



South Asia Subregional Economic Cooperation (SASEC) facilitating trade for speedier clearances with reduced transaction costs and greater predictability for trade Initiatives will lead to enhanced trade activity and improved economic competitiveness of the SASEC sub-region

Asian Development Bank (ADB) has supported 46 projects worth about \$9.2 billion in transport, trade facilitation, energy, information and communications technology (ICT) and economic corridor development

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South Asia Subregional Economic Cooperation (SASEC) is facilitating trade guided by the SASEC Trade Facilitation Strategic Framework (2014-2018) in the sub-region through various projects. The key projects underway in the region include, among others: (i) formulation and implementation of new Customs laws and regulations; (ii) strengthening of automated Customs systems; (iii) implementing provisions of the Revised Kyoto Convention (RKC) such as on pre-arrival processing, risk management and post-clearance audit; (iv) developing trade portals for better transparency; and (v) establishing trusted trader programs, which assure facilitation to those with proven record of compliance. The RKC is the legal instrument of the World Customs Organization (WCO) that aims to simplify and harmonize international customs procedures globally, in order to achieve faster, more predictable and efficient customs clearances.

Considering the progress made by India in the above areas, the Asian Development Bank (ADB) has been partnering with Indian Customs for sharing best practices and technical expertise with other countries under the SASEC umbrella. This form of South-South collaboration will support harmonizing the systems and processes within the sub-region thereby creating a conducive environment for intra-regional trade in SASEC to flourish.

The through-transport arrangements being finalized among Bangladesh, Bhutan, India and Nepal (BBIN) is an initiative that would help in seamless cross-border movement of vehicles/cargo among identified corridors bringing down transaction costs and delays and easing the border congestion.

ADB is also supporting India to develop integrated solutions for enhancing their logistics efficiency, covering the infrastructure and connectivity needed, as well as a logistics facilitation model that would enable faster and more efficient vehicle/cargo movement. This project would also cover international cargo, providing options for cargo clearance (e.g., at inland/ dry ports, bonded warehouses, etc.) enabling traders to manage their supply chain efficiently and decongesting ports.

ADB has been following a consultative process in working with private sector stakeholders for raising awareness and building their capacity and to make sure their views are reflected in designing the national trade facilitation initiatives.

All of these efforts are expected to lead to speedier clearances with reduced transaction costs and greater predictability for trade. These will also improve compliance levels and more efficient allocation and use of resources by the regulatory agencies in the sub-region, which will ultimately lead to enhanced trade activity and improved economic competitiveness of the SASEC sub-region.

The trade facilitation actions under SASEC are guided by the SASEC Trade Facilitation Strategic Framework (2014-2018), adopted by the SASEC members in March 2014, across its priority areas of: (i) Customs modernization/ harmonization, (ii) standards and conformity assessment, (iii) cross-border facilities improvement, (iv) through transport facilitation, and (v) institution/ capacity building. Under the Framework, various initiatives are underway to ensure that measures in relation to import, export and transit are efficient, proportionate, non-discriminatory, transparent and predictable and, to the extent possible, based on International standards and instruments.

Established in 2001, the SASEC program is a project-based partnership to promote regional prosperity by improving cross-border connectivity, boosting trade among member countries and strengthening regional economic cooperation. The Asian Development Bank is the secretariat and lead financier of the program, which to date has supported a total of 46 projects worth about \$9.2 billion in transport, trade facilitation, energy, information and communications technology (ICT) and economic corridor development.

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