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Under-Secretary-General of the United Nations & Executive Secretary of
The Economic and Social Commission for Asia and the Pacific**

**High-Level Meeting for the Euro-Asia Region on Improving Cooperation on Transit,
Trade Facilitation and the 2030 Agenda for Sustainable Development**

**Hanoi
9:00-10:00, 7 March 2017**

Your Excellency, Mr. Prime Minister,
Excellencies,
Distinguished Delegates,
Ladies and Gentlemen,

In my remarks today, I would like to make three points.

First, appreciating the context and diagnostics of Asian LLDCs requires understanding the critical barriers they face in trade, transit and transport connectivity. Accounting for a meagre 0.7 per cent of global exports,¹ the 12 Asian LLDCs lack export diversification and have had limited participation in Global Value Chains (GVCs). Asian LLDCs face trade costs 50 per cent higher than the Asia-Pacific average. Complex and cumbersome trade and transit procedures account for a significant share of trade costs. For instance, in Central Asian LLDCs, each transaction typically involves over 20 procedures and 20 or more public and private agencies. Reducing these costs and delays can be the difference between a business failing or thriving; and is essential if the full value of enhanced transport infrastructure is to be realized.

Second, tackling these issues has become an urgent priority as global trade grew by less than 3 per cent for the sixth consecutive year since 2010. Continued cyclical downturn in demand, rising trade protectionism, a deceleration in the expansion of GVC-related trade and the structural rebalancing of China will further complicate the future trade scenario for Asian LLDCs.

Third, given this challenging environment for trade, swift action to land-link and diversify LLDCs exporting capacities is critical. Development of mega-regional endeavors in this context is very much welcome, including the Belt and Road Initiative and the ASEAN Master Plan on Connectivity. Likewise, multimodal transport networks and investment in trade facilitation soft infrastructure will reinforce each other and thereby help spur trade and open up access to regional and global import and export markets.

To address LLDCs' deep-rooted structural challenges, ESCAP has adopted a multi-sectoral approach, reinforced by effective partnerships and regional economic cooperation and integration. By way of example, our transport sector technical assistance has helped plan and coordinate the development of land links and technical standards in LLDCs and transit countries. Complementing this, ESCAP has developed a set of tools for joint utilization by LLDCs and transit countries to reduce non-physical barriers and delays at border crossings.²

¹ Asia-Pacific accounts for 40 per cent of global exports

² These tools include: Time/Cost-Distance Methodology, Secure Cross-border Transport Model, Efficient Cross-border Transport Model, Model on Integrated Controls at Border Crossings and Guide to Paperless Transit.

We have also developed several model transport facilitation agreements to support the regional harmonization of legal and regulatory transport frameworks.³ This has helped enhance cooperation between LLDCs and transit countries, and unlock LLDCs' trade potential.

To promote trade facilitation, the *Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific* was negotiated on the ESCAP platform and will support the efficient implementation of trade rules and the development of cross-border e-commerce in Asia-Pacific.

ESCAP has also built a number of effective partnerships to support trade facilitation in LLDCs, including, among others, with

- ADB in Bhutan and Nepal to build capacity to self-assess and prioritize trade facilitation reform;
- With the WTO to develop a trade costs database for the Aid for Trade global reviews; and,
- With the IPPC, WTO and FAO to streamline issuance and exchange of sanitary and phyto-sanitary certificates.

Finally, ESCAP supports the implementation of the WTO Trade Facilitation Agreement through the ESCAP-led UN Regional Commissions Global Survey on Trade Facilitation and Paperless Trade Implementation.

To conclude, harmonizing the over 400 bilateral agreements and 40 plus subregional agreements in Asia related to cross-border and transit transport is critical to consolidating fragmented frameworks. At the same time, global trade facilitation efforts must be harnessed effectively through operationalization of paperless cross-border trade. Collaboration and cooperation to ensure multilateral and bilateral efforts conform to harmonized standards and guidelines will deliver cost savings and greater time efficiency.

I thank you.

³ The Model Subregional Agreement on Transport Facilitation, the Model Bilateral Agreement on International Road Transport, and the Model Multilateral Permit for International Road Transport.