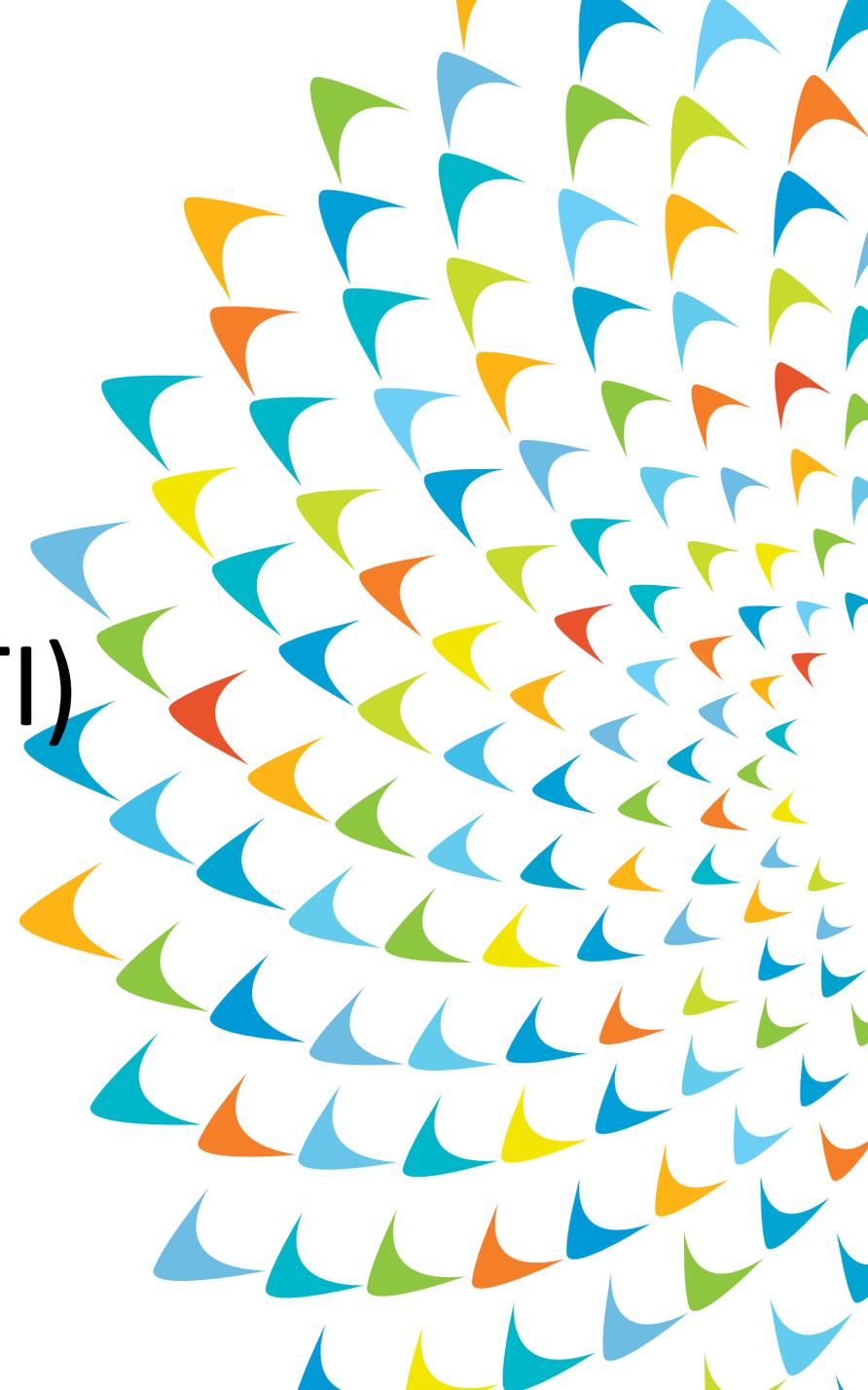




# GMS Task Force on Trade and Investment (TFTI)

## Collaborative Research Ideas



# [GMS TFTI] Background and Objectives

## Background

GMS Strategic Framework 2030 states that **“new sector working groups or taskforces will be formed to support the critical areas such as trade and investment facilitation.”** This mandate was reconfirmed by the GMS leaders at the 7th Summit of Leaders held on 9 September 2021.

## Objectives

- Act as a strategic advisory body in prioritizing recommendations for enhanced cooperation in economic recovery and in revitalizing economic performance in the GMS. This will include identifying the Task Force’s deliverables within the time frame of its establishment.
- **Collaborate with a broad range of stakeholders such as related working groups**, forums, and action programs (e.g., Transport and Trade Facilitation Action Program, Working Group on Agriculture, etc.) to implement the agreements with and recommendations of the Task Force.
- Conduct a midterm review of the work of the Task Force after 12 months to take stock of the ongoing progress and areas for improvement. The Task Force’s review could include a mandate to formulate a strategy or framework for possible activities under a future permanent working group.
- Upon completion of the implementation of the Task Force work program in two years, review and present recommendations to GMS senior officials and/or ministers on the necessity of establishing a GMS Trade and Investment Working Group.
- Propose other relevant recommendations to GMS ministers and leaders.

# [GMS TFTI] Pillars

## Pillars

### **Pillar 1: Digitalization.**

As digitalization is a key aspect of the economy that will continue to accelerate in the near future, it is crucial for GMS countries to keep pace with digital developments and bridge the digital divide. To do this, the Task Force will focus on how to equip local businesses with digital skills to remain competitive, and on how to increase investments in digital infrastructure to bolster digital connectivity.

### **Pillar 2: Improving the business climate**

**Diversifying trade and investment.** The Task Force will work with economic agencies to assess and identify opportunities for diversifying trade and investments and collaborating with other countries.

**Attracting foreign investment.** The Task Force will work to increase regional coordination among investment promotion agencies from the GMS countries, including chambers of commerce, to develop information dissemination campaigns, enable networking, and improve the ease of doing business.

**Developing micro, small, and medium-sized enterprises (MSMEs).** The Task Force will support the development of MSMEs through capacity building, training, and policy.

### **Pillar 3: Capacity Building to Maximize Free Trade Agreements.**

The Task Force will help address the capacity gaps within the GMS countries so that the subregion can maximize the benefits of FTAs and meet implementation timelines.

# [GMS TFTI] Progress

## Progress

March 2022	The GMS Senior Officials' Meeting (SOM) endorsed the scoping study, "Enhancing Collaboration in Trade and Investment Under the GMS Program." This study recommends the establishment of a GMS Trade and Investment Task Force.
June 2022	The SOM endorsed the Terms of Reference of the Task Force.
October 2022	The first meeting of GMS Task Force on Trade and Investment (TFTI) confirmed the Terms of Reference and agreed on the focus on digital supply chain as a cross-cutting theme.
April 2023	The second meeting of GMS TFTI invited guests from GMS Working Group on Agriculture, GMS Working Group on Health Cooperation and GMS National Transportation Facilitation Committee. <b><u>TFTI discussed possible collaboration ideas.</u></b>
September 2023	TITI provided the first training module which addressed integrative trade. The training module addressed a broad range of current trade topics.
January 2024	The third meeting of GMS TFTI will be held. <b><u>GMS members will be expected to choose one collaborative research ideas.</u></b>

# Research ideas

- GMS TFTI mainly conducts research on one of the following themes.
- GMS secretariat or GMS TFTI members would ask your cooperation in areas where professional views are required.

## [Idea 1] Challenges in Inter-Agency Coordination

This research focuses on **inter-agency coordination issues** surrounding trade procedures. The research highlights challenges in administrative frameworks and operational processes of GMS members, compared with international best practices. If GMS members can benefit much from better interagency collaboration, TFTI will seek an opportunity, for example, of a joint meeting. International coordination is out of scope.

### 1. Explore international best practices (February 2024 – April 2024)

The GMS secretariat and consultants will study international best practices on interagency coordination. Study topics can cover any administrative frameworks and operations related to trade procedures, however, it will address at least (i) SPS systems, (ii) single window system, and (iii) tax collection. GMS members can input some research areas if they have specific interests.

### 2. Gap analysis with GMS members (May 2024 – July 2024)

The GMS secretariat and consultants will develop an inquiry form which examines interagency coordination of GMS members. GMS members will be required to fill the form to identify gaps, compared with international best practices.

### 3. Report and recommendations (August 2024 to October 2024)

The GMS secretariat and consultants will write a report which surveys identified gaps of GMS members. The report gives recommendations to enhance interagency coordination on trade procedures. The report may suggest possible opportunities of joint meeting with another GMS working group to strengthen interagency coordination.

## [Idea 2] Identify Investment Opportunities to Enhance Goods Traceability

This research begins with a review of current systems surrounding **agricultural trade and traceability**. Systems cover the overall framework ranging from tangible assets (hard infrastructure) to intangible aspects (international standards, national regulations, trade procedures, and soft infrastructure). Inputs by WGA will be expected to help us identify challenges.

After reviewing the current systems, the research will explore areas where bottlenecks can be lifted by investment. Investment opportunities may include investment in hard infrastructure, soft infrastructure, and human resources, but are limited for the purpose of enhancing traceability.

### 1. Review current agricultural trade and traceability systems (February 2024 – June 2024)

The GMS secretariat and consultants will study various aspects of current agricultural trade and traceability systems. The scope includes (i) agricultural trade procedures in GMS members, (ii) quality standards of agricultural products, (iii) traceability systems. GMS members would be asked to report (i)-(iii). TFTI will seek inputs from WGA and request them to share the results of pilot projects.

### 2. Explore investment opportunities (July 2024 – October 2024)

Based on the result of 1., ADB secretariat and consultants will compile a report. TFTI and WGA can exchange ideas on investment opportunities to enhance traceability.

## [Idea 3] Lift or Mitigate Non-Tariff Barriers to Trade Medical Supplies

The research will set off by reviewing the current regulatory framework. In general, the ministry of health is a gatekeeper to regulate the flow of medical supplies. The research will focus on trade related laws and regulations on medical supplies. If decrees, administrative orders and any other documents stipulate how to address medical supplies, those documents will also fall into the research scope.

Based on the review, the research will identify **barriers which possibly hinder the smooth flow of medical supplies**. The research will compare regulatory framework among GMS members with international best practices. Recommendations will address how identified trade barriers can be lifted or mitigated and how the extant regulatory framework can be improved.

### 1. Review national regulatory framework (February 2024 – April 2024)

GMS secretariat will review respective regulatory frameworks. Since expertise can be required, GMS secretariat may seek help from WGH. According to available resources, the research may consider an appropriate domain of medical supplies. GMS members would be required to submit English translation of related laws and regulations. Other relevant documents positioned under national laws and regulations can be also requested as long as they are linked with medical supply trade.

### 2. Barriers of medical supply trade (May 2024 – July 2024)

GMS secretariat will work on to identify trade barriers of medical supply. Regulatory frameworks will be compared among GMS members as well as with international best practices. GMS members will be also expected to contribute to identifying barriers by themselves. They may be also asked to submit trade data of medical supplies.

### 3. Recommendations (August 2024 – October 2024)

For the identified trade barriers, ADB secretariat will make recommendations. Recommendations will be compiled into a study report which also includes the review of national regulatory framework, barriers of medical supply trade.



GMS TFTI will discuss ideas and choose one next January.

[Idea 1] Challenges in Inter-Agency Coordination

[Idea 2] Identify Investment Opportunities to Enhance Goods Traceability

[Idea 3] Lift or Mitigate Non-Tariff Barriers to Trade Medical Supplies

Thank you.

