



ADB UNESCAP WTO CONFERENCE: PROMOTING CONNECTIVITY FOR AN INCLUSIVE ASIA AND THE PACIFIC

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SESSION 3: AID FOR TRADE AND TRADE FACILITATION (TF) FOR INCLUSIVE DEVELOPMENT

- CAREC countries are at varying degrees of implementation or level of readiness to implement the Trade Facilitation
- Average implementation rate (45%) of TF measures among CAREC countries below the global average 59.6%*
- Empirical analysis using the CAREC's corridor performance data suggests a 10% reduction in time at the importers' border raises intra-CAREC trade by 2-3%

○ *SOURCE: UNESCAP 2017 Global Survey on Trade Facilitation and Paperless Trade Implementation

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SOME THOUGHTS ON LOWERING TRADE COSTS

- CAREC Integrated Trade Agenda (CITA) 2030 and Rolling Strategic Action Plan (RSAP) 2018–2020 aims at improving Economic connectivity –both physical infrastructure and soft connectivity
- CAREC members are not well-integrated with the global economy due to: (a) poor market access, (b) limited economic diversification, and (c) weak institutions for trade.
- Intra-CAREC trade is less than optimal (less than 3%):
- **INSTITUTING GSP SCHEME FOR CAREC LANDLOCKED ECONOMIES**
- Duty free preferential market access for CAREC landlocked economies by major regional economies like China, India and Kazakhstan.
- PRC's Duty-free treatment LDCs- Afghanistan is the only beneficiary among the CAREC member countries

○ *SOURCE: PRC's Duty-free treatment for LDCs – PRC Notification of 06.07.2017 (Preferential rules of origin for LDCs) to the WTO @ <http://ptadb.wto.org/ptaDocuments.aspx>

SESSION 3: AID FOR TRADE AND TRADE FACILITATION (TF) FOR INCLUSIVE DEVELOPMENT- **SOME THOUGHTS ON LOWERING TRADE COSTS**

- *Regional Value Chain Integration- Cross border investments and Free Trade Zones, e-commerce integration*
- *Intra-regional trade Potential: Chinese and global companies may invest and create brand power and high quality standards to cater the upper middle class niche market.*
- *Capacity Building as envisaged in WTO TFA Category C*
- *Open regionalism with focus on win-win scenario*

SESSION 3: AID FOR TRADE AND TRADE FACILITATION (TF) FOR INCLUSIVE DEVELOPMENT- **POTENTIAL OF INNOVATIVE TECHNOLOGY, INCLUDING PAPERLESS TRADE, IN LOWERING TRADE BARRIERS**

- Universal Internet access should be policy objective. Cyber connectivity for a region which is constrained by geography will be even bigger social leveller than the education.
- Fast, reliable and accessible Internet
- Trade-off: Unimpeded Internet access and Cyber security
- Like Generic Medicines , cheaper version of the Electronic tools and equipment for e-commerce
- Promote e-clusters for m-SME(e-villages)
- China is a real success story- social entrepreneurial skills thrived with information technology and connectivity
- MDBs to consider financing the development of regional E-commerce platforms, systems and standards
- Competition Issues: Level playing field for regional smaller e-commerce platforms

SESSION 3: AID FOR TRADE AND TRADE FACILITATION (TF) FOR INCLUSIVE DEVELOPMENT- **HOW CAN CENTRAL ASIAN ECONOMIES STIMULATE GROWTH IN SERVICES SECTORS**

- Building regional logistic hubs, banking and financial infrastructure and systems, business services and harmonization of Doing Business regulations
- Regional frameworks for services liberalization to deal with size and bargaining asymmetries :- **Special and Differential Treatment** for landlocked economies of the CAREC
- Open regionalism, transparency and connectivity in select sectors: Food and Agricultural trade, tourism, education and healthcare, Banking and E-commerce
- Build institutional capacity to sequence and calibrate services liberalization (Market Access, National Treatment, Special and Differential Treatment) to address development challenges (nascent and under-developed private sector, market clearing institutions and public sector regulatory capacity constraints)

Q & A