



Published by



Issue No. 19 | December 2018

Connect Asia Newsletter

Information on trade, economic cooperation and integration in Asia

From the GIZ Programme Support for Economic Cooperation in Sub-Regional Initiatives in Asia (SCSI)



Editorial

Dear Reader,

Welcome to the last edition of the GIZ SCSI programme newsletter in 2018. As the year is coming to an end also a very busy quarter of various activities is calming down eventually.

At the Greater Tumen initiative (GTI) workshop on free trade agreements (FTAs) in October, GIZ SCSI provided expert inputs on international and regional FTA models to improve the respective cooperation within GTI. In December, officers of the GTI Secretariat were trained on GIZ Capacity Work tools to strengthen cooperation management with GTI stakeholders.

After the successful train-of-trainer (ToT) with our export guidelines in Vietnam, trainings were carried out across the country with the Vietnam Trade Promotion Agency (VIETRADE). So far, over 500 professionals from small Vietnamese businesses and cooperatives benefited from the capacity building to facilitate agricultural export processes to China.

To find out more about our recent activities, I kindly invite you to browse this newsletter and visit our website www.connecting-asia.org for additional details. We are happy to provide you again with our reports as well as selected publications on Asian regional integration and digital tools for trade facilitation.

With all the best wishes for the upcoming Holidays and the New Year from the SCSI Team

Florian Miß
Editor

PROGRAMME NEWS

- » Regional Workshop on Export Processes to China
- » 1st GTI Stakeholders Meeting in Mongolia
- » Capacity Building for Cambodian SMEs

RECENT TRENDS IN REGIONAL INTEGRATION AND TRADE

- » How Much Will the Belt and Road Initiative Reduce Trade Costs?
- » Building Complementarity and Resilience in ASEAN amid Global Trade Uncertainty
- » Cross-Border Contracting: How to Draft and Negotiate International Commercial Contracts
- » Does Regional Integration Matter for Inclusive Growth? Evidence from the Multidimensional Regional Integration Index

NEWS ON DIGITAL TOOLS FOR TRADE FACILITATION

- » Can Blockchain revolutionise international trade?
- » Facilitation 2.0: E-Commerce and Trade in the Digital Age
- » Internet Plus Agriculture: A New Engine for Rural Economic Growth in the People's Republic of China
- » World Trade Report 2018

Programme News

Regional Workshop on Export Processes to China

SCSI Focus Countries share Best Practices and identify Way Forward



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The agricultural sector offers an immense economic potential for development in Cambodia, Lao PDR, and Vietnam. However, due to informal trade channels and lack of capacity the revenue in agricultural trade with China

remains low.

In all three countries, SCSi cooperates closely with partners and GIZ projects to improve private sector engagement in regional value chains. Together with partners on site, SCSi compiled step-by-step export guidelines for specific fresh fruits from Cambodia and Vietnam to China. The guidelines were highly appreciated by the business community and are now supporting capacity building for respective exporters as well as foster the public-private dialogue in both countries.

On 05-06 December, SCSi invited main partners from all three countries to a regional workshop in Beijing, bundling SCSi's approaches within its Southeast Asian component and setting a platform for regional knowledge exchange.

Dates and Events

10 January 2019

12th Digital Economics Conference
Toulouse, France
Toulouse School of Economics
cepr.org

15-16 January 2019

Globalization: Contents and Discontents
Kuala Lumpur, Malaysia
WB
worldbank.org

22-25 January 2019

World Economic Forum Annual Meeting
Davos-Klosters, Switzerland
WEFORUM
weforum.org

12-15 February 2019

Tripartite Meeting of Experts on Cross-border Social Dialogue
Geneva, Switzerland
ILO
ilo.org

The analysis on respective methodological approaches regarding the compilation and utilisation of the guidelines highlighted good practices. The train-of-trainer approach in Vietnam as well as a study trip with partners in Cambodia were emphasised. Colleagues in Laos are currently drafting coffee export guidelines for the ASEAN market which illustrated also approaches towards other markets.

The discussion on country specific challenges in export processes showed the benefits of a representation abroad to better access a market. The example of VIETRADE branches in China were taken as best practice to discuss a joint business platform including all three countries.

The outcomes of the meeting are currently compiled in a report and will be shared with all stakeholders. The workshop also supported GIZ SCSi in identifying further intervention areas for 2019 and beyond.

You can find further information at the SCSi website:

» [Regional Workshop on Export Processes](#)

1st GTI Stakeholders Meeting in Mongolia

Mongolian Focal Points discuss GTI Cooperation



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To strengthen the coordination of cooperation efforts in Mongolia under the framework of the Greater Tumen Initiative (GTI), Mongolian GTI focal points convened for the first time to jointly discuss their approaches

and engagement within the initiative. The meeting was organised by GIZ SCSi together with the GTI Secretariat and Ministry of Finance of Mongolia on 5 October 2018 in the Terej National Park.

14 stakeholder representatives from national and provincial level such as Ministry of Food, Agriculture and Light Industry – being a responsible focal point for the GTI Agriculture Committee – or Dornod province, took part in the meeting. The meeting aimed to improve connectivity with neighboring countries under the GTI framework in cooperation fields like trade and investment, agriculture, transport, or tourism.

Participants were updated about the GTI mechanism, procedures, and institutional set-up as well as roles and responsibilities of GTI Stakeholders and Focal Points. Furthermore, the instrument of GTI Soft Project Proposals was discussed to improve Mongolia's engagement in GTI

14-15 March 2019

Forum on Trade Digitalization for Sustainable Regional Integration
Bangkok, Thailand
UNESCAP
unescap.org

27-28 March 2019

10th ADB Business Opportunities Fair 2019
Manila, Philippines
ADB
adb.org

01-05 April 2019

Ecommerce Week 2019: From Digitalization to Development
Geneva, Switzerland
UNCTAD
unctad.org

21-24 April 2019

Railway Innovations Forum 2019
Manila, Philippines
ADB
adb.org

12-14 June 2019

WCO IT/TI Conference & Exhibition
Baku, Azerbaijan
WCO
wcoomd.org

27-29 June 2019

Fruit Expo 2019
Guangzhou, P.R. China
Guangdong Grandeur International Exhibition Group
fruit-expo.com

03-05 July 2019

Aid for Trade Global Review 2019
Geneva, Switzerland
WTO
wto.org

22-23 September 2019

processes.

During the meeting, participants intensively elaborated on roles and responsibilities of GTI Stakeholders in Mongolia. In that regard, the importance of permanent and consistent cooperation among stakeholders was highlighted. To develop Mongolia's involvement in regional cooperation and increase integration in the Northeast Asian (NEA) region participants discussed how to further activate GTI Focal Points in Mongolia.

To keep the momentum, GIZ SCSi invited participants to a follow-up workshop in December for continued networking and planning of joint projects with other GTI member countries. More activities are planned for the next year.

You can find further information at the SCSi website:

» [1st GTI Stakeholders Meeting in Mongolia](#)

Capacity Building for Cambodian SMEs

Training provides further insights on Export Processes to China



© GIZ SCSi

To enhance export capacity among Cambodian micro, small, and medium enterprises (MSMEs), GIZ SCSi in cooperation with the General Directorate of Agriculture (GDA) organised a two-fold training from 06-08 November 2018. A

one day training workshop on the step-by-step guidelines for exporting fresh banana, mango and longan to China was held in Phnom Penh. The theoretical part was followed by a technical training in Kratie province to learn about practical steps and utilise the guidelines at a production site.

Building up on the experience of previous workshops on the export guidelines in March and August this year, suitable participants were identified and selected for the training. Representatives from export companies, business associations, and other private sector actors interested or engaged in exporting agricultural products to China took part. Participants were trained on specific export procedures according to each chapter in the guidelines. Presentations included advanced schooling on issues of sanitary and phytosanitary (SPS) certificates, certificate of origin (C/O), quality of agricultural products, inspection and logistics.

The speakers were selected based on their expertise in a certain field of export processes and came from the

China-ASEAN Expo
Nanning P.R. China
Ministry of Commerce China
and ASEAN Secretariat
caexpo.org

Online Courses

14 January 2019
Introduction to Cross-border
Contracts
ITC SME Trade Academy
intracen.org

28 January 2019
Introduction to Exporting to China
ITC SME Trade Academy
intracen.org

28 January 2019
Introduction to Exporting to China
ITC SME Trade Academy
intracen.org

04 February 2018
Building a Trade Information
Service
ITC SME Trade Academy
intracen.org

25 February 2018
Understanding the Role of Trade
Support Institutions
ITC SME Trade Academy
intracen.org

25 February 2018
Meeting Standards in the
Agrifood Sector
ITC SME Trade Academy
intracen.org

More on GIZ SCSi Programme

The GIZ SCSi Programme supports regional stakeholders with the aim to strengthen selected core processes of regional economic cooperation and Integration and to contribute

Department of Plant Protection SPS under GDA, Cambodian Customs, Camcontrol, and the China Certification and Inspection Group (CCIC). Speakers provided practical examples of agricultural products that are exported to China.

As a second part of the training, afore selected participants joined a study trip to the banana plantation of Green Island Agricultural Development (Cambodia) Limited. On site, they learned about processes of post-harvesting, packaging, transportation and additional agricultural techniques.

The training and the study trip also aimed to improve the public-private dialogue in Cambodia.

Follow the link below for more details:

» [Capacity Building for Cambodian SMEs](#)

to a sustainable and inclusive economic development in the region. Visit our website: connecting-asia.org

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Recent Trends in Regional Integration and Trade

How Much Will the Belt and Road Initiative Reduce Trade Costs?

World Bank (WB)

This paper analyses the impact of transport infrastructure projects of the Belt and Road Initiative (BRI) on shipment times and trade costs. Using new data on completed and planned BRI transport projects, geographic information system (GIS) analysis was applied to estimate shipment times before and after the BRI. The findings indicate that the BRI will significantly cut down shipment times and trade costs. Globally, the average reduction in shipment time will range between 1.2 and 2.5 percent, leading to reduction of aggregate trade costs between 1.1 and 2.2 percent. For economies along the BRI, the paper estimates a change in shipment times and trade costs between 1.7 and 3.2 percent and 1.5 and 2.8 percent, respectively. The paper also suggests that these effects can be further amplified by policy reforms that reduce border delays and improve overall corridor management.

Access the working paper here:

» [How Much Will the Belt and Road Initiative Reduce Trade Costs?](#)

Building Complementarity and Resilience in ASEAN amid Global Trade Uncertainty

Asian Development Bank (ADB)

Under the escalating trade tensions between the United States and the People's Republic of China the Association of Southeast Asian Nations (ASEAN) are urged to build greater complementarity among the member economies and enhance their economic and financial resilience. This ADB briefing provides recommendations on diversifying economic and trade structure, upgrading competitiveness and

innovative capacity via domestic and regulatory reforms, as well as supporting high quality regional trade agreements to promote regional economic integration.

Access the full briefing here:

» [Building Complementarity and Resilience in ASEAN amid Global Trade Uncertainty](#)

Cross-Border Contracting: How to Draft and Negotiate International Commercial Contracts

International Trade Centre (ITC)

This ITC handbook offers new legal approaches in order to harmonise and enhance the practice of international business related to cross-border commercial contracting. With firms increasingly trading digitally across borders, business communities, legal practitioners and governments are developing innovative ways to facilitate business deals, sound contractual arrangements, and efficient dispute settlement mechanisms. Through collaboration with a pro-bono committee of professionals this handbook provides explanation of different contract clauses, main legal instruments and principle and model contracts. In addition to the handbook ITC also offers an online course.

Read the full publication here:

» [Cross-Border Contracting: How To Draft And Negotiate International Commercial Contracts](#)

Does Regional Integration Matter for Inclusive Growth? Evidence from the Multidimensional Regional Integration Index

Asian Development Bank (ADB)

This ADB publication constructs a multidimensional regional integration index series that embodies six key aspects of regional integration, namely trade and investment, money and finance, regional value chains, infrastructure and connectivity, movement of people, and institutional and social integration. The European Union with the highest scores in all six dimensions is on the top of the regional integration index ranking. Asia comes second with the largest contribution from infrastructure and connectivity. Empirical analysis suggests regional integration exerts significant and positive influence on economic growth, income distribution, and poverty reduction, even when trade and financial openness is controlled.

Access the full Working Paper here:

» [Does Regional Integration Matter for Inclusive Growth? Evidence from the Multidimensional Regional Integration Index](#)

News on Digital Tools for Trade Facilitation

Can Blockchain revolutionise international trade?

World Trade Organization (WTO)

This Asia-Pacific Economic Cooperation (APEC) study on Single Window Systems International Interoperability (SWSII) addresses the issue of international divergence in Single Window Systems (SWS). The study introduces ten SWSII principles, based on a review of national as well as regional SWS at different development stages and analyses common concepts. SWSII solutions must be created to convey a climate of trust through consensus, agreement, security, privacy, confidentiality,

harmonisation and standardisation. Therefore, the study underscores the need for ongoing collaboration between economies, the need to establish a pragmatic working definition of “interoperability”, determine how it can be achieved and sustained, and its progress evaluated based on a pre-defined performance criteria. As a possible next step, a “limited” pilot using blockchain technology to demonstrate trust, efficiency and effectiveness alongside usability and scalability is recommended.

Access the Report here:

» [Can Blockchain revolutionise international trade?](#)

Facilitation 2.0: E-Commerce and Trade in the Digital Age

International Centre for Trade and Sustainable Development (ICTSD)

In order to address the unprecedented complexities for both, transaction subjects and policymakers created by the constantly evolving interconnection between regulatory issues in the digital age, this report highlights the importance of an holistic and integrated approach to regulation and policymaking, namely the concept of Facilitation 2.0. This approach includes the environment and corresponding policy areas from the perspective of e-commerce and digital transactions and allows identifying and targeting the development of simplified and harmonised procedures to facilitate cross-border exchanges of goods, services, and knowledge. In the case of e-commerce, these measures include trade facilitation to speed up the movement of goods and services across borders; measures conducive to creating a level playing field and favourable environment for businesses and consumers; and measures related to adjacent policy areas to minimise potential negative effects on traditional economic practices.

Access the Report here:

» [Facilitation 2.0: E-Commerce and Trade in the Digital Age](#)

Internet Plus Agriculture: A New Engine for Rural Economic Growth in the People's Republic of China

Asian Development Bank (ADB)

This in-depth publication analyses the practices and policies of 'internet plus' agriculture business models in the People's Republic of China (PRC), the rural e-commerce platform as well as the agriculture value chain model. The 'internet plus' rural economy is considered an emerging driver of comprehensive development in the PRC and serves as a new production management and marketing tool for farmers and farmers' cooperatives. E-commerce access investments demand the adoption of a farm-to-market, value-chain approach to create value for poor farmers, local agro-enterprises, and consumers. Furthermore, its potential is seen not only as a foundation for vitalising the countryside but also key to achieving agricultural modernisation. The government plays an important role in regulating the e-commerce market and establishing efficient market structures and promoting fair competition. Farmers' access to the benefits of e-commerce requires support from both the private and public sectors, such as providing agriculture extension services and building logistics capacity in remote and poverty-stricken areas.

Read the full paper here:

» [Internet Plus Agriculture: A New Engine for Rural Economic Growth in the People's Republic of China](#)

World Trade Organization (WTO)

This year's WTO Trade report finds that digital technologies — the internet of things, artificial intelligence, 3D printing and blockchain — will have a far-reaching impact on global trade. Global trade is projected to grow by an additional 2 percentage points annually between 2016 and 2030 as a result of digitalisation, falling trade costs and the increased use of services. This corresponds with a 31-34 percentage point higher trade growth over 15 years. The report also finds that the reduction in trade costs could be especially beneficial for micro, small and medium enterprises (MSMEs) and firms from developing countries, provided they have the ability to keep up with the adoption of digital technologies.

Access the full Report here:

» [World Trade Report 2018](#)

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