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Economic and Social Commission for Western Asia (ESCWA)



Report

Third session of the Committee on Trade Policies in the States Members of the Economic and Social Commission for Western Asia Tunis, 7-8 March 2023

Summary

The Committee on Trade Policies in the States Members of the Economic and Social Commission for Western Asia (ESCWA) held its third session on 7 and 8 March 2023. Participants discussed various topics, including the activities related to trade policies that had been implemented since the second session of the Committee, held online on 15 and 16 September 2021, as well as technical cooperation activities, emerging issues and the Arab Trade Gateway developed by ESCWA.

The Committee adopted a set of recommendations at the close of its session addressed to member States and to the ESCWA secretariat. The present report sets out those recommendations, summarizes the discussions, and provides information on participants and session documents.

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Introduction

1. The Committee on Trade Policies in the States Members of the Economic and Social Commission for Western Asia (ESCWA) was established pursuant to ESCWA resolution 332 (XXX) of 28 June 2018 on developing the work of the Technical Committee on Liberalization of Foreign Trade, Economic Globalization and Financing for Development, which divided the Technical Committee into two committees so as to ensure increased focus on each component, namely trade policies and financing for development. The United Nations Economic and Social Council endorsed the separation in resolution 2019/30 of 23 July 2019. The Committee on Trade Policies in the States Members of the Economic and Social Commission for Western Asia held its first session in Amman on 8 and 9 December 2019. Its second session was held virtually on 15 and 16 September 2021, and its third session was held in Tunis on 7 and 8 March 2023.

I. Recommendations made by the Committee on Trade Policies in the States Members of the Economic and Social Commission for Western Asia at its third session

2. At the close of its third session, the Committee adopted a set of recommendations addressed to members States and to the ESCWA secretariat.

A. Recommendations to ESCWA member States

- (a) Welcome the activities implemented pursuant to the recommendations issued by the Committee on Trade Policies in the States Members of the Economic and Social Commission for Western Asia at its second session (held online in September 2021) and under the ESCWA programme plan in the field of trade, and benefit from ESCWA services within the framework of technical cooperation activities;
- (b) Welcome the updated version of the Arab Trade Gateway and its components, and the regional data platform and "Manara" portal, and disseminate them at the national level to maximize use of their data, tools, information and indicators, and provide the secretariat with suggestions on how to develop them so as to maximize benefits for member States;
- (c) Strengthen efforts to provide timely data on non-tariff measures and integrate them into global databases to enable more effective evidence-based decision-making on trade;
- (d) Align competition and foreign direct investment policies with trade policies in Arab countries according to their priorities, so as to contribute to economic and social development;
- (e) Promote the exchange of successful experiences between Arab countries and other countries of the South in the framework of South-South and triangular cooperation.

B. Recommendations to the ESCWA secretariat

- 3. At the close of its third session, the Committee made the following recommendations to the ESCWA secretariat:
- (a) Familiarize stakeholders in member States, including government entities and the private sector, with the tools and platforms of the Arab Trade Gateway, train national trainers on how to use them, and continue to develop these tools and platforms to include additional components, such as trade and transport costs, and expand the current analysis of trade costs to include the latest non-tariff measures based on available data;
- (b) Capitalize on modern technologies to connect the various components of the Arab Trade Gateway and expand analytical capabilities to support decision-making;

- (c) Develop the Arab Trade Simulator Interface and the database underpinning the ESCWA simulation platform, namely by introducing additional policies on non-tariff restrictions, trade facilitation, logistics and transport, and develop national versions of the model at the request of member States;
- (d) Follow up on the development of trade relations and agreements involving Arab countries in the framework of other regional blocs, such as the African Continental Free Trade Area Agreement, and explore the prospects presented by these agreements and how to optimize their use;
- (e) Study cases of origin cumulation as well as industrial and agricultural integration possibilities among member States in trade agreements, such as the Greater Arab Free Trade Agreement;
- (f) Study the uses of blockchain technology in developing applications for the exchange of trade documents and promoting intra-regional trade to reduce the costs of such trade, and provide technical support to interested countries in implementing these uses;
- (g) Continue to develop trade indicators to assist countries in assessing the impact of trade agreements on the economies of member States, and consider the possibility of developing the presentation of foreign trade data for economic purposes;
- (h) Continue to study business legislation in Arab countries and periodically follow up on amendments thereto with the concerned authorities in member States.

II. Topics for discussion

A. Follow-up issues

- 1. Implementation of trade policy activities under the ESCWA programme plan and of recommendations made by the Committee at its second session to the ESCWA secretariat

 (Agenda item 4)
- 4. With reference to document E/ESCWA/C.6/2023/3, the representative of the secretariat made a presentation on trade policy activities implemented under the ESCWA programme plan since the second session of the Committee. The representative said that the activities included drafting reports and technical papers, organizing meetings and workshops for expert teams, creating databases, developing the Arab Trade Gateway and enhancing its role in facilitating and developing foreign trade as well as achieving comprehensive economic and social development. He added that ESCWA carried out those activities in cooperation with member States and regional and international partners, so as to follow up on issues related to global trade, face the challenges that it could pose to the economies of some Arab countries, and maximize the profits that other countries might achieve. The representative of the secretariat also referred to the work achieved by ESCWA pursuant to the recommendations of the Committee at its second session. He listed the recommendations and reviewed the activities implemented under each recommendation, while noting their contribution to achieving the Sustainable Development Goals (SDGs).
- 5. During the discussion, the representative of the State of Libya asked about the extent of cooperation between ESCWA, the United Nations Conference on Trade and Development and the International Trade Centre in collecting information and data. The representative of Tunisia highlighted the significant work carried out by ESCWA compared with other organizations, emphasizing that it focused on the Arab region rather than the entire world.
- 6. In response, the representative of the secretariat underlined the secretariat's efforts in avoiding the duplication of activities and resources. He briefed the Committee on the investment of ESCWA in the fields of technology and data, namely artificial intelligence, which constituted an asset for its work and databases. He referred to ongoing communication with the International Trade Centre to facilitate operations using artificial intelligence and big data, emphasizing the interest of ESCWA in obtaining data as effectively as possible. The main obstacle in the region, however, was the lack of sufficient data in many areas related to

foreign trade, which limited the ability of decision-makers to develop trade policies aligned with the SDGs. Challenges also included constraints and measures that limited the role of trade in overall development, such as non-tariff restrictions on trade in goods and restrictions on trade in services. The representative of the secretariat said that ESCWA was working to coordinate data collection with United Nations organizations operating in the region to help support decision-making. He also mentioned how ESCWA was using technology-based policy tools in other areas, including monitoring social expenditure and financial needs related to the implementation of the SDGs.

2. Technical cooperation activities (Agenda item 5)

- 7. With reference to document E/ESCWA/C.6/2023/4, the representative of the secretariat made a presentation on technical cooperation activities carried out by the secretariat in the field of trade, explaining that technical cooperation activities translated ESCWA work into direct support to member States. The activities included conducting technical studies, organizing consultative or training workshops, and providing advisory services to member States upon their request. The representative also reviewed the activities implemented within projects funded by the United Nations Development Account, which included conducting trainings, and issuing technical papers and reports on various topics related to supporting trade performance in Arab countries.
- 8. The representative of the secretariat explained to participants the technical cooperation request form prepared by ESCWA to assist member States in submitting requests for support, and explained how to fill in the required information to specify the purpose of the activities, whether they were actually being implemented and whether the State was dealing with other United Nations or non-United Nations actors, in order to avoid duplication. She stressed that ESCWA was keen to avoid duplication and requested assistance from member States in doing so.
- 9. The representative of Lebanon asked about the support provided by ESCWA to Arab countries and whether any quota existed for countries and for the nature of support, such as technical or advisory support or capacity-building. He also asked how countries could submit a request and cooperate with other countries, and inquired about the workshops concerning Lebanon and the coordination between ESCWA and the League of Arab States in the field of trade, in addition to their roles, for example, in supporting countries in economic distress to adjust their customs duties. The representative of Egypt asked about the mechanism for providing support to Arab countries, the national authority entitled to request support, and whether capacity-building services were provided in parallel with advisory services.
- 10. The representative of the secretariat noted that there were three types of resources available to support member States, namely, the regular programme of technical cooperation, the United Nations Development Account for capacity-building, and extrabudgetary resources. She added that ESCWA sought to provide extrabudgetary support to Lebanon to implement the plan it prepared with the Ministry of Economy and Trade aimed at promoting the economy in the foreseeable future. With regard to the resources available within the framework of the limited technical cooperation programme, the representative mentioned that ESCWA was one of eleven international organizations implementing the programme. She added that the programme, by its very nature, responded to emerging needs that required rapid interventions that did not exceed a period of one year, if possible. If the intervention extended for more than two years, another source of funding would be sought. The representative of the secretariat also said that ESCWA only received 12 per cent of the resources allocated under this programme, despite implementing a quarter of the global activities, as it strengthened interventions and responses, tried to attract extrabudgetary resources, and replaced external expertise with internal expertise. She indicated that the budget was limited, but ESCWA was making every effort to schedule activities and prioritize the implementation of required interventions.
- 11. With regard to the authority entrusted with submitting requests, the representative of the secretariat said that each country had a focal point responsible for coordinating national priorities in the area of technical

support requested from ESCWA. The request is sent to the focal point first to ensure coordination in the submission of applications, and should reflect a real national priority for the Government. This authority could be different in every country, such as the Ministry of Foreign Affairs in Egypt and the Ministry of Trade in the Sudan. The representative also confirmed that national capacity-building was carried out in parallel with the provision of technical advice. ESCWA provides support in the areas of its expertise, which fall within the framework of its work, programmes and mandates granted to it by member States. ESCWA can also provide advice in parallel with capacity-building. Sometimes, however, ESCWA is unable to meet a specific request. There might be other United Nations organizations that are concerned with the subject of the submitted request and that will work directly thereon. ESCWA will thus support communication with these organizations. The representative of the secretariat also responded to a question on the possibility of supporting countries in economic crises in adjusting customs duties. He said that member States had obligations under the Agreement to Facilitate and Develop Trade among Arab States, and that withdrawal from the agreement or the suspension of any of these obligations must be in accordance with a request submitted in line with the mechanisms adopted by the League of Arab States. ESCWA could provide advisory support on the subject if it received a formal request.

- 3. Implementation of the recommendations made by the Committee at its second session to ESCWA member States
 (Agenda item 6)
- The representative of the Syrian Arab Republic stressed that the recommendations of previous sessions should be cumulative. She pointed out that the recommendations related to transforming the knowledge produced by ESCWA in the field of trade into interactive tools through portals and electronic platforms to assist decision-makers were very important and deserved recognition. She added, however, that her country needed a supportive and accessible infrastructure, given that the sanctions imposed on the country prevented the acquisition of technologies and the development of communication networks, and denied the country access to energy sources. She referred to the recommendations on supporting the ESCWA secretariat with data related to trade, and on continuing the participatory work on the executive plan of the Arab Customs Union. She said that the Syrian Arab Republic was one of the founding countries of the Greater Arab Free Trade Area and had sought to establish the Arab Customs Union and the Arab Common Market. After the war, however, the Syrian Arab Republic was not invited to negotiations on trade in services, nor to meetings related to the customs union. The representative also mentioned the recommendations on developing paperless measures to address sudden shocks and reduce their effects on trade and regional integration, and pointed out that the Syrian Government, in the context of easing precautionary measures to reduce the impact of COVID-19 and other crises on international trade, took a key decision to adopt electronic means in customs clearance, despite the difficulty of implementing this decision amid the country's current situation. Paperless trade between Syrian ministries and customs is currently being introduced via the launch of a platform for investors to simplify procedures and achieve the set objectives with unprecedented advantages and incentives (related to customs, tax and procedures). With regard to the recommendations on implementing economic transformation programmes based on the diversification of productive capacities and integration into the world economy, and on strengthening the role of trade in development plans and improving the ability to provide necessary financing to fulfil this role in accordance with the recommendations of the first session, the representative of the Syrian Arab Republic indicated that the Syrian Government was working on a special strategy for enterprise development and was preparing a special register called the "National Register of Projects". These measures would help in formulating policies and implementing programmes and plans targeting different projects at the geographical and sectoral levels, with the support of ESCWA. They would focus on capacitybuilding in the field of financing the trade of small and medium enterprises (SMEs), and on the importance of the ESCWA contribution to supporting SMEs and their role in raising economic growth rates and contributing to development.
- 13. The representative of Saudi Arabia highlighted the most prominent trade and economic policies in the country. She discussed the important role of ESCWA in offering member States the opportunity to share their experiences and contribute to facilitating trade and trade policy development, including identifying gaps to be

addressed. With regard to national trade policies, Saudi Arabia took proactive steps to facilitate and promote the role of the private sector in the economy, enhance the ease of doing business and organize the business environment, improving the country's performance in several areas. Saudi Arabia also facilitated customs procedures to achieve its vision and implemented the Trade Facilitation Agreement in its entirety. It operated the Single Electronic Window application that connected customers with the concerned authorities, offered the online payment service through a 24-hour platform, and developed customs receipt procedures to keep pace with the rapid development via the Internet and facilitate customs procedures. The country established a customs operations centre that worked around the clock to facilitate import and export procedures and ensure their smooth implementation. It also launched the Law of Trade Remedies in International Trade, which reduced obstacles to the access of exports into international markets and contributed to enhancing the competitiveness of national products, thus providing an attractive environment for investments, while protecting the local industry. The representative highlighted the importance of protecting competition. As such, the new competition law was launched; it applies to all goods and services and sets their prices in accordance with market rules and the principles of free competition. In the field of intellectual property, the Saudi Authority for Intellectual Property was established as an independent body with the aim of unifying all intellectual property matters under one entity. In addition, the National Committee for the Enforcement of Intellectual Property Rights was established, with the aim of improving and strengthening the environment for the enforcement of intellectual property rights. A law was also issued, granting commercial courts substantive jurisdiction in all criminal and civil intellectual property cases. With regard to SMEs, an authority was established with the mandate to increase the contribution of micro, small and medium enterprises (MSMEs) to the Saudi gross domestic product (GDP) from 20 to 35 per cent by 2030. Saudi Arabia considers women's empowerment to be one of the main pillars of Vision 2030 and one of the top priorities of the reform plan. The e-platform Meras, which is aimed at facilitating business, was created to enable the private sector to start a business in one day. She explained that the Ministry of Investment was able to increase and rearrange the priorities of the investment sector, while providing new opportunities in sectors such as entertainment and tourism. It also improved the business and investment environment, including by facilitating the issuance of foreign investment licenses. Saudi Arabia established the Economic Cities Authority to develop policies and propose legislation related to economic zones. Trade in services has contributed to increasing the country's capabilities. In this context, Saudi Arabia stressed the importance of the role of ESCWA and its recommendations, and praised its keenness to ensure the development and prosperity of countries. It also stressed the importance of intensifying capacity-building programmes and national training courses, namely simulation programmes, owing to their significant impact on the development of member States' procedures.

- 14. The representative of Egypt presented the various features of the window programme of the advance cargo information (ACI) system. She shed light on the role of this window in facilitating trade flows, and highlighted the advantages and results of the ACI programme in relation to the commercial community and the private sector. She mentioned the procedures followed within the framework of the window, which effectively contributed to the implementation of additional transparency, integrity and clarity procedures, and enabled the Egyptian importer and foreign exporter to be notified of the request for identification and approval within 48 hours from the date of submitting the application.
- 15. The representative of Jordan shed light on the most prominent recommendations that had been implemented in relation to trade, e-commerce, technical support and digital trade measures, and addressed the progress made in implementing the Arab Customs Union project. She welcomed the Arab Trade Gateway and the accessibility of the data and information it provided, as well as its various components, including the External Trade Data Platform for the Arab Region, the Arab Economy-wide Trade Simulator Interface, and the Index Simulator for Policymakers. She said that Jordan was one of the first countries to join the Agreement on Trade in Services and had deposited its instruments of ratification with the General Secretariat of the League of Arab States. She added that Jordan was also one of the countries that ratified the World Trade Organization agreement on trade facilitation, owing to its importance in promoting cross-border trade and reducing non-tariff barriers between trading partners to achieve maximum benefit from trade operations and their impact on economic growth. She underlined that the country had implemented the National Trade Window project, which was a national project aimed at building a comprehensive electronic system for commercial movement, based

on the latest data models. The project seeks to computerize all customs procedures and other departments' procedures related to the electronic clearance of goods. It also aims to increase the competitiveness of the national economy and improve the performance of Jordan, according to international reports. The Customs Law was amended to enable the remote activation of electronic work and the operation of the national window in all main customs centres and operating government institutions. The representative concluded that work was under way to implement the recommendations of the fortieth session of the Committee on the Arab Customs Union, held in Tunisia, the most important of which was the development of sensitive goods lists. She pointed out that a specialized committee would be formed by Jordanian authorities to consider the possibility of adopting the customs duties agreed upon in the Arab region.

16. The representative of Tunisia referred to the cooperation between his country and ESCWA, namely in organizing a national workshop on the Arab Trade Simulator Interface developed by ESCWA.

B. Emerging issues and the Arab Trade Gateway

- 1. Business environment legislation and trade policies in the Arab region (Agenda item 7)
- 17. Before presenting agenda item 7, the representative of the secretariat gave a brief presentation on the Arab Trade Gateway, which provided information, data and smart applications to the parties concerned with trade issues, and presented the related developments that have occurred since the second session of the Committee. He reviewed the contents of the Gateway, noting that it offered information on regional integration and trade flows, a tool for simulating Arab trade, and a wide range of international indicators on trade and other issues. The Gateway would later provide opportunities for remote learning, and offer prominent publications and information on ESCWA meetings on trade in Arab countries.
- 18. With reference to document E/ESCWA/C.6/2023/5, the representative of the secretariat presented the databases and tools developed by ESCWA on legislative frameworks for business and trade in Arab countries, including an assessment study of those frameworks and the Arab Legislation Portal, considered as part of the Arab Trade Gateway. The aim of these tools is to support member States in improving trade performance by highlighting strengths and weaknesses, and providing recommendations to bridge gaps in business legislation. The representative explained that the Portal currently provided legislation on four topics: anti-corruption, competition, consumer protection, and foreign direct investment, and that it contained more than 510 laws and legislative documents. In each of those four topics, assessment indicators based on international standards were established, and data was collected from ministries and development agencies. The representative stated that the titles and indicators established for each listed law were linked to interviews with officials in the concerned countries to obtain more information about each law. She added that the classification was formed based on the collected information. For example, with regard to anti-domination and monopoly laws, a score was awarded depending on whether or not there were laws in the country relating to the protection of workers.
- 19. For each title, the secretariat adopted a number of indicators to assess legislative frameworks. For example, in the case of competition laws, there were about 65 indicators for assessing the relevant legislative frameworks. For scores and ratings, a scale of 0 to 7 was adopted, whereby a score between 6 and 7 was considered "very strong", indicating that the legislative framework conformed or was close to international guidelines and indicators. A score between 0 and 1 indicated that legislative frameworks were very weak and almost absent, and were referred to as "very weak". She then gave an example in which she explained that the Arab region received a score of 3.73 in terms of competition, which was a moderate score. With regard to titles and elements, the representative of the secretariat pointed out that weaknesses of legislative laws could be identified. For instance, exception clauses received a score of 0.69 in the Arab region and were evidence of the large number of exceptions in the region's legislation.
- 20. The representative of the secretariat explained that the second part of the dashboard, which contained country data, presented the data of all Arab countries based on the four topics. For example, she noted that

Tunisia had a score of 4.5 and was considered "developed". She also said that several titles were developed in the region, including antitrust laws, anti-monopoly laws, cartels and anti-competition agreements, and competition enforcement practices, among others, while the exception clause appeared too weak. The representative added that this process took place before the COVID-19 pandemic, as many Arab countries reviewed their laws, especially those related to competition. ESCWA is currently working on the updated version in 2023, which will include amendments made by Arab countries to their laws, as well as a reassessment of new indicators related to trade, and the addition of the Companies Law assessment, given its importance in the fields of labour and trade.

- 21. The representative of Libya noted that some laws were outdated, and that some important legislation on trade were missing. The representative of Egypt asked about the assessment process and the indicators classified as "very strong" or "moderate", among others. He also asked about the methodology and how the indicators were assessed.
- 22. The representative of the secretariat explained that ESCWA was currently working on developing the e-portal, and that the legislative laws that had been amended or updated by Arab countries would be replaced on the portal in 2023. The committee is reaching out to government officials to obtain new legislative laws that cannot yet be found online. She also stressed the importance of preserving old laws to follow up on the developments in countries. The reference codes of the United Nations Conference on Trade and Development (UNCTAD) and the Organization for Economic Cooperation and Development (OECD) were used in the assessment process.
 - 2. Blockchain for trade facilitation in the Arab region (Agenda item 8)
- 23. With reference to document E/ESCWA/C.6/2023/6-E/ESCWA/C.5/2022/6, the representative of the secretariat gave a brief presentation on the use of new technologies, particularly blockchains, to facilitate the exchange of data and documents, track international shipments, automate the documentation process to avoid time wastage and human error, and provide a secure system that would guarantee the protection of transactions across all trade channels. He stated that these technologies would reduce trade costs, improve the performance of the concerned public institutions, and ensure the transparency, speed and reliability of data, especially big data.
- 24. The representative also noted that the past few years had seen the implementation of several experiments aimed at utilizing this technology in international trade, in particular the TradeLens initiative. However, the project stalled for profit reasons, leading to the decline of blockchain technology internationally. This, however, did not mean that the project had failed, as it was still too early to judge the effectiveness of the technology. He added that the Arab region witnessed large-scale experiments in Egypt, Morocco, Saudi Arabia and the United Arab Emirates, and it appeared that there was still some reluctance to use this technology, as well as fear of its high costs. Focus had now shifted to reducing the costs of non-tariff measures. Given the weak logistics in the Arab region, the representative of the secretariat stressed the need to take into account the importance of blockchain technology. He referred to a project undertaken by ESCWA on the use of blockchain technology to streamline trade, in cooperation with several United Nations organizations.
- 25. The representative also indicated that the secretariat was considering the possibility of using this technology to create an electronic Arab Certificate of Origin that would facilitate the exchange of data and speed up procedures; this project was still under preliminary study.
- 26. The representative explained that ESCWA encouraged intraregional trade agreements and the development of trade using technological methods. With regard to the issuance of certificates of origin, given the mentioned complexities, if the above-mentioned project was pursued, the initial stages would include starting with a simple test, most likely between two countries or within a small area, to avoid complications, before implementing the project on a larger scale.

3. External trade indicators for the Arab region (Agenda item 9)

- 27. With reference to document E/ESCWA/C.6/2023/7, the representative of the secretariat gave a presentation on the efforts of ESCWA in establishing the External Trade Indicators for the Arab Region platform and a database containing 16 trade indicators for Arab countries. He said that the platform provided detailed information and indicators based on data collected from national and international sources, in order to facilitate the assessment of trade performance and decision-making. He referred to the Trade Flow platform, which was presented to the Committee at its second session and included a detailed database of Arab trade covering the period from 2012 to 2021, noting that it was the only complete database available for 2021 data. As for the Trade Indicators platform, which was divided into national, bilateral, regional and global levels, the representative of the secretariat stated that at the national level, the platform provided five external trade indicators that helped assess the state of the national economy in relation to the balance of payments and the degree of openness or closure of the economy to international trade. He reviewed all the indicators and gave examples of each.
- 28. The representative of the secretariat pointed out that at the regional level, the share of the regional market, share of exports within the region and share of countries in Arab trade were displayed in the platform of external trade indicators. He emphasized that those indicators were important to study the countries' share of exports at the regional and international levels.
- 29. The representative of Tunisia asked how useful it would be to disaggregate the data, such as by converting them into economic categories, and inquired about the source of the data. The representative of Egypt referred to the possibility of including other classifications and prospects, while the representative of Libya asked how to obtain the detailed data available on the platform and download them completely from the ESCWA External Trade Data platform.
- 30. The representative of the secretariat explained that expanding the database and converting data to a different classification could be considered, provided that it responded to countries' needs for economic analysis, such as the classification of broad economic categories (BEC), which had a different interface and provided trade data based on the use of products, i.e. whether they were raw materials, semi-manufactured or intended for final consumption. The representative explained that the data were mainly provided from national statistical centres in member States, such as the National Institute of Statistics in Tunisia. Other sources, such as business partner data, were used whenever data for specific years were not available from the main sources. However, once data from national sources became available, the estimated data were immediately replaced in the platform. He added that ESCWA was ready to receive feedback for the development of the platform, and that all available trade data could be downloaded through the download button, which allowed all country data to be downloaded in the chosen year free of charge.

4. New release of the Arab Trade Simulator Interface (Agenda item 10)

- 31. With reference to document E/ESCWA/C.6/2023/8, the representative of the secretariat briefly presented the new version of the Arab Trade Simulator Interface developed by ESCWA, including its functions and its capacity to analyse trade policies and external economic shocks, unlike the first version. The representative focused on five elements that made up the process of developing national versions of this tool: (a) selection of appropriate productive sectors; (b) identification of trade partners at the State and regional levels; (c) identification of the future timeframe for the simulation; (d) identification of production components such as labour force, capital and natural resources, depending on every country's specificities; (e) expansion of the impact assessment of scenarios at the level of different sectors.
- 32. The representative of Tunisia asked how the platform could be developed to enable users to carry out trade simulations at the detailed level of goods rather than at the level of sectors.

33. The representative of the secretariat confirmed that this could be carried out by adding a link between the model used in the simulation and a detailed national database of trade and tariffs with all countries of the world, which would enable the user to carry out simulations at the level of goods and link them to the sectors covered by the model. He stressed that given the significant effort required by the proposed development process, it was advisable to carry it out at the level of interested countries only.

5. Free trade agreements database (Agenda item 11)

- 34. With reference to document E/ESCWA/C.6/2023/9, the representative of the secretariat made a presentation on the efforts of ESCWA to include the regional and country realities of free trade agreements in the Arab Trade Gateway. He considered that the dispersion of information and data related to economic integration between various regional and international sources, especially with regard to Arab trade agreements, hindered the decision-making process. He stated that in addition to the original text of each agreement, the ESCWA database of free trade agreements provided a summary of products eligible for lower tariffs and the obligations under each pillar of selected trade agreements: trade in goods, trade in services, and competition. Member States were invited to take note of the contents of the database and comment thereon.
- 35. The representative of the secretariat noted that the list of agreements presented on the platform was not exhaustive, and that the agreements were updated through direct communication with focal points in member States. To date, ESCWA has collected 69 bilateral or regional agreements. The representative also showcased the other components of the platform and explained how to obtain a summary on each country. He pointed out that the platform enabled the user to know every country's imported and exported products based on the agreements, and provided electronic copies of all the agreements contained therein.
- 36. The representative of the Syrian Arab Republic asked how useful it would be to mention the bilateral agreements between Arab States, since the Arab Free Trade Agreement prevailed over all those agreements. The representative of the Republic of Tunisia asked about the possibility of a comprehensive list of products under the Arab Free Trade Agreement and noted that a specific component of the African Continental Free Trade Area Agreement was not on the list. The representative of Libya asked how key points could be extracted from free trade agreements for example, and everyone concluded that it was important to use artificial intelligence to draw the required information from any free trade agreement.
- 37. The representative of the secretariat stated that bilateral agreements between Arab States had been included based on consultations with focal points to facilitate access to all agreements from a single source. He also emphasized the need to avoid duplication of information. He continued to explain that artificial intelligence was more developed in English, while it was still in its infancy in Arabic.

6. Costs to Trade Platform (Agenda item 12)

38. With reference to document E/ESCWA/C.6/2023/10, the representative of the secretariat made a presentation on ESCWA efforts to monitor trade costs based on the platform it had developed to highlight these costs in terms of time and financial cost. He explained that the platform assessed gaps in reducing trade costs but did not currently enable the assessment of trade measures at the partner and producer levels, for example. It was possible, however, to infer costs from available data on trade flows at the exporting, importing and producer levels. It was also possible to disclose the percentage from the total quantity of exported products and to assess the impact of different policies on the cost of trade with import duties. Nevertheless, the main factor that affected this type of assessment was the absence of product-related tariff measures, specifically the absence of non-tariff measures. Non-tariff measures were vital and affected many products, such as health, food and other products. With data and non-tariff measures that depended on the producer and partner country, evidence-based policies would be applied and utilized in a more skilled manner to achieve better results.

C. Date and venue of the fourth session of the Committee

(Agenda item 13)

39. Representatives of member States have agreed to hold the fourth session of the Committee on Trade Policies in the States Members of the Economic and Social Commission for Western Asia in the first quarter of 2025 at the United Nations House in Beirut, unless a member State offers to host the Committee.

D. Other matters

(Agenda item 14)

40. No additional matters were discussed under this item.

E. Adoption of recommendations made by the Committee at its third session

(Agenda item 15)

41. The recommendations emanating from the discussions were presented to representatives of member States for discussion and adoption. The present report sets out the recommendations as adopted.

III. Organization of work

A. Date and venue

42. The Committee on Trade Policies in the States Members of the Economic and Social Commission for Western Asia (ESCWA) held its third session in Tunis on 7 and 8 March 2023.

B. Opening

- 43. The third session of the Committee on Trade Policies in the States Members of the Economic and Social Commission for Western Asia opened at 10 a.m. on Tuesday, 7 March 2023. Mr. Tariq Rashid Al-Ghazal Al-Suwaidi, representative of the United Arab Emirates, the country that chaired the second session of the Commission, delivered a speech in which he thanked ESCWA for its efforts in supporting member States in various areas of trade policies. The representative stated that the establishment of a committee on trade at ESCWA reflected the important relationship between international trade and the promotion of economic growth and sustainable development. The increasing challenges in the region required regional efforts and joint Arab action to be adopted as a strategic option in light of globalization, competition and the tendency of most countries to join strong international economic blocs that required the adoption of concrete steps at the regional level. He hoped that the meeting would be an opportunity to develop the tools of ESCWA in line with the aspirations and needs of Arab countries, noting that trade policymaking should benefit from modern technologies based on reliable data and information. He concluded by thanking ESCWA staff and all parties concerned with trade policies in member States for their tireless and continuous efforts, and thanked the members of the Committee for their confidence in the United Arab Emirates, which had assumed the presidency since September 2021, and wished the next presidency success.
- 44. Mr. Moctar Mohamed El Hacene, Leader of the ESCWA Shared Economic Prosperity Cluster, gave a statement on behalf of the ESCWA secretariat, in which he welcomed the representatives of member States. He said that the current meeting provided a valuable opportunity and platform to learn about the latest developments in economic integration among member States, in particular the performance of Arab trade in contributing to the achievement of the SDGs in the region. He added that the meeting provided an opportunity for ESCWA to consult with member States on the effectiveness of activities in facilitating Arab trade to support Arab countries in keeping pace with international and regional trade developments and to face current challenges, with a view to reaching recommendations that would increase the contribution of trade to growth and economic development in the region. He noted that the meeting would review the tools in the Arab Trade Gateway, which was being developed by a specialized team with diverse economic and technological skills at

ESCWA. Mr. Moctar Mohamed El Hacene concluded that the region was making tangible steps in several areas of trade, including the ongoing negotiations between Arab countries to liberalize trade, which would undoubtedly contribute to advancing human development at the regional level.

45. Ms. Kalthoum Ben Rejeb Gazzah, Minister of Trade and Export Development of Tunisia, delivered a speech in which she welcomed participants in Tunisia as well as ESCWA efforts to support inclusive and sustainable economic and social development in Arab countries and to promote regional integration in the Arab region. She thanked ESCWA for its technical support to Arab countries, including Tunisia, for its critical studies and reports, for the help it provided to countries to keep pace with international and regional developments and develop policies compatible with the 2030 Agenda for Sustainable Development, and for dealing with economic and social challenges and facing the repercussions of international crises, especially the COVID-19 crisis and the war in Ukraine. She also thanked ESCWA for the mechanisms and working tools it was developing, including the Arab Trade Simulator Interface, aimed at assisting regional and global trade integration, facilitating negotiations and adopting appropriate scenarios, and praised their impact on Arab economies. She added that Tunisia would continue to support ESCWA activities to further promote economic and social development in Arab countries and enhance regional integration.

C. Participants

46. The third session of the Committee was attended by representatives of ESCWA member States and of regional organizations. The list of participants is set out in annex I to the present report.

D. Election of officers

47. Rule 18 of the rules of procedure of ESCWA states: "Member States shall chair the sessions of the subsidiary bodies of the Commission on a rotating basis, in the Arabic alphabetical order employed by the United Nations. Unless the Commission decides otherwise, those bodies shall elect all their other officers". Pursuant to this article, Bahrain assumed the chairmanship of the third session of the Committee on Trade Policies in the States Members of the Economic and Social Commission for Western Asia. The Committee unanimously elected the United Arab Emirates as first vice-chair, Tunisia as second vice-chair and the Syrian Arab Republic as rapporteur for the session.

E. Agenda and organization of work

48. At its opening meeting, the Committee adopted the agenda as set out in document E/ESCWA/C.6/2023/L.1, and the proposed organization of work set out in document E/ESCWA/C.6/2023/L.2.

F. Documents

49. The documents considered by the Committee at its third session are listed in annex II to the present report.

Annex I

List of participants

A. ESCWA member States

Bahrain

Ms. Meead Khaled Al Ansari Acting Director of the International Trade Organizations Department Ministry of Industry and Trade

Egypt

Ms. Noha Nofal Mahfouz Director General of Regional Agreements Ministry of Trade and Industry

<u>Iraq</u>

Mr. Riad Fakher Al Hashimi General Director of the Department of Foreign Economic Relations Ministry of Trade

<u>Jordan</u>

Ms. Dima AlShiyb Head of Section of Relations with Horn of Africa and Maghreb countries Directorate of Foreign Trade Policies Ministry of Industry, Trade and Supply

Lebanon

Mr. Simon Jabbour Head of Trade Service General Directorate of Economy and Trade Ministry of Economy

Libya

Mr. Imad Mohamed Ali Al Karash Consultant for International and Technical Cooperation Affairs Libyan Export Promotion Centre Ministry of Economy and Trade Mr. Hassan Al-Taher Mustafa Al-Kamel Chief of Section Private Sector Development and Investment Department Strategic Partnerships and Investment Section Ministry of Economy and Trade

Mr. Abdullah Nasr Abdulsayyid Al Jadi Foreign Trade and International Cooperation Department International Organizations Section Ministry of Economy and Trade

Mr. Fethi Aqila Saeed Atbiqa Chief of Section Foreign Trade and International Cooperation, Exports and Imports Section Ministry of Economy and Trade

Mauritania

Mr. Had Sidi Legal Advisor at the Ministry of Trade Office of the Minister of Trade Ministry of Trade, Industry, Handicraft and Tourism

Mr. Mohammed Al Amin Fayda
Director of Foreign Trade Promotion
Ministry of Trade, Industry, Handicraft and
Tourism

Morocco

Ms. Jihade Mnkad Head of the Section of Trade Relations with America and Asia General Directorate of Trade Ministry of Industry and Trade

Saudi Arabia

Mr. Mohamed Bin Baz Director of Trade Policies and Agreements Department General Authority of Foreign Trade

Saudi Arabia (continued)

Mr. Mohamed Al Moqairin Group of 20 Unit Manager General Authority of Foreign Trade

Ms. Nouf Al-Hulayyil Coordinator of the Saudi Negotiating Team in charge General Authority of Foreign Trade

Somalia

Mr. Abdulsalam Sharif Hussein Minister of State Ministry of Commerce and Industry

Mr. Ismail Mohammed Ali Adviser Ministry of Commerce and Industry

The Sudan

Mr. Taha Mohammed Ahmed Sumi Deputy Director of the International Organizations Department Department of International Relations Ministry of Trade and Supply

Mr. Muadh Ibrahim Mohamed Ahmed Senior Inspector Bilateral Relations and Agreements Department Ministry of Trade and Supply

Syrian Arab Republic

Ms. Rania Ahmed Assistant Minister of Economy and Foreign Trade for Economic Development Affairs Ministry of Economy and Foreign Trade

Mr. Abdulrahman Hussein Assistant Director of the Directorate of Foreign Trade for Foreign Trade Affairs Ministry of Economy and Foreign Trade

Tunisia

Ms. Kalthoum Ben Rejeb Gazzah Minister of Trade and Export Development

Mr. Mohamed Jamal Al-Aifa Public Interest Adviser International and Regional Organizations Department Ministry of Trade and Export Development

Mr. Mohamed Daldoul Head of Service International and Regional Organizations Department Ministry of Trade and Export Development

Mr. Nader Rezgui Deputy Director General Department of Foreign Trade Ministry of Trade and Export Development

Mr. Karim Al Waghlani Brigadier-general General Directorate of Customs Ministry of Finance

United Arab Emirates

Mr. Tariq Rashid Al Ghazal Al Suwaidi Senior Specialist – Economic Affairs Research and Economic Studies Department Ministry of Economy

Ms. Sumaya Mohammed Ahmed Yousef Janahi Lead Economic Researcher Ministry of Economy

<u>Yemen</u>

Mr. Anwar Ahmed Zamam Trade Adviser Head of Free Trade Affairs Ministry of Industry

B. International and Regional Organizations

Gulf Cooperation Council

Mr. Ali bin Saleh bin Mohamed al-Wahabi Trade Specialist

Qatar Foundation – Hamad Bin Khalifa University

Mr. Anis Ben Brik Associate Professor Director of the Programme for Social Policy Evaluation and Research College of Public Policy Mr. Adel Al Omari Associate Professor Engineering Management and Decision Sciences Division College of Science and Engineering

Annex II
List of documents

Title	Item	Symbol
Provisional agenda and annotations	3	E/ESCWA/C.6/2023/L.1
Organization of work	3	E/ESCWA/C.6/2023/L.2
Implementation of trade policy activities under the ESCWA programme plan and of recommendations made by the Committee at its second session to the ESCWA secretariat	4	E/ESCWA/C.6/2023/3
Technical cooperation activities	5	E/ESCWA/C.6/2023/4
Business environment legislation and trade policies in the Arab region	7	E/ESCWA/C.6/2023/5
Blockchain for trade facilitation in the Arab region	8	E/ESCWA/C.6/2023/6 E/ESCWA/C.5/2022/6
External trade indicators for the Arab region	9	E/ESCWA/C.6/2023/7
New release of the Arab Trade Simulator Interface	10	E/ESCWA/C.6/2023/8
Free trade agreements database	11	E/ESCWA/C.6/2023/9
Costs to Trade Platform	12	E/ESCWA/C.6/2023/10
List of documents		E/ESCWA/C.6/2023/INF.1