



**Asia-Pacific  
Economic Cooperation**

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**2014/SOM1/EC/034**

Agenda Item: 10

## **Possible Factors Explaining Lack of Progress and Synergies Between Ease of Doing Business and Other APEC Initiatives**

Purpose: Information  
Submitted by: US-ATAARI



**First Economic Committee Meeting  
Ningbo, China  
23-24 February 2014**



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Advancing  
Free Trade for Asia-Pacific  
Prosperity

## Possible Factors Explaining Lack of Progress and Synergies between EODB and other APEC Initiatives

24 February 2014 – APEC Secretariat

Presented by  
APEC Policy Support Unit and US-ATAARI



## Trading Across Borders – Increasing costs




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- For exporters and importers within APEC and Rest of the World. Trend shows increasing costs for the period 2009-13.
- Reasons:
  - New security requirements. Additional investments at ports and cost have been transferred to traders.
  - Vessels are not operating at full capacity.
    - Cost per container increases
    - Before the Global Financial Crisis, shipping companies invested in expanding their vessel capacity based on trade growth forecasts.
    - Trade did not grow later as expected
  - Cost of inland transport is increasing (from main economic center to port). Oil prices went up from USD 71 per barrel in 2009 to USD 111 per barrel in 2013 (Brent prices)

**NOTE:** Trading across borders does not include maritime transport costs between exporting and importing points.

## Trading Across Borders – Synergies with other APEC initiatives

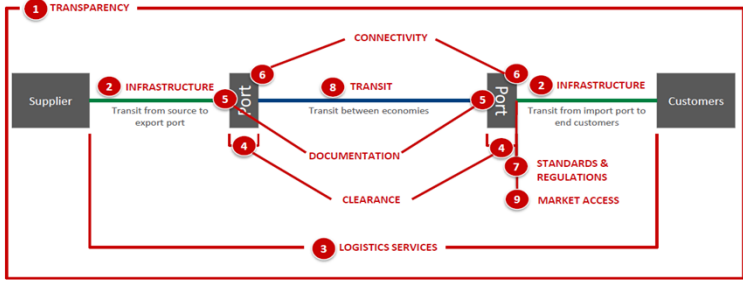


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- Close links with trade facilitation initiatives in APEC CTI, in particular, with the Supply-Chain Connectivity Framework Action Plan (SCFAP)


**Location of Chokepoints within the Supply Chain**

The nine chokepoints identified impact the APEC regional supply chain at varying points as goods move from suppliers to the end customers:



Source: USC Marshall ABAC Research Team (2011)

## Trading Across Borders – Synergies with other APEC initiatives



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- SCFAP's overall objective: to reduce cost, time and uncertainty in supply-chain in 10% between 2010-15
- Action Plans to minimize or eliminate chokepoints in 8 areas:

<p><b>Building infrastructure and capacity (3 areas)</b></p> <ul style="list-style-type: none"> <li>Infrastructure</li> <li>Logistics capacity</li> <li>Connectivity</li> </ul>	<p><b>Streamlining procedures (2 areas)</b></p> <ul style="list-style-type: none"> <li>Customs clearance</li> <li>Documentation</li> </ul>	<p><b>Strengthening rules and institutions (3 areas)</b></p> <ul style="list-style-type: none"> <li>Transparency</li> <li>Regulation and standards</li> <li>Transit</li> </ul>
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Many action plans related to components that help measuring time, cost and procedures indicators in Trading Across Borders:

- Documentation
- Customs clearance and inspections
- Port and terminal handling

## Synergies with other APEC initiatives



- Other APEC working groups/fora
  - Finance Ministers Process/Senior Finance Officials Meeting (e.g., access to credit)
  - SMEWG and PPWE (e.g., access to credit, access to markets)
  - CTI (e.g., trading across borders); GOS?
  - Economic Committee – ANSSR?
  - CPLG
- Outreach to relevant groups to take stock of relevant activities