



**Economic and Social Commission for Western Asia (ESCWA)**

Committee on Trade Policies in the States Members of the Economic  
and Social Commission for Western Asia  
Second session  
15-16 September 2021



Item 11 of the provisional agenda

**Round-table discussion: regional priorities for the coming years  
in the field of trade**

**Summary**

The present document serves as a background paper for the round-table discussion that will be held by the Committee on Trade Policies in the States Members of the Economic and Social Commission for Western Asia (ESCWA), as part of the proceedings of its second session to tackle regional priorities for the coming years in the field of trade. The discussion will highlight national and regional actions required to further facilitate trade in the Arab region and increase regional integration. Resulting recommendations will guide the work of the ESCWA secretariat in those areas.

The Committee on Trade Policies in the States Members of ESCWA is invited to participate actively in the discussion, highlighting national and regional priorities in the field of trade.

## Contents

	<i>Paragraphs</i>	<i>Page</i>
Introduction .....	1-2	3
<i>Chapter</i>		
<b>I. Trade context in the Arab region.....</b>	3-5	3
<b>II. ESCWA work in the field of trade policies .....</b>	6-10	3
<b>III. Suggested work in the field of trade policies.....</b>	11	4
<b>IV. Topics for discussion .....</b>	12-13	4

## **Introduction**

1. The present document was prepared as guidance for the round-table discussion on regional priorities for the coming years in the field trade policies. It provides an overview of the challenges currently facing the Arab region in trade and proposes strategic directions for the work of the Economic and Social Commission for Western Asia (ESCWA) with regard to enhancing the performance of intra- and interregional trade.
2. With a focus on innovation, data and information to improve economic integration efforts in the region, the discussion will serve to explore the priorities and needs of member States in terms of trade policy support as means to identify the responses by the ESCWA secretariat as required.

### **I. Trade context in the Arab region**

3. Compared with other parts of the world, the Arab region remains one of the least integrated in terms of trade. As revealed by the region's performance on various indicators, much of this deficiency is attributed to a lack of competitiveness arising from high trade and connectivity (transport and logistics) costs. Apart from competitiveness in trading with some partners, it remains largely uncompetitive on the intraregional and interregional levels.
4. To remedy the situation, Arab countries have embarked on negotiations to implement the Pan-Arab Free Trade Area (PAFTA) and ultimately the Arab customs union (ACU). There is a general agreement among Arab countries that the transition from a free trade area to a customs union could be the best way to achieve the objective of real economic integration.
5. The ACU was announced at the Arab League's 2009 Arab Economic and Social Development Summit in Kuwait, which decided to establish a customs union by 2015 followed by an Arab common market by 2020, and also to enhance inter-Arab trade and integration. Ever since, Arab League member States have been discussing the customs union plan and its structure with reviews of legal and regulatory aspects. Most Arab countries agreed to put forward an implementation plan with some asking for an independent accord to govern the customs union. The Arab customs union resolution contains 17 chapters and 179 articles regulating economic and trade relationships between Arab countries and aims to boost trade and investment between member States. Several difficulties still hamper the realization of this union such as the identification of a negotiation's framework and the agreement on and implementation of standardized customs fees.

### **II. ESCWA work in the field of trade policies**

6. Through its work on trade policy, the ESCWA secretariat aims to support member States in finding solutions to challenges facing trade in the Arab region in order to enhance economic integration as an accelerator for achieving the Sustainable Development Goals.
7. ESCWA trade-related activities rest on the following three pillars: enhancing market access for member States, producing analysis on trade performance, and facilitating trade negotiations.
8. ESCWA works to produce and analyse information on market access conditions for goods and services, specifically in relation to trade agreements, business environments, trade costs, logistics and trade facilitation measures such as trade financing.
9. In the spirit of improving coordination to accelerate negotiations, ESCWA has been assisting the League of Arab States and Arab countries in the design of scenarios for the structure of common external tariffs (CETs) undertaking ex-ante assessments of potential scenarios and looking into the ACU in overlapping trade integration schemes throughout the region.

10. The ESCWA secretariat disseminates its studies and data estimates relating to trade to policymakers, exporters, and researchers across the region. The secretariat also holds meetings that bring together trade policymakers and experts to discuss the outputs of those studies.

### **III. Suggested work in the field of trade policies**

11. Moving towards enhanced trade performance and the achievement of further economic integration through concerted regional and national efforts by the ESCWA secretariat, entails the following actions:

(a) Leveraging the existing partnerships with other United Nations entities, international financial institutions, regional organizations, and other international bodies and Governments to help member States progress towards economic integration through trade and connectivity thus contributing to respective Sustainable Development Goals and their targets;

(b) Providing technical assistance to facilitate access to evidence-based knowledge resources and support informed policymaking in the area of trade performance;

(c) Through the provision of information and engagement, developing the Arab Trade Gateway, a dynamic and up-to-date data platform, and positioning it as a one-stop-shop for trade operators and policy makers for all trade related data for informed decision making;

(d) Positioning the Trade Gateway as a primary engagement tool that will be employed by ESCWA to amplify the regional conversation about trade and its role in regional integration;

(e) Continuing to provide detailed and plausible assessments of trade integration schemes, covering both enforced schemes and also those that are being negotiated;

(f) Supporting policymakers in better negotiating new trade agreements and in monitoring and evaluating the enforced ones;

(g) Enabling the modernization of agreements or/and implementing response policies to reduce challenges and increase opportunities;

(h) Assisting policymakers in designing appropriate export promotion strategies on selected markets so as to make new trade preferences and opportunities known by private operators.

### **IV. Topics for discussion**

12. The round-table discussion aims to identify priorities for the Arab region in the coming years in the field of trade policies, to guide collective work at the regional level and the work of ESCWA.

13. All the above-mentioned topics can be discussed, with a focus on the following:

(a) The priorities of member States in the coming years in the field of trade;

(b) The orientations and areas of intervention in trade facilitation;

(c) The alignment of those orientations and areas of intervention with Arab countries' priorities in the field of trade.

-----