

Asia and Pacific should diversify Trade to spur Inclusive Development: ADB

According to a **new report by the Asian Development Bank (ADB), Aid for Trade in Asia and the Pacific: Promoting Export diversification and Empowerment**, export diversification could help Asia and the Pacific to better cope with the current global slowdown in trade and make development more inclusive. Boosting industrial capacity, international competitiveness, and transport infrastructure are key to that.

The report has been released at the 7th Aid for Trade Global Review 2019 held at the World Trade Organization headquarters in Geneva, Switzerland. The report is part of the Aid for Trade Initiative (AFT), which aims to help developing economies build trade-related infrastructure and supply-side capacity.

The expansion of services throughout Asia and the Pacific, particularly in information and communications technology, is an opportunity for economic and export diversification. Integrated and coherent policies, with increased trade liberalization and regulatory reform, are critical for services trade to develop, according to the report. Meanwhile, aid for trade targeted at digital connectivity boosts economic opportunities by linking businesses to markets that otherwise would be well beyond their reach. It also opens up export avenues for business services, telecommunications, and information services in addition to supporting e-commerce in the manufacturing sector.

Digital technologies and the rise in services have helped to boost entrepreneurship among

women in recent years, lifting economic growth. However, more efforts are needed to bring down the barriers that make it difficult for women and other vulnerable groups to reach international markets and integrate into global supply chains. Aid for trade can support that by tailoring trade policies and regulations to promote women's businesses and supporting small firms, including those owned by women.

Highlights

- Aid for Trade helps developing countries benefit from trade liberalization through improving their productive capacity, infrastructure and institutions. Globally, disbursements grew from a yearly average of USD 13 billion for 2002–2005 to USD 41 billion for 2016–2017. Developing Asia was among the largest recipients.
- Trade costs are in gradual decline, but further progress can be made, particularly in the services trade vital to promoting economic diversification and empowerment for vulnerable groups.
- Trade needs to be better leveraged to promote economic diversification for more inclusive development.
- Aid targeted at tradable services can be a strong catalyst for greater economic diversification and more inclusive economic growth.
- Despite a narrowing of gender gaps in many social outcomes, women in Asia and the Pacific still have less opportunity to work and to get paid as much as men. Rising female entrepreneurship and greater participation of women-led firms in global value chains can unlock the potential of women to contribute to broad-based empowerment and overall inclusive development aims.
- AFT can advance gender equality and empower women by expanding their access

to trade and economic opportunities—through increasing gender mainstreaming in aid for economic infrastructure and helping to improve gender targets in trade policies and regulations.

- Holistic and integrated policy support for small firms, including women-owned firms, promotes inclusive growth. Targeted AFT can help such firms overcome barriers to international markets.
- Digital connectivity is emerging as an important driver of inclusive economic growth, and economies in Asia and the Pacific are rapidly becoming leaders in the global market for information and communications technology (ICT).
- AFT can be a catalyst in leveraging digital trade for economic diversification and empowerment.

Please find enclosed the full report on Aid for Trade in Asia and the Pacific: Promoting Export diversification and Empowerment released by Asian Development Bank (ADB) for your kind reference.

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Warm Regards,

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