



Conference on Regional Cooperation and Integration

Experiences in Asia and the Pacific

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Papers and Presentations

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Conference on Regional Cooperation and Integration Experiences in Asia and the Pacific

Session 4: Regional Cooperation in Trade Facilitation, Trade and Investment, and Regional Financial Integration

A. Executive Summary of Key Points & Ways of Looking Forward

Key Messages	Looking Forward
1. Regional integration in trade and finance is a long-term undertaking, and requires deeper efforts at various levels and considerable national-level readiness	1. <u>Begin with regional cooperation (RC) and sequence policy and regulatory reforms for regional integration (RI).</u> (i) adopt measures that help mobility of goods and services in a mutually beneficial manner; (ii) innovative financing solutions to help private sector (e.g. leasing; logistics); (iii) integration of capital markets can begin with national reforms, followed by harmonization
2. Trade facilitation is multi-sectoral and multi-dimensional. Some progress made on this front, but a lot more effort needed to improve trade through border and behind-the-border measures, to keep pace with physical investments.	2. <u>Continuously promote trade facilitation agencies under regional cooperation programs.</u> (i) Address incentive issues affecting different stakeholders, and enhance their commitment; (ii) adopt integrated trade facilitation measures, and set realistic and sequenced TF deliverables, with clear performance indicators and accountability; (iii) coordinate with private sector, and adopt new technology solutions that reduce human interface
3. Trade facilitation and trade & investment liberalization measures should be pursued in parallel in a well-coordinated manner within sub-regional groupings and across the region	3. <u>Promote trade facilitation in an integrated manner with investment liberalization and promotion.</u> (i) FTA negotiations and sub-regional and WTO efforts could be platforms for promoting trade and FDI; (ii) address supply chain constraints through coordinated investments along with trade promotion; (iii) promote regional hubs or economic clusters.

B. Key Lessons/Experiences Learned

- 1. Regional integration in trade and finance is a long-term undertaking, and requires deeper efforts at various levels and considerable national-level readiness**
- 2. Trade facilitation is multi-sectoral and multi-dimensional. Some progress made on this front, but a lot more effort needed to improve trade through border and behind-the-border measures, to keep pace with physical investments.**



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- DMCs in Asia and Pacific have invested large amounts on physical transport infrastructure for connectivity, however, improvements in customs services at the border and other trade control services behind-the-border have not kept pace. As a result, trade flows continue to be constrained.
- Most trade facilitation measures are non-discriminative and thus consistent with open-regionalism. Countries which implemented better trade facilitation measures have enjoyed more economic prosperity.
- Trade facilitation involves many agencies dealing with multi-dimensional issues. Speedy customs clearance requires coordinated efforts of many agencies. Trade security concerns were heightened after the 9/11 attacks and growing illicit trade. Asia and Pacific must improve their ability to coordinate and integrate all elements of trade facilitation and security measures to meet rapidly evolving trade challenges in the 21st century.

3. Trade facilitation and trade & investment liberalization measures should be pursued in parallel in a well-coordinated manner within sub-regional groupings and across the region

- Trade and investment liberalization are important measures for countries to participate in the global economy, but without adequate trade facilitation measures, it will not achieve the intended outcomes. Trade negotiations under WTO framework and many high quality FTAs are starting to address a wide spectrum of trade facilitation issues, and regional cooperation platforms are best suited to support such process.
- There is a need for a strong partnership between stakeholders focusing on trade facilitation and those on trade and investment liberalization.

C. Looking Forward

1. Begin with regional cooperation and sequence policy and regulatory reforms for regional integration

- adopt measures that help mobility of goods and services in a mutually beneficial manner;
- innovative financing solutions to help private sector (e.g. leasing; logistics);
- integration of capital markets can begin with national reforms, followed by harmonization

2. Continuously promote trade facilitation (TF) agenda under regional cooperation programs

- Address incentive issues affecting different stakeholders, and enhance their commitment;
- adopt integrated trade facilitation measures, and set realistic and sequenced TF deliverables, with clear performance indicators and accountability;
- coordinate with private sector, and adopt new technology solutions that reduce human interface



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- Countries should continue to implement actions promoted under the Customs in the 21st century (C21) agenda and take full advantage of the internationally well recognized instruments such as SAFE Framework of Standards to Secure and Facilitate Global Trade, ensuring the end-to-end management of the movement of goods across borders.

3. Promote trade facilitation in an integrated manner with investment liberalization and promotion.

- FTA negotiations and sub-regional and WTO efforts could be platforms for promoting trade and FDI
- address supply chain constraints through coordinated investments along with trade promotion
- promote regional hubs or economic clusters.
- The more current trade facilitation issues are included in the FTAs and WTO negotiations, the more meaningful the contents will be.