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ECONOMIC CRISIS UNDERLINES URGENCY OF TRADE INTEGRATION IN ASIA

The International Trade Centre calls on Asian nations to work more closely together

The dramatic contraction in regional trade caused by the global financial crisis has made regional collaboration and integration on trade more important than ever, the International Trade Centre (ITC) head said today.

Speaking on the eve of the second Aid for Trade Review for Asia and the Pacific, ITC Executive Director Patricia R. Francis said: "Trade policy is no longer just a question of lowering barriers. We need to help small and medium-sized companies get a foothold in regional and global supply chains which are still growing, or at least not declining. Countries in the region must work closely together to ensure the impact of the crisis is reduced".

At the review meeting here on 28-29 May, organized by the government of Cambodia, the World Trade Organization (WTO) and the Asian Development Bank, ITC will be chairing a session on promoting private sector development as a tool for Aid for Trade. The Centre has been taking a lead in ensuring that the voice and concerns of the private sector are taken into account in implementation of the global Aid for Trade initiative.

Ms Francis noted that the second review meeting was taking place against an economic background that was radically different from the first, held in Manila in September 2007. "This region, like others, has suffered from a fall in trade resulting from the breakdown in global demand, an increase in market protectionism and the drying up of trade finance," she pointed out.

ITC's approach to poverty reduction through trade promotion had four main thrusts in the Asia-Pacific region: advocacy for regional trade integration, improving the access of small business to trade finance, helping smooth the flow of goods across national borders, and connecting poor producers to markets.

The organization, a joint agency of the United Nations and the WTO, recognized that a regional integration strategy that made possible free mobility of goods, capital, labour and services, risked creating losers as well as winners. It was vital for the private sector to contribute fully to policy-making and also monitoring the implementation and enforcement of common policies.



“ITC plans to assist the private sector in monitoring the progress of regional integration by helping regional business organizations to collect information, keep members informed and engage in advocacy for removing trade barriers,” Ms Francis said.

On the finance side, the ITC strategy is to build bridges between businesses, trade support institutions, development finance institutions and banks.

At the national level, countries in the region needed to focus on diversifying both their markets and their product ranges, Ms Francis said. ITC’s analysis showed that there was a close correlation between dependence on OECD countries and China as trading partners, and the trade vulnerability of individual countries.

“ITC is committed to helping countries trade their way out of poverty. Through a number of projects in the region, we are also helping individual communities, in particular the poorest, to find and develop markets for their products,” Ms Francis concluded.

For more information:

Contact: Siphana Sok
Director, Resources and Partnerships Group
P: +41 22 730 0383
E: sok@intracen.org
www.intracen.org

Contact: Jodie McAlister
Chief, Office for Asia and the Pacific
P: + 41 22 730 0614
E: mcalister@intracen.org
www.intracen.org