e-Commerce Development in Asia and the Pacific

Submitted by: ESCAP

Workshop on Building and Enhancing FTA Negotiation Skills on e-Commerce
Medan, Indonesia
27-28 June 2013
E-Commerce Development in Asia and the Pacific

APEC Workshop on Building and Enhancing FTA Negotiation Skills on E-Commerce
27-28 June 2013
Medan, Indonesia

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ESCAP Region in Asia and the Pacific
## Trade Costs in Asia and the Pacific: Inter-Subregional Perspective

### Comprehensive Trade Costs (CTC) and CTC excluding tariff (NT-CTC) between selected economies and the United States (2007-2010)

<table>
<thead>
<tr>
<th>Region</th>
<th>2007-2010</th>
<th>ASEAN-4</th>
<th>East Asia-3</th>
<th>AUS-NZL</th>
<th>Caribbean</th>
<th>Central America</th>
<th>South America</th>
<th>EU-3</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASEAN-4</td>
<td>2007-2010</td>
<td>74.49%</td>
<td>77.58%</td>
<td>86.09%</td>
<td>261.49%</td>
<td>278.18%</td>
<td>210.84%</td>
<td>116.22%</td>
<td>84.35%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(-3.85%)</td>
<td>(-7.71%)</td>
<td>(-11.54%)</td>
<td>(-5.75%)</td>
<td>(-4.46%)</td>
<td>(-2.25%)</td>
<td>(6.58%)</td>
<td>(12.16%)</td>
</tr>
<tr>
<td>East Asia-3</td>
<td>2007-2010</td>
<td>77.98%</td>
<td>71.83%</td>
<td>89.14%</td>
<td>222.32%</td>
<td>175.28%</td>
<td>158.29%</td>
<td>85.79%</td>
<td>63.69%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(-7.71%)</td>
<td>(-10.60%)</td>
<td>(-6.20%)</td>
<td>(-3.19%)</td>
<td>(-3.06%)</td>
<td>(-5.34%)</td>
<td>(-6.59%)</td>
<td>(-3.30%)</td>
</tr>
<tr>
<td>AUS-NZL</td>
<td>2007-2010</td>
<td>86.09%</td>
<td>81.15%</td>
<td>258.84%</td>
<td>236.10%</td>
<td>227.04%</td>
<td>202.87%</td>
<td>80.19%</td>
<td>64.27%</td>
</tr>
<tr>
<td></td>
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<td>(-11.54%)</td>
<td>(-14.21%)</td>
<td>(-11.54%)</td>
<td>(-14.21%)</td>
<td>(-15.51%)</td>
<td>(-14.21%)</td>
<td>(-14.21%)</td>
<td>(-14.21%)</td>
</tr>
<tr>
<td>Caribbean</td>
<td>2007-2010</td>
<td>281.46%</td>
<td>222.32%</td>
<td>268.86%</td>
<td>190.03%</td>
<td>109.25%</td>
<td>110.22%</td>
<td>64.65%</td>
<td>80.45%</td>
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<td></td>
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<td>(-5.75%)</td>
<td>(-5.58%)</td>
<td>(-5.88%)</td>
<td>(-10.10%)</td>
<td>(-9.75%)</td>
<td>(-5.58%)</td>
<td>(18.44%)</td>
<td>(-1.69%)</td>
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<tr>
<td>Central America</td>
<td>2007-2010</td>
<td>176.10%</td>
<td>172.24%</td>
<td>216.30%</td>
<td>150.12%</td>
<td>98.18%</td>
<td>204.48%</td>
<td>178.52%</td>
<td>86.46%</td>
</tr>
<tr>
<td></td>
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<td>(-5.75%)</td>
<td>(-7.09%)</td>
<td>(-14.63%)</td>
<td>(-5.90%)</td>
<td>(-13.16%)</td>
<td>(-12.21%)</td>
<td>(-0.44%)</td>
<td>(-4.42%)</td>
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<tr>
<td>South America</td>
<td>2007-2010</td>
<td>220.46%</td>
<td>227.64%</td>
<td>196.74%</td>
<td>284.08%</td>
<td>114.39%</td>
<td>182.17%</td>
<td>182.17%</td>
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<td>(-2.21%)</td>
<td>(-1.94%)</td>
<td>(-14.75%)</td>
<td>(-13.17%)</td>
<td>(-11.13%)</td>
<td>(-1.51%)</td>
<td>(-4.59%)</td>
<td>(-4.59%)</td>
</tr>
<tr>
<td>EU-3</td>
<td>2007-2010</td>
<td>91.02%</td>
<td>90.75%</td>
<td>105.01%</td>
<td>176.02%</td>
<td>154.25%</td>
<td>178.52%</td>
<td>182.17%</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>(-5.58%)</td>
<td>(-5.58%)</td>
<td>(-15.87%)</td>
<td>(-7.30%)</td>
<td>(-13.12%)</td>
<td>(-11.23%)</td>
<td>(-0.38%)</td>
<td>(-0.38%)</td>
</tr>
<tr>
<td>USA</td>
<td>2007-2010</td>
<td>84.35%</td>
<td>81.15%</td>
<td>89.70%</td>
<td>86.45%</td>
<td>80.45%</td>
<td>87.19%</td>
<td>87.19%</td>
<td>87.19%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(-12.30%)</td>
<td>(-13.30%)</td>
<td>(-14.67%)</td>
<td>(-18.00%)</td>
<td>(-4.82%)</td>
<td>(-5.58%)</td>
<td>(-1.07%)</td>
<td>(-1.07%)</td>
</tr>
</tbody>
</table>

### Notes
- ASEAN-4: Indonesia, Malaysia, Philippines, Thailand
- East Asia-3: China, Japan, Korea
- EU-3: Germany, France, UK
- South America: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay
- Central America: Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama
- Caribbean: Dominican Republic

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**Tariff-equivalent trade costs (percent)**
Trade Costs in Asia and the Pacific: Indonesia with Selected Economies

Comprehensive Trade Costs (CTC) and CTC excluding tariff (NT-CTC) between selected economies and Indonesia (2007-2010)

Trade Costs in Manufacturing: Comparison by Income Group
Trade Costs in Agriculture: Comparison by Income Group

Trade Costs in Agriculture vs Manufacturing: U.S. with Selected Economies

Agricultural and Manufacturing NTC between Selected Economies and the USA
Trade Costs in Asia and the Pacific: Contributors

Contribution of natural barriers, behind-the-border facilitation and trade-related practice to trade costs

- **Tariff Trade Costs**
  - 0-10%*
  - 60-90%*
  - 0-7%

- **Policy-Related Non-Tariff Trade Costs**
  - 10-30%*
  - 16-18%
  - 52-57%

- **Natural Trade Costs** (Geographical and Cultural Factors)
  - 0-10%*

* Illustrative based on casual observation of the data only. Natural trade costs for landlocked countries may be outside the range shown for natural trade costs.

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ESCAP-World Bank Trade Cost Database

[Link to ESCAP-World Bank Trade Cost Database](http://www.unescap.org/tid/artnet/trade-costs.asp)
Paperless Trade in Asia and the Pacific

Findings from Asia Pacific Trade Facilitation Forum (APTFF) 2012 Survey

- 54 completed questionnaires from 26 ESCAP members.
- Nine out of ten ASEAN members (except Brunei Darussalam)
- All eight members of South Asian Association for Regional Cooperation (SAARC)
- Five from East and North-East Asia (China, Japan, Mongolia, Republic of Korea and Russian Federation),
- Three from Central Asia (Azerbaijan, Kyrgyzstan and Uzbekistan) + Turkey

Availability of electronic/automated customs system

- 61% Available nationwide
- 31% Available at major ports and/or airports
- 8% Under development

Submission of the customs declarations electronically

- Over 90% of documents submitted electronically
- Some documents submitted electronically (<90%)
- No electronic submission
Development of national single window systems

- 23% Countries where single window systems are operational
- 31% Countries where concrete efforts are being taken to develop national single window systems
- 46% Countries where there is no single window system or at early stage of developing national single window systems

Asian countries engaged in cross-border paperless trade documents or data exchange

- 38% Countries involved in cross-border paperless trade documents or data exchange
- 62% Countries not involved in cross-border paperless trade documents or data exchange

Asian countries engaged in electronic exchange of commercial and regulatory documents

- 16 Commercial documents
- 5 Regulatory documents
Increasing Coverage of e-Commerce in FTA Chapter

- Some FTAs with e-Commerce Chapter
  - Peru-EFTA
  - Singapore-India
  - ROK-USA
  - ROK-Singapore
  - Peru-ROK
  - Chile-USA
  - USA-Jordan
  - USA-Morocco
  - USA-Oman
  - USA-Panama
  - USA-Peru
  - USA-Australia, etc.,,,,,,,,,,,,,,

Also, Increasing Coverage of Paperless Trade in FTAs

- Mostly, rather part of other chapter such as e-Commerce, Customs, etc. than a standalone chapter by itself
- More of declaratory nature than implementation/action-oriented commitment

Example: Australia-US FTA

Chapter 16 Electronic Commerce Article 16.7: Paperless Trade Administration

1. Each Party shall endeavour to make all trade administration documents available to the public in electronic form.
2. Each Party shall endeavour to accept trade administration documents submitted electronically as the legal equivalent of the paper version of such documents.
### FTAs Covering Paperless Trade and Nature of Their Commitment

<table>
<thead>
<tr>
<th>FTA</th>
<th>Nature</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASEAN-Australia-New Zealand FTA</td>
<td>Best Endeavour</td>
</tr>
<tr>
<td>Australia-Chile FTA</td>
<td>Best Endeavour</td>
</tr>
<tr>
<td>Australia-Thailand FTA</td>
<td>Best Endeavour + Some Binding</td>
</tr>
<tr>
<td>Australia – US FTA</td>
<td>Best Endeavour</td>
</tr>
<tr>
<td>China – Peru FTA</td>
<td>Best Endeavour</td>
</tr>
<tr>
<td>India – Singapore CECA</td>
<td>Some Binding</td>
</tr>
<tr>
<td>Japan – Philippines EPA</td>
<td>Best Endeavour</td>
</tr>
<tr>
<td>Japan – Singapore New Age Economic Partnership</td>
<td>Some Binding</td>
</tr>
<tr>
<td>Japan – Switzerland FTA</td>
<td>Best Endeavour</td>
</tr>
<tr>
<td>Japan – Thailand EPA</td>
<td>Some Binding + Best Endeavour</td>
</tr>
<tr>
<td>Korea – Peru FTA</td>
<td>Best Endeavour</td>
</tr>
<tr>
<td>Korea – Singapore FTA</td>
<td>Best Endeavour</td>
</tr>
<tr>
<td>New Zealand – China FTA</td>
<td>Best Endeavour</td>
</tr>
<tr>
<td>New Zealand – Hong Kong Closer EPA</td>
<td>Best Endeavour</td>
</tr>
<tr>
<td>New Zealand – Singapore Closer EPA</td>
<td>Binding</td>
</tr>
<tr>
<td>New Zealand – Thailand Closer EPA</td>
<td>Best Endeavour + Binding</td>
</tr>
<tr>
<td>Trans-Pacific SEP (Brunei, New Zealand, Chile Singapore)</td>
<td>Best Endeavour</td>
</tr>
</tbody>
</table>

*Modified from ESCAP Report “Study on Regional Arrangements for facilitation of cross-border paperless trade in Asia and the Pacific.*

### ESCAP Resolution 68/3

*Enabling paperless trade and the cross-border recognition of electronic data and documents for inclusive and sustainable intraregional trade facilitation*

ESCAP Member Countries requests to Secretariat

- To continue and further strengthen the secretariat’s support for capacity-building activities related to trade facilitation and paperless trade
- To support and facilitate the process for the development of **regional arrangements on the facilitation of cross-border paperless trade**
ESCAP Asia Pacific Trade and Investment Agreements Database

Asia Pacific Trade Facilitation Forum (APTFF) 2013
Thank you

www.unescap.org/tid

www.unescap.org/unnext