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## Economic and Social Commission for Asia and the Pacific Committee on Trade and Investment

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**Implementation of Commission resolution 70/5:  
strengthening regional cooperation and capacity for  
enhanced trade and investment in support of sustainable  
development: consideration of the feasibility and desirability  
of convening a periodic Asia-Pacific ministerial-level  
conference in the area of trade and investment**

## Feasibility and desirability of a periodic Asia-Pacific ministerial conference on trade and investment

### Note by the secretariat

#### Summary

The Economic and Social Commission for Asia and the Pacific (ESCAP), in its resolution 70/5 on strengthening regional cooperation and capacity for enhanced trade and investment in support of sustainable development, requested the Executive Secretary to study the feasibility of convening every four years, starting in 2016, a conference at the ministerial level to review recent developments and adopt regional action plans in the area of trade and investment and other related areas for implementation by Governments of ESCAP members and associate members and by the secretariat of ESCAP, and to submit to the Committee on Trade and Investment at its next session a report with recommendations thereon. This report provides a review of the costs and benefits of convening a ministerial-level conference and includes the conclusion that, while it is certainly feasible, subject to availability of funds, it may not necessarily be desirable. Instead, the secretariat recommends strengthening the Committee as set forth in the recommendations in the present report.

#### Contents

	<i>Page</i>
I. Introduction .....	2
II. Costs and benefits of a ministerial-level conference on trade and investment .....	2
A. Rationale and benefits .....	2
B. Costs and desirability .....	6
III. Recommendations .....	9

\* E/ESCAP/CTI(4)/L.1.

## **I. Introduction**

1. The Economic and Social Commission for Asia and the Pacific (ESCAP), at its seventieth session, adopted resolution 70/5 on strengthening regional cooperation and capacity for enhanced trade and investment in support of sustainable development. In the resolution, the Commission requested the Executive Secretary to study the feasibility of convening every four years, starting in 2016, a conference at the ministerial level to review recent developments and adopt regional action plans in the area of trade and investment and other related areas for implementation by Governments of ESCAP members and associate members and by the secretariat of ESCAP, and to submit to the Committee on Trade and Investment at its next session a report with recommendations thereon. With regard to “other related areas” a footnote in the resolution specifies the areas covered by the subprogramme on trade and investment, which consists of business and development, including responsible business practices; technology transfer; and sustainable agricultural mechanization. The present report provides a review of the rationale for such a ministerial conference and presents some options for consideration by the Committee.

## **II. Costs and benefits of a ministerial-level conference on trade and investment**

### **A. Rationale and benefits**

2. Trade and investment in the Asia-Pacific region have increased rapidly in the last few decades, in particular intraregional trade, which currently accounts for approximately half of the region’s total trade. Trade and investment have been widely regarded as the main drivers of the region’s impressive growth and reduction of poverty. The spread of global and regional value chains has linked many countries in the region not only to each other but also to other countries in the world. At the same time, considerable barriers to trade and investment continue to exist, in particular non-tariff barriers, including behind-the-border barriers. This has led to increasingly urgent calls from the business sector for further liberalization and facilitation of trade and investment. Given the slow rate of progress of multilateral trade negotiations under the aegis of the World Trade Organization (WTO), countries have entered into regional trade and investment agreements which, by not covering the whole region, are discriminatory in their very nature. The growth of such agreements has resulted in a bewildering array of arrangements, while no agreement yet exists which covers the whole region. A meeting at the ministerial level may lead to a greater consistency in approach to agreements and a reduction in potential redundancies.

3. The continued economic weakness in most developed countries and slow and uneven economic recovery in others make for a strong rationale for enhancing intraregional trade and investment in Asia and the Pacific. However, barriers to trade and investment among countries of the region remain generally higher than similar barriers between the countries of the region and developed countries which are their traditional export markets. These barriers not only take the form of tariffs but also non-tariff barriers, and not only at-the-border barriers but also behind-the-border barriers. Region-wide commitments, to reduce or eliminate such barriers, could be a discussion point at any potential ministerial meeting.

4. In this context, a region-wide initiative to conclude an agreement on paperless trade is currently ongoing. This is the only regional treaty in the

area of trade and investment undertaken by member States under the auspices of ESCAP at the moment and which is open to all ESCAP members and associate members (in addition to the Asia-Pacific Trade Agreement, which is open to all developing members and associate members of ESCAP). However, this does not necessarily imply that all ESCAP members and associate members would be party to this treaty. Other regional arrangements in trade and investment can be thought of in terms of either trade or investment or both. These arrangements can be either voluntary or in the form of a legal treaty. The adoption of such arrangements or agreements at the ministerial level would give them necessary political backing and therefore might enhance the probability of their actual implementation.

5. The organization of ministerial-level conferences is already a feature of the Commission's work (table 1). Apart from the ministerial segment of the Commission, ministerial conferences currently are organized by ESCAP, including in the areas of the environment (Ministerial Conference on Environment and Development in Asia and the Pacific); transport (as a conference and a forum); energy (Asian and Pacific Energy Forum); statistics, including civil registration and vital statistics; social development, including population, disability and HIV and AIDS; preferential trade (Asia-Pacific Trade Agreement); and regional economic cooperation and integration. Some of these conferences have an established history and are organized at regular intervals (normally 5 or 10 years) while others are organized on a more ad-hoc basis. The most common duration of ministerial-level conferences is five days, consisting of a two-day ministerial conference preceded by a three-day senior officials segment, similar to the Commission session. In some cases, the duration is only three days (namely, gender equality and women's empowerment) or even one day (such as the Ministerial Council of the Asia-Pacific Trade Agreement).

Table 1  
**ESCAP ministerial-level conferences**

<i>Area</i>	<i>Frequency</i>	<i>Date and venue</i>		
		<i>First meeting</i>	<i>Most recent meeting</i>	<i>Next scheduled meeting</i>
Asian and Pacific Energy Forum	Every 5 years	27-30 May 2013, Vladivostok, Russian Federation	27-30 May 2013, Vladivostok, Russian Federation	Second meeting to be held in 2018 (date and venue to be confirmed)
Ministerial Conference on Environment and Development in Asia and the Pacific	Every 5 years	6-9 February 1985, Bangkok	27 September to 2 October 2010, Astana	Seventh meeting in 2016 (date and venue to be confirmed)
Ministerial Conference on Transport	Once every 5 years	6-11 November 2006, Busan, Republic of Korea	12-16 March 2012, Bangkok	Third meeting, 5 days, in October 2016, Bangkok

<i>Area</i>	<i>Frequency</i>	<i>Date and venue</i>		
		<i>First meeting</i>	<i>Most recent meeting</i>	<i>Next scheduled meeting</i>
Asia-Pacific Ministerial Conference on Public-Private Partnerships for Infrastructure Development	Ad hoc	5 October 2007, Seoul	17 April 2010, Jakarta	To be confirmed
Ministerial Conference on Regional Economic Cooperation and Integration in Asia and the Pacific	In principle every 2 years	17-20 December 2013, Bangkok	17-20 December 2013, Bangkok	2015 (postponed to February 2016), Bangkok
Ministerial Conference on Civil Registration and Vital Statistics in Asia and the Pacific		24-28 November 2014, Bangkok	24-28 November 2014, Bangkok	To be confirmed
Asian and Pacific Population Conference	Once every decade	10-20 December 1963, New Delhi	16-20 September 2013, Bangkok	2023
Review of the Beijing Declaration and Platform for Action	Every 5 years	1999, Bangkok	17-20 November 2014, Bangkok	2019
High-level Intergovernmental Meeting on Disability	Every 10 years	25-28 October 2002, Otsu, Japan	29 October to 2 November 2012, Bangkok	2022
Asia-Pacific Intergovernmental Meeting on HIV and AIDS	Ad hoc	28-30 January 2015, Bangkok	28-30 January 2015, Bangkok	To be confirmed
Ministerial Council of the Asia-Pacific Trade Agreement		2 November 2005, Beijing	15 December 2009, Seoul	Fourth meeting, November/December 2015 (to be confirmed), Bangkok
Meeting of Ministers of Industry and Technology	Once every 6 years	1992, Tehran	1998, Bangkok	Discontinued

6. The advantage of ministerial conferences at the sectoral level is that decision makers convene at the most senior level to discuss particular areas of common interest and have the authority to adopt action plans with a view to implementation. In contrast, participants in ESCAP Committees, while representing their Governments at the senior level, may not have sufficient authorization to commit to the adoption of recommendations and action plans presented by the secretariat. If the area is of high strategic and economic importance, involving policymakers and decision makers at the highest level possible from the outset allows firm commitments to be made and enhances the probability of actual implementation of those commitments.

7. No such region-wide ministerial conference exists in the area of trade and investment, but there are frequent ministerial conferences on or that address trade and investment issues at the subregional level within the context of organizations such as the Association of Southeast Asian Nations (ASEAN), Asia-Pacific Economic Cooperation (APEC), the South Asian Association for Regional Cooperation (SAARC) and others (table 2). In ESCAP, the only ministerial conference exclusively on trade is the Ministerial Council of the Asia-Pacific Trade Agreement, which consists of Bangladesh, China, India, the Lao People's Democratic Republic, the Republic of Korea and Sri Lanka (with the accession of Mongolia pending ratification). The most recent meeting of the Ministerial Council was held in Seoul in December 2009. In addition, the Ministerial Conference on Regional Economic Cooperation and Integration in Asia and the Pacific also addresses trade-related matters in the context of market integration.

Table 2

**Regional and global ministerial-level conferences addressing trade and investment as of 2015**

<i>Area</i>	<i>Type of meeting</i>
<b>Regional</b>	
APEC	Annual meeting of APEC ministers responsible for trade Annual small and medium enterprises ministerial meeting
Greater Mekong Subregion	Annual ministerial conference
ASEAN	Annual ASEAN economic ministers meeting
SAARC	Annual meeting of the Ministerial Council of the Agreement on South Asian Free Trade
Economic Cooperation Organization	Annual ministerial meeting on commerce and foreign trade; ministerial meeting on finance and economy
<b>Global</b>	
WTO	Every two years (next one in Nairobi, December 2015)
United Nations Conference on Trade and Development (UNCTAD)	Every four years (next one in Lima, 2016)

*Note:* Other global agencies such as the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD) and the World Bank regularly organize meetings at the ministerial level which may address trade- and investment-related issues, including the annual meeting of the OECD Ministerial Council and the joint meeting of the IMF/World Bank Boards of Governors, but these are administrative meetings of those organizations.

8. Given the importance of trade and investment for the region's growth and the potential to enhance intraregional trade and investment, the adoption and implementation of region-wide initiatives in this area would be useful. However, while a region-wide ministerial-level conference would also, in principle, be useful to accord the necessary political backing to such initiatives, as presented above, it is also important to consider the costs.

## **B. Costs and desirability**

9. Ministerial-level conferences are expensive, with costs ranging from \$150,000 to \$200,000 (when held in Bangkok at the United Nations Conference Centre) to as much as \$1 million (when organized outside Thailand).<sup>1</sup> The actual costs to ESCAP depend on the number of days of the conference, the extent to which the host Government defrays costs and whether there are partners covering part or most of the costs. When the Commission's session is held outside the secretariat, costs can be equal to approximately \$700,000 (three-day senior officials meeting followed by a two-day ministerial meeting), including costs related to equipment, interpretation, venue, logistics and staff travel. These costs are usually borne by the host Government. In addition, ministerial-level conferences are often preceded by regional consultation meetings to determine the organization and subject of the main conference, which carries additional costs. The organization of such high-level conferences outside the secretariat may also involve the hiring of audio and video equipment and booths for interpretation.

10. A large cost item is interpretation. The total cost of interpretation could, depending on the number of days and languages, run as high as \$50,000 and even higher depending on the travel costs of interpreters. Additional cost items include possible consultancies for the preparation of background documents, logistics (transportation, hotels) and sponsorship for representatives of least developed countries and small island developing States (travel and per diem). When conferences are hosted outside Thailand, the costs rise rapidly because of required travel of secretariat staff, including staff from the Office of the Executive Secretary, the Strategy and Programme Management Division, the language units, the Editorial Unit, security and other relevant divisions, which is not normally covered by the host country.

11. Costs may be reduced when the support of partners can be mobilized. For instance, the Asia-Pacific Intergovernmental Meeting on HIV and AIDS, which was held in January 2015, entailed costs to ESCAP of \$10,000. Co-organizing partners, such as the Joint United Nations Programme on HIV/AIDS and the United Nations Development Programme, bore most of the costs. However, in the planning of ministerial conferences on trade and investment, ESCAP lacks a natural partner. Other United Nations agencies active in trade and investment, such as the United Nations Conference on Trade and Development, the United Nations Industrial Development Organization and the International Trade Centre, have no budget to organize a joint ministerial meeting with ESCAP, and even if they had, ESCAP would naturally still be expected to contribute a significant share of the costs. A possible alternative to partnering with United Nations agencies could be partnerships with the World Bank or the Asian Development Bank, but these organizations have their own meeting schedules and conditions. Should a ministerial-level conference on trade and investment be organized in 2016, there is currently no budget provision for such an event and resources would

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<sup>1</sup> The sessions of the Ministerial Council of the Asia-Pacific Trade Agreement are all self-financed by participating States and only include travel costs for the staff of the secretariat of the Agreement if the meeting is held outside Thailand.

have to be diverted from other purposes, unless a member State offers to host and bear all the costs associated with such a conference.

12. In addition to the costs to ESCAP, there is the issue of desirability and political will. Asian and Pacific ministers of commerce attend a large number of high-level meetings every year, depending on the subregion. South-East and East Asian ministers of commerce are involved in a host of ministerial-level meetings under the aegis of APEC, ASEAN or the Greater Mekong Subregion (table 2). In addition, ministers are often involved in the negotiation and implementation of a number of bilateral and regional trade agreements. Many ministers are currently involved in the negotiations on the Regional Comprehensive Economic Partnership and the Trans-Pacific Partnership Agreement. At the same time, at the global level, multilateral trade negotiations and other issues within the context of WTO create demands on ministers. Subregional trade agreements are often seen to take priority over regional ones and even multilateral agreements.

13. In addition, ongoing discussions on region-wide agreements and arrangements in the area of trade and investment are taking place in the Working Group on the Formation of an Integrated Market in Asia and the Pacific, which was established in accordance with the Bangkok Declaration on Regional Economic Cooperation and Integration. This Working Group reports to a ministerial-level conference on regional economic integration, the first of which was held in 2013 and the second of which is scheduled to take place in early 2016. Hence, a ministerial-level conference that addresses some issues related to trade, investment and integration already exists in principle.

14. An additional complication is that trade and investment, while highly complementary, are usually covered by different ministries. Ministries of trade often address other issues as well (table 3). Therefore, convening a ministerial-level conference on both trade and investment would often involve the participation of at least two ministers (one covering trade and the other investment and industry) unless trade and investment are addressed by one ministry only.<sup>2</sup> As the subprogramme on trade and investment currently also addresses issues related to technology transfer and agricultural mechanization, the question is whether these issues should also be addressed at the ministerial level, which would require the participation of even more ministers.

Table 3  
**Ministries of regional ESCAP members and associate members**

<i>Country or territory</i>	<i>Ministry of Trade/Commerce</i>	<i>Ministry of Foreign Affairs and Trade</i>	<i>Ministry of Trade/Commerce and Industry</i>
Afghanistan			x
American Samoa		x	
Armenia		x	
Australia		x	
Azerbaijan			x
Bangladesh	x		

<sup>2</sup> A few countries have ministries that cover both trade and industry, including Japan, Malaysia, Sri Lanka, Singapore and Viet Nam. However, in such cases, ministers may wish to include the most senior officials from both trade and industry or related departments in the delegation to a ministerial-level conference.

<i>Country or territory</i>	<i>Ministry of Trade/Commerce</i>	<i>Ministry of Foreign Affairs and Trade</i>	<i>Ministry of Trade/Commerce and Industry</i>
Bhutan		X	
Brunei Darussalam		X	
Cambodia	X		
China	X		
Cook Islands		X	
Democratic People's Republic of Korea		X	
Fiji			X
French Polynesia		X	
Georgia			X
Guam		X	
Hong Kong, China			X
India			X
Indonesia	X		
Iran (Islamic Republic of)	X		
Japan			X
Kazakhstan		X	
Kiribati			X
Kyrgyzstan			X
Lao People's Democratic Republic			X
Macao, China	X		
Malaysia			X
Maldives			X
Marshall Islands		X	
Micronesia (Federated States of)		X	
Mongolia		X	
Myanmar	X		
Nauru		X	
Nepal <sup>a</sup>	X		
New Caledonia		X	
New Zealand		X	
Niue		X	
Northern Mariana Islands		X	
Pakistan	X		
Palau		X	
Papua New Guinea		X	
Philippines			X
Republic of Korea		X	
Russian Federation			X
Samoa		X	
Singapore			X
Solomon Islands			X
Sri Lanka			X
Tajikistan		X	



<i>Country or territory</i>	<i>Ministry of Trade/Commerce</i>	<i>Ministry of Foreign Affairs and Trade</i>	<i>Ministry of Trade/Commerce and Industry</i>
Thailand	x		
Timor-Leste		x	
Tonga	x		
Turkey		x	
Turkmenistan			x
Tuvalu		x	
Uzbekistan		x	
Vanuatu			x
Viet Nam			x
<b>Total in each category</b>	<b>11</b>	<b>26</b>	<b>21</b>

*Source:* Websites of ESCAP member States and associate members.

<sup>a</sup> Nepal has Ministry of Commerce and Supplies.

15. In the 1990s, a ministerial-level conference on industry and technology was convened twice (Tehran, 1992, fully sponsored by the host country Government, and Bangkok, 1998). Comprehensive action plans were adopted at both meetings (Ministerial Declaration and Regional Strategy and Action Plan for Industrial and Technological Development; Bangkok Declaration and Regional Action Plan on Strengthening Regional Cooperation for Industrial and Technological Development in the Asia and Pacific Region). These action plans were rather general and no actual implementation or monitoring ever took place. It is therefore not clear whether additional ministerial meetings would result in concrete action.

### III. Recommendations

16. While convening of a ministerial-level conference in the area of trade and investment is, in principle, feasible, subject to political will and the availability of funds (which, for 2016 at least, would preferably require an offer of an ESCAP member State to host), the desirability of such a meeting is questionable given the existing regional and global conference structure. While the Committee could in principle provide the necessary monitoring of implementation of regional and national action plans or any other decisions taken by ministers, it could be argued that the Committee itself could be strengthened in terms of role and participation and could formulate such plans in lieu of a ministerial-level conference. In fact, the secretariat has made recommendations to strengthen the Committee to ensure continuity and assist in the development and implementation of regional-level initiatives.<sup>3</sup> With a proactive bureau, the Committee would perhaps be in a better position to maintain a certain ownership and, hence, it would be able to garner the necessary political will to oversee successful implementation. A strengthened Committee would therefore be in the best position to monitor regional trends in trade and investment, adopt and implement regional action plans (short of region-wide binding agreements or arrangements, though this would also be a possibility) and convene, at least periodically if this is considered desirable,

<sup>3</sup> See E/ESCAP/CTI(4)/2.

a high-level, perhaps even a ministerial-level meeting on an ad-hoc basis to formally adopt any specific agreements in trade- or investment-related areas.

17. Given the above consideration, the secretariat therefore recommends that it may be premature or even undesirable at this stage to establish a regular ministerial-level conference to address trade and investment and other related areas. Instead, it is recommended that the Committee be strengthened along the lines of the recommendations made in document E/ESCAP/CTI(4)/2 and that it meet at an appropriate level to adopt and monitor the implementation of regional action plans and decisions in the area of trade and investment. Those issues that do require ministerial-level approval could be approved either by the Ministerial Conference on Regional Economic Cooperation and Integration in Asia and the Pacific, which is scheduled to convene regularly, or the ministerial segment of the Commission through the adoption of appropriate resolutions. Alternatively, an ad-hoc intergovernmental meeting or ministerial-level conference on a specific trade- or investment-related issue could be convened at the request of the Committee or Commission.

18. The Committee is invited to consider the recommendations proposed by the secretariat.

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