

**First Meeting of the Greater Mekong Subregion (GMS)
Task Force on Trade and Investment (TFTI)
October 28, 2022 (via web-based conferencing)**

Summary of Proceedings

Introduction

1. The members and representatives of the GMS Task Force of Trade and Investment from Cambodia, PRC, Lao PDR, Myanmar, Thailand, Viet Nam and ADB virtually met on October 28, 2022, for the first meeting of the GMS TFTI. The main objective of the meeting is to discuss and firm up the work plan of the TFTI for the coming two years. The meeting agenda is **attachment 1**.

2. The meeting was chaired by H. E. Suon Sophal, Director Department of Public Relations and Promotion of Private Investment, Council for the Development of Cambodia and co-chaired by Jose Antonio Tan III, Director, Public Management, Financial Sector, and Trade Division (SEPF) Southeast Asia Department (SERD), Asian Development Bank (ADB). The list of participants is **attachment 2**.

Opening Session and Introduction of TFTI members

3. The Chair highlighted the GMS 2030 vision relevant to the TFTI which is internal and external integration with increased efforts to facilitate trade and investment for a more competitive GMS. He noted the steps taken by GMS countries with support of the Secretariat to meet the objectives of GMS 2030 on trade and investment facilitation, the first of which is the completion of a comprehensive scoping study that identified challenges and provided recommendations for short and long-term actions on both trade and investment in the subregion. The second one was the establishment of a GMS Task Force to help move forward some of these recommendations. He appreciated participants of the meeting and looked forward to everyone's active contribution as the TFTI discusses and firms up its work plan within two-year period.

4. The Co-Chair emphasized that the TFTI can make important contributions to the subregion's post-covid recovery efforts amidst the increasing challenges in the global and regional economic landscape, with trade and supply chains continue to face disruptions and difficulties. He encouraged GMS members to ensure trade openness while improving on efficiencies of the trading systems to reduce trade costs and create new opportunities. He echoed that the meeting's main agenda was a session on proposed work plan of the task force, an outline of which will be developed based on this meeting's discussion.

5. In the recovery from COVID-19 pandemic, GMS members acknowledged that this platform can be leveraged to facilitate trade and investment and promote regional integration. GMS members were also committed to strengthening cooperation for better outcomes of the TFTI.

Overview of the TFTI Terms of Reference

6. Mr. Antonio Ressano, Principal Regional Cooperation Specialist, Regional Cooperation and Operations Coordination Division (SERC), SERD, ADB presented an overview of the endorsed TFTI Terms of Reference (TOR) to provide context to the main meeting agenda item on TFTI work plan. The outline of his presentation included: (i) Background; (ii) Objectives; (iii) Pillars of Work; (iv) Activities; (v) Composition, Chairmanship and Participation; (vi) Coordination with GMS Institutions; and (vii) Duration and Meetings Timeline. Mr. Ressano's power point presentation is **attachment 3**.

Discussion

7. Myanmar appreciated the presentation and provided additional points as follows: (i) on Pillar 2, apart from digitalization as area of cooperation among investment promotion agencies (IPAs) and chambers of commerce (CCs), it is important to examine what kind of policy measures to facilitate trade and investment especially on shared borders within GMS countries; (ii) see and coordinate with what ASEAN is also doing on private sector participation; (iii) on composition of TFTI members, particularly the level of representatives, in the case of Myanmar DG or DDG are senior and not medium to high level representatives as indicated in the TOR thus would like to seek clarification on this matter.

8. ADB as GMS Secretariat thanked Myanmar's constructive inputs and responded as follows: (i) agreed that under Pilar 2, collaboration among IPAs and CCs can go beyond digitalization as we also need to identify first what is it that we need to digitalize; this is why among the proposed TFTI activities in the work plan include checking with the GMS CBTA Team and the Working Group on Agriculture (WGA) on what are the bottlenecks that need to be addressed to facilitate trade and investment across borders; (2) collaboration with other regional cooperation groups and initiatives like ASEAN were certainly considered and the proposed work of the GMS TFTI are meant to be complementary and practical operations in support of ASEAN policies; and (iii) titles or levels of government officials may vary among GMS countries but the main intention of describing the composition of TFTI members is that members should at least be at a level where they count themselves to speak or decide on behalf of the government during the task force meeting.

Work Plan for the Task Force on Trade and Investment

9. Mr. Yuya Yamamoto, Trade Specialist, SEPF, SERD, ADB was called on by Co-Chair to present a proposed outline of the work plan of the TFTI based on the recommendations of the scoping study conducted earlier and as endorsed by the GMS Senior Officials. It proposed a focus area to enable the task force to review the progress by the end of its second year as mandated by the GMS SOM. It sought feedback of TFTI members on the following main points: (i) agreement on the proposal to focus on "digital supply chain"; (ii) views on their respective initial top 3 priority measures for digital supply

chain; (iii) agreement to proposed outline of the work plan for 2023-2024. Mr. Yamamoto's power point presentation is **attachment 4**.

Discussion

10. GMS countries were generally in support of the proposed work plan presented including the focus on digital supply chain. The following were specific country preference on top 3 priorities on digital supply chain and other suggestions:

- i. Thailand emphasized that trainings on digital supply chain should cover both private and public sector.
- ii. Myanmar reiterated that aside from digital supply chain focus, there is a need to cooperate in other areas after consultation and coordination with CBTA Team and WGA. Myanmar also suggested to all planned activities: meetings, trainings consultation initiatives should all be in support of the three pillars of work of the TFTI as stated in the approved TOR. Lastly, there is a need to monitor the task force progress in achieving its objectives, and in this regard establishing key performance indicators will be helpful.
- iii. Lao PDR's top 3 priorities were: capability building or training on digital literacy, research on how to maximize FTAs and training or workshop for MSMEs and SMEs on available FTAs to tap.
- iv. Cambodia's top 3 priorities were: training on digital literacy, constructive cooperation between public sector and SMEs and engagement of private sector in the task force meetings.
- v. No further comments from PRC and Viet Nam.

Summary of Discussion and Next Steps

11. Ms. Kanya Sasradipoera, Senior Trade Specialist, SEPF, SERD, ADB was requested by the Co-Chair to give a summary of the discussions and next steps which are the following:

- i. the TFTI proposed work plan in two years was generally agreed to focus on digital supply chain particularly on capacity building of both private and public sector;
- ii. there is a need to work across the three pillars provided in the TOR. Digital supply chain was a recommended focus because it cuts across the three pillars including maximizing Free Trade Agreements (FTAs)' utilization;
- iii. there is a motivation to closely engage with private sector and possibly invite them in task force meetings;
- iv. the TFTI will carry out planned coordination with other GMS bodies especially WGA and CBTA Joint Committee/NTFC to know what we need to facilitate or the bottlenecks to be addressed and then establish the KPIs to monitor; and
- v. the next step for the GMS Secretariat (ADB) will be providing a fully developed work plan for consideration by countries within 2 to 3 weeks and target to get feedback of countries by end of November to be able to report the agreed TFTI work plan to GMS SOM thereafter.

12. The Chair and Co-chair thanked everyone for a fruitful meeting and then formally closed the first meeting of the GMS Task Force on trade and investment.