

SDC-CUTS-UNESCAP Conference
Advocacy for Trade & Investment Facilitation in the GMS Region
Bangkok, Thailand, 23-24 November 2006

Objective

To explore the way forward for better economic cooperation on trade and investment, between countries in the Greater Mekong Sub-region (GMS) by emphasising the role of China, India and Thailand as facilitators

Background

South-South cooperation is an essential and fundamental component of international co-operation for development. It is a broader (than just economic) concept because it covers a very wide range of collaboration among developing countries. It is generally perceived to have three dimensions: political, economic and technical. Its significance has increased in 1990s. Although South-South trade as a percentage of world trade has increased from 6.5 percent in 1991 to 10.7 percent in 2001, much more can be done.

The imperative for more South-South trade cooperation can be gauged by the bargaining strength that this can leverage in multilateral trade negotiations. The Cancun fiasco and the emergence of G-20 alliance have increased the importance of this aspect of cooperation.

South-South cooperation presents poor countries with several opportunities in terms of trade, which include reducing dependency on the market of rich countries, climbing up in the value chain and strengthening their influence in the multilateral trading system. Last few years saw a plethora of trade agreements between developing countries. Some of them have great potential to increase trade and investment between these countries like India's engagement with ASEAN began with a sectoral dialogue partnership in 1992 that was upgraded to a full dialogue partnership in 1995 and a membership of the ASEAN Regional Forum in 1996.

The Framework Agreement on Comprehensive Economic Cooperation signed in 2003, provided for a Free Trade Arrangement (FTA) among the countries to be implemented in a phased manner by 2011 for old ASEAN countries, and by 2016 for all ASEAN countries (including the new ASEAN members such as Cambodia, Lao PDR and Vietnam). This Framework Agreement also included the announcement of an "early harvest" of immediate deliverables and unilateral trade preferences by India in favour of the least developed countries (LDCs) of ASEAN such as Cambodia and Lao PDR. That ASEAN and India are clearly aiming at further deepening the integration of their economies beyond the implementation of the FTA and it is clear from the Vision 2020 paper of ASEAN-India Partnership, which was adopted at the Vientiane Summit held in 2004.

During the last few decades, many developing countries have built up substantial industrial and technological capabilities. These, in turn, have provided scope for exploiting synergies among developing countries by sharing knowledge and technologies on the one hand and by stepping up investment flows, on the other. SSC appears to be particularly relevant in the context of a growing divide between the more developed 'old' ASEAN members and the poorer 'new' members. With the entry of Cambodia, Lao PDR and Vietnam (CLV countries), ASEAN currently comprises a heterogeneous group of countries at varying levels of development.

There have been a number of initiatives undertaken by the Government of India and also by India's private sector to enhance trade between India and the Mekong countries. This includes the bilateral trade agreement (BTA) between India and Cambodia and also one with Vietnam. Moreover, India has offered special tariff concessions to all the three LDCs of ASEAN under the proposed Comprehensive Economic Cooperation Agreement (CECA), signed between India and ASEAN.

Context

South-South Cooperation (SSC) not only reduces the economic dependence of developing countries on markets of developed countries but also enhances diversification of exports of developing countries beyond primary commodities. There is considerable scope for enhancing South-South trade and economic cooperation between India and the three Greater Mekong Sub-Region (GMS) countries of Cambodia, Lao People's Democratic Republic (PDR) and Vietnam, with China and Thailand playing the role of a facilitator and a gateway.

As there has been an upward trend in the South-South trade, this increase has been largely confined to countries in Latin America and few South East Asian countries. It is, therefore, important to ascertain the potential for enhancing trade and other forms of economic cooperation between India and the four Mekong countries that are members of ASEAN.

Given its experience in researching trade and development issues, CUTS Centre for International Trade, Economics & Environment (CUTS CITEE), Jaipur, India, took up the task of exploring the possibilities of enhancing South-South trade, investment and other forms of economic cooperation between India and three Mekong countries viz. Cambodia, Lao PDR, Vietnam, and also by exploring the role that China, India and Thailand can play as facilitators.

The Event

To involve representatives of government officials (from countries of Greater Mekong Sub-region and India), representative of inter-governmental organisations, business associations, research institutions, media and civil society organisations in a one and half day conference.

The conference will deliberate on issues for further exploring trade and investment facilitation in Mekong countries through economic cooperation involving China, India and Thailand as facilitators. The deliberations will be organised in a structured panel discussion format thereby taking diverse views on board. The following topics will be discussed.

- An Overview of Economic Cooperation between India and GMS Countries
- Cambodian Perspectives on Regional Economic Cooperation
- Laotian Perspectives on Regional Economic Cooperation
- Vietnamese Perspectives on Regional Economic Cooperation
- Role of China, India and Thailand as Facilitators for Trade and Investment Facilitation in the GMS Countries
- Charting Out of A Roadmap and Action Plan for Future Activities

Venue

UNESCAP, Bangkok

