP study undertaken in May 2021 estimated that by fully digitalizing regulatory procedures around trade, between 32 and 86kg of CO$_2$ equivalents could be saved per end-to-end transaction. One example of climate-smart trade facilitation utilizing trade digitalization is the electronic permits of the Convention on International Trade in Endangered Species of Wild Fauna and Flora, known as CITES. It is an agreement between Governments that aims to ensure that international trade in wild animals and plant specimens is regulated for the protection of those species. Electronic permits (eCITES) are an emerging digital solution for improving the implementation of the CITES Convention by simplifying the compliance procedure for trade in these goods. It is also being used to combat illegal trade.

In the 2023 Survey, the pilot-tested measure ‘trade facilitation and wildlife protection’ addressed the implementation of the CITES electronic permit system (eCITES). It is noted that OIC Asian Countries have a low level of implementation rate of eCITES permits as of 2023 (figure 19).

FIGURE 19: STATE OF IMPLEMENTATION OF TRADE FACILITATION AND WILDLIFE PROTECTION MEASURES IN OIC ASIAN COUNTRIES

Electronic application, issuance and exchange of eCITES

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Fully implemented Partially implemented Pilot stage of implementation Not implemented Don’t know Not applicable

Source: The UN Global Survey on Digital and Sustainable Trade Facilitation, 2023. Available at untfsurvey.org


3.7: TRADE FACILITATION FOR SMEs

As indicated in figure 20, there is considerable variation in the level of implementation of all five measures in ‘trade facilitation for SMEs’. The average implementation rate of these measures in OIC Asian Countries is 50%, which is higher than the regional average of 43%. Moreover, OIC Asian Countries exhibit a higher level of implementation on each one of the five measures studied, compared to the Asia-Pacific region. Specifically, OIC Asian Countries in North and Central Asia achieved very good results, with the highest implementation rate in 4 of the 5 measures surveyed.

It is worth noting that all OIC Asian Countries have implemented ‘trade-related information measures for SMEs,’ either fully, partially, or in a pilot stage with an average implementation rate of 78%. Despite an implementation rate of 47%, figure 20 shows that the measures ‘SMEs in AEO scheme’ and ‘SMEs in national trade facilitation committee’ are mainly being implemented on a pilot basis. The least implemented measure is ‘SMEs access to Single Window,’ which is not implemented in 40% of the countries and has an average implementation rate of 38%, as shown in figure 21. The upward trend in the use of e-commerce in the global economy could present opportunities for SMEs to connect to global supply chains but measures specific to SMEs as well as to supporting e-commerce would need to be further enhanced (box 5).
BOX 5: TRADE FACILITATION FOR E-COMMERCE

Electronic commerce (e-commerce) accounts for a significant proportion of business transactions among OIC Asian Countries and is an increasingly important element in international trade. An ongoing challenge in this space is to harmonize regulations governing e-commerce across nations. Although progress has been made, regulations governing e-commerce have not kept pace with the rapid expansion of e-commercial transactions.

In the 2023 Survey, the pilot-tested ‘trade facilitation for e-commerce’ measure reflects whether countries have implemented a national strategy on cross-border e-commerce and a *de minimis* regime. It is observed that only 7% of OIC Asian Countries have fully implemented them (figure 22). This highlights the need for significant improvements, not only for the areas indicated in the measure but also in a broader context for the overall e-commerce environment. These improvements are crucial for enhancing overall “Digital Trade Facilitation” and ensuring its positive impact on sustainable trade.

**FIGURE 22:** STATE OF IMPLEMENTATION OF ‘TRADE FACILITATION FOR E-COMMERCE’ IN OIC ASIAN COUNTRIES

![Bar chart showing state of implementation of trade facilitation measures for e-commerce in OIC Asian Countries.](chart)

Source: The UN Global Survey on Digital and Sustainable Trade Facilitation, 2023. Available at [unftsurvey.org](http://unftsurvey.org)
3.8: AGRICULTURAL TRADE FACILITATION

The implementation rate of ‘agricultural trade facilitation’ in OIC Asian Countries stands at 69%, higher than the Asia-Pacific average of 62%. The measure ‘special treatment for perishable goods’ has the highest implementation rate of 80%, followed by the measure ‘testing and laboratory facilities available to meet SPS requirements of main trading partners’, which stands at 71% (figure 23). Following closely is the presence of ‘national standards and accreditation bodies to facilitate compliance with SPS’ with an implementation rate of 69%. The measure with the lowest implementation rate in this sub-group is the ‘electronic application and issuance of SPS certificates’ with an implementation rate of 58%. Implementation of this measure is often incomplete, and only 27% of countries within the subregion have fully implemented it (figure 24).

Nevertheless, some countries have made very good progress in this respect, such as Pakistan, which has improved its electronic single window over the last two years to integrate the application and issuance of SPS certificates electronically via the Pakistan Single Window system. This helped to increase the rate of implementation of this measure among OIC Asian Countries in South and South-West Asia, with Pakistan having the highest implementation rate for this measure among OIC Asian Countries.

Source: The UN Global Survey on Digital and Sustainable Trade Facilitation, 2023. Available at untfsurvey.org

Source: The UN Global Survey on Digital and Sustainable Trade Facilitation, 2023. Available at untfsurvey.org
3.9: WOMEN IN TRADE FACILITATION

The implementation level of the three ‘women in trade facilitation’ measures in OIC Asian Countries stands at 54%. This is much higher than the average in the Asia-Pacific region (42%), indicating that gender equality has been integrated into various policy initiatives and the specific concerns of women traders regarding trade facilitation addressed to some extent in OIC Asian Countries.

The measure with the highest implementation rate is the ‘TF measures to benefit women involved in trade’ which stands at 58%, well above the average in the Asia-Pacific region (43%). Moreover, the implementation rates for the other two measures in this category, ‘TF policy/strategy to increase women’s participation in trade’ and ‘women’s membership in the National Trade Facilitation Committee or similar bodies’, reach commendable scores with 56% and 49% respectively. Notably, North and Central Asian OIC Countries achieved an outstanding implementation rate of 89% for the ‘TF measures to benefit women involved in trade’, clearly surpassing other subregions (figure 25).

Furthermore, 73% of OIC Asian Countries have introduced ‘TF policy/strategy to increase women’s participation in trade’ at least as a pilot stage. These measures include having a designated gender focal point in relevant border agencies, promoting gender-balanced participation in training, and providing specialized training for women engaged in trade. Moreover, ‘women membership in the National Trade Facilitation Committee or similar bodies’ has been implemented by 87% of OIC Asian Countries, and 47% have fully or partially implemented this measure (figure 26).

Several regional and national efforts are noted in this regard. For example, Kazakhstan is actively working to enhance gender representation in companies with state participation, aiming for a 30% female presence in management bodies. Additionally, Kazakhstan is fostering women’s entrepreneurship through financial and non-financial support measures, including “interest rate subsidy” and “loan guarantee” instruments, contributing to advancing women’s participation in trade and business facilitation. Also, as part of Turkmenistan’s plan and efforts to accede to the WTO, there are initiatives to support women-led businesses in integrating into global and regional value chains, to foster a gender-inclusive environment, and to assist women policymakers. In Uzbekistan, under a project “enhancing economic opportunities for rural women”, efforts are undertaken to boost economic prospects for marginalized rural women within designated areas by focusing on skills development and enhancing their access to finance and markets.
3.10: TRADE FINANCE FACILITATION

In OIC Asian Countries, among all the sub-groups, ‘trade finance facilitation’ has the lowest implementation rate of 32%. The most widely implemented measure is the ‘variety of trade finance services available,’ with 80% of countries reporting at least a pilot stage of implementation. However, the rates of implementation for measures such as ‘Single Window facilitates traders access to finance’ and ‘authorities engaged in blockchain-based supply chain projects covering trade finance’ are relatively low, both standing at 20% and 16%, respectively and observed in a very small number of countries (33% and 27%, respectively) as fully or partially implemented (figures 27 and 28).

It is worth noting that data collection on this topic during the Survey proved to be challenging. For example, there was a lack of evidence regarding the implementation of Single Window features that facilitate traders’ access to finance, as indicated by trade facilitation experts and officials who provided or validated the Survey responses. This suggests a general unfamiliarity with trade finance among these stakeholders. Traditional trade facilitation actors, including Customs and Government Ministries responsible for trade, may perceive financing and payment procedures in international trade transactions as beyond their scope of work. However, considering the interconnectedness of goods and financial flows, the results highlight the necessity for enhanced coordination and cooperation with stakeholders involved in developing financial and payment services.

Source: The UN Global Survey on Digital and Sustainable Trade Facilitation, 2023. Available at untsurvey.org
3.11: TRADE FACILITATION IN TIMES OF CRISIS

In the 2021 Survey, a new sub-group called ‘trade facilitation in times of crisis’ was introduced in response to the COVID-19 pandemic, and the 2023 Survey continued to include measures addressing both immediate crisis responses and long-term resilient strategies. OIC Asian Countries have achieved an implementation level of 65% in this sub-group, slightly surpassing the average in the Asia-Pacific region (60%). Among all measures in this sub-group, the measure ‘online publication of emergency TF measures’ has the highest implementation rate at 71% and has been fully or partially implemented by 73% of OIC Asian Countries. It is followed by the measure ‘agency in place to manage TF in times of crises and emergencies’, which reaches an implementation rate of 67%, but it has been fully implemented by only 20% of OIC Asian Countries (figures 29 and 30).

To address the challenges posed by restrictive measures, it is crucial to enhance cooperation between countries to prevent trade tensions from escalating and ensure the uninterrupted flow of essential goods in supply chains. For ‘coordination between countries on emergency TF measures’ and for the ‘plan in place to facilitate trade during future crises’, OIC Asian Countries have a higher implementation rate than the average of the Asia-Pacific region, with 80% and 67% of them that have fully or partially implemented these measures, respectively (figures 29 and 30).

---

**Figure 29: State of Implementation of Trade Facilitation in Times of Crisis Measures by OIC Asian Countries**

**Figure 30: State of Implementation of Trade Facilitation in Times of Crisis Measures in OIC Asian Countries**

Source: The UN Global Survey on Digital and Sustainable Trade Facilitation, 2023. Available at untfsurvey.org
ASSESSING THE IMPACT OF TRADE FACILITATION IN OIC ASIAN COUNTRIES
The potential impact of trade facilitation measures will necessarily depend on how ambitious and far-reaching such measures are. This chapter looks more closely at different possible outcomes based on a variety of measures and scenarios. The analysis highlights how trade digitalization can significantly reduce costs by creating a more seamless trading environment, but that closer cooperation between economies is needed to make it happen.
To assess the potential impact of the implementation of trade facilitation measures in OIC Asian Countries, a trade cost model has been formulated as a function of trade facilitation implementation rates based on the Survey data. This is in addition to other traditional trade cost factors such as natural geographic factors (distance, “landlockedness” and contiguity), cultural and historical distance (e.g., common official language and/or former colonial relationships), the presence of regional trade agreements, and maritime connectivity. The model is based on ESCAP (2023)8 by capturing the changes in trade costs resulting from the implementation of trade facilitation measures by each country. The overall trade cost reductions expected in OIC Asian Countries from the implementation of three sets of trade facilitation measures are shown in table 3. The first set of trade facilitation measures is limited to the implementation of WTO TFA binding measures only. The second set of measures includes all binding and non-binding WTO TFA measures included in the Survey. The final and most ambitious set is a WTO TFA+ set of measures, including digital implementation of TFA measures and cross-border paperless trade. For each set of measures, the average changes in trade costs achieved if all OIC Asian Countries at least partially implement all measures, or if they all fully implement all measures, are calculated.

Two main findings emerge from this impact analysis. First, complying with WTO TFA by implementing binding measures can only slightly reduce trade costs. Full implementation of binding measures in the overall trade facilitation model results in a decrease in trade costs of about 3%, while full implementation of all measures (both binding and non-binding) results in a reduction of just over 5%. Second, the paperless implementation of the TFA measures, together with enabling the seamless electronic exchange of trade data and documents across borders, will help to significantly reduce trade costs by almost 13% for OIC Asian Countries. The results of model 2 also suggest that most of the trade cost reductions are associated with digital trade facilitation measures rather than conventional trade facilitation measures.

OIC Asian Countries’ economies will reap significant benefits from accelerating the implementation of trade facilitation. As shown in figure 31, the full implementation of the three different sets of trade facilitation measures results in trade cost reductions for these twelve OIC economies. As expected, the trade cost reductions are much larger when cross-border paperless trade is achieved. However, achieving such trade cost reductions will require closer cooperation between economies on developing interoperable paperless trade systems, as envisaged in the CPTA (see box 6).

### TABLE 3: EXPECTED TRADE COST REDUCTION FROM ALTERNATIVE TRADE FACILITATION REFORMS

<table>
<thead>
<tr>
<th>OIC ASIAN COUNTRIES: TRADE COSTS MODEL</th>
<th>WTO TFA (BINDING ONLY)</th>
<th>WTO TFA (BINDING + NON BINDING)</th>
<th>WTO TFA+ (BINDING + NON BINDING + OTHER PAPERLESS AND CROSS-BORDER PAPERLESS TRADE)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PARTIALLY IMPLEMENTED</td>
<td>FULLY IMPLEMENTED</td>
<td>PARTIALLY IMPLEMENTED</td>
</tr>
<tr>
<td>Model 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall trade facilitation</td>
<td>-0.75%</td>
<td>-3.17%</td>
<td>-1.37%</td>
</tr>
<tr>
<td>Model 2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General trade facilitation measures</td>
<td>-0.62%</td>
<td>-2.44%</td>
<td>-0.78%</td>
</tr>
<tr>
<td>Digital trade facilitation measures</td>
<td>-</td>
<td>-</td>
<td>-0.57%</td>
</tr>
</tbody>
</table>


Note: There are no digital trade facilitation measures that are classified as WTO TFA binding measures.

WTO TFA = World Trade Organization Trade Facilitation Agreement.

8 ESCAP, 2023, Digital and Sustainable Trade Facilitation: Global Report 2023
BOX 6: A REGIONAL UNITED NATIONS TREATY, “LEAVING NO-ONE BEHIND” TO ACCELERATE TRADE DIGITALIZATION

The Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (CPTA), which is a United Nations treaty, aims to promote cross-border paperless trade by (a) enabling the exchange and mutual recognition of trade-related data and documents in electronic form, and (b) facilitation of interoperability among national and subregional Single Windows and/or other paperless trade systems. It is designed as an inclusive and enabling platform that will benefit all participating economies, regardless of where they stand in terms of trade facilitation or Single Window/paperless trade implementation.

The treaty was adopted by the ESCAP member States in 2016. On 20 February 2021, it entered into force, indicating ESCAP members’ continued efforts to accelerate trade digitalization in the region. 13 countries are Parties to the treaty as of publication of the report, with several other ESCAP members in the process of completing their domestic processes for accession.

Achieving cross-border paperless trade across the region is a long and difficult endeavor, and it cannot be achieved without close collaboration between countries. The CPTA is expected to support the process by providing a dedicated institutional framework for countries with the proven political will to develop legal and technical solutions for cross-border paperless trade, including pilot projects, capacity-building and technical assistance, based on existing international standards. Some of the benefits for ESCAP member States that become parties to the CPTA include:

- **a)** Accelerated progress towards a paperless trade environment at the national level, based on the political will demonstrated during the accession process to CPTA, and through access to structured and regular sharing of lessons learned on the implementation of best practices;
- **b)** Reduction in overall investment costs and maximization of returns from investments in paperless trade systems, through concurrent development of national paperless trade systems and environment for cross-border trade data exchange;
- **c)** Ready access to potential counterpart countries interested in negotiating and achieving cross-border data exchange, avoiding or reducing the need for engaging in numerous and/or potentially incompatible bilateral initiatives;
- **d)** Direct participation in the development of pragmatic solutions for the cross-border exchange of trade documents. For more advanced countries with relevant experience and existing practices, this will enable them to ensure that new regional systems and solutions will be harmonized and interoperable with what they have already achieved on a bilateral and/or subregional basis. Compliance with commitments a Party may have made through its bilateral and plurilateral trade agreements, such as regional trade agreements (RTAs) to collaborate on exchanging electronic data and documents (typically featured in “Paperless Trading” Articles in RTAs, or related provisions or agreements).

Note: Additional details on the CPTA are available at: [https://www.unescap.org/kp/cpta](https://www.unescap.org/kp/cpta)
CONCLUSION AND THE WAY FORWARD
This concluding chapter notes that most countries have implemented some measures to improve transparency and simplify trade-related costs and procedures, either fully or partially. Moving forward, it is crucial for OIC Asian countries to expedite the advancement of digital trade facilitation. Closer cooperation on trade facilitation in general – but especially on paperless trade – is key to harnessing the power of trade as a driver of sustainable development.
This report presents data on the implementation of a set of 60 trade facilitation measures from 15 OIC Asian Countries and 40 other economies across the Asia-Pacific region. The Survey, serving as the basis of the report, not only covers general trade facilitation measures, as outlined in the WTO TFA, but also digital and sustainable trade facilitation measures and beyond. Figure 32 confirms the strong relationship between the cost of international trade in the Asia-Pacific countries and their level of trade facilitation implementation.

Based on the set of 31 general and digital trade facilitation measures, the Survey reveals an average implementation rate of 71% in OIC Asian Countries, just above the Asia-Pacific regional average implementation rate, which stands at 67%.

The Survey results reveal that most countries have implemented some measures to improve transparency and simplify trade-related costs and procedures, either fully or partially. In addition, the ‘paperless trade’ subgroup shows a commendable implementation rate of 73%. However, there are significant disparities among measures. On one hand, OIC Asian Countries developed advanced national paperless systems facilitating the electronic exchange of data and documents between government agencies and businesses, including electronic single window systems and automated Customs systems. On the other hand, electronic submission, and issuance of key documents such as air cargo manifests and preferential certificates of origin have not been well implemented.

In terms of cross-border paperless trade, there has been a notable increase of 8 percentage points compared with 2021, indicating significant progress. That said, the average implementation level of ‘cross-border paperless trade’ for OIC Asian Countries, at just 46%, remains substantially lower than the other general trade facilitation measures, specifically relevant to WTO TFAs. Particularly, the successful experience of OIC Asian Countries in the ASEAN region in facilitating cross-border paperless trade can be transferred to other MCs through IsDB’s knowledge exchange programs for possible replication and strengthening inter-regional trade linkages across Asia.

To further advance trade facilitation, figure 33 illustrates the implementation of trade facilitation as a step-by-step process. Trade facilitation begins with establishing the ‘institutional arrangement’ to prioritize and coordinate trade facilitation measures. The next step is to enhance ‘transparency’ by widely sharing information on existing laws, regulations, and procedures, and engaging in negotiations with stakeholders when developing new ones. The third step involves designing and implementing simplified and efficient trade ‘formalities.’ Initially, these re-engineered and streamlined processes may rely on paper documents, but they can be further improved using ICT and ‘paperless trade’ systems. The ultimate step is to enable the exchange of electronic trade data and documents among traders, governments, and service providers within national systems such as the Single Window, allowing stakeholders in partner countries to access the necessary information to expedite the movement of goods and reduce overall trade costs.

Moving forward, it is crucial for OIC Asian Countries to expedite the advancement of digital trade facilitation. The impact analysis of trade facilitation measures on OIC Asian Countries’ trade costs strongly emphasizes the necessity of implementing paperless trade and establishing a seamless electronic exchange of trade data and documents between OIC Asian Countries and
their trading partners. An ambitious trade digitalization strategy is projected to reduce trade costs by almost 13%, whereas achieving basic compliance with the WTO TFA would only result in a reduction of about 3% in trade costs. In this regard, the CPTA complements the WTO TFA, and it provides a supportive platform for ESCAP Member States to facilitate the electronic exchange of cross-border trade-related data and documents for those who have not yet implemented such mechanisms.

Collaboration is essential not only for the facilitation of trade procedures in general, but also specifically concerning paperless and cross-border paperless trade, where countries need to develop and implement necessary legal and technical protocols for the seamless exchange of regulatory and commercial data and documents at national and cross-border levels. Therefore, all OIC Asian Countries are encouraged to become a party to the treaty as soon as possible and promote harmonization of trade facilitation measures across the Asia-Pacific region.

Regarding “Sustainable Trade Facilitation,” the adoption of inclusive measures to support SMEs remains limited. SMEs hold significant importance in the global economy and digital trade, yet the availability of trade facilitation measures tailored to their needs is inadequate. Therefore, it is crucial to enhance the capacity of SMEs and integrate proper supportive measures for SMEs into the trade facilitation policy-making process to achieve sustainable trade facilitation. Considering their pivotal role in fostering sustainable and inclusive economic development, trade facilitation strategies should be designed holistically and inclusively.

On the other hand, it is encouraging to note that OIC Asian Countries have a high implementation level for ‘women in trade facilitation’ measures at 54%, significantly surpassing the Asia-Pacific regional average of 42%. Also, a significant increase was noted, by 11 percentage points compared to 2021. This accomplishment highlights the efforts put into the integration of gender equality into various policy initiatives, addressing the specific concerns of women traders regarding trade facilitation. Further improvements can be achieved by providing support to guide women traders in understanding trade procedures, establishing guidelines for standards bodies to ensure equitable representation of both genders’ interests, and encouraging women’s active participation and decision-making in trade facilitation and standards-related activities such as in the National Trade Facilitation Committees, which could yield substantial benefits.

A better understanding and collaboration among trade finance and facilitation agencies are also necessary to ensure the integration of trade finance and payment instruments into trade facilitation implementation strategies, including Single Window development plans. Furthermore, results of the ‘trade facilitation in times of crisis’ sub-group show that countries are beginning to take note of the importance of long-term measures for building resiliency to pandemics and other crises. As countries move towards inclusive and sustainable development, it is crucial for OIC Asian Countries to prioritize sustainable and resilient trade facilitation measures and foster collaborative efforts to embrace forward-looking trade facilitation policies that benefit all stakeholders. By doing so, OIC Asian Countries can pave the way for a sustainable and prosperous future in the subregion, while simultaneously working towards achieving the Sustainable Development Goals. This includes the current climate crisis, in which trade facilitation certainly has a mitigating role to play.⁹

---

Annex 1  List of participating countries  41
Annex 2  Grouping of trade facilitation measures and correspondence with TFA articles  42
Annex 3  A three-step approach for data collection and validation  43
Annex 4  Definition of each stage of implementation  44
ANNEX 1: LIST OF PARTICIPATING COUNTRIES

**AUSTRALIA-NEW ZEALAND**
- Australia
- New Zealand

**EAST AND NORTH-EAST ASIA**
- China
- Japan
- Mongolia
- Republic of Korea
- Armenia
- Azerbaijan
- Georgia
- Kazakhstan
- Kyrgyzstan
- Russian Federation
- Tajikistan
- Turkmenistan
- Uzbekistan

**PACIFIC ISLANDS DEVELOPING ECONOMIES**
- Fiji
- Kiribati
- Micronesia
- Nauru
- Palau
- Papua New Guinea
- Samoa
- Solomon Islands
- Tonga
- Tuvalu
- Vanuatu

**SOUTH AND SOUTH-WEST ASIA**
- Afghanistan
- Bangladesh
- Bhutan
- India
- Islamic Republic of Iran
- Maldives
- Nepal
- Pakistan
- Sri Lanka
- Türkiye

**SOUTH-EAST ASIA**
- Brunei Darussalam
- Cambodia
- Indonesia
- Lao PDR
- Malaysia
- Myanmar
- Philippines
- Singapore
- Thailand
- Timor Leste
- Viet Nam
## Annex 2: Grouping of Trade Facilitation Measures and Correspondence with TFA Articles

<table>
<thead>
<tr>
<th>Groups</th>
<th>Sub-Groups</th>
<th>Measures</th>
<th>Relevant</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Trade Facilitation</td>
<td>Transparency</td>
<td>Publication of existing import-export regulations on the Internet</td>
<td>1.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Stakeholders’ consultation on new draft regulations (prior to their finalization)</td>
<td>2.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Advance publication/notification of new trade-related regulations before their implementation</td>
<td>2.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Advance ruling on tariff classification and origin of imported goods</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Independent appeal mechanism</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Formalities</td>
<td>Risk management</td>
<td>7.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pre-arrival processing</td>
<td>7.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Post-clearance audits</td>
<td>7.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Separation of Release from final determination of Customs duties, taxes, fees and charges</td>
<td>7.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Establishment and publication of average release times</td>
<td>7.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TF measures for authorized operators</td>
<td>7.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Expedited shipments</td>
<td>7.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Acceptance of copies of original supporting documents required for import, export or transit formalities</td>
<td>10.2.1</td>
</tr>
<tr>
<td></td>
<td>Institutional arrangement and cooperation</td>
<td>National Trade Facilitation Committee or similar body</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td></td>
<td>National legislative framework and/or institutional arrangements for border agencies cooperation</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Government agencies delegating border controls to Customs authorities</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Alignment of working days and hours with neighbouring countries at border crossings</td>
<td>8.2(a)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Alignment of formalities and procedures with neighbouring countries at border crossings</td>
<td>8.2(b)</td>
</tr>
<tr>
<td></td>
<td>Transit</td>
<td>Transit facilitation agreement(s)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Limit the physical inspections of transit goods and use risk assessment</td>
<td>10.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Supporting pre-arrival processing for transit</td>
<td>11.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cooperation between agencies of countries involved in transit</td>
<td>11.16</td>
</tr>
<tr>
<td></td>
<td>Paperless trade</td>
<td>Internet connection available to Customs and other trade control agencies</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Electronic Single Window System</td>
<td>10.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Electronic submission of Customs Declarations</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Electronic application and issuance of import and export permit</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Electronic Submission of Air Cargo Manifests</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Electronic application and issuance of Preferential Certificate of Origin</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>E-Payment of Customs Duties and Fees</td>
<td>7.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Electronic Application for Customs Refunds</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cross-border paperless trade</td>
<td>Laws and regulations for electronic transactions</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recognized certification authority</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Electronic exchange of Customs Declaration</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Electronic exchange of Certificate of Origin</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Electronic exchange of Sanitary and Phyto-Sanitary Certificate</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Paperless collection of payment from a documentary letter of credit</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sustainable Trade Facilitation</td>
<td>Trade facilitation in SME policy framework</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Trade-related information measures for SMEs</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SMEs in AEO scheme</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SMEs access Single Window System</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SMEs in National Trade Facilitation Committee</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other special measures for SMEs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Agricultural trade facilitation</td>
<td>Testing and laboratory facilities available to meet SPS of main trading partners</td>
<td>7.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>National standards and accreditation bodies to facilitate compliance with SPS</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Electronic application and issuance of SPS certificates</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Special treatment for perishable goods</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Women in trade facilitation</td>
<td>TF policy/strategy to increase women’s participation in trade</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>TF measures to benefit women involved in trade</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Women’s membership in the National Trade Facilitation Committee or similar bodies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Trade finance facilitation</td>
<td>Authorities engaged in blockchain-based supply chain project covering trade finance</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Variety of trade finance services available</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Trade facilitation in times of crisis</td>
<td>Agency in place to manage trade facilitation in times of crises and emergencies</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Online publication of emergency trade facilitation measures</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Coordination between countries on emergency trade facilitation measures</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Additional trade facilitation measures to facilitate trade in times of emergencies</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Plan in place to facilitate trade during future crises</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other Trade Facilitation</td>
<td>Trade facilitation measures for e-commerce</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Trade facilitation and wildlife protection</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Electronic exchange of CITES permits/certificates</td>
<td></td>
</tr>
</tbody>
</table>
ANNEX 3: A THREE-STEP APPROACH FOR DATA COLLECTION AND VALIDATION

| DATA SUBMISSION BY EXPERTS | The Survey instrument was sent by the ESCAP Secretariat to trade facilitation experts (in Governments, the private sector, and academia) in Asia-Pacific countries to gather preliminary information. The questionnaire was also made publicly available online and disseminated with the support of the International Chamber of Commerce (ICC) and the United Nations Network of Experts for Paperless Trade and Transport for Asia and the Pacific (UNNExT). In some cases, the questionnaire was also sent to relevant national trade facilitation authorities or agencies as well as regional trade facilitation partners or organizations, such as the Asian Development Bank (ADB), the Association of Southeast Asian Nations (ASEAN), the Central Asia Regional Economic Cooperation (CAREC) Institute, the Oceania Customs Organization (OCO) and the United Nations Conference on Trade and Development (UNCTAD). This first step took place essentially between January and May 2023. |
| DATA VERIFICATION BY THE UNRCs SECRETARIAT | The ESCAP Secretariat cross-checked the data collected in Step 1. Desk research and data sharing among UNRCs and Survey partners were carried out to further check the accuracy of data. Face-to-face or telephone interviews with key informants were arranged to gather additional information when needed. The outcome of Step 2 was a consistent set of responses per country. Step 2 took place between January and May 2023. |
| DATA VALIDATION BY NATIONAL GOVERNMENTS | Step 3 took place between May and July 2023. The ESCAP Secretariat sent the completed questionnaire to each national Government to ensure that each country had the opportunity to review the dataset and provide any additional information. The feedback results from national Governments were incorporated in order to finalize the dataset. |
**ANNEX 4: DEFINITION OF EACH STAGE OF IMPLEMENTATION**

<table>
<thead>
<tr>
<th>STAGE OF IMPLEMENTATION</th>
<th>CODING/SCORING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Implementation: The trade facilitation measure implemented is in full compliance with commonly-accepted international standards, recommendations, and conventions such as the Revised Kyoto Convention, UN/CEFACT Recommendations or the WTO Trade Facilitation Agreement (TFA); it is implemented in law and in practice; it is available to essentially all relevant stakeholders nationwide, and supported by adequate legal and institutional frameworks as well as adequate infrastructure and financial and human resources. A TFA provision included in the commitments given under Notifications of Category A may generally be considered as a measure, which is fully implemented by the country, with a caveat that the provision will be implemented by a Least-Developed Country (LDC) member within one year of the TFA agreement coming into force. If a country registers a positive response for all subquestions concerning a given trade facilitation measure, that measure should be considered fully implemented.</td>
<td>3</td>
</tr>
<tr>
<td>Partial Implementation: A measure is considered to be partially implemented if at least one of the following is true: (1) the trade facilitation measure is in partial - but not in full - compliance with commonly-accepted international standards, recommendations and conventions; (2) the country is still in the process of rolling out the implementation of the measure; (3) the measure is being used but on an unsustainable, short-term or ad-hoc basis; (4) the measure is implemented in some - but not all - targeted locations (such as key border crossing stations); or (5) some - but not all - targeted stakeholders are fully involved.</td>
<td>2</td>
</tr>
<tr>
<td>Pilot Stage of Implementation: A measure is considered to be at the pilot stage of implementation if, in addition to meeting the general attributes of partial implementation, it is available only to a very small portion of the intended stakeholder group (or at a certain location) and/or is being implemented on a trial basis. When a new trade facilitation measure is at the pilot stage of implementation, the old measure is often continuously used in parallel to ensure that the service is still provided even when there has been a disruption with the new measure. This stage of implementation also includes relevant rehearsals and preparation for the full implementation.</td>
<td>1</td>
</tr>
<tr>
<td>Not implemented: A measure has not been implemented at this stage. However, this stage may still include initiatives or efforts towards implementation of the measure. For example, under this stage, (pre)feasibility studies or planning for the implementation can be carried out, and consultation with stakeholders on the implementation may be arranged.</td>
<td>0</td>
</tr>
</tbody>
</table>