

COVID and CLMVT: Exit Strategies for the Future

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Outline

- ❖ Exit strategies are complex, especially in interconnected economies
- ❖ In addition to macro-economic /fiscal, social and health aspects, the areas to address for sustainable recovery include trade and cross-border connectivity, such as:
 - GVCs: Shift from JUST IN TIME to JUST IN CASE
 - Connectivity: Digitalization of services, smart-infrastructure, digital trade
 - Regional cooperation for rebuilding trust, new partnerships
- ❖ ESCAP's role

UN Secretary-General's Policy Brief: The Impact of COVID-19 on South-East Asia

(<https://www.unescap.org/sites/default/d8files/2020-07/SG-Policy-brief-COVID-19-and-South-East-Asia>)

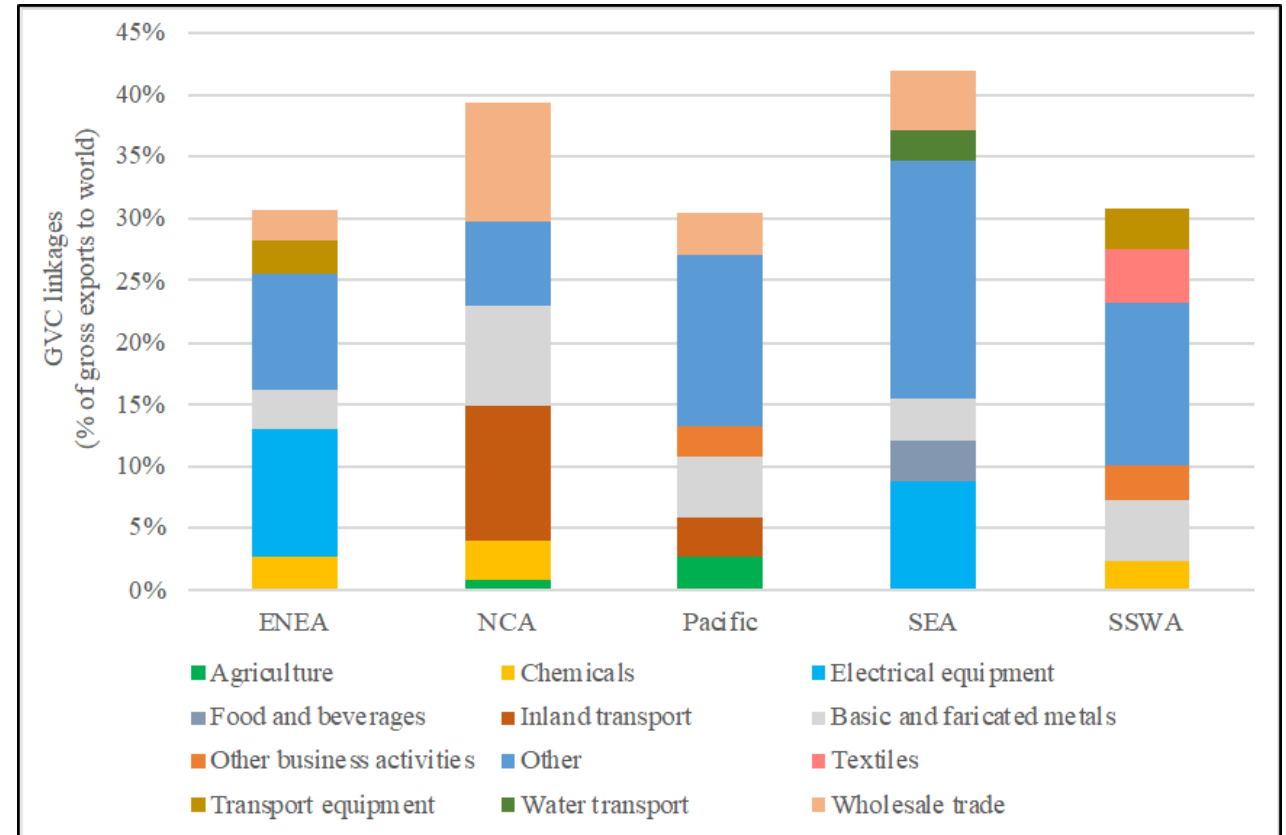
- Recovering Better – Charting a Pathway to a New Normal through 4 thematic areas:
 1. Tackling inequality
 2. Bridging the digital divide
 3. Ensuring a green recovery
 4. Upholding human rights and good governance practices



GVCs: shifting from Just-in-Time to Just-in-Case

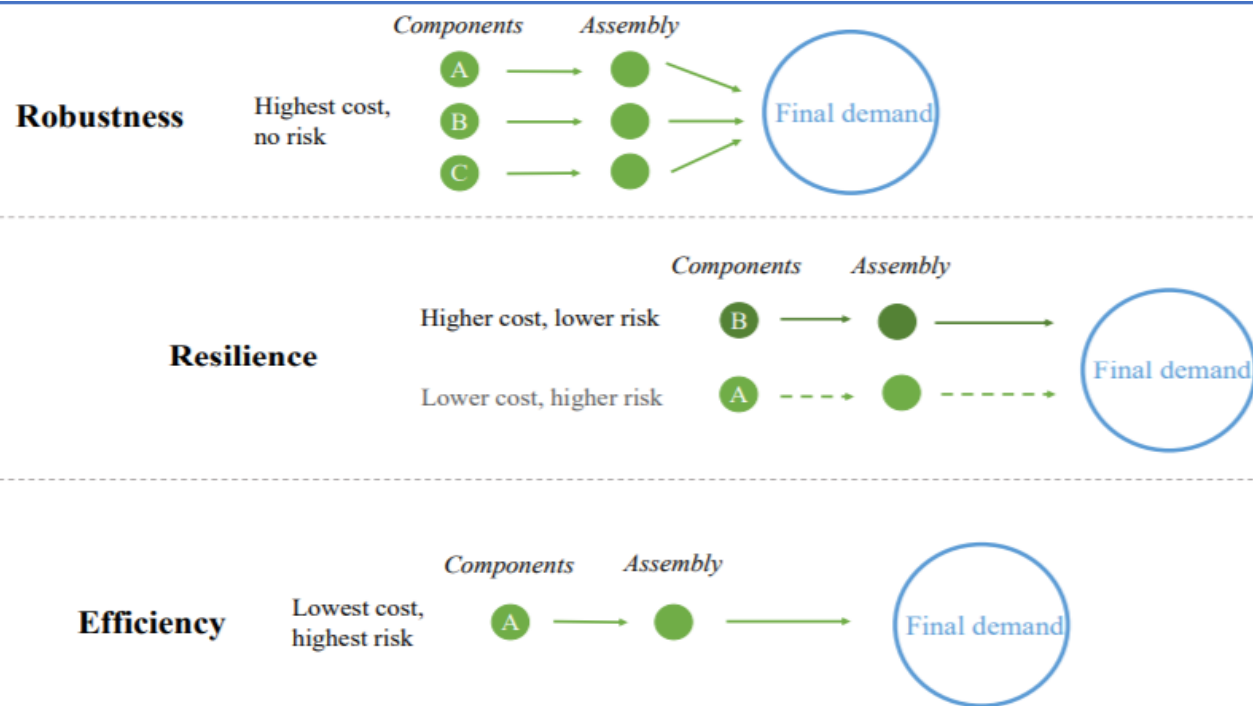
The impacts on trade

- The Great Lockdown might reduce global trade by 13% to 32% (WTO) and FDI by 30%-40% (UNCTAD)
- ASIA-PACIFIC trade may fall by 14%-47% and FDI 45%
- CLMVT exports are deeply nested in the regional and GVC
- Some economies may benefit from the new risk management strategy companies are nudged into (supply diversification) but the gain must be earned (policy environment and resource readiness matter)



Source: ESCAP calculation based on ADB MRIO data

The renewal of GVCs: From efficiency to resilience



Source : Witada Anukoonwattaka and Mia Mikic, UNESCAP Policy brief (2020)

- Resilience at firm or economy level?
- Firm - resilience is the ability to recover from a shutdown in the value chain
- Firms undervalued the risk of supply chain disruption
- Economy – sustainable development model



Connectivity: Digitalization, smart- infrastructure, digital trade



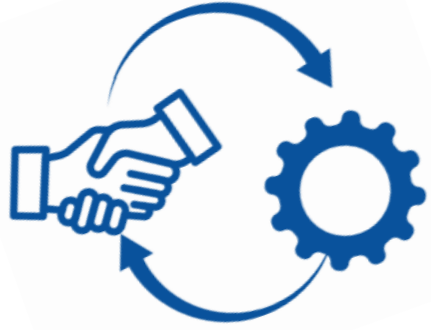
Digitalization

- Provides contactless solutions and electronic platforms for maintaining trade and businesses along the global and regional supply chains.
- It plays a crucial role in international rail transport, where, so far, the uptake of new technologies was much slower than in other transport sectors.
- Digital technology-led economic growth and development is now a reality in bolstering regional connectivity in the post-COVID-19 era.
 - Digital platforms have also helped maintain livelihoods and enabled the effective delivery of high value-added professional services, while new products such as 3D printing of masks and personal protective equipment, disinfecting robots, contact-tracking software applications have boomed.



Boost digital economy

- Use digital technology (e.g. ICT and frontier dig tech) to increase competitiveness of regional producers in the GVCs
 - Automation and robotics in manufacturing
 - Back to basics: Reduce service link costs for coordination by using modern ICT
- Digitize processes in traditional industries
 - Agriculture, transportation, distribution, tourism, ...
- Promote new services based on using digital technology
 - E-commerce, social media, matching, service outsourcing, e-payment, fintech, e-government

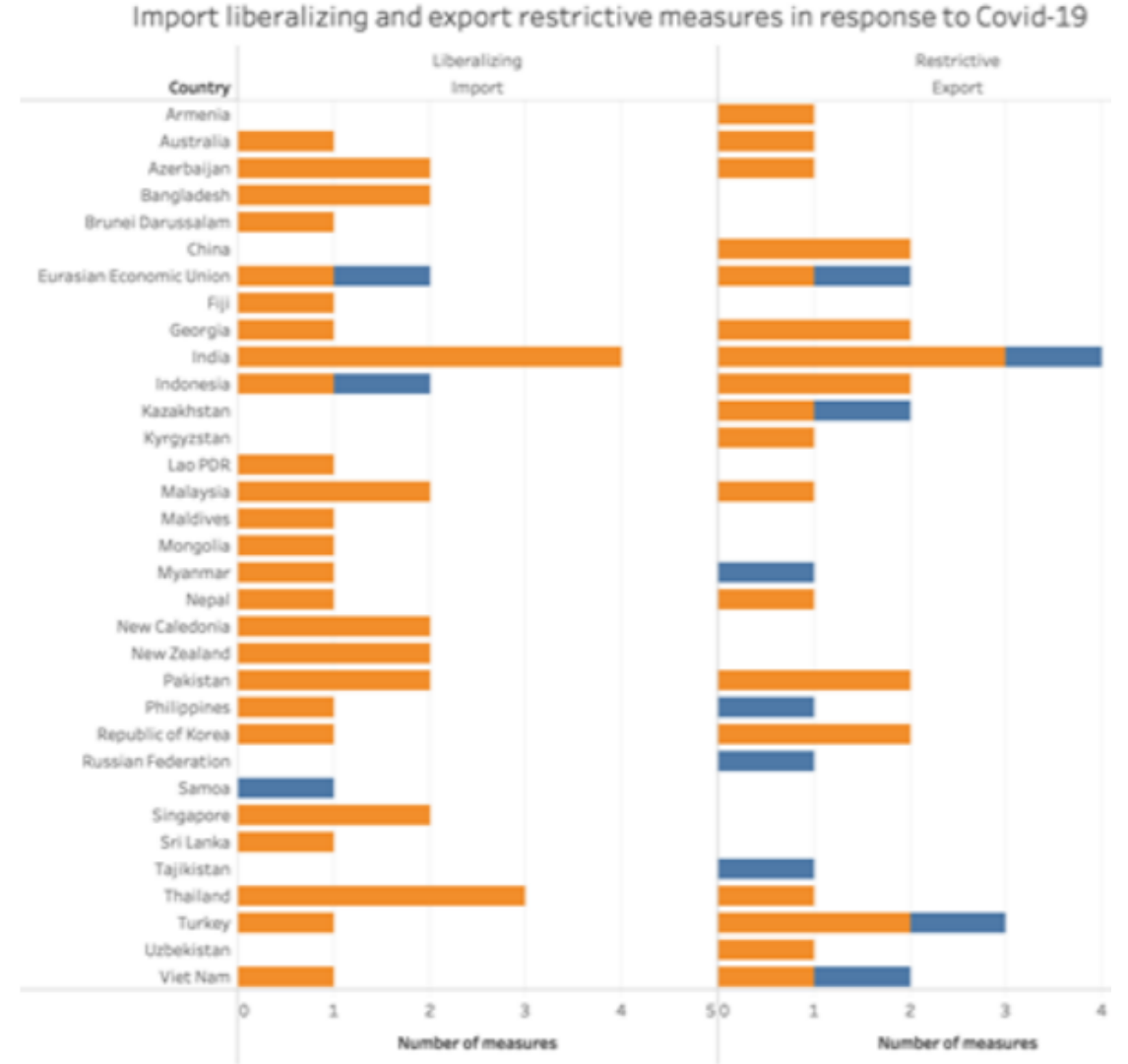


Regional cooperation

Regional cooperation will make domestic challenges easier to solve

Trade policy responses were uncoordinated

- The surge of export restrictions disrupted markets for essential goods even more, fuelling further increases in trade costs and demands to produce and consume locally.
- In Asia and the Pacific, the ESCAP Policy Response Tracker shows that 21 economies, led by India, Turkey and Viet Nam, had initially put in place measures restricting their exports of medical supplies, equipment and food products (they have also undertaken trade liberalization measures, mostly about trade facilitation to speed up the importation process).

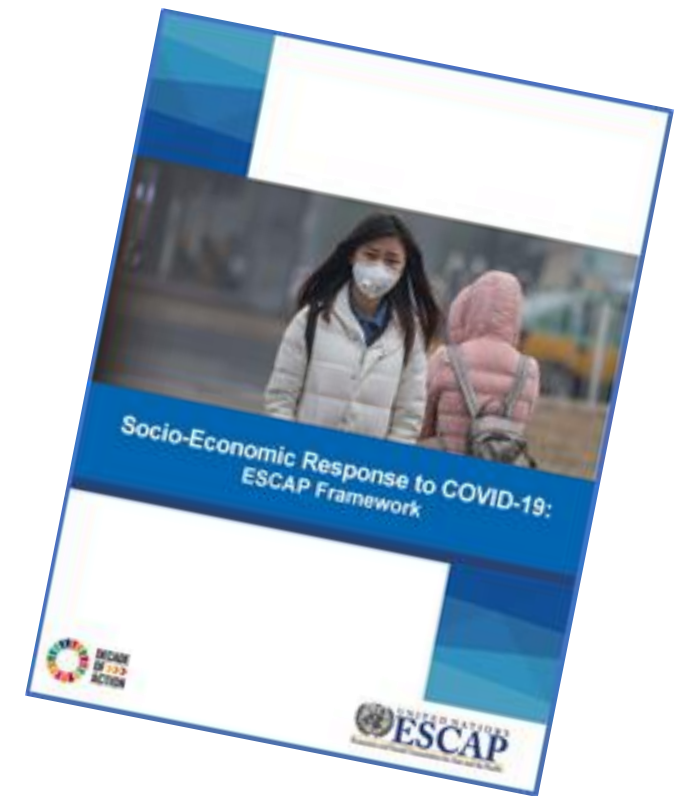




Rebuilding trust, regional cooperation and new partnerships

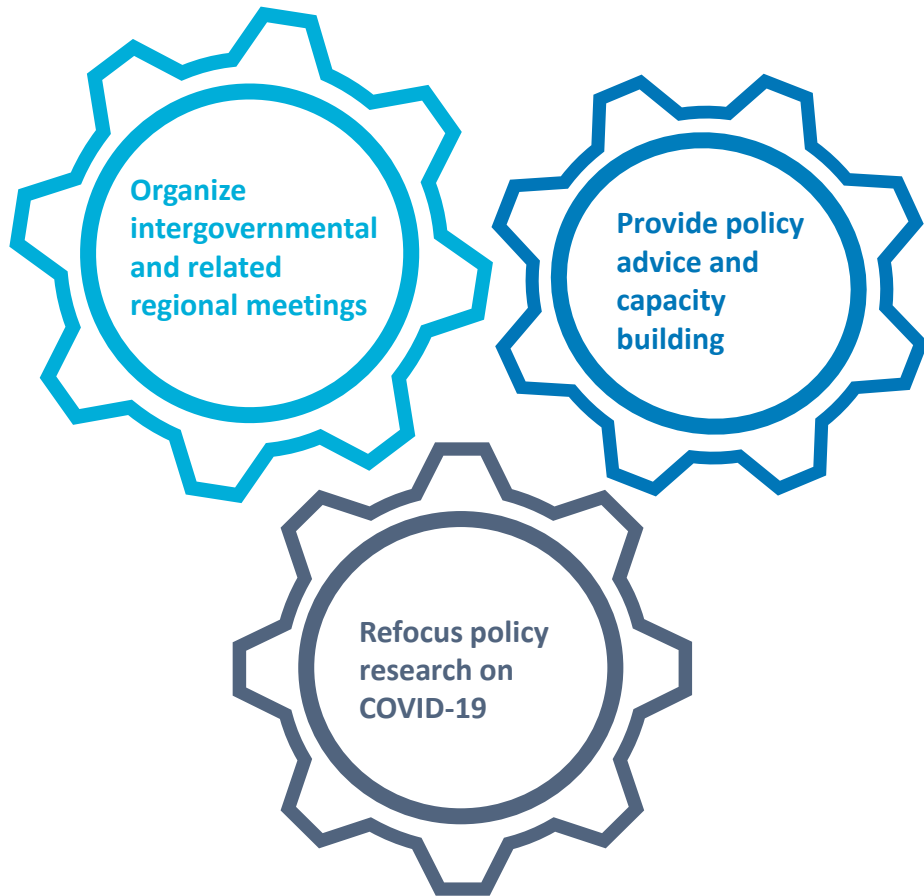
- Building regional solidarity to firmly raise voice against protectionist actions hidden within health-security arguments;
- Providing support and incentives to diversify trade and investment partners from traditional partners to new ones, particularly regional partners;
- Showcasing strong commitments to regional cooperation in facilitating regional flows of goods, services and information between firms and suppliers in regional economies;
- Regional trade agreements such as RCEP must be put into place sooner rather than later
- Safeguard multilateralism
- Government – business partnerships

ESCAP's role



Building Back Better in ASEAN: UN ESCAP regional framework on post-COVID-19 recovery

- **Building Back Better (BBB)** is the overarching principle of the framework and an integral part of any policy response.



1. Identify **Leaving No One Behind**.
2. Analyse **fiscal and monetary stimulus** packages and propose guidelines.
3. Enhance **sustainability of cross-border connectivity**.
4. Improve **ICT resilience** and address the digital divide.
5. Develop integrated policies to promote **decarbonization, energy efficiency and climate change mitigation**.

ESCAP's intergovernmental platforms



DIGITALIZED

- Smart infrastructure
- Paperless trade
- Intelligent transport/logistics

RESILIENT

- Multimodality
- Operational connectivity
- Trade facilitation

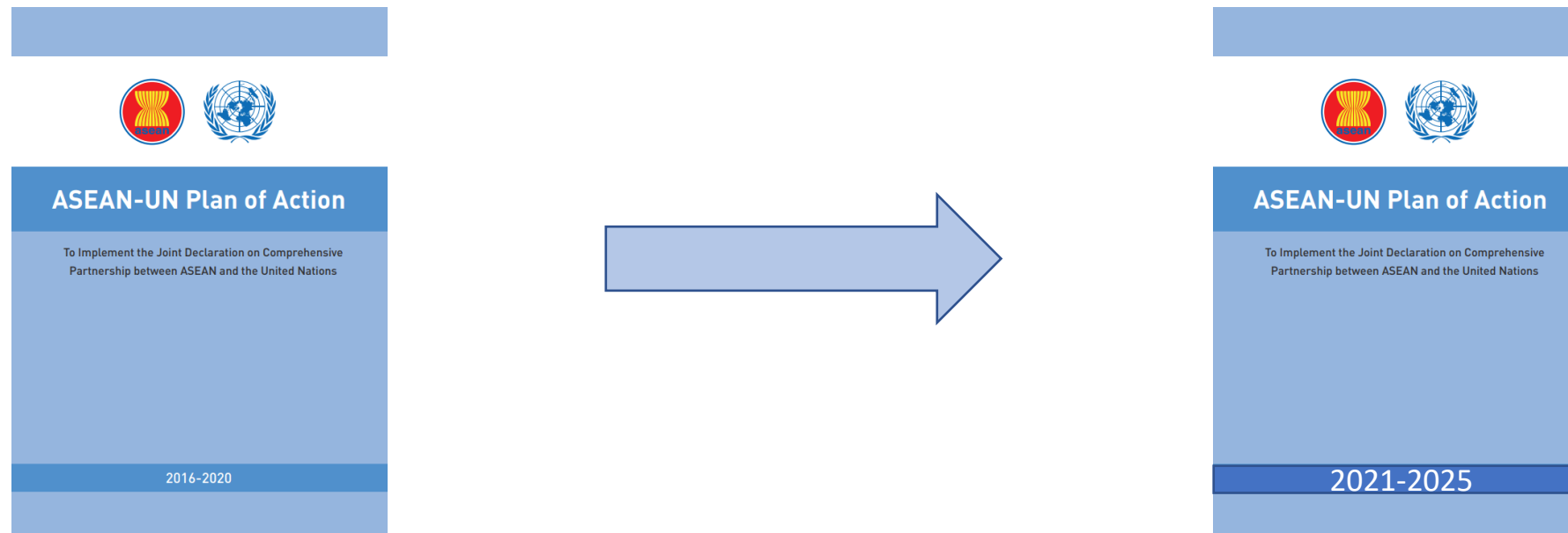
DECARBONIZED

- Rail
- Waterborne transport
- Energy efficiency
- Renewable energy and NDCs

- **2020 ESCAP Resolution 76/2: Regional cooperation to address the socioeconomic effects of pandemics and crises in Asia and the Pacific**
- **Framework Agreement on Facilitation of Cross-Border Paperless Trade**
- **The Pacific and the Asia-Pacific Information Superhighway (AP-IS)**
- **Electricity Connectivity Roadmap for Asia and the Pacific**
- **Regional Action Programme on Sustainable Transport Connectivity (2021-2026)**

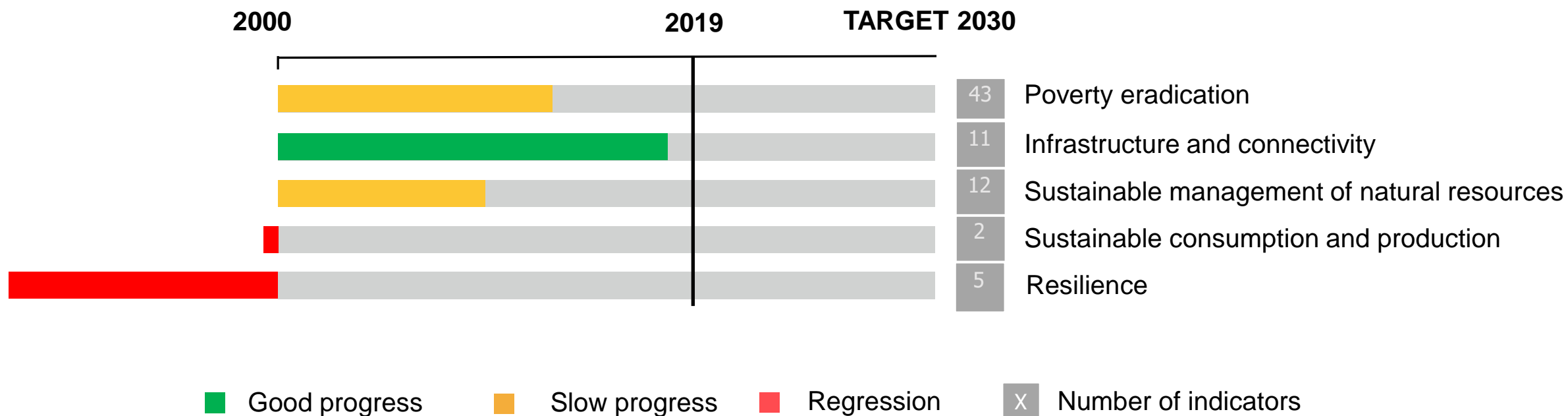
Working together: ASEAN-UN Plan of Actions

- The [ASEAN-UN Plan of Action](#) is the framework for the UN to implement the relevant initiatives in the Complementarities Roadmap.



Snapshot of progress

In 5 complementarity priority areas



Source: Based on ESCAP SDG progress assessment methodology
 More information at <https://data.unescap.org>

COVID-19

COVID-19

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The United Nations Conference Centre, Bangkok (UNCC), is now open with several COVID-19 related preventive measures in place, which include reconfiguration of UNCC conference facilities and public spaces with reduced seating capacity in line with physical distancing requirements. For more information, please contact the ESCAP Conference Management Unit (escapconferencemanagement@un.org).

The UN family in Bangkok remains engaged and committed to delivering our mandate for the people we serve. For information on ESCAP meetings, please check the [website](https://www.un.org/en/locations/bangkok).

Highlights

A UN framework for the immediate socio-economic response to COVID-19

This report sets out the framework for the United Nations' urgent socio-economic support to countries and societies in the face of COVID-19, putting in practice the UN Secretary-General's Shared Responsibility, Global Solidarity report on the same subject. It is one of three critical components of the UN's efforts to save lives, protect people, and rebuild better, alongside the health response, led by the World Health Organization (WHO), and the humanitarian response, as detailed in the UN-led COVID-19 Global Humanitarian Response Plan.

DOWNLOAD

Socio-Economic Response to COVID-19: ESCAP Framework

The unprecedented socioeconomic crisis resulting from the COVID-19 pandemic calls for unparalleled multi-sectoral responses. ESCAP has developed a framework to support the socio-economic response of Asia and the Pacific to the COVID-19 pandemic.

The framework's overarching principle supports building back better through integrated policies aligned with the Sustainable Development Goals. ESCAP's offer to member States builds on its mandates and involves three main streams of work: protecting people and enhancing resilience; supporting economic recovery; and restoring supply chains and supporting small and medium-sized enterprises (SMEs). To ensure a concerted regional approach for sustainable recovery from the crisis, ESCAP calls for regional cooperation among member States and across stakeholders.

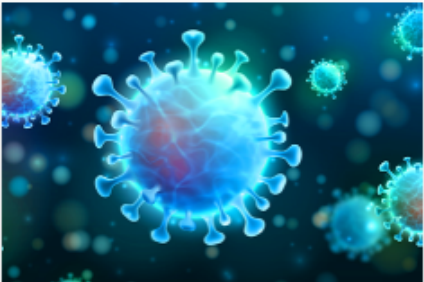
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UN Secretary-General's Policy Brief: The Impact of COVID-19 on South-East Asia

The health, economic and political impact of COVID-19 has been significant across South-East Asia, but the virus has not spread as rapidly here as in other parts of the world. There is much to learn from the response to date of countries in the subregion as governments have acted swiftly and despite limited fiscal space to contain the pandemic and avoid its worst effects. This policy brief examines how the eleven countries of South-East Asia are coping with the immediate impacts of COVID-19, focusing on the subregion's socio-economic response and providing four sets of recommendations for a recovery that leads to a more sustainable, resilient and inclusive future.

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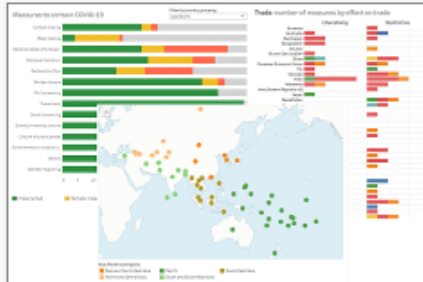
Policy Briefs in response to COVID 19



ESCAP has prepared policy briefs on a variety of subjects linked below

BROWSE OUR POLICY BRIEFS

Policy response Visualization



Governments in the Asia-Pacific region have taken administrative and policy actions to cope with COVID-19 pandemic and its adverse impacts.

VIEW THE VISUALIZATION

unescap.org/covid19

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