

Foreword

The growing importance of trade facilitation in international trade is manifested by the various initiatives and agreements undertaken all over the world. One of these significant milestones was the entry into force of the World Trade Organization – Trade Facilitation Agreement (WTO–TFA) in February 2017, which contains commitments from WTO Members in expediting the movement, release and clearance of goods, transit, including measures for effective cooperation between customs administration and relevant authorities on trade facilitation and customs compliance issues, including technical assistance provisions. Likewise, trade facilitation has been the focus of ASEAN towards the creation of Southeast and East Asia regional economic integration. It has been a continuous agenda in all ASEAN Economic Community (AEC) Blueprints including the one up to 2025 with an objective *towards convergence in trade facilitation regimes amongst ASEAN Member States (AMS) and to move closer to the global best practice*.

The ASEAN Economic Community 2025 Trade Facilitation Strategic Action Plan (SAP) outlines measurable targets to increase trade flows by facilitating the efficient movement of goods across borders. Translating the agenda into practical and measurable manner, the AMS agreed to achieve a short-term target of a 10 percent reduction in trade transactions cost by 2020 set by the ASEAN Economic Ministers in 2017. In achieving the target, the Philippines as the ASEAN Chair in 2017, proposed to measure trade facilitation in ASEAN using an ASEAN-specific set of indicators, which is designed to measure the extent to which trade is being facilitated in the region. The ASTFI aims to assist AMS in their efforts to design and implement trade facilitation policies, regulations, and procedures.

As a result, the ASEAN Trade Facilitation Joint Consultative Committee (ATF–JCC) invited the Economic Research Institute for ASEAN and East Asia (ERIA) to develop a set of the ASEAN-specific indicators, known as the ‘ASEAN Seamless Trade Facilitation Indicators (ASTFI)’, to conduct a baseline study using ASTFI, and to analyze indicators and the extent of trade transaction cost (TTC) in order to gain insights into necessary reforms to achieve the ten percent reduction targeted by the ministers.

This publication presents the first round of the ASTFI survey results that reflects the state of trade facilitation in all AMS in 2018 and provides the basis for the evaluation of the reduction of trade transaction cost by 2020. The second round ASTFI and the calculation of the TTC is currently being implemented and will be reported to the ASEAN and the public in the next few years.

This publication, *Towards Seamless Trade Facilitation in ASEAN: Results of the ASEAN Seamless Trade Facilitation Indicators (ASTFI) Baseline Study*, is the result of partnership and collaboration between ERIA, ATF–JCC, the ASEAN Secretariat and the trade-related government agencies in each of AMS. This project benefitted from the able leadership of the late Dr. Ponciano Intal Jr., Distinguished Senior Economist and Senior Policy Fellow of ERIA, who initiated this project. While it is yet to be completed as in providing a full picture of efforts of the AMS in achieving the objective of AEC Blueprint, we are confident that the indicators, along with narrative on key achievements and the remaining gaps, are useful for conversation amongst policymakers and other stakeholders to continuously

move towards the best global practice. The publication is also useful for sharing knowledge between the member states considering some ASEAN-uniqueness of trade, facilitation and the reforms of it, can only be learned from within.

ERIA looks forward to extending this fruitful partnership with ASEAN in a regional-wide collective effort to strengthen Southeast and East Asia economic integration.

A handwritten signature in black ink, reading "H. Nishimura". The signature is written in a cursive, flowing style with a large initial "H" and a long, sweeping tail.

Professor Hidetoshi Nishimura

President, Economic Research Institute for ASEAN and East Asia

Acknowledgement

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This report has been prepared after consultation with ASEAN Member States through the ATF-JCC and the ASEAN Secretariat. But the views expressed are those of the authors and the study team and do not represent the official views of any ASEAN bodies, ASEAN Member States, or ERIA.