



**YEARS OF CONNECTING  
ASIA AND THE PACIFIC**





# **Removing obstacles to greater market integration in Asia and the Pacific**

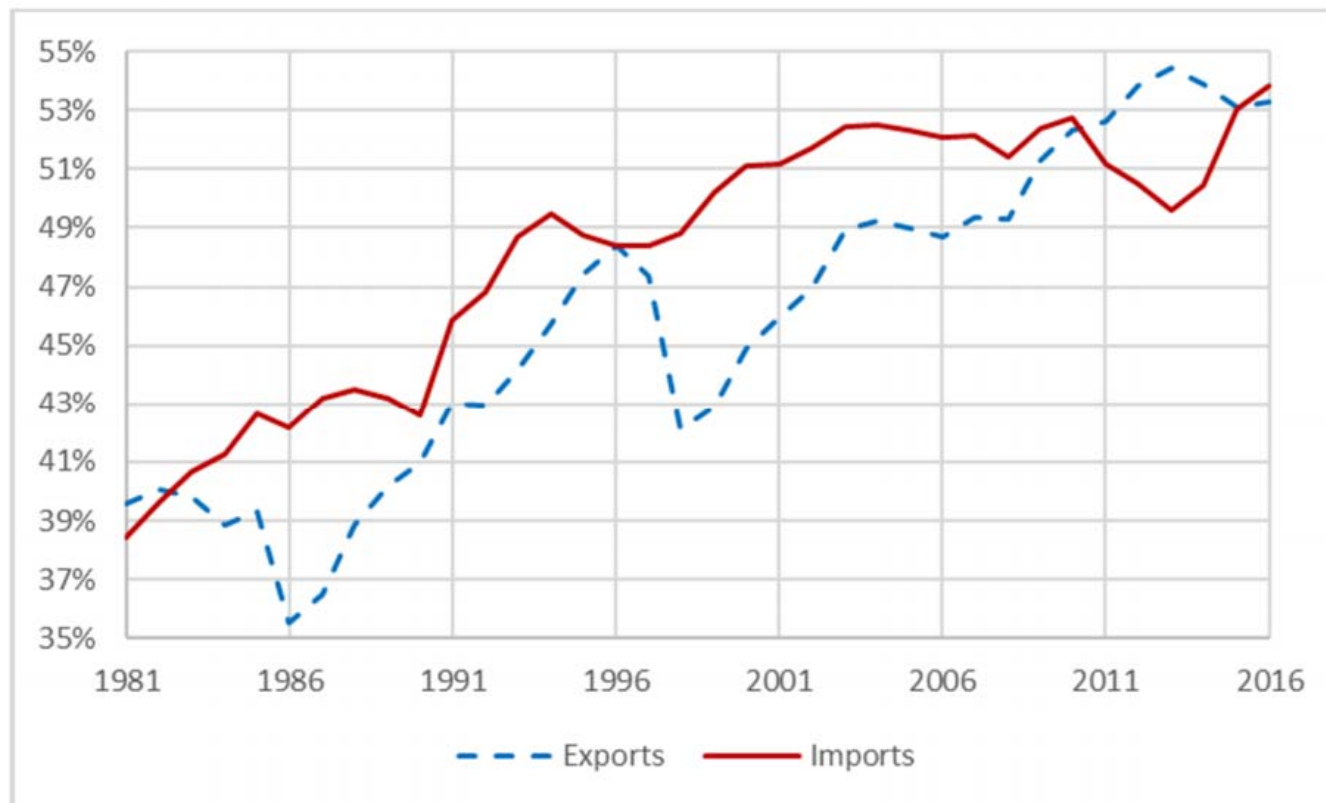
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Agenda item 3 (a)

# Trade & regional market integration

- ● ● Trade has been a driver of growth and regional integration

**Growing importance of intraregional trade**  
(Percentage of overall trade)



# Trade & regional market integration

## ●●● Challenges

- **High trade costs**
- **Significant stockpile of non-tariff trade restrictive measures**
- **Overlapping preferential trade agreements with different rules**
- **Implementation of paperless trade**
- **Development of services trade**

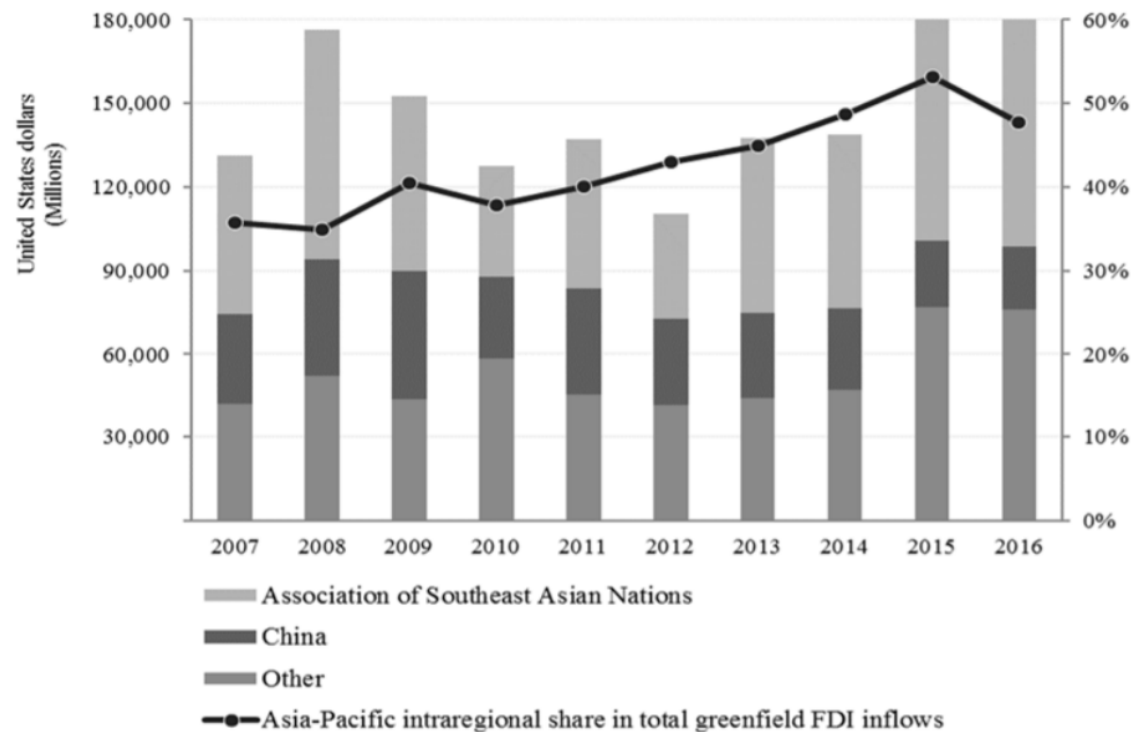


# FDI & regional market integration

## ●●● Intraregional (South-South) FDI has increased

Figure III

**Intraregional greenfield foreign direct investment inflows in the Asia-Pacific region and their share in total greenfield foreign direct investment inflows, and major destinations, 2007-2016**



# FDI & regional market integration

## ••• Challenges

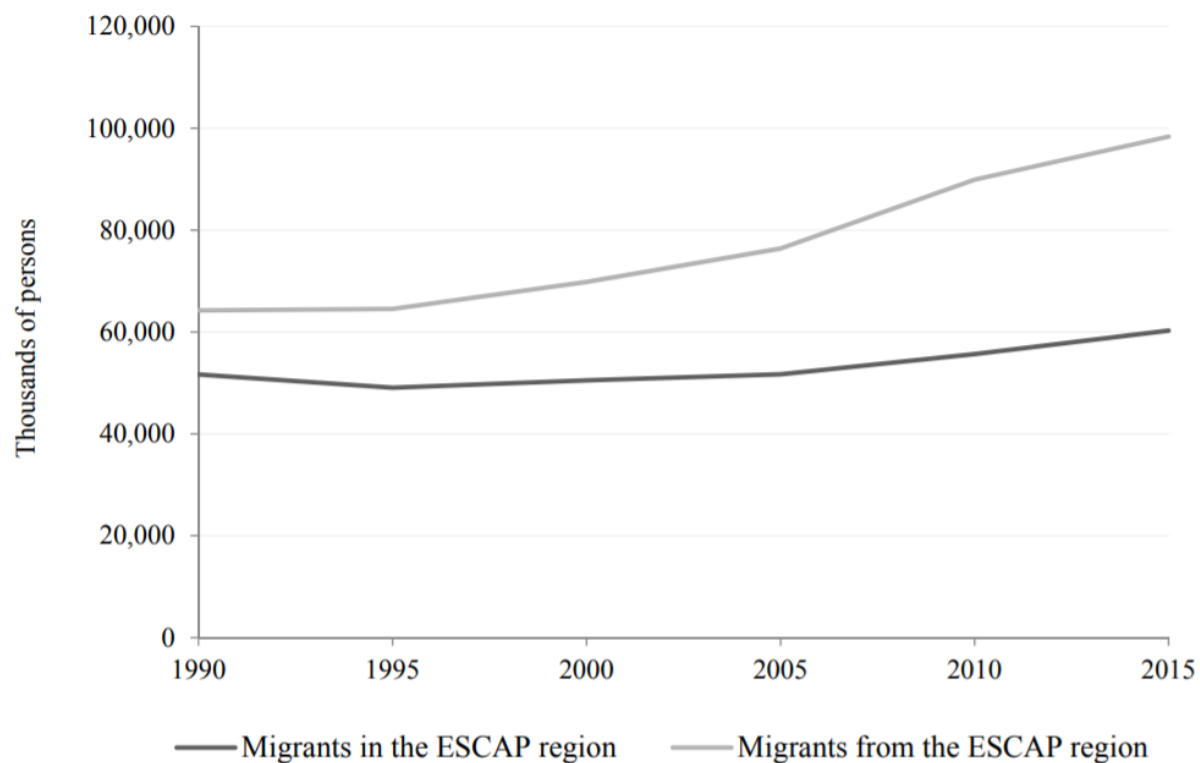
- **Multiple and overlapping investment agreements**
- **Poor (domestic) business environment**
- **Balancing investor protection and host country's right to regulate**
- **Trade and FDI policy integration to facilitate participation in GVCs**



# Cross-border mobility of labour & market integration

- ● ● Labour market integration much lower than trade and investment integration

Figure IV  
Evolution of migration in Asia and the Pacific, 1990-2015



# Cross-border mobility of labour & market integration

## ••• Challenges

- Matching demand and supply
- Protection of migrant workers
- Technical barriers (e.g., education qualifications)
- Public perception

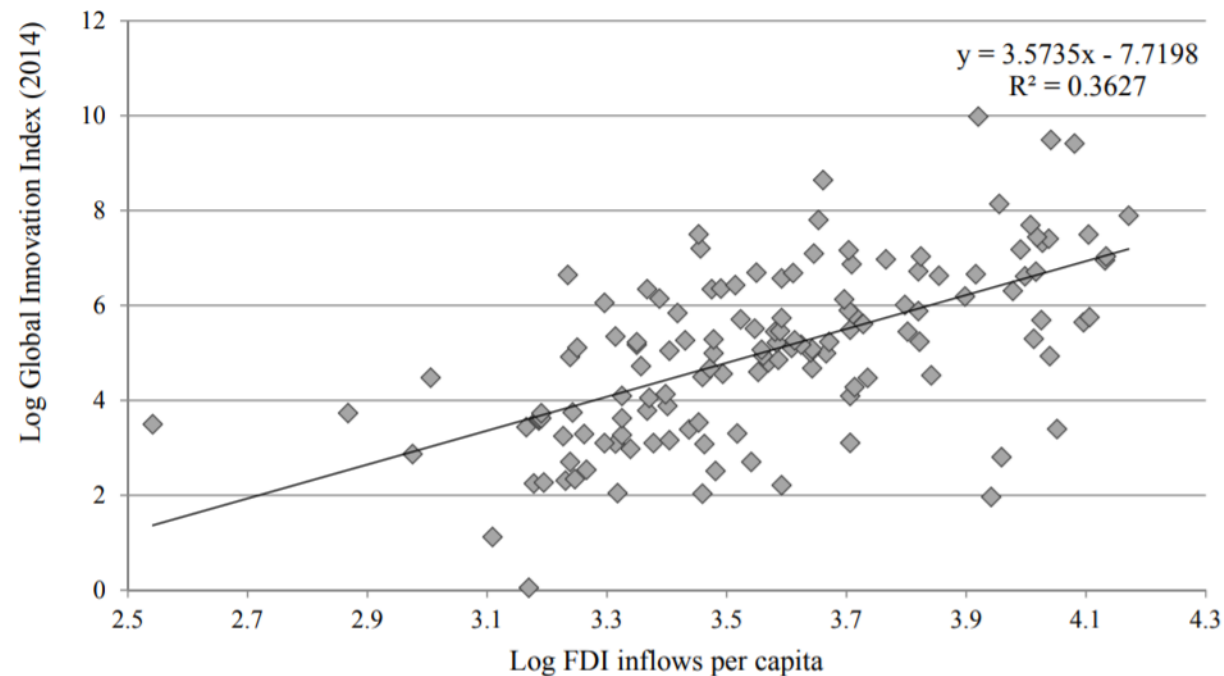




# Tech transfer and innovation & market integration

- ● ● Tech transfer and innovation positively linked to trade & FDI integration

Figure VI  
Correlation between the Global Innovation Index ranking and FDI inflows per capita



# Recommendations

for removing obstacles to greater market integration



1. Understanding and curtailing protectionism
2. Streamlining trade agreements
3. Accelerating implementation of trade facilitation and paperless trade
4. Better utilizing existing regional platforms
5. Developing regional investment regimes that balance investor rights and host country development needs
6. Promoting labour market integration processes



**THANK YOU**

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