

ACMECS-ROK REGIONAL BRANDING PROJECT

In collaboration with Ministry of Foreign Affairs, Government of Thailand



PROJECT SUMMARY

Facilitating Cross Border Trade through Synchronization of Rules and Regulations in the ACMECS

The Project, working to promote intra-regional and ASEAN and inter-regional connectivity, is in line with ACMECS Master Plan 2019-2023 aimed to achieve 3Ss goals: (i) Seamless Connectivity, (ii) Synchronized ACMECS, and (iii) Smart and Sustainable ACMECS.

PROJECT BACKGROUND

As the ACMECS Countries rapidly develop, international trade and investment are becoming critical factors for the region to achieve economic growth and improve living standards. Efficient border trade facilitation, reducing time and costs at borders, is crucial for the smooth flow of goods. Seamless cross-border trade can enhance economic integration, support startups, create jobs, and reduce development gaps among ACMECS nations.

During the 9TH ACMECS summit, the emphasis was on using technology in cross-border trade, standardizing rules and regulations, and developing electronic platforms for MSMEs to boost entrepreneurial capacity and job creation. The Regional Comprehensive Economic Partnership (RCEP) aims to reduce customs clearance times and deploy digital systems, highlighting the need for harmonized and coordinated customs procedures. To address these issues, ACMECS proposes a regional project to synchronize rules and regulations for facilitating cross-border trade.



Meeting with the International Customs Bridge of Friendship 3RD, Khammouane province, Lao PDR.

PROJECT OBJECTIVES

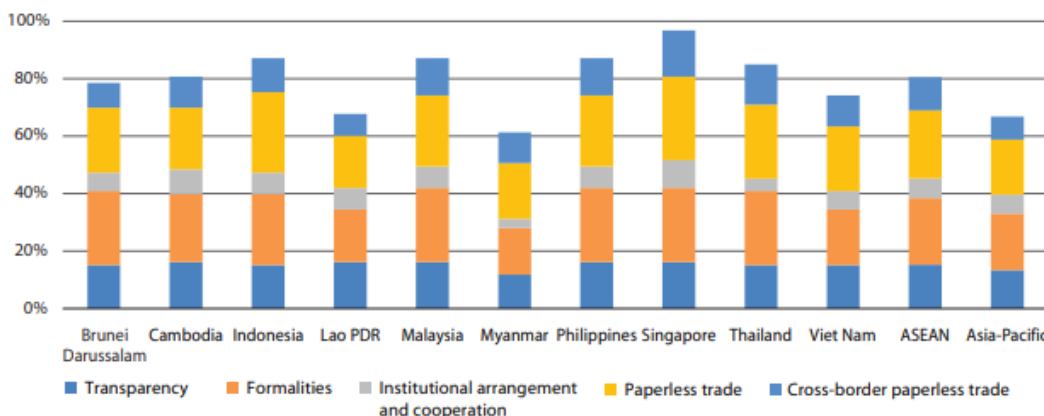
The regional branding project aims to facilitate cross border trade and investment for seamless trade among the ACMECs member countries. The specific objectives are:

- To assess feasibility of Common Control Areas (CCA) among ACMECS countries to support Cross Border Trade Facilitation;
- To establish of an information hub for operational online business;
- To pilot ACMECS paperless trade solutions and Intergovernmental agreement on the facilitation of cross-border paperless trade;
- To develop guidelines on an ICT Framework for promoting the interconnected Smart Sustainable Cities among ACMECS member countries;
- To get modern technology in producing value added coconut products to generate income and competitiveness of small coconut producers in ACMECS Countries.

TARGET GROUPS



The project targets the Private, Public and Government Sectors across the ACMECS countries. Beneficiaries include importers-exporters, freight forwarders, transportation businesses, MSMEs and startups, Government officials and related agencies, etc.



Overall implementation of trade facilitation measures in ASEAN countries in 2023

Source: Digital and Sustainable Trade Facilitation in ASEAN 2023 and UN Global Survey on Digital and Sustainable Trade Facilitation

PROJECT OUTCOMES & ACTIVITIES

Outcomes

The project aims to enhance cross-border trade facilitation and economic integration among ACMECS countries by focusing on different outcomes in the 5 ACMECS countries according to the identified specific needs of each area:

Outcome 1: Assessed feasibility of Common Control Areas/CCA among ACMECS countries to support Cross Border Trade Facilitation, Lao PDR;

Outcome 2: Enhanced Cross Border Digital Trade, Cambodia;

Outcome 3: Improved Cross-Border Paperless Trade Measures, Thailand;

Outcome 4: Acquired technology for producing quality coconut products and access to international markets, Myanmar.

Activities

Lao PDR

- Collecting data at Laos-Thailand Border;
- Data evaluation and consultation meeting;
- Consolidation meeting to review and prepare workplan for potential CCA set up and other related collaboration with Vietnam (MOIT);
- Evaluation workshop.

Cambodia

- Assessing selected locations and preparing for the workshop;
- Study visits to Republic of Korea;
- Regional Workshop on Enhanced Cross Border Digital Trade;
- Sharing and dissemination of the outcome.



Myanmar

- Capacity building program for coconut growers, associations and clusters in the form of targeted trainings and workshops;
- Participation in relevant international and domestic trade fairs, and business matching events;
- Study visits to ACMECS member countries.



Studying at the Coconut Farm, Ben Tre Province, Myanmar

Thailand

- Preparation for collecting data process in Nakhon Phanom province;
- Field study for collecting, analyzing and synthesizing primary data in Nakhon Phanom;
- Trust building in order to start the MoU process;
- Collecting, analyzing and synthesizing of data based on the cross-border trade procedures among the R12 route;
- Brainstorming meeting in Nakhon Phanom province targeting related government agencies, importers-exporters, logistics, and freight forwarders;
- Collecting feedback from a focus group discussion and re-designing the website;
- Finalizing the website and developing website manual;
- Conducting training program for stakeholders from Vietnam, Laos, Thailand;
- Conducting report and policy recommendations.

Field study along the R12 route, Thailand

PROJECT CHALLENGES

Coordination issues between stakeholders remain the challenge to implement necessary reforms for facilitated cross-border trade in the CCAs. Lack of political will and joint efforts as well as resource constraints, particularly in smaller and less developed countries, are due to a number of factors, including vested interests, bureaucratic inertia, and a lack of understanding of the benefits of trade facilitation. Technical barriers, such as differing standards and regulations, were tackled by promoting harmonization efforts and providing technical assistance to align procedures across borders. By implementing activities aimed to discuss and prepare workplan for potential cross-border collaboration, relevant stakeholders were able to understand the process and learn from the main existing difficulties to promote cross border trade and CCAs for other areas.

ACHIEVEMENTS

- Successful coordination with 27 PIAs across 5 ACMECS countries;
- More than 350 participants from relevant associations and clusters, and 180 officials, delegates and other stakeholders involved;
- Strengthened Public-Private partnerships among stakeholders involved in cross-border trade;
- Publication of a Guidebook on cross border digital trade in ACMECS countries;
- Development of the MoU between ACMECS Governments and preparation of a workplan for potential CCA set up and related collaboration;
- Creation of the “Digital Platform and Community” on paperless trade measurement over the R12 route.







Feedback from stakeholders and participants has been very encouraging, highlighting the project's benefits to the industry. With necessary data and information being collected and gathered to provide policy recommendations to relevant stakeholders in the ACMECS countries, the project is already bringing substantial benefits to the ACMECS region. While some activities have experienced delays, the project is moving in the right direction, and collaborative efforts must be maintained to ensure continued progress and success.

<http://www.r12connex.com>

R12 Trade Statistics At a Glance



Key Findings

-  **Lao PDR**
 - Reliance on paper-based documentation despite digital systems like the National Single Window, complicating the trade process;
 - Need for unified online document system to streamline customs procedures and reduce clearance times.
-  **Cambodia**
 - Disparities in customs clearance procedures and regulations among ACMECS countries hinder cross-border trade efficiency;
 - Effective collaborative learning facilitated the exchange of best practices and advancements in cross-border electronic trade.
-  **Thailand**
 - Lack of a clear digital transformation plan for synchronizing customs procedures and legal standards;
 - Effective stakeholder collaboration facilitated valuable insights and collaboration among stakeholders in Thailand, and Lao PDR.
-  **Myanmar**
 - The lack of access to modern technology and techniques for producing quality coconut products limited the coconut industry throughout the value chain, hindering industry diversification and export to international markets;
 - Limited interaction and knowledge exchange with coconut industries in neighboring ACMECS member countries, such as Thailand, constrained opportunities for local stakeholders for learning best practices.

Recommendations



The following set of recommendations aims to enhance the effectiveness of future initiatives similar to this project, ensuring that they are conducted efficiently and with great impact:

- Cultivate a local network of experts (universities, research institutions, industry professionals) within the region, in order to decrease reliance on international expertise by fostering local talent, thereby ensuring sustainability and cost-efficiency;
- Integrate quantitative metrics into training programs to accurately measure knowledge acquisition, including pre- and post-training assessments and practical competency tests;
- Introduce flexibility in project timelines to accommodate unforeseen delays and ensure timely completion of activities;
- Align governmental budgetary procedures with donor funding rules at the beginning of a project, in order to prevent financial discrepancies and facilitate smoother project execution;
- Clearly specify the benefits that each participating country will receive when preparing the project and identifying the activities.



THE WAY FORWARD

Long-term sustainability



The long-term sustainability of the project is ensured through its integration into the ACMECS Master Plan (2019-2023), serving as a foundation for future common regulations involving exporters, importers, and the industrial sector. Efforts to disseminate project activities and results will help address trade gaps and improve the international trade system among ACMECS members, reducing administrative barriers and enhancing business knowledge for cross-border trade.



The project provided Laos authorities with recommendations for trade facilitation and future regulations, addressing trade gaps and improving the international trade system. In Cambodia, the focus was on equipping businesses with better cross-border trade knowledge, reducing administrative barriers and fostering improved cooperation among ACMECS countries and their business partners. Ongoing monitoring and support from the International Institute for Trade and Development (ITD) will ensure long-term success of the project's activities implemented in Thailand, including the Cross-Border Paperless Trade Sharing Platform, data sharing, and policy recommendations.

Finally, a Monitoring and Evaluation Mechanism was established in Myanmar post-implementation, involving collaboration with coconut growers and entrepreneurs to enhance production and develop value-added products, ensuring sustained trade facilitation efforts.

Overall, the strength of the project lies in the fact the outputs of each country's activities are interconnected and beneficial to the entire ACMECS region. The trade facilitation recommendations from Laos support the digital trade enhancements in Cambodia, creating a more efficient regional trade environment. Thailand's paperless trade measures complement these efforts by streamlining procedures, while Vietnam's ICT framework promotes smart, sustainable cities, further integrating the region. Myanmar's advancements in agricultural technology and product quality contribute to the overall value chain, benefiting all ACMECS countries through improved trade practices and economic cooperation.



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