

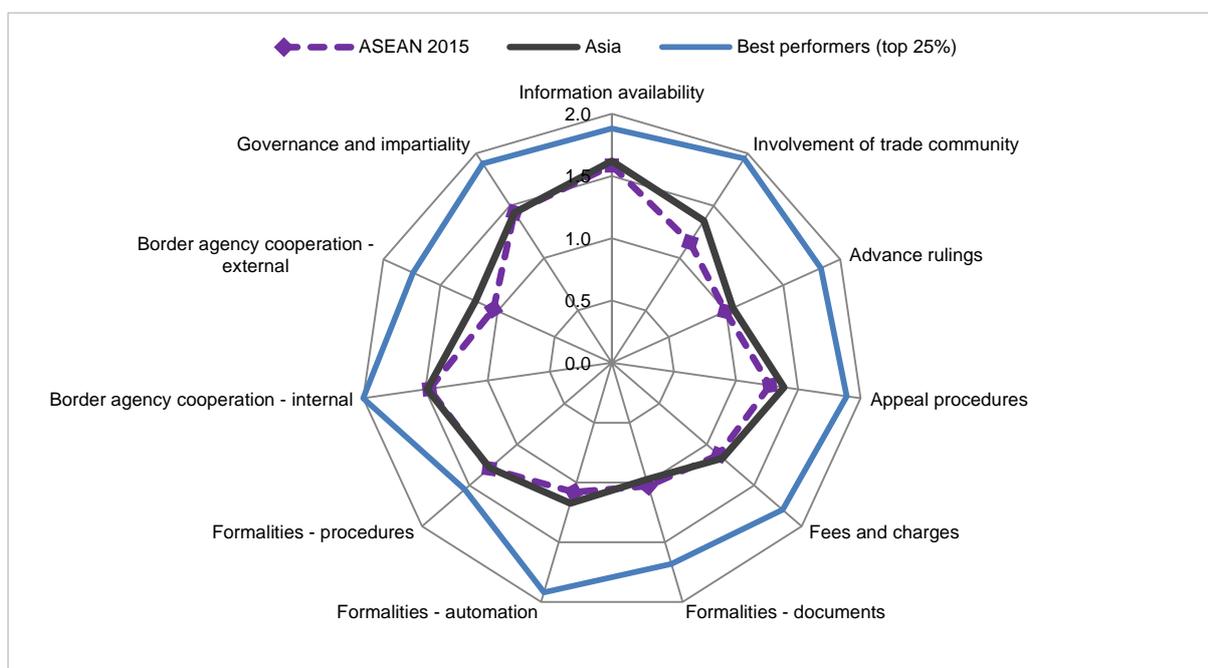
OECD Trade Facilitation Indicators: Moving ASEAN Forward

ASEAN represents one of the most dynamic and fastest-growing economic regions of the world today. Real GDP growth rates are projected to average 5.4% per year in 2014-18, and the pursuit of an ASEAN Economic Community (AEC) constitutes the most ambitious programme of economic co-operation in the developing world. The AEC Blueprint, which lays out an ambitious agenda designed to transform ASEAN into a single market and production base by 2015, contains strong commitments in the area of trade facilitation, including the harmonisation, simplification, and modernisation of trade and customs processes, customs integration, and the development of an ASEAN Single Window.

At the multilateral level, all ten ASEAN member countries are also members of the WTO, and as such, will be called to implement the recently concluded WTO Agreement on Trade Facilitation, in pursuit of a more efficient border process. OECD analysis has shown that by implementing trade facilitation measures, ASEAN and its member countries can boost trade flows and reduce trading costs across the region.

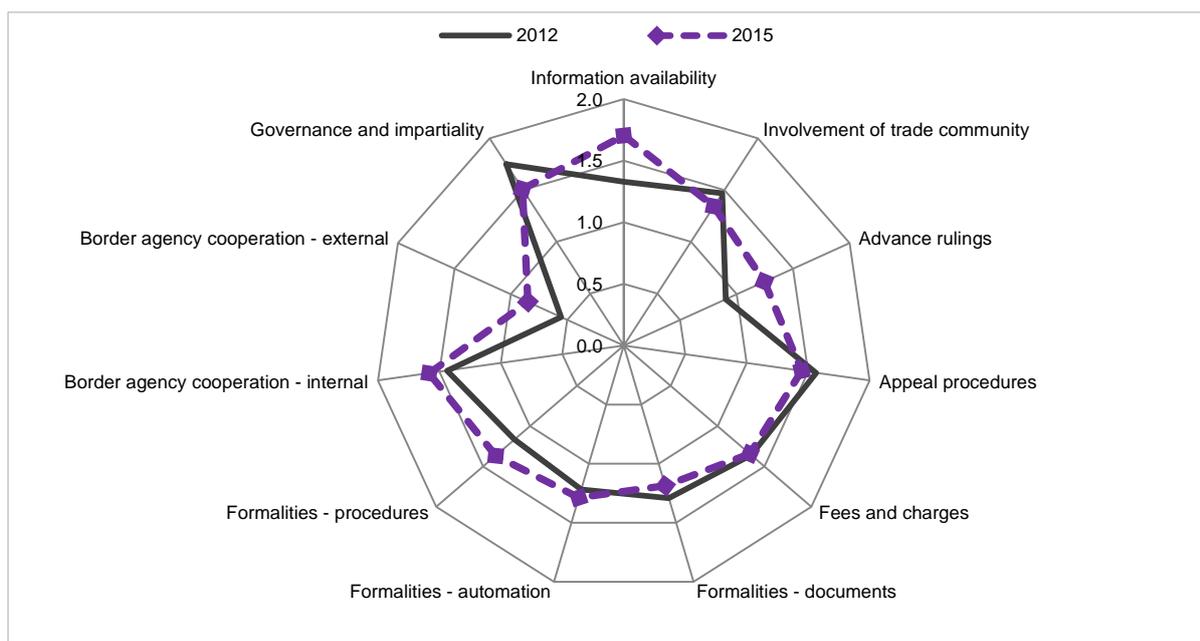
- According to the OECD Trade Facilitation Indicators, ASEAN performs comparably to the larger Asia region in all trade facilitation areas except for the involvement of the trade community and external border agency co-operation, where ASEAN performance is below the average performance in Asia. Performance across all TFIs areas remains below worldwide best practice.
- Performance has improved between 2012 and 2015 in the areas of **information availability**, **advance rulings**, **streamlining of procedures**, as well as **internal** and **external border agency co-operation**. Performance in the other areas is stable, with the exception of involvement of trade community, appeal procedures and governance and impartiality, where some ground was lost.

ASEAN's Trade Facilitation Performance: OECD Trade Facilitation Indicators, 2015
TFIs values range from 0 to 2, where 2 corresponds to the best performance that can be achieved



Analysis for this, and all similar graphics in this publication, is based on TFIs latest available data as of May 2015 and the set of indicators as constructed for countries outside the OECD area in "Trade Facilitation Indicators: The Potential Impact of Trade Facilitation on Developing Countries' Trade" (OECD Trade Policy Paper No. 144, 2013). Asia region covers 24 countries in total (it does not include countries in Central Asia). "Best performers" denotes the average of the top quartile for each of the trade facilitation areas covered, across all countries within the database.

ASEAN's Trade Facilitation Performance: OECD Trade Facilitation Indicators, 2012 and 2015
TFIs values range from 0 to 2, where 2 corresponds to the best performance that can be achieved

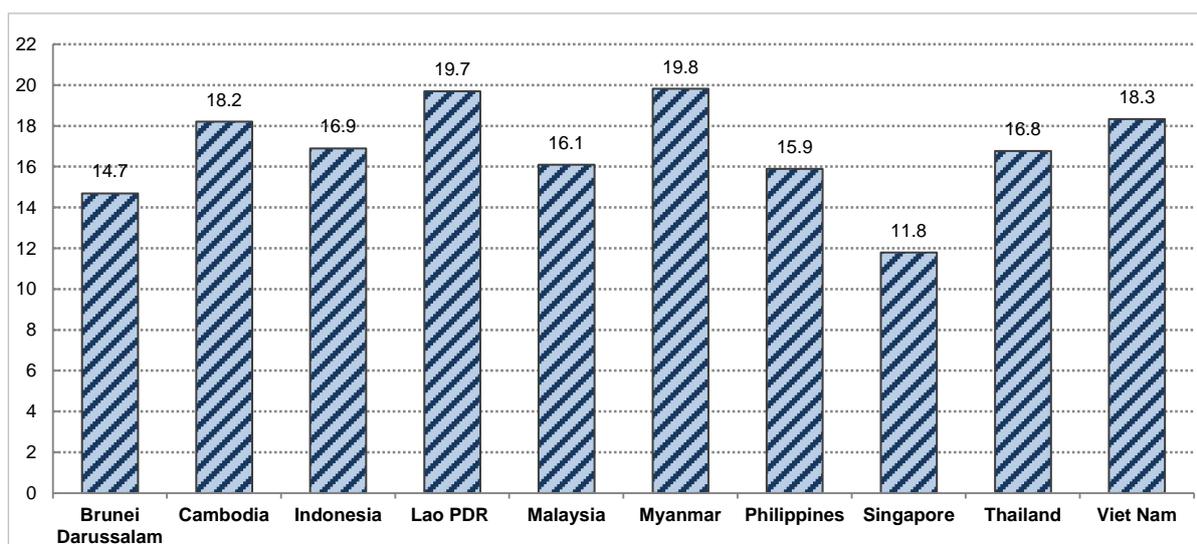


Data for Lao PDR and Myanmar are not available in the database for the year 2012. In order to ensure comparability, the averages refer to 8 out of 10 ASEAN members covered both in 2012 and 2015: Brunei Darussalam, Cambodia, Indonesia, Malaysia, Philippines, Singapore, Thailand, and Viet Nam.

What reduction in trade costs is expected from implementation of the TFA?

The 2015 OECD TFIs find that “full” implementation of the TFA would reduce trade costs for the ASEAN group of countries by 16.9% on average.¹ More specifically, trade costs incurred by individual member countries could be reduced by between 11.8% and 19.8%. Furthermore, OECD analysis shows that reforms with the greatest overall benefits for the ASEAN group as a whole are in the areas of **streamlining of procedures** (3.8%), **automation** (3.2%), **simplification and harmonisation of trade documents** (3%), **information availability** (2.4%), **advance rulings** (2.1%), and **fees and charges** (1.1%).

Overall potential trade cost reductions for ASEAN member countries (%)



¹ The calculation of the potential impact of the TFA is based on two scenarios: a) a “full” implementation scenario where countries implement all the options contained in the Agreement, including those formulated on a “best endeavours” basis; and b) a “limited” implementation scenario where countries implement only the mandatory provisions contained in the agreement, but taking into account that some of the best endeavours measures have already been implemented by some of these countries. These two scenarios provide upper and lower bounds of potential trade cost reductions likely to be obtained by implementing the TFA. The impact will be strongly influenced by the way developing countries categorise various measures and by the timeframes they adopt for implementation.

Prioritising Trade Facilitation Actions in ASEAN

Analysis of the OECD TFIs database pinpoints specific trade facilitation areas where ASEAN policymakers should focus their reform efforts to maximise impact. When these priority areas are examined with an eye toward ASEAN's trade facilitation commitments, the indicators highlighted below rise to the top of the list. Pursuing reforms in these areas will not only boost trade flows while cutting trade costs, it will also help prepare ASEAN member states for impending WTO trade facilitation obligations and full AEC implementation by 2015.

Information availability:

- Improve the operation of enquiry points and Customs hotlines
- Improve the availability and user-friendliness of information on import and export procedures and on trade agreements with third countries
- Make forms and documents required for border procedures available online
- Provide an interval between the publications of trade related regulation and their entry into force
- Provide access to rules and examples of Customs classification
- Increase the transparency of government policymaking in the area of customs regulation

Advance rulings:

- Improve the availability of information on advance rulings, including online request mechanisms
- Increase the length of time for which advance rulings are valid
- Make advance rulings of general interest publicly available
- Provide the possibility to request a review of advance rulings

Fees and charges:

- Improve the availability of comprehensive information on applicable fees and charges on the Customs website
- Reduce the number and diversity of fees and charges collected
- Reduce the fees charged for services during normal working hours

Simplification and harmonisation of documents:

- Expand the acceptance of copies of documents
- Pursue efforts to comply with international standards for facilitating trade
- Continue the development of ASEAN e-Customs
- Further reduce the number of documents required for import and export, as well as the time necessary for their preparation

Automation:

- Reinforce the use of risk management systems across member countries
- Expand the availability of full-time automated processing for Customs
- Further improve trade-related telecommunications and IT

Streamlining of procedures:

- Pursue the development of national Single Windows and fully implement the ASEAN Single Window
- Pursue efforts to reduce clearance times and physical inspections across member countries
- Expand and consolidate the implementation of pre-arrival processing for import documentation
- Expand the possibility to have goods released prior to final determination and payment of Customs duties
- Expand the use of Authorised Operator programs
- Ensure that the working hours of Customs personnel are fully adjusted to commercial needs

About the OECD Trade Facilitation Indicators

OECD has developed a set of indicators to assess trade facilitation policies, including the following:

Information Availability	Enquiry points; publication of trade information, including on Internet
Involvement of the Trade Community	Consultations with traders
Advance Rulings	Prior statements by the administration to requesting traders concerning the classification, origin, valuation method, etc., applied to specific goods at the time of importation; the rules and process applied to such statements
Appeal Procedures	The possibility and modalities to appeal administrative decisions by border agencies
Fees and Charges	Disciplines on the fees and charges imposed on imports and exports
Formalities – Documents	Acceptance of copies, simplification of trade documents; harmonisation in accordance with international standards
Formalities – Automation	Electronic exchange of data; use of risk management; automated border procedures
Formalities – Procedures	Streamlining of border controls; single submission points for all required documentation (single windows); post-clearance audits; authorised economic operators
Internal Co-operation	Control delegation to Customs authorities; co-operation between various border agencies of the country
External Co-operation	Co-operation with neighbouring and third countries
Governance and Impartiality	Customs structures and functions; accountability; ethics policy

» Further Reading

OECD Trade Facilitation Indicators – An overview of available tools (November 2014)

<http://oe.cd/tfi-tools>

Trade Facilitation Indicators – State of Implementation (June 2014)

<http://oe.cd/tfi-implementation>

Trade Facilitation Country Notes & Interactive Policy Simulator

<http://oe.cd/tfi>

Contribution of Trade Facilitation Measures to the Operation of Supply Chains (May 2015)

<http://oe.cd/trade-papers>

The Costs and Challenges of Implementing Trade Facilitation Measures (May 2013)

<http://oe.cd/tfi-dev>

The Potential Impact of Trade Facilitation on Developing Countries' Trade (March 2013)

<http://oe.cd/tfi-impact>

TFIs: The Impact on Trade Costs (August 2011)

<http://oe.cd/tfi-impact-costs>

» More Information

OECD Trade and Agriculture Directorate

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