Excellency, Mr. Biswo Nath Poudel, Vice Chairman of the National Planning Commission of Nepal,

Mr. Woochong Um, Managing Director General of the Asian Development Bank,

Excellencies, distinguished delegates, ladies and gentlemen,

It is my pleasure to welcome you to the Third Ministerial Conference on Regional Economic Cooperation and Integration.

I would like to begin by expressing my sincere appreciation and gratitude to the Asian Development Bank (ADB) for their strong collaboration with ESCAP and for co-hosting this conference.

This meeting is an important milestone in our efforts to drive forward regional economic cooperation and integration – or RECI - in Asia and the Pacific. Coordinated action to address shared challenges and to meet the 2030 Agenda for Sustainable Development has become even more important since our last meeting in 2017.
Over the past three years, the global economy has witnessed deepening polarization and increased scepticism about the benefits of multilateralism. At the same time, trade frictions, economic slowdowns and constrained fiscal and financial space have heightened economic and geopolitical challenges.

The Asia-Pacific region must increase its efforts to prepare for and tackle urgent, overlapping crises if it is to strengthen the resilience of its people and economies.

The COVID-19 pandemic exposed existing vulnerabilities to crises due to inequities in production capacity and access to essential products. Ongoing geopolitical challenges have further highlighted the vulnerabilities and risks faced by countries due to disruptions in trade, supply chains and connectivity.

These disruptions have affected access to energy, food and other essential commodities and created inflationary pressures, worsening already stressed balance of payments and fiscal positions.

Coupled with these shocks is the ongoing climate crisis. The window to meet the 1.5°C target is fast closing, and action towards a clean-energy transition is falling short.

These multiple and overlapping crises pose serious challenges in attaining Sustainable Development Goals and emphasize the need to advance the RECI agenda. RECI can provide valuable support to national and regional recovery efforts in the short-term while also enabling countries to lay the foundations for a more resilient, inclusive, sustainable and stronger Asia-Pacific in the future.
Recognizing the untapped potential of RECI, this ministerial conference, therefore, will focus on three key themes:

**First**, regional integration in the Asia-Pacific region has benefited from a significant improvement in infrastructure networks. Yet, regional integration through trade and investment, value chains and financial markets have not improved much in terms of sustainable development metrics.

It is essential that market integration efforts be strengthened to ensure that trade and investment can serve as effective means for achieving Sustainable Development Goals.

To this end, more regional cooperation to improve openness, enhance business certainty and reduce trade friction is vital for improving the availability and accessibility of needed products and minimizing disruptions to global supply chains.

**Next**, the overlapping challenges currently facing the region have resulted in multiple shocks to our connectivity. These disruptions have magnified challenges and hindered the resiliency and sustainability of connectivity across and within Asia and the Pacific.

Enabling resilience through sustainable and seamless connectivity requires mobilizing regional cooperation in energy, digital and transport connectivity through regional cooperation mechanisms. Examples include the Regional Road Map on Power System Connectivity, the Action Plan 2022-2026 of the Asia-Pacific Information Superhighway, and the Regional Action Programme for Sustainable Transport Development in Asia and the Pacific.
Harnessing the synergies between these three areas – energy, digital and transport connectivity – can address persisting connectivity shortages, enhance resilience and support responses to climate change.

Finally, the pandemic was a digital big bang. It rapidly accelerated the digital transformation of our economies, but the benefits of such a dramatic shift have not trickled down to everyone. It is critical that countries take coordinated action to ensure that this revolution does not become another driver of deep inequality in the region.

Policymakers and stakeholders must work together to identify the challenges and find solutions to harness the digital transformation at the regional and national levels and coordinate policies and actions. Beyond this, strengthened regional cooperation is essential to facilitating open data and boosting much-needed cross-border investments in the digital economy.

ESCAP’s regional initiatives and capacity-building programmes are already helping to build the core foundations for enabling an inclusive digital future by promoting policy dialogue, cooperation and partnerships between governments, businesses and social groups at all levels.

Excellencies, distinguished delegates, ladies and gentlemen,

Through the previous two ministerial meetings on RECI, ESCAP member States resolved to work together to enhance their economic cooperation and integration and ensure that it is linked to the regional roadmap for achieving the 2030 Agenda.

Driving greater regional cooperation and integration forward into the next phase requires strong political leadership to promote trade and investment,
support growth, create jobs, enhance connectivity and ensure an inclusive digital future.

Working together through ESCAP’s multilateral platform, the countries of the Asia-Pacific region can both deliver on the 2030 Agenda and move the region’s integration into this next phase. ESCAP is committed to supporting this work every step of the way.

Together we can deliver the vision of an integrated, sustainable and inclusive future and help find the common ground needed to unleash prosperity for all.

Thank you very much.