

**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

Third session

Tunis, 7–8 March 2023

Item 4 of the provisional agenda



**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**

Summary

Since the second session of the Committee on Trade Policies in the States Members of the Economic and Social Commission for Western Asia (ESCWA), which was held virtually on 15 and 16 September 2021, the ESCWA secretariat has carried out several trade-related activities under subprogramme 3 on shared economic prosperity, in accordance with its programme plan and Committee recommendations. The present document summarizes these activities, which include updating and developing new online tools/portals and preparing technical papers.

The Committee on Trade Policies in the States Members of ESCWA is invited to take note of implemented activities and provide comments thereon.

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Introduction

1. Since the second session of the Committee on Trade Policies in the States Members of the Economic and Social Commission for Western Asia (ESCWA), which was held virtually on 15 and 16 September 2021, the ESCWA secretariat has implemented several trade-related activities under its subprogramme 3 on shared economic prosperity, in accordance with its programme plan and Committee recommendations.
2. The objective, to which the subprogramme contributes, is to achieve equitable economic growth, amplify regional interconnectedness and integration, and advance the effective implementation of the Addis Ababa Action Agenda of the Third International Conference on Financing for Development in support of the 2030 Agenda for Sustainable Development. Through the activities of subprogramme 3, ESCWA collaborates with its member States, according to their priorities, and with regional and international partners, to follow up on global trade matters and tackle trade policy issues in the Arab region.
3. The present document summarizes the activities implemented in the period October 2021–February 2023, including updating and developing new online tools/portals to support evidence-based trade policymaking and producing technical papers.

I. Trade-related activities under the ESCWA programme plan

A. Portals and tools

1. Updated Arab Trade Simulator Interface

4. With an increase in the number of trade arrangements in the region and worldwide, trade policymakers require access to reliable information and analysis on the likely impact of trade policies on their economies prior to their implementation. To facilitate these assessments, ESCWA has developed a third version of the Arab Trade Simulator Interface (**ATSI III**), which is an analytical tool that enables Arab countries to perform trade-related simulations that reflect national reform priorities, bilateral trade agreements, and global shocks.

5. ATSI III is a modified version of its predecessor aimed at assisting trade negotiators in member States to conduct trade policy reform by offering the following three new features: more years are covered, with simulations from 2022 till 2030 now possible; users can now perform simulations on migration policy (skilled and unskilled); and two windows were added to the results interface, namely the gas emission window and the economic integration performance window. The first window allows users to see the impact of a simulation on the emission of four types of gases. The second window allows users to see the effect of a simulation on the bilateral trade level between the concerned parties and other parties, covering exports, foreign direct investment (FDI), remittances, and the dependency index.

2. New interface for the Arab Trade Gateway

6. The first version of the Arab Trade Gateway (**ATG**) was presented at the second session of the Committee on Trade Policies in the States Members of ESCWA (online, 15 and 16 September 2021). Since then, ESCWA has been working on enhancing the presentation of the platform's content, graphics, functionalities and features to best meet the information needs of policymakers, researchers and private sector operators, especially small and medium enterprises.

7. Improvements were also undertaken based on feedback from participants at the eighth meeting of the ESCWA Executive Committee (Amman, 23–24 December 2021), at which the Gateway was presented in the context of an overview of ESCWA policy tools and e-portals. ESCWA gauged participants' impressions of the Gateway, and requested suggestions to improve its practicality and presentation.

3. *Updated Arab Legislation Portal*

8. The Arab Legislation Portal (ALP) hosts a full repository of member States' legislation on the business environment, including competition and FDI that are considered critical elements in trade policy. ESCWA recognizes that business environment legislation is a key area when designing or reforming trade policies. The Portal therefore enables rapid access to information on laws, regulations and legislative decrees, and promotes analysis of current legislation and the identification of regulatory gaps in the Arab region. It facilitates the exchange of expertise and opportunities, and comparative evaluations between countries.

9. ALP also hosts an interactive platform that scores legislative quality in the region. These scores assess the extent to which each member State's legislation is aligned with international standards. This is determined by an ESCWA methodology that uses questions to assess member States' regulatory environment, and scores them accordingly. These scores serve two important functions. Firstly, they provide a useful tool for member States by providing accountability and direction for further improvements to their business legislation. Secondly, they raise awareness and provide transparency for other stakeholders on the quality of each member State's regulation, and the legislative environment across the region and its subregions. Such insights on business environment legislation provide a stronger foundation on which to formulate trade policy.

4. *Costs to Trade Platform*

10. The [Cost to Trade Platform](#) presents data on the time and monetary costs associated with the overall process of exporting or importing a shipment of goods, in an interactive manner for a user-specified exporting country and its selected partner(s). The interface allows multiple selections for both importing and exporting countries, although limiting them to three countries is recommended to ensure a more visually appealing results table. This tab summarizes the time and monetary costs of documentary and border compliance in trade, based on the World Bank's Doing Business Indicators under the topic "Trading across borders".

B. Technical papers

1. *User guide for ATSI*

11. ESCWA produced a [user guide](#) to support trade negotiators of member States in using ATSI for trade policy analysis, by presenting its major features and the steps to be followed in performing an ex-ante assessment of alternative trade policies on trade in goods and on external shocks. The document provides information on the main modelling approaches used in ex-ante assessments of trade policies, and a presentation of the ATSI model and its major features, and outlines how to undertake simulations using simplified examples, and how to interpret and use the results of simulations in policy analysis.

2. *One-year review of Arab business legislative frameworks* (forthcoming)

12. In 2021, ESCWA published a study on Arab Business Legislative Frameworks (ABLF), which provided a dynamic assessment model on business legislative frameworks that can be regularly implemented and updated to help establish more coherent and region-wide recognized measures of business legislations and their developments over time. The report reviewed legislation related to competition and FDI, which are vital components for a trade-friendly business environment. The report also presents a gap analysis assessment of the current legislative, regulatory, institutional and enforcement mechanisms, and recommends actions to tackle those gaps. A one-year review of newly passed laws and amendments to existing laws is being conducted, and ESCWA will publish 88 country profiles in 2023.

3. *Blockchain for trade facilitation in the Arab region*
(E/ESCWA/C.6/2023/6 - E/ESCWA/C.5/2022/6)

13. ESCWA prepared a parliamentary document, which was submitted to the Committee on Transport and Logistics at its twenty-third session (Alexandria, Egypt, 20–21 October 2022), and is submitted to the current session of the Committee on Trade Policies in the States Members of ESCWA under agenda item 8. The document highlights the key role blockchain technology plays in supporting trade facilitation and achieving higher efficiency in trade channels. It explains the concept of blockchain, focuses on its parameters and the benefits of applying its technology to logistics and trade facilitation, and presents case examples for its application in different countries. The document also revisits the region's performance on trade facilitation and logistics indicators, and concludes with recommendations of the use of blockchain technology in the field of trade facilitation.

4. *Business environment legislation and trade policies in the Arab region*
(E/ESCWA/C.6/2023/5)

14. ESCWA prepared a parliamentary document submitted to the current session of the Committee under agenda item 7. The document considers the relationship between trade policies and businesses environment legislation in the Arab region. It also focuses on the legislative frameworks of competition and FDI as key pillars of business law, and stresses the importance and relevance of integrating competition provisions to advance trade at the regional level.

II. Implementation of recommendations made by the Committee at its second session to the ESCWA secretariat

15. The Committee held its second session online on 15 and 16 September 2021. At the close of the session, the Committee made recommendations to ESCWA member States and to the ESCWA secretariat. Representatives of member States are invited to brief the Committee on national action taken pursuant to recommendations addressed to them under agenda item 6 of the current session. Those recommendations can be viewed in the final report of the second session ([E/ESCWA/C.6/2021/11/Report](#), paragraph 4).

16. Pursuant to recommendations addressed to it, the ESCWA secretariat implemented the activities referred to in the first section of the present document and in document E/ESCWA/C.6/2023/4 on technical cooperation activities, submitted to the current session of the Committee under agenda item 5. The table below links each recommendation with related implemented activities.

	Recommendation	Related implemented activities
(a)	Promote widely the Arab Trade Gateway to publicize its importance and ways to benefit from it;	<ul style="list-style-type: none"> • ESCWA has been finetuning the ATG interface, and continually improving its features and functionalities. • ATG was presented on several occasions throughout 2021, including the eighth meeting of the ESCWA Executive Committee (Amman, 23–24 December 2021), and to officials of the Emirati federal and Dubai competition and statistics bureaus and of the Ministry of Economy of the United Arab Emirates. • ATG was presented at a session on ATSI at a high-level meeting on the computable general equilibrium (CGE) model for the United Arab Emirates (Dubai, 29–30 August 2022). The meeting was attended by officials from the Ministry of Economy of the United Arab Emirates, Statistics Centre Abu Dhabi, and the Department of Economic Development.

	Recommendation	Related implemented activities
		<ul style="list-style-type: none"> • ATG was presented at a national workshop on ESCWA technical assistance to Oman, targeting representatives from various national entities, including the Central Bank, and the ministries of finance and of economy.
(b)	Expand the trade flows database to cover trade in services;	<ul style="list-style-type: none"> • ESCWA has recognized the complexity of collecting and disseminating national and regional data on trade in services, owing to existing structural barriers. ESCWA is engaging member States to strengthen the national capacity of statistical offices to effectively produce data on trade in services from various national sources, in collaboration with relevant regional and international agencies, including the World Trade Organization.
(c)	Continue developing tools to assess the economic impact of international, regional and bilateral trade negotiation scenarios, and make them available to member States, especially within the framework of the Arab customs union and the accumulation of rules of origin;	<ul style="list-style-type: none"> • An upgraded version of the Arab Trade Simulator Interface was released, building on encouraging proposals from member States, so as to continue providing them with solid and practical tools for effective and sound policymaking.
(d)	Continue building the capacity of the ESCWA secretariat in the field of data science and artificial intelligence to benefit from them in applications that support decision makers in the field of trade policies;	<ul style="list-style-type: none"> • ESCWA is implementing a pilot project to digitize trade documents (waybill) in Oman using blockchain technology. The digitization of the waybill is expected to enhance the reliability and authenticity of the document, contribute to the facilitation and acceleration of trade processes, and reduce trade costs. • ESCWA is expanding its knowledge on the use of blockchain for trade facilitation to assist and guide Arab countries' effort to use the technology. This knowledge is being translated into a user guide for member States. • ESCWA is collaborating with UNCTAD to enhance expertise on customs digitization, and to transfer this knowledge to member States, particularly on the utilization of the widely used customs application ASYCUDA.
(e)	Offer training workshops on interactive tools developed by the ESCWA secretariat at the regional and national levels to maximize their use; and prepare distance learning programmes in the areas of trade and regional integration;	<ul style="list-style-type: none"> • ESCWA organized two national training workshops (Rabat, 22–23 November 2021; Amman, 13–14 December 2021) to present the ESCWA System of Indices to Monitor and Evaluate Arab Global and Regional Economic Integration (SIMEAI); a regional capacity-building workshop (Amman, 15-16 December 2021) on follow-up and evaluation of existing trade agreements; a national training workshop on ATSI (Tunis, 15–17 November 2022) as part of technical cooperation activities; and a training workshop for the United Arab Emirates from 28 February to 1 March 2022 in the same context. Details of these trainings are submitted to

	Recommendation	Related implemented activities
		<p>the current session under agenda item 5 on technical cooperation activities.</p> <ul style="list-style-type: none"> • ESCWA compiled all the free online courses offered by United Nations entities on trade, knowledge and learning. The page directs visitors to a list of knowledge materials, online trainings and interactive tools. Users also have access to a wide range of capacity-building resources in Arabic, English and French.
(f)	Provide technical support to Arab countries in implementing the annexes on developing the legislative framework for the Greater Arab Free Trade Area;	<ul style="list-style-type: none"> • ABLF provides analysis on the inclusion of competition legislations in trade agreements at the bilateral and regional levels. The report analyses the alignment of business regulations in trade agreements with national legislation.
(g)	Expand communication with actors involved in trade policy, such as the private sector and academia, to share knowledge and experiences, and to maximize the use of tools developed by the ESCWA secretariat;	<ul style="list-style-type: none"> • At the Third Arab Competition Forum (Muscat, 24–25 May 2022), an annual forum bringing together competition authorities, international organizations, academia and experts, a session was dedicated to competition provisions in trade agreements. Experts highlighted the importance of assigning adequate competition provisions in trade agreements, and set out best practices for the implementation of preliminary reforms to maximize the utilization of trade agreements. • Private sector entities working in finance and trade and Arab trade finance policymakers participated in a workshop organized by ESCWA (Amman, 15–16 February 2022) on the reality and challenges of trade finance in the Arab region. • ALP includes a repository of national business legislation for all ESCWA member States. The platform also identifies gaps in business legislation; provides a knowledge platform for various stakeholders, including the public and private sector and academia; and facilitates peer learning and knowledge sharing.
(h)	Continue providing technical support in the field of trade policies at the request of member States, and coordinate with them to complete the implementation of technical cooperation activities agreed upon at the bilateral level.	<ul style="list-style-type: none"> • Based on a request from Lebanon, ESCWA prepared a policy brief on competition in the country, and an ex-post evaluation of the country's free trade agreements (with the European Union and the Pan Arab Free Trade Area (PAFTA)). In addition, ESCWA produced three papers on transformation and strategic growth, and conducted a pre-implementation evaluation of free trade agreement with Türkiye. These papers are submitted to the current session of the Committee under agenda item 5 on technical cooperation activities.
