Aid for Trade in Asia and the Pacific: ADB's Perspective

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Development Gaps in Asia and the Pacific

- Despite impressive growth, the region remains home to two-thirds of the world's poor.

	GDP per capita ($ in 2005 PPP)		Head Count Index (%) $1.25 a day (2005 PPP)		Head Count Index (%) $2 a day (2005 PPP)	
Economy	1990	2008	1990	2005	1990	2005
Central and West Asia	2,598	3,292	38.6	21.5	58.5	53.8
East Asia	1,102	5,506	60.1	15.9	84.6	36.3
South Asia	1,151	2,554	51.0	42.5	82.4	75.6
South East Asia	2,376	4,280	39.1	18.8	66.0	44.6
Total Regions	1,399	4,007	52.3	27.1	79.4	54.0
of which, Poor (million)			1,416.0	903.4	2,149.1	1,802.6

Source: World Bank, PovcalNet Database and World Development Indicators Online.

- Many countries are off track in achieving non-income MDGs.

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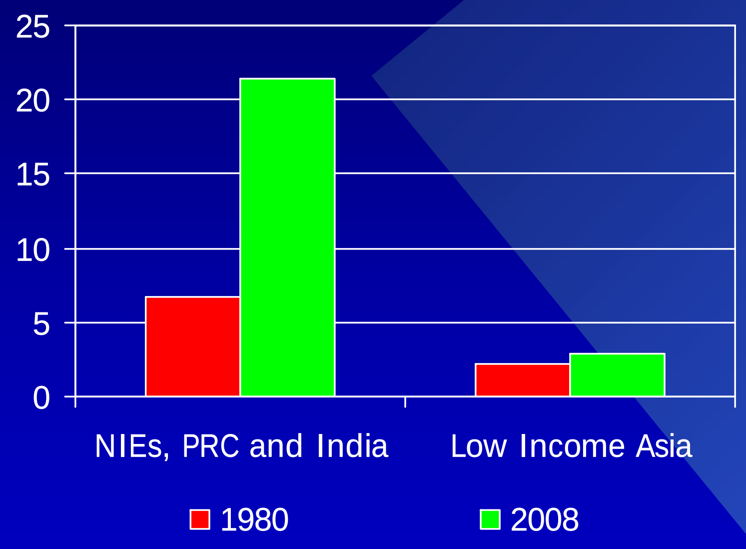
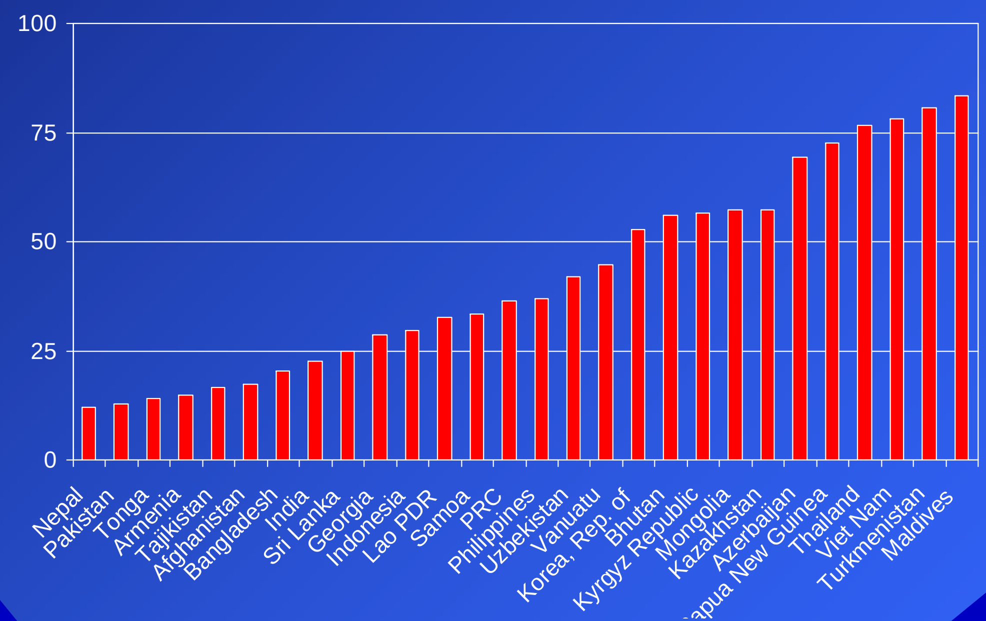
Development Gaps in Asia and the Pacific

- External trade has played a critical role in driving the region's growth, but this has not been uniform across countries.

Exports, % of World Exports



Total Exports in 2008, % GDP



Newly industrialized economies (NIEs) include Hong Kong, China; Republic of Korea; Malaysia; Singapore; Taipei,China; and Thailand.

Singapore and Hong Kong's exports are 234% and 212% of their respective GDPs

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Trade freedom and per capita income

Source: Index of Economic Freedom, Heritage Foundation; WDI.

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ADB's Long Term Strategic Framework: Strategy 2020

- Overarching goal: poverty reduction in Asia and the Pacific.
- Three strategic agendas: (i) inclusive economic growth; (ii) environmentally sustainable growth; and (iii) regional integration.
- Inclusive growth: emphasizes both creation of economic opportunity through high and sustained growth and broadening of access to opportunity by promoting social inclusion.
- Five core operational areas: (i) infrastructure; (ii) environment; (iii) regional cooperation and integration; (iv) financial sector development; and (v) education.
- Instruments: (i) lending, equity investment, and guarantees; (ii) policy dialogue, and (iii) capacity building and technical assistance.

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A Large Part of ADB Operations Promotes Trade

- Investment in infrastructure: transport and energy
- Regional cooperation programs
  - ✓ Great Mekong Sub-regional Program (GMS)
  - ✓ Central Asia Regional Economic Cooperation Program (CAREC)
- Policy dialogue
  - ✓ Policy reform in the trade sector (trade policy reform, customs modernization)
- Trade financing
- Technical assistance and capacity building
- Support for ASEAN and ASEAN+3 monetary and financial cooperation

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ADB's Involvement in the AfT Initiative

- ADB has been active in AfT since 2006
  - ✓ In June 2006, regional development banks (including ADB) endorsed AfT.
  - ✓ ADB is a member of the WTO AfT Advisory Group and the OECD TWG on global monitoring of AfT flows.
  - ✓ ADB is the Secretariat of the Regional Technical Group (RTG) on AfT for Asia and Pacific, co-chaired by Japan and Cambodia.
  - ✓ Co-hosting Regional Review Meetings in Manila in September 2007 and in Cambodia in May 2009.
  - ✓ ADB President participates at the Global AfT review and co-hosts regional meetings
- ADB website on AfT
  http://www.aric.adb.org/aid-for-trade-asia/

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Making AfT More Effective

- Making limited aid resources more effective.
- Building strong partnerships between governments, private sector, and donors.
- Increasing lending for trade-related infrastructure at the regional, sub-regional, and national levels.
- Sharing cross-border experiences.
- Greater efforts in monitoring and evaluation.

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Thank you!

For more information on the AfT in Asia and the Pacific and ADB support, please visit

http://www.aric.adb.org/aid-for-trade-asia/

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