

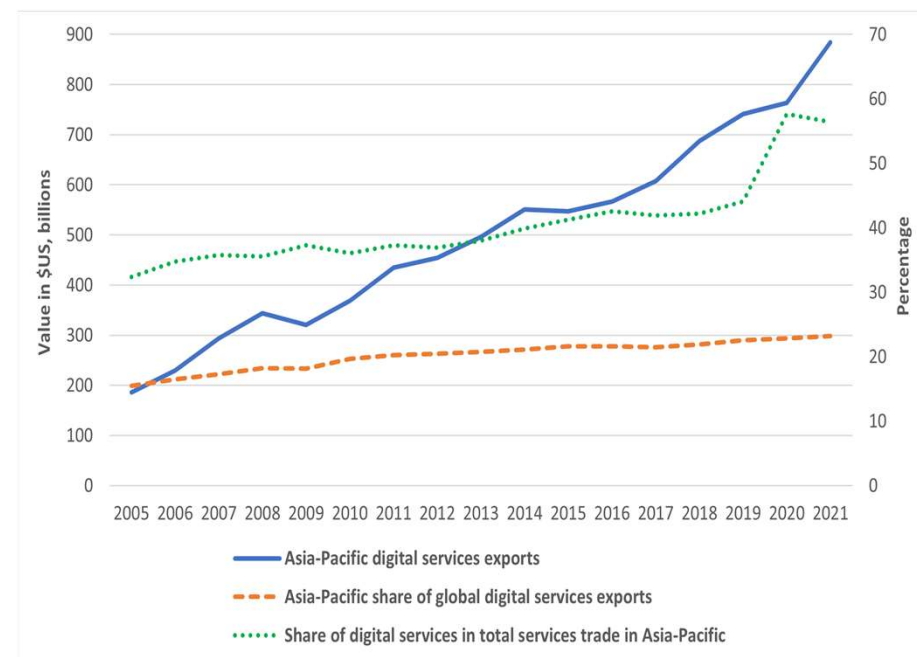
Agenda Item 2

Making trade in Asia and the Pacific more competitive,
sustainable and inclusive

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Regional trade in Asia-Pacific

- Recovering after the COVID-19 crisis
 - Trade growth in 2023 expected to be modest, and slower than 2022
- Uncertainties ahead
 - Trade frictions, recession risks, geopolitical tensions
 - Long-term dynamics of value chains yet to be seen
- Preferential trade agreements in the region have **increased over time**, and **expanded in scope** to cover issues related to sustainable development
- Reflecting the accelerating digital transformation, **digital services trade in the region has risen significantly**



Building trade competitiveness in a digital economy: *Simplify and digitalize trade procedures*

- Digital trade facilitation reduces trade costs, enables participation in digital economy and global and regional supply chains
- Implementation of trade facilitation and paperless trade measures have improved but vary widely across countries in the region
- Full implementation could cut average trade costs by more than 13 per cent
 - Benefits less advantaged groups such as women traders and MSMEs, and environment

ESCAP support

- National readiness assessments for cross-border paperless trade and development of initial action plans (17 countries)
- Capacity building, e.g., *UNNExT WCO-ESCAP Masterclass*, *ESCAP-ADB-ICC Webinar Series on Cross-Border Paperless Trade Facilitation*, *Asia-Pacific Trade Facilitation Forum*
- *Cross-border Paperless Trade Toolkit* co-released with WTO and UNCITRAL

Building trade competitiveness in a digital economy: *Foster an enabling digital trade environment*

- Attaining benefits of digitalization will require enabling environment that:
 - Facilitates secure and efficient cross-border digital transactions
 - Reduces policy ambiguity and restrictions
 - Promotes interoperability
- Policy and regulatory convergence reduces trade/business costs and enhances digital trust
- Practical to start cooperation where some consensus exists, e.g., NTMs and technical standards

ESCAP support

- ESCAP-ECA-ECLAC *Regional Digital Trade Integration Index (RDTII)* and associated *Asia-Pacific Digital Trade Regulatory Review (APDTR) 2022*
- Databases on digital trade regulations
- Technical assistance and capacity building on digital trade policy

Making trade more inclusive and sustainable: *Promote climate-smart trade*

- Much room for trade to become climate-smart
 - Asia-Pacific largest emitter of greenhouse gases
- Policy options include:
 1. Liberalize trade in climate-smart and other environmental goods and services
 2. Phase out fossil fuel subsidies
 3. Adopt climate-smart non-tariff measures
 4. Accelerate trade digitalization
 5. Transition to climate-smart transport
 6. Incorporate climate considerations in regional trade agreements
 7. Prepare for carbon pricing

ESCAP support

- ESCAP-UNEP-UNCTAD Course on *Climate-smart Trade and Investment for Sustainable Development*
- Research and analysis, e.g., *Asia-Pacific Trade and Investment Report 2021: Accelerating Climate-smart Trade and Investment for Sustainable Development*

Making trade more inclusive and sustainable: *Ensure trade resilience in times of crisis*

- Urgency for trade resilience, given disruptions and challenges in pandemic and recent crises
- Better coordination and predictability needed in trade agreements
 - To keep trade flowing during emergencies
 - Regional cooperation to develop crisis-mitigation provisions, crisis management and coordination mechanisms
- Enhance support to countries with special needs, which are hardest hit in crises

ESCAP support

- *Model Chapter on Trade in Crisis Situations in Regional Trade Agreements*
- Workshops and courses on trade policy analysis and trade negotiations
- Online tools, e.g. *Trade Intelligence and Negotiation Adviser (TINA)*

Issues for consideration / recommendations

- ❖ Recommend that increased focus be placed on making trade in the region more **competitive, sustainable and inclusive**, and that the **secretariat continue and expand its analytical research, capacity building and technical assistance efforts** in relation to **digital trade, trade digitalization, trade agreements, climate-smart trade, trade resilience in times of crisis, and graduation from least developed country status**.
- ❖ Recommend that **cooperation on cross-border paperless trade** be further enhanced and **encourage accession to the *Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific***.
- ❖ Recommend the **inclusion of provisions**, in future regional trade and cooperation agreements, **to limit disruption to trade in times of pandemics and other crises**.

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