

**ECONOMIC AND SOCIAL
COUNCIL**

Distr.
LIMITED
E/ESCWA/C.6/2019/5
23 September 2019
ENGLISH
ORIGINAL: ARABIC

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

First session

Amman, 8-9 December 2019



Item 6 of the provisional agenda

**Implementation of the recommendations made by the Technical
Committee on Liberalization of Foreign Trade, Economic
Globalization and Financing for Development
at its eleventh session (focus on trade)**

Summary

At its eleventh session, which was held in Beirut on 27 and 28 November 2017 and focused on trade, the Technical Committee on Liberalization of Foreign Trade, Economic Globalization and Financing for Development of the Economic and Social Commission for Western Asia (ESCWA) issued a set of recommendations, some addressed to ESCWA member States, others to the ESCWA secretariat.

The present document reviews actions taken to implement the recommendations addressed to the ESCWA secretariat. It also lists the recommendations made to member States. The Committee on Trade Policies in the States Members of the Economic and Social Commission for Western Asia is invited to take note of progress made, make comments in that regard, and present what has been achieved in member States in the context of the recommendations addressed to them.

**RECOMMENDATIONS MADE BY THE TECHNICAL COMMITTEE ON LIBERALIZATION
OF FOREIGN TRADE, ECONOMIC GLOBALIZATION AND FINANCING
FOR DEVELOPMENT AT ITS ELEVENTH SESSION
AND ACTIONS TAKEN TO IMPLEMENT THEM**

1. At its eleventh session, which was held in Beirut on 27 and 28 November 2017 and focused on trade, the Technical Committee on Liberalization of Foreign Trade, Economic Globalization and Financing for Development of the Economic and Social Commission for Western Asia (ESCWA) issued a set of recommendations; some addressed to ESCWA member States, others to the ESCWA secretariat. The present document reviews the recommendations addressed to the ESCWA secretariat and the actions taken to implement each. It also lists (in section B) the recommendations to member States. Member State representatives are invited to review what has been implemented in their countries in the framework of those recommendations.

A. RECOMMENDATIONS TO THE ESCWA SECRETARIAT

Recommendation (a)

Support member States in implementing the World Trade Organization (WTO) Trade Facilitation Agreement by developing capacity-building programmes for countries that need them, in coordination with other international and regional organizations.

Implementation actions

2. ESCWA has carried out several activities related to the Trade Facilitation Agreement. Iraq applied for technical assistance in relation to the single window. In response, ESCWA extended the requested assistance through a dedicated workshop, attended by several officials from various Iraqi ministries and government institutions, including trade, finance and customs. In addition, ESCWA provided technical assistance in transport and logistics to several countries. Details are available in the document on ESCWA activities in this area, presented to the Committee on Transport and Logistics at its twentieth session. Furthermore, ESCWA, along with other United Nations regional commissions, participated in the “Global Survey on Trade Facilitation and Paperless Trade Implementation”, by monitoring progress in the Arab region in implementing the provisions of the WTO Trade Facilitation Agreement and preparing a report on advances in facilitating digital and sustainable trade.

3. All relevant documents are available at:

<https://www.unescwa.org/publications/publications-list>; <https://www.unescwa.org/events/events-list>.

Recommendation (b)

Continue preparing studies on trade development through regional integration, integration into global markets, and connectivity with global value chains; identify key sectors in the Arab region that could benefit from such chains on the global level; and strengthen Arab countries’ capacity to adopt suitable policies.

Implementation actions

4. Since 2016, ESCWA has contributed to the development of the Trade in Value Added (TiVA) database, which was built collaboratively by the WTO and the Organisation for Economic Co-operation and Development (OECD), by incorporating Morocco and Tunisia into this database, to follow Saudi Arabia. It has also produced two technical reports on the contribution of the three Arab countries to global values, one in 2017 and the other in 2019. ESCWA also participated in a workshop on regional and global TiVA Initiatives, organised by the OECD in June 2019 in Paris, with the aim of updating the database and adding other Arab countries to it. Moreover, ESCWA is looking forward to implementing a special project to further integrate

Arab States into the database to help them identify their economic restructuring priorities. In this context, a draft project paper has been prepared, in collaboration with the OECD, with implementation being subject to availability of the requisite funds.

Recommendation (c)

Conduct a preliminary study that includes a survey on regional value chains and their links to the establishment of an Arab customs union.

Implementation actions

5. The study has not yet been attempted.

Recommendation (d)

Build Arab countries' capacity to support them in implementing the SDGs by developing tools to monitor and follow up on progress in that area, assess the impact of regional integration policies on implementing the SDGs, and analyse the role of national plans in SDG implementation.

Implementation actions

6. ESCWA has completed the development of a model to link trade policies to development goals, which has been applied to the data of one of the Arab countries to ensure its ability to meet member States' aspirations in following up and assessing the macroeconomic and sectoral economic impact of trade policies on the SDGs. The model will be applied to other member States upon request.

Recommendation (e)

Continue efforts to identify non-tariff barriers and measure their impact on trade costs, provide member States with proposals to deal with those barriers, and strengthen competitiveness and participation in global trade.

Implementation actions

7. ESCWA completed a study on identification and evaluation of the economic effects of non-tariff measures on Moroccan imports of agricultural goods. It is also undertaking a study of the trade costs in Arab countries and their determinants by commodity group, as well as of import sources and export destinations. Such a study should prove to be an important reference in tracking and evaluating non-tariff constraints on the foreign trade of Arab countries and the role of trade logistics.

Recommendation (f)

Expand studies on the liberalization of trade in services, in coordination with the secretariat of the League of Arab States, in the light of the outcomes of negotiations between Arab countries and studies by other international and regional organizations.

Implementation actions

8. The second report on Assessing Arab Economic Integration ([E/ESCWA/EDID/2017/6](#)) has been published. The report addresses for the first time the services sector, focusing on its importance in trade agreements, as well as on the role of trade services in developing competitiveness of commodities and attracting foreign investment. Moreover, economic impacts of some scenarios of liberalization of the trade in services in a sample of Arab countries were assessed. ESCWA is looking forward to developing this vital area of work through detailed country studies, in collaboration with the League of Arab States in relation to the

Arab Agreement on Trade in Services, with the European Union within the framework of negotiations on the deep and comprehensive free trade areas (DCFTA), and with the African Union in respect of the African Continental Free Trade Area (AfCFTA) Agreement.

Recommendation (g)

Develop practical scenarios for mechanisms to compensate countries that might be negatively affected by the establishment of an Arab customs union, and coordinate with the secretariat of the League of Arab States in that regard.

Implementation actions

9. Studies have been carried out for Lebanon, Tunisia and the Sudan assessing impacts of various scenarios for launching the Arab Customs Union. Moreover, work is underway to complete studies for Morocco and Egypt. Several training workshops have also been organized at the regional level, in collaboration with the secretariat of the League of Arab States and individual States.

Recommendation (h)

Inform member States periodically of the outcomes of workshops and expert groups meetings organized by the secretariat to maximize benefit from technical issues discussed at those meetings.

Implementation actions

10. ESCWA has sent reports on all meetings to participants from member States and posted them on the ESCWA events website. All documents are available at:
<https://www.unescwa.org/publications/publications-list>; <https://www.unescwa.org/events/events-list>.

B. RECOMMENDATIONS TO MEMBER STATES

11. The Technical Committee on Liberalization of Foreign Trade, Economic Globalization and Financing for Development made the following recommendations to member States:

(a) Welcome the secretariat's efforts in implementing the recommendations made by the Committee at its previous session, and in linking its studies and reports to the technical cooperation activities and training it provides to member States; and note the positive efforts by member States in implementing the recommendations made by the Committee at its previous session, which have resulted in significant progress in implementing broad economic policy reforms, especially in trade policy;

(b) Affirm the role of regional economic integration agreements in implementing economic transformation programmes based on diversifying production capacity and on enhancing the service sector's involvement in increasing competitiveness, especially in the field of trade in Arab services;

(c) Expedite negotiations on a customs union to strengthen regional integration between Arab countries, so as to improve their peoples' well-being by focusing on negotiations for a common external tariff to drive inter-Arab foreign trade and trade with other countries across the world, and by reducing the cost of changes in trade processes;

(d) Implement the Trade Facilitation Agreement of the World Trade Organization (WTO) in States parties to it, given its positive impact on reducing trade costs and strengthening the competitiveness of Arab economies;

(e) Improve the performance of the transport sector, including strengthening transport infrastructure, and develop transport services to build Arab countries' capacity to participate in global value chains;

(f) Urge Arab countries to further include trade in their development plans to promote the role of trade in implementing the Sustainable Development Goals (SDGs) given its links to many SDGs, and to enhance Arab countries' capacity to finance SDG implementation;

(g) Follow up periodically on mega international trade agreements to assess their potential negative implications for Arab countries, and identify ways to protect national economic and trade interests;

(h) Strengthen Arab trade policy compliance with macroeconomic policy to facilitate the shift from free trade agreements to an Arab customs union;

(i) Drive trade in Arab services under Arab economic integration agreements, reduce disparities between tax policies, and support investment policies to strengthen competitiveness in the Arab region and attract intraregional and international investments;

(j) Welcome the programme of work for the biennium 2018-2019 in the field of trade, especially trade in services and the links between trade and the SDGs; and develop regional and global value chains.
