

Europe links and those linkages proposed at the Asia-Europe Meeting, at the earliest possible date;

(b) To encourage and facilitate the efforts of countries to accede, if they have not yet done so, to the international land transport facilitation conventions referred to in Commission resolution 48/11 as an integral component of programmes to develop land transport infrastructure;

(c) To ensure that the implementation of ALTID activities progresses in a balanced and concurrent manner in the various subregions of Asia;

(d) To coordinate the implementation of the ALTID project effectively with the Economic Commission for Europe to ensure the eventual compatibility of standards and requirements of land transport networks of international importance in Asia and Europe, as well as with other international agencies and organizations in order to avoid duplication of work;

4. *Further requests* the Executive Secretary to report to the Commission at its fifty-fourth session, and biennially thereafter, on the progress in the implementation of the present resolution.

*13th meeting
24 April 1996*

52/10. Revised Action Programme for Regional Economic Cooperation in Trade and Investment¹⁰

The Economic and Social Commission for Asia and the Pacific,

Recalling its resolution 49/1 of 29 April 1993 on the implementation of the Action Programme for Regional Economic Cooperation in Trade and Investment,

Noting with appreciation the implementation of the Action Programme carried out so far, in which some elements have been successfully completed,

Noting also the new developments which have a bearing on the prospects and opportunities for cooperation in the trade and investment fields and which require the revision of some elements and the inclusion of others,

Acknowledging the revision to the Action Programme as approved by the Steering Group of the Committee for Regional Economic Cooperation at its seventh meeting, held at Ulaanbaatar in September 1995, and endorsed by the Committee for Regional Economic Cooperation at its fifth session,

1. *Endorses* the revised Action Programme for Regional Economic Cooperation in Trade and Investment, as annexed to the present resolution;

2. *Calls upon* the Executive Secretary to pay due attention, subject to the availability of resources, to the activities of the secretariat in the implementation of the revised Action Programme;

3. *Encourages* all members and associate members to support and participate actively in the implementation of the revised Action Programme;

4. *Invites* the United Nations Development Programme, the Asian Development Bank and other interested bilateral and multilateral donors to collaborate actively with the secretariat in its efforts to implement the revised Action Programme.

*13th meeting
24 April 1996*

Annex

REVISED ACTION PROGRAMME FOR REGIONAL ECONOMIC COOPERATION IN TRADE AND INVESTMENT

A. Growth of intraregional trade

1. Review and analysis of regional trade patterns

1. Under the Action Programme, policy-oriented issues of concern to the region, particularly those recommended from time to time by the Steering Group and the Committee for Regional Economic Cooperation to harness the full potential of the dynamism in the Asian and Pacific region and to spread that dynamism more widely across the region for the expansion of intraregional and interregional trade, will continue to be addressed. In the first instance, special consideration will be given to the following: (a) non-tariff barriers impeding trade expansion in the region in the post-Uruguay Round situation; and (b) cross-border trade, including the requisite institutional and administrative arrangements to facilitate the trade of goods and services between countries sharing common borders. A comparative study on the regional experience in border trade and cross-border transactions through bilateral agreements or subregional cooperation initiatives will be undertaken.

2. The Expert Group Meeting on the Follow-up to the Implementation of the Delhi Declaration on Strengthening Regional Economic Cooperation in Asia and the Pacific towards the Twenty-first Century, held in New Delhi in April 1995, recommended that, in view of the volatility in exchange rates and short-term capital movements, and the consequent instability in the financial system, a study on the minimization of risks on account of exchange rate fluctuations was required;

¹⁰ See para. 125 above.

resources permitting, the study will be undertaken. Moreover, the New Delhi Meeting considered that regional economic cooperation for the establishment of trade-creating joint ventures was important. It decided that concerted policy measures should be evolved and that the relevant issues should be investigated.

2. Strengthening of institutional arrangements for the expansion of regional trade

(a) *Regional arrangements for facilitating trade expansion*

3. To promote the expansion of intraregional trade and encourage the less developed among the developing countries of the Asian and Pacific region to join the mainstream of the export-led growth in the region, certain institutional arrangements are needed. The secretariat will explore new possibilities in the post-Uruguay Round trade regime and against the backdrop of the establishment of free trading arrangements. In this context, revitalization of existing institutional arrangements, such as the Bangkok Agreement, the Asian Clearing Union and the Asian Reinsurance Corporation, will be undertaken with a view to facilitating further expansion of intraregional trade.

(b) *Regional "exim" facility*

4. Expansion of trade within the region is hindered by the absence of a regional institutional framework for the refinancing of trade. Since suppliers' credit plays an important role in determining the direction of trade and many of the countries of the region are capital-deficient, trade flows have often been determined on the basis of hard currency realizations, even at the risk of lower unit values. The possibility of establishing a regional export-import ("exim") facility to supplement and coordinate efforts of national central/exim banks and improve the availability of funds for trade will be examined.

(c) *Human resources development*

5. Given the importance of human resources development, regional institutes of excellence need to be identified from among existing institutions in the region, based on criteria reflecting, *inter alia*, available infrastructure support facilities, the capacity for carrying out training, exposure to foreign clientele, the capability for consultancy with international organizations and experience in organizing training courses. The New Delhi Meeting acknowledged that special training programmes for exporters focusing on emerging challenges, such as new standards for quality control, packaging needs and eco-labelling, were urgently needed, and this will also be addressed. Cooperation between national institutions in the region will be promoted to increase access to human resources development facilities within the region.

3. Regional trade expansion infrastructure

6. An improved information system for trade and investment, giving particular attention to wide dissemination, is essential, not only for more effective policy formulation but also to enable the private sector to capitalize on the new opportunities within the region. Reduction of trade transaction costs, particularly those related to information flows, also requires special attention, to enable the development of mechanisms to establish a two-way flow, electronic and otherwise, of trade and investment information among countries of the ESCAP region as well as between those countries and the rest of the world. Therefore, a comprehensive mechanism will be established for developing and using existing databases for trade and trade-related investment matters, as well as trade points across the region under the Special Programme for Trade Efficiency of the United Nations Conference on Trade and Development (UNCTAD), with the assistance of ESCAP.

7. In collaboration with the United Nations Statistics Division and the International Trade Centre UNCTAD/WTO, a model database will be developed and the various mechanisms for dissemination will be examined, including the use of CD-ROM and on-line access. A comprehensive survey to identify the non-tariff measures of the developing countries of the ESCAP region will be undertaken, as the information relating to the developing countries currently available through the trade analysis and information system (TRAINS) developed by UNCTAD is dated and its coverage relates only to selected developing countries of the region.

8. To enhance the effectiveness of the Regional Trade Information Network (TISNET) and to enable members and associate members of ESCAP to benefit from new opportunities for assessing trade information, the arrangement made with the UNCTAD Special Programme for Trade Efficiency through which ESCAP members and associate members can make use of electronic trading opportunities will be given wider publicity.

4. Network of trade-related research institutions

9. The network of national research institutions, promoted by ESCAP with the active support of the United Nations Development Programme, is working towards the objective of strengthening research capabilities for analysing and forecasting trade-related policy changes. The ongoing activities under the programme, through which member organizations are encouraged to develop and update regional bibliographies on trade-related research and to participate actively in a commonly defined work programme of trade-related research and its dissemination through seminars and the exchange of researchers between institutions through fellowships, will be continued.

5. Technical barriers to trade

10. The adoption of the ISO 9000 series is influencing the pattern of trade in the world. The ongoing activities of the ESCAP secretariat in strengthening national capabilities in standardization and quality certification processes will be pursued as these make it easier for small and medium-sized enterprises, as well as the less technologically advanced countries of the region, to keep up with global developments relating to the quality control of exportables.

6. Regional commodity problems

11. In the post-Uruguay Round situation, there is a need for greater attention to be paid to regional commodity problems, especially as each commodity has its own peculiar dynamics. In addition, the increasing economic affluence of many parts of the Asian and Pacific region opens up the prospects for increased levels of per capita consumption of agriculture-based products, greater investment in value-added processing and greater opportunities for trade. In this context, a set of activities will be undertaken, including research and studies, seminars and workshops, focusing on potential diversification prospects for individual commodities such as rice, tea, coffee, pulses, spices and vegetable oils. These commodities are particularly important to countries in the region as foreign exchange earners and for sustaining and generating employment opportunities, especially for the poor. In due course, additional commodities and primary products may be included for study under a regional commodity programme, subject to the availability of resources.

B. Expansion of intraregional investment flows

Regional investment information and promotion service

12. A recent study on the economic feasibility and viability of the Regional Investment Information and Promotion Service (RIIPS) by the ESCAP secretariat identified "Trade Match", initiated by the Confederation of Asia and the Pacific Chambers of Commerce and Industry (CACCI), and electronic trading opportunities developed by the UNCTAD Special Programme for Trade Efficiency as viable instruments for introducing RIIPS. CACCI and UNCTAD have entered into an agreement with ESCAP to make these two facilities available throughout the entire ESCAP region, and this collaboration will be strengthened.

13. The facilitation of investment-related information through Trade Match and electronic trading opportunities will be the major activity under RIIPS, while regional advisory services on investment promotion will be available to assist investment-related organizations, such as boards of investment and chambers of commerce and industry, in the promotion

of foreign direct investment in the region through advisory and training services.

14. The New Delhi Meeting suggested that regional associations of industries and services on a sectoral basis should be promoted to encourage greater interaction within the private sector. Such interaction would be fostered based on the experience of the Association of South East Asian Nations. A proposal to establish a North-East Asian business forum is currently being pursued.

C. Development of small and medium-sized enterprises

1. Study on the regional experience of export-oriented small and medium-sized enterprises

15. A comprehensive study on the regional experience of export-oriented small and medium-sized enterprises, focusing on industrial activities in which those enterprises have played a predominant role in terms of their contribution to gross domestic product, exports, employment and technology diffusion, is being implemented. The study attempts to identify the possibilities of promoting joint ventures in manufactured goods such as leather, textiles, light engineering goods and electronics, and to examine the potential for developing a regional component market based on subcontracting arrangements between enterprises of different countries.

2. Promotion of enterprise-to-enterprise cooperation for small and medium-sized enterprises

16. Activities aimed at promoting enterprise-to-enterprise cooperation, which would allow the pooling of the financial resources, technologies and skills of small and medium-sized enterprises from different countries of the region, as well as activities to assist such enterprises in marketing, will be continued. In this context, ESCAP, in cooperation with the International Trade Centre UNCTAD/WTO and the United Nations Industrial Development Organization, could play a catalytic role.

3. Asia-Pacific International Trade Fair

17. The Fifth Asia-Pacific International Trade Fair (ASPAT'94) was held successfully in Beijing in June 1994, and benefited, in particular, small and medium-sized enterprises. Since the holding of ASPAT'94, several member countries have indicated their interest in hosting the Fair, on a voluntary basis (Philippines, 1996; Republic of Korea, 1999; India, 2000; Malaysia, 2002). In view of the potential for using such fairs for the promotion of trade and investment in the region, it has been recognized that this modality can be used

successfully for the development of small and medium-sized enterprises. Accordingly, it is proposed to establish a calendar to organize ASPAT on a regular basis, and to ensure early dissemination of information to facilitate participation.

D. Emerging trade and investment-related concerns

1. Implications for trade expansion of implementing the Uruguay Round agreements

18. The Uruguay Round agreements mark a new phase in international economic and trade relationships. The era of "non-reciprocity" in multilateral trade relations is virtually over, and the thinking on the part of industrialized countries is that developing economies may not need "special and differential treatment" for greater market access opportunities in the industrialized world. The conclusion of the Uruguay Round also signifies the bringing together under an umbrella agreement of the multilateral rules relating to trade in goods and trade in services, as well as the rules relating to the protection and provision of intellectual property rights and foreign direct investment.

19. As an open multilateral trading system is indispensable for the sustained development of countries in the ESCAP region, it is necessary to examine how the implementation of the Uruguay Round agreements could be pursued expeditiously in the region. In this regard, it is necessary to monitor and disseminate information on progress in the implementation of the agreements outside the region, particularly those relating to agriculture and textiles. A systematic and careful analysis focusing on sectoral studies and the promotion of country and group strategies is also called for. Policy-oriented studies should include issues related to trade in services, multilateral trade rules, as well as trade-related aspects of intellectual property rights (TRIPs) and trade-related investment measures (TRIMs). In addition, the emerging issues of social standards and trade and environment are of special concern to the region, and the countries of the region should ensure that these are not used as new non-tariff barriers to undermine their competitiveness. A regional approach to those issues, taking into account subregional positions, should therefore be developed, especially in preparation for the first ministerial meeting of the World Trade Organization, scheduled to be held in Singapore at the end of 1996.

20. The preparations required at the national level for dealing with new issues, given the comprehensiveness of the agreements and issues involved, are of critical importance to developing economies of the ESCAP region. Accordingly, technical assistance to those economies is necessary to enhance their understanding of the Uruguay Round

agreements, as well as to enable them to set up the necessary national legal and administrative framework to implement the agreements.

2. Trade efficiency

21. Business enterprises require access to relevant tools, techniques, technologies and information to restructure their business around electronic commerce. ESCAP should facilitate this access by addressing developments in the application of electronic commerce in trade and transport, retail and logistics management, and trade-related finance.

22. ESCAP, in collaboration with the Asia EDIFACT Board, will prepare a series of training materials to provide trade practitioners with a clear understanding of the benefits that can be derived from introducing electronic data interchange (EDI), as well as the necessary conditions and factors which will lead to the successful implementation and management of EDI.

23. As a separate programme, a series of seminars and advisory services on trade efficiency should be organized in the developing countries of the region. In this regard, the secretariat will enlist the support of the Asia EDIFACT Board and national trade facilitation bodies, trade promotion organizations, EDI councils, chambers of commerce and regional and national organizations involved in the promotion of EDI.

E. Economies in transition

1. Regional cooperation to overcome macroeconomic problems

24. The economies in transition continue to face several major impediments to the successful implementation of their programmes of economic reform. One critical consideration is the establishment and maintenance of macroeconomic stability within their new market-oriented economic environments. In addition, these economies need to focus attention on various other aspects of their economic development, such as trade liberalization, trade efficiency, the expansion of trade with economies other than their traditional trading partners, price liberalization, the introduction of competition with the private sector, the maximization of foreign direct investment flows and the management of a supportive exchange rate policy.

25. The regional economic cooperation programme should address these issues and provide the economies in transition with the necessary technical assistance for policy-making and macroeconomic management. Entrepreneurship development within these economies should be promoted to facilitate their successful transition to market economies. However, as it is important to avoid duplication of effort, the assistance proposed will be undertaken in consultation with other international and regional institutions, including the World Bank, the International Monetary Fund, the

2. Integration of the newly independent Asian republics into the region

26. Seven Asian republics of the former Union of Soviet Socialist Republics, Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan, although ESCAP members, have remained isolated from the rest of the region despite historical links to Asia. Studies to identify emerging complementarities between the Asian republics and other countries of the Asian and Pacific region would be beneficial to policy makers in the Asian republics and to those in the rest of the region. The linkages that would be focused upon are trade, transport and communications and investment possibilities. In addition, as most of these countries are rich in energy resources, the prospects for mutual cooperation with Asian countries in the energy sector could also be investigated.

27. Assistance in developing an appropriate strategy for linkages with other members of the ESCAP region through transport route development and, in particular, land transport corridors with connections to seaports in neighbouring countries is vital, especially since almost all the economies in transition are landlocked. The regional cooperation programme will, accordingly, continue to accord special attention to improving land transport linkages through the implementation of the Asian Highway and Trans-Asian Railway projects, and improving land transport facilitation measures as integral parts of the Asian land transport infrastructure development (ALTID) project, with a view to identifying transport routes that are of regional and subregional importance for establishing rail and road linkages between these economies and the rest of the region.

28. In considering cooperative action for promoting trade relations and development in the Asian republics, the impact of specific trade-related projects might be evaluated. Among the projects which could be included are transit traffic facilities, including those proposed through the Islamic Republic of Iran. (The facilities have been offered to provide such landlocked countries with railroad access to the open sea.) The progress in the implementation of Commission resolution 48/11 of 23 April 1992 on road and rail transport modes in relation to facilitation measures, in countries in transition and their neighbouring States, could also be evaluated.

F. Inter-subregional cooperation

Studies on the current status of interaction

29. Regional economic cooperation arrangements in Asia and the Pacific exist at various levels and can

range from restricted schemes such as "growth triangles", to interregional schemes, and the establishment of preferential arrangements. Most of these schemes operate independently of each other. It is proposed that studies will be undertaken to examine the current status, objectives and possible linkages between members of the different regional economic cooperation arrangements. The studies will be disaggregated by the main sectors of economic activity in order to focus on policy-level initiatives that would promote cooperation in areas of shared interest. The studies will also suggest modalities for nurturing inter-subregional cooperation by initiating and encouraging interaction among the various subregional groups, including interaction even at the relevant programme or element level within each grouping. The role of the private sector and non-governmental organizations will also be included in such interaction.

30. The secretariat will focus on selected areas in further studies on subregional growth zones, such as cross-border trade, investment, human resources development and labour mobility, joint tourism development, agriculture and fisheries development, energy development, joint infrastructure networking and environmental protection.

52/11. Strengthening of subregional economic cooperation among the south-western member countries of the Economic and Social Commission for Asia and the Pacific, including the member countries of the Economic Cooperation Organization¹¹

The Economic and Social Commission for Asia and the Pacific,

Recalling its resolution 50/8 of 13 April 1994 on the strengthening of subregional economic cooperation in North-East Asia, in which the Commission recognized the need to promote and strengthen subregional economic cooperation as a stepping stone to regional economic cooperation and to the progress and sustained development of the ESCAP region,

Welcoming the initiative taken by the Steering Group of the Committee for Regional Economic Cooperation at its seventh and eighth meetings to give special attention to the North-East Asian subregion with a view to promoting and strengthening the structures facilitating cooperation in that subregion,

Noting with interest the efforts of the secretariat to strengthen cooperation among subregional organizations,

¹¹ See para. 125 above.