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Economic and Social Commission for Western Asia (ESCWA)

REPORT

**EXPERT GROUP MEETING ON TRANSPORT AND TRADE FACILITATION
IN THE ESCWA REGION
BEIRUT, 1-2 MARCH 2011**

Summary

The Economic and Social Commission for Western Asia (ESCWA) convened the Expert Group Meeting on Transport and Trade Facilitation in the ESCWA Region at the United Nations House in Beirut on 1 and 2 March 2011.

The meeting was held to do the following: (1) study issues related to trade facilitation, including the draft consolidated negotiating text of the World Trade Organization (WTO) Negotiating Group on Trade Facilitation, and identify regional priorities and needs; (2) discuss ways to facilitate and develop inter-Arab trade and examine ways to enhance its role to support regional integration and sustainable development in the ESCWA region; (3) deepen the understanding of issues related to Aid for Trade and of how to benefit from it, particularly with regard to the least developed countries; (4) support the establishment of National Transport and Trade Facilitation Committees (NTTFCs) and enhance their role at the national and regional levels; (5) share expertise and best practice.

The meeting concluded with the adoption of a number of recommendations on three main themes, namely: (1) establishing and activating NTTFCs; (2) ensuring the provision of prerequisites for transport and trade facilitation; and (3) promoting Aid for Trade.

CONTENTS

	<i>Paragraphs</i>	<i>Page</i>
Introduction	1-3	3
<i>Chapter</i>		
I. RECOMMENDATIONS	4-11	3
A. National Transport and Trade Facilitation Committees	4-5	3
B. Facilitating Trade and Transport	6-9	3
C. Aid for Trade	10-11	4
II. TOPICS OF DISCUSSION	12-39	5
III. ORGANIZATION OF WORK	40-43	12
A. Opening	40	12
B. Participants	41	12
C. Agenda	42	12
D. Documents	43	13

ANNEXES

I. List of participants	14
II. List of documents	18

Introduction

1. The Economic and Social Commission for Western Asia (ESCWA) organized the Expert Group Meeting on Transport and Trade Facilitation in the ESCWA Region at the United Nations House in Beirut on 1 and 2 March 2011.
2. Four key topics were discussed at the meeting: regional priorities and needs and issues related to trade facilitation, including the draft consolidated negotiating text of the World Trade Organization (WTO) Negotiating Group on Trade Facilitation; ways to facilitate and develop inter-Arab trade and opportunities to enhance its role to support regional integration and sustainable development in the ESCWA region; issues related to Aid for Trade and ways to benefit from it, particularly with regard to the least developed countries; and the establishment of National Transport and Trade Facilitation Committees (NTTFCs) and ways to enhance their role at the national and regional levels.
3. The current report reviews the meeting's key recommendations, the main topics addressed and the opening session. It also lists the meeting participants.

I. RECOMMENDATIONS

A. NATIONAL TRANSPORT AND TRADE FACILITATION COMMITTEES

4. Participants called upon member countries:
 - (a) To consult the Guide on the Establishment of National Committees for Facilitating Transport and Trade prepared by ESCWA in 2003, if they have not yet established NTTFCs, and to make use of ESCWA technical support to establish such Committees;
 - (b) To accelerate steps to activate the NTTFCs that have been established, by formulating and adopting implementation plans that highlight the goals and priorities of each country, and by making use of ESCWA technical support in the design of implementation plans and the activation of the Committees;
 - (c) To widen the scope of NTTFCs and enhance private sector representation;
 - (d) To invite financial institutions to attend meetings of NTTFCs as observers, whenever necessary.
5. Participants called upon ESCWA:
 - (a) To resend the questionnaire on establishing and activating Committees to the relevant authorities in member countries, in view of the fact that NTTFCs differ between countries;
 - (b) To provide technical support to member countries in connection with securing necessary funding from financing authorities, in order to facilitate transport and trade and enhance the work of NTTFCs.

B. FACILITATING TRADE AND TRANSPORT

6. Participants called upon member countries:
 - (a) To take necessary steps to provide the prerequisites for transport and trade facilitation;
 - (b) To take concrete action to achieve trade facilitation while complying with international standards;
 - (c) To promote infrastructure development; expedite the clearance of goods; provide accurate and comprehensive information on markets and goods; consider international specificities; review financial, banking and insurance operations and reduce the number of signatures and days required for the completion of transactions;

(d) To adopt trade facilitation as an integral part of their trade policies and to pursue efforts to achieve, monitor and evaluate the outcome of trade facilitation on an ongoing basis;

(e) To harmonize trade policy objectives and the goals of financial and monetary policy to encourage inter-Arab trade and domestic and foreign investment and promote investment, particularly in productive sectors such as agriculture and manufacturing;

(f) To involve the private sector in trade policy formulation and in evaluating the impact of trade policies at all levels;

(g) To adopt a clear policy on small and medium-sized enterprises and to help them take advantage of trade liberalization and regional integration;

(h) To enhance competitiveness in non-domestic trade by providing the key prerequisites for competition. Those prerequisites include specialized institutions, infrastructure, macroeconomic stability, health services and basic education. Member countries can enhance competitiveness by strengthening trade efficiency through higher education, training and technological preparation;

(i) To enhance the efficiency and volume of both the goods and labour and of financial markets, to encourage research and development and to eliminate elements that impede trade including complicated procedures, slow transport services and administrative red tape;

(j) To enhance coordination and actively participate in WTO negotiations on the draft agreement on trade facilitation that is due in April 2011 (eighth draft).

7. Participants called upon ESCWA:

(a) To continue its cooperation and coordination with all regional and international organizations, in order to develop ways to facilitate trade and transport in the Arab region and thus promote regional integration;

(b) To continue its cooperation and coordination with WTO with a view to providing technical support to trade facilitation negotiations, in order to strengthen Arab countries' positions in bilateral and international trade;

(c) To continue to provide technical support to member countries and other Arab countries in all areas of transport and trade facilitation.

8. The Secretariat of the League of Arab States and ESCWA are requested to continue their cooperation in all relevant fields, and especially in connection with facilitating transport and trade between Arab countries, and between Arab countries and other regions, taking into account all regional studies and projects in that regard.

9. The Secretariat of the League of Arab States, ESCWA and other regional organizations are requested to promote trade facilitation at the regional level.

C. AID FOR TRADE

10. Participants called upon member countries:

(a) To enhance the role of trade with a view to achieving sustainable development goals;

(b) To provide the prerequisites for trade and to set priorities in order to benefit from grants to promote trade;

(c) To continue to study and evaluate how to use provided assistance;

(d) To involve the private sector to enhance trade development strategies and to benefit from Aid for Trade programmes.

11. Participants called upon ESCWA to continue to provide technical assistance to member countries, particularly the least developed countries, in connection with attracting Aid for Trade programmes and developing approaches for engaging with those programmes.

II. TOPICS OF DISCUSSION

12. The meeting discussions focused on several topics, the most important of which were the following: the draft consolidated negotiating text of the WTO Negotiating Group on Trade Facilitation; Aid for Trade; monitoring the establishment and activation of NTTFCs; and sharing experiences and successful practices of ESCWA member countries and other countries and regional and international organizations and blocs that are active in that area.

13. A representative of ESCWA gave a presentation on the current situation of and future plans for NTTFCs in the region. She began by reviewing the background to transport and trade facilitation and ESCWA actions in that field since 1998. She explained the importance of establishing national committees and the benefits all relevant authorities derive from them. She reviewed the fundamental concepts leading to their establishment and their general and specific objectives. She noted that 10 out of 14 ESCWA member countries had established NTTFCs while the remaining countries were taking steps to do so. She then analysed the responses of member countries to the detailed questionnaire on the establishment of NTTFCs. The questionnaire was circulated at the tenth session of the Committee on Transport, held in Beirut from 31 March to 2 April 2009, where it was adopted pursuant to amendments introduced by member countries. At the end of the presentation, the representative of ESCWA made a number of recommendations to the meeting regarding the establishment of national committees in the region and the enhancement of their work.

14. A representative of ESCWA gave an audiovisual presentation on facilitating transport and trade in the Arab region, particularly in the Arab Mashreq. She identified the key objectives of transport and trade facilitation and highlighted ESCWA participation in related regional projects and initiatives. In collaboration with other United Nations regional commissions, ESCWA undertook regional and interregional projects between 2002 and 2012, some of which have been completed and others not. She also briefed participants on ongoing collaboration between ESCWA and the League of Arab States and on ESCWA activities to enhance transport and trade facilitation within and between member countries. Lastly she reviewed cooperation between ESCWA and regional organizations, banks and funds in the field of transport and trade facilitation. She gave an overview of the vision of ESCWA and affirmed its readiness to provide technical assistance to member countries in all fields, particularly in facilitating transport and trade.

15. The representative of WTO gave a presentation on the current status of negotiations on transport facilitation, the General Agreement on Tariffs and Trade and the implementation of special and differential treatment. She gave an overview of the seventh draft of the Doha Work Programme, WTO document (WT/L/579), and explained the legal framework upon which those negotiations are based. She reviewed the progress of the negotiations up to the present. She provided examples of texts submitted during ongoing trade liberalization negotiations between various world regions and showed how those texts were handled. They were amended through discussions, and negotiators achieved consensus by reformulating the agreement to reflect, as far as possible, the aspirations of delegations. She spoke about the list of commitments and prerequisites for countries embarking on trade liberalization negotiations and, lastly, briefed participants on future stages in the negotiations and in particular those that would be held in Geneva in April 2011 with a view to completing the Doha Round by the end of that year.

16. A representative of the United Nations Conference on Trade and Development (UNCTAD) briefed participants on activities and measures to enhance article 5 of the draft consolidated negotiating text of the WTO Negotiating Group on Trade Facilitation (TN/TF/W/165/Rev.6), by invoking the principle of free transit. He spoke about the involvement of UNCTAD with trade facilitation issues and about activities undertaken to support countries and to enable them to strengthen their positions in WTO negotiations on trade liberalization. He highlighted the three relevant international agreements, namely: the Barcelona

Convention and Statute on Freedom of Transport, February 1921; the General Agreement on Tariffs and Trade, 1947, article 5 of which establishes a detailed regulatory basis for goods in transit; and the Convention on Transit Trade of Land-locked States, New York, 1965. Those agreements support and safeguard the interests of countries concerned with transit trade. Trade talks are taking place in Geneva within the framework of WTO negotiations to enhance article 5 of the agreement on trade liberalization vis-à-vis transit activities. The representative clarified the perspective of UNCTAD on that article. Lastly he drew attention to article 11, paragraph 5 of the agreement on trade liberalization, which provided technical definitions, ways to deal with obstacles to transit, costs and infrastructure at borders, monitoring activities, measures taken by neighbouring States and coordination and cooperation between them. He expressed doubts as to whether the new WTO rules would help to facilitate transit.

17. The representative of the United Nations Economic Commission for Europe (ECE) gave a presentation on standards adopted in the draft consolidated negotiating text of WTO. He began with a detailed explanation of article 10 of the agreement on trade, which addresses import and export procedures and is currently the subject of negotiations (TN/TF/W/165/Rev.7, p. 20). He provided clear examples of amendments to the text that are currently being worked on, including changes to the wording and clarification pursuant to the request of participating States. He also provided copies of the official export transaction form that is currently being considered by European Union countries and reviewed its articles. He then explained various articles of the draft consolidated negotiating text, beginning with section I 3, article 10, item 4, regarding the establishment of a single window; item 10, regarding temporary admission of goods/ inward and outward processing; item 7, regarding common border procedure and requirements. He also explained section I, article 10, paragraph 3.4, which describes the tasks of the trade facilitation committee. Lastly he provided an overview of cooperation between ECE and other international organizations and United Nations bodies to facilitate international trade.

18. All participants took part in an extensive debate in which they presented their observations. The speakers and members of ESCWA responded to all questions raised.

19. The representative of the Syrian Arab Republic presented a working paper on non-domestic trade and the accession of the country to numerous international and bilateral instruments. He shed light on legislation and regulations governing trade that had been issued recently to support international trade between the Syrian Arab Republic and other countries of the world. He also provided information on the growth of Syrian non-domestic trade between 2005 and 2009 and briefed the meeting participants on projects, programmes and measures to be implemented within the framework of the Syrian Arab Republic's eleventh development plan including the following: providing Government services online; expanding and developing communication and information networks; providing greater support for the infrastructure of the Internet and information networks; upgrading ports and roads; improving administrative procedures; simplifying working procedures at the General Directorate of Customs; and simplifying trading procedures. A programme to enhance trade and cooperation with the European Union will also be implemented to facilitate and increase Syrian trade and allow the country to improve its overall economic situation, create jobs, alleviate poverty and fully benefit from globalization.

20. The representative of Palestine presented a working paper on the country's experience with trade facilitation initiatives and actions. He explained the particular situation of Palestine and said that the Palestinian Government was nevertheless making preparations both domestically and at the international level to join the World Trade Organization, first as an observer and as a full member after five years. He briefed participants on the steps that the Government had taken to advance trade facilitation including establishing NTTFC, adopting the Automated System for Customs Data (ASYCUDA), which has been in operation since 2000, and establishing the Palestinian Shippers' Council. The representative also presented Palestine's efforts to implement the Single Window and the Trade Corridors Facilitation Project. He also noted the most important obstacles to trade facilitation in Palestine. At the end of his speech, he gave a brief outline of NTTFC.

21. The representative of Jordan presented the country's experience of promoting trade and the WTO negotiations on trade facilitation. He briefly outlined the importance of trade facilitation and how Jordan's trade efficiency compares with the efficiency of other countries of the region according to a report by the World Bank. He described the experience of Jordan in WTO negotiations on trade facilitation and the preparations and measures implemented by the Jordanian authorities. He explained in detail the steps taken within the country to coordinate all relevant authorities with a view to achieving trade facilitation. He briefed participants on Jordan's proposal to establish a committee to facilitate transport and trade among Arab countries and on achievements since 2000, outlining the goals of such a committee.

22. The representative of Yemen gave a presentation on the country's experience with trade facilitation and the measures it had taken. He listed the key policies that had been or were being implemented by the Government to streamline non-domestic trade. Significant progress had been made as a result of those policies, in particular with regard to liberalizing non-domestic trade and eliminating all quantitative non-tariff and administrative barriers restricting the import of goods. Progress had also been made in completing and updating the legal and institutional framework to strengthen free trade and align it with the requirements for Yemen's accession to WTO. Yemen was able to accelerate its accession to WTO because of its status as a least developed country. Its role in regional economic blocs is expanding. In particular, Yemen is implementing Greater Arab Free Trade Area (GAFTA) measures, fostering integration with countries of the Gulf Cooperation Council, strengthening cooperation with the countries of the Sana'a Forum for Cooperation. Furthermore, Yemen is enhancing commodity export marketing, ensuring that exports are in line with adopted descriptive standards and encouraging national companies to promote their products in foreign markets. Yemen is also increasing the role of customs windows and facilitating and simplifying customs procedures, strengthening the application of trade agreements to take advantage of the concessions they offer, and concluding new agreements to promote interests that are shared with trading partners. The representative touched upon the key goals of reform policies and the measures Yemen has enacted to facilitate trade, and measures to implement export policies, strengthen and develop the institutional framework to enhance free trade, implement customs reform policies and strengthen the capacity of customs authorities. He emphasized Yemen's economic integration within regional and world economies, particularly including Yemen's negotiations for accession to WTO, its accession to GAFTA, negotiations for accession to the Gulf Cooperation Council, and the impact of those procedures on trade expansion.

23. Participants and country representatives discussed trade facilitation in the region and proposals for enhancing trade with ESCWA representatives and international experts.

24. The representative of the Arab Planning Institute gave an audiovisual presentation on non-domestic trade competitiveness in the ESCWA region. He briefed participants on the rankings of Arab countries as set forth in the Global Competitiveness Report (2010), comparing them with other selected countries. There were a number of factors determining competitiveness, namely: key prerequisites (institutions, infrastructure, macroeconomic stability, health services and basic education); efficiency boosters (higher education and training, efficient commodity and labour markets, sophisticated financial markets, technological preparation and market size); and innovations and complex factors (the level of business sophistication). He also outlined trends in those factors determining competitiveness in the Arab region, focusing on the three aforementioned areas for the year 2010. He presented tables detailing the market capitalization of ESCWA member countries and the average total factor productivity of selected Arab countries between 1970 and 1979 and between 2000 and 2006. He illustrated the point with examples of non-domestic trade competitiveness in Egypt, the Sudan and African countries and compared figures and indicators. He briefed the meeting on the rankings of ESCWA member countries based on cross-border trade indicators out of a total of 183 countries. He also drew attention to indicators of the apparent comparative advantage of Arab exports by commodity group for 1997 and 2006 and presented indicators and examples of competitiveness and non-domestic trade. He concluded with suggestions regarding trade policy in Arab countries. Considering that trade policy complemented domestic sectoral policies, he suggested that stakeholders should do the following: avoid adopting preconceived notions in favour of free trade or protectionism; review the implementation of trade policies favouring consumer goods; and understand that monetary policy instruments (principally exchange

rates) are not a magical solution. Providing an appropriate environment in which to implement policies is a necessary precondition.

25. An expert from ESCWA gave a presentation on trade facilitation from a development perspective and challenges to economic growth. She began by defining the concept of trade facilitation and talked about how it had emerged. She briefed participants on the overall situation of trade facilitation in ESCWA member countries and highlighted the role of trade facilitation in accelerating economic growth and development. She then discussed the role of trade policies in achieving development within the context of a multilateral trading system and regional integration desired by stakeholders. She also listed regional cooperation mechanisms for facilitating trade between ESCWA member countries and summarized the problems and obstacles they face in connection with cross-border trade. Those include rising transport costs in the country of origin, delays and restrictions associated with inspections to ensure compliance, duplicate procedures at each customs point, complicated inspection procedures, long transit times due to staff shortages and the convoy system, and excessive restrictions and fees on loading and unloading. She suggested a number of solutions to overcome those obstacles and drew attention to the opportunities and challenges of trade facilitation and its impact on intraregional trade development. She stressed the need to remove restrictions to trade flows to promote trade and foster development in the region. She concluded with a number of observations and suggestions on facilitating trade including taking firm action to develop and foster non-domestic trade; adopting pro-trade measures in connection with infrastructure, legislation, and fiscal, monetary and trade policy to promote the private sector; and taking steps to support small and medium-sized enterprises and encourage domestic and foreign investment.

26. The representative of ECE gave a presentation on carrying out needs assessments to facilitate trade. He began by noting that countries needed to assess the administrative and procedural obstacles to trade and gave examples of assessment procedures in certain countries. He then explained the mechanisms for assessing trade facilitation and analysing facilitation requirements in accordance with WTO guidelines.

27. The representative of the Saudi Arabian General Investment Authority gave a presentation in which he summarized their vision and objectives including promoting investment, adopting initiatives and enhancing the competitiveness of Saudi Arabia. He drew particular attention to the Authority's National Competitiveness Center and the important role it played in the planning, coordination and dissemination of reforms, and in strengthening competitiveness within the country. As a result of the Center's activities, Saudi Arabia had undertaken key reforms in connection with customs procedures and had reduced import and export costs through the establishment of a single window for customs clearance at Jeddah Islamic Port, had launched computer-based information exchange between all relevant authorities concerned with trade operations, had reduced port fees by 50 per cent and had increased the use of ultra violet surveillance systems. He then reviewed a number of indicators and encouraging outcomes of those reforms with regard to the evolution and ease of investment in Saudi Arabia between 2004 and 2010, highlighting that the country had risen from sixty-seventh place (out of 145 countries) in 2004 to eleventh place (out of 183 countries) in 2010.

28. The representative of Lebanon gave an audiovisual presentation in which he reviewed the country's transport and trade facilitation. He began by briefing the meeting on the status of Lebanon's negotiations to join WTO and the key requirements, including transport and trade facilitation. He then enumerated the laws and measures enacted by Lebanon, highlighting the revised unified Customs Law which was amended in 2000 and the establishment and activation of NTTFC in August 2008. The representative of Lebanon outlined the goals of NTTFC, explained its structure and said that it was presided over by the Ministry of Economy and Trade. He also explained the terms of the plan of action of NTTFC, which would be implemented when the necessary funding had been secured. The representative of Lebanon also underlined the importance of Aid for Trade, which remains a priority for Lebanon, and which encouraged competition and the upgrading of infrastructure at border crossings and in other areas including energy, telephone and water services.

29. A representative of ESCWA gave a presentation on financing inter-Arab trade. He outlined the status of Arab economies over the previous few years and the importance of Arab non-domestic trade, which had accounted for approximately 57 per cent of GDP in 2000 and had risen to approximately 78 per cent in 2009. He compared Arab exports and global exports and compared Arab imports and global imports between 2000 and 2009, and touched upon the commodity structure of Arab imports and exports over the same period. He spoke about the programme of the Islamic Development Bank to support non-domestic trade and provide funding to enhance trade in certain Arab countries. The objectives of the programme are to promote and develop trade among Arab countries and enhance the competitiveness of Arab exporters by working with national institutions accredited by the Central Bank to offer exporters and importers funding through credit lines. He also touched upon the key reasons for the weakness of inter-Arab trade, the most important being the need to comply with a great many laws, regulations, mechanisms and rules, the absence or weakness of mechanisms to monitor the implementation of agreements, similar productive structures, the multiple and varied documents required for the completion of customs procedures, the lack of Arab consensus on detailed rules of origin, the lengthy certification mechanisms of government agencies, and the diverse specifications and standards adopted by Arab countries. He gave an overview of inter-Arab trade financing, focusing on the need for funding to achieve Arab economic integration; that was linked to the need to open channels for trade finance in the context of the financial and economic crises. An integrated, non-competitive Arab framework was required, as were joint and private-sector transport projects and steps to diversify production, in the light of the comparative advantages of each country, the need to implement the decisions of the Kuwait summit on the full application of GAFTA measures, and commitments to uphold a realistic and scalable strategy with a timeframe for the achievement of goals. He concluded his presentation by noting specific ESCWA efforts in that regard and more general efforts to strengthen Arab regional integration. He referred to the ESCWA report on Arab cooperation and integration, which aimed to identify the challenges facing countries in the region and how those challenges should be overcome, and to provide a comprehensive package of policies and strategies to promote Arab regional integration in trade, services, foreign direct investment and labour mobility.

30. A consultant from ESCWA gave an audiovisual presentation on transport facilitation in the ESCWA region and the challenges to regional connectivity. He provided a detailed evaluation of transport networks in the Arab Mashreq, by analysing three indicators, namely logistical performance, regular shipping network connectivity and business practices. He reviewed logistical performance mechanisms in Arab countries and compared those with other countries for the years 2007 and 2010, and analysed the efficacy of selected ESCWA member countries' road, rail and maritime transport and ports. He provided information on the total length of missing railway links in the Arab Mashreq, highlighted ESCWA member countries vis-à-vis the Liner Shipping Connectivity Index (LSCI) and explained how they compared with those present in other countries. He also highlighted successes achieved by ESCWA in the field of transport and the contribution it had made to transport and trade facilitation in the region through the Agreement on International Roads in the Arab Mashreq, the Agreement on International Railways in the Arab Mashreq, NTTFs in the Arab Mashreq, the Memorandum of Understanding on Maritime Transport Cooperation in the Arab Mashreq, and the United Nations Convention on the International Multimodal Transport of Goods in the Arab Mashreq. He presented data on interregional and non-domestic trade ratios and trade efficiency (in terms of procedures and transactions) in the ESCWA region and showed how that compared with other regions of the world. He also listed the key trade facilitation challenges still to be overcome despite the international transport instruments to which most ESCWA member countries have acceded. At the end of his presentation, he made a number of suggestions on facilitating transport and trade in the region, including upholding the provisions of the Agreement on International Roads in the Arab Mashreq, the Agreement on International Railways in the Arab Mashreq and the plan of action for its implementation. He also suggested implementing road and rail projects to address missing links, as set forth in regional agreements, giving priority to links in international transport axes. He called for effective participation in all regional efforts to develop facilities to support regional transportation networks, especially land ports, to enhance and update border crossing points to facilitate transport and trade operations and to adopt successful international initiatives and information and communication technologies to facilitate cross-border transport. He also suggested promoting, streamlining and simplifying procedures for switching between modes of transport at land ports since such

action has financial and environmental benefits, along with reviewing border proceedings and eliminating obstacles and bureaucratic red tape. He recommended that countries accede to international instruments on international trade facilitation and upholding those instruments by incorporating their provisions in national legislation, and that they accede to regional or international agreements on international road transport for hazardous materials and perishable food materials. He suggested that countries identify training needs and priorities for the transport sector, namely for freight brokers, contractors employed in the various forms of transport and providers of logistics services.

31. A representative from ESCWA gave an audiovisual presentation on investment and the business environment in the Arab region. He reviewed economic data and indicators for the Arab region between 2008 and the beginning of 2011 and also touched upon the political challenges facing the Arab economy in terms of unstable growth rates, unemployment, poverty, insufficient economic diversification, inadequate promotion of industry and limited regional integration. He then provided explanations and indicators relevant to each of those challenges. He reviewed in detail indicators on cross border trade, highlighting the obstacles which delay commercial operations and raise costs. He also underlined the important role of transport and trade facilitation in the region. He concluded his presentation by reviewing business and trade indicators, especially procedural timeframes and investor protection mechanisms.

32. A representative of the League of Arab States gave a presentation on GAFTA which included a brief historical overview of its declaration in 1998, background information to that agreement and the key objectives for which it was established. He summarized the negotiating principles leading to the declaration of that Area and listed the active authorities within the Secretariat of the League of Arab States, the Governments of Arab countries and the private sector within each country. He also listed the successes of the negotiations on GAFTA and explained in detail the numerous benefits for regional trade and for economic policy reform for member countries. He briefed the meeting on requests to strengthen regional integration that Arab countries submitted to the Secretariat of League of Arab States. The League of Arab States has requested that all member countries should do the following: demonstrate a strong commitment to upholding the decisions of the Economic and Social Council of the Arab League to ensure that all parties benefit from the creation of that Area; give due consideration to the principle of shared benefits and obligations, including detailed rules of origin; strive to ensure transparency when sharing information between member countries in the region; stay informed of new laws and regulations; and take steps to complete the establishment of a regional trade mechanism to achieve economic integration through providing for liberalization in trade, services and investment. He also listed the challenges facing GAFTA, including transport efficiency, non-tariff barriers, specifications and standards adopted by members of the Area. He noted a trend towards adopting a standard form for mutual recognition agreements by accredited authorities in each country and for rules of origin (with regard to agricultural goods for which rules have not been established). In addition he noted the trends of adopting service fees, duties and taxes of equivalent effect; adopting the principle of national treatment for mutually-exchanged Arab goods; enhancing the role of the Arab private sector in GAFTA; establishing modalities for dealing with products of free zones; enhancing efficiency and facilitating trade. He also presented data and indicators relevant to inter-Arab trade which highlighted the extent to which the Area had made a positive impact.

33. The representative of the Sudan reviewed the country's experience in connection with establishing NTTFC, summarizing the concept of trade in the new global economic order. Focusing on the issue of trade facilitation, she outlined the goals and described the international legal framework underpinning trade facilitation activities, particularly the General Agreement on Tariffs and Trade of 1994. She also explained that NTTFC had been established in the Sudan pursuant to a ministerial decision issued by the undersecretary of the Ministry of Foreign Trade on 15 October 2008 and provided details of the work and competencies of that Committee, in addition to information on all activities undertaken by it prior to the convening of the meeting. She listed the authorities participating as members of NTTFC. Lastly, she briefed participants on the perspectives expressed during the global workshop on evaluating needs and priorities with a view to facilitating trade, which WTO convened in Geneva from 27 November to 1 December 2009.

34. The representative of Kuwait gave a presentation on the integrated mechanization programme that had been implemented by the Kuwaiti General Administration of Customs. He explained the importance of the programme and how it operates. The project for automatic linkage adopted a number of positive aspects of the advanced automatic operations system, and encouraged and strengthened the standardization of customs procedures within a unified workflow for all customs points. Authorities that dealt with customs data approved the system swiftly, and computer-based approval mechanisms had been implemented using the automated systems in place in each government authority and those bodies concerned with customs operations. In turn, this procedure improved the accuracy of shared information. For the sake of clarity, the representative of Kuwait listed the authorities concerned with customs operations, the government authorities that are linked by computer and the authorities that are preparing for automatic linkage and have been included in implementation plans. Those are divided into three categories based on their access to automatic linkage systems (whether those are available, are being established, or are not yet available).

35. A representative of ESCWA reviewed activities undertaken by the Commission in connection with Aid for Trade. She gave an overview of the background of Aid for Trade and the briefed the meeting on the situation in a number of ESCWA member countries in connection with Aid for Trade and the priorities for its distribution. She summarized ESCWA actions to provide technical assistance and training in the area of trade policy and in connection with negotiations on trade accords in 2008 and 2009. She also briefed the participants on future ESCWA actions in that regard. She concluded her presentation by making a number of suggestions to countries of the region with a view to benefiting as much as possible from Aid for Trade. Those included making trade a key priority in national development policies and strategies; identifying needs; setting clear priorities to take advantage of assistance to promote trade; carrying out periodic studies and evaluations of how assistance is used; and involving the private sector with a view to strengthening the trade development strategy.

36. A representative of the International Trade Centre gave a presentation on fostering coordination to mobilize Aid for Trade. She described the International Trade Centre as an agency that provides technical cooperation between the United Nations and WTO in order to promote trade, stating the goal of the Centre, namely to engage with countries to ensure that their exports promote sustainable development and the achievement of the Millennium Development Goals. She explained the strategic framework for the Centre's work and its regional perspective on trade. She noted that the Centre's office handles issues related to 21 Arab countries and she set forth trade needs at national and regional levels and the needs of small enterprises. She then reviewed bilateral trade in the region and stressed that export diversity had fallen below the global average and that steps needed to be taken to develop the trade and business environment. She showed how the Centre helped promote regional coordination in connection with the provision of Aid for Trade through its involvement in regional programmes. Referring to data and indicators, she provided detailed examples of the positive impact of trade facilitation on Aid for Trade.

37. The representative of Oman presented a working paper on the establishment of NTTFC and steps taken to enhance its role pursuant to ministerial decision No. 146/2005, issued by the Minister of National Economy on 3 October 2005, which provided for the establishment of the Committee, the nomination of its members and set forth its mandate and competencies. The representative of Oman then summarized the activities of the Committee and the decisions it has issued since its establishment.

38. An extensive discussion then took place involving all the participants. Attendees submitted their observations and ESCWA consultants and representatives responded to all queries.

39. Lastly, there was an extensive debate among participants concerning the concluding observations. Consensus was reached on the wording of the recommendations, which are set forth in paragraphs 4 to 11 of the present report.

III. ORGANIZATION OF WORK

A. OPENING

40. At the start of the opening session, a representative of ESCWA delivered an address on behalf of the Economic Development and Globalization Division. He welcomed the attendees and expressed the hope that the meeting would be successful. He then drew the attention of the participants to the key topics of the meeting. These included discussing the WTO draft report on trade facilitation, reviewing the current status of the establishment, activation and promotion of the activities of NTTFCs. Furthermore, the meeting had been called to review regional projects and initiatives undertaken by ESCWA in collaboration with other United Nations regional commissions, the League of Arab States, the Gulf Cooperation Council, the World Bank, the Islamic Development Bank, and other organizations and bodies working in the Arab region to develop international and inter-Arab trade, in addition to initiatives to foster Aid for Trade and streamline goods and passenger transport. He stressed the need for proposals on developing the work of NTTFCs, which were to be submitted to the Committee on Transport at its session to be held in May 2011, so that the proposals could serve as a basis for practical recommendations to accelerate the transportation and trade facilitation process in the region and thus support Arab social and economic integration.

B. PARTICIPANTS

41. Invitations were extended to stakeholders from ministries of transport and trade, experts from regional and international organizations, including WTO and UNCTAD, the International Trade Centre, the League of Arab States, the Islamic Development Bank and the Saudi Fund for Development. The list of participants can be found in Annex I of this report.

C. AGENDA

42. In addition to its opening session, the meeting consisted of the following five sessions:

1. First Session: The role of ESCWA in facilitating trade and transport
 - (a) Adoption of the agenda;
 - (b) NTTFCs: evaluation and future actions;
 - (c) Regional trade facilitation initiatives.
2. Second Session: WTO negotiations on trade facilitation
 - (a) Status of negotiations and implementation of special preferential treatment;
 - (b) Freedom of transit: an attempt to enhance article 5;
 - (c) The role of standards in the WTO consolidated negotiating text on trade liberalization;
 - (d) National reports;
 - (e) General discussion.
3. Third Session: Trade facilitation and economic development
 - (a) Trade and competitiveness: a regional perspective;
 - (b) Trade facilitation in the context of development: challenges to economic growth;
 - (c) Assessing needs with a view to facilitating trade;
 - (d) National reports;
 - (e) General discussion.

4. Fourth Session: Transport and trade facilitation and regional cooperation
 - (a) Financing inter-Arab trade;
 - (b) Transport facilitation in the ESCWA region: regional connectivity challenges;
 - (c) Transport facilitation and regional trade in the ESCWA region: key issues;
 - (d) GAFTA and trade facilitation;
 - (e) National reports;
 - (f) General discussion.
5. Fifth Session: Aid for Trade
 - (a) ESCWA activities in the area of Aid for Trade;
 - (b) Mobilizing Aid for Trade: fostering coordination;
 - (c) National reports;
 - (d) General discussion.
6. Sixth Session: Conclusion and recommendations.

D. DOCUMENTS

43. A list of documents from the meeting is provided in Annex II.

Annex I*

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Annex II

LIST OF DOCUMENTS

Title
<i>Studies</i>
<i>Trade facilitation from a development perspective: challenges facing economic development</i> Dr. Thoukaa Mukhlis Al-Khalidi
<i>An introduction to non-domestic trade competitiveness in ESCWA countries</i> Dr. Ahmed Al-Kawaz
<i>Trade facilitation in the ESCWA region: challenges to regional connectivity</i> Sofian Atta Allah Al-Mahis
<i>Presentations</i>
<i>The experience of Jordan with regard to trade facilitation and WTO trade facilitation negotiations</i>
<i>Jordanian expertise in the field of trade facilitation</i>
<i>Saudi Arabian General Investment Authority “SAGIA”</i>
<i>The National Transport and Trade Facilitation Committee: a paper presented by the State of Kuwait</i>
<i>League of Arab States: The Greater Arab Free Trade Area</i>
<i>Ministry of Economy and Trade: Lebanon Status Report</i>
<i>Ministry of National Economy: Working paper on the experience of Palestine in connection with trade, services and procedural facilitation</i>
<i>The experience of the Sudan in connection with establishing a National Transport and Trade Committee</i>
<i>Syrian Arab Republic: The status of non-domestic trade</i>
<i>Oman: Establishing and enhancing the role of the National Transport and Trade Committee</i>
<i>The experience of Yemen in connection with trade facilitation, and measures adopted</i>
<i>An introduction to non-domestic trade competitiveness in ESCWA countries</i>
<i>Trade facilitation from a development perspective: challenges facing economic development</i>
<i>Trade facilitation in the ESCWA region: challenges to regional connectivity</i>
<i>Transport and trade facilitation in the Arab region and the Arab Mashreq</i>
<i>Investment and Business Environments in the Arab World</i>
<i>National Transport and Trade Facilitation Committees in the ESCWA region</i>
<i>Aid-for-Trade</i>
<i>Financing inter-Arab trade</i>