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Technical Committee on Liberalization of Foreign Trade, Economic
Globalization and Financing for Development in the Countries of the ESCWA Region
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Item 5 (b) of the provisional agenda

**REVIEW OF ACTION TAKEN IN THE FIELDS OF LIBERALIZATION OF FOREIGN TRADE,
ECONOMIC GLOBALIZATION AND FINANCING FOR DEVELOPMENT
SINCE THE SIXTH SESSION OF THE COMMITTEE****ACTIVITIES RELATED TO LIBERALIZATION OF FOREIGN TRADE
UNDER ESCWA PROGRAMME OF WORK****Summary**

Since the sixth session of the Technical Committee on Liberalization of Foreign Trade, Economic Globalization and Financing for Development in the Countries of the ESCWA Region, the Economic and Social Commission for Western Asia (ESCWA) implemented a set of activities under subprogramme 3 on economic development and integration of the ESCWA programme of work for the biennium 2010-2011. The activities included: (a) conducting studies; (b) organizing expert group meetings and workshops; (c) improving the negotiating capacity of member countries in bilateral, subregional and multilateral trade and investment agreements to promote trade and investment flows and build partnerships; and (d) providing technical assistance to member countries.

This paper reviews the activities related to liberalization of foreign trade. It is submitted to the Technical Committee on Liberalization of Foreign Trade, Economic Globalization and Financing for Development in the Countries of the ESCWA Region for review, discussion and proposal of recommendations on the implementation follow-up.

Introduction

1. The activities undertaken by the Economic and Social Commission for Western Asia (ESCWA) in relation to liberalization of foreign trade, economic globalization and financing for development are included in subprogramme 3 on economic development and integration of the ESCWA programme of work. Under the programme of work for the biennium 2010-2011, the main objective of subprogramme 3 consists of achieving sustainable economic development for reducing poverty through regional integration in a globalizing world. This subprogramme is implemented by the Economic Development and Globalization Division (EDGD) of ESCWA.
2. Under subprogramme 3 for the biennium 2010-2011, the activities related to liberalization of foreign trade in the countries of the ESCWA region pertain to expected accomplishments (a) and (d). Expected accomplishment (a) consists of increasing the knowledge among stakeholders in the region of the issues that should be taken into account in designing and implementing suitable macroeconomic policies and strategies for sustainable economic growth, employment creation and poverty alleviation, in line with the Millennium Development Goals (MDGs). Expected accomplishment (d) consists of enhancing the capacity of member countries to negotiate and implement subregional, regional and multilateral trade agreements designed to increase intraregional and international trade.
3. This paper reviews the activities related to liberalization of foreign trade which were implemented by ESCWA under subprogramme 3 of its programme of work for the biennium 2010-2011, since the sixth session of the Technical Committee on Liberalization of Foreign Trade, Economic Globalization and Financing for Development in the Countries of the ESCWA Region (Beirut, 6-7 July 2009). Those activities include conducting studies; organizing expert group meetings and workshops; improving the capacity of member countries to negotiate bilateral, subregional and multilateral trade and investment agreements in order to promote trade and investment flows and build partnerships; and providing technical assistance to member countries.
4. Through the implementation of those activities, ESCWA sought to cooperate with member countries in following up such global trade matters of importance to them as strengthening the role of the region in the global trade system, mainstreaming the procedures of accession to the World Trade Organization (WTO) and ratification of WTO agreements and other bilateral and regional agreements, facilitating trade, lifting non-tariff barriers, liberalizing trade in services, promoting intraregional trade, strengthening foreign trade competitiveness in member countries, increasing cooperation between the countries of the ESCWA region and the South countries and aligning positions of the Arab countries regarding the negotiations of the Doha Development Round.

ACTIVITIES RELATED TO LIBERALIZATION OF FOREIGN TRADE UNDER ESCWA PROGRAMME OF WORK

I. STUDIES

Trade Facilitation in a Development Context: Challenges for Economic Growth

5. This study reviews the trade facilitation concept and its origin, the role of trade facilitation in promoting economic growth and development in ESCWA member countries, the role of trade policies in the framework of the multilateral trade system and regional integration in achieving development, and the regional cooperation mechanisms that facilitate intraregional trade. The study also highlights the non-tariff barriers hindering cross-border trade in the ESCWA region. It concludes with recommendations to develop policies and strategies conducive to trade facilitation in order to promote economic growth and sustainable development in the countries of the ESCWA region. The study was presented and discussed at the Expert Group Meeting on Transport and Trade Facilitation in the ESCWA Region (Beirut, 1-2 March 2011).

The Competitiveness of Foreign Trade in ESCWA Member Countries

6. This study presents an analysis of the general framework of competitiveness of the Arab countries and a review of the determinants of competitiveness under three categories: the basic requirements which include institutions, infrastructure, macroeconomic stability, health and basic education; the efficiency enhancers which include higher education, efficiency of the goods markets, efficiency of labour markets and technological readiness; and innovation. The study reviews a set of indicators including growth, trade competitiveness, freedom-of-trade, cross-border trade, and export concentration indicators. It concludes with proposals for political applications aimed at strengthening the foreign trade competitiveness of ESCWA member countries, including promoting the role of institutions, providing education and training, developing clear trade policies to develop the services and information technology sectors, and upgrading the quality of local products to promote foreign trade competitiveness of ESCWA member countries and increase access to global markets. The study was presented and discussed at the Expert Group Meeting on Transport and Trade Facilitation in the ESCWA Region.

Requirements for the Establishment of Single Windows for Handling Export/Import Procedures and Formalities in the ESCWA Region

7. This study to be published in the last quarter of 2011 aims to introduce the single-window concept. It highlights export/import procedures and their relationship to simplification of tariff procedures, and the requirements for the establishment of a single-window system, especially enhancing the information technology infrastructure, and improving the tariff system. Besides, the study assesses the current situation with regard to the establishment of a single-window system in ESCWA member countries and the initiatives taken by those countries in that respect and offers suggestions on the required actions for the implementation of the single-window initiative at the national and regional levels in the ESCWA region.

Prospects of Cooperation between ESCWA Member Countries and the South Countries

8. This study to be published in the last quarter of 2011 reviews the status of cooperation between ESCWA member countries and the developing countries. It highlights the main catalysing sectors for such cooperation, with a focus on trade, foreign direct investment, technology transfer, official development assistance and labour movement. Besides, the study presents successful experiences of developing countries in south-south cooperation and ways to transfer and benefit from those experiences in ESCWA member countries. Finally, the study presents a set of recommendations to member countries to increase cooperation with South countries which in turns contributes to promoting development and reducing poverty and unemployment.

Aid for Trade

9. In the framework of cooperation with international organizations, ESCWA contributed to the 2009 and 2011 reports of the serial *Aid for Trade at a Glance*, which is jointly issued by the Organisation for Economic Co-operation and Development (OECD) and WTO. The reports provide comprehensive analyses of trends and developments in Aid for Trade with the aim of helping developing countries integrate into the global economy and benefit from trade opportunities. ESCWA contribution consisted of statistical information on its activities to promote Aid for Trade in member countries for the preparation of both reports.

II. MEETINGS

High-level expert group meeting on the preparation of the Arab countries for the Seventh WTO Ministerial Conference

(Beirut, 11-12 November 2009)

10. ESCWA organized this meeting in cooperation with the Arab NGO Network for Development and the Lebanese Ministry of Economy and Trade. The discussions covered several items on the agenda of the Seventh WTO Ministerial Conference including main subjects of disputes in the various negotiation areas, especially in the light of the global financial and economic crisis, and the positions of the Arab countries regarding those disputes. Participants discussed economic and trade policies and strategies and the role of the private sector in devising them. Moreover, the meeting provided an opportunity for member countries to agree on a coordinated regional position regarding their participation in the Seventh WTO Ministerial Conference titled *The WTO, the Multilateral Trading System and the Current Global Economic Environment*.

The Seventh Arab Conference: The World Trade Organization, Opportunities and Challenges – The Concerns of Arab States

(Beirut, 26-28 April 2011)

11. ESCWA organized this conference in cooperation with the Arab Administrative Development Organization (ARADO) and the Lebanese Ministry of Economy and Trade. The conference aimed to review the positions of the Arab countries seeking to join the WTO about the accession process and the difficulties they face in that regard; their positions about the main negotiation issues of the Doha Development Agenda, especially trade in services; and ways to increase opportunities for the Arab countries to contribute to the international trade system. It also aimed to give the participating countries an opportunity to exchange expertise in the ways to maximize the benefits gained from implementing international trade agreements. Many papers were presented and discussed during the conference addressing issues related to the WTO negotiations, namely: (a) progress of the negotiations of the Doha Development Round, and the main issues of interest to the Arab countries; (b) progress made in the negotiations of Arab countries seeking to join the WTO, with a focus on the experience of Lebanon and that of Amman Chamber of Commerce in maximizing the benefit of the Jordanian business community from joining the WTO; (c) challenges to liberalizing trade in services; (d) the Arab position about the emergence of a global trade bloc; and (e) the WTO at a glance: constraints and limitations. The conference was attended by representatives of trade ministries, other concerned national institutions in member countries, international and regional organizations such as the WTO, the League of Arab States and the Islamic Development Bank in addition to civil society organizations concerned with WTO issues. The conference provided an opportunity for participants to discuss topics of interest to the region such as: committing to the implementation programme for the creation of the Greater Arab Free Trade Zone; lifting tariff barriers and completing the Arab Customs Union negotiations; implementing the dispute settlement mechanism; and completing negotiations over liberalization of intraregional trade in services by the end of 2011.

**Regional workshop on the requirements for the establishment of Single Windows
for handling export/import procedures and formalities in the ESCWA region**

(Beirut, 3-4 March 2011)

12. ESCWA organized this workshop with the objectives of: (a) increasing knowledge about Single Window concept, benefit and relationship to trade facilitation; (b) enhancing the capacity of member countries on establishing Single Window and its requirements including infrastructure, information technology and the administrative and legal system in accordance with international standards and recommendations; (c) discussing and updating the study being prepared by ESCWA titled *Single Window for Handling Export/Import Procedures and Formalities in ESCWA Member Countries*; (d) presenting and discussing national practice and challenges in establishing Single Window; and (e) exchanging experiences between ESCWA member countries and other countries/regions and regional groupings in trade facilitation and Single Window. The workshop was attended by representatives of trade ministries, customs and information technology departments in the ESCWA region, experts from international and regional organizations such as the United Nations Conference on Trade and Development (UNCTAD), the Economic Commission for Europe, the League of Arab States, the Islamic Development Bank and the Saudi Fund for Development.

**III. TECHNICAL SUPPORT AND CAPACITY-BUILDING ACTIVITIES
FOR MEMBER COUNTRIES**

Advisory mission to the Sudan

(18-22 March 2010)

13. The ESCWA Regional Advisor on Macroeconomic Policies and Regional Advisor on Information and Communications Technology conducted an advisory mission at the Sudanese trade point. The mission aimed to assist in preparing a study on the requirements for establishing a business centre at the Sudanese trade point and agree on the main topics to be covered by the study. In April 2010, ESCWA prepared a draft version of the study which highlighted the requirements for the establishment of an e-business centre to support small and medium-sized enterprises (SMEs) with services and mechanisms that meet their technical needs by developing an information system used via an electronic gateway. The draft was sent to the Sudanese trade point in May 2010 to review the funding needed and approve the required budget.

Advisory mission in Lebanon

(8-10 November 2010)

14. The ESCWA Regional Advisor on Macroeconomic Policies organized a workshop on *Linking Consumer Protection to National Economic Policy in Lebanon*, which included a training session for 34 newly recruited inspectors at the Consumer Protection Directorate of the Lebanese Ministry of Economy and Trade. The training aimed to strengthen the capacity of inspectors in administrative, economic and legal areas of business. The workshop covered such topics as enhancing knowledge about consumer protection laws and regulations applied in Lebanon as well as trade agreements signed by Lebanon with other countries, and promoting the culture of securing the quality of imported goods.

**The twentieth regional course on key issues on the international
economic agenda for Western Asia**

(Beirut, 18 October-5 November 2010)

15. ESCWA organized this training course in cooperation with the United Nations Conference on Trade and Development (UNCTAD). It was attended by representatives of ten countries from the ESCWA region. At the request of UNCTAD and in view of strengthening cooperation between both organizations, ESCWA appointed a focal point from the EDGD to meet organizational and technical needs. Experts from ESCWA contributed to the preparation of training materials about trade, financial flows, macroeconomic policies, development and knowledge economy in a globalized world.
