Small and Medium-Sized Enterprises Agility during the COVID-19 Response

Submitted by: Australia
Digital Trade Facilitation in APEC

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Why digital trade facilitation?

- Supply-chain disruption
- Digital transformation: cost, efficiency, integrity & trust
- Economic rebuilding through trade
<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Challenges</th>
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<tbody>
<tr>
<td>• Continuing to do business across borders – resilience despite COVID disruption</td>
<td>• Connectivity</td>
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<td>• Reduce costs, increase efficiency and supply-chain integrity; build consumer trust</td>
<td>• Lack of access to infrastructure, skills</td>
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<td>• Greater inclusion for MSMEs</td>
<td>• Enabling environment needed:</td>
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<td>• Keeping trade growing – to kickstart economic recovery</td>
<td>• Lack of acceptance of e-documents, innovative technologies (e.g. GDS)</td>
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<td>• Divergent standards, systems and regulations; restrictions on cross-border data flows</td>
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<td>• Small-parcel trade</td>
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38.6% Global implementation of cross-border paperless trade

Source: UN Global Survey on Digital & Sustainable trade Facilitation, 2019
Case study: Global Data Standards

• Pilot projects (beef, wine, durian, tequila, asparagus)

• Results: improvements in supply-chain visibility; savings in hours of manual work; improved tracking; expedited port clearance processes; improved anti-counterfeiting and risk management

• Challenges: lack of awareness; critical mass; infrastructure; buy-in from border agencies
Trade agreements

• FTAs – e.g. CPTPP, USMCA, AANZFTA

• WTO e-commerce negotiations (building on WTO Trade Facilitation Agreement)

• Digital Economy Partnership Agreement (NZ, Singapore, Chile)

• Digital Economy Agreement (Australia, Singapore)
**Infrastructure**
- **#1**: promote an enabling and competitive infrastructure with pro-investment policies
- **#3**: Universal broadband access

**Interoperability**
- **#2**: Interoperability should be promoted
- **#5**: Coherence/cooperation in regulatory approach including for standards incl internationally

**Holistic policy**
- **#4**: Government policy frameworks should be holistic e.g. across agriculture, labour – with public/private coordination

**Innovation**
- **#6**: Promoting innovation and adoption of enabling technologies and services.

**Trust & security**
- **#7**: Work with stakeholders on trust and security

**Data flows**
- **#8**: Free flow of data
  Regulatory approach provides consumer protection.

**Measurement**
- **#9**: Development of common understandings and baseline measurements for the digital economy

**Inclusion**
- **#10**: Free flow of data
  Regulatory approach provides consumer protection.

**E-commerce**
- **#11**: Facilitate and cooperate on e-commerce & digital trade – paperless customs clearance, e-documents, digital authentication
“Digital supply chains”

- Paperless trading (e.g. e-certification)
- Digital single window
- E-signatures, e-authentication
- GDS, blockchain, AI: need interoperability of standards/APIs, enabling regulatory environment
- Other helpful elements: e-invoicing; interoperable digital identity; digital trade information portals

“We use blockchain technology and QR codes across our supply chain to enhance traceability and transparency and ensure food safety and quality” – New Zealand goods exporter
Next steps?