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Review of issues pertinent to the subsidiary structure of the Commission, including the work of the regional institutions: Trade and investment

Report of the Committee on Trade and Investment on its third session

Summary

The Committee on Trade and Investment held its third session in Bangkok from 20 to 22 November 2013. The Committee reviewed recent developments in trade and investment and related policy issues, and made a number of recommendations with regard to inclusive and sustainable trade and investment and the promotion of regional integration and cooperation that are presented in section I of the present report.

The Commission may wish to review the present report, endorse the proposed recommendations and provide the secretariat with guidance regarding its future work.

Contents

Page

I. Matters calling for action by the Commission or brought to its attention 2

II. Summary of proceedings 3

A. Asia-Pacific Trade and Investment Report 2013 3

B. Reports on activities of the regional institutions: Asian and Pacific Centre for Transfer of Technology and Centre for Sustainable Agricultural Mechanization 7

C. Regional cooperation initiatives under the subprogramme 8

D. Global initiatives with implications for the subprogramme 9

E. Collaboration with other global and regional organizations and initiatives 10

F. Strategic direction and functioning of the Committee on Trade and Investment 12

* E/ESCAP/70/L.1.

G. Consideration of the future focus of the trade and investment subprogramme 13

H. Implementation of Commission resolution 68/3 and consideration of draft resolutions and decisions for submission to the Commission at its seventieth session 13

I. Other matters 14

J. Adoption of the report 14

III. Organization of the session 15

A. Opening, duration and organization 15

B. Attendance 15

C. Election of officers 15

D. Agenda 15

Annex List of documents 17

I. Matters calling for action by the Commission or brought to its attention

1. The Committee requests that the secretariat strengthen and expand relevant regional cooperation mechanisms and technical assistance activities to help countries of the Asia-Pacific region benefit from trade and investment and associated reforms, with a particular focus on trade and investment capacity-building for least developed countries and enhancing their effective participation in regional trade and investment.

2. In particular, the Committee agrees that activities under the Asia-Pacific Research and Training Network on Trade (ARTNeT) and the United Nations Network of Experts for Paperless Trade (UNNExT) have been productive and demand-driven and requests that these activities be continued.

3. The Committee agrees that regional forums, such as the Asia-Pacific Trade Facilitation Forum and Asia-Pacific Business Forum, are useful platforms to exchange information and knowledge and country experiences.

4. The Committee agrees that the Asia-Pacific Trade Agreement (APTA) provides a complementary mechanism for regional integration, in particular the integration of marginalized countries into the regional economy, and thus supports initiatives of the secretariat to expand the membership of the Agreement.

5. The Committee requests that the secretariat, along with Participating States of APTA, develop tools to measure the economic impact and implementation of the Agreement.

6. Having been informed of the conclusion of the fourth round of tariff negotiations under APTA, the Committee requests that the secretariat undertake research to measure the impact of the implementation of commitments under APTA, including an impact analysis of commitments under the fourth round.

7. The Committee notes the importance of increased financial support for the activities of the Asian and Pacific Centre for Transfer of Technology (APCTT) and the Centre for Sustainable Agricultural Mechanization (CSAM) and related outreach activities of these institutions to donors and partners.

8. The Committee agrees that various global initiatives and outcomes of global conferences have important implications for the work of the secretariat in the area of trade and investment and, in this regard, requests the secretariat to continue its capacity-building programmes in this area to implement those initiatives and outcomes effectively.

9. In particular, the Committee requests the secretariat to develop a capacity-building programme in trade and investment to respond to the emerging development agenda beyond 2015. In this regard, priority should be accorded to capacity-building of the private sector, in particular, small and medium-sized enterprises (SMEs), responsible business practices and the formation of effective public-private partnerships to address development challenges in the area of trade and investment.

10. The Committee recommends that global development organizations and other regional development organizations that plan to organize technical assistance activities in the Asia-Pacific region in the area of trade and investment coordinate these activities with the secretariat in order to use resources efficiently.

11. The Committee generally endorses the proposals of the secretariat regarding the strategic direction and functioning of the Committee[1] but requests that those proposals be implemented on a step-by-step basis and be duly coordinated with ongoing discussions and efforts to modify the conference structure of ESCAP as mandated by the Commission in its resolution 69/1. The Committee holds the view that the proposals should ideally not involve additional financial commitments for member States.

12. The Committee supports the establishment of a permanent bureau and requests the secretariat to undertake a feasibility study on such a bureau and prepare draft terms of reference of the bureau for review by member States.

13. The Committee has reviewed and generally supports the proposed strategic framework for 2016-2017 for the subprogramme on trade and investment.[2]

14. The Committee agrees to move forward with negotiation of the arrangement for the facilitation of cross-border paperless trade but takes note of the need for further discussion. In this regard, it requests the secretariat to organize an ad hoc intergovernmental meeting prior to the seventieth session of the Commission in order to incorporate relevant revisions to the existing draft text.

II. Summary of proceedings

A. Asia-Pacific Trade and Investment Report 2013

15. The Committee had before it the *Asia-Pacific Trade and Investment Report 2013*,[3] and a note by the secretariat containing a summary of the *Report* (E/ESCAP/CTI(3)/1). The Director of the Trade and Investment Division introduced the findings of the *Report*.

[1] See E/ESCAP/CTI(3)/7/Rev.1.

[2] E/ESCAP/CTI(3)/8.

[3] United Nations publication, Sales No. E.14.II.F.2.

16. The Committee's deliberations on the theme topic of the *Asia-Pacific Trade and Investment Report 2013*, "Turning the tide: towards inclusive trade and investment", took the form of a panel discussion, which was moderated by Mr. Nam Viyaketh, Minister of Industry and Commerce of the Lao People's Democratic Republic.

17. As part of the panel, presentations were made by the following senior officials: U Maung Myint, Minister of Industry, Myanmar; Ms. Barbara Meynert, Director, Fung Global Institute; Mr. Roel Nieuwenkamp, Chair, Working Party on Responsible Business Conduct, Organisation for Economic Co-operation and Development (OECD); Mr. Hafiz A. Pasha, Professor Emeritus, Beaconhouse National University, and former Minister of Commerce, Pakistan.

18. Mr. Nam Viyaketh noted that trade and investment policies for inclusive and sustainable development should complement each other and take socioeconomic and environmental sustainability considerations into due account. He noted that, in his country, the legal and regulatory environment for trade and investment was being strengthened consistent with the rules of the World Trade Organization (WTO).

19. U Maung Myint informed the Committee that his country had already implemented various reforms to improve governance, strengthen the legal framework for trade and investment, and engage with the Association of Southeast Asian Nations' ASEAN Economic Community 2015. The Government aimed to reduce poverty, create jobs and develop remote rural areas by attracting and liberalizing foreign direct investment and developing SMEs and agro-based industry, as well as the export sector. He noted the importance of regional cooperation in promoting inclusive and sustainable trade and investment through regional trade agreements, the building of regional infrastructure and financing schemes for SMEs, regional capacity-building and knowledge-sharing programmes, the establishment of a statistical database for trade and investment, and the adoption of regional frameworks for corporate social responsibility (CSR), including transparency in extractive industries. In that regard, he noted the importance of the ASEAN Economic Community and ASEAN+3.

20. Mr. Roel Nieuwenkamp noted the importance of responsible business practices and CSR in the opening of trade and investment. The adoption and implementation of responsible business practices were important in strengthening the investment climate and were also part of the OECD investment policy reviews conducted in various countries. Among the global standards for CSR were the OECD Guidelines for Multinational Enterprises.[4]

21. Mr. Nieuwenkamp reported on the outcome of the ESCAP/OECD Conference on Regional Cooperation in Advancing Responsible Business Practices, which had been held on 18 November 2013, just prior to the current session of the Committee, as part of the Asia-Pacific Trade and Investment Week. The Conference noted that there was an important role for Governments in providing an enabling environment for responsible business conduct. Both Governments and business had to give priority to improving the lives of people. The Conference had also discussed the need for Asian countries to adhere to global standards in view of the global nature of supply chains. With regard to regional cooperation, the Conference had called for better cooperation among South-East Asian countries in promoting CSR.

[4] See http://mneguidelines.oecd.org.

22. Mr. Hafiz A. Pasha noted that many East Asian countries had managed to reduce poverty through trade and investment. However, the prospects for trade and investment liberalization, including the conclusion of the Doha Round, were less favourable in a changed global environment with stagnating trade growth. There was a risk of renewed protectionism, in particular through the use of non-tariff barriers, which would dampen trade growth. Competitive devaluations were also a risk and, in that regard, he called for Asian currencies to be better aligned.

23. He stated that, while the region had liberalized trade, there had been a loss of tax revenue from customs duties which had reduced finance for human development. There were clusters of growth around urban centres in individual countries but the hinterland had lagged behind and income inequalities had increased. Domestic demand stimulation was only possible if countries had a cushion of foreign exchange reserves. Export growth was still possible in agricultural value-added industries. Special and differential treatment for least developed countries was also important, but more open rules of origin could lead to an increase in trade disputes. He expressed regret that progress in the Doha Round had been limited and emphasized that the focus should be on preventing protectionism.

24. He noted that access to energy was a major factor for future growth and, in that regard, regional cooperation to promote cross-border trade in energy was necessary. As smaller countries would continue to face balance-of-payment problems, a case could be made for a regional financial mechanism that could address that problem.

25. He also noted that the Generalized System of Preferences-plus scheme implemented for Pakistan by the European Union had been the result of the massive floods that the country had experienced and the expected rise in exports posed no threat to least developed countries.

26. Ms. Barbara Meynert noted that the role of business had evolved from simply making money for shareholders to active engagement with society and embracing the values of inclusiveness and sustainability. She pointed out two reasons for that shift. First, perceptions of society on social and environmental issues had changed and, hence, expectations from business to be more socially responsible had increased. Second, the Internet had improved transparency and enabled people to easily expose companies for bad behaviour that would harm their reputation. Governments needed to improve coordination and align institutions and rules and regulations with strict enforcement. Governments should also promote an Internet-literate and digitized society.

27. She referred to the ESCAP Business Advisory Council, which played an important role in organizing the annual Asia-Pacific Business Forum and had established the Sustainable Business Network for promoting responsible business conduct. She expressed support for cross-border trade facilitation and regional cooperation in promoting paperless trade, but as trade was global, only the multilateral trading system could provide a global system of rules for trade facilitation. She noted that digitization played an important role in promoting regional connectivity and inclusive trade and investment.

28. As part of the panel discussion, the Committee made the following observations:

(a) Local governments played an important role in implementing policies for CSR;

(b) While preferential trade agreements could undermine the multilateral trading system, such agreements could also be considered as building blocks of the system provided that they were comprehensive in scope and depth. Such agreements could never replace the multilateral trading system, in particular with regard to dispute resolution;

(c) There was scope for further trade and investment cooperation among subregions;

(d) SMEs played a central role in achieving inclusive growth and that, in that regard, access of SMEs to required finance and infrastructure should be improved, for instance through clustering. An e-platform for information exchange for SMEs could also help in matching supply and demand for funding and other services. Efforts were also required to help SMEs adopt responsible business practices;

(e) It was important to pay more attention to the needs of Pacific island developing States and integrate them with the rest of Asia and improve connectivity in that regard, for instance through membership in APTA.

29. Following the panel discussion, statements were made by the representatives of the following countries: Bangladesh; Cambodia; China; Nepal; and Republic of Korea.

30. The Committee, while emphasizing the primacy of the multilateral trading system in governing international trade, recognized that regional trade agreements could promote trade if they were effectively implemented, but that various disadvantaged countries, in particular least developed countries, continued to be marginalized and left out.

31. In that regard, the Committee requested the secretariat to strengthen regional mechanisms to more effectively integrate least developed countries in regional trade and provide a level playing field for those countries. Such mechanisms should be based on the principles of openness, inclusiveness and transparency.

32. The Committee noted with appreciation the support of China and the Republic of Korea in the work of the secretariat in trade and investment. In particular, China had extended financial support to the secretariat in the area of trade and poverty reduction and had hosted the fifth Asia-Pacific Trade Facilitation Forum, which had been held in Beijing in September 2013, while the Republic of Korea had supported the trade facilitation efforts of the secretariat.

33. The Committee was informed that various least developed countries, such as Bangladesh, Cambodia and Nepal, had maintained a liberal trade regime and were members of WTO and party to various preferential trade agreements. Those countries had taken efforts to promote trade and investment, through such activities as: (a) providing increased support to the private sector, in particular SMEs; (b) diversifying exports and export markets; (c) developing infrastructure; (d) mainstreaming trade in development and poverty reduction plans; (e) modernizing customs and the facilitation of trade; and (f) helping companies conform to international technical and sanitary/phytosanitary standards. Delegations from those countries called on donors to assist them in building their trade and investment capacity.

34. The Committee noted the observation that the duty-free and quota-free access of exports from least developed countries to the markets of other countries helped strengthen the competitiveness of the least developed countries.

35. The delegation of the Republic of Korea called for a reduction in trade facilitation gaps in the region by using information and communications technologies (ICTs). The delegation also called for equitable distribution of trade benefits and for countries to support each other for that purpose.

36. The delegation of Bangladesh informed the Committee that the Government of Bangladesh had strengthened labour laws to improve workers' rights and safety.

B. Reports on activities of the regional institutions: Asian and Pacific Centre for Transfer of Technology and Centre for Sustainable Agricultural Mechanization

37. The Committee had before it the report on activities of the Asian and Pacific Centre for Transfer of Technology (E/ESCAP/CTI(3)/2). The document was introduced by the Head of the Centre.

38. The Committee also had before it the report on activities of the Centre for Sustainable Agricultural Mechanization (E/ESCAP/CTI(3)/3). The document was introduced by the Head of the Centre.

39. The Committee was informed that the Governing Councils of the two centres had held their ninth sessions in Bangkok on 19 November 2013. The reports of the sessions would be submitted to the Commission for endorsement at its seventieth session.

40. The Committee noted with appreciation the host facilities provided by the Government of India to the Asian and Pacific Centre for Transfer of Technology (APCTT) and the Government of China to the Centre for Sustainable Agricultural Mechanization (CSAM).

41. The Committee noted the importance of increased financial support for the activities of APCTT and CSAM and the related outreach activities of those institutions to donors and partners.

42. The Committee was informed of the efforts of APCTT to strengthen national innovation systems for enhanced competitiveness of SMEs, in particular in least developed countries.

43. The delegation of China noted with appreciation that, with the change of name of CSAM from the Asian and Pacific Centre for Agricultural Engineering and Machinery (APCAEM) and the appointment of a new director, encouraging progress had been made in the strategic repositioning of the Centre and in the development and implementation of its projects/activities in response to the needs of member countries, particularly the establishment of the Asia-Pacific Network for Testing of Agricultural Machinery (ANTAM) and the organization of the Regional Forum on Sustainable Agricultural Mechanization in Asia and the Pacific. It informed the Committee that the national focal point for CSAM had been changed from the Chinese Academy of Engineering to the Ministry of Agriculture and that continued support would be given to the Centre. It called on other countries to also actively support the Centre.

C. Regional cooperation initiatives under the subprogramme

44. The Committee had before it the overview of the secretariat's activities in promoting regional cooperation in trade and investment, including issues for consideration by the Committee (E/ESCAP/CTI(3)/4), which was introduced by the secretariat.

45. The following regional cooperation initiatives of the secretariat in trade and investment were submitted for discussion based on the document: (a) ARTNeT; (b) APTA; (c) supporting trade policy for development; (d) United Nations Network of Experts for Paperless Trade in Asia and the Pacific; (e) Asia-Pacific Trade Facilitation Forum; (f) Regional Organizations Cooperation Mechanism for Trade Facilitation; (g) Asia-Pacific Business Forum; (h) Sustainable Business Network; (i) Renewable Energy Technology Bank (RET-Bank); (j) Regional Network for Strengthening R&D Management Capacity in New and Emerging Areas of Technology; and (k) ANTAM. The secretariat made introductory remarks presenting selected regional cooperation initiatives.

46. The Committee had been informed by the Deputy Prime Minister and Minister of Commerce of Thailand that the memorandum of understanding signed by ESCAP, the International Institute for Trade and Development and the Ministry of Commerce in 2013 strengthened cooperation between ESCAP and the Government of Thailand. The memorandum would create more successful joint activities and further enhance the competitiveness of all stakeholders in order that they might participate in the international trading system and benefit from the global trading environment. In addition, he had encouraged all member States in the region to continue supporting the work of ESCAP in trade and investment in order to further strengthen regional cooperation.

47. Statements were made by the representatives of the following countries: Bhutan; China; Fiji; India; Lao People's Democratic Republic; and Republic of Korea.

48. The Committee expressed its appreciation for the technical assistance provided by the secretariat under various regional cooperation mechanisms implemented by the secretariat, in particular ARTNeT and UNNExT. The Committee agreed that activities under those mechanisms had been demand-driven and productive and held the view that those activities should be continued.

49. The Committee noted with appreciation the support from the Republic of Korea to UNNExT in the form of financial and human resources.

50. The delegation of Bhutan proposed that the secretariat disseminate the results of its analytical work through e-books. The delegation further proposed that the secretariat explore the possibility of accepting national researchers on secondment as part of its capacity-building activities.

51. The Committee was informed that ANTAM had been launched as an open network at a round table of policymakers on 18 November 2013, during the third Asia-Pacific Trade and Investment Week.

52. The Committee agreed that regional forums, such as the Asia-Pacific Trade Facilitation Forum and Asia-Pacific Business Forum, were useful platforms to exchange information and knowledge and country experiences.

53. The delegation of the Lao People's Democratic Republic requested the secretariat to expand participation in the secretariat's master classes on trade facilitation to all government agencies involved in paperless trade.

54. The Committee was informed that the secretariat's databases on trade and investment differed from similar databases maintained by other international organizations, such as WTO and the Asian Development Bank (ADB), in terms of coverage and sources of data used for the calculation of performance indicators, while membership also differed among the various organizations maintaining those databases.

55. The Committee agreed that APTA was complementary to other regional trade agreements prevailing in the region, such as the regional comprehensive economic partnership, which was still under negotiation, and had the potential to expand intraregional trade and forge regional integration. APTA could be particularly useful for the integration of least developed countries, landlocked developing countries and Pacific island developing States into the wider regional economy. In that regard, the Committee noted the efforts of the secretariat to expand the membership of APTA and the support received from the Republic of Korea for that purpose.

56. The Committee was informed of the conclusion of the fourth round of tariff negotiations under APTA. The delegation of the Republic of Korea requested the secretariat to undertake research to measure the impact of the implementation of commitments under APTA, including an impact analysis of commitments under the fourth round.

57. The Committee was also informed that the Standing Committee of APTA, at its forty-second session, which had been held in Incheon, Republic of Korea, in October 2013, had welcomed Mongolia as the seventh Participating State of APTA.

D. Global initiatives with implications for the subprogramme

58. The Committee had before it a document entitled "Global initiatives with implications for the subprogramme" (E/ESCAP/CTI(3)/5).

59. Following an introduction by the secretariat, the Committee deliberated on the following global initiatives with implications for the subprogramme: (a) the development agenda beyond 2015, including the outcome of the United Nations Conference on Sustainable Development;[5] (b) the multilateral trading system and the Doha Development Agenda;[6] (c) resolutions of the General Assembly and the Economic and Social Council; (d) the Programme of Action for the Least Developed Countries for the Decade 2011-2020;[7] (e) the Almaty Programme of Action;[8] and (f) the

[5] General Assembly resolution 66/288, annex.

[6] See A/C.2/56/7, annex.

[7] *Report of the Fourth United Nations Conference on the Least Developed Countries, Istanbul, Turkey, 9-13 May 2011* (A/CONF.219/7) (United Nations publication, Sales No. 11.II.A.1), Chap. II.

[8] Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries. *Report of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, Almaty, Kazakhstan, 28 and 29 August 2003* (A/CONF.202/3), annex I.

Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States.[9]

60. Statements were made by the representatives of the following countries: Bangladesh; Cambodia; China; Mongolia; and Nepal.

61. The Committee agreed that global initiatives and outcomes of global conferences had important implications for the work of the secretariat in trade and investment and requested it to continue its capacity-building programmes in that area with a focus on addressing the needs of least developed countries.

62. The Committee noted the observation that development partners had made commitments under various global initiatives and programmes, but that effective implementation of those commitments was sometimes lacking.

63. The Committee requested the secretariat to develop a needs-based capacity-building programme in trade and investment to respond to the emerging development agenda beyond 2015. In that regard, priority should be accorded to capacity-building of the private sector, in particular SMEs and the formation of effective public-private partnerships to address development challenges in the area of trade and investment.

64. The delegation of Bangladesh observed that the secretariat had a clear mandate from global conferences and initiatives in trade and investment and that it had responded effectively to that mandate.

65. The delegation of Cambodia requested the secretariat to assist the Ministry of Commerce in developing its trade training and research programme.

66. The delegation of Nepal requested the secretariat to pay particular attention to services in its trade and investment capacity-building programmes for least developed countries.

67. The Committee was informed of the proactive approach taken by China in the Doha negotiations, which was aimed at successfully concluding those negotiations. The Committee also noted the actions China had taken to implement the Istanbul and Almaty programmes of action with a focus on trade facilitation.

68. The representative of the World Association for Small and Medium Enterprises (WASME) made a statement expressing their belief that the ESCAP Business Advisory Council was a useful tool for promoting sustainable business. He indicated that the secretariat's work in the Greater Mekong Subregion on SMEs could be replicated in other subregions.

E. Collaboration with other global and regional organizations and initiatives

69. The Committee had before it a document entitled "Collaboration with other global and regional organizations and initiatives" (E/ESCAP/CTI(3)/6).

[9] *Report of the International Meeting to Review the Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, Port Louis, Mauritius, 10-14 January 2005* (United Nations publication, Sales No. E.05.II.A.4 and corrigendum), chap. I, resolution 1, annex II.

70. Following an introduction by the secretariat, the Committee deliberated on the following: (a) cooperation with global organizations in the area of trade and investment; (b) cooperation with regional and subregional organizations in the area of trade and investment; and (c) issues in strengthening collaboration with global and (sub)regional organizations in the area of trade and investment.

71. Statements were made by the representatives of the following countries: Bangladesh; Bhutan; Iran (Islamic Republic of); Japan; Mongolia; Nepal; and Timor-Leste.

72. Statements were made by representatives of the following international organizations: ADB; and OECD.

73. A representative of the Board of Trade of Thailand made a statement.

74. The Committee, while recognizing the importance of inter-organization collaboration, noted that international development organizations sometimes had contradictory or duplicating mandates. In that regard, the Committee recommended that those organizations continue to engage in dialogue to maximize synergies and avoid duplication.

75. The Committee recommended that global development agencies and other regional development agencies organizing technical assistance activities in the Asia-Pacific region in the area of trade and investment work closely with the secretariat in order to use resources efficiently.

76. The delegation of the Islamic Republic of Iran proposed that ESCAP brief other international organizations on its work in trade and investment by assigning a rapporteur who is an expert from an ESCAP member State.

77. The delegation of Timor-Leste requested the secretariat to assist the country in developing its trade and investment capacity, with a focus on development of special economic zones and implementation of the Government's "one village one product" scheme.

78. The delegation of Nepal proposed that the secretariat identify the specific expertise of international organizations working in the region in the area of trade and investment in order to help countries more easily select the organization that could most effectively address their specific needs in that area.

79. The Committee welcomed the conclusion of a memorandum of understanding between ESCAP and OECD during the Third Asia-Pacific Trade and Investment Week prior to the third session of the Committee. The memorandum would strengthen collaboration between the two organizations in various areas, including responsible business conduct and SME development.

80. The Committee was informed of a global forum on responsible business conduct that would be organized by OECD in Paris in June 2014. That forum would also address issues in that area of concern for Asia and the Pacific. With regard to responsible business conduct, OECD intended to establish a steering group and would invite ESCAP to join that steering group in the implementation of the ESCAP/OECD memorandum of understanding.

81. The Committee was informed of the close and long-term collaboration between ESCAP and ADB based on a memorandum of understanding between the two organizations. One outstanding area of cooperation was the organization of the annual Asia-Pacific Trade Facilitation Forum. ESCAP

and ADB also worked together in the area of aid for trade and trade research networks. With regard to activities in specific subregions, the two organizations worked together in South Asia within the framework of South Asia Subregional Economic Cooperation (SASEC), as well as in the Greater Mekong Subregion and Central Asia. Future areas of collaboration included economic corridors and special economic zones, and trade for inclusive growth, including the relation between trade development and income distribution.

F. Strategic direction and functioning of the Committee on Trade and Investment

82. The Committee had before it a document entitled “Strategic direction and functioning of the Committee on Trade and Investment” (E/ESCAP/CTI(3)/7/Rev.1).

83. Following an introduction by the secretariat, the Committee deliberated on the role, functioning and strategic direction of the Committee. In particular, it deliberated on the desirability and feasibility of establishing a permanent bureau and subcommittees to address specific issues on an ongoing basis. In addition, ad hoc task forces could be established to address specific issues for a limited period of time. The Committee also reviewed non-exhaustive specific focus areas for the development of regional action plans, which would constitute its strategic direction for the foreseeable future and could be taken up by the relevant subcommittees.

84. Statements were made by representatives of the following countries: Bhutan; China; Iran (Islamic Republic of); Japan; and Russian Federation.

85. The Committee agreed that efforts were necessary to make the Committee more relevant for countries and to have an actual impact on inclusive growth and poverty reduction.

86. Having considered the proposals contained in document E/ESCAP/CTI(3)/7/Rev.1, the Committee agreed to work further on them on a step-by-step basis and in coordination with the ongoing efforts to revise the conference structure of ESCAP as mandated by the Commission in its resolution 69/1.

87. In particular, the Committee supported the establishment of a permanent bureau and requested the secretariat to undertake a feasibility study on such a bureau and prepare draft terms of reference of the bureau for review by member States.

88. While not opposed to efforts to enhance the impact of the Committee, the delegation of Japan called on the secretariat to improve the functioning of existing mechanisms on a priority basis for that purpose.

89. The Committee generally supported its proposed strategic direction as put forward by the secretariat but did not agree with the focus on trade and investment in low-carbon goods and services, as that could result in discrimination against traditional goods and services and new non-tariff barriers while there was no internationally agreed definition of such goods and services. In that context, the delegation of the Russian Federation proposed to focus on trade and investment in energy products and services, as that was a priority area as identified by ministers at the Asian and Pacific

Energy Forum, which had been held in May 2013 in Vladivostok, Russian Federation.[10]

G. Consideration of the future focus of the trade and investment subprogramme

90. The Committee had before it a document entitled "Proposed strategic framework for 2016-2017 for the subprogramme on trade and investment" (E/ESCAP/CTI(3)/8).

91. Following an introduction by the secretariat, the Committee deliberated on the following issues: (a) the programme of work and strategic framework 2016-2017; (b) resource mobilization; and (c) private sector engagement.

92. The Chief of the Programme Planning and Partnership Division of ESCAP presented the process for preparing the strategic framework 2016-2017.

93. Statements were made by representatives of the following countries: Iran (Islamic Republic of); and Nepal.

94. The Committee generally supported the proposed strategic framework 2016-2017 as contained in the above-mentioned document with the understanding that additional changes would be made to reflect directives from United Nations Headquarters, including implementation of the Organization's commitment on gender equality and women's empowerment. Those changes would not affect the overall direction and focus of the strategic framework.

95. The delegation of the Islamic Republic of Iran recommended that lessons learned from the formulation of previous strategic frameworks should be applied in the formulation of the strategic framework 2016-2017.

96. In response to a query from the delegation of Nepal as to whether the secretariat had established a programme with regard to expanding the coverage, deepening the commitment and expanding the membership of APTA (indicator of achievement (b)(iii) in the proposed strategic framework 2016-2017), the secretariat responded that such a programme was indeed in place.

H. Implementation of Commission resolution 68/3 and consideration of draft resolutions and decisions for submission to the Commission at its seventieth session

97. The Committee had before it a document entitled "Implementation of Commission resolution 68/3" (E/ESCAP/CTI(3)/9).

98. Following an introduction by the secretariat, the Committee deliberated on the following issues: (a) adoption of decisions by the Committee and submission of draft resolutions for review and adoption by the Commission; and (b) implementation of resolution 68/3 on enabling paperless trade and cross-border recognition of electronic data and documents for inclusive and sustainable intraregional trade facilitation.

99. Statements were made by representatives of the following countries: Bangladesh; China; India; Iran (Islamic Republic of); Japan; Lao People's

[10] See E/ESCAP/APEF/3.

Democratic Republic; Maldives; Nepal; Republic of Korea; Russian Federation; Thailand; and Viet Nam.

100. The representative of the World Customs Organization made a statement.

101. The Committee noted the progress made on implementing resolution 68/3 and supported the desire of member States for a regional arrangement on cross-border paperless trade.

102. The Committee was informed that the Republic of Korea had contributed to the implementation of resolution 68/3 by establishing a trust fund for ESCAP on trade facilitation.

103. The Committee noted that endorsement of the arrangement by the Commission would not obligate member States to become members and that membership would be entirely voluntary.

104. The Committee agreed that further consultations were necessary at the national and regional levels before a final arrangement could be concluded. In that context, it was considered desirable for such an arrangement to be signed by as many countries as possible.

105. In that regard, the Committee requested the secretariat to organize another regional intergovernmental meeting on that issue before the seventieth session of the Commission session to allow member States to have another internal review to build national consensus and make improvements, where possible, to the draft text, and to have a better understanding of the rights and obligations of becoming a party to a United Nations treaty. In that context, the participation of a representative of the Treaty Section of the Office of Legal Affairs in that meeting was considered to be very useful.

106. The Committee further requested the secretariat to closely integrate capacity-building components in intergovernmental meetings, in particular with regard to issues related to the facilitation of cross-border paperless trade.

107. While recognizing that the Committee is not the appropriate forum to negotiate the draft text of the arrangement, the delegation of the Russian Federation proposed amendments to the text, which would be consolidated by the secretariat. The Chair of the Committee requested all other countries to submit to the secretariat, as soon as possible, amendments, which would be consolidated by the secretariat.

108. The secretariat requested member countries that had not yet done so to appoint focal points for the negotiation of the regional arrangement on cross-border paperless trade facilitation.

I. Other matters

109. No other matters were discussed.

J. Adoption of the report

110. The Committee adopted the report on its third session on 22 November 2013.

III. Organization of the session

A. Opening, duration and organization

111. The Committee on Trade and Investment held its third session in Bangkok from 20 to 22 November 2013.

112. The Executive Secretary of ESCAP delivered a welcoming address.

113. Mr. Niwattumrong Boonsongpaisan, Deputy Prime Minister and Minister of Commerce of Thailand, delivered the inaugural address.

114. The Executive Secretary of ESCAP officially launched the *Asia-Pacific Trade and Investment Report 2013*.

B. Attendance

115. The session was attended by representatives of the following members of ESCAP: Afghanistan; Bangladesh; Bhutan; Cambodia; China; Fiji; France; India; Indonesia; Iran (Islamic Republic of); Japan; Kazakhstan; Kyrgyzstan; Lao People's Democratic Republic; Malaysia; Maldives; Mongolia; Myanmar; Nepal; Pakistan; Papua New Guinea; Philippines; Republic of Korea; Russian Federation; Samoa; Tajikistan; Thailand; Timor-Leste; and Viet Nam. The following associate members also attended: American Samoa; and Macao, China.

116. The session was also attended by a representative of the International Trade Centre UNCTAD/WTO.

117. The following intergovernmental and non-governmental organizations were represented: Asian Development Bank; Organisation for Economic Co-operation and Development; World Customs Organization; and World Association for Small and Medium Enterprises.

118. A total of 6 panellists and 46 observers also attended.[11]

C. Election of officers

119. The following officers were elected:

Chair:	Mr. Sajjad **Ahmad** (Pakistan)
Vice-Chair:	Ms. Karo **Rupa** (Papua New Guinea)
Rapporteur:	Ms. Tekreth **Kamrang** (Cambodia)

D. Agenda

120. The Committee adopted the following agenda:

1. Opening of the session.
2. Election of the bureau.
3. Adoption of the agenda.

[11] See E/ESCAP/CTI(3)/INF/2.

4. Asia-Pacific Trade and Investment Report 2013:

   (a) Review of recent trends and developments;

   (b) Promoting inclusive trade and investment.

5. Reports on activities of the regional institutions:

   (a) Asian and Pacific Centre for Transfer of Technology;

   (b) Centre for Sustainable Agricultural Mechanization.

6. Regional cooperation initiatives under the subprogramme.

7. Global initiatives with implications for the subprogramme.

8. Collaboration with other global and regional organizations and initiatives.

9. Strategic direction and functioning of the Committee on Trade and Investment.

10. Consideration of the future focus of the trade and investment subprogramme:

   (a) Programme of work and strategic framework 2016-2017;

   (b) Resource mobilization;

   (c) Private sector engagement.

11. Implementation of Commission resolution 68/3 and consideration of draft resolutions and decisions for submission to the Commission at its seventieth session.

12. Other matters.

13. Adoption of the report.

Annex

List of documents

Document symbol	Document title	Agenda item
General series		
E/ESCAP/CTI(3)/1 and Corr.1	Asia-Pacific Trade and Investment Report 2013	4
E/ESCAP/CTI(3)/2	Report on activities of the Asian and Pacific Centre for Transfer of Technology	5(a)
E/ESCAP/CTI(3)/3	Report on activities of the Centre for Sustainable Agricultural Mechanization	5(b)
E/ESCAP/CTI(3)/4	Overview of the secretariat's activities in promoting regional cooperation in trade and investment, including issues for consideration by the Committee	6
E/ESCAP/CTI(3)/5	Global initiatives with implications for the subprogramme	7
E/ESCAP/CTI(3)/6	Collaboration with other global and regional organizations and initiatives	8
E/ESCAP/CTI(3)/7/Rev.1	Strategic direction and functioning of the Committee on Trade and Investment	9
E/ESCAP/CTI(3)/8	Proposed strategic framework for 2016-2017 for the subprogramme on trade and investment	10
E/ESCAP/CTI(3)/9	Implementation of Commission resolution 68/3	11
Limited series		
E/ESCAP/CTI(3)/L.1	Annotated provisional agenda	
E/ESCAP/CTI(3)/L.2	Draft report	13
Information series		
E/ESCAP/CTI(3)/INF/1/Rev.1	Information for participants	
E/ESCAP/CTI(3)/INF/2	List of participants	
E/ESCAP/CTI(3)/INF/3/Rev.1	Tentative programme	