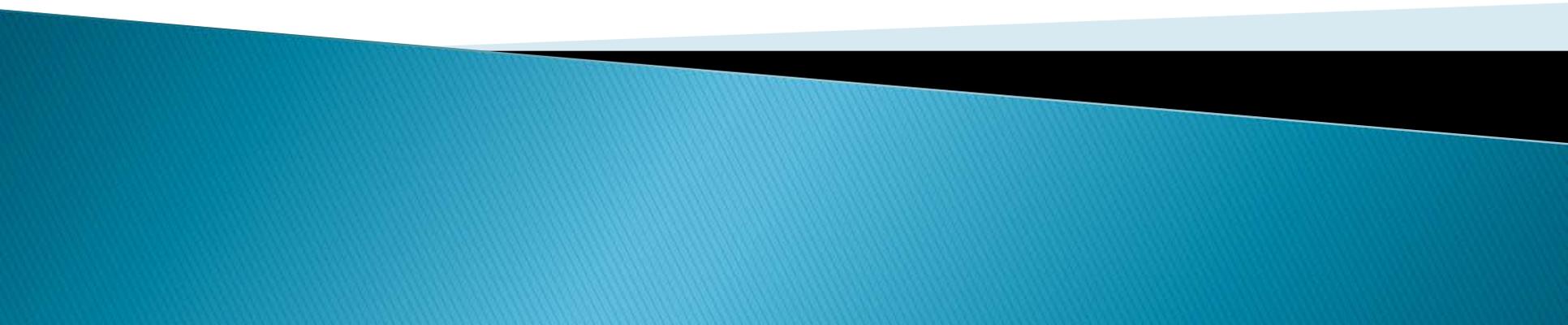


Enhancing Border Trader Services and Rules for Small & Medium-sized Enterprises (SMEs) Asian Development Bank RETA 7380

Nanning, Guangxi Zhuang Autonomous Region, PRC,
August 20, 2010

Robert L. Wallack, SME Border Trade Policy
Specialist, U.S.A. for Pragma Corporation



**Figure 1: Key North–South Economic Corridor
Provinces/Areas and Growth/Border Nodes**



Border Trade Environment

Greater Mekong Subregion
(GMS) Program of ADB: Cross-
Border Trade and Corridors

- Nanning–Pingxiang, PRC–
Lang Son, Vietnam
–US \$840 million–2007
 - Nanning–Dongxing, PRC–
Mong Cai, Vietnam
–US \$1.1 billion–2007
 - Baise–Longbang, PRC–
Chaling, Vietnam
–US \$1 billion
- Contributing to Trade:
- CAFTA (1.9 b; Trade: \$208 b)
 - PRC 12th 5 Year US \$223.8 b.
 - Nanning–Singapore
Economic Corridor (road/rail)
 - Guangxi Beibu Gulf
Economic Zone

Border Trade Environment



Central Asia Regional Economic Cooperation (CAREC) Program of ADB: Cross Border Trade & Corridors 4b,4a

- Erlian, PRC–Zamyn-Uud, Mongolia
–26% up in value p.a
- Ganqimaodao, PRC–Gashuun Sukhait, Mongolia
–Mining (OT, TT)

Contributing to Trade

- Mining Investments
- PRC–Mongolia Energy Agreements
- Urban Development

Methodology

- ▶ Border Trade Survey Tool:

“World Bank Trade Facilitation Tool Kit, Audit, Analysis and Remedial Action” updated from 2000 version: “The Trade & Transport Facilitation Audit Methodology,” Raven, 2000

“Best Practices in Management of International Trade Corridors,” Transport Papers, World Bank

Methodology

- ▶ “Policy Analysis on Regional Cooperation & Urban Development to PRC, Guangxi, Southwest Urban Development Project,” TA 7160, 2009, ADB
- ▶ “Harmonizing Border Development of South East Gobi and Zamyn-Uud, Mongolia with Inner Mongolia, PRC (Erlian, Ganqimaodao),” Regional Cooperation, TAs 7216 and 6370, 2008–9, ADB

Key Constraints & Non-Financial Barriers Limiting SMEs

PRC-Vietnam Borders

(jointly develop?)

- ▶ GMS Cross-Border Transport Agreement
multilateral to facilitate C-B goods/people-
status of 16 annexes and 3 protocols?
- CAFTA Pingxiang Logistics Park
- Dongxing Frontier Cooperative Zone
- Sino-Vietnam Border Cooperation Agreement
(Baise-Longbang, PRC-Chaling, Vietnam)

Key Constraints & Non-Financial Barriers Limiting SMEs

PRC–Mongolia Borders

(jointly develop?)

- ▶ UN MDG: Almaty Program LLD–Harmonizing
- ▶ Transit Agreements, CB Transport Agreement
- ▶ Trilateral Agreement–PRC–MON–RUS–status?
- ▶ “Transit Mongolia” National Program mandate

Data Exchange Agreements

- ▶ Single Window, TIR, Corridor Performance

Small & Medium-sized Enterprises

- ▶ Who are the Border Traders?
Industries, Agriculture, Processing, Day Traders
 - ▶ Services Provided?
Banking, Logistics (volumes=profits?), Customs
 - ▶ Initiatives by National, IFIs, Local Entities?
 - PRC cross-border yuan settlement trial system in Guangxi for ASEAN trade (June, 2010)
 - ADB Trade Finance Facilitation Program
 - Border Banking-debit cards, SWIFT, electronic-L/Cs
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