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Session 1

2021 Review: Findings from the 2014 APEC Business Travel Card End-to-End Review

Submitted by: Washington CORE



**Capacity Building Workshop on Improving
the Utilization of APEC Business Travel
Card**

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2021 Review: Findings from the 2014 APEC Business Travel Card End-to-End Review

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I. Study Background: Overview

A. Background

- In 2014, the APEC Business Mobility Group commissioned the APEC Business Travel Card End-to-End Review study, overseen by Australia and executed by Washington Core, to research and analyze the ABTC scheme's operational process characteristics, challenges, best practices, and future priorities, drawing on views from both public and private sector stakeholders.

Items considered

- Process improvements for card applications, granting pre-clearance requests, processing of domestic applications, card printing, and at-the-border issues
- The opportunities presented by advances in e-passports, online lodgement of ABTC applications, and balancing efficient information-sharing with security and privacy concerns
- The study included case studies of 11 economies across the APEC region

Economy case studies



II. Research Methodology: Surveys and Literature Research

- Literature Review
 - Staff reviewed existing literature on the scheme, such as:
 - The ABTC Operating Framework
 - Individual economies' guidelines for the scheme
 - Meeting minutes from prior BMG and ABTC working group meetings
- Surveys
 - The research team distributed two web-based surveys to government operators and cardholders in all 21 APEC economies.
 - The research team received responses from:
 - 11 APEC economy ABTC authorities (referred to as “operators”); and
 - 140 cardholders from 13 APEC economies.

Survey form

APEC Business Travel Card Experience Survey

Business travel plays a critical role in the development and growth of the increasingly interconnected economies of the members of the Asia-Pacific Economic Cooperation (APEC). In 1999 the APEC Business Travel Card (ABTC) program was launched to simplify international business trips in the APEC region by enabling visa-free travel and expedited customs processing. Today all 21 APEC economies are participating in the ABTC program on some level, and the number of cardholders is poised to increase significantly in the near future.

This survey on behalf of APEC aims to improve understanding of the current circumstances of ABTC operations and traveler experiences, and to identify ways to increase program efficiency in light of expected cardholder volume increases and the introduction of new technologies.

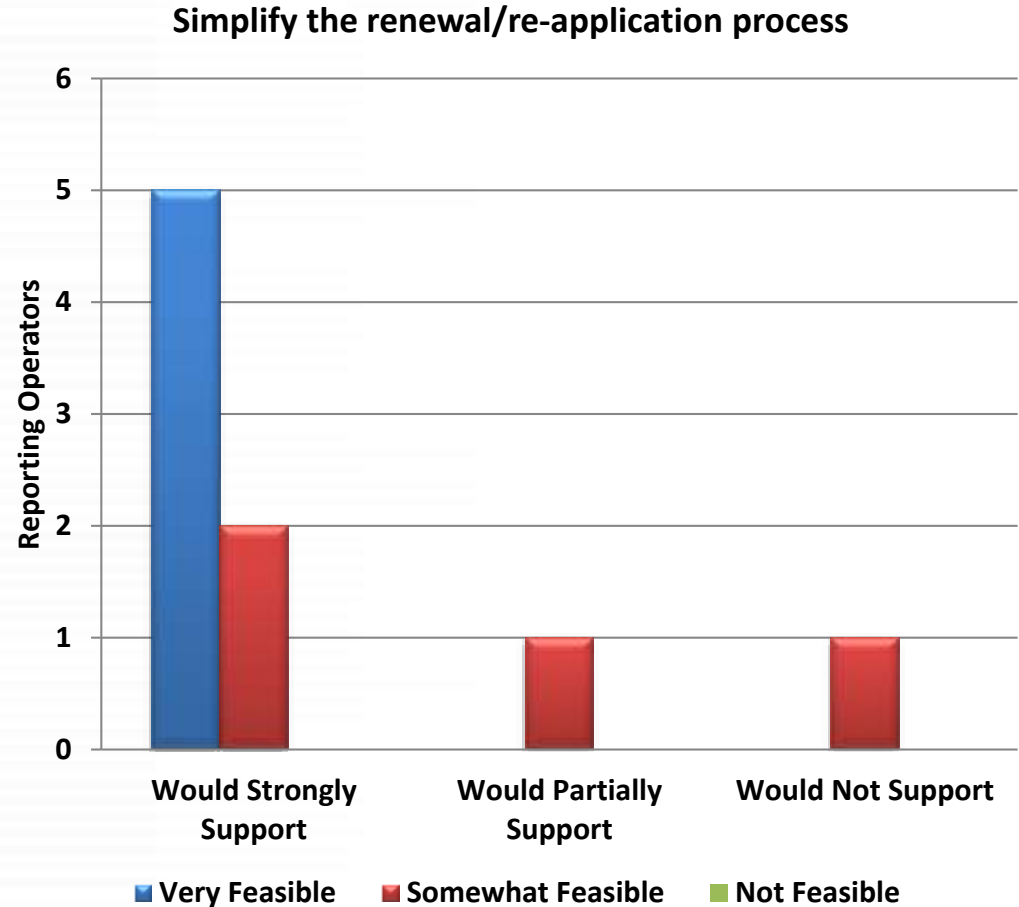
We would be happy to provide a link to the survey results to any respondents who are interested after this study concludes in November 2014.

Please send any questions regarding this survey to the following address: survey@wcore.com



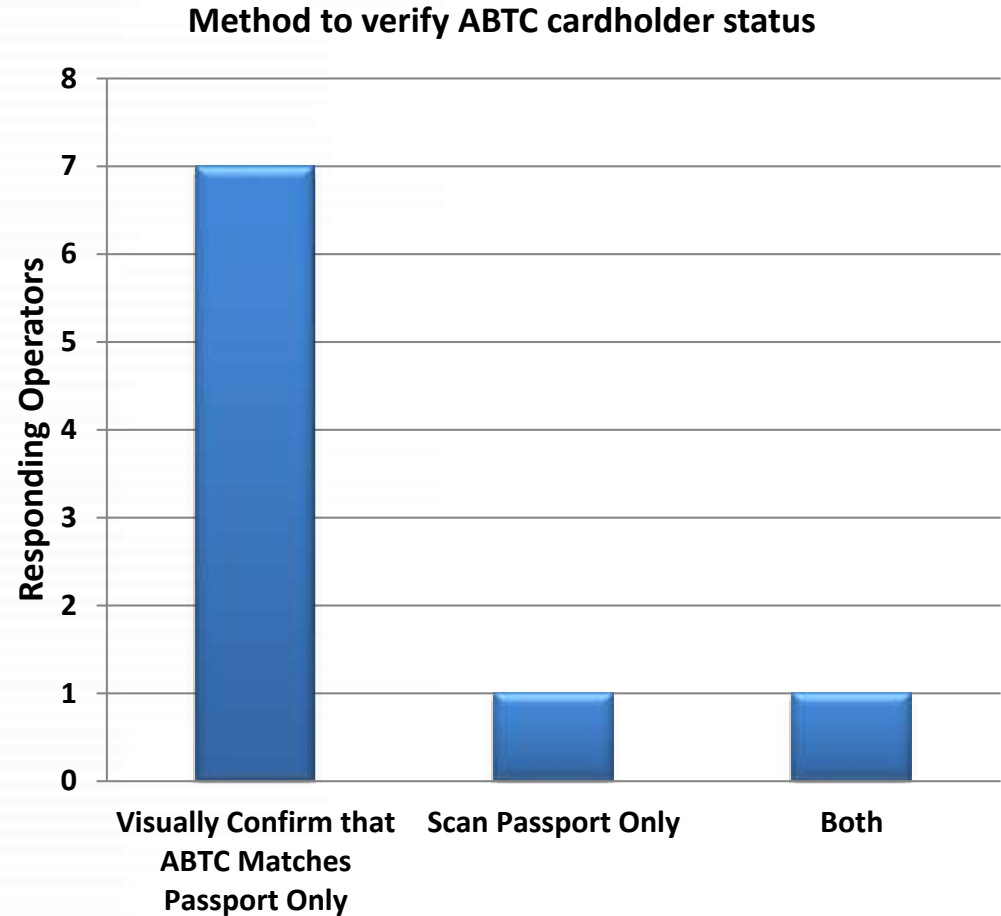
III. Survey – Process Issues: Findings

- Most common operator concern: Pre-clearance approval process takes too long.
 - Average reported wait time: Over three months.
- 71 percent of cardholders said the waiting time for the ABTC is “unreasonable.”
- For pre-clearance approval processing, responding operators averaged (approximately) 2 full-time staff and 2 part-time staff. Providing staff with additional training is very effective for increasing efficiency.
- Strong support for simplifying the renewal process. 40 percent of cardholders said that renewal process is “unreasonable.”



III. Survey – Technical Issues: Findings

- Majority of responding operators believed that methods to reduce the need for manual data entry in the ABTC System would be “somewhat” or “very effective” at improving efficiency of ABTC application processing.
- Heavy reliance on visual inspection for verification of ABTC cardholder credentials.
- Significant room for time savings through use of “virtual” cards.

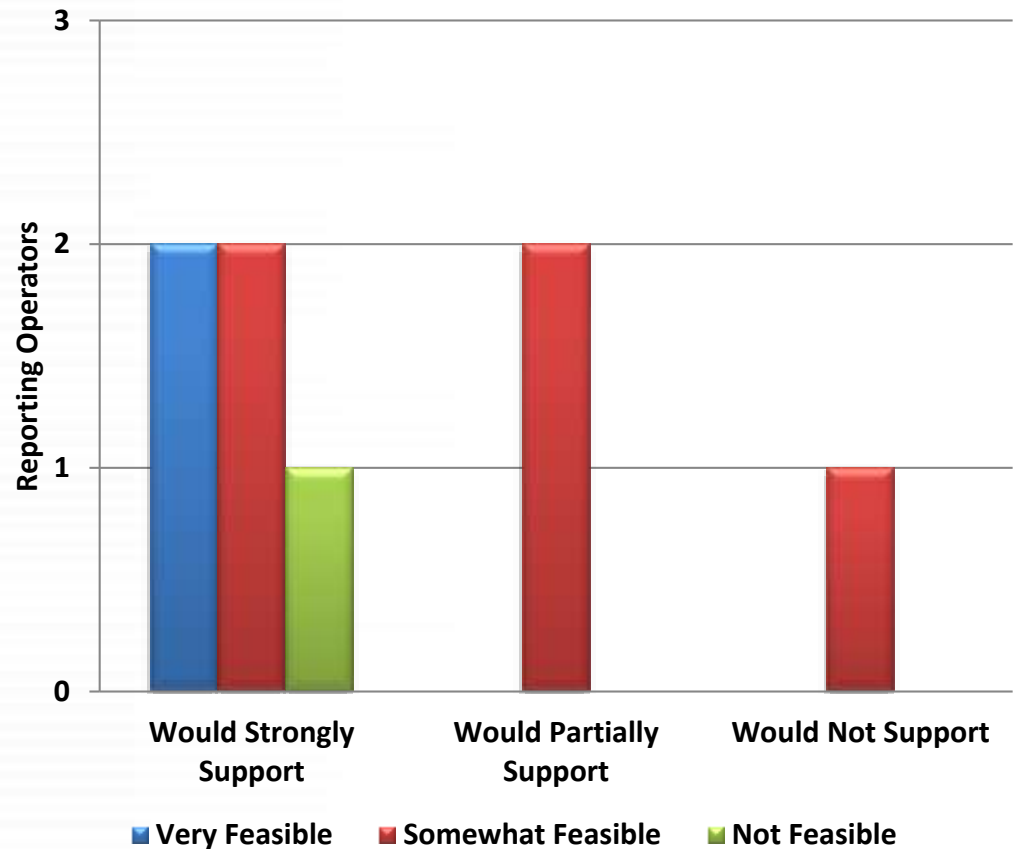


III. Survey – Organizational Issues: Findings

- Strong support in principle for standardization of ABTC eligibility requirements.
- Widespread support for standardizing permissible uses of ABTC. Operators would need to agree on a final definition of “permissible use”—e.g., tourism.
- Half of cardholders would support allowing the ABTC to be used for tourism.
- General support for concept of an APEC-wide ABTC Customer Support Center.
- Majority of responding operators would “strongly support” APEC-wide capacity-building mechanism.



Standardize permissible uses of the ABTC



IV. Interviews

- Interviews
 - Staff conducted 50+ interviews with government and industry stakeholders in 11 economies
 - Meetings were invaluable opportunities to witness first-hand the operation of ABTC processes

Sample interviews conducted

Economy	Title	Insights
Australia	First Assistant Secretary, Border, Refugee, & Onshore Services	Long term ABTC policy planning and future goals
Thailand	Director of Intelligent Systems Laboratory	Travel facilitation technologies
Malaysia	Senior Deputy Assistant Director of Immigration	Card printing, processing, and client support
Peru	International Affairs Manager, Industry Organization	ABTC application process enhancements
China	Director, Immigration Inspection Division	At-the-gate issues for the ABTC

Travel locations for in-person interviews



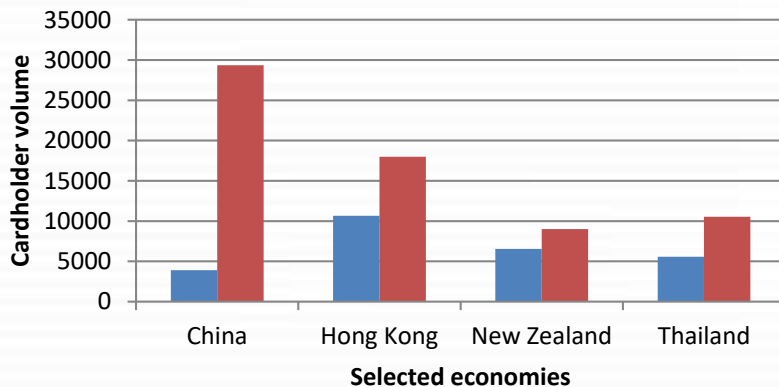
V. Scheme Operation: Cardholder Growth

- Observations

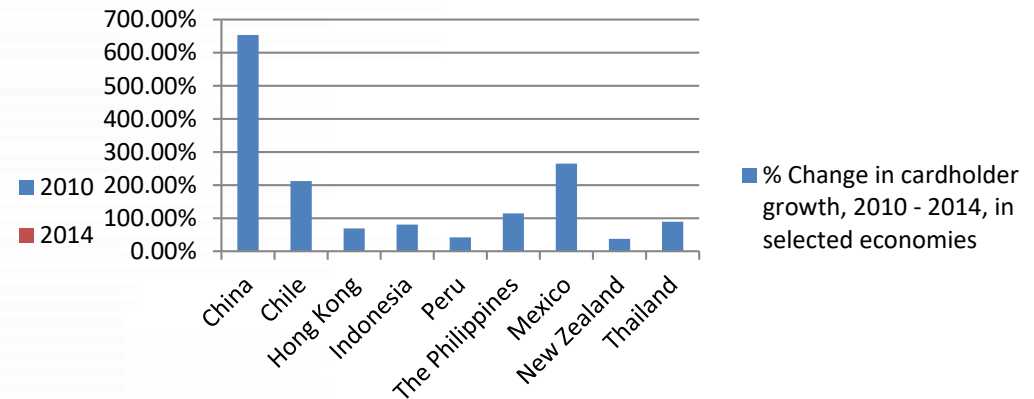
- The rapid growth in cardholder numbers had placed increased pressure on economies to efficiently meet client needs. The total # of cardholders in 2014 had doubled from 2009 to 2014 to just over 150,000 active cardholders.

Growth in cardholder volume in select economies

Increase in cardholder volume, 2010 - 2014, selected economies

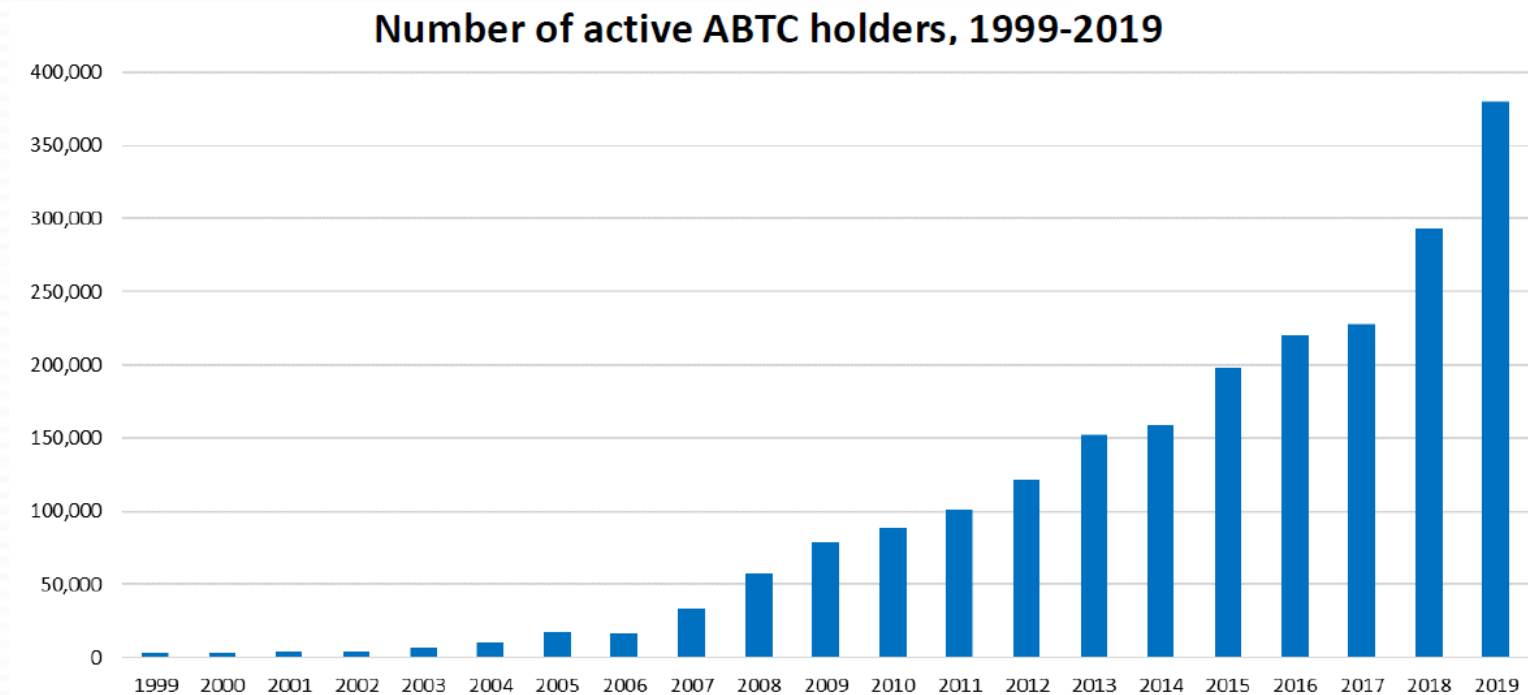


% Change in cardholder growth, 2010 - 2014, in selected economies



V. Scheme Operation: Cardholder Growth

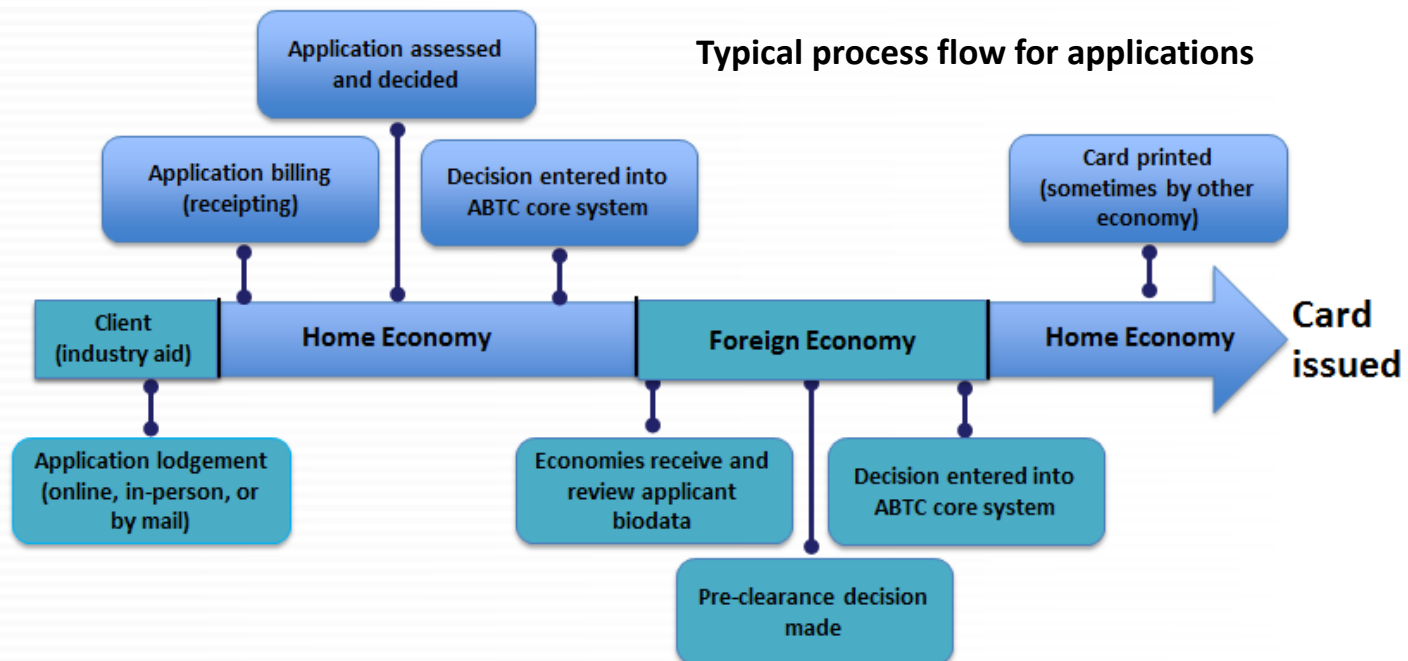
- Comparison to current day
 - Since 2014, the # of cardholders has continued to rise, growing to around 380,000 active ABTC holders in 2019.
 - The total # of cardholders as of 31 December 2020 was 367,397 (due to the COVID-19 pandemic)



Source: Study on Cross Border Mobility in the APEC Region, APEC PSU, August 2021

V. Scheme operation: Application Process Flows

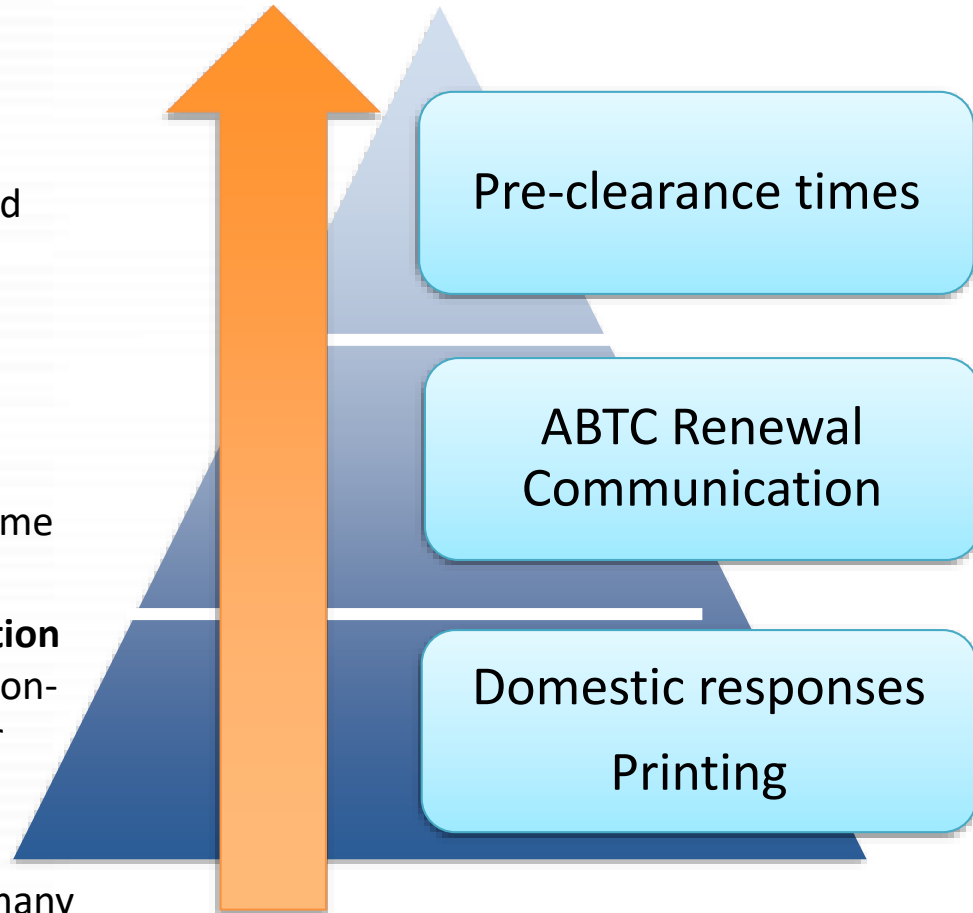
- Observations
 - Economies such as Peru and Malaysia involve industry associations in the application process, promoting industry engagement and sharing the government's burden for cardholder assistance
 - Singapore and China offer different forms of online lodgement
 - Economies which require in-person ABTC applications strive to offer excellent at-the-door customer service



V. Scheme Operation: Common Challenges

- **Common challenges**

- **Slow pre-clearance processing times** are a concern for both government officials and cardholders
- Industry representatives frequently stressed that **renewal of the ABTC** card should be simpler or easier than initial applications, perhaps by reusing previously submitted information
- **Responding to ineligible domestic applications** is a significant time sink for some economies
- Several economies noted that **communication through the ABTC system can be slow** or non-responsive, and some economies lack clear points of contact for ABTC issues.
- **Printing issues** (cost, end-of-life issues, staffing) are a common complaint among many economies

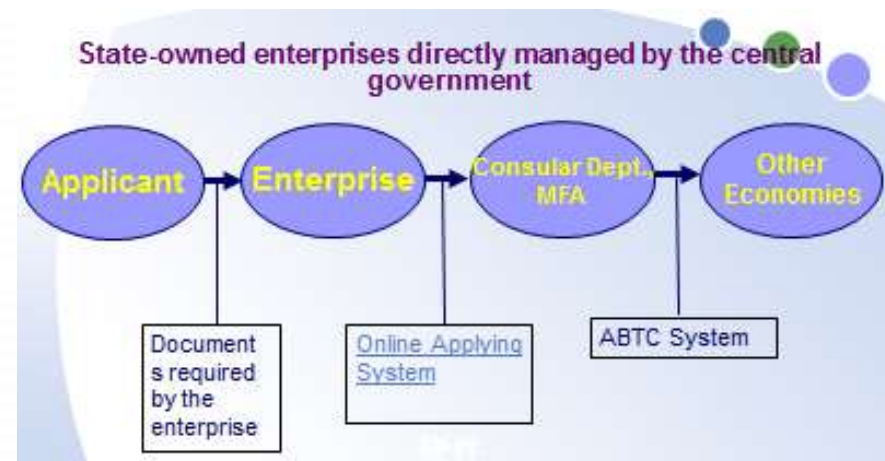


V. Scheme Operation: Best Practices

Observations

- Based on a 2013 self-evaluation with industry feedback, Malaysia streamlined its domestic application process, lowering domestic application processing time from almost a year to 2-3 months, and significantly reducing costs
- In China, a new online lodgement system reduced domestic application processing times by having large companies or regional Ministry of Foreign Affairs (MFA) offices directly input client data into MFA's system
- Peru's domestic industry association reminded existing cardholders when their current ABTC card is about to expire (3 months in advance) and helped support cardholders with any issues
- Within one year, Australia reduced its pre-clearance times to below the APEC average, through more effective staff distribution and better understanding of the case loads

Online lodgement for Chinese applications by state owned enterprises



VI. 2014 Recommendations: Process

- Observations
 - The pre-clearance stage of the application process posed the most risk for delays for cardholders, since the slowest economies to approve the card have an out-sized influence on the final approval times
 - The “churn” of new cards from passport changes is time-consuming for staff and inconvenient for clients.
 - Industry members have emphasized the need for a more streamlined renewal process for cardholders, which could speed processing of applications and help retain cardholder volume.
- Action Items
 - Offer clients the option to pre-select which economies they wish to request pre-clearance from, and provide automatic updates to inform staff when all pre-clearances have been granted
 - Remove the passport number from the card and confirm information electronically, and explore syncing issuance of a new passport with a new card. Implement automatic approval of passport changes in ABTC system.
 - Expedite the requirements for repeat applications

VI. 2014 Recommendations: Technical

- Observations
 - An online ABTC lodgement platform would minimize staff time and provide ease of access for clients.
 - Machine-readable cards could reduce printing requirements and could improve security through storing biometric information
 - In the long term, a virtual ABTC may be the best future evolution of the card
- Action Items
 - Develop a roadmap and cost estimates for a modular, shared online lodgement platform across several economies. Create a pilot program to demonstrate feasibility and overcome potential challenges.
 - Create a pilot machine –readable card program to demonstrate feasibility and overcome potential challenges (but retain needed information for a visual check from non-pilot members)
 - Explore a phased approach to implementation of virtual ABTC within a set time frame (5-10 years)
 - Permit economies to “hold” and edit a domestic application if an error is detected after it is approved for pre-clearance
 - New applications for current cardholders could be auto-populated with prior cardholder data
 - Explore increased customization of the core ABTC system for individual economies, and a technical review of the core ABTC system, to support future technical changes

Process flow for Chinese online applications by non-state owned enterprises



Singapore e-ABTC application start page



VI. 2014 Recommendations: Organizational

• Observations

- The BMG should implement a “technical support group” to help develop multilateral capacity building among ABTC processing staff and support future recommendations for best practices
- Many interviewees have expressed hope that the end-to-end review will help economies to reflect and consider what they hope to achieve from the ABTC. The recommendations below seek to support a spirit of internal review and oversight.
- In the future, there may be opportunities to expand or improve the scheme through additional benefits for cardholders or expansion of the scheme

• Recommended Action Items

- In-person training visits by staff to economies
- Regular workshops on the sidelines of a technical conference
- Online training videos, available in multiple languages, for specific best practices and processes (Low cost model)
- Set a 5-year or 10-year plan to achieve BMG goals for the ABTC
- Consider a formal review process for ABTC metrics achieved and future goals
- Implement a centralized oversight board to review how information is being collected, shared, and protected



VII. 2021 Update: Recommendations Status

Issue	2014 recommendation	Current status
<p>Making application and renewal processes more efficient and convenient</p>	<ul style="list-style-type: none"> • Allow applicants to select economies for pre-clearance • Automatic updates to inform staff when all pre-clearances are granted • Long term: Remove the passport number from the card and confirm information electronically • Short term: Explore syncing issuance of a new passport with a new card • Implement automatic approval of passport changes for economies • Create a unified passport change policy to allow passport changes without requiring a new ABTC application • Streamline documentation requirements for renewal • Implement online lodgement platform • Technical review of ABTC system backend 	<ul style="list-style-type: none"> • Continuous improvements to the ABTC system to reduce the burden on economies to manually enter data • Some passport renewal issues will be resolved by introduction of Virtual ABTC • Extension of Australia’s online lodgement to trial economies, and ongoing work to extend the system to all fully participating economies
<p>Enhancing integrity and efficiency of border crossings</p>	<ul style="list-style-type: none"> • Machine-readable cards will reduce printing requirements and could improve security through storing biometric information • Virtual ABTC would further reduce paperwork and enhance security and speed of border processing 	<ul style="list-style-type: none"> • Expansion of Virtual ABTC adoption will support these recommendations • Regular meetings by Sub-Group on Integrity in the APEC Business Travel Card Scheme

VII. 2021 Update: Recommendations Status

Issue	2014 recommendation	Current status
Capacity building and performance monitoring	<ul style="list-style-type: none">• The BMG should implement a “technical support group” to help develop multilateral capacity building among ABTC processing staff and support future recommendations for best practices• Create formal review process for ABTC metrics achieved and future goals.	<ul style="list-style-type: none">• Capacity building workshops• Development of online guidance to border officials
Expand uses of ABTC card and eligibility	<ul style="list-style-type: none">• Consider allowing ABTC used for different types of travelers and travel purposes such as leisure	<ul style="list-style-type: none">• Consideration of topics such as increasing adoption by women business travelers, and possibly allowing more widespread use for leisure travel.

VII. 2021 Update: Recent Topics for Discussion

- Increasing the ABTC lodgement and border processing efficiency
 - Australia-led online lodgement pilot
 - Implementation of virtual ABTC and reviewing its safety features
 - Implementation of online (electronic) immigration services; and/or trials on the use of ABTC holders' biometrics through Automated Border Control Systems
- Increasing ABTC adoption and value
 - Work with the Policy Partnership on Women in the Economy (PPWE) to identify best approaches and promote the ABTC Scheme to businesswomen
 - Consider conferring other relevant benefits to ABTC holders, including priority in resuming business travel, expedited work permit application procedures and extended stays in economies for business travel, or access to a database of regional trade and investment information
 - Study potential expansion of Virtual ABTC eligibility to non-business travelers
 - Expanding the ABTC scheme to new vocations or different geographic areas
- Futureproof ABTC scheme
 - Explore ways to align ABTC Scheme with vaccine certification to facilitate travel where COVID-19 travel restrictions exist
 - Conduct survey of the future of the ABTC Scheme regarding emerging business mobility and technology trends. (e.g. e-gates, biometrics, and e-visa related technology)

Thank you!

Thank you very much for your time and attention today!

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