



# Economic and Social Council

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## Economic and Social Commission for Asia and the Pacific

### Sixty-eighth session

Bangkok, 17-23 May 2012

Agenda item 3 (b)

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

### Draft report

#### **Trade and investment (including the Asian and Pacific Centre for Transfer of Technology and the United Nations Asian and Pacific Centre for Agricultural Engineering and Machinery)**

1. In addition to the common documents being considered under agenda item 3, the Commission had before it the report of the Committee on Trade and Investment on its second session (E/ESCAP/68/6), the report of the Governing Council of the Asian and Pacific Centre for Transfer of Technology on its seventh session (E/ESCAP/68/7) and the report of the Governing Council of the United Nations Asian and Pacific Centre for Agricultural Engineering and Machinery on its seventh session (E/ESCAP/68/8).
2. Representatives of the following countries made statements: Bangladesh; China; India; Iran (Islamic Republic of); Malaysia; Mongolia; Pakistan; Republic of Korea; Russian Federation; and Thailand. The representative of the World Association for Small and Medium Enterprises (WASME) also made a statement.
3. The Commission noted the importance of trade and investment for economic growth and poverty reduction and expressed concern that trade protectionism was increasing. In that regard, the Commission supported multilateral and regional trade agreements which contributed to a reduction of trade barriers.
4. The Commission emphasized the importance of the multilateral trading system (MTS) in maintaining stable global trade relations and avoiding trade protectionism in times of crisis and called for a conducive and early conclusion of the Doha Development Agenda. It also urged members to implement the recommendations of the Eighth Ministerial Conference of the World Trade Organization (WTO). On that point, one delegation pointed to the need for least developed countries to derive

benefits from the MTS, including exemptions of new commitments under negotiation, full duty- and quota-free access of products from least development countries to markets in developed countries, increased market access under Mode 4 in trade in services related to the movement of skilled labour from least developed countries, and an effective solution to the issue of preference erosion. Another delegation noted that various countries of the region were still not members of WTO and urged the secretariat to help those countries in the accession process.

5. The Commission noted the increasing importance of intraregional trade and, in that context, agreed that regional trade agreements (RTAs) were important mechanisms to increase and facilitate intraregional trade, and that such agreements should also be building blocks of the MTS. One delegation noted that the secretariat had provided a good platform to discuss general trends, approaches towards regional integration, and best practices in trade and investment which could help towards the establishment of a free trade agreement covering Eurasia, such as the Eurasian economic commission.

6. The Commission took the view that the Asia-Pacific Trade Agreement (APTA) was a useful mechanism for promoting region-wide cooperation and integration, and noted with satisfaction the continuous support of the secretariat for that Agreement. Two delegations called for an early conclusion of the fourth round of tariff concessions under APTA.

7. The Commission emphasized the need for greater trade and transit facilitation and increased technical assistance from the secretariat in that area. On that point, the Commission expressed appreciation to the secretariat for its capacity-building activities in trade facilitation and, in particular, its support for the Asia-Pacific Trade Facilitation Forum and the United Nations Network of Experts for Paperless Trade in Asia and the Pacific (UNNExT). The delegation of the Republic of Korea informed the Commission that it was fielding a draft resolution on a regional agreement on cross-border paperless trade and electronic data and documents exchange (E/ESCAP/68/WP.8) and looked forward to the full support of other delegations. One delegation expressed the opinion that trade facilitation measures should be adopted on a best effort basis and be of a non-binding nature.

8. The Commission expressed satisfaction with the organization of the Second Asia-Pacific Trade and Investment Week, which the secretariat had held from 25 to 29 July 2011. The Week had consisted of useful multi-stakeholder events and activities, including the second session of the Committee on Trade and Investment, which had allowed country delegations to exchange experiences and learn about best practices in the area of trade and investment. The Commission called on the secretariat to continue such events and activities.

9. In addition, the delegation of Mongolia expressed appreciation to the secretariat for the technical assistance Mongolia had received in the area of promoting trade corridors, accession to APTA, development of a single window master plan, negotiations of free trade agreements and designing an investment promotion strategy, and looked forward to continued support from the secretariat in those areas. The delegation also expressed its appreciation for various useful publications the secretariat had prepared in the area of trade facilitation and paperless trade, development of small and

medium-sized enterprises (SMEs), and capacity-building work of the secretariat through the Asia-Pacific Research and Training Network on Trade (ARTNeT).

10. The delegation of Mongolia further informed the Commission that, pursuant to Commission resolution 67/1 on the Ulaanbaatar Declaration, the Government of Mongolia was currently working on a plan of action to implement the Multilateral Agreement on the Establishment of the International Think Tank for Landlocked Developing Countries and looked forward to receiving the secretariat's expertise in that area. The delegation called on member States to implement the provisions of the resolution and recommendations of the Ulaanbaatar Declaration and urged landlocked developing countries of the region to expedite the signing and ratification of the Agreement.

11. The Commission noted the importance of entrepreneurship development and addressing the needs of SMEs in areas such as skills development and access to technology and recognized the role of the secretariat in those areas.

12. The Commission noted the importance of investment and the need to establish a favourable investment environment. The Commission also noted the importance of foreign direct investment as a modality to transfer technology and requested the secretariat to provide technical assistance in that area. On that point, the Commission noted the importance of public and private investment in energy efficiency, renewable energy, and low-carbon goods and services.

13. The delegation of Thailand informed the Commission of the Memorandum of Understanding (MoU) which had been signed by the Department of Trade Negotiations of the Ministry of Commerce of Thailand with ESCAP and the International Institute for Trade and Development, reflecting the country's commitment to work closely with ESCAP in strengthening technical cooperation and capacity-building in the area of trade and investment. The cooperation under the MoU will also cover technical assistance to neighbouring countries of Thailand in the Greater Mekong Subregion.

14. The Commission held the view that based on the report of the Governing Council of the Asian and Pacific Centre for Transfer of Technology (APCTT), the Centre played an important role in bridging the technology capacity imbalance in the region and commended the work undertaken by the Centre in building the capacity of SMEs to manage technology transfer and innovation. The delegation of India, recalling the support that it had extended to the Centre's work programme on "National Innovation Systems Phase II" and "Establishing an Institutional Cooperation Mechanism to Promote Renewable Energy," stated that it would be pleased to consider support through suitable modalities for the Centre's future initiatives related to the strengthening of SME technology transfer and innovation management capacity, and the establishment of the Renewable Energy Technology (RET) Bank. Some delegations emphasized that, in the context of the Istanbul Declaration, adopted at the Fourth United Nations Conference on the Least Developed Countries in May 2011, the RET Bank initiative assumed special importance, and they expressed their support for that initiative. One delegation supported the APCTT Governing Council recommendation to establish linkages between APCTT and

national chambers of commerce and industry associations that were actually involved in the process of technology promotion and transfer.

15. The Commission reaffirmed its continued support for the United Nations Asian and Pacific Centre for Agricultural Engineering and Machinery (UNAPCAEM) and its work programme, specifically the establishment of the Asia-Pacific Network for Testing Agricultural Machinery. One delegation expressed strong support for the Centre's capacity-building initiatives in post-harvest technology, combating desertification and rural alternative energy. Two delegations agreed to change the name of UNAPCAEM to the Centre for Sustainable Agricultural Mechanization (CSAM). The delegation of China also agreed to the change of the Centre's name.

16. The Commission noted a statement made by WASME.

17. The Commission endorsed in general the recommendations as contained in section II on trade and investment of the Subprogramme overview: Issues and challenges related to inclusive and sustainable economic and social development in Asia and the Pacific (E/ESCAP/68/2).

18. The Commission further endorsed in general the recommendations of the Committee on Trade and Investment as contained in the report of the Committee on its second session (E/ESCAP/68/6).

19. The Commission endorsed in general the recommendations contained in the report of the Governing Council of the Asian and Pacific Centre for Transfer of Technology on its seventh session (E/ESCAP/68/7) and the report of the Governing Council of the United Nations Asian and Pacific Centre for Agricultural Engineering and Machinery on its seventh session (E/ESCAP/68/8).

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