



**Asia-Pacific
Economic Cooperation**

2022/CTI/A2C2/002

APEC Supply Chain Connectivity Framework Action Plan III 2022-2026

Submitted by: Singapore



**Fourteenth APEC Alliance for Supply Chain
Connectivity Meeting
7 October 2022**

APEC Supply Chain Connectivity Framework Action Plan III

2022 - 2026

Background

- SCFAP I was launched in Singapore's APEC host year in 2009 and endorsed by APEC Ministers, with eight chokepoints and a target of 10 percent reduction in time, cost and uncertainty by 2015.
- SCFAP II was launched from 2017 to 2020 with five chokepoints and a goal to reduce costs across supply chains, improve supply chain reliability and support competitiveness.
- SCFAP III will cover the period of 2022 to 2026.

SCFAP III

- Tapping on the lessons learned from the previous phases of SCFAP and the COVID-19 pandemic, the overarching goal for SCFAP III is:

To support our businesses in building secure, resilient, sustainable and open supply chains that create a predictable, competitive and digitally interconnected Asia Pacific for all.

Checkpoint 1: Inefficient digitalization of end-to-end supply chains, including border procedures and trade documentation exchanges

- Frequency and costs of supply chain disruptions increased significantly since pandemic
- Underscores the need for more resilient supply chains, which calls for strong cooperation and coordination between stakeholders e.g. buyers, logistics operators, government agencies.

Checkpoint 2: Inadequate infrastructure development to support robust multi-modal connectivity and logistics networks

- To overcome bottlenecks in global transportation of goods, key that logistics infrastructure among APEC economies can be further enhanced to improve the efficiency of cargo handling and connectivity solutions.
- Close collaboration between governments and industry important to improve quality of physical and digital infrastructure.

Checkpoint 3: Inefficient cooperation on data flows and cross-border payments to support an increasingly digitalized supply chains ecosystem

- Insufficient cooperation presents significant challenges for efficient supply chains, e.g. lack of coherence in cross-border payment systems and incompatible regulations on data transfer can impede trade flows given that transactions require transfer of data between economies.
- Need for greater public-private coordination and input from the private sector.

Checkpoint 4: Lack of understanding on green supply chain management practices and increasing pressure for supply chains to be environmentally sustainable

- Growing impetus for corporations to reduce the carbon footprints of supply chains.
- Public-private cooperation is key here. Initiatives such as knowledge-sharing APEC workshops remain useful for economies in scaling up environmentally-sustainable practices.

Checkpoint 5: Lack of targeted support to facilitate MSMEs' access and integration into global supply chains

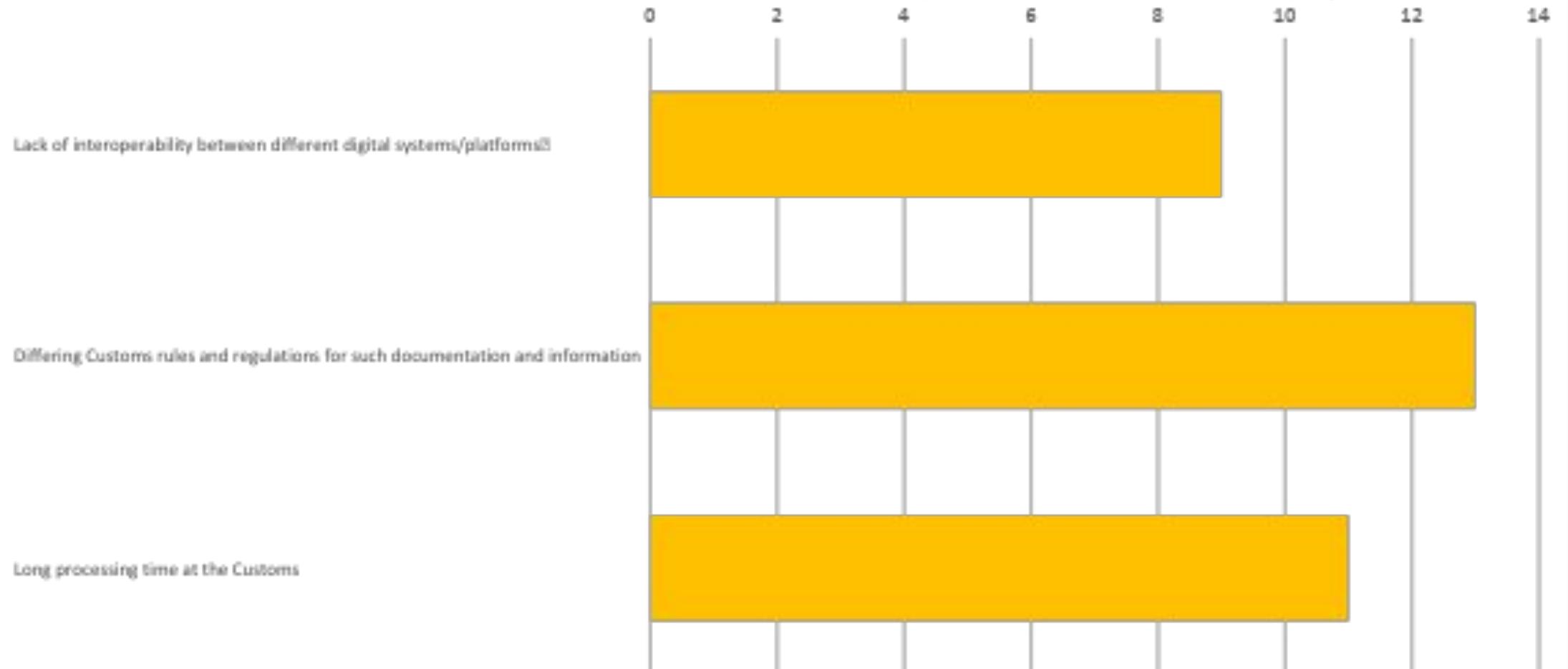
- Primary challenges faced by MSMEs include payment issues, conformance requirements, difficulties in linking up with relevant stakeholders and differing cultural/business practices.
- To enhance MSMEs' access to international markets and supply chains, governments and larger businesses have a role to play in (i) economic and technical capacity-building; (ii) assistance in utilising e-commerce platforms and cross-border payment mechanisms; (iii) direct financial grants; and (iv) access to market and regulatory information.

Survey findings

Digitalization of border procedures:

Digitalization of Border Procedures and Trade Documentation Exchanges:

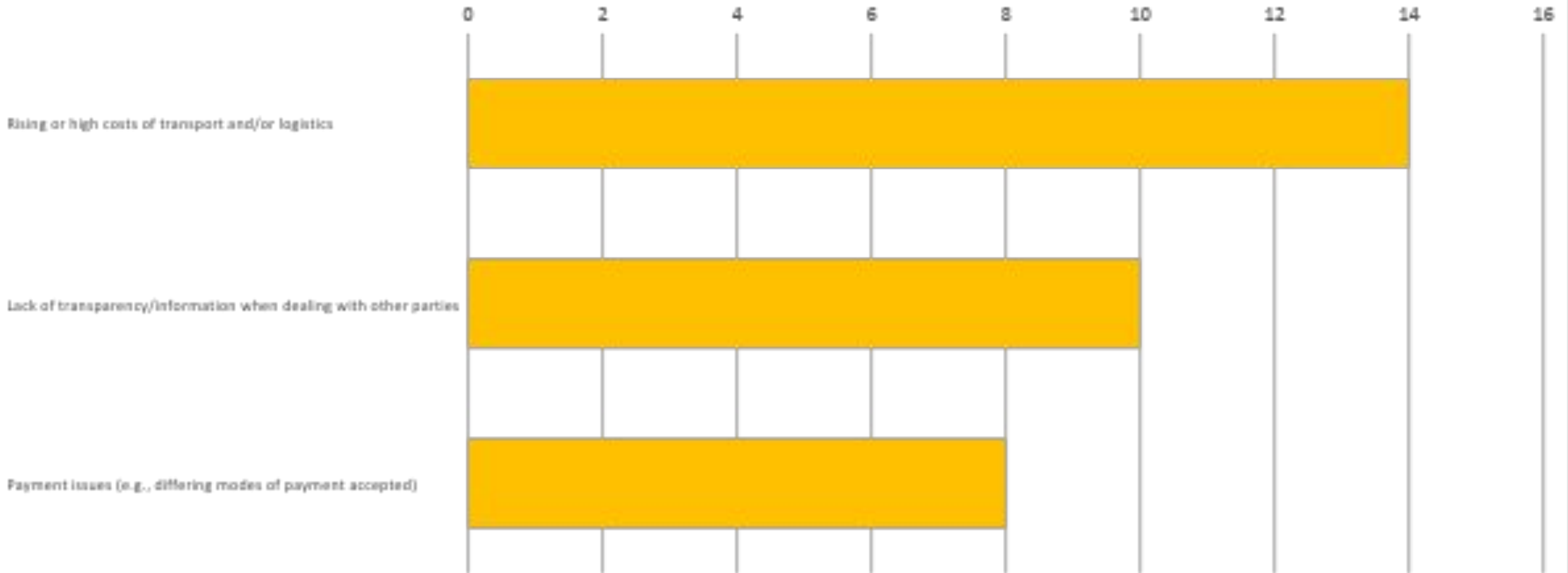
What are some inefficiencies encountered when utilizing digital platforms/systems to submit and/or exchange trade documentation and information with government trade-related border agencies? Please select all that apply.



Infrastructure Development to Support Robust Multi-Modal Connectivity and Logistics Network

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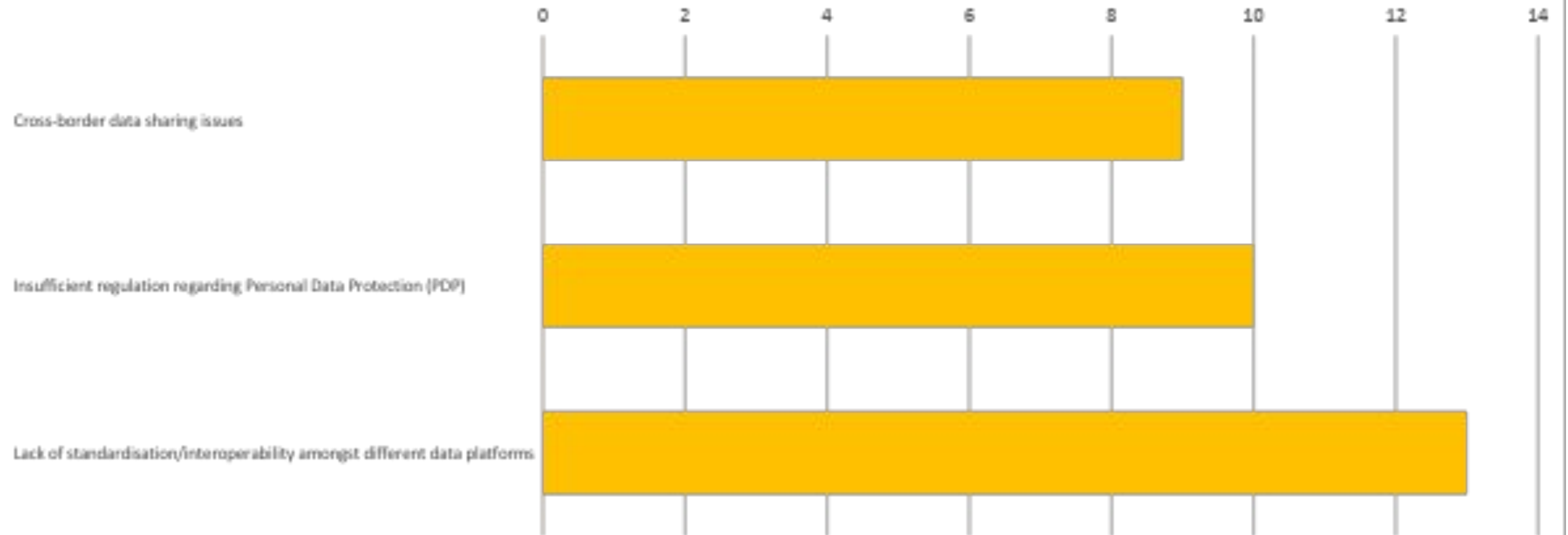
What are the main challenges, if any, that your firm faces in logistics operations? Please select all that apply.



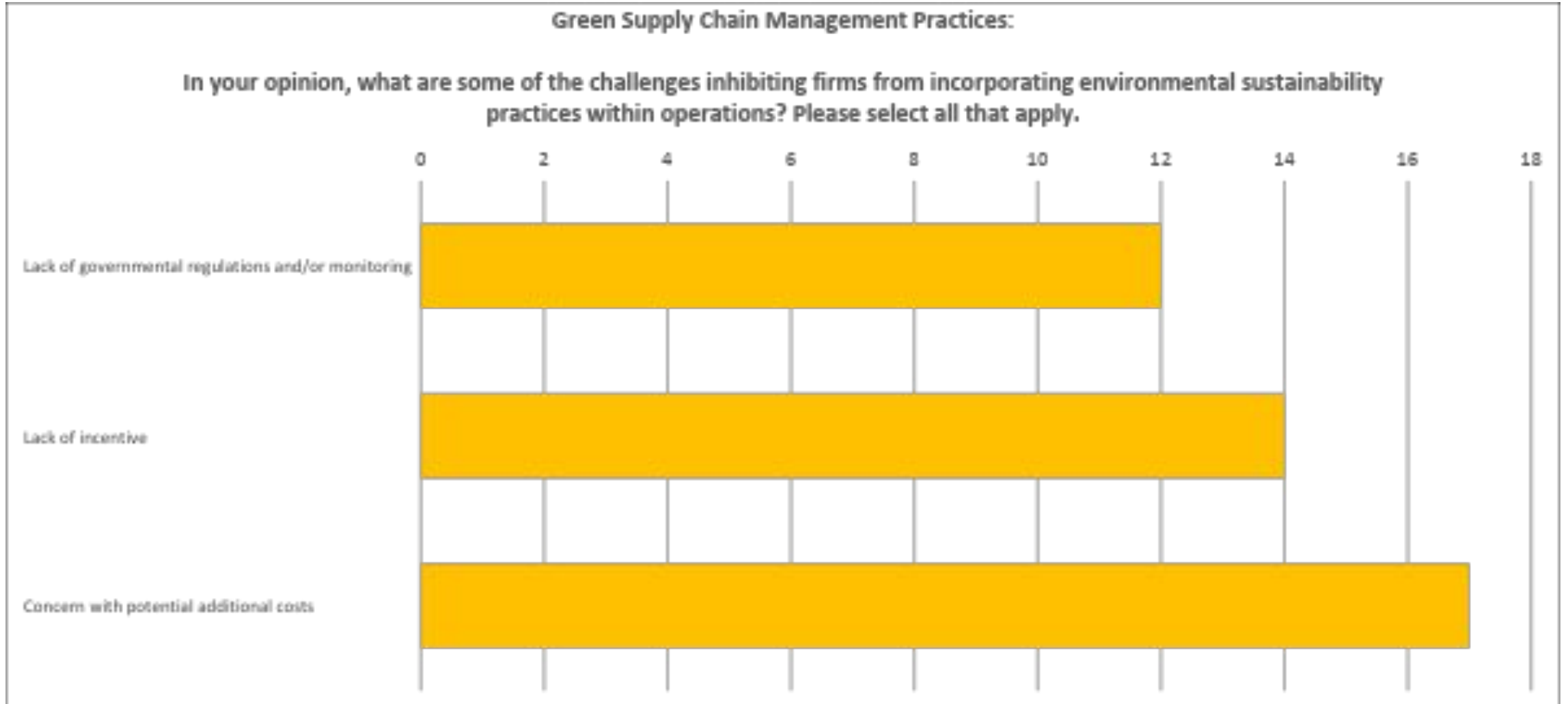
Data Flows and Cross-border Payments to Support Increasingly Digitalised Supply Chains

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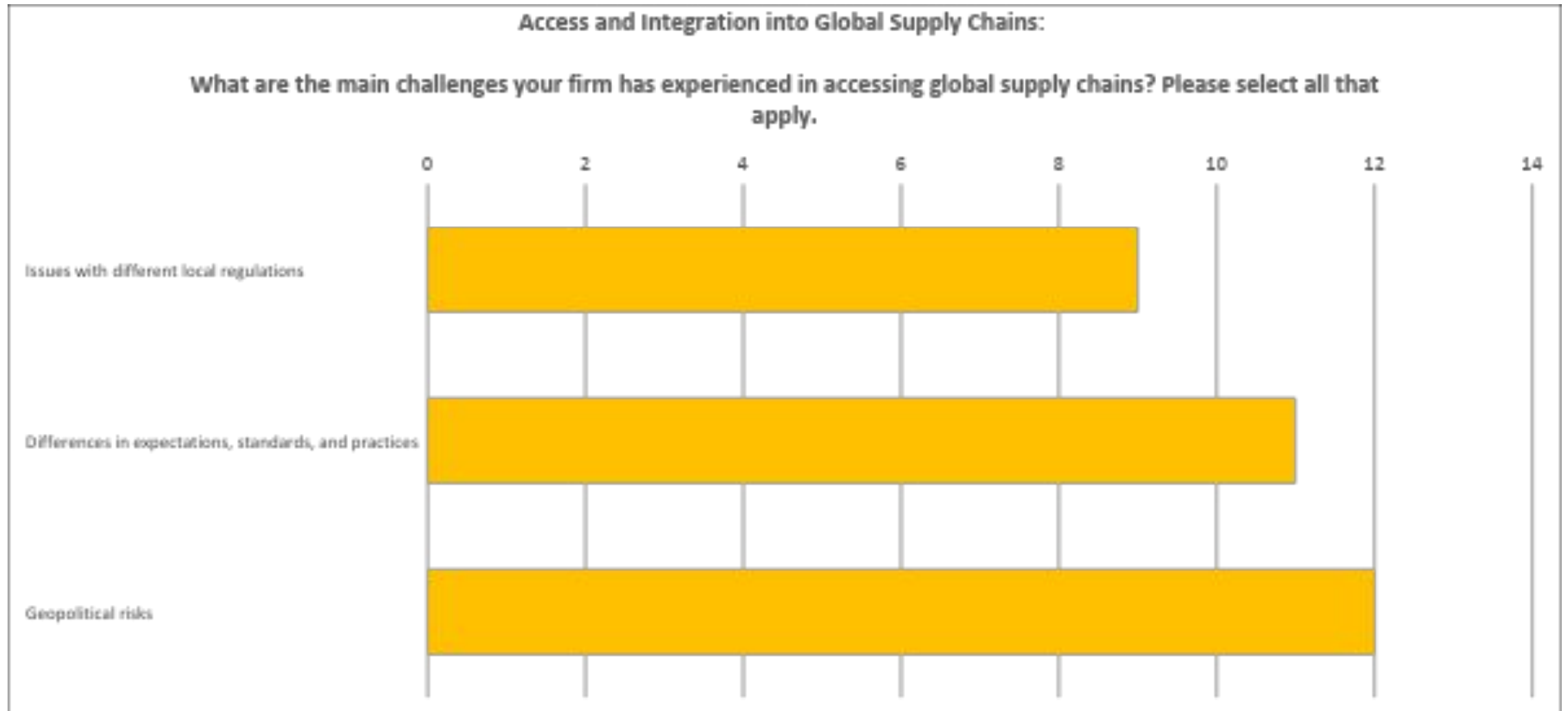
What issues do you face, if any, regarding cross-border data flows that concern your firm's operations? Please select all that apply.



Green Supply Chain Management Practices



Access and Integration into Global Supply Chains



Next steps

- Populate activities under each chokepoint that APEC can collectively pursue in SCFAP III.
- Build a better understanding of the priorities and outstanding issues vis-à-vis supply chain connectivity that public-private tee-ups can work towards addressing.
- Work closely with PSU in consultation with relevant APEC fora to identify suitable indicators