



Chapter 10

ASEAN Trade Facilitation Indicators II: Thailand

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1. Overall Trade Facilitation Environment

1.1. Progress

Thailand has made significant progress towards its implementation commitments under the World Trade Organization (WTO) Trade Facilitation Agreement. Thailand's rate of implementation on its commitments, as of March 2022, was 98.7% (i.e. Category A, 91.6%; Category B, 7.1%), compared to 93.7% in 2018. In fact, some provisions under Category B were implemented earlier than their deadlines (i.e. Article 4.4, Article 6.3.4, and Article 7.1.1) (Table 10.1). The new and improved Customs Act B.E. 2560 (2017) includes revisions that cover commitments towards procedures for appeal and review (Article 4.4) and penalty disciplines (Article 6.3.4). In 2018, following the new Customs Act, Thailand's Customs Department announced ministerial regulations implementing pre-arrival processing for all airports and seaports. Thailand is expected to achieve full implementation of the Trade Facilitation Agreement in 2024. There is only one key measure left to be implemented, which is test procedures under Article 5.3.

**Table 10.1. Thailand's Commitment under Category B
of the World Trade Organization Trade Facilitation Agreement**

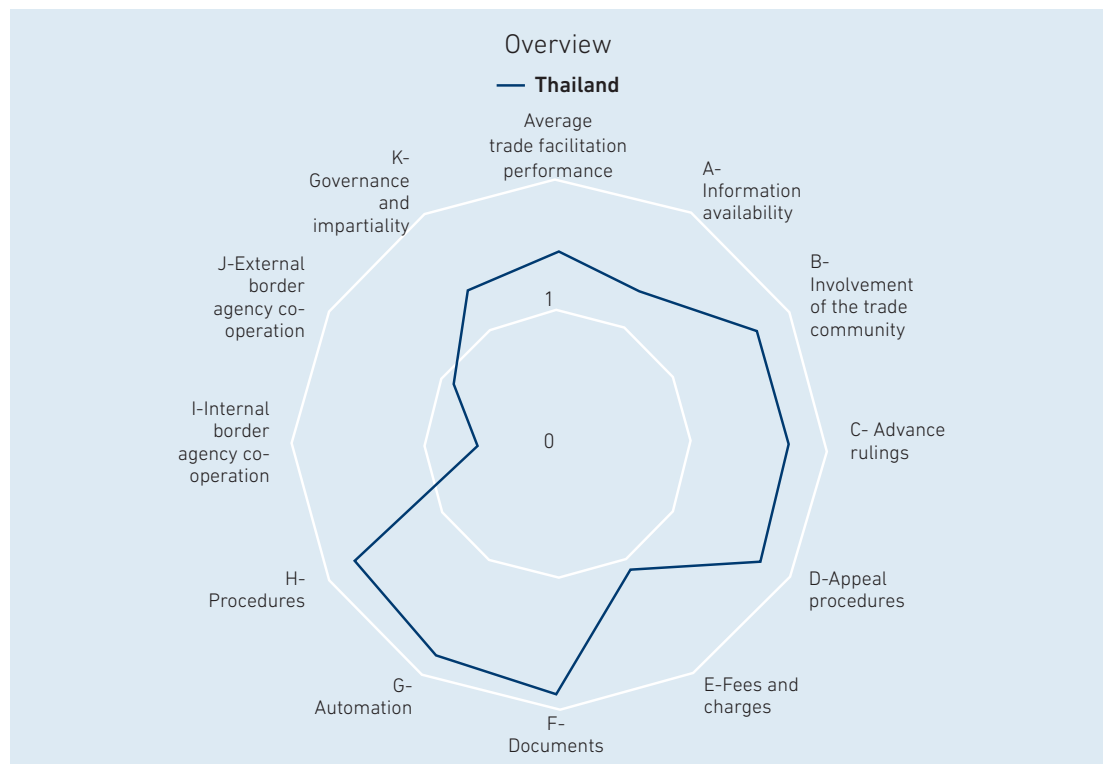
Provision	Heading/Description	Commitment Under Category B	Indicative Date of Implementation	Definitive Date of Implementation
Article 4.4	Procedures for appeal and review	5 years	22 February 2022	22 February 2018
Article 5.3	Test procedures	7 years	22 February 2024	22 February 2024
Article 6.3.4	Penalty disciplines	5 years	22 February 2022	22 February 2018
Article 7.1.1	Pre-arrival processing	5 years	22 February 2022	22 February 2019
Article 11.1	Freedom of transit	5 years	22 February 2022	22 February 2022
Article 11.8	Freedom of transit	5 years	22 February 2022	22 February 2022
Article 11.9	Freedom of transit	5 years	22 February 2022	22 February 2022
Article 12.2	Customs cooperation/ exchange of information	3 years	22 February 2020	22 February 2020
Article 12.6.1	Customs cooperation/ provision of information	3 years	22 February 2020	22 February 2020

Source: WTO (2018).

According to the Organisation for Economic Co-operation and Development (OECD), Thailand's average trade facilitation performance scored 1.439 (out of 2.000) in 2019.¹ Between 2017 and 2019, whilst performance in many areas remained stable, Thailand's performance improved in the areas of involvement of the trade community (1.710), advance rulings (1.710), simplification and harmonisation of documents (1.880), and streamlining of procedures (1.740). OECD recommended improvements in other areas as follows:

- (i) **Fees and charges.** Provide comprehensive information on applicable fees and charges on the Customs Department website, and reduce fees charged for services during normal working hours.
- (ii) **Formalities (automation).** Complete the development of automated pre-arrival processing, and expand the electronic clearance of import and export documentation.
- (iii) **Formalities (procedures).** Expand the use of the authorised economic operator programme, support controls of other border agencies through a risk management system, expand the application of post-clearance audits, and further simplify procedures in terms of both associated time and costs.

Figure 10.1. Trade Facilitation Performance of Thailand, 2019

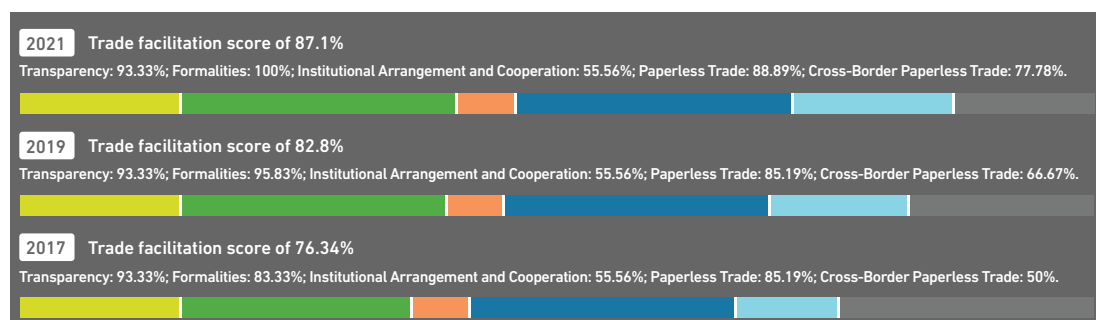


Source: OECD, Trade Facilitation Indicators, Thailand, <https://www.compareyourcountry.org/trade-facilitation/en/1/THA/THA/default>

¹ OECD, Trade Facilitation Indicators, Thailand, <https://www.compareyourcountry.org/trade-facilitation/en/1/THA/THA/default>

The United Nations (2021) found that the average trade facilitation score for Thailand was 87.1% in 2021, an increase from 76.3% in 2017 and 82.8% in 2019 (Figure 10.2). In detail, there were improvements noted in the implementation rate for formalities, paperless trade, and cross-border paperless trade. Other improvements were made under formalities, as all key formality elements (i.e. risk management, pre-arrival processing, and post-audit clearance) were fully implemented in 2021. A challenge remains for implementing institutional arrangements and cooperation, as the implementation rate has remained low at 55.6% since 2017. This is mainly due to a lack of implementation in government agencies delegating border control to Customs Department authorities and partially implementing the legislative framework for border agency cooperation. Similarly, the implementation rate for measures under transparency has had a score of 93.3% over three surveys. This is mainly due to the partial implementation of the independent appeal mechanism.

Figure 10.2. Score Comparisons for the United Nations Global Survey on Digital and Sustainable Trade Facilitation for Thailand, 2017–2021



Source: United Nations, UN Global Survey on Digital and Sustainable Trade Facilitation, <https://www.untfsurvey.org/economy?id=THA>

1.2. COVID-19 Pandemic

As the COVID-19 pandemic placed increased burdens on importers, the Customs Department adopted several measures to ease restrictions in response to the situation. These included temporary measures to facilitate the flow of goods during the pandemic:

- (i) **Regulations on the transit and transshipment of goods.** Thailand has exempted the regulation for importers to send transit and transshipment goods out of Thailand within 30 days from the date that the goods entered the country. This measure was implemented only for transit and transshipment goods imported from 26 March to 30 September 2020 and has been extended three times (i.e. 1 October 2020 to 31 December 2021, 1 January to 31 March 2022, and 1 April to 30 September 2022).²

² Ministerial regulation on prescribing that importers for the transit or transshipment of goods are exempted from complying with the Customs Kaw in whole or in part B.E. 2564 (2021).

- (ii) **Exemption of import tariffs on some medical products.**
- (iii) **Easing of certificate of origin (COO) submission requirements.** As the pandemic could lead to delays in the submission of original documents from overseas, the Customs Department allowed the use of photocopies of the COO for customs clearance purposes to qualify for duty privileges or exemptions. The importer must include an explanatory remark in the import entries accompanying the goods stating, 'Request to use a copy of the COO for a temporary period and will present its original thereafter'. The importer must also submit a request to the customs office or port, using the form appended to the notification along with a photocopy of the COO. Importers were required to submit the original COO to the Customs Department within 30 days after the release of the shipment. If there were further delays related to the pandemic preventing the timely submission of the original COO, an importer could extend the deadline by up to 30 days by submitting a petition at least 7 days before the original deadline. If importers failed to submit the original COO by the deadline, they would not be entitled to duty reductions or exemptions and would be responsible for the customs duty shortfalls. The free trade and related agreements that were included under this scope were the ASEAN–Australia–New Zealand Free Trade Agreement (FTA), ASEAN–China FTA, ASEAN–Hong Kong FTA, ASEAN–India FTA, ASEAN–Japan Comprehensive Economic Partnership, ASEAN–Republic of Korea FTA, ASEAN Trade in Goods Agreement (ATIGA), Japan–Thailand Economic Partnership Agreement, Regional Comprehensive Economic Partnership, Thailand–Chile FTA, Thailand–India FTA, and Thailand–Peru FTA. So far, this measure was applicable for six periods (i.e. 16 April to 30 September 2020, 1 October to 31 December 2020, 1 January to 31 March 2021, 1 April to 30 September 2021, 1 October to 31 March 2022, and 1 April to 30 September 2022).³
- (iv) **Using dummy permit numbers.** The Customs Department issued a temporary measure to enable customs clearance with vehicles using dummy permit numbers through the ASEAN Customs Transit System (ACTS). This measure was applicable from 1 August 2021 to 31 March 2022 and was extended from 1 April to 30 September 2022.⁴

³ Notification of Customs Department No. 81 B.E. 2563 (2020) Re: Presentation of the Certificate of Origin for Importers Affected by the Coronavirus Disease (COVID-19) Pandemic, Notification of Customs Department No. 166 B.E. 2563 (2020) Re: Presentation of the Certificate of Origin for Importers Affected by the Coronavirus Disease (COVID-19) Pandemic, Notification of Customs Department No. 203 B.E. 2563 (2020) Re: Presentation of the Certificate of Origin for Importers Affected by the Coronavirus Disease (COVID-19) Pandemic, Notification of Customs Department No. 50 B.E. 2564 (2021) Re: Presentation of the Certificate of Origin for Importers Affected by the Coronavirus Disease (COVID-19) Pandemic, Notification of Customs Department No. 149 B.E. 2564 (2021) Re: Presentation of the Certificate of Origin for Importers Affected by the Coronavirus Disease (COVID-19) Pandemic, Notification of Customs Department No. 47 B.E. 2565 (2022) Re: Presentation of the Certificate of Origin for Importers Affected by the Coronavirus Disease (COVID-19) Pandemic.

⁴ Notification of Customs Department No. 117 B.E. 2564 (2021) Re: Using a Dummy Permit Number under ASEAN Customs Transit System (ACTS) during the Coronavirus Disease (COVID-19) Pandemic, and Notification of Customs Department No. 40 B.E. 2565 (2022) Re: Using a Dummy Permit Number under ASEAN Customs Transit System (ACTS) during the Coronavirus Disease (COVID-19) Pandemic.

2. ASEAN Seamless Trade Facilitation Indicators (ASTFI) II Results

The ASTFI II survey was circulated to relevant agencies in September 2020. Twenty agencies from 10 different ministries responded to the ASTFI II questionnaires on the seven components regarding trade facilitation: (i) transparency and information on laws, regulations, and procedures; (ii) communication with and active engagement of the private sector; (iii) release and clearance formalities; (iv) import/export formalities; (v) cross-border coordination and transit facilitation; (vi) transport facilitation; and (vii) e-commerce. However, the lists of agencies responding to the ASTFI II are slightly different from those to the ASTFI I. Some agencies covered under ASTFI I were found to be irrelevant, so those agencies were excluded, while some new related agencies were added to the ASTFI II.

2.1. Transparency and Information on Laws, Regulations, and Procedures

Thailand performed well under this component; yet there were no significant changes compared to the previous review. The Customs Department website contains relevant information in both Thai and English, except for some information on transit procedures and customs procedures for transshipment. The issue was mentioned in the ASTFI I result but still has not been addressed.

Regarding the National Trade Repository (NTR) and ASEAN Trade Repository, the NTR website acts as an information gateway for Thailand's trade in goods, trade in services, and e-commerce. It provides related information on FTAs, national trade, and customs laws and regulations. However, some content on the website is only available in Thai, such as the list of authorised traders and court rulings. This information should be translated into English, where possible, to better serve foreign traders.

The Customs Department also maintains the Customs Care Center, which provides services to entrepreneurs and the public for enquiries and information on any customs-related matter. Its website is only available in Thai, but the call centre services are supported in both Thai and English.

As part of the strategy under Customs 4.0 – which focusses on using technology to create transparency and efficiency in the customs process – the Customs Alliances Programme,⁵

⁵ The Customs Alliances Programme is part of an initiative of the Customs Department to enhance the interaction between traders and the Customs Department via the implementation of a new mobile-friendly application. Applicants to the initiative recognised as low risk will receive immediate advice on customs-related issues from account officer experts assigned by the department.

launched in 2018, has expanded its cooperation to the provincial level through various activities, such as seminars on tariff e-services, time-release studies, and public hearings on fee collection for goods declarations (Customs Department, 2019).

2.2. Communication with and Active Engagement of the Private Sector

Thailand has performed very well under this component. The National Trade Facilitation Committee (NTFC) under the Ministry of Commerce acts as a trade facilitation focal point and continues to have strong engagement with related government agencies and the private sector. Regarding stakeholder consultations, Article 77 of the Constitution establishes the principle that before every legislative drafting process begins, the government agency shall arrange a public consultation, analyse any potential impacts in a comprehensive and systematic manner, including publishing the result of the public consultation and the impact assessment, and take them into account in every step of the legislative drafting process. (Government of Thailand, 2017).

Complying with this principle, the Act on Legislative Drafting and Evaluation of Law B.E. 2562 (2019) was enacted. It stipulates tasks and criteria with which all government agencies must comply, including rules for drafting laws following Article 77. An online law portal has also been established as a legal information centre and channel for government agencies to hold public hearings as well as to disclose information about the hearings to the public. However, the act enforces only a drafting process for primary legislation (i.e. an organic act, act of Parliament, or legal code) and does not include subsidiary legislation. Therefore, the drafting process for such ministerial regulations or announcements does not require a public hearing process, and it is up to the agency to formulate guidelines for consultation.

In fact, consultation frequency depends on the agency and the context. For example, consultations for the Customs Department on the Customs Alliances Programme are held quarterly, whilst consultations for authorised economic operators and advance rulings depend on requests from the private sector.

2.3. Release and Clearance Formalities

There were no significant improvements in the many indicators for release and clearance formalities. Regarding risk management, the Customs Department still conducts risk-based inspections on importing and exporting goods. Other agencies undertake 100% inspection of shipments, whilst still others carry out random inspections.

The Customs Department allows goods to be released without payment, but importers must submit all required documents with a guarantee that covers all applicable duties and taxes, according to the Notification of Customs Department No. 108 B.E. 2561 (2018). There was no change in the regulations from 2018.

Pre-arrival processing is still only allowed for air and sea. According to the Customs Department, goods transport by land is different in nature than those of air and sea, as there is no transit time for cross-border trade; therefore, there is no immediate need for pre-arrival processing by land. In 2020, according to the Notification of Customs Department No. 130 B.E. 2563 (2020), Thailand adopted procedures allowing for the expedited release of goods through borders, in addition to the expedited release in air cargo facilities that had already been in place.

There is still no publication of dwell-time information. A time-release study is now conducted regularly for the main points of entry (i.e. Laem Chabang Port and Suvarnabhumi Airport) every 2 years. Time-release studies for borders are still conducted on an ad-hoc basis. To date, studies were conducted for the Aranyaprathet Customs House in 2015 and Sadao Customs House in 2021.

As part of the *National e-Payment Master Plan*, the Comptroller General's Department signed a memorandum with Krungthai Bank to increase channels for receiving payments from the private sector to reduce the process of government agencies transferring money to the Treasury (Comptroller General's Department, 2020). All agencies now allow electronic payments for duties, taxes, and fees through internet banking, counter services, or QR codes via electronic data capture. This is a major improvement from the previous review.

There have also been some major improvements on the ASEAN-Wide Self-Certification Scheme, a trade facilitation initiative that allows certified exporters – those who fulfil minimum eligibility criteria on ATIGA certification procedures – to self-certify the origin status for their goods to be eligible for ATIGA tariff preferences. With this implementation, certified exporters are now able to make origin declarations for all ASEAN Member States. Two associated pilot projects were implemented in Thailand during 2016–2019.

Since 2020, self-certification is fully operational in Thailand for certified exporters. According to the Notification of Customs Department No. 152 B.E. 2563 (2020), exporters in Thailand can now receive proof of origin to obtain preferential treatment under ASEAN through three channels: manual COO, Form D through the ASEAN Single Window, and self-certification. As of January 2022, there were 783 certified exporters under the ASEAN-Wide Self-Certification Scheme. The Customs Department and Department of Foreign Trade have held several seminars on the programme to create understanding for exporters regarding the forms. In 2021, the value of Thai exports using self-certification was \$1,901.07 million, an increase of 38.19% from the previous year (Commerce News Agency, 2022).

Regarding an authorised economic operators programme, the Customs Department has made some progress towards the establishment of mutual recognition arrangements with other ASEAN Member States. Thailand signed mutual recognition arrangements with Hong Kong in 2015, Korea in 2016, Singapore in 2018, Australia in 2021, and Japan in 2022; mutual recognition arrangements are currently under negotiation with China, Malaysia, and New Zealand.

2.4. Import/Export Formalities and Coordination

The Customs Department now allows all traders to attach digital copies to file entry declarations. According to the Notification of Customs Department No. 134 B.E. 2561 (2018) on Electronic Customs Procedures, the Customs Department requires no paper documentation unless required by an FTA or other agencies. The Customs Department and most agencies also still accept original documents and certified true copies. However, as stated previously, due to the pandemic, the Customs Department temporarily allowed traders to use photocopies of COO for customs clearance purposes. The importer had to submit the original certificate within 30 days after the release of the shipment or a penalty would be applied.

The NSW has made considerable progress since the last review. Currently, the NSW supports a single-point electronic application/issuance with following services:

- (i) customs declaration submission for import and export;
- (ii) e-submission of notification of import or export of hazardous substances (i.e. a single-entry form);
- (iii) an electronic system for applying or issuing a permit to send or to bring fossils or transformed fossils either found in Thailand or out of Thailand; and
- (iv) an online system for applying or issuing permits, rubber quality certificates, and rubber quality test and fee payments through single submission, jointly developed by the Customs Department, Department of Agriculture, and Rubber Authority of Thailand.

A pilot project, jointly developed by the Department of Foreign Trade, Federation of Thai Industries, and Board of Trade of Thailand, for COO application/issuance via the NSW Single Form was launched in 2020. The three agencies have already agreed on the business process and technical specifications for the COO. The Customs Department has also completed the development of an e-COO system via the NSW Single Form and collaborated with the Department of Foreign Trade for system testing. This pilot will cover only e-COO with Thailand's non-ASEAN FTA partners for general use, not those for preferential tariff treatment purposes.

Regarding ASEAN Single Window development, Thailand has been exchanging ATIGA e-Form D through the ASEAN Single Window with all 10 ASEAN Member States since 2019. As ASEAN is moving towards covering more trade documents, Thailand also started exchanging the ASEAN Customs Declaration Document with Cambodia and Singapore in March 2021 and expects to exchange it with all ASEAN Member States by the end of 2022. In addition, ASEAN Member States are working on aligning the data structure of an e-phytosanitary certificate with *International Plant Protection Convention E-Phyto Guidelines*. Thailand is currently conducting a test exchange of such data with Indonesia using the latest agreed structure, hoping for live operation by 2022.

Institutional arrangements for border coordination exist and are now functional for all ports/borders and all regulatory agencies.

2.5. Cross-Border Coordination and Transit Facilitation

Border-crossing operational coordination has been much improved. All three components, which comprise the development of common facilities, joint controls with neighbouring country authorities, and alignment of working hours between neighbouring country authorities, are now in place. The 21st Meeting of the Joint Commission on Thailand–Lao People's Democratic Republic (Lao PDR) Cooperation in 2018 discussed key issues to enhance mutually beneficial cooperation in major areas. One of the issues was accelerating the facilitation of cross-border passenger and cargo transport by developing a common control area at the Mukdahan–Savannakhet border crossing, enabling single-stop inspections and cargo clearances, following the creation of a common control area at the Lao Bao–Dansavanh checkpoint on the border of Viet Nam and Lao PDR (MFA, 2018). This would reduce time at the border checkpoint and, in upgrading its Route No. 12 to an international transport route, enhance the efficiency and convenience of passenger and cargo transport between the two countries. Thailand and Lao PDR are still in the process of negotiating an addendum to the memorandum of understanding.

A transit procedure is already in place electronically for the cross-border exchange of data since 2017, according to the Customs Notification No. 139/2560 B.E. (2017). However, in 2021, the Customs Department announced a new notification regarding the electronic transit procedure, Customs Notification No. 185/2564 B.E. (2021), to replace the previous notification. The latest notification includes transit by rail.

Following three implementation phases of the pilot projects, Thailand – along with five other ASEAN Member States – finally adopted the ACTS in 2020. Under the system, businesses can track the movement of their goods from loading at the departure point to delivery at the destination point. The Customs Department also activated a tracking system with e-lock technology as a tool to supervise, inspect, and track the transport of transit goods and to increase the efficiency of customs control. According to the Customs Department, authorised transit traders are allowed simplified procedures in one or more of the following: (i) the right to use a multiple journey guarantee, (ii) exemption of presentation of goods, and (iii) allowance of special seals usage.

2.6. Transport Facilitation

In Thailand, the Department of Land Transport, Ministry of Transport, is the government agency responsible for issues related to cross-border road transport. The scope of responsibility, in practice, mainly covers the issuance of cross-border road transport permits to qualified transport operators, whilst cross-border procedures, such as imports or exports over land borders, fall under the responsibility of the Customs Department.

ASEAN goods vehicle cross-border permits fall under the ASEAN *Framework Agreement on Facilitation of Goods in Transit* (AFAFGIT) and ASEAN *Framework Agreement on Facilitation of Goods in Transit* (AFAFIST). Currently, there are six ASEAN Member States (i.e. Cambodia, Lao PDR, Malaysia, Singapore, Thailand, and Viet Nam) in the ACTS project, which is the first step of AFAFGIT implementation.

For this component, there was improvement on the implementation of Protocol 2 on the designation of a frontier post under the AFAFGIT. According to the Notification of Customs Department No. 169 B.E. 2563 (2020), Thailand initially designated frontier posts at seven points: Aranyaprathet Border Office, Chiang Khong Border Office, Mae Sai Border Office, Mae Sot Border Office, Mukdahan Border Office, Nong Khai Border Office, and Sadao Border Office. The notification also provides customs transit procedures in detail.

However, the COVID-19 pandemic makes it difficult to pinpoint an exact time for full implementation. Still, Thailand already has experience in managing the issuance of permits with applied quotas for multiple agreements under the Greater Mekong Subregion Cross-Border Trade Agreement and without quotas under the Thailand–Lao PDR bilateral trade agreement. Although ASEAN agreements are yet to be fully implemented, all standard procedures have been laid out for future implementation.

2.7. E-Commerce

There has been no significant improvement for this component. The Amendment to the Electronic Transaction Act (No. 4), B.E. 2562 (2019) on Digital Identification was enacted and enforced in 2019. The Electronic Transactions Development Agency was assigned to support the development of electronic transactions and e-commerce. Additional related regulations have been enacted under a period of review, including:

- (i) **Personal Information Act.** This was enacted in 2019 but is not yet enforced. Full enforcement was postponed to June 2022 due to several procedures linked to the act that have yet to be completed, including the appointment of members of the Personal Data Protection Committee.
- (ii) **Cybersecurity Act.** Enacted in 2019, this will allow the government to track, monitor, and access digital data to prevent and to mitigate cybersecurity threats.

According to the amendments to the Revenue Code No. 53 B.E. 2564 (2021), foreign e-commerce businesses are liable for a 7% value-added tax (VAT) on services provided to customers in Thailand, beginning 1 September 2021. Foreign e-services providers are required to pay VAT if they derive revenue over B1.8 million per year from e-services provided to individual customers in Thailand. To facilitate taxpayers, VAT processes – such as registration, return filing, and payment – can be performed electronically through the Revenue Department's Simplified VAT System for E-Service (SVE) online platform.

There is no specific legal framework for domestic and cross-border e-commerce dispute settlements. Consumer protection-related legislation is already in place (i.e. the Consumer Protection Act and Product Liability Act), which provides protection for consumers whether using e-commerce or any other form of commerce. Regarding cross-border e-commerce dispute settlements, an online dispute resolution system, TalkDD, developed by the Thailand Arbitration Center, is operational. The Thailand Arbitration Center also signed a joint agreement with the Rights and Liberties Protection Department, Ministry of Justice, to promote and to expand an online dispute resolution system to cover different types of disputes, not only those concerned with e-commerce.

The ASEAN Committee on Consumer Protection completed a feasibility study on the ASEAN online dispute resolution network in 2020. The study found that for a regional online dispute resolution network to function properly, national online dispute resolution systems need to be put into place. Interfacing of the existing online dispute resolution systems across sectors or countries could be piloted, at least for a few ASEAN Member States. The committee should start a dialogue on common legal, procedural, and information technology standards that would enhance interoperability as well as lead to greater effectiveness of the ASEAN online dispute resolution network.

3. Customs Authority

Following the Customs 4.0 strategy, more strategies and programmes have been introduced.

- (i) **NSW e-tracking on mobile phones.** A mobile application allows traders to track customs clearance status. It was introduced as an additional channel to access the e-tracking system, which was already in place through the Customs Department website.
- (ii) **E-lock system.** This tracking system under electronic key system technology is a tool to supervise, inspect, and track the transport of transit goods and to increase the efficiency of customs control.
- (iii) **E-drawback.** The Customs Department has developed an electronic tax refund system through the NSW for entrepreneurs who use tax refunds for export to receive quick and accurate refunds.
- (iv) **Customs Trader Portal.** According to Customs Notification No. 94/2564 B.E. (2021), the Customs Trader Portal is a way for Thais to register as customs formality operators. Previously, there were only two methods: manual and e-customs. To register via the Customs Trader Portal, a registrant must complete an identity verification via a partner application, which is currently limited to three methods: using an online application, Pao Tang; via Krungthai ATMs; or at all branches of Krungthai Bank.

4. Other Agencies

The NSW has achieved the most success in government-to-government (G2G) data exchange, which is primarily concerned with documents used in customs formalities, such as permits, certificates, specification documents, logistics data, and manifests. Importers and exporters are no longer required to provide these documents when contacting different government agencies. As of now, there are 36 government agencies exchanging data through the G2G information interface under the NSW. In the ASTFI I, there were also 36 government agencies exchanging data through G2G; however, some agencies, such as the Department of Agriculture, Department of Foreign Trade, and Department of Livestock Development, only exchanged data for some products at that time. Now, data exchange for all 67 products under the supervision of Department of Foreign Trade is possible through the NSW.

There are currently 21 government agencies already connecting via the business-to-government (B2G) information interface under the NSW compared to 16 government agencies previously. There are also four more government agencies that are under development to connect via B2G. Five private sector entities are connecting via the business-to-business (B2B) information interface under the NSW, with 18 commercial banks providing e-payment and e-guarantee services. These numbers have not changed from the ASTFI I.

Thailand's NSW plans to:

- (i) develop a system connecting insurance policy information between insurance companies and the Customs Department through B2G,
- (ii) study and develop an electronic data linkage system between logistic operators and seaports and airports,
- (iii) develop and pilot the exchange of e-phyto certificates via NSW and the International Plant Protection Convention E-Phyto Hub, and
- (iv) study and develop a system for linking import-export data for products transported through the postal service.

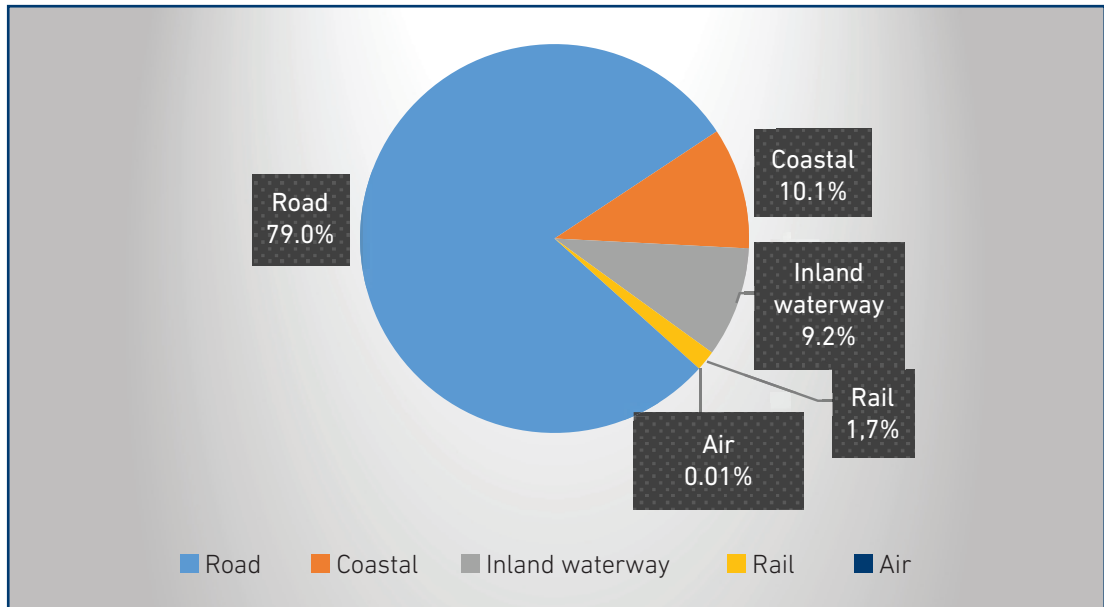
5. Transit, Transport, and E-Commerce

Thailand's modes of transport can be divided into five main categories:

- (i) **Roads.** This mode is transport by various types of trucks, such as pick-up trucks, container trucks, and refrigerated vehicles.
- (ii) **Rail.** This includes freight trains with many routes and various types of transport, both for bulk goods packed in containers and liquid products. There is only one service provider, the State Railway of Thailand.
- (iii) **Pipelines.** This comprises the transport of liquid products, such as water, oil, natural gas, and chemicals.
- (iv) **Water.** Inland waterways mostly transport heavy-load products, such as bulk grain and building materials. For coastal transport, feeder ships are used to transport products from sub-ports to main ports or deep-sea ports.
- (v) **Air.** This is often used to transport high-value cargo, products requiring special care, low-weight products, and perishable goods, such as jewellery, electronic parts and equipment, and flowers.

Thailand's road freight volume accounted for 79% of the total freight volume in 2019 (Figure 10.3). A characteristic of road transport is that freight is delivered directly from the sender to the receiver (i.e. door-to-door transport), unlike other modes of transport that cannot provide complete transport services. This makes road transport the main mode of transport, and it plays a large role in the overall transport sector of the country. However, the Ministry of Transport is promoting the use of the rail system and water transport to reduce logistical costs and traffic congestion due to the high costs incurred from road transport.

Figure 10.3. Thailand's Domestic Freight Transport by Mode, 2019



Source: Government of Thailand, Ministry of Transport, Marine Department.

Thailand is a part of multiple cross-border transport agreements apart from ASEAN, including the Greater Mekong Subregion and other bilateral agreements (Table 10.2).

Table 10.2. Status of Cross-Border Transport Agreements with Thailand

	Agreement	Current Status	Permit
ASEAN	AFAFGIT	Initially planned for full implementation in 2020 under the ASEAN Customs Transit System. However, due to border restrictions preventing goods vehicles from entering other countries' territories, the issuance of the ASEAN goods vehicle cross-border permits has been put on hold. Until the situation improves and border restrictions can be relaxed, cross-border road transport must be carried out by transferring goods to local vehicles at the border.	500 permits under full implementation of both agreements
	AFAFIST	Some ASEAN Member States are still undergoing internal processes to ratify the agreements, including Brunei Darussalam, Indonesia, and Malaysia.	
	AFAMT	Thailand participated in the pilot implementation of the AFAMT as one of the programmes under the regional action plan for the implementation of AFAMT, 2020–2025, but the programme was put on hold due to the COVID-19 pandemic. In October 2021, the 41st ASEAN Transport Facilitation Working Group Meeting agreed to extend the pilot implementation to March 2022.	
	GMS	GMS CBTA	
	Initial implementation of GMS CBTA Mukdahan–Savannakhet and Dansavanh–Lao Bao	Operating with a 1-year permit issued to qualified transport operators annually.	With quota
	Initial implementation of GMS CBTA Aranyaprathet–Poipet	Operating with a 1-year permit issued to qualified transport operators annually.	With quota
	Initial implementation of GMS CBTA Mae Sot–Myawaddy	Operating with a 1-year permit issued to qualified transport operators annually.	With quota
	MOU on the Early Harvest of CBTA	Operating with a 1-year permit issued to qualified transport operators annually.	With quota
Bilateral	Thailand–Lao PDR Bilateral Agreement	Operating with a 5-year permit.	No quota applied

AFAFGIT = ASEAN Framework Agreement on the Facilitation of Goods in Transit, AFAFIST = ASEAN Framework Agreement for the Facilitation of Inter-state Transport, AFAMT = ASEAN Framework Agreement on Multimodal Transport, ASEAN = Association of Southeast Asian Nations, CBTA = Cross-Border Transport Agreement GMS = Greater Mekong Subregion, Lao PDR = Lao People's Democratic Republic, MOU = memorandum of understanding

Source: Department of Land Transport; validation workshop for ASTFI II.

There are two cross-border road agreements for goods under ASEAN. The AFAFGIT aims to create a suitable environment in which a vehicle operating under the transit system can move goods by road from a point of departure in any ASEAN Member State to a point of destination in any other Member State via any number of transit countries without intermediate unloading and with minimal procedures at borders. In addition, the AFAFIST aims to facilitate the interstate transport of goods between and amongst ASEAN Member States, allowing transport operators to undertake the transport of goods into and/or from other Member States.

Under the ACTS, the AFAFGIT is used as the legal grounds to support implementation. The AFAFGIT initially planned for full implementation in 2020 under the ACTS. However, due to pandemic border restrictions preventing goods vehicles from entering other countries' territories, the issuance of ASEAN goods vehicle cross-border permits has been put on hold. Until the situation improves, and border restrictions can be relaxed, cross-border road transport must be carried out by transferring goods to local vehicles at the border.

All cross-border road transport operations are facing the same difficulties under the COVID-19 pandemic. Therefore, the Department of Land Transport has decided to proceed with permit issuance only when it is confirmed by other countries that cross-border road transport operations can be fully carried out without the need to transfer goods from foreign vehicles to local vehicles at the border.

6. Conclusions and Recommendations

6.1. Major Improvements and Remaining Challenges

Overall, Thailand had witnessed moderate improvement in its implementation of trade facilitation measures. There were no significant improvements made on three components: transparency and information on laws, regulations, and procedures; communication with and active engagement of the private sector; and e-commerce. The other four components have improved.

Regarding release and clearance formalities, the most significant improvement was the implementation of self-certification for certified exporters under the ASEAN-Wide Self-Certification Scheme. A slight improvement is noticed, as all agencies now allow e-payment. There was also a minor improvement in the publication of a time-release study on a more regular basis. Challenges remain on pre-arrival processing, separation release from final determination and payment of customs duties, e-payment, expedited clearance, and dwell-time publication.

Regarding import/export formalities and coordination, there was a slight improvement in the coordination of border agencies, which are now functional for all ports/borders. The remaining challenge for this component is documentation requirements, as some agencies still do not allow the attachment of digital copies. Moreover, the ASEAN Single Window is yet to be fully implemented.

Regarding cross-border coordination, transit facilitation, and border-crossing operational coordination with neighbouring countries, there was a significant improvement from the baseline study, and all three components are now in place. Likewise, there was significant improvement in the transit guarantee mechanism, which is now supported by electronic means. Some simplified procedures for authorised traders are now in place.

For transport facilitation, there was an improvement in the operationalisation of land transport due to the operationalisation of the ACTS for some ASEAN Member States. One of the biggest challenges in this component is the electronic data interchange platform. This is clearly an area that requires urgent attention from related agencies.

6.2. Recommendations

Based on the results of the survey, specific recommendations for each component to further improve trade facilitation in Thailand are as follows.

- (i) **Transparency and information on laws, regulations, and procedures.** Thailand has not yet followed the previous recommendation, at least for most agencies, on translating available information into English for better access by other stakeholders.
- (ii) **Communication with and active engagement of the private sector.** The consultation mechanism for micro, small, and medium-sized enterprises should be more frequent or more regular. Electronic consultations could be an alternative method to communicate with stakeholders. In addition, Thailand should draft legislation to create an obligation for government agencies to establish a systematic consultation mechanism for stakeholders.
- (iii) **Release and clearance formalities.** Many components regarding release and clearance formalities have been improved, as more agencies have adopted e-payments, implemented self-certification, and expedited clearance through land ports. The Customs Department should work with the Port Authority of Thailand on the publication of average dwell times to give important insights into port performance.
- (iv) **Import/export formalities and coordination.** The previous recommendation on integrating the NSW with the NTR is intriguing and should be put into action. The Customs Department, as the lead agency on the NSW, should work closely with the Department of Trade Negotiations to integrate the systems together. The NTR website should also be improved to be more user friendly with frequent updates on information.

- (v) **Cross-border coordination and transit facilitation.** This component is progressing at a good pace. The trans-border institutional arrangements for border agency coordination can be further improved to either cover more borders or to involve more regulatory agencies.
- (vi) **Transport facilitation.** Thailand should work closely with neighbouring countries on specific border issues through an informal platform for faster processing and to create understanding at the operational level.
- (vii) **E-commerce.** As Thailand already has an online dispute resolution system in place, the country should collaborate and discuss associated issues with other ASEAN Member States to come to an agreement on certain minimum standards, particularly with respect to information technology protocols and operating systems. This could lead to smoother progress for the development of an ASEAN online dispute resolution.

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