

**Regional Policy Forum on Trade Facilitation and Small and Medium-sized Enterprises
in Times of Crisis,
Beijing, China, 20-22 May 2009**

Opening Remarks by Dr. Ravi Ratnayake,
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Asia and the Pacific (ESCAP)

Distinguished participants,

I am very pleased to welcome you to this regional policy forum on Trade Facilitation and Small and Medium-sized Enterprises in times of crisis. I believe this is a very timely event. Indeed, the global economic downturn which began during the last quarter of 2008 has had a devastating effect on trade flows. Many countries in Asia and the Pacific have experienced double digit falls in exports, as key foreign markets for goods and services suddenly collapsed. While there are signs that the global demand will recover, it has become clear that the recovery is likely to be slow. As firms compete more intensely to secure a share of the smaller global market, accelerating implementation of trade facilitation measures to enhance trade competitiveness is as important as ever.

Ladies and Gentlemen,

Increased trade flows, the complexity of international transactions, as well as rapid changes in information technologies have changed the environment in which businesses and government regulators operate in the 21st Century. Inefficiencies in placing orders, delivering goods and making payments for internationally traded goods have tremendous negative impact on businesses, governments, consumers, and ultimately our economies in the Asia-Pacific Region. The hidden costs of trade are high – in some cases more than 10% of the value of goods traded. This is particularly true for small and medium size enterprises, whose capacity to deal with complex and non-transparent procedures are limited.

SMEs are the backbone of the economies in the region as they generate most of the employment. At the same time, their participation in and ability to benefit from international trade is often constrained. As countries implement trade facilitation reforms, it therefore seems important to ask ourselves whether the needs and priorities of SMEs in trade facilitation are the same as that of larger enterprises, including multinational, firms. Limited work has been done in this area from a trade facilitation perspective, and I hope this Forum will shed some light on this issue, as this may have important implications for Aid for Trade and for the design of trade and investment policy frameworks that ultimately lead to a more inclusive development. In that context, the work initiated by the Asia-Pacific

Research and Training Network (ARTNeT) on the Impact of Information-Technology-Based Trade Facilitation Measures on Small and Medium Size enterprises is important and I look forward to hear some of the findings of the researchers involved in that study.

Ladies and Gentlemen,

The purpose of this forum is to provide an opportunity for government officials, researchers, and private sector participants from the region to discuss trade facilitation for SMEs and identify practical and implementable policy recommendations and options that may be considered by governments depending on their current level of development and special needs and conditions.

Let me assure you that this Forum is part of a long-term effort of ESCAP to build capacity in trade facilitation. Regional cooperation and intra-regional trade development are core mandates of our organization, and we believe trade facilitation can be a powerful catalyst to achieve it.

Aside from the analytical work undertaken internally by ESCAP or externally through ARTNeT, we also work closely with global and regional partners to help our member countries tackle inefficiencies in international trade not only by

promoting the use of global conventions and standards, but also by building communities of knowledge, such as the United Nations Network of Experts for Paperless Trade (UN NExT) launched a few weeks ago in Bangkok in collaboration with the United Nations Economic Commission for Europe and United Nations Conference on Trade and Development. We also work closely with the Asian Development Bank, with which we will be jointly publishing a Trade Facilitation Manual that would help countries to bridge the gap between policy makers and highly technical practitioners. We will also be jointly hosting a High-level Trade Facilitation Forum in September 2009 in Bangkok to further promote trade facilitation and the transfer of knowledge and experiences in this important area.

Distinguished participants,

Let me conclude by expressing my deep appreciation to the Government of China and the China Council for the Promotion of International Trade (CCPIT) for excellent arrangements and hospitality extended to all participants of this meeting. I would also like to thank the World Bank Research Group for partnering with us in organizing this event and look forward to the development of a strong substantive collaboration between us, in particular through ARTNeT and our initiative on modeling the trade impact of behind-the-border regulations and

policies. Finally, let me thank the WTO for their continuous support and collaboration as well as the International Development Research Centre, Canada, without which ARTNeT and this Forum would not have been possible.

Let me wish the Forum fruitful deliberations and a pleasant stay in the beautiful city of Beijing.

Thank you.