Initiatives to facilitate border trade in the Lancang-Mekong region



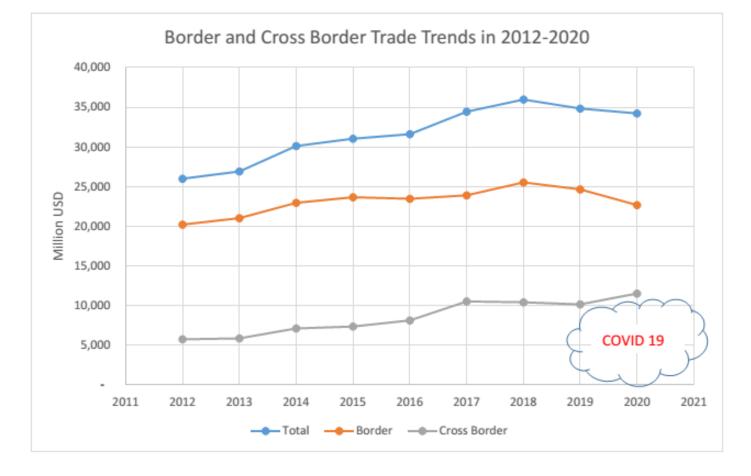


Mr. Niwat Hansaward Expert Level Trade officer Department of Foreign Trade, Ministry of Commerce, Thailand



Example of Border Trade vs Cross Border Trade

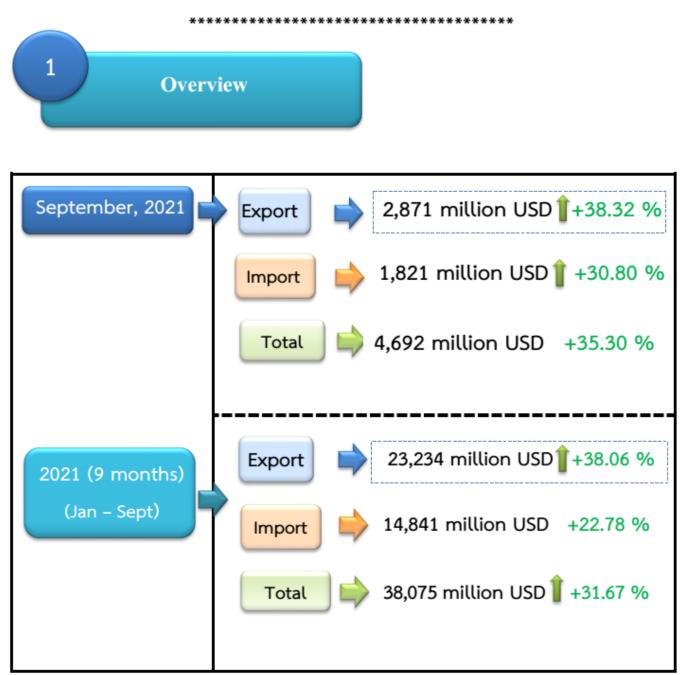




	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total									
	26,010	26,935	30,132	31,049	31,635	34,452	35,987	34,854	34,238
Border									
	20,234	21,050	22,978	23,671	23,488	23,910	25,546	24,669	22,691
Cross									
Border	5,777	5,886	7,153	7,378	8,147	10,542	10,440	10,184	11,547

Million USD

Border Trade and Cross Border Trade Volume (Jan – Sept 2021)



Border Trade

2

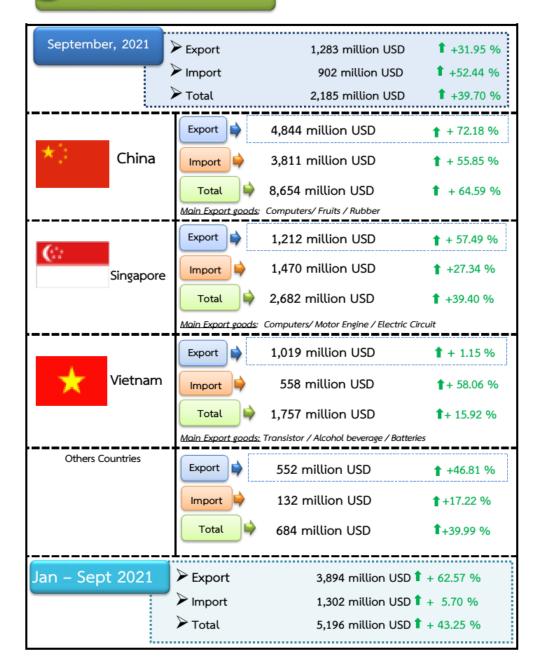
(Malaysia Myanmar Cambodia and Laos)

September, 2021	← Export ← Import ← Total	1,588 million USD 918 million USD 2,506 million USD	+14.80 %
Malaysia Main Thai Customs Exporting: • Sadao Customs	Export	3,852million USD 3,282 million USD 7,135 million USD mputers/Rubber/VDO and Audio electrics	
Myanmar Main Thai Customs Exporting Mae Sot Customs	Export	2,543 million USD 1,839 million USD 4,382 million USD lectric Wire/Diesel / fertilizer	 ↑ + 29.50 % ↑ + 0.64% ↑ + 15.59 %
Cambodia <u>Main Thai Customs Exporting</u> • Aran Customs	Export in the second se	3,135 million USD 588 million USD 3,723 million USD Non Alcohol beverage/ Cars / Machin	 + 3.37 % + 11.68% + 4.60 %
Laos Main Thai Customs Exporting: • Mukdahan Customs	Export	2,735 million USD 1991 million USD 4,726 million USD 5old / Diesel/ Petroleum	↑+ 19.24 % ↑ + 6.26 % ↑ + 13.40%
Jan – Sept 2021	 Export Import Total 	12,266 million USD 7,699 million USD 19,965 million USD	1 +11.55 %

Cross Border Trade (China Singapore

3

(China Singapore Vietnam and Others)



DFT's core service related to border trade



 Department of Foreign Trade (DFT) issues more than 1 million trade-related documents annually which can be separated into 2 main types of documents

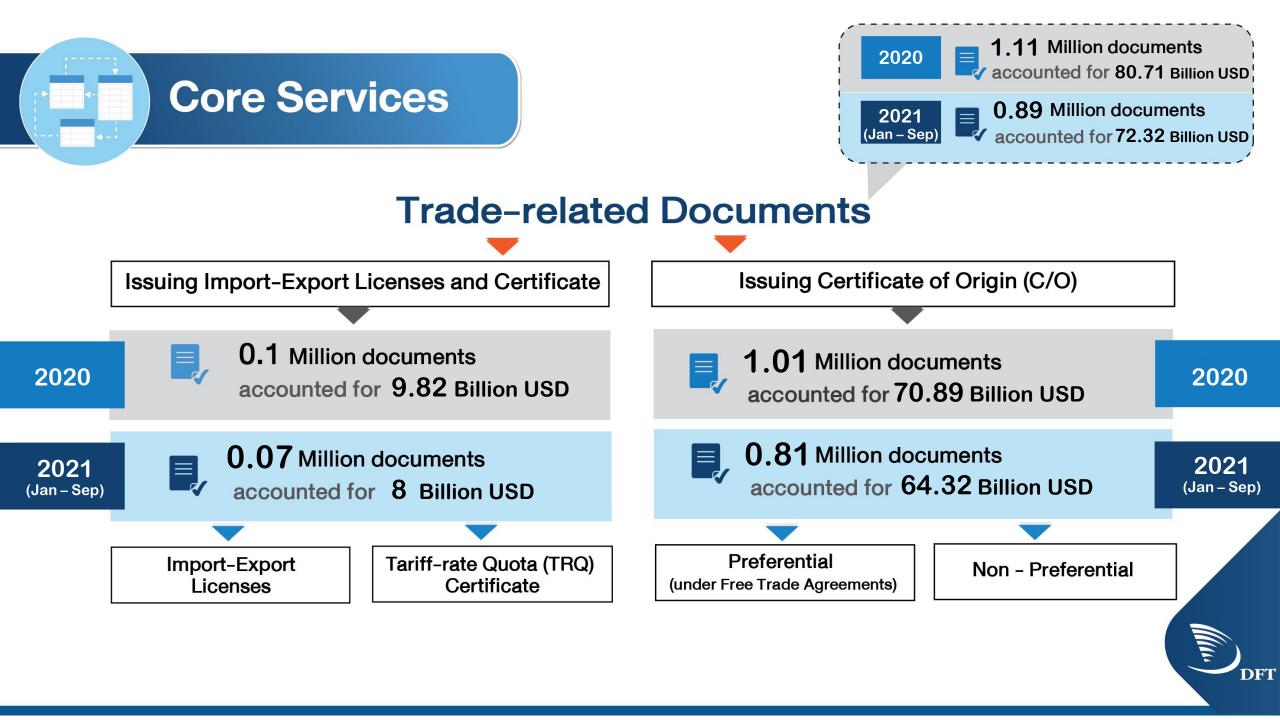
Document related to trade measures

- Import-Export Licenses
- Tariff-Rate Quota (TRQ) Certificate for import of goods
- Other certificates in accordance with international agreement such as Kimberly Process Certificate for rough diamonds etc.

Certificate of Origin (C/O)

- Preferential C/O under Free Trade Agreement/ Regional Trade Agreement
- Non-Preferential C/O









What DFT has done to facilitate cross-border trade

Key initiative: Enhance Paperless Trading though Digital Innovation

(Paperless / e – Form C/O System)



- DFT provides paperless service for 35 products, as follows:
 - TRQ Certificates for 21 products under WTO agricultural agreement and other FTAs e.g. Tea, Milk and Cream and Coffee Products etc.
 - Export Licenses for 9 goods, Potassium permanganate, Coffee beans, Coffee Products, Caffeine, Soybean meal, Charcoal, Wood Charcoal, Wood and Teak, and Seashells.
 - Import License for 5 products, nnamely, Clenbuterol, Albuterol or Salbutamol, Caffeine, Stone, and Fish meal

 DFT issues electronic C/O for export of goods to ASEAN (e - Form D)

Key initiative: Using Electronic Signature and Seal to minimize the impact of COVID-19

Past

- Manual System 🖊 6 processes
- [Application + Supporting Document] in hardcopy + manually signed and sealed.
- Required 3 days per one document.

Electronic Data Interchange

(EDI) System 🖊

5 processes

- [Electronic Application + Supporting Document] in hardcopy + manually signed and sealed
- Required 30 minutes per one document.

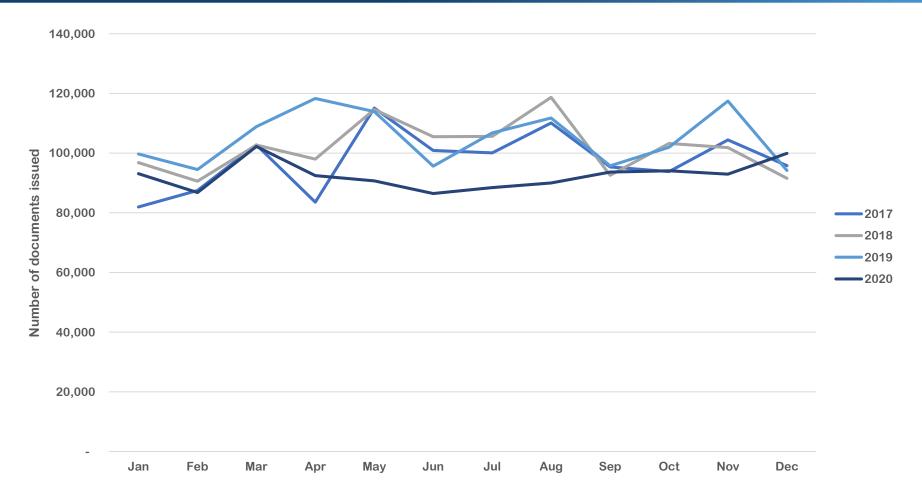


Present Digital Signature (DS) System / 3 processes [Application + Supporting Document] in electronic + manually signed and sealed Required 15 minutes per one document. Electronic Signature and Seal (ESS) System /e 2 processes Application + Supporting Document + sign and sealed] in electronic Required 10 minutes per one document. Paperless / e – Form D system 2 processes [Application + Supporting Document + sign] and sealed] in electronic Real-time data transmission to ASW and/or NSW

- Wet-ink signature and seal on Certificate of Origin (C/O) is replaced by Electronic Signature and Seal (ESS)
 - Reduce time and process as well as the risk of COVID-19
- Apply to all Form D issued since 20 September 2020 and Form E to China issued since 1 July 2021



Result: Continuous service throughout the pandemic



During COVID-19 Pandemic, lockdown measures did not affect DFT service relating to border trade as digital technology assisted the Department to speedy cope with new normal procedures and practices

DFT

Result: Improve Time across the border

Trading across Borders - Thailand

Indicator	Thailand	East Asia & Pacific	OECD high income
Time to export: Border compliance (hours)	44	57.5	12.7
Cost to export: Border compliance (USD)	223	381.1	136.8
Time to export: Documentary compliance (hours)	11	55.6	2.3
Cost to export: Documentary compliance (USD)	97	109.4	33.4
Time to import: Border compliance (hours)	50	68.4	8.5
Cost to import: Border compliance (USD)	233	422.8	98.1
Time to import: Documentary compliance (hours)	4	53.7	3.4
Cost to import: Documentary compliance (USD)	43	108.4	23.5

Source: Doing Business 2020

- Paperless Licenses and Tariff-Rate Quota (TRQ) Certificates service of DFT help reducing document compliance time to import and export as traders can complete customs clearance procedure with electronic data that being transmitted through National Single Window (NSW) of Thailand
- Thailand has done better than average of East Asia and Pacific Countries and has improved to the level close to OECD high income average



