



## High-Level Meeting on The Future of Arab Economic Integration in a changing global trade landscape

Tunisia, Tunis

1-2 July 2019

## I. Context

Standing astride continents, the Arab region is well positioned to become a hub of economic activity and exchange and to thrive. The region is yet to tap into its vast potential and has been muddling though, failing to respond to challenges of transforming its economies structurally, to generate sufficient income and employment to absorb its bulging young population into the labor force.

Economic integration, of which trade is a key pillar, offers a promising avenue to face the daunting challenges the region is faced with. For example, through the process of regional economic integration, Arab countries can pool their capacities, and assets to spur productivity and economic growth, transformation and job creation, helping to uplift the well being of millions of people across the region. Trade in fact is a potent means to achieve a wide range of socio-economic outcomes and SDGs. Therefore, engaging in the global economy by participating in value and supply chains should be an essential part of the development strategy of the Arab region. South Korea is a highly successful example of how this approach could pay immense dividends in terms of economic development. In less than 50 years (1970-2017) South Korea moved from one of the poorest countries in the world to a country that has its own foreign aid program, providing assistance to developing countries. In 1970, South Korea and Jordan shared similar levels of GDP per capita. By 2017, South Korea's GDP per capita was nine times that of Jordan. Trade and export-oriented growth have been two key elements in South Korea's remarkable transformation. Similar performance is being observed for many developing countries across the world, including, among others, Vietnam, Poland, Romania, Kenya. At the same time, Arab countries have failed to participate meaningfully in global value chains (GVCs) and instead maintain small-scale and poorly diversified productive capacities. Arab countries also suffer from low FDI attraction, inefficient trade logistics, and uncoordinated sectoral and macroeconomic policies. Mainstreaming regional and global integration of Arab countries in their national development strategies is the main channel through which Differential Trade Agreements will deliver their promises in terms of economic growth and social development.

ESCWA launched in 2014 a comprehensive program to support Arab countries in their trade negotiations with an emphasis on the full implementation of PAFTA, and its improvement, as a pre-condition for establishing the ACU. In 2016, a special focus has been placed on the ACU with the implementation of the DA project on facilitating the negotiations of the ACU.

## II. Justification

ESCWA, with support from regional Arab organizations as well as international and regional specialized agencies, is organizing this interactive high-level regional workshop, in which delegates from the Arab countries and relevant regional organizations will have the opportunity to take stock of progress made in tackling impediments to regional trade integration and to define the best policies to improve their trade performance in a changing world. The workshop will also allow exchanging views, drawing on experiences, and sharing ideas and new

initiatives at the national and regional level aimed at reducing trade costs and increasing Arab countries participation to GVCs. ESCWA will use the results of the workshop to improve areas of its technical assistance and define its priorities for the region for the years to come.

This workshop is intended for members of the Customs Union Committee, which includes representatives from the Ministries of Commerce, Finance, Economy, Industry and Agriculture, experts from international and regional organizations, as well as Arab regional organizations.

### **III. Objectives**

The high level workshop has the following major objectives:

- Informing the members of the ACU Committee on the recent developments on global and regional integration of the Arab countries;
- Updating the members of the ACU on the latest ex-post evaluations of trade performance in the Arab region;
- Presenting the recent tools developed by ESCWA to monitor and evaluate Arab regional and global trade integration;
- Highlighting the various mechanisms available for Arab exporters to promote their exports;
- Presenting new tools to evaluate Arab participation in GVCs;
- Improving the recognition of regional integration programs and initiatives of development agencies operating in the region;
- Building partnerships and cooperation with specialized agencies for a coordinated technical assistance to Member States.

### **IV. Venue and language**

The workshop will be held at hotel Regency in Tunis, Tunisia. The Workshop languages are Arabic, French and English. Simultaneous translation will be provided for the three languages.

### **V. Additional information**

Queries on logistics have to be communicated to Ms. Roula Milan at the following e-mail [milan@un.org](mailto:milan@un.org). However, questions related to substantive have to be communicated to Mohamed Cheminguim at the following email [cheminguim@un.org](mailto:cheminguim@un.org)