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PROMOTING TRADE OPPORTUNITIES

BACKGROUND

The United States and Association of Southeast Asian Nations (ASEAN) benefit from long-standing, far-reaching commercial and trade ties. Through the U.S. Agency for International Development (USAID), the United States is expanding opportunities for U.S. businesses by supporting the ASEAN Single Window initiative to automate documents and processes to undergo border customs clearance. This streamlines trade in goods, reduces the cost of doing business, ensures faster clearance and transparency, and leads to greater prosperity and sound governance in Southeast Asia. ASEAN countries are the fourth-largest U.S. trading partner, and the United States is the second largest trading partner for ASEAN. U.S. goods and services trade with ASEAN totaled an estimated \$442 billion in 2021¹.

PRIORITIES

THE ASEAN SINGLE WINDOW

The United States supports free, transparent, sustainable, and inclusive trade practices in ASEAN countries. Since 2006, the U.S. Agency for International Development (USAID) has worked with ASEAN member states (AMS) to make the ASEAN Single Window (ASW) geared for efficient customs clearance a reality. The ASW work also contributes to the U.S.-ASEAN Connect initiative, a strategic unifying framework to deepen the United States' growing economic cooperation with ASEAN. Starting in 2019, the ASEAN-USAID Inclusive Growth in ASEAN through Innovation, Trade and E-Commerce (IGNITE) project leads the U.S. Government support for the ASW. The IGNITE project provides technical assistance to ASEAN to carry out a program of digitalization of customs documents and procedures.

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¹ https://ustr.gov/about-us/policy-offices/press-office/press-releases/2022/september/telephonic-press-briefing-ambassador-katherine-tai-united-states-trade-representative

LINKING NATIONAL SINGLE WINDOWS (NSWs)

The ASW is a digital platform that connects and integrates the NSW of each member state to promote efficient, reliable, and secure automated customs exchanges for trade across ASEAN. Each ASEAN member state's national single window (NSW) works to improve customs compliance and increase transparency in trade transactions, thereby reducing opportunities for corruption and increasing incentives for smaller firms to participate in trade. In December 2019, with USAID support, all ten AMS successfully linked to the ASW to exchange electronic customs documents for the first time.

BENEFITS OF THE ASW

The ASW streamlines electronic cargo clearance exchanges, reduces clearance times, boosts clearance reliability, decreases costs for storage and labor, helps ensure equitable administration of trade regulations, and lowers the cost of doing business in the region. The most recent ASW Trader Survey 2022 carried out by the IGNITE Project shows that ASEAN traders save an average of \$2,300 per shipment, up from an estimated per shipment savings of \$1,530 in 2020. Overall cost savings realized by traders through the ASW is estimated at \$4.862 billion,² based on cumulative data collected by IGNITE from 2019 through 2023. In supporting the ASW, USAID promotes prosperity through transparent trade and good governance, ultimately securing the future of U.S. economic and business interests in the ASEAN region. U.S. businesses in Southeast Asia have experienced the benefits of—and have been strong ASW advocates.

KEY RESULTS

The ASW exemplifies a successful partnership between the United States and ASEAN. Member states have invested significant amounts to create, maintain, and link their NSWs to the ASW. ASEAN has established an effective management system to operate the platform and provides funding for its ongoing maintenance and support. Over the past decade, USAID has consistently supported the ASW through technical assistance, including through IGNITE. Highlights include:

- Helped countries design, launch, and implement their national single window programs.
- Developed the necessary regional legal reforms to operate the ASW.
- Designed an ASW messaging system and assisted in its launch.
- Harmonized and standardized data to exchange digitized customs documents³
- Engaged the private sector on ASW operations, including support to the ASEAN Trader Survey and ASW Symposium events, to encourage dialogue between the trading community and ASEAN officials.

U.S. exports to ASEAN support more than 625,000 jobs across all 50 U.S. states.⁴ ASEAN's exports to the United States reached \$255.2 billion during 2021.⁵ Moving forward, USAID is working with the U.S. Customs and Border Protection to exchange digitized trade documents with the ASW. Continued efforts to digitize customs documents and harmonize trade procedures, along with securing direct linkages between the ASEAN Single Window and the U.S. single window equivalent will drive higher two-way trade flows and bolster inclusive economic growth.

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² IGNITE Project data, 2023.

³ ASEAN Trade in Goods Agreement (ATIGA) e-Form D, ASEAN Customs Declaration Document (ACDD), electronic phytosanitary certificate (e-phyto)

⁴ HTTPS://ASIAMATTERSFORAMERICA.ORG/UPLOADS/PUBLICATIONS/2021-ASEAN-MATTERS-FOR-AMERICA.PDF, PP. 12 – 22.

⁵ ASEAN Statistical Yearbook 2022 Jakarta, ASEAN Secretariat, December 2022 (2021 is the most recent year with complete trade data available)