



# Digital and sustainable trade facilitation in the Arab region 2023



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# **Digital and sustainable trade facilitation in the Arab region 2023**



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# Key messages

- 
- *Arab countries have made notable advances in the implementation of trade facilitation measures.*
- 
- *Several Arab countries have reported that the lack of progress regarding the electronic issuance of preferential certificates of origin, the electronic exchange of certificates of origin, and the electronic exchange of sanitary and phytosanitary certificates represents the biggest obstacle to the implementation of trade facilitation measures.*
- 
- *Despite significant breakthroughs in the digitalization of trade operations globally, Arab countries continue to lag behind in the adoption of paperless trade solutions.*
- 
- *By embracing digital technology and putting electronic trade systems in place, Arab countries can streamline their customs procedures, reduce paperwork, and promote efficiency and transparency in international trade.*
- 
- *Overall, some progress was made between 2021 and 2023, however, much effort is still needed to achieve the same level as comparable income group countries.*
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# Executive summary

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The five Regional Commissions of the United Nations, including the Economic and Social Commission for Western Asia (ESCWA), have since 2015 tracked the implementation of digital and sustainable trade facilitation measures, including the World Trade Organization (WTO) Trade Facilitation Agreement (TFA), by conducting a global survey. The present report focuses on the results of the 2023 survey regarding the implementation of 58 trade facilitation measures in 18 Arab countries; the progress achieved between 2021 and 2023; and the implementation of different groups of trade facilitation measures including trade facilitation in times of crisis.

Participating countries from the Arab region made significant progress between 2021 and 2023 in implementing formalities, paperless trade and cross-border paperless trade. Limitations have been recorded in measures related to transparency and institutional arrangements and cooperation. In 2023, the implementation rate of the 31 core measures of trade facilitation was 61 per cent, driven by the relatively high performance of participating countries from the Gulf Cooperation Council

and middle-income Arab countries. Arab least-developed countries and countries in conflict are still lagging behind in implementing trade facilitation measures, despite some improvements from the latter group.

The most implemented categories in the Arab region are trade facilitation in times of crisis and pandemic, transparency, and institutional arrangement and cooperation measures, with average implementation rates of 75, 74 and 73 per cent, respectively. The Arab region is lagging in terms of women in trade facilitation and cross-border paperless trade, with average implementation rates between 46 and 47 per cent, respectively – Arab countries' lowest performance was in these two categories. The most serious challenges faced by many countries from the region include the lack of electronic exchange of sanitary and phytosanitary certificates, electronic application and issuance of preferential certificates of origin, and electronic exchange of certificates of origin. Several countries from the region are still lagging in terms of the implementation of paperless measures, digitization of procedures, and electronic payments.





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# Introduction

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## Background and objective

The World Trade Organization (WTO) Trade Facilitation Agreement (TFA) has been ratified by 156 WTO Member States, among which were 11 Arab States. The five Regional Commissions of the United Nations, including the Economic and Social Commission for Western Asia (ESCWA), have been tracking the implementation of digital and sustainable trade facilitation measures, including the WTO TFA, by conducting a global survey since 2015. Conducted every two years, this survey is sent to all countries, including non-WTO Member States. The results of the 2023 survey in the Arab region are presented in this report.

In March 2023, ESCWA sent the questionnaire to over 50 experts from government agencies and the private sector from 22 Arab countries. The present report sets out the results received from 18 Arab countries, from four sub-regions: the Gulf Cooperation Council (GCC) countries, middle-income countries (MICs), countries in conflict (CICs) and least developed countries (LDCs). It gathered information on the status of trade facilitation measures and the challenges faced by these countries in developing a digital and sustainable framework that supports trading across borders. It recorded the responses and changes adopted over the years. This present report covers the results received from 18 Arab countries. Responses were verified by ESCWA through supporting evidence to justify the rating provided. Countries that are covered by both ESCWA and the United Nations Economic Commission for

Africa (ECA) were double-checked by both agencies for consistency. Answers were rated as: fully implemented measure (rating 3), partially implemented measure (rating 2), pilot stage implementation (rating 1), not implemented (rating 0), and don't know (rating 0).

The present report is structured as follows: the first section describes the objective and methodology of the global survey. The second section presents the results for participating Arab countries. The third section provides details on the implementation of each category of trade facilitation measures and the fourth section concludes the report.

## Survey instrument and methodology

The 2023 United Nations Global Survey on Digital and Sustainable Trade Facilitation investigates 58 trade facilitation measures grouped into four categories, surpassing the established commitments listed in the WTO TFA (table 1). The initial category of trade facilitation measures, referred to as general trade facilitation, encompasses four subgroups that address transparency, formalities, institutional arrangement and transit facilitation. The second category, known as digital trade facilitation, specifically targets the facilitation of paperless trade and cross-border paperless trade. The third group, which is dedicated to sustainable trade facilitation, focuses on three subcategories: small and medium enterprises (SMEs), agriculture and the inclusion of women

in trade. The final category comprises additional trade facilitation measures and is divided into two subgroups: trade finance facilitation and trade facilitation during periods of crisis.

**Table 1.** Grouping of trade facilitation measures

Groups	Subgroups	Measures	Relevant TFA Articles
General trade facilitation	<b>Transparency</b> (5 measures)	Advance publication/notification of new trade-related regulations before their implementation	2.1
		Advance ruling on tariff classification and origin of imported goods	3
		Independent appeal mechanism	4
		Stakeholders' consultation on new draft regulations (prior to their finalization)	2.2
		Publication of existing import-export regulations on the Internet	1.2
	<b>Formalities</b> (8 measures)	Trade facilitation measures for authorized operators	7.7
		Acceptance of copies of original supporting documents required for import, export or transit formalities	10.2.1
		Expedited shipments	7.8
		Pre-arrival processing	7.1
		Separation of release from the final determination of customs duties, taxes, fees and charges	7.3
		Risk management	7.4
		Post-clearance audits	7.5
		Establishment and publication of average release times	7.6
	<b>Institutional arrangement and cooperation</b> (5 measures)	Government agencies delegating controls to customs authorities	
		National legislative framework and/or institutional arrangements for border agencies cooperation	8
		National trade facilitation committee or similar body	23
		Alignment of working days and hours with neighbouring countries at border crossings	8.2(a)
		Alignment of formalities and procedures with neighbouring countries at border crossings	8.2(b)
	<b>Transit facilitation</b> (4 measures)	Supporting pre-arrival processing for transit facilitation	11.9

Groups	Subgroups	Measures	Relevant TFA Articles
	Transit facilitation (4 measures) <b>Paperless trade</b> (10 measures)	Customs authorities limit the physical inspections of transit goods and use risk assessment	10.5
		Cooperation between agencies of countries involved in transit	11.16
		Transit facilitation agreement(s)	
		Electronic application for customs refunds	
Digital trade facilitation	<b>Paperless trade</b> (10 measures) <b>Cross-border paperless trade</b> (6 measures)	Electronic application and issuance of preferential certificate of origin	
		Electronic single window system	10.4
		E-payment of customs duties and fees	7.2
		Electronic submission of air cargo manifests	
		Electronic application and issuance of import and export permit	
		Electronic submission of customs declarations	
		Internet connection available to customs and other trade control agencies	
		Automated customs system	
	<b>Cross-border paperless trade</b> (6 measures) <b>Trade facilitation in SME policy framework</b> (5 measures)	Electronic exchange of sanitary and phytosanitary certificates	
		Recognized certification authority	
		Electronic exchange of certificate of origin	
		Paperless collection of payment from a documentary letter of credit	
		Laws and regulations for electronic transactions	
		Electronic exchange of customs declaration	
		Other special measures for SMEs	
		Sustainable trade facilitation	<b>Trade facilitation in SME policy framework</b> (5 measures)
SMEs access single window			
SMEs in national trade facilitation committee			
<b>Trade facilitation and agriculture trade</b> (3 measures)	Trade-related information measures for SMEs		
	Electronic application and issuance of sanitary and phytosanitary certificates		
	National standards and accreditation bodies to facilitate compliance with sanitary and phytosanitary requirements		

Groups	Subgroups	Measures	Relevant TFA Articles
	<b>Trade facilitation and agriculture trade</b> (3 measures)	Testing and laboratory facilities available to meet sanitary and phytosanitary requirements of main trading partners	
		Special treatment for perishable goods	7.9
	<b>Women in trade facilitation</b>	Women's membership in the national trade facilitation committee	
		<b>Women in trade facilitation</b> <b>Trade finance for trade facilitation</b> (3 measures)	Trade facilitation policy/strategy incorporates special consideration of women traders
	Trade facilitation measures aimed at women traders		
	Customs and/or other regulatory authorities engaged in blockchain-based supply chain projects covering trade finance		
Other trade facilitation	<b>Trade finance for trade facilitation</b> (3 measures)	Single window facilitates traders' access to finance	
		Variety of trade finance services available	
		<b>Trade facilitation in times of crisis and pandemic</b> (5 measures)	Preparedness of trade facilitation measures for future crises
	<b>Trade facilitation in times of crisis and pandemic</b> (5 measures)		Coordination of emergency trade facilitation measures with other countries
		Implementation of additional (cross-border) paperless trade measures in times of crises and emergencies	
		An agency available to manage trade facilitation measures in times of crises and emergencies	
		Publication of emergency trade facilitation measures online	

**Source:** United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023.

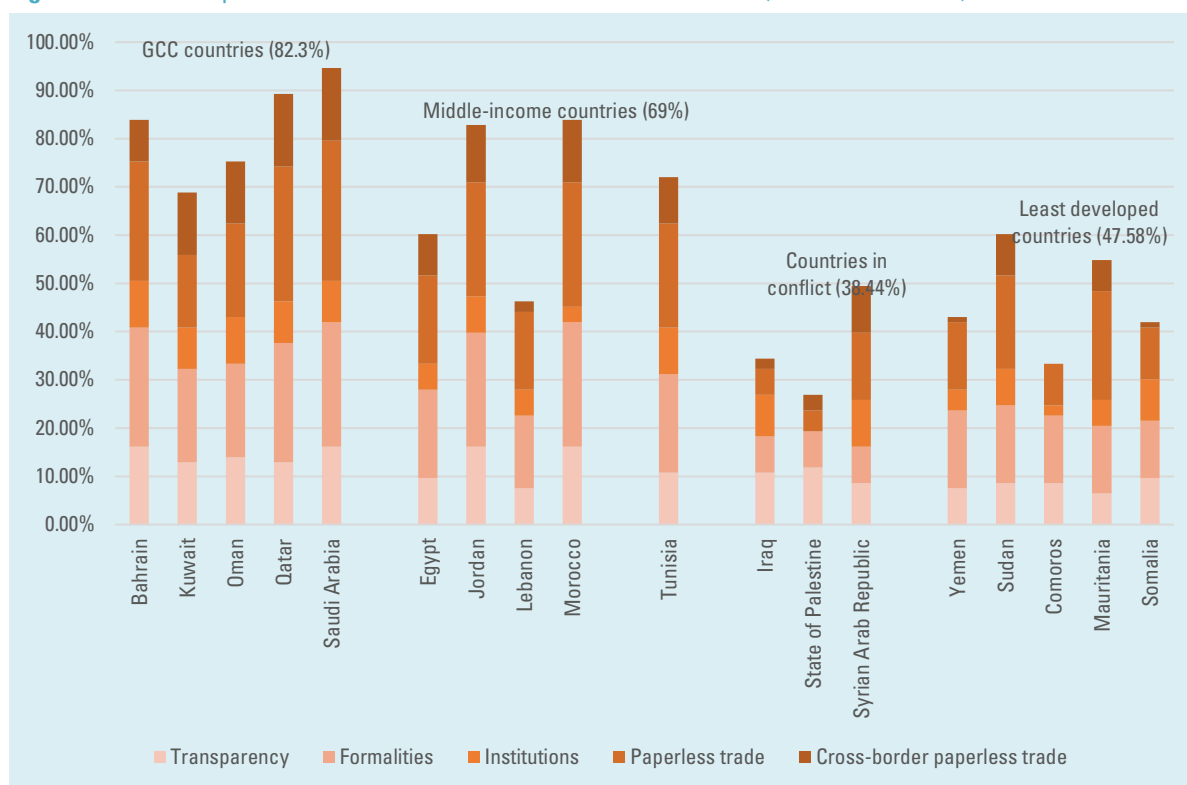
# 1. Trade facilitation implementation in the Arab region

## A. Overall performance in the Arab region

Focusing on the core 31 trade facilitation measures, relevant to all Arab countries and included in previous surveys, the overall implementation rate in the participating countries of the Arab region was 61 per cent in

2023, compared to 54 per cent in the previous survey. Saudi Arabia had the highest performance with a 95 per cent overall implementation rate, followed by Qatar with 89 per cent and Bahrain with 84 per cent (figure 1). Comoros and the State of Palestine had the lowest two performances, with implementation rates of 27 and 33 per cent, respectively.

**Figure 1.** Overall implementation of trade facilitation measures in 2023 (18 Arab countries)



**Source:** United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023.

## B. Implementation in subregions

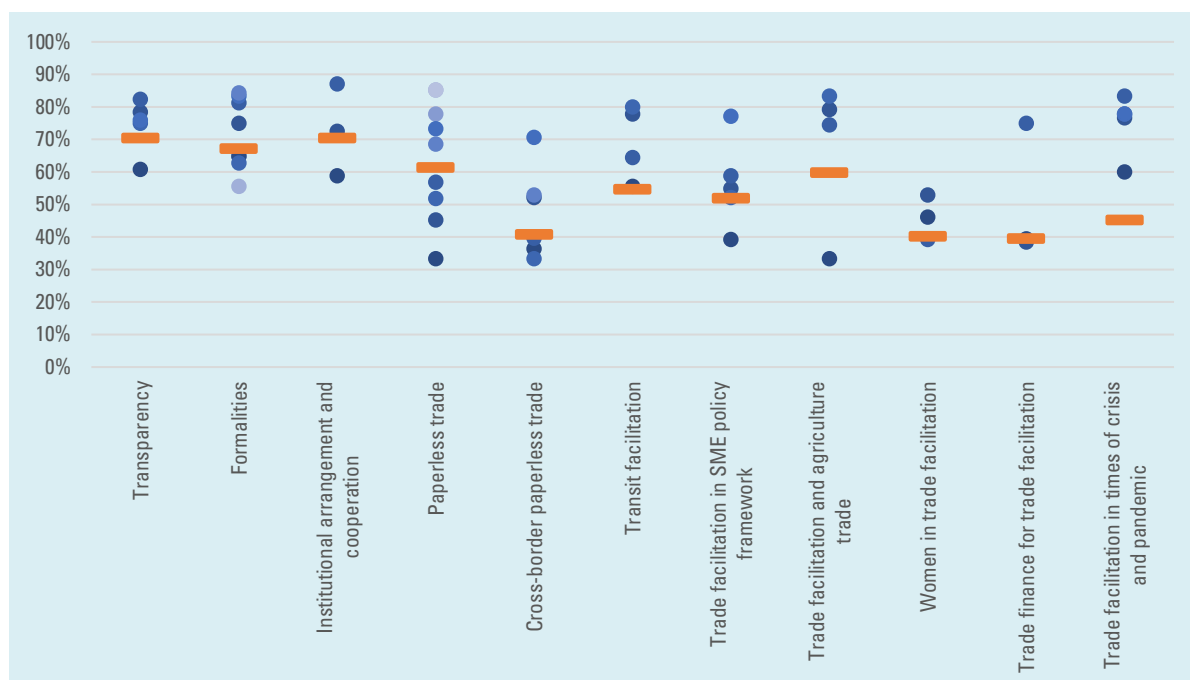
GCC countries demonstrated the highest subregional average (around 92 per cent), followed by MICs (69 per cent). CICs and LDCs were lagging in implementing trade facilitation measures (figure 1). These two subregions are still facing significant barriers that are impeding smooth and efficient trade across borders, particularly relating to cross-border paperless trade and institutional arrangement and cooperation.

## C. Most and least implemented trade facilitation measures

Examining the 58 trade facilitation measures, distributed across 11 categories and 4 groups,

it can be noted that on average, trade facilitation in times of crisis and pandemic, transparency, and institutional arrangement and cooperation measures are the most implemented categories in the Arab region, with an average implementation rate of 75, 74 and 73 per cent respectively (figure 2), followed by formalities measures with an average implementation rate of 71 per cent. Two of the nine measures in the paperless trade category were the most implemented across all trade facilitation measures, to different extents (pilot stage to full implementation). National trade facilitation committee or similar body, risk management, special treatment for perishable goods, and automated customs system, were the four most implemented measures.

**Figure 2.** Implementation of different groups of trade facilitation measures: Arab countries' average, 2023



**Source:** United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2021.

**Note:** the red lines indicate the regional average in each category, while the blue dots refer to the performance of individual countries within each category.



The Arab region is lagging behind in terms of trade facilitation for women (46 per cent) and cross-border paperless trade (47 per cent). Two of the six measures in the cross-border paperless trade category were among the least implemented measures (around 35 per cent implementation rate). One of these measures, the electronic exchange of sanitary and phytosanitary certificates, was not fully implemented by any country in the region. The

slow implementation of these measures adds a non-tariff burden on trade and hinders trade facilitation. The implementation rates of measures related to supporting women traders and trade finance facilitation are also low (35 and 33 per cent, respectively). Enforcing the implementation of these measures not only contributes to trade facilitation but also increases inclusiveness and the impact of trade on development.

**Table 2.** Most and least implemented measures in the Arab region, 2023

Category	Most implemented measures		Least implemented measures	
	Measure	Implemented fully, partially and on a pilot basis/Full implementation (percentage)	Measure	Implemented fully, partially and on a pilot basis/Full implementation (percentage)
Transparency	Independent appeal mechanism	82.3	Advance publication/notification of new trade-related regulations before their implementation	60.78
Formalities	Risk management	84.3	Establishment and publication of average release times	55.56
	Separation of release	83.3		
	Expedited shipments	81.2		
Institutional arrangement and cooperation	National trade facilitation committee or similar body	87.4	Government agencies delegating controls to customs authorities	58.82
	National legislative framework and/or institutional arrangements for border agencies' cooperation	72		
Paperless trade	Internet connection available to customs and other trade control agencies	85	Electronic application for customs refunds	33.33
	Automated customs system	85		
Cross-border paperless trade	Laws and regulations for electronic transactions	70.5	Paperless collection of payment from a documentary letter of credit	33.33

Category	Most implemented measures		Least implemented measures	
	Measure	Implemented fully, partially and on a pilot basis/Full implementation (percentage)	Measure	Implemented fully, partially and on a pilot basis/Full implementation (percentage)
			Electronic exchange of sanitary and phytosanitary certificates	36.36
Transit facilitation	Transit facilitation agreement(s)	80	Supporting pre-arrival processing for transit facilitation	55.56
Trade facilitation in SME policy framework	Trade-related information measures for SMEs	77.8	Other special measures for SMEs	39.22
Trade facilitation and agriculture trade	Special treatment for perishable goods	83.3	Electronic application and issuance of sanitary and phytosanitary certificates	33.33
	National standards and accreditation bodies to facilitate compliance with sanitary and phytosanitary requirements	79.1		
Women in trade facilitation	Trade facilitation policy/strategy incorporates special consideration of women traders	85.9	Trade facilitation measures aimed at women traders	39.22
Trade finance for trade facilitation	Variety of trade finance services available	75	Single window facilitating traders to access to finance	38.46
Trade facilitation in times of crisis and pandemic	Implementation of additional (cross-border) paperless trade measures in times of crises and emergencies	83.3	Preparedness of trade facilitation measures for future crises	60
	An agency available to manage trade facilitation measures in times of crises and emergencies	77.8		

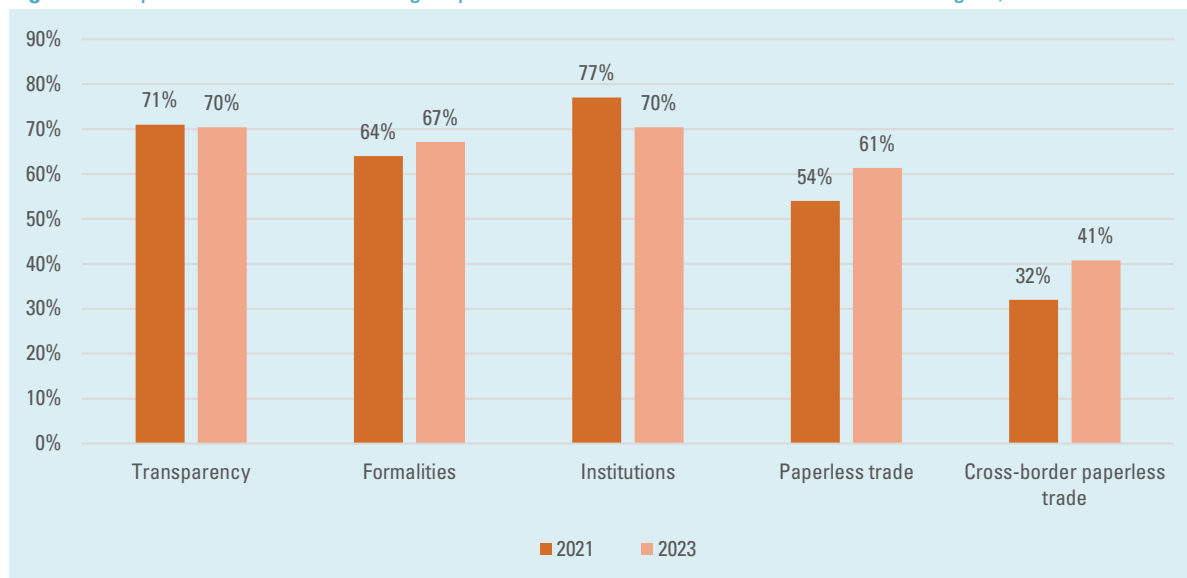
**Source:** United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023.

## D. Progress in implementation between 2021 and 2023

Focusing on the performance of Arab countries whose responses are available for both the 2021 and 2023 trade facilitation surveys, significant progress was achieved in some categories. The most significant progress was realized in the cross-border paperless trade category (implementation rate increased by 7 percentage points). Formalities witnessed a slight improvement of only 3 per cent, with transparency and institutions decreasing by 1 per cent and 7 per cent, respectively, while still being the two most implemented categories. The implementation of cross-border paperless trade is still relatively weak despite having the most significant progress.

In terms of individual country performance, Egypt recorded the greatest improvement in implementing trade facilitation measures, with its implementation rate increasing from 40 per cent in 2021 to 60 per cent in 2023 (figure 4). Egypt made significant progress in all categories, notably by establishing an online portal for trade and ensuring availability of Internet connection in customs administration. In Palestine, the implementation rate increased from 12 per cent in 2021 to 28 per cent in 2023, driven by improvements in measures related to formalities and cross-border paperless trade. In Somalia, the implementation rate increased from 24 per cent in 2021 to 41 per cent in 2023, driven by improvements in measures related to formalities and paperless trade.

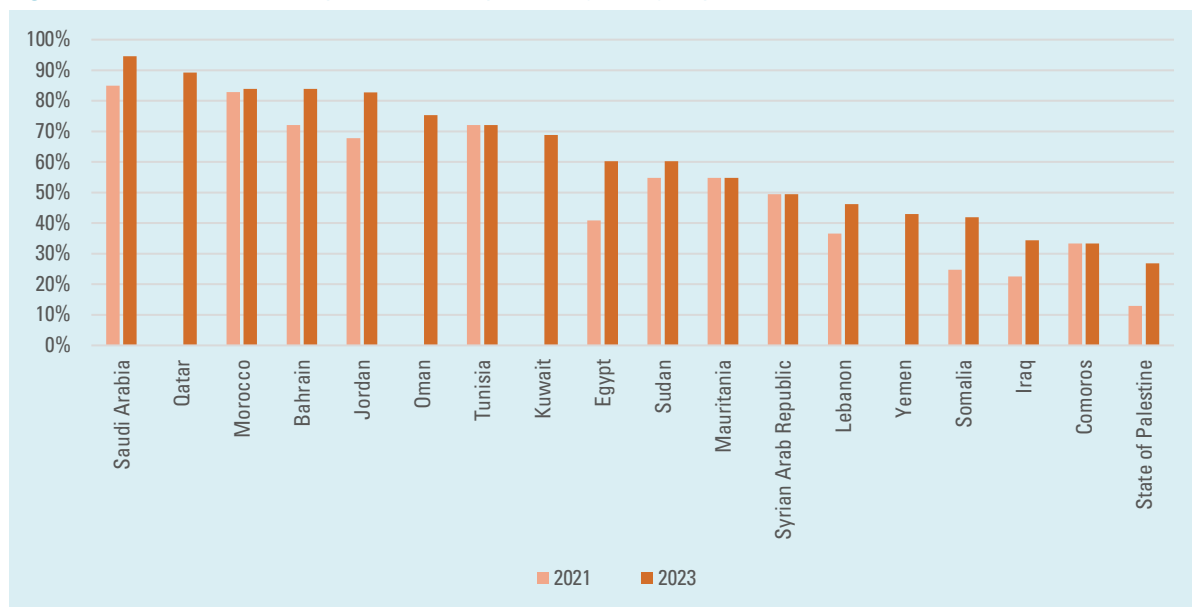
**Figure 3.** Implementation of different groups of trade facilitation measures in the Arab region, 2021 and 2023



**Source:** Survey on Trade Facilitation and Paperless Trade 2019 and United Nations Global Survey on Digital and Sustainable Trade Facilitation 2023.

**Note:** the comparison focuses on 31 trade facilitation measures and includes only 11 countries for which survey data are available for both 2021 and 2023.

**Figure 4.** Trade facilitation implementation by Arab regional groups, 2021 and 2023



**Source:** Survey on Trade Facilitation and Paperless Trade 2019 and United Nations Global Survey on Digital and Sustainable Trade Facilitation 2023.

**Note:** the comparison focuses on 31 trade facilitation measures and includes only 11 countries for which survey data are available for both 2021 and 2023.

## 2. The implementation of trade facilitation measures

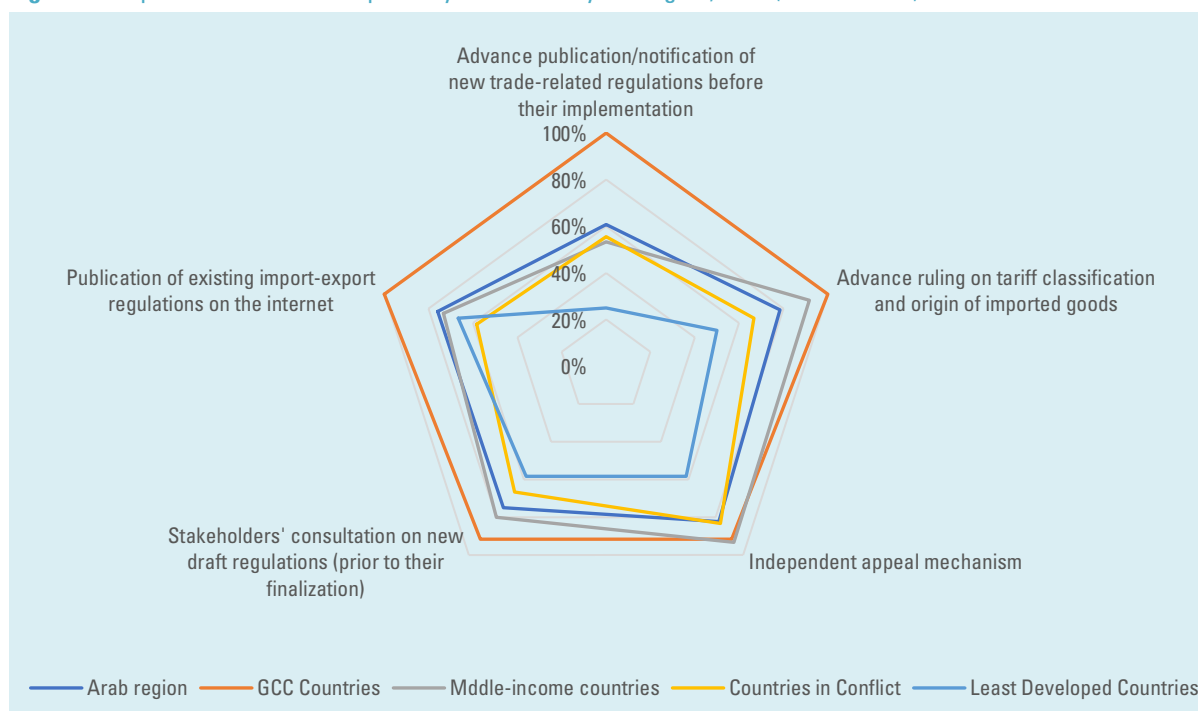
### A. General trade facilitation measures

#### 1. Transparency

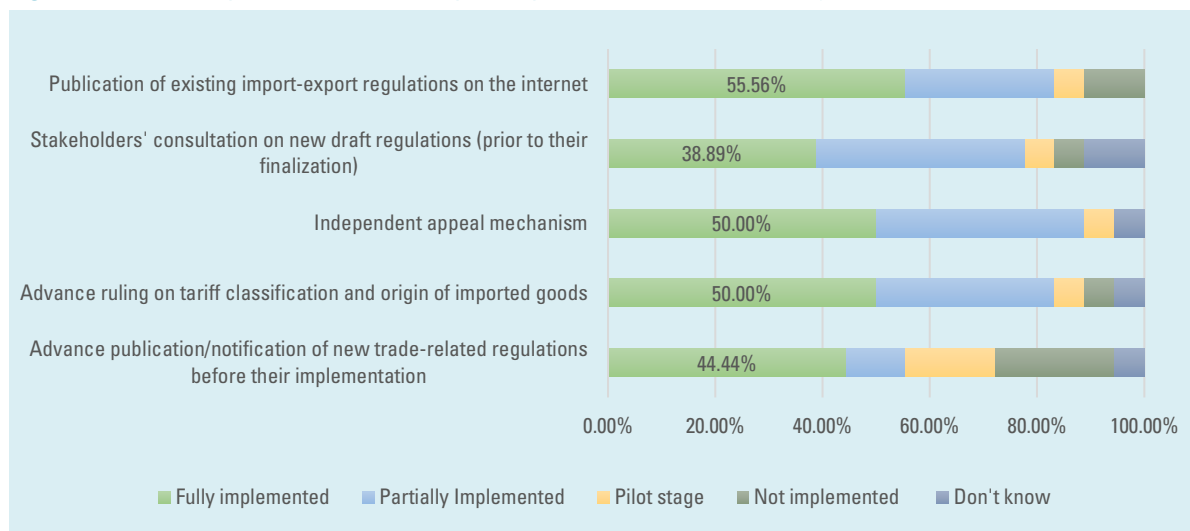
The “transparency” category includes among the most implemented measures in the participating countries of the Arab region. It includes five measures, corresponding to Articles 1-4 of the WTO TFA (table 1) and Article X of the General Agreement on Tariffs and Trade (GATT), with an average implementation rate across the region of 75 per cent (figure 1). Participating countries from

the GCC subregion had almost fully implemented the five measures (figure 5). The performance of MICs varied across measures; the measure related to establishing an independent appeal mechanism was among the most implemented measures for this subregion (83 per cent). In LDCs, the measure related to the publication of existing import-export regulations on the Internet had the highest implementation rate (66.67 per cent). For CICs, the measure related to the independent appeal mechanism was the most implemented (83 per cent).

**Figure 5.** Implementation of transparency measures by subregion, 2023 (18 countries)



**Source:** United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023.

**Figure 6.** State of implementation of transparency measures for the Arab region, 2023 (18 countries)

**Source:** United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023.

Publication of existing import-export regulations on the Internet; having an independent appeal mechanism; and advance ruling on tariff classification and origin of imported goods are the most implemented three measures in this category, with most countries having either fully or partially implemented this measure or reaching a pilot stage of implementation. Advance publication/notification of new trade-related regulations before their implementation was the least implemented, with 22 per cent of countries not having implemented this measure (figure 6).

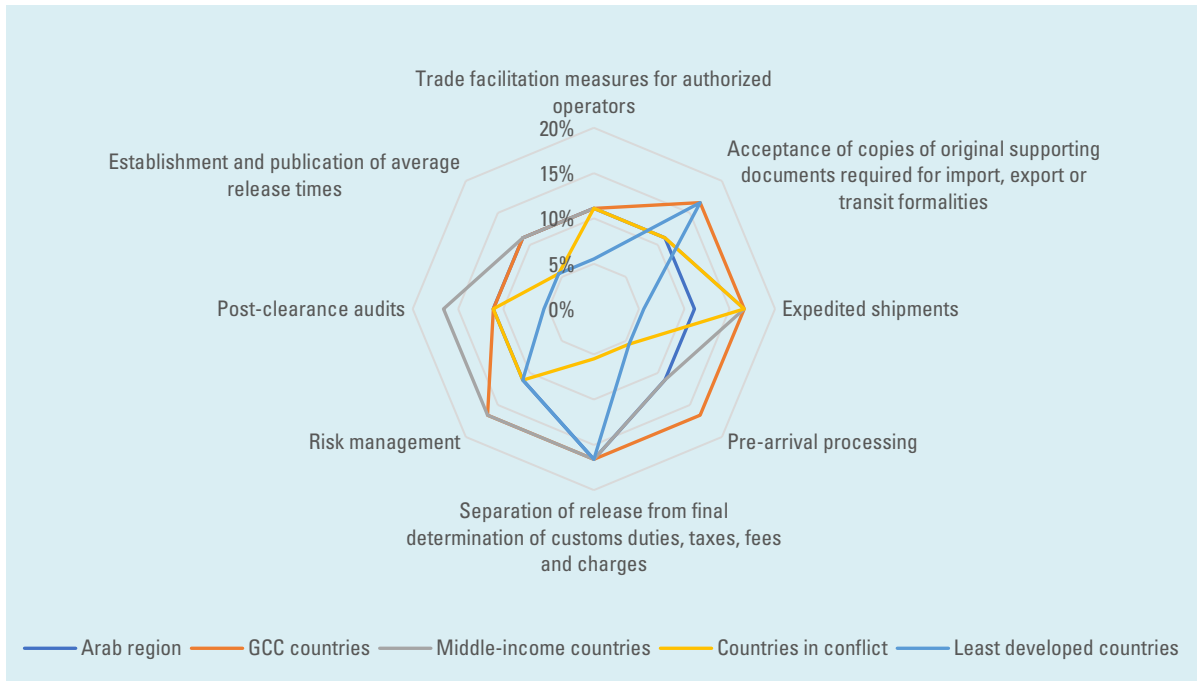
## 2. Formalities

The “formalities” category includes eight measures that correspond to Articles 7 and 10 of the WTO TFA (table 1) and Article VIII of the GATT. Participating countries from the Arab region displayed a high level of implementation of these measures, with around 67 per cent overall implementation, however, there were considerable

discrepancies between subregions (figure 5). GCC countries fully implemented four out of the eight measures (figure 7). MICs’ implementation rates were higher than the regional average at 80 per cent. LDCs were lagging behind (the implementation rates of five out of eight measures were below 50 per cent). CICs have insufficiently implemented some of the measures such as trade facilitation measures for authorized operators, pre-arrival processing, separation of release from the final determination of customs duties, taxes, fees and charges and establishment and publication of average release times (implementation rates were between 25 and 44 per cent).

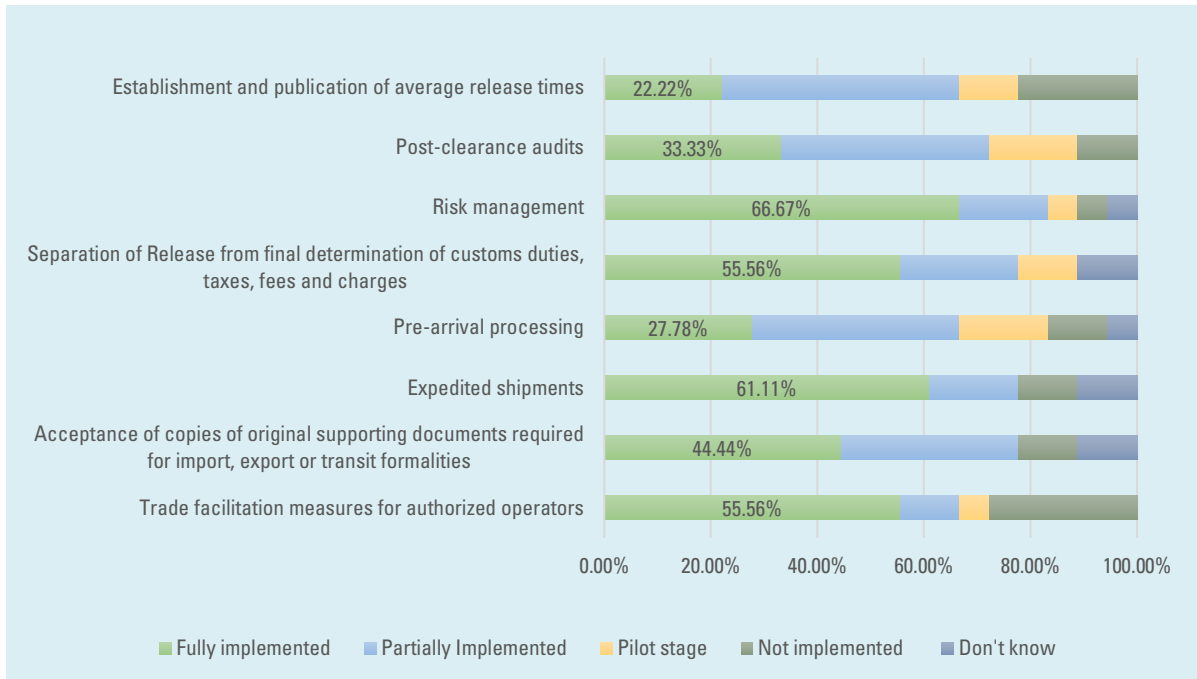
Risk management and separation of release from the final determination of customs duties, taxes, fees and charges were the two most implemented measures in this category (figure 8) while measures related to expedited shipments and trade facilitation measures for authorized operators were the most fully implemented (11 out of 18 countries).

**Figure 7. Implementation of formalities measures by subregion, 2023 (18 countries)**



Source: United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023.

**Figure 8. State of implementation of formalities measures for the Arab region, 2023 (18 countries)**



Source: United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023.

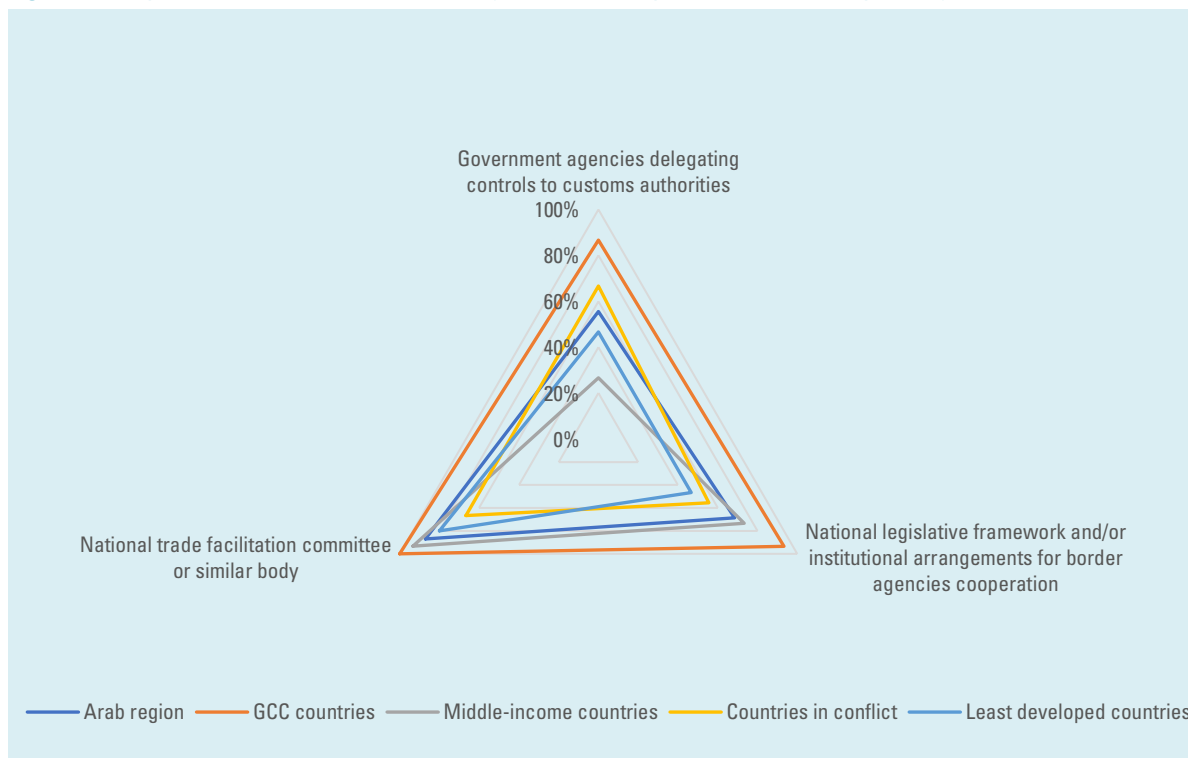
### 3. Institutional arrangement and cooperation

Establishing a national trade facilitation committee or similar body was significantly implemented by all subregions, with an average implementation rate ranging between 67 and 100 per cent (figure 9). The measure related to government agencies delegating controls to customs authorities was highly implemented by GCC countries and CICs (average implementation rates of 87 and 88 per cent, respectively), but insufficiently implemented by LDCs and MICs (average implementation rates of 42 and 27 per cent, respectively).

Forming a national trade facilitation committee or similar body was the most fully

implemented measure across all trade facilitation measures; 13 out of the 18 countries indicated that they have fully implemented this measure, 4 countries indicated partial implementation, and 1 country had not implemented this measure (figure 10). Establishing such a committee is mandatory for countries that have ratified the WTO TFA. Of the 18 countries that participated in this survey, 9 have ratified the WTO TFA: Bahrain, Egypt, Jordan, Kuwait, Oman, Morocco, Qatar, Saudi Arabia and Tunisia. The government agencies delegating control to customs authorities measure was implemented fully by 7 countries, partially implemented by 4, 1 was in pilot stage, and 5 countries have not implemented it.

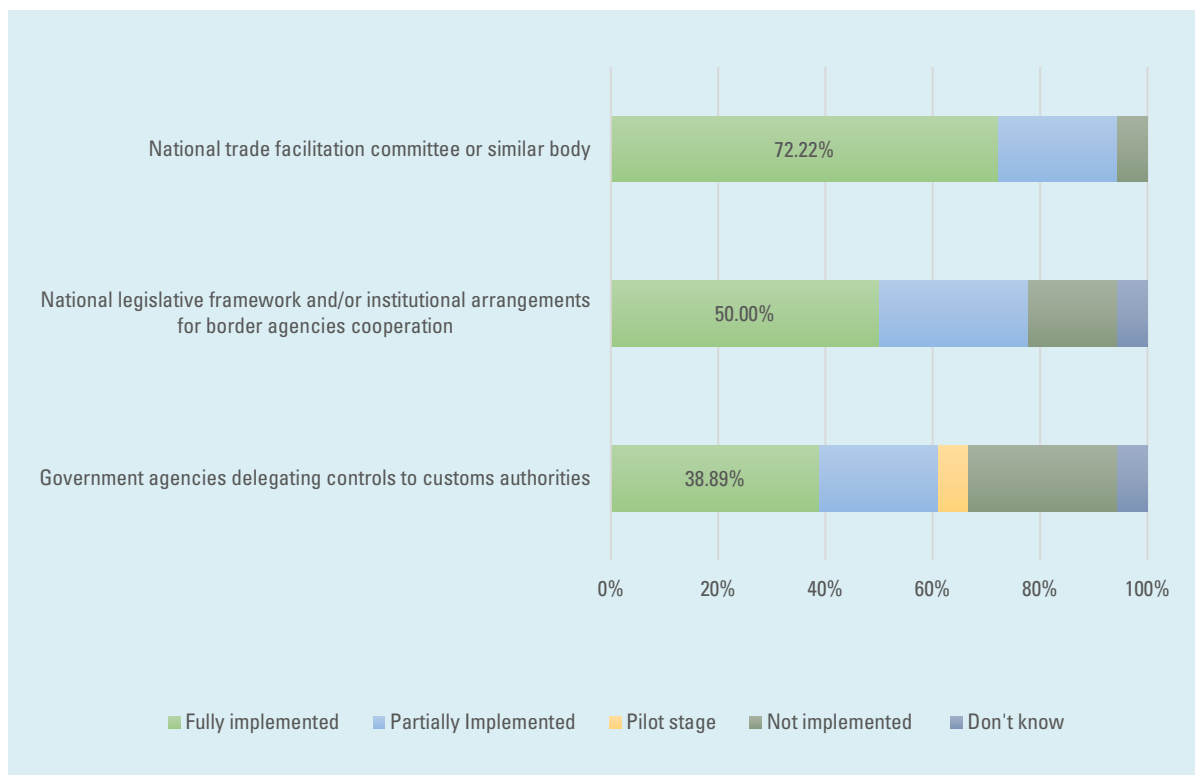
**Figure 9.** Implementation of institutional arrangement and cooperation measures by subregion, 2023 (18 countries)



**Source:** United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023.



**Figure 10.** State of implementation of institutional arrangement and cooperation measures for the Arab region, 2023 (18 countries)



**Source:** United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023.

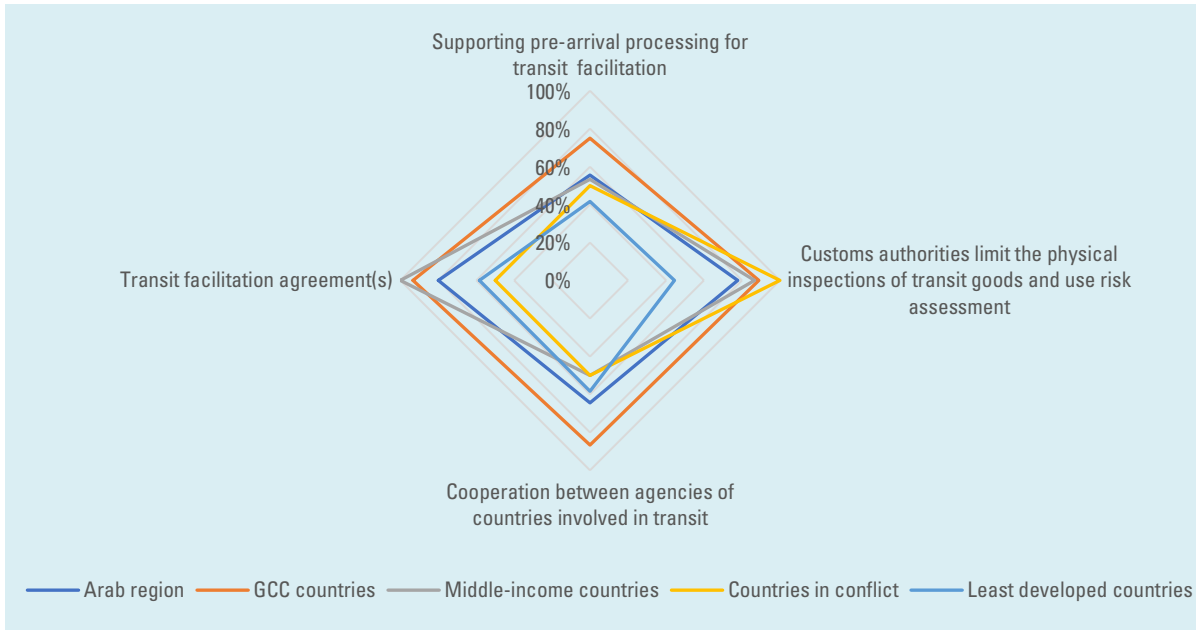
#### 4. Transit facilitation

The “transit” category comprises four measures, with an overall implementation rate of 55 per cent in participating countries from the Arab region (figure 1). The implementation of individual measures varied between 55 and 80 per cent (figure 11). Measures related to supporting pre-arrival processing were the least implemented in all subregions, ranging between 33 and 75 per cent. Transit facilitation agreements were the most implemented

measure in this category, ranging from 100 per cent for MICs, 93 per cent for GCC countries, 78 per cent for LDCs to 33 per cent for CICs.

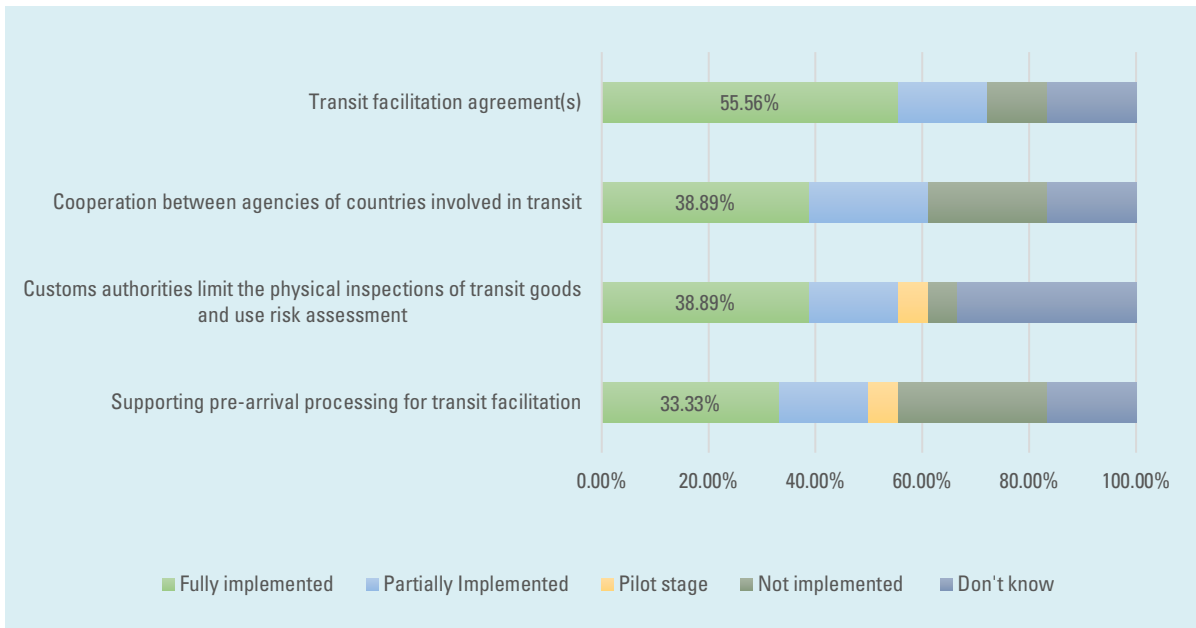
Transit facilitation agreements were successfully implemented by 10 countries, with 3 having partial implementation and only 2 not having implemented this measure. Supporting pre-arrival processing for transit facilitation was the least implemented category, with five countries still lagging in this category, mostly in CICs and LDCs.

**Figure 11.** Implementation of transit facilitation measures by subregion, 2023 (18 countries)



**Source:** United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023.

**Figure 12.** State of implementation of transit facilitation measures for the Arab region, 2023 (18 countries)



**Source:** United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023.

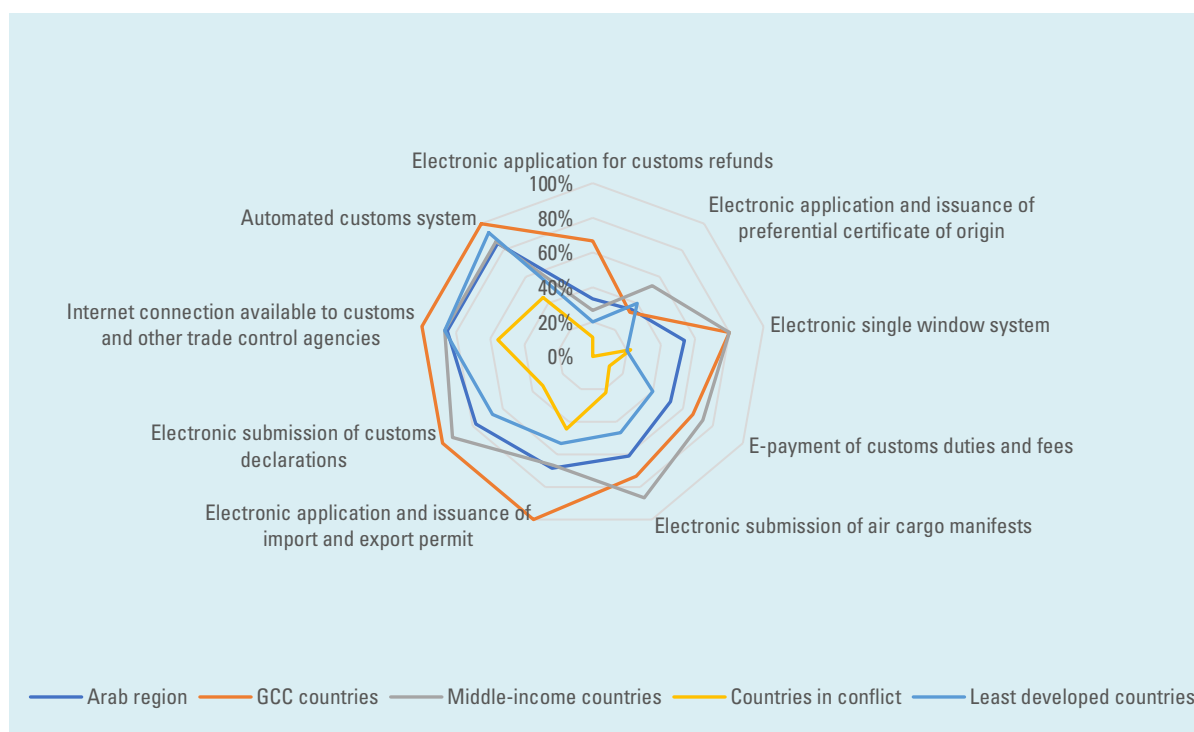
## B. Digital trade facilitation

### 1. Paperless trade

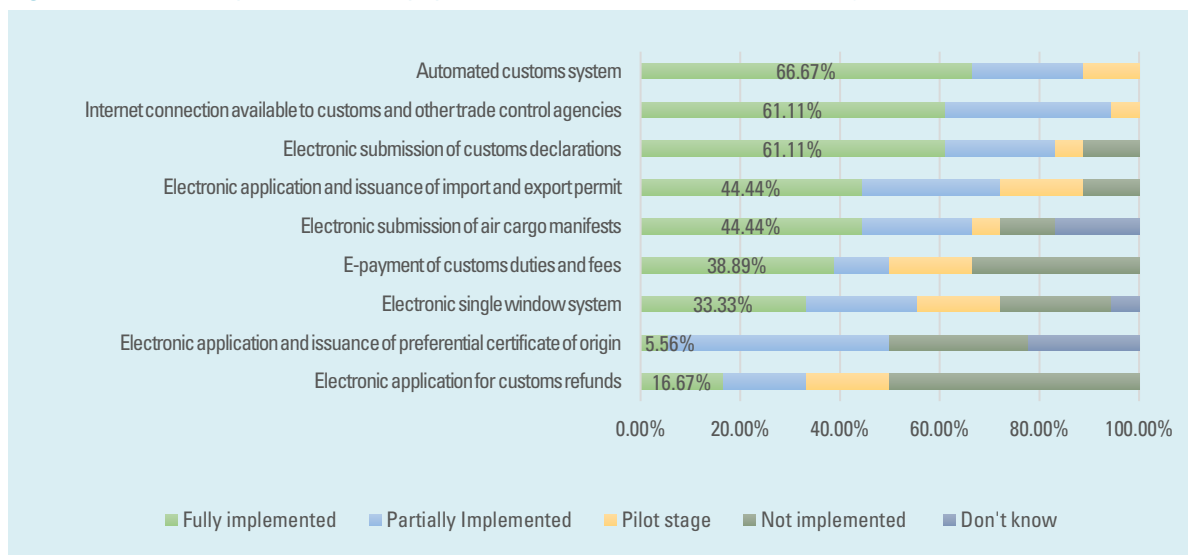
The “paperless trade” category includes nine measures, corresponding to Articles 7.2 and 10.4 of the WTO TFA (table 1). The overall implementation of these measures was around 61 per cent, mainly driven by the high performance of GCC countries and MICs (figure 1). GCC countries fully implemented five out of the nine measures, while MICs had an implementation rate above 70 per cent in six of the measures (figure 13). The measure related to electronic application for customs refunds was the least implemented across all subregions with an overall implementation ranging between 27 per cent in MICs to 8

per cent in CICs. Electronic application and issuance of preferential certificate of origin was also poorly implemented across subregions with the highest rate recorded in MICs and GCC countries (53 per cent implementation rate), while LDCs and CICs had only a 33 per cent implementation rate. These two measures are related to automation of procedures and several countries in the region are still lagging behind in digitizing processes. E-payment of customs duties and fees and the availability of an electronic single window system measures face barriers to implementation in LDCs (40 and 20 per cent implementation rates, respectively) and CICs (11.11 and 22.22 per cent implementation rates, respectively). Many countries do not have the payment platforms to process fees online.

**Figure 13.** Implementation of paperless trade measures by subregion, 2023 (18 countries)



**Source:** United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023.

**Figure 14.** State of implementation of paperless trade measures for the Arab region, 2023 (18 countries)

Source: United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023.

Three measures were widely implemented in the Arab region, namely automated customs system, Internet connection available to customs and other trade control agencies, and electronic submission of customs declarations. Of the 18 Arab countries, 12 have fully implemented these measures, with at least 2 on a pilot basis (figure 14). Electronic application and issuance of a preferential certificate of origin and electronic application for customs refunds were implemented partially or on pilot basis by six countries and were not implemented by nine countries. This indicates the continued reliance on paper to process trade-related documents. The measure related to electronic application and issuance of preferential certificate of origin was fully implemented by only one country, with eight others having partial implementation.

## 2. Cross-border paperless trade

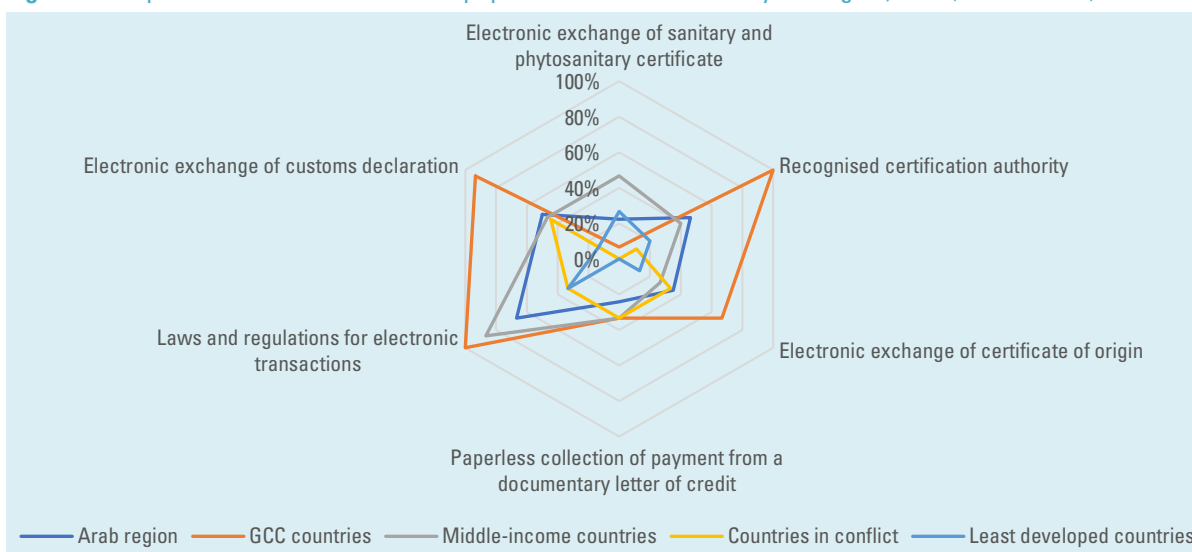
The “cross-border paperless trade” category comprises six measures and was one of the least implemented categories with an overall implementation rate of 41 per cent in participating countries from the Arab region (figure 1). The implementation of individual measures varied between 32 and 70 per cent (figure 15). Measures related to paperless collection of payment from a documentary letter of credit, and electronic exchange of sanitary and phytosanitary certificate were the least implemented in all subregions, ranging between 0 and 36 per cent. Laws and regulations for electronic transactions were the highest implemented measure in this category with an implementation rate ranging between 44 per cent in CICs and 87 per cent in MICs,

with GCC countries having full implementation. It is worth noting that operating functional information and communication (ICT) infrastructure is a challenge for several countries.

The sanitary and phytosanitary certificate measure was not fully implemented by any country and was implemented partially or on a pilot basis by only seven countries (figure 16). Electronic

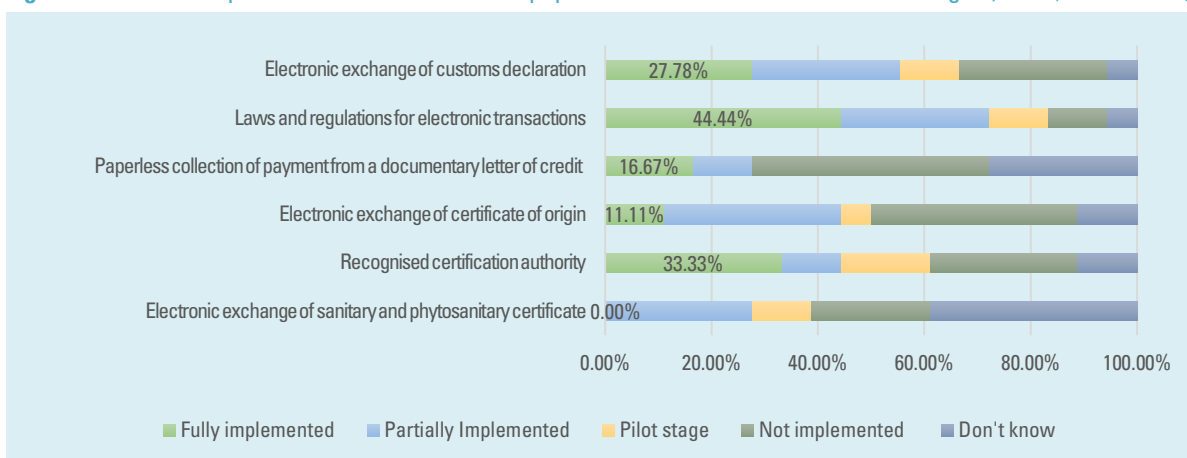
exchange of certificate of origin was only implemented by two countries, indicating that countries in the region are still lagging behind in terms of automating procedures. These two measures were among the least implemented measures in the entire survey. While several countries in the region have put in place or adopted the required laws and regulations to govern digital processes, the shift from paper to digital documentation is still incomplete.

**Figure 15.** Implementation of cross-border paperless trade measures by subregion, 2023 (18 countries)



**Source:** United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023.

**Figure 16.** State of implementation of cross-border paperless trade measures for the Arab region, 2023 (18 countries)



**Source:** United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023

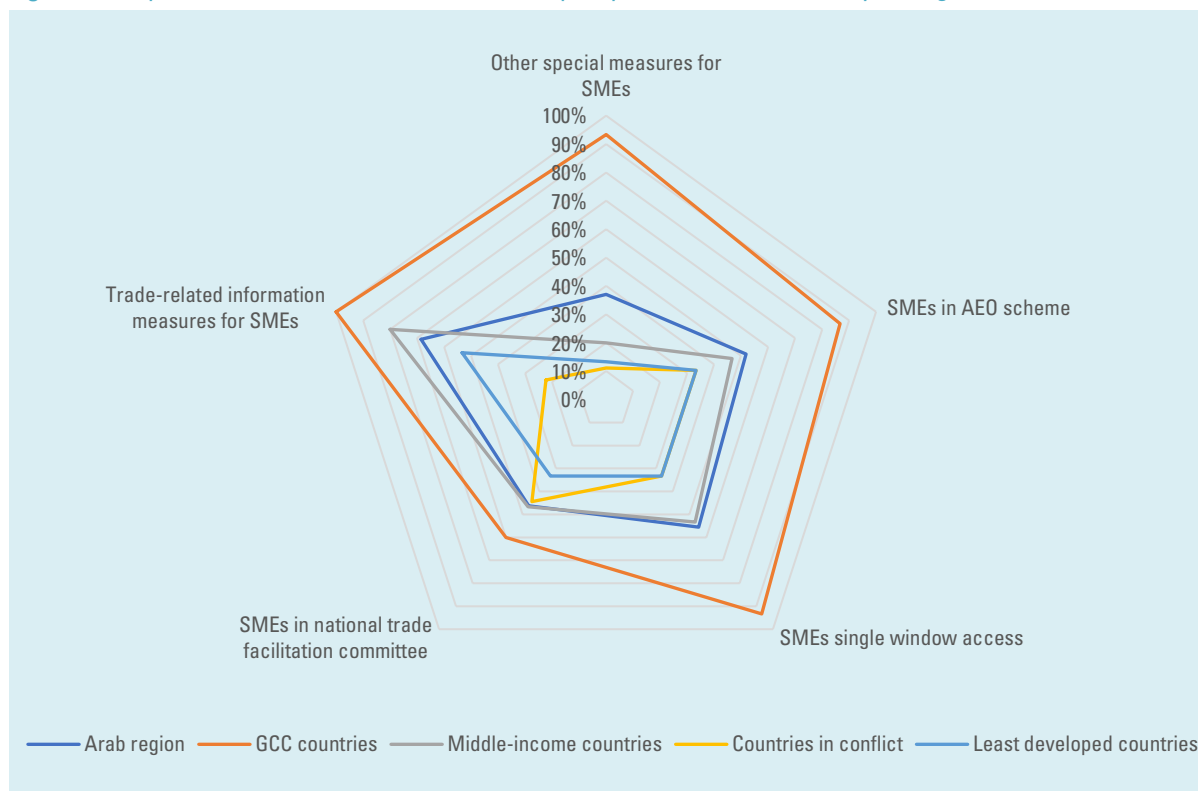
## C. Sustainable trade facilitation

### 1. Trade facilitation in SME policy framework

The “trade facilitation for SMEs” category includes five measures, and the rate of implementation for the participating countries from the Arab region is around 52 per cent (figure 1), driven by a relatively high implementation rate by GCC countries

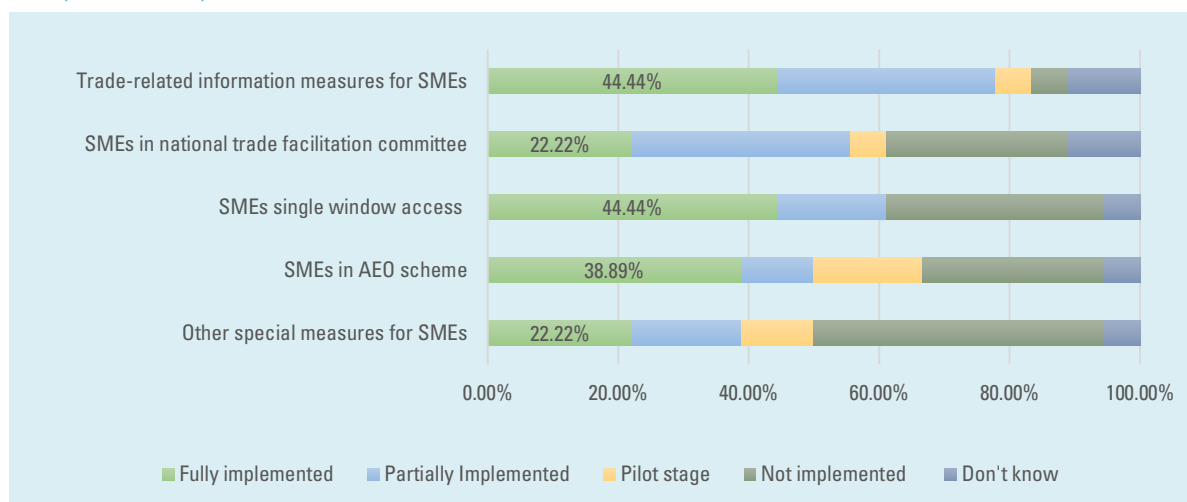
(implementation rate for individual measures in this category ranged between 86 and 100 per cent) (figure 17). Two measures witnessed a low implementation rate for almost all subregions, namely SMEs in AEO schemes (implementation rate as low as 33.33 per cent for LDCs, 46.67 per cent for MICs and 33 per cent for CICs) and other special measures for SMEs (implementation rate was as low as 11 per cent for CICs, 20 per cent for MICs and 17 per cent for LDCs).

**Figure 17.** Implementation of trade facilitation in SME policy framework measures by subregion, 2023 (18 countries)



**Source:** United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023.

**Figure 18.** State of implementation of trade facilitation in SME policy framework measures for the Arab region, 2023 (18 countries)



**Source:** United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023.

Measures in this category were among the least fully implemented in this survey. Only four countries have fully implemented SMEs in the national trade facilitation committee measure, while eight countries have indicated that they do not have any special measures for SMEs. SMEs play a significant role in job creation and economic inclusion; it is essential to include them in trade facilitation frameworks and to have special measures that support their trading across borders. In 2020, Egypt enacted a new SME Law 105/2020 that exempts enterprises from certain fees and provides tax incentives.<sup>1</sup>

## 2. Agricultural trade facilitation

The “agricultural trade facilitation” category includes four measures and the overall implementation rate for participating countries from the Arab region was around 60 per cent

(figure 1), driven mainly by the relatively high performance of GCC countries (implementation rate for individual measures in this category ranging between 93 and 100 per cent) (figure 19). The measure related to electronic application and issuance of sanitary and phytosanitary certificates was insufficiently implemented across all subregions. The implementation rates range between 0 per cent in LDCs and 100 per cent in GCC countries. The implementation of this measure is essential, particularly for countries that export agricultural products, as it expedites trading. Testing and laboratory facilities available to meet the sanitary and phytosanitary requirements of main trading partners measure is also important to ensure that products fulfill requirements and can access markets. The implementation of this measure varied across subregions and was insufficiently implemented in LDCs and CICs (implementation

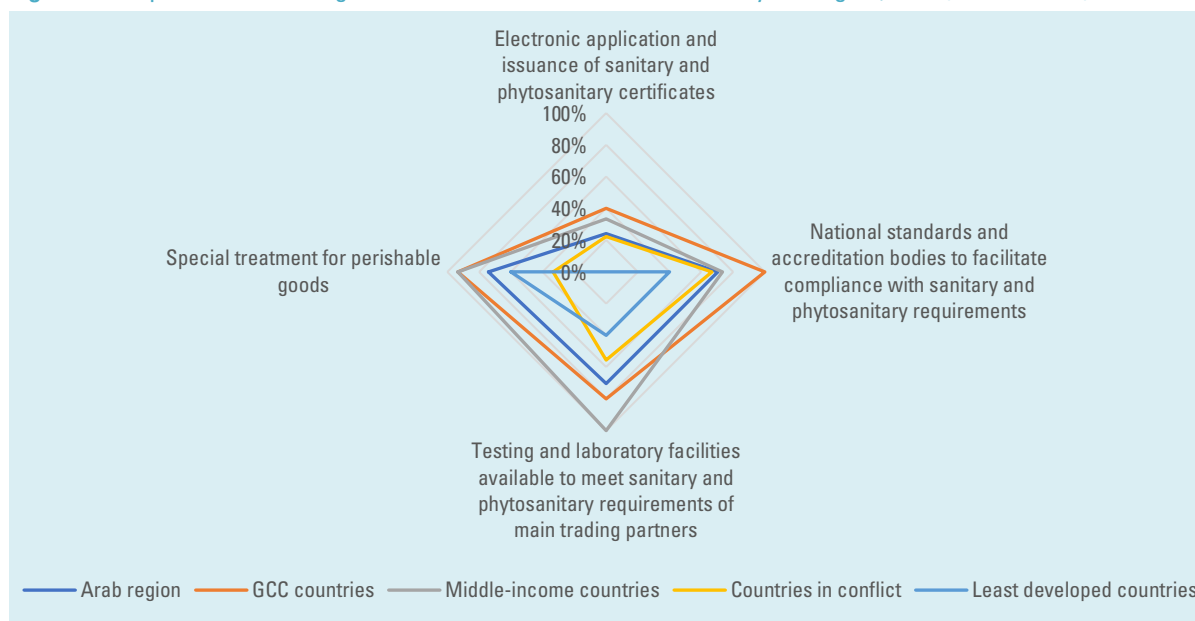
<sup>1</sup> Youssry Saleh & Partners, Egypt: New Law regarding the development of Medium, Small and Micro Enterprises. <https://www.lexology.com/library/detail.aspx?g=1e5f322f-d319-4016-bd9a-49f6da50320a#:~:text=our%20About%20page.-,Egypt%3A%20New%20Law%20regarding%20the%20development,Medium%2C%20Small%20and%20Micro%20Enterprises&text=As%20part%20of%20the%20state's,small%2C%20and%20micro%2Denterprises.>

rates of 33 and 58 per cent, respectively) and better implemented in MICs and GCC countries (implementation rate of 100 per cent).

The measure related to electronic application and issuance of sanitary and phytosanitary

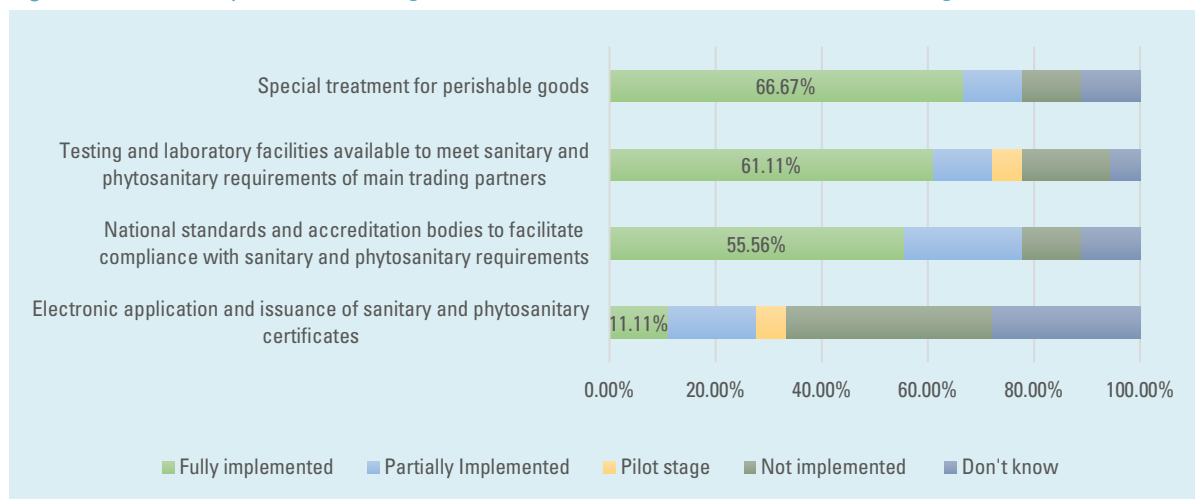
certificates was fully implemented by only one country and not implemented by nine others (figure 20). The other three measures were better implemented, with 11 countries indicating that they have implemented these measures, at least on a pilot basis.

**Figure 19.** Implementation of agricultural trade facilitation measures by subregion, 2023 (18 countries)



Source: United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023.

**Figure 20.** State of implementation of agricultural trade facilitation measures for the Arab region, 2023 (18 countries)



Source: United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023.



### 3. Women in trade facilitation

The “women in trade facilitation” category includes three measures and its implementation rate across the region was low. The average rate of implementation across participating countries was around 40 per cent (figure 1). The overall performance of MICs, LDCs and CICs in this category was poor (figure 21); the rate of implementation of individual measures did not exceed 40 per cent. CICs had the lowest rates of implementation with none of the countries

implementing the measure related to having trade facilitation measures aimed at women traders and poorly implemented the other two measures (implementation rate averaged 22 per cent).

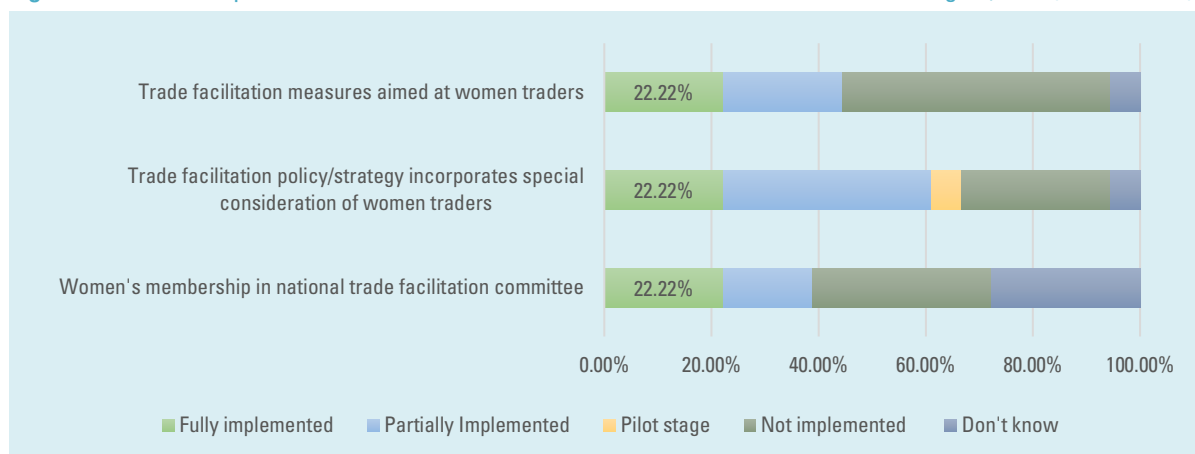
Only one country fully implemented each of the three measures in this category, while six indicated that they do not have women members in their national trade facilitation committee. Most of the participating countries were lagging behind in terms of gender equity and supporting women traders.

**Figure 21. Implementation of women trade facilitation measures by subregion, 2023 (18 countries)**



**Source:** United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023.

**Figure 22. State of implementation of women in trade facilitation measures for the Arab region, 2023 (18 countries)**



**Source:** United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023.

## D. Other trade facilitation

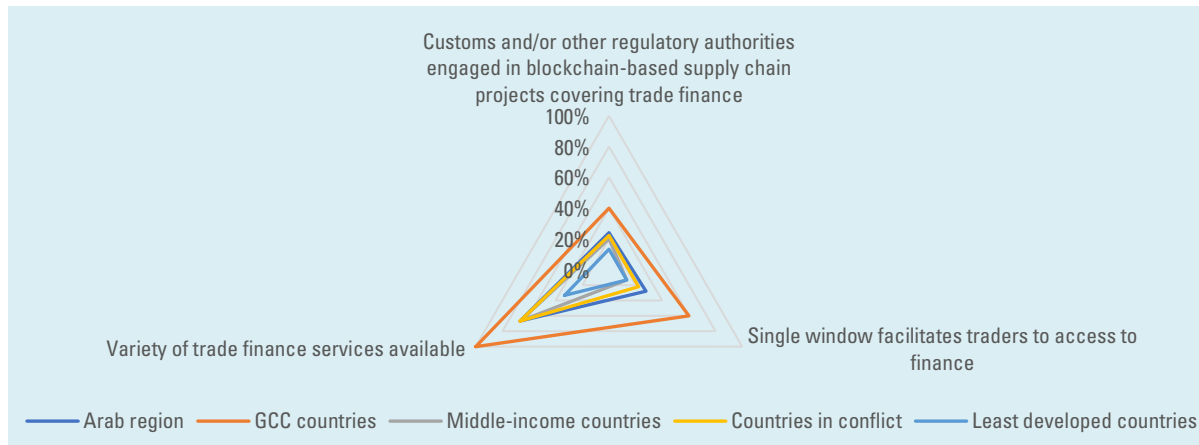
### 1. Trade finance in trade facilitation

The “trade finance for trade facilitation” category includes three measures and was insufficiently implemented in the participating countries of the Arab region, with an overall implementation of 39 per cent (figure 1). The measure related to a single window facilitating traders’ access to finance was the least implemented across subregions with an implementation rate ranging between 13 per cent for MICs and 100 per cent for GCC countries (figure 23). Overall, MICs had the

lowest performance in this category, with an implementation rate per individual measure not exceeding 33 per cent. The measure related to the variety of trade finance services available was fully implemented by GCC countries and was implemented at a rate of 67 per cent in CICs and MICs and 55 per cent in LDCs.

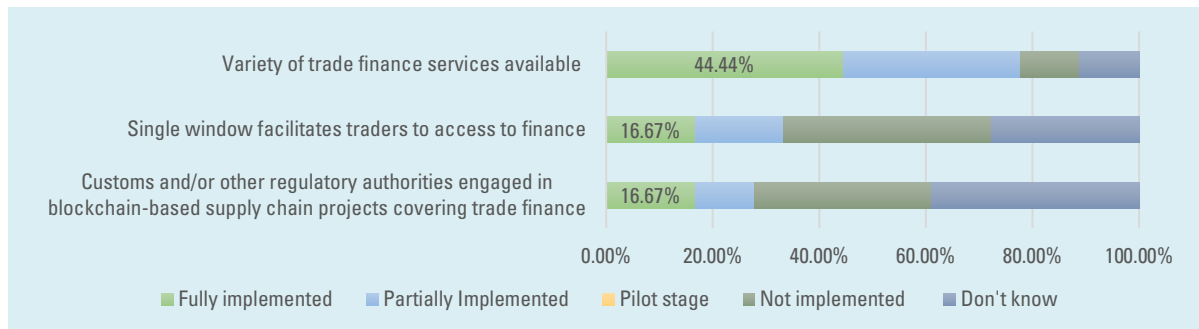
The measure related to having a variety of trade finance services available was fully or partially implemented by 14 countries (figure 24) while the other two measures were only fully implemented by 4. Participating countries from the region need to exert more efforts to facilitate access to finance for trade facilitation purposes.

**Figure 23.** Implementation of trade finance in trade facilitation measures by subregion, 2023 (18 countries)



Source: United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023.

**Figure 24.** State of implementation of trade finance in trade facilitation measures for the Arab region, 2023 (18 countries)



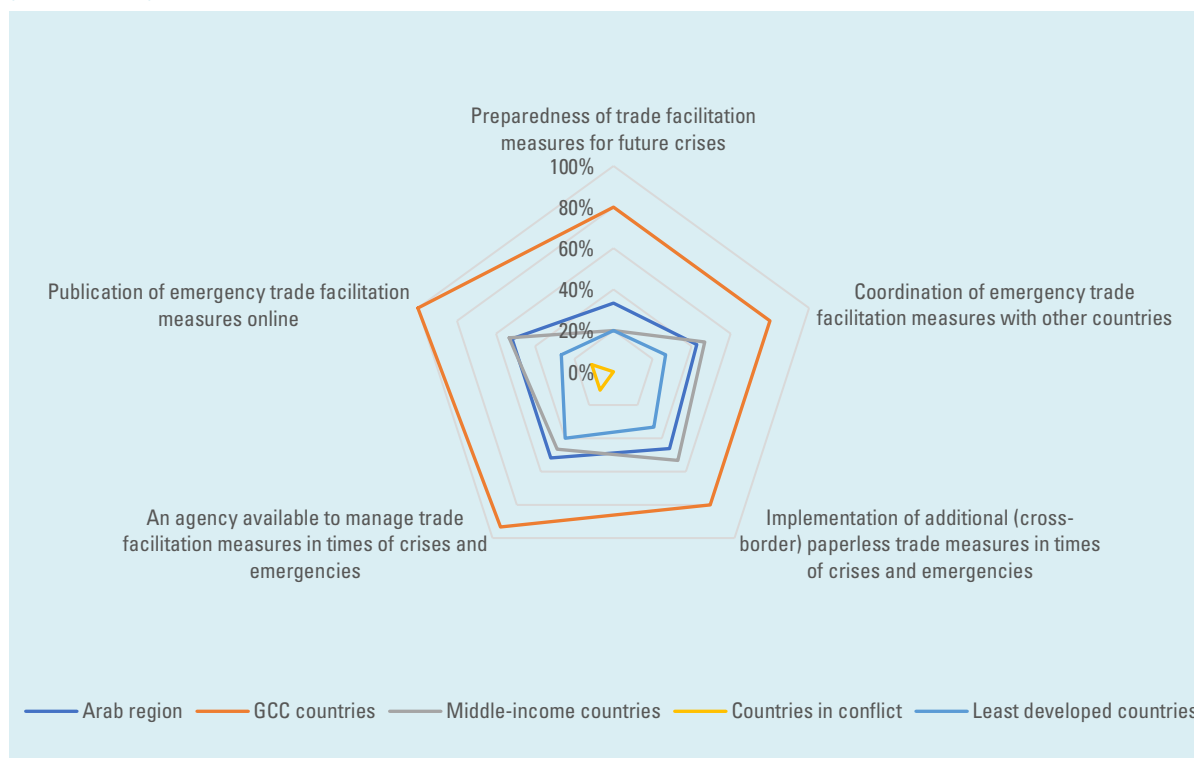
Source: United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023.

## 2. Trade facilitation in times of crisis and pandemic

The category “trade facilitation in times of crisis” was a newly added category in the 2021 global survey to highlight the responses of the countries following the outbreak of the COVID-19 pandemic. It comprises five measures and implementation among the participating countries from the Arab region was lagging with an overall implementation rate of 45 per cent (figure 5). CICs had the lowest performance across all measures (figure 25), with around 11.11 per cent of measures being insufficiently implemented. GCC countries had better performance and the implementation rate of individual measures ranged between 93 and 100 per cent.

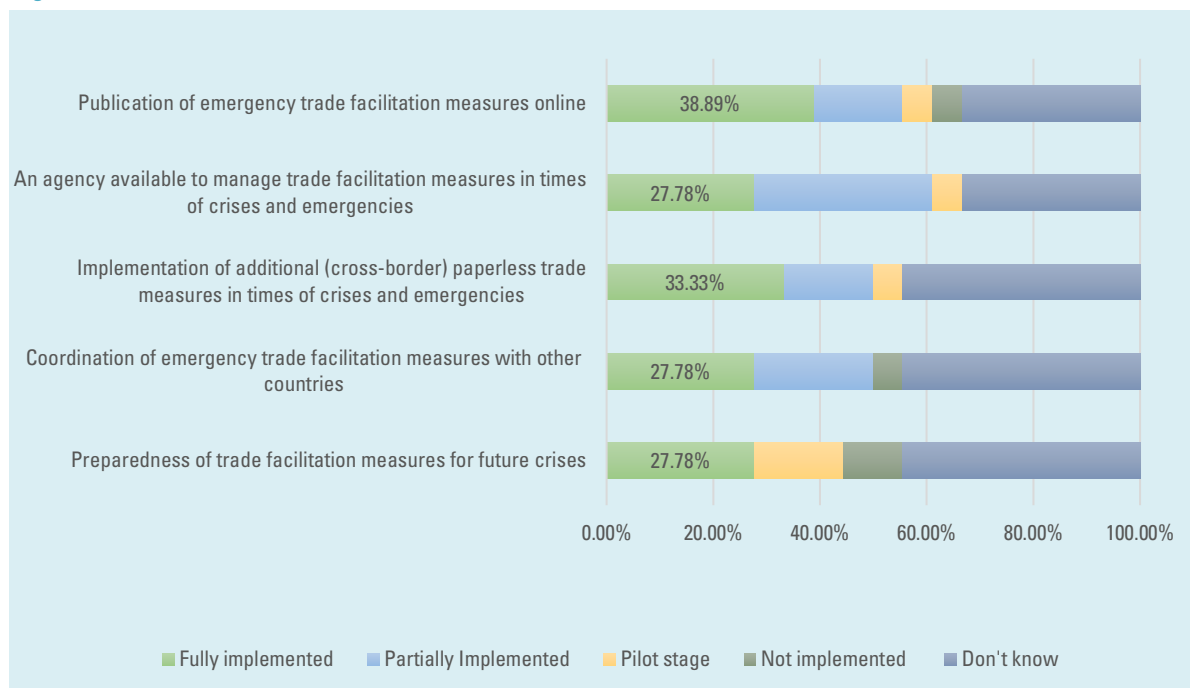
The measure related to the publication of emergency trade facilitation measures online was the most implemented; 10 countries have implemented this measure, at least on a pilot basis (figure 26). Similarly, five countries have indicated that they have assigned an agency to manage trade facilitation measures in times of crises and emergencies. In Palestine, this task was assigned to the Ministry of National Economy, in Lebanon, a Corona Ministerial Committee was formed. Several countries have also put in place regulations to support trade during the pandemic; six countries have indicated that they have implemented additional (cross-border) paperless trade measures in times of crises and emergencies.

**Figure 25.** Implementation of trade facilitation in times of crisis and pandemic measures by sub-region, 2023 (18 countries)



**Source:** United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023.

**Figure 26.** State of implementation of trade facilitation in times of crisis and pandemic measures for the Arab region, 2023 (18 countries)



**Source:** United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023.

## E. Progress and challenges in implementation

In the Arab region, the most implemented measures fall in the general trade facilitation category, namely formalities (three measures), agriculture (two measures), transparency (one measure) and institutional arrangements (one measure). Three measures fall under the digital trade facilitation category, particularly under paperless trade. The majority of the countries covered in this survey had implemented these measures, fully or partially, or were at the pilot stage of implementation. Having a national trade facilitation committee or similar body was the most implemented measure with 13 full implementations and 4 partial implementations. This measure is widely implemented as it is a

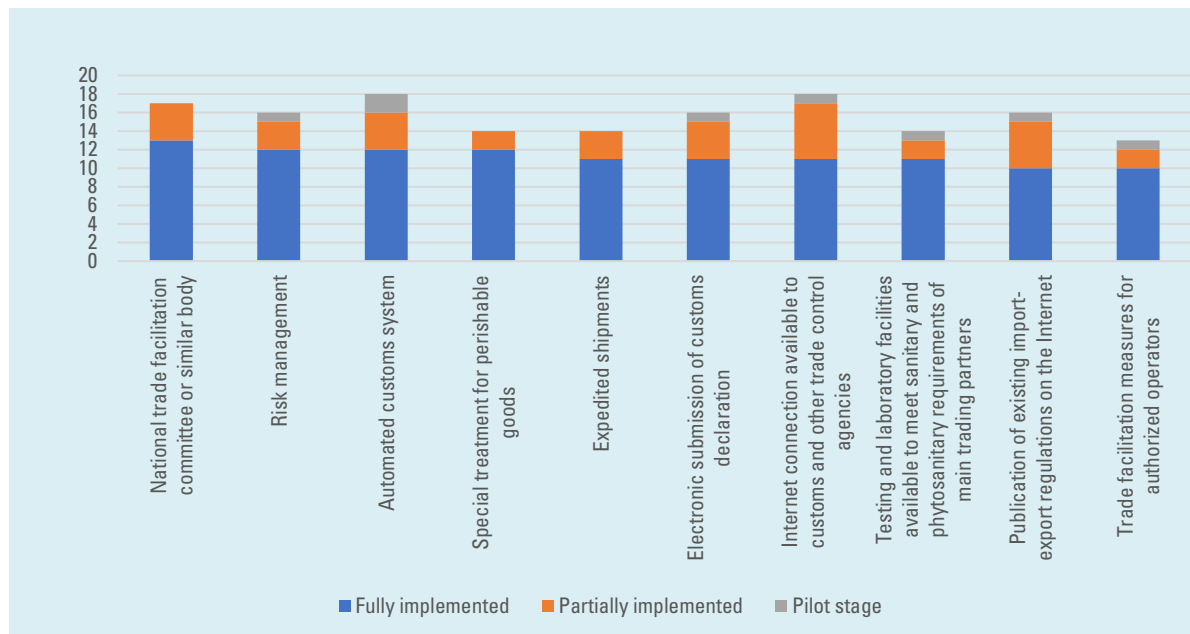
requirement for the WTO FTA. For instance, Bahrain has put in place a national suggestion and complaints system, Tawasul, as one of the essential e-channels that enables citizens and residents to submit their suggestions and complaints to any government entity. Risk management was also widely implemented (12 full implementations, 3 partial implementations and 1 pilot stage implementation). The measure related to the automation of customs systems was also a highly implemented measure (12 full implementation and 4 partial).

Participating countries from the Arab region are lagging behind in implementing measures related to cross-border paperless trade (two measures), and trade finance facilitation (one measure). Four countries have implemented

these measures, at least on pilot basis. One of the measures related to cross-border paperless trade (electronic exchange of sanitary and phytosanitary certificate) was not fully implemented by any country, indicating that

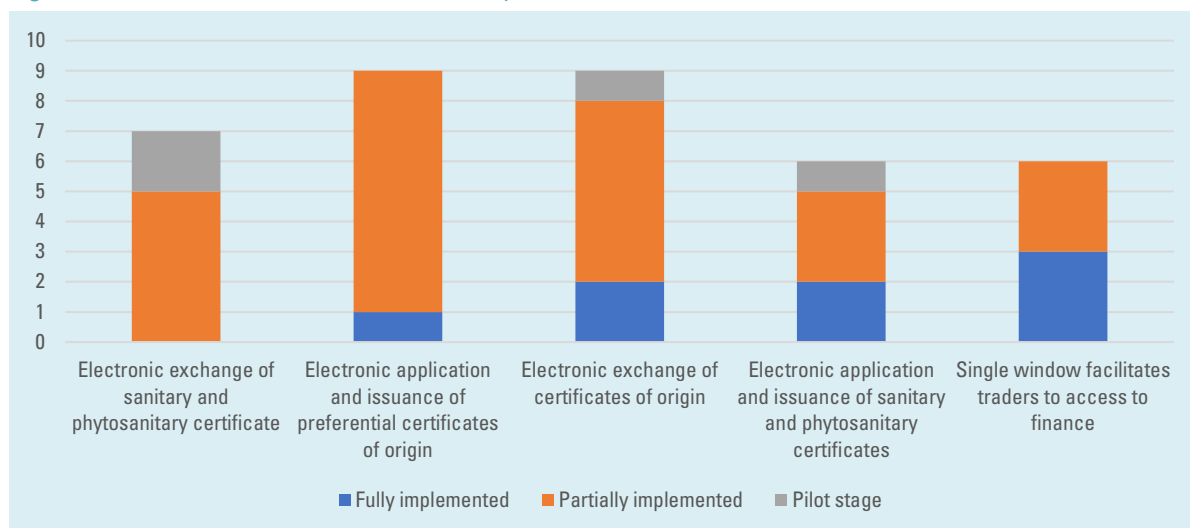
countries in the region have been lagging behind in terms of digitalizing cross-border procedures and moving to paperless processing or electronic exchange of documents and payments.

**Figure 27.** Trade facilitation measures most fully implemented in Arab countries (18 countries)



**Source:** United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2021.

**Figure 28.** Trade facilitation measures least implemented in Arab countries (18 countries)



**Source:** United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2021.



### 3. Conclusions and recommendations

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Significant progress has been recorded in implementing trade facilitation measures in the Arab region. However, many countries have indicated that the most serious challenges faced in implementing trade facilitation measures include the electronic exchange of sanitary and phytosanitary certificates, electronic application and issuance of preferential certificates of origin, and electronic exchange of certificates of origin. While Bahrain, Qatar and Saudi Arabia had the highest performance in the region in 2023, Arab CICs and LDCs need support to overcome administrative inefficiencies.

Advancements have been made in the Arab region in terms of implementing measures related to formalities, paperless trade and cross-border paperless trade. However, the implementation of cross-border paperless trade is still insufficient. Countries need to enhance the electronic exchange of sanitary and phytosanitary certificates and the paperless collection of payment from a documentary letter of credit. Women in trade facilitation is the least implemented category; Arab nations should give top priority to programmes and policies that support and promote women's involvement in commerce. This entails formulating trade laws that take into account the needs of women

entrepreneurs, giving them specialized financial and technical support, and fostering mentorship and networking opportunities.

As part of their trade facilitation policies, Arab nations must step up their efforts to promote cross-border paperless trade. Arab countries are still lagging in the adoption of paperless trade solutions, despite major advancements in the digitalization of trade procedures worldwide. Arab nations can improve their customs processes, lessen paperwork, and increase efficiency and transparency in global commerce by embracing digital technology and putting electronic trade platforms in place. Arab nations must invest in the required infrastructure, including strong digital platforms, secure electronic signature regimes and interoperable systems, to support cross-border paperless trade. To ensure the harmonization of digital trade procedures, concerted efforts should also be made to increase the ability of trade stakeholders, increase awareness of the advantages of paperless commerce, and promote regional cooperation. Arab countries may open up major economic prospects, draw in investment, and boost their competitiveness in the international market by prioritizing cross-border paperless trade.

Implementing trade facilitation measures minimizes trade expenses. To enhance competitiveness, the Arab region is striving to facilitate trade. Every two years a survey is conducted to map the progress made in implementing trade facilitation measures, including those articulated in the World Trade Organization Trade Facilitation Agreement. The results of the 2023 survey show that progress has been made across the whole region, although there are notable discrepancies between countries. Despite the progress made, the region's overall performance remains below the global average.

