



# Regional Cooperation on Trade and Transport Connectivity in the Age of Pandemics in Asia and the Pacific

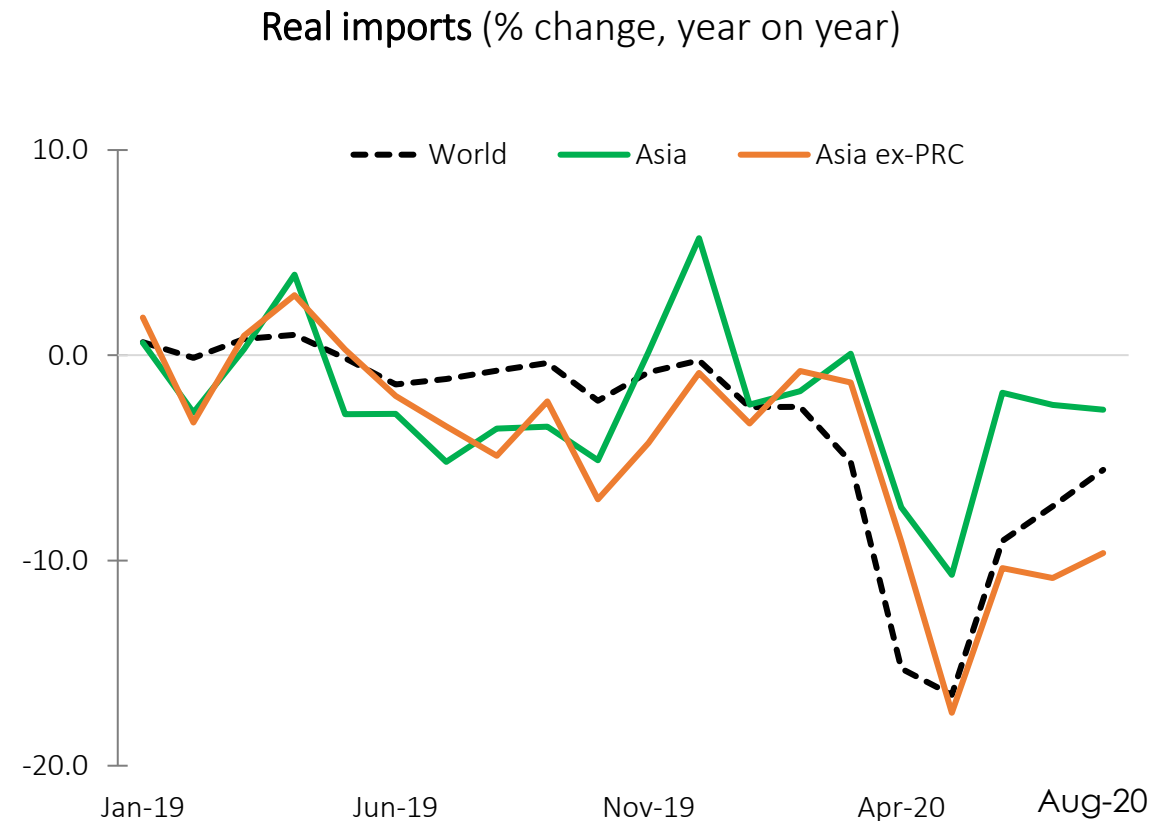
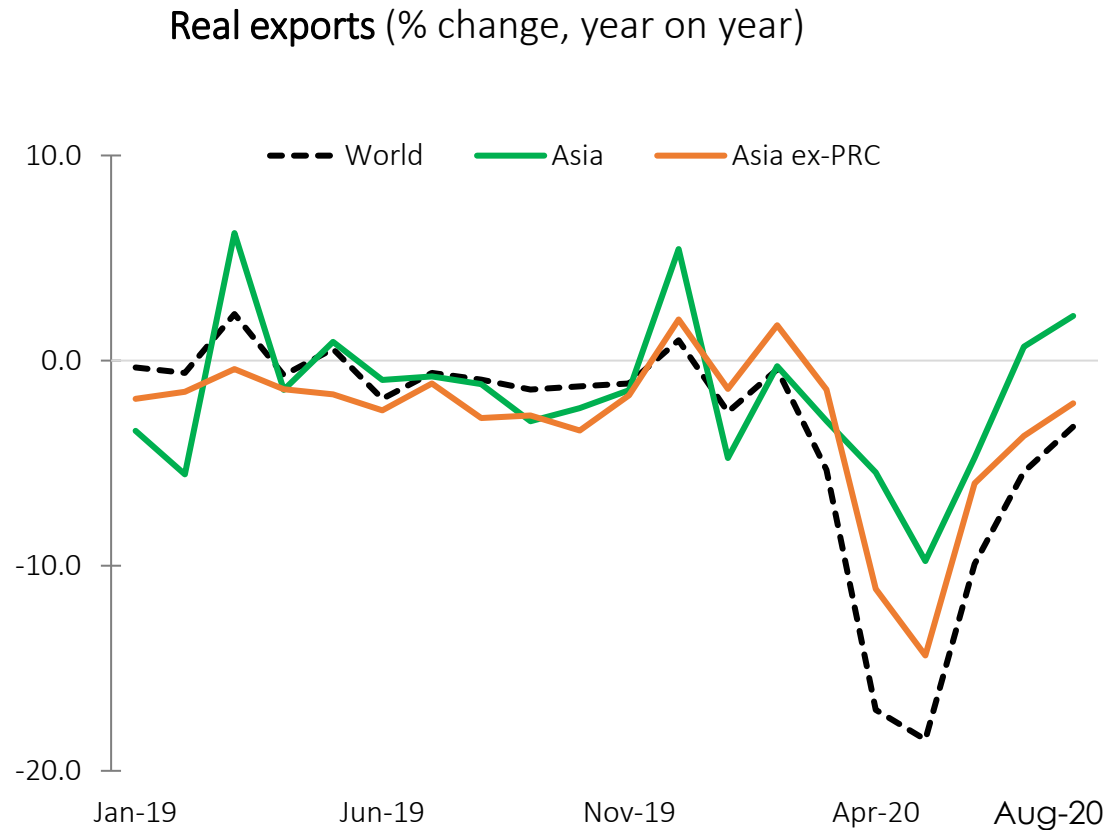
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# The pandemic significantly disrupted international trade



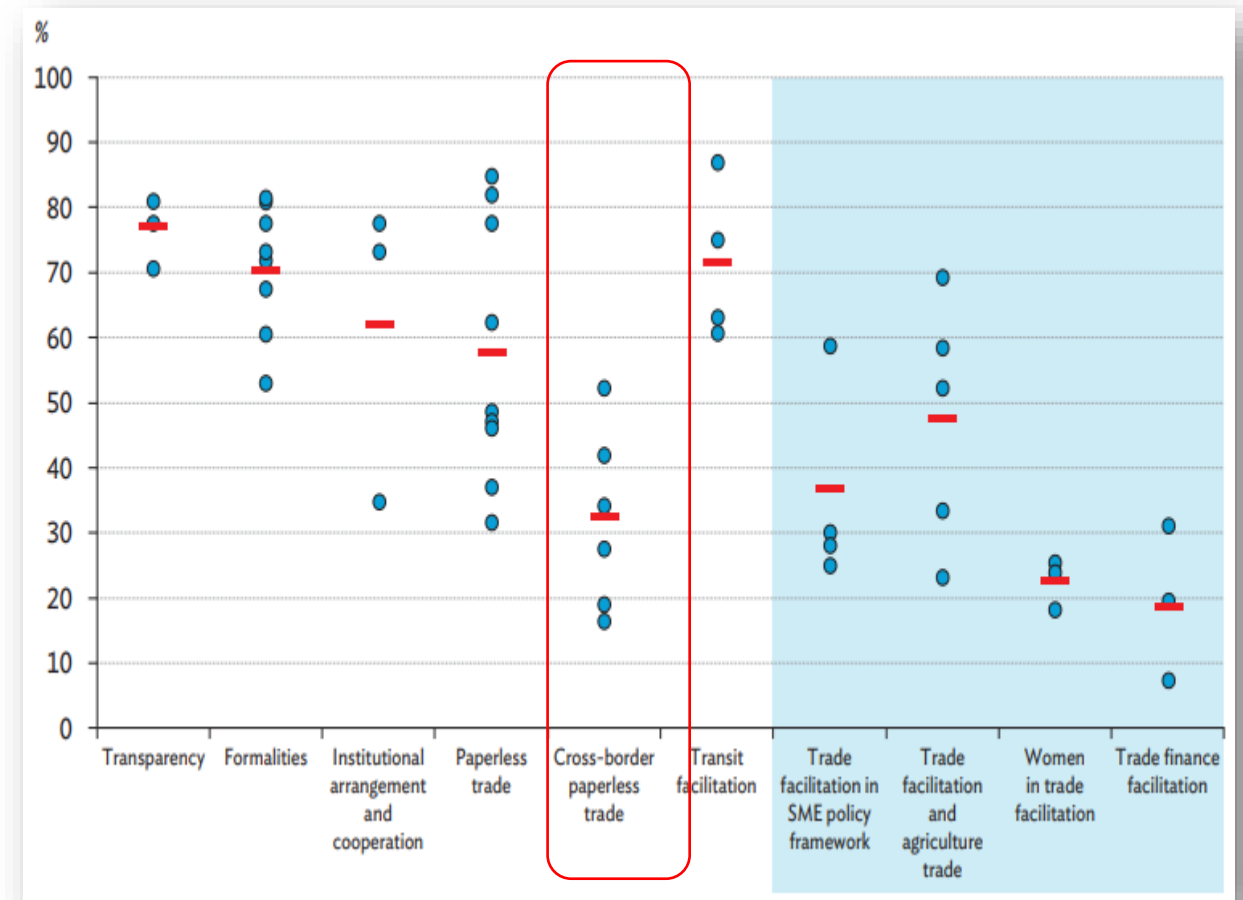
**Real exports and imports**—*Asia* refers to the weighted average of People's Republic of China; Hong Kong, China; India; Indonesia; Japan; Republic of Korea; Malaysia; Pakistan; Philippines; Singapore; Taipei,China; Thailand; and Viet Nam.

Source: CPB Netherlands Bureau for Economic Policy Analysis.

# The pandemic also exposed vulnerabilities in trade facilitation

- Asia-Pacific lagging in implementing digital trade measures
- Gaps in automation, regional coordination, and emergency protocols exposed
- Persistent lack of access to trade finance for small businesses

Implementation of Trade Facilitation Measures

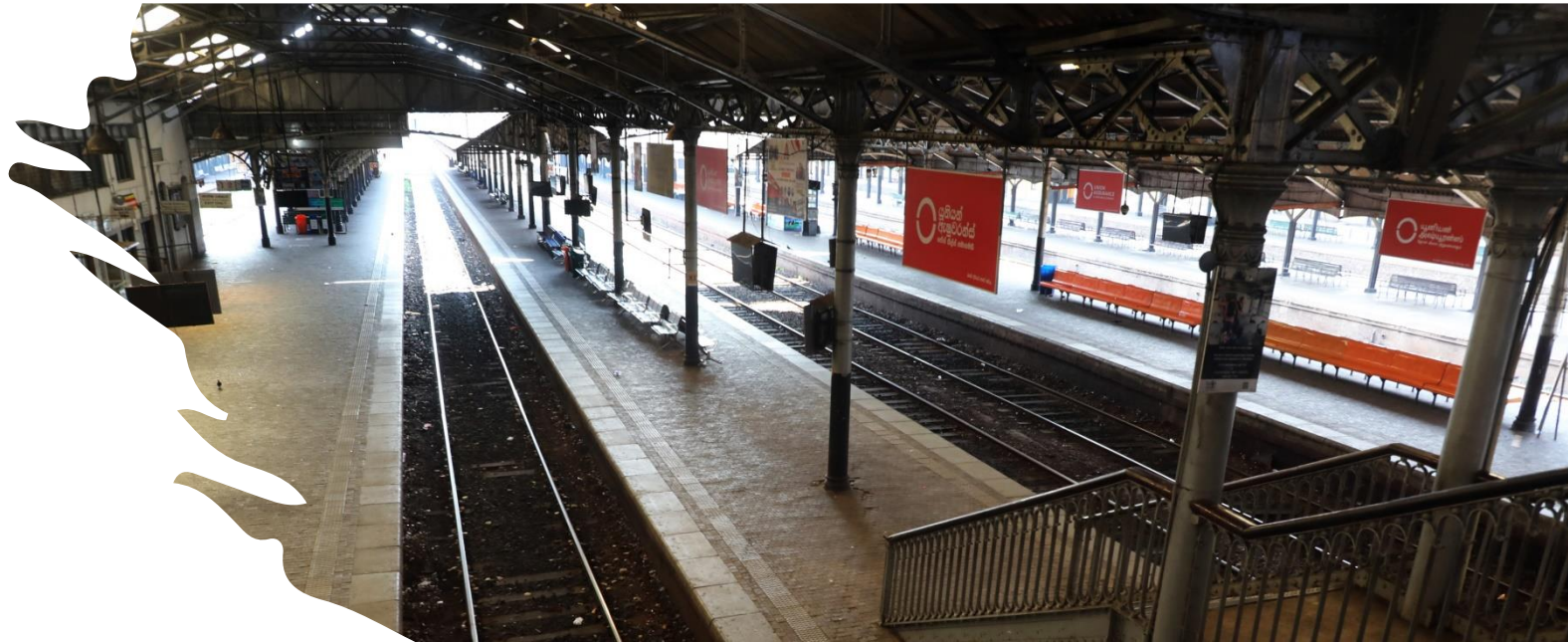


Note: Blue dots represent country scores; red lines are group averages.

Source: United Nations (UN). Global Survey on Digital and Sustainable Trade Facilitation 2019

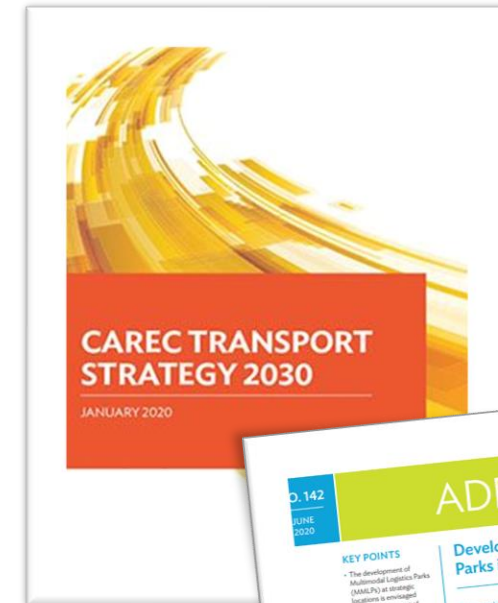
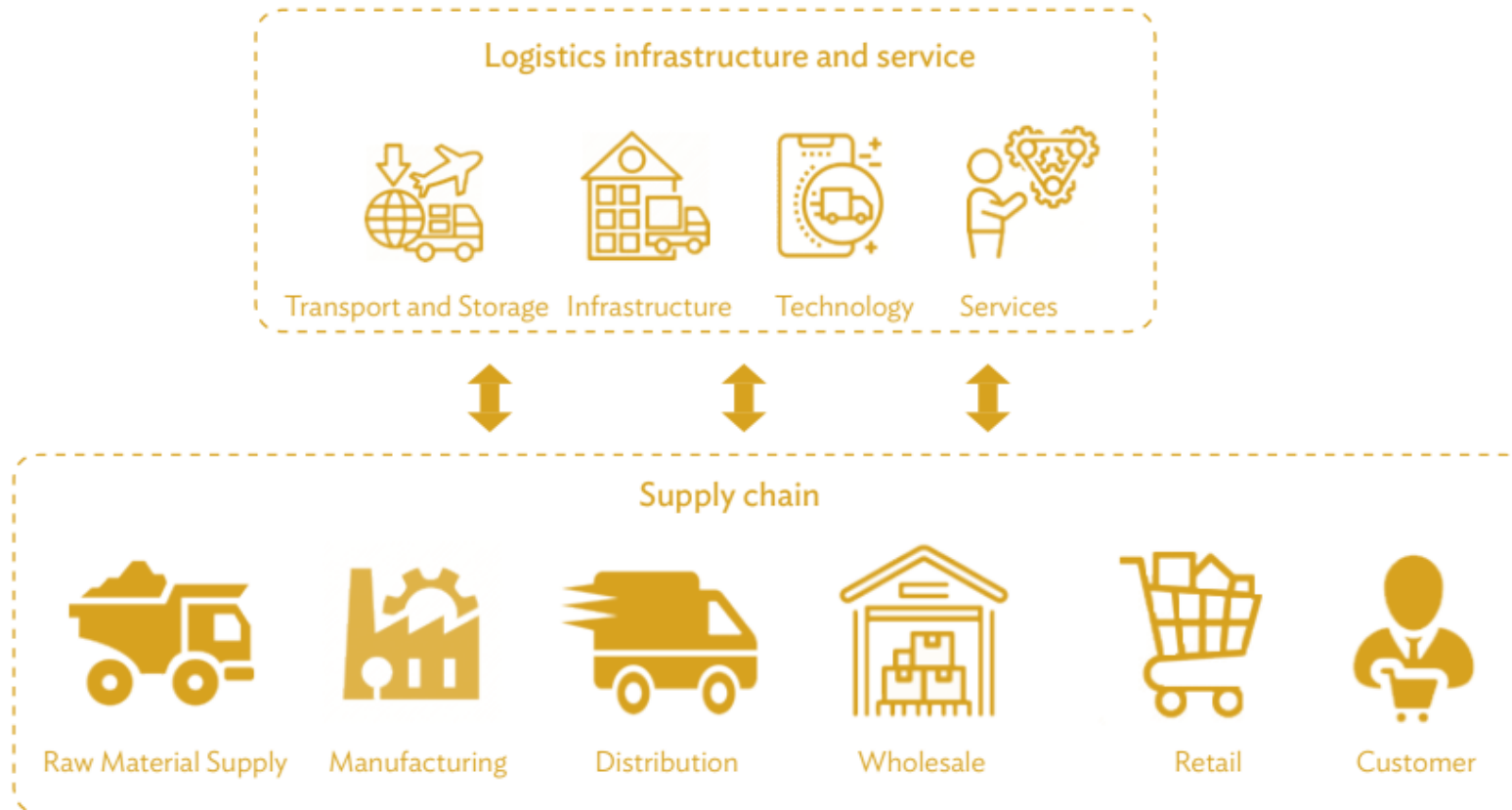
# Building sustainable and resilient transport and logistics

- Many travel restrictions continue
- 17% of households in the region earn income from the transport industry
- The disruption to flight schedules hurt many sea-locked countries
- International Transport Forum estimates global freight volumes to drop more than a third in 2020



# Infrastructure coupled with logistics and technology are the lifelines of regional trade

Logistics as the interplay of infrastructure, services, and technology



# Regional cooperation crucial to post COVID-19 economic recovery

Supports trade-led economic recovery; broadens the base to increase resilience while mitigating shared health risks

Greater and higher quality connectivity between economies

Build health risk resilience into connectivity and logistics

Global and regional trade; investment opportunities expanded

Restart trade and investment; make it more inclusive  
Help businesses adapt to a new normal

Regional public goods increased and diversified

Improve joint/cross-border public health preparedness and emergency response  
Support “green” recovery, including ocean health

Build broader, long-term coordination between developing members to cooperate on medium-term economic recovery

# Post COVID-19: Changing how we handle connectivity, trade, and investment

## Connectivity

- Invest in **enhancing health resilience of connectivity infrastructure** for airports/ports/transport corridors
- Policy reforms, using **subregional platforms and investments** to support **private sector investments in connectivity**
- Invest in **low carbon, green recovery**
- Policy reforms, technical assistance and investments to **bridge digital divide**

## Trade and Investment

- Policy reforms and capacity building for **greater open regionalism in services**
- Invest in **multisector border area development** programs and decongest urban development along economic corridors
- Invest in **improving access to trade finance** for SMEs and women-owned enterprises

## Project samples

Sri Lanka Health System Enhancement Project (Reallocation of 2018 Grant)

ASEAN Catalytic Green Finance Facility (ACGF)

Second Greater Mekong Subregion Corridor Towns Development Project



# Post COVID-19: Digitalization in the “Next” Normal

Helping Businesses Adapt to the New Normal

- Investments and policy reforms to **promote resilience and safety of regional value chains** and **support digitization of supply chain logistics and trade facilitation**
- Regional mechanisms to ensure **cross-country information exchange; accept digital copies of certificates** exchanged through secured systems

## Project examples

Implementing Trade Facilitation Initiatives under the SASEC Program TA

Capacity Building for Enhanced Safeguards, Anti-Corruption and Integrity Measures, Gender Equity Policies and Digitization of Trade Finance Program





# Post COVID-19: Health as Regional Public Goods

## Changing What We Do on Regional Public Goods

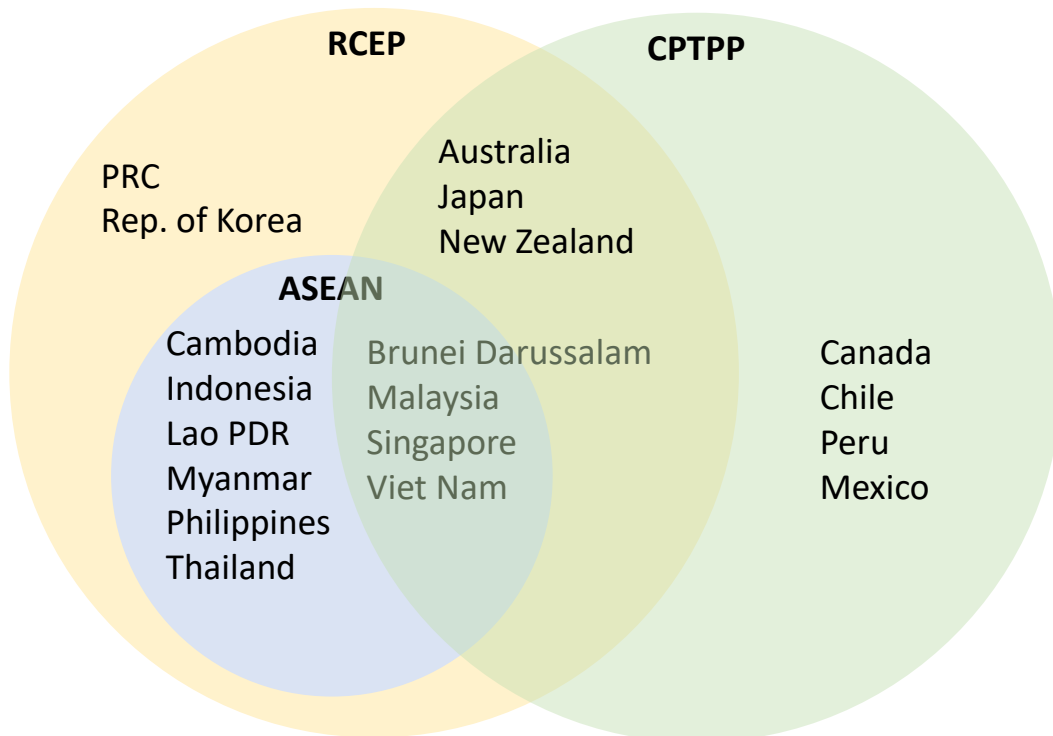
- Invest in **improving regional health infrastructure**; along with human, animal, and plant disease surveillance capacities
- Investment and policy dialogue to build **regional disaster risk resilience**
- Use technical assistance to **build ADB knowledge in new areas**
  - [Ocean health](#)
  - Support human development skills through regional delivery of telemedicine and online education

## Project samples

Greater Mekong  
Subregion Healthy  
Border Special  
Economic Zones Project

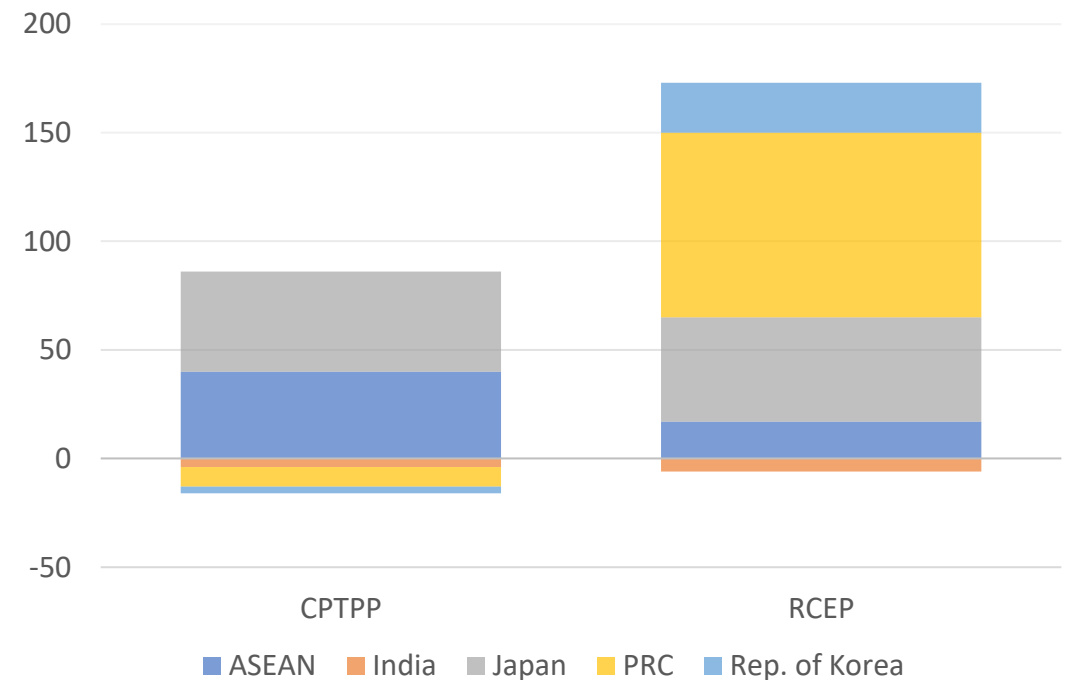
# RCEP: Enhancing regional integration

Regional Trade Groupings involving ASEAN+3

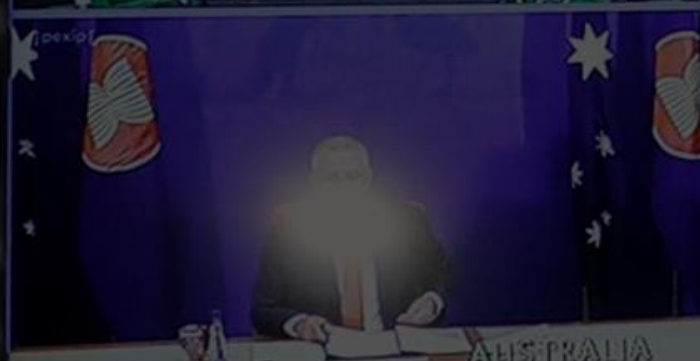


ASEAN = Association of Southeast Asian Nations, CPTPP = Comprehensive and Progressive Agreement for Trans-Pacific Partnership, Lao PDR = Lao People's Democratic Republic, PRC = People's Republic of China, RCEP = Regional Comprehensive Economic Partnership.  
Source: Adopted from Economist Intelligence Unit.

Comparing Potential Benefits of Trade Agreements - Real Income Increases in 2030 (\$ billion)



ASEAN = Association of Southeast Asian Nations; CPTPP = Comprehensive and Progressive Agreement for Trans-Pacific Partnership; PRC = People's Republic of China; RCEP = Regional Comprehensive Economic Partnership.  
Source: Petri, Peter and Michael Plummer. 2020 East Asia Decouples from the United States: Trade War, COVID-19, and East Asia's New Trade Blocs. *PIIE Working Paper*. June.



Deepening regional cooperation for better connectivity would bring greater prosperity for the entire region

# Thank you!



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