

Moving to Paperless Trade Across the Commonwealth

CTU ICT Week 2024

St. Kitts & Nevis



The Commonwealth
Connectivity Agenda

1 Target of

US\$2 Trillion

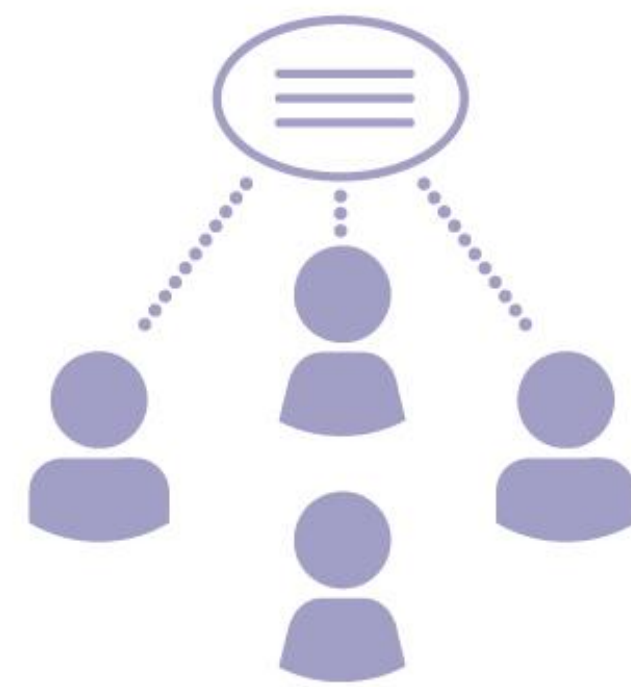
**in intra-Commonwealth trade
and expanded investment by 2030**



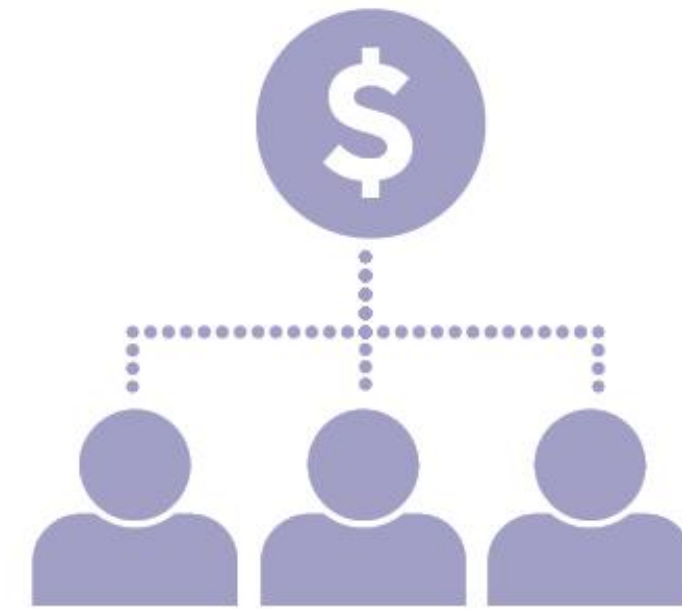
4 objectives



Global Growth



Knowledge Sharing



Employment Creation



Development

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The CCA is structured around five (5) clusters/working groups, each of which is chaired by a member state and in which members participate on a voluntary, opt-in basis.

- **Physical Connectivity** focusing on digital infrastructure and led by The Gambia
- **Digital Connectivity** focusing on digital transformation and the digital economy and led by Mauritius
- **Regulatory Connectivity** focusing on the regulatory environment for MSMEs and led by Barbados
- **Business-to-Business Connectivity** focusing on improving Commonwealth business links and led by Bangladesh
- **Supply Side Connectivity** focusing on participation and upgrading of MSMEs in agribusiness value chains and led by Vanuatu

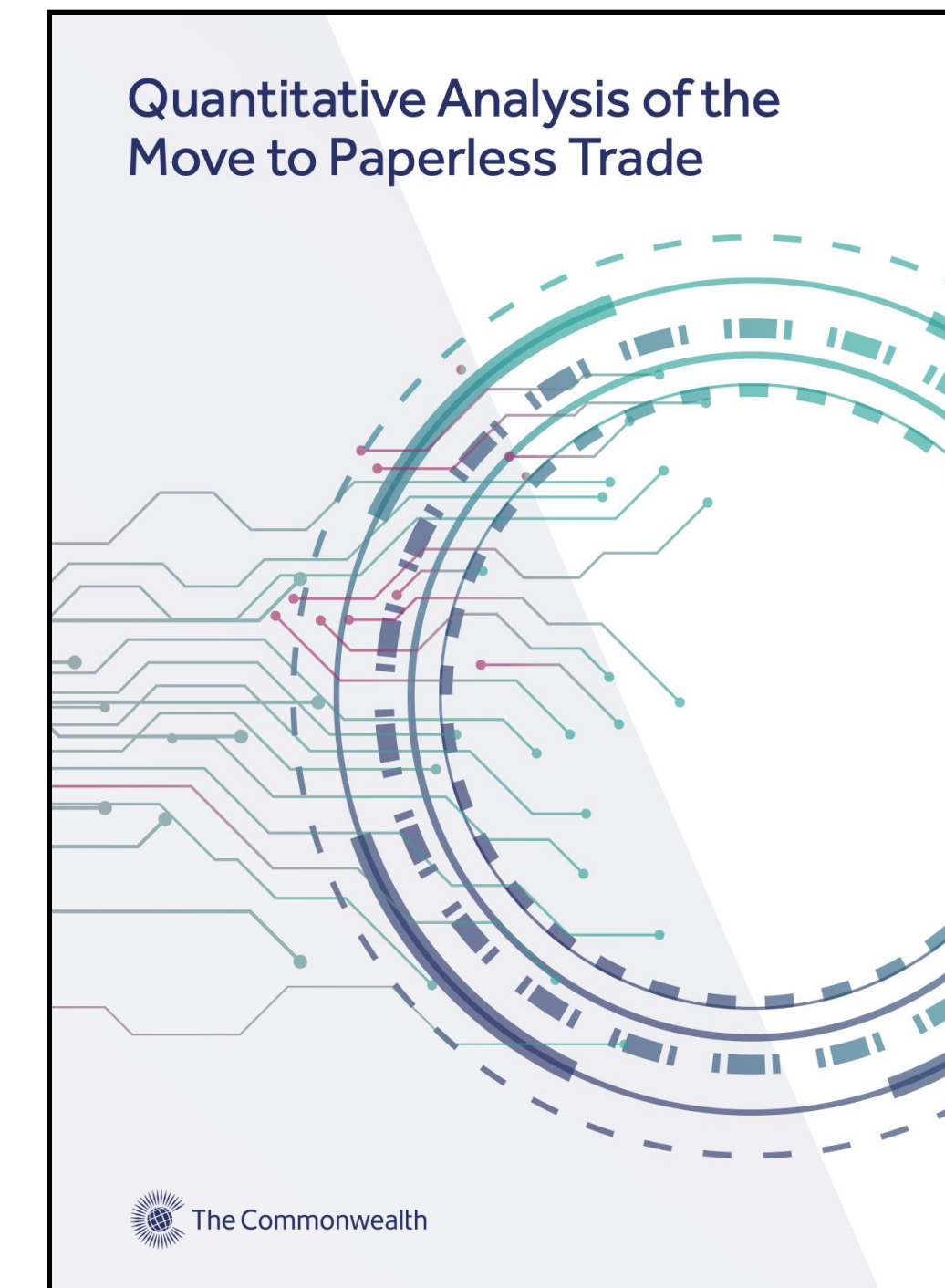
<https://thecommonwealth.org/connectivity-agenda>



Moving to Paperless Trade Across the Commonwealth

Topics

- **Why? Economic case for moving to paperless trade**
 - **\$90 billion in cost reductions**
 - **\$1.2 trillion in additional Commonwealth trade**
- **Working Group on Legal Reform and Digitalisation**
 - **What is it**
 - **How to get involved**



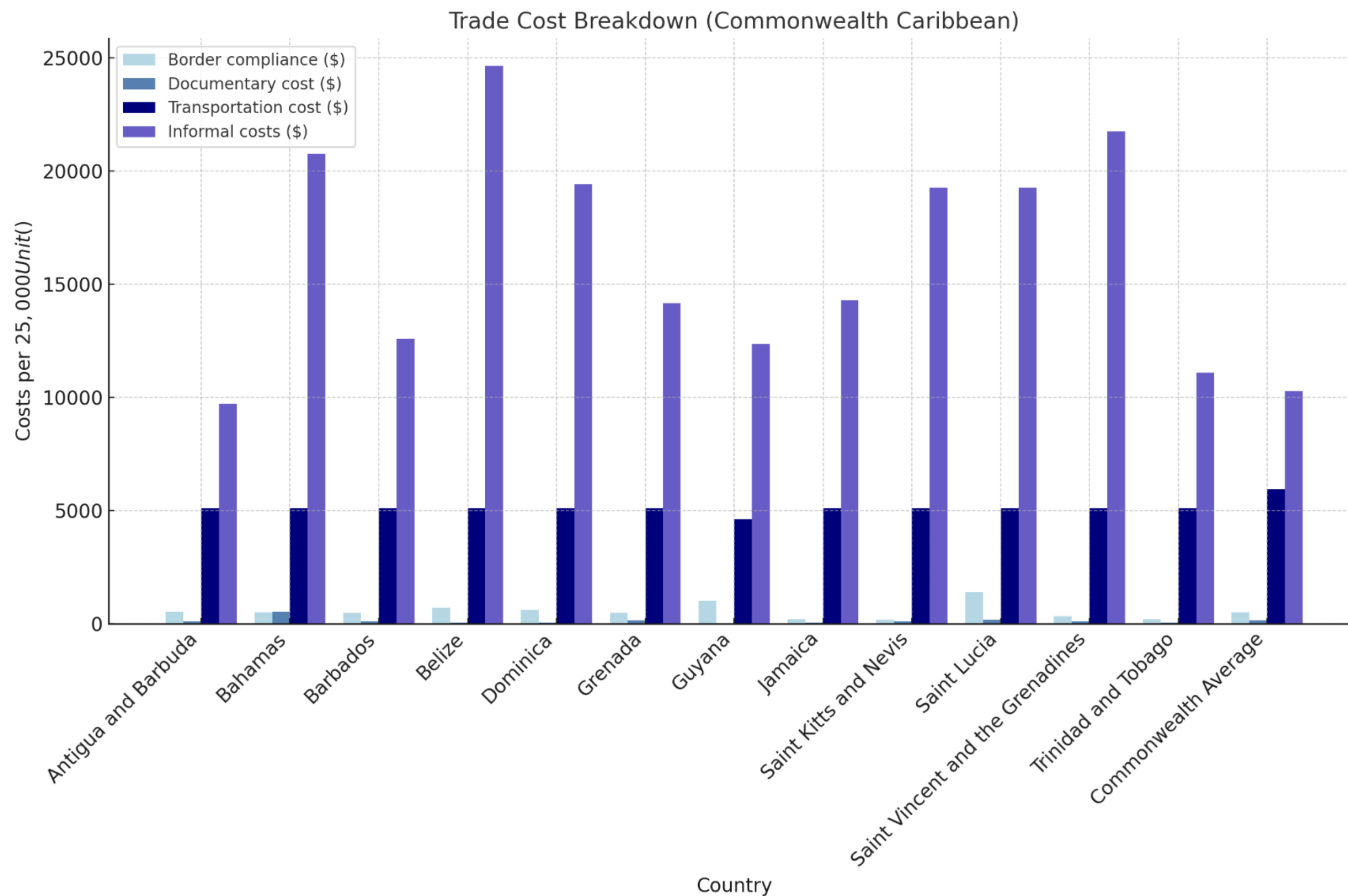
Economic case for moving to paperless trade



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Economic case for moving to paperless trade

Trade cost breakdown for Caribbean countries



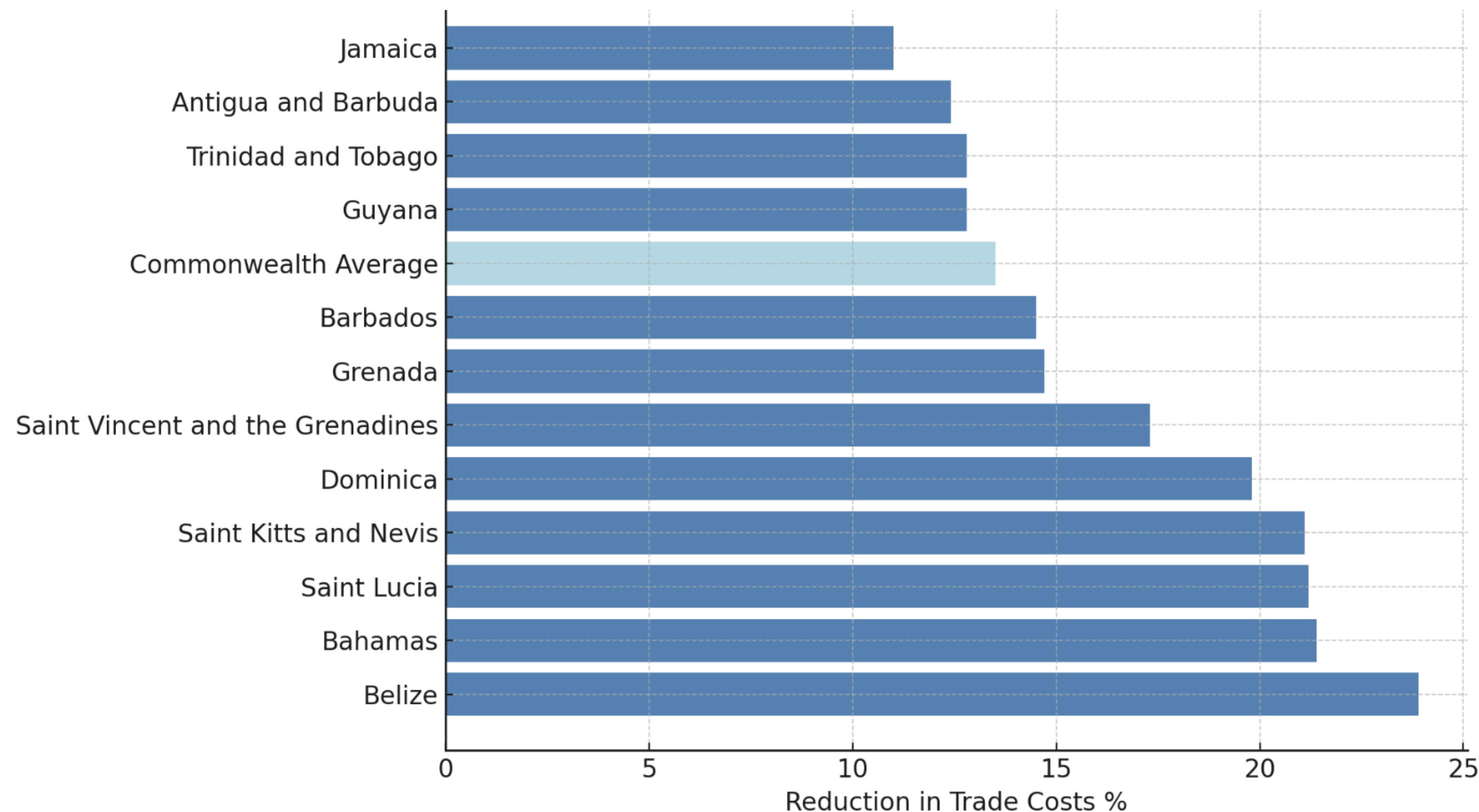
The Commonwealth Caribbean region faces **persistently high trade costs**, which pose significant challenges to economic growth and international competitiveness.

Countries like Belize, Saint Lucia, and the Bahamas bear some of the highest trade costs in the region, with costs exceeding 80% of trade revenue in some cases.



Economic case for moving to paperless trade

Reduction in total trade costs



Many countries in the region face high trade costs that consume a significant portion of trade revenues, above the Commonwealth average but digitization can dramatically shift this balance.

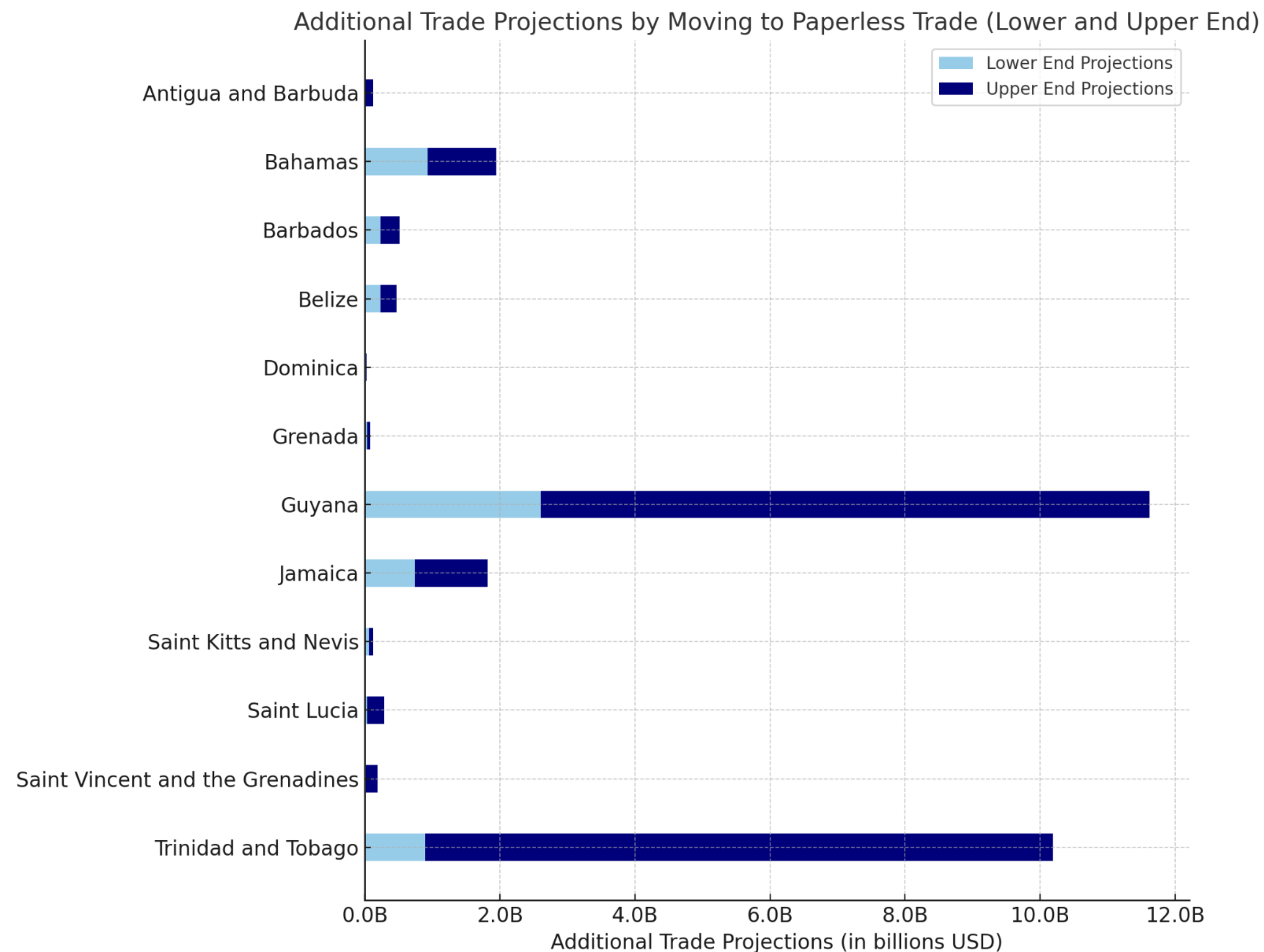
This reduction is **driven by the elimination of time-consuming paper-based processes, faster customs clearance, and lower logistical costs.**



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Economic case for moving to paperless trade

Additional trade for Caribbean countries



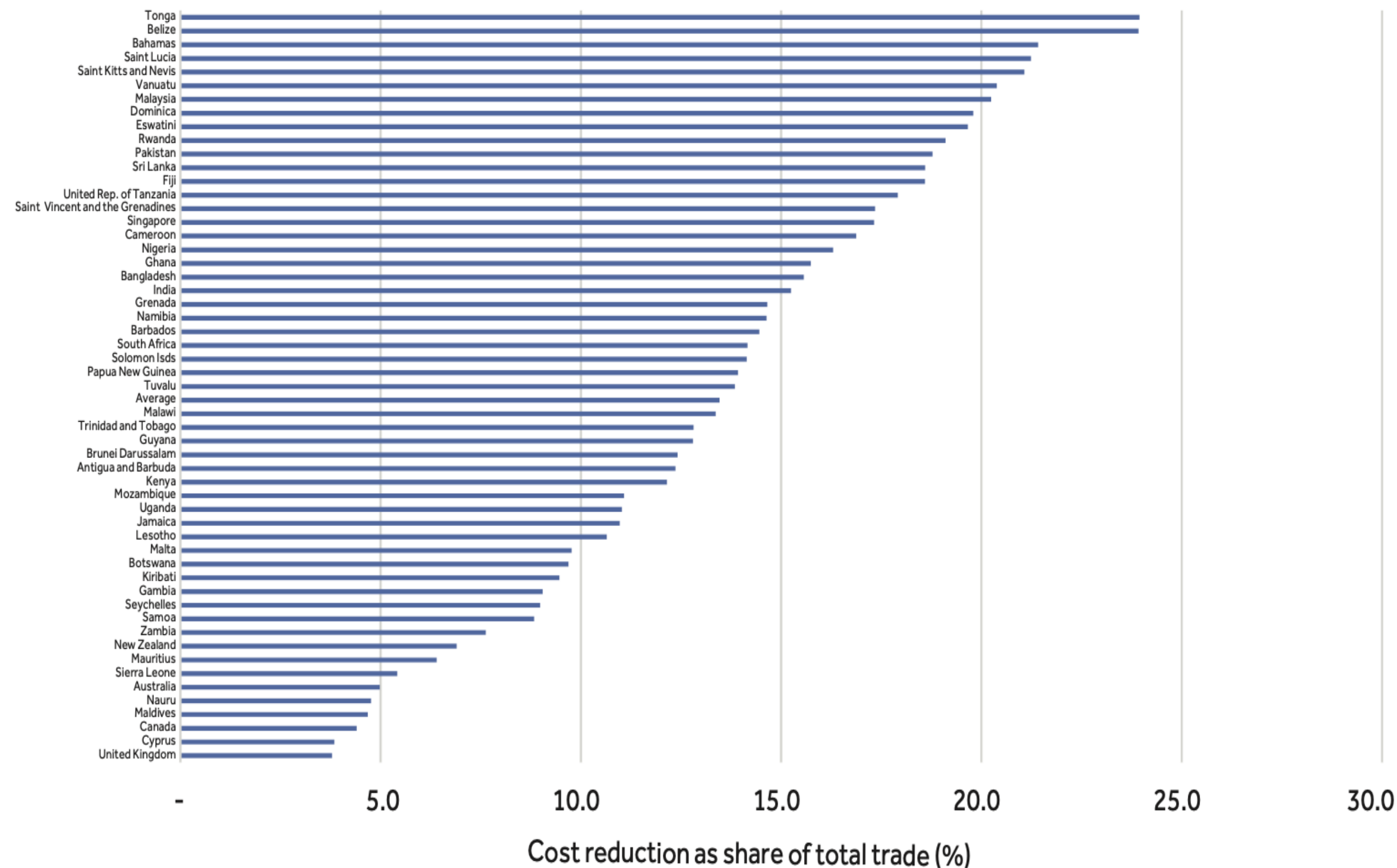
The shift to digital processes could unlock billions in new trade flows across the region by reducing the time and cost associated with cross-border transactions – coupled with benefits such as better access to finance.

Paperless trade reduces bottlenecks at the borders, streamlines documentation, cuts down on delays, and expands access to finance.



Economic case for moving to paperless trade

Commonwealth cost reductions



\$521

Current: Commonwealth average border compliance costs, per US\$25,000 unit (2020)

\$99

Future with digitisation: Commonwealth average border compliance costs, per US\$25,000 unit (2026)

\$16,924

Current: Commonwealth average transport cost, per US\$25,000 unit (2020)

\$4,321

Future with digitisation: Commonwealth average transport cost, per US\$25,000 unit (2026)

63%

Current: Commonwealth average trade costs as a share of trade revenue (2020)

21%

Future with digitisation: Commonwealth average trade costs as a share of trade revenue (2026)



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Economic case for moving to paperless trade

Commonwealth trade gains

Around **US\$90 billion** could be added to Commonwealth trade if border and transportation costs, alongside the costs associated with the informal economy, could be reduced.

By combining the impact of cost reductions and greater access to finance, there could be as much as a **US\$1.1 trillion** increase in Commonwealth trade by 2026...

...bringing the total benefits from paperless trade to nearly **US\$1.2 trillion** by 2026...



Working Group on Legal Reform and Digitalisation



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Working Group on Legal Reform and Digitalisation

Mandate

Mandated by Commonwealth Trade Ministers at Trade Ministers Meeting 2023

Objective:

Assist members states in transitioning to paperless trade

Goal:

Coordinate the removal of legal barriers preventing the digitalisation of commercial trade documents and coherence of legal systems

Structure:

Ministerial Taskforce (comprising senior officials from Commonwealth members)

Steering Committee (comprising business/international/regional organisations)

Legal Consultative Taskforce (comprising technical country representatives and legal experts)



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Working Group on Legal Reform & Digitalisation

Outputs

- **Primary output:**
 - **Commonwealth Model Legislative Text on Digital Trade**
- **Additional resources:**
 - **Recommendations for implementation**
 - **Regional pilots:**
 - **Legal Reform Roadmaps and Implementation Guidelines**
 - **Case studies**
 - **Training materials**



Commonwealth Trade Ministers Meeting 2023



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Working Group on Legal Reform & Digitalisation

Call to action

- **Get involved:**
 - **Participate in the Legal Consultative Task Force**
 - **Become a regional pilot**
- **Reach out for more:**
 - v.maharaj@commonwealth.int
 - n.strazdins@commonwealth.int
 - connectivity@commonwealth.int



Commonwealth Law Ministers Meeting 2024



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Next steps



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Next steps



Thank you



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