# ASIA-PACIFIC TRADE AND INVESTMENT REPORT 2011

## *Post-crisis Trade and Investment Opportunities*

UNITED NATIONS
ESCAP
Economic and Social Commission for Asia and the Pacific

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United Nations

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# FOREWORD

The Asia-Pacific region has made a vigorous comeback from the global economic crisis and is currently leading world economic growth. However, not all countries have benefited equally from this rebound. Furthermore, as the second decade of the twenty-first century proceeds, the region faces various challenges, such as high food and fuel prices, continued malaise in most of the developed economies, and a higher incidence of natural disasters that affect trade and investment. At the same time, there are also plenty of opportunities. With its focus on the theme "Post-crisis trade and investment opportunities", this year's *Asia-Pacific Trade and Investment Report* identifies the challenges and opportunities for trade and investment in the region. The report concludes that, with the right policies and strengthened regional cooperation, the region would be able to continue its strong trade- and investment-led growth.

According to the report, export and import values in the region have already returned to pre-crisis levels, while investment inflows are recovering, albeit at a slower rate, particularly in Central and South Asia. The recovery from the crisis has, to a large extent, been driven by intraregional trade, including trade among developing countries of the region, with China at the centre. In fact, as shown in the report, trade within the region is growing more rapidly than the region's trade with the rest of the world, potentially contributing to a deeper level of regional integration. Therefore, opportunities for export expansion will depend largely on the growth of intraregional demand and the ability of various developing countries of the region to restructure and diversify their exports to meet that demand. This would also allow those countries to improve the purchasing power of their exports to meet the higher prices of imported food and fuel. Foreign direct investment could play an important role in this regard.

The report shows that the services are an important emerging sector and that various developing Asia-Pacific economies are leading the recovery in exports of commercial services, with the group as an average recording a growth rate of more than 20 per cent in 2010. However, in contrast to merchandise trade, the region has run a deficit with the rest of the world in services trade, although the situation is gradually improving. The report notes that there is scope to expand intraregional trade in some services.

Another important growth area is that of climate-smart goods and services. Some Asia-Pacific countries are already world leaders in the production and export of these goods and services, which help mitigate greenhouse gas emissions. According to the report, the estimated untapped export potential of climate-smart goods in Asia and the Pacific was $30 billion to $35 billion in 2008. Similarly, it was estimated that investments worth about $600 billion per year over and above current investment levels were required in order to reduce greenhouse gas emissions to desired levels. As the region will have to come to terms with the expected effects of climate change, there is a collective imperative to increase regional trade and investment in these goods, which would benefit companies in different parts of the supply chain, and, hence all countries, no matter what their stage of development.

In making the case for increased trade and investment, the report notes that the region continues to face challenges associated with protectionism. While the incidence of at-the-border protectionist measures has remained limited despite the crisis, it has been found that behind-the-border measures have been used comprehensively throughout the crisis and continue to be a prevalent trade policy tool during the current economic recovery. With the continued stalling of the Doha multilateral trade negotiations, regional trade agreements remain a critical approach to preventing and reducing protectionism. In this context, the report notes the continued expansion of regional trade agreements in the Asia-Pacific region. Despite the fact that

the trend is for these agreements to be more comprehensive in coverage and depth, actual utilization of trade preferences and their effects on trade creation remain relatively limited. The report recommends giving a fresh look at the negotiation of the rules under these agreements in order to make them perform their enabling role so that businesses can trade more efficiently, more quickly and more smoothly.

The report emphasizes that Governments need to step up efforts to improve the environment for business and investment. This requires regulatory reform and concerted efforts at the national and regional levels to reduce non-tariff barriers and associated trade costs and to improve trade infrastructure and logistics. These issues are particularly important for small and medium-sized enterprises, as they normally make up the majority of all enterprises in any given economy but continue to face severe constraints. Such constraints undermine their potential to provide employment and generate growth, and affect their ability to integrate effectively into regional and global value chains.

I strongly support the recommendations of the report and call on all Governments of the region to give them due consideration.

Noeleen Heyzer
Under-Secretary-General of the United Nations and
Executive Secretary of ESCAP

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# ABBREVIATIONS

| | |
|---|---|
| ACIA | ASEAN Comprehensive Investment Agreement |
| ADB | Asian Development Bank |
| AFTA | ASEAN Free Trade Area |
| APEC | Asia-Pacific Economic Cooperation |
| APTA | Asia-Pacific Trade Agreement |
| APTIAD | Asia-Pacific Trade and Investment Agreements Database |
| ARTNeT | Asia-Pacific Research and Training Network on Trade |
| ASEAN | Association of Southeast Asian Nations |
| ATIGA | ASEAN Trade in Goods Agreement |
| B2B | business-to-business |
| B2G | business-to-government |
| BITs | bilateral investment treaties |
| CIS | Commonwealth of Independent States |
| CISFTA | Commonwealth of Independent States Free Trade Agreement |
| CLMV | Cambodia, Lao People's Democratic Republic, Myanmar and Viet Nam |
| COMTRADE | United Nations Commodity Trade Statistics Database |
| CSGT | climate-smart goods and technology |
| DDA | Doha Development Agenda |
| ECE | United Nations Economic Commission for Europe |
| ECOTA | Economic Cooperation Organization Trade Agreement |
| EDI | electronic data interchange |
| EFTA | European Free Trade Association |
| FDI | foreign direct investment |
| FTA | free trade agreement |
| G2B | government-to-business |
| GATS | General Agreement on Trade in Services |
| GATT | General Agreement on Tariffs and Trade |
| GDP | gross domestic product |
| GMS | Greater Mekong Subregion |
| GSP | Generalized System of Preferences |
| GSTP | Generalized System of Trade Preferences |
| GVCs | global and regional value chains |

# ABBREVIATIONS *(continued)*

| | |
|---|---|
| HS | Harmonized Commodity Description and Coding System |
| ICT | information and communications technology |
| IEA | International Energy Agency |
| IMF | International Monetary Fund |
| IPR | intellectual property right |
| IT | information technology |
| JICA | Japan International Cooperation Agency |
| LPI | Logistics Performance Index |
| LSCI | Liner Shipping Connectivity Index |
| MFN | most-favoured-nation |
| MTS | multilateral trading system |
| NAFTA | North American Free Trade Area |
| NAMA | non-agricultural market access |
| NIE | newly industrialized economy |
| NTM | non-tariff measure |
| OECD | Organisation for Economic Cooperation and Development |
| PICTA | Pacific Island Countries Trade Agreement |
| PTA | preferential trade agreement |
| RCA | revealed comparative advantage |
| RoO | rules of origin |
| RTA | regional trade agreement |
| SAARC | South Asian Association for Regional Cooperation |
| SAFTA | Agreement on South Asian Free Trade |
| SITC | Standard International Trade Classification |
| SME | small and medium-sized enterprise |
| TBT | technical barriers to trade |
| TNCs | transnational corporations |

# ABBREVIATIONS *(continued)*

| | |
|---|---|
| UN/CEFACT | United Nations Centre for Trade Facilitation and Electronic Business |
| UNCTAD | United Nations Conference on Trade and Development |
| UNDP | United Nations Development Programme |
| UNIDO | United Nations Industrial Development Organization |
| UNNExT | United Nations Network of Experts on Paperless Trade for Asia and the Pacific |
| UNWTO | United Nations World Tourism Organization |
| WCO | World Customs Organization |
| WTO | World Trade Organization |

# EXECUTIVE SUMMARY

Export recovery has led Asia and the Pacific out of the global financial crisis, allowing the region to emerge as an important stabilizing force and an engine of global economic growth. However, it is challenging for Asian economies to maintain the growth momentum, given that the traditional developed economies of the Group of Three (G3: the European Union, Japan and the United States) will all face economic slowdown in the medium-to-long term. The developing economies of Asia and the Pacific, normally the champions of export-led growth, may see their export growth almost halved, to 9% in 2011 from 17.3% in 2010.

The region's trade remains dependent on external factors. It is unlikely that the region can completely decouple itself from the rest of the world, because many of the economies of the region have been deeply integrated into global production chains. It is expected, however, that Asian and the Pacific economies will have to rely less on G3 consumers for final demand, and more on domestic and regional demand. Recent trends and opportunities signal that several factors are at work in support of Asia and the Pacific becoming more resilient to external shocks and maintaining the growth trajectory. These include:

- The expected robust growth and massive urbanization in the region, especially in China and India. This signals continuing growth of intraregional final demand and a partial offsetting of weak long-term demand from the G3;

- Increasing global awareness of climate change that opens up new business opportunities for innovative producers to develop and export new goods and services, especially in the areas of water, energy, and resource efficiency promotion. Several Asian economies, such as China, Japan and the Republic of Korea have already taken the lead in the development and utilization of climate-smart goods and technologies (CSGTs). Others could follow this lead to integrate with regional climate-smart value chains. However, a supporting policy environment and sizeable investments are necessary preconditions to becoming market leaders in this area;

- A great potential for Asia-Pacific developing economies to expand trade and investment in services. Developing Asia-Pacific economies have an abundance of low and semi-skilled labour that is a major input to tourism, construction and transport services. Some of these economies are also investing in creating the high-skilled human capital necessary fo the development of knowledge-intensive services. Irrespective of the services sector, proper regulatory reforms, including liberalization of trade and investment in services, are keys to the expansion of trade in services, as well as an enhanced contribution of services to national economic efficiency;

- The rapidly rising labour costs in fast-growing developing economies such as China and India could be an incentive for manufacturers in those economies to move up the industrial value chain;

- Import more from low-income Asian and Pacific economies. The transformation of China's industrial structure, in particular, would further deepen the integration of China's production

network with other economies in the region and spur intraregional trade. A recent increase in South-South foreign direct investment (FDI) received by lower-income Asian economies appears to support the emergence of this catching-up process.

***South-South foreign direct investment increasing in Asia and the Pacific***

Developing economies of Asia and the Pacific are gaining importance as sources of FDI in the region, complementing FDI from those developed economies that have been traditional sources. For example, low-income ASEAN members (i.e. Cambodia, the Lao People's Democratic Republic, Myanmar and Viet Nam), have experienced increasing intra-ASEAN FDI inflows compared with the more industrialized and higher income ASEAN member countries such as the Philippines, Singapore and Thailand. This is an indication of increased South-South FDI within ASEAN. In South Asia, Indian enterprises have become the main investors in smaller-sized neighbouring markets, such as Nepal and Sri Lanka. (More details in part 1, chapter 4.)

This report postulates necessary reforms needed to capture those opportunities, with the ultimate goal of achieving inclusive and sustainable growth. This will require major changes and policy actions, including:

(a) Adjustments in production and export structure in order to capture opportunities from the increasing strength of Asia and the Pacific;

(b) Moving forward with the global expansion of trade and investment in climate-smart goods and technologies;

(c) Regulatory reform and investment to improve efficient supply of services, including the elimination of bottlenecks in the infrastructure services sector;

(d) Improving the physical and institutional infrastructure necessary for facilitating intraregional trade;

(e) Greater integration of small and medium-sized enterprises (SMEs) into the regional and global value chains;

(f) Mutually reinforcing multilateral and regional cooperation.

## 1. CAPTURING OPPORTUNITIES FROM THE INCREASING ECONOMIC STRENGTH OF ASIA AND THE PACIFIC

Trade cannot materialize if there is no demand for goods and services. While intraregional final demand can only partially offset the weak demand from Europe and North America, there is much more scope for further growth of the region's consumption. Low-income developing economies in the region (referred to as "developing Asia") are still in the early stages of development. The expected massive urbanization in the region, especially in China and India, signals plenty of opportunities for production and export of not only raw materials and intermediate inputs, but also consumer and capital goods by the rest of the region. Such a transformation will require major adjustments of both demand and supply.

On the demand side, just 12 economies in the region account for more than 90% of the total regional demand for imports. Thus, the projections for their import growth, together with existing and potential trade complementarities, are an important determinant of the export prospects of the region (as well as the rest of the world). Based on matching between current import demand of major Asian importers and export patterns of economies in the region, Asian economies need to strengthen their position as viable and valuable trading partners of China and other important regional economies with potentially large import demand. Meanwhile, Asian importers will need to increase not only domestic consumption, but also the intraregional import content of domestic consumption.

## 2. MOVING FORWARD WITH CLIMATE-SMART GOODS AND TECHNOLOGIES

Climate-smart goods and technologies[1] are receiving much attention as a potential source of growth, as the expansion of trade in environmental goods and services on a global scale will create many

[1] CSGTs are defined in chapter 5, annex table V.1. See also chapter 5, section D.

international business opportunities. This report reveals that apart from China, Japan and the Republic of Korea, which have already positioned themselves as global exporters of CSGTs; various economies in Asia and the Pacific (including low-income economies) also have untapped opportunities to become CSGT exporters. Regional climate-smart value chains could provide new opportunities for many less developed economies in the region to become parts and components suppliers to the leading CSGT exporters. At the same time, the capacity of domestic SMEs in the area of CSGTs should be enhanced so that they can evolve into suppliers of low-carbon products and become effectively integrated with low-carbon value chains.

Based on an analysis of trade-related emission intensity indices and export gaps for selected economies of the region, the report finds that the successful development of sustainable (also known as "green") trade depends on policies that influence technology choice and consumer behaviour rather than policies that only adjust relative border prices (i.e., trade policies). Investment in renewable energy technologies could help develop the capacity of businesses to expand trade in CSGTs. However, investment decisions are also driven by many other factors, including trade policies (tariffs, non-tariff barriers such as standards etc.), and policies that affect labour mobility.

## 3. REGULATORY REFORM TO IMPROVE EFFICIENCY OF TRADE AND INVESTMENT IN SERVICES

Opportunities for the expansion of trade and investment in services remain under-exploited, especially within the region. This report emphasizes the fact that proper regulatory reforms, including liberalization of trade and investment in services, are a key to the expansion of trade in services as well as the enhancement of contribution of services to national economic efficiencies.

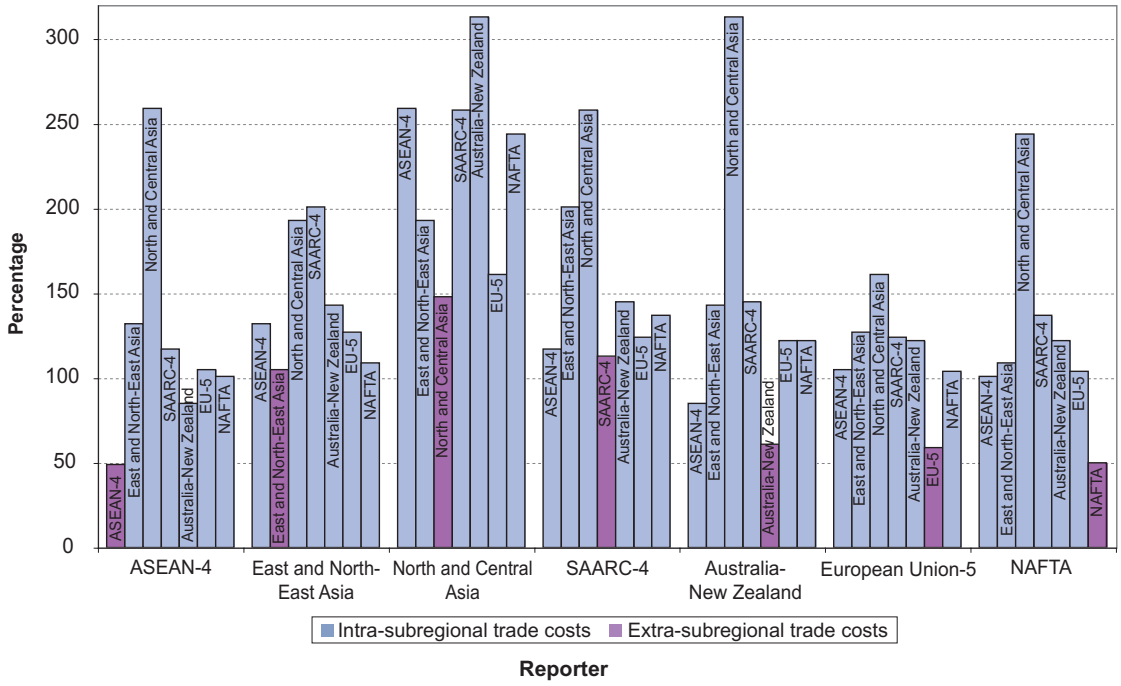
In addition, more effective international and regional cooperation will greatly facilitate liberalization and regulation of cross-border trade in various services. A particular focus of reforms should be bottlenecks in infrastructural services: communications, transport, energy and water, financial services and other related services, as they (a) form the backbone of industrial development, (b) play a crucial role in support of trade facilitation, (c) help to enhance competitiveness of business entities, especially local SMEs, and (d) contribute irreplaceable inputs to improving national economic efficiency.

## 4. TRADE FACILITATION

Effective trade facilitation is essential for greater and deeper integration of Asian economies into regional and global value chains, where cost efficiency is highly sensitive to trade costs because parts and components have to be traded across borders several times at different stages of production. Despite the fact that active participation by Asian economies in the regional and global value chains have spurred trade between Asian economies, data from the ESCAP Trade Costs Database indicate trade costs between neighbouring economies in the region tend to be more expensive than trade between economies located much further apart.

Thus, greater facilitation of intraregional trade is needed in order to improve cost efficiency and to strengthen Asia's position as the global production base. This report identifies specific policies and actions specifically required for that purpose. Trade costs of many economies of the region have decreased largely due to tariff cuts; however, much remains to be done to address non-tariff barriers. Non-tariff trade costs of many Asia-Pacific developing economies – particularly with regard to trade with developed economies – are found to have changed little, and have sometimes even increased. In fact, while ESCAP estimates reveal that many countries of the region have made significant progress in reducing costs over the past decade, they also show that in many cases nearly half the cost reduction may be attributed to tariff cuts. Given that non-tariff trade costs account for at least 90% of overall trade costs, economies should therefore increase their efforts to remove non-tariff barriers, including those arising from unnecessarily cumbersome procedures and regulations or inadequate logistics services, if they are to make further progress.

**Non-tariff intra- and extraregional trade costs in Asia and the Pacific, 2007**


Percentage
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50
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ASEAN-4
East and North-East Asia
North and Central Asia
SAARC-4
Australia-New Zealand
EU-5
NAFTA

prominent contribution to the global regionalism trend, with at least 50% of all agreements being put into force annually associated with economies from this region.

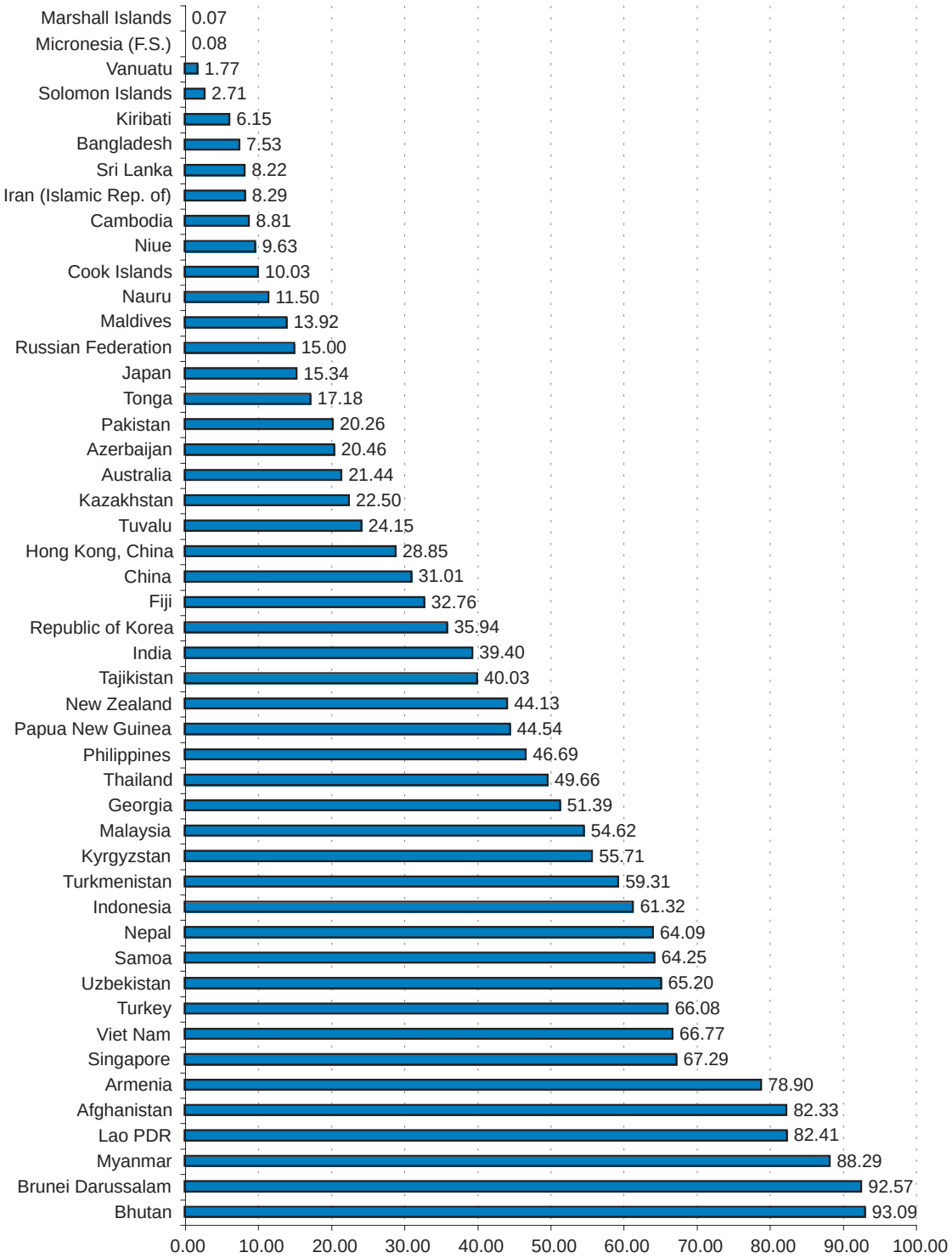
Despite the rapidly growing number of RTAs, their impact on trade does not appear to be always very large. Apart from the lagging utilization of negotiated preferences, exports covered by the agreements are also relatively low. It is found that only 38% of Asia-Pacific exports are to economies with which RTAs are in force. This report emphasizes the fact that complexity of the rules of origin may be one of the main reasons for this outcome. The high cost of compliance makes RTAs less attractive for traders, and thus the actual margin of preference that could have a downwards effect on the prices of traded goods – and thus generate additional demand – is not used.

Although RTAs are not cost-free to implement and may have some other weaknesses, many are already in place, and more will be signed as long as the Doha Round negotiations do not close successfully. This report therefore suggests ways of reconciling this reality with Asia's regional and global interests. Possible solutions for making existing RTAs a major asset that enables the region to trade faster, more cheaply and more extensively are linked to making RTAs less restrictive and more multilaterally-friendly. The first step is to try to consolidate the large number of RTAs in the region, especially with regard to rules of origin (RoO). If all agreements follow the same template for RoO, the time saving between using them or the ordinary MFN-based rules would be sharply increased. Revised RoO would also allow less restrictive cumulation rules (e.g. diagonal or full cumulation), duty drawback, outsourcing and higher de minimis levels, and more trader-friendly methods of proving origin, such as self-certification. It is still unclear who will introduce this initiative for consolidation, given that the current configuration of trading blocs in Asia and the Pacific reveals a complete lack of links among them. Since there is no appetite for creation of a new institution in the region (e.g. an Asian Agreement on Trade and Investment), a regional body such as ESCAP can play a role in helping economies that suffer from difficulties in utilizing the negotiated tariff preferences to collectively push forward an initiative to simplify RoO in the agreements between themselves.

The next viable option is thinning the margin of preference by deepening MFN liberalization in the sectors in which the Asia-Pacific economies are most interested. Removal of the margin of preference between the MFN rates and (current) preferential rates by reducing the MFN rates to zero would make RTAs irrelevant for market access. In addition, pursuing a negotiation of WTO-plus elements in new RTAs is also desirable in making regional agreements among Asian and Pacific economies a building block in multilateral liberalization.

**Proportion of export directed to partners in regional trade agreements**

(an average for 2007-2009)




*Source:* APTIAD, Briefing Note, June 2011, available from www.unescap.org/tid/aptiad/.

# PART I

## RECENT TRENDS AND DEVELOPMENTS

# CHAPTER 1

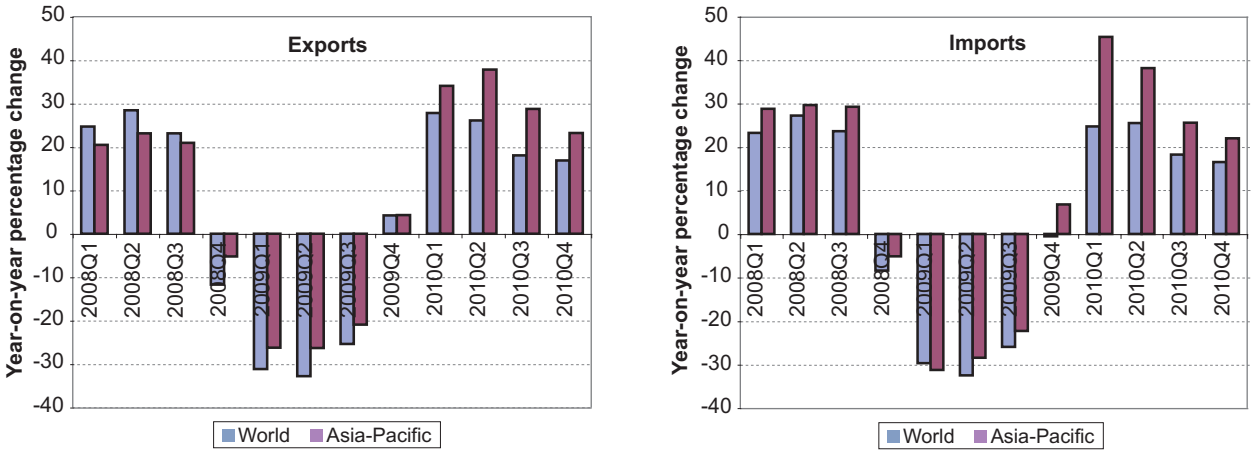
## MERCHANDISE TRADE CONTINUES TO REBOUND

### A. ASIA-PACIFIC EXPORTS RECOVERING STRONGLY

Trade in the Asian and Pacific region has recovered strongly since the first quarter of 2010. While world trade is still struggling towards a full recovery, monthly trade values for Asia and the Pacific have already returned to the pre-crisis level. Merchandise trade in the region grew by more than 30% in 2010, compared with 21% growth in world merchandise trade. Although export and import growth rates slowed in the second half of 2010, they were still more than 20% in the last quarter of 2010 (figure 1).

***"While world trade is still struggling towards a full recovery...trade in Asia and the Pacific has already returned to the pre-crisis level"***

**Figure 1. World and Asia-Pacific trade recovery,[2] 2008-2010**




*Source:* ESCAP calculation, based on World Trade Organization (WTO) online Short-term Statistics (quarterly data – downloaded on 7 April 2011).

[2] "Asia-Pacific" in the WTO short-term statistics comprises: Australia; Bangladesh; China; Fiji; Hong Kong, China; India; Indonesia; Japan; Republic of Korea; Macao, China; Malaysia; Maldives; Mongolia; New Zealand; Pakistan; Philippines; Samoa; Singapore; Sri Lanka; Taiwan Province of China; Thailand; and Viet Nam. In ESCAP, the geographical classification "Asia-Pacific" also covers: Armenia; Azerbaijan; Bhutan; Brunei Darussalam; Cambodia; French Polynesia; Georgia; Islamic Republic of Iran; Kazakhstan; Kiribati; Kyrgyzstan; Lao People's Democratic Republic; Myanmar; Nepal; Papua New Guinea; New Caledonia; Russian Federation; Tajikistan; and Uzbekistan. These economies have a small trade volume and, hence, their omission from figure 1 does not significantly affect the trend analysis.

Trade has recovered throughout the region. There has been very little variation in the pace of rebound for most economies (figure 2). However, uncertainties in world economic recovery have created concerns regarding the sustainability of Asia-Pacific growth. While the recovery of major world economies (the European Union, Japan and the United States) is continuing at a slower pace, growth of Asia-Pacific exports and imports has actually declined since the last quarter of 2010. This decline is partly a reflection of trade growth "normalization", since in early 2010 the changes were measured relative to the negative growth in 2009 (see annex figure I.1). Trade growth also eased because of a general slowing of the global economic recovery.

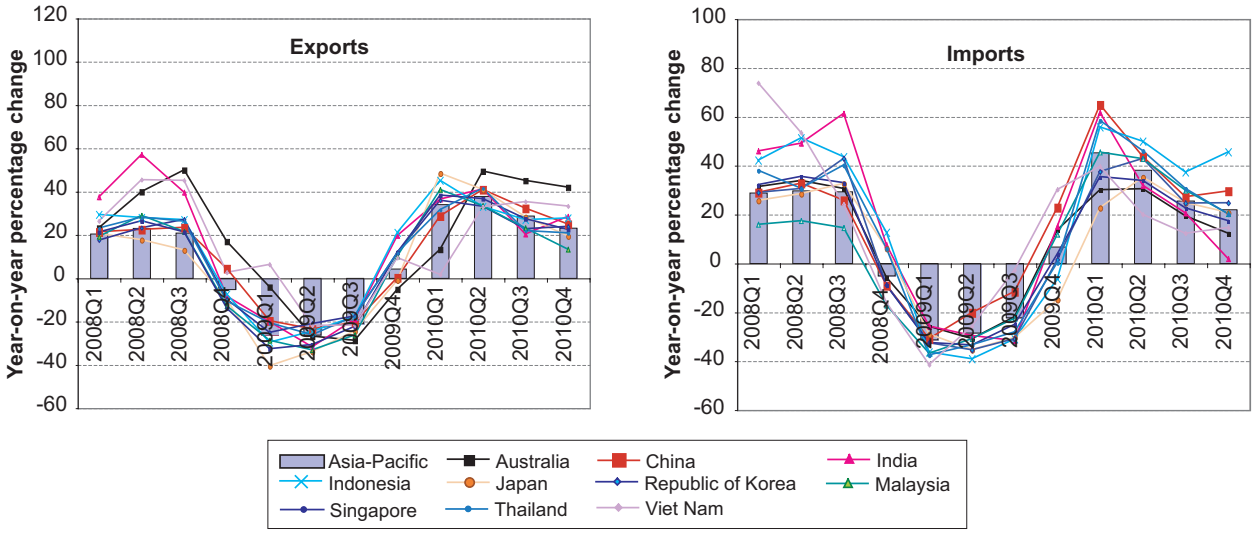
Recent export data on traditional export sectors confirm these recovery patterns (see annex figure I.2). Export growth rates of key export sectors had already reached pre-crisis levels, but started to taper off at the end of 2010 and early 2011. The export slowdown has become more obvious in the case of China than in other exporting countries. The *Asia-Pacific Trade and Investment Report 2010* argued that export growth of Asian countries was driven by the inventory cycle of China (ESCAP, 2010; ESCAP, 2011a; IMF, 2011a). Thus, if China's export growth slowdown continues, export recovery in other Asian and Pacific economies in 2011 is also expected to stagnate.

***"In 2010, China and India suffered a worse deterioration in their terms-of-trade than the rest of developing Asia"***

Although the export volume of the Asian and Pacific region grew more rapidly than the import volume, the great volatility in primary commodity prices in 2010 has seriously affected the export purchasing power of the region's developing economies. Most developing economies in the region depend heavily on importation of energy, food and/or industrial raw materials. They have experienced large fluctuations in their terms-of-trade in the recent past, and the direction of change in their terms-of-trade followed an almost completely opposite cycle to the terms-of-trade of the dominant exporters of energy and raw materials from Asia and the Pacific (see annex figure I.3).

In 2010, China and India, in particular, suffered a worse deterioration in their terms-of-trade than the rest

**Figure 2. Export and import growth of selected Asian countries, 2008-2010**




*Source:* ESCAP calculation, based on WTO online Short-term Statistics (quarterly data – downloaded on 7 April 2011).

of developing Asia.[3] That, however, does not mean other Asian developing countries can be complacent about the impact of terms-of-trade changes on their economies. On the contrary, they are actually becoming increasingly concerned about the volatility of terms-of-trade, as it could damage their long-term growth when their foreign exchange reserves also come under stress. Most commentators argue that there is a high risk that volatility will remain high, given the uncertainties in the global economic recovery and the high degree of speculative investments in commodity markets. Therefore, countries with less than adequate foreign exchange reserves, will face difficulty in coping with macroeconomic instability, and will become increasingly vulnerable to external shocks.

[3] This conclusion is derived from a comparison of trends in terms-of-trade for all Asian developing economies with those for all Asian developing economies excluding China and India, with the first group experiencing worse terms-of-trade from 1993 to 2010. The terms-of-trade of developing Asia declined by 10.7%, while that of developing Asia excluding China and India dropped by only 4.2%.

***"Asia and the Pacific may see their export growth almost halved to just 9% in 2011"***

Amid this global volatility of primary commodity prices and adverse impacts of disasters, the region's developing economies are still expected to register strong export and import growth in 2011 (table 1). Exports and imports by China, which account for almost 30% of the region's export and import values, will grow at close to or more than 10% per annum in real terms in 2011, and slightly slower in 2012. India's exports and imports are forecast to grow even faster, by around 11%. Major trading economies in South-East Asia are also expected to continue a strong growth in their exports and imports, despite relatively large variations between different member economies ranging from just over 5% to around 10% respectively (see table 1 and part III tables for more country details). However, the developing countries of Asia and the Pacific, representing about 90% of the regional exports, may see their export growth almost halved from 17.3% in 2010 to just over 9% in 2011.

**Table 1. Prospects for export growth in selected economies in Asia and the Pacific**

*(Percentage)*

| Economy | Exports | | | | Imports | | | |
|---|---|---|---|---|---|---|---|---|
| | 2009 | 2010 | 2011[a] | 2012[a] | 2009 | 2010 | 2011[a] | 2012[a] |
| Japan | -24.15 | 24.18 | 0.31 | 9.20 | -15.37 | 9.82 | 2.55 | 11.18 |
| Australia | 2.77 | 5.27 | 5.28 | 6.24 | -9.04 | 13.19 | 4.27 | 8.31 |
| China | -11.20 | 26.50 | 10.83 | 9.55 | 5.25 | 17.19 | 9.86 | 7.90 |
| Hong Kong, China | -10.10 | 16.80 | 8.79 | 6.01 | -8.97 | 17.26 | 8.21 | 6.26 |
| India | -7.42 | 14.61 | 11.27 | 13.30 | -7.02 | 3.51 | 10.56 | 16.15 |
| Indonesia | -9.69 | 14.92 | 9.87 | 8.03 | -14.98 | 17.28 | 10.71 | 8.15 |
| Republic of Korea | -1.20 | 14.53 | 11.05 | 9.00 | -7.98 | 16.91 | 9.40 | 10.41 |
| Malaysia | -10.42 | 9.80 | 7.88 | 6.72 | -12.28 | 14.72 | 8.57 | 7.13 |
| Philippines | -13.42 | 25.64 | 5.40 | 7.24 | -1.93 | 20.70 | 5.54 | 9.68 |
| Russian Federation | -4.74 | 7.10 | 2.15 | 4.35 | -30.42 | 25.60 | 10.77 | 7.13 |
| Singapore | -8.09 | 19.20 | 6.42 | 7.33 | -11.04 | 16.56 | 7.71 | 7.83 |
| Thailand | -12.50 | 14.69 | 9.99 | 10.05 | -21.49 | 21.49 | 10.06 | 10.55 |
| Turkey | -5.04 | 3.42 | 7.64 | 10.37 | -14.30 | 20.67 | 16.62 | 9.45 |
| **Asia and the Pacific[b]** | **-10.51** | **18.91** | **7.61** | **8.49** | **-7.89** | **15.66** | **8.52** | **9.15** |
| **Developing Asia and the Pacific[c]** | **-7.99** | **17.27** | **9.09** | **8.47** | **-5.50** | **15.75** | **9.81** | **8.82** |

*Source:* ESCAP estimates based on Oxford Economic Forecast (data up to May 2011), and Asia-Pacific weighted average growth calculated by using export/import data from WTO International Trade Statistics.

[a] Estimates.

[b] Growth of Asia and the Pacific is the export-weighted average growth rates of those observed countries. The estimates use 2010 as the base year.

[c] Growth of developing Asia and the Pacific is export-weighted average growth rates of those observed countries excluding Japan and Australia. The estimates use 2010 as the base year.

Given the impact of the recent natural disaster in Japan, its export and import growth may not be as dynamic as forecast. The limited amount of research on the economic consequences of this natural disaster suggests, however, that the trade impact should be relatively small, especially in the medium-to-long term (WTO, 2011a; ESCAP, 2011a). However, some of the newly industrialized economies (NIEs) closely linked with the Japanese economy through production networks may also experience a small slowdown in their economic and trading activities in 2011. Since Japan and NIEs account for a significant share of Asian trade (Japan accounts for about 14% of Asia's exports and imports, while NIEs, excluding Taiwan Province of China, account for about 22%), their slowdown needs to be monitored despite the current prevailing opinion that the impact on the growth of exports and imports of the rest of Asia and the Pacific will be minimal. Notwithstanding this, the economic fundamentals of NIEs support expectations of resumption of robust growth in 2012 and subsequent years.

## B. SUBREGIONAL AND SECTORAL PATTERNS OF TRADE

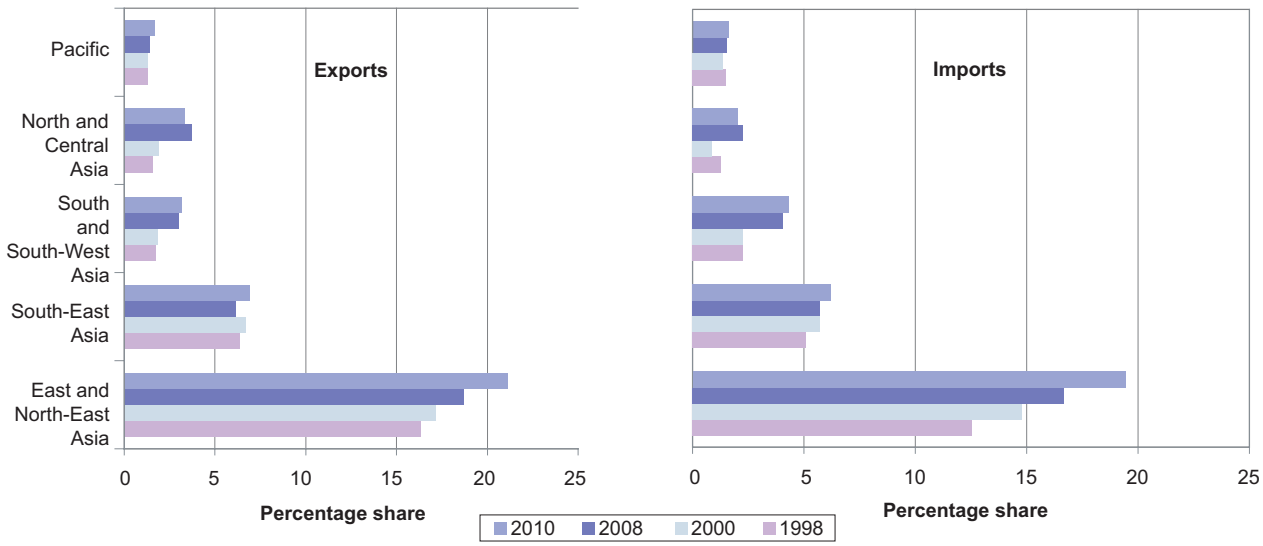
During the decade following the 1997 Asian financial crisis, the Asia-Pacific region, and in particular China, gained significantly in world merchandise trade. The region steadily increased its shares in world exports and world imports from 29% to 36% and from 25% to 34%, respectively, during 2000-2010. The East/North-East Asia and South-East Asia subregions accounted for more than two thirds of the region's exports and imports and drove its recovery in 2010.

***"Asia-Pacific, and in particular China, gained significant importance in world merchandise trade"***

However, the relative shares in total exports and imports among the various subregions within the Asian and Pacific region have not changed significantly since 1998 (figure 3). The long-term changes in the geographical composition of Asia-Pacific trade are very similar to the changes in the subregions' shares in world trade, thus indicating that the changes are being driven by economies' global relative competitiveness.

Although the shares of the various subregions in total Asia-Pacific exports and imports have not changed much, the pattern has become more dynamic among individual economies (figure 4). The most striking feature of Asia-Pacific trade dynamics is the rising role of China, which has more than doubled its share of

**Figure 3. Geographical breakdown of Asia-Pacific exports and imports, by subregion, 1998-2010**



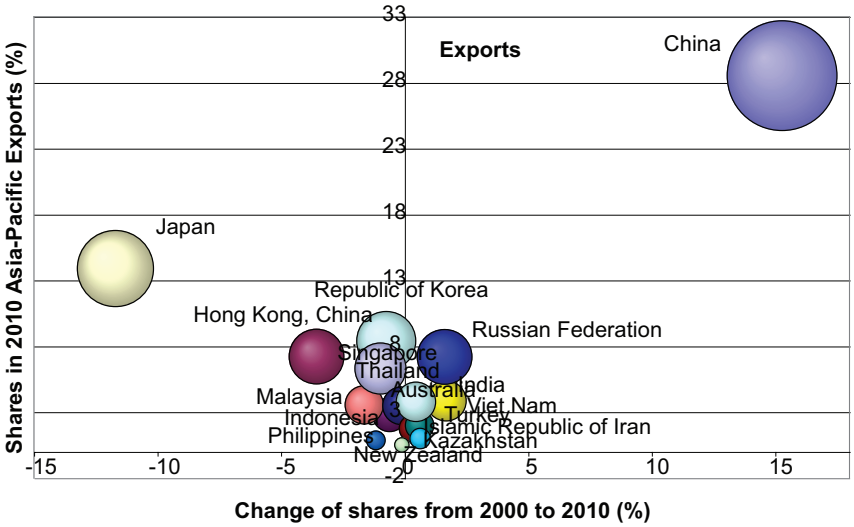

*Source:* ESCAP calculation, based on WTO International Trade Statistics online (downloaded on 7 April 2011).

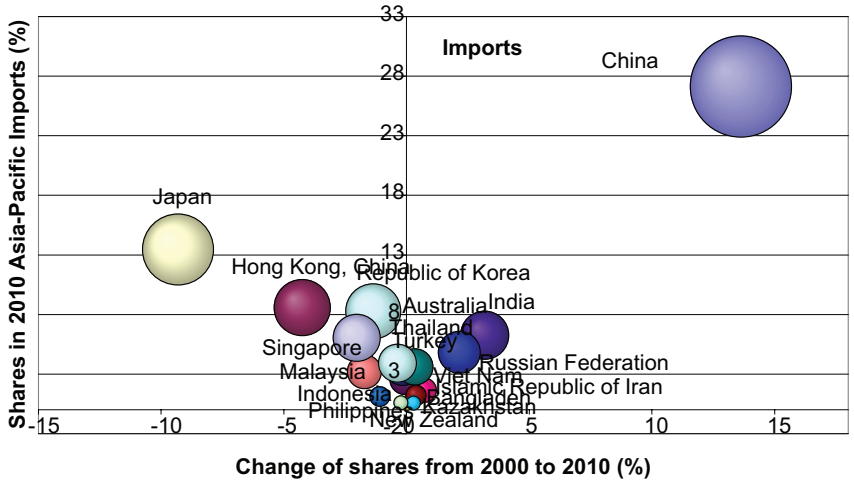
Asia-Pacific exports from 13.4% to 28.6%. The rising importance of China has come at the expense of advanced East Asian and major ASEAN economies. Japan's share almost halved from 25.7% to 13.9%. The joint share of the five major ASEAN economies (Indonesia, Malaysia, the Philippines, Singapore and Thailand) fell from 23.3% to 19%. While NIEs such as the Republic of Korea and Hong Kong, China, also lost market shares, several economies in transition managed to capture marginally larger shares. As figure 4 shows, the changes in import shares were similar to those in exports.

***"The rising importance of China in Asia-Pacific exports and imports has come at the expense of advanced East Asian and major ASEAN economies"***

It should also be noted that some Asian economies with very dynamic trade growth caused dramatic changes in the geographic composition of trade, such as the repositioning of China, Japan, the Republic of Korea and Hong Kong, China. In South-East Asia, Viet Nam has surpassed the Philippines in exports, and both the Philippines and Thailand in imports.

**Figure 4. Changes of market shares for selected economies**




*Source:* ESCAP calculation, based on WTO International Trade Statistics online (downloaded on 7 April 2011).

An analysis by sector reveals that the global trade share of the fuel and mining sector has increased very rapidly over the past decade at the expense of the manufacturing sector (table 2). From 2000 to 2009, the share of fuel and mining in world exports and imports increased from 14% to 19%; during the same period, the share of manufactures contracted from about 77% to 71%, while agriculture maintained its share at about 10%

***"Rapidly rising oil prices have significantly raised the share of fuel and mining in Asia-Pacific exports and imports, but not in real terms"***

**Table 2. Sectoral compositions of world and Asia-Pacific trade, 2000 and 2009**

*(Percentage)*

| Sector | World | | Asia-Pacific | |
|---|---|---|---|---|
| | 2000 | 2009 | 2000 | 2009 |
| Agricultural products | 9.0 | 9.9 | 6.4 | 6.4 |
| Fuel and mining products | 14.0 | 19.2 | 12.5 | 17.1 |
| Manufactured products | 77.0 | 70.9 | 81.2 | 76.5 |

*Source:* ESCAP calculation, based on WTO International Trade Statistics online (downloaded on 7 April 2011).

This trend was followed by the Asia-Pacific region, with the share of manufactures in its total exports dropping from 81% to 76.5% during the same period, while the share of fuel and mining in total exports increased from 12% to 17%. The export share of agriculture remained quite stable at about 6%. Similar changes took place on the import side. Rapidly rising oil prices have significantly raised the share of fuel and mining in Asia-Pacific exports and imports, but not in real terms.

In terms of export volume, world manufacturing exports grew faster than exports by other sectors at an average annual rate of 3.5% from 2000 to 2009, with agricultural exports increasing by 3%, and fuel and mining exports growing by only 2% (table 3).

Asia-Pacific continues to gain market shares in world trade, especially in manufacturing exports. The region increased its share in world merchandise exports from 30% to 35% during 2000-2009 (table 4). It was relatively more successful in capturing a larger portion of the world manufacturing market (up from 31% to 37%), than of the fuel and mining sector (up from 26% to 31%) in the observed period. The region's share in world agricultural exports remained quite stable at around 21-22% during this period.

**Table 3. Growth in the volume of world merchandise exports, 2000-2009**

*(Annual percentage change)*

| | 2000-2009 | 2007 | 2008 | 2009 |
|---|---|---|---|---|
| World merchandise exports | 3.0 | 6.5 | 2.0 | -12.0 |
| Agricultural products | 3.0 | 5.5 | 2.0 | -3.0 |
| Fuel and mining products | 2.0 | 3.5 | 0.5 | -4.5 |
| Manufactured products | 3.5 | 8.0 | 2.5 | -15.5 |

*Source:* WTO (2010a).

**Table 4. Share of Asia-Pacific in world exports and imports, by sector, 2000 and 2009**

*(Percentage)*

| | Exports | | Imports | |
|---|---|---|---|---|
| | 2000 | 2009 | 2000 | 2009 |
| Agricultural products | 21.0 | 22.3 | 27.4 | 27.8 |
| Fuel and mining products | 26.4 | 30.9 | 31.5 | 39.0 |
| Manufactured products | 31.2 | 37.4 | 23.8 | 29.6 |
| Asia-Pacific average | 29.6 | 34.7 | 25.2 | 31.2 |

*Source:* ESCAP calculation based on WTO International Trade Statistics (downloaded on 7 April 2011).

***"Asia-Pacific continues to gain market shares in the world, especially in manufacturing exports"***

In a similar way, the share of the region in world imports increased from 25% to 31% in the period 2000-2009. Dynamic economic activities in the region caused the its fuel and mining consumption to grow very rapidly. The region accounted for almost 39% of world fuel and mining imports in 2009, an increase of 7.5 percentage points from 2000. The region's share of world manufactured imports also grew fast to reach 29.5%, but its share of world agricultural imports remained at just below 30%.

## C. TRENDS IN INTRAREGIONAL TRADE AND CENTRALITY OF CHINA

Intraregional trade has also grown, with China as the main destination for exports, and currently accounting for more than 50% of total regional trade; trade within the region is growing faster than the region's trade with the rest of the world. While Asia-Pacific's exports to the rest of the world roughly doubled between 2000 and 2009, intraregional exports rose almost 2.5 times. As a result, the share of intraregional exports in total Asia-Pacific exports increased from about 49% in 2000 to about 52% in 2009. The changes were less obvious on the import side. The share of intraregional import in total regional imports increased marginally from 53.5% to 54% during the same period.

*"Intraregional trade has also grown, with China as the main destination for exports"*

The growing share of intraregional trade has resulted largely from increased exports to developing Asian economies. In general, the share of exports to developing Asia increased to one quarter of the total regional exports in 2009. China accounted for more than 12% of regional exports in 2009 (and almost 50% of regional exports to developing Asia), a significant increase since 2000. In contrast, the roles of NIEs and Japan as major export destinations have declined (table 5).

**Table 5. Intraregional shares of Asian exports in 2009 and changes from 2000[a]**

*(Percentage)*

| Export origins | Export destinations | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Asia | Rest of the world | NIEs | Japan | China | India | Australia & New Zealand | Rest of Asia | Advanceed Asia[b] | Asia excl. China |
| Asia | 51.8 (2.5) | 48.2 (-2.5) | 14.4 (-3.3) | 7.7 (-2.1) | 12.3 (4.7) | 2.3 (1.5) | 2.7 (0.4) | 12.4 (-1.2) | 24.9 (-5.1) | 39.4 (-2.2) |
| NIEs | 66.1 (11.8) | 33.9 (-11.8) | 13.3 (0.1) | 5.8 (-4.2) | 24.2 (10.8) | 2.4 (1.4) | 2.3 (0.6) | 18.1 (-8.7) | 21.5 (-3.4) | 41.9 -0.9 |
| Japan | 56.7 (13.5) | 43.3 (-13.5) | 18.9 (-2.0) | | 23.1 (14.0) | 1.1 (0.6) | 2.5 (0.4) | 11.1 (-13.0) | 21.4 -1.7 | 33.6 (-0.4) |
| Australia & New Zealand | 78.2 (11.6) | 21.8 (-11.6) | 15.9 (-2.7) | 19.2 (-0.9) | 22.2 (16.7) | 3.8 (2.2) | 7.0 (-1.7) | 10.1 (-13.6) | 42.2 (-5.4) | 56.0 (-5.1) |
| Asean | 68.4 (8.3) | 31.6 (-8.3) | 15.9 (-2.7) | 9.9 (-3.9) | 10.4 (6.5) | 3.4 (1.9) | 4.0 (1.3) | 24.8 (-3.1) | 33.3 (-5.3) | 58.0 (-1.8) |

*Source:* ESCAP calculation, based on International Monetary Fund Direction of Trade Statistics online (downloaded on 7 April 2011).
[a] Percentage share of total exports by origin. Changes in percentage points from 2000 are shown in parentheses.
[b] Advanced Asia includes Australia, Japan, New Zealand and NIEs (Hong Kong, China; Republic of Korea; Singapore; and Taiwan Province of China).

A large number of empirical studies on Asian trade integration have pointed out that the East and North-East Asian subregion is relatively more integrated than other subregions.[4] This is mainly the result of the rapid growth of production networks that operate mostly in East Asia, while the role of an increasing number of regional trade agreements (RTAs) has not yet been recognized as an important driver of economic integration.

The ASEAN Free Trade Area (AFTA) is generally considered to be the most advanced regional trade agreement (RTA) in Asia and the Pacific. However, the growth of intra-ASEAN exports was much slower than exports to China in terms of share of total ASEAN exports. While the share of China in ASEAN exports increased by more than 2.5 times during 2000-2009

[4] See, for example: Athukorala, 2005, 2008, 2009 and 2010; Athukorala and Yamashita, 2008; Gereffi and others, 2005; Kimura, 2006; Ng and Yeats, 2001 and 2003; Park and Shin, 2009; and Yusuf and others, 2007.

(to 10.4% in 2009), the share of intra-ASEAN exports only increased slightly from 23% to 25.4% despite substantial tariff reductions by ASEAN members on intra-ASEAN trade during that period.[5] The share of India in ASEAN exports also doubled but it still remains relatively low at 3.4% in 2009. In contrast, the shares of ASEAN exports to advanced East Asian economies dropped considerably to one third of its exports.

***"Increases in intraregional trade are market driven rather than RTA driven"***

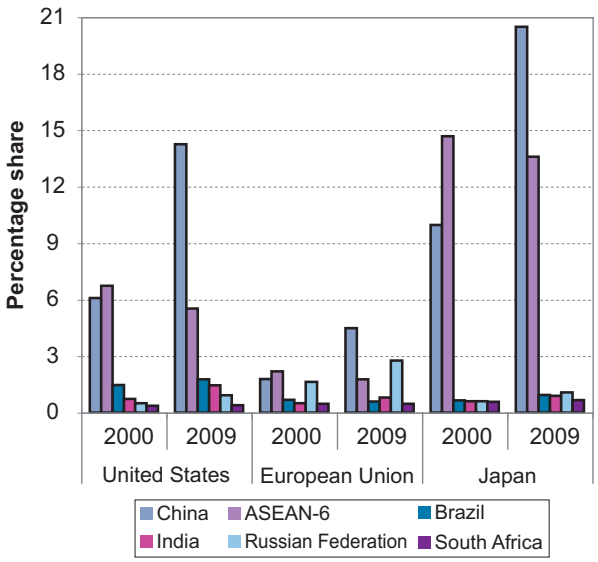
Other subregions also have RTAs corresponding to their geographic groupings, such as the Commonwealth of Independent States Free Trade Agreement (CISFTA) for North and Central Asia, the Pacific Island Countries Trade Agreement (PICTA) for the Pacific and the South Asian Free Trade Agreement (SAFTA) for South Asia. The extent of their intra-regional trade is rather small[6] (and not increasing despite the existence of the operational RTAs). This could be explained by the fact that production networks – the main driver of intraregional production and trade integration – have only recently started to become more widely established in some of those subregions (e.g. South Asia).[7] On the other hand, initiatives for trade liberalization through formal trade agreements as well as trade facilitation in those subregions have not been particularly effective in reducing costs of intraregional cross-border trade (ESCAP, 2010).

These observations appear to indicate that increases in intraregional trade are market driven rather than RTA driven. This conclusion is also supported by the ESCAP (2010) calculation that, on average, only about 40% of the total trade by Asia-Pacific economies is conducted under RTAs. While trade among the countries that have signed RTAs has not necessarily grown fast, there is still evidence of tighter overall intraregional production as well as trade cooperation and linkages. The driving factors of this phenomenon are trade and investment linkages with China.

The rising importance of China as an export destination in the region is the result of the "Factory Asia" phenomenon, already discussed by ESCAP (2009a). China has dramatically strengthened both its position as a hub for imports of intermediate products from the region, and as a source of exports of final products from the region to the rest of the world. The data shown in table 5 indicate that the share of China in exports of individual economies increased faster, on average, in the case of advanced Asian exporting economies (i.e. Australia, Japan, New Zealand and NIEs) than in the case of Asia-Pacific as a whole.

China is currently also a major trading partner of most of the world's biggest economies. Figure 5 shows that during 2000-2009, the share of China in trade with the three advanced regions (i.e. European Union, Japan and the United States) increased more rapidly than the shares of other emerging economies and ASEAN-6 (Indonesia, Malaysia, the Philippines, Singapore, Thailand and Viet Nam).

**Figure 5. Shares of developing economies in trade, by major economy, 2000 and 2009**




*Source:* ESCAP calculation, based on IMF Direction of Trade Statistics online (downloaded on 7 April 2011).

[5] It is not only tariffs that have been reduced in intra-ASEAN trade, but also many behind-the-border barriers; see part II, chapter 6 of this report.

[6] The shares ranged between 4% and 10% in 2009. For more details on each RTA monitored by the Asia-Pacific Trade and Investment Agreements Database (APTIAD), see www.unescap.org/tid/aptiad.

[7] See also ARTNeT, *Fighting Irrelevance: The Role of Regional Trade Agreements in International Production Networks in Asia-Pacific,* ST/ESCAP/2597, ESCAP, Bangkok, 2011.

***"China continues to play an important role as an engine of world and regional economic growth and trade"***

China has not only increased its relative share in world trade but also its rank as a top trading partner of major economies (table 6). A decade ago, China was the fifth largest trading partner of the United States, fourteenth largest trading partner of the European Union, third largest trading partner of Japan, and eighth largest trading partner of oil-exporting countries in the Middle East and North Africa. China is currently the second largest trading partner of the United States, eighth largest trading partner of the European Union, and the largest trading partner of Japan, the Middle East and North Africa.

Several studies have documented China's role as a regional export platform[8] and as a hub for Asia-Pacific production networks. Most of these studies indicate the role of China in enhancing a greater vertical specialization, allowing countries in the region to exploit differences in comparative advantages to build production networks targeting extra-regional markets. This is reflected in China's increasing imports from Asia-Pacific to exports to the rest of the world, known as the "Asia factory" phenomenon.

[8] See, for example: Athukorala, 2005, 2008, 2009 and 2010; Athukorala and Yamashita, 2008; Ng and Yeats, 2001 and 2003; and Yusuf and others, 2007.

**Table 6. Ranks of Asian and other selected exporters in major trade destinations, 2000 and 2009**

| Exporters | Destinations | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | United States | | European Union | | Japan | | Middle East and North Africa | |
| | 2000 | 2009 | 2000 | 2009 | 2000 | 2009 | 2000 | 2009 |
| China | 5 | 2 | 14 | 8 | 3 | 1 | 8 | 1 |
| **India** | **19** | **13** | **33** | **27** | **24** | **25** | **12** | **3** |
| ASEAN-6 | 4 | 5 | 11 | 15 | 2 | 3 | 5 | 4 |
| Russian Federation | 22 | 25 | 16 | 10 | 25 | 20 | 24 | 28 |
| Brazil | 11 | 11 | 28 | 38 | 21 | 23 | 16 | 16 |
| South Africa | 25 | 34 | 34 | 32 | 26 | 30 | 20 | 29 |

*Source:* ESCAP calculation, based on IMF Direction of Trade Statistics online (downloaded 7 April 2011).

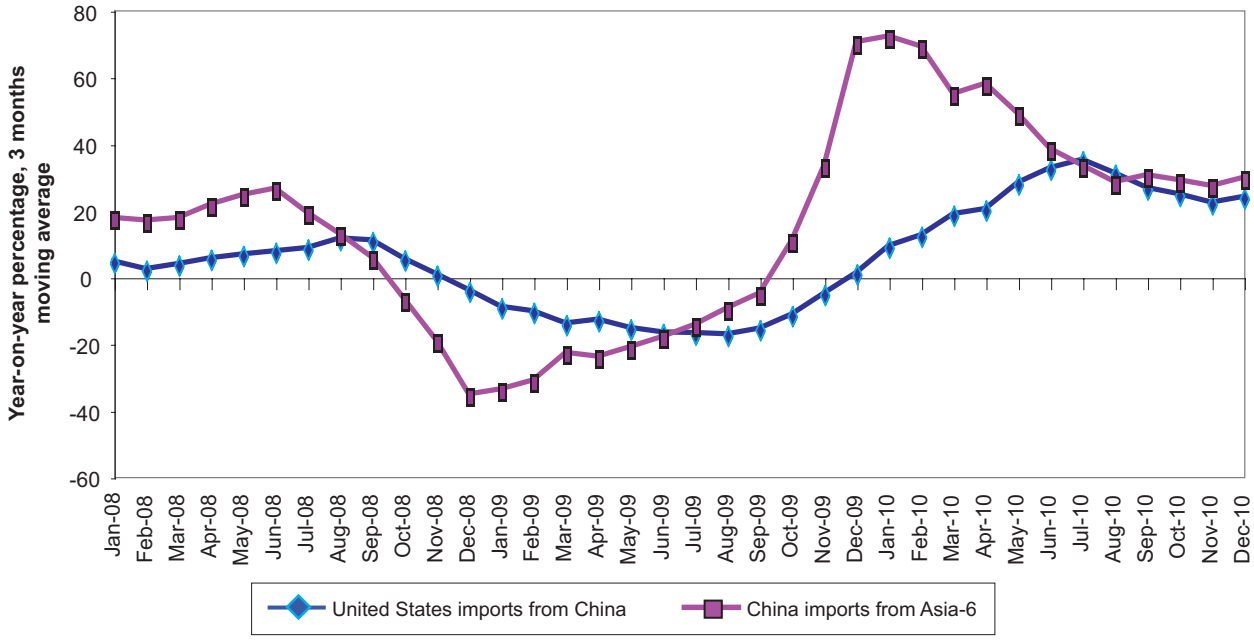
***"To become a sustainable locomotive for the region, China would need to raise not only domestic consumption, but also the intraregional import content of its domestic consumption"***

More recently, exports from Asian economies to China increased faster than China's exports to Europe and the United States (ESCAP, 2010 and 2011a). This fact indicates that part of the region's exports to China have started to cater to that country's final domestic demand. According to the *Economic and Social Survey of Asia and the Pacific* (ESCAP, 2011a), China's growth is expected to remain robust at 10.8% in 2011 and 9.5% in 2012 despite the challenges it faces in shifting the growth engine from external to domestic demand.

To what extent will the growth of China drive demand and growth in the rest of the region? It is expected that China will only partially offset the weakness in final demand from advanced countries. Although China has become the largest export market for an increasing number of economies in the region, an important part of Chinese imports is used as intermediate inputs for final goods exported to the rest of the world. Figure 6 shows that there is a close correlation between China's imports from Asia-6 and China's exports to the United States with an apparent time lag. This observation reveals an indirect exposure of China's Asian trading partners in the longer term to China's slowdown in exports to advanced economies.

However, in the short term, China's export growth is expected to remain robust. Taking the growth of Asia-6

**Figure 6. China as the region's trade locomotive**



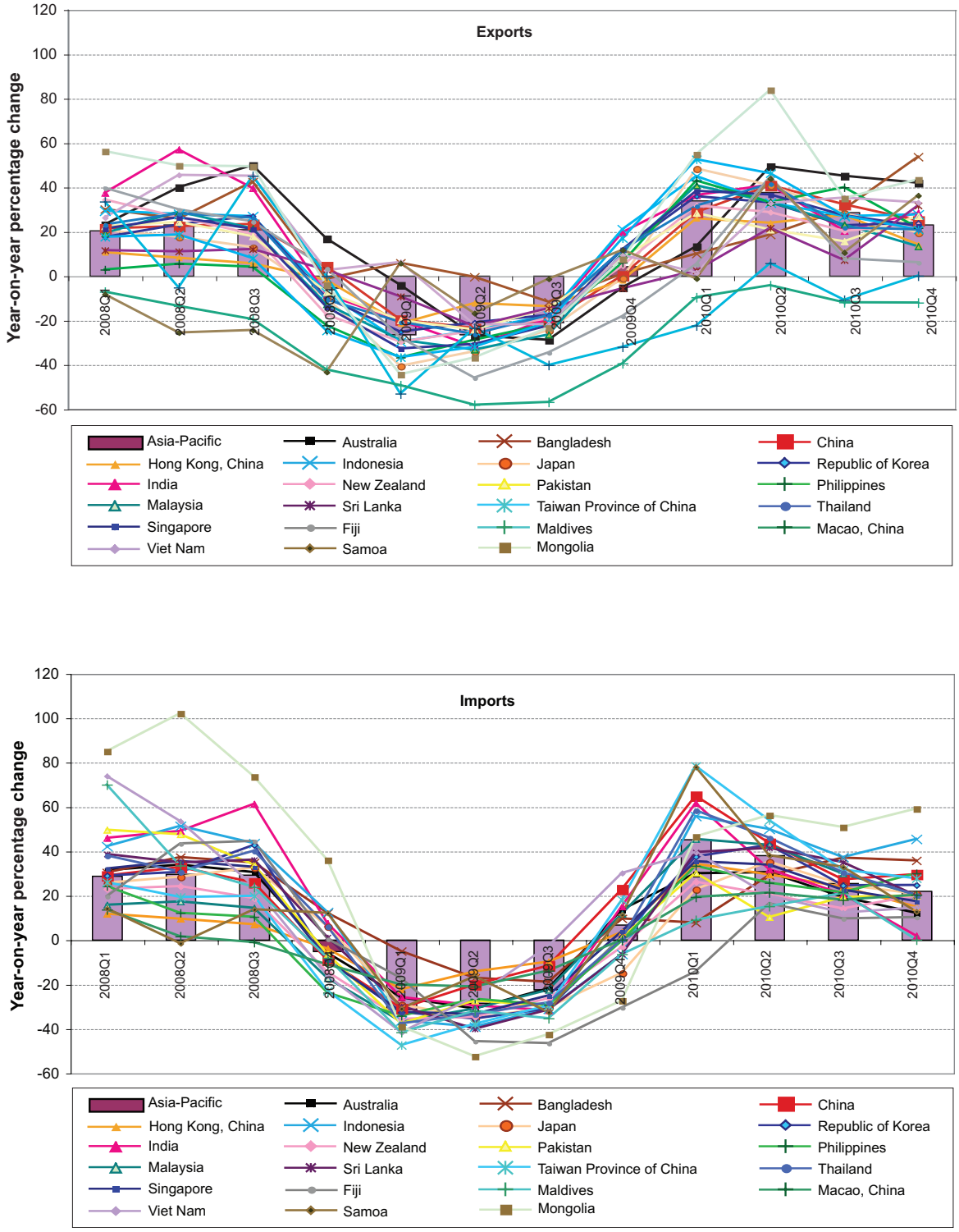

*Source:* ESCAP calculation, based on the CEIC database, updated April 2011.
*Note:* Asia-6 includes Indonesia, Republic of Korea, Malaysia, Philippines, Singapore and Thailand.

exports to China as a three-month leading indicator for China's exports to the United States, calculations by ESCAP (2010) predicted that China's exports to the United States would show moderate growth during the first half of 2011.

It is quite challenging for China to sustain its role as the region's trade locomotive. Studies have indicated that the import content of consumption in China is quite low compared with that of advanced countries (Akyüz, 2010). This implies that growing domestic consumption in China will not necessarily result in higher growth in the rest of the region, unlike growing exports from China. Thus, to become a sustainable trade locomotive for the region, China will need to raise not only domestic consumption, but also the intraregional import content of its domestic consumption.

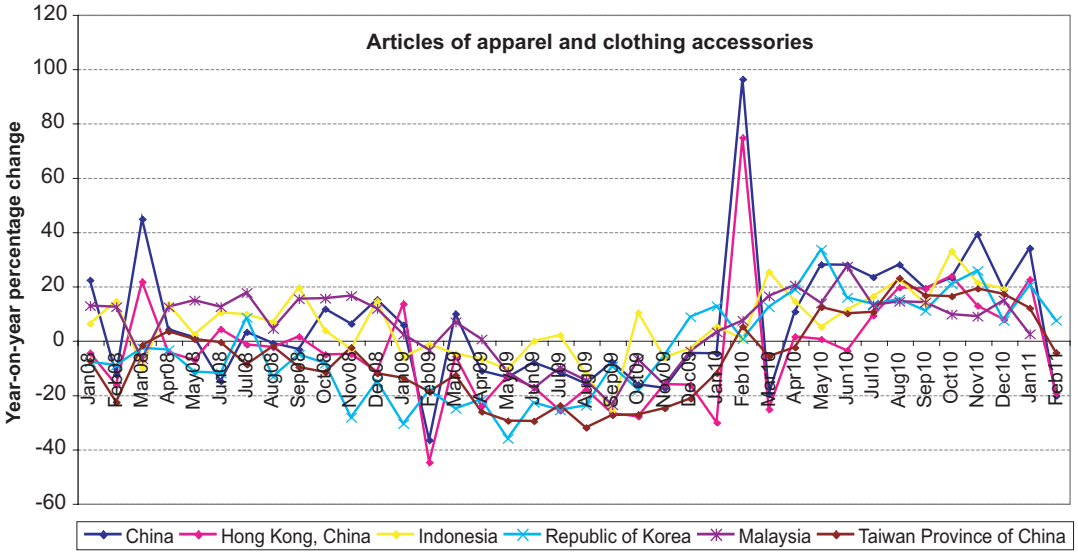
# Annex

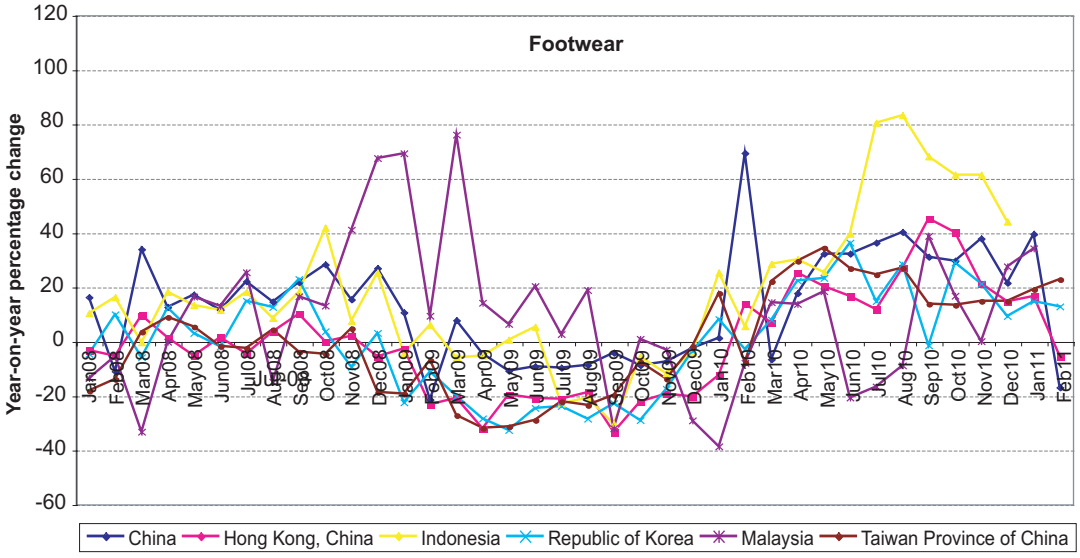
## Figure I.1. Export and import growth of selected Asian economies, 2008-2010

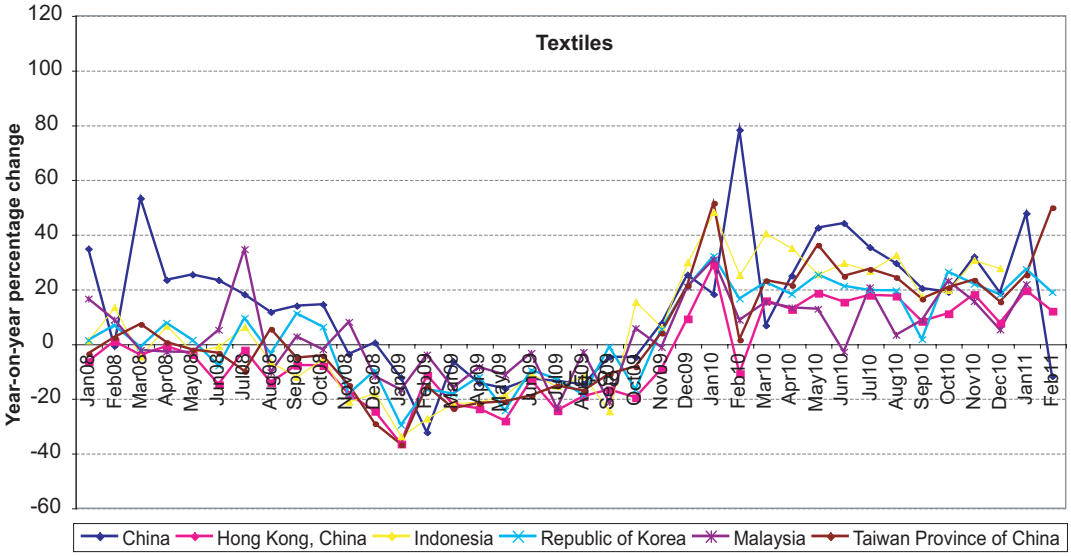


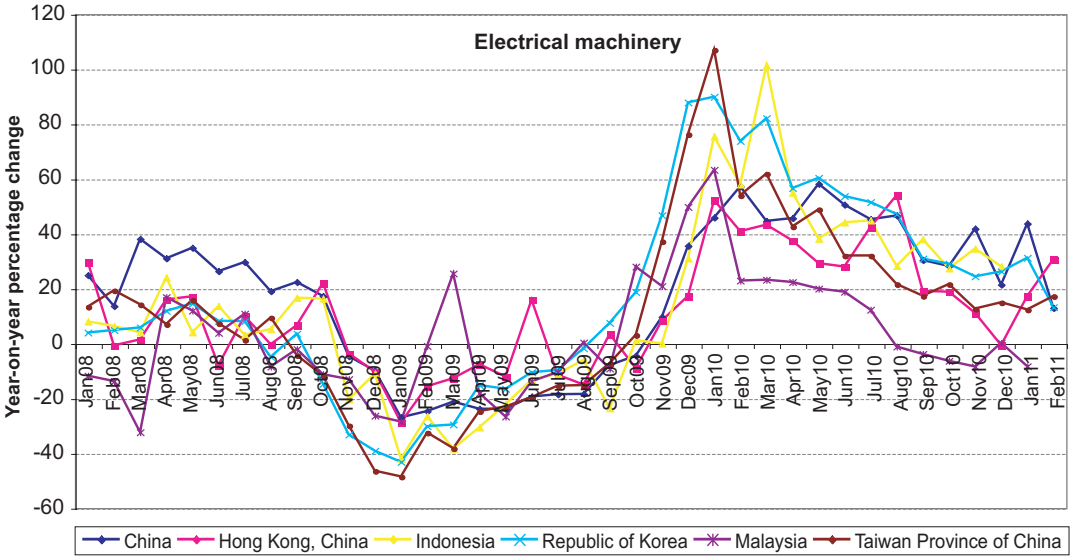

*Source:* ESCAP calculation, based on WTO Short-term Statistics online (quarterly data – downloaded in April 2011).

**Figure I.2. Monthly changes in sectoral exports of selected Asian economies**



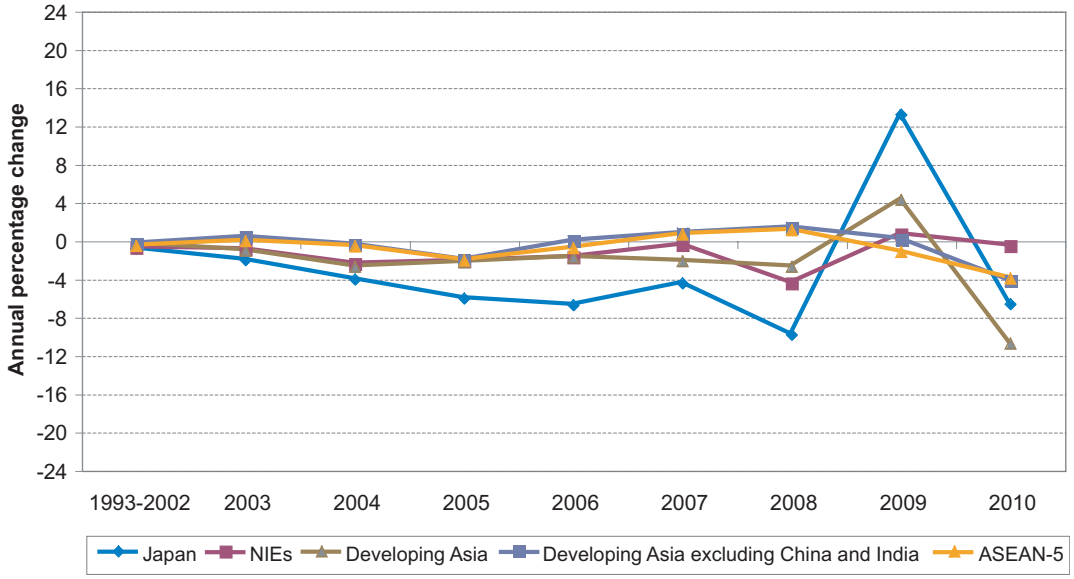



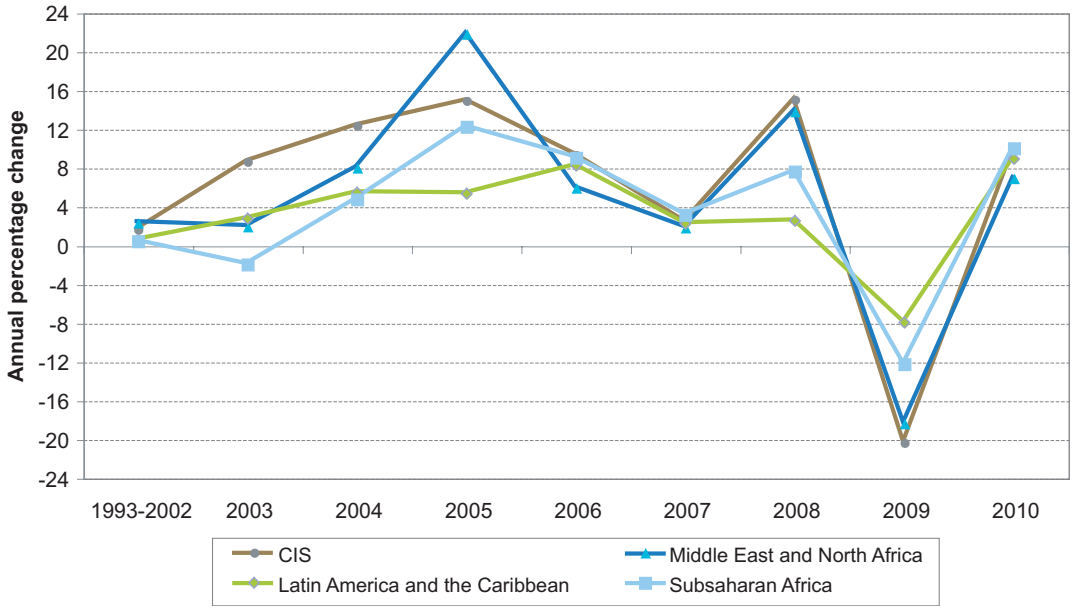



*Source:* ESCAP calculations, based on CEIC data online (downloaded April 2011).

**Figure I.3. Changes in terms-of-trade, 1993-2010**




*Source:* IMF (2011a).

*Notes:* "Developing Asia" in the IMF *World Economic Outlook* comprises countries included in the ASEAN-5 group (Indonesia, Malaysia, Philippines, Thailand and Viet Nam) as well as Afghanistan, Bangladesh, Bhutan, Brunei Darussalam, Cambodia, China, Fiji, India, Kiribati, Lao People's Democratic Republic, Maldives, Myanmar, Nepal, Pakistan, Papua New Guinea, Samoa, Solomon Islands, Sri Lanka, Timor-Leste, Tonga, Tuvalu and Vanuatu.

Other "Asia-Pacific" in the ESCAP geographical classification is covered by the Commonwealth of Independent States group in the IMF statistics (Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Mongolia, Russian Federation, Tajikistan, Uzbekistan), Central and Eastern Europe (Turkey), Middle East and North Africa (Islamic Republic of Iran) and NIEs (Hong Kong, China; Republic of Korea; Singapore; and Taiwan Province of China).

# CHAPTER 2

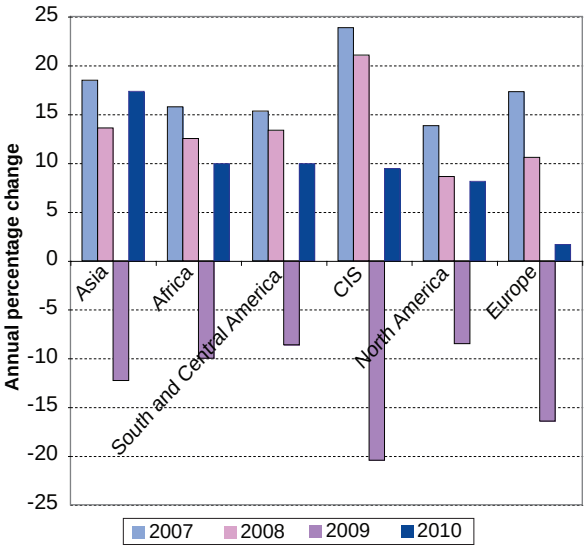
# SERVICES TRADE INSTRUMENTAL FOR TRADE RECOVERY

## A. COMMERCIAL SERVICES TRADE SLOWLY RECOVERING

Commercial services exports are slowly returning to their pre-crisis level, with global exports climbing by 8.3% from $3.4 trillion in 2009 to $3.7 trillion in 2010. Asia,[9] and the Pacific, in particular developing Asia, is again leading the recovery, with a growth rate of more than 20% in 2010. This strong rise came after a slump in commercial services exports by almost 12% in 2009. The Asian lead in services export recovery was shared by other developing regions and economies in transition while developed countries, including Japan with only 9% growth, lagged behind (figure 7). Economies in Asia that contributed to vibrant services export growth in 2010 were China (32%), Hong Kong, China (25%), Singapore (20%) and Australia (17%). Preliminary estimates by WTO (based on the first half of 2010) indicate that exports from India, the Philippines and the Republic of Korea increased for each country by a robust 18% (WTO, 2011b).[10]

*"Developing Asia is leading the recovery in exports of commercial services, with a growth rate of more than 20% in 2010"*

**Figure 7. Exports of commercial services, by region, 2007-2010**




*Source:* ESCAP calculation, based on WTO International Trade Statistics online (downloaded 7 April 2011).

[9] The WTO "Asia" category includes: Australia; Bangladesh; Bhutan; Brunei Darussalam; Cambodia; China; Fiji; India; Indonesia; Islamic Republic of Iran; Japan; Kiribati; Lao People's Democratic Republic; Malaysia; Maldives; Myanmar; Nepal; New Zealand; Pakistan; Papua New Guinea; Philippines; Republic of Korea; Samoa, Singapore; Solomon Islands; Sri Lanka; Thailand; Tonga; Vanuatu; Viet Nam; French Polynesia; Hong Kong, China; Macao, China; New Caledonia; and Taiwan Province of China. The ESCAP geographical classification of "Asia-Pacific" also includes countries from North and Central Asia (most of which are part of the CIS group in WTO statistics, i.e. Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Mongolia, Russian Federation, Tajikistan and Uzbekistan, plus three non-ESCAP members – Belarus, Moldova and Ukraine); however, they are featured separately in figure 7. Turkey is classified as Europe in the WTO regional classification, so that country has not been included in the figures for Asia in this section.

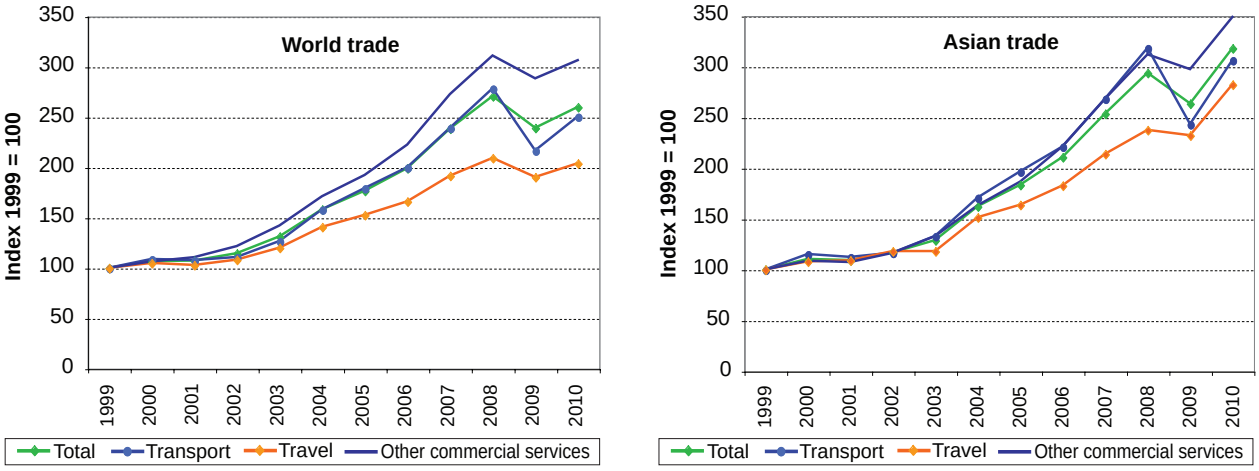
[10] More details on services trade flows are provided in the tables in part III.

Because many commercial services are linked to goods trading the unprecedented collapse of merchandise trade during 2008/2009 triggered a fall in demand for such services. This was particularly the case with transportation services (figure 8), which recorded the sharpest drop in 2009, both in Asia and globally. While services trade in general showed more resilience than goods trade during the crisis, countries with a large export share of transport and other services directly related to the goods trade, were hit harder. Therefore, diversification is equally important in the service sector and needs to be pursued for an economy as a whole. Available statistics on the changes in services trade by sector indicate that travel and other commercial services, which include categories such as business services and personal, cultural and recreational services, also witnessed a relatively big fall. The least affected services were "royalties and licence fees" (a component of other commercial services), and computer and information technology services.[11] In 2010, on average, global and Asian services exports managed to grow by 8% and 21%, respectively.[12]

[11] For more details, see WTO, 2010a.

[12] This is a slower growth rate than that recorded for merchandise exports, which jumped by 22% globally and 31% for Asia (see also WTO, 2010b).

**Figure 8. Developments in global and Asian commercial services trade, by services sector**




*Source:* ESCAP calculation, based on data from WTO International Trade Statistics online (downloaded on 7 April 2011).
*Note:* For the list of countries covered under "Asia" see footnote 9.

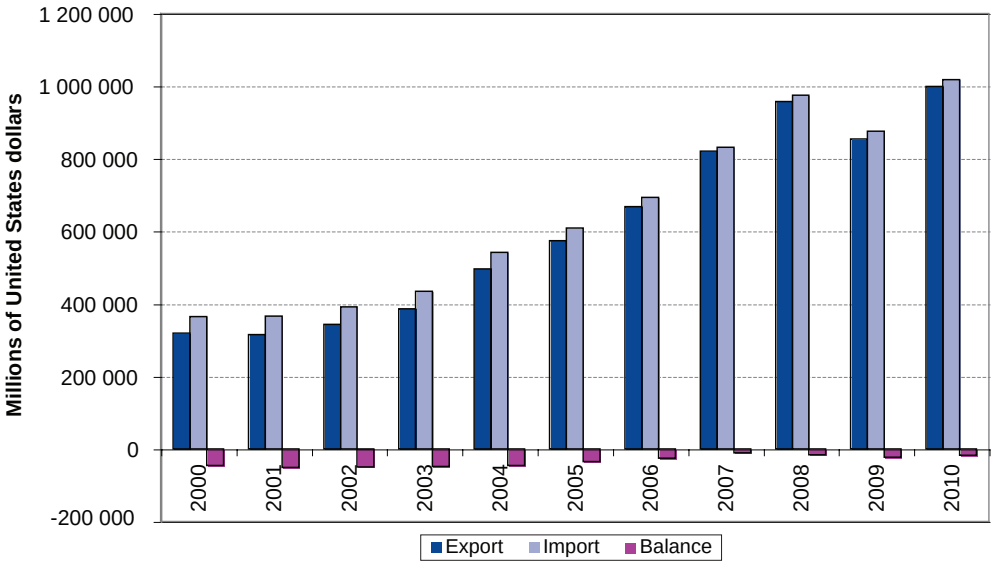
## B. CHARACTERISTICS OF ASIA-PACIFIC SERVICES TRADE

Statistical data on services trade are much less developed than those on merchandise trade, thus preventing a similar depth of descriptive analysis.[13] Nevertheless, some time-series statistics exist, allowing tracking of the sectoral and geographical composition of commercial services trade between Asia-Pacific economies and the world.[14] In contrast to merchandise trade, the region has run a deficit albeit small with the world in services trade (figure 9).The global economic crisis worsened the situation by causing a slightly larger fall in exports than in imports in 2009.

[13] Better collection and dissemination of services trade statistics is highly desirable. The revised edition of the Manual of Statistics on International Trade in Services (2010) was prepared for that purpose by the United Nations Statistics Division (available from http://unstats.un.org/unsd/tradeserv/TFSITS/msits2010.htm).see also ARTNeT Services Trade Platfrom (http://www.artnetontrade.org).

[14] Much of the services trade actually takes place through Mode 3 (commercial presence abroad), which involves foreign direct investment. There are, however, almost no data on Mode 3 transactions for developing countries. Similarly data on Mode 4 (temporary movement of services providers) are not readily available. Therefore, the focus in this section is on so-called commercial services trade (i.e. Modes 1 and 2, as defined under the WTO General Agreement on Trade in Services).

**Figure 9. Asia-Pacific[a] total exports, imports and trade balance in commercial services, 1998-2009**




*Source:* Calculated by ESCAP, based on data from WTO International Trade Statistics online (downloaded on 7 April 2011).
[a] Asia-Pacific is defined as Asia, Commonwealth of Independent States economies and Turkey, following the WTO classification. See footnote 8.

***"Commercial services exports are less than one fifth of merchandise exports"***

The Asia-Pacific region has earned its status as the most successful region in export-led growth. The region has used its comparative advantage in manufacturing production to get integrated into the world economy by building the "Factory Asia" associated linkages with other economies in and outside the region, as explained in chapter 1. Increasingly, this has required developing the services sectors, and some economies in the region have improved their capacities to supply and trade in various commercial services. However, the ratio of commercial services exports to merchandise exports in the Asia-Pacific region remains about five percentage points lower than at the global level; it neared the 20% mark only in 2009 when merchandise exports fell much faster than exports of commercial services (table 7). In 2010, this ratio fell both at the world and the regional level due to the fact that manufacturing exports recovered much faster than services exports.[15]

[15] There is also a possibility that data on services exports in 2010 are not captured fully in these statistics. See tables in part III for coverage of individual economies.

**Table 7. Ratio of services to merchandise exports, Asia and the Pacific and world**

*(Percentage)*

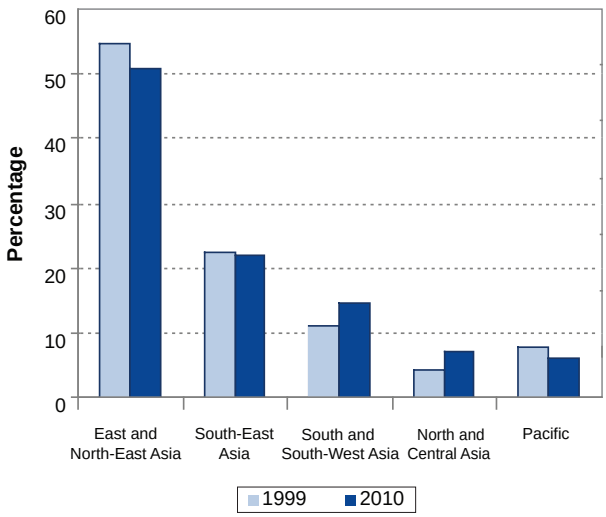
| | 1999 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|
| Asia and the Pacific | 17.57 | 17.06 | 16.99 | 18.01 | 18.04 | 19.96 | 18.41 |
| World | 24.39 | 23.80 | 23.38 | 24.35 | 23.83 | 27.03 | 24.04 |

*Source:* ESCAP calculation, based on data from WTO International Trade Statistics online (downloaded on 7 April 2011).

***"While services are playing an increasing role in Asia-Pacific trade, their importance differs widely among individual subregions"***

While services are playing an increasing role in Asia-Pacific trade, their importance differs widely among individual subregions due to the heterogeneity of the region. Figure 10 compares the importance of each subregion in regional services trade during 1999-2010. East and North-East Asia remained the largest contributor to the region's services trade (just under 51% in 2010). South-East Asia ranked second, providing around one fifth of the regions' trade in services. The largest increase is registered in the regional share of South and South-West Asia (more than 30%, mostly due to India), but it still remains only the third largest contributor to regional services trade at 15%. Similarly, North and Central Asia's services trade share increased by more than 60%, (mainly because of the importance of transportation services in landlocked economies), allowing this subregion to pass the Pacific in fourth position in 2010. The fact that the regional share of Pacific economies' commercial services dropped is particularly worrying, as it may reflect a loss in competitiveness in the supply of tourism and related services, which are important drivers of economic growth and employment.[16]

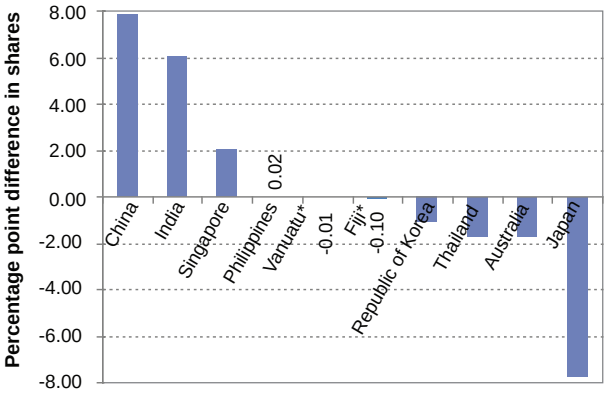
**Figure 10. Subregional share of commercial services trade in total Asia-Pacific trade in services**




*Source:* ESCAP calculation, based on data downloaded from WTO International Trade Statistics online (downloaded on 7 April 2011).

Similarly, at the individual economy level there are winners and losers in terms of captured share of total Asia-Pacific and world exports of services. Between 1999 and 2010, the share of India doubled, while China almost doubled its share of regional exports of commercial services, to reach 11% and 17% share, respectively. Japan's share, on the other hand fell by one third of its 1999 share, and it lost its top ranking to China (see figure 11 and tables in part III for more details). The increase in the services exports by China and India also resulted in a several-fold increase of their share in world services exports during the period under review; estimates for 2010 show that China and India captured 6.1% and 3.9%, respectively, of world services exports. Those two countries were ranked as the third and sixth leading exporters in 2010.[17] Australia, Japan, the Republic of Korea and Thailand currently all contribute smaller shares to regional services exports than in 1999. The position of some small Pacific island economies, such as Fiji and Vanuatu, also worsened.

**Figure 11. Changes in shares of regional services exports, by selected economy, 2010 over 1999**




*Source:* ESCAP calculation, based on WTO International Trade Statistics online (2010) (downloaded on 7 April 2011).
* Calculation of change in export shares is based on the difference in 2009 over 1999 for Fiji and Vanuatu.

[16] It may, however, also be a reflection of the incomplete statistics for this subregion.

[17] The rankings are based on world trade excluding intra-European Union-27 services exports.

***"The share of computer and information services in total Asia-Pacific services exports has increased over time, while the share of other business services has hardly changed"***

Between 2000 and 2008, there were no dramatic shifts in sectoral services trade by the region (figure 12). On the winning side, only computer and information technology (IT) services, and construction services increased their share, while financial services and travel were clear losers. Small increases in the shares of other business services and insurance sectors are also noted, while other sectors (e.g. transportation) have undergone virtually no change in the rankings based on aggregated statistics. However, looking at the export and import patterns separately (see chapter 2 annex, figures II.1 and II.2), there are some important additional findings:

(a) The share of imports of transportation services has actually increased by 7.5%, but because there was a mild decline on the export side, the average trade share did not change much;

(b) The travel services' share of imports declined by 25%, driving the total trade share of travel services down;

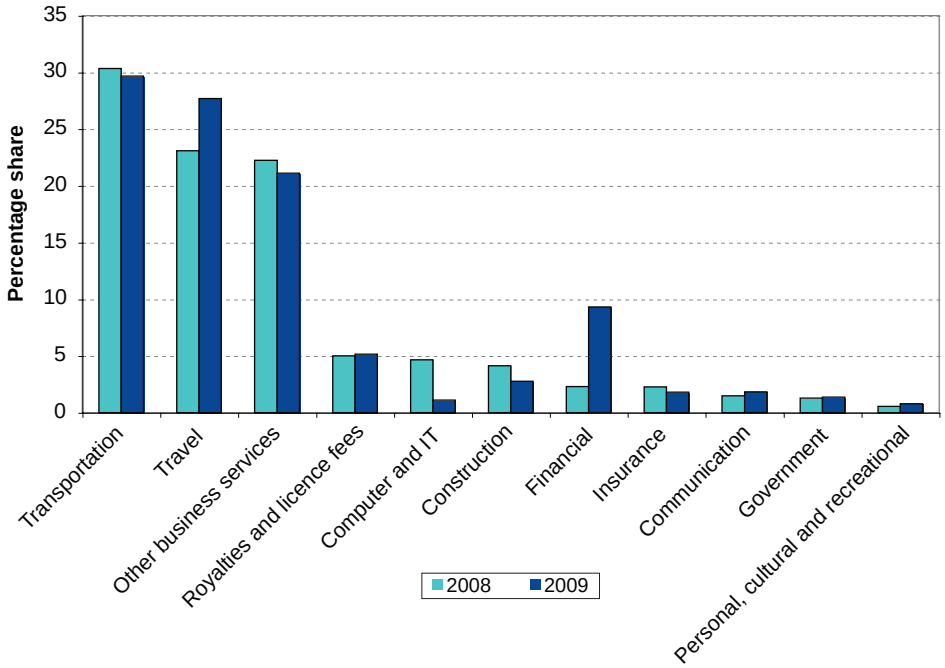
(c) Construction services increased on both the export and the import side;

(d) The share of computer and IT services registered the highest increase on export side of all service sectors – almost an eight fold increase to capture 7.8% share in 2008. The share on the import side remained at less than 2%;[18]

(e) Three sectors that posted relatively less dynamic growth (i.e. transportation, travel and other business services) cover two thirds of both exports and imports of commercial services.

[18] See also WTO, 2011b, for comments on the success of Asia in increasing its share of world exports of computer and information services, from 15% in 2000 to 27% in 2009. India is the second leading exporter of computer and information services.

**Figure 12. Changes in sectoral composition of services trade for Asia-Pacific economies, between 2008 and 2000**




*Source:* United Nations Service Trade Database (accessed in May 2011).

Overall, the sectoral changes in services trade in Asia indicate a beginning of a move away from trade in traditional labour-intensive services towards trade in services that require higher levels of skilled labour, innovation and creativity. These latter types of services are beneficial to increasing the overall flexibility and productivity of a national economy. They also tend to be less volatile, unlike traditional services activities (such as transportation, construction and travel), which proved to be much more vulnerable to the economic crisis. However, these traditional services sectors are still the major employers and are linked to the rest of the economy through strong multiplier linkages. In the next section, a more detailed focus is on two of these traditional services – tourism and construction – as well as computer and information services, which show the most dynamic growth on the export side.

## C. FOCUS ON SELECTED SERVICE SECTORS

### 1. International tourism remains one of the largest services sector

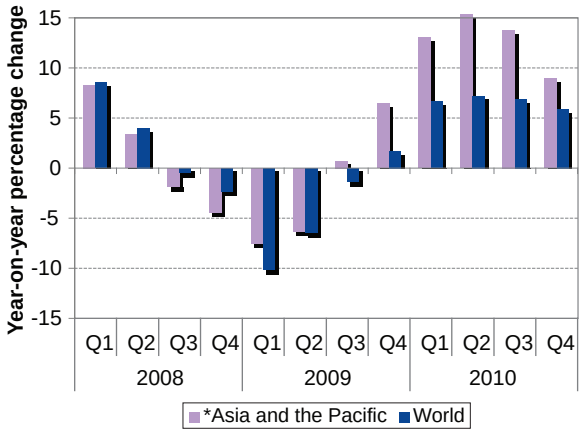
International tourism is one of the 12 sectors covered by the WTO General Agreement on Trade in Services (GATS) and is also often covered in RTAs.[19] However, it does not feature as a self-standing service activity in trade statistics, but is reflected in travel services. In national accounts it does not often appear as a well-defined category, even though it is an important source of income and employment for many developing and least developed countries, especially in Asia and the Pacific. While the global economic crisis, pandemic threats, and factors related to disasters and international security in 2009, reduced demand for international tourism services overall, the Asian and Pacific region was not affected as badly as some other regions. However, 2010 brought a welcome change in business and leisure travel trends, in both the global and regional economies.

[19] GATS includes sector 9, known as "Tourism and travel related services", which is broken down into four subsectors: hotels and restaurants (including catering), travel agencies and tour operators services, tourist guides services, and other.

***"In 2010, Asia's tourism sector experienced a very dynamic rebound with international tourist arrivals up by 12.6%, compared with 6.7% for the world as a whole"***

The recovery of world tourism started in the third quarter of 2009, and has since continued unabated. According to the United Nations World Tourism Organization (UNWTO), in 2010 the number of international tourists increased by 6.7%. In that year, Asia's tourism sector experienced a very dynamic rebound with international tourist arrivals up by 12.6%, compared with 6.7% for the world as a whole (figure13). Asia and the Pacific region captured almost 22% of the total global international tourist arrivals, with more than half of that linked to visits to North-East Asia, while Oceania's share fell to just 5% of the region, and is now equal to the share of South Asia. The most dynamic growth in international tourist arrivals was recorded in China, while Australia, Macao, China as well as some small islands (such as the Maldives), recorded gains in travel receipts.

**Figure 13. Recent changes in international tourist arrivals**




*Source:* UNWTO World Tourism Barometer online (downloaded in April 2011).

*Note:* *Asia and the Pacific comprises the following economies: Australia; Bhutan; Cambodia; China; Cook Islands; Guam; Fiji; French Polynesia; Hong Kong, China; India; Indonesia; Japan; Kiribati; Macao, China; Maldives; Malaysia; Marshall Islands; Myanmar; Nepal; New Caledonia; New Zealand; Niue; Northern Mariana Islands; Pakistan; Palau; Papua New Guinea; Republic of Korea; Samoa; Singapore; Solomon Islands; Sri Lanka; Taiwan Province of China; Thailand; Tonga; Vanuatu; and Viet Nam.

While there are no detailed and long-term data series on the geographical breakdown of travel services, this category appears to be contributing towards an expansion of intraregional trade in Asia. According to WTO (2011b), more than 60% of China's travel receipts were sourced from Asian economies, in particular Hong Kong, China, as well as Japan, the Republic of Korea and Taiwan Province of China. More than two thirds of the Republic of Korea's travel exports were destined for other Asian economies, with more than 30% of those exports going to Japan. In the case of Hong Kong, China, the share of Asia is even higher (more than 84%), with China being the largest recipient of exports of travel services. Asian economies accounted for around 77% of Japan's travel exports and 60% of Australia's travel receipts in 2008. In reporting Asian economies, travel exports to the European Union-27 represented between 6% and 9% of the total, while the share of the United States ranged between 5% and 12% (see tables in part III).

Asia and the Pacific shared the fastest recovery in international tourism with the Middle East in 2010, but the prospects for 2011 do not look that bright. In February 2011, UNWTO forecast reduced growth for all regions, with Asia and the Pacific still expected to perform well (table 8). However, given that the forecast was made prior to the spreading social and political protests in many Middle East countries, and before the earthquake and tsunami disaster struck Japan, the figures might need to be adjusted downward.

**Table 8. Tourist arrivals – rates of growth for 2010 and 2011 (forecast)**

*(Percentage)*

| Region | 2010 | Forecast for 2011 |
|---|---|---|
| World | 6.7 | 4-5 |
| Europe | 3.2 | 2-4 |
| Asia and the Pacific | 12.6 | 7-9 |
| Americas | 7.7 | 4-6 |
| Africa | 6.4 | 4-7 |
| Middle East | 13.9 | 7-10 |

*Source:* United Nations World Tourism Organization, Barometer February 2011, available from www.unwto.org/facts/eng/pdf/barometer/UNWTO_HQ_Fitur11_JK_2pp.pdf.

## 2. Construction services adversely affected

GATS lists construction services as construction and related engineering services within sector 3, with five subsectors (general construction work for buildings, general construction work for civil engineering, installation and assembly work, building completion and finishing work, and other). As in the case of other services, there is no perfect one-to-one correspondence between the GATS classification and statistics on trade in construction services. In trade statistics, construction services (based on the Extended Balance of Payments Services classification), are associated with two subcategories: construction abroad and construction in the home economy (i.e. the economy preparing the statistics). Services related to engineering and architectural design are part of business services. In the WTO International Trade Statistics, however, commercial services trade includes only three subcategories: transportation, travel and other commercial services. Other commercial services include several groups, including construction services.

***"By the end of 2009, world exports of construction services had declined by 13%, and construction was the most affected services sector after transport and finance"***

The contraction in construction services in 2009 was expected, in view of the firm link between this sector and general economic conditions. However, given that most construction services are based on long-term contracts, contractors have better opportunities to mitigate the effects of a downturn in the short term. This expectation is confirmed by the data presented by WTO (2011b). While trade in other services sectors started to contract immediately in the last quarter of 2008, world construction services exports continued to grow by 11%. The effects of the crisis started to show only gradually in early 2009. However, by the end of that year, world exports of construction services had declined by 13% and construction was the most affected services sector after transport and finance (WTO, 2011b). The same happened in Asia and the Pacific (table 9), where construction services trade declined drastically in 2009 after a period of dynamic growth.

**Table 9. Export and import of construction services by Asia and the Pacific**

*(Billions of United States dollars)*

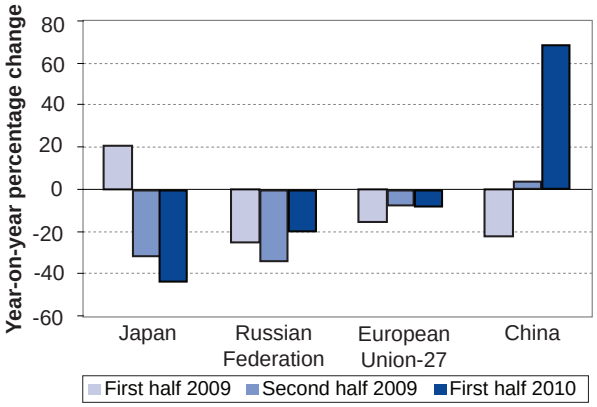
| | 2000 | 2002 | 2004 | 2006 | 2008 | 2009 |
|---|---|---|---|---|---|---|
| Import | 9.7 | 12.5 | 17.2 | 24.1 | 37.1 | 15.5 |
| Export | 9.7 | 10.0 | 15.0 | 20.2 | 36.5 | 15.5 |

*Source:* United Nations Services Trade database, available from http://unstats.un.org/unsd/servicetrade/default.aspx (downloaded on 11 April 2011).
*Note:* Values in 2009 were affected by the fact that only 17 countries in the region have reported data to the United Nations Statistics Division as compared with, for example, 28 countries reporting in 2008.

WTO (2011b) also reports that the drop in construction services trade was the largest in the CIS region, and somewhat less in other subregions of Asia and the Pacific. The CIS result is driven by the change in the Russian Federation's construction exports, which dropped by 30% in 2009. Other regions performed better and recorded smaller declines. Exports, both by European and Asian countries, decreased by some 11%. In particular, European Union-27 exports fell by 11%, while those of China and Japan declined by 8% and 10%, respectively.

Available short-term data on leading exporters suggest that a recovery started in some economies but is lagging in others. In the first half of 2010, China's construction services exports grew by 69% compared with the same period in 2009 (figure 14). By contrast, European Union-27 construction services exports continued their downward trend. Financial turmoil in the United Arab Emirates, the first partner country for Japanese contractors, resulted in a drop in Japan's construction services exports by 32% in the second half of 2009, and by 44% in the first six months of 2010. Finally, the Russian Federation's exports of construction services were down by 20% in the first half of 2010.

**Figure 14. Exports of construction in selected leading economies, first half, 2009-first half, 2010**




*Source:* WTO (2011b).

## 3. Computer and information services registered fastest export growth[20]

Exports of computer and information services recorded the highest global and regional growth during 2000-2008 at 19% and 27%, respectively, while CIS recorded export growth of 50% on annual average. Developed markets did not perform very well; for example, Europe (which accounts for more than half of the world's exports) recorded a 20% increase while North America lagged behind (8%).

***" India's exports of computer and information services account for some 70% of Asia's exports"***

During that period, Asian economies increased their share in world exports of computer and information services from 15% to 26%. India, a leading country in IT services outsourcing, climbed to rank as the second largest major exporter of computer and information services. According to WTO estimates, in 2008, India's exports were worth $36 billion, accounting for some 70% of Asia's exports of computer and information services. Most of India's computer services exports

[20] All the statistics in this subsection are taken from WTO, 2011b, and the section leans heavily on section E in that study.

were destined for the North American markets. While the portion of exports destined for Asia was, by comparison, much lower (6.5%), it showed an upward trend, particularly in the case of East Asia.

Other economies in Asia, such as Singapore, the Philippines and Malaysia, also emerged as computer services suppliers. China, however, showed the fastest growth and its software industry expanded significantly. By the end of 2008, there were more than 16,000 software and related services providers in China, employing 8.5 million people. China's computer and information services exports have increased by 43% on annual average since 2000. In 2008, the United States was China's first export destination, followed by ASEAN countries. Exports to those two markets accounted for more than 53% of China's total exports. In other subregions, the Russian Federation has seen exports of its computer services rise annually by more than 52% on average since 2000.

***"The most impressive growth was recorded by China, where the software industry expanded significantly"***

As noted before, the computer services industry fared relatively well during the recent global economic crisis (globally export fell by 6% only in 2009). This was mostly due to constant demand for cost-efficient technologies required for the further development of software in sectors such as manufacturing, finance, insurance and healthcare. A continued need to address rising IT security concerns globally, also contributed to the strength of demand for these services.

Subregions, however, did not perform equally strong. In 2009, Asian exports of computer and information services decreased only slightly, by 2%, while India's exports were estimated to have declined by 5%. Other emerging exporters in the region, such as China and Singapore, saw modest growth. In the case of the Philippines and Malaysia, exports of computer services grew by 11% and 41%, respectively, despite the crisis. The CIS countries faced the sharpest fall, with the Russian Federation's exports dropping by 21% in 2009.

Preliminary data for the first half of 2010 show that exports by all leading exporting economies recovered, with growth acceleration occurring in emerging computer and information services. For example, China's exports increased by 43% while the Russian Federation's exports appeared to have recovered following their drop in 2009.

## D. INTRAREGIONAL TRADE IN COMMERCIAL SERVICES STILL LIMITED

Data on bilateral trade in services among Asian economies are very limited. Those that are available have been collected in a matrix to show the level of intraregional trade (table 10). Disaggregated data exist for six economies (see also tables in part III): Australia, Japan, Republic of Korea, Russian Federation, Singapore and Hong Kong, China. Unfortunately, however, because these data do not include the same partners for all reporting economies, the matrix is not symmetric. What is immediately evident on both the import and export sides is that most Asia-Pacific services trade is conducted with economies outside the region (e.g. the European Union and the United States). The Russian Federation conducts about 95% of its services trade with countries outside the Asia-Pacific region; other economies are trailing behind, with Hong Kong, China, being the least dependent on non-regional markets.

***"Most of the Asia-Pacific services trade is conducted with economies outside the region but there is potential for increased intraregional trade in at least some services sectors"***

Japan, the Republic of Korea and Singapore are among the more important destinations in the region for services exports. Australia's largest regional partners on the import side are Japan, Singapore and Hong Kong, China, and on the export side, China, India and Japan. It is not surprising that the largest regional partner of Hong Kong, China, is China, followed by Japan and Australia. Japan, on the other hand, disperses its regional trade relatively evenly among the important services traders, with China and

## Table 10. Geographical breakdown of imports and exports in selected Asia-Pacific economies, 2008

*(Percentage)*

### Imports

| To \ Import from | Australia | Hong Kong, China | Japan | Repuplic of Korea | Russian Federation | Singapore | China | India | Indonesia | Phillippines | Malaysia | Thailand | USA | RoW |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | – | 3.44 | 4.84 | 1.04 | 0.14 | 8.87 | 2.69 | 1.15 | 1.79 | 0.69 | 1.88 | 3.39 | 18.19 | 51.89 |
| Hong Kong, China | 5.21* | – | 8.21* | 1.74* | | 5.56* | 26.46* | 1.34* | 0.74* | 0.95* | 1.55* | 2.35* | 14.64* | 31.25* |
| Japan | 2.51* | 3.98* | – | 4.79* | 0.32* | 5.4* | 5.44* | 0.37* | 1.09* | 1.16* | 0.89* | 1.87* | 28.74* | 43.44* |
| Republic of Korea | | | 10.07 | – | | | 11.08 | | | | | | 24.94 | 53.91 |
| Russian Federation | 0.04* | 0.11* | 0.55* | 0.63* | – | 0.14* | 2.31* | 0.37* | 0.01* | 0.01* | 0.09* | 0.79* | 5.22* | 89.73* |
| Singapore | 2.19* | 3.1* | 4.97* | 1.36* | | – | 2.79* | 1.67* | | | | | 17.61* | 66.31* |

**2007*

### Exports

| Export from \ To | Australia | Hong Kong, China | Japan | Repuplic of Korea | Russian Federation | Singapore | China | India | Indonesia | Phillippines | Malaysia | Thailand | USA | RoW |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | – | 3.07 | 4.54 | 3.46 | 0.19 | 7.38 | 8.92 | 5.58 | 1.94 | 0.85 | 2.81 | 1.81 | 11.59 | 48.12 |
| Hong Kong, China | 2.51* | – | 6.8* | 2.65* | | 2.95* | 24.44* | 0.82* | 0.78* | 0.74* | 1.23* | 0.95* | 21.05* | 35.08* |
| Japan | 1.29* | 0.21* | – | 5.92* | 0.39* | 7.74* | 6.33* | 0.91* | 1.23* | 1.08* | 0.26* | 3.28* | 27.1* | 44.26* |
| Republic of Korea | | | 12.06 | – | | | 16.15 | | | | | | 20.07 | 51.72 |
| Russian Federation | 0.2* | 0.32* | 1.49* | 1.3* | – | 0.24* | 2.21* | 0.6* | 0.02* | 0.07* | 0.07* | 0.11* | 8.13* | 85.29* |
| Singapore | 4.12* | 4.42* | 8.01* | 3.35* | | – | 5.36* | 3.05* | | | | | 12.46* | 59.23* |

**2007*

*Source:* Calculated by ESCAP based on data downloaded from United Nations Service Trade database (accessed in December 2010).
*Note*: RoW: rest of the world.

Singapore holding slightly larger shares but still not more than 8%. Available data for the Republic of Korea services trade show that China and Japan account for similar shares, between 12% and 16%. As noted above, the Russian Federation trades only about 5% of its services with Asia-Pacific partners. China, Japan and Hong Kong, China, are among the larger regional trading partners of Singapore.

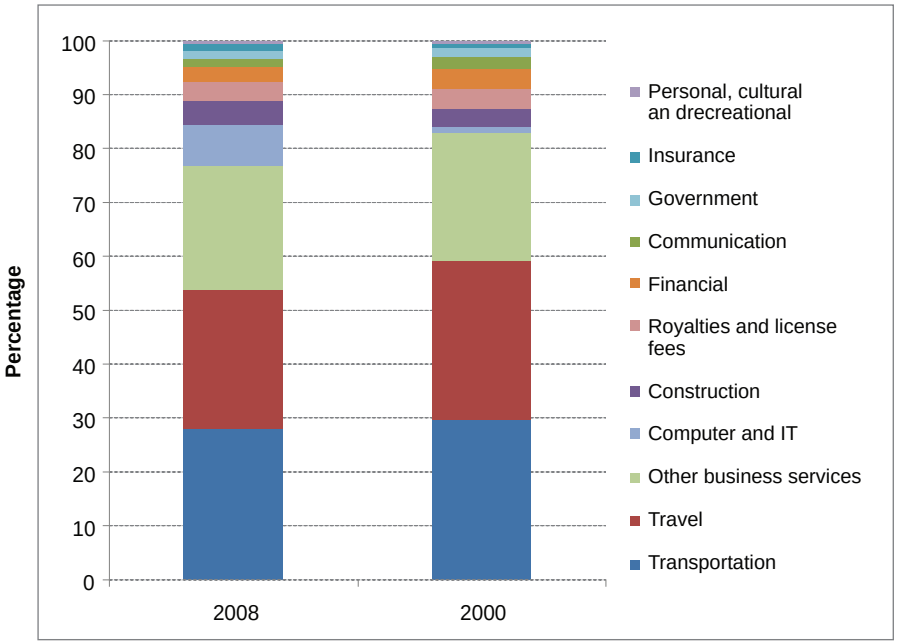
The region's relatively low level of bilateral flows of services trade, and the high growth rate of total services trade, signal a potential for increased intraregional trade in some services sectors. It is interesting to note that India does not feature very high on the list of partners in intraregional services trade. However, in a recent development, India has begun outsourcing some of its own outsourcing services (in particular, call centres) to the Philippines (see box 5.2 in part II, chapter 5).

One reason for the limited level of intraregional trade in services may be that, despite the large number of RTAs signed among the economies in the region (many of which include services), liberalization of trade in services still appears to be lagging behind; many of these agreements are classed as GATS minus agreements.[21] Unilateral regulatory reforms and binding commitments under RTAs to remove "behind-the-border" barriers are necessary in order to achieve growth in intraregional trade in services at similar rates as growth in total services trade.

[21] More precisely, of the 56 RTAs involving OECD countries in 2010, 80% contained GATS-minus features. These include: (a) Japan's bilateral trade agreements with Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore and Thailand; and (b) Singapore's bilateral trade agreements with Australia, India, EFTA, Republic of Korea, New Zealand and the United States. See Miroudot and others, 2010.

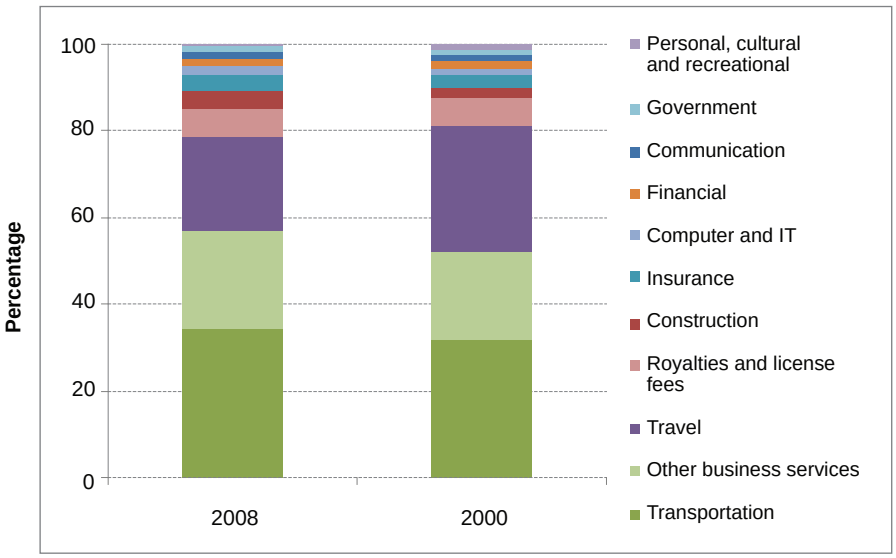
# Annex

## Figure II.1. Sectoral composition of services exports, Asia and the Pacific




*Source:* ESCAP calculation, based on data downloaded from UN Service Trade database (accessed in December 2010).

## Figure II.2. Sectoral composition of services imports, Asia and the Pacific




*Source:* ESCAP calculation, based on data downloaded from UN Service Trade database (accessed in December 2010).

# CHAPTER 3

## POST-CRISIS PROTECTIONISM IN THE REGION[22]

### A. MULTILATERAL TRADING SYSTEM TESTED

At the start of the global economic crisis in 2008/2009, there was a real fear that the sharp collapse in exports and production in many countries would lead to a repeat of the damaging trade wars in the 1930s. Fortunately, such a trade war, using tariffs as the principal protectionist tool, did not happen, although protectionism using other tools has increased (ESCAP, 2010). Contemporary or crisis-era protectionism is dominated by behind-the-border measures such as bailouts, state aids and export subsidies rather than tariffs. More recently, WTO Director-General Pascal Lamy acknowledged that while protectionism had become "the dog that hasn't barked" during the crisis, the risk of rising protectionism has not been eliminated. In fact, the continued rise in unemployment, deepening debt and incidence of other financial problems and shocks to national economies have all kept protectionism as a clear danger (Elliott, 2011). The most recent monitoring report by WTO, OECD and UNCTAD raises a cause for concern about new a number of restrictions being imposed in early 2011 (WTO, 2011c).

The reason why the multilateral trading system was able to guard the overall level of low(er) tariffs achieved over eight multilateral negotiation rounds was that members were committed to not raising the national level of tariff protection above "bound" levels agreed on during the negotiations. Globally, leaders have forged an intellectual and political consensus on "tariff wars" being lose-lose scenarios for all involved and this helped them to control the tariff increases during the pressure. Furthermore, low (zero) tariffs have become a very important factor in the operation of regional and global networks especially in Asia and thus there was less lobbying for such protection among the participants in such networks.

***"The continued rise in unemployment, deepening debt and incidence of other financial problems and shocks to national economies have all kept protectionism as a clear and present danger"***

The eight rounds of tariff negotiations succeeded in significantly reducing the average level of bound most-favoured nation (MFN) rates, but the extent of imports covered by bound tariffs remains a big problem, at least in Asia and the Pacific. For example, while the unweighted average of bound tariffs for selected Asia-Pacific economies is 28.1% (figure 15), bindings cover on average 87.8% of imports. These averages hide the fact that the range of bound tariffs varies significantly, from less than 5% to more than 169%; similarly, while a number of countries bind 100% of imported products, there are other economies covering only half or even just 15% of imports (see also annex tables to this chapter). The lower the binding coverage, the more flexibility a country has in introducing higher levels of applied import tariffs on products that do not have tariff bindings.

[22] Based on Wermelinger, "Features of post-crisis protectionism in Asia and the Pacific" ARTNeT Working Paper Series, No. 97, Bangkok: ESCAP, 2011. Available from http://www.unescap.org/tid/artnet/pub/wp9711.pdf.

Historically, applied import tariffs in most Asia-Pacific economies on average have never been very high, as those economies were dynamic traders that needed to import in order to be able to export. In the peak crisis year of 2009, the average applied MFN rate in the economies shown in figure 15 was 8.1%, with only Maldives[23] being associated with an average MFN applied rates of just over 20% while most other economies had average rates of less than 10%. Notwithstanding the low applied MFN rate, most economies still have "policy space" left, which equals more than triple the level of tariff protection at current levels. In other words, the "dog could start barking anytime" and it is just the strong restraint of the "owners" that is preventing this from happening.

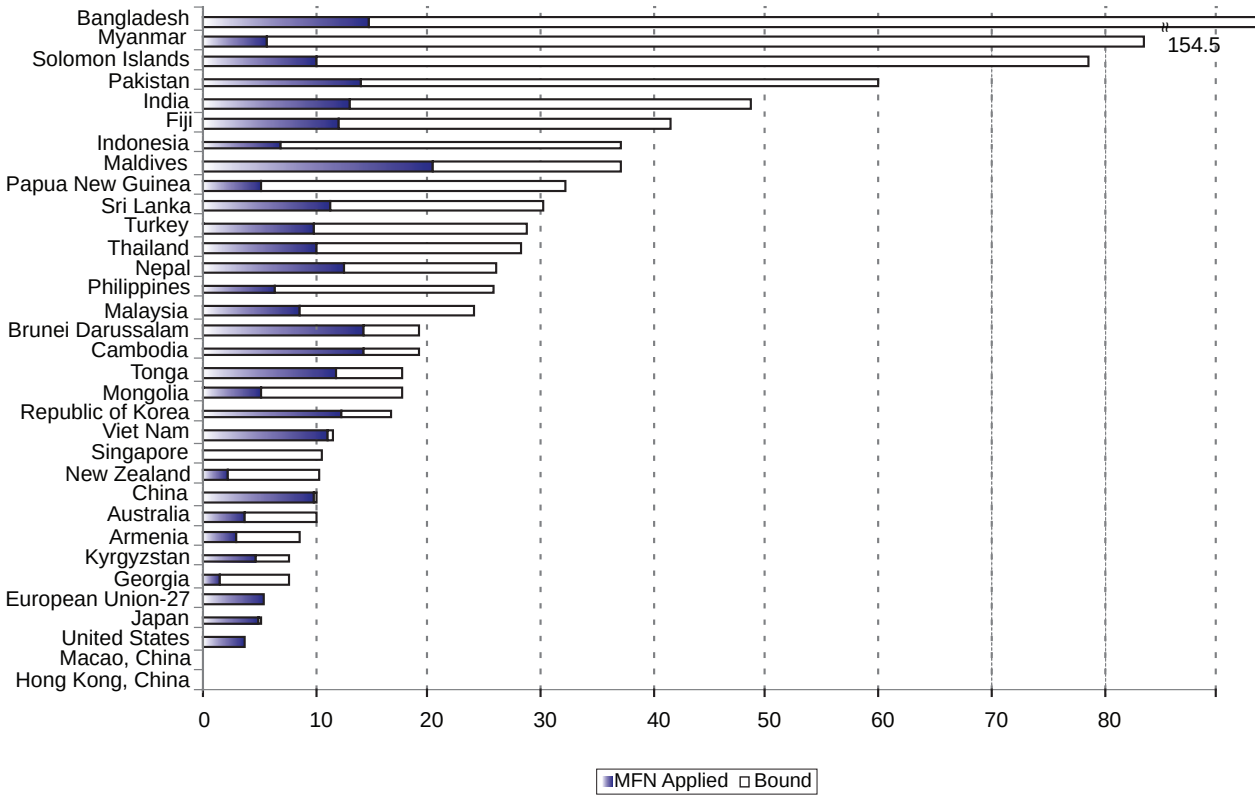
The ESCAP (2009a and 2010) *Asia-Pacific Trade and Investment Report* reviewed the evolution of the use of discriminatory trade measures since the onset of the economic crisis in November 2008. While initially almost all countries, including the developed members of the G20 group, tried to impose new or higher trade barriers, with the recovery in 2010 fewer instances of such measures have been recorded. Furthermore, it appears that international trade in services has been more resilient to protectionist actions than good trade. Molinuevo (2010) finds that most of the protectionism in services was in the basket of stimulus measures and investment measures. His analysis suggests that a number of economic, legal and institutional factors complement each other to create strong incentives against a general surge of protectionism in the area of services.

Understanding the type and duration of implementation of the measures introduced is extremely helpful in understanding the design of trade policy and its effectiveness, which the remainder of this section attempts to do.

[23] In 2009, Maldives was still classified as a least developed country.

**Figure 15. Remaining policy space for tariff intervention in selected Asia-Pacific economies**

*(Simple average tariff rate in percentage)*




*Source:* WTO, Tariff profiles 2010, available from http://stat.wto.org/TariffProfile/WSDBTariffPFHome.aspx?Language=E.

## B. TRENDS IN USE OF BORDER MEASURES

The total number of discriminatory measures being implemented globally since November 2008, as listed in the Global Trade Alert database, is 823.[24] There is, however, some good news regarding protectionism dynamics; figure 16 plots the number of harmful measures implemented per quarter by economies in the Asia-Pacific region and elsewhere. Contemporary protectionism was a real concern from 2008 up to the first quarter of 2010; almost 70% of all recorded discriminatory interventions were introduced during that period. The economic and trade recovery brought a significant decline in protectionism. Only 46 harmful measures were implemented in the first quarter of 2011, which is just one third of the number of such measures implemented in the peak crisis quarter of 2009. This trend in reducing protectionism is even more important, as some trade experts and global leaders have been concerned that the 2010 debt crisis, spread through a number of developed economies, could trigger another wave of protectionist actions around the globe.

***"The Asia-Pacific region contributed to around 40% of all harmful measures since 2008"***

Data presented here do not provide evidence to support such concerns (at least up to early 2011). It should be noted, however, that many government interventions become apparent only several months (in some cases, up to one year) after their actual implementation. Therefore, the (now reported) decline over time could also reflect reporting challenges rather than improved government behaviour (see Evenett and Wermelinger, 2010, for additional explanations). Moreover, a large number of discriminatory measures have yet to be removed, while more than 250 additional measures have been announced and may be implemented in the months ahead.

The Asia-Pacific region contributed to around 40% of all harmful measures in the observed period (figure 16). According to four indicators of harm done by a country's discriminatory policies,[25] the data further reveal that Asia-Pacific economies are well represented among the top 10 countries instigating discriminatory policies.[26] According to ESCAP (2010), India, Indonesia, Kazakhstan and the Russian Federation still appear on this list under at least two indicators while newcomers to the top 10 list and reported directly under three indicators are China and Viet Nam. It is also important to note that much of the harm done to the commercial interests of Asia-Pacific economies has been inflicted by other economies in the region (Evenett and Wermelinger, 2010).

***"Measures that harm commercial interests still outnumber measures with beneficial effects"***

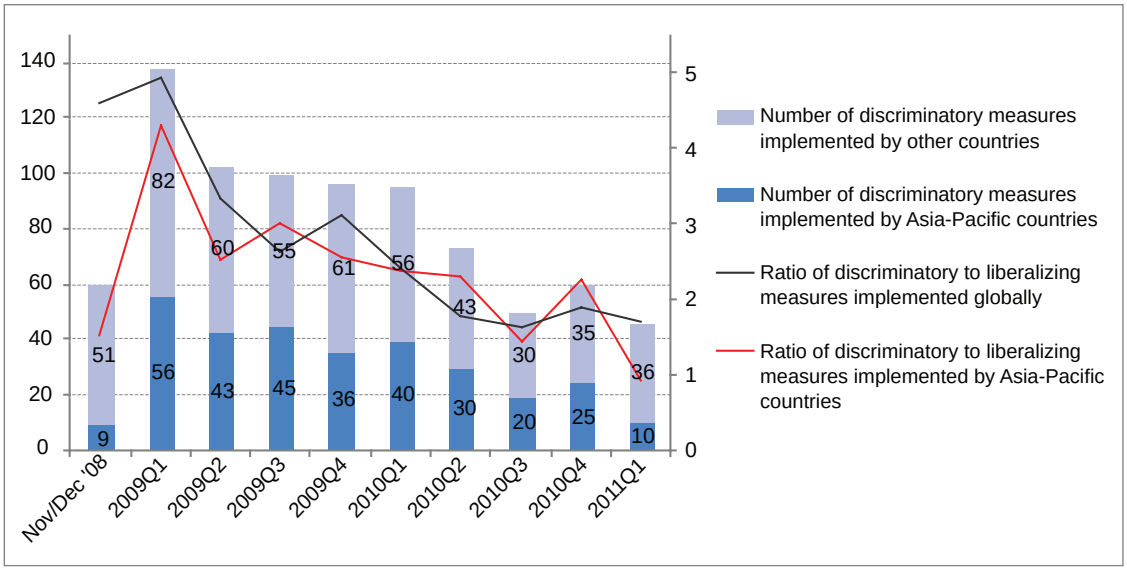
Rather than merely looking at the discrimination aspect of government interventions, it is also important to investigate the interaction of discriminatory and liberalizing measures over time (figure 17). Globally, measures that harm commercial interests of trading partners still outnumber measures with beneficial effects by almost three to one. This ratio reached its peak (5.0) in the first quarter of 2009 and has been declining ever since. During the most recent period, the ratio of discriminatory to liberalizing measures is almost balanced at 1.5. A similar trend is observed for measures implemented by Asia-Pacific economies. The improvement in these ratios with economic recovery becomes more apparent in figure 18, which shows that higher GDP growth rates in Asia-Pacific economies are associated with smaller ratios of discriminatory to liberalizing measures.

[24] Throughout this chapter, data for government interventions are derived from the Global Trade Alert website (http://www.globaltradealert.org), downloaded in April 2011.

[25] These indicators are (1) number of (almost certainly) discriminatory measures imposed, (2) number of tariff lines (product categories) affected by (almost certainly) discriminatory measures, (3) number of sectors affected by (almost certainly) discriminatory measures, and (4) number of trading partners affected by (almost certainly) discriminatory measures.

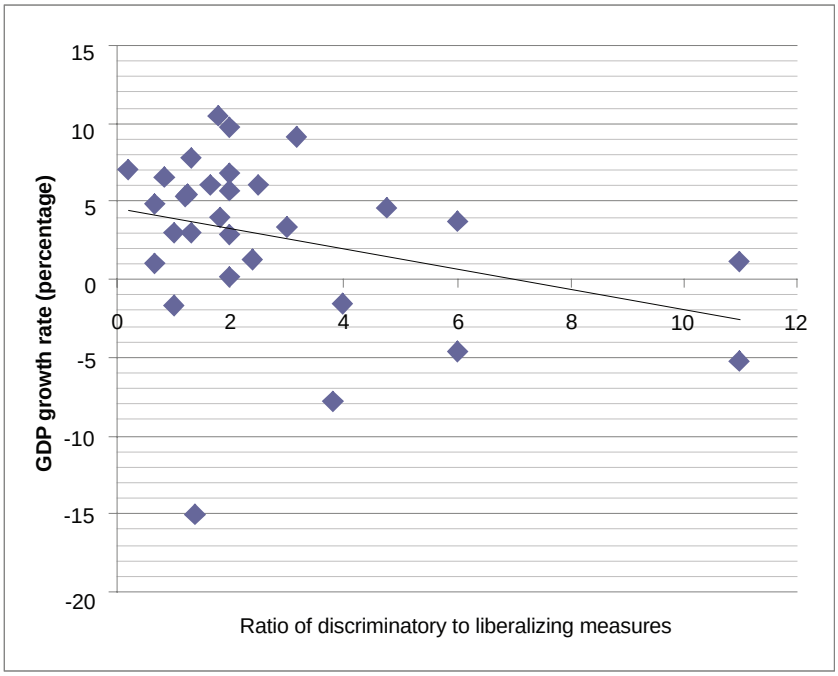
[26] See table III.1 in the annex to this chapter.

**Figure 16. Decline in discrimination and ratios of discriminatory to liberalizing measures**




*Source:* Global Trade Alert database, April 2011.

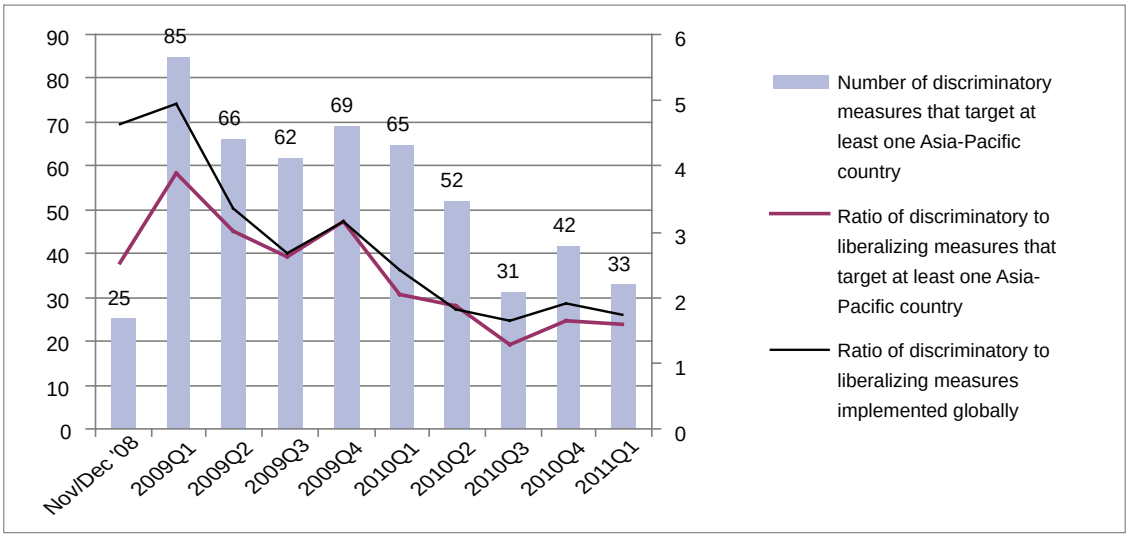
**Figure 17. Higher GDP growth in Asia-Pacific economies is associated with lower ratios of discriminatory to liberalizing measures**




*Source:* Global Trade Alert database, April 2011 and IMF *World Economic Outlook* database, April 2011.
*Notes:* Each Asia-Pacific economy that has a positive number of measures in the Global Trade Alert database, and for which GDP growth figures are available in the *World Economic Outlook*, is reported twice (2009 and 2010).

Asia-Pacific commercial interests have recently been targeted less often by harmful measures over time (figure 18). A comparison of figures 16 and 18 shows that the decline in protectionism targeting the region is similar to trends in protectionism at the global level. In particular, some two thirds of globally implemented harmful measures target economies in the Asia-Pacific region each quarter. Figure 18 also shows that the quarterly ratios of discriminatory to liberalizing measures targeting the region show a parallel trend with such ratios implemented globally. However, in each quarter, the Asia-Pacific region has experienced relatively greater benefit from liberalization than the world on average; the line for the ratios of measures targeting the region runs below the line for the ratios of measures implemented globally.

**Figure 18. Asia-Pacific economies have recently been targeted less often by harmful measures**




*Source:* Global Trade Alert database, April 2011.

A closer look at the data shows that discriminatory measures hurt trading partners selectively and run counter to the spirit and commitments adopted under the multilateral trading system. China remains as the most frequent target of contemporary protectionism and has been the recipient of 402 measures affecting its commercial interests abroad since November 2008 (ESCAP, 2010).[27] Despite the worldwide decline in implemented measures during the past 12 months compared with the crisis year of 2009, China was targeted 40% more often in 2010 than in the previous year. All of the other top 10 target jurisdictions are industrialized economies, including Japan and the Republic of Korea. Emerging economies from Asia and the Pacific on the list of top 20 target jurisdictions include India, Malaysia, Thailand and Turkey.

The treatment of least developed countries around the globe as well as in the region is particularly frustrating; their commercial interests were targeted by 124 harmful measures, despite repeated declarations by the international community to assist those countries in their efforts to integrate into the global economy (Evenett, 2010; and Mikic, 2009). Finally, it should be noted that the number of discriminatory measures imposed on a target correlate strongly with the pre-crisis export figures of the target country; thus, the size of exports is a good indicator of how often a country is affected by protectionist measures.[28]

[27] See table III.2 in the annex to this chapter.

[28] The correlation coefficient of the number of discriminatory measures imposed on top 20 targets and their export values in 2008 is 0.91.

## C. BEHIND-THE-BORDER GOVERNMENT INTERVENTION STILL A PREVALENT TRADE POLICY TOOL

As discussed above, Asian and Pacific economies largely restrained themselves from increasing the levels of MFN applied tariffs in 2009. Nonetheless, they made extensive use of less transparent protectionist measures – so-called "murky" measures – during the global economic crisis.[29] This section explains how the types of protectionism changed, quarter-by-quarter. Figure 19 examines the quarterly shares of different groups of measure types. Protectionist measures implemented globally are detailed in panel (a) while protectionist measures implemented by Asia-Pacific countries and protectionist measures that target at least one Asia-Pacific country are detailed in panels (b) and (c).

***"Behind-the-border measures were comprehensively used throughout the crisis and continued to be a prevalent (trade) policy tool during the economic recovery in 2010"***

Panel (a) shows that behind-the-border measures, which tend to be less tightly regulated by WTO rules, were comprehensively used throughout the crisis and continued to be a prevalent (trade) policy tool during the economic recovery in 2010. The share of these types of measures in total protectionist measures reached a peak of almost 80% at the beginning of the crisis, declined to just above 50% during the first half of 2009, and balanced at around 40% until the third quarter of 2010. This is a particularly worrisome trend, to the extent that more than 60% of all bailout and government aid measures implemented during the analysed quarters were provided to non-financial sectors that hardly posed a "systemic threat" during the crisis.

One explanation for the relatively large share of non-transparent measures, even during the recovery in 2010, may be that new disturbances – such as the currency and debt crises – have hit world economies, thus prompting the use of precautionary measures such as government aid to protect domestic markets.[30] Harmful government interventions during the two most recent quarters appear to have been more transparent; the share of behind-the-border measures declined to less than 20%, while the share of at-the-border non-tariff measures including quotas, import bans, technical barriers to trade and non-tariff barriers (not otherwise specified) increased accordingly. Tariff-related measures (mostly trade defence measures) made up some 35% throughout most of the period under review.

Panel (b) shows that the picture of protectionism induced by the Asia-Pacific region looks similar. It is interesting that more recently (first quarter of 2011) the region's share of "murky" measures was still above 50%, indicating that the Asian and Pacific region implements relatively less transparent trade policies than the rest of the world.

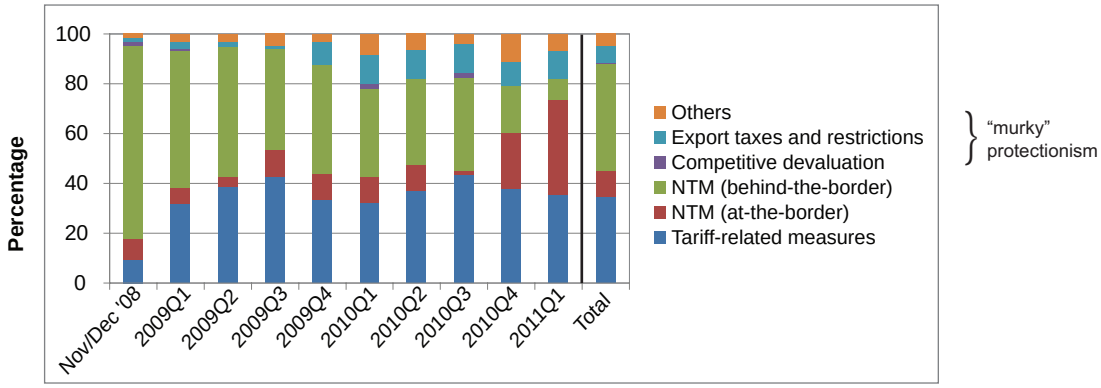
Finally, a comparison of how the Asian and Pacific region is targeted by harmful government measures is shown in panel (c), with the global distribution of such measures illustrated in panel (a), indicating that, on average, the region suffers by at least 10 percentage points less from "murky" forms of protectionism than the rest of the world (see bar to the right in each panel).

[29] Recent empirical findings suggest that "tight" tariff bindings on non-agricultural goods have been associated with higher levels of murkier forms of protectionism during the crisis. It is, therefore, of little comfort that WTO members did not violate their tariff bindings if protectionist pressures are displaced rather than curtailed (see Evenett and others, 2010).

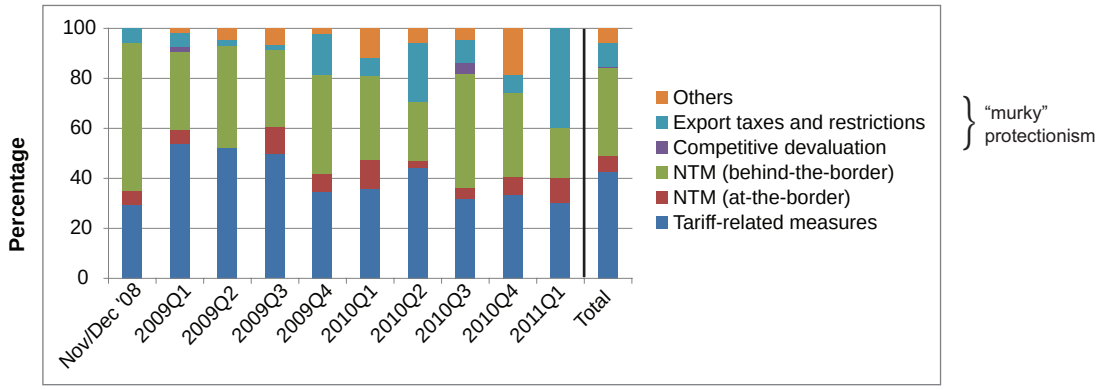
[30] It should, however, be noted that the number of government interventions did not increase when new threats emerged from the currency and debt crisis in 2010).

**Figure 19. Changes in protectionism, quarter-by-quarter**

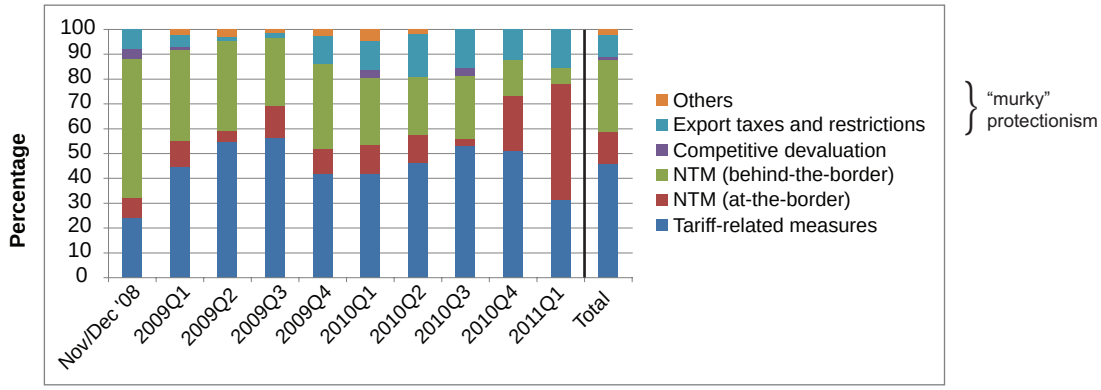
Panel (a) Protectionism implemented globally




Panel (b) Protectionism implemented by the Asian and Pacific region




Panel (c) Protectionism against the Asian and Pacific region




*Source:* Global Trade Alert, April 2011.

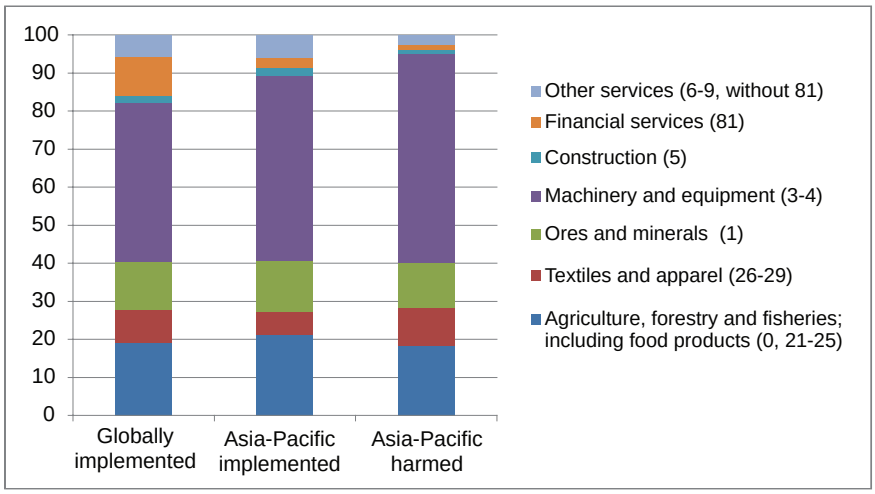
*Notes:* Tariff-related measures include tariff and trade defence measures. Non-tariff measures at-the-border include quotas, import bans, technical barriers to trade (TBT), non-tariff barriers (not otherwise specified). Non-tariff measures behind-the-border include consumption subsidies, local content requirements, public procurement, bailout/state aid measures, export subsidies, trade finance support, support to state-owned trading enterprises and state-controlled companies. Others include investment, migration, intellectual property protection and other service sector measures.

## D. MANUFACTURING SECTOR TARGETED MOST FREQUENTLY

A sectoral analysis of protectionist measures reveals that the manufacturing sector, and in particular machinery and equipment, is targeted most frequently (figure 20). Globally, more than 40% of all protectionist measures target the machinery and equipment industry. Regionally, this number is almost 50%. Unsurprisingly, this industry is – with 55% of all measures – targeted relatively more in (emerging) economies of the Asian and Pacific region than globally. Many countries supported their manufacturing sectors during the crisis and thus reduced demand from their suppliers – most likely in East Asia.

The analysis also shows that protectionism in agriculture and related industries does exist and that some 20% of all measures, both globally and regionally, are implemented to protect this sector at home or target the sector in other countries (figure 20). With regard to measures in the financial sector, it should be noted that bailouts of banks and other financial institutions have been used relatively less by countries of the region, while these countries have also been less affected by such measures than the rest of the world. Finally, an analysis of targeted sector groups over time reveals that the patterns are relatively constant, except that financial sector support measures were used predominantly at the beginning of the crisis.[31]

**Figure 20. Which sector groups are targeted most often?**




*Source:* Global Trade Alert, April 2011.
*Notes:* Sectors are classified according to United Nations Statistics Division CPCprov. This classification is used by the Global Trade Alert.

## E. "GREEN" CLAUSES MOST FREQUENTLY USED IN ASIA AND THE PACIFIC

The Asian and Pacific region has experienced an enormous economic expansion during the past decade, which was largely driven by an export-led growth strategy. This development has led to a sharp increase in (fossil fuel-intensive) production and cargo transportation, resulting in a significant surge in greenhouse gas emissions that are likely to accelerate climate change and its potentially devastating impacts.

There are at least two key factors why governments in the region are (and should be) concerned about climate issues. Firstly, countries in the region are expected to be hit hardest by these changes, inter alia, due to their limited environmental carrying capacity and large coastal populations. Secondly, international attention to environmental and climate issues has recently intensified and pressure has increased on businesses to use more energy-efficient technologies in order to remain competitive on world markets. This

[31] See chapter 3 annex, figure III.1.

presents an important challenge for governments and exporters in the Asia-Pacific region. Wermelinger and Barnes (2010) critically discussed to what extent climate policies could contribute to a low-carbon and trade-enhancing development path, without introducing new discrimination against trading partners.

This chapter shows that many governments implemented measures to help and rescue domestic industries during the global economic crisis. This section examines to what extent these measures constitute "murky" protectionism, i.e. implemented under the pretext of pursuing "green growth" strategies in the region and elsewhere, and whether these measures are likely to be beneficial for both trade and the environment. In part II, chapter 5 explores in more detail the trade and investment opportunities in climate-smart goods and services.

Figure 21 shows that "green" clauses were used most frequently by the Asia-Pacific economies in their measures, both by introducing new discrimination against commercial interests of their trading partners, and by liberalizing trade or introducing beneficial effects for their partner countries.

A closer look at these measures reveals at least four patterns. Firstly, "green" clauses were introduced by many economies and, in combination with discriminatory measures (implemented and pending measures), were most prominently used in the Republic of Korea (four measures), China (three measures), Japan (two measures) and the Russian Federation (two measures).

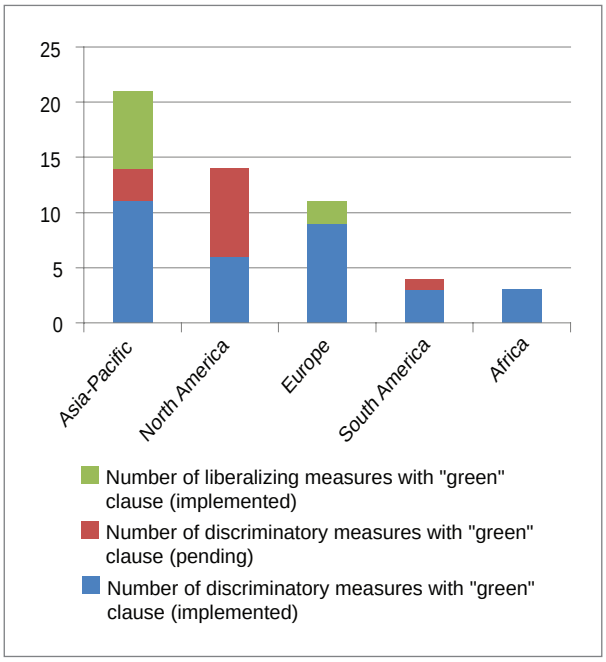
***"The Asian and Pacific region used "green" clauses in their measures most often"***

Secondly, discriminatory measures under the "green" clause category were most frequently introduced through "murky" forms of trade discrimination, particularly bailouts. In contrast, "green" liberalization measures were most frequently enacted in the form of tariff cuts or tariff exemptions.

Thirdly, in two thirds of the discriminatory measures, "green" clauses are combined with several other (harmful) policies that have no climate or environmental purpose. This finding supports the argument that it is more acceptable to use discriminatory measures and to protect domestic producers from foreign producers (particularly during economic downturns and as part of the negotiations on climate change), if some environmental or climate objective is mentioned in the regulation (Aggarwal and Evenett, 2010). Interestingly, the "green" aspect is the main purpose of implementing most liberalizing measures, and thereby clearly shows that climate-friendly and trade-enhancing policies can, in fact, be merged.

Finally, 46 trading partners, 6 sectors and 42 product lines are, on average, affected by distortionary "green" clause measures. This illustrates the likely economic and political importance of these measures.

**Figure 21. Most frequent use of "green" clauses, by region**




*Source:* Global Trade Alert, April 2011.
*Note:* Keywords used to find Global Trade Alert measures with a "green" clause are: green, environment; energy; climate; emission; wind; and solar. The "green" clause of each identified measure is carefully studied. Two groups are distinguished: group (a) that includes measures for which the "green" clause is the main purpose of implementation; and group (b) that includes measures for which the "green" clause is of secondary importance.

# Annex

## Table III.1. Asia-Pacific countries among the biggest offenders

| Rank | Metric, country specified rank, number | | | |
|---|---|---|---|---|
| | **Ranked by number of (almost certainly) discriminatory measures imposed** | **Ranked by the number of tariff lines (product categories) affected by (almost certainly) discriminatory measures** | **Ranked by the number of sectors affected by (almost certainly) discriminatory measures** | **Ranked by the number of trading partners affected by (almost certainly) discriminatory measures** |
| 1 | EU-27 (198) | Viet Nam (927) | Algeria (62) | EU-27 (180) |
| 2 | Russian Federation (101) | Venezuela (785) | EU-27 (57) | Argentina (174) |
| 3 | Argentina (78) | Kazakhstan (724) | Nigeria (45) | China (164) |
| 4 | India (46) | Nigeria (599) | Kazakhstan (43) | Germany (161) |
| 5 | Germany (40) | EU-27 (544) | United States (42) | United Kingdom (154) |
| 6 | Brazil (38) | Algeria (476) | Germany (40) | Belgium, Finland (153) |
| 7 | United Kingdom (37) | Russian Federation (435) | Indonesia (39) | Indonesia (151) |
| 8 | China (35) | Argentina (410) | Russian Federation, Venezuela, Viet Nam (38) | France (149) |
| 9 | France (30) | Indonesia (386) | China (33) | Poland, Spain, Viet Nam (148) |
| 10 | Italy, Spain (29) | India (365) | Ethiopia (32) | Netherlands (146) |

*Source:* Global Trade Alert database, April 2011.

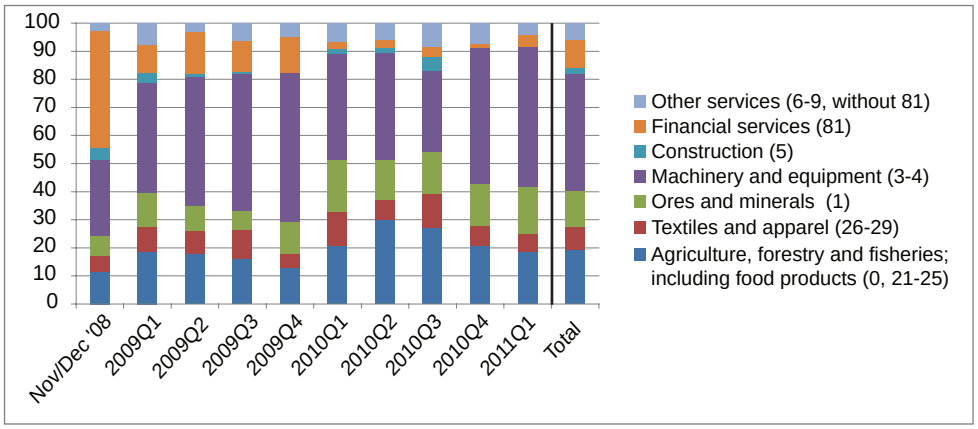
## Table III.2. Commercial interests of countries still under attack in the post-crisis period

| Rank | Top 20 targets | **Number of discriminatory measures imposed on target** | | **Number of pending measures, which if implemented, would harm target** | |
|---|---|---|---|---|---|
| | | April 2011 | Increase from the last 12 months | April 2011 | Increase from the last 12 months |
| 1 | China | 402 | 117 | 130 | 23 |
| 2 | EU-27 | 385 | .. | 94 | .. |
| 3 | United States | 312 | 94 | 49 | 13 |
| 4 | Germany | 287 | 84 | 66 | 10 |
| 5 | France | 256 | 68 | 53 | 9 |
| 6 | United Kingdom | 250 | 71 | 50 | 8 |
| 7 | Italy | 245 | 67 | 55 | 8 |
| 8 | Republic of Korea | 227 | 71 | 47 | 6 |
| 9 | Japan | 225 | 57 | 50 | 6 |
| 10 | Netherlands | 221 | 60 | 47 | 8 |

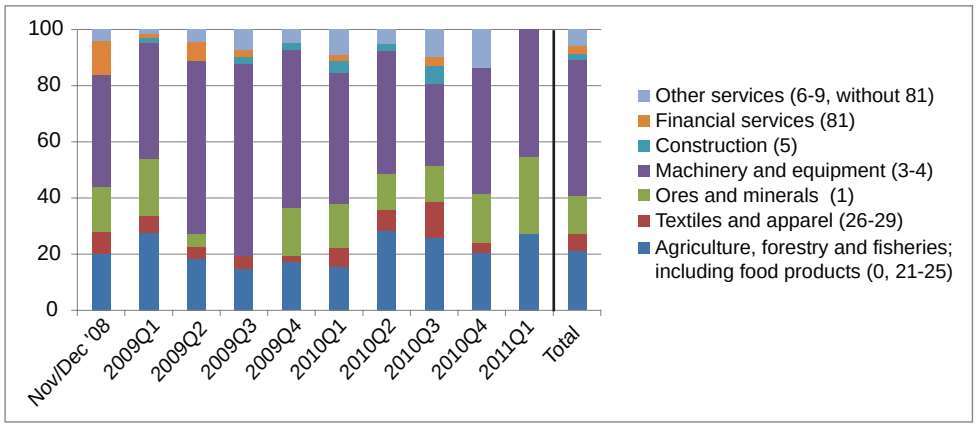
*Source:* Global Trade Alert database, April 2011.

**Figure III.1. Service sector groups targeted quarter-by-quarter**

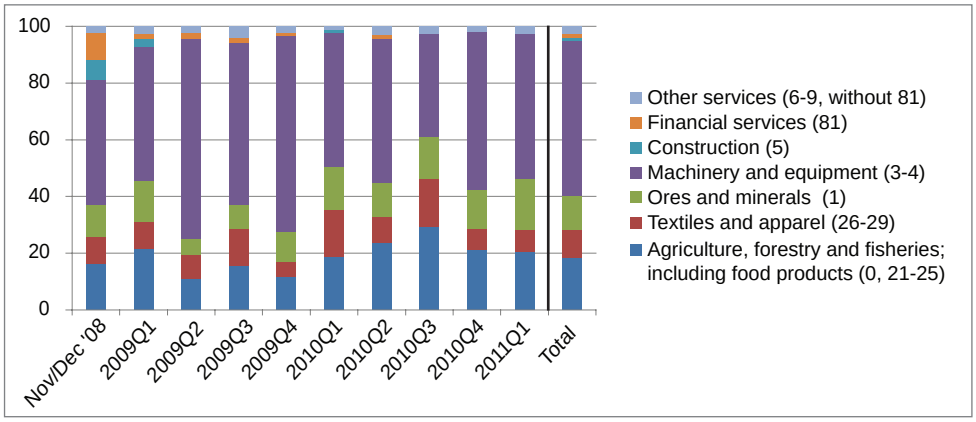
Panel (a) Protectionism implemented globally




Panel (b) Protectionism implemented by the Asia-Pacific region




Panel (c) Protectionism targeting the Asia-Pacific region




*Source:* Global Trade Alert database, April 2011.

*Notes:* Sector classification according to United Nations Statistics Division CPCprov. This classification is used by the Global Trade Alert.

# CHAPTER 4

# RECENT TRENDS IN FOREIGN DIRECT INVESTMENT IN THE REGION

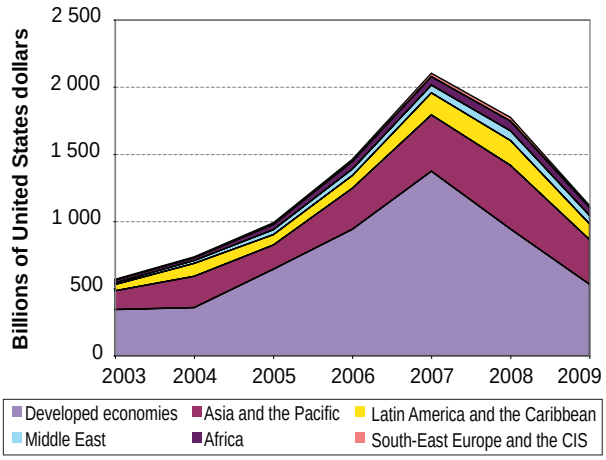
## A. FOREIGN DIRECT INVESTMENT INFLOWS

With the start of the global economic crisis, world foreign direct investment (FDI) inflows decreased by 16% in 2008, then dropped sharply by 37% in 2009 and gained a marginal 1% increase in 2010 (UNCTAD, 2011a). The decrease was relatively more pronounced in the developed countries. For the first time, developing countries are expected to have absorbed more than half of global FDI flows in 2010.

The Asian and Pacific region, and in particular China, was one of the top destinations for FDI during the 2000s. However, the global economic crisis had an impact on the dynamics of FDI inflows into the region, similar to the impact it had on trade in goods and services. FDI inflows into the region dropped by 30% to reach $333 billion in 2009 (ESCAP, 2010). Figure 22 shows the trends in global FDI inflows and the regional breakdown for 2003-2009. ESCAP (2010) described these trends in some detail and this section provides an update based on the latest available data.[32]

The principal factors driving the decrease in 2008 were the financial sector problems in the United States and elsewhere, and the liquidity crisis in the money and debt markets. The decline of FDI in 2009 was the result of a slump in mergers and acquisitions as well as in greenfield projects in the manufacturing sector (UNCTAD, 2010b), coupled with the collapse of the capital-intensive mining and real estate sectors (fDi Intelligence, 2011). The changes in 2010 were driven by a geographically asymmetric recovery of production and trade, with Asia and the Pacific on the whole leading the recovery, although regional FDI inflows were predicted to have fallen short of the levels of 2007 and 2008.[33] As not all developing countries in the region experienced a similar resumption of growth, FDI inflows also reacted in very different ways from one subregion to another (figures 23 and 24).

**Figure 22. Foreign direct investment inflow, by region, 2003-2009**

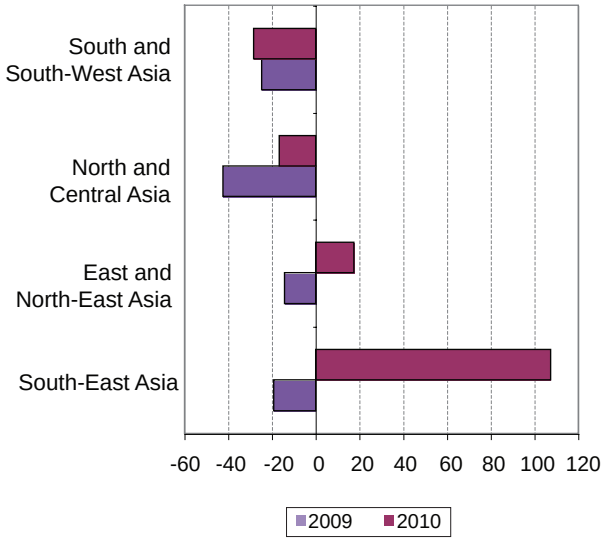



*Source:* ESCAP, based on data from UNCTAD (2010a).
*Note:* The regions shown in figure 22 are based on the *World Investment Report 2010* (UNCTAD, 2010a), with the exception of the three developed countries in the region, namely, Australia, Japan and New Zealand, which are included in Asia and the Pacific.

[32] Because of limited availability of disaggregated data for 2010 from traditional sources (in particular, IMF and UNCTAD), the analysis in this section relies mainly on country data obtained from ADB, 2011; CEIC database, 2011; Economist Intelligence Unit, 2011; and UNCTAD, 2011a, none of which covers all economies from the Asia-Pacific region.

[33] ESCAP estimate based on country data from ADB, 2011; Economist Intelligence Unit, 2011a; and UNCTAD, 2010a and 2011a.

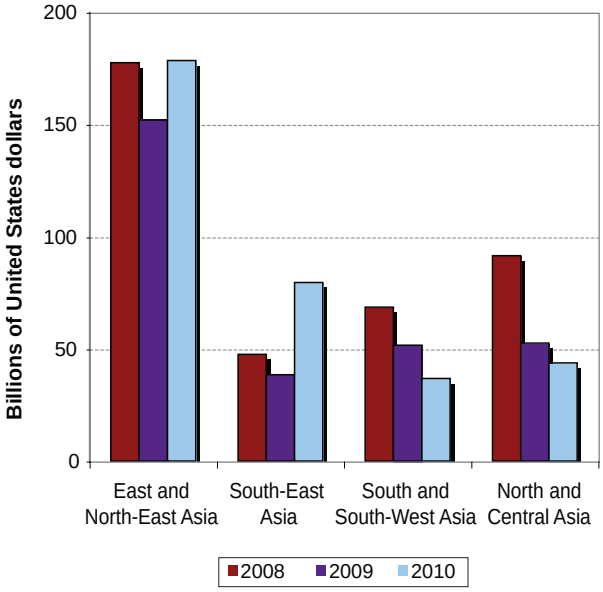
**Figure 23. Annual percentage changes in foreign direct investment inflows, by developing subregion, 2009 and 2010**




*Sources:* ADB (2011) and Economist Intelligence Unit (2011a).
*Note:* Here, North and Central Asia excludes Kyrgyzstan and Turkmenistan due to lack of data for 2010. Similarly, East and North-East Asia excludes the Democratic People's Republic of Korea and Macao, China, as well as Japan as a developed country, but includes Taiwan Province of China. South-East Asia excludes Brunei Darussalam and Timor-Leste. The Pacific was excluded from the analysis as the 2010 data for Pacific island States were not available. Data for India, the Islamic Republic of Iran, the Russian Federation, Tajikistan, Turkey and Viet Nam for 2010 are based on estimates.

While FDI inflows recovered in East and North-East Asia, and in South-East Asia in 2010 after a drop in 2009, the trend was the reverse in North and Central Asia, and in South and South-West Asia. Of all the developing subregions, South-East Asia witnessed the most remarkable recovery in FDI inflows after the global economic crisis. FDI in South-East Asia fell by around 19% in 2009, but registered a 107% annual growth in 2010 (figure 23). While East and North-East Asia regained inward FDI at the 2008 level, South and South-West Asia as well as North and Central Asia struggled to face continuous two-digit declines in FDI inflows in 2010. In particular, the FDI drop in South and South-West Asia was worse in 2010 than in 2009 due to the considerable slump of India, which is the region's leading FDI recipient.

**Figure 24. Values of foreign direct investment inflows, by developing subregion, 2008-2010**




*Sources:* ADB (2011) and Economist Intelligence Unit (2011a).
*Note:* Brunei Darussalam, Democratic People's Republic of Korea, Kyrgyzstan, Timor-Leste, Turkmenistan, the Pacific island States and Macao, China, were excluded due to the lack of data. Taiwan Province of China was included in East and North-East Asia. Data for India, the Islamic Republic of Iran, the Russian Federation, Tajikistan, Turkey and Viet Nam for 2010 are based on estimates.

***"There is a divide in FDI performance between East and South-East Asia recovering and North and Central Asia and South Asia continuing a decline"***

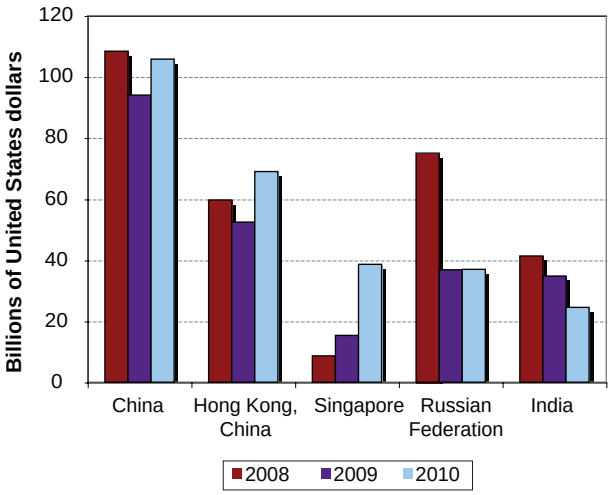
Total FDI inflows into the Asia-Pacific developing subregions (figure 24) can be disaggregated into two groups – one focused on the five regional "giants" (i.e. China; India, the Russian Federation, Singapore and Hong Kong, China)[34] in the context of FDI inflows, and the second comprising the remainder of the subregional economies. China, India, the Russian Federation, Singapore and Hong Kong, China, which

[34] Although it is the fifth largest FDI destination in Asia and the Pacific, Australia, a developed country, was excluded from this analysis focusing to developing countries (ADB, 2011; Economist Intelligence Unit, 2011a).

are characterized by either having a large domestic market or an advanced level of economic development, are the top FDI destinations among developing countries in Asia and the Pacific, and are estimated to have accounted for more than 70% of FDI inflows into the region in 2010.[35] It is, therefore, helpful to analyse the developments in those economies separately in order to gain a better understanding of the drivers of FDI flows as well as identify the potential for further FDI attraction (figures 25 and 26).

These five economies showed an improved but still mixed picture in 2010. China posted a 12% recovery of FDI inflows to approximately $106 billion in 2010, almost regaining the level of 2008. FDI flows into Hong Kong, China, in 2010 also increased by 32% to $66 billion, surpassing the 2008 level. FDI inflows to Singapore rose sharply by 153% to reach $37 billion in 2010 after the slump in two consecutive years (2008 and 2009). However, FDI flows into the Russian Federation stagnated and those into India decreased by $25 billion in 2010 (figure 25).

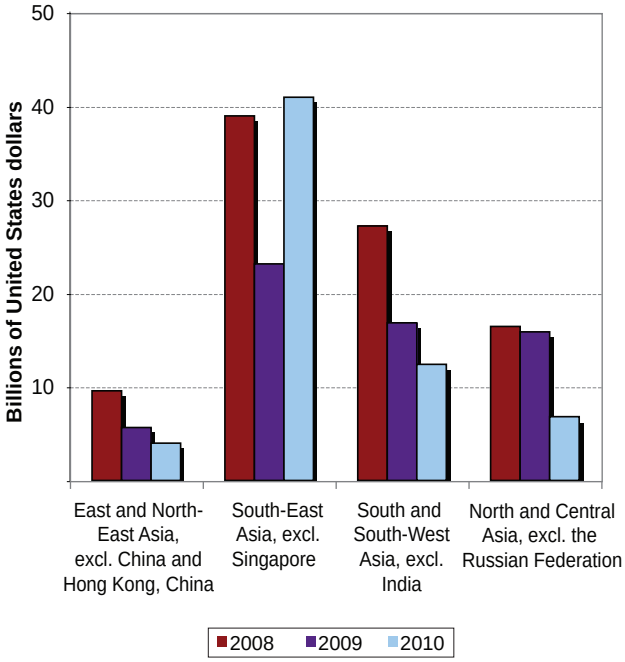
**Figure 25. Foreign direct investment inflows to the five foreign direct investment "giants", 2008-2010**




*Sources:* ADB (2011) and the Economist Intelligence Unit (2011a).
*Note:* Data for India and the Russian Federation for 2010 are based on estimates.

[35] Includes FDI to the developed countries in the region, i.e. Australia, Japan and New Zealand.

**Figure 26. Foreign direct investment inflows to developing subregions, excluding the five "giants", 2008-2010**




*Sources:* ADB (2011) and the Economist Intelligence Unit (2011a).
*Note:* Brunei Darussalam, Democratic People's Republic of Korea, Kyrgyzstan, Timor-Leste, Turkmenistan, the Pacific island States, Hong Kong, China, and Macao, China, were excluded due to lack of data. Taiwan Province of China was included in East and North-East Asia. Data for the Islamic Republic of Iran, Tajikistan, Turkey and Viet Nam for 2010 are based on estimates.

***"China; Hong Kong, China; Singapore; the Russian Federation and India are the top FDI destinations in the Asia-Pacific region and have accounted for more than 70% of FDI inflows into the region"***

The changes in FDI inflow into both South-East Asia and East and North-East Asia have followed a similar trend in trade in goods and services, and growth in general before and after the global economic crisis (figure 26). In 2010, South-East Asia quickly regained the pre-post crisis level of FDI inflows in 2007, relatively equally spread among the economies of the subregion. Malaysia experienced a record jump of more than 500%, thereby increasing its FDI inflows

from $1.4 billion in 2009 to $8.6 billion in 2010.[36] Indonesia also benefited from rising FDI inflows which grew by 160% from $4.9 billion in 2009 to $12.7 billion in 2010. However, Singapore was clearly the lead destination for FDI in the subregion. The country is ranked as the number one FDI destination in the world and had 300 registered projects in 2010 (fDi Intelligence, 2011). When Singapore is excluded, the subregion loses on average 35% of FDI inflows in the period 2008-2010. This means that Singapore has been contributing more than one third of the FDI inflows into South-East Asia. Indonesia accounts for 16% of the subregion's inflows, Malaysia for 10%, Thailand for 13% and Viet Nam for 17%. Indonesia outperformed both Thailand and Malaysia during 2008-2010. One explanation for this is perhaps that FDI in export-oriented manufacturing has expanded in Indonesia. Indonesia also has an advantage due to the existence of a relatively large domestic market as well as adequate supply of labour compared with tightening labour markets in neighbouring countries (Asian Development Bank, 2011).

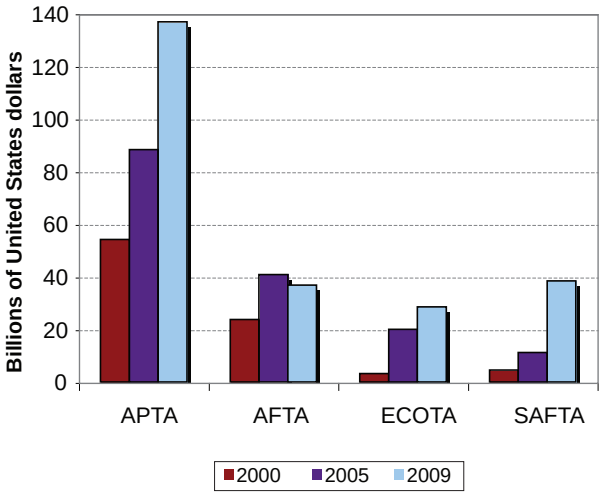
In contrast, the recovery of FDI in East and North-East Asia was much more modest. In 2010, FDI inflows into East and North-East Asia increased by 17%, after witnessing a drop of 14% in 2009. When excluding China and Hong Kong, China, from FDI inflows into East and North-East Asia, the recovery in 2010 disappears and the slump for the remaining three economies (Mongolia, the Republic of Korea and Taiwan Province of China) continued in 2010 (a 29% drop) as 98% of total FDI inflows into this subregion went to China and Hong Kong, China.

FDI inflows into South Asia and South-West Asia have been continuously declining since the start of the global economic crisis. In that subregion, FDI inflows reached a peak in 2008 ($69 billion) and declined in 2009 (25%) and 2010 (28%). India accounted for 68% of subregional FDI inflows in 2009, and its FDI inflows considerably decreased in 2009 and 2010 by 16% and 29%, respectively. As shown in figure 26, when India is excluded, remaining South and South-West Asia still recorded a large contraction in FDI inflows in both 2009 and 2010.

In North and Central Asia, most FDI is in the natural resources sector, and is therefore long term and cannot be suddenly withdrawn (cf. UNCTAD, 2010a). This could partially explain why this subregion witnessed a delayed and resilient reaction to world trends. In 2009, while the Russian Federation, which accounted for 68% of subregional FDI inflows, experienced a quick drop of FDI inflows (51%), other countries in North and Central Asia only suffered mildly from the global crisis with FDI inflows falling by just 4%, to $15.9 billion. Yet, in 2010, FDI inflows fell by 57% to $6.8 billion, which is the worst result for any subregion in Asia and the Pacific. This large drop was mainly because of a fall in FDI inflows into Kazakhstan at almost 400% in 2010 relative to 2009; Kazakhstan accounted for 67% of the subregion's FDI inflows in 2009 (excluding the Russian Federation).

Finally, figure 27 shows FDI inflows to major trade groupings in Asia and the Pacific, i.e. the Asia-Pacific Trade Agreement (APTA), ASEAN Free

**Figure 27. Foreign direct investment inflows, by regional trade agreement**




*Source:* ESCAP based on UNCTAD (2010a).

[36] The Malaysian Industrial Development Authority approved a much larger number of investment projects (more than 910) in 2010 compared with earlier years as reported on 8 March 2011 at Malaysiadigest.com <www.malaysiandigest.com/news/18498-mustapa-malaysias-fdi-totaled-us9bil-in-2010.html>. In 2010, Malaysia improved its rank in the World Competitiveness Yearbook from eighteenth to tenth place (IMD, 2011) and also was ranked twenty-first in the World Bank Doing Business Report (World Bank, 2010a), particularly with regard to easy access to finance and a high level of investor protection.

*"APTA had the highest FDI inflows of any trade grouping"*

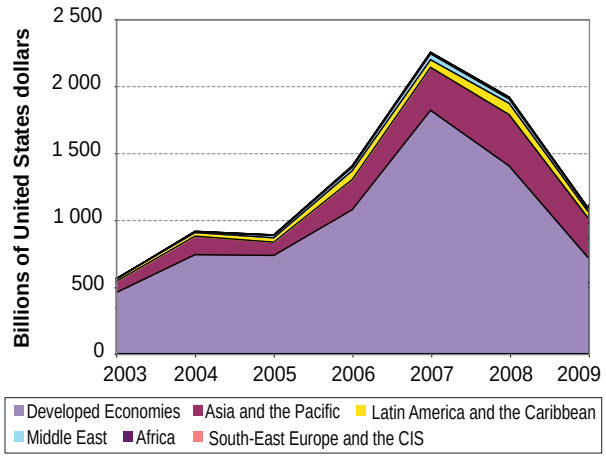
Trade Agreement (AFTA), Economic Cooperation Organization Trade Agreement (ECOTA) and SAFTA in 2000, 2005 and 2009.[37] In combining the four regional trade groups, 28 countries participate in one or two trade agreements. Unsurprisingly, APTA had the highest FDI inflows of any trade grouping, as it comprises some of the region's major FDI destinations, including China and India. Despite the global economic crisis, aggregate FDI inflows to all regional trade groups – except for a slight decline in AFTA in 2009 – showed positive trends throughout the 2000s. This could be evidence of positive associations between broadening and deepening trade liberalization as well as increasing and diversifying FDI flows within the region.

## B. FOREIGN DIRECT INVESTMENT OUTFLOWS

While global FDI outflows in 2010 increased by 13% to reach just over $1.3 trillion, this amount was still some 10% below the pre-crisis average (2005-2007), and 40% below the 2007 peak. Developing countries are becoming increasingly important investors with their share in global outflows increasing to 28% in 2010. As developed countries are still confronting the effects of the crisis, many transnational corporations (TNCs) in developing countries are investing in other emerging markets, where recovery is strong and the economic outlook better. In 2010, 70% of investment by developing countries was directed towards other developing countries compared with FDI from developed countries in developing countries, which was about 50% of their total FDI.

Developed economies continued to account for the biggest share of global FDI outflows, which reached 81% in 2007, similar to the pre-crisis peak, followed by the Asia-Pacific region, which accounted for 14% (figure 28).[38] Nonetheless, FDI outflows from the Asia-Pacific region increased by 20% in 2008 and 23% in 2009. At the same time, the share of FDI outflows from developed economies fell to 66%, while the share of Asia-Pacific FDI outflows almost doubled to 27% in 2009. Japan; Hong Kong, China; China; Singapore; Australia; and India were the top six Asia-Pacific FDI outflow sources in 2009 (UNCTAD, 2011b). This strong success was partly due to the dynamism of TNCs from emerging developing economies and their increasing aspiration to compete in new markets (ESCAP, 2009b).

**Figure 28. Foreign direct investment outflows, by region, 2003-2009**




*Source:* ESCAP, based on data from UNCTAD (2010a).
*Note:* Regions are based on World Investment Report 2010 (UNCTAD, 2010a), with the exception of the three developed countries in the region, i.e. Australia, Japan and New Zealand, which are included in Asia and the Pacific.

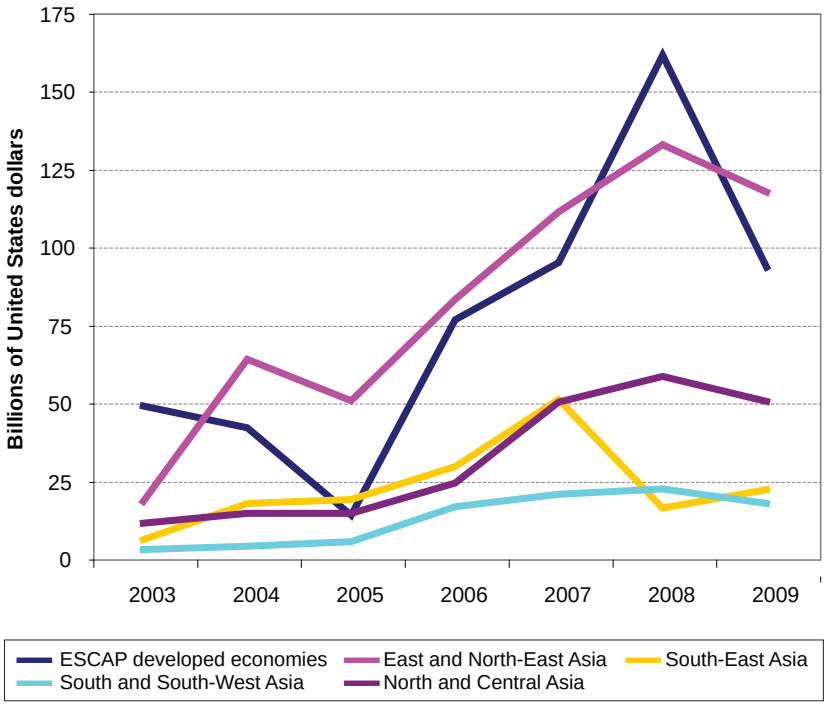
All six subregions in the Asian and Pacific region recorded growth in FDI outflows during the 2000s, although that growth varied across subregions (figure 29).[39] While developed economies (i.e. Australia, Japan and New Zealand) in the region recorded the highest rise in FDI outflows in 2008, they

[37] APTA has six member countries, i.e. Bangladesh, China, India, Republic of Korea, Lao People's Democratic Republic and Sri Lanka. AFTA covers all 10 ASEAN member countries. ECOTA has 10 member countries both from North and Central Asia and from South and South-West Asia, i.e. Afghanistan, Azerbaijan, Islamic Republic of Iran, Kazakhstan, Pakistan, Tajikistan, Turkey, Turkmenistan, Uzbekistan and Kyrgyzstan. SAFTA was signed by all eight South Asian countries. See APTIAD for more details of regional free trade agreements at www.unescap.org/tid/aptiad/agg_db.aspx.

[38] The Asia-Pacific region includes the three developed countries in the region, i.e. Australia, Japan and New Zealand.

[39] The Pacific island States registered minimal FDI outflows (average of less than 0.1% of the region's total) and have thus been excluded from figure 29.

**Figure 29. Foreign direct investment outflows, by Asia-Pacific subregion, 2003-2009**




*Source:* ESCAP, based on data from UNCTADstat.

also recorded the sharpest drop in 2009. In contrast, FDI outflows from East and North-East Asia fell only slightly in 2009, gaining the largest share of regional FDI outflows (39%), followed by Asia-Pacific developed economies and North and Central Asia, accounting for 31% and 17%, respectively. South-East Asia and South and South-West Asia had shares of 7% and 6%, respectively.

India has also emerged as a leading foreign investor.[40] For example, in 2010, when most economies reduced their investment in Western Europe due to the economic crisis, India increased its investment by 37%. India also increased its FDI in Africa by 74% in 2010, making it the joint third-leading source country of FDI together with France. The main sectors receiving Indian FDI are financial services and communications (fDi Intelligence, 2011). The Russian Federation has also gained ground as a source of FDI in recent years. The Russian Federation is estimated to have increased its FDI outflows by 18% to approximately $52 billion in 2010. Outflows from these emerging economies are expected to continue growing in 2011, as the result of their rapid economic growth as well as the strong drive by global and regional TNCs to acquire mineral resources and strategic assets abroad (UNCTAD, 2011b).

## C. INTRAREGIONAL FOREIGN DIRECT INVESTMENT FLOWS

Developing economies of Asia and the Pacific are gaining importance as sources of FDI in the region, complementing FDI from those developed countries that have been the traditional sources. For example, low-income ASEAN members (i.e. Cambodia, Lao People's Democratic Republic, Myanmar and Viet Nam – often called CLMV countries), have experienced increasing intra-ASEAN FDI inflows compared with the more industrialized and higher income ASEAN member countries such as the Philippines, Singapore and Thailand. This is an indication that the CLMV countries have received South-South FDI from the

[40] However, it is estimated that India decreased its overall outward FDI by 17% in 2010 (UNCTAD, 2011b).

more advanced ASEAN countries.[41] In South Asia, Indian enterprises have become the main investor in smaller-sized neighbouring markets, such as those of Nepal and Sri Lanka (ESCAP, 2011b).

Enterprises in developing countries in Asia and the Pacific tend to invest in neighbouring but less developed countries that offer similar socio-economic conditions. These businesses have an advantage over enterprises from developed countries, because their technologies and knowledge are often a more appropriate fit for the factor endowments and market characteristics of the recipient less developed countries. For example, a smaller technology gap may put these firms in a good position to transfer and diffuse technology and knowledge (ESCAP, 2010 and 2011a).

Although there are company-based case studies, data on intraregional FDI flows – in particular South-South investment flows – are still rare. In this case, anecdotal evidence further provides an idea of the extent and nature of those investments. Intraregional FDI flows for China, the Republic of Korea and India are reviewed here for this purpose.

Close to one third of investment projects in the Asia-Pacific region in 2010 were implemented by companies that have headquarters in the region, with most projects located in China (fDi Intelligence, 2011). As China is by far the largest FDI destination in the region, it is interesting to note that most FDI in China was sourced from other East and North-East Asian economies, mainly Hong Kong, China.[42] More precisely, Hong Kong, China, accounted for 42% of FDI inflows into China in 2009, followed by Japan (13%), the Republic of Korea (10%) and Taiwan Province of China (7%). These economies accounted for more than 80% of total FDI inflows into China in 2009. In contrast, South-East Asia provided 7% of FDI inflows into China in 2009. FDI from ASEAN was relatively weaker but is expected to increase with the increasing integration of ASEAN with China.

***"Most FDI in China was sourced from East and North-East Asian economies"***

The Boao Forum for Asia (Beijing University of International Business and Economics, 2011) introduced interdependence indices for FDI inflows and outflows[43] for the Republic of Korea to help measure the degree of regional integration of the country through FDI flows (table 11). The country's FDI inflows exhibited a high degree of interdependence with many Asian economies and showed the diversified FDI relationships of the Republic of Korea with various other countries of the region, in particular with both East and North-East Asian countries (e.g. China and Japan) and South-East Asian countries (e.g. Malaysia, the Philippines and Singapore). In terms of FDI outflows, the Republic of Korea also exhibits a high degree of interdependence with a number of Asian economies, mostly in South-East Asia as well as East and North-East Asia; this picture supports the rapid development of global value chains in the region. It is noteworthy that the Republic of Korea has developed a relatively strong level of FDI interdependence with India as an FDI destination.

[41] See a detailed analysis in the *Asia-Pacific Trade and Investment* Report 2010 (ESCAP, 2010), pp. 41-42, available from www.unescap.org/tid/publication/aptir2590.asp.

[42] The high level of FDI flows from Hong Kong, China to China could be at least partly explained by traditional indirect investment made by TNCs from third countries to China through Hong Kong, China (e.g. corporate investments from Taiwan Province of China). Compared with the 2000 share of 45%, Hong Kong, China's share in FDI inflows to China in 2009 dropped slightly. With regard to inflows to Hong Kong, China, on average 27% of FDI came from China in 2008 (Economist Intelligence Unit, 2011a), which accounted for 69% of China's aggregate FDI outflows (China, 2009).

[43] The construction of these indices is similar to that of trade interdependence indices. One index reflects the degree of investment integration, while another measures investment intensity. For a detailed explanation, see Beijing University of International Business and Economics, 2011, p. 28, footnote 1.

**Table 11. Foreign direct investment interdependence index for the Republic of Korea**

| FDI Inflows | Integration/Intensity | FDI Outflows | Integration/Intensity |
|---|---|---|---|
| **Malaysia** | 40.9 | **Philippines** | 14.9 |
| **Singapore** | 4.5 | **Indonesia** | 4.6 |
| **Japan** | 4.3 | **China** | 4.1 |
| **China** | 4.2 | **Malaysia** | 2.2 |
| United States | 2.4 | **Hong Kong, China** | 1.8 |
| Germany | 1.9 | **Singapore** | 1.7 |
| **Philippines** | 1.4 | **Japan** | 1.6 |
| Sweden | 1.1 | United States | 1.4 |
| United Kingdom | 1.1 | **Taiwan Province of China** | 1.3 |
| **Australia** | 0.9 | **Thailand** | 1.2 |
| Saudi Arabia | 0.7 | Netherlands | 0.9 |
| France | 0.7 | **India** | 0.9 |
| **Taiwan Province of China** | 0.7 | **Australia** | 0.6 |
| **Hong Kong, China** | 0.7 | United Arab Emirates | 0.6 |
| Switzerland | 0.6 | Brazil | 0.5 |
| **India** | 0.3 | **Russian Federation** | 0.4 |
| United Arab Emirates | 0.2 | South Africa | 0.4 |
| Canada | 0.2 | United Kingdom | 0.3 |
| **Thailand** | 0.2 | Italy | 0.1 |

*Source:* Modified from Beijing University of International Business and Economics (2011).
*Note:* Indices greater than 1.0 suggest that the level of FDI interdependence between two countries is relatively high. The table shows the average of the two indices – FDI integration and intensity. Asia-Pacific economies are highlighted in bold.

Figure 30 highlights the growing share of FDI inflows from Asia-Pacific economies into India. While Mauritius, an offshore financial centre, has dominated FDI inflows to India (34% of total FDI inflows in 2010),[44] the share of FDI from Asia-Pacific economies in India's total FDI inflows increased from 11% in 2003 to 22% in 2010. At the same time, Europe and the United States (two traditional sources of FDI in India) saw their shares considerably reduced in 2003-2010, although both increased FDI in India in terms of value. Among the subregions in Asia and the Pacific, South-East Asia, East, as well as North-East Asia dominated FDI inflows into India, accounting for approximately 94% of total FDI from Asia-Pacific economies to India (57% for South-East Asia[45] and 37% for East and North-East Asia). India's South Asian neighbours accounted for less than 1% of FDI inflows to India.[46] These results indicate a growing trend of FDI inflows into India from other economies in Asia and the Pacific, particularly South-East Asia, and East and North-East Asia.

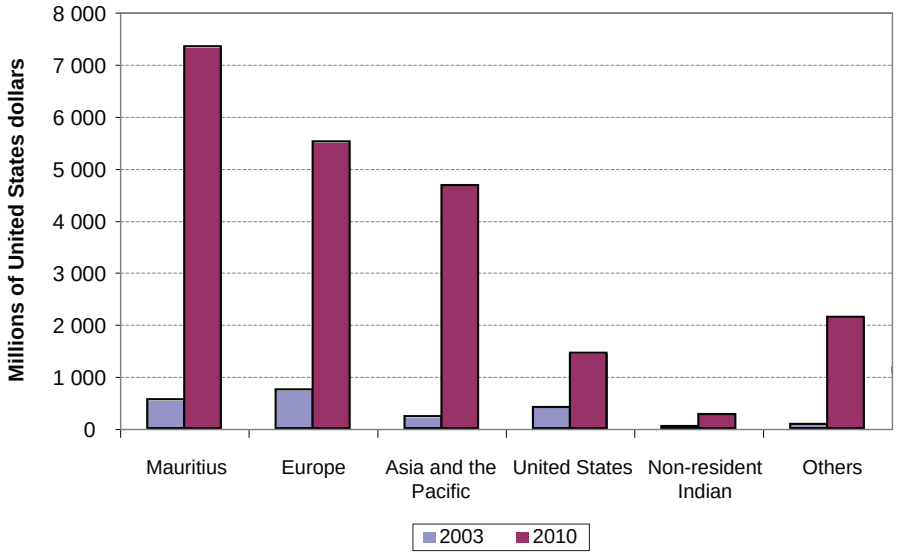
***"Economic integration of the Asian and Pacific region not only depends on the extent of intraregional trade but also on the extent of intraregional FDI"***

[44] Mauritius, which has a double tax avoidance treaty with India, is used by a number of foreign investors as an intermediary to reach the Indian market to capitalize on the tax rebates that the country as an offshore financial centre offers. Moreover, some parts of FDI inflows from Mauritius to India could also be round-tripping back to India for domestic investors to avoid capital gains tax in India. In order to understand the trend of FDI inflows to India well, company-level FDI data can be examined although such an exercise would be very costly (Gopalan and Rajan, 2010).

[45] Singapore has dominated South-East Asia's FDI to India, e.g. accounting for 81% in 2010.

[46] This issue may be revisited to examine if India's neighbouring countries may also use Mauritius as an intermediary to facilitate their investment to India. In addition to India, Mauritius holds the double tax treaties with four South Asian countries, i.e. Bangladesh, Nepal, Pakistan and Sri Lanka (LOWTAX, 2011).

**Figure 30. Foreign direct investment inflows into India, 2003 and 2010**




*Source:* ESCAP, based on data from the CEIC database (2011) and International Monetary Fund (2011b).

It is apparent that economic integration of the Asian and Pacific region not only depends on the extent of intraregional trade flows but also on the extent of intraregional FDI flows, which is in line with the emergence of global value chains in the region. Statistical evidence also reveals that among developing countries, China, India and the Republic of Korea exhibit various degrees of integration with the rest of Asia and the Pacific through increasing FDI flows.

# PART II

## CAPTURING CURRENT TRADE, INVESTMENT AND BUSINESS OPPORTUNITIES

# CHAPTER 5

# IDENTIFYING TRADE AND INVESTMENT OPPORTUNITIES

## A. ASIA AND THE PACIFIC AS THE WORLD'S ENGINE OF GROWTH

The traditional developed economies of the Group of Three (G3) – the European Union, Japan and the United States – all face economic slowdown, and acceptance is growing that the Asia-Pacific region will be the world's next engine of economic growth. Developing economies in Asia and the Pacific are rapidly increasing their importance in the world economy, having performed robustly to make a quick recovery in 2010 and reach pre-crisis levels of economic activity while major industrial countries continue to struggle. According to the ESCAP (2011a), developing Asia is expected to continue its dynamic growth at the rate of more than 8% per annum throughout the first-half of this decade, while the world economy will grow on average by only 4% per annum.

The relatively quick recovery of developing countries in Asia, at a time when export demand from industrial countries has been drying up, can be explained partly by the region's unexpectedly strong domestic demand. As explained in part I of this report, the relative importance of the region, especially China, in world trade has grown, both in terms of exports and imports. The region's growing share of global imports has strengthened the expectation, particularly within the region itself, that it may be able to decouple itself from the vulnerabilities and deep impacts of business cycle fluctuations in other parts of the world.

*"With the expectation that demand by major economies for the Asia-Pacific exports will be sluggish in the long term, opportunities for export expansion will depend largely on the growth of intraregional demand"*

Although exports from Asia and the Pacific have been largely driven by globalization and the active participation of various economies within the region in globally fragmented production chains, it is expected that intraregional final demand will continue to grow and partially offset weak long-term demand from the G-3. Already, part of the region's exports has catered to intraregional final demand, especially that of China; however, many economies in Asia are still in the early stages of development. China and India, for example, are projected to gain almost 500 million new urban residents during the next 20 years (Iimi, 2005). This massive urbanization will provide plenty of opportunities for expanding production and exports of consumer and capital goods by the rest of the region.

With the expectation that demand by major economies for the Asia-Pacific exports will be sluggish in the long term, opportunities for export expansion will depend largely on the growth of intraregional demand. According to ESCAP (2011a) and the International Monetary Fund (2011a), exports and imports of developing countries in Asia

and the Pacific will continue to grow rapidly in real terms in 2011. This growth will remain strong throughout the first half of the decade despite an expected slowdown in demand by the rest of the world (see tables in part III). China's exports and imports, which account for almost 30% of the region's export and import values, are expected to grow by more than 15% per annum in real terms. India's exports and imports are projected to grow by more than 13% and almost 10% per annum, respectively.

Major trading economies in South-East Asia are also expected to strongly increase their exports and imports. When the more advanced Asian economies are included, the trade prospects of the region become even more promising. Although the growth of exports and imports by Japan and NIEs may not have been as dynamic as those of the large developing Asian economies, they still account for a significant share of Asian trade. (Japan accounts for about 14% of Asia's exports and imports, while NIEs, excluding Taiwan Province of China, account for about 22%.) In some cases, they are expected to witness robust growth in the future.

Although China currently dominates exports from the Asia-Pacific region, rapidly rising labour costs in that country could create opportunities for other developing economies in the region to catch up (see also Haddad and Shepherd, 2011). Industrial wage inflation in China is increasing due to the depletion of rural labour from the country's Central and Western provinces as well as to rising workers' demands for improvements in labour conditions. The resulting rising manufacturing costs could be an incentive for China's manufacturers to move up in the industrial value chain and source more components from low-cost neighbours. Such a transformation of China's industrial structure would further deepen the integration of China's production network with that of other Asian and Pacific economies and spur intraregional trade.

***"Currently, the bulk of import demand from the region is confined to a small group of 12 economies"***

Currently, the bulk of import demand from the region is confined to a small group of economies. Just 12 economies account for more than 90% of total Asia-Pacific imports (table 12).[47] Thus, projections for the growth of imports by these 12 economies will

47 Excluding imports by Taiwan Province of China.

**Table 12. Major Asia-Pacific importers**
(Shares of total imports of Asia and the Pacific from the world)

*(Percentage)*

| Importer | 2009 | Cumulative share for 12 observed economies | 2010 | Cumulative share for 12 observed economies |
|---|---|---|---|---|
| China | 25.48 | 25.48 | 27.14 | 27.14 |
| Japan | 13.98 | 39.47 | 13.48 | 40.62 |
| Hong Kong, China | 8.92 | 48.39 | 8.60 | 49.22 |
| Republic of Korea | 8.19 | 56.58 | 8.27 | 57.49 |
| India | 6.52 | 63.09 | 6.28 | 63.77 |
| Singapore | 6.23 | 69.32 | 6.05 | 69.82 |
| Russian Federation | 4.86 | 74.18 | 4.83 | 74.65 |
| Australia | 4.19 | 78.37 | 3.92 | 78.57 |
| Turkey | 3.57 | 81.94 | 3.61 | 82.18 |
| Thailand | 3.39 | 85.33 | 3.55 | 85.73 |
| Malaysia | 3.14 | 88.47 | 3.20 | 88.93 |
| Indonesia | 2.28 | 90.75 | 2.56 | 91.50 |

*Source:* Import share calculated by ESCAP, based on WTO International Trade Statistics online, downloaded on 7 April 2011.

provide a strong indication of the prospects for exports of their partners, including those in the region. However, the expansion of imports by these economies would also require the presence of trade complementarities between potential partners. If these complementarities are not very good, the exporting economies of the region will not only have to increase competitiveness in their current export products but also transform their export structure to better match demand from the importing economies of the region. The next section explores these issues in more detail.

## B. TRADE AND INVESTMENT OPPORTUNITIES FROM A RISING ASIA AND THE PACIFIC

As shown above, the demand in Asia and the Pacific comes mainly from a handful of importing economies. Those economies are relatively large and have been actively involved in the development of production networks with China and advanced East Asian economies. Other economies in the region play a minor role, and it is important for them to continue their reforms and present themselves as viable and valuable future trade and investment partners. This section considers several indicators that reveal the degree to which these economies could meet trade and, indirectly, investment demand among the large Asian and Pacific economies.

### 1. Measuring trade complementarity[48]

To what extent can other Asia-Pacific economies meet the demand of the key Asia-Pacific importing economies identified in table 12? The trade complementarity index has been calculated based on the disaggregation of Asia-Pacific traded products into 277 groups at the 3-digit level of SITC Rev. 3 for 2008 (see figure V.1 in the annex to this chapter).[49] On average, almost 50% of exports by Asia and the Pacific match its import demand (for subregional complementarities see more in ESCAP, 2011a). This implies a relatively good alignment of the current export supply specialization of Asia-Pacific economies and the region's import pattern.[50]

***"On average, almost half of exports by Asia and the Pacific match the region's import demand"***

#### *(a) Import demand of major economies in the East Asian production network*

The import demand of the major economies in the East Asian production network (China, Japan, the Republic of Korea, Singapore and Hong Kong, China) tends to exhibit greater complementarity with the exports of those same economies and of the developing ASEAN-5[51] than with the exports of other Asian and Pacific economies on average. These results show more variation at the level of the following individual economies.

**China** – On average, 41% of China's imports showed complementarity with exports from Asian and Pacific economies in 2008. China's import demand appear to have relatively more

[48] The trade complementarity index shows to what extent a particular economy's import pattern matches the export pattern of another economy. The index is defined as 100 $(1-\sum_i| m_{ik}-x_{ij}|/2)$, where $m_{ik}$ is the share of good i in global imports of country k and $x_{ij}$ is the share of good i in all exports of country j. The index is zero when no goods overlap and 100 when imports of a country of interest perfectly match the export structure of another country of interest.

[49] Trade data for 2009 have not been used in the analysis in order to avoid the possibility that during the global economic crisis and resulting trade contraction such data could distort actual trade complementarities. The index is calculated using the World Integrated Trade Solution platform of trade indicators.

[50] A major limitation of using current import demand structure to assess trade opportunity is that the future trade pattern could be different from what is projected today based on past data, especially if the region has changed from external demand-dependent to intraregional demand-dependent. Ideally, to incorporate this concern, imports of parts and components used in the production of final goods exported outside the region should be excluded from the dataset. Unfortunately, since such information is unavailable at the aggregate level, data on Asia's imports from the world – which cover imports for consumption in the region, imports of intermediate inputs and raw materials used in further production for serving final demand both within and outside the region – have to be used.

[51] This group comprises Indonesia, Malaysia, Thailand, the Philippines and Viet Nam.

complementarity with the export pattern of the advanced Asian-Pacific economies, major ASEAN economies, and some resource exporting economies in North and Central Asia, than with exports from the region as a whole on average. Only the following 11 economies appeared to match more than 50% of China's import demand:

- Hong Kong, China (59%);
- Macao, China (54.5%);
- Indonesia (54%);
- Kazakhstan and the Russian Federation (53% each);
- Japan (52.5%);
- Australia (52%);
- Thailand (51%);
- New Zealand, the Republic of Korea and the Philippines (50% each).

**Japan** – About 44% of Japan's import pattern was matched by exports by Asia and the Pacific. Exports from 17 Asian and Pacific economies, including a few low-income developing economies, matched more than 50% of Japan's import demand in 2008. Japan's imports showed high complementarity with exports from:

- Thailand (63.5%);
- China (61%);
- Republic of Korea (61%);
- Turkey (60%);
- Indonesia and the Islamic Republic of Iran (59% each);
- Australia, Malaysia, Russian Federation and Singapore (57% each);
- Phillippines (55%);
- Brunei Darussalam and New Zealand (52% each);
- Bhutan (51.5%);
- India and Viet Nam (51% each);
- Uzbekistan (50.5%).

**Republic of Korea** – On average, 43.5% of the Republic of Korea's imports show complementarity with exports from Asian and Pacific economies. Only 12 economies appeared to match more than 50% of the Republic of Korea's import demand in 2008:

***"The import demand of the major economies in the East Asian production network tends to exhibit greater complementarity, on average, with the exports of those economies and of developing ASEAN-5 than with exports by other Asian and Pacific economies"***

- Indonesia (63%);
- China (59%);
- Singapore (58%);
- Malaysia (57%);
- Turkey (55.5%);
- Viet Nam (55%);
- Philippines, Thailand and Hong Kong,China (54% each);
- Australia (52%);
- New Zealand (51%);
- Islamic Republic of Iran (50%).

**Singapore** – About 44% of Singapore's imports were matched by Asia-Pacific exports. Exports of 12 Asian and Pacific economies, including some low-income developing economies matched more than 50% of Singapore's import demand in 2008. Singapore's imports showed high complementarity with exports from:

- Malaysia (72%);
- Philippines (67%);
- Hong Kong, China (60.5%);
- Indonesia (58%);
- China (57%);
- Fiji, Thailand and Viet Nam (55% each);
- Solomon Islands (54%);
- Republic of Korea (53%);
- Myanmar and Nepal (51%);
- Timor-Leste (50%).

**Hong Kong, China** – Only 32.5% of imports by Hong Kong, China, showed complementary with exports from other Asian and Pacific economies on average in 2008. Exports from five economies in East and South-East Asia matched more than 50% of import demand from Hong Kong, China:

- Malaysia (54%);
- China and Singapore (52% each);

- Macao, China (51%);
- Philippines (50%).

The relatively lower complementarity between import structure of Hong Kong, China, and the export structure of other Asia-Pacific economies may be a reflection of the unique status of Hong Kong, China, as an import-export entrepôt. Its imports largely comprise finished and semi-finished goods from a small group of economies in Asian production networks for re-export, while imports of primary commodities and raw materials from Asian and Pacific economies generally account for a minor share.

### *(b) Major importing economies in South-East Asia*

Indonesia, Malaysia and Thailand are the major importing economies in South-East Asia. Their trade complementarity patterns are detailed below.

**Thailand** – About 46% of Thailand's imports matched exports by other Asian and Pacific economies. The country's imports were found to fit well (more than 50%) with 19 economies in the region, including some least developed economies in the Pacific. The highest complementarity index was found for exports by:

- Australia (59%);
- New Zealand (57%);
- Philippines (56%);
- Malaysia (55%);
- Indonesia, Turkey and Hong Kong, China (53% each);
- French Polynesia, Japan and the Russian Federation (52% each);
- China, New Caledonia, Papua New Guinea and Singapore (51% each);
- Federated States of Micronesia (50.5%);
- Brunei Darussalam, the Islamic Republic of Iran, Viet Nam and Macao, China; (approximately 50% each).

**Malaysia** – About 44% of Malaysia's imports showed complementarity with other Asia-Pacific exports, mostly from the advanced Asian and major ASEAN economies:

- Singapore (58%);
- Japan, the Republic of Korea and Thailand (57% each);
- China (55%);
- Hong Kong, China (54%);
- Philippines (53.5%);
- New Zealand (53%);
- Australia (51%).

**Indonesia** – Only 38% of Indonesia's imports fitted well with exports by other Asian and Pacific economies in general, and only Japan showed export complementarity of more than 50% with Indonesia's imports, at 54%. This indicates that the integration of Indonesia into the Asian and Pacific production networks is still at a relatively low level.[52]

***"…most economies in the region need to transform their productive structure and current specialization to become viable trading partners of the large Asian importing economies"***

### *(c) Major importers in South and South-West Asia*

Major importers in South and South-West Asia are India and Turkey but their import complementarity patterns are very different from the rest of Asia and the Pacific.

**India** – About 44% of India's imports have complementarity with Asia-Pacific exports particularly those from low-income developing economies:

[52] Evidence is found from 2007 trade data compiled by Athukorala (2010, table II.2). The relative share of production network exports in total exports from Indonesia is 38%, somewhat lower than that of the Philippines (87%), Malaysia (79%), Singapore (66.5%) and Thailand (63%). The shares on the import side show a similar pattern. The production network accounted for about 37.7% of Indonesia's imports, lower than that of the Philippines (79%), Malaysia (72%), Singapore (78%) and Thailand (48.5%).

- Sri Lanka (59%);
- Fiji and Nepal (58%);
- Myanmar, Samoa, Solomon Islands and Viet Nam (55% each);
- Indonesia (54%);
- Lao People's Democratic Republic (53%);
- Tonga (53%);
- Georgia (52%);
- Cambodia (51%).

**Turkey** – Of the imports by Turkey, 43% matched exports from Asia and the Pacific. Turkey's imports have tended towards complementarity with exports from resource-rich economies, especially land-locked developing economies and the Pacific:

- Tajikistan (55%);
- Australia, Azerbaijan, Mongolia and New Zealand (54% each);
- New Caledonia (52.5%);
- Kazakhstan, Lao People's Democratic Republic and the Russian Federation (52% each);
- Georgia and Macao, China (51% each);
- Armenia and Papua New Guinea (50% each).

These figures suggest that there is potential for Turkey to diversify its resource dependence away from the European Union to non-European Union partners.

### *(d) Major importers in the rest of Asia and the Pacific*

**Russian Federation** – This is the only North and Central Asian economy that appears in the group of major Asian importers. Some 38% of imports by the Russian Federation have complementarity with exports of the region. The Russian Federation imports appear to have relative complementarity with exports by low-income developing countries, especially small Pacific and North-East Asian economies. Exports by the following economies had more than 50% complementarity with the Russian Federation's import demand:

- Tonga (61%);
- Solomon Islands (60.5%);
- Samoa (57%);
- Guam and Northern Mariana Islands (56% each);
- Mongolia (55%);
- New Caledonia (52%).

**Australia** – A total of 38% of Australian imports had complementarity with exports by Asian-Pacific economies, especially small Pacific economies such as:

- Kiribati (59%);
- Tonga (57%);
- Federated States of Micronesia and Solomon Islands (56% each);
- Vanuatu (53%);
- Cook Islands and Samoa (52% each);
- Niue and Timor-Leste (51% each);
- Papua New Guinea (50%).

Given the assumption that world demand will shift towards Asia and the Pacific, and China in particular, during the next decade, the above results imply that most economies in the region need to change their productive structure and current specialization in order to become viable trading partners of the large Asian importing economies as well as part of the dynamic Asian production network. This is especially true for the low-income developing economies.

## 2. Export diversification and market share of individual economies

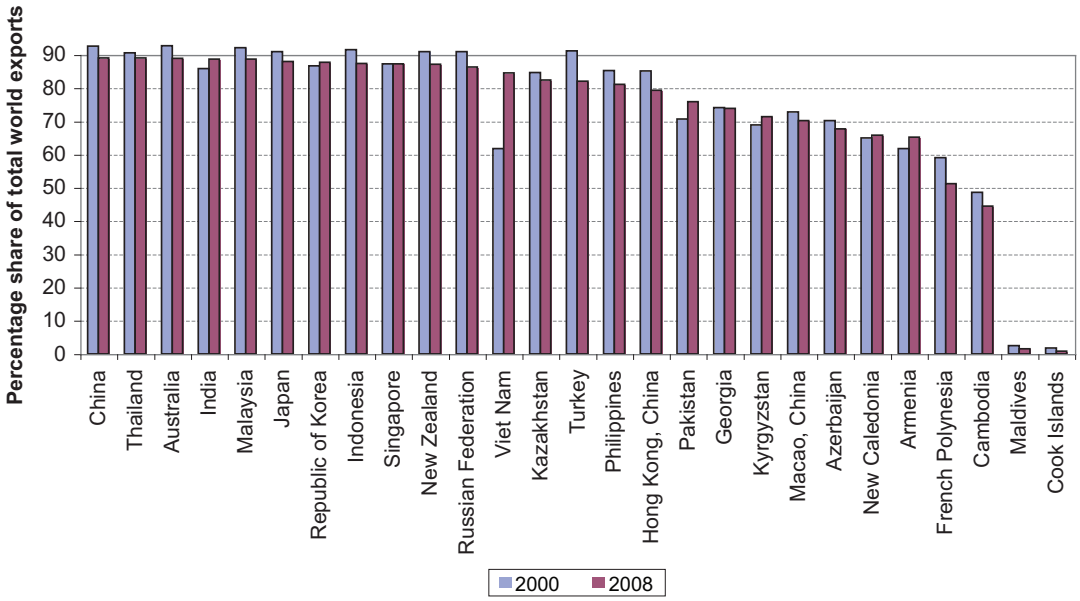
Typically, exports of any economy can be expanded by increasing the number of different export products and services and/or increasing the quantity of each exported item, so-called expansion of "extensive margin" and "intensive margin" of exports (Hummels and Klenow, 2005).

In terms of opportunities to expand the type of export products (i.e. export diversification), countries that currently export relatively few products obviously have more room for diversification than those that already export a large

***"In contrast to low-income countries, export products of China and Thailand already cover more than 89% of products exported globally"***

number of products. Based on the 4-digit SITC Rev. 3 export data for 2008, it was found that exports by most Asian and Pacific economies were quite diversified and covered a wide range of product groups. For example, exports of products by China and Thailand already cover more than 89% of the products exported globally. In contrast, exports by the low-income developing countries are much more concentrated, accounting for a smaller fraction of globally exported products. The index shows that the low-income developing Asia-Pacific economies would have more trade opportunities if they could diversify their exports (figure 31). Some emerging economies have been able to increase their export diversification during the past decade. Viet Nam, in particular, increased its export diversification by more than 20 percentage points between 2000 and 2008.

**Figure 31. Scope of exports of selected Asia-Pacific economies in the world market, 2000 and 2008**

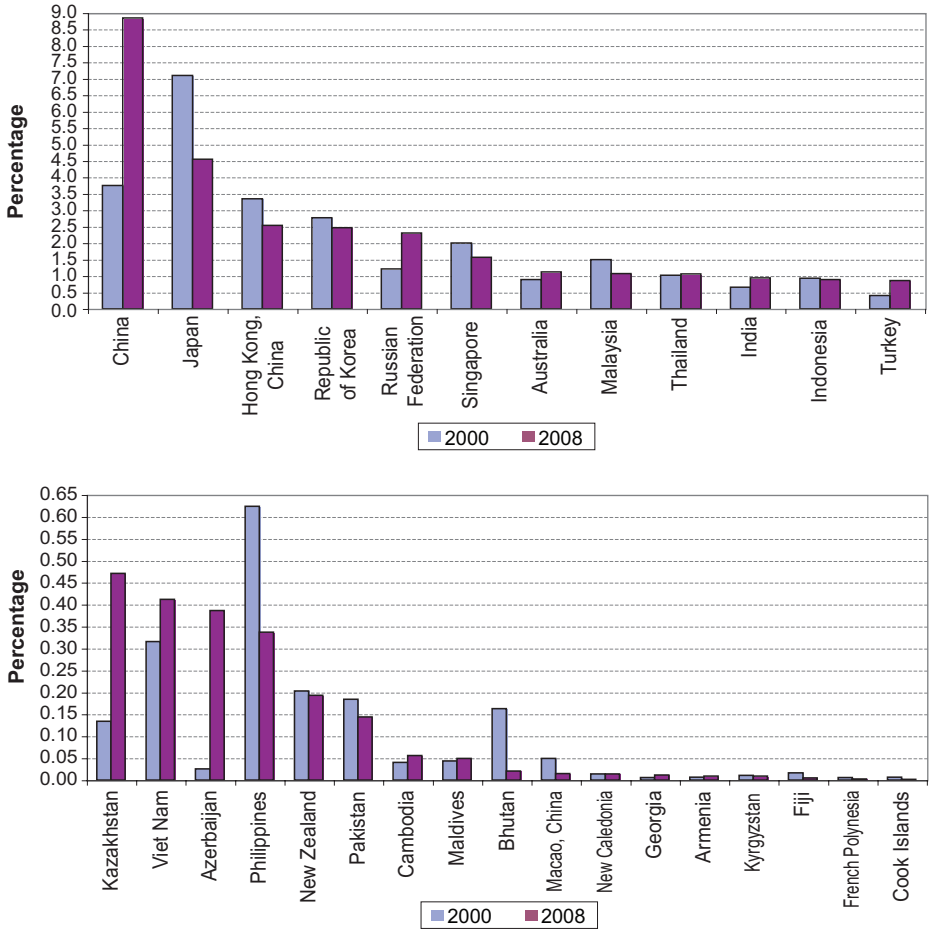



*Source:* ESCAP calculation, based on data from World Bank, WITS database, downloaded April 2011.
*Note:* Measured by using an index known as the Hummels-Klenow (2005) (products) extensive margin, available from the World Integrated Trade Solution of the World Bank.

Most economies of the region still have considerable potential for expanding their exports through enhancing competitiveness of their current exports. Based on 4-digit SITC Rev. 3 export data for 2008, Asian and Pacific economies play a relatively minor role in world markets for products that they export, with a market share of no more than 9% (figure 32). Thus, enhancing competitiveness, through improved cost efficiency and quality, of currently exported products is necessary in order to capture a larger share of world demand.

***"Most economies of the region still have considerable potential for expanding their exports through enhancing competitiveness of their current exports"***

**Figure 32. Shares of selected Asia-Pacific economies in the world market, 2000 and 2008**




*Source:* ESCAP calculation, based on data from World Bank, WITS database, downloaded in April 2011.
*Note:* Measured by using the Hummels-Klenow (2005) (products) intensive margin index, available from the World Integrated Trade Solution of the World Bank.

## 3. Specialization

Improving the competitiveness of exports has always been a key factor in enhancing export growth. The revealed comparative advantage (RCA) index can be used to gauge the current level of competitiveness of Asian and Pacific exports and is calculated on the basis of the 4-digit level of disaggregation of SITC Rev. 3 trade data. The index also may be used indirectly to reflect a degree of the relative attractiveness of a particular economy for FDI, particularly in export sectors. An index value larger than one (RCA >1) indicates that an economy features a larger share of a certain product in its exports than the world average export share in that product. In such a case, the economy is said to have a revealed comparative advantage in that product and is therefore a relatively attractive investment destination. RCA indices are also used to assess export potential.[53] In principle, the largest potential for inter-industry trade (i.e. trading of goods categories into different industrial sectors) is between economies that reveal quite different comparative advantages. In contrast, similar RCA

[53] However, this would require a fairly disaggregated analysis.

*"To enhance intra-industry exports, Asia-Pacific economies will need to build horizontal specialization in differentiated products or vertical specialization in different stages of the value chain"*

values signal a narrow scope of potential inter-industry trade, but this does not exclude a potential for the intra-industry trade.

For economies in East Asia, RCA values greater than unity appear to be concentrated in industrial and manufacturing products (SITC sectors 5-8), indicating that the comparative advantage of that subregion in those products (table 13). The revealed comparative advantage of South-East Asia, which is more diversified, is dispersed across various sectors, and is relatively more prominent in industrial and manufactured products (SITC 6-8) as well as food products (SITC 0). In South and South-West Asia, India and Turkey lead the subregion in a number of competitive sectors, dominated by food products (SITC 0), manufactured goods (SITC 6) and miscellaneous manufactured articles (SITC 8). The North Asia, Central Asia and Pacific subregion have a relatively small number of product groups with revealed comparative advantage, especially if Australia and New Zealand are excluded. The comparative advantage of these subregions appears to be concentrated in food (SITC 0), fuel and mining (SITC 3), and manufactured goods (SITC 6).

Comparative advantage patterns, as discussed above, could suggest opportunities for inter-industry trade between economies within the region. For example, East Asia, which is the centre of the region's import demand, would continue to provide a potential market for exports of primary products, i.e. food, raw materials, fuel and mineral products. This does not mean that there are no opportunities to export industrial and manufactured goods to East Asia. It only indicates that to export non-primary products to East Asia, more attention should be given to the development of capacity for intra-industry trade. To enhance intra-industry exports, Asia-Pacific economies will need to build horizontal specialization in differentiated products or vertical specialization in different stages of the value chain.

Opportunities for the rest of the region to export to developing South-East Asia and India tend to be more in intra-industry trade than inter-industry trade, because the revealed comparative advantage of those economies appears to be diversified across various sectors. On the other hand, exports of industrial and manufacturing products to South and South-West Asia, North and Central Asia, and the Pacific still have considerable scope for expansion because their specialization is quite different from the rest of the region even though the size of individual markets in those subregions is relatively small.

## C. OPPORTUNITIES AND PROSPECTS FOR FOREIGN DIRECT INVESTMENT

Asia and the Pacific is leading the recovery of global FDI, and opportunities in the region for attracting FDI thus remain high. At the same time, various emerging developing economies in the region have increased their importance as FDI sources, both within and outside the region. In particular China, India, Indonesia, the Russian Federation, Singapore and Hong Kong, China, are expected to play an increasingly important role in terms of both inward and outward FDI in the region.

As developing economies in Asia and the Pacific are gaining importance as sources of FDI, opportunities for intraregional South-South FDI are emerging. South-South FDI would also facilitate technology and knowledge transfer, which in turn would enhance sustainable and inclusive development in the less developed economies of the region.

*"FDI in high value-added industries and in services is expected to become increasingly important for Asia and the Pacific"*

While many lower-income developing countries in Asia and the Pacific may have relatively small

## Table 13. Patterns of revealed comparative advantage, by economy, 2008

(Number of product groups with RCA >1 at 4-digit SITC Rev. 3)

| Economy | 0 Food/ live animals | 1 Beverages/ tobacco | 2 Crude material excl. food/fuel | 3 Mineral fuel/ lubricants | 4 Animal/ vegetable oil/fat/wax | 5 Chemicals/ products n.e.s. | 6 Manufactured goods | 7 Machinery/ transport equipment | 8 Miscellaneous manufactured articles | 9 Commodities n.e.s | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **East and North-East Asia** | | | | | | | | | | | |
| China | 26 | 1 | 18 | 5 | 4 | 37 | 138 | 87 | 94 | | 410 |
| Hong Kong, China | 6 | 1 | 10 | | 1 | 16 | 66 | 48 | 84 | 1 | 233 |
| Japan | | 1 | 12 | 2 | 1 | 42 | 57 | 111 | 30 | 1 | 257 |
| Republic of Korea | 3 | 1 | 11 | 2 | | 30 | 69 | 52 | 14 | | 182 |
| Macao, China | 4 | 5 | 3 | | | 7 | 32 | 15 | 49 | 1 | 116 |
| **Total** | **39** | **9** | **54** | **9** | **6** | **132** | **362** | **313** | **271** | **3** | **1 198** |
| **South-East Asia** | | | | | | | | | | | |
| Cambodia | 2 | 2 | 6 | | 1 | 1 | 5 | 2 | 26 | | 45 |
| Indonesia | 34 | 4 | 30 | 9 | 7 | 18 | 58 | 29 | 45 | 1 | 235 |
| Malaysia | 18 | 1 | 23 | 7 | 9 | 19 | 42 | 44 | 27 | | 190 |
| Philippines | 22 | 5 | 17 | 2 | 2 | 9 | 24 | 23 | 33 | 1 | 138 |
| Singapore | 10 | 1 | 8 | 3 | 4 | 31 | 14 | 55 | 25 | | 151 |
| Thailand | 42 | 1 | 18 | 2 | 4 | 24 | 70 | 51 | 38 | 1 | 251 |
| Viet Nam | 33 | 4 | 24 | 3 | 5 | 5 | 60 | 15 | 62 | | 211 |
| **Total** | **161** | **18** | **126** | **26** | **32** | **107** | **273** | **219** | **256** | **3** | **1 221** |
| **South and South-West Asia** | | | | | | | | | | | |
| Bhutan | 6 | | 5 | 1 | 1 | | 3 | | | | 16 |
| India | 40 | 4 | 49 | 5 | 6 | 42 | 93 | 33 | 44 | | 316 |
| Afghanistan | 8 | | 4 | | | | 3 | | 2 | | 17 |
| Maldives | 10 | | 2 | | | | | | | | 12 |
| Pakistan | 29 | 2 | 27 | 1 | 2 | 6 | 47 | 4 | 39 | | 157 |
| Sri Lanka | 28 | 4 | 19 | | 4 | 5 | 37 | 11 | 44 | 1 | 153 |
| Turkey | 49 | 4 | 29 | 1 | 5 | 16 | 98 | 35 | 48 | 1 | 286 |
| **Total** | **170** | **14** | **135** | **8** | **18** | **69** | **281** | **83** | **177** | **2** | **957** |
| **North and Central Asia** | | | | | | | | | | | |
| Armenia | 19 | 7 | 13 | | | 6 | 33 | 9 | 10 | 1 | 98 |
| Azerbaijan | 9 | | 2 | 1 | 4 | | 2 | 1 | | | 19 |
| Georgia | 19 | 3 | 23 | 1 | 3 | 12 | 13 | 7 | 9 | 1 | 91 |
| Kazakhstan | 8 | | 20 | 11 | 1 | 4 | 18 | 4 | | 1 | 67 |
| Kyrgyzstan | 31 | 3 | 23 | 3 | 1 | 2 | 28 | 6 | 17 | 1 | 115 |
| Russian Federation | 5 | 1 | 19 | 7 | 1 | 11 | 25 | 6 | | | 75 |
| **Total** | **91** | **14** | **100** | **23** | **10** | **35** | **119** | **33** | **36** | **4** | **465** |
| **Pacific island economies** | | | | | | | | | | | |
| Australia | 40 | 1 | 44 | 5 | 3 | 11 | 14 | 2 | 5 | 1 | 126 |
| Cook Islands | 3 | | 1 | | | | 2 | | | | 6 |
| French Polynesia | 9 | 3 | 4 | | 2 | 4 | 5 | 9 | 14 | | 50 |
| New Caledonia | 5 | | 6 | | | 1 | 1 | 5 | 1 | | 19 |
| New Zealand | 60 | 2 | 33 | | 4 | 14 | 35 | 20 | 14 | 2 | 184 |
| Samoa | 10 | 2 | 2 | | 1 | | 5 | 3 | 2 | | 25 |
| **Total** | **163** | **9** | **102** | **5** | **13** | **38** | **83** | **43** | **57** | **4** | **517** |

*Source:* ESCAP calculation, based on World Bank, WITS database, downloaded in April 2011.

*Note:* n.e.s., not elsewhere specified.

domestic markets, they have relatively stable economies and political climates as well as low-cost (but typically unskilled) labour that help to generate business and investment opportunities. Some advanced developing economies, such as China, are losing competitive advantage in labour-intensive sectors, mainly due to increasing labour costs; less advanced economies could therefore capture emerging opportunities by taking over from China some of the production operations in regional and global value chains through South-South FDI. For example, some countries such as Bangladesh and Cambodia have already captured such opportunities in the apparel and garment sector.[54] Future prospects of South-South FDI in the region's less advanced economies depend on their ability to strengthen supply-side capacities, e.g. development of small and medium-sized enterprises (SMEs) and supporting industries, and provide an enabling environment for investment (see also chapter 7).

FDI in high value-added industries and in services sectors is expected to become increasingly important for Asia and the Pacific. Already, the global top three sectors attracting FDI comprise information and communications technology (ICT), business services and financial services. Most recently, FDI in the ICT and software sectors surpassed FDI in financial services, and in 2010 accounted for 11% of global projects (fDi Intelligence, 2011). This opens new opportunities for those countries that have competitive advantages in those sectors. Furthermore, economies with abundant natural resources will continue to attract FDI, especially if supported by domestic reforms and productivity growth (see box 5.1. for investment opportunities in Central Asia).

What are the prospects for FDI in China and India, the two largest emerging economies in Asia and the Pacific?

China is expected to remain a top FDI destination as transnational corporations (TNCs) eye China's rapidly growing market and because China still relies on transfer of advanced technologies from developed economies. Despite the need for development in inland provinces in China, most FDI has so far targeted coastal provinces, mostly in sectors that cater to the domestic market, or acquisitions of domestic companies to establish a local presence rather than for exporting. China's recently released twelfth Five-Year Plan identifies new development objectives, motivated mainly by the need for climate change mitigation, and with the focus on seven strategic sectors, i.e. energy saving and environmental protection, next-generation information technology, biotechnology, high-end manufacturing, new energy, new materials and clean-energy vehicles. The Plan's objective is to raise the share of those sectors in GDP from the current 3% to 15% by 2020. Those sectors are expected to attract large inflows of FDI (Stern, 2011). FDI inflows would therefore grow and reach an average of $114 billion per year during 2011-2015 (Economist Intelligence Unit, 2011b). As for outward FDI, Chinese companies are expected to continue acquisitions of overseas assets at an accelerating level, particularly in the agricultural, minerals and energy sectors, to ensure a steady supply for the expanding home economy.

***"China's recently released twelfth Five-Year Plan identifies new development objectives, motivated mainly by the need for climate change mitigation"***

India has yet to see inward FDI recovery. To change the trend, India is expected to relax restrictions on FDI in some key sectors (especially services such as retailing) in an effort to simplify FDI procedures and remove bottlenecks (Economist Intelligence Unit, 2011c). India is expected to continue strong growth of real GDP and further economic liberalization, resulting in a growing need for both public and private investment (especially in infrastructure and industrial development). Thus, a more investor-friendly climate needs to be established in order to attract higher FDI inflows, as was clearly indicated by the Doing Business Survey 2011 (World Bank, 2010a) in which India was again

[54] However, those countries should strive to diversify their economies and decrease dependence on single commodities or export products. Such diversification efforts would also attract further South-South FDI from neighbouring developing countries.

ranked low at 134. Indian enterprises are also showing increasing interest in investing in foreign markets (fDi Intelligence, 2011).[55] India's FDI is therefore expected to grow in the mid- to long term, despite the country's decreases in FDI outflows in 2009 and 2010 (UNCTAD, 2011b).

It is apparent that corporate and industrial restructuring in the wake of the global economic crisis, coupled with ongoing development of international production networks or regional and global value chains, have created new investment opportunities for forward-looking enterprises in both developed and developing economies.

However, prospects for continued growth of outward FDI from the region are somewhat dimmed by rising risks, including "unpredictable global governance", uncertainties over domestic demand in developed countries, fiscal and financial vulnerabilities, sovereign debt crises, rising energy prices, inflation risks and currency volatility in addition to earthquake-related damage in Japan (cf. International Monetary Fund, 2011b). As a result, the possibility exists that the weak recovery of FDI outflows may become even weaker during 2011.

***"The possibility exists that the weak recovery of FDI outflows may become even weaker during 2011"***

Finally, FDI opportunities could arise from the ever-increasing number of RTAs covering investment provisions in Asia and the Pacific (box 8.2). While such provisions are not a major determinant of FDI the overall package of some agreements, including deep commitments to, and wide coverage of industrial sectors, is expected to increase

[55] For example, India is currently emerging as an investor in selected outsourcing services in other Asian countries, such as the Philippines (box 5.2).

***Box 5.1. Capturing investment opportunities: Central Asia[a]***

Discussions on investment opportunities in the Asian and Pacific region frequently focus on economies that are growing rapidly on the basis of exports of manufactured goods and the development of production networks. However, Central Asia contains a group of economies with quite different characteristics but significant trade and investment potential. Although landlocked, they are relatively rich in natural resources. The opportunities in these economies are different from those in other Asian subregions.

The abundance of natural resources ensures a steady flow of foreign exchange to Central Asian economies. In addition to oil and gas, this subregion is also rich in gold and other precious metals such as silver and platinum, and some base metals such as copper, molybdenum, lead and zinc. As a result, the region is highly resource-dependent. In Azerbaijan and Kazakhstan, for example, hydrocarbons and minerals account for more than 50% of their exports, while oil and gas account for more than 25% of their fiscal revenue.[56] This resource abundance has attracted considerable FDI inflows to the region; a ninefold increase was recorded during 1993-2008, two thirds of which went to the energy sector (Organisation for Economic Cooperation and Development, 2011).

The Organisation for Economic Cooperation and Development (OECD) (2011) as workforce of the subregion is also part of its strength. Central Asian economies have a relatively young workforce and almost universal literacy rates (OECD, 2011). From 1993 to 2008, the productivity of the subregion grew nearly 5% faster than the world average.

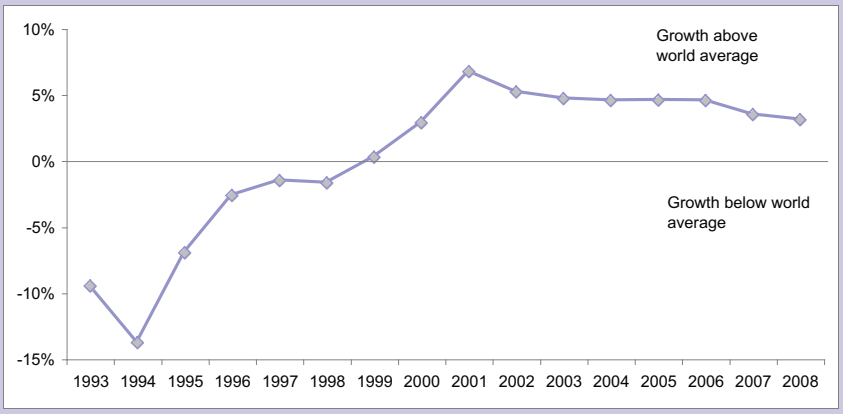
These factors have contributed to a strong economic performance by the subregion during the past decade, resulting in an annual GDP growth rate of 8%.

*(Continued on page 69)*

[56] Centrat Intelligence Agency (CIA), The World Factbook, 2011. Available from https://www.cia.gov/library/publications/the-world-factbook/fields/2011.html

***Box 5.1 (Continued)***

**Central Asia labour productivity growth relative to world average, 1993-2008**




*Source:* OECD (2011).

The subregion presents not only great opportunities, but also challenges. Several economies in Central Asia are remote and landlocked, which leads to high trade costs, especially transportation, for traders and investors. The World Bank "Doing Business" database[b] covers six of the Central Asian Regional Economic Cooperation (CAREC)[c] members (Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan). The average cost of importing a container to these six countries is around $3,000, compared with less than $1,000 in East Asia and $450 in Singapore. The costs of shipping a container from the United States east coast to Tajikistan can reach $9,000, with the leg from Georgia to Tajikistan accounting for two-thirds of this amount. The World Bank (2004) estimated that trade logistics costs amount to 23% of the value of Tajikistan's external trade and that total logistics costs, including domestic movement of goods, amount to 27% of GDP.

Because of these challenges, the subregion needs to improve its roads, rail system, pipelines and communications infrastructure to reduce trade costs. Trade facilitation measures are also a priority. Although tariff barriers in the region are quite low, analysts point to the presence of non-tariff (but man-made) barriers associated with customs clearance, transit fees, complicated systems of trade permits, "unofficial payments" and limited progress towards installation of modern information systems.[d]

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[a] ESCAP defines Central Asia as Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, the Russian Federation, Tajikistan, Turkmenistan and Uzbekistan.

[b] Available from www.doingbusiness.org/EconomyRankings/.

[c] The Central Asian Regional Economic Cooperation (CAREC) Programme is an Asian Development Bank supported initiative that was established in 1997 to encourage economic cooperation among countries in the Central Asian region. It currently has 10 participating members: Afghanistan, Azerbaijan, China, Kazakhstan, Kyrgyzstan, Mongolia, Pakistan, Tajikistan, Turkmenistan and Uzbekistan. The CAREC Programme has, to date, focused on financing infrastructure projects and improving the region's policy environment in the priority areas of transport (especially road transport), energy (including the water-energy nexus), trade policy and trade facilitation (especially customs cooperation).

[d] See, for example, Asian Development Bank, 2006; Grafe, Raiser and Sakatsume, 2005; and Grigoriou, 2007.

intraregional FDI flows. Expectations are high for an increase in FDI flows between China and ASEAN countries and also between the members of the Asia-Pacific Trade Agreement (APTA), which are about to negotiate liberalization commitments on investment. The realization of the ASEAN Economic Community in 2015 is also expected to increase intra-ASEAN investment flows, which will benefit the less developed ASEAN members. At the same time, developing economies in the region, including least developed countries and landlocked developing countries, would benefit from membership in selected RTAs such as Economic Cooperation Organisation Trade Agreement and South Asian Free Trade Area. Such benefit would be in terms not only of trade but also of investment, provided that these RTAs are effectively implemented as well as expand their coverage, deepen their commitments and are willing to accept new members.

## D. TRADE AND INVESTMENT OPPORTUNITIES IN CLIMATE-SMART GOODS AND TECHNOLOGIES

In response to the current long-term global economic downturn, proactive economic measures to promote new industries are necessary. Climate-smart goods and technologies (CSGTs) in particular are receiving considerable attention as a potential source of growth, as on a global scale such growth in environmental goods and services will create huge international business opportunities. In exploring CSGT trade opportunities within and outside the region, this section shows that there is an untapped trade potential in these promising sectors for Asia-Pacific countries, including intraregional trade.

### 1. What are climate-smart goods and technologies and how much trade in climate-smart goods and technologies is there?

CSGTs are defined broadly as products, components and technologies that tend to have a relatively less adverse impact on climate change (i.e. greenhouse gas emission) in particular and on the environment in general. CSGTs constitute low-carbon technologies such as solar photovoltaic systems, wind power generation, clean coal technologies and energy-efficient lighting. Trade and investment in CSGTs and climate-smart services have recently received much attention as a triple win scenario where trade, climate and environment, and development all benefit. In China, for example, 5.3% of its RMB4 trillion (about $585 million) economic stimulus package has been given to an environment-related budget. In 2009, the Government of Japan allocated 10% of its ¥15.4 billion (around $165 billion) economic stimulus package to environmental measures. More recently, the nuclear disaster in Japan has triggered global awareness of the needs to seriously promote CSGTs. The achievement of low-energy consumption is now regarded as a key not only to solving climate-change problems but also to reducing reliance on nuclear power. Outside the Asia-Pacific region, the Government of the United States has introduced a $150 billion, 10-year renewable energy initiative, and the European Union has taken active measures to support the switch to low-emission vehicles.

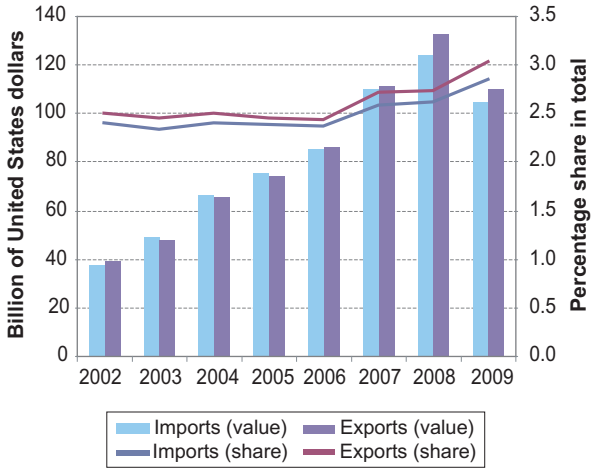
*"Asia and the Pacific is the most dynamic region when it comes to trade in climate-smart goods, with China and Japan the top two exporting countries"*

Figure 33 shows that global trade in CSGTs is gradually rising.[57] The value of world CSGT exports was around $410 billion in the pre-crisis year of 2008, and exports and imports accounted for about 3% of global trade. Although most CSGT exporters are developed economies, some developing economies are also emerging as important players as will become more evident from the discussion below.[58]

Asia and the Pacific is the most dynamic region when it comes to trade in climate-smart goods, with China and Japan the top two exporting countries. In 2008, the Asia-Pacific region[59] accounted for about 31.9% of world trade in CSGTs. The value of CSGT exports and imports tripled during 2002-2008, with regional exports (mainly from China) increasing from $39.3 billion to $132 billion, or on average by 22.7% annually. Not surprisingly, Asia-Pacific trade in CSGTs with the world fell in 2009; exports and imports declined by 16.8% and 15.9%, respectively, from the previous year as a result of the global economic crisis.[60]

East and North-East Asia, and South-East Asia account for the largest share of total Asia-Pacific

**Figure 33. Exports and imports of climate-smart goods and technologies in the Asia-Pacific region, 2002-2009**




*Source:* ESCAP calculation, based on United Nations Comtrade data downloaded from World Bank, World Integrated Trade Solution (WITS) database, accessed on 14 September 2010.
*Note:* RHS, the right-hand side axis. LHS, the left-hand side axis.

CSGT trade, in terms of both exports and imports (more than 90%) and thus drive the CSGT trade of the whole region (figure 34). China and Japan are the region's largest exporting economies of CSGTs (table 14). China is also the leading importer of CSGTs, followed by the Republic of Korea. Regional exports and imports of CSGTs are geographically very concentrated, with China and Japan representing 67% of total regional exports, and China, the Republic of Korea and Japan absorbing 53.4% of regional imports.

The intraregional share of trade in CSGTs has remained relatively stable and accounts for some 50% of total trade of the region in these goods, except on the export side in 2010 (figure 35).[61] CSGT imports of the region show a strong bias towards Europe, which takes a quarter of the total CSGT imports. On the export side, the share of

[57] In a forthcoming ESCAP study on Trade, Investment and Climate Change (2011c, forthcoming), CSGTs cover the same 64 items under 6-digit HS 2002 codes. Following the World Bank (2008), the ESCAP study divides these 64 goods further into clean coal technologies (HS codes 840510, 841181 and 841182), wind energy (HS codes 848340 and 848360), solar photovoltaic systems (HS codes 850720, 853710 and 854140) and energy-efficient lighting (HS codes 853931). The study also considers "other codes" as the fifth group, which consists of all HS codes not considered in the four categories of renewable energies. All these 64 CSG items are considered as a single trade item in this report.

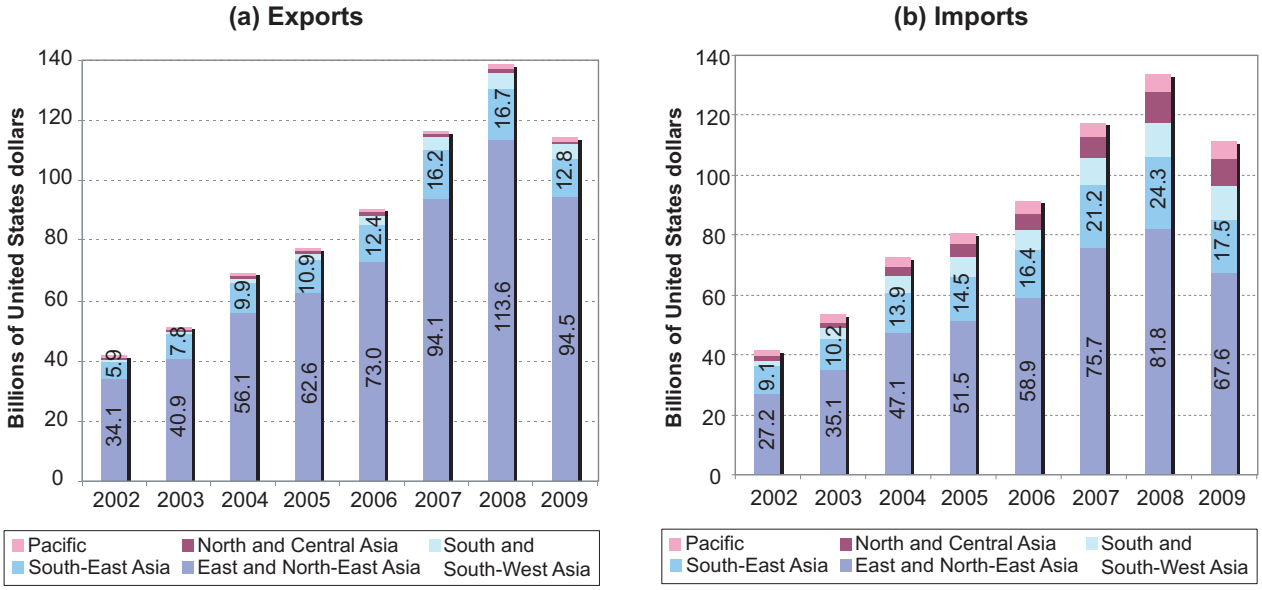
[58] See also ESCAP, 2011c forthcoming. The rise of developing economies is, in particular, in heat and energy management equipment, noise and vibration abatement, and environmental services such as air pollution control and solid waste management. For more details, see Jha, 2009.

[59] The Asia-Pacific region is defined as the regional members and associate members of ESCAP (see annex for more details and the list of economies in that group). However, data are not always available for all economies; therefore "Asia-Pacific" may have a slightly different coverage in different sections of this report.

[60] As trade data for 2009 were still not fully available at the time of preparing this report, the figures for 2009 should be considered as an estimate.

[61] Calculated based on data downloaded from United Nations Comtrade. However, Comtrade does not have data for a number of smaller Asia-Pacific economies. Inclusion of imputed data for those economies, provided by the Statistics Division of ESCAP, leads to shares of intraregional trade in CSGTs of more than 50% for all years and for shares of trade with the rest of the world in total trade in CSGTs ranging from 11% to 13% during 2002-2008.

**Figure 34. Total exports and imports of climate-smart goods and technologies by the Asia-Pacific subregion, 2002-2008**




*Source:* Calculation based on United Nations Comtrade data downloaded from World Bank, WITS database and on data provided by ESCAP Statistics Division.

**Table 14. Top 10 traders of climate-smart goods and technologies, 2008**

(Ranked by percentage share of total exports and imports of CSGTs by the ESCAP region)

| Rank | Economy | Exports (%) | Economy | Imports (%) |
|---|---|---|---|---|
| 1 | China | 36.1 | China | 30.0 |
| 2 | Japan | 30.9 | Republic of Korea | 13.2 |
| 3 | Republic of Korea | 7.4 | Japan | 10.2 |
| 4 | Hong Kong, China | 7.2 | Hong Kong, China | 7.5 |
| 5 | Singapore | 4.2 | Russian Federation | 5.7 |
| 6 | Malaysia | 3.1 | Singapore | 5.1 |
| 7 | India | 2.6 | Thailand | 4.3 |
| 8 | Thailand | 2.5 | India | 4.1 |
| 9 | Turkey | 1.4 | Australia | 3.8 |
| 10 | Indonesia | 1.2 | Turkey | 3.5 |

*Source:* ESCAP calculation based on United Nations Comtrade data downloaded from World Bank, WITS database.

Europe as a destination increased to reach almost 20% in 2009.[62] This was probably the result of the rapid adoption of climate-smart development legislation and policies in many European countries, such as feed-in tariffs during period under review.

***"Intraregional share in trade of CSGTs accounts for some 50% of total Asia-Pacific trade in these goods"***

The rest of the world, including many developing economies in, for example, Latin America, plays a much more significant role in Asia-Pacific exports of CSGTs than in their imports.

[62] In 2010 this share was halved. However, the trade data are far from complete for 2010, and this result is just an early estimate.

**Figure 35. Regional distribution of exports and imports of climate-smart goods and technologies, 2002-2010**

*Source:* Calculated from United Nations Comtrade data downloaded from World Bank, WITS database.
*Note:* ROW, rest of the world.

## 2. Exploring potential for trade in climate-smart goods and technologies for the region

Although China and Japan dominate CSGT exports, the analysis of the revealed comparative advantages at the sector level shows that some Asia-Pacific developing economies have the potential to become CSGT exporters in at least some of these products (table 15). The production of solar photovoltaic and efficient lightning appear to be both the most developed and most competitive as the largest number of economies feature in these two CSGT categories; China, Japan and Malaysia appear in almost all product categories, while India and Sri Lanka feature as potential leaders in South Asia. The wind power category is arguably the most challenging as only Japan reveals a comparative advantage in the production and export of these two products. Clean coal is associated with the production of generators and comparative advantage is found in New Zealand, Pakistan and Singapore.

A simple gravity model is used to estimate "trade potential" based on 2008 trade data.[63] The estimated export potential in 2008 for climate-smart goods in Asia and the Pacific was $30 billion to $35 billion. If Asian and Pacific economies were able to utilize this potential, their exports of CSGTs would increase by nearly $7.34 billion. Among these economies, India ($4.2 billion) was top, followed by the Russian Federation ($1.51 billion), Pakistan ($980 million), Hong Kong, China ($590 million), and Azerbaijan ($6.7 million).

*"Estimated export potential of climate-smart goods in Asia and the Pacific was $30 billion to $35 billion in 2008"*

Intraregional demand for CSGTs was also very high in 2008, but many economies could not fulfil the import demand. The actual level of intraregional imports was $61.2 billion during the observed period, and these economies could increase their imports of CSGTs by nearly $20 billion only through intraregional trade. The major economies with CSGT import potential were the Republic of Korea ($15.78 billion), Pakistan ($2.79 billion), Armenia ($7.37 million) and Bangladesh ($1.26 billion).

## 3. Investment opportunities in climate-smart goods and technologies

Economies that import CSGTs could possibly replace some of these imports – and even create export potential – by additional investment including FDI in the domestic capacity in these sectors. Unsurprisingly, China, Japan and the Republic of Korea are the biggest investors in CSGTs, but the potential for more investment in these and other economies is huge.

Gauging investment potential is even more complex than estimating trade potential. Data for FDI in CSGTs are virtually non-existent, but if investment is defined as total expenditure by the private and public sectors in development and production of CSGTs, some general observations can be made. Unfortunately, it is not possible to assess investment data for the group of 64 CSGTs that were the focus of trade analysis.

[63] The "trade potential" is the export gap defined as the difference between actual exports and the predicted value based on the gravity model (see annex to this chapter). A positive "trade potential" suggests that there is scope for an economy to increase its exports of climate-smart goods to a particular trading partner.

**Table 15. RCA index for smart energy technologies, by individual economy, 2008**

(actual value of the RCA index in brackets)

| Group | HS 2002 | Economy | RCA | Description |
|---|---|---|---|---|
| Solar PV | 850720 | Viet Nam | 4.36 | Other lead-acid accumulators |
| | | China | 3.36 | |
| | | Malaysia | 1.16 | |
| | 853710 | Malaysia | 2.90 | For a voltage not exceeding 1,000 V |
| | | Japan | 1.73 | |
| | | Thailand | 1.63 | |
| | 854140 | China | 3.15 | Photosensitive semiconductor devices, including photovoltaic cells whether or not assembled in modules or made up into panels; light emitting diodes |
| | | Japan | 3.04 | |
| | | Macao, China | 2.50 | |
| | | Hong Kong, China | 1.51 | |
| | | Malaysia | 1.44 | |
| | | India | 1.11 | |
| Wind power | 848340 | Japan | 1.90 | Gears and gearing, other than toothed wheels, chain sprockets and other transmission elements presented separately; ball or roller screws; gear boxes and other speed changers, including torque converters |
| | 848360 | Japan | 1.37 | Clutches and shaft couplings (including universal joints) |
| Clean coal | 840510 | New Zealand | 5.18 | Producer gas or water gas generators, with or without their purifiers; acetylene gas generators and similar water process gas generators, with or without their purifiers |
| | | Singapore | 2.58 | |
| Efficient lightning | 853931 | China | 6.59 | Fluorescent, hot cathode |
| | | Sri Lanka | 2.11 | |
| | | Macao, China | 1.38 | |
| | | Thailand | 1.07 | |
| | | Hong Kong, China | 1.01 | |

*Source:* ESCAP calculations, based on United Nations Comtrade data downloaded from World Bank, WITS database on 19 May 2011.

It has been estimated that reducing emissions to the desired level (450 ppm $CO_2$ will require additional global investments of more than $1 trillion annually during 2010-2050. Approximately half of this amount is expected to be needed for the Asia-Pacific region, i.e. approximately $600 billion per year over and above current investment levels. China is expected to make up more than half of these mitigation-related investment needs in the region, followed by India and the remainder of the developing economies at around 17% each.

***"Reducing emissions to the desired level (450 ppm $CO_2$) will require additional global investments of more than $1 trillion annually during 2010-2050"***

While these investment needs will imply large expenditures and thus a financing challenge for Governments, the private sector and consumers, they will simultaneously present a huge business opportunity. The exact scope of these business opportunities will naturally depend on the level of ambition of policymakers, the policy mix chosen and the degree of enforcement.

According to International Energy Agency (IEA), 2010 estimates, close to 50% of the required investments during 2010-2050 will be in the transport sector, followed by buildings (27%), and

power generation, transmission and distribution (a combined 21%) (International Energy Agency, 2010). Efficiency investments – primarily related to end-use efficiency – will form the majority of all energy-related investments, followed by renewables. Finally, in the services sectors, the market for energy-efficiency services should experience drastic increases, e.g. in relation to energy-efficiency consulting services for all the above services sectors, including process improvements in industry.

Several Asian and Pacific economies are already well positioned to benefit from the expected transformation towards climate-smart growth. With extensive manufacturing capabilities, China has established itself as a leader in the manufacture of a number of low-carbon energy technologies. In 2009, China produced 40% of the world's solar photovoltaic supply, 30% of the world's wind turbines (up from 10% in 2007), and 77% of the world's solar water collectors (REN21, 2010). Of the 10 major wind turbine manufacturers globally, two were in China and one in India. Among solar photovoltaic manufacturers, 4 out of 10 were in China.

With high capacity in automotive manufacturing, research and development, and a large export share, both Japan and the Republic of Korea should be able to benefit from the expected dramatic increases in low-carbon automobile sales, including electric, hybrid and plug-in hybrid vehicles. Likewise, with large internal markets for vehicle sales (Abe, 2010), expected increases in demand and already sizeable production capacities, China and India should be able to benefit. Other economies, such as Thailand, are currently implementing action to attract low-carbon vehicle production and should therefore also stand to benefit from this change.

While some economies have taken a clear lead in the development and utilization of CSGTs others can follow and integrate in regional climate-smart value chains. As the above analysis reveals, various economies have untapped CSGT investment and export potential at the aggregate level. Many lower-income developing economies have opportunities to become suppliers of CSGT parts and components to the leading economies. Further analysis at the product and company levels would provide more details for explaining why this potential exists (e.g. due to cost advantage, availability of productive resources or knowledge and technology, and location). However, a supporting policy environment is essential to becoming market leaders in this area. In particular, trade and investment policies play an important role in helping economies to fully exploit their potential. These policies are explored in considerable detail by ESCAP (forthcoming, 2011c); the following subsection provides a brief summary.

## 4. Policies to promote trade and investment in climate-smart goods and technologies

Various policies exist for promoting trade and investment in CSGTs. Reducing tariffs on trade in CSGTs is important while imposing trade barriers to goods perceived to have a high carbon footprint are more controversial. Trade in CSGTs comprises mainly components trade (i.e. inputs to cleaner technologies). Cost efficiency of the whole CSGT value chain is highly sensitive to tariffs and other trade costs, because components have to be traded across borders several times at different stages of production.

While the imposition of trade barriers to products perceived to have a large carbon footprint may run afoul of international trade rules, trade policies can and should be adopted to promote trade in CSGTs and climate-smart services. For that reason, both at-the-border and behind-the-border obstacles to such trade need to be removed. As the negotiations on the liberalization of environmental goods and services are stalled at the multilateral level, unilateral liberalization, or liberalization under regional and bilateral trade agreements, appears to be the only solution. However, negotiations on the liberalization of trade in CSGTs and climate-smart services are generally hampered by a lack of consensus on the definition of an environmental or climate-smart good or service as well as on the modalities for reducing barriers to their trade. At the

bilateral or subregional level, the possibility is higher that such a consensus could be forged. In the meantime, various trade and transport facilitation measures could be introduced, such as paperless trade in all goods and the adoption of single windows, which would help in reducing carbon emissions associated with trade.

Investment policies play an important role, both in promoting domestic and foreign direct investment in the production of CSGTs and in the provision of climate-smart services. TNCs are at the forefront of developing CSGTs, and a conducive and enabling environment for such investment is therefore essential.[64] Such an environment includes an enabling regulatory framework, appropriate infrastructure and availability of local expertise, availability of incentives or privileges for climate-smart investment, and an appropriate level of intellectual property rights (IPR) protection. Investment promotion agencies could engage in specific targeting of climate-smart investment.

At the same time, the capacity of domestic SMEs in the area of CSGTs should be enhanced so that they can evolve into suppliers of low-carbon TNCs and effectively become integrated in low-carbon value chains. Countries should also ensure that regional or bilateral trade agreements or international investment agreements to which they are a party do not unduly undermine their policy for pursuing low-carbon growth, but instead are conducive to such growth.

Other policies related to standards and labelling, feed-in-tariffs, development of infrastructure as well as research and development capacity, technology development and transfer, financial mechanisms to promote trade and investment in CSGTs, and effective legislation are also important. These are discussed in more detail in ESCAP (forthcoming, 2011c). The development and transfer of climate-smart technologies, i.e. renewable energy technologies, assumes particular importance. However, in many developing economies a number of factors stand in the way of introducing effective policies for deployment of cleaner technologies, such as: (a) insufficient technical knowledge and absorption capacity to produce technologies locally; (b), insufficient market size to justify local production units; and (c) insufficient purchasing power and financial resources to acquire innovative products (Jha, 2009).

***"Given the cross-border nature of GHG emissions, regional cooperation is indispensable"***

While national level actions and policies to mitigate climate change are important, climate change is most effectively tackled through international cooperation. Although various voluntary schemes related to the mitigation of climate change already exist in the context of subregional organizations – e.g. Asia-Pacific Economic Cooperation (APEC), ASEAN, the Pacific Forum Secretariat and the South Asian Association for Regional Cooperation (SAARC) – a region-wide approach is still lacking. Given the cross-border nature of greenhouse gas emissions, regional cooperation is indispensable. This report therefore proposes a "Regional Trade and Investment Cooperation Partnership/ Agreement for Mitigation of, and Adaptation to Climate Change". At the core of this Partnership would be a "Regional Trade and Investment Agreement on Mitigation of Climate Change". The regional partnership/agreement would include, inter alia, measures for:

(a) The liberalization and joint promotion of climat-smart trade and investment;

(b) Adopting regional climate-smart sectoral and industry standards and labels;

(c) Exploring the feasibility of a regional carbon tax and a regional emission trading system;

(d) Providing modalities for the effective joint development and transfer of climate-smart technology;

(e) Joint promotion and targeting of climate-smart FDI;

[64] For a comprehensive overview of issues related to FDI in low-carbon goods, see UNCTAD, 2010a.

(f) The development of the required supportive legal, institutional and physical infrastructure, expertise and establishment of a regional financial support mechanism for climate-smart SMEs and climate-smart growth in general, tapping at least part of the huge international reserves of selected economies.

## E. OPPORTUNITIES FOR EXPANDING SERVICES TRADE

Services are a key economic sector, and in many countries the largest contributor to GDP and employment, and an important provider of essential inputs to other economic activities. In 2009, at the peak of the global economic crisis, the share of exports of commercial services reached 20% of merchandise exports for Asia and the Pacific. Increasingly, services are considered to be an irreplaceable factor for further industrial development and for the expansion of merchandise trade, as they also play crucial role in supporting trade facilitation efforts (see chapter 6 of this report).

***"Inefficiencies in the services sector of a developing economy have a negative impact on the export competitiveness of the agriculture and manufacturing sectors"***

In addition to opportunities in more traditional tradeable services such as tourism, potential export opportunities are especially present in the infrastructure services sector.[65] The G-20 Seoul Summit (November 2010) endorsed a Multi-Year Action Plan on Development to reduce infrastructure deficits and bottlenecks in growth. Various stimulus packages of developing economies have targeted infrastructure development, and a part of this spending interlinks with the development of CSGTs. Globally, $400 billion (0.7%) of world GDP has already been allocated to support infrastructure services investment, with a major portion directed to clean infrastructure and technologies (UNCTAD, 2011c).

The growth of the infrastructure service sector is interlinked with opportunities for construction services, which are required for building infrastructure facilities. It also fosters growth of communications and financial services, including transport, which are at the core of developing logistics services deemed *conditio sine qua non* for improving overall trade efficiency. Inefficiencies in the services sectors of a developing economy have a negative impact on the export competitiveness of the agriculture and manufacturing sectors, and thus contribute to an unfavourable balance of trade. Furthermore, an efficient infrastructure service sector leads to lower service link costs, a key determinant in the development of production networks. Communications and logistic infrastructure are the two major factors making just-in-time production possible.

FDI plays a key role in the services trade, including trade in infrastructural services. It is a major source of capital, technology transfer and improved managerial skills in host developing economies. During 1990-2008, annual world FDI inflows to infrastructural services increased tenfold to $500 billion (48%) of global FDI inflows to the services sectors.

During 2006-2008, developing economies captured 22% of global FDI inflow to the services sectors, the vast majority of which targeted financial services (69%), followed by transport and communication services (23%), and electricity, gas and water (8%). South-South investment has risen in importance with the rise of TNCs from Brazil, China, the Republic of Korea, Malaysia and Hong Kong, China. The increase of South-South FDI in these sectors will also increase South-South trade and technology transfer between FDI home and host developing economies in the future.

The potential for services trade by Asia-Pacific developing economies is substantial, especially trade within the region (see box 5.2). In particular, developing Asia-Pacific economies have a comparative advantage in labour-intensive services.

[65] Also known as the ISS and comprising five subcategories: communication, transport, energy and water, financial services, and other related services.

***"There is extensive scope for improving the efficiency of services trade through the implementation of properly designed regulatory reforms"***

***Box 5.2. India outsourcing business services to the Philippines***

According to government sources in the Philippines and recent unofficial news articles quoting a report released by IBM in October 2010 (IBM Global Business Services, 2010), the Philippines has overtaken India as the global call centre of the world and is now the leading global player in the business back-office operations outsourcing market in terms of the number of people employed. The Government of the Philippines has predicted that the industry's revenues will hit $12 billion-$13 billion in 2011, rising to $100 billion by 2020 to account for about a 20% share of the global market. According to local sources, the Philippines had call centre revenues amounting to $5.5 billion in 2009 compared with $5.3 billion in India.

In 2009, the Philippines had more than 500,000 people working in call centres and related services compared with 330,000 in India. Indian companies, carrying out outsourcing work for many United States companies, were setting up call centres in the Philippines to take advantage of the latter country's cultural ties to the West and language more similar to the English spoken in the United States. For example, India's Tata Industry Services announced in early December 2010 that it had launched a business process outsourcing operation in Manila, its first in South-East Asia. While business process outsourcing has been dominated by call centres, the Philippines is gaining in other areas of services as well, such as logistics, finance, accounting and software research and programming, computer-aided design, animation and graphic design. While local industry groups concede that India still has a huge lead in the more complex outsourced services such as engineering, and software design and programming, the Philippines is gaining competitiveness in these areas as well.

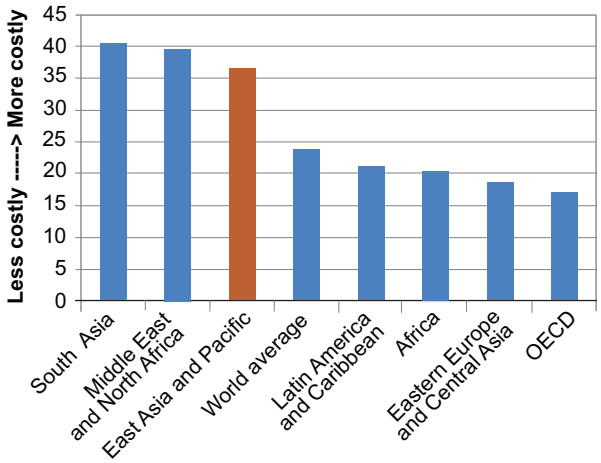
*Source:* Agence France-Presse, "Philippines overtakes India as call centre capital", 6 December 2010.

They have an abundance of low- and semi-skilled labour, which is a major input to tourism, construction and transport services. However, regional cooperation in trade and related regulations, particularly South-South cooperation, needs to be promoted to exploit this potential. For developing countries, this is very challenging. Liberalization of trade in services by developing countries always lags behind general trade liberalization, although many preferential trade agreements signed among the economies in the region include services (see chapter 8). According to McGuire (2002) and Shepherd and Van Der Marel (2010), developing Asian-Pacific economies tend to have a relatively high level of trade restrictiveness in the services sectors[66] (figure 36). This leads to the conclusion that policy-related trade transaction costs are higher in Asia and the Pacific than in the world, on average. Therefore, there is extensive scope for improving the efficiency of services trade through the implementation of properly designed regulatory reforms.

However, many service providers, especially in the infrastructure services sector as discussed above, have been regarded as natural monopolies. Although privatization has reduced the role of governments in the services sectors, they often maintain substantial stakes in state-owned services providers, especially in developing countries (UNCTAD, 2011c). The resulting distortions in trade and investment, and often inefficient operations of those services providers, call for proactive comprehensive reforms to promote trade and investment in services in the region. Shepherd

[66] The McGuire (2002) study includes seven countries members of ESCAP (India, Indonesia, the Republic of Korea, Malaysia, the Philippines, Thailand and Turkey) and seven countries outside the ESCAP region (Argentina, Brazil, Chile, Mexico, South Africa, Uruguay and Venezuela). The Shepherd and Van Der Marel (2010) study covers all APEC member economies.

**Figure 36. World Bank trade policy index in services**




*Source:* Gootiiz and Mattoo (2009), as cited in Shepherd and Van Der Marel (2010), figure 3.2.
*Note:* The World Bank definition of East Asia and the Pacific includes Cambodia, China, Indonesia, Japan, Lao People's Democratic Republic, Malaysia, Mongolia, Myanmar, Pacific islands, Papua New Guinea, Philippines, Singapore, Republic of Korea, Thailand, Timor-Leste and Viet Nam. The World Bank definition of South Asia includes Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. In ESCAP, Asia and the Pacific also covers some countries in Eastern Europe and Central Asia (i.e. Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Russian Federation, Tajikistan, Turkmenistan, Turkey and Uzbekistan), and a country in the Middle East and North Africa group (Islamic Republic of Iran) as well as Australia and New Zealand (also included by the World Bank in the OECD group), Brunei Darussalam, Democratic People's Republic of Korea, Hong Kong, China and Macao, China.

(2010) emphasized the role of so-called backbone services sectors such as transport, retail/distribution and logistics, and telecommunications in facilitating services and trade in general.

## F. THE WAY FORWARD: REBALANCING SOURCES OF GROWTH

A key challenge for economies in Asia and the Pacific during the next decade is to maintain their dynamic export prospects that are key drivers of economic growth and employment generation of the region. The recovery of G-3 is expected to be sluggish, and it is increasingly recognized that the centre of global demand growth is shifting towards Asia and the Pacific. Many of the region's economies have been able to demonstrate a robust recovery and they still have tremendous potential to expand their domestic consumption. However, a key concern is whether the region's economies are capable of reducing dependence on the current export model (where exports are mostly determined by the level of final demand outside the region) and replacing it with a model that gives more weight to the importance of domestic demand in the region as a key driver of economic growth. Such a transformation would require major changes, both on the export and the import sides, but it would also offer opportunities for intraregional trade.

Many commentators have singled out China as the world's next consumption centre as well as the need for that country to expand domestic demand. However, this report argues that other economies in the region also need to reform and strengthen their positions as viable and valuable trading partners of China and other important regional economies that have potentially large import demand.

This report suggests several possible strategies that could be pursued simultaneously for maintaining the region's growth momentum. One involves enhancing trade complementarity among economies in the region. In this regard, special attention must be given to improving export specialization of countries in the region in order to match products that are demanded by the region. This does not mean that Asia and the Pacific should decouple from the global market and refocus just on intraregional markets. Domestic demand in major Asian importers can only partially offset demand from outside the region; in the foreseeable future the region's growth will still rely on extraregional final demand. Thus, the Asian and Pacific economies should develop synergies between the benefits of openness and diversification of their exports in order to capture emerging trade and investment opportunities in new markets and new export products. Export diversification is particularly important for the low-income and resource-rich Asia-Pacific economies, which have relatively high commodity export concentration.

FDI can be a key catalyst to export diversification, especially through links between TNC subsidiaries and domestic producers in the production network. FDI by export-oriented TNCs, especially those from the region, could generate spillovers within or between sectors. For example, if demand by TNC subsidiaries for intermediates creates viable variety and quality improvements, downstream local producers in the same or other sectors that share those inputs may also benefit from the improvement of input supply. Those local producers may enhance their production process to boost exports.[67] Furthermore, the presence of TNCs could generate information spillovers to host-country producers, especially those sharing a common marketing structure and export facilities, about new market opportunities and ways of lowering the costs of entering foreign markets. In this regard, FDI-attracting polices are conductive to export diversification. Among key activities, the priority should be: (a) removing trade and investment restrictiveness against foreign investment, by pursuing trade and investment liberalization in goods and services; (b) facilitating development of domestic intermediate input suppliers; and (c) the reduction of transaction costs that distort linkages along supply chains. Trade facilitation measures discussed in chapter 6 provide more details about some of these issues.

New export opportunities are driven by dynamic of consumer preference and technological changes. In this regard, focus should be on the promotion of trade and investment in climate-smart goods and technologies that could lead to a potential triple win generating benefits for trade, the environment and development. Tax- and subsidy-type policies can contribute to accelerating adaptation of new technologies that lead to "green trade". However, implementing such policies should not introduce discrimination against trade partners, otherwise it will create new trade distortions in the global market (Wemelinger and Barnes, 2010). Services are another sector with great potential for trade and investment. This report highlights the infrastructural services sector as it provides additional value in enhancing the overall efficiency of a national economy.

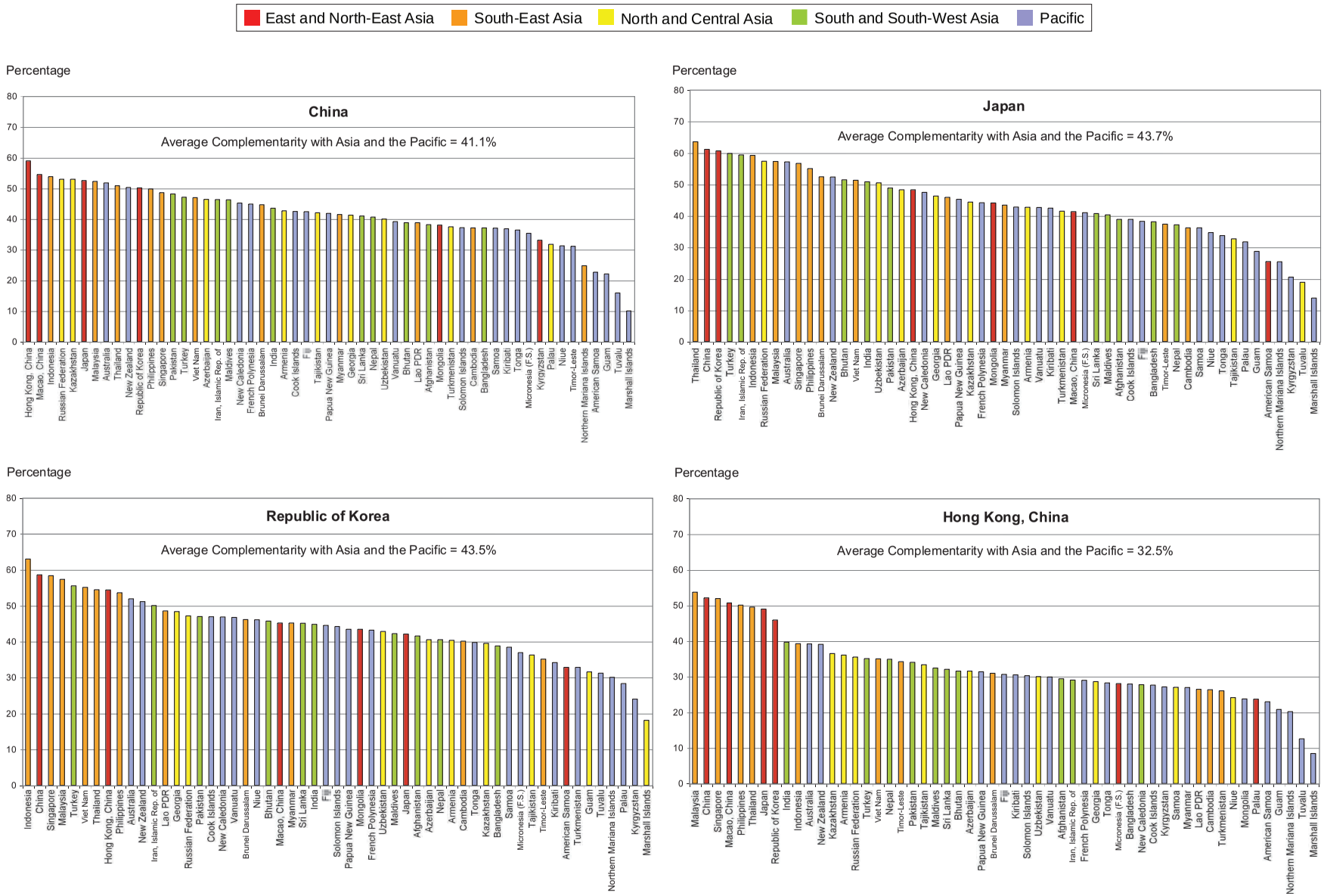
***"Regulatory reforms will be a key factor in effectively capturing emerging but unexploited trade and investment opportunities"***

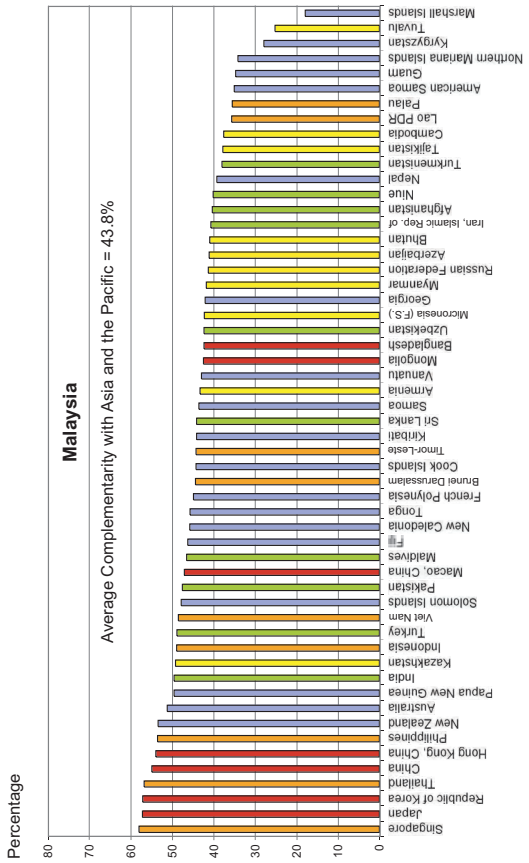
In support of the above-mentioned transformation process, regulatory reforms will be a key factor in effectively capturing emerging but unexploited trade and investment opportunities. Asia-Pacific economies should continue to reduce tariffs and non-tariff barriers, and associated trade costs with a view to promoting intraregional trade. Proactive measures to liberalize trade and investment in parts and components are necessary for the development of climate-smart goods and technologies in the region. In addition, liberalization of trade and investment in services needs to be moved forward, not only because of the many untapped trade and investment opportunities in the various services sectors, but also because services directly and indirectly contribute to strengthening an economy's international competitiveness. Such efforts need to be accompanied by measures for strengthening supply-side capacities. In this regard, trade facilitation and policies that strengthen the capacity of SMEs are particularly important. In addition, seeking regional alliances and forging stronger regional cooperation appears to be the only option available for achieving advances in some of the above areas. The following chapters will review these issues in greater detail.

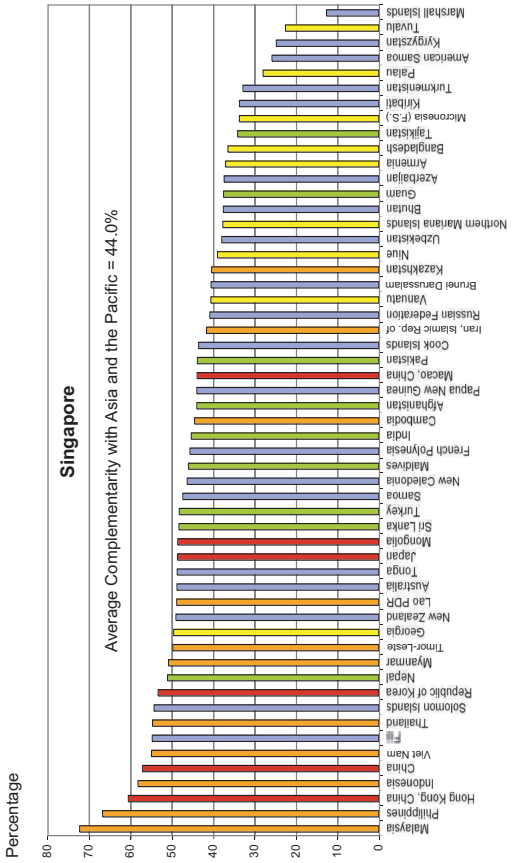
[67] Empirical research supports this argument. See, for example, Rodriguez-Clare, 1996 and 2007, and Kugler, 2006.

# Annex

## Figure V.1. Complementarity of Asia-Pacific economies with major Asia-Pacific importers, 2008




Malaysia
Average Complementarity with Asia and the Pacific = 43.8%
Percentage
0
10
20
30
40
50
60
70
80
Singapore
Japan
Republic of Korea
Thailand
China
Hong Kong, China
Philippines
New Zealand
Australia
Papua New Guinea
India
Kazakhstan
Indonesia
Turkey
Viet Nam
Solomon Islands
Pakistan
Macao, China
Maldives
Fiji
New Caledonia
Tonga
French Polynesia
Brunei Darussalam
Cook Islands
Timor-Leste
Kiribati
Sri Lanka
Samoa
Armenia
Vanuatu
Mongolia
Bangladesh
Uzbekistan
Micronesia (F.S.)
Georgia
Myanmar
Russian Federation
Azerbaijan
Bhutan
Iran, Islamic Rep. of
Afghanistan
Niue
Nepal
Turkmenistan
Tajikistan
Cambodia
Lao PDR
Palau
American Samoa
Guam
Northern Mariana Islands
Kyrgyzstan
Tuvalu
Marshall Islands


Singapore
Average Complementarity with Asia and the Pacific = 44.0%
Percentage
0
10
20
30
40
50
60
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Malaysia
Philippines
Hong Kong, China
Indonesia
China
Viet Nam
Fiji
Thailand
Solomon Islands
Republic of Korea
Nepal
Myanmar
Timor-Leste
Georgia
New Zealand
Lao PDR
Australia
Tonga
Japan
Mongolia
Sri Lanka
Turkey
Samoa
New Caledonia
Maldives
French Polynesia
India
Cambodia
Afghanistan
Papua New Guinea
Macao, China
Pakistan
Cook Islands
Iran, Islamic Rep. of
Russian Federation
Vanuatu
Brunei Darussalam
Kazakhstan
Niue
Uzbekistan
Northern Mariana Islands
Bhutan
Guam
Azerbaijan
Armenia
Bangladesh
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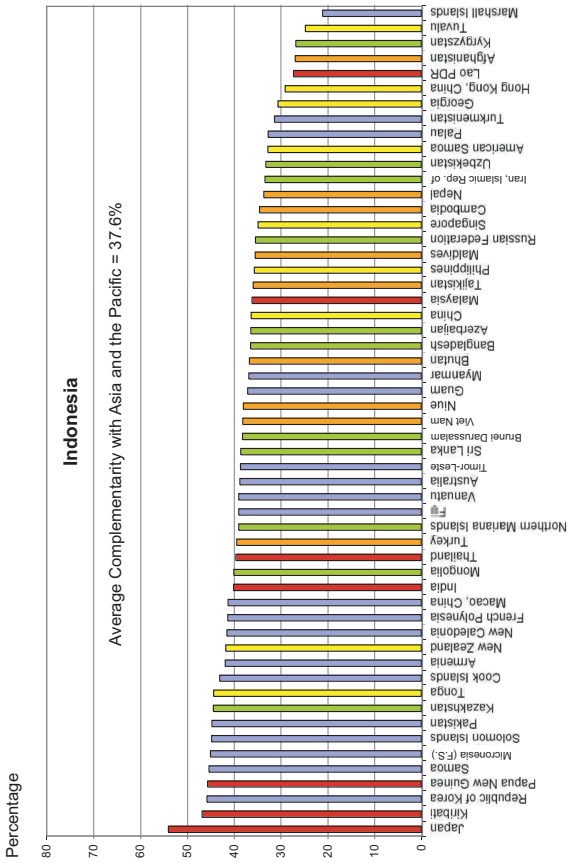
Micronesia (F.S.)
Kiribati
Turkmenistan
Palau
American Samoa
Kyrgyzstan
Tuvalu
Marshall Islands


Indonesia
Average Complementarity with Asia and the Pacific = 37.6%
Percentage
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60
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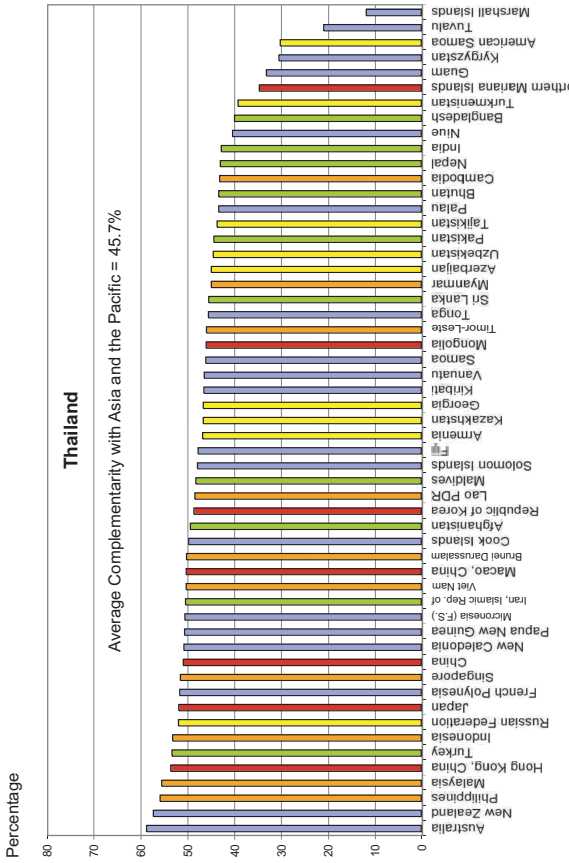
80
Japan
Kiribati
Republic of Korea
Papua New Guinea
Samoa
Micronesia (F.S.)
Solomon Islands
Pakistan
Kazakhstan
Tonga
Cook Islands
Armenia
New Zealand
New Caledonia
French Polynesia
Macao, China
India
Mongolia
Thailand
Turkey
Northern Mariana Islands
Fiji
Vanuatu
Australia
Timor-Leste
Sri Lanka
Brunei Darussalam
Viet Nam
Niue
Guam
Myanmar
Bhutan
Bangladesh
Azerbaijan
China
Malaysia
Tajikistan
Philippines
Maldives
Russian Federation
Singapore
Cambodia
Nepal
Uzbekistan
Iran, Islamic Rep. of
American Samoa
Palau
Turkmenistan
Georgia
Hong Kong, China
Lao PDR
Afghanistan
Kyrgyzstan
Tuvalu
Marshall Islands


Thailand
Average Complementarity with Asia and the Pacific = 45.7%
Percentage
0
10
20
30
40
50
60
70
80
Australia
New Zealand
Philippines
Malaysia
Hong Kong, China
Indonesia
Turkey
Russian Federation
Japan
French Polynesia
Singapore
China
Papua New Guinea
New Caledonia
Micronesia (F.S.)
Iran, Islamic Rep. of
Viet Nam
Macao, China
Brunei Darussalam
Cook Islands
Afghanistan
Republic of Korea
Lao PDR
Maldives
Solomon Islands
Fiji
Armenia
Kazakhstan
Georgia
Kiribati
Vanuatu
Samoa
Mongolia
Timor-Leste
Tonga
Sri Lanka
Myanmar
Azerbaijan
Uzbekistan
Pakistan
Tajikistan
Palau
Bhutan
Cambodia
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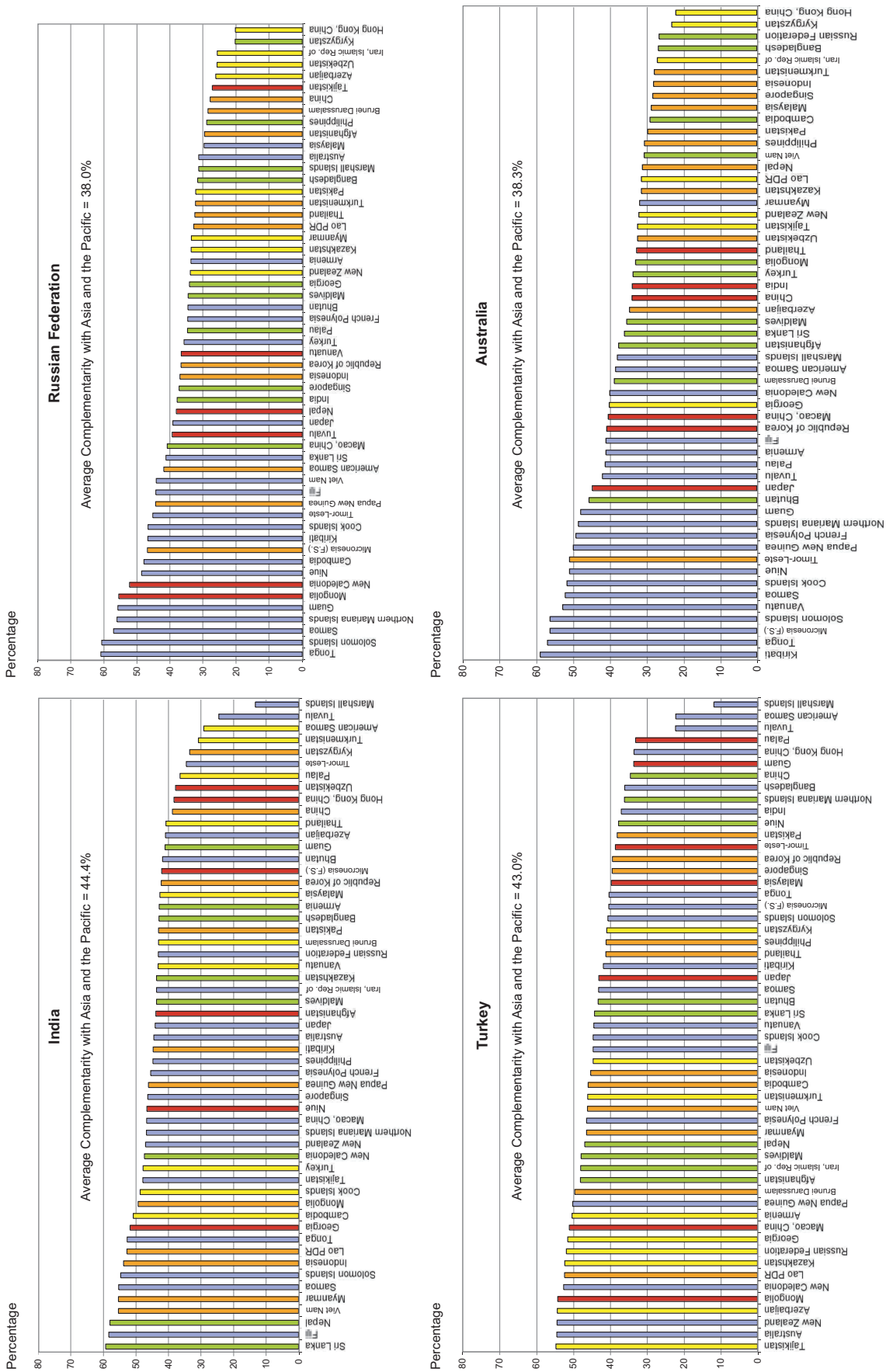
Kyrgyzstan
American Samoa
Tuvalu
Marshall Islands


India
Average Complementarity with Asia and the Pacific = 44.4%
Russian Federation
Average Complementarity with Asia and the Pacific = 38.0%
Turkey
Average Complementarity with Asia and the Pacific = 43.0%
Australia
Average Complementarity with Asia and the Pacific = 38.3%
Percentage
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30
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60
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80

## Table V.1. List of climate-smart goods and technologies compiled by ESCAP for the trade potential analysis

| No. | HS 6 Digit (2002) | Definition |
|---|---|---|
| 1 | 380210 | Activated carbon. |
| 2 | 392690 | Articles of plastics and arts. of other materials of 39.01-39.14, n.e.s. in Ch. 39. |
| 3 | 392010 | PVC or polyethylene plastic membrane systems to provide an impermeable base for landfill sites and protect soil under gas stations, oil refineries, etc. from infiltration by pollutants and for reinforcement of soil. |
| 4 | 560314 | Non-wovens, whether or not impregnated, coated, covered or laminated, of manmade filaments; weighing more than 150 g/m$^2$ for filtering wastewater. |
| 5 | 701931 | Thin sheets (voiles), webs, mats, mattresses, boards and similar non-woven products. |
| 6 | 730820 | Towers and lattice masts for wind turbines. |
| 7 | 730900 | Containers of any material, of any form, for liquid or solid waste, including municipal or dangerous waste. |
| 8 | 732111 | Solar driven stoves, ranges, grates, cookers (including those with subsidiary boilers for central heating), barbecues, braziers, gas-rings, plate warmers and similar non-electric domestic appliances, and parts thereof, of iron or steel. |
| 9 | 732190 | Stoves, ranges, grates, cookers (including those with subsidiary boilers for central heating), barbecues, braziers, gas-rings, plate warmers and similar non-electric domestic appliances, and parts thereof, of iron or steel. |
| 10 | 732490 | Water-saving showers. |
| 11 | 761100 | Aluminium reservoirs, tanks, vats and similar containers for any material (specifically tanks or vats for anaerobic digesters for biomass gasification). |
| 12 | 761290 | Containers of any material, of any form, for liquid or solid waste, including municipal or dangerous waste. |
| 13 | 840219 | Vapour-generating boilers, not elsewhere specified or included, hybrids. |
| 14 | 840290 | Super-heated water boilers and parts of steam generating boilers. |
| 15 | 840410 | Auxiliary plants for steam, water and central boilers. |
| 16 | 840490 | Parts for auxiliary plant for boilers, condensers for steam, vapour power unit. |
| 17 | 840510 | Producer of gas or water gas generators, with or without purifiers. |
| 18 | 840681 | Turbines, steam and other vapours, over 40 MW, not elsewhere specified or included. |
| 19 | 841011 | Hydraulic turbines and water wheels of a power not exceeding 1,000 kW. |
| 20 | 841090 | Hydraulic turbines and water wheels; parts, including regulators. |
| 21 | 841181 | Gas turbines of a power not exceeding 5,000 kW. |
| 22 | 841182 | Gas turbines of a power exceeding 5,000 kW. |
| 23 | 841581 | Compression type refrigerating, freezing equipment incorporating a valve for reversal of cooling/heating cycles (reverse heat pumps). |
| 24 | 841861 | Compression type refrigerating, freezing equipment incorporating a valve for reversal of cooling/heating cycles (reverse heat pumps). |
| 25 | 841869 | Compression type refrigerating, freezing equipment incorporating a valve for reversal of cooling/heating cycles (reverse heat pumps). |
| 26 | 841919 | Solar boiler (water heater). |
| 27 | 841940 | Distilling or rectifying plants. |
| 28 | 841950 | Solar collector and solar system controller, heat exchanger. |
| 29 | 841989 | Machinery, plant or laboratory equipment whether or not electrically heated (excluding furnaces, ovens etc.) for treatment of materials by a process involving a change of temperature. |
| 30 | 841990 | Medical, surgical or laboratory stabilizers. |
| 31 | 848340 | Gears and gearing and other speed changers (specifically for wind turbines). |
| 32 | 848360 | Clutches and universal joints (specifically for wind turbines). |
| 33 | 850161 | AC generators not exceeding 75 kVA (specifically for all electricity-generating renewable energy plants). |

| No. | HS 6 Digit (2002) | Definition |
|---|---|---|
| 34 | 850162 | AC generators exceeding 75 kVA but not 375 kVA (specifically for all electricity-generating renewable energy plants). |
| 35 | 850163 | AC generators not exceeding 375 kVA but not 750 kVA (specifically for all electricity-generating renewable energy plants). |
| 36 | 850164 | AC generators exceeding 750 kVA (specifically for all electricity-generating renewable energy plants). |
| 37 | 850231 | Electric generating sets and rotary converters; wind-powered. |
| 38 | 850680 | Fuel cells using hydrogen or hydrogen-containing fuels such as methane to produce an electric current, through an electrochemical process rather than combustion. |
| 39 | 850720 | Other lead acid accumulators. |
| 40 | 853710 | Photovoltaic system controller. |
| 41 | 853931 | Discharge lamps, (ex ultraviolet), fluorescent. |
| 42 | 854140 | Photosensitive semiconductor devices, including photovoltaic cells whether or not assembled in modules or made up into panels; light-emitting diodes. |
| 43 | 900190 | Mirrors of other than glass (specifically for solar concentrator systems). |
| 44 | 900290 | Mirrors of glass (specifically for solar concentrator systems). |
| 45 | 903210 | Thermostats. |
| 46 | 903220 | Manostats. |
| 47 | 700800 | Multiple-walled insulating units of glass. |
| 48 | 730431 | Tubes, pipes and hollow profiles (excl. of 7304.10-7304.29), seamless, of circular cross-section, of cold-drawn/cold-rolled (cold-reduced) steel. |
| 49 | 730441 | Tubes, pipes and hollow profiles (excl. of 7304.10-7304.39), seamless, of circular cross-section, of stainless steel, cold-drawn/cold-rolled (cold-reduced). |
| 50 | 730451 | Tubes, pipes and hollow profiles (excl. of 7304.10-7304.49), seamless, of circular cross-section, of alloy steel other than stainless steel, cold-drawn/cold-rolled (cold-reduced). |
| 51 | 840682 | Steam turbines and other vapour turbines (excl. for marine propulsion), of an output not >40 MW |
| 52 | 841012 | Hydraulic turbines and water wheels, of a power >1,000 kW but not >10,000 kW. |
| 53 | 841013 | Hydraulic turbines and water wheels, of a power >10,000 kW. |
| 54 | 850239 | Electric generating sets n.e.s. in 85.02. |
| 55 | 850300 | Parts suit. for use solely/principally with the machines of 85.01/85.02. |
| 56 | 850440 | Static converters. |
| 57 | 902830 | Electricity meters, incl. calibrating meters therefore. |
| 58 | 903020 | Cathode-ray oscilloscopes and cathode-ray oscillographs. |
| 59 | 903031 | Multimeters. |
| 60 | 903039 | Instruments and app. for measuring/checking voltage/current/resistance/power (excl. 9030.31), without a recording device. |
| 61 | 890790 | Floating structures other than inflatable rafts (e.g. rafts [excl. inflatable], tanks, coffer-dams, landing-stages, buoys and beacons). |
| 62 | 847989 | Machines and mech. applications having individual functions, n.e.s./incl. in Ch. 84. |
| 63 | 842129 | Filtering/purifying mach. and app. for liquids (excl. of 8421.21-8421.23). |
| 64 | 842139 | Filtering/purifying mach. and app. for gases, other than intake air filters for int. comb. Engines. |

*Source:* ESCAP secretariat.

## Annex note: Estimation of export potential for CSGTs

ESCAP has created a simple gravity model to estimate the export potential trade of CSGTs in the Asia-Pacific region. The following gravity model was used for the analysis: $x_{ij} = \beta_0 + \beta_1 GDP_i + \beta_2 GDP_j + \beta_3 PCGDP_i + \beta_4 PCGDP_j + \beta_5 DT_{ij} + \beta_6 D_{contig} + \beta_7 D_{comlang} + \beta_8 D_{comlang_ethno} + \beta_9 D_{colony} + \beta_{10} D_{comcol} + \beta_{11} D_{col45} + \beta_{12} D_{smctry} + \varepsilon_{ij}$

where $x_{ij}$ denotes the value of country $i$ exports to country $j$, $GDP_i$ and $PCGDP_i$ denote the exporting country's GDP and per capita GDP, respectively; $GDP_j$ and $PCGDP_j$ denote the GDP and per capita GDP of the partner of the exporting country, respectively; $DT_{ij}$ denotes the distance between the exporting economy and its partner; $D_{contig}$, $D_{comlang}$, $D_{comlang_ethno}$, $D_{colony}$, $D_{comcol}$, $D_{col45}$ *and* $D_{smctry}$, are the dummy variables for contiguity, common language, colony, common colony, colony from 1945 and small country, respectively. All of these variables (except for dummies) are in log values to overcome a heteroscedasticity problem.

Trade data for CSGTs (in value, thousands of United States dollars) is taken from the United Nations Comtrade data (www.comtrade.un.org) for 2008. GDP and per capita GDP data are taken World Bank Development Indicators (www.worldbank.org\data) for the corresponding year. Distance between countries and other dummy variables are taken from the dist_cepii.xls file of CEPII database (www.cepii.fr). Total observation is reduced after combining all the variables for each pair of trading partners.[68] This filtered data set is used in the empirical analysis. The estimated coefficients and their statistic results are presented in the following table.

[68] This study considers fully-matched data only.

**Results of the trade gravity model for the export of climate-smart goods in 2008**

| | Coefficients | Standard error | t | P-value |
|---|---|---|---|---|
| Intercept | **-49.2722**[a] | 1.717189 | **-28.6935** | 6.7E-156 |
| GDP_reporter | **1.605207**[a] | 0.045923 | **34.95458** | 1.1E-216 |
| GDP_partner | **0.940022**[a] | 0.035135 | **26.75493** | 3.3E-138 |
| pcgdp_reporter | **-0.28074**[a] | 0.052835 | **-5.31359** | 1.17E-07 |
| pcgdp_partner | -0.07698 | 0.051787 | -1.48651 | 0.137275 |
| distw | **-0.9346**[a] | 0.105363 | **-8.87032** | 1.39E-18 |
| contig | 0.142705 | 0.439915 | 0.324391 | 0.74567 |
| comlang_off | 0.017709 | 0.356485 | 0.049675 | 0.960385 |
| comlang_ethno | *0.576956*[c] | 0.314579 | 1.83406 | 0.066769 |
| colony | 0.83704 | 0.786272 | 1.064568 | 0.287179 |
| comcol | **0.689932**[a] | 0.246621 | **2.797538** | 0.00519 |
| col45 | 1.12345 | 0.947884 | 1.185219 | 0.236048 |
| smctry | **2.995375**[a] | 0.79718 | **3.757463** | 0.000176 |

[a] = 1%, [b] = 5% and [c] = 10%.

Considering only statistically significant coefficients the estimated export of CSG is:

$$x_{ij} = -49.27 + 1.605\ GDP_i + 0.94\ GDP_j - 0.28\ pcgdp_i - 0.93\ DT_{ij} + 0.69\ D_{cmcl} + 2.99\ D_{smctry}$$

This estimated gravity equation is then used to get the predicted export value of the reporting economy in the data period. The difference between the actual exports and the predicted value is considered as "trade potential" of the observed period. A positive trade potential suggests that scope for an economy to increase its exports of climate-smart goods and technologies with a particular trading partner during that period.

# CHAPTER 6

# FACILITATING INTRAREGIONAL TRADE

## A. INTRODUCTION

During the past two decades import tariffs have decreased significantly and the importance of non-tariff measures aimed at further reducing international transaction costs, i.e. trade facilitation, has become more apparent. Even if international shipping and other non-tariff costs are excluded, costs associated with completing documentary and other import and export procedures for international trade can account for up to 15% of the value of traded goods (ADB/ESCAP, 2009). Enabling firms to move goods more efficiently from the factory floor to foreign buyers' warehouses has become essential to capturing and creating new trade opportunities. With the shifting of growth potential away from developed countries to economies within the Asian and the Pacific region, increased attention to intraregional trade facilitation is needed.

*"Trade costs of many economies of the region have decreased, largely due to tariff cuts, but much remains to be done to address non-tariff trade barriers"*

Measuring trade facilitation performance precisely, including the costs of international trade transactions, remains a challenging exercise, not least because of the lack of a precise definition and agreement on the various cost components that should be included in the measurement. Comprehensive trade cost estimates by ESCAP account for all additional costs involved in conducting a transaction across borders rather than within borders.[69] According to that definition, apart from Singapore and Hong Kong, China, the top-ranked economies in the ESCAP Trade Cost Database are Malaysia, the United States, China, the Republic of Korea and Thailand, with Japan and Germany following closely.[70] Some less developed economies in the region have also made rapid progress, such as Viet Nam, whose non-tariff trade costs with Japan decreased by 25% between 2003 and 2008.

Overall, however, many variations exist across economies and trading partners. Trade costs of many economies of the region have decreased, largely due to tariff cuts, but much remains to be done to address non-tariff barriers (NTBs). Non-tariff trade costs of many Asia-Pacific developing economies – particularly with regard to trade with developed economies – have shown little change, and have sometimes even increased. In fact, although ESCAP estimates reveal that many economies of the region have made significant progress in reducing costs over the past decade, they also show that in many cases nearly half the cost reduction may be attributed to tariff cuts. Given that non-tariff trade costs account for at least 90%

[69] The comprehensive trade cost estimate is an objective measure based on macroeconomic data rather than perception survey data. It is a very broad aggregate measure of international trade costs including, inter alia, direct and indirect costs related to fulfilling regulatory import and export requirements as well as costs resulting from differences in currencies, languages, culture and geographical distance. Domestic and international shipping and logistics costs associated with imports and exports are also included.

[70] For details, see Duval and Utoktham, 2011.

of overall trade costs, economies should pay greater attention to addressing NTBs, including those arising from unnecessarily cumbersome procedures and regulations or inadequate logistics services, if they are to make further progress.

## B. INTRAREGIONAL TRADE COSTS REMAIN HIGH[71]

Intraregional trade facilitation performance varies greatly among the subregions of Asia and the Pacific. However, the non-tariff costs of trade by economies in the region with each other often still exceed those faced when trading outside the region. ASEAN has achieved high levels of international trade efficiency with tariff-equivalent non-tariff trade costs of only 49% in its largest middle-income members (i.e. Indonesia, Malaysia, the Philippines and Thailand), on a par with the costs prevalent in developed country groupings, such as the members of the North American Free Trade Area (NAFTA) and the European Union.[72] In comparison, intraregional trade costs in South, North and Central Asia are more than double those of the ASEAN economies. Non-tariff trade costs in East and North-East Asia are also high (table 16), but this is mainly because of the high costs faced by Mongolia. Indeed, non-tariff trade costs between China, the Republic of Korea and Japan are among the lowest in the world, averaging only 39%, which is remarkable, given the absence of free trade agreements between those countries during the period reviewed.

*"The non-tariff costs of trade between economies in the region often still exceed those faced when trading outside the region"*

Comprehensive intraregional trade costs are usually expected to be lower than interregional trade costs due to the geographic proximity between countries of the same region as well as similarities in languages and culture. Table 16 shows that this holds true for all Asian subregions, although barely so in the case of South Asia; the trade costs associated with intraregional trade by SAARC members are only 4% lower than those between SAARC and ASEAN. This is explained by the lack of transit facilitation between South Asian countries.

The costs of trade between Asia-Pacific economies of different subregions are higher than those with non-Asia-Pacific economies or subregions. For example, the non-tariff costs of trade between ASEAN and SAARC are nearly 15% higher than the costs of trade between ASEAN and NAFTA. Similarly, the costs of trade between North and Central Asia, and North and South Asia are 60% higher than between North and Central Asia and the European Union.

All subregions in Asia and the Pacific made progress in reducing non-tariff trade costs with at least one other subregion between 2003 and 2007. South Asia made significant improvements in both intra- and extraregional trade costs, particularly with North and Central Asia and NAFTA. However, North and Central Asia, the subregion with the highest international trade costs, made little progress in reducing either its intra- or interregional trade costs during that period. While its non-tariff trade costs with South Asia, East Asia and the European Union fell, its costs with ASEAN and NAFTA rose.

## C. BARRIERS TO TRADE BEING REDUCED AT AND BEHIND-THE-BORDER

Improving at-the-border and behind-the-border procedures is at the core of trade facilitation, as defined in the ongoing WTO negotiations on that subject. The time it takes to complete all trade procedures involved in moving goods from factory to ship at the nearest seaport – or vice versa – in Asian and Pacific developing economies decreased on average by about 16% between 2005 and 2010 (see tables in part III). South-East Asia made the most progress, cutting its average time for

[71] Here "regional" refers to more narrowly defined subregions within Asia and the Pacific, such as South-East Asia (or ASEAN), South Asia, North and Central Asia etc.

[72] Trade costs are defined here as all additional costs involved in trading internationally as opposed to domestically. See Duval and Utoktham, 2010a, for a discussion of the comprehensive measure of trade costs associated with this definition.

**Table 16. Non-tariff intra- and extraregional trade costs in Asia and the Pacific, 2007**

*(Percentage)*

| Reporter/ partner | ASEAN-4 | East and North-East Asia | North and Central Asia | SAARC-4 | Australia-New Zealand | European Union-5 | NAFTA |
|---|---|---|---|---|---|---|---|
| ASEAN-4 | **49** (-1) | 132 (n.a.) | 259 (10) | 117 (-4) | 85 (-2) | 105 (2) | 101 (3) |
| East and North-East Asia | 132 (n.a.) | **105** (n.a.) | 193 (n.a.) | 201 (n.a.) | 143 (n.a.) | 127 (n.a.) | 109 (n.a.) |
| North and Central Asia | 259 (10) | 193 (-5) | **148** (12) | 258 (-6) | 313 (-4) | 161 (-3) | 244 (10) |
| SAARC-4 | 117 (-4) | 201 (n.a.) | 258 (-6) | **113** (-5) | 145 (0) | 124 (-2) | 137 (-7) |
| Australia-NewZealand | 85 (-2) | 143 (n.a.) | 313 (-4) | 145 (0) | **61** (3) | 122 (0) | 122 (6) |
| European Union-5 | 105 (2) | 127 (n.a.) | 161 (-3) | 124 (-2) | 122 (0) | **59** (-3) | 104 (1) |
| NAFTA | 101 (3) | 109 (n.a.) | 244 (10) | 137 (-7) | 122 (6) | 104 (1) | **50** (15) |

*Source:* ESCAP Trade Cost Database.

*Note:* Trade costs may be interpreted as tariff equivalents. Percentage changes in trade costs between 2003 and 2007 are in parentheses. ASEAN-4: Indonesia, Malaysia, the Philippines and Thailand. European Union-5: France, Germany, Italy, Spain and the United Kingdom. SAARC-4: Bangladesh, India, Pakistan and Sri Lanka.

completing trade procedures to only 19 days. Cambodia and Thailand cut their time by more than 40% during the same period. India and Pakistan achieved improvements of a similar magnitude, although trade procedures in South and South-West Asia still take 50% more time to complete than in South-East Asia (30 days). No significant progress was made in the Pacific. The mainly landlocked economies of North and Central Asia, made some small improvements, but the time taken by most of the economies of that subregion to clear procedures for moving goods to a seaport remains lengthy (52 days on average).[73]

Overall, while significant progress has been made, it still takes three times longer to complete trade procedures in Asia-Pacific developing economies than in Asia-Pacific developed economies (Australia, Japan and New Zealand), suggesting that there is considerable room for improvement.

***"It still takes three times longer to complete trade procedures in developing economies than in developed economies of Asia and the Pacific"***

The direct cost of completing procedures for moving goods from factory to seaport increased marginally in most Asia-Pacific economies between 2005 and 2010, ranging from $633 per container in South-East Asia, to almost $2,200 in North and Central Asia. This may be partially attributable to an

[73] Importers and exporters also often face cumbersome business and investment procedures at home, which sometimes have an even larger adverse effect on trade than the trade-specific procedures (Duval and Utoktham, 2010b).

increase in the cost of labour, increased demand for logistics and transport services as trade volumes increase, and exchange rate fluctuations in some cases. During 2005-2010, average costs increased the most in economies of South and South-West Asia, rising by 16.6%. In North and Central Asia, the costs of completing trade procedures increased by an average of 9%.

Interestingly, as shown in the import/export cost and time ratios presented in part III, no significant differences were found between export time or cost, and import time or cost in most economies of the region. This suggests that most Governments now recognize the benefits associated with import facilitation, an often essential component of strategies aimed at increasing the participation of local firms in production networks and higher-value exports. Import procedures still cost more than export procedures in most economies of the region, arguably because of the regulatory controls applied to imports. However, as of 2010, import time equal or shorter than export time in many economies of the region, including Kazakhstan, Malaysia, Sri Lanka and the Solomon Islands. This implies that those countries have taken steps to enhance border clearance procedures.

## D. HOW HAS PROGRESS IN TRADE FACILITATION BEEN ACHIEVED?

Trade facilitation measures are wide-ranging in complexity and resource requirements, and need to take into account the level of infrastructure and quality of the business regulatory environment in order to be effective. Simple measures aimed at increasing transparency can go a long way towards facilitating trade, and require only limited resources, e.g. the timely publication of trade regulations and procedures. While there is scope to further improve implementation of transparency measures, progress has been acknowledged by the private sector in many countries of the region, in particular through increased institutionalization of consultations between regulators and the private sector.

At the national level, many countries of the region are now also implementing more advanced trade facilitation measures, often taking advantage of modern information and communications technologies (ICT). One such measure is the development of risk management systems for inspection and clearance of goods, which enable customs and other trade control agencies to limit physical inspection of goods to shipments identified as high-risk. Physical inspection typically more than doubles goods clearance time (from 1.55 days on average for East Asia and the Pacific, to 3.36 days; World Bank, 2010b); implementation of a risk management system can significantly reduce the number of shipments that need to be inspected. In China, for example, less than 9% of shipments are now physically inspected, compared with 100% in some of the economies that have yet to adopt this measure.

Many countries have also undertaken the development of national electronic Single Windows, or systems that enable the electronic exchange of trade data and documents between traders, customs authorities, and other government agencies and stakeholders. Most countries already have electronic data interchange (EDI) systems and allow electronic submission of at least some of the required data and documents. The long-term goal is often to implement a Single Window facility allowing traders to not only submit all data and information needed by all relevant government agencies online and at one time, but to also pay duties and receive relevant authorization and clearance online as well as to interact with logistics service providers and other private sector stakeholders.

The Republic of Korea, Singapore and Hong Kong, China, are world leaders in establishing national Single Windows, increasing their connectivity by cutting the time and costs of trade procedures behind and at their borders (box 6.1). It is worth noting that in all cases implementation required strong political will as well as the establishment – or pre-existence – of a strong multi-agency public-private institutional mechanism through which trade facilitation issues could be regularly and openly discussed.

### *Box 6.1. The road to a Single Window in the Republic of Korea*

The export volume of the Republic of Korea reached $363.5 billion in 2009, up from $100 million in 1964. During that period, handling the huge amount of trade-related paperwork and the resultant high costs quickly became one of the biggest concerns of all parties involved. Thus, in 1989, the Government adopted paperless trading as a major trade facilitation policy in order to enhance its competitiveness and efficiency in trade. The Ministry of Commerce, Industry and Energy developed the "Basic Plan for Foreign Trade Process Automation", which laid out the fundamental institutional base for adopting paperless trade. A Trade Business Automation Project Team was then established in the Korea International Trade Association (KITA), the foremost trade promotion organization in the Republic of Korea.

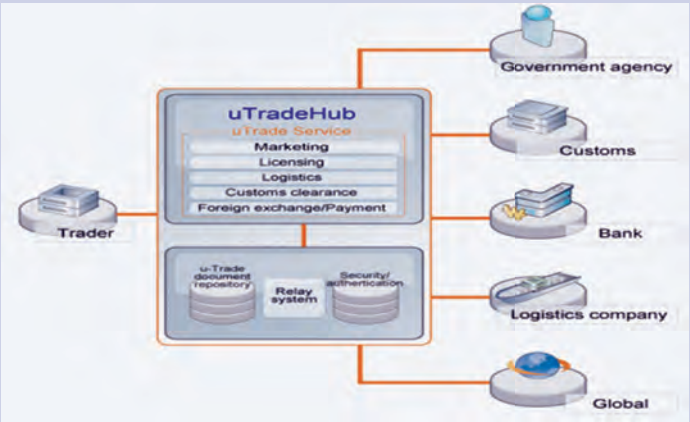
The Republic of Korea has gone through three stages in establishing a national Single Window:

(a) An introductory stage (1989-1993) to prepare the ground for introducing EDI-based trade automation. During that period, the "Basic Plan for Foreign Trade Process Automation" (October 1989) was prepared, followed by other measures such as the establishment of the Korea Trade Network (KTNET) (June 1991) and enacting of the Act on Promotion of Trade Business Automation (December 1991);

(b) A growth stage (1994-2001), during which the scope of electronic documents was expanded to cover the electronic processes of major export/import-related tasks in order to enhance the efficiency of export/import procedures;

(c) A take-off stage (2001-2007), during which the paperless trading project was accelerated. This stage included the development of an Internet Management System of Logistics (eLogisFrame) (December 2001), the establishment of the National e-Trade Committee (July 2003) and culminating with the launch of the uTradeHub in May 2007.

**Figure 6.1 uTradeHub, the Republic of Korea's Single Window**




The uTradeHub, the Republic of Korea's Single Window, is a paperless trade platform that enables traders to process electronic trading with government organizations, customs services, banks and logistics firms online through a seamless system interface (see figure below). The major users of the uTradeHub are trading firms (24,570). The remaining uTradeHub users comprise forwarders (2,838), logistics firms (2,180) and customs brokers (1,116) who provide export/import, customs clearance, trade financing and financial settlement services.

Compared with the traditional off-line trade, paperless trade delivers many benefits including: (a) less time to complete export/import process by saving time for issuing and circulating documents electronically; (b) guaranteed security of electronic documents; and (c) more transparency by enabling real-time reports on the transaction process and the handling of documents.

*(Continued on page 94)*

The uTradeHub is estimated to create economic benefits of approximately $3 billion annually. Firstly, the electronic export/import process is expected to save around $550 million by reducing labour costs as well as costs of issuing and circulating documents. Secondly, it is expected to save $2.9 billion by reducing costs of warehousing and inventory management. Finally, estimated cost cutting is approximately $320 million from the reduction of redundant investment in IT. These benefits far outweigh the cost of implementation and operation.

Several conditions have to be met in establishing a Single Window. Firstly, it is fundamental that strong government leadership and cooperation with the business sector is secured as trading involves all B2G, G2B, B2B interactions. Secondly, a national information system needs to be set up to enable the paperless trade processes. In the Republic of Korea, this was done through the uTradeHub and its linkage with the logistics and customs clearance systems. Thirdly, legislation should be updated to ensure the validity of electronic documents issued and circulated through the system. (In the Republic of Korea, an e-Trade Facilitation Act was passed). Fourthly, it is necessary for stakeholders to embrace the change, as paperless trade may be regarded as a paradigm shift with which stakeholders need to be able to cope.

*Source:* United Nations Network of Experts on Paperless Trade for Asia and the Pacific (UNNExT) Brief No. 3, May 2010, available from www.unescap.org/unnext/pub/brief3.pdf; and ESCAP (2010).

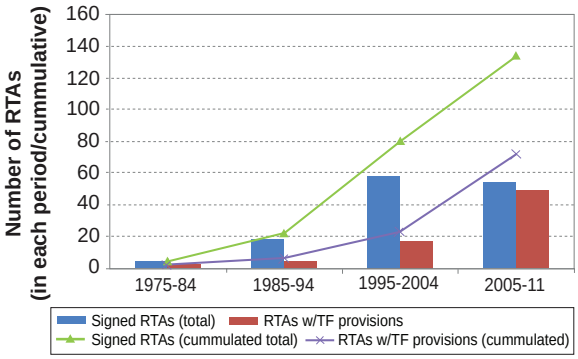
## E. FACILITATING TRADE THROUGH REGIONAL AGREEMENTS

While it is now widely acknowledged that trade facilitation begins at home, it has long been recognized that additional benefits could be reaped through bilateral and regional cooperation on trade facilitation. The full benefits of Single Windows and other electronic trade data exchange systems cannot be achieved until electronic data and documents in a national Single Window can be accepted by authorities in the partner country. While international standards have been developed to address technical issues related to cross-border data exchange, little progress has been made in developing an appropriate international legal framework for the cross-border electronic exchange of trade data and documents. Indeed, the pioneering ASEAN Single Window initiative, which aims at developing a regional Single Window environment for its member countries by 2012, has struggled to establish the necessary legal basis for electronic exchange among participating member countries.

Most RTAs – and economic partnership agreements – among economies of the region now include trade facilitation provisions (figure 37 and chapter 8 in this report). The latest ASEAN Trade in Goods Agreement, which came into force in 2010, includes an entire chapter on trade facilitation. The third round of negotiations of APTA also resulted in a Trade Facilitation Framework Agreement among its six members (Bangladesh, China, India, the Lao People's Democratic Republic, the Republic of Korea and Sri Lanka) in 2009.

A comparative study of recent RTAs conducted by ESCAP found that all agreements commit to increasing transparency, including through an obligation to publish laws and regulations affecting trade. They all also recognize the importance of using international standards for trade facilitation.

**Figure 37. Number of bilateral/regional trade agreements with trade facilitation provisions in Asia and the Pacific**




*Source:* Duval (2011), based on data downloaded in March 2011 from the ESCAP Asia-Pacific Trade and Investment Agreement Database at www.unescap.org/tid/aptiad/.

Other measures that appear to be increasingly common include those on automation/use of ICT, risk management, advance ruling and Single Windows.[74]

Transit facilitation measures are, in general, not specifically covered in trade agreements, although they are essential, particularly with regard to intraregional trade facilitation. While separate bilateral and regional transit agreements are often in place among developing economies of the region, the extent to which they are implemented – as well as their consistency with existing multilateral trade commitments (e.g. WTO, GATT Article V) – is not always clear. Significant barriers to transit trade remain in place in South and Central Asia. South-East Asia has made more progress in facilitating transit trade through a mix of bilateral, subregional and regional agreements and initiatives. However, reports from logistics operators that the comprehensive GMS Cross-border Transport Agreement is still not fully operational, although it was signed more than half a decade ago, shows how difficult it is to facilitate cross-border trade and transit. Apart from political will, a main issue impeding implementation of effective transit systems is the lack of collaboration between trade, transport and/or customs authorities and the limited involvement of local (at-the-border) public and private stakeholders at early stages of negotiations.

Overall, in most agreements, trade facilitation provisions in RTAs are still of a "best endeavour" nature, making it difficult to assess the extent to which they are implemented. Short of making trade facilitation measures unconditional, advancing trade facilitation as part of an RTA may best be done by setting a strong institutional mechanism through which procedural issues will be identified and addressed, after an agreement enters into force on a regular basis. Action plans and peer reviews would then be part of the institutional framework put in place, as would be the establishment or designation of a national trade facilitation body/committee – which would ideally be the same for all RTAs that a particular economy enters into. The ASEAN Trade in Goods Agreement and its detailed commitment to implement a Trade Facilitation Work Programme is interesting in this regard, as it provides a specific way forward in order to ensure that progress is made in actual implementation of the many trade facilitation measures mentioned in the agreement.

At least in the initial stage of bilateral or regional cooperation on trade facilitation, a pragmatic approach may be most effective. In the case of neighbouring countries, for example, a starting point can be informal meetings between customs officials on both sides of the border to agree on common operating hours and days. As trust builds up, this may then be followed by discussions on more advance border measures, such as an agreement to adopt single-stop customs clearance procedures at the border – with inspection and clearance of shipments being carried out jointly at one place and one time – instead of separately on each side of a border. Such advanced trade facilitation measures, however, are often difficult to put in place, highlighting the need for coordinated support from regional organizations in this area (box 6.2).

## F. BEYOND TRADE AND CUSTOMS PROCEDURES: TRADE INFRA-STRUCTURE AND LOGISTICS SERVICES

While it is crucial to streamline regulatory procedures and other import and export processes domestically in order to maintain or improve competitiveness, a long-term holistic trade facilitation strategy should necessarily address gaps in trade and logistics infrastructure as well as services. Such gaps have indeed been found to contribute to at least 25% of the variation in non-tariff trade costs across countries of the region (box 6.3).

The World Bank Logistics Performance Index (LPI), based mainly on a perception survey of international freight forwarders and express carriers, suggests that developing economies in the region as a whole performed strongly, with no evidence of backsliding, during 2007-2009. Private sector

[74] For more details see Duval, 2011.

***Box 6.2. Trade facilitation: the role of regional organizations***

A number of organizations have been actively promoting trade facilitation for better regional connectivity and integration. APEC has played a significant role in promoting trade facilitation, although its Asian membership is limited to South-East and East Asian countries, and does not include any least developed or landlocked developing countries. The voluntary but systematic approach of APEC, involving the preparation by each member of an individual trade facilitation action plan and annual reporting of progress, provides a potentially useful model for strengthening regional cooperation in this area, including by providing an inventory of trade facilitation measures and by highlighting examples of effective practices.

Among subregional and regional organizations, ASEAN has been the most active in pursuing regional connectivity and trade facilitation since 1993, and is an excellent example and source of experience for other (sub)regions. Major initiatives on trade facilitation have included the ASEAN Customs Agreement (1997), the ASEAN Framework Agreement on the Facilitation of Goods in Transit (1998), the ASEAN Agreement on Multimodal Transport (2005) and the implementation of a number of Sectoral Mutual Recognition Arrangements for the mutual recognition or acceptance of test reports and equipment certification in certain sectors.

As part of the strategy for ASEAN Customs Integration (2002), an 8-digit level ASEAN Harmonized Tariff Nomenclature was developed, based on the 6-digit level nomenclature developed by the World Customs Organization (WCO). The most far-reaching and ambitious initiative of ASEAN on trade facilitation is certainly the ASEAN Single Window initiative, agreed in 2005 with the aim of achieving a regional Single Window facility by 2012. While these initiatives have contributed to lowering trade costs within ASEAN, wide differences in trade efficiency in the individual ASEAN countries remain.

ESCAP also has a long-standing programme on trade facilitation, which has focused on the promotion of international standards for trade facilitation – such as those developed by UN/CEFACT and WCO – and building capacity in low-income, least developed and landlocked economies of the region, including those in South Asia, Central Asia and the South Pacific. The current focus is on building capacity for paperless trade and Single Window facilities. This is mainly delivered through the United Nations Network of Experts on Paperless Trade for Asia and the Pacific (UNNExT), a community of knowledge and practice established by ESCAP and ECE to empower experts from developing countries and transition economies from the region to implement Single Window and paperless trade.

The regional expert community develops tools to facilitate implementation of paperless trade, and organizes training workshops and advisory services in collaboration with ESCAP. Another key modality in the efforts of ESCAP to transfer knowledge and experience on trade facilitation is the Asia-Pacific Trade Facilitation Forum, now held annually in cooperation with ADB and other partners.

respondents had mixed views on whether significant improvement in logistics have taken place since 2005 in many economies of the region, although there was wide acknowledgement of improvements in information and communications technology infrastructure as well as, to a lesser extent, the quality of private logistics services. Other areas requiring policy attention in many economies are corruption and capacity-building of trade control agencies other than the customs authorities (World Bank, 2010b).

The quality of, and access to logistics services have improved, but continuous consolidation of the maritime industry may affect competitiveness of small trading economies. As 80% of international trade is conducted through seaports, improvement of maritime infrastructure and services is a particularly important aspect of trade facilitation. The UNCTAD Liner Shipping Connectivity Index (LSCI) provides a measure of an economy's level of integration into the existing global liner shipping network.[75] China typically leads the LSCI ranking,

[75] The index is calculated based on five components: (a) number of ships; (b) the container carrying capacity in 20-foot equivalent units (TEUs) of those ships; (c) the number of companies; (d) the number of services; and (e) the maximum ship size, always referring to ships that are deployed to provide liner shipping services to an economy's port(s). The underlying data are derived by UNCTAD from Containerization International online at www.ci-online.co.uk.

### *Box 6.3. Accounting for non-tariff trade costs: what matters most?*

Trade facilitation performance is affected by a wide range of factors. Some are inherent in the location, culture or history of trading partners and may be difficult to address through policy, at least within a reasonable time frame. Others, such as the availability of logistics infrastructure and services, a favourable exchange rate, a favourable business environment, or transparent and streamlined border procedures, may be influenced by policymakers.

According to a new study conducted by ESCAP, using a comprehensive measure of international trade cost, physical distance explains 20% to 21% of the variation in non-tariff bilateral trade costs. Contiguity of countries and common language account for an additional 1% to 1.5%. These time-invariant and policy-independent factors taken together therefore account for nearly 23% of non-tariff trade costs across economies, confirming that geography and cultural factors, or "natural" trade costs, remain highly significant barriers to trade in goods in the global economy.

In isolating policy-related trade costs from these "natural" trade costs, the study found that about 25% of the changes in the remaining trade costs could be explained by the liner shipping connectivity index, i.e. by access to effective maritime services and related port infrastructure (see table below). Liner shipping connectivity in the exporting economy is generally more important than connectivity in the importing economy in affecting bilateral trade costs. These results suggest that policies and measures aimed at developing these services should be given highest priority for implementation in those economies that want to reduce trade costs.

The second most important factor identified in reducing trade costs is access and usage of ICT, which accounts for 10% of changes in non-tariff policy-related trade costs. In particular, the level of Internet usage in the exporting economy accounts for 7% of bilateral trade cost changes. This implies that policies and measures aimed at enhancing ICT infrastructure and services – and their usage through, for example, education – should receive special attention in economies that want to facilitate trade.

The three indicators of the behind-the-border business regulatory environment included in the study together account for about 10% of the changes in non-tariff policy-related trade costs. Half of the trade cost effect is accounted for by the credit indicator. This result supports the prioritization of behind-the-border policies and measures aimed at increasing the availability of trade finance, in particular through increasing transparency and availability of information on creditworthiness of exporters and trade partners.

**Contribution of selected factors to changes in non-tariff policy-related trade costs**

*(percentage)*

| | |
|---|---|
| Importer liner shipping connectivity | 10.58 |
| Importer level of ICT (Internet) use | 3.91 |
| Importer business environment[a] | 3.64 |
| Direct cost of import procedures | 0.24 |
| Exporter liner shipping connectivity | 14.33 |
| Exporter level of ICT (Internet) use | 7.40 |
| Exporter business environment[a] | 7.58 |
| Direct cost of export procedures | 0.27 |
| Other factors | 52.05 |
| Total | 100.00 |

[a] Includes availability of credit information, contract enforcement process, and investor protection.

*(Continued on page 98)*

Interestingly, the direct cost of moving goods from/to factory to/from ship deck, including inland transportation, customs clearance and preparation of documents, is significant but ultimately only accounts for 0.5% of the variation in non-tariff policy-related trade costs overall. The result highlights that what matters most is not the direct cost of completing the procedures, but the indirect and hidden costs associated with them (e.g. the reluctance to engage in trade in new, more regulated, or perishable products because of uncertainties regarding the time and costs of the trade process or the lack of transparent procedures).

Disentangling these indirect and hidden costs remains a challenge. However, the fact that more than 50% of the changes in non-tariff policy-related trade costs across economies were not captured by the relatively wide-ranging trade cost factors included in the study suggests that they play a crucial role in trade facilitation.

*Source:* Duval and Utoktham (2011).

followed closely by a number of other Asian economies such as Singapore, the Republic of Korea and Malaysia.[76] South-East Asia has achieved good port connectivity overall (figure 38), although it remains significantly lower than East Asia on average, due to the inclusion of least developed countries. The largest economies in ASEAN have better LSCI scores than many developed economies. In contrast, most South Asian economies are still lagging behind, although they have made significant improvements since 2004. The Pacific island States together have the lowest liner shipping connectivity scores, with no improvements since 2004.[77]

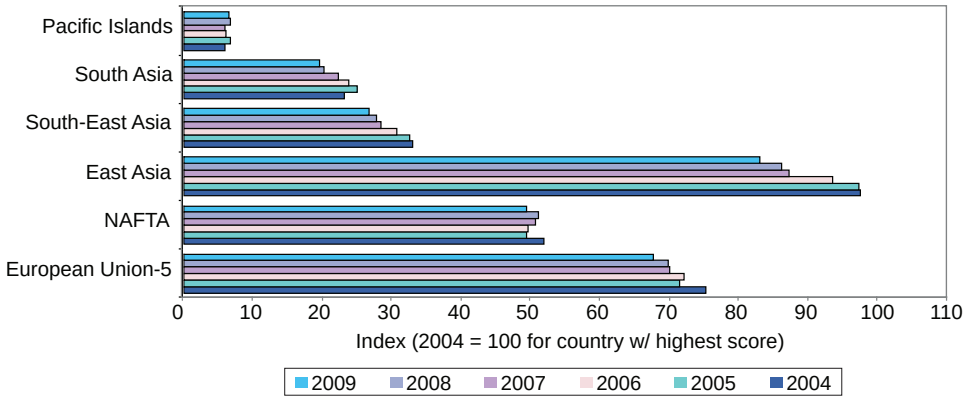
Looking at the underlying LSCI indicators, the trend is for fewer companies with larger carrying capacity offering fewer services (routes) using larger ships. This is true both for Asia and the Pacific and globally.[78] While this reduces costs via economies of scale, further consolidation of the industry may ultimately reduce competition, leading to higher costs. Importantly, this trend has the potential to reduce connectivity and increase trade cost of

[76] The LSCI ranking is available in the Annex to the UNCTAD *Review of Maritime Transport,* available from www.unctad.org/sections/pub/docs/rmt2009_tblanxs_en.xls.

[77] It is worth noting that landlocked countries are not included in the subregional averages as they have no maritime services of their own – and therefore no LSCI score.

[78] See ESCAP, 2010.

**Figure 38. Liner shipping connectivity in Asia**




*Source:* ESCAP, based on data from UNCTAD (2009).
*Note:* Asia-Pacific economies are classified as: (a) East Asia – China (including Hong Kong, China), Japan and the Republic of Korea; (b) South-East Asia – Brunei Darussalam, Cambodia, Indonesia, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam; (c) South Asia – Bangladesh, India, Maldives, Pakistan and Sri Lanka; and (d) Pacific islands: Fiji, French Polynesia, Kiribati, New Caledonia, Papua New Guinea, Samoa, Tonga and Vanuatu.

economies with smaller ports and trade volumes, particularly where they are unable to secure the investment necessary to build the facilities to accommodate larger ships.

The importance of port connectivity in lowering trade costs highlights the inherent disadvantage faced by many landlocked countries in benefiting from global trade. Facilitating transit trade, and enhancing the movement of goods to and from international sea ports in neighbouring economies, is therefore likely to remain a main trade facilitation priority for these countries.

## G. RECURRENT TRADE FACILITATION CHALLENGES AND RECOMMENDATIONS

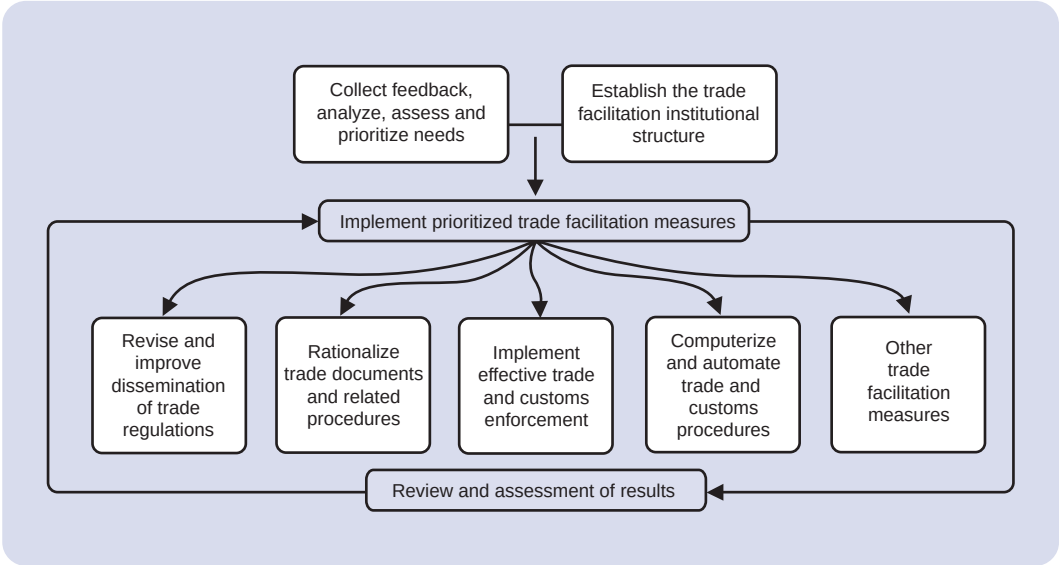
Recurrent trade facilitation issues identified in many developing economies and subregions in Asia and the Pacific include: (a) a lack of inter-agency coordination and public/private sector consultations at both the national and regional levels; (b) limited application of ICT to trade procedures; (c) limited emphasis on intraregional trade facilitation; and (d) the absence of an integrated approach to address trade facilitation issues, including those related to transit and logistics. While these issues are national in nature, they have a direct impact on connectivity of an economy with its neighbours and the region. The following six actions are therefore recom mended.

*(a) Establish and strengthen institutional mechanisms for identifying trade facilitation bottlenecks and developing solutions*

Although the institutional structure may take varied forms in different economies to account for their specific context, some form of institutionalization is essential to making progress in trade facilitation, given the number of stakeholders involved and the need for a holistic approach, as proposed in the ESCAP trade facilitation framework (figure 39). To be effective, these mechanisms should have high-level political support and bring together the many ministries and agencies involved in international trade transactions and control as well as the private sector.[79] Designation of a single national lead agency for trade facilitation, in turn, makes it easier

[79] In some cases, separate mechanisms have been established as part of uncoordinated technical assistance/capacity-building projects or initiatives.

**Figure 39. Step-by-step trade facilitation – a framework for action**




Sources: ADB/ESCAP (2009); modified from ESCAP (2004).

to develop effective mechanisms for trade facilitation at the regional level, including as part of RTAs.

*(b) Initiate or accelerate plans to establish national electronic Single Windows, incorporating existing international standards to ensure cross-border inter-operability at the technical level*

A full-fledged Single Window is likely to be a long-term and complex endeavour in some of the developing economies of the region. However, setting it as a national goal may provide the necessary impetus for implementing a systematic action plan to cut red tape, starting with a detailed analysis of the trade processes and procedures to be streamlined and then automated. Regional and regular sharing of experiences to facilitate planning and implementation should be considered. This could be facilitated by UNNExT.

*(c) Develop a harmonized regional framework for electronic exchange of trade data and documents*

The development of a harmonized regional framework for electronic exchange of trade data and documents is essential to maximizing the benefits from paperless trade initiatives. Developing such a framework may be facilitated by a regional agreement on electronic exchange of trade data and documents, which would also provide a framework for economies lagging in this aspect to develop their national e-commerce laws and regulations.

*(d) Facilitate transit as part of trade facilitation plans*

As part of a more integrated approach to facilitating trade, it is important to systematically and specifically endeavour to facilitate transit as part of trade facilitation plans. Transit issues are of the utmost importance to the many landlocked developing economies of the region and it is noteworthy that, while the ongoing WTO trade facilitation negotiations do include negotiations on freedom of transit and related issues, bilateral and regional trade and/or economic partnership agreements typically do not contain transit facilitation provisions. Transit is often still treated as a fully separate and distinct issue. However, integrating or clarifying the linkages between bilateral/regional trade and transit agreements, when both exist, would certainly contribute to making international trade procedures more transparent.

*(e) Create an Asia-wide coordination mechanism bringing together representatives of key regional organizations active in trade facilitation*

The establishment of an Asia-wide coordination mechanism that brings together representatives of key regional organizations active in trade facilitation (such as ADB, APEC, ASEAN, ESCAP and SAARC) will enable the promotion of intraregional/subregional trade facilitation in general, and transit facilitation in particular. This mechanism could also be used to increase coordination with bilateral and global donors, many of whom are active in trade and transport facilitation. It could be linked to the annual Asia-Pacific Trade Facilitation Forum organized by ESCAP, in collaboration with ADB and an increasing number of other organizations.

*(f) Encourage trade infrastructure and logistics services development*

In the context of trade facilitation, policies aimed at (a) liberalizing logistics and related services as well as (b) increasing competition among service providers should be readily considered, with a view to maximizing efficiency at any given level of hard infrastructure development. Establishment of public-private partnerships to accelerate the development of the national trade logistics infrastructure should also be actively pursued.

# CHAPTER 7

# INTEGRATING SMALL AND MEDIUM-SIZED ENTERPRISES INTO THE REGIONAL AND GLOBAL MARKETS[80]

## A. SMALL AND MEDIUM-SIZED ENTERPRISES: CONTRIBUTIONS AND CHALLENGES

In Asia and the Pacific, small and medium-sized enterprises (SMEs) remain a critical source of employment creation (in many economies of Asia and the Pacific contributing 60% or more of jobs) and income generation (Asian Association of Management Organizations, 2007). While SMEs enhance dynamism in economies by providing flexibility and fresh ideas, they can also stabilize societies by providing safety nets for disadvantaged workers. In this regard, the SME sector has occupied a prominent position in the development agenda of all developing economies in the region; thus, promotion of SME development has been regarded as an important policy issue in those economies.

Another important contribution of SMEs has been in the export sector (table 17), in terms of volume and diversification as well as in technology and skills development. Export operations also expand the base of domestic enterprises, and allow them to develop capacity to compete globally. Thus, SMEs contribute to national competitiveness as apart from income generation. The share of SMEs' contribution to exports varies widely among economies in the Asia-Pacific region, lying between 14.2% for Malaysia and 69.2% for China. This varying ability of SMEs to export may be seen as an indication of (a) how such businesses can or cannot compete in regional and global markets, and (b) where specific support measures may be needed to improve their performance.[81] In addition, the SME contribution to exports is generally higher in developed economies than in developing economies of Asia and the Pacific.[82]

With growing governmental concern over SME development, more reforms in SME policies have been witnessed in Asia and the Pacific. SMEs involved with export-oriented products and services as well as those operating the supporting industry for exports have been promoted, and have been recognized for their importance in the export- and FDI-led development strategy that almost all Asia-Pacific countries have adopted. However, SMEs in the region currently face significant resource constraints and have limited capabilities to compete

[80] Inputs by Paradai Adisayathepkul to this chapter are gratefully acknowledged.

[81] Definitions of what constitutes an SME vary quite widely in Asia and the Pacific and even within single economies. An extreme example is that of China, which defines medium-sized enterprises as those with less than 2,000 employees, while medium-sized enterprises in Malaysia are those with 75 or less employees. Developing economies in Asia and the Pacific typically define SMEs, including micro enterprises, as commercial entities with less than 100 up to 300 employees (ESCAP, 2011b).

[82] For developed economies, exports are not particularly large components of GDP, while developing economies in Asia and the Pacific are reliant on exports as a significant source of GDP growth (e.g. Malaysia and Thailand) due to their export-oriented development strategies. Generally speaking, a trend can be seen, in that as nations rise to high-income status, their reliance on exports as a driving force of GDP growth is diminished – most likely the result of strong domestic demand growth. In addition, SMEs appear to be the driving source of exports in developed economies, compared with developing economies, at least in the Asia-Pacific region.

**Table 17. Contribution by small and medium-sized enterprises in selected economies, various years during 2001-2009**

*(Percentage)*

| Countries/areas | Exports in GDP (1) | SMEs in exports (2) | SME share of total enterprises (3) | SME share of total workforce (4) |
|---|---|---|---|---|
| **Developed countries** | | | | |
| France | 23.0 | 42.4 | 99.8 | 61.4 |
| Germany | 41.0 | 55.9 | 99.7 | 79.0 |
| Japan | 13.0 | 53.8[a] | 99.7 | 70.2 |
| Spain | 23.0 | 68.5[a] | 99.9 | 78.7 |
| United Kingdom | 28.0 | 45.9[a] | 99.6 | 54.0 |
| United States of America | 11.0 | 22.2 | 99.9 | 55.8 |
| European Union | n.a. | 43.4 | 99.8 | 67.4 |
| **Asia and the Pacific** | | | | |
| China | 27.0 | 69.2 | 99.0 | 74.5 |
| India | 20.0 | 40.0 | n.a. | n.a. |
| Indonesia | 24.0 | 20.0 | 99.9 | 99.6 |
| Malaysia | 96.0 | 14.2 | 99.2 | 65.1 |
| Pakistan | 13.0 | 30.0 | 97.9 | 78.5 |
| Republic of Korea | 50.0 | 39.0 | 99.9 | 87.7 |
| Russian Federation | 28.0 | 54.0[b] | 97.6 | 60.9 |
| Singapore | 221.0 | 16.0 | 91.5 | 51.8 |
| Taiwan Province of China | n.a. | 17.0 | 97.8 | 77.2 |
| Thailand | 57.5 | 30.6 | 99.6 | 69.0 |
| Viet Nam | 68.0 | 20.0 | 99.9 | 77.3 |
| Federated States of Micronesia | n.a. | n.a. | >90.0 | 20.0 |

*Sources:* World Bank, 2011. Columns (2)-(4): Asian Development Bank (2001); Bank Negara Malaysia (2005); European Commission (2009); Eurostat; General Statistics Office of Viet Nam, Viet Nam; Statistics Korea, Republic of Korea; National SME Development Council, Malaysia (2010); OECD (2005 and 2011); Office of Small and Medium Enterprises Promotion, Thailand; Small and Medium Enterprise Administration, Taiwan Province of China (2010); Tambunan (2009a and 2009b); United States Agency for International Development (2004); and United States International Trade Commission (2010).

[a] Value-added.

[b] Share of total sales revenue.

effectively in global and regional markets. Despite their tremendous potential, SMEs are still in a disadvantaged position with regard to essential business factors, such as capital, profitability, managerial skills, trained labour, brands and networking. Unless the complex issues and processes of SME development are well understood, isolated efforts to energize the SME sector may not achieve a significant degree of success.

Within this context, a number of bilateral and multilateral development agencies have designed and implemented SME development interventions in Asia and the Pacific, particularly in less developed economies (ESCAP, 2009a). The

strategic approaches by major bilateral and multilateral development and donor agencies were reviewed in terms of their focused areas and modalities.[83] It was found that their specific and detailed interventions to improve value additions in the SME sector, and strengthen their contributions to their respective economics, broadly covered the following seven key areas:

(a) Enabling policy and regulatory environment, including effective institutional framework and pro-business fiscal policy;
(b) Supporting infrastructures for business;
(c) Entrepreneurship, including management skills and human resources;
(d) Access to finance;
(e) Technology capability-building and adaptation;
(f) Business development services;
(g) Corporate social responsibility.

Based on the analysis as presented above, several key points can be taken for future policy interventions in the field of SME development, particularly in Asia and the Pacific. Firstly, there appears to be a commonly agreed approach for SME development, covering the seven key areas. However, such a comprehensive approach has not been fully adhered to among the various development agencies and donors. This has resulted in scattered activities in various areas/sectors, and the resulting lack of coordination among donors' activities has produced limited results. Secondly, entrepreneurship and its culture have been recognized as one of the key factors for SMEs' growth and competiveness enhancement; however, traditional technical assistance has not focused on the issue. A comprehensive "entrepreneurship training programme" should be launched, particularly in rural areas. Special preferences could be given to women and youth entrepreneurs to further their development. Thirdly, conventional policy interventions to SMEs have neglected technology development and adaptation, and thus are weak in technical issues and practical solutions. Finally, the importance of SMEs' penetration into regional and global markets has been attracting more attention. The past activities of SME development were typically focused on domestic issues, missing the linkage with existing trade and FDI-driven development strategy.

[83] The corporate strategies of 13 bilateral and multilateral development and donor agencies on SME development in Asia and the Pacific were reviewed (ESCAP, 2011a). Those agencies include the Asian Development Bank, 2000; Asian Productivity Organization, 2007; United Kingdom, Department for International Development, 2008; German Technical Cooperation (GTZ); International Labour Organization, 2009; Japan International Coopeartion Agency, 2006; OECD, 2005; Swiss Agency for Development and Cooperation, 2010; UNDP, 2007; UNIDO, 2010; United States Agency for International Development, 2010 and World Bank, 2002.

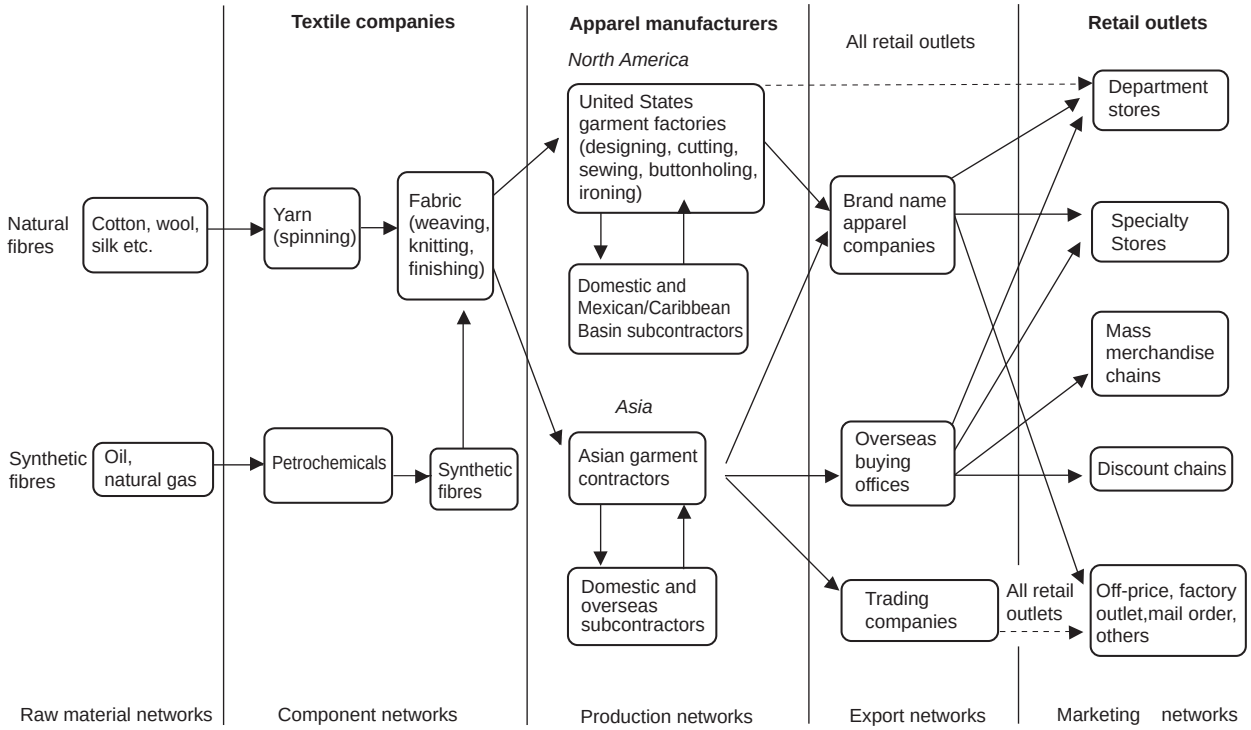
## B. EMERGENCE OF REGIONAL AND GLOBAL VALUE CHAINS AND OPPORTUNITIES FOR SMALL AND MEDIUM-SIZED ENTERPRISES

### 1. Overview

One of the most crucial challenges facing SMEs in Asia and the Pacific is how to create new business (and, therefore, investment) opportunities in global and regional markets, particularly in major emerging economies in Asia and the Pacific such as China and India. In small economies with a limited domestic market, exports play a crucial role in achieving high economic growth and rapid socio-economic transformation. SMEs supplying competitive products and services with greater potential for backward and forward linkages could contribute substantially to exports and, hence, to higher national income and overall socio-economic progress. Therefore, development of export-led SMEs should be an important part of national economic development strategy.

In this regard, recent experiences from a wide range of Asian and Pacific economies, particularly in North-East Asia and South-East Asia, strongly indicate that domestic SMEs can access international markets through global and regional value chains (GVCs). These value chains provide a full range of value-added business activities across borders, and provide a product or service from conception, through design, sourcing raw

**Figure 40. An example of regional and global value chains – apparel and garments sector**




*Source:* Gereffi and Memedovic (2003).

materials and intermediate inputs, production, marketing, distribution and support to the final consumers (figure 40). Such GVCs are expected to provide an efficient network by establishing linkages with large enterprises or even with other efficient SMEs. They help to boost SMEs' value-added activities in international trade, as SMEs currently play a limited role due to low value-addition and lack of proper networking (ESCAP, 2007a).

***"Less advanced developing countries can take over some production operations within regional and global value chains through South-South FDI"***

Increased intraregional FDI has accelerated the development of GVCs in Asia and the Pacific. Anecdotal evidence reveals that developing economies in Asia and the Pacific are gaining importance as sources of FDI, complementing FDI from traditional sources in developed economies.[84] It is noteworthy that compared with the more industrialized and higher income economies, lower income economies have experienced increasing shares of intraregional FDI flows. This indicates that lower income developing economies have received South-South FDI from their more advanced neighbours, which serves as evidence in support of the "flying geese" paradigm – the catching-up process of industrialization in less advanced economies (ESCAP, 2009a).

Less advanced developing economies can take over some production operations within regional and global value chains through South-South FDI. This trend is expected to lead to a gradual industrial transformation from relatively low value-added sectors (e.g. agriculture and garments) to high value-added sectors (e.g. automotive parts and

[84] For a more detailed analysis, see ESCAP, 2010.

electronics or advance manufacturing, ICT and services). FDI in high value-added sectors can facilitate technology and knowledge transfer and diffusion to less advanced developing economies. In this connection, it may be desirable to explore further investment opportunities for Asia-Pacific SMEs in advanced manufacturing and related value chains.

However, the emergence of GVCs has also resulted in intensified competition in high value-added activities and a need for continuous skills development. Such competition is likely to widen economic and development disparities in the region, at both the national and the company levels, unless national policymakers, in cooperation with business people and international development agencies, create an environment to maximize SMEs' benefits from GVCs. In order to effectively participate in GVCs, SMEs must break high entry barriers by meeting a wide range of increasingly stringent global standards with regard to quality, price, timely delivery and flexibility. As reviewed above, however, SMEs in Asia and the Pacific typically lack the environment to improve their capacity, including a proper policy and regulatory framework, supporting infrastructures, access to finance, strong entrepreneurship culture, technology incubation and business development services (ESCAP, 2009b).

## 2. Challenges for Asia-Pacific small and medium-sized enterprises in regional and global value chains

The practical challenge for SMEs in developing economies in Asia and the Pacific is to become and remain competitive suppliers, particularly in GVCs. SMEs, which seek to establish partnerships in regional and global value chains, should understand the governance of the specific value chain process and structures. As international trade is mostly undertaken by large enterprises of global reputation, and since leading firms in global/regional value chains are the key decision makers in managing global production systems and trade, they would be the ones influencing the participation of smaller firms in such chains. It is important that the structure of a specific value chain and the specific characteristics of the lead companies are fully understood.

*"In the absence of support services, SMEs in Asia and the Pacific developing economies cannot establish effective value chain connections at either the regional or the global level"*

It is a fairly well-established fact that a product's quality and value not only depend on regular innovations in the production process but also on innovations outside the production process (e.g. design and marketing) in order to cater to different customers and markets. Therefore, with the provision of support services, both from public sector agencies and business associations, is a necessity for SMEs. In the absence of such services, SMEs in Asia and the Pacific developing economies cannot establish effective value chain connections at either the regional or the global level. Governments must therefore play a leading role in facilitating SME growth, by providing the necessary support for export-oriented SMEs as well as industrial SMEs to allow them to form strong partnerships in regional and global value chains. Participation in these chains often implies ability of SMEs to break high entry barriers by meeting a wide range of increasingly stringent global standards with regard to quality, price, timely delivery and flexibility. SMEs in Asia and the Pacific typically lack the standards and infrastructure necessary to enable them to demonstrate conformity with such standards. Therefore, additional efforts by Governments as well as reliance on new approaches to breaking these barriers (such as mutual recognition agreements in ASEAN or the use of private certification) are required. These and other challenges can best be understood within the context of specific industry value chains that have particular relevance for regional economies. In this context, three sectoral value chains of actual and potential relevance for Asia and the Pacific were selected in this analysis to illustrate the challenges, i.e. agribusiness, garments and apparel and automobile components (box 7.1).

***Box 7.1. Challenges in regional and global value chains: three case studies***

**A. Agribusiness[a]**

The agribusiness sector has been one of the most vibrant growth sectors internationally, with many of its products sourced from developing economies in Asia and the Pacific. The evolution of agribusiness GVCs, coupled with the dominance of large retailers/supermarkets that control the brands of agro-products and access to regional and global markets for agro-products imported from developing economies, threatens the exclusion of suppliers unable to meet the new requirements. However, it also provides significant opportunities for those who can do so. For example, the trend towards product differentiation such as organic produce, driven both by the tastes of global consumers and by strategies of retailers for higher revenue, is producing significant opportunities for qualified Asia-Pacific SMEs to serve niche markets that are regional or even global in nature. Furthermore, outsourcing by global retailers of technically sophisticated activities, such as bar-coding, labelling and the preparation of ready-to-eat food, provide important opportunities for upgrading within the agribusiness GVCs in Asia and the Pacific.

**B. Garments and apparel[b]**

The garment and apparel industry, which is one of the oldest and largest export industries, and a classic "starter" industry for export-oriented industrialization, has played a key role in the industrialization and development of Asia and the Pacific. It represents a typical buyer-driven value chain/network, with a highly competitive and widely dispersed global industry structure, including regional and local competitors. Entry barriers are relatively low for most "assembly" garment factories, and they increase with movement up the global and regional value chains from textiles to fibres. Two key factors shape the structure and dynamics of the apparel GVCs: (a) pressure to meet stringent international standards (e.g. labour and environmental); and (b) demands from global buyers for cheaper products, higher quality and shorter lead times.

The increasing concentration of production in economies with the capability for "full package production," particularly China and India, are also expected to have a significant "demand side" effect. It is expected that large retailers will demand further price cuts as well as reduce the number of their suppliers. This will place significant pressure on those exporting countries without primary textile industries, such as Bangladesh and Cambodia, and on smaller producers whose present capabilities to upgrade within a GVC are limited.

**C. Automobile components[c]**

The automobile components industry comprises a complex mixture of firms of very different sizes, types and geographic scope, producing an enormous variety of products ranging from very simple parts to technologically very complex systems. The potential for local sourcing is particularly high because of the large number, size and weight of components and materials required by the sector. For those SMEs able to participate even at the lowest tiers of production, the automotive components industry can offer significant opportunities for those SMEs in the region that are able to participate, even at the lowest tiers of production, to access regional and global markets.

In Asia and the Pacific, cost competitiveness of the automotive component industry is often based less on productivity and more on low factor input costs, which are now rising in many countries (e.g. the cost of labour and land). Therefore, the key challenge for automotive parts suppliers in the region is to improve productivity and lower their costs in order to maintain or improve their competitive performance within a GVC. In this context, a coordinated strategy of production relocation and integration within the region could provide opportunities for neighbouring less developed, lower-cost economies to become lower-tier suppliers of selected components for the existing automotive parts cluster. Such cross-border production linkages could provide an entry point to the automotive parts GVC and exposure to its significant developmental benefits while at the same time strengthening the competitive performance of local SME suppliers.

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[a] Particularly useful sources for this case study include Humphrey (2005); and Dolan, Humphrey and Harris-Pascal, 2000study.

[b] Particularly useful sources for this case include Gerefi and Memedovic (2003), International Trade Centre UNCTAD/WTO (2005), and Nadvi and Thoburn (2003).

[c] Particularly useful sources for this case study include Global Production Networks (2003), Veloso and Kumar (2002), and Sturgeon and Lester (2001).

## 3. Implications and opportunities for small and medium-sized enterprise development

The above analysis reveals the following key policy implications as well as opportunities for SME development in Asia and the Pacific.

*(a) Opportunities for new entrants*

It is now possible for SMEs to become internationally competitive in an increasingly wide range of industries, based on a single function or a small number of functions, as suppliers in GVCs. Similarly, through participation in GVCs it is possible to achieve large-scale exports of specialized outputs in niche product markets that are regional or even global in scale. Ultimately, SMEs can emerge as overseas investors in their own right and, as they grow, develop their own value chains through forging backward and forward linkages.

*(b) Opportunities for value creation*

In a world of GVCs, key differences in the competitive performance of SMEs lie less in the industries of which they are a part than in the functions or activities in which they choose to specialize. It is not the industry or sector that is most important but a firm's core capabilities within a particular industry value chain. Opportunities for value-creation exist anywhere along the industry value chain through specialization and upgrading.

*(c) "Match the best"*

International business is increasingly being characterized by fragmented and specialized production within the framework of GVCs, driven by strategic decisions on the reorganization and relocation of production. To be competitive, SMEs have to be the "best in their class" for each activity, function or output they choose (e.g. manufacturing activities, design, logistics and marketing). Unless they are able to "match the best" they are unlikely to be able to compete effectively in regional and global markets, given the range of globally available supplier options in most industries.

*(d) Cooperate to compete*

Cooperation through SME clusters plays a key role in SMEs in the region achieving competitive success. Such SME clusters are anchored in partnerships along three dimensions: (a) SME-to-SME, through joint task-related activities and initiatives that also support building trust and shared experiences; (b) between core producer enterprises in such clusters and supporting institutions that provide key services such as training, logistics and business development services; and (c) business-government cooperation to strengthen GVC-related business institutions.

*(e) New challenges for development strategy*

Local SMEs must increasingly have the required capabilities to even be considered by first-tier global suppliers or lead firms in GVCs. In this context, a key role of government is to assist in developing the required supplier capabilities, including assistance in strengthening industry-related institutions as well as to ensure the availability of competitive support systems such as logistics services. This is an essential element in supporting the competitive performance of domestic firms in international markets and increasingly in attracting investment.

*(f) New directions in regional trade facilitation*

Within the framework of global value chains, it is essential to ease exports and imports of parts and components as well as of final products. This requires effective trade-facilitation processes (such as customs procedures, and import and export regulations) as well as competitive support services such as the transport and communications infrastructure within the framework of integrated trans-border logistics systems. The related challenge to regional cooperation is to move towards a more integrated approach to transport, trade and transit within the framework of market-oriented and relatively open trade policy regimes, which is focused on specific industry value chains of shared interest.

*"The transformation of regional businesses by the emergence of global value chains signals potentially new and important directions for SME development in Asia and the Pacific"*

## C. FOUR ADVANTAGES OF THE VALUE CHAIN APPROACH FOR SMALL AND MEDIUM-SIZED ENTERPRISES

SMEs in Asia and the Pacific form the largest generator of domestic employment and provide a livelihood for more than 60% of the region's workforce, especially women and young people. The most serious challenge facing SMEs is how to create new business opportunities for more value-added products and services, especially tradable ones, which are very much in line with the region's commonly-accepted trade and FDI-led development strategy. Obtaining access to profitable export markets is crucial to fostering SME growth and productivity, especially given the increasing globalization and market liberalization.

The transformation of regional businesses by the emergence of global value chains signals potentially new and important directions for SME development in Asia and the Pacific. The GVC approach, in particular, provides the following four advantages for SME development at the national and regional levels:

(a) In recognition of the diversity of developing economies of the region in terms of economic status and condition, and natural endowment, the specific sector value chain-based approach could identify development issues more easily, while the "one size fits all" tailored approach may not be workable in all participating countries;

(b) The approach covers the seven essential issues for SME development, as mentioned above, through comprehensive development programmes;

(c) The value chain approach will force policy-makers to adopt a programme for regional cooperation that moves the development assistance paradigm beyond national borders;

(d) The value chain approach is closely linked to the attraction of appropriate FDI, which plays an important role in the development of value chains and, therefore, helps in promoting intraregional FDI.

# CHAPTER 8

# USING TRADE AGREEMENTS TO TRADE EASIER AND CHEAPER, WITH MORE BENEFITS FOR ALL

## A. INTRODUCTION

Only 20 RTAs[85] involving at least one member from the Asia-Pacific region were in force in 1995. By May 2011, this number had grown to 122. Furthermore, the contribution of Asia and the Pacific to the global trend towards regionalism has also become dominant; since 2005, the region has contributed at least half of all agreements that have entered into force annually.

In terms of trade coverage of RTAs, the ESCAP Asia-Pacific Trade and Investment Agreements Database (APTIAD) reports that, on average, about 38% of total exports of Asian and Pacific economies involved in RTAs are directed to other member countries of those RTAs (APTIAD, 2011). In other words, close to 60% of the region's exports is to economies with which Asia-Pacific economies do not have a trade agreement (mostly the European Union and the United States).

***"Since 2005, the region has contributed at least half of all agreements that have entered into force annually...yet more than 60% of its exports is directed to non-RTA trading partners"***

Some economies, particularly in East and South-East Asia, enjoy a relatively high coverage of trade under RTAs to which they are a party. For example, Malaysia, Singapore and Viet Nam all cover between 50% and 70% of their total exports with RTA partners. In contrast, for China and Australia, RTAs cover only 31% and 21.5%, respectively of their total exports (see part III tables for more details on the number and coverage of RTAs per economy). However, a relatively low percentage of revenues from exports to partners in RTAs can mask the enormous qualitative importance of the trade links that could be forged through intra-regional trade and investment.[86] The rest of this chapter discusses how RTA channels in Asia and the Pacific could be made more effective in lowering intraregional trade and investment costs and enabling economic integration.

## B. FEATURES OF REGIONAL TRADE AGREEMENTS IN ASIA AND THE PACIFIC

An increasing number of agreements have been concluded between partners at different levels of economic and political power and development (North-South). Furthermore, trade agreements are increasingly including partners from different geographical regions, often economies that do not share borders. This trend also applies to Asia-Pacific trade agreements. Before the end of the twentieth century, three quarters of Asia-Pacific RTAs that were under implementation were among partners in the region, while since 2000 less than half of all agreements that have entered into force have been among partners in the region.[87]

[85] In line with existing literature, this report also uses the term "regional trade agreement" as a generic term for any form of negotiated preferential trade arrangements between two or more economies.

[86] As pointed out in communication from Sisira Jayasuriya.

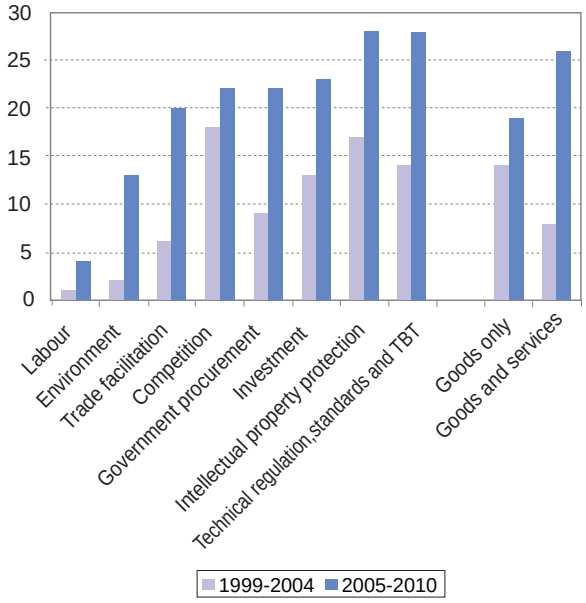
[87] This number includes RTAs under implementation by Turkey, which most frequently chooses partners outside Asia and the Pacific. More details on the difficulties in counting RTAs are available in APTIAD, 2010.

*"...since 2000 less than half of all agreements entered into force have been among economies of the region"*

The scope of Asia-Pacific RTAs has gradually widened to cover more than just preferential tariffs on goods, irrespective of the development levels of the parties involved. Post-2005 RTAs tend to cover services trade, investment, trade facilitation, standards and technical regulations, intellectual property rights protection, dispute settlements and competition in addition to liberalization of trade in goods while still lagging with regard to addressing environmental and labour issues (figure 41). ESCAP (2009a) provides a detailed description of the depth and coverage of Asia-Pacific RTAs. It appears that trade agreements, often called "comprehensive economic partnerships", are increasingly being signed in order to expand current goods trade and pursue new areas of economic cooperation; they do not always create new trade (known in the literature as trade on extensive margin). While the provisions for economic cooperation are addressed more fully in the newer agreements, they do not necessarily lead towards economic integration with harmonized policies and institutions. Thus, the focus of regionalism in Asia remains trade and investment expansion (see box 8.1, which lists some of the most salient features of the region's trade agreements).

In general, trade agreements have not met the expectations with regard to generating intraregional trade. This is due, in part, to the fact that many at-the-border and some behind-the-border barriers to trade have been eliminated either multilaterally or autonomously; thus, it is difficult to attribute the growth of trade to any of the liberalization processes.[88] As noted above, in addition to merely providing additional mechanisms to reduce trade barriers, RTAs were meant to (a) enhance intraregional investment flows (box 8.2), and (b) enable the development of production networks and expansion of intra-industry trade among the parties to trade agreements – thus providing a channel for deeper market integration. However, as Zhang and Shen (2011) argued, once RTAs were put in place they might instead be disruptive to cross-border production networks. Other research indicates that RTA support for intra-industry trade and integration is associated, to a greater extent, with North-South RTAs and less with South-South RTAs (Foster and Stehrer, 2010, and ARTNeT, 2011a).

**Figure 41. Recent agreements cover more areas (agreements entering into force in 2005-2010 compared with 1999-2004)**




*Sources:* APTIAD and WTO, RTA-IS accessed in May 2011.

The utilization of negotiated preferences is another important aspect in assessing the impact of individual RTAs. Actual utilization is normally not that high as it not only depends on the supply capacities of producers and traders, but also increasingly on the definition and complexity of the rules of origin (RoO), which differ among RTAs and are often cited by developing economies as amounting to significant non-tariff barriers (see annex note VIII.1).

[88] It is not only tariff reduction that provides incentive to increased trade. There are many NTBs and other behind-the-border barriers that may or may not be effectively tackled by an RTA. The impact comes over and above the tariff liberalization impacts. Furthermore, there are indirect sources of trade growth related to investment and production pattern changes; these are discussed below.

As discussed in various ESCAP secretariat reports,[89] negotiations on preferential RoO are often a difficult and cumbersome affair, and the negotiated outcomes affect trade transactions within production networks in different countries.[90] The Japan External Trade Organization (2007) showed that, based on a survey of Japanese firms, 30% of the respondents believed that RoO in RTAs signed by Japan with partners were increasing the cost of trade and production. Kawai and Wignaraja (2011) similarly showed that, on average, 22% of the firms they surveyed in six economies[91] believed that complex RoO had an adverse impact on the cost of

[89] See, for example, ESCAP, 2009a and 2007b, and Bonapace and Mikic, 2007.

[90] For example, Zhang and Shen, 2011, argued that Japan switched from a supporter of multilateralism to actively pursue RTAs "because it was a major player in the East Asian production network. East Asian FTAs excluding Japan would impair the interests of Japanese companies with well-developed business networks in the region".

[91] China, Japan, the Philippines, the Republic of Korea, Singapore and Thailand.

***Box 8.1. Prominent characteristics of Asia-Pacific regional trade agreements***

(a) Membership in RTAs includes economies of various sizes and at different levels of development, and even from other (and distant) regions, with more than half the members in recent agreements located outside the Asia-Pacific region.

(b) The noodle bowl phenomenon not only prevails but appears to be getting worse as many countries find themselves signing different RTAs with the same partners, covering the same products or areas of trade concessions differently.

(c) Most of the so-called "Singapore issues" have found their way into RTAs, in particular in RTAs involving developed countries. Of these "issues", it appears that only government procurement is still not prominent in RTAs, even though the extent of government spending in the recent global economic crisis might have caused more interest in the Agreement on Government Procurement under WTO. The other Singapore issues, in particular trade facilitation[a] and investment, have become more regular components of new RTAs.

(d) While labour mobility is an issue of utmost relevance for most countries of the region (irrespective of their level of development), this issue is not normally covered in RTAs. Of all enforced RTAs in the region, only one third include some provisions on the temporary movement of natural persons as service providers; however, the extent of liberalization beyond GATS commitments is very modest and in practice excludes semi- or unskilled labour.

(e) Similarly, environmental issues are not normally covered in RTAs, although some have clauses indicating that the RTA provisions should not interfere with countries' abilities to protect the environment.

(f) RTAs are most efficient in reducing or eliminating tariffs[b] and quantitative restrictions on goods' trade, but in principle do not go beyond WTO agreements in the area of safeguards and standards. RTAs could potentially also be more effective in removing barriers to trade in services or investment than multilateral trade disciplines (especially barriers to trade among developing economies). However, RTAs normally do not cover issues such as export subsidies and domestic regulation.

(g) A number of RTAs have provisions on differential treatment of their members that are least developed countries or are at a low level of economic development.

[a] See chapter 6 in this report.

[b] RTAs use most-favoured-nation applied tariff rates as base rates to negotiate tariff liberalization. This is in contrast to the multilateral approach, which uses MFN bound rates. Consequently, RTAs often offer more in terms of market access. RTAs, however, use both positive and negative list approaches. For more details, see APTIAD (http://www.unescap.org/tid/apiad).

***Box 8.2. Investment provisions in Asia-Pacific regional trade agreements***

Of all the expanded areas of coverage by RTAs, provisions on investment promotion, protection, liberalization and cooperation assume special importance as investment has traditionally been a sensitive area, and all attempts to forge a multilateral agreement on investment have failed. In the meantime, investment provisions have increasingly been included in regional and bilateral trade and economic agreements while the number of international investment agreements, in particular bilateral investment treaties (BITs), has also risen steadily. It is estimated that at the end of May 2010, there were almost 2,800 BITs worldwide (although only about 2,000 were ratified). About 50% of these BITs involve countries in Asia and the Pacific.

In addition, of those RTAs involving an ESCAP member State, more than 50 have investment provisions. Most of these provisions refer to investment cooperation or contain provisions very similar to those found in BITs, with emphasis on investment promotion and protection. Only a few comprehensive agreements include provisions on investment liberalization, most notably the ASEAN Comprehensive Investment Agreement (ACIA).[a] Several other "ASEAN plus one" agreements have advanced investment chapters, most notably the ASEAN-Australia-New Zealand FTA. Since all of these agreements only entered into force in 2010, it is too early to assess their impact on investment patterns in the region.

ACIA is probably the most advanced regional investment agreement in force among developing countries anywhere in the world. It combines the ASEAN Investment Area and ASEAN Investment Guarantee Agreement and has provisions for investment cooperation, promotion, liberalization and protection. Investment is defined broadly and includes foreign portfolio investment. ACIA is innovative as it includes more comprehensive and clearer definitions of concepts, and contains provisions for dispute settlement between States and investors that are among the most comprehensive found in any investment agreement. However, its effectiveness in promoting intraregional investment and linking it to initiatives aimed at closing development gaps within ASEAN has yet to be demonstrated.

The Asia-Pacific Trade Agreement (APTA) has also made progress in the area of investment. APTA Participating States have all signed the Framework Agreement on the Promotion, Protection and Liberalization of Investment, which is currently in the process of ratification. The Framework Agreement provides a mandate for the negotiation of an APTA Agreement on the Promotion and Protection of Investments, and commits Participating States "to enter into negotiations to progressively improve their investment regime with a view to promoting freer investment among the APTA Participating States". These negotiations will commence when the ratification process has been completed. In the meantime, Participating States are discussing implementation modalities and time frames of the four schedules contained in the Framework Agreement, i.e. cooperation and facilitation, promotion and awareness, liberalization, and protection.

[a] However, ACIA is a separate agreement from the ASEAN Free Trade Area (AFTA) or ASEAN Trade in Goods Agreement (ATIGA) and is part of the actions undertaken towards establishing the ASEAN Economic Community.

production. Most firms in Singapore were of the view that RoO were not helping them to trade cheaper and faster; however, firms in China held a more favourable view. A more recently adopted approach (e.g. in negotiations on the ASEAN-Australia-New Zealand FTA) allowing traders alternative methods of proof of origin for the same product. This approach enables traders and producers to utilize the concessions under individual RTAs more effectively and thus improve their overall impression of the benefits they are able to derive from the RTAs. However, this benefit may lessen in parallel with an increasing number of different RoO per destination.

The effective utilization of preferences under RTAs is also hampered by the lack of awareness among businesses of their existence. In fact, a number of studies (e.g. Kawai and Wignaraja, 2011, and ARTNeT, 2011b forthcoming) show that in developing countries many firms, particularly SMEs, often lack the necessary information or access to soft (and hard) infrastructure to effectively utilize the preferences. However, large firms might be affected

more directly by the multiple RoO, as they trade more products across more countries than SMEs, which often do not trade directly (see chapter 7 in this report).

## C. EXPANDING THE MEMBERSHIP OF CURRENT REGIONAL TRADE AGREEMENTS TO INCREASE INTRAREGIONAL TRADE

Traditionally, economic integration blocs were perceived as fortresses that built walls of protectionism against non-parties (cf. literature on the European Economic Community). GATT Article XXIV refers, inter alia, to the condition that partners in an FTA or customs union must not erect barriers against non-members that are higher than the barriers they had on average before integration. In general, since current modalities of regionalism rarely involve customs unions, this issue is not really a problem. However, another type of wall is erected against potential new members.

*"The conditions for membership in existing RTAs in Asia-Pacific are neither very transparent nor overly simple"*

In contrast to the principle of "open regionalism" adopted by APEC member economies, the conditions for membership in existing RTAs in the Asia-Pacific region are neither very transparent nor overly simple. Firstly, not all RTAs have a clause on accession; in fact, only 15 of the plurilateral trade agreements and 21 of the bilateral trade agreements involving a regional economy contain provisions for accession. Furthermore, even if an RTA has accession provisions, such provisions may apply only to designated countries, e.g. those located in a particular geographic area (see tables in the annex to this chapter). In this regard, two thirds of the plurilateral agreements restrict membership to economies from a specific geographic area or other kind of country group and/or with a particular level of development. Perhaps expectedly, none of the bilateral trade agreements has such restrictions, implying that the original negotiating parties presumed that the agreements would not be expanded to new members.

Not surprisingly all agreements require negotiations on the terms of accession with the new (potential) member. In practice, negotiations on accession of new members are proceeding in only three plurilateral trade agreements: (a) Mongolia, which has been negotiating accession to APTA since 2010; (b) Timor-Leste, which has applied to accede to ASEAN; and (c) Australia, Malaysia, Peru, the United States and Viet Nam, which are negotiating accession to the Trans-Pacific Partnership Agreement. In contrast, none of the bilateral agreements involving a regional economy is known to be considering adding a third member.

Part of the explanation of geographical restrictions to new members prevalent in plurilateral trade agreements may be that potential competition from new members could undermine the current impact of the agreement. Furthermore, a number of these agreements have a long history of broader-than-trade cooperation, and thus might contain specific non-economic objectives that would make membership expansion difficult.

Notwithstanding the above analysis, it should be noted that free trade agreements and customs unions were given exemptions from the most-favoured-nation (MFN) principle in GATT trading rules under "the general belief that regional liberalization, by providing deeper market access was complementary to the multilateral trading system".[92] As such, RTAs have been viewed as building blocs of global free trade. However, in practice, RTAs have not necessarily contributed to an expansion of "free" global trade; the relationship between RTAs and the multilateral trading system

[92] WTO, 2007, p. 305. However, as pointed out by Sisira Jayasuriya in personal communications and elsewhere in the literature, the "building block" argument may also be seen as an ex-post rationalization of the acceptance of exemptions to MFN rules implicit in RTAs. In reality, GATT would have not been possible due to pre-existing preferences embedded in the post-World War Two world economic order. Thus the allowance of FTA and customs union exemptions was a pragmatic compromise rather than an outright acceptance of RTAs as enablers of free trade.

(MTS) has been quite complex, but there is no doubt that both are necessary and interdependent components of world trade and the global economy. Their interdependence plays an important role in determining the outcome of the current multilateral round of trade negotiations, the Doha Development Agenda.

## D. BENEFITS OF THE MULTILATERAL TRADING SYSTEM AND COSTS OF DOHA ROUND FAILURE

The global economic crisis of 2008/2009 has best demonstrated the value of the MTS. The fear of run-away protectionism as a response to global economic contraction did not materialize. The global system of binding trading rules managed to keep tariff increases in check. However, the same could not be said for safeguarding global trade against "murky" forms of protectionism (see chapter 3 of this report).

The role of WTO becomes indispensable with regard to monitoring protectionist trends, policy bindings, and advocating the role of trade in economic growth and recovery from the crisis. The MTS is the only system that comprises a universal body of enforceable, non-discriminatory rules governing international trade negotiated by members and accepted by consensus. This system of rules has enhanced the stability, transparency and predictability of international trading environment and warrants support from all WTO members. A successful conclusion of the Doha Round of multilateral trade negotiations would send a strong signal that the global economy remains open and committed to trade. It would also preserve the MTS and WTO, and prevent that organization from evolving into a litigation body only.[93] No number of RTAs can replace the MTS; on the contrary, there are certain areas where only multilateral disciplines could be effective (e.g. domestic support, export subsidies in agriculture or a dispute settlement mechanism). Concluding the Round could also contribute to halting the loss of confidence in multilateral cooperation that has been growing in the past decade not only in relation to trade agenda with security of market access and opportunities for poor countries, including aid-for-trade, but also climate change, financial architecture, food security etc.

*"A failure to conclude Doha Round would lead to potential export losses twice the size of the current trade account surplus of China with the world"*

While WTO members, including those from the Asia-Pacific region, remain committed to a conclusion of the Doha Round in 2011, positions remain far apart in various areas of negotiations, particularly in the area of non-agricultural market access (NAMA). A recent proposal made by the European Union has sought to break the stalemate and efforts are under way to accelerate the conclusion of the Round. Making this happen is the responsibility of each and every WTO member collectively. Yet, in May 2011, there were no signs that WTO members were ready to compromise in order to move closer to a completion of Doha Round.

A failure to conclude the Doha Round would lead to potential export losses twice the size of the current trade account surplus of China with the world.[94] This projection is based on estimates by Bouët and Laborde Debucquet (2009) of some $360 billion of direct gains in terms of expansion of exports in addition to variable amounts of indirect gains, depending on the actual scenario of liberalization being used in modelling.[95] However, this monetary

[93] There is also a risk that the present WTO Dispute Settlement Mechanism will start losing its credibility and "teeth" if WTO as an institution loses its credibility among the members. However, Bown (2010) rejected such fears and argued that the viability of the Dispute Settlement Mechanism was not conditional on the conclusion of the Doha Round.

[94] According to economic and financial indicators published by *The Economist* on 30 April 2011, the trade surplus of China in March 2011 for the latest 12-month period was $169.3 billion.

[95] Among the many modelling attempts at estimating DDA gains (and/or losses), Hufbauer, Schott and Wong (2010) report the minimal gain of the current Doha package on agriculture and NAMA for the 22 largest trading countries being $63 billion or only 0.1% of their aggregate GDP. Deeper reduction of barriers in services and the agreement on trade facilitation lead to doubling or tripling of these gains

value of the cost of not concluding the Doha Round could rise considerably if the cost of possible loss of confidence in MTS and resulting risk of increasing disputes (or even a trade war) are also taken into account.

These benefits of the multilateral system of rules are hardly replaceable. This does not mean, however, that the process of reaching an agreement under the framework of MTS could not be improved upon. While the weaknesses of this process could be by-passed by pursuing RTAs that are difficult to achieve through multilateral negotiations (table 18), simply signing more RTAs would not overcome the basic problems of MTS.

**Table 18. Comparing opportunities provided by regional trade agreements and the multilateral trading system**

| Negotiation under regional trade agreements | Negotiation under multilateral trading system |
|---|---|
| Negotiating results are tangible and more quickly obtained, but prone to be diminished by multilateral liberalization. | Prolonged process of negotiation, with less opportunity to attach ownership of a result to a particular negotiating group. |
| Easier to align interests of special groups with concrete outcomes of negotiations. | Larger focus on the interest of the society as a whole and less focused on defending interests of special groups. |
| More direct involvement of stakeholders in the process of negotiations and vetting of the results. | Larger distance between Government and stakeholders in the consultation process and less ability to influence the ratification of the negotiated results. |
| Ability to address regional- or subregional-specific issues. | More oriented towards longer-term interests at the level of the whole country. |
| Cannot handle disciplines on domestic support or regulation. | Lends itself to impose disciplines on domestic support in particular sectors. |
| Better equipped to deal with groups of policies or interventions (such as Singapore issues). | Better equipped to deal with specific types of trade flows (e.g. merchandise trade, commercial services trade and agricultural trade). |
| More flexible in implementing even partially agreed deals (e.g. early harvest programmes). | Focused on having a comprehensive liberalization package with uncertain possibilities for partial implementation (known as “single undertaking”). |
| Compensation for harm done could be given in a financial form. | Compensation for harm done is in the form of a new or enhanced discriminatory measure, mostly hurting some groups in the imposing country. |
| Create so-called “noodle bowl” effect from overlapping commitments among the same pair of economies in the same areas, resulting in higher trade costs. | Potential to create a simple, transparent and stable set of rules resulting in lower trade costs. |

## E. IF YOU CAN’T BEAT THEM, JOIN THEM!

RTAs are here to stay. The real risk of a Doha negotiations impasse persisting indefinitely will only add oil to the fire, as many RTAs are already under negotiation or at the stage of “study and consideration”. APTIAD indicates that there are more than 50 active negotiations involving at least one member from Asia and the Pacific, but this estimate is a conservative one. Previous reports of ESCAP expressed concern about the possible adverse effects that this proliferation of RTAs – known as the noodle bowl effect-might have on the cost of trade, and hence on production and investment decisions. Apart from the social costs of negotiation and implementation of RTAs, there is the issue of private cost that traders must incur if they wish to use such agreements for trade under preferential treatment. Obviously, traders do not have to use the preferences, as they can always trade under MFN terms, but that begs the question of why the RTAs have been negotiated in the first place.

*"...the additional costs imposed through overlapping and complex RoO range from 3% of the value of the export for companies in developed countries to 8% or higher – in some cases, those costs can be prohibitive"*

The RoO are the most important part of a free trade agreement as they contain criteria for conferring origin – the key to use the negotiated preferences. These rules include differential details across the agreements, affecting the compliance costs for producers and traders, especially smaller ones and those in lower-income countries. The "search" on where to export or import from is not always quick as the necessary information and/or resources are sometimes not readily available, and compliance with the rules becomes too expensive. Furthermore, with production becoming more and more fragmented across borders, business decision-making on where to invest and produce, and where to export from, is becoming more complex; in fact, some opportunities to enhance production networks might be lost due to this complex rules environment.[96] The additional costs imposed through overlapping and complex RoO are estimated to range from 3% of the value of the export for companies in developed countries, to 8% or higher in some lower income countries.[97] The additional costs can sometime be prohibitive, and cases of abandoning the use of preferences and resorting to "ordinary" (that is, MFN) trade are not rare.

Clearly, for a trader to use preferential route, the margin of preference must cover the cost of compliance.[98] Comparison of average MFN applied tariffs and preferential tariffs for the major trading arrangements indicate that this margin is not very wide (e.g. in the case of ASEAN it is 1.58 percentage points). These costs can be approximated from the additional time a trader must spend on filling in the certification documents associated with preferential RoO compared with documentation under the MFN regime. Empirical research shows that a reduction in the cost of border-crossing procedures by 1% might result in a similar percentage increase in the value of exports (Duval and Utoktham, 2010b). If the "noodle bowl" and complex RoO account for an additional procedural cost of 25% to export/import then, ceteris paribus, simplifying the rules would be associated with up to a quarter of percentage point increase in exports. Based on the pre-crisis 2008 value of the Asia-Pacific intraregional exports, this would amount to more than $20 billion (equivalent to the total exports of Pakistan in 2008).

*"Simplifying the RoO for Asian RTA could increase intraregional export by $20 billion"*

So what can be done to make all the RTAs signed so far help the region to trade faster, more cheaply and more extensively? Figure 42 hints at the core of the problem – the process is driven solely by individual countries without obvious coordination and linkages between the agreements.[99] Two factors are immediately apparent from figure 42:

(a) Individual economies create an intricate web of different preferential trade rules (and hence affect trade costs), while the "regional trading blocs" are not connected at all;

(b) The Asia-Pacific region is clearly fragmented into three distinct subregions – the Pacific, Central Asia with the Russian Federation, and the rest of Asia (i.e. East, South-East and South Asia – with very little connection between them).

[96] See also the discussion in Zhang and Shen, 2011, pp. 22-23.

[97] For the survey of literature with estimation of costs of restrictive RoO see Manchin and Pelkmans-Balaoing, 2007.

[98] Literature shows that on average the compliance costs are the lowest for a change in the tariff classification, somewhat higher for regional value content restrictions and highest for technical requirements (Carrere and de Melo, 2004).

[99] Figure 42 portrays only bilateral and regional agreements under implementation, very few which are in an advance stage of negotiations (e.g. BIMSTEC and PACER+), but not the various GSP schemes given unilaterally. In addition, it does not feature GSTP, which is a global reciprocal scheme.

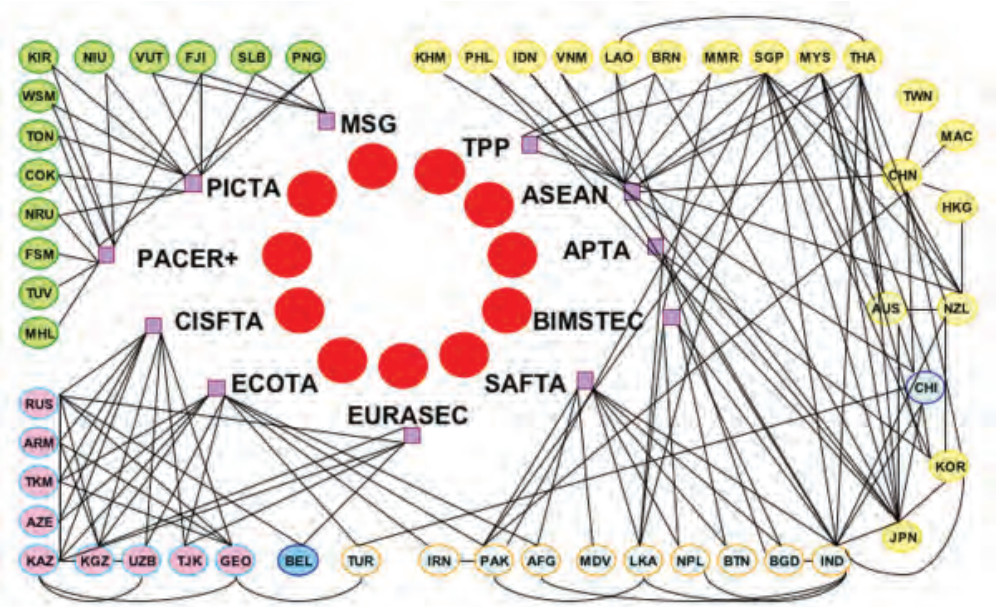
It is also obvious that the lesser advanced developing countries are much less covered by the web of these agreements but presumably they have non-reciprocal preferential schemes that leave them facing the similar problems as those with RoO arising from RTAs.

The optimal solution would be to replace this large number of independent rules with a consolidated set of rationalized rules that follow the same approach, and which set the same criteria for conferment of origin (not, however, with the same margins of preference because that would defeat the purpose of RTAs). In other words, all agreements would follow the same template for RoO, and the negotiations would be focused on the removal of tariffs as well as non-tariff and other barriers to trade. The revised RoO would allow less restrictive cumulation rules, e.g. a diagonal or full cumulation and roll-up process, duty drawback, outsourcing and higher de minimis levels, and more trader-friendly methods of proving origin such as self-certification.[100] The costs of compliance would then converge on the same lower level, irrespective of the agreement. However, as there are no effective linkages among the individual blocs, it is not realistic to expect that these blocs would propose such an initiative. Therefore, in order to assist Governments whose traders may experience difficulties in utilizing the negotiated preferences due to a lack of linkages among the various RTAs, the ESCAP secretariat will redouble its own efforts in providing forums, mechanisms and best practices to enable parties to work towards the consolidation of rules and deeper economic and social integration in Asia and the Pacific. One initiative that ought to be supported especially by developing countries, as it would benefit integration of their smaller producers in the regional and global production networks, is to lobby for RoO based on the "Made in Asia"[101] cumulation rules (this could be interpreted as the multilateralization of regional benefits).

[100] Capacity-building programmes, greater harmonization of customs procedures, and adequate provisions for control and monitoring also need to be put in place in parallel.

[101] "Made in Asia" refers to a branding modality of products, the production of which involves a variety of Asian economies and applies simple cumulative RoO. It is not related to the existing commercial venture "Madeinasia.com Asia factory directory", available from www.madeinasia.com/.

**Figure 42. Missing links in the web of Asia-Pacific regional trade agreements**




*Source:* Based on the APTIAD noodle bowl of the Asia-Pacific preferential trade agreements.[102]

[102] The rearrangement of the original APTIAD portrait of the noodle bowl in this new configuration was suggested by John Moon, former staff of Transport Division of ESCAP.

Several other changes in the negotiation of RTAs could be considered by the region's economies:

(a) Time-bound MFN exemptions of preferentially negotiated concessions (e.g. 10 years), after which these preferences would automatically be multilateralized;

(b) RTA commitments should at least always match, if not improve, the signed multilateral commitments (this could be known as the "regionalization of multilateral level of liberalization");[103]

(c) Financial compensation in the case of negative impacts of a RTA on non-members.

However, if the regionalism route becomes too difficult, and simplification of RoO turns out to be impossible, the next best option is to pursue deepening of MFN liberalization in the sectors of greatest interest for the region's economies. That would thin the margin of preference sufficiently to make the RTAs irrelevant for tariff liberalization (i.e. market access) purpose.

## F. ROLE OF ASIA AND THE PACIFIC IN TRADE GOVERNANCE

The Asia-Pacific region comprises the most dynamic group of trading economies in the world. It is also one of the highest trade-dependent regions in the world and most active in concluding RTAs. Given those credentials, the region has the potential to influence the international trading system in a positive way. The region could therefore not only drive the Doha Round to a successful conclusion but could also steer the direction of MTS and, indirectly, the global and regional economies.

*"The Asia-Pacific region comprises the most dynamic group of trading economies in the world...and therefore has the potentialto influence the international trading system in a positive way"*

RTA- and MTS-based governance of international trade is interlinked and does not present an either/or option. The two systems are complementary, each with unique features and each bringing potential benefits. The Asia-Pacific economies can influence development in the international trading system and improve the coexistence of RTAs and MTS, as discussed above.

In parallel, WTO members should design ways to improving MTS with regard to addressing the challenges of contemporary trading as well as the needs of developing countries. One area requiring urgent consideration is the adoption of a more flexible approach to future negotiations, including a move away from the principle of single undertaking, and the introduction of better ideas on new and more relevant rules for sustainable development (Hufbauer, Schott and Wong, 2010). Another area for consideration is finding ways to facilitate the accession of the few economies that are still outside MTS. The existence of non-members provides impetus to the RTA approach if they are potentially important trading partners of others; therefore, bringing these countries under the umbrella of MTS would remove at least one (however small) reason to pursue RTAs. An open discussion on the approach to decision-making would also be timely. Finally, selecting more specific areas for future negotiations would allow faster progress, and thus would return some of the earlier effectiveness of MTS at the time when it had a narrower scope.

[103] This term is drawn from a seminar presentation of Mr. Rudolf Adlung, Counsellor, WTO Services Department, who described how many countries negotiate GATS minus commitments in RTAs on services, and proposed that these countries instead accept the level of commitments agreed on in GATS.

# Annex

## Table VIII.1. Multi-party (regional, country-bloc and global) regional trade agreements or Customs Union agreements with accession provisions

| APTIAD ID of agreement | Title | Parties | Type | Scope | Is accession open to all countries? | Are accession negotiations required? | Relevant provisions |
|---|---|---|---|---|---|---|---|
| APTA | Asia-PacificTrade Agreement (previously known as the Bangkok Agreement) | Bangladesh, China, India, Republic of Korea, Lao People's Democratic Republic and Sri Lanka | PTA | Regional | No (open only to ESCAP developing member countries) | Yes | Art 30 |
| BIMSTEC | Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation Free Trade Area Framework Agreement | Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand | PTA | Regional | No (open only to BIMST-EC members) | Yes | Art 14 |
| CISFTA | Commonwealth of Independent States FreeTrade Agreement | Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russian Federation, Tajikistan, Turkmenistan, Ukraine and Uzbekistan | FTA | Regional | No (open only to CIS member States) | Yes | Art 24 |
| EFTA-KOREA | Free trade agreement between the EFTA States and the Republic of Korea | Iceland, Liechtenstein, Norway, Switzerland and Republic of Korea | FTA | Country - Bloc | No (open only to EFTA member States) | Yes | Art 10.4 |
| EFTA-SINGAPORE | Free Trade Agreement between the EFTA States and Singapore | Iceland, Liechtenstein, Norway, Switzerland and Singapore | FTA | Country - Bloc | Yes | Yes | Art 70 |
| EFTA-TURKEY | Agreement between the EFTA States and Turkey | Iceland, Liechtenstein, Norway, Switzerland and Turkey | FTA | Country - Bloc | No (open only to EFTA member States) | Yes | Art 32 |
| EurAsEC (or EAEC) | Agreement on Customs Union and Single Economic Area between Kyrgyzstan, the Russian Federation, Belarus, Kazakhstan and Tajikistan | Belarus, Kazakhstan, Kyrgyzstan, Russian Federation and Tajikistan | CU | Regional | Yes | Yes | Art 63 |
| GSFTA | Singapore – GCC (Gulf Cooperation Council) Free Trade Agreement | United Arab Emirates, Bahrain, Saudi Arabia, Oman, Qatar, Kuwait and Singapore | FTA | Country - Bloc | No (open only to GCC member States) | Yes | Art 10.3 |
| MSG | Trade Agreement Among the Melanesian Spearhead Group (MSG) Countries | Fiji, Papua New Guinea, Solomon Islands and Vanuatu | PTA | Regional | No (open only to MSG or South Pacific Forum members) | Yes | Art 16 |
| NAFTA | North American Free Trade Agreement | Canada, Mexico and the United States of America | FTA | Regional | Yes | Yes | Art 2204 |

| APTIAD ID of agreement | Title | Parties | Type | Scope | Is accession open to all countries? | Are accession negotiations required? | Relevant provisions |
|---|---|---|---|---|---|---|---|
| PICTA | Pacific Island Countries Trade Agreement | Cook Island, Fiji, Kiribati, Nauru, Niue, Papua New Guinea, Samoa, Solomon Islands, Tonga and Vanuatu | FTA | Regional | Yes | Yes | Art 27 |
| SPARTECA | South Pacific Regional Trade and Economic Co-operation Agreement | Australia, Cook Island, Fiji, Kiribati, Marshall Islands, Micronesia, Nauru, New Zealand, Niue, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu | PTA | Regional | No (open only to South Pacific Forum members) | No | Art XIV.2 |
| TPS-OIC | Framework Agreement on Trade Preferential System Among the Member States of the Organization of the Islamic Conference | Bangladesh, Cameroon, Egypt, Guinea, Islamic Republic of Iran, Jordan, Lebanon, Libya, Malaysia, Maldives, Pakistan, Senegal, Syria, Tunisia, Turkey, United Arab Emirates and Uganda | PTA | Cross-Continental Plurilateral | No (open only to OIC member States) | Yes | Art 12.2 |
| TRANS-PACIFIC SEP | Trans-Pacific Strategic Economic Partnership Agreement | Brunei Darussalam, Singapore, New Zealand and Chile | FTA | Regional | Yes | Yes | Preamble, Art 20.6 |

*Source:* APTIAD.
*Note:* Agreements that allow accession to all countries are highlighted.

**Table VIII.2. Bilateral free trade agreements with accession provisions**

| APTIAD ID of agreement | Title | Parties | Type | Scope | Is accession open to all countries? | Are accession negotiations required? | Relevant provisions |
|---|---|---|---|---|---|---|---|
| ANZCERTA | Australia-New Zealand Closer Economic Relations Trade Agreement | Australia and New Zealand | FTA | Bilateral | Yes | Yes | Art 24 |
| ARMENIA-MOLDOVA | Agreement between the Government of Republic of Armenia and the Government of Republic of Moldova on Free Trade | Armenia and Moldova | FTA | Bilateral | Yes | Yes | Art 18 |
| ARMENIA-RUSSIAN FEDERATION | Agreement between the Government of Republic of Armenia and the Government of the Russian Federation on Free Trade | Armenia and the Russian Federation | FTA | Bilateral | Yes | Yes | Art 19 |
| AUSTRALIA-CHILE | Australia-Chile Free Trade Agreement | Australia and Chile | FTA | Bilateral | Yes | Yes | Art 23.2 |
| AUSTRALIA-THAILAND | Australia-Thailand Free Trade Agreement | Australia and Thailand | FTA | Bilateral | Yes | Yes | Art 1905 |
| AUSTRALIA-US | Australia-United States Free Trade Agreement | Australia and the United States | FTA | Bilateral | Yes | Yes | Art 23.1 |
| GEORGIA-ARMENIA | Agreement on Free Trade between the Government of the Republic of Georgia and the Government of the Republic of Armenia | Georgia and Armenia | FTA | Bilateral | Yes | Yes | Art 19 |
| GEORGIA-AZERBAIJAN | Agreement on Free Trade between the Government of Georgia and the Government of the Republic of Azerbaijan Free Trade Agreement | Georgia and Azerbaijan | FTA | Bilateral | Yes | Yes | Art 17 |
| GEORGIA-RUSSIAN FEDERATION | Agreement on Free Trade between the Government of the Republic of Georgia and the Government of the Russian Federation | Georgia and the Russian Federation | FTA | Bilateral | Yes | Yes | Art 19 |
| INDIA-SINGAPORE | Comprehensive Economic Cooperation Agreement between the Republic of India and the Republic of Singapore | India and Singapore | FTA | Bilateral | Yes | Yes | Art 16.4 |
| KORUS [pending] | Korea – United States Free Trade Agreement | Republic of Korea and the United States | FTA | Bilateral | Yes | Yes | Art 24.4 |
| KYRGYZSTAN-ARMENIA | Free Trade Agreement between the Government of the Kyrgyz Republic and the Government of Armenia | Kyrgyzstan and Armenia | FTA | Bilateral | Yes | Yes | Art 17 |

| APTIAD ID of agreement | Title | Parties | Type | Scope | Is accession open to all countries? | Are accession negotiations required? | Relevant provisions |
|---|---|---|---|---|---|---|---|
| KYRGYZSTAN-MOLDOVA | Agreement on Free Trade between the Government of Kyrgyz Republic and the Government of the Republic of Moldova | Kyrgyzstan and Moldova | FTA | Bilateral | Yes | Yes | Art 17 |
| KYRGYZSTAN-RUSSIAN FEDERATION | Agreement of Free Trade between the Government of the Republic of Kyrgyzstan and the Government of the Russian Federation | Kyrgyzstan and the Russian Federation | FTA | Bilateral | Yes | Yes | Art 20 |
| NEW ZEALAND-HONG KONG, CHINA | New Zealand-Hong Kong, China Closer Economic Partnership Agreement | New Zealand and Hong Kong, China | FTA | Bilateral | Yes | Yes | Art 3 Chap 20 |
| NEW ZEALAND-SINGAPORE | Agreement between New Zealand and Singapore on a Closer Economic Partnership | New Zealand and Singapore | FTA | Bilateral | Yes | Yes | Art 79 |
| NEW ZEALAND-THAILAND | New Zealand-Thailand Closer Economic Partnership Agreement | New Zealand and Thailand | FTA | Bilateral | Yes | Yes | Art 18.5 |
| PANAMA-SINGAPORE | Panama-Singapore Free Trade Agreement | Panama and Singapore | FTA | Bilateral | Yes | Yes | Art 18.6 |
| PATCRA | Agreement on Trade and Commercial Relations between the Government of Australia and the Government of Papua New Guinea | Australia and Papua New Guinea | FTA | Bilateral | Yes | Yes | Art 23 |
| SINGAPORE-AUSTRALIA | Singapore-Australia Free Trade Agreement | Singapore and Australia | FTA | Bilateral | Yes | Yes | Art 4 Chap 17 |
| SINGAPORE-PERU | Singapore-Peru Free Trade Agreement | Singapore and Peru | FTA | Bilateral | Yes | Yes | Art 19.6 |
| UNITED STATES-SINGAPORE | United States-Singapore Free Trade Agreement | United States and Singapore | FTA | Bilateral | Yes | Yes | Preamble, Art 21.6 |

*Source:* APTIAD.
*Note:* Non-CIS members' agreements are highlighted.

## Annex note VIII.1
## Rules of origin: The case of Singapore

Singapore ranks top in almost all the lists considering efficiency in trading. The Singapore Customs authority maintains a webpage on RoO where traders can find the necessary information on RoO to facilitate their use of preferences available through various trade agreements. The following categories of RoO are listed:

(a) GSP (offered by Canada and the Russian Federation);

(b) Commonwealth Preferences (offered by Mauritius and Seychelles for Singapore exports);

(c) GSTP (reciprocal trading arrangement among 44 developing countries);

(d) Free trade agreements (16 agreements listed with the links to the tables[104] that provide comparisons of their RoO.

[104] Tables available from www.customs.gov.sg/leftNav/trad/Rules+of+Origin.htm.

Inspection of the comparator tables quickly provides examples of differences in treatment of the same product (6 digits HS code) with different partners (which is expected) but also different with the **same** partner (e.g. Singapore has doubled or tripled trade agreements with Australia, New Zealand, China, India, Japan, Republic of Korea; as member of ASEAN and as an independent country).

The following table shows a comparison only for one product and only for the proof of origin. Other regulations (e.g. use of clauses on de minimis length of keeping documents, etc.) mainly differ from one agreement to the next.

## Comparison of rules of origin for 850720 – other lead-acid accumulators across agreements

| Agreement | Qualifying criterion to confer origin | Are there operations that do not confer origin? | De minimis | Waiver of certificate of origin |
|---|---|---|---|---|
| Australia-Singapore FTA | | Not mentioned | No | No |
| China-Singapore FTA | | Yes-Article 17 of Chapter 4 on RoO | Yes | Yes-value not exceeding $600 |
| India-Singapore Comprehensive Economic Cooperation Agreement | Production from materials other than those of subheading 850720, and provided there is a local value added content of at least 40% based on direct method or not more than 60% based on indirect method | Yes-Article 3.6 of Chapter 3 RoO | No | No |
| Japan-Singapore new Age Economic Partnership Agreement | | Yes-Article 26 of Chapter 3 on RoO | Yes | Yes-value not exceeding ¥200 000 |
| Korea-Singapore FTA | A change to subheading 8 507.10 through 8 507.40 from any other heading. | Yes-Article 4.16 of Chapter 4 on RoO | Yes | Yes-value not exceeding $1 000 |
| Peru-Singapore FTA | A change to subheading 8 507.20 from any other heading, provided that there is a qualifying value content of not less than 45% | Yes-Article 4.3 of Chapter 4 on RoO | Yes | Yes-value not exceeding $1 500 |
| AANZFTA | Regional value content 40% | Yes-Article 7 of Chapter 3 on RoO | Yes | Yes-value not exceeding $200 |

| Agreement | Qualifying criterion to confer origin | Are there operations that do not confer origin? | De minimis | Waiver of certificate of origin |
|---|---|---|---|---|
| ASEAN-China FTA | RVC 40%; or if the total value of the materials, part or produce originating from outside of the territory of a Party (i.e. non-ACFTA) does not exceed 60% of the FOB value of the product so produced or obtained provided that the final process of the manufacture is performed within the territory of the Party. | Yes-Rule 7 of Annex 3 (RoO) | No | Yes-value not exceeding $200 |
| ASEAN-Korea FTA | Regional value content 40% | Yes-Rule 8 of Annex 3 (RoO) | Yes | Yes-value not exceeding $200 |
| ASEAN-Japan FTA | RVC 40% + the final process of production has been performed in the Party | Yes-Article 30 of Chapter 3 on RoO | Yes | Yes-value not exceeding $200 |
| Ordinary (non-preferential) RoO | Manufactured in Singapore with minimum 25% of local content based on the ex-factory price of the finished product; or attained a change of tariff classification at 6 digit level i.e. change in tariff sub-heading | Yes-Annex A (Updates to the origin criterion for the issuance of non-preferential (ordinary) certificate of origin) | Yes | No |

# PART III
# TRADE PERFORMANCE INDICATORS

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# Trade Performance Indicators

## *Explanatory notes*

### A. Composition of geographical groupings

The economies that are regional members and associate members of the Economic and Social Commission for Asia and the Pacific are included. The composition of the subregional geographical groupings is as follows:

| Subregion | Economy |
|---|---|
| ***East and North-East Asia*** | 1. China* |
| | 2. Democratic People's Republic of Korea |
| | 3. Hong Kong, China* |
| | 4. Japan* |
| | 5. Macao, China* |
| | 6. Mongolia* |
| | 7. Republic of Korea* |
| ***South-East Asia*** | 8. Brunei Darussalam* |
| | 9. Cambodia* |
| | 10. Indonesia* |
| | 11. Lao People's Democratic Republic |
| | 12. Malaysia* |
| | 13. Myanmar* |
| | 14. Philippines* |
| | 15. Singapore* |
| | 16. Thailand* |
| | 17. Timor-Leste |
| | 18. Viet Nam* |
| ***South and South-West Asia*** | 19. Afghanistan |
| | 20. Bangladesh* |
| | 21. Bhutan |
| | 22. India* |
| | 23. Iran (Islamic Republic of) |
| | 24. Maldives* |
| | 25. Nepal* |
| | 26. Pakistan* |
| | 27. Sri Lanka* |
| | 28. Turkey* |
| ***North and Central Asia*** | 29. Armenia* |
| | 30. Azerbaijan |
| | 31. Georgia* |
| | 32. Kazakhstan |

| Subregion | Economy |
|---|---|
| | 33. Kyrgyzstan* |
| | 34. Russian Federation |
| | 35. Tajikistan |
| | 36. Turkmenistan |
| | 37. Uzbekistan |
| ***Pacific island economies*** | 38. American Samoa |
| | 39. Australia* |
| | 40. Cook Islands |
| | 41. Fiji* |
| | 42. French Polynesia |
| | 43. Guam |
| | 44. Kiribati |
| | 45. Marshall Islands |
| | 46. Micronesia (Federated States of) |
| | 47. Nauru |
| | 48. New Caledonia |
| | 49. New Zealand* |
| | 50. Niue |
| | 51. Northern Mariana Islands |
| | 52. Palau |
| | 53. Papua New Guinea* |
| | 54. Samoa |
| | 55. Solomon Islands* |
| | 56. Tonga* |
| | 57. Tuvalu |
| | 58. Vanuatu |

* WTO member.

Australia, Japan and New Zealand form the developed economies group, and the remaining economies in the above list form the developing economies group.

European Union includes its current 27 members for all years, unless otherwise indicated.

## B. Data sources

Historical data (2000-2010) on merchandise trade data (exports and imports) and commercial services trade were obtained from the WTO International Trade Statistics database (http://stat.wto.org/Home/WSDBHome.aspx?Language=E) based on SITC Rev. 3 classification of trade statistics. Data used in the preparation of the indicators were downloaded on 24 March 2011 (for merchandise trade) and 24 May 2011 (for services trade).

Sectoral composition of merchandise trade (2007-2009) is based on data from United Nations Comtrade database (http://comtrade.un.org/) downloaded on 29 April 2011.

Historical data on country specific service import and export (tables 17-23) were downloaded on 18 May 2011 from the United Nations Service Trade database (http://unstats.un.org/unsd/ServiceTrade).

Historical data (2000-2009) on services value added and trade in services as percentage of GDP (tables 15-16) were obtained from the World Development Indicators online database (http://data.worldbank.org/data-catalog/world-development-indicators), World Bank.

Historical GDP data (1998-2009, table 8) were obtained from the UNSD National Accounts Main Aggregates (http://unstats.un.org/unsd/snaama/Introduction.asp) and downloaded on 7 January 2011.

Data on tariff protection (table 11) were obtained from the WTO Tariff Profiles 2010 (http://www.wto.org/english/res_e/booksp_e/tariff_profiles10_e.pdf) and Trade Profiles 2010 (http://www.wto.org/english/res_e/booksp_e/anrep_e/trade_profiles10_e.pdf).

Historical data on inward and outward FDI flows and stocks were obtained from the UNCTAD World Investment Report 2009 (http://www.unctad.org/en/docs/wir2009_en.pdf).

All trade facilitation indicators were calculated using data from the Doing Business Reports 2006 and 2010, downloaded from the World Bank Doing Business Database (DBD) at http://www.doingbusiness.org.

Forecast rates of export and import in real terms (table 24.1 and 24.2) were obtained from IMF, World Economic Outlook Database (April 2011) (http://www.imf.org/external/pubs/ft/weo/2011/01/).

Data on preferential trade agreements (table 25) were obtained from the Asia-Pacific Trade and Investment Agreements Database (APTIAD) (http://www.unescap.org/tid/aptiad/AllAgreementsGrid.aspx).

## C. Methodology

“Intraregional” is defined at the level of Asia and the Pacific comprising only economies which are regional members and associate members of ESCAP.

Indicator values for the subregions were aggregated from the absolute values of trade for the subregion’s members, unless otherwise indicated.

Formulae for the calculation of indicators are available from the APTIAD website (http://www.unescap.org/tid/aptiad/).

Treatment of missing data. While the Comtrade database is the most comprehensive international database on merchandise trade, covering approximately 98% of worldwide trade, a number of countries in the region do not report their trade data in it. For countries without directly reported data, mirror data have been used: volume and destination of exports were derived from the imports declaration of all other countries, and similarly, missing imports data for non-reporting countries were derived from exports data from all other countries. Mirror data were used for the following economies: Democratic People’s Republic of Korea, Lao People’s Democratic Republic, Myanmar, Afghanistan, Uzbekistan, American Samoa, Guam, Marshall Islands, Nauru, Niue, Northern Mariana Islands and Palau.

Sometimes Comtrade does not have data for all years of the period covered. In such cases, missing country values have been imputed in order to compute the regional aggregate values. However, no such imputed values are published at the country level. The following methodology has been applied for imputation: if values are available for both an earlier and a later year than the year for which the aggregate is calculated, the missing value has been imputed using linear interpolation. A missing country value for a year preceding

the earliest year for which a value is available has been imputed using the value from the earliest year. Similarly, a missing country value for a year following the latest year for which a value is available has been imputed by using the value of the latest year. For countries with only one data point for the whole period, this value has been used for all missing years. No information is used from other countries for imputing the missing values.

For Tables 2.1 and 2.2 Commercial services exports and imports, no imputation or mirror technique was used to calculate missing country values. The regional aggregate values therefore are the sums of existing country values of exports or import.

**A blank cell in the table** indicates that data are not available or are not separately reported.

**A minus sign (-)** indicates deficit or decrease, except as indicated.

**A full stop (.)** is used to indicate decimals.

**A slash (/)** between years indicates a crop year or financial year, for example, 1990/91.

**Use of a hyphen (-)** between years, for example, 1990-1991, signifies the full period involved, including the beginning and end years.

For services trade of the six economies (Australia; Hong Kong, China; Japan, Republic of Korea; Russian Federation and Singapore) the partner/sectoral percentage are calculated as a proportion of a particular partner/service sector trade value with the world.

## D. Indicator definitions

### Tables 1.1 and 1.2 Merchandise exports and imports

The economy's exports and imports of merchandise to the world expressed as an annual percentage change and value in 2010 (millions of current United States dollars).

The annual percentage changes reflect the growth of exports and imports from the economy or subregion to and from the rest of the world.

### Table 2.1 Intraregional export growth

Exports from the economy to the Asia-Pacific region expressed as annual percentage change and value in 2010 (millions of current United States dollars).

The annual percentage changes reflect the growth of intraregional exports.

### Table 2.2 Intraregional import growth

Imports to the economy from the Asia-Pacific region expressed as an annual percentage change and value in 2010 (millions of current United States dollars).

The annual percentage changes reflect the growth of intraregional imports.

### Table 2.3 Intraregional trade growth

The economy's trade (exports plus imports) with the Asia-Pacific region expressed as an annual percentage change and value in 2010 (millions of current United States dollars).

The annual percentage changes reflect the growth of intraregional trade.

**Table 3.1 Intraregional export share**

The proportion of merchandise exports destined to the Asia-Pacific region in the total merchandise exports (percentage).

The values of the index can range from 0 to 100%.

**Table 3.2 Intraregional import share**

The proportion of merchandise imports sourced from the Asia-Pacific region in total merchandise imports (percentage).

The values of the index can range from 0 to 100%.

**Table 3.3 Intraregional trade share**

The proportion of international trade done with the rest of the Asia-Pacific region in the economy's total international trade (percentage).

The values of the index can range from 0 to 100%.

**Table 4.1 Relative dependence on exports to developed markets**

The ratio of merchandise exports directed to three developed markets (European Union, Japan and the United States) to the merchandise exports directed to three regional emerging markets (ASEAN, China and India).

If the indicator value is 1, an economy shares its exports equally between the selected developed and Asian developing markets. If the value is >1, its exports is more oriented to selected developed markets. Decreasing value of the indicator over time indicates reduced reliance on developed markets. The values can range from 0 to +∞.

**Table 4.2 Relative dependence on imports from developed markets**

The ratio of merchandise imports sourced from three developed markets (European Union, Japan and the United States) to the national imports sourced from three regional emerging markets (ASEAN, China and India).

If the indicator value is 1, the economy shares its imports equally between the selected developed and Asian developing markets. If the value is >1, its imports is more sourced from the selected developed markets. Decreasing value over time indicates reduced reliance on developed markets. The values can range from 0 to +∞.

**Table 4.3 Relative dependence on trade with developed markets**

The ratio of merchandise trade with three developed markets (European Union, Japan and the United States) to the national trade with three regional emerging markets (ASEAN, China and India).

If the indicator value is 1, the economy shares its trade equally between the selected developed and Asian developing markets. If the value is >1, its trade with developed markets is larger than trade with Asian developing markets. Decreasing value of the indicator over time indicates reduced reliance on developed markets. The values can range from 0 to +∞.

**Table 5 Normalized trade balance**

Total exports less total imports (trade balance) as a fraction of total exports plus total imports (total trade).

The indicator allows unbiased comparisons across time and across economies of different sizes. The indicator values can range from -1 to +1; zero value indicates that exports equal imports.

**Table 6 Trade balance as a share of GDP**

The ratio of trade balance (total exports minus total imports) to GDP, expressed in percentage terms. If trade is balanced (export value equals import value), the value of this indicator is zero. When export value is larger than import value, trade balance is positive and theoretically can be more than 100% of GDP (in countries that are very trade dependent), but in most cases trade balance as a share of GDP will be below 100%. This applies also in case when trade balance is negative (that is, when export value is smaller than import value).

**Table 7.1 Sectoral composition of exports**

The share of exports of individual sector defined at the digit SITC Rev. 3 level in total exports (percentage, 2007-2009 period average)

The indicator values range from 0 to 100%.

**Table 7.2 Sectoral composition of imports**

The share of imports of individual sector defined at the digit SITC Rev. 3 level in total imports (percentage, 2007-2009 period average).

The indicator values range from 0 to 100%.

**Table 8 Import penetration**

The ratio of total imports to domestic demand (percentage). Domestic demand is defined as GDP less total exports and plus total imports.

The indicator shows how much of domestic demand of a reporter country is satisfied by imports.

The indicator values range from 0 (no imports) to 100% (all domestic demand is satisfied by imports). The index can exceed 100 if imported and then re-exported merchandise is not deducted.

**Table 9.1 Forecast of export growth (in real terms)**

Percentage change of volume of exports refers to the aggregate change in the quantities of total exports whose characteristics are unchanged. The goods and services and their prices are held constant, therefore changes are due to changes in quantities only. Source: World Economic Outlook Database, IMF, April 2011.

**Table 9.2 Forecast of import growth (in real terms)**

Percentage change of volume of imports refers to the aggregate change in the quantities of total exports whose characteristics are unchanged. The goods and services and their prices are held constant, therefore changes are due to changes in quantities only. Sources: World Economic Outlook Database, IMF, April 2011.

**Table 10.1 Leading exporters and importers from the Asia-Pacific region in 2009 – merchandise**

Ranks for the economies are extracted from the global ranking (WTO, International Trade Statistics 2010) based on their share of the world merchandise exports and imports in 2009.

**Table 10.2 Leading exporters and importers from the Asia-Pacific region in 2009 – commercial services**

Ranks for the economies are extracted from the global ranking (WTO, International Trade Statistics 2010) based on their share of the world commercial services exports and imports in 2009.

**Tables 11.1 and 11.2 Commercial services exports and imports**

The economy's exports and imports of commercial services to the world expressed as an annual percentage change and value in 2010 (millions of current United States dollars).

The annual percentage changes reflect the growth of exports and imports from the economy of subregion to and from the rest of the world.

**Table 12 Services, value added (percentage of GDP)**

The industrial origin of value added is determined by the International Standard Industrial Classification (ISIC), revision 3.

**Table 13 Trade in services (percentage of GDP)**

Trade in services (as the sum of service exports and imports) divided by the value of GDP.

**Table 14.1 Services export as a percentage of total export**

The economy's exports of commercial services to the world expressed as a proportion of total export (merchandise plus service exports).

**Table 14.2 Services import as a percentage of total import**

The economy's imports of commercial services to the world expressed as a proportion of total imports (merchandise plus service imports).

**Tables 15-20 Individual country's service import and export, 2000 and 2008 or 2009 (percentage)**

Service codes description:

- 200 Total EBOPS Services
  - 205 Transportation
  - 236 Travel
  - 245 Communication services
  - 249 Construction services
  - 253 Insurance services
  - 260 Financial services
  - 262 Computer and information services
  - 266 Royalties and licence fees
  - 268 Other business services
  - 287 Personal, cultural, and recreational services
  - 291 Government services, n.i.e.

**Table 21 Inward and outward FDI flows**

Foreign direct investment *inflows* comprise capital provided (either directly or through other related enterprises) by a foreign direct investor to an FDI enterprise in the reporting economy. FDI *outflows* are capital received by a foreign direct investor from entities resident in the reporting economy. Ownership or control of less than 10% of a business is not considered to be foreign direct investment. FDI includes (1) equity capital which is the foreign direct investorís purchase of shares of an enterprise in a country other than that of its residence; (2) reinvested earnings comprise the direct investorís share (in proportion to direct equity participation) of earnings not distributed as dividends by affiliates or earnings not remitted to the direct investor. Such retained profits by affiliates are reinvested; and (3) intra-company loans or intra-company debt transactions refer to short- or long-term borrowing and lending of funds between direct investors (parent enterprises) and affiliate enterprises.

**Table 22 Inward and outward FDI stocks**

*Inward FDI stock* is the value of the share of capital and reserves (including retained profits) attributable to the parent enterprise, plus the net indebtedness of affiliates to the parent enterprise, when the parent enterprise is resident in a different economy. *Outward FDI stock* refers to the value of capital and reserves in another economy attributable to a parent enterprise resident in the economy.

**Table 23 Trade facilitation indicators**

*Time for completing trade procedures* is calculated as the average of *time to export* and *time to import* (in days) found in the DBD. For exporting goods, procedures range from packing the goods at the warehouse to their departure from the port of exit. For importing goods, procedures range from the vessel's arrival at the port of entry to the cargoís delivery at the warehouse.

*Cost of completing trade procedures* is similarly calculated as the average of the *cost to export* and *cost to import* of the DBD, but adjusted for inflation using United States GDP Deflator from the World Bank World Development Indicator database – to allow for comparison over time. These costs refer to those associated with completing the above mentioned procedures for import or export for a standardized cargo of goods by ocean transport.

*Import-export facilitation bias* is calculated as the ratio of *time to import* to *time to export* (time basis) or as the ratio of *cost to import* to *cost to export* (cost basis). These ratios provide an indication of whether import or export procedures are more cumbersome. A ratio above one suggests that import procedures are more cumbersome than export procedures.

**Table 24 Tariff protection in 2009**

According to the technical notes of the WTO Trade Profiles 2009, import duties collected as percentages of total imports (goods and commercial services) are estimated in general on the basis of data for the three latest years available.

For MFN bound tariffs, the average import duties refer to the simple average of *ad valorem* and calculable *ad valorem* equivalent of final bound HS 6-digit duties. For MFN applied tariffs, they refer to the simple average of *ad valorem* and calculable *ad valorem* equivalent of MFN applied HS 6-digit duties.

According to the WTO Agreement on Agriculture, agricultural goods refer to HS chapters 1 to 24 (excluding fish and fish products) and a number of manufactured agricultural products. This definition

does not correspond to the definition of agricultural products that is normally used for a breakdown of merchandise trade by main commodity group (e.g. agricultural products, fuels and mining, and manufactures).

This indicator shows how much tariff protection is applied by an economy, on average. The indicator values range from 0 to prohibitive level of protection (where imports cease to exist).

**Table 25 Preferential trade agreements – signed, under implementation and trade coverage**

This table provides number of preferential trade agreements the economies have signed and put into force per year since 1976. The export and import coverage by preferential trade agreements for a specific country is calculated as a share of export (import) done with the partners in the trade agreements in the total export (import) of that country.

## Table 1.1. Merchandise exports to the world

| | Annual percentage change | | | | | | | | | | Value ($ million) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 |
| **East and North-East Asia** | **-8.3** | **9.4** | **20.4** | **25.9** | **15.1** | **17.1** | **17.3** | **13.1** | **-17.6** | **29.9** | **3 221 838** |
| China | 6.8 | 22.4 | 34.6 | 35.4 | 28.4 | 27.2 | 26.0 | 17.2 | -16.0 | 31.3 | 1 577 824 |
| DPR Korea | 16.7 | 22.0 | 5.8 | 19.9 | 4.7 | 9.5 | 15.0 | 22.3 | -3.2 | 50.4 | 3 000 |
| Hong Kong, China | -5.7 | 5.7 | 13.3 | 16.1 | 10.0 | 10.5 | 8.3 | 6.0 | -11.0 | 21.7 | 401 022 |
| Japan | -15.8 | 3.3 | 13.2 | 19.9 | 5.2 | 8.7 | 10.5 | 9.4 | -25.7 | 32.6 | 769 839 |
| Macao, China | -9.4 | 2.4 | 9.6 | 9.0 | -11.9 | 3.3 | -0.6 | -21.4 | -51.9 | -9.5 | 870 |
| Mongolia | -2.8 | 0.6 | 17.5 | 41.2 | 22.5 | 44.9 | 22.4 | 34.4 | -25.1 | 52.4 | 2 899 |
| Republic of Korea | -12.7 | 8.0 | 19.3 | 31.0 | 12.0 | 14.4 | 14.1 | 13.6 | -13.9 | 28.3 | 466 384 |
| **South-East Asia** | **-10.3** | **5.1** | **16.5** | **19.8** | **15.3** | **17.3** | **12.4** | **14.4** | **-17.8** | **29.2** | **1 052 136** |
| Brunei Darussalam | -6.7 | 1.7 | 19.4 | 14.4 | 23.6 | 22.2 | 0.4 | 34.3 | -30.0 | 27.0 | 9 150 |
| Cambodia | 8.0 | 28.2 | 10.1 | 32.1 | 10.5 | 19.4 | 10.7 | 15.2 | -8.6 | 16.9 | 5 030 |
| Indonesia | -12.3 | 3.1 | 8.4 | 10.4 | 22.9 | 19.0 | 14.0 | 18.3 | -14.3 | 32.2 | 158 200 |
| Lao PDR | -3.2 | -5.9 | 11.6 | 8.3 | 52.2 | 59.5 | 4.6 | 18.3 | -7.9 | 54.2 | 1 550 |
| Malaysia | -10.4 | 6.9 | 11.3 | 20.8 | 11.4 | 14.0 | 9.7 | 13.2 | -21.1 | 26.3 | 198 801 |
| Myanmar | 44.7 | 27.9 | -18.5 | -4.1 | 60.2 | 20.3 | 38.1 | 9.5 | -3.3 | 28.0 | 8 590 |
| Philippines | -17.9 | 7.8 | 2.9 | 9.5 | 4.0 | 14.9 | 6.4 | -2.8 | -21.7 | 33.8 | 51 432 |
| Singapore | -11.6 | 2.8 | 27.7 | 24.2 | 15.6 | 18.4 | 10.1 | 13.0 | -20.2 | 30.4 | 351 867 |
| Thailand | -5.9 | 4.8 | 17.9 | 19.8 | 15.3 | 16.9 | 18.6 | 15.5 | -14.3 | 28.1 | 195 319 |
| Timor-Leste | | | | -8.3 | 10.2 | 4.4 | -0.9 | 55.4 | -34.7 | -41.1 | 5 |
| Viet Nam | 3.8 | 11.2 | 20.6 | 31.4 | 22.5 | 22.8 | 21.9 | 29.1 | -8.9 | 26.4 | 72 192 |
| **South and South-West Asia** | **0.5** | **8.1** | **25.6** | **27.4** | **24.9** | **22.5** | **20.1** | **26.0** | **-20.4** | **24.4** | **482 271** |
| Afghanistan | -50.5 | 47.1 | 44.0 | 111.8 | 25.9 | 6.3 | 21.8 | 8.7 | -25.3 | -0.9 | 400 |
| Bangladesh | -4.8 | 1.1 | 13.7 | 18.8 | 11.9 | 26.9 | 5.5 | 23.4 | -1.9 | 27.3 | 19 195 |
| Bhutan | 2.9 | 6.3 | 17.9 | 37.7 | 41.1 | 60.5 | 62.8 | -22.7 | -4.9 | 8.9 | 540 |
| India | 2.3 | 13.6 | 19.7 | 30.0 | 30.0 | 22.3 | 23.3 | 29.7 | -15.4 | 31.1 | 216 162 |
| Iran (Islamic Rep. of) | -10.6 | -4.9 | 38.1 | 23.5 | 34.9 | 36.9 | 15.2 | 28.1 | -30.6 | 28.0 | 100 900 |
| Maldives | 1.2 | 20.0 | 15.2 | 19.1 | -10.7 | 39.4 | 1.2 | 45.0 | -48.9 | 12.4 | 190 |
| Nepal | -8.3 | -22.9 | 16.5 | 16.6 | 11.8 | -2.9 | 3.6 | 8.1 | -12.4 | 15.5 | 950 |
| Pakistan | 2.3 | 7.3 | 20.3 | 12.1 | 20.0 | 5.5 | 5.4 | 13.9 | -13.8 | 22.8 | 21 515 |
| Sri Lanka | -11.3 | -2.4 | 9.1 | 12.3 | 10.2 | 8.5 | 12.4 | 9.2 | -13.1 | 16.0 | 8 520 |
| Turkey | 12.8 | 15.1 | 31.0 | 33.7 | 16.3 | 16.4 | 25.4 | 23.1 | -22.6 | 11.5 | 113 899 |
| **North and Central Asia** | **-2.7** | **5.5** | **27.0** | **35.6** | **34.1** | **27.1** | **19.8** | **35.0** | **-35.3** | **31.2** | **509 868** |
| Armenia | 16.7 | 47.3 | 35.7 | 5.4 | 34.7 | 1.2 | 17.0 | -8.3 | -32.8 | 42.4 | 1 011 |
| Azerbaijan | 32.6 | -6.3 | 19.6 | 39.5 | 111.6 | 70.1 | 63.4 | 43.8 | -31.0 | 30.4 | 27 500 |
| Georgia | -1.5 | 8.8 | 33.2 | 40.3 | 33.7 | 8.2 | 31.6 | 21.4 | -24.2 | 39.4 | 1 580 |
| Kazakhstan | -2.0 | 11.9 | 33.7 | 55.4 | 38.6 | 37.3 | 24.8 | 49.0 | -39.3 | 37.1 | 59 217 |
| Kyrgyzstan | -5.7 | 2.0 | 19.8 | 23.6 | -6.5 | 18.2 | 42.9 | 42.6 | -10.9 | 3.3 | 1 489 |
| Russian Federation | -3.5 | 5.3 | 26.7 | 34.8 | 33.1 | 24.5 | 16.8 | 33.1 | -35.7 | 31.9 | 400 018 |
| Tajikistan | -17.2 | 13.5 | 8.0 | 14.8 | -0.6 | 53.9 | 4.9 | -4.0 | -28.3 | 18.3 | 1 195 |
| Turkmenistan | 7.7 | 5.6 | 27.4 | 6.6 | 27.8 | 44.7 | 24.8 | 33.7 | -49.8 | 0.0 | 6 000 |
| Uzbekistan | -3.9 | -7.2 | 26.9 | 34.2 | 11.0 | 18.3 | 42.9 | 28.3 | 4.2 | 10.5 | 11 857 |
| **Pacific island economies** | **-0.9** | **2.6** | **10.3** | **22.4** | **19.0** | **14.2** | **15.4** | **28.2** | **-18.0** | **35.3** | **252 170** |
| American Samoa | -8.2 | 22.2 | 18.4 | -3.0 | -16.1 | 17.3 | 2.6 | 26.7 | -17.5 | 2.1 | 480 |
| Australia | -0.8 | 2.6 | 8.2 | 23.0 | 22.6 | 16.3 | 14.5 | 32.5 | -17.6 | 37.6 | 212 423 |
| Cook Islands | -25.2 | -24.9 | 68.9 | -16.0 | -27.6 | -33.2 | 48.7 | -21.0 | -32.5 | 80.4 | 5 |
| Fiji | -8.2 | -4.1 | 29.7 | 3.7 | 1.2 | -1.0 | 8.7 | 22.1 | -31.8 | 14.5 | 720 |
| French Polynesia | -11.8 | -6.2 | -14.8 | 27.6 | 9.1 | 8.4 | -16.5 | 38.9 | -38.8 | 4.8 | 175 |
| Guam | -17.8 | -18.2 | -13.1 | 22.2 | -1.8 | 2.1 | 72.5 | 14.8 | -47.6 | -18.2 | 45 |
| Kiribati | 25.8 | -23.8 | -15.6 | -14.8 | 74.5 | 46.3 | 55.0 | 53.4 | 33.3 | -25.0 | 15 |
| Marshall Islands | 39.9 | 11.7 | 6.6 | 30.1 | 28.2 | -14.8 | 1.9 | -9.1 | 0.0 | 0.0 | 20 |
| Micronesia (F.S.) | 22.6 | 1.4 | 5.2 | -38.1 | 5.7 | -4.9 | 22.2 | 27.0 | -1.1 | 0.0 | 27 |
| Nauru | -51.7 | -35.7 | 77.8 | -18.8 | -76.9 | 33.3 | 275.0 | 633.3 | -77.3 | 100.0 | |
| New Caledonia | -26.7 | 11.1 | 59.6 | 31.7 | 5.8 | 23.7 | 55.7 | -38.2 | -20.9 | 23.7 | 1 272 |
| New Zealand | 3.5 | 4.8 | 14.9 | 23.1 | 6.8 | 3.1 | 20.2 | 13.5 | -18.5 | 25.8 | 31 372 |
| Niue | -8.1 | -68.7 | 130.4 | 65.1 | 13.7 | 479.9 | 144.7 | -99.3 | 5.3 | 0.0 | 0 |
| Northern Mariana Islands | -7.6 | -13.9 | 1.6 | -1.4 | -16.3 | -26.3 | -35.4 | -65.0 | -92.2 | 11.1 | 10 |
| Palau | 44.0 | 22.8 | -58.7 | -30.1 | 128.1 | 1.3 | -19.1 | -9.1 | -40.0 | 0.0 | 6 |
| Papua New Guinea | -13.9 | -9.1 | 34.5 | 15.6 | 28.3 | 27.3 | 12.4 | 22.0 | -23.1 | 18.3 | 5 200 |
| Samoa | -3.6 | 14.0 | 21.9 | -1.9 | 2.0 | -25.3 | 49.6 | -26.1 | -36.1 | 29.4 | 60 |
| Solomon Islands | -31.9 | 23.4 | 27.6 | 31.4 | 6.4 | 17.5 | 35.5 | 28.0 | -22.4 | 35.5 | 221 |
| Tonga | -25.3 | 116.4 | 20.6 | -14.7 | -33.3 | -4.4 | -11.1 | 11.0 | -16.9 | 2.2 | 8 |
| Tuvalu | 60.0 | 756.3 | -30.7 | 41.1 | -53.0 | -19.0 | 80.4 | 117.4 | 50.0 | 0.0 | 0 |
| Vanuatu | -23.1 | 0.0 | 35.0 | 38.1 | 1.3 | 29.2 | 2.2 | 13.8 | 1.4 | 4.3 | 60 |
| **Developing economies** | **-4.9** | **9.5** | **22.6** | **26.9** | **20.7** | **20.8** | **18.1** | **18.2** | **-19.0** | **28.8** | **4 504 649** |
| **Developed economies** | **-13.6** | **3.2** | **12.6** | **20.4** | **7.5** | **9.7** | **11.4** | **13.2** | **-23.9** | **33.4** | **1 013 634** |
| **All economies** | **-7.5** | **7.8** | **19.9** | **25.3** | **17.5** | **18.3** | **16.7** | **17.2** | **-19.9** | **29.6** | **5 518 283** |

## Table 1.2. Merchandise imports from the world

| | Annual percentage change | | | | | | | | | | Value ($ million) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 |
| **East and North-East Asia** | **-4.4** | **6.1** | **21.6** | **25.3** | **14.8** | **16.0** | **14.4** | **18.1** | **-18.0** | **32.3** | **2 968 595** |
| China | 8.2 | 21.2 | 39.8 | 36.0 | 17.6 | 19.9 | 20.8 | 18.5 | -11.2 | 38.7 | 1 395 099 |
| DPR Korea | 9.5 | 2.5 | 8.2 | 11.2 | 19.3 | 6.0 | 6.1 | 17.2 | -13.5 | 38.9 | 4 300 |
| Hong Kong, China | -5.6 | 3.0 | 12.2 | 17.0 | 10.0 | 11.9 | 10.2 | 6.2 | -10.4 | 25.5 | 442 035 |
| Japan | -8.0 | -3.4 | 13.6 | 18.7 | 13.5 | 12.3 | 7.5 | 22.5 | -27.6 | 25.5 | 692 621 |
| Macao, China | 7.6 | 6.6 | 7.4 | 26.7 | 10.3 | 16.0 | 15.5 | -2.7 | -19.2 | 27.3 | 6 050 |
| Mongolia | 3.7 | 8.3 | 16.0 | 27.5 | 16.0 | 25.4 | 42.5 | 70.8 | -41.1 | 53.8 | 3 278 |
| Republic of Korea | -12.1 | 7.8 | 17.6 | 25.5 | 16.4 | 18.4 | 15.3 | 22.0 | -25.8 | 31.6 | 425 212 |
| **South-East Asia** | **-8.8** | **5.7** | **12.3** | **24.8** | **17.3** | **14.1** | **12.7** | **21.1** | **-23.0** | **31.4** | **950 296** |
| Brunei Darussalam | 4.7 | 34.3 | -14.7 | 7.2 | 4.9 | 12.4 | 25.3 | 22.5 | -4.6 | 36.9 | 3 360 |
| Cambodia | 8.0 | 10.7 | 10.4 | 24.7 | 23.0 | 21.5 | 14.0 | 19.7 | -9.7 | 27.6 | 7 500 |
| Indonesia | -13.9 | 2.1 | 10.1 | 30.1 | 37.6 | 6.4 | 15.5 | 36.8 | -29.1 | 46.4 | 131 690 |
| Lao PDR | -4.6 | -12.4 | 3.4 | 54.2 | 23.7 | 20.1 | 0.7 | 31.7 | 0.6 | 23.8 | 1 750 |
| Malaysia | -9.9 | 8.1 | 4.3 | 26.4 | 8.9 | 14.4 | 12.1 | 6.7 | -21.1 | 33.0 | 164 733 |
| Myanmar | 19.8 | -18.4 | -10.9 | 5.0 | -12.3 | 33.1 | 29.2 | 29.5 | 0.6 | 7.7 | 4 650 |
| Philippines | -5.7 | 17.7 | 3.6 | 8.3 | 7.3 | 9.3 | 7.2 | 4.2 | -24.1 | 27.0 | 58 250 |
| Singapore | -13.8 | 0.4 | 17.0 | 27.4 | 15.2 | 19.3 | 10.2 | 21.5 | -23.1 | 26.4 | 310 791 |
| Thailand | 0.1 | 4.3 | 17.3 | 24.5 | 25.2 | 9.0 | 8.7 | 28.0 | -25.4 | 36.5 | 182 400 |
| Timor-Leste | | | | 12.4 | -25.3 | -7.6 | 81.2 | 47.1 | 9.9 | 25.4 | 370 |
| Viet Nam | 3.7 | 21.8 | 27.9 | 26.6 | 15.0 | 22.5 | 39.2 | 28.8 | -13.3 | 21.2 | 84 801 |
| **South and South-West Asia** | **-8.5** | **15.7** | **26.6** | **35.3** | **29.8** | **19.1** | **22.1** | **30.1** | **-22.1** | **26.9** | **661 602** |
| Afghanistan | 44.2 | 44.6 | -14.3 | 3.6 | 13.5 | 4.5 | 9.2 | 7.1 | 10.5 | 25.9 | 4 200 |
| Bangladesh | 1.5 | -4.7 | 21.4 | 15.4 | 15.4 | 15.4 | 16.0 | 28.3 | -8.5 | 27.3 | 27 794 |
| Bhutan | 9.0 | 2.9 | 26.7 | 65.1 | -6.0 | 8.6 | 25.3 | 3.3 | -2.6 | 43.6 | 760 |
| India | -2.2 | 12.2 | 28.4 | 37.5 | 43.2 | 24.9 | 28.6 | 40.0 | -19.9 | 25.5 | 322 702 |
| Iran (Islamic Rep. of) | 20.2 | 23.4 | 20.3 | 28.9 | 25.2 | 1.8 | 10.2 | 27.7 | -12.1 | 24.2 | 62 670 |
| Maldives | 1.0 | -0.3 | 20.2 | 36.3 | 16.1 | 24.4 | 18.3 | 26.6 | -30.3 | 14.8 | 1 110 |
| Nepal | -6.4 | -3.7 | 23.6 | 10.5 | 17.8 | 9.1 | 25.3 | 15.0 | 22.1 | 25.4 | 5 500 |
| Pakistan | -6.2 | 10.2 | 16.1 | 37.7 | 41.3 | 17.6 | 9.3 | 29.9 | -25.2 | 19.4 | 37 810 |
| Sri Lanka | -16.8 | 2.2 | 9.3 | 19.5 | 10.8 | 16.1 | 10.2 | 23.5 | -26.8 | 32.9 | 13 560 |
| Turkey | -24.0 | 24.5 | 34.5 | 40.7 | 19.7 | 19.5 | 21.8 | 18.8 | -30.2 | 31.6 | 185 497 |
| **North and Central Asia** | **19.4** | **10.6** | **25.3** | **30.6** | **27.6** | **30.5** | **36.3** | **29.6** | **-30.9** | **22.7** | **313 949** |
| Armenia | -0.9 | 13.0 | 29.6 | 5.6 | 33.4 | 21.6 | 49.1 | 35.4 | -25.0 | 13.9 | 3 783 |
| Azerbaijan | 22.1 | 16.4 | 57.7 | 33.9 | 23.7 | 21.1 | 14.7 | 25.3 | -14.0 | 4.4 | 6 800 |
| Georgia | 6.2 | 5.7 | 43.3 | 61.7 | 34.9 | 47.7 | 41.8 | 20.8 | -30.7 | 16.7 | 5 097 |
| Kazakhstan | 27.9 | 2.1 | 27.7 | 52.0 | 35.8 | 36.4 | 38.3 | 15.7 | -25.0 | 4.8 | 29 760 |
| Kyrgyzstan | -15.7 | 25.6 | 22.2 | 31.2 | 17.1 | 55.9 | 40.4 | 68.8 | -25.3 | 6.2 | 3 228 |
| Russian Federation | 20.4 | 13.4 | 24.8 | 28.0 | 28.8 | 31.0 | 36.0 | 30.6 | -34.3 | 29.5 | 248 397 |
| Tajikistan | 1.9 | 4.8 | 22.2 | 35.2 | 11.6 | 29.5 | 42.5 | 33.3 | -21.5 | 12.9 | 2 900 |
| Turkmenistan | 26.0 | -5.8 | 18.5 | 32.2 | -11.2 | -13.1 | 41.4 | 54.7 | 21.4 | -17.6 | 5 600 |
| Uzbekistan | 4.3 | -13.8 | 9.8 | 27.4 | 8.1 | 19.5 | 44.7 | 46.3 | -2.7 | -7.1 | 8 384 |
| **Pacific island economies** | **-8.9** | **13.2** | **22.9** | **22.2** | **13.9** | **9.6** | **18.1** | **19.3** | **-18.5** | **20.8** | **245 509** |
| American Samoa | 1.9 | -3.2 | 25.0 | -3.2 | -13.9 | 11.3 | 12.3 | 4.6 | -11.8 | -8.3 | 550 |
| Australia | -10.7 | 13.8 | 22.6 | 22.8 | 14.5 | 11.2 | 18.7 | 21.1 | -17.4 | 21.9 | 201 643 |
| Cook Islands | -7.5 | 0.9 | 49.9 | 7.2 | 6.4 | 23.3 | 7.1 | 40.8 | 23.7 | 45.0 | 270 |
| Fiji | 6.7 | 1.7 | 33.7 | 20.0 | 11.1 | 12.3 | -0.2 | 25.7 | -36.5 | 5.1 | 1 510 |
| French Polynesia | 8.9 | 22.2 | 22.7 | -5.4 | 14.9 | -3.9 | 12.5 | 17.4 | -20.8 | 0.5 | 1 740 |
| Guam | 2.4 | 2.1 | 33.4 | 15.8 | 30.9 | 23.6 | -9.1 | -10.0 | -5.6 | 11.8 | |
| Kiribati | 2.0 | 22.0 | 3.6 | 15.2 | 24.7 | -14.4 | 10.6 | -0.2 | -2.8 | 46.9 | 100 |
| Marshall Islands | 2.3 | 20.6 | 11.4 | 11.4 | 12.1 | -3.2 | 4.4 | 5.3 | -15.0 | 41.2 | 120 |
| Micronesia (F.S.) | 6.6 | -8.4 | 13.1 | 12.5 | -1.9 | 5.0 | 3.5 | 9.7 | -0.1 | 0.0 | 155 |
| Nauru | -7.7 | 16.7 | -14.3 | -25.0 | 38.9 | 28.0 | 37.5 | 100.0 | 17.0 | -2.9 | |
| New Caledonia | 0.8 | 8.3 | 52.9 | 6.2 | 8.4 | 19.4 | 32.7 | 15.1 | -20.4 | 28.7 | 3 313 |
| New Zealand | -4.3 | 13.1 | 23.3 | 25.0 | 13.0 | 0.8 | 16.9 | 11.3 | -25.6 | 19.8 | 30 628 |
| Niue | -58.5 | 114.6 | 19.3 | 269.9 | 27.2 | -63.9 | 87.0 | 14.3 | -35.2 | 0.0 | 5 |
| Northern Mariana Islands | -8.7 | 16.6 | 2.2 | 0.6 | -11.0 | -17.3 | -38.7 | -46.7 | -56.3 | 35.7 | |
| Palau | -19.3 | -3.2 | -8.8 | 21.6 | -2.0 | 9.6 | -4.6 | 9.1 | 8.3 | -7.7 | 120 |
| Papua New Guinea | -7.0 | 6.2 | 20.2 | 22.9 | 2.9 | 30.7 | 32.3 | 19.1 | -10.1 | -3.4 | 3 090 |
| Samoa | 28.3 | -2.7 | 13.7 | 39.5 | 13.7 | 15.3 | -3.5 | 8.4 | -19.9 | 34.4 | 310 |
| Solomon Islands | -2.2 | -25.6 | 40.1 | 29.4 | 52.4 | 17.2 | 32.4 | 14.6 | -17.9 | 11.1 | 300 |
| Tonga | 3.9 | 22.3 | 5.1 | 12.0 | 15.2 | -3.6 | 22.6 | 17.5 | -13.6 | 21.0 | 175 |
| Tuvalu | -30.0 | 217.7 | -29.8 | 46.1 | 13.3 | -0.8 | 22.0 | 68.9 | -47.0 | 14.3 | 16 |
| Vanuatu | 3.4 | -0.3 | 17.1 | 21.9 | 16.6 | 45.7 | 5.6 | 36.7 | -6.2 | 8.8 | 320 |
| **Developing economies** | **-4.0** | **10.2** | **21.9** | **28.3** | **18.6** | **17.8** | **18.2** | **20.8** | **-19.2** | **31.5** | **4 215 060** |
| **Developed economies** | **-8.3** | **-0.3** | **15.4** | **19.7** | **13.7** | **11.6** | **9.9** | **21.8** | **-25.5** | **24.5** | **924 891** |
| **All economies** | **-5.2** | **7.4** | **20.3** | **26.2** | **17.5** | **16.4** | **16.5** | **21.0** | **-20.5** | **30.2** | **5 139 951** |

## Table 2.1. Intraregional export growth

| | Annual percentage change | | | | | | | | | | Value ($ million) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 |
| **East and North-East Asia** | **-5.6** | **13.7** | **25.8** | **26.7** | **14.6** | **15.8** | **18.9** | **14.0** | **-15.1** | | |
| China | 6.5 | 20.7 | 30.7 | 32.8 | 24.5 | 23.7 | 26.4 | 15.7 | -15.4 | | |
| DPR Korea | | | | | | | | | | | |
| Hong Kong, China | -1.6 | 10.8 | 19.3 | 20.1 | 10.7 | 12.7 | 12.0 | 7.2 | -9.1 | | |
| Japan | -13.7 | 10.6 | 22.9 | 23.6 | 5.8 | 8.0 | 14.5 | 15.1 | -21.5 | 37.4 | 415 445 |
| Macao, China | -2.7 | 18.0 | 5.7 | 14.5 | 1.0 | 7.0 | 10.8 | -9.6 | -20.0 | -27.6 | 426 |
| Mongolia | -9.0 | 4.0 | 32.2 | 16.9 | 31.4 | 75.7 | 34.8 | | | | |
| Republic of Korea | -12.5 | 10.8 | 31.4 | 28.7 | 14.7 | 14.6 | 15.1 | 16.3 | -10.0 | | |
| **South-East Asia** | **-6.8** | **6.5** | **15.2** | **23.1** | **15.5** | **19.2** | **12.8** | **16.6** | **-17.9** | | |
| Brunei Darussalam | 61.4 | 1.0 | 16.7 | 23.0 | | 51.7 | | | | | |
| Cambodia | -17.6 | 78.9 | -14.4 | 59.5 | | | | 61.5 | | | |
| Indonesia | -10.4 | 2.8 | 11.2 | 18.1 | 24.6 | 18.3 | 14.9 | 20.7 | -15.0 | 37.3 | 109 413 |
| Lao PDR | | | | | | | | | | | |
| Malaysia | -10.0 | 8.6 | 13.5 | 22.1 | 12.8 | 12.2 | 13.7 | 19.4 | -18.8 | | |
| Myanmar | | | | | | | | | | | |
| Philippines | -12.4 | 18.5 | 19.1 | 15.1 | 6.5 | 12.0 | 11.7 | -3.2 | -27.2 | | |
| Singapore | -6.8 | 4.1 | 13.3 | 25.9 | 18.0 | 20.8 | 12.2 | 14.2 | -19.9 | | |
| Thailand | -4.9 | 8.7 | 24.4 | 22.8 | 18.0 | 17.4 | 20.4 | 16.0 | -12.0 | 31.6 | 122 816 |
| Timor-Leste | | | | | -65.3 | | | | | | |
| Viet Nam | -4.1 | 3.6 | 16.5 | 34.1 | 27.7 | 17.3 | 18.6 | 32.4 | -15.3 | | |
| **South and South-West Asia** | **5.6** | **12.6** | **31.3** | **23.7** | **41.0** | **12.2** | **-9.6** | **24.2** | **-11.3** | | |
| Afghanistan | | | | | | | | | -26.9 | | |
| Bangladesh | -10.0 | -0.5 | 9.8 | 43.8 | 32.1 | 77.9 | 1.2 | | | | |
| Bhutan | | | | | 119.6 | 60.1 | 62.8 | -22.8 | -4.6 | | |
| India | 4.2 | 19.6 | 27.1 | 26.3 | 33.0 | 16.8 | 18.4 | 24.9 | -8.9 | | |
| Iran (Islamic Rep. of) | 3.5 | 2.1 | 42.8 | 26.1 | 71.9 | -3.6 | | | | | |
| Maldives | 15.6 | 34.6 | 21.9 | 31.6 | 2.6 | 7.8 | -15.3 | 15.2 | | | |
| Nepal | | | 12.2 | | | | | | 77.2 | | |
| Pakistan | -6.6 | 1.0 | 24.2 | 10.8 | 36.7 | 3.4 | 1.1 | 29.9 | -7.3 | | |
| Sri Lanka | 10.8 | 11.2 | 15.1 | 19.9 | 14.7 | 5.0 | 13.3 | 9.2 | -11.7 | 36.4 | 2 247 |
| Turkey | 13.7 | 12.8 | 31.1 | 22.8 | 22.0 | 28.2 | 37.4 | 37.5 | -22.9 | | |
| **North and Central Asia** | **-2.4** | **7.9** | **32.7** | **35.7** | **25.0** | **27.7** | **22.9** | **48.8** | **-30.5** | **-8.0** | **87 207** |
| Armenia | 11.8 | 8.2 | 20.2 | 16.7 | 17.8 | 7.5 | 63.7 | 0.2 | -38.2 | 46.3 | 307 |
| Azerbaijan | -11.4 | 16.9 | 47.1 | 118.5 | 43.6 | 10.9 | 86.2 | 135.2 | -59.3 | | |
| Georgia | 6.7 | 2.0 | 33.4 | 55.2 | 14.4 | -6.1 | 17.2 | 22.6 | | | |
| Kazakhstan | 0.7 | 9.3 | 39.7 | 43.5 | 13.3 | 47.6 | 42.4 | 34.6 | -36.3 | | |
| Kyrgyzstan | -22.8 | 10.7 | 3.4 | 42.0 | 9.3 | 42.8 | 51.2 | 14.4 | -37.1 | 3.3 | 596 |
| Russian Federation | 7.8 | 7.6 | 31.7 | 32.7 | 26.9 | 25.3 | 16.8 | 48.9 | -26.5 | 12.8 | 86 303 |
| Tajikistan | | | | | | | | | | | |
| Turkmenistan | | | | | | | | | | | |
| Uzbekistan | | | | | | | | | | | |
| **Pacific island economies** | **-2.2** | **4.8** | **9.6** | **27.7** | **21.9** | **13.3** | **15.6** | **35.4** | **-13.2** | **36.8** | **180 308** |
| American Samoa | | | | | | | | | | | |
| Australia | -2.5 | 3.8 | 8.7 | 28.8 | 27.0 | 15.3 | 14.0 | 39.4 | -12.4 | 38.2 | 159 863 |
| Cook Islands | -26.5 | -17.0 | 21.4 | -3.1 | -19.8 | | | -12.0 | | | |
| Fiji | -9.4 | 47.7 | -21.8 | 14.3 | 55.5 | -31.1 | 45.2 | 7.5 | -18.6 | | |
| French Polynesia | -31.4 | 7.4 | -15.4 | 17.4 | 17.1 | -7.6 | -3.3 | 1.5 | -20.7 | -5.0 | 95 |
| Guam | | | | | | | | | | | |
| Kiribati | | | | | -50.6 | | | | | | |
| Marshall Islands | | | | | | | | | | | |
| Micronesia (F.S.) | | | | | | | | | | | |
| Nauru | | | | | | | | | | | |
| New Caledonia | -39.3 | -2.2 | 85.8 | 57.8 | 2.1 | -6.2 | 51.0 | -24.5 | | | |
| New Zealand | 0.5 | 3.6 | 16.4 | 23.3 | 5.6 | 4.0 | 23.9 | 16.6 | -16.0 | 30.4 | 20 292 |
| Niue | | | | | | | | | | | |
| Northern Mariana Islands | | | | | | | | | | | |
| Palau | | | | | | | | | | | |
| Papua New Guinea | 7.7 | 87.8 | -15.2 | 15.5 | | | | | | | |
| Samoa | | 21.2 | 15.9 | -0.6 | 3.9 | -24.5 | 54.5 | -24.8 | -37.0 | 30.1 | 58 |
| Solomon Islands | | | 51.1 | 35.5 | 12.9 | 48.6 | 36.4 | | | | |
| Tonga | -2.6 | 46.3 | 9.0 | 23.4 | -39.8 | -3.7 | -25.4 | | | | |
| Tuvalu | | | -28.1 | 37.2 | -52.3 | | | | | | |
| Vanuatu | | | | | | 10.0 | -14.7 | | | | |
| **Developing economies** | **-3.2** | **11.4** | **23.0** | **26.4** | **18.8** | **19.0** | **16.4** | **16.9** | **-15.7** | | |
| **Developed economies** | **-11.2** | **9.0** | **20.0** | **24.5** | **9.5** | **9.3** | **14.7** | **20.3** | **-19.1** | **37.4** | **595 600** |
| **All economies** | **-5.3** | **10.8** | **22.3** | **26.0** | **16.6** | **16.8** | **16.0** | **17.6** | **-16.4** | | |

## Table 2.2. Intraregional import growth

| | Annual percentage change | | | | | | | | | | Value ($ million) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 |
| **East and North-East Asia** | **-3.2** | **9.1** | **23.8** | **26.0** | **15.4** | **14.7** | **14.8** | **14.0** | **-16.1** | | |
| China | 6.6 | 26.1 | 42.6 | 35.6 | 20.3 | 18.5 | 19.3 | 13.2 | -10.6 | | |
| DPR Korea | | | | | | | | | | | |
| Hong Kong, China | -6.1 | 4.9 | 13.3 | 17.3 | 11.0 | 12.6 | 10.6 | 5.7 | -12.1 | | |
| Japan | -4.7 | -1.3 | 17.4 | 21.1 | 13.1 | 10.1 | 9.2 | 20.6 | -23.3 | 28.8 | 371 554 |
| Macao, China | 7.0 | 6.2 | 10.8 | 27.2 | 10.6 | 13.5 | 10.1 | -8.2 | -29.4 | 14.2 | 3 304 |
| Mongolia | 4.6 | | 24.5 | 26.8 | 17.6 | 31.3 | 41.9 | | | | |
| Republic of Korea | -9.8 | 12.3 | 18.4 | 28.2 | 15.0 | 16.4 | 18.7 | 19.4 | -23.6 | | |
| **South-East Asia** | **-10.2** | **8.9** | **9.9** | **26.3** | **15.4** | **14.6** | **13.9** | **24.2** | **-21.5** | | |
| Brunei Darussalam | -23.9 | 25.4 | -6.6 | 12.2 | | 22.7 | | | | | |
| Cambodia | 9.5 | 13.6 | 9.0 | 13.3 | | | | 120.0 | | | |
| Indonesia | -8.9 | 4.3 | 8.1 | 41.4 | 33.6 | 6.7 | 22.1 | 85.1 | -27.0 | 45.7 | 97 380 |
| Lao PDR | | | | | | | | | | | |
| Malaysia | -13.0 | 12.2 | 6.2 | 26.4 | 9.6 | 13.9 | 13.1 | 6.9 | -19.0 | | |
| Myanmar | | | | | | | | | | | |
| Philippines | -4.1 | 16.5 | 5.8 | 11.6 | 4.7 | 11.3 | 4.6 | 6.8 | -18.3 | | |
| Singapore | -15.8 | 2.8 | 7.0 | 26.4 | 13.6 | 19.2 | 8.9 | 18.0 | -22.6 | | |
| Thailand | -3.4 | 11.5 | 18.8 | 25.8 | 25.7 | 8.4 | 14.4 | 18.7 | -20.9 | 39.7 | 118 661 |
| Timor-Leste | | | | | -8.1 | | | | | | |
| Viet Nam | 1.0 | 20.1 | 24.2 | 30.6 | 17.6 | 24.5 | 39.1 | 28.9 | -11.4 | | |
| **South and South-West Asia** | **1.3** | **12.9** | **37.4** | **32.5** | **31.7** | **34.0** | **18.8** | **22.5** | **-16.8** | | |
| Afghanistan | | | | | | | | | 30.1 | | |
| Bangladesh | 10.9 | 0.6 | 16.7 | 15.3 | 4.4 | 20.0 | 11.8 | | | | |
| Bhutan | | | | | 94.8 | 11.5 | 19.2 | 8.6 | -4.2 | | |
| India | -0.8 | 15.4 | 37.7 | 41.1 | 39.4 | 51.5 | 34.0 | 35.8 | -7.0 | | |
| Iran (Islamic Rep. of) | 6.7 | 10.4 | 38.5 | 15.6 | 17.7 | 5.7 | | | | | |
| Maldives | -3.6 | 0.5 | 22.2 | 27.5 | 7.0 | 26.6 | 20.9 | 15.9 | | | |
| Nepal | | | 37.7 | | | | | | 100.7 | | |
| Pakistan | -9.5 | 16.7 | 23.0 | 31.5 | 41.9 | 16.7 | 15.7 | 23.1 | -19.8 | | |
| Sri Lanka | 3.3 | 6.1 | 17.5 | 22.0 | 6.3 | 22.2 | 19.2 | 18.1 | -31.6 | 35.4 | 9 066 |
| Turkey | -17.8 | 19.3 | 45.0 | 51.2 | 37.9 | 32.6 | 29.5 | 23.5 | -32.7 | | |
| **North and Central Asia** | **1.7** | **10.9** | **33.7** | **47.4** | **40.3** | **47.7** | **49.5** | **32.9** | **-40.2** | **10.4** | **81 345** |
| Armenia | 7.8 | 17.2 | -0.9 | 3.1 | 38.2 | 85.8 | 55.5 | 46.2 | -19.6 | 19.2 | 2 033 |
| Azerbaijan | 27.8 | 26.1 | 40.7 | 31.4 | 32.0 | 17.5 | 3.5 | 28.5 | -15.5 | | |
| Georgia | -0.5 | 6.2 | 26.4 | 74.6 | 48.9 | 55.8 | 31.3 | 19.6 | | | |
| Kazakhstan | 17.9 | 0.4 | 30.5 | 51.4 | 37.1 | 42.1 | 39.9 | 15.1 | -32.3 | | |
| Kyrgyzstan | -12.5 | 18.7 | 32.2 | 35.3 | 15.8 | 54.2 | 49.1 | 63.8 | -25.2 | 7.7 | 2 523 |
| Russian Federation | 12.5 | 13.7 | 35.8 | 48.4 | 43.0 | 51.1 | 56.6 | 37.8 | -42.4 | 49.8 | 76 790 |
| Tajikistan | | | | | | | | | | | |
| Turkmenistan | | | | | | | | | | | |
| Uzbekistan | | | | | | | | | | | |
| **Pacific island economies** | **-3.8** | **14.1** | **25.2** | **26.3** | **15.6** | **13.2** | **17.0** | **20.7** | **-19.1** | **19.9** | **129 323** |
| American Samoa | | | | | | | | | | | |
| Australia | -7.1 | 14.8 | 25.7 | 26.4 | 17.6 | 15.5 | 16.9 | 24.6 | -15.8 | 21.4 | 109 377 |
| Cook Islands | 57.6 | 1.6 | 48.9 | -5.5 | 23.4 | | 26.0 | | | | |
| Fiji | 69.3 | 10.6 | 28.7 | 20.6 | 32.1 | 13.2 | -0.6 | 21.9 | -35.0 | | |
| French Polynesia | 7.5 | -2.2 | 40.2 | 10.2 | 16.0 | -1.6 | 7.6 | 33.9 | -21.7 | 8.1 | 762 |
| Guam | 81.3 | -28.6 | 11.1 | 44.2 | 94.2 | 20.7 | -11.2 | -28.1 | | | |
| Kiribati | | | | 32.5 | 22.5 | | | | -17.0 | | |
| Marshall Islands | | | | | | | | | | | |
| Micronesia (F.S.) | | | | | | | | | | | |
| Nauru | | | | | | | | | | | |
| New Caledonia | -6.5 | 13.2 | 19.5 | 23.1 | 32.3 | 11.9 | 33.5 | 34.2 | | | |
| New Zealand | -0.6 | 18.9 | 24.9 | 26.8 | 14.2 | 3.7 | 20.0 | 8.9 | -25.8 | 21.8 | 18 915 |
| Niue | | | | | | | | | | | |
| Northern Mariana Islands | | | | | | | | | | | |
| Palau | | | | | | | | | | | |
| Papua New Guinea | 26.6 | -14.7 | 12.6 | 21.2 | | | | | | | |
| Samoa | | -3.6 | 15.1 | 40.5 | 14.4 | 17.5 | -3.8 | 5.2 | -18.9 | 38.5 | 269 |
| Solomon Islands | | | 23.0 | 17.0 | 42.8 | 68.6 | 29.0 | | | | |
| Tonga | 3.7 | 15.4 | 6.6 | 14.4 | 14.3 | -4.4 | 21.9 | | | | |
| Tuvalu | -59.3 | 248.2 | | 3.4 | 11.6 | -4.0 | | 95.0 | | | |
| Vanuatu | | | | | | 83.3 | 29.4 | | | | |
| **Developing economies** | **-4.7** | **12.1** | **22.0** | **28.2** | **17.9** | **18.5** | **17.5** | **17.3** | **-17.9** | | |
| **Developed economies** | **-5.0** | **1.8** | **19.1** | **22.3** | **14.0** | **10.8** | **11.1** | **20.9** | **-21.8** | **26.8** | **499 845** |
| **All economies** | **-4.8** | **9.5** | **21.3** | **26.9** | **17.0** | **16.9** | **16.2** | **18.0** | **-18.7** | | |

## Table 2.3. Intraregional trade growth

| | Annual percentage change | | | | | | | | | | Value ($ million) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 |
| **East and North-East Asia** | **-4** | **11** | **25** | **26** | **15** | **15** | **17** | **14** | **-16** | | |
| China | 7 | 23 | 37 | 34 | 22 | 21 | 23 | 15 | -13 | | |
| DPR Korea | | | | | | | | | | | |
| Hong Kong, China | -4 | 7 | 16 | 19 | 11 | 13 | 11 | 6 | -11 | | |
| Japan | -9 | 4 | 20 | 22 | 9 | 9 | 12 | 18 | -22 | 33 | 786 999 |
| Macao, China | 5 | 8 | 10 | 25 | 9 | 12 | 10 | -8 | -28 | 7 | 3 730 |
| Mongolia | -1 | 9 | 19 | 23 | 23 | 49 | 39 | | | | |
| Republic of Korea | -11 | 12 | 25 | 28 | 15 | 15 | 17 | 18 | -17 | | |
| **South-East Asia** | **-8** | **8** | **13** | **25** | **15** | **17** | **13** | **20** | **-20** | | |
| Brunei Darussalam | 32 | 6 | 11 | 21 | | 46 | | | | | |
| Cambodia | 2 | 27 | 2 | 25 | | | | 102 | | | |
| Indonesia | -10 | 3 | 10 | 26 | 28 | 14 | 18 | 46 | -21 | 41 | 206 793 |
| Lao PDR | | | | | | | | | | | |
| Malaysia | -11 | 10 | 10 | 24 | 11 | 13 | 13 | 14 | -19 | | |
| Myanmar | | | | | | | | | | | |
| Philippines | -8 | 17 | 11 | 13 | 5 | 12 | 8 | 2 | -22 | | |
| Singapore | -11 | 4 | 10 | 26 | 16 | 20 | 11 | 16 | -21 | | |
| Thailand | -4 | 10 | 22 | 24 | 22 | 13 | 17 | 17 | -17 | 35 | 241 477 |
| Timor-Leste | | | | | -33 | | | | | | |
| Viet Nam | -1 | 13 | 21 | 32 | 21 | 22 | 31 | 30 | -13 | | |
| **South and South-West Asia** | **3** | **13** | **35** | **29** | **35** | **25** | **9** | **23** | **-15** | | |
| Afghanistan | | | | | | | | | 20 | | |
| Bangladesh | 9 | 1 | 16 | 17 | 7 | 27 | 10 | | | | |
| Bhutan | | | | | 105 | 32 | 42 | -10 | -4 | | |
| India | 2 | 18 | 32 | 33 | 36 | 35 | 28 | 32 | -8 | | |
| Iran (Islamic Rep. of) | 5 | 6 | 41 | 21 | 48 | 0 | | | | | |
| Maldives | -2 | 4 | 22 | 28 | 6 | 24 | 16 | 16 | | | |
| Nepal | | | 32 | | | | | | 96 | | |
| Pakistan | -8 | 11 | 23 | 24 | 40 | 13 | 12 | 25 | -16 | | |
| Sri Lanka | 5 | 7 | 17 | 22 | 8 | 19 | 18 | 17 | -28 | 36 | 11 313 |
| Turkey | -11 | 18 | 42 | 45 | 35 | 32 | 31 | 26 | -31 | | |
| **North and Central Asia** | **-1** | **9** | **33** | **40** | **31** | **36** | **35** | **41** | **-35** | **0** | **168 552** |
| Armenia | 9 | 15 | 4 | 7 | 32 | 64 | 57 | 37 | -22 | 22 | 2 340 |
| Azerbaijan | 14 | 24 | 42 | 55 | 36 | 15 | 36 | 86 | -45 | | |
| Georgia | 2 | 5 | 29 | 67 | 36 | 37 | 28 | 20 | | | |
| Kazakhstan | 9 | 5 | 35 | 47 | 25 | 45 | 41 | 24 | -34 | | |
| Kyrgyzstan | -17 | 16 | 22 | 37 | 14 | 51 | 50 | 49 | -28 | 7 | 3 119 |
| Russian Federation | 9 | 9 | 33 | 38 | 32 | 35 | 33 | 44 | -34 | 28 | 163 093 |
| Tajikistan | | | | | | | | | | | |
| Turkmenistan | | | | | | | | | | | |
| Uzbekistan | | | | | | | | | | | |
| **Pacific island economies** | **-3** | **9** | **17** | **27** | **18** | **13** | **16** | **28** | **-16** | **29** | **309 631** |
| American Samoa | | | | | | | | | | | |
| Australia | -5 | 9 | 16 | 28 | 22 | 15 | 15 | 32 | -14 | 31 | 269 240 |
| Cook Islands | 39 | -1 | 46 | -5 | 20 | | 24 | | | | |
| Fiji | 38 | 20 | 12 | 19 | 37 | 2 | 7 | 19 | -32 | | |
| French Polynesia | -5 | 0 | 26 | 11 | 16 | -3 | 6 | 29 | -22 | 6 | 857 |
| Guam | | | | | | | | | | | |
| Kiribati | | | | 22 | 20 | | | | -16 | | |
| Marshall Islands | | | | | | | | | | | |
| Micronesia (F.S.) | | | | | | | | | | | |
| Nauru | | | | | | | | | | | |
| New Caledonia | -20 | 8 | 39 | 36 | 19 | 5 | 39 | 13 | | | |
| New Zealand | 0 | 11 | 21 | 25 | 10 | 4 | 22 | 12 | -21 | 26 | 39 207 |
| Niue | | | | | | | | | | | |
| Northern Mariana Islands | | | | | | | | | | | |
| Palau | | | | | | | | | | | |
| Papua New Guinea | 21 | 13 | 0 | 19 | | | | | | | |
| Samoa | | 5 | 15 | 25 | 11 | 5 | 8 | -4 | -23 | 37 | 327 |
| Solomon Islands | | | 32 | 24 | 31 | 62 | 31 | | | | |
| Tonga | 3 | 18 | 7 | 15 | 8 | -4 | 19 | | | | |
| Tuvalu | -58 | 238 | | 3 | 11 | -4 | | 94 | | | |
| Vanuatu | | | | | | 70 | 24 | | | | |
| **Developing economies** | **-4** | **12** | **22** | **27** | **18** | **19** | **17** | **17** | **-17** | | |
| **Developed economies** | **-8** | **5** | **20** | **23** | **12** | **10** | **13** | **21** | **-20** | **32** | **1 095 445** |
| **All economies** | **-5** | **10** | **22** | **26** | **17** | **17** | **16** | **18** | **-18** | | |

## Table 3.1. Intraregional export share (percentage)

| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **East and North-East Asia** | **40.8** | **41.9** | **44.0** | **45.3** | **47.1** | **49.2** | **49.6** | **49.4** | **48.9** | **49.6** | **50.0** | **51.5** | |
| China | 51.7 | 50.9 | 51.3 | 51.2 | 50.6 | 49.1 | 48.2 | 46.8 | 45.5 | 45.7 | 45.1 | 45.5 | |
| DPR Korea | | | | | | | | | | | | | |
| Hong Kong, China | 49.6 | 49.7 | 51.2 | 53.4 | 56.1 | 59.1 | 61.2 | 61.6 | 62.9 | 65.1 | 65.8 | 67.2 | |
| Japan | 31.6 | 33.5 | 36.4 | 37.3 | 39.9 | 43.4 | 44.8 | 45.1 | 44.8 | 46.5 | 49.0 | 51.6 | 53.6 |
| Macao, China | 17.0 | 18.6 | 19.1 | 20.5 | 23.6 | 22.8 | 24.0 | 27.5 | 28.5 | 31.8 | 36.4 | 60.0 | 47.9 |
| Mongolia | 77.3 | 75.0 | 70.6 | 67.0 | 65.3 | 67.7 | 57.1 | 60.3 | 73.1 | 80.7 | | | |
| Republic of Korea | 41.4 | 45.0 | 46.3 | 46.3 | 47.5 | 52.4 | 51.6 | 52.9 | 53.1 | 53.6 | 54.8 | 57.2 | |
| **South-East Asia** | **52.3** | **53.6** | **56.3** | **57.4** | **58.4** | **60.2** | **61.3** | **62.8** | **63.2** | **64.2** | **65.3** | **65.3** | |
| Brunei Darussalam | 86.5 | | | 91.9 | 91.3 | 91.8 | 92.3 | | 92.9 | | | | |
| Cambodia | | | 27.5 | 21.1 | 29.4 | 22.8 | 27.5 | | | | 28.6 | | |
| Indonesia | 57.0 | 58.9 | 60.7 | 60.0 | 60.8 | 63.3 | 63.8 | 66.5 | 66.9 | 67.9 | 68.3 | 68.2 | 69.2 |
| Lao PDR | | | | | | | | | | | | | |
| Malaysia | 51.6 | 52.2 | 56.5 | 56.7 | 57.6 | 58.8 | 59.4 | 60.0 | 59.3 | 61.6 | 65.1 | 66.9 | |
| Myanmar | | | | | | | | | | | | | |
| Philippines | 35.7 | 38.7 | 41.5 | 43.0 | 46.6 | 53.9 | 56.7 | 58.0 | 56.6 | 59.3 | 59.1 | 54.8 | |
| Singapore | 58.5 | 60.2 | 61.4 | 63.8 | 64.8 | 64.8 | 65.8 | 67.2 | 68.7 | 70.0 | 70.8 | 71.0 | |
| Thailand | 45.9 | 47.2 | 50.1 | 50.5 | 52.3 | 55.3 | 56.7 | 58.5 | 58.0 | 59.4 | 60.2 | 61.0 | 62.7 |
| Timor-Leste | | | | | | | 75.5 | 63.7 | | | | | |
| Viet Nam | 42.4 | 54.7 | 59.8 | 55.4 | 51.8 | 50.2 | 51.5 | 53.9 | 51.6 | 50.3 | 51.7 | 48.0 | |
| **South and South-West Asia** | **19.9** | **19.0** | **20.7** | **21.9** | **22.0** | **23.9** | **23.3** | **26.0** | **25.8** | **24.8** | **26.4** | **26.3** | |
| Afghanistan | | | | | | | | | | | 90.0 | 87.1 | |
| Bangladesh | 10.7 | | 10.2 | 9.4 | 9.3 | 8.7 | 9.7 | 11.3 | 16.1 | 14.5 | | | |
| Bhutan | 98.7 | 99.2 | | | | | | 99.8 | 99.8 | 99.8 | 99.7 | 99.8 | |
| India | 29.4 | 30.8 | 30.2 | 30.5 | 32.3 | 35.0 | 35.0 | 35.6 | 34.6 | 34.2 | 34.4 | 32.2 | |
| Iran (Islamic Rep. of) | 6.2 | 4.7 | 15.5 | 23.1 | 20.5 | 25.1 | 24.7 | 30.7 | 29.4 | | | | |
| Maldives | 52.7 | 46.4 | 38.9 | 44.2 | 50.4 | 51.7 | 45.4 | 51.1 | 63.5 | 67.0 | 65.5 | | |
| Nepal | 38.2 | 42.1 | 48.3 | | | 59.0 | | | | | | 77.7 | |
| Pakistan | 25.8 | 25.7 | 25.8 | 23.9 | 22.6 | 23.4 | 23.1 | 26.4 | 25.9 | 24.9 | 28.5 | 30.5 | |
| Sri Lanka | | 16.3 | | 17.3 | 19.0 | 21.1 | 22.7 | 23.1 | 22.2 | 22.2 | 22.7 | 23.0 | 26.9 |
| Turkey | 14.2 | 10.8 | 11.0 | 11.0 | 10.9 | 11.1 | 10.2 | 10.8 | 11.9 | 13.1 | 14.6 | 14.5 | |
| **North and Central Asia** | **20.3** | **19.9** | **20.5** | **21.3** | **21.5** | **22.7** | **22.2** | **20.9** | **21.3** | **22.3** | **23.0** | **26.1** | |
| Armenia | | 35.5 | 31.2 | 30.8 | 21.5 | 20.5 | 22.2 | 20.3 | 20.4 | 29.9 | 32.1 | 30.0 | 30.0 |
| Azerbaijan | 54.8 | 26.4 | 18.2 | 12.4 | 14.9 | 18.5 | 29.6 | 35.1 | 27.2 | 52.1 | 16.5 | 20.4 | |
| Georgia | 55.1 | 54.1 | 59.0 | 63.3 | 59.4 | 59.8 | 66.7 | 57.7 | 51.0 | 45.2 | 45.6 | | |
| Kazakhstan | 41.2 | 36.9 | 36.6 | 37.3 | 36.1 | 37.8 | 32.3 | 27.4 | 30.2 | 35.0 | 31.6 | 33.1 | |
| Kyrgyzstan | 49.2 | 49.0 | 53.1 | 43.3 | 49.6 | 40.7 | 46.9 | 54.8 | 66.3 | 70.2 | 56.4 | 48.7 | 39.9 |
| Russian Federation | 17.9 | 17.8 | 17.9 | 19.9 | 20.1 | 21.1 | 20.6 | 19.7 | 19.8 | 19.8 | 22.2 | 25.3 | 22.1 |
| Tajikistan | | | 53.5 | | | | | | | | | | |
| Turkmenistan | 71.9 | 43.2 | 64.7 | | | | | | | | | | |
| Uzbekistan | | | | | | | | | | | | | |
| **Pacific island economies** | **49.3** | **53.6** | **59.1** | **58.5** | **59.7** | **59.4** | **61.7** | **64.8** | **64.4** | **65.3** | **68.2** | **72.6** | **75.2** |
| American Samoa | | | | | | | | | | | | | |
| Australia | 49.2 | 53.2 | 61.4 | 60.3 | 61.1 | 61.5 | 64.3 | 66.9 | 66.3 | 67.0 | 70.0 | 74.5 | 76.8 |
| Cook Islands | | | 87.2 | 81.2 | 82.3 | 65.7 | 80.1 | 79.7 | | | 82.6 | | |
| Fiji | | | 47.5 | 44.4 | 58.5 | 47.4 | 50.3 | 62.1 | 44.1 | 58.6 | 52.7 | 60.1 | |
| French Polynesia | 51.6 | 61.2 | 65.4 | 59.4 | 70.2 | 65.2 | 62.8 | 65.1 | 67.5 | 72.7 | 63.6 | 66.2 | 60.9 |
| Guam | | | | | | | | | | | | | |
| Kiribati | 61.1 | 63.7 | | | | | | 54.5 | | | | | |
| Marshall Islands | | | | | | | | | | | | | |
| Micronesia (F.S.) | | | | | | | | | | | | | |
| Nauru | | | | | | | | | | | | | |
| New Caledonia | | 41.8 | 43.9 | 39.2 | 36.9 | 41.9 | 47.9 | 44.7 | 41.4 | 42.9 | 32.8 | | |
| New Zealand | 55.3 | 55.9 | 56.8 | 55.7 | 55.1 | 55.7 | 56.0 | 55.2 | 56.0 | 57.9 | 59.6 | 61.2 | 64.6 |
| Niue | | | | | | | | | | | | | |
| Northern Mariana Islands | | | | | | | | | | | | | |
| Palau | | | | | | | | | | | | | |
| Papua New Guinea | 20.4 | | 16.3 | 23.4 | 48.3 | 29.7 | 28.6 | | | | | | |
| Samoa | | | | 72.8 | 93.5 | 89.0 | 90.4 | 91.7 | 92.3 | 95.5 | 96.8 | 95.0 | 95.8 |
| Solomon Islands | | | | | 55.2 | 63.5 | 69.0 | 73.3 | 82.7 | 79.0 | | | |
| Tonga | | | 72.0 | 91.7 | 66.3 | 61.0 | 78.4 | 73.6 | 73.4 | 66.0 | | | |
| Tuvalu | | | | | 98.5 | 98.7 | 99.7 | 99.4 | | | | | |
| Vanuatu | | | 71.7 | | | | | | 49.2 | 50.4 | | | |
| **Developing economies** | **44.7** | **45.4** | **46.6** | **47.2** | **47.9** | **49.1** | **48.7** | **48.2** | **47.8** | **48.5** | **48.0** | **49.8** | |
| **Developed economies** | **34.4** | **36.3** | **39.8** | **40.8** | **43.1** | **46.0** | **47.6** | **48.6** | **48.5** | **50.1** | **53.2** | **56.6** | **58.7** |
| **All economies** | **41.5** | **42.5** | **44.5** | **45.4** | **46.6** | **48.3** | **48.4** | **48.3** | **48.0** | **48.8** | **49.0** | **51.0** | |

## Table 3.2. Intraregional import share (percentage)

| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **East and North-East Asia** | **51.8** | **52.5** | **53.1** | **53.7** | **55.3** | **56.4** | **56.9** | **57.3** | **56.7** | **56.9** | **55.1** | **56.3** | |
| China | 53.3 | 52.5 | 52.3 | 51.6 | 53.9 | 55.2 | 55.3 | 56.6 | 56.0 | 55.4 | 53.0 | 53.3 | |
| DPR Korea | | | | | | | | | | | | | |
| Hong Kong, China | 70.9 | 72.7 | 73.1 | 72.7 | 74.1 | 74.9 | 75.2 | 75.9 | 76.5 | 76.8 | 76.5 | 75.1 | |
| Japan | 41.2 | 42.9 | 44.5 | 46.0 | 47.0 | 48.7 | 49.7 | 49.7 | 48.8 | 49.7 | 48.9 | 51.7 | 53.2 |
| Macao, China | 77.0 | 75.0 | 76.6 | 76.3 | 76.0 | 78.4 | 78.7 | 79.0 | 77.3 | 73.7 | 69.5 | 60.7 | 58.6 |
| Mongolia | 67.6 | 77.4 | 80.0 | 81.5 | | 80.1 | 79.7 | 81.0 | 84.8 | 84.5 | | | |
| Republic of Korea | 42.6 | 46.4 | 47.5 | 48.6 | 50.7 | 51.2 | 52.4 | 51.9 | 51.1 | 52.6 | 51.6 | 53.0 | |
| **South-East Asia** | **55.9** | **58.1** | **59.4** | **57.9** | **59.8** | **60.1** | **60.5** | **60.7** | **60.7** | **61.2** | **61.1** | **62.4** | |
| Brunei Darussalam | 66.7 | | | 72.2 | 66.4 | 74.8 | 73.2 | | 76.5 | | | | |
| Cambodia | | | 76.0 | 79.5 | 81.6 | 83.7 | 81.5 | | | | 83.8 | | |
| Indonesia | 52.2 | 52.8 | 57.6 | 56.7 | 58.5 | 60.7 | 60.4 | 65.1 | 65.8 | 65.8 | 70.5 | 68.7 | 71.5 |
| Lao PDR | | | | | | | | | | | | | |
| Malaysia | 58.7 | 60.3 | 60.8 | 58.7 | 61.3 | 62.2 | 62.3 | 62.9 | 61.9 | 63.4 | 62.9 | 64.2 | |
| Myanmar | | | | | | | | | | | | | |
| Philippines | 57.0 | 57.7 | 55.0 | 55.9 | 55.4 | 56.6 | 58.4 | 56.9 | 58.0 | 56.6 | 58.0 | 62.3 | |
| Singapore | 56.9 | 58.3 | 59.9 | 57.8 | 59.2 | 58.0 | 57.7 | 56.9 | 56.9 | 56.2 | 54.6 | 54.9 | |
| Thailand | 53.9 | 55.2 | 57.1 | 55.2 | 59.1 | 60.0 | 60.9 | 61.3 | 61.1 | 62.6 | 59.9 | 63.1 | 64.8 |
| Timor-Leste | | | | | | | 94.0 | 96.5 | | | | | |
| Viet Nam | 44.5 | 68.2 | 71.0 | 69.4 | 68.9 | 67.1 | 69.4 | 71.0 | 72.5 | 72.2 | 72.6 | 74.1 | |
| **South and South-West Asia** | **29.8** | **29.2** | **27.9** | **30.1** | **29.1** | **31.6** | **31.5** | **32.5** | **35.0** | **39.5** | **37.9** | **39.9** | |
| Afghanistan | | | | | | | | | | | 75.7 | 79.1 | |
| Bangladesh | 65.7 | | 66.6 | 70.0 | 62.0 | 67.3 | 69.4 | 64.4 | 62.8 | 63.0 | | | |
| Bhutan | 85.6 | 91.0 | | | | | | 90.6 | 93.6 | 93.9 | 92.6 | 91.1 | |
| India | 29.2 | 28.2 | 23.0 | 23.8 | 24.4 | 27.1 | 28.5 | 28.2 | 34.1 | 37.4 | 35.4 | 38.9 | |
| Iran (Islamic Rep. of) | 31.4 | 30.1 | 34.5 | 31.2 | 27.7 | 30.7 | 27.4 | 27.9 | 16.9 | | | | |
| Maldives | 68.9 | 69.3 | 74.9 | 72.1 | 71.8 | 73.2 | 68.7 | 63.4 | 64.6 | 66.2 | 60.7 | | |
| Nepal | 74.3 | 80.4 | 71.7 | | | 85.4 | | | | | | 83.1 | |
| Pakistan | 39.5 | 36.8 | 34.3 | 33.7 | 36.2 | 37.9 | 36.8 | 37.5 | 36.9 | 39.2 | 37.2 | 39.9 | |
| Sri Lanka | | 63.2 | | 64.4 | 61.2 | 66.7 | 67.6 | 68.0 | 70.7 | 72.4 | 71.5 | 70.6 | 73.1 |
| Turkey | 20.8 | 21.4 | 22.5 | 24.0 | 23.3 | 25.3 | 27.3 | 31.6 | 35.1 | 37.4 | 39.0 | 37.5 | |
| **North and Central Asia** | **21.3** | **24.9** | **29.2** | **26.2** | **26.5** | **28.2** | **31.0** | **33.3** | **35.5** | **37.2** | **37.7** | **34.8** | |
| Armenia | | 39.1 | 33.0 | 35.7 | 36.4 | 28.3 | 26.7 | 29.5 | 42.4 | 47.5 | 51.7 | 53.6 | 53.7 |
| Azerbaijan | 52.3 | 57.4 | 51.2 | 53.6 | 57.9 | 51.7 | 51.0 | 56.2 | 52.8 | 50.4 | 51.7 | 50.9 | |
| Georgia | 38.7 | 46.2 | 45.5 | 42.8 | 43.1 | 38.2 | 41.5 | 46.0 | 48.7 | 45.2 | 46.6 | | |
| Kazakhstan | 55.2 | 52.2 | 62.0 | 57.5 | 55.0 | 56.3 | 56.1 | 56.7 | 59.1 | 59.8 | 59.5 | 53.6 | |
| Kyrgyzstan | 67.2 | 60.3 | 69.1 | 71.8 | 68.9 | 73.5 | 76.0 | 74.8 | 74.5 | 79.1 | 76.9 | 78.7 | 78.2 |
| Russian Federation | 15.6 | 18.3 | 21.5 | 19.6 | 20.2 | 22.2 | 25.0 | 27.5 | 29.8 | 32.3 | 33.3 | 29.9 | 34.2 |
| Tajikistan | | | 73.3 | | | | | | | | | | |
| Turkmenistan | 46.0 | 48.9 | 51.2 | | | | | | | | | | |
| Uzbekistan | | | | | | | | | | | | | |
| **Pacific island economies** | **44.4** | **46.2** | **47.7** | **49.8** | **50.3** | **51.6** | **53.2** | **54.2** | **55.9** | **56.0** | **56.5** | **57.1** | **58.3** |
| American Samoa | | | | | | | | | | | | | |
| Australia | 42.9 | 45.0 | 46.8 | 48.3 | 48.6 | 50.1 | 51.7 | 53.0 | 54.8 | 54.6 | 55.7 | 56.5 | 57.8 |
| Cook Islands | | | | 95.7 | 96.2 | 95.8 | 84.7 | 97.6 | | 96.8 | | | |
| Fiji | | | 48.1 | 83.5 | 88.1 | 82.9 | 86.8 | 89.5 | 90.4 | 91.1 | 87.3 | 89.4 | |
| French Polynesia | 23.6 | 27.4 | 31.3 | 33.9 | 27.9 | 31.6 | 36.9 | 37.3 | 40.4 | 42.0 | 41.5 | 41.0 | 44.1 |
| Guam | | | | | | | | | | | | | |
| Kiribati | 91.6 | 92.9 | | | | | 92.3 | 90.0 | | | | 79.9 | |
| Marshall Islands | | | | | | | | | | | | | |
| Micronesia (F.S.) | | | | | | | | | | | | | |
| Nauru | | | | | | | | | | | | | |
| New Caledonia | | 36.1 | 38.8 | 37.8 | 38.9 | 32.5 | 37.6 | 45.9 | 45.6 | 50.1 | 49.9 | | |
| New Zealand | 49.4 | 53.4 | 50.7 | 52.6 | 55.4 | 56.4 | 57.5 | 58.2 | 59.9 | 61.6 | 60.4 | 60.0 | 62.1 |
| Niue | | | | | | | | | | | | | |
| Northern Mariana Islands | | | | | | | | | | | | | |
| Palau | | | | | | | | | | | | | |
| Papua New Guinea | 84.6 | | 89.5 | 89.5 | 84.1 | 86.1 | 87.0 | | | | | | |
| Samoa | | | | 82.3 | 81.7 | 82.5 | 83.6 | 83.5 | 85.6 | 85.4 | 83.1 | 84.0 | 86.4 |
| Solomon Islands | | | | | 89.1 | 80.3 | 72.6 | 83.1 | 91.9 | 96.7 | | | |
| Tonga | | | 88.5 | 87.9 | 86.5 | 88.2 | 89.6 | 89.2 | 88.1 | 87.9 | | | |
| Tuvalu | 92.3 | 92.4 | | 76.4 | 90.9 | | 90.6 | 92.8 | 89.3 | | 86.2 | | |
| Vanuatu | | | 89.7 | | | | | | 90.6 | 92.6 | | | |
| **Developing economies** | **51.7** | **53.3** | **53.9** | **53.3** | **54.3** | **54.7** | **54.7** | **54.8** | **54.7** | **55.3** | **53.7** | **54.7** | |
| **Developed economies** | **41.8** | **43.7** | **45.0** | **46.6** | **47.5** | **49.2** | **50.4** | **50.6** | **50.3** | **51.1** | **50.7** | **53.0** | **54.4** |
| **All economies** | **48.8** | **50.4** | **51.4** | **51.5** | **52.6** | **53.4** | **53.7** | **53.9** | **53.7** | **54.5** | **53.1** | **54.4** | |

## Table 3.3. Intraregional trade share (percentage)

| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **East and North-East Asia** | **48.8** | **49.4** | **50.3** | **51.2** | **52.7** | **54.1** | **54.4** | **54.4** | **54.0** | **54.4** | **53.7** | **55.1** | |
| China | 54.1 | 53.0 | 52.5 | 52.0 | 52.7 | 52.5 | 52.0 | 51.6 | 50.5 | 50.1 | 48.7 | 49.2 | |
| DPR Korea | | | | | | | | | | | | | |
| Hong Kong, China | 61.1 | 61.9 | 62.8 | 63.7 | 65.6 | 67.4 | 68.6 | 69.1 | 70.1 | 71.3 | 71.5 | 71.4 | |
| Japan | 36.3 | 38.1 | 40.5 | 42.0 | 43.7 | 46.3 | 47.5 | 47.7 | 47.2 | 48.4 | 49.3 | 52.2 | 53.8 |
| Macao, China | 52.3 | 52.0 | 48.5 | 51.4 | 53.2 | 53.9 | 56.6 | 60.9 | 61.4 | 61.4 | 61.3 | 60.9 | 57.4 |
| Mongolia | 72.6 | 77.7 | 76.8 | 76.3 | | 75.1 | 69.6 | 71.4 | 79.0 | 82.8 | | | |
| Republic of Korea | 42.6 | 46.4 | 47.5 | 48.2 | 49.8 | 52.5 | 52.5 | 52.9 | 52.5 | 53.5 | 53.5 | 55.6 | |
| **South-East Asia** | **57.9** | **59.3** | **60.8** | **61.0** | **62.2** | **60.8** | **61.4** | **62.2** | **62.5** | **63.1** | **63.6** | **64.3** | |
| Brunei Darussalam | 78.6 | | | 87.3 | 84.0 | 87.9 | 88.1 | | 90.0 | | | | |
| Cambodia | | | 52.3 | 50.4 | 53.7 | 50.6 | 50.5 | | | | 56.4 | | |
| Indonesia | 56.0 | 57.6 | 60.1 | 59.3 | 60.5 | 63.0 | 62.9 | 66.4 | 66.8 | 67.4 | 69.6 | 68.7 | 70.5 |
| Lao PDR | | | | | | | | | | | | | |
| Malaysia | 55.5 | 56.4 | 59.0 | 58.2 | 59.9 | 60.8 | 60.9 | 61.5 | 60.9 | 62.6 | 64.5 | 66.1 | |
| Myanmar | | | | | | | | | | | | | |
| Philippines | 46.9 | 48.0 | 48.3 | 49.9 | 51.5 | 55.5 | 57.7 | 57.6 | 57.4 | 58.0 | 58.6 | 59.1 | |
| Singapore | 64.9 | 66.2 | 66.4 | 67.7 | 68.9 | 62.1 | 62.4 | 62.7 | 63.4 | 63.8 | 63.1 | 63.6 | |
| Thailand | 50.6 | 51.9 | 54.1 | 53.5 | 56.3 | 58.1 | 59.2 | 60.3 | 59.8 | 61.2 | 60.2 | 62.3 | 63.9 |
| Timor-Leste | | | | | | | 85.2 | 86.8 | | | | | |
| Viet Nam | 45.1 | 63.8 | 67.5 | 64.3 | 62.3 | 60.6 | 62.1 | 63.7 | 63.3 | 63.1 | 63.8 | 62.8 | |
| **South and South-West Asia** | **30.4** | **29.8** | **28.8** | **30.1** | **29.3** | **32.0** | **30.7** | **31.9** | **33.6** | **35.4** | **35.0** | **36.6** | |
| Afghanistan | | | | | | | | | | | 79.7 | 91.2 | |
| Bangladesh | 44.8 | | 44.9 | 47.7 | 44.1 | 45.2 | 44.8 | 42.8 | 43.4 | 42.5 | | | |
| Bhutan | 95.1 | 100.2 | | | | | | 94.7 | 96.9 | 97.4 | 96.7 | 95.9 | |
| India | 32.2 | 31.9 | 28.5 | 29.2 | 30.2 | 32.5 | 32.7 | 32.3 | 35.2 | 36.9 | 35.6 | 36.9 | |
| Iran (Islamic Rep. of) | 20.8 | 16.2 | 27.1 | 29.7 | 26.0 | 29.9 | 27.8 | 32.4 | 30.6 | | | | |
| Maldives | 67.1 | 67.1 | 70.3 | 69.1 | 69.4 | 70.1 | 64.6 | 62.0 | 65.0 | 66.6 | 61.4 | | |
| Nepal | 66.6 | 71.4 | 65.1 | | | 79.2 | | | | | | 82.1 | |
| Pakistan | 34.2 | 32.9 | 31.4 | 30.0 | 30.7 | 31.9 | 31.6 | 33.7 | 33.4 | 34.5 | 34.7 | 37.0 | |
| Sri Lanka | | 42.2 | | 43.0 | 43.1 | 47.7 | 49.5 | 49.2 | 51.1 | 52.4 | 53.4 | 50.4 | 54.8 |
| Turkey | 19.2 | 18.0 | 19.4 | 19.3 | 18.9 | 20.0 | 21.0 | 23.9 | 26.6 | 28.3 | 29.6 | 28.2 | |
| **North and Central Asia** | **28.2** | **26.0** | **28.7** | **26.1** | **26.0** | **27.1** | **27.7** | **27.1** | **28.3** | **30.7** | **29.8** | **30.7** | **28.6** |
| Armenia | | 39.5 | 33.3 | 35.1 | 31.7 | 25.8 | 25.4 | 26.4 | 35.7 | 42.9 | 47.8 | 49.6 | 48.8 |
| Azerbaijan | 59.4 | 45.4 | 32.3 | 28.6 | 34.6 | 36.1 | 41.1 | 46.7 | 39.4 | 53.0 | 21.1 | 30.5 | |
| Georgia | 43.9 | 50.9 | 51.5 | 50.8 | 49.8 | 45.8 | 49.1 | 49.7 | 49.5 | 45.4 | 46.6 | | |
| Kazakhstan | 52.1 | 43.1 | 46.0 | 46.2 | 44.0 | 45.2 | 43.2 | 39.4 | 41.6 | 45.1 | 41.3 | 41.3 | |
| Kyrgyzstan | 60.8 | 55.9 | 62.1 | 58.0 | 60.9 | 59.3 | 63.8 | 67.6 | 72.2 | 76.5 | 71.2 | 70.3 | 66.2 |
| Russian Federation | 18.4 | 18.1 | 19.0 | 20.0 | 20.3 | 21.6 | 22.0 | 22.1 | 23.0 | 24.4 | 26.3 | 27.0 | 27.6 |
| Tajikistan | | | 63.0 | | | | | | | | | | |
| Turkmenistan | 56.5 | 46.6 | 59.2 | | | | | | | | | | |
| Uzbekistan | | | | | | | | | | | | | |
| **Pacific island economies** | **48.5** | **51.3** | **54.4** | **55.4** | **56.0** | **56.2** | **58.2** | **60.2** | **61.0** | **61.4** | **62.8** | **65.3** | **67.5** |
| American Samoa | | | | | | | | | | | | | |
| Australia | 47.5 | 50.3 | 54.7 | 55.3 | 55.5 | 56.0 | 58.3 | 60.4 | 61.2 | 61.3 | 63.2 | 65.8 | 68.1 |
| Cook Islands | | | | 95.4 | 97.0 | 93.4 | 84.8 | 97.6 | | 97.3 | | | |
| Fiji | | | 50.2 | 70.7 | 78.6 | 73.3 | 77.3 | 82.5 | 78.6 | 82.6 | 77.8 | 81.9 | |
| French Polynesia | 29.1 | 34.9 | 37.9 | 37.9 | 33.0 | 34.8 | 40.0 | 40.5 | 43.5 | 45.1 | 43.4 | 43.1 | 45.6 |
| Guam | | | | | | | | | | | | | |
| Kiribati | 97.0 | 97.7 | | | | | 95.6 | 91.3 | | | | 82.9 | |
| Marshall Islands | | | | | | | | | | | | | |
| Micronesia (F.S.) | | | | | | | | | | | | | |
| Nauru | | | | | | | | | | | | | |
| New Caledonia | | 38.0 | 41.1 | 38.6 | 38.8 | 35.8 | 41.9 | 45.7 | 44.2 | 47.4 | 44.3 | | |
| New Zealand | 54.0 | 55.9 | 55.3 | 55.6 | 56.6 | 57.3 | 57.8 | 57.9 | 59.0 | 60.7 | 60.7 | 61.6 | 64.2 |
| Niue | | | | | | | | | | | | | |
| Northern Mariana Islands | | | | | | | | | | | | | |
| Palau | | | | | | | | | | | | | |
| Papua New Guinea | 43.6 | | 38.5 | 51.4 | 64.2 | 50.8 | 50.2 | | | | | | |
| Samoa | | | | 84.9 | 86.6 | 85.7 | 86.1 | 86.7 | 87.5 | 88.7 | 86.3 | 86.4 | 88.6 |
| Solomon Islands | | | | | 77.1 | 75.2 | 72.2 | 93.3 | 89.2 | 93.5 | | | |
| Tonga | | | 90.5 | 92.1 | 84.0 | 84.4 | 88.4 | 88.2 | 87.3 | 86.9 | | | |
| Tuvalu | 94.8 | 95.1 | | 89.6 | 97.7 | | 98.2 | 97.6 | 95.1 | | 89.0 | | |
| Vanuatu | | | 87.3 | | | | | | 83.5 | 87.8 | | | |
| **Developing economies** | **53.6** | **54.5** | **55.1** | **55.2** | **56.1** | **55.8** | **55.6** | **55.4** | **55.1** | **55.4** | **54.5** | **55.6** | |
| **Developed economies** | **39.0** | **41.0** | **43.4** | **44.8** | **46.3** | **48.4** | **49.9** | **50.6** | **50.5** | **51.6** | **52.9** | **55.9** | **57.7** |
| **All economies** | **50.0** | **51.0** | **52.1** | **52.6** | **53.7** | **54.1** | **54.3** | **54.4** | **54.1** | **54.6** | **54.2** | **55.7** | |

## Table 4.1. Relative dependence on exports to developed markets

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **East and North-East Asia** | **3.4** | **3.1** | **3.2** | **3.0** | **3.1** | **3.0** | **3.1** | **3.1** | **2.8** | **2.6** | **2.4** | |
| China | 7.9 | 7.1 | 7.1 | 6.5 | 6.7 | 6.3 | 6.1 | 5.7 | 4.9 | 4.5 | 4.1 | |
| DPR Korea | | | | | | | | | | | | |
| Hong Kong, China | 1.1 | 1.1 | 1.0 | 0.9 | 0.8 | 0.7 | 0.7 | 0.6 | 0.6 | 0.5 | 0.5 | |
| Japan | 2.6 | 2.2 | 2.2 | 1.9 | 1.6 | 1.5 | 1.4 | 1.4 | 1.2 | 1.1 | 0.9 | 0.8 |
| Macao, China | 7.1 | 6.6 | 5.7 | 4.3 | 4.8 | 4.7 | 4.0 | 4.0 | 3.5 | 3.4 | 1.4 | 1.1 |
| Mongolia | 0.5 | 0.5 | 0.7 | 0.7 | 0.6 | 0.8 | 0.6 | 0.2 | 0.1 | | | |
| Republic of Korea | 2.1 | 2.1 | 1.9 | 1.7 | 1.4 | 1.3 | 1.2 | 1.1 | 1.0 | 0.9 | 0.8 | |
| **South-East Asia** | **2.0** | **1.8** | **1.8** | **1.7** | **1.4** | **1.4** | **1.1** | **1.1** | **1.0** | **1.0** | **0.9** | |
| Brunei Darussalam | | | 1.9 | 1.7 | 1.7 | 1.7 | | 1.2 | | | | |
| Cambodia | | 9.8 | 13.0 | 13.0 | 14.5 | 20.1 | | | | 8.3 | | |
| Indonesia | 2.2 | 2.2 | 2.3 | 2.0 | 1.8 | 1.7 | 1.5 | 1.5 | 1.3 | 1.2 | 1.0 | 1.0 |
| Lao PDR | | | | | | | | | | | | |
| Malaysia | 1.7 | 1.5 | 1.5 | 1.3 | 1.3 | 1.2 | 1.2 | 1.1 | 1.0 | 0.9 | 0.8 | |
| Myanmar | | | | | | | | | | | | |
| Philippines | 3.9 | 3.6 | 3.5 | 2.9 | 2.2 | 2.3 | 1.9 | 2.0 | 1.7 | 1.9 | 2.3 | |
| Singapore | 1.4 | 1.2 | 1.1 | 1.0 | 0.8 | 0.7 | 0.7 | 0.6 | 0.5 | 0.5 | 0.5 | |
| Thailand | 2.4 | 2.2 | 2.1 | 1.9 | 1.6 | 1.5 | 1.4 | 1.3 | 1.2 | 1.1 | 1.0 | 0.9 |
| Timor-Leste | | | | | | 8.2 | 10.6 | | | | | |
| Viet Nam | 1.7 | 1.5 | 1.7 | 2.1 | 2.2 | 1.9 | 1.7 | 2.1 | 2.1 | 2.0 | 1.9 | |
| **South and South-West Asia** | **17.6** | **22.4** | **19.0** | **16.2** | **15.3** | **20.3** | **18.6** | **13.9** | **13.1** | **9.2** | **7.0** | |
| Afghanistan | | | | | | | | | | 0.2 | 0.3 | |
| Bangladesh | | 25.8 | 32.6 | 36.9 | 34.1 | 23.5 | 16.2 | 7.3 | 10.2 | | | |
| Bhutan | 0.0 | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| India | 7.1 | 6.3 | 4.8 | 3.9 | 3.5 | 2.7 | 2.4 | 2.3 | 2.4 | 2.2 | 2.1 | |
| Iran (Islamic Rep. of) | 2.7 | 24.0 | 17.8 | 15.5 | 17.8 | 18.0 | 21.6 | 12.3 | | | | |
| Maldives | 2.9 | 6.4 | 4.9 | 3.5 | 2.3 | 1.7 | 1.6 | 1.3 | 0.8 | 0.7 | | |
| Nepal | 1.5 | 1.1 | | | 0.7 | | | | | | 0.3 | |
| Pakistan | 8.6 | 7.6 | 7.7 | 8.5 | 8.4 | 9.1 | 7.5 | 7.6 | 6.6 | 5.5 | 4.3 | |
| Sri Lanka | 19.7 | | 17.4 | 11.0 | 9.5 | 7.1 | 5.5 | 6.3 | 6.4 | 7.0 | 6.8 | 4.7 |
| Turkey | 46.2 | 50.3 | 41.0 | 33.9 | 28.4 | 46.3 | 42.3 | 34.4 | 29.6 | 19.7 | 16.1 | |
| **North and Central Asia** | **13.2** | **10.5** | **19.0** | **11.6** | **7.3** | **7.0** | **8.3** | **9.9** | **8.2** | **8.7** | **6.3** | |
| Armenia | 1 346.3 | 154.1 | 806.8 | 55.1 | 45.3 | 14.7 | 44.5 | 168.0 | 42.8 | 68.9 | 15.1 | 14.7 |
| Azerbaijan | 176.0 | 93.0 | 455.6 | 314.6 | 88.2 | 11.8 | 10.2 | 49.0 | 3.4 | 7.4 | 5.6 | |
| Georgia | 44.2 | 37.4 | 12.2 | 21.5 | 10.9 | 10.7 | 26.0 | 14.5 | 21.8 | 22.5 | | |
| Kazakhstan | 2.9 | 3.1 | 3.4 | 2.1 | 1.5 | 3.5 | 4.8 | 4.9 | 3.5 | 4.0 | 3.6 | |
| Kyrgyzstan | 6.5 | 4.3 | 6.5 | 1.4 | 1.7 | 0.9 | 0.9 | 1.0 | 1.3 | 4.4 | 1.9 | 5.8 |
| Russian Federation | 7.6 | 8.5 | 7.7 | 6.1 | 6.1 | 7.3 | 8.5 | 9.2 | 8.8 | 9.4 | 6.7 | 6.6 |
| Tajikistan | | | | | | | | | | | | |
| Turkmenistan | 14.5 | 47.6 | | | | | | | | | | |
| Uzbekistan | | | | | | | | | | | | |
| **Pacific island economies** | **3.5** | **3.5** | **4.1** | **12.0** | **2.9** | **2.1** | **1.8** | **1.7** | **1.4** | **1.4** | **0.9** | **0.8** |
| American Samoa | | | | | | | | | | | | |
| Australia | 2.1 | 2.0 | 2.0 | 1.9 | 1.8 | 1.5 | 1.4 | 1.3 | 1.2 | 1.3 | 0.8 | 0.7 |
| Cook Islands | | 41.6 | 235.3 | 131.0 | 26.6 | 3.6 | 1.2 | | | 1.8 | | |
| Fiji | | 94.5 | 100.3 | 24.0 | 41.0 | 31.5 | 1.7 | 27.5 | 1.8 | 3.0 | 1.8 | |
| French Polynesia | 194.6 | 116.2 | 75.0 | 50.1 | 6.3 | 8.1 | 10.4 | 18.1 | 16.0 | 12.5 | 17.4 | 11.6 |
| Guam | | | | | | | | | | | | |
| Kiribati | | | | | | | 0.0 | | | | | |
| Marshall Islands | | | | | | | | | | | | |
| Micronesia (F.S.) | | | | | | | | | | | | |
| Nauru | | | | | | | | | | | | |
| New Caledonia | 64.2 | 50.3 | 60.6 | 41.4 | 20.9 | 8.4 | 7.5 | 4.9 | 4.9 | 11.2 | | |
| New Zealand | 4.0 | 3.5 | 3.0 | 3.2 | 3.1 | 2.9 | 3.0 | 2.6 | 2.1 | 1.7 | 1.4 | 1.2 |
| Niue | | | | | | | | | | | | |
| Northern Mariana Islands | | | | | | | | | | | | |
| Palau | | | | | | | | | | | | |
| Papua New Guinea | | 0.9 | 0.9 | 5.0 | 2.8 | 1.7 | | | | | | |
| Samoa | | | 78.1 | 10 620.5 | 448.3 | 69.9 | 29.8 | 37.2 | 28.9 | 13.7 | 4.9 | 1.5 |
| Solomon Islands | | | | 0.1 | 0.1 | 0.2 | 0.2 | 0.3 | 0.3 | | | |
| Tonga | | 97.7 | 9 742.8 | 597.2 | 305.3 | 163.9 | 667.3 | 210.9 | 27.3 | | | |
| Tuvalu | | | | | | | | | | | | |
| Vanuatu | | 7.2 | | | | | | 1.2 | 1.1 | | | |
| **Developing economies** | **5.4** | **5.5** | **6.2** | **5.6** | **4.7** | **5.1** | **5.2** | **4.8** | **4.2** | **4.0** | **3.1** | |
| **Developed economies** | **2.6** | **2.2** | **2.2** | **1.9** | **1.7** | **1.5** | **1.4** | **1.4** | **1.3** | **1.1** | **0.9** | **0.8** |
| **All economies** | **4.5** | **4.5** | **5.1** | **4.7** | **3.9** | **4.3** | **4.4** | **4.1** | **3.6** | **3.4** | **2.7** | |

## Table 4.2. Relative dependence on imports from developed markets

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **East and North-East Asia** | **2.1** | **1.6** | **1.6** | **1.4** | **1.4** | **1.3** | **1.1** | **1.1** | **1.1** | **1.1** | **1.1** | |
| China | 5.0 | 3.1 | 3.1 | 2.5 | 2.1 | 1.9 | 1.6 | 1.5 | 1.5 | 1.6 | 1.6 | |
| DPR Korea | | | | | | | | | | | | |
| Hong Kong, China | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | |
| Japan | 1.2 | 1.0 | 1.0 | 0.9 | 0.8 | 0.7 | 0.7 | 0.6 | 0.6 | 0.6 | 0.6 | 0.5 |
| Macao, China | 0.6 | 0.5 | 0.5 | 0.6 | 0.5 | 0.5 | 0.6 | 0.5 | 0.6 | 0.7 | 1.0 | 1.0 |
| Mongolia | 2.5 | 1.4 | 1.1 | | 1.0 | 0.9 | 0.7 | 0.6 | 0.5 | | | |
| Republic of Korea | 2.8 | 2.4 | 2.1 | 2.0 | 2.0 | 1.8 | 1.6 | 1.4 | 1.3 | 1.1 | 1.2 | |
| **South-East Asia** | **1.8** | **1.6** | **1.6** | **1.4** | **1.3** | **1.1** | **1.0** | **0.9** | **0.9** | **0.8** | **0.8** | |
| Brunei Darussalam | | | 0.6 | 1.0 | 0.6 | 0.6 | | 0.6 | | | | |
| Cambodia | | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 | | | | 0.2 | | |
| Indonesia | 1.5 | 1.4 | 1.5 | 1.1 | 0.9 | 0.9 | 0.7 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| Lao PDR | | | | | | | | | | | | |
| Malaysia | 1.8 | 1.7 | 1.7 | 1.5 | 1.3 | 1.2 | 1.0 | 1.0 | 0.9 | 0.9 | 0.9 | |
| Myanmar | | | | | | | | | | | | |
| Philippines | 2.7 | 2.5 | 2.5 | 2.5 | 2.2 | 1.7 | 1.7 | 1.4 | 1.1 | 1.0 | 0.9 | |
| Singapore | 1.6 | 1.4 | 1.3 | 1.1 | 1.0 | 0.9 | 0.9 | 0.8 | 0.8 | 0.9 | 0.9 | |
| Thailand | 2.3 | 1.9 | 1.9 | 1.6 | 1.6 | 1.5 | 1.3 | 1.1 | 1.1 | 1.1 | 1.0 | 1.1 |
| Timor-Leste | | | | | | 0.1 | 0.2 | | | | | |
| Viet Nam | 0.8 | 0.7 | 0.7 | 0.7 | 0.7 | 0.6 | 0.5 | 0.4 | 0.4 | 0.4 | 0.4 | |
| **South and South-West Asia** | **6.8** | **6.4** | **5.4** | **5.1** | **4.3** | **3.9** | **3.2** | **2.4** | **2.2** | **2.1** | **1.9** | |
| Afghanistan | | | | | | | | | | 0.7 | 1.1 | |
| Bangladesh | | 0.5 | 0.5 | 0.5 | 0.4 | 0.6 | 0.5 | 0.5 | 0.4 | | | |
| Bhutan | 0.1 | | | | | | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | |
| India | 2.7 | 2.8 | 2.5 | 2.5 | 2.1 | 1.8 | 1.7 | 1.4 | 1.1 | 1.3 | 1.1 | |
| Iran (Islamic Rep. of) | 4.4 | 3.8 | 4.3 | 4.5 | 3.3 | 3.7 | 3.7 | 1.1 | | | | |
| Maldives | 0.4 | 0.3 | 0.3 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 | 0.3 | | |
| Nepal | 0.1 | 0.2 | | | 0.1 | | | | | | 0.1 | |
| Pakistan | 1.8 | 1.6 | 1.5 | 1.5 | 1.4 | 1.4 | 1.4 | 1.3 | 1.0 | 0.9 | 1.0 | |
| Sri Lanka | 1.0 | | 0.8 | 0.7 | 0.7 | 0.6 | 0.5 | 0.5 | 0.4 | 0.4 | 0.4 | 0.4 |
| Turkey | 14.8 | 12.6 | 11.9 | 10.4 | 8.6 | 7.2 | 5.6 | 4.7 | 4.0 | 3.9 | 3.7 | |
| **North and Central Asia** | **10.0** | **10.1** | **9.2** | **7.1** | **6.8** | **6.4** | **5.4** | **4.6** | **3.6** | **3.4** | **3.1** | |
| Armenia | 38.4 | 52.8 | 41.5 | 18.0 | 35.3 | 22.9 | 16.3 | 4.8 | 4.5 | 2.9 | 2.5 | 2.1 |
| Azerbaijan | 5.8 | 7.9 | 9.4 | 5.0 | 4.3 | 4.4 | 2.3 | 6.7 | 5.7 | 3.7 | 3.4 | |
| Georgia | 35.5 | 30.9 | 37.5 | 23.0 | 16.6 | 19.0 | 14.7 | 9.7 | 6.4 | 5.3 | | |
| Kazakhstan | 12.5 | 7.6 | 9.4 | 6.3 | 4.5 | 4.9 | 4.2 | 3.6 | 2.8 | 2.3 | 2.4 | |
| Kyrgyzstan | 4.4 | 3.2 | 1.8 | 2.2 | 1.9 | 2.0 | 1.8 | 1.3 | 0.9 | 1.1 | 0.7 | 0.8 |
| Russian Federation | 8.5 | 9.1 | 8.1 | 6.9 | 6.5 | 6.2 | 5.4 | 4.5 | 3.6 | 3.5 | 3.3 | 2.4 |
| Tajikistan | | | | | | | | | | | | |
| Turkmenistan | 15.3 | 13.9 | | | | | | | | | | |
| Uzbekistan | | | | | | | | | | | | |
| **Pacific island economies** | **3.0** | **2.7** | **2.4** | **2.3** | **2.1** | **1.8** | **1.6** | **1.3** | **1.2** | **1.1** | **1.1** | **1.0** |
| American Samoa | | | | | | | | | | | | |
| Australia | 2.7 | 2.5 | 2.2 | 2.1 | 1.9 | 1.7 | 1.5 | 1.3 | 1.2 | 1.1 | 1.0 | 1.0 |
| Cook Islands | | | 1.5 | 1.2 | 2.6 | 1.6 | 0.9 | | 0.3 | | | |
| Fiji | | 0.9 | 0.9 | 0.7 | 1.0 | 0.5 | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 | |
| French Polynesia | 11.6 | 8.9 | 8.5 | 10.7 | 8.7 | 4.7 | 3.0 | 2.4 | 2.3 | 2.2 | 2.4 | 2.0 |
| Guam | | | | | | | | | | | | |
| Kiribati | 2.5 | | | | | 0.8 | 2.9 | | | | 1.5 | |
| Marshall Islands | | | | | | | | | | | | |
| Micronesia (F.S.) | | | | | | | | | | | | |
| Nauru | | | | | | | | | | | | |
| New Caledonia | 7.3 | 5.4 | 5.6 | 4.0 | 4.7 | 3.4 | 2.3 | 2.2 | 1.8 | 1.7 | | |
| New Zealand | 3.7 | 3.3 | 2.8 | 2.6 | 2.4 | 2.1 | 1.8 | 1.4 | 1.3 | 1.1 | 1.2 | 1.0 |
| Niue | | | | | | | | | | | | |
| Northern Mariana Islands | | | | | | | | | | | | |
| Palau | | | | | | | | | | | | |
| Papua New Guinea | | 1.3 | 1.1 | 1.4 | 0.8 | 0.9 | | | | | | |
| Samoa | | | 6.8 | 4.8 | 2.5 | 1.6 | 1.7 | 1.4 | 0.9 | 0.9 | 1.0 | 1.3 |
| Solomon Islands | | | | 0.4 | 0.3 | 0.5 | 0.5 | 0.5 | 0.2 | | | |
| Tonga | | 3.5 | 5.3 | 3.4 | 2.6 | 1.0 | 1.3 | 1.4 | 0.4 | | | |
| Tuvalu | 1.7 | | 1.4 | 1.5 | | 0.6 | 0.3 | 0.1 | | 1.9 | | |
| Vanuatu | | 1.8 | | | | | | 0.7 | 0.4 | | | |
| **Developing economies** | **3.3** | **2.7** | **2.6** | **2.3** | **2.1** | **2.0** | **1.7** | **1.5** | **1.5** | **1.5** | **1.4** | |
| **Developed economies** | **1.6** | **1.3** | **1.2** | **1.2** | **1.1** | **1.0** | **0.9** | **0.8** | **0.8** | **0.7** | **0.7** | **0.6** |
| **All economies** | **2.8** | **2.3** | **2.2** | **2.0** | **1.9** | **1.8** | **1.5** | **1.4** | **1.3** | **1.3** | **1.3** | |

## Table 4.3 Relative dependence on trade with developed markets

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **East and North-East Asia** | **2.9** | **2.6** | **2.7** | **2.5** | **2.6** | **2.5** | **2.4** | **2.3** | **2.0** | **1.9** | **1.8** | |
| China | 6.9 | 6.1 | 6.1 | 5.6 | 5.8 | 5.3 | 4.8 | 4.4 | 3.8 | 3.5 | 3.3 | |
| DPR of Korea | | | | | | | | | | | | |
| Hong Kong, China | 0.9 | 0.9 | 0.8 | 0.7 | 0.7 | 0.6 | 0.6 | 0.5 | 0.5 | 0.5 | 0.5 | |
| Japan | 2.0 | 1.7 | 1.7 | 1.5 | 1.3 | 1.1 | 1.1 | 1.1 | 1.0 | 0.8 | 0.7 | 0.6 |
| Macao, China | 4.6 | 4.1 | 3.8 | 3.0 | 3.3 | 3.4 | 3.4 | 3.5 | 3.7 | 4.5 | 5.2 | 8.0 |
| Mongolia | 0.7 | 0.6 | 0.7 | | 0.6 | 0.7 | 0.5 | 0.2 | 0.2 | | | |
| Republic of Korea | 2.0 | 2.0 | 1.9 | 1.6 | 1.4 | 1.3 | 1.2 | 1.1 | 1.0 | 0.9 | 0.8 | |
| **South-East Asia** | **1.7** | **1.6** | **1.6** | **1.5** | **1.3** | **1.2** | **1.0** | **1.0** | **0.9** | **0.9** | **0.9** | |
| Brunei Darussalam | | | 1.1 | 1.2 | 1.0 | 1.0 | | 0.7 | | | | |
| Cambodia | | 5.8 | 7.5 | 7.3 | 8.0 | 11.1 | | | | 4.8 | | |
| Indonesia | 1.5 | 1.5 | 1.6 | 1.4 | 1.2 | 1.2 | 1.1 | 1.0 | 0.9 | 1.0 | 0.8 | 0.8 |
| Lao PDR | | | | | | | | | | | | |
| Malaysia | 1.5 | 1.4 | 1.4 | 1.3 | 1.2 | 1.1 | 1.0 | 1.0 | 0.9 | 0.8 | 0.7 | |
| Myanmar | | | | | | | | | | | | |
| Philippines | 3.4 | 3.1 | 3.2 | 3.0 | 2.3 | 2.2 | 1.9 | 1.8 | 1.6 | 1.7 | 2.0 | |
| Singapore | 1.4 | 1.2 | 1.2 | 1.0 | 0.8 | 0.7 | 0.7 | 0.6 | 0.6 | 0.6 | 0.6 | |
| Thailand | 2.1 | 2.0 | 2.0 | 1.8 | 1.5 | 1.4 | 1.3 | 1.2 | 1.1 | 1.0 | 0.9 | 0.9 |
| Timor-Leste | | | | | | 4.8 | 10.6 | | | | | |
| Viet Nam | 1.4 | 1.2 | 1.4 | 1.6 | 1.8 | 1.5 | 1.3 | 1.5 | 1.6 | 1.5 | 1.4 | |
| **South and South-West Asia** | **18.2** | **23.6** | **16.5** | **15.0** | **13.6** | **18.7** | **16.9** | **12.9** | **12.3** | **9.1** | **6.6** | |
| Afghanistan | | | | | | | | | | 1.8 | 3.7 | |
| Bangladesh | | 17.1 | 22.3 | 25.0 | 22.7 | 16.2 | 10.9 | 4.9 | 6.7 | | | |
| Bhutan | 0.0 | | | | | | 0.1 | 0.0 | 0.0 | 0.1 | 0.0 | |
| India | 6.7 | 5.5 | 4.2 | 3.5 | 3.1 | 2.5 | 2.2 | 2.3 | 2.3 | 2.4 | 2.1 | |
| Iran (Islamic Rep. of) | 9.5 | 19.2 | 16.3 | 16.1 | 16.9 | 17.4 | 17.1 | 7.2 | | | | |
| Maldives | 4.6 | 6.9 | 5.8 | 3.8 | 2.4 | 1.8 | 2.7 | 2.3 | 1.9 | 2.0 | | |
| Nepal | 1.1 | 0.8 | | | 0.6 | | | | | | 0.4 | |
| Pakistan | 7.2 | 6.0 | 6.1 | 6.9 | 6.8 | 7.9 | 7.1 | 7.5 | 6.7 | 5.7 | 4.4 | |
| Sri Lanka | 14.7 | | 12.4 | 8.0 | 7.2 | 5.4 | 4.0 | 4.6 | 4.5 | 5.2 | 4.7 | 3.5 |
| Turkey | 57.3 | 69.9 | 44.3 | 38.3 | 32.4 | 53.8 | 48.6 | 39.1 | 32.9 | 22.8 | 18.8 | |
| **North and Central Asia** | **54.1** | **13.1** | **29.3** | **12.1** | **7.1** | **5.4** | **6.7** | **9.2** | **7.3** | **8.1** | **5.0** | **5.4** |
| Armenia | 2 678.6 | 300.3 | 1 408.8 | 69.9 | 61.3 | 20.3 | 52.6 | 210.6 | 63.0 | 115.4 | 27.4 | 21.5 |
| Azerbaijan | 154.5 | 63.5 | 311.8 | 213.2 | 70.7 | 10.2 | 8.4 | 37.6 | 3.7 | 4.0 | 3.5 | |
| Georgia | 107.7 | 82.3 | 34.5 | 55.5 | 34.9 | 32.2 | 59.6 | 38.6 | 54.8 | 62.7 | | |
| Kazakhstan | 2.7 | 2.6 | 3.3 | 2.2 | 1.6 | 2.8 | 3.6 | 3.6 | 2.7 | 2.7 | 2.6 | |
| Kyrgyzstan | 6.3 | 3.7 | 5.6 | 2.4 | 4.1 | 2.7 | 3.2 | 4.3 | 3.4 | 11.5 | 12.6 | 12.7 |
| Russian Federation | 5.2 | 5.4 | 5.3 | 4.3 | 4.3 | 5.1 | 5.8 | 6.4 | 7.0 | 7.1 | 5.2 | 5.1 |
| Tajikistan | | | | | | | | | | | | |
| Turkmenistan | 21.9 | 45.1 | | | | | | | | | | |
| Uzbekistan | | | | | | | | | | | | |
| **Pacific island economies** | **6.5** | **5.3** | **21.0** | **60.7** | **5.1** | **3.2** | **3.2** | **3.0** | **2.3** | **2.1** | **1.5** | **1.1** |
| American Samoa | | | | | | | | | | | | |
| Australia | 3.0 | 2.4 | 2.2 | 2.3 | 2.3 | 1.9 | 1.6 | 1.5 | 1.4 | 1.3 | 0.9 | 0.8 |
| Cook Islands | | | 213.9 | 123.0 | 26.9 | 3.7 | 1.7 | | | | | |
| Fiji | | 64.2 | 72.3 | 17.3 | 34.9 | 25.0 | 1.4 | 24.1 | 1.4 | 2.8 | 1.5 | |
| French Polynesia | 466.3 | 318.0 | 264.4 | 262.5 | 39.9 | 36.4 | 49.8 | 86.1 | 91.3 | 91.9 | 118.5 | 68.6 |
| Guam | | | | | | | | | | | | |
| Kiribati | | | | | | | 139.1 | | | | | |
| Marshall Islands | | | | | | | | | | | | |
| Micronesia (F.S.) | | | | | | | | | | | | |
| Nauru | | | | | | | | | | | | |
| New Caledonia | 113.1 | 60.5 | 95.8 | 71.5 | 35.4 | 12.4 | 9.8 | 6.4 | 5.3 | 13.6 | | |
| New Zealand | 4.6 | 3.7 | 3.1 | 3.4 | 3.4 | 3.2 | 3.3 | 2.8 | 2.3 | 1.9 | 1.6 | 1.3 |
| Niue | | | | | | | | | | | | |
| Northern Mariana Islands | | | | | | | | | | | | |
| Palau | | | | | | | | | | | | |
| Papua New Guinea | | 0.9 | 0.9 | 7.2 | 2.1 | 1.3 | | | | | | |
| Samoa | | | 112.8 | 30 053.8 | 865.0 | 237.7 | 144.1 | 332.4 | 250.4 | 214.6 | 54.7 | 24.0 |
| Solomon Islands | | | | 0.2 | 0.1 | 0.2 | 0.3 | 0.4 | 0.3 | | | |
| Tonga | | 134.8 | 18 642.0 | 736.5 | 281.8 | 182.5 | 989.7 | 367.7 | 85.6 | | | |
| Tuvalu | | | | | | | | | | | | |
| Vanuatu | | 8.7 | | | | | | 2.4 | 2.2 | | | |
| **Developing economies** | **5.2** | **4.1** | **5.6** | **7.6** | **3.5** | **3.7** | **3.6** | **3.4** | **3.0** | **2.8** | **2.3** | |
| **Developed economies** | **2.3** | **1.9** | **1.9** | **1.7** | **1.5** | **1.4** | **1.3** | **1.2** | **1.1** | **1.0** | **0.8** | **0.7** |
| **All economies** | **4.4** | **3.5** | **4.6** | **6.2** | **3.1** | **3.1** | **3.1** | **2.9** | **2.6** | **2.4** | **2.0** | |

## Table 5. Normalized trade balance

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **East and North-East Asia** | **0.1** | **0.1** | **0.0** | **0.1** | **0.0** | **0.1** | **0.1** | **0.1** | **0.1** | **0.0** | **0.1** | **0.0** |
| China | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| DPR Korea | -0.3 | -0.4 | -0.4 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.2 | -0.2 |
| Hong Kong, China | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Japan | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 | 0.1 |
| Macao, China | 0.0 | 0.0 | -0.1 | -0.1 | -0.1 | -0.2 | -0.3 | -0.3 | -0.4 | -0.5 | -0.7 | -0.7 |
| Mongolia | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | 0.0 | -0.1 | -0.2 | -0.1 | -0.1 |
| Republic of Korea | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 |
| **South-East Asia** | **0.1** | **0.1** | **0.1** | **0.1** | **0.1** | **0.1** | **0.0** | **0.1** | **0.1** | **0.0** | **0.1** | **0.1** |
| Brunei Darussalam | 0.3 | 0.6 | 0.5 | 0.4 | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.5 | 0.5 |
| Cambodia | -0.2 | -0.2 | -0.2 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.2 | -0.2 | -0.2 |
| Indonesia | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | 0.1 | 0.1 |
| Lao PDR | -0.3 | -0.2 | -0.2 | -0.2 | -0.2 | -0.3 | -0.2 | -0.1 | -0.1 | -0.1 | -0.2 | -0.1 |
| Malaysia | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Myanmar | -0.3 | -0.2 | -0.1 | 0.1 | 0.1 | 0.0 | 0.3 | 0.3 | 0.3 | 0.2 | 0.2 | 0.3 |
| Philippines | 0.1 | 0.0 | 0.0 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 |
| Singapore | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 | 0.1 |
| Thailand | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 |
| Timor-Leste | | | | | -0.9 | -0.9 | -0.9 | -0.8 | -0.9 | -0.9 | -0.9 | -1.0 |
| Viet Nam | 0.0 | 0.0 | 0.0 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 |
| **South and South-West Asia** | **-0.1** | **-0.1** | **-0.1** | **-0.1** | **-0.1** | **-0.1** | **-0.1** | **-0.1** | **-0.1** | **-0.2** | **-0.1** | **-0.2** |
| Afghanistan | -0.7 | -0.8 | -0.9 | -0.9 | -0.9 | -0.8 | -0.7 | -0.7 | -0.7 | -0.7 | -0.8 | -0.8 |
| Bangladesh | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 |
| Bhutan | -0.2 | -0.3 | -0.3 | -0.3 | -0.3 | -0.4 | -0.2 | 0.0 | 0.1 | 0.0 | 0.0 | -0.2 |
| India | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 |
| Iran (Islamic Rep. of) | 0.1 | 0.3 | 0.2 | 0.1 | 0.2 | 0.1 | 0.2 | 0.3 | 0.3 | 0.3 | 0.2 | 0.2 |
| Maldives | -0.6 | -0.6 | -0.6 | -0.5 | -0.5 | -0.6 | -0.6 | -0.6 | -0.7 | -0.6 | -0.7 | -0.7 |
| Nepal | -0.4 | -0.3 | -0.3 | -0.4 | -0.5 | -0.4 | -0.5 | -0.5 | -0.6 | -0.6 | -0.7 | -0.7 |
| Pakistan | -0.1 | -0.1 | 0.0 | -0.1 | 0.0 | -0.1 | -0.2 | -0.3 | -0.3 | -0.4 | -0.3 | -0.3 |
| Sri Lanka | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 |
| Turkey | -0.2 | -0.3 | -0.1 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 |
| **North and Central Asia** | **0.3** | **0.4** | **0.3** | **0.2** | **0.3** | **0.3** | **0.3** | **0.3** | **0.2** | **0.2** | **0.2** | **0.2** |
| Armenia | -0.6 | -0.5 | -0.4 | -0.3 | -0.3 | -0.3 | -0.3 | -0.4 | -0.5 | -0.6 | -0.6 | -0.6 |
| Azerbaijan | -0.1 | 0.2 | 0.2 | 0.1 | 0.0 | 0.0 | 0.3 | 0.4 | 0.6 | 0.6 | 0.5 | 0.6 |
| Georgia | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | -0.5 | -0.5 | -0.6 | -0.6 | -0.6 | -0.6 | -0.5 |
| Kazakhstan | 0.2 | 0.3 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | 0.2 | 0.3 |
| Kyrgyzstan | -0.1 | 0.0 | 0.0 | -0.1 | -0.1 | -0.1 | -0.2 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 |
| Russian Federation | 0.3 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 |
| Tajikistan | 0.0 | 0.1 | 0.0 | 0.0 | -0.1 | -0.1 | -0.2 | -0.1 | -0.3 | -0.4 | -0.4 | -0.4 |
| Turkmenistan | -0.1 | 0.2 | 0.1 | 0.1 | 0.2 | 0.1 | 0.3 | 0.5 | 0.4 | 0.4 | -0.1 | 0.0 |
| Uzbekistan | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 |
| **Pacific island economies** | **-0.1** | **-0.1** | **0.0** | **-0.1** | **-0.1** | **-0.1** | **-0.1** | **-0.1** | **-0.1** | **0.0** | **0.0** | **0.0** |
| American Samoa | -0.1 | -0.2 | -0.2 | -0.1 | -0.2 | -0.2 | -0.2 | -0.1 | -0.2 | -0.1 | -0.1 | -0.1 |
| Australia | -0.1 | -0.1 | 0.0 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | 0.0 | 0.0 | 0.0 |
| Cook Islands | -0.8 | -0.7 | -0.7 | -0.8 | -0.8 | -0.8 | -0.9 | -0.9 | -0.9 | -0.9 | -1.0 | -1.0 |
| Fiji | -0.2 | -0.2 | -0.2 | -0.3 | -0.3 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 |
| French Polynesia | -0.6 | -0.6 | -0.7 | -0.8 | -0.8 | -0.8 | -0.8 | -0.8 | -0.8 | -0.8 | -0.8 | -0.8 |
| Guam | | | | | | | | | | | | |
| Kiribati | -0.6 | -0.8 | -0.8 | -0.9 | -0.9 | -0.9 | -0.9 | -0.8 | -0.8 | -0.6 | -0.5 | -0.7 |
| Marshall Islands | -0.8 | -0.7 | -0.6 | -0.7 | -0.7 | -0.6 | -0.6 | -0.6 | -0.6 | -0.7 | -0.6 | -0.7 |
| Micronesia (F.S.) | -0.7 | -0.7 | -0.6 | -0.6 | -0.6 | -0.8 | -0.8 | -0.8 | -0.7 | -0.7 | -0.7 | -0.7 |
| Nauru | | | | | | | | | | | | |
| New Caledonia | -0.4 | -0.2 | -0.4 | -0.3 | -0.3 | -0.2 | -0.2 | -0.2 | -0.1 | -0.4 | -0.4 | -0.4 |
| New Zealand | -0.1 | 0.0 | 0.0 | 0.0 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | 0.0 | 0.0 |
| Niue | -0.9 | -0.9 | -0.7 | -0.9 | -0.9 | -1.0 | -1.0 | -0.5 | -0.4 | -1.0 | -1.0 | -1.0 |
| Northern Mariana Islands | | | | | | 0.1 | | | | | | |
| Palau | -0.9 | -0.8 | -0.7 | -0.7 | -0.8 | -0.9 | -0.8 | -0.8 | -0.8 | -0.8 | -0.9 | -0.9 |
| Papua New Guinea | 0.2 | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 | 0.3 |
| Samoa | -0.7 | -0.2 | -0.4 | -0.3 | -0.3 | -0.4 | -0.5 | -0.6 | -0.5 | -0.6 | -0.7 | -0.7 |
| Solomon Islands | 0.1 | -0.1 | -0.3 | -0.1 | -0.1 | -0.1 | -0.3 | -0.3 | -0.3 | -0.2 | -0.2 | -0.2 |
| Tonga | -0.7 | -0.8 | -0.8 | -0.7 | -0.7 | -0.8 | -0.8 | -0.8 | -0.9 | -0.9 | -0.9 | -0.9 |
| Tuvalu | -1.0 | -1.0 | -1.0 | -1.0 | -1.0 | -1.0 | -1.0 | -1.0 | -1.0 | -1.0 | -1.0 | -1.0 |
| Vanuatu | -0.6 | -0.5 | -0.6 | -0.6 | -0.6 | -0.5 | -0.6 | -0.6 | -0.6 | -0.7 | -0.7 | -0.7 |
| **Developing economies** | **0.1** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.1** | **0.1** | **0.0** | **0.0** | **0.0** |
| **Developed economies** | **0.1** | **0.1** | **0.1** | **0.1** | **0.1** | **0.1** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **All economies** | **0.1** | **0.1** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.1** | **0.0** | **0.0** | **0.0** |

## Table 6. Trade balance as a share of GDP (percentage)

| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **East and North-East Asia** | **3.3** | **2.5** | **1.9** | **1.2** | **1.8** | **1.8** | **2.2** | **2.4** | **2.9** | **3.8** | **2.6** | **2.1** |
| China | 4.2 | 2.7 | 2.0 | 1.7 | 2.1 | 1.5 | 1.7 | 4.4 | 6.4 | 7.6 | 6.8 | 3.9 |
| DPR Korea | -3.5 | -5.3 | -9.2 | -9.3 | -8.1 | -8.9 | -9.0 | -10.6 | -10.3 | -9.5 | -11.4 | -9.1 |
| Hong Kong, China | -7.1 | -3.9 | -6.7 | -6.6 | -3.7 | -2.9 | -4.4 | -4.5 | -6.9 | -10.0 | -10.6 | -10.8 |
| Japan | 2.8 | 2.5 | 2.1 | 1.3 | 2.0 | 2.1 | 2.4 | 1.7 | 1.6 | 2.1 | 0.4 | 0.6 |
| Macao, China | 3.0 | 2.7 | -1.4 | -8.5 | -9.6 | -8.2 | -12.5 | -17.7 | -18.8 | -18.7 | -18.0 | -17.9 |
| Mongolia | -3.7 | -5.6 | -7.3 | -10.0 | -13.1 | -12.8 | -8.3 | -5.2 | 1.8 | -5.8 | -20.8 | -5.4 |
| Republic of Korea | 10.9 | 5.2 | 2.2 | 1.9 | 1.8 | 2.3 | 4.1 | 2.7 | 1.7 | 1.4 | -1.4 | 4.9 |
| **South-East Asia** | **9.1** | **9.3** | **8.6** | **7.0** | **6.3** | **8.7** | **6.8** | **5.9** | **7.5** | **6.9** | **3.4** | **6.2** |
| Brunei Darussalam | 12.5 | 26.9 | 46.6 | 44.3 | 36.7 | 47.2 | 46.2 | 49.9 | 52.0 | 45.5 | 53.7 | 45.0 |
| Cambodia | -11.7 | -13.2 | -15.0 | -14.9 | -9.2 | -9.5 | -7.4 | -13.3 | -14.8 | -15.6 | -16.0 | -14.6 |
| Indonesia | 14.4 | 11.7 | 13.2 | 12.4 | 10.6 | 9.3 | 6.2 | 4.0 | 6.4 | 5.8 | 2.5 | 5.5 |
| Lao PDR | -14.9 | -15.4 | -12.4 | -11.4 | -8.4 | -6.2 | -14.6 | -12.0 | -5.3 | -3.4 | -5.9 | -7.3 |
| Malaysia | 20.0 | 23.7 | 17.3 | 15.2 | 14.1 | 19.4 | 17.0 | 19.1 | 18.9 | 15.7 | 19.2 | 17.6 |
| Myanmar | -27.3 | -18.1 | -10.4 | -6.5 | 6.7 | 3.9 | 1.8 | 15.8 | 14.6 | 19.0 | 14.8 | 12.6 |
| Philippines | -3.2 | 5.3 | 3.6 | -3.2 | -7.7 | -8.0 | -7.4 | -8.3 | -5.7 | -5.2 | -6.8 | -4.6 |
| Singapore | 9.9 | 4.4 | 3.5 | 6.7 | 9.9 | 25.4 | 22.8 | 24.4 | 23.5 | 21.1 | 9.8 | 13.6 |
| Thailand | 10.3 | 6.6 | 5.8 | 2.6 | 2.7 | 3.2 | 1.1 | -4.1 | 0.5 | 5.6 | -0.5 | 7.1 |
| Timor-Leste | | | | | | -36.3 | -41.0 | -28.9 | -26.2 | -38.4 | -44.9 | -42.6 |
| Viet Nam | -7.9 | -0.7 | -3.7 | -3.6 | -8.7 | -12.9 | -12.1 | -8.2 | -8.5 | -19.9 | -19.9 | -13.8 |
| **South and South-West Asia** | **-3.8** | **-3.1** | **-3.0** | **-1.7** | **-2.7** | **-3.0** | **-4.2** | **-5.2** | **-5.1** | **-5.3** | **-6.8** | **-5.2** |
| Afghanistan | -10.4 | -31.1 | -29.4 | -45.0 | -56.5 | -40.9 | -32.8 | -30.5 | -26.6 | -22.9 | -23.0 | -22.8 |
| Bangladesh | -5.6 | -6.3 | -5.5 | -6.5 | -5.2 | -6.7 | -6.7 | -8.0 | -7.0 | -9.0 | -10.7 | -7.6 |
| Bhutan | -7.1 | -16.1 | -16.4 | -17.8 | -15.7 | -19.2 | -33.0 | -15.9 | -0.6 | 12.4 | -1.8 | -2.7 |
| India | -2.2 | -2.5 | -2.0 | -1.5 | -1.4 | -2.3 | -3.2 | -5.1 | -6.0 | -6.6 | -9.8 | -7.2 |
| Iran (Islamic Rep. of) | -1.1 | 3.5 | 14.3 | 8.1 | 2.8 | 6.4 | 5.7 | 7.9 | 14.9 | 14.0 | 15.2 | 7.9 |
| Maldives | -47.8 | -52.7 | -44.9 | -45.3 | -40.5 | -46.0 | -59.3 | -77.8 | -76.6 | -77.7 | -89.0 | -62.5 |
| Nepal | -15.8 | -15.2 | -13.4 | -12.5 | -14.4 | -16.9 | -16.0 | -17.2 | -18.4 | -20.6 | -22.5 | -27.9 |
| Pakistan | -1.1 | -2.5 | -2.6 | -1.4 | -1.8 | -1.3 | -4.7 | -8.5 | -10.2 | -10.3 | -15.1 | -8.8 |
| Sri Lanka | -6.8 | -8.5 | -10.5 | -7.2 | -8.2 | -8.2 | -10.7 | -10.2 | -11.9 | -11.0 | -13.5 | -6.7 |
| Turkey | -7.0 | -5.6 | -10.0 | -5.1 | -6.7 | -7.3 | -8.8 | -9.0 | -10.2 | -9.7 | -9.6 | -6.3 |
| **North and Central Asia** | **4.8** | **15.1** | **21.1** | **14.2** | **12.4** | **13.0** | **13.7** | **15.1** | **14.2** | **10.7** | **12.0** | **9.1** |
| Armenia | -36.0 | -30.8 | -30.8 | -25.1 | -20.3 | -21.2 | -17.6 | -16.9 | -18.9 | -23.0 | -28.9 | -30.6 |
| Azerbaijan | -10.6 | -2.3 | 10.9 | 15.5 | 8.0 | -0.5 | 1.1 | 24.9 | 36.9 | 46.1 | 47.1 | 33.9 |
| Georgia | -19.3 | -12.4 | -12.6 | -13.5 | -13.3 | -17.0 | -23.4 | -25.3 | -35.4 | -39.2 | -37.6 | -30.1 |
| Kazakhstan | 4.6 | 13.1 | 20.6 | 9.9 | 12.5 | 14.7 | 16.9 | 18.4 | 18.0 | 14.3 | 24.9 | 13.5 |
| Kyrgyzstan | -20.0 | -11.7 | -3.6 | 0.6 | -6.3 | -7.0 | -10.0 | -17.5 | -32.6 | -33.6 | -47.8 | -34.9 |
| Russian Federation | 6.2 | 18.4 | 23.5 | 15.7 | 13.4 | 13.9 | 14.5 | 15.5 | 14.1 | 10.1 | 10.8 | 9.1 |
| Tajikistan | -8.7 | 2.5 | 12.8 | -3.5 | 1.4 | -5.4 | -13.3 | -18.2 | -12.7 | -35.0 | -60.0 | -31.3 |
| Turkmenistan | -13.6 | -7.5 | 16.3 | 9.0 | 13.4 | 18.4 | 7.9 | 23.0 | 43.3 | 41.0 | 40.8 | -4.6 |
| Uzbekistan | 1.6 | 0.7 | 0.9 | -1.1 | 0.9 | 5.2 | 7.4 | 7.9 | 7.2 | 7.6 | 4.0 | 5.2 |
| **Pacific island economies** | **-2.3** | **-3.2** | **-1.9** | **-0.3** | **-2.0** | **-3.5** | **-3.5** | **-2.9** | **-2.3** | **-2.7** | **-1.7** | **-1.4** |
| American Samoa | | | | | | | | | | | | |
| Australia | -2.2 | -3.1 | -1.9 | -0.1 | -1.8 | -3.3 | -3.4 | -2.5 | -1.9 | -2.4 | -1.2 | -1.1 |
| Cook Islands | -46.0 | -47.1 | -51.6 | -46.4 | -41.4 | -43.7 | -40.2 | -41.2 | -53.5 | -50.4 | -72.0 | -95.0 |
| Fiji | -12.4 | -14.8 | -14.2 | -20.6 | -20.5 | -22.7 | -27.0 | -30.1 | -35.8 | -30.7 | -37.6 | -26.4 |
| French Polynesia | -27.9 | -24.6 | -30.7 | -35.9 | -43.3 | -44.6 | -36.0 | -40.6 | -37.3 | -39.2 | -41.0 | -34.5 |
| Guam | | | | | | | | | | | | |
| Kiribati | -40.0 | -45.0 | -54.5 | -58.2 | -63.8 | -53.8 | -57.2 | -66.1 | -53.4 | -47.4 | -40.6 | -36.7 |
| Marshall Islands | -57.2 | -58.7 | -42.3 | -39.0 | -44.4 | -48.4 | -48.3 | -49.3 | -47.7 | -46.8 | -48.2 | -38.1 |
| Micronesia (F.S.) | -36.1 | -37.4 | -38.2 | -38.5 | -33.6 | -38.1 | -50.2 | -46.5 | -49.1 | -48.1 | -50.5 | -47.5 |
| Nauru | 38.0 | 84.3 | 11.1 | -39.4 | -67.9 | -22.2 | -18.1 | -83.7 | -110.3 | -125.5 | 53.0 | -143.8 |
| New Caledonia | -15.5 | -14.8 | -9.4 | -14.8 | -13.9 | -15.4 | -10.2 | -10.9 | -11.0 | -7.8 | -21.3 | -16.7 |
| New Zealand | -0.8 | -3.1 | -1.2 | 0.8 | -1.1 | -2.5 | -2.8 | -4.0 | -3.7 | -3.0 | -2.9 | -0.5 |
| Niue | | | | | | | | | | | | |
| Northern Mariana Islands | | | | | | | | | | | | |
| Palau | -44.4 | -85.3 | -93.6 | -66.8 | -63.9 | -65.0 | -75.9 | -63.4 | -64.5 | -58.2 | -58.8 | -60.9 |
| Papua New Guinea | 14.1 | 20.0 | 27.0 | 23.9 | 16.5 | 22.6 | 20.9 | 31.7 | 34.5 | 26.7 | 26.9 | 15.1 |
| Samoa | -36.4 | -41.4 | -17.7 | -30.6 | -23.1 | -19.7 | -32.3 | -34.8 | -46.7 | -30.9 | -39.5 | -35.3 |
| Solomon Islands | -2.8 | 4.2 | -6.8 | -12.9 | -3.3 | -6.0 | -6.4 | -19.7 | -20.9 | -22.6 | -17.6 | -14.9 |
| Tonga | -32.3 | -30.8 | -32.3 | -39.8 | -41.1 | -36.7 | -37.6 | -42.8 | -36.4 | -43.3 | -46.6 | -40.4 |
| Tuvalu | -75.0 | -57.5 | -40.7 | -27.1 | -75.0 | -42.0 | -52.5 | -56.0 | -54.8 | -58.3 | -92.4 | -50.2 |
| Vanuatu | -21.8 | -26.0 | -21.7 | -26.2 | -25.7 | -24.0 | -24.1 | -27.4 | -37.4 | -33.0 | -41.5 | -36.7 |
| **Developing economies** | **2.8** | **3.0** | **2.9** | **2.4** | **2.2** | **2.5** | **2.3** | **3.0** | **3.9** | **3.7** | **3.0** | **2.5** |
| **Developed economies** | **2.3** | **1.9** | **1.8** | **1.2** | **1.6** | **1.4** | **1.6** | **1.0** | **0.9** | **1.2** | **0.0** | **0.3** |
| **All economies** | **2.5** | **2.4** | **2.2** | **1.7** | **1.9** | **2.0** | **2.0** | **2.1** | **2.7** | **2.8** | **2.0** | **1.7** |

## Table 7.1. Sectoral composition of exports (in percentage, average 2007-2009)

| | SITC 0 | SITC 1 | SITC 2 | SITC 3 | SITC 4 | SITC 5 | SITC 6 | SITC 7 | SITC 8 | SITC 9 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Food & live animals | Beverages and tobacco | Crude mater.ex food/ fuel | Mineral fuel/ lubri-cants | Animal/ veg oil/ fat | Chemicals/ products nes | Manu-factured goods | Machinery/ transport equip-ment | Misc. manuf-arts | Com-modities nes |
| **East and North-East Asia** | **1.54** | **0.15** | **1.00** | **2.45** | **0.02** | **6.93** | **14.64** | **53.43** | **17.89** | **1.93** |
| China | 2.51 | 0.12 | 0.74 | 1.88 | 0.03 | 5.22 | 17.26 | 47.89 | 24.22 | 0.14 |
| DPR Korea | | | | | | | | | | |
| Hong Kong, China | 0.96 | 0.36 | 0.73 | 0.25 | 0.02 | 4.71 | 10.74 | 54.99 | 24.88 | 2.36 |
| Japan | 0.48 | 0.08 | 1.36 | 1.84 | 0.02 | 9.52 | 12.36 | 61.14 | 7.36 | 5.85 |
| Mongolia | | | | | | | | | | |
| Macao, China | 0.66 | 2.26 | 0.51 | 7.48 | 0.00 | 2.06 | 9.97 | 11.84 | 57.19 | |
| Republic of Korea | 0.77 | 0.20 | 1.14 | 7.43 | 0.01 | 10.17 | 13.79 | 56.83 | 9.21 | 0.44 |
| **South-East Asia** | **5.51** | **0.47** | **3.66** | **15.65** | **3.20** | **7.31** | **8.84** | **40.80** | **10.36** | **4.20** |
| Brunei Darussalam | | | | | | | | | | |
| Cambodia | | | | | | | | | | |
| Indonesia | 5.65 | 0.45 | 11.40 | 27.64 | 10.33 | 5.22 | 15.39 | 13.27 | 9.98 | 0.67 |
| Lao PDR | | | | | | | | | | |
| Malaysia | 2.61 | 0.39 | 2.58 | 15.80 | 7.67 | 5.98 | 8.78 | 42.90 | 8.61 | 4.67 |
| Myanmar | | | | | | | | | | |
| Philippines | 4.73 | 0.51 | 2.53 | 2.66 | 1.76 | 2.27 | 7.49 | 68.79 | 8.64 | 0.61 |
| Singapore | 1.07 | 0.65 | 0.61 | 15.84 | 0.16 | 10.62 | 4.48 | 52.49 | 6.59 | 7.48 |
| Thailand | 12.52 | 0.29 | 5.01 | 5.33 | 0.27 | 7.97 | 13.03 | 42.56 | 10.57 | 2.45 |
| Timor-Leste | | | | | | | | | | |
| Viet Nam | 19.45 | 0.35 | 3.91 | 18.60 | 0.14 | 2.21 | 9.09 | 12.09 | 32.81 | 1.36 |
| **South and South-West Asia** | **7.84** | **0.48** | **4.05** | **22.38** | **0.34** | **6.81** | **24.20** | **15.20** | **16.41** | **2.28** |
| Afghanistan | | | | | | | | | | |
| Bangladesh | | | | | | | | | | |
| Bhutan | 18.90 | 0.49 | 3.44 | 42.63 | 2.16 | 3.10 | 22.71 | 0.09 | 6.47 | 0.01 |
| India | 7.87 | 0.45 | 6.61 | 15.95 | 0.33 | 10.98 | 27.24 | 13.38 | 14.79 | 2.41 |
| Iran (Islamic Rep. of) | | | | | | | | | | |
| Maldives | | | | | | | | | | |
| Nepal | | | | | | | | | | |
| Pakistan | 14.41 | 0.12 | 2.57 | 5.23 | 0.66 | 3.23 | 44.28 | 3.21 | 26.22 | 0.08 |
| Sri Lanka | 23.30 | 0.87 | 4.29 | 0.03 | 0.95 | 1.09 | 14.21 | 5.41 | 47.21 | 2.64 |
| Turkey | 7.72 | 0.78 | 2.23 | 4.77 | 0.37 | 4.37 | 28.90 | 29.92 | 17.08 | 3.85 |
| **North and Central Asia** | **2.24** | **0.26** | **3.88** | **64.82** | **0.18** | **4.04** | **13.15** | **3.25** | **0.65** | **7.53** |
| Armenia | 4.38 | 13.28 | 16.74 | 0.89 | 0.00 | 1.41 | 50.16 | 4.02 | 6.80 | 2.32 |
| Azerbaijan | 3.44 | 0.21 | 0.72 | 90.45 | 0.67 | 0.87 | 1.89 | 1.39 | 0.21 | 0.16 |
| Georgia | | | | | | | | | | |
| Kazakhstan | 3.87 | 0.11 | 6.13 | 68.08 | 0.04 | 3.34 | 15.74 | 1.51 | 0.10 | 1.08 |
| Kyrgyzstan | 11.12 | 1.49 | 5.14 | 10.62 | 0.01 | 0.93 | 8.24 | 7.39 | 8.52 | 46.53 |
| Russian Federation | 1.96 | 0.22 | 3.58 | 63.38 | 0.19 | 4.36 | 13.24 | 3.58 | 0.70 | 8.79 |
| Tajikistan | | | | | | | | | | |
| Turkmenistan | | | | | | | | | | |
| Uzbekistan | | | | | | | | | | |
| **Pacific island economies** | **15.78** | **1.67** | **22.95** | **24.44** | **0.36** | **4.29** | **9.23** | **7.31** | **2.89** | **11.07** |
| American Samoa | | | | | | | | | | |
| Australia | 10.42 | 1.50 | 24.92 | 28.10 | 0.26 | 4.19 | 8.73 | 7.06 | 2.67 | 12.16 |
| Cook Islands | | | | | | | | | | |
| Fiji | 38.64 | 8.72 | 4.88 | 24.06 | 0.70 | 2.77 | 5.00 | 3.90 | 8.90 | 2.43 |
| French Polynesia | 9.38 | 0.82 | 2.84 | 0.06 | 2.49 | 1.77 | 59.85 | 11.33 | 11.46 | 0.01 |
| Guam | | | | | | | | | | |
| Kiribati | | | | | | | | | | |
| Marshall Islands | | | | | | | | | | |
| Micronesia (F.S.) | | | | | | | | | | |
| Nauru | | | | | | | | | | |
| New Caledonia | | | | | | | | | | |
| New Zealand | 47.63 | 2.74 | 10.26 | 5.34 | 0.40 | 5.71 | 10.33 | 9.46 | 4.39 | 3.73 |
| Niue | | | | | | | | | | |
| Northern Mariana Islands | | | | | | | | | | |
| Palau | | | | | | | | | | |
| Papua New Guinea | | | | | | | | | | |
| Samoa | 13.15 | 2.13 | 0.47 | 0.19 | 1.69 | 0.10 | 1.80 | 76.04 | 0.62 | 3.81 |
| Solomon Islands | | | | | | | | | | |
| Tonga | | | | | | | | | | |
| Tuvalu | | | | | | | | | | |
| Vanuatu | | | | | | | | | | |
| **Developing economies** | **3.41** | **0.29** | **2.26** | **15.28** | **0.82** | **6.18** | **14.51** | **38.95** | **15.82** | **2.47** |
| **Developed economies** | **3.77** | **0.42** | **5.95** | **6.79** | **0.07** | **8.41** | **11.59** | **49.67** | **6.41** | **6.92** |
| **All economies** | **3.48** | **0.31** | **2.96** | **13.66** | **0.68** | **6.60** | **13.95** | **41.00** | **14.04** | **3.31** |

## Table 7.2. Sectoral composition of imports (in percentage, average 2007-2009)

| | SITC 0 | SITC 1 | SITC 2 | SITC 3 | SITC 4 | SITC 5 | SITC 6 | SITC 7 | SITC 8 | SITC 9 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Food & live animals | Beverages and tobacco | Crude mater.ex food/ fuel | Mineral fuel/ lubri-cants | Animal/ veg oil/ fat | Chemicals/ products nes | Manu-factured goods | Machinery/ transport equip-ment | Misc. manuf-arts | Com-modities nes |
| **East and North-East Asia** | **3.66** | **0.45** | **8.90** | **18.51** | **0.47** | **8.96** | **10.90** | **36.13** | **11.18** | **0.85** |
| China | 1.31 | 0.17 | 13.68 | 12.76 | 0.83 | 10.96 | 10.31 | 40.93 | 8.73 | 0.33 |
| DPR Korea | | | | | | | | | | |
| Hong Kong, China | 3.07 | 0.49 | 0.88 | 3.34 | 0.08 | 5.51 | 12.47 | 53.63 | 19.42 | 1.12 |
| Japan | 7.64 | 0.96 | 7.31 | 30.17 | 0.21 | 7.76 | 8.88 | 22.68 | 12.55 | 1.84 |
| Mongolia | | | | | | | | | | |
| Macao, China | 7.20 | 5.50 | 0.50 | 11.56 | 0.25 | 5.38 | 13.25 | 24.35 | 31.96 | 0.05 |
| Republic of Korea | 3.92 | 0.22 | 6.51 | 29.39 | 0.27 | 9.06 | 14.29 | 28.83 | 7.15 | 0.37 |
| **South-East Asia** | **4.47** | **0.50** | **2.80** | **18.86** | **0.37** | **8.95** | **13.31** | **42.25** | **5.61** | **2.87** |
| Brunei Darussalam | | | | | | | | | | |
| Cambodia | | | | | | | | | | |
| Indonesia | 7.63 | 0.42 | 5.64 | 24.31 | 0.12 | 12.66 | 14.37 | 31.91 | 2.92 | 0.02 |
| Lao PDR | | | | | | | | | | |
| Malaysia | 5.40 | 0.41 | 3.43 | 9.31 | 0.93 | 8.67 | 12.56 | 48.76 | 5.38 | 5.16 |
| Myanmar | | | | | | | | | | |
| Philippines | 8.86 | 0.48 | 2.55 | 18.31 | 0.36 | 8.54 | 8.06 | 49.26 | 3.13 | 0.45 |
| Singapore | 2.05 | 0.69 | 0.81 | 23.75 | 0.21 | 5.71 | 7.42 | 48.87 | 6.93 | 3.55 |
| Thailand | 3.89 | 0.22 | 3.34 | 19.15 | 0.12 | 10.79 | 18.73 | 34.51 | 6.56 | 2.69 |
| Timor-Leste | | | | | | | | | | |
| Viet Nam | 5.74 | 0.37 | 4.52 | 13.31 | 0.75 | 13.56 | 25.77 | 29.20 | 4.36 | 2.42 |
| **South and South-West Asia** | **2.72** | **0.15** | **5.81** | **24.04** | **1.59** | **10.91** | **14.30** | **22.51** | **4.02** | **13.97** |
| Afghanistan | | | | | | | | | | |
| Bangladesh | | | | | | | | | | |
| Bhutan | 11.05 | 1.30 | 6.69 | 16.95 | 5.02 | 5.37 | 21.73 | 27.36 | 4.31 | 0.22 |
| India | 1.61 | 0.06 | 5.17 | 33.73 | 1.42 | 10.18 | 13.21 | 21.40 | 3.30 | 9.92 |
| Iran (Islamic Rep. of) | | | | | | | | | | |
| Maldives | | | | | | | | | | |
| Nepal | | | | | | | | | | |
| Pakistan | 5.11 | 0.07 | 8.27 | 28.93 | 4.36 | 15.43 | 9.99 | 24.03 | 3.00 | 0.80 |
| Sri Lanka | 12.02 | 0.46 | 1.74 | 21.97 | 1.27 | 11.06 | 28.82 | 17.32 | 4.30 | 1.03 |
| Turkey | 2.28 | 0.26 | 7.42 | 14.81 | 0.71 | 13.19 | 17.78 | 27.98 | 5.90 | 9.66 |
| **North and Central Asia** | **10.44** | **1.64** | **2.68** | **3.45** | **0.66** | **10.82** | **13.82** | **42.27** | **8.79** | **5.43** |
| Armenia | 13.16 | 3.57 | 2.07 | 15.64 | 1.17 | 9.63 | 21.81 | 22.50 | 7.34 | 3.11 |
| Azerbaijan | 11.12 | 3.56 | 2.41 | 1.72 | 0.95 | 7.98 | 17.66 | 47.04 | 6.22 | 1.34 |
| Georgia | | | | | | | | | | |
| Kazakhstan | 6.02 | 1.17 | 1.50 | 11.82 | 0.44 | 8.93 | 23.45 | 39.59 | 6.33 | 0.75 |
| Kyrgyzstan | 11.44 | 2.63 | 2.40 | 13.28 | 1.02 | 9.08 | 14.29 | 17.55 | 7.26 | 21.06 |
| Russian Federation | 11.03 | 1.61 | 2.94 | 1.40 | 0.67 | 11.25 | 11.97 | 43.60 | 9.33 | 6.20 |
| Tajikistan | | | | | | | | | | |
| Turkmenistan | | | | | | | | | | |
| Uzbekistan | | | | | | | | | | |
| **Pacific island economies** | **4.96** | **0.88** | **1.34** | **14.29** | **0.33** | **10.57** | **11.34** | **38.58** | **12.87** | **4.83** |
| American Samoa | | | | | | | | | | |
| Australia | 3.94 | 0.79 | 1.19 | 13.78 | 0.28 | 10.60 | 11.08 | 39.76 | 12.98 | 5.60 |
| Cook Islands | | | | | | | | | | |
| Fiji | 15.71 | 0.72 | 0.72 | 30.93 | 0.97 | 7.93 | 13.87 | 20.00 | 7.96 | 1.19 |
| French Polynesia | 19.00 | 2.06 | 1.36 | 12.66 | 0.44 | 9.77 | 12.61 | 28.86 | 13.20 | 0.03 |
| Guam | | | | | | | | | | |
| Kiribati | | | | | | | | | | |
| Marshall Islands | | | | | | | | | | |
| Micronesia (F.S.) | | | | | | | | | | |
| Nauru | | | | | | | | | | |
| New Caledonia | | | | | | | | | | |
| New Zealand | 7.79 | 1.18 | 2.25 | 15.55 | 0.51 | 11.36 | 12.34 | 35.17 | 13.37 | 0.47 |
| Niue | | | | | | | | | | |
| Northern Mariana Islands | | | | | | | | | | |
| Palau | | | | | | | | | | |
| Papua New Guinea | | | | | | | | | | |
| Samoa | 25.02 | 1.19 | 2.40 | 20.27 | 0.58 | 5.56 | 11.90 | 8.84 | 6.43 | 17.80 |
| Solomon Islands | | | | | | | | | | |
| Tonga | | | | | | | | | | |
| Tuvalu | | | | | | | | | | |
| Vanuatu | | | | | | | | | | |
| **Developing economies** | **3.51** | **0.41** | **6.75** | **16.10** | **0.69** | **9.64** | **12.62** | **38.39** | **8.27** | **3.62** |
| **Developed economies** | **6.90** | **0.94** | **5.90** | **26.37** | **0.24** | **8.45** | **9.45** | **26.54** | **12.66** | **2.56** |
| **All economies** | **4.17** | **0.51** | **6.59** | **18.14** | **0.60** | **9.40** | **12.00** | **36.05** | **9.13** | **3.41** |

## Table 8. Import penetration (percentage)

| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **East and North-East Asia** | **13.4** | **13.1** | **15.2** | **15.6** | **16.6** | **18.5** | **20.9** | **22.6** | **25.1** | **26.4** | **26.8** | **20.6** |
| China | 14.0 | 15.5 | 19.3 | 18.8 | 20.7 | 25.4 | 29.5 | 30.0 | 30.4 | 29.9 | 27.5 | 21.0 |
| DPR Korea | 9.5 | 10.9 | 14.6 | 15.3 | 16.1 | 17.0 | 18.7 | 18.9 | 19.0 | 19.4 | 24.1 | 23.6 |
| Hong Kong, China | 104.4 | 106.6 | 118.6 | 113.8 | 122.5 | 143.0 | 157.5 | 161.5 | 165.4 | 162.5 | 165.1 | 150.9 |
| Japan | 7.5 | 7.3 | 8.3 | 8.6 | 8.8 | 9.2 | 10.1 | 11.5 | 13.5 | 14.5 | 15.7 | 11.0 |
| Macao, China | 32.6 | 35.4 | 42.4 | 42.1 | 40.2 | 37.7 | 35.5 | 33.3 | 31.0 | 27.2 | 23.1 | 19.0 |
| Mongolia | 43.4 | 46.6 | 52.6 | 49.6 | 48.0 | 49.0 | 51.9 | 48.8 | 47.5 | 50.9 | 57.9 | 48.0 |
| Republic of Korea | 29.3 | 27.3 | 30.8 | 28.5 | 26.9 | 28.4 | 32.4 | 31.8 | 33.1 | 34.5 | 46.1 | 40.8 |
| **South-East Asia** | **65.7** | **60.6** | **69.1** | **64.6** | **60.5** | **62.2** | **68.1** | **70.8** | **68.6** | **64.3** | **64.7** | **52.2** |
| Brunei Darussalam | 43.8 | 39.9 | 34.5 | 37.1 | 42.1 | 38.3 | 33.6 | 31.2 | 30.4 | 31.4 | 38.6 | 42.3 |
| Cambodia | 33.4 | 40.0 | 46.0 | 45.7 | 49.5 | 50.1 | 55.7 | 55.1 | 57.1 | 54.4 | 49.9 | 47.5 |
| Indonesia | 39.3 | 24.5 | 30.4 | 26.7 | 21.9 | 19.8 | 22.8 | 27.5 | 23.5 | 22.8 | 25.5 | 17.6 |
| Lao PDR | 39.2 | 32.8 | 28.8 | 27.4 | 23.6 | 21.4 | 26.0 | 28.7 | 30.2 | 24.5 | 25.1 | 23.6 |
| Malaysia | 97.3 | 103.6 | 105.7 | 93.9 | 92.2 | 93.8 | 101.7 | 102.7 | 103.2 | 93.7 | 87.7 | 78.5 |
| Myanmar | 35.7 | 29.9 | 29.9 | 35.4 | 24.3 | 21.9 | 21.8 | 19.2 | 21.7 | 25.6 | 28.0 | 26.0 |
| Philippines | 46.8 | 45.1 | 50.6 | 47.5 | 49.7 | 49.5 | 49.4 | 46.2 | 43.5 | 38.3 | 33.8 | 27.3 |
| Singapore | 137.0 | 140.6 | 150.4 | 145.2 | 146.2 | 195.7 | 205.2 | 218.3 | 222.2 | 194.3 | 188.3 | 160.6 |
| Thailand | 42.8 | 44.0 | 53.6 | 55.1 | 52.4 | 54.9 | 59.2 | 64.4 | 62.4 | 60.0 | 65.4 | 54.5 |
| Timor-Leste | | | | | | 28.4 | 30.6 | 24.2 | 22.7 | 29.1 | 32.6 | 30.8 |
| Viet Nam | 39.2 | 40.7 | 48.4 | 47.9 | 51.8 | 56.6 | 62.8 | 64.2 | 68.1 | 73.6 | 74.3 | 66.0 |
| **South and South-West Asia** | **13.2** | **13.1** | **14.9** | **14.5** | **15.1** | **16.3** | **17.8** | **19.3** | **20.5** | **20.1** | **23.4** | **19.2** |
| Afghanistan | 14.4 | 28.4 | 25.7 | 32.3 | 37.7 | 31.2 | 28.8 | 27.7 | 25.0 | 22.7 | 22.8 | 21.1 |
| Bangladesh | 16.6 | 17.5 | 18.5 | 18.6 | 17.3 | 18.9 | 20.2 | 22.3 | 24.8 | 24.9 | 27.1 | 22.8 |
| Bhutan | 34.1 | 38.3 | 34.3 | 34.0 | 31.8 | 34.6 | 44.8 | 41.4 | 47.8 | 50.3 | 42.9 | 41.5 |
| India | 9.9 | 10.1 | 10.8 | 10.3 | 11.0 | 12.0 | 13.5 | 16.2 | 17.8 | 18.0 | 22.8 | 18.6 |
| Iran (Islamic Rep. of) | 13.5 | 12.6 | 15.6 | 16.5 | 15.7 | 18.9 | 19.9 | 21.1 | 19.7 | 16.7 | 18.3 | 15.2 |
| Maldives | 44.3 | 44.7 | 43.0 | 43.3 | 43.5 | 46.6 | 51.9 | 55.9 | 57.3 | 55.2 | 61.8 | 46.6 |
| Nepal | 22.0 | 22.9 | 24.2 | 22.2 | 21.0 | 23.2 | 22.9 | 23.6 | 23.4 | 23.6 | 24.9 | 26.8 |
| Pakistan | 12.8 | 13.8 | 14.9 | 14.8 | 14.8 | 15.2 | 17.7 | 21.4 | 21.4 | 20.7 | 25.2 | 18.2 |
| Sri Lanka | 34.1 | 34.1 | 38.9 | 34.7 | 33.0 | 32.7 | 34.9 | 32.8 | 32.4 | 31.5 | 30.2 | 22.4 |
| Turkey | 15.9 | 15.4 | 18.6 | 20.1 | 20.8 | 21.3 | 22.9 | 22.2 | 23.9 | 24.0 | 25.2 | 21.6 |
| **North and Central Asia** | **23.1** | **24.8** | **24.0** | **22.8** | **22.0** | **22.4** | **21.6** | **21.7** | **21.6** | **21.5** | **21.9** | **19.4** |
| Armenia | 35.1 | 33.1 | 35.3 | 33.0 | 34.5 | 37.6 | 32.1 | 31.5 | 28.9 | 28.9 | 29.4 | 29.8 |
| Azerbaijan | 21.9 | 22.1 | 24.9 | 29.7 | 29.0 | 35.9 | 41.0 | 43.7 | 39.8 | 33.9 | 29.3 | 22.9 |
| Georgia | 20.6 | 18.6 | 20.6 | 20.6 | 20.7 | 24.4 | 29.2 | 31.0 | 35.1 | 36.8 | 35.8 | 31.2 |
| Kazakhstan | 20.4 | 24.9 | 34.7 | 32.3 | 30.6 | 32.0 | 35.7 | 37.2 | 35.6 | 36.5 | 37.8 | 30.1 |
| Kyrgyzstan | 42.8 | 43.0 | 39.0 | 30.8 | 34.4 | 34.9 | 38.7 | 38.1 | 45.7 | 47.5 | 53.6 | 49.2 |
| Russian Federation | 22.8 | 24.7 | 22.5 | 20.8 | 20.4 | 20.5 | 19.3 | 19.4 | 19.3 | 19.1 | 19.6 | 17.1 |
| Tajikistan | 49.5 | 62.6 | 89.9 | 61.5 | 59.9 | 53.7 | 50.6 | 48.7 | 60.0 | 64.5 | 65.8 | 39.3 |
| Turkmenistan | 30.1 | 35.6 | 48.3 | 49.3 | 45.1 | 50.6 | 51.6 | 44.1 | 42.6 | 47.4 | 60.9 | 37.5 |
| Uzbekistan | 22.3 | 18.3 | 19.8 | 29.8 | 24.8 | 27.7 | 30.5 | 28.9 | 27.7 | 30.7 | 37.6 | 28.9 |
| **Pacific island economies** | **17.3** | **17.0** | **18.5** | **17.8** | **17.8** | **16.7** | **16.9** | **17.3** | **18.0** | **17.6** | **20.2** | **17.2** |
| American Samoa | | | | | | | | | | | | |
| Australia | 16.2 | 15.7 | 17.1 | 16.2 | 16.3 | 15.4 | 15.5 | 16.0 | 16.6 | 16.3 | 18.8 | 16.1 |
| Cook Islands | 34.4 | 35.0 | 41.4 | 37.1 | 32.8 | 34.6 | 31.7 | 31.2 | 36.1 | 35.2 | 43.0 | 49.4 |
| Fiji | 37.9 | 39.6 | 42.2 | 43.3 | 39.7 | 41.5 | 40.9 | 41.1 | 42.8 | 40.5 | 46.1 | 37.1 |
| French Polynesia | 28.8 | 27.2 | 30.4 | 32.4 | 35.2 | 34.2 | 30.5 | 33.0 | 31.7 | 31.5 | 33.2 | 28.4 |
| Guam | | | | | | | | | | | | |
| Kiribati | 34.8 | 39.6 | 38.8 | 41.4 | 41.8 | 37.1 | 38.0 | 42.2 | 38.7 | 37.4 | 36.7 | 38.0 |
| Marshall Islands | 39.8 | 41.6 | 35.7 | 36.3 | 39.0 | 40.8 | 42.7 | 45.2 | 42.4 | 41.5 | 40.6 | 36.1 |
| Micronesia (F.S.) | 34.7 | 33.4 | 34.7 | 36.2 | 33.9 | 36.3 | 38.5 | 37.0 | 37.8 | 38.3 | 40.7 | 39.0 |
| Nauru | | | | | | | | | | | | |
| New Caledonia | 22.6 | 24.0 | 24.8 | 24.6 | 23.8 | 27.2 | 25.2 | 25.6 | 27.4 | 28.9 | 29.3 | 23.8 |
| New Zealand | 22.1 | 23.6 | 25.8 | 25.3 | 24.3 | 22.0 | 22.4 | 22.3 | 23.3 | 22.5 | 25.7 | 21.8 |
| Niue | | | | | | | | | | | | |
| Northern Mariana Islands | | | | | | | | | | | | |
| Palau | 37.3 | 49.5 | 53.3 | 48.0 | 49.4 | 43.6 | 45.7 | 44.5 | 44.4 | 40.9 | 40.4 | 39.7 |
| Papua New Guinea | 38.4 | 43.2 | 45.1 | 45.9 | 44.7 | 47.5 | 50.8 | 52.0 | 62.4 | 64.3 | 60.8 | 47.7 |
| Samoa | 31.6 | 35.4 | 39.0 | 43.5 | 40.7 | 39.1 | 41.2 | 40.7 | 41.7 | 37.3 | 37.8 | 32.6 |
| Solomon Islands | 34.7 | 30.2 | 25.5 | 23.8 | 23.7 | 26.6 | 30.4 | 37.3 | 39.3 | 43.2 | 41.6 | 32.9 |
| Tonga | 27.6 | 28.7 | 28.0 | 31.4 | 34.8 | 33.0 | 31.9 | 32.7 | 29.1 | 32.1 | 33.7 | 30.4 |
| Tuvalu | 43.6 | 37.0 | 29.0 | 21.4 | 43.4 | 29.9 | 34.8 | 36.1 | 35.5 | 37.0 | 48.4 | 34.2 |
| Vanuatu | 28.2 | 28.1 | 25.5 | 26.7 | 26.3 | 26.1 | 27.4 | 28.8 | 35.1 | 31.7 | 35.8 | 33.4 |
| **Developing economies** | **28.1** | **28.3** | **32.3** | **30.4** | **30.2** | **32.3** | **34.9** | **35.2** | **35.4** | **34.1** | **34.8** | **28.3** |
| **Developed economies** | **8.5** | **8.3** | **9.2** | **9.5** | **9.8** | **10.2** | **11.1** | **12.4** | **14.2** | **15.1** | **16.4** | **12.0** |
| **All economies** | **17.1** | **16.6** | **19.0** | **19.1** | **19.8** | **21.3** | **23.4** | **25.1** | **26.9** | **27.2** | **28.4** | **22.5** |

## Table 9.1. Forecast of export growth (in real terms)

(Annual percentage change of volume)

| | Export growth | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2008 | 2009 | 2010E | 2011F | 2012F | 2013F | 2014F | 2015F | 2016F |
| **East and North-East Asia** | | | | | | | | | |
| China | 8.5 | -10.3 | 34.6 | 15.8 | 15.0 | 15.5 | 15.7 | 16.1 | 16.0 |
| Hong Kong, China | 2.6 | -10.1 | 16.8 | 8.3 | 7.9 | 8.0 | 7.8 | 7.9 | 7.9 |
| Japan | 1.7 | -24.2 | 24.2 | 4.7 | 8.2 | 8.0 | 7.6 | 7.0 | 7.0 |
| Mongolia | 17.6 | -12.0 | 11.2 | 15.9 | 4.2 | 58.2 | 30.3 | 12.8 | 25.3 |
| Republic of Korea | 6.6 | -0.8 | 14.2 | 11.2 | 11.1 | 10.8 | 10.6 | 10.5 | 10.5 |
| **South-East Asia** | | | | | | | | | |
| Brunei Darussalam | -6.2 | -5.3 | 4.1 | 3.1 | 2.6 | 2.1 | 3.7 | 2.7 | 3.4 |
| Cambodia | 11.6 | -2.7 | 21.9 | -3.4 | 16.5 | 12.2 | 9.4 | 10.1 | 8.1 |
| Indonesia | 0.2 | 5.3 | 9.6 | 6.5 | 7.4 | 6.6 | 6.3 | 6.6 | 7.8 |
| Lao PDR | 17.4 | 3.3 | 16.7 | 11.2 | 11.4 | 5.1 | 11.1 | 9.9 | -2.4 |
| Malaysia | 1.3 | -8.0 | 18.1 | -0.1 | 6.7 | 7.4 | 7.0 | 6.7 | 6.1 |
| Myanmar | 3.8 | 7.2 | 7.2 | 2.2 | 14.8 | 48.7 | 0.3 | 0.7 | 0.6 |
| Philippines | -8.5 | -8.3 | 23.7 | 5.4 | 6.0 | 5.9 | 6.0 | 5.2 | 4.8 |
| Singapore | 4.0 | -8.1 | 10.5 | 6.3 | 8.3 | 8.9 | 9.2 | 8.8 | 7.1 |
| Thailand | 4.1 | -12.8 | 16.7 | 3.1 | 5.9 | 5.8 | 5.9 | 7.1 | 7.0 |
| Timor-Leste | -23.1 | -3.6 | 36.3 | 4.8 | 7.3 | -7.5 | -2.4 | 13.4 | 12.9 |
| Viet Nam | 2.9 | 2.6 | 5.2 | 1.4 | 8.9 | 13.4 | 12.7 | 12.8 | 11.2 |
| **South and South-West Asia** | | | | | | | | | |
| Afghanistan | 16.6 | 35.7 | -1.4 | 4.6 | 19.8 | 7.7 | 10.2 | 21.5 | 21.2 |
| Bangladesh | 9.2 | 9.4 | 13.1 | 14.8 | 15.0 | 14.4 | 11.8 | 10.1 | 9.5 |
| Bhutan | -3.0 | -27.2 | 13.0 | -4.6 | -1.1 | 1.5 | 2.3 | 2.3 | 13.7 |
| India | 10.6 | 0.7 | 10.2 | 14.0 | 14.7 | 13.9 | 13.4 | 13.2 | 13.2 |
| Iran ( Islamic Rep. of) | -3.3 | -2.9 | 2.7 | -0.3 | -1.3 | 2.5 | 2.1 | 0.9 | 1.5 |
| Maldives | 5.7 | -13.2 | 5.1 | 9.1 | 14.4 | 12.6 | 8.9 | 7.5 | 7.4 |
| Nepal | -7.9 | 7.0 | -17.4 | -1.0 | 0.2 | 2.6 | 3.6 | 4.4 | 2.0 |
| Pakistan | -12.6 | -21.6 | 25.8 | 2.0 | 0.5 | -0.1 | 9.1 | 6.5 | 6.6 |
| Sri Lanka | 4.1 | -18.3 | 17.5 | 8.6 | 7.5 | 7.1 | 7.0 | 6.9 | 5.9 |
| Turkey | 6.7 | -8.1 | 5.2 | 6.2 | 6.1 | 6.1 | 6.2 | 6.3 | 6.3 |
| **North and Central Asia** | | | | | | | | | |
| Azerbaijan | 5.6 | 9.5 | 0.8 | 3.4 | 0.6 | 1.0 | 1.0 | 1.1 | 1.3 |
| Georgia | -1.4 | -0.6 | 6.5 | 6.3 | 8.8 | 7.9 | 7.2 | 7.2 | 5.7 |
| Kazakhstan | 35.6 | -32.2 | 31.7 | 35.2 | 3.7 | 2.8 | 5.4 | 9.0 | 11.5 |
| Kyrgyzstan | 17.4 | 1.5 | -22.2 | 11.7 | 14.7 | 11.2 | 9.0 | 6.7 | 6.2 |
| Russian Federation | -5.6 | -8.8 | 9.5 | 2.4 | 3.9 | 4.3 | 4.4 | 4.0 | 3.9 |
| Tajikistan | -9.9 | 4.8 | -0.6 | 8.7 | 7.6 | 6.8 | 6.5 | 6.8 | 6.9 |
| Turkmenistan | -8.3 | -45.3 | 22.0 | 23.8 | 11.5 | 8.5 | 8.0 | 8.1 | 8.7 |
| Uzbekistan | 19.1 | 5.9 | -8.5 | 4.0 | 15.6 | 4.4 | 4.5 | 2.9 | 3.0 |
| **Pacific island economies** | | | | | | | | | |
| Australia | 4.6 | 2.8 | 5.2 | 6.5 | 5.4 | 4.5 | 4.9 | 4.9 | 4.8 |
| Kiribati | -25.0 | -17.9 | 36.1 | 21.0 | 9.2 | 5.1 | 5.1 | 5.1 | 5.1 |
| New Zealand | -1.7 | 1.8 | 3.1 | 4.3 | 4.5 | 5.0 | 4.7 | 4.7 | 4.7 |
| Papua New Guinea | 4.5 | -19.9 | 5.1 | 20.5 | 4.8 | -3.9 | 4.5 | 58.9 | 14.8 |
| Solomon Islands | 17.5 | -9.2 | 23.2 | 17.5 | 20.0 | 8.7 | 8.9 | 24.3 | 22.5 |
| Vanuatu | 17.4 | 9.1 | 10.3 | 6.8 | 6.8 | 6.6 | 6.6 | 6.5 | 6.5 |

*Source:* IMF, World Economic Outlook Database (April 2011).

## Table 9.2. Forecast of import growth (in real terms)

(Annual percentage change of volume)

| | Import growth | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2008 | 2009 | 2010E | 2011F | 2012F | 2013F | 2014F | 2015F | 2016F |
| **East and North-East Asia** | | | | | | | | | |
| China | 3.8 | 3.7 | 17.7 | 15.0 | 15.0 | 14.9 | 15.1 | 15.6 | 15.9 |
| Hong Kong, China | 2.3 | -9.0 | 17.3 | 8.2 | 8.0 | 8.1 | 7.9 | 7.9 | 7.9 |
| Japan | 0.4 | -15.4 | 9.8 | 10.2 | 9.8 | 7.8 | 7.9 | 8.0 | 8.0 |
| Mongolia | 34.9 | -15.7 | 31.0 | 28.3 | 6.1 | -5.7 | 7.5 | 2.4 | 14.6 |
| Republic of Korea | 4.4 | -8.2 | 17.3 | 11.6 | 11.8 | 11.7 | 11.8 | 11.8 | 11.7 |
| **South-East Asia** | | | | | | | | | |
| Brunei Darussalam | 11.0 | -0.8 | 4.1 | 3.1 | 2.6 | 2.1 | 3.7 | 2.7 | 3.4 |
| Cambodia | -1.2 | 11.3 | 3.5 | 2.0 | 6.6 | 2.9 | 8.5 | 7.9 | 8.1 |
| Indonesia | 19.7 | -15.0 | 27.5 | 9.7 | 8.4 | 8.3 | 8.1 | 8.0 | 8.0 |
| Lao PDR | 18.2 | 2.1 | -3.0 | 16.9 | 10.7 | -0.5 | 10.7 | -3.3 | -3.5 |
| Malaysia | 3.6 | -7.8 | 19.7 | 1.0 | 7.3 | 7.6 | 8.1 | 7.5 | 6.3 |
| Myanmar | 29.9 | 5.7 | 5.8 | 22.7 | 4.7 | 4.8 | -0.8 | -0.8 | -0.7 |
| Philippines | -5.1 | -9.6 | 20.3 | 3.2 | 6.5 | 7.3 | 6.9 | 6.3 | 6.0 |
| Singapore | 9.4 | -11.0 | 7.8 | 7.4 | 9.3 | 10.0 | 10.2 | 9.9 | 7.9 |
| Thailand | 12.2 | -16.5 | 18.6 | 3.6 | 6.9 | 5.9 | 5.9 | 6.5 | 6.2 |
| Timor-Leste | 57.2 | 37.2 | 10.9 | 31.6 | 11.6 | 7.0 | 1.3 | -3.2 | 5.9 |
| Viet Nam | 5.4 | -1.5 | 2.5 | 4.9 | 7.4 | 11.3 | 11.1 | 11.0 | 9.4 |
| **South and South-West Asia** | | | | | | | | | |
| Afghanistan | 4.8 | 19.3 | -5.2 | 2.6 | 16.8 | 4.1 | 2.9 | 3.7 | 7.4 |
| Bangladesh | 6.9 | 7.9 | 12.1 | 9.5 | 11.7 | 13.9 | 11.7 | 10.3 | 9.1 |
| Bhutan | 23.2 | -16.4 | 13.3 | 6.1 | 7.6 | 3.9 | 6.6 | 0.2 | -2.3 |
| India | 10.8 | 8.3 | 11.5 | 11.1 | 9.1 | 9.4 | 9.6 | 9.9 | 10.2 |
| Iran (Islamic Rep. of) | 11.1 | -9.1 | -0.8 | -5.3 | 5.1 | 5.3 | 6.6 | 7.0 | 7.3 |
| Maldives | 10.7 | -14.6 | 2.5 | 6.9 | 5.6 | 6.3 | 9.5 | 8.2 | 8.1 |
| Nepal | -2.9 | 14.7 | 13.3 | -1.0 | 1.1 | 3.3 | 4.5 | 4.6 | 3.8 |
| Pakistan | 9.8 | -0.8 | -11.9 | 7.8 | -5.6 | 2.3 | 5.4 | 5.5 | 5.6 |
| Sri Lanka | 6.7 | -7.0 | 24.0 | 7.7 | 10.1 | 10.7 | 10.6 | 10.3 | 10.4 |
| Turkey | -1.4 | -12.3 | 20.5 | 8.4 | 7.8 | 7.8 | 7.6 | 7.7 | 7.6 |
| **North and Central Asia** | | | | | | | | | |
| Azerbaijan | 13.6 | -5.3 | 3.5 | 37.6 | 10.3 | 10.7 | 8.6 | 8.8 | 8.4 |
| Georgia | 8.3 | -18.6 | 0.8 | 4.0 | 5.1 | 4.2 | 4.8 | 4.5 | 6.1 |
| Kazakhstan | 7.2 | -9.7 | -7.7 | 14.6 | 13.1 | 16.8 | 17.2 | 16.2 | 14.7 |
| Kyrgyzstan | 23.2 | -13.2 | -10.8 | 3.0 | 14.5 | 11.2 | 7.0 | 6.0 | 6.0 |
| Russian Federation | 14.4 | -28.7 | 24.7 | 18.7 | 10.7 | 9.9 | 8.9 | 8.6 | 8.3 |
| Tajikistan | 27.0 | -19.1 | 3.5 | 6.6 | 5.3 | 8.8 | 8.8 | 8.7 | 6.7 |
| Turkmenistan | 48.9 | 55.3 | -4.0 | 13.7 | 8.5 | -1.6 | 3.4 | 4.6 | -1.3 |
| Uzbekistan | 29.1 | 15.9 | -9.5 | 20.1 | 10.4 | 6.3 | 6.7 | 7.3 | 7.7 |
| **Pacific island economies** | | | | | | | | | |
| Australia | 11.5 | -9.1 | 13.2 | 8.4 | 8.5 | 6.8 | 5.7 | 5.6 | 5.5 |
| Kiribati | 7.7 | -9.6 | 2.4 | 5.5 | 0.7 | 0.3 | 1.9 | 0.4 | 1.4 |
| New Zealand | 2.7 | -14.9 | 10.0 | 7.1 | 6.3 | 6.3 | 4.8 | 5.4 | 4.9 |
| Papua New Guinea | -5.3 | -9.9 | 39.0 | 12.9 | -8.4 | -17.1 | -10.5 | -7.9 | -10.1 |
| Solomon Islands | -7.4 | -18.3 | 41.9 | -1.7 | 4.5 | -0.4 | 30.5 | 12.3 | 12.5 |
| Vanuatu | 41.1 | -5.8 | 5.7 | 7.3 | 7.3 | 6.6 | 6.4 | 6.4 | 6.4 |

*Source:* IMF, World Economic Outlook Database (April 2011).

## Table 10.1. Leading exporters and importers from the Asia-Pacific region in 2009 – merchandise*

| Regional rank | Global rank | Exporters | Value ($ billion) | Share in world export | Regional rank | Global rank | Importers | Value ($ billion) | Share in world import |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 2 | China | 1 202 | 12.7 | 1 | 4 | Japan | 552 | 5.7 |
| 2 | 4 | Japan | 581 | 6.2 | 2 | 5 | Hong Kong, China | 352 | 3.7 |
| 3 | 5 | Republic of Korea | 364 | 3.9 | | | retained imports | 91 | 0.9 |
| 6 | 6 | Hong Kong, China | 329 | 3.5 | 3 | 7 | Republic of Korea | 323 | 3.4 |
| | | domestic exports | 17 | 0.2 | 4 | 8 | India | 250 | 2.6 |
| | | re-exports | 313 | 3.3 | 5 | 9 | Singapore | 246 | 2.6 |
| 5 | 8 | Russian Federation | 303 | 3.2 | | | retained imports | 114 | 1.2 |
| 6 | 9 | Singapore | 270 | 2.9 | 6 | 11 | Russian Federation | 192 | 2.0 |
| | | domestic exports | 138 | 1.5 | 7 | 13 | Australia | 165 | 1.7 |
| | | re-exports | 132 | 1.4 | 8 | 15 | Turkey | 141 | 1.5 |
| 7 | 15 | India | 163 | 1.7 | 9 | 17 | Thailand | 134 | 1.4 |
| 8 | 16 | Malaysia | 157 | 1.7 | 10 | 19 | Malaysia | 124 | 1.3 |
| 9 | 17 | Australia | 154 | 1.6 | 11 | 21 | Indonesia | 92 | 1.0 |
| 10 | 19 | Thailand | 152 | 1.6 | 12 | 23 | Viet Nam | 70 | 0.7 |
| 11 | 21 | Indonesia | 119 | 1.3 | 13 | 25 | Iran (Islamic Rep. of) | 50 | 0.5 |
| 12 | 22 | Turkey | 102 | 1.1 | 14 | 27 | Philippines | 46 | 0.5 |
| 13 | 23 | Iran (Islamic Rep. of) | 78 | 0.8 | 15 | 38 | Pakistan | 32 | 0.3 |
| 14 | 26 | Viet Nam | 57 | 0.6 | 16 | 40 | Kazakhstan | 28 | 0.3 |
| 15 | 33 | Kazakhstan | 43 | 0.5 | 17 | 41 | New Zealand | 26 | 0.3 |
| 16 | 38 | Philippines | 38 | 0.4 | 18 | 43 | Bangladesh | 22 | 0.2 |
| 17 | 43 | New Zealand | 25 | 0.3 | | | | | |
| 18 | 46 | Azerbaijan | 21 | 0.2 | | | | | |
| 19 | 47 | Pakistan | 18 | 0.2 | | | | | |
| 20 | 48 | Bangladesh | 15 | 0.2 | | | | | |

* excluding intra-European Union (27) trade.

## Table 10.2. Leading exporters and importers from the Asia-Pacific region in 2009 – commercial services*

| Regional rank | Global rank | Exporters | Value ($ billion) | Share in world export | Regional rank | Global rank | Importers | Value ($ billion) | Share in world import |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 3 | China | 128.6 | 5.2 | 1 | 3 | China | 158.2 | 6.7 |
| 2 | 4 | Japan | 125.9 | 5.1 | 2 | 4 | Japan | 146.9 | 6.2 |
| 3 | 5 | Singapore | 87.8 | 3.5 | 3 | 5 | Singapore | 81.4 | 3.5 |
| 4 | 6 | India | 87.4 | 3.5 | 4 | 6 | India | 79.8 | 3.4 |
| 5 | 7 | Hong Kong, China | 86.3 | 3.5 | 5 | 8 | Republic of Korea | 75.0 | 3.2 |
| 6 | 10 | Republic of Korea | 57.3 | 2.3 | 6 | 9 | Russian Federation | 59.4 | 2.5 |
| 7 | 11 | Australia | 41.2 | 1.7 | 7 | 11 | Hong Kong, China | 44.4 | 1.9 |
| 8 | 12 | Russian Federation | 41.2 | 1.7 | 8 | 13 | Australia | 41.4 | 1.8 |
| 9 | 14 | Turkey | 32.8 | 1.3 | 9 | 14 | Thailand | 37.8 | 1.6 |
| 10 | 16 | Thailand | 29.9 | 1.2 | 10 | 19 | Indonesia | 27.6 | 1.2 |
| 11 | 17 | Malaysia | 28.1 | 1.1 | 11 | 20 | Malaysia | 27.1 | 1.1 |
| 12 | 25 | Indonesia | 13.2 | 0.5 | 12 | 23 | Iran, (Islamic Rep. of)[a] | 16.0 | 0.7 |
| 13 | 31 | Philippines | 10.1 | 0.4 | 13 | 24 | Turkey | 15.6 | 0.7 |
| 14 | 36 | New Zealand | 7.5 | 0.3 | 14 | 34 | Kazakhstan | 9.9 | 0.4 |
| 15 | 37 | Iran (Islamic Rep. of)[a] | 6.6 | 0.3 | 15 | 37 | Philippines | 8.3 | 0.4 |
| 16 | 38 | Viet Nam | 5.7 | 0.2 | 16 | 39 | New Zealand | 7.7 | **0.3** |

* excluding intra-European Union (27) trade.
[a] World Trade Organization estimate.

## Table 11.1. Commercial services exports to the world

| | Annual percentage change | | | | | | | | | | Value ($ million) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 |
| **East and North-East Asia** | **-1.3** | **7.3** | **10.7** | **26.4** | **14.9** | **16.3** | **21.4** | **17.5** | **-12.2** | **21.7** | **525 816** |
| China | 9.1 | 19.7 | 17.8 | 33.8 | 19.1 | 23.7 | 33.1 | 20.4 | -12.2 | 32.3 | 170 200 |
| DPR Korea | | | | | | | | | | | |
| Hong Kong, China | 1.7 | 8.5 | 4.4 | 18.5 | 15.5 | 14.2 | 16.5 | 8.7 | -6.2 | 25.1 | 108 000 |
| Japan | -6.7 | 2.0 | 8.7 | 24.9 | 13.8 | 12.8 | 10.4 | 15.3 | -14.0 | 9.2 | 137 555 |
| Macao, China | 14.9 | 26.3 | 17.8 | 40.2 | 6.8 | 21.0 | 36.6 | 26.3 | 5.7 | 51.3 | 28 004 |
| Mongolia | 47.6 | 63.6 | 13.4 | 62.4 | 24.3 | 18.0 | 19.1 | -13.6 | -17.0 | 18.2 | 487 |
| Republic of Korea | -4.9 | 0.9 | 14.4 | 27.8 | 12.0 | 14.5 | 29.0 | 25.3 | -19.0 | 12.6 | 81 570 |
| **South-East Asia** | **0.3** | **9.8** | **6.4** | **31.8** | **12.2** | **16.0** | **27.6** | **12.2** | **-6.6** | **17.7** | **216 304** |
| Brunei Darussalam | 143.8 | -11.5 | 2.3 | 24.7 | 13.2 | 20.8 | 9.2 | 6.6 | 5.5 | | |
| Cambodia | 22.4 | 15.3 | -9.3 | 45.6 | 35.0 | 16.9 | 21.5 | 6.8 | -1.3 | 5.3 | 1 676 |
| Indonesia | 5.9 | 21.6 | -21.1 | 128.5 | 6.9 | -11.8 | 8.8 | 22.0 | -10.1 | 25.0 | 16 548 |
| Lao PDR | 5.2 | 8.3 | -27.3 | 44.3 | 15.6 | 9.9 | 26.0 | 40.8 | 2.4 | | |
| Malaysia | 3.8 | 2.9 | -8.8 | 26.3 | 14.5 | 10.8 | 36.2 | 3.1 | -5.1 | 13.1 | 32 478 |
| Myanmar | -15.6 | 4.1 | -43.5 | 1.8 | 2.4 | 8.0 | | | | | |
| Philippines | -9.0 | 11.6 | -1.1 | 19.3 | 11.9 | 42.4 | 51.6 | -0.5 | 5.5 | 20.8 | 12 377 |
| Singapore | 0.3 | 7.8 | 22.9 | 27.7 | 15.0 | 19.0 | 28.4 | 16.7 | -5.8 | 19.8 | 111 736 |
| Thailand | -6.2 | 18.3 | 2.6 | 20.6 | 5.7 | 23.1 | 22.3 | 9.7 | -10.2 | 14.5 | 33 985 |
| Timor-Leste | | | | | | | 83.4 | -29.5 | 5.9 | | |
| Viet Nam | 4.0 | 4.9 | 11.0 | 18.2 | 9.4 | 19.6 | 26.8 | 8.4 | -18.5 | 32.4 | 7 503 |
| **South and South-West Asia** | **-5.7** | **7.3** | **23.4** | **39.2** | **26.9** | **19.6** | **21.0** | **19.6** | **-10.4** | **7.3** | **146 943** |
| Afghanistan | | | | | | | | | | | |
| Bangladesh | -14.1 | 25.6 | 30.2 | 5.7 | 12.8 | 27.1 | 13.8 | 31.2 | 3.9 | 24.0 | 1 159 |
| Bhutan | 21.4 | -6.9 | -9.4 | 35.2 | 54.0 | -1.1 | 23.4 | -2.3 | 7.8 | | |
| India | 4.8 | 13.8 | 23.6 | 60.5 | 37.6 | 33.1 | 24.7 | 19.9 | -13.1 | 21.4 | 109 514 |
| Iran (Islamic Rep. of) | 57.9 | 65.7 | 16.8 | -0.2 | 12.6 | 12.9 | 22.5 | 15.8 | -5.0 | | |
| Maldives | 1.6 | 2.5 | 19.2 | 17.7 | -37.2 | 73.4 | 16.2 | 7.8 | -4.9 | 16.6 | 763 |
| Nepal | -26.2 | -36.5 | 57.3 | 17.6 | -23.7 | -7.3 | 34.9 | 45.6 | 10.9 | | |
| Pakistan | 1.4 | 14.9 | -1.3 | 16.5 | 18.8 | 9.9 | -0.9 | 13.8 | 0.7 | 8.2 | 2 757 |
| Sri Lanka | 45.8 | -6.5 | 11.4 | 8.4 | 0.8 | 5.6 | 9.4 | 12.9 | -5.4 | | |
| Turkey | -21.7 | -7.3 | 28.1 | 26.6 | 16.7 | -4.5 | 13.2 | 20.3 | -5.1 | 0.4 | 32 750 |
| **North and Central Asia** | **17.5** | **19.5** | **18.6** | **26.0** | **20.4** | **24.9** | **26.2** | **28.4** | **-16.2** | **6.6** | **52 803** |
| Armenia | 37.7 | -1.8 | 13.2 | 62.7 | 24.2 | 18.0 | 20.2 | 11.3 | -8.7 | 15.4 | 669 |
| Azerbaijan | 9.1 | 25.4 | 22.0 | 15.8 | 37.7 | 34.7 | 39.3 | 24.1 | 14.8 | 16.3 | 1 941 |
| Georgia | 45.1 | 23.7 | 13.0 | 21.4 | 27.4 | 23.7 | 21.9 | 18.5 | 5.9 | 21.4 | 1 487 |
| Kazakhstan | 20.7 | 24.7 | 12.1 | 18.9 | 10.0 | 29.2 | 25.8 | 22.5 | -4.2 | 0.1 | 3 815 |
| Kyrgyzstan | | | | | | | | | | | |
| Russian Federation | 17.3 | 19.9 | 19.6 | 27.2 | 20.9 | 24.8 | 26.2 | 29.7 | -18.7 | 6.4 | 43 702 |
| Tajikistan | -0.6 | -3.3 | 9.6 | 22.5 | 27.2 | 7.3 | 5.6 | 14.7 | 6.1 | | |
| Turkmenistan | | | | | | | | | | | |
| Uzbekistan | 3.5 | 2.7 | 12.9 | 6.8 | 15.2 | 17.2 | 24.4 | 24.3 | -13.4 | 14.6 | 1 187 |
| **Pacific island economies** | **-6.7** | **14.2** | **22.8** | **19.4** | **8.4** | **3.6** | **20.6** | **9.4** | **-9.9** | **11.2** | **57 048** |
| American Samoa | | | | | | | | | | | |
| Australia | -8.9 | 8.3 | 21.2 | 19.9 | 9.1 | 6.8 | 22.6 | 11.9 | -8.1 | 16.6 | 47 715 |
| Cook Islands | | | | | | | | | | | |
| Fiji | -2.8 | 22.2 | 22.7 | 13.7 | 23.8 | -6.2 | 6.4 | 15.6 | -28.3 | | |
| French Polynesia | | | 23.4 | 9.9 | 7.7 | -8.0 | 17.5 | 5.7 | -15.9 | | |
| Guam | | | | | | | | | | | |
| Kiribati | -13.3 | 62.6 | -19.4 | 0.1 | 30.9 | -10.7 | 19.4 | 27.4 | -100.0 | | |
| Marshall Islands | | | | | | | | | | | |
| Micronesia (F.S.) | | | | | | | | | | | |
| Nauru | | | | | | | | | | | |
| New Caledonia | | | 27.1 | 15.9 | -31.9 | 15.7 | 24.8 | 14.3 | -16.6 | | |
| New Zealand | 0.8 | 21.7 | 27.7 | 19.5 | 5.4 | -6.1 | 15.2 | -1.6 | -15.0 | 14.4 | 8 877 |
| Niue | | | | | | | | | | | |
| Northern Mariana Islands | | | | | | | | | | | |
| Palau | | | | | | | | | | | |
| Papua New Guinea | 17.5 | -42.7 | 35.7 | -14.8 | 52.4 | 5.8 | 2.9 | 1.4 | -49.0 | 104.0 | 331 |
| Samoa | | | | | 20.3 | 17.6 | -1.6 | 2.2 | 11.6 | | |
| Solomon Islands | 3.7 | -66.7 | 52.1 | 11.9 | 38.6 | 40.0 | 9.2 | -3.7 | 27.3 | 32.6 | 91 |
| Tonga | 24.5 | 3.1 | 20.3 | -5.0 | 39.8 | -23.8 | 1.6 | 49.3 | -13.1 | 17.6 | 35 |
| Tuvalu | | | | | | | | | | | |
| Vanuatu | -5.2 | -19.5 | 19.5 | 9.0 | 14.4 | 3.9 | 26.4 | 25.8 | 5.0 | | |
| **Developing economies** | **1.1** | **10.7** | **12.6** | **30.4** | **17.0** | **18.2** | **25.8** | **17.7** | **-10.4** | **18.5** | **804 767** |
| **Developed economies** | **-6.8** | **4.3** | **12.5** | **23.4** | **12.2** | **10.4** | **13.2** | **13.6** | **-12.7** | **11.2** | **194 147** |
| **All economies** | **-1.2** | **8.9** | **12.6** | **28.6** | **15.8** | **16.3** | **22.8** | **16.8** | **-10.9** | **17.0** | **998 914** |

## Table 11.2. Commercial services imports from the world

| | Annual percentage change | | | | | | | | | | Value ($ million) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 |
| **East and North-East Asia** | **-1.7** | **5.7** | **7.1** | **23.3** | **9.5** | **14.1** | **18.8** | **15.8** | **-8.3** | **14.9** | **496 973** |
| China | 8.9 | 18.1 | 19.0 | 30.5 | 16.2 | 20.6 | 28.8 | 22.2 | 0.1 | 21.6 | 192 200 |
| DPR Korea | | | | | | | | | | | |
| Hong Kong, China | 0.9 | 4.2 | 0.6 | 19.2 | 9.2 | 9.1 | 15.0 | 10.5 | -5.4 | 15.4 | 51 225 |
| Japan | -6.1 | -0.9 | 2.1 | 20.0 | 2.0 | 9.4 | 11.0 | 12.6 | -12.2 | 5.6 | 155 235 |
| Macao, China | 8.0 | 19.4 | 9.6 | 17.8 | 15.4 | 20.7 | 41.6 | 30.2 | -9.5 | 46.0 | 4 583 |
| Mongolia | 25.5 | 31.6 | -4.5 | 99.8 | -5.8 | 9.9 | -11.4 | 31.2 | -8.9 | 38.1 | 753 |
| Republic of Korea | -1.3 | 11.7 | 10.3 | 23.9 | 18.1 | 17.6 | 21.1 | 13.7 | -16.7 | 16.9 | 92 978 |
| **South-East Asia** | **2.1** | **5.3** | **10.7** | **20.2** | **10.6** | **13.4** | **16.5** | **15.5** | **-9.8** | **19.3** | **226 250** |
| Brunei Darussalam | 21.5 | -18.3 | 16.3 | 4.0 | 2.0 | 10.1 | 7.8 | 5.9 | 2.9 | | |
| Cambodia | 6.1 | 8.2 | 15.5 | 18.1 | 25.8 | 20.4 | 14.6 | 7.3 | 0.5 | 17.1 | 1 100 |
| Indonesia | 1.4 | 7.5 | 2.4 | 20.1 | 5.9 | -3.0 | 13.7 | 16.3 | -1.3 | 18.1 | 32 624 |
| Lao PDR | 95.3 | -11.3 | -0.5 | 7.3 | 18.9 | 7.7 | 22.3 | 111.3 | 43.5 | | |
| Malaysia | -0.4 | -1.8 | 6.6 | 9.5 | 14.7 | 7.7 | 21.6 | 5.6 | -9.3 | 17.5 | 32 040 |
| Myanmar | 11.3 | -14.1 | 36.1 | 10.1 | 9.4 | 12.6 | | | | | |
| Philippines | 2.4 | 1.7 | -1.2 | 8.4 | 0.5 | 7.1 | 19.0 | 12.9 | 1.5 | 25.0 | 10 597 |
| Singapore | 6.8 | 4.7 | 19.6 | 24.0 | 10.8 | 17.9 | 14.6 | 17.2 | -9.3 | 21.4 | 96 067 |
| Thailand | -5.6 | 14.5 | 8.6 | 27.3 | 17.3 | 22.2 | 16.2 | 20.6 | -18.4 | 21.0 | 45 429 |
| Timor-Leste | | | | | | | 40.1 | 50.0 | 13.2 | | |
| Viet Nam | 4.0 | 9.3 | 9.5 | 17.0 | -6.7 | 15.0 | 40.4 | 10.4 | -14.2 | 24.2 | 8 392 |
| **South and South-West Asia** | **-1.9** | **10.3** | **20.4** | **42.6** | **25.0** | **17.8** | **22.1** | **21.2** | **-9.2** | **15.7** | **145 716** |
| Afghanistan | | | | | | | | | | | |
| Bangladesh | -6.6 | -7.4 | 21.0 | 15.1 | 9.6 | 5.0 | 26.6 | 30.8 | -8.4 | 21.4 | 3 887 |
| Bhutan | -8.1 | 40.7 | 80.5 | -4.8 | 24.7 | -54.8 | -6.8 | 67.6 | -22.5 | | |
| India | 4.7 | 5.0 | 18.8 | 43.0 | 32.7 | 24.4 | 20.9 | 24.7 | -8.5 | 45.6 | 116 906 |
| Iran (Islamic Rep. of) | 13.4 | 119.5 | 19.5 | 51.3 | 7.0 | 9.6 | 29.4 | 16.8 | 0.8 | | |
| Maldives | 0.5 | 1.3 | 8.1 | 30.6 | 35.5 | 7.7 | 17.0 | 29.8 | -18.6 | 7.0 | 299 |
| Nepal | 6.3 | 12.5 | 11.5 | 45.8 | 12.8 | 15.2 | 46.7 | 17.3 | -8.3 | | |
| Pakistan | 5.1 | -5.5 | 48.1 | 64.4 | 41.3 | 12.3 | 4.1 | 10.2 | -36.4 | 8.7 | 6 414 |
| Sri Lanka | 9.0 | -10.5 | 6.0 | 13.7 | 9.6 | 15.0 | 8.9 | 15.9 | -16.4 | | |
| Turkey | -26.1 | -1.9 | 21.0 | 37.1 | 12.4 | 4.1 | 35.4 | 14.1 | -6.2 | 17.1 | 18 210 |
| **North and Central Asia** | **24.2** | **19.6** | **16.4** | **24.6** | **19.6** | **15.3** | **29.8** | **23.1** | **-18.0** | **15.2** | **86 234** |
| Armenia | 8.5 | 12.9 | 21.6 | 58.9 | 23.4 | 16.2 | 28.6 | 23.2 | -11.8 | 12.0 | 940 |
| Azerbaijan | 36.8 | 97.3 | 58.0 | 33.3 | -2.9 | 6.0 | 19.4 | 15.1 | -13.8 | 14.5 | 3 774 |
| Georgia | 6.8 | 40.0 | 9.7 | 23.9 | 32.8 | 17.7 | 27.0 | 32.5 | -21.3 | 8.8 | 990 |
| Kazakhstan | 42.5 | 34.4 | 5.9 | 36.3 | 45.8 | 16.9 | 33.1 | -4.9 | -9.5 | 3.6 | 10 237 |
| Kyrgyzstan | | | | | | | | | | | |
| Russian Federation | 22.1 | 15.3 | 15.9 | 21.6 | 17.3 | 15.6 | 30.0 | 29.7 | -19.5 | 18.0 | 69 879 |
| Tajikistan | 22.1 | 48.1 | 16.1 | 71.1 | 22.1 | 56.8 | 50.3 | -23.3 | -36.2 | | |
| Turkmenistan | | | | | | | | | | | |
| Uzbekistan | 29.0 | -11.0 | 5.2 | 40.1 | 0.5 | -5.6 | -2.8 | 9.4 | -2.7 | -0.4 | 414 |
| **Pacific island economies** | **-7.5** | **11.2** | **19.5** | **25.9** | **11.0** | **4.2** | **22.0** | **17.3** | **-14.7** | **17.0** | **62 014** |
| American Samoa | | | | | | | | | | | |
| Australia | -8.3 | 5.9 | 19.2 | 27.5 | 9.2 | 5.7 | 24.0 | 21.5 | -14.5 | 22.5 | 49 842 |
| Cook Islands | | | | | | | | | | | |
| Fiji | -11.7 | -4.4 | 40.7 | 20.7 | 8.6 | 2.3 | 0.2 | 15.0 | -24.7 | | |
| French Polynesia | | | 12.8 | 11.3 | 10.6 | -25.8 | 12.9 | 24.3 | -7.1 | | |
| Guam | | | | | | | | | | | |
| Kiribati | -17.1 | 9.4 | 22.8 | 5.0 | 43.0 | -27.6 | 30.0 | 1.2 | | | |
| Marshall Islands | | | | | | | | | | | |
| Micronesia (F.S.) | | | | | | | | | | | |
| Nauru | | | | | | | | | | | |
| New Caledonia | | | 28.9 | 11.2 | 40.5 | 34.4 | 16.9 | 5.3 | -20.7 | | |
| New Zealand | -3.2 | 10.6 | 20.2 | 25.8 | 14.3 | -4.4 | 16.6 | 5.5 | -18.4 | 14.6 | 8 964 |
| Niue | | | | | | | | | | | |
| Northern Mariana Islands | | | | | | | | | | | |
| Palau | | | | | | | | | | | |
| Papua New Guinea | -14.3 | 26.1 | 15.3 | 11.9 | 17.2 | 25.5 | 22.8 | -6.6 | 5.4 | 57.5 | 3 016 |
| Samoa | | | | | 33.8 | 2.2 | 11.2 | 0.4 | 2.6 | | |
| Solomon Islands | 13.9 | -39.2 | 27.6 | -31.4 | 33.2 | 17.3 | 43.0 | 19.1 | -16.0 | 61.6 | 153 |
| Tonga | 28.8 | 16.4 | 13.9 | 2.6 | 6.0 | -10.2 | 7.0 | 34.0 | -10.6 | -3.3 | 38 |
| Tuvalu | | | | | | | | | | | |
| Vanuatu | 6.6 | -28.8 | 17.3 | 9.4 | 12.6 | -3.4 | 6.5 | 43.5 | -0.5 | | |
| **Developing economies** | **3.7** | **10.6** | **13.1** | **26.2** | **15.9** | **16.0** | **21.9** | **18.2** | **-9.2** | **18.0** | **803 145** |
| **Developed economies** | **-6.4** | **0.5** | **5.3** | **21.6** | **3.9** | **8.0** | **13.7** | **14.0** | **-13.0** | **9.5** | **214 041** |
| **All economies** | **0.2** | **7.3** | **10.7** | **24.8** | **12.5** | **13.9** | **19.8** | **17.2** | **-10.1** | **16.1** | **1 017 187** |

## Table 12. Services, value added (percentage of GDP)

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| **East and North-East Asia** | | | | | | | | | | |
| China | 39.0 | 39.0 | 41.5 | 41.2 | 40.4 | 40.5 | 40.9 | 40.9 | 41.8 | 43.4 |
| Hong Kong, China | 86.5 | 86.5 | 88.3 | 89.2 | 89.9 | 90.6 | 91.2 | 91.2 | | |
| Japan | 65.8 | 65.8 | 67.9 | 68.0 | 67.9 | 68.0 | 68.5 | 68.5 | 70.6 | |
| Macao, China | 90.3 | 90.3 | 92.7 | 91.4 | 91.5 | 88.7 | 85.1 | 85.1 | | |
| Mongolia | 47.0 | 47.0 | 53.8 | 51.4 | 44.8 | 40.9 | 35.9 | 35.9 | 39.2 | 43.8 |
| Republic of Korea | 57.3 | 57.3 | 59.8 | 59.6 | 58.1 | 59.0 | 59.7 | 59.7 | 60.8 | 60.9 |
| **South-East Asia** | | | | | | | | | | |
| Brunei Darussalam | 35.3 | 35.3 | 38.2 | 34.6 | 31.0 | 27.5 | 26.1 | 26.1 | | |
| Cambodia | 39.1 | 39.1 | 41.5 | 40.1 | 41.7 | 41.2 | 40.8 | 40.8 | 41.3 | 42.0 |
| Indonesia | 38.5 | 38.5 | 40.1 | 41.1 | 41.0 | 39.2 | 38.3 | 38.3 | 36.5 | 35.2 |
| Lao PDR | 24.6 | 24.6 | 25.0 | 25.3 | 25.7 | 39.4 | 37.1 | 37.1 | 37.1 | |
| Malaysia | 43.1 | 43.1 | 45.9 | 44.1 | 42.2 | 41.9 | 41.5 | 41.5 | 41.7 | 46.2 |
| Myanmar | 33.1 | 33.1 | 32.5 | 35.1 | 35.4 | | | | | |
| Philippines | 52.0 | 52.0 | 53.1 | 53.4 | 53.2 | 53.8 | 54.2 | 54.2 | 53.4 | 55.0 |
| Singapore | 64.3 | 64.3 | 67.2 | 68.0 | 66.7 | 68.9 | 69.2 | 69.2 | 74.0 | |
| Thailand | 49.0 | 49.0 | 48.1 | 46.0 | 46.3 | 45.8 | 44.9 | 44.9 | 44.2 | 45.1 |
| Timor-Leste | 55.7 | 55.7 | | | | | | | | |
| Viet Nam | 38.7 | 38.7 | 38.5 | 38.0 | 38.0 | 38.0 | 38.1 | 38.1 | 37.9 | 38.8 |
| **South and South-West Asia** | | | | | | | | | | |
| Afghanistan | | | 35.1 | 35.3 | 35.0 | 35.2 | 39.2 | 39.2 | 45.2 | 45.4 |
| Bangladesh | 49.2 | 49.2 | 50.9 | 52.0 | 52.4 | 52.6 | 52.5 | 52.5 | 52.5 | 52.6 |
| Bhutan | 36.3 | 36.3 | 35.1 | 35.0 | 36.1 | 38.2 | 38.6 | 38.6 | 35.2 | 37.4 |
| India | 50.5 | 50.5 | 52.7 | 52.8 | 53.1 | 53.0 | 52.9 | 52.9 | 54.4 | 54.6 |
| Iran (Islamic Rep. of) | 49.5 | 49.5 | 46.6 | 47.1 | 46.0 | 45.1 | 46.0 | 46.0 | 0.0 | 0.0 |
| Maldives | 76.2 | 76.2 | 74.0 | 74.7 | 74.8 | 71.9 | 74.9 | 74.9 | 75.7 | 77.5 |
| Nepal | 37.0 | 37.0 | 43.3 | 44.3 | 45.0 | 46.0 | 48.2 | 48.2 | 49.6 | 50.2 |
| Pakistan | 50.7 | 50.7 | 52.8 | 52.7 | 50.8 | 51.4 | 52.8 | 52.8 | 52.9 | 54.2 |
| Sri Lanka | 52.8 | 52.8 | 57.7 | 58.3 | 58.8 | 58.0 | 58.0 | 58.0 | 57.2 | 57.7 |
| Turkey | 57.2 | 57.2 | 59.6 | 60.0 | 60.6 | 60.7 | 61.8 | 61.8 | 63.7 | 64.9 |
| **North and Central Asia** | | | | | | | | | | |
| Armenia | 39.0 | 39.0 | 39.0 | 37.8 | 37.4 | 33.8 | 34.9 | 34.9 | 37.2 | 44.8 |
| Azerbaijan | 37.5 | 37.5 | 34.6 | 34.0 | 33.4 | 26.5 | 23.8 | 23.8 | 23.8 | 31.8 |
| Georgia | 55.7 | 55.7 | 55.0 | 53.8 | 55.7 | 56.5 | 62.3 | 62.3 | 68.7 | 69.0 |
| Kazakhstan | 50.8 | 50.8 | 52.8 | 53.9 | 54.8 | 53.1 | 52.0 | 52.0 | 51.0 | 53.3 |
| Kyrgyzstan | 31.9 | 31.9 | 39.0 | 40.6 | 42.6 | 45.7 | 47.2 | 47.2 | 51.5 | |
| Russian Federation | 55.6 | 55.6 | 60.9 | 61.2 | 58.1 | 57.0 | 58.2 | 58.2 | 59.7 | 62.5 |
| Tajikistan | 33.7 | 33.7 | 35.9 | 35.4 | 46.6 | 44.7 | 47.8 | 47.8 | 48.4 | 53.9 |
| Turkmenistan | 31.2 | 31.2 | 35.6 | 38.4 | 40.4 | 43.6 | 46.3 | 46.3 | 34.0 | 34.2 |
| Uzbekistan | 42.5 | 42.5 | 43.7 | 43.4 | 43.3 | 48.9 | 46.5 | 46.5 | 47.9 | 47.3 |
| **Pacific island economies** | | | | | | | | | | |
| Australia | 69.6 | 69.6 | 69.8 | 70.4 | 70.4 | 70.0 | 68.9 | 68.9 | 68.4 | |
| Fiji | 60.6 | 60.6 | 61.8 | 63.2 | 62.2 | 66.8 | 66.6 | 66.6 | 67.6 | 68.8 |
| Kiribati | 65.7 | 65.7 | 65.2 | 64.1 | 63.8 | 67.5 | 66.4 | 66.4 | 63.7 | 61.8 |
| New Zealand | 66.1 | 66.1 | 68.2 | 68.8 | 68.8 | 69.3 | 69.4 | 69.4 | | |
| Papua New Guinea | 22.8 | 22.8 | 23.3 | 23.1 | 23.3 | 19.9 | 19.0 | 19.0 | 18.4 | 19.6 |
| Samoa | 57.2 | 57.2 | 57.0 | 57.0 | 56.0 | 56.2 | 57.7 | 57.7 | 57.7 | 61.4 |
| Solomon Islands | 52.6 | 52.6 | 56.8 | 49.3 | 52.9 | 57.4 | 57.6 | 57.6 | 52.7 | 55.0 |
| Tonga | 55.9 | 55.9 | 57.2 | 56.4 | 56.7 | 58.8 | 62.3 | 62.3 | 62.0 | 61.9 |
| Vanuatu | 62.4 | 62.4 | 64.2 | 66.6 | 66.3 | 67.3 | 68.5 | 68.5 | 68.3 | |

*Source:* World Development Indicator

## Table 13. Trade in services (percentage of GDP)

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| **East and North-East Asia** | | | | | | | | | | |
| China | 2.9 | 2.9 | 4.4 | 5.3 | 5.9 | 6.1 | 5.0 | 5.0 | 5.0 | 5.3 |
| Hong Kong, China | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 35.3 | 36.4 |
| Japan | 4.1 | 4.1 | 3.7 | 3.4 | 3.4 | 3.6 | 4.3 | 4.3 | 4.5 | 4.0 |
| Macao, China | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Mongolia | 9.7 | 9.7 | 9.4 | 14.1 | 17.4 | 12.4 | 14.3 | 14.3 | 23.1 | 24.5 |
| Republic of Korea | 7.5 | 7.5 | 7.4 | 7.7 | 8.4 | 9.4 | 9.5 | 9.5 | 14.5 | 12.1 |
| **South-East Asia** | | | | | | | | | | |
| Brunei Darussalam | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cambodia | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 9.3 | 10.7 | 10.7 | 11.5 | 16.2 |
| Indonesia | 7.5 | 7.5 | 8.3 | 8.7 | 9.2 | 9.4 | 9.6 | 9.6 | 17.4 | 12.1 |
| Lao PDR | 5.8 | 5.8 | 11.8 | 12.1 | 15.5 | 12.4 | 12.3 | 12.3 | 18.8 | 12.5 |
| Malaysia | 21.2 | 21.2 | 20.8 | 23.8 | 28.7 | 29.9 | 32.4 | 32.4 | 34.1 | 33.7 |
| Myanmar | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Philippines | 11.3 | 11.3 | 13.3 | 14.3 | 17.8 | 22.0 | 27.0 | 27.0 | 27.0 | 11.2 |
| Singapore | 58.2 | 58.2 | 51.8 | 51.4 | 52.3 | 57.6 | 55.6 | 55.6 | 53.6 | 62.5 |
| Thailand | 14.9 | 14.9 | 17.6 | 18.8 | 18.7 | 20.0 | 20.1 | 20.1 | 22.5 | 23.0 |
| Timor-Leste | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Viet Nam | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 18.4 | 18.4 | 21.2 | 19.3 |
| **South and South-West Asia** | | | | | | | | | | |
| Afghanistan | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Bangladesh | 3.6 | 3.6 | 4.0 | 4.4 | 4.8 | 5.9 | 4.4 | 4.4 | 4.4 | 4.8 |
| Bhutan | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| India | 3.4 | 3.4 | 4.8 | 4.2 | 4.4 | 4.8 | 4.7 | 4.7 | 6.3 | 7.1 |
| Iran (Islamic Rep. of) | 3.8 | 3.8 | 0.0 | 11.1 | 5.5 | 3.2 | 3.6 | 3.6 | 4.4 | 3.5 |
| Maldives | 64.7 | 64.7 | 71.5 | 67.6 | 73.1 | 77.6 | 83.7 | 83.7 | 79.6 | 76.5 |
| Nepal | 10.2 | 10.2 | 14.7 | 16.0 | 21.5 | 22.5 | 22.1 | 22.1 | 15.7 | 17.2 |
| Pakistan | 8.8 | 8.8 | 8.7 | 8.2 | 8.3 | 7.9 | 8.6 | 8.6 | 5.9 | 5.6 |
| Sri Lanka | 13.4 | 13.4 | 14.9 | 14.6 | 15.4 | 15.5 | 14.2 | 14.2 | 14.4 | 15.2 |
| Turkey | 7.4 | 7.4 | 8.2 | 8.1 | 11.2 | 11.6 | 10.8 | 10.8 | 12.3 | 10.2 |
| **North and Central Asia** | | | | | | | | | | |
| Armenia | 0.0 | 0.0 | 0.0 | 4.8 | 4.1 | 5.5 | 12.9 | 12.9 | 17.9 | 18.1 |
| Azerbaijan | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 15.6 | 18.6 | 18.6 | 23.2 | 16.2 |
| Georgia | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 19.7 | 15.7 |
| Kazakhstan | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 6.4 | 7.6 | 7.6 | 9.3 | 12.1 |
| Kyrgyzstan | 0.0 | 0.0 | 0.0 | 2.9 | 6.2 | 14.1 | 15.3 | 15.3 | 14.5 | 17.6 |
| Russian Federation | 0.0 | 0.0 | 0.0 | 0.0 | 6.0 | 7.8 | 8.2 | 8.2 | 10.6 | 11.4 |
| Tajikistan | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Turkmenistan | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 20.6 | 20.6 | 0.0 | 0.0 |
| Uzbekistan | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Pacific island economies** | | | | | | | | | | |
| Australia | 7.6 | 7.6 | 7.6 | 8.1 | 9.2 | 9.1 | 9.4 | 9.4 | 8.8 | 9.7 |
| Fiji | 50.4 | 50.4 | 49.4 | 49.1 | 49.3 | 48.9 | 48.2 | 48.2 | 51.6 | 47.1 |
| Kiribati | 93.0 | 93.0 | 66.4 | 69.4 | 61.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| New Zealand | 13.1 | 13.1 | 15.2 | 13.9 | 14.1 | 14.6 | 13.8 | 13.8 | 14.9 | 15.5 |
| Papua New Guinea | 18.9 | 18.9 | 23.2 | 22.3 | 15.3 | 20.8 | 23.5 | 23.5 | 29.3 | 28.1 |
| Samoa | 53.9 | 53.9 | 67.9 | 62.4 | 36.1 | 45.4 | 44.7 | 44.7 | 38.2 | 37.2 |
| Solomon Islands | 34.4 | 34.4 | 30.1 | 30.0 | 33.5 | 22.9 | 24.5 | 24.5 | 23.3 | 29.8 |
| Tonga | 43.8 | 43.8 | 28.4 | 26.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Vanuatu | 53.0 | 53.0 | 49.3 | 52.6 | 50.9 | 50.0 | 52.7 | 52.7 | 63.1 | 67.5 |

## Table 14.1. Services export as a percentage of total export

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **East and North-East Asia** | **13.6** | **14.5** | **14.2** | **13.3** | **13.3** | **13.3** | **13.2** | **13.6** | **14.1** | **14.8** | **14.0** |
| China | 10.8 | 11.0 | 10.8 | 9.6 | 9.5 | 8.8 | 8.6 | 9.1 | 9.3 | 9.7 | 9.7 |
| DPR Korea | | | | | | | | | | | |
| Hong Kong, China | 16.6 | 17.7 | 18.1 | 16.9 | 17.2 | 17.9 | 18.4 | 19.5 | 19.9 | 20.8 | 21.2 |
| Japan | 12.7 | 13.8 | 13.7 | 13.2 | 13.7 | 14.6 | 15.1 | 15.1 | 15.8 | 17.8 | 15.2 |
| Macao, China | 56.4 | 62.1 | 66.9 | 68.5 | 73.6 | 77.2 | 79.9 | 84.5 | 89.8 | 95.1 | 97.0 |
| Mongolia | 12.1 | 17.3 | 25.4 | 24.8 | 27.5 | 27.8 | 23.8 | 23.3 | 16.4 | 17.8 | 14.4 |
| Republic of Korea | 15.1 | 16.3 | 15.4 | 14.8 | 14.5 | 14.5 | 14.5 | 16.1 | 17.5 | 16.6 | 14.9 |
| **South-East Asia** | **13.7** | **15.0** | **15.6** | **14.4** | **15.7** | **15.3** | **15.1** | **16.8** | **16.6** | **18.4** | **17.1** |
| Brunei Darussalam | 4.8 | 11.7 | 10.3 | 9.0 | 9.7 | 9.0 | 8.9 | 9.6 | 7.8 | 11.3 | |
| Cambodia | 23.3 | 25.7 | 23.7 | 20.4 | 22.0 | 25.6 | 25.2 | 27.0 | 25.5 | 27.0 | 25.0 |
| Indonesia | 7.2 | 8.5 | 9.9 | 7.4 | 14.2 | 12.6 | 9.7 | 9.3 | 9.5 | 10.0 | 9.5 |
| Lao PDR | 28.8 | 30.6 | 33.6 | 24.8 | 30.5 | 25.0 | 18.7 | 21.7 | 24.8 | 26.8 | |
| Malaysia | 12.3 | 14.0 | 13.6 | 11.4 | 11.8 | 12.1 | 11.8 | 14.3 | 13.2 | 15.4 | 14.0 |
| Myanmar | 21.8 | 14.0 | 11.7 | 8.4 | 8.9 | 5.9 | 5.3 | | | | |
| Philippines | 7.8 | 8.6 | 8.9 | 8.6 | 9.2 | 9.9 | 12.0 | 16.2 | 16.5 | 21.1 | 19.4 |
| Singapore | 17.1 | 19.0 | 19.7 | 19.1 | 19.5 | 19.5 | 19.6 | 22.1 | 22.6 | 25.7 | 24.1 |
| Thailand | 16.6 | 16.6 | 18.3 | 16.3 | 16.4 | 15.3 | 16.0 | 16.4 | 15.7 | 16.3 | 14.8 |
| Timor-Leste | | | | | | | 80.1 | 88.2 | 77.2 | 84.6 | |
| Viet Nam | 15.7 | 15.8 | 15.0 | 14.0 | 12.7 | 11.5 | 11.3 | 11.7 | 10.0 | 9.0 | 9.4 |
| **South and South-West Asia** | **24.9** | **23.7** | **23.5** | **23.2** | **24.8** | **25.1** | **24.7** | **24.8** | **23.9** | **26.1** | **23.4** |
| Afghanistan | | | | | | | | | | | |
| Bangladesh | 4.2 | 3.8 | 4.7 | 5.4 | 4.8 | 4.9 | 4.9 | 5.2 | 5.5 | 5.8 | 5.7 |
| Bhutan | 16.2 | 18.6 | 16.6 | 13.3 | 13.1 | 14.1 | 9.2 | 7.1 | 8.9 | 9.9 | |
| India | 27.4 | 27.9 | 28.0 | 28.6 | 33.1 | 34.4 | 36.3 | 36.6 | 34.8 | 35.4 | 33.6 |
| Iran (Islamic Rep. of) | 4.7 | 8.1 | 13.3 | 11.5 | 9.5 | 8.0 | 6.7 | 7.1 | 6.5 | 8.7 | |
| Maldives | 76.1 | 76.1 | 73.2 | 73.8 | 73.6 | 66.2 | 70.9 | 73.7 | 67.6 | 79.5 | 80.1 |
| Nepal | 33.8 | 29.1 | 25.3 | 31.4 | 31.6 | 23.9 | 23.1 | 28.1 | 34.5 | 40.0 | |
| Pakistan | 12.5 | 12.4 | 13.1 | 11.0 | 11.4 | 11.3 | 11.7 | 11.1 | 11.1 | 12.7 | 11.4 |
| Sri Lanka | 14.4 | 21.7 | 21.0 | 21.3 | 20.7 | 19.3 | 18.9 | 18.5 | 19.0 | 20.3 | |
| Turkey | 41.0 | 32.5 | 27.9 | 27.5 | 26.4 | 26.5 | 22.8 | 21.0 | 20.7 | 24.2 | 22.3 |
| **North and Central Asia** | **8.6** | **10.2** | **11.4** | **10.7** | **10.0** | **9.1** | **8.9** | **9.4** | **8.9** | **11.3** | **9.4** |
| Armenia | 30.7 | 34.3 | 25.8 | 22.5 | 31.0 | 29.3 | 32.5 | 33.1 | 37.5 | 45.0 | 39.8 |
| Azerbaijan | 11.8 | 10.0 | 12.9 | 13.1 | 11.1 | 7.5 | 6.1 | 5.2 | 4.5 | 7.3 | 6.6 |
| Georgia | 39.0 | 48.5 | 51.7 | 47.6 | 44.0 | 42.8 | 46.1 | 44.2 | 43.6 | 51.9 | 48.5 |
| Kazakhstan | 9.3 | 11.2 | 12.4 | 10.6 | 8.3 | 6.7 | 6.3 | 6.4 | 5.3 | 8.1 | 6.1 |
| Kyrgyzstan | | | | | | | | | | | |
| Russian Federation | 8.3 | 9.9 | 11.1 | 10.6 | 10.0 | 9.2 | 9.2 | 9.9 | 9.7 | 11.9 | 9.8 |
| Tajikistan | 7.4 | 8.7 | 7.5 | 7.6 | 8.1 | 10.2 | 7.3 | 7.3 | 8.7 | 12.3 | |
| Turkmenistan | | | | | | | | | | | |
| Uzbekistan | 13.7 | 14.6 | 15.9 | 14.4 | 11.8 | 12.2 | 12.1 | 10.7 | 10.4 | 8.8 | 9.1 |
| **Pacific island economies** | **23.0** | **21.9** | **23.8** | **25.8** | **25.4** | **23.6** | **21.9** | **22.7** | **20.0** | **21.6** | **18.4** |
| American Samoa | | | | | | | | | | | |
| Australia | 23.3 | 21.8 | 22.8 | 24.8 | 24.3 | 22.3 | 20.8 | 22.0 | 19.2 | 21.0 | 18.3 |
| Cook Islands | | | | | | | | | | | |
| Fiji | 40.9 | 42.3 | 48.3 | 46.9 | 49.2 | 54.3 | 52.9 | 52.4 | 51.0 | 52.2 | |
| French Polynesia | | | 78.2 | 83.8 | 81.7 | 81.5 | 78.9 | 84.0 | 80.0 | 84.6 | |
| Guam | | | | | | | | | | | |
| Kiribati | 64.1 | 55.2 | 72.4 | 71.5 | 74.7 | 68.9 | 57.4 | 50.9 | 46.3 | | |
| Marshall Islands | | | | | | | | | | | |
| Micronesia (F.S.) | | | | | | | | | | | |
| Nauru | | | | | | | | | | | |
| New Caledonia | | | 34.8 | 29.8 | 27.2 | 19.4 | 18.4 | 15.3 | 25.1 | 26.0 | |
| New Zealand | 24.7 | 24.2 | 27.1 | 29.2 | 28.6 | 28.3 | 26.5 | 25.6 | 23.0 | 23.7 | 22.1 |
| Niue | | | | | | | | | | | |
| Northern Mariana Islands | | | | | | | | | | | |
| Palau | | | | | | | | | | | |
| Papua New Guinea | 10.4 | 13.6 | 9.1 | 9.1 | 6.9 | 8.1 | 6.8 | 6.3 | 5.3 | 3.6 | 6.0 |
| Samoa | | | | | 52.4 | 56.5 | 67.1 | 57.3 | 65.0 | 76.4 | |
| Solomon Islands | 39.4 | 49.7 | 21.1 | 24.2 | 21.3 | 26.1 | 29.6 | 25.3 | 20.3 | 29.5 | 29.1 |
| Tonga | 61.3 | 72.5 | 55.7 | 55.7 | 58.3 | 74.6 | 70.0 | 72.8 | 78.2 | 79.0 | 81.2 |
| Tuvalu | | | | | | | | | | | |
| Vanuatu | 82.0 | 84.9 | 81.9 | 80.0 | 76.0 | 78.1 | 74.2 | 78.0 | 79.7 | 80.2 | |
| **Developing economies** | **14.7** | **15.5** | **15.6** | **14.5** | **14.9** | **14.5** | **14.2** | **15.0** | **14.9** | **16.3** | **15.2** |
| **Developed economies** | **14.3** | **15.3** | **15.4** | **15.4** | **15.7** | **16.3** | **16.4** | **16.6** | **16.7** | **18.7** | **16.1** |
| **All economies** | **14.6** | **15.4** | **15.6** | **14.7** | **15.1** | **14.9** | **14.7** | **15.3** | **15.3** | **16.7** | **15.3** |

## Table 14.2. Services import as a percentage of total import

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **East and North-East Asia** | **16.9** | **17.3** | **17.2** | **15.5** | **15.3** | **14.7** | **14.5** | **15.0** | **14.7** | **16.2** | **14.3** |
| China | 13.7 | 13.8 | 13.5 | 11.7 | 11.3 | 11.2 | 11.3 | 11.9 | 12.2 | 13.6 | 12.1 |
| DPR Korea | | | | | | | | | | | |
| Hong Kong, China | 10.3 | 10.9 | 11.0 | 10.0 | 10.2 | 10.1 | 9.9 | 10.3 | 10.7 | 11.2 | 10.4 |
| Japan | 21.7 | 22.1 | 22.5 | 20.7 | 20.9 | 19.2 | 18.8 | 19.3 | 18.0 | 21.0 | 18.3 |
| Macao, China | 23.6 | 23.7 | 25.8 | 26.2 | 24.8 | 25.7 | 26.4 | 30.6 | 37.1 | 39.8 | 43.1 |
| Mongolia | 20.4 | 23.7 | 27.4 | 23.7 | 32.7 | 28.3 | 25.7 | 17.7 | 14.2 | 20.4 | 18.7 |
| Republic of Korea | 17.1 | 18.8 | 19.4 | 18.4 | 18.2 | 18.4 | 18.3 | 19.0 | 18.0 | 19.8 | 17.9 |
| **South-East Asia** | **18.6** | **20.4** | **20.3** | **20.1** | **19.5** | **18.6** | **18.5** | **19.0** | **18.3** | **20.8** | **19.2** |
| Brunei Darussalam | 41.0 | 44.6 | 32.9 | 40.0 | 39.3 | 38.7 | 38.2 | 34.7 | 31.5 | 33.1 | |
| Cambodia | 14.2 | 14.0 | 13.7 | 14.2 | 13.6 | 13.9 | 13.7 | 13.8 | 12.6 | 13.8 | 12.8 |
| Indonesia | 26.1 | 29.4 | 30.4 | 28.9 | 27.3 | 22.4 | 20.9 | 20.6 | 18.1 | 23.5 | 19.9 |
| Lao PDR | 2.4 | 4.7 | 4.8 | 4.6 | 3.3 | 3.1 | 2.8 | 3.4 | 5.4 | 7.5 | |
| Malaysia | 16.8 | 18.3 | 16.9 | 17.2 | 15.3 | 15.9 | 15.2 | 16.2 | 16.1 | 18.0 | 16.3 |
| Myanmar | 11.4 | 10.7 | 11.2 | 16.2 | 16.8 | 20.1 | 17.6 | | | | |
| Philippines | 12.3 | 13.2 | 11.6 | 11.1 | 11.1 | 10.5 | 10.3 | 11.3 | 12.1 | 15.6 | 15.4 |
| Singapore | 18.2 | 21.6 | 22.4 | 22.7 | 22.3 | 21.6 | 21.4 | 22.0 | 21.4 | 24.4 | 23.6 |
| Thailand | 19.8 | 18.9 | 20.4 | 19.2 | 19.5 | 18.5 | 20.3 | 21.4 | 20.4 | 21.9 | 19.9 |
| Timor-Leste | | | | | | | 69.7 | 64.0 | 64.5 | 65.2 | |
| Viet Nam | 17.2 | 17.3 | 15.8 | 13.8 | 12.9 | 10.7 | 10.1 | 10.2 | 8.9 | 8.8 | 9.0 |
| **South and South-West Asia** | **18.6** | **19.6** | **18.9** | **18.1** | **18.9** | **18.4** | **18.2** | **18.2** | **17.2** | **19.4** | **18.0** |
| Afghanistan | | | | | | | | | | | |
| Bangladesh | 14.6 | 13.6 | 13.3 | 13.3 | 13.2 | 12.6 | 11.6 | 12.6 | 12.8 | 12.8 | 12.3 |
| Bhutan | 20.9 | 18.2 | 23.3 | 30.2 | 20.0 | 24.9 | 12.1 | 9.3 | 14.2 | 11.7 | 0.0 |
| India | 26.8 | 28.2 | 26.9 | 25.4 | 26.1 | 24.7 | 24.6 | 23.5 | 21.5 | 23.8 | 26.6 |
| Iran (Islamic Rep. of) | 13.5 | 12.8 | 20.7 | 20.6 | 23.3 | 20.6 | 21.9 | 24.7 | 23.1 | 25.6 | |
| Maldives | 21.7 | 21.6 | 21.9 | 20.1 | 19.5 | 22.0 | 19.6 | 19.5 | 19.9 | 22.4 | 21.2 |
| Nepal | 10.9 | 12.2 | 14.0 | 12.8 | 16.2 | 15.7 | 16.4 | 18.7 | 19.0 | 14.9 | |
| Pakistan | 16.3 | 17.9 | 15.7 | 19.2 | 22.1 | 22.1 | 21.3 | 20.5 | 18.0 | 15.7 | 14.5 |
| Sri Lanka | 18.2 | 22.5 | 20.3 | 19.8 | 19.0 | 18.8 | 18.7 | 18.5 | 17.6 | 19.6 | |
| Turkey | 12.3 | 12.0 | 9.7 | 8.8 | 8.6 | 8.1 | 7.1 | 7.9 | 7.6 | 9.9 | 8.9 |
| **North and Central Asia** | **24.9** | **25.6** | **27.1** | **25.7** | **24.8** | **23.6** | **21.4** | **20.6** | **19.8** | **22.6** | **21.5** |
| Armenia | 16.7 | 18.0 | 18.0 | 17.1 | 23.7 | 22.3 | 21.5 | 19.1 | 17.7 | 20.2 | 19.9 |
| Azerbaijan | 28.8 | 31.2 | 43.5 | 43.6 | 43.5 | 37.6 | 34.6 | 35.5 | 33.6 | 33.6 | 35.7 |
| Georgia | 23.4 | 23.5 | 28.9 | 23.7 | 19.2 | 19.0 | 15.7 | 14.3 | 15.5 | 17.2 | 16.3 |
| Kazakhstan | 26.7 | 28.8 | 34.7 | 30.6 | 28.4 | 29.8 | 26.7 | 25.9 | 22.4 | 25.8 | 25.6 |
| Kyrgyzstan | | | | | | | | | | | |
| Russian Federation | 26.7 | 26.9 | 27.3 | 25.8 | 24.9 | 23.2 | 21.0 | 20.3 | 20.1 | 23.6 | 22.0 |
| Tajikistan | 7.8 | 9.2 | 12.5 | 12.0 | 14.7 | 15.8 | 18.6 | 19.4 | 12.2 | 10.1 | |
| Turkmenistan | | | | | | | | | | | |
| Uzbekistan | 8.5 | 10.3 | 10.6 | 10.2 | 11.1 | 10.4 | 8.4 | 5.8 | 4.4 | 4.4 | 4.7 |
| **Pacific island economies** | **20.9** | **21.2** | **20.9** | **20.4** | **20.9** | **20.5** | **19.7** | **20.2** | **19.9** | **20.7** | **20.2** |
| American Samoa | | | | | | | | | | | |
| Australia | 20.6 | 21.0 | 19.9 | 19.4 | 20.0 | 19.3 | 18.5 | 19.2 | 19.2 | 19.7 | 19.8 |
| Cook Islands | | | | | | | | | | | |
| Fiji | 28.0 | 24.4 | 23.2 | 24.1 | 24.3 | 23.8 | 22.2 | 22.2 | 20.7 | 23.7 | |
| French Polynesia | | | 29.1 | 27.4 | 30.7 | 29.9 | 24.8 | 24.9 | 25.9 | 29.1 | |
| Guam | | | | | | | | | | | |
| Kiribati | 36.5 | 31.8 | 29.5 | 33.2 | 31.2 | 34.2 | 30.5 | 34.0 | 34.3 | | |
| Marshall Islands | | | | | | | | | | | |
| Micronesia (F.S.) | | | | | | | | | | | |
| Nauru | | | | | | | | | | | |
| New Caledonia | | | 29.3 | 25.9 | 26.8 | 32.1 | 34.8 | 32.0 | 30.1 | 30.0 | |
| New Zealand | 24.1 | 24.3 | 23.9 | 23.4 | 23.5 | 23.7 | 22.8 | 22.7 | 21.8 | 23.4 | 22.6 |
| Niue | | | | | | | | | | | |
| Northern Mariana Islands | | | | | | | | | | | |
| Palau | | | | | | | | | | | |
| Papua New Guinea | 40.2 | 38.2 | 42.3 | 41.3 | 39.0 | 42.2 | 41.2 | 39.4 | 33.8 | 37.4 | 49.4 |
| Samoa | | | | | 16.3 | 18.7 | 16.9 | 19.0 | 17.8 | 21.7 | |
| Solomon Islands | 43.2 | 47.0 | 42.0 | 39.8 | 25.9 | 23.4 | 23.4 | 24.8 | 25.6 | 26.0 | 33.8 |
| Tonga | 20.9 | 24.6 | 23.7 | 25.2 | 23.6 | 22.1 | 20.9 | 18.8 | 20.9 | 21.4 | 17.9 |
| Tuvalu | | | | | | | | | | | |
| Vanuatu | 41.8 | 42.5 | 34.6 | 34.6 | 32.2 | 31.5 | 23.4 | 23.5 | 24.4 | 25.5 | |
| **Developing economies** | **12.4** | **13.4** | **13.8** | **13.1** | **13.1** | **12.9** | **12.9** | **13.4** | **13.1** | **14.7** | **13.5** |
| **Developed economies** | **88.4** | **86.0** | **85.6** | **83.9** | **82.5** | **80.1** | **77.8** | **74.7** | **72.7** | **73.2** | **73.8** |
| **All economies** | **95.4** | **95.2** | **95.5** | **95.5** | **95.8** | **95.7** | **95.6** | **95.7** | **95.5** | **95.2** | **94.9** |

## Table 15.1. Services import of Australia, 2000 and 2008 (percentage)

| Partners \ Service codes | 2000 | | | | | | | | | | | | 2008 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 205 | 236 | 245 | 249 | 253 | 260 | 262 | 266 | 268 | 287 | 291 | Total 200 | 205 | 236 | 245 | 249 | 253 | 260 | 262 | 266 | 268 | 287 | 291 | Total 200 |
| China | 3.29 | 2.47 | 2.64 | n.a. | n.a. | n.a. | n.a. | n.a. | 1.71 | 1.14 | 2.15 | 2.31 | 2.67 | 4.36 | 4.22 | n.a. | n.a. | 2.85 | n.a. | n.a. | 1.06 | 0.21 | 2.00 | 2.69 |
| Hong Kong, China | 5.90 | 3.30 | 3.31 | n.a. | n.a. | 2.85 | n.a. | n.a. | 3.90 | 2.63 | 2.62 | 3.81 | 4.89 | 2.96 | n.a. | n.a. | n.a. | n.a. | 2.14 | n.a. | n.a. | 0.49 | 1.65 | 3.44 |
| Fiji | 0.99 | 1.74 | n.a. | n.a. | n.a. | 2.85 | n.a. | n.a. | 1.61 | n.a. | 0.31 | 1.14 | 0.53 | 4.07 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.59 | 1.63 |
| India | n.a. | 1.09 | n.a. | n.a. | n.a. | 0.00 | 1.02 | n.a. | 0.24 | 0.11 | 0.00 | 0.65 | 0.46 | 2.06 | n.a. | n.a. | n.a. | n.a. | 5.51 | 0.03 | n.a. | n.a. | n.a. | 1.15 |
| Indonesia | 1.85 | 4.47 | n.a. | n.a. | n.a. | 0.67 | n.a. | n.a. | 0.34 | n.a. | 1.54 | 2.34 | 1.08 | 3.72 | n.a. | n.a. | n.a. | 0.79 | n.a. | n.a. | 0.52 | n.a. | 2.36 | 1.79 |
| Japan | 10.84 | 1.94 | 3.72 | n.a. | 1.00 | 22.28 | n.a. | 10.03 | 5.51 | n.a. | 3.38 | 6.23 | 7.37 | 2.48 | 3.10 | n.a. | 0.95 | 22.47 | 0.58 | n.a. | n.a. | 0.07 | 3.42 | 4.84 |
| Malaysia | 4.54 | 2.67 | 0.00 | n.a. | n.a. | 0.67 | n.a. | n.a. | 0.24 | 0.11 | 2.15 | 2.61 | 2.68 | 2.37 | 0.95 | n.a. | n.a. | 0.79 | 0.26 | 0.17 | 0.73 | n.a. | 1.65 | 1.88 |
| New Zealand | 5.10 | 7.59 | 7.86 | n.a. | 9.87 | n.a. | 1.92 | 0.05 | 2.33 | 0.23 | 0.92 | 5.28 | 3.44 | 8.51 | 2.58 | n.a. | 9.77 | n.a. | 2.20 | 0.70 | 2.46 | 0.42 | 0.94 | 4.78 |
| Papua New Guinea | 0.27 | 0.91 | 0.41 | n.a. | n.a. | n.a. | n.a. | n.a. | 0.10 | n.a. | 1.54 | 0.47 | 0.05 | 0.93 | n.a. | n.a. | n.a. | n.a. | 0.06 | n.a. | 0.43 | n.a. | 5.54 | 0.53 |
| Philippines | 0.04 | 1.47 | n.a. | n.a. | n.a. | 0.67 | n.a. | n.a. | 0.27 | n.a. | 1.23 | 0.69 | 0.01 | 1.49 | n.a. | n.a. | n.a. | 0.79 | 0.32 | n.a. | n.a. | n.a. | 1.53 | 0.69 |
| Republic of Korea | 0.43 | 0.62 | 1.34 | n.a. | n.a. | 0.67 | n.a. | n.a. | 1.30 | n.a. | 1.69 | 0.73 | 1.94 | 0.59 | n.a. | n.a. | n.a. | 0.79 | 0.13 | n.a. | 0.94 | 0.07 | 0.59 | 1.04 |
| Russian Federation | 0.15 | 0.10 | 0.00 | n.a. | n.a. | n.a. | n.a. | 0.05 | n.a. | n.a. | 0.46 | 0.10 | 0.07 | 0.31 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.47 | 0.14 |
| Singapore | 13.44 | 3.07 | 3.26 | n.a. | 3.10 | 2.85 | 2.82 | 0.15 | 3.63 | 1.71 | 1.23 | 6.32 | 20.93 | 2.59 | 6.80 | n.a. | 3.26 | 2.85 | 1.94 | 1.10 | 5.39 | 1.04 | 0.94 | 8.87 |
| Thailand | n.a. | 3.36 | n.a. | n.a. | n.a. | 0.67 | n.a. | n.a. | 0.17 | n.a. | 0.77 | 1.87 | 3.83 | 5.36 | n.a. | n.a. | n.a. | 0.79 | n.a. | n.a. | 1.74 | n.a. | 0.83 | 3.39 |
| United States | 11.48 | 17.59 | 21.87 | n.a. | 34.92 | 31.66 | 43.91 | 53.78 | 25.15 | 54.45 | 29.54 | 21.39 | 2.84 | 13.63 | 16.18 | n.a. | 34.56 | 31.96 | 38.61 | 46.42 | 36.77 | 54.15 | 32.31 | 18.19 |
| Viet Nam | n.a. | 1.32 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.03 | n.a. | 1.54 | 0.68 | 0.44 | 2.46 | 0.43 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 1.05 |
| World | 100.00 | 100.00 | 100.00 | n.a. | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | n.a. | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

## Table 15.2. Services export of Australia, 2000 and 2008 (percentage)

| Partners \ Service codes | 2000 | | | | | | | | | | | | 2008 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 205 | 236 | 245 | 249 | 253 | 260 | 262 | 266 | 268 | 287 | 291 | Total 200 | 205 | 236 | 245 | 249 | 253 | 260 | 262 | 266 | 268 | 287 | 291 | Total 200 |
| China | 1.63 | 3.34 | 1.37 | n.a. | n.a. | n.a. | 0.35 | 1.88 | 2.11 | 0.54 | 3.04 | 2.33 | 2.89 | 14.40 | 1.30 | n.a. | n.a. | n.a. | 1.91 | 2.08 | 1.59 | 4.87 | 3.18 | 8.92 |
| Hong Kong, China | 3.96 | 4.18 | 5.28 | n.a. | n.a. | 6.10 | 2.46 | n.a. | 1.59 | 2.12 | n.a. | 3.56 | 3.82 | 3.18 | n.a. | n.a. | n.a. | 6.16 | 2.27 | n.a. | 1.19 | 2.44 | n.a. | 3.07 |
| Fiji | 1.14 | 0.49 | n.a. | n.a. | n.a. | 6.10 | n.a. | n.a. | 0.58 | 0.33 | 0.49 | 0.58 | 0.35 | 0.35 | 13.85 | n.a. | n.a. | n.a. | 0.06 | n.a. | 0.16 | 0.77 | 0.47 | 0.33 |
| India | n.a. | 2.45 | n.a. | 4.00 | n.a. | n.a. | 0.12 | 0.63 | 0.14 | 0.16 | 0.49 | 1.37 | 0.98 | 9.24 | 1.30 | n.a. | n.a. | n.a. | 1.37 | n.a. | 0.59 | n.a. | 0.47 | 5.58 |
| Indonesia | 2.12 | 4.89 | 1.30 | n.a. | n.a. | n.a. | n.a. | 1.57 | 0.95 | 1.20 | 4.99 | 3.12 | 0.82 | 2.55 | n.a. | n.a. | n.a. | n.a. | 0.78 | 4.04 | 1.25 | n.a. | 5.31 | 1.94 |
| Japan | 16.36 | 11.88 | 4.83 | n.a. | 3.33 | 3.77 | 4.44 | 0.63 | 4.71 | 0.71 | 1.09 | 10.14 | 8.70 | 4.23 | 2.81 | n.a. | 3.25 | 3.60 | 3.47 | 1.71 | 2.26 | 3.46 | 1.06 | 4.54 |
| Malaysia | 1.36 | 3.80 | 1.83 | n.a. | n.a. | 0.11 | n.a. | n.a. | 2.63 | 0.87 | 0.97 | 2.53 | 1.39 | 3.90 | n.a. | n.a. | n.a. | 0.09 | 1.43 | 2.45 | 1.87 | 2.56 | 0.83 | 2.81 |
| New Zealand | 5.70 | 8.28 | 10.31 | n.a. | 10.13 | 3.77 | 5.85 | n.a. | 6.65 | 2.23 | 0.24 | 6.90 | 5.52 | 6.92 | 6.06 | n.a. | 10.03 | 3.70 | 4.48 | n.a. | 6.32 | 8.72 | 0.35 | 6.42 |
| Papua New Guinea | 1.48 | 0.73 | 1.30 | n.a. | n.a. | 0.67 | 0.70 | 0.63 | 1.24 | n.a. | 12.65 | 1.21 | 0.85 | 0.47 | 3.68 | n.a. | n.a. | 0.66 | 0.60 | n.a. | 0.80 | n.a. | 11.56 | 0.86 |
| Philippines | n.a. | 0.64 | n.a. | n.a. | n.a. | n.a. | n.a. | 0.63 | 0.38 | n.a. | 2.68 | 0.55 | 0.16 | 0.77 | n.a. | n.a. | n.a. | n.a. | 0.84 | 0.37 | 0.40 | n.a. | 2.83 | 0.65 |
| Republic of Korea | 1.46 | 3.65 | n.a. | 4.00 | n.a. | n.a. | 0.35 | n.a. | 0.75 | 0.05 | 0.36 | 2.23 | 1.85 | 5.54 | 0.76 | n.a. | n.a. | n.a. | 0.12 | 0.24 | 0.34 | 0.38 | 0.35 | 3.46 |
| Russian Federation | n.a. | 0.22 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.03 | n.a. | 0.36 | 0.15 | n.a. | 0.27 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.13 | n.a. | 0.12 | 0.19 |
| Singapore | 9.90 | 5.06 | 3.07 | n.a. | 4.93 | 7.87 | 1.87 | n.a. | 5.81 | 2.07 | 0.61 | 5.75 | 20.31 | 2.97 | 2.71 | n.a. | 4.74 | 8.25 | 4.24 | n.a. | 11.46 | 6.41 | 2.36 | 7.38 |
| Thailand | 1.76 | 2.04 | n.a. | n.a. | n.a. | n.a. | 0.12 | n.a. | 0.52 | n.a. | 1.34 | 1.47 | 1.30 | 2.59 | n.a. | n.a. | n.a. | n.a. | 0.30 | 0.49 | 0.78 | 0.26 | 1.18 | 1.81 |
| United States | 10.94 | 9.05 | 19.50 | n.a. | 42.27 | 28.49 | 41.52 | 58.46 | 35.13 | n.a. | 18.98 | 17.64 | 9.27 | 4.91 | 20.02 | 3.64 | 42.01 | 27.11 | 28.57 | 38.44 | 26.41 | 7.56 | 21.23 | 11.53 |
| Viet Nam | n.a. | 0.91 | n.a. | n.a. | n.a. | n.a. | 0.12 | n.a. | n.a. | n.a. | 1.95 | 0.49 | 0.03 | 1.84 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.37 | 0.26 | 2.12 | 1.13 |
| World | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

*Source:* United Nations Service Trade databases.

## Table 16.1. Services import of Hong Kong, China, 2000 and 2008 (percentage)

| Partners \ Service codes | 2000 | | | | | | | | | | | | 2008 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 205 | 236 | 245 | 249 | 253 | 260 | 262 | 266 | 268 | 287 | 291 | Total 200 | 205 | 236 | 245 | 249 | 253 | 260 | 262 | 266 | 268 | 287 | 291 | Total 200 |
| Australia | 4.77 | 7.68 | 2.72 | n.a. | 0.57 | 0.85 | n.a. | 0.22 | 1.65 | 1.54 | n.a. | 5.49 | 4.47 | 7.96 | 2.27 | 2.07 | 2.07 | 5.47 | 0.12 | 1.86 | 9.29 | n.a. | n.a. | 4.87 |
| China | 22.86 | 37.38 | 22.21 | n.a. | -3.41 | 2.79 | 3.91 | 8.68 | 34.63 | 47.69 | n.a. | 30.86 | 22.79 | 31.35 | 11.36 | 14.74 | 5.61 | 22.66 | 4.47 | 33.10 | 31.43 | n.a. | n.a. | 25.46 |
| India | 1.01 | n.a. | n.a. | n.a. | n.a. | 0.49 | n.a. | 0.65 | n.a. | n.a. | n.a. | 0.43 | 0.03 | n.a. | 0.00 | 0.01 | 0.02 | 0.02 | 0.00 | n.a. | 0.06 | n.a. | n.a. | 0.02 |
| Indonesia | 0.70 | 0.38 | 0.43 | n.a. | n.a. | 0.73 | n.a. | n.a. | 0.59 | n.a. | n.a. | 0.47 | 0.81 | 0.71 | 3.11 | 0.41 | 1.08 | n.a. | n.a. | 0.32 | 1.43 | n.a. | n.a. | 0.73 |
| Japan | 8.99 | 5.10 | 5.01 | n.a. | 7.77 | 15.90 | 3.91 | 20.82 | 6.13 | n.a. | n.a. | 6.85 | 8.14 | 8.52 | 2.61 | 7.30 | 4.56 | 4.69 | 30.43 | n.a. | 0.00 | n.a. | n.a. | 8.33 |
| Macao, China | 0.46 | 3.58 | 0.57 | n.a. | -0.19 | 0.61 | n.a. | n.a. | 0.07 | n.a. | n.a. | 1.99 | 0.27 | 3.59 | 0.34 | 0.41 | 0.10 | n.a. | 0.06 | n.a. | 0.71 | n.a. | n.a. | 1.43 |
| Malaysia | 1.46 | 1.13 | 0.29 | n.a. | 1.70 | 3.28 | 2.34 | n.a. | n.a. | 1.54 | n.a. | 1.19 | 1.07 | 1.29 | 1.26 | 1.38 | 1.75 | 1.37 | 0.12 | n.a. | 7.86 | n.a. | n.a. | 1.48 |
| Philippines | 1.07 | 1.59 | 1.29 | n.a. | 0.19 | 0.61 | n.a. | n.a. | 0.22 | 3.08 | n.a. | 1.19 | 1.15 | 1.23 | 2.10 | 1.79 | 0.89 | 0.98 | n.a. | 0.36 | 0.00 | n.a. | n.a. | 1.02 |
| Republic of Korea | 3.19 | 3.09 | 0.57 | n.a. | 2.46 | 5.22 | n.a. | n.a. | 5.80 | n.a. | n.a. | 3.33 | 1.82 | 1.73 | 0.17 | 1.79 | 1.18 | 0.59 | 0.56 | n.a. | 1.43 | n.a. | n.a. | 1.71 |
| Singapore | 6.22 | 1.78 | 2.29 | n.a. | 3.60 | 10.92 | 14.84 | 0.43 | 4.88 | 4.62 | n.a. | 3.66 | 8.63 | 1.94 | 5.05 | 4.41 | 15.65 | 10.74 | 2.80 | n.a. | 3.57 | n.a. | n.a. | 5.79 |
| Thailand | 2.32 | 2.76 | 0.86 | n.a. | n.a. | 1.82 | n.a. | n.a. | n.a. | 1.54 | n.a. | 2.13 | 1.89 | 3.45 | n.a. | 1.52 | 1.66 | 0.20 | 0.19 | 0.35 | 3.57 | n.a. | n.a. | 2.04 |
| United States | 17.13 | 10.29 | 40.11 | n.a. | 59.09 | 20.51 | 35.16 | 38.61 | n.a. | 10.77 | n.a. | 15.66 | 11.02 | 11.82 | 32.74 | 30.72 | 19.99 | 19.34 | 42.11 | n.a. | 7.86 | 0.00 | 0.00 | 14.68 |
| Asia n.i.e. | 4.82 | 3.92 | 2.01 | n.a. | 5.87 | 5.22 | 2.34 | 1.74 | n.a. | 15.38 | n.a. | 4.43 | 4.30 | 5.56 | 0.76 | 4.13 | 3.25 | 0.78 | 0.75 | n.a. | 5.00 | n.a. | n.a. | 4.11 |
| World | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

## Table 16.2. Services export of Hong Kong, China, 2000 and 2008 (percentage)

| Partners \ Service codes | 2000 | | | | | | | | | | | | 2008 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 205 | 236 | 245 | 249 | 253 | 260 | 262 | 266 | 268 | 287 | 291 | Total 200 | 205 | 236 | 245 | 249 | 253 | 260 | 262 | 266 | 268 | 287 | 291 | Total 200 |
| Australia | 2.36 | 2.76 | 3.04 | n.a. | 1.35 | 0.25 | n.a. | 0.93 | 1.12 | 7.84 | n.a. | 1.68 | 4.91 | 2.93 | 2.38 | n.a. | 1.46 | 1.75 | 4.99 | 6.58 | n.a. | n.a. | n.a. | 2.73 |
| China | 17.71 | 33.38 | 19.34 | n.a. | 18.28 | 1.37 | 10.00 | 14.02 | 0.00 | 19.61 | n.a. | 21.85 | 14.77 | 61.28 | 17.57 | n.a. | 27.06 | 3.26 | 28.05 | 24.47 | 12.83 | 12.83 | n.a. | 24.47 |
| India | 0.80 | 1.08 | n.a. | n.a. | 0.00 | 0.09 | n.a. | n.a. | 0.61 | n.a. | n.a. | 0.67 | 1.30 | 0.97 | n.a. | n.a. | n.a. | 0.85 | 5.73 | 5.53 | 0.38 | 0.38 | n.a. | 1.01 |
| Indonesia | 0.66 | 2.00 | n.a. | n.a. | 1.58 | 0.37 | n.a. | n.a. | 0.45 | n.a. | n.a. | 0.74 | 0.53 | 1.18 | 2.49 | n.a. | 2.74 | 0.34 | 2.64 | n.a. | n.a. | n.a. | n.a. | 0.56 |
| Japan | 12.43 | 11.60 | 1.38 | n.a. | 11.96 | 3.34 | 10.00 | 17.76 | n.a. | 5.88 | n.a. | 8.87 | 10.74 | 3.25 | 4.31 | n.a. | 15.90 | 3.82 | 2.35 | 10.00 | 3.77 | 3.77 | n.a. | 6.40 |
| Macao, China | 0.20 | 1.10 | n.a. | n.a. | 0.90 | 0.34 | n.a. | 0.93 | 0.52 | n.a. | n.a. | 0.49 | 0.18 | 1.27 | 0.11 | n.a. | 4.20 | 0.36 | 1.76 | n.a. | 1.89 | 1.89 | n.a. | 0.60 |
| Malaysia | 1.99 | 2.52 | 0.55 | n.a. | 1.35 | 0.53 | n.a. | 8.41 | 0.58 | 1.96 | n.a. | 1.34 | 2.28 | 1.47 | 4.31 | n.a. | 0.37 | 0.37 | 5.58 | 7.37 | 18.11 | 18.11 | n.a. | 1.35 |
| Philippines | 1.57 | 2.37 | 0.28 | n.a. | 0.90 | 0.39 | n.a. | 0.93 | 0.25 | n.a. | n.a. | 1.01 | 1.08 | 1.78 | 0.45 | n.a. | 2.38 | 0.21 | 2.06 | 1.05 | n.a. | n.a. | n.a. | 0.77 |
| Republic of Korea | 4.98 | 2.81 | 0.83 | n.a. | 0.45 | 2.47 | n.a. | n.a. | 1.72 | n.a. | n.a. | 2.99 | 3.42 | 2.54 | 0.45 | n.a. | 14.08 | 3.49 | 2.35 | 0.26 | n.a. | n.a. | n.a. | 2.69 |
| Singapore | 1.98 | 3.76 | 2.49 | n.a. | 6.55 | 5.74 | 5.00 | 7.48 | n.a. | 3.92 | n.a. | 3.06 | 1.55 | 2.37 | 3.74 | n.a. | 6.95 | 5.15 | 6.90 | 6.05 | 1.13 | 1.13 | n.a. | 2.78 |
| Thailand | 1.29 | 1.98 | 0.28 | n.a. | 1.13 | 0.53 | n.a. | 2.80 | 1.08 | n.a. | n.a. | 1.21 | 0.98 | 1.42 | n.a. | n.a. | 1.83 | 0.36 | 2.50 | 1.05 | 0.38 | 0.38 | n.a. | 0.88 |
| United States | 18.10 | 9.63 | 25.97 | n.a. | 4.74 | 18.65 | 25.00 | 10.28 | n.a. | 17.65 | n.a. | 21.74 | 18.44 | 4.54 | n.a. | n.a. | 4.20 | 29.52 | 12.04 | 13.68 | n.a. | n.a. | n.a. | 20.95 |
| Asia n.i.e. | 10.62 | 9.70 | 6.91 | n.a. | 2.93 | 1.74 | 8.33 | 15.89 | n.a. | 5.88 | n.a. | 6.50 | 10.44 | 3.49 | 1.93 | n.a. | 6.03 | 1.49 | 4.11 | 2.11 | 1.89 | 1.89 | n.a. | 5.12 |
| World | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

*Source:* United Nations Service Trade databases.

## Table 17.1. Services import of Japan, 2000 and 2009 (percentage)

| Partners \ Service codes | 2000 | | | | | | | | | | | | 2009 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 205 | 236 | 245 | 249 | 253 | 260 | 262 | 266 | 268 | 287 | 291 | Total 200 | 205 | 236 | 245 | 249 | 253 | 260 | 262 | 266 | 268 | 287 | 291 | Total 200 |
| Australia | 2.51 | 4.19 | 2.65 | 0.48 | 0.77 | 0.59 | 3.37 | 0.55 | 1.97 | 1.74 | 1.49 | 2.53 | 1.97 | 3.83 | 0.86 | 2.32 | 0.27 | 2.63 | 2.43 | 0.14 | 3.02 | 0.20 | 2.61 | 2.33 |
| China | 2.95 | 5.76 | 10.67 | 3.25 | 3.46 | 0.25 | 2.62 | 0.16 | 3.46 | 0.51 | 3.69 | 3.57 | 4.60 | 14.69 | 7.22 | 0.97 | 0.52 | 0.49 | 19.02 | 0.04 | 5.70 | 0.61 | 4.49 | 5.93 |
| Hong Kong, China | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 6.38 | 2.92 | 5.70 | 0.36 | 1.94 | 4.97 | 0.68 | 0.18 | 2.72 | 0.91 | 3.82 | 3.27 |
| India | 0.22 | 0.32 | 0.80 | 1.55 | 0.18 | 0.05 | 0.42 | 0.09 | 0.56 | 0.07 | 0.71 | 0.36 | 0.16 | 1.98 | 0.48 | 3.95 | 0.23 | 0.04 | 0.03 | 0.02 | 1.70 | n.a. | 0.30 | 1.15 |
| Indonesia | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.20 | 0.40 | 0.67 | 1.10 | 0.10 | 0.49 | 2.77 | 0.03 | 0.66 | n.a. | 0.06 | 0.47 |
| Malaysia | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.72 | 0.90 | 3.52 | 1.04 | 0.12 | n.a. | 0.28 | 0.03 | 0.79 | n.a. | 1.33 | 0.69 |
| New Zealand | 0.53 | 0.83 | 0.48 | 0.00 | 0.14 | n.a. | 0.12 | 0.02 | 0.11 | 0.36 | 0.31 | 0.42 | 0.34 | 0.52 | 0.19 | 0.42 | n.a. | 0.04 | 0.03 | n.a. | 0.11 | 0.20 | 0.30 | 0.25 |
| Philippines | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 1.38 | 1.47 | 8.37 | 1.06 | 0.06 | 0.04 | 0.85 | 0.01 | 0.76 | n.a. | 1.46 | 1.01 |
| Republic of Korea | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 6.09 | 6.83 | 5.42 | 4.39 | 0.25 | 0.46 | 0.59 | 1.09 | 2.24 | 2.95 | 1.82 | 3.98 |
| Russian Federation | 0.57 | 0.12 | 0.48 | 0.02 | 0.27 | n.a. | 0.03 | 0.01 | 0.02 | 0.29 | 1.41 | 0.30 | 0.26 | 0.41 | 0.48 | 0.04 | 0.04 | n.a. | n.a. | 0.48 | 1.60 | 0.10 | 2.85 | 0.66 |
| Singapore | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 7.14 | 1.86 | 3.61 | 4.57 | 2.14 | 2.28 | 3.11 | 9.05 | 3.05 | n.a. | 6.97 | 4.75 |
| Thailand | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 1.11 | 5.96 | 2.57 | 2.33 | 0.06 | 0.07 | 0.03 | 1.51 | 0.96 | 0.71 | 0.79 | 1.94 |
| United States | 17.57 | 27.85 | 36.52 | 11.72 | 31.91 | 37.91 | 61.55 | 65.67 | 44.35 | 52.53 | 37.57 | 32.64 | 11.23 | 22.95 | 24.33 | 2.85 | 26.32 | 46.48 | 38.82 | 65.37 | 38.59 | 45.93 | 33.29 | 28.40 |
| ASEAN | 11.03 | 11.58 | 12.20 | 22.14 | 6.15 | 4.07 | 6.80 | 8.44 | 9.33 | 0.65 | 10.04 | 10.50 | 10.51 | 12.16 | 18.54 | 12.95 | 2.62 | 2.42 | 4.30 | 10.62 | 7.26 | 0.71 | 10.86 | 9.54 |
| World | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

## Table 17.2. Services export of Japan, 2000 and 2009 (percentage)

| Partners \ Service codes | 2000 | | | | | | | | | | | | 2009 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 205 | 236 | 245 | 249 | 253 | 260 | 262 | 266 | 268 | 287 | 291 | Total 200 | 205 | 236 | 245 | 249 | 253 | 260 | 262 | 266 | 268 | 287 | 291 | Total 200 |
| Australia | 2.60 | 3.31 | 4.16 | 0.33 | -1.07 | 0.42 | 0.41 | 0.57 | 1.83 | 2.38 | 2.67 | 1.82 | 1.75 | 2.20 | 0.96 | 5.24 | 2.83 | 1.55 | 0.99 | 1.23 | 2.20 | n.a. | 1.02 | 2.16 |
| China | 4.00 | 8.59 | 6.07 | 3.05 | 9.63 | 0.55 | 0.82 | 3.20 | 2.41 | 0.79 | 1.38 | 3.40 | 10.54 | 24.52 | 14.56 | 0.67 | 5.54 | 0.35 | 4.69 | 11.28 | -1.70 | 1.32 | 0.71 | 6.15 |
| Hong Kong, China | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 10.54 | 24.52 | 14.56 | 0.67 | 5.54 | 0.35 | 4.69 | 11.28 | -1.70 | 1.32 | 0.71 | 6.15 |
| India | 0.35 | 0.88 | 0.67 | 0.88 | 0.53 | 0.13 | 0.12 | 0.59 | 0.48 | 0.00 | 0.39 | 0.48 | 0.74 | 0.71 | 0.64 | 1.39 | 0.37 | 0.13 | 0.74 | 1.81 | 0.96 | n.a. | 0.18 | 1.02 |
| Indonesia | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 1.13 | 0.95 | 0.32 | 4.96 | 2.83 | 0.51 | 0.25 | 2.73 | 0.20 | 1.32 | 0.18 | 1.41 |
| Malaysia | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 1.41 | 1.36 | 5.60 | 1.10 | 1.35 | 0.04 | 0.99 | 1.28 | -1.37 | 1.32 | 0.71 | 0.39 |
| New Zealand | 0.48 | 0.71 | 0.11 | n.a. | 0.53 | n.a. | n.a. | 0.01 | 0.33 | 0.79 | 0.59 | 0.31 | 0.21 | 0.36 | 0.16 | 0.33 | 0.12 | n.a. | n.a. | 0.01 | 0.24 | n.a. | 0.18 | 0.20 |
| Philippines | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 1.03 | 0.83 | 0.64 | 1.92 | -2.83 | 0.02 | 0.12 | 0.70 | 0.45 | n.a. | 0.97 | 0.78 |
| Republic of Korea | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 7.11 | 15.37 | 11.20 | 0.62 | 2.96 | 0.67 | 3.58 | 4.72 | -3.10 | 3.95 | 9.59 | 3.13 |
| Russian Federation | 0.18 | 0.57 | 0.45 | 0.36 | n.a. | n.a. | n.a. | 0.77 | n.a. | n.a. | 0.39 | 0.15 | 0.29 | 0.62 | 0.16 | 0.11 | -0.37 | 0.47 | 0.25 | 0.14 | 0.15 | n.a. | 0.27 | 0.23 |
| Singapore | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 7.04 | 1.90 | 3.36 | 4.11 | 8.87 | 1.29 | 4.32 | 1.01 | 16.64 | 1.97 | 2.21 | 8.16 |
| Thailand | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 2.51 | 2.32 | 1.12 | 3.02 | -0.49 | 0.13 | 2.35 | 6.71 | -0.77 | n.a. | 0.31 | 2.01 |
| United States | 23.78 | 17.34 | 44.04 | 15.31 | 9.63 | 41.09 | 63.29 | 45.98 | 45.54 | 37.30 | 53.21 | 33.83 | 18.68 | 8.96 | 29.28 | 1.55 | -6.77 | 44.07 | 48.77 | 37.94 | 38.38 | 47.37 | 73.53 | 28.13 |
| ASEAN | 12.87 | 9.87 | 9.66 | 35.05 | 20.32 | 3.25 | 18.00 | 13.27 | 12.31 | 3.17 | 8.98 | 14.14 | 13.12 | 7.36 | 11.04 | 15.11 | 9.73 | 2.00 | 8.02 | 12.42 | 15.16 | 4.61 | 4.37 | 12.75 |
| World | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

*Source:* United Nations Service Trade databases.

## Table 18.1. Services import of the Republic of Korea, 2000 and 2009 (percentage)

| Partners \ Service codes | 2000 | | | | | | | | | | | | 2009 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 205 | 236 | 245 | 249 | 253 | 260 | 262 | 266 | 268 | 287 | 291 | Total 200 | 205 | 236 | 245 | 249 | 253 | 260 | 262 | 266 | 268 | 287 | 291 | Total 200 |
| China | 3.33 | 16.23 | 17.60 | n.a. | 2.74 | n.a. | n.a. | 0.22 | 6.16 | n.a. | 3.74 | 6.91 | 7.86 | 13.55 | 9.57 | n.a. | -1.20 | n.a. | n.a. | n.a. | 16.29 | n.a. | 8.22 | 10.81 |
| Japan | 20.39 | 20.62 | 18.49 | n.a. | 8.36 | n.a. | n.a. | 17.22 | 10.15 | n.a. | 12.60 | 16.57 | 11.38 | 11.89 | 9.52 | n.a. | 0.71 | n.a. | n.a. | n.a. | 5.92 | n.a. | 7.99 | 9.41 |
| United States | 32.07 | 26.00 | 34.97 | n.a. | 7.95 | n.a. | n.a. | 59.40 | 40.12 | n.a. | 37.99 | 36.13 | 18.58 | 31.61 | 37.59 | n.a. | 22.33 | n.a. | n.a. | n.a. | 23.74 | n.a. | 30.02 | 27.16 |
| European Union-27 | 16.81 | 10.70 | 8.83 | n.a. | 39.79 | n.a. | n.a. | 16.33 | 16.30 | n.a. | 20.82 | 15.35 | 26.07 | 8.91 | 19.35 | n.a. | 28.06 | n.a. | n.a. | n.a. | 21.69 | n.a. | 20.47 | 20.08 |
| World | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | n.a. | 100.00 | 100.00 | 100.00 | 100.00 |

## Table 18.2 Services export of the Republic of Korea, 2000 and 2009 (percentage)

| Partners \ Service codes | 2000 | | | | | | | | | | | | 2009 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 205 | 236 | 245 | 249 | 253 | 260 | 262 | 266 | 268 | 287 | 291 | Total 200 | 205 | 236 | 245 | 249 | 253 | 260 | 262 | 266 | 268 | 287 | 291 | Total 200 |
| China | 8.08 | 6.68 | 4.23 | n.a. | 26.54 | n.a. | n.a. | 39.81 | 1.02 | n.a. | 0.39 | 6.38 | 21.20 | 14.47 | 14.32 | n.a. | 0.38 | n.a. | n.a. | n.a. | 7.59 | n.a. | 2.40 | 13.29 |
| Japan | 16.30 | 52.91 | 21.22 | n.a. | 5.57 | n.a. | n.a. | 0.38 | 18.16 | n.a. | 2.15 | 23.91 | 9.66 | 34.49 | 5.52 | n.a. | -9.44 | n.a. | n.a. | n.a. | 16.28 | n.a. | 1.14 | 11.59 |
| United States | 26.08 | 15.62 | 44.55 | n.a. | -4.40 | n.a. | n.a. | 5.52 | 47.51 | n.a. | 85.03 | 30.35 | 13.21 | 11.98 | 38.44 | n.a. | 175.43 | n.a. | n.a. | n.a. | 26.84 | n.a. | 86.98 | 16.71 |
| European Union-27 | 14.04 | 6.49 | 9.55 | n.a. | 15.25 | n.a. | n.a. | 19.62 | 12.94 | n.a. | 4.90 | 12.20 | 12.86 | 6.16 | 9.42 | n.a. | -54.61 | n.a. | n.a. | n.a. | 15.68 | n.a. | 2.81 | 10.43 |
| World | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | n.a. | 100.00 | 100.00 | 100.00 | 100.00 |

*Source:* United Nations Service Trade databases.

## Table 19.1. Services import of the Russian Federation, 2000 and 2009 (percentage)

| Partners \ Service codes | 2000 | | | | | | | | | | | | 2009 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 205 | 236 | 245 | 249 | 253 | 260 | 262 | 266 | 268 | 287 | 291 | Total 200 | 205 | 236 | 245 | 249 | 253 | 260 | 262 | 266 | 268 | 287 | 291 | Total 200 |
| Australia | 0.82 | 0.05 | 0.46 | n.a. | n.a. | n.a. | n.a. | 0.04 | 0.02 | 0.03 | n.a. | 0.13 | 0.01 | 0.00 | 0.07 | n.a. | 0.25 | 0.00 | 0.16 | 0.18 | 0.16 | 0.07 | n.a. | 0.06 |
| China | 1.15 | 6.29 | 0.45 | 0.56 | 0.05 | 0.30 | 0.05 | 0.30 | 0.24 | 0.08 | 0.01 | 3.27 | 1.19 | 3.29 | 1.07 | 0.60 | 0.57 | 1.61 | 0.49 | 0.14 | 0.76 | 0.14 | n.a. | 1.61 |
| Hong Kong, China | 0.09 | 0.01 | 0.37 | n.a. | 0.01 | n.a. | 0.07 | 0.04 | 0.12 | n.a. | n.a. | 0.05 | 0.41 | 0.00 | 0.34 | 0.11 | 0.35 | 0.28 | 0.22 | 0.11 | 0.23 | 0.17 | n.a. | 0.16 |
| India | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.06 | 0.63 | 0.18 | 1.03 | 0.25 | 0.36 | 0.15 | 0.01 | 0.12 | 0.11 | n.a. | 0.35 |
| Indonesia | 0.03 | 0.01 | 0.04 | 0.83 | n.a. | n.a. | 0.22 | n.a. | 2.31 | n.a. | n.a. | 0.53 | 0.01 | 0.14 | 0.07 | n.a. | 0.00 | 0.02 | n.a. | 0.00 | 0.03 | n.a. | n.a. | 0.06 |
| Japan | 1.68 | 1.70 | 0.34 | 0.03 | 0.02 | 0.11 | 0.01 | 0.34 | 0.14 | 0.34 | n.a. | 1.07 | 0.33 | 0.67 | 0.34 | 0.36 | 0.13 | 1.47 | 0.21 | 0.20 | 0.44 | 0.08 | n.a. | 0.47 |
| Malaysia | 0.06 | n.a. | 0.05 | n.a. | n.a. | n.a. | 0.05 | n.a. | 0.04 | 0.01 | n.a. | 0.02 | 0.00 | 0.00 | 0.05 | 0.09 | 3.57 | 0.16 | 0.00 | 0.00 | 0.15 | 0.00 | n.a. | 0.10 |
| New Zealand | 0.23 | n.a. | 0.02 | n.a. | n.a. | n.a. | n.a. | n.a. | 0.01 | n.a. | n.a. | 0.03 | 0.04 | 0.00 | 0.01 | 0.15 | 0.19 | 0.00 | 0.13 | 0.01 | 0.04 | 0.00 | n.a. | 0.03 |
| Philippines | 0.11 | n.a. | 0.01 | n.a. | n.a. | n.a. | n.a. | n.a. | 0.05 | n.a. | n.a. | 0.03 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 | n.a. | 0.01 | 0.00 | 0.01 | 0.00 | n.a. | 0.00 |
| Republic of Korea | 1.49 | 1.44 | 0.19 | 0.11 | 0.03 | 0.01 | 0.06 | 0.02 | 0.21 | 0.04 | n.a. | 0.93 | 1.26 | 0.77 | 0.18 | 3.52 | 0.94 | 0.41 | 0.35 | 0.41 | 1.08 | 0.01 | n.a. | 1.02 |
| Singapore | 0.24 | 0.05 | 0.24 | 0.25 | 0.02 | 0.14 | 0.18 | 0.00 | 0.07 | 0.03 | n.a. | 0.10 | 0.16 | 0.13 | 0.40 | n.a. | 0.03 | 0.05 | 0.03 | 0.02 | 0.51 | 0.67 | n.a. | 0.21 |
| Thailand | 0.11 | 0.93 | 0.16 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.46 | 0.21 | 2.21 | 0.35 | n.a. | 0.01 | 0.00 | 0.01 | 0.00 | 0.01 | 0.15 | n.a. | 0.80 |
| United States | 4.29 | 2.47 | 20.52 | 9.83 | 6.87 | 16.68 | 21.60 | 30.91 | 21.10 | 28.18 | 0.01 | 8.54 | 1.19 | 2.86 | 3.99 | 0.76 | 3.57 | 9.18 | 9.23 | 14.39 | 13.00 | 21.85 | n.a. | 5.99 |
| Viet Nam | 0.13 | 0.06 | 0.43 | 0.03 | n.a. | n.a. | n.a. | n.a. | 0.04 | n.a. | n.a. | 0.07 | 0.16 | 0.27 | 0.02 | 0.00 | 0.09 | 0.04 | 0.00 | 0.00 | 0.02 | 0.00 | n.a. | 0.13 |
| Asia n.i.e. | 0.13 | 0.01 | 0.25 | n.a. | n.a. | n.a. | 0.06 | n.a. | 0.03 | n.a. | n.a. | 0.03 | 0.01 | 0.00 | 0.01 | n.a. | 0.00 | 0.01 | 0.01 | 0.02 | 0.04 | 0.09 | n.a. | 0.02 |
| World | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

## Table 19.2. Services export of the Russian Federation, 2000 and 2009 (percentage)

| Partners \ Service codes | 2000 | | | | | | | | | | | | 2009 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 205 | 236 | 245 | 249 | 253 | 260 | 262 | 266 | 268 | 287 | 291 | Total 200 | 205 | 236 | 245 | 249 | 253 | 260 | 262 | 266 | 268 | 287 | 291 | Total 200 |
| Australia | 0.70 | 0.40 | 0.39 | 0.18 | 0.02 | n.a. | 0.04 | n.a. | 0.07 | 0.11 | n.a. | 0.44 | 0.05 | 0.03 | 0.13 | 0.01 | 0.02 | 0.02 | 0.13 | 0.02 | 0.04 | 0.10 | n.a. | 0.15 |
| China | 2.93 | 3.50 | 0.76 | 1.45 | 0.11 | n.a. | 0.18 | 2.39 | 1.64 | 1.59 | 0.06 | 2.63 | 2.06 | 0.03 | 1.24 | 0.27 | 0.29 | 0.25 | 0.42 | 2.76 | 0.57 | 0.36 | n.a. | 1.98 |
| Hong Kong, China | 0.28 | n.a. | 0.17 | n.a. | 0.13 | n.a. | 0.05 | n.a. | 0.14 | 0.51 | n.a. | 0.14 | 0.68 | 0.03 | 1.10 | 0.00 | 0.48 | 0.22 | 0.21 | 0.11 | 0.21 | 0.01 | n.a. | 0.32 |
| India | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.23 | 0.03 | 0.16 | 1.91 | 0.67 | 0.09 | 0.11 | 0.14 | 1.15 | 0.08 | n.a. | 0.59 |
| Indonesia | 0.03 | 0.02 | 0.05 | n.a. | 0.06 | n.a. | n.a. | n.a. | 0.01 | n.a. | 0.02 | 0.02 | 0.00 | 0.03 | 0.01 | n.a. | 0.23 | 0.00 | 0.00 | 0.02 | 0.07 | 0.00 | n.a. | 0.03 |
| Japan | 3.16 | 1.82 | 0.69 | 0.06 | 2.14 | 0.01 | 0.50 | n.a. | 1.00 | 6.09 | 0.44 | 2.06 | 1.35 | 0.03 | 1.03 | 0.16 | 0.60 | 0.08 | 0.44 | 0.50 | 1.28 | 1.19 | n.a. | 1.07 |
| Malaysia | 0.03 | 0.02 | 0.02 | n.a. | n.a. | 0.02 | 0.01 | n.a. | 0.03 | n.a. | n.a. | 0.02 | 0.03 | 0.03 | 0.04 | 0.02 | 0.17 | 0.01 | 0.01 | 0.01 | 0.08 | 0.01 | n.a. | 0.04 |
| New Zealand | 0.46 | 0.06 | 0.01 | 0.01 | 0.13 | n.a. | n.a. | n.a. | 0.23 | n.a. | n.a. | 0.24 | 0.20 | 0.03 | 0.01 | 0.00 | 0.80 | 0.03 | 0.05 | 0.00 | 0.03 | 0.02 | n.a. | 0.09 |
| Philippines | 0.10 | 0.02 | n.a. | n.a. | 0.14 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0.05 | 0.00 | 0.03 | 0.02 | n.a. | 0.00 | 0.00 | 0.00 | n.a. | 0.00 | n.a. | n.a. | 0.01 |
| Republic of Korea | 2.47 | 1.08 | 0.47 | 0.16 | 0.27 | 0.05 | 0.62 | n.a. | 1.04 | 1.38 | 0.31 | 1.53 | 1.37 | 0.03 | 0.42 | 2.97 | 0.25 | 0.08 | 0.17 | 0.35 | 1.47 | 0.53 | n.a. | 1.30 |
| Singapore | 0.49 | 0.01 | 0.14 | 0.15 | 0.22 | n.a. | 0.10 | n.a. | 0.49 | 0.03 | n.a. | 0.29 | 0.47 | 0.03 | 0.14 | 0.01 | 0.26 | 0.64 | 0.08 | 0.03 | 0.29 | 0.12 | n.a. | 0.25 |
| Thailand | 0.16 | 0.04 | 0.03 | n.a. | n.a. | n.a. | n.a. | n.a. | 0.04 | 0.01 | n.a. | 0.08 | 0.05 | 0.03 | 0.06 | 0.01 | 0.00 | 0.01 | 0.00 | 0.01 | 0.02 | 0.00 | n.a. | 0.05 |
| United States | 4.78 | 5.70 | 9.71 | 7.38 | 5.77 | 0.98 | 26.56 | 0.37 | 15.80 | 19.64 | 0.39 | 7.16 | 2.07 | 0.03 | 9.20 | 5.31 | 3.79 | 10.18 | 35.31 | 18.37 | 17.30 | 16.09 | n.a. | 8.70 |
| Viet Nam | 0.28 | 0.29 | 0.09 | 0.01 | 0.32 | n.a. | 0.01 | 0.01 | 0.89 | 0.09 | n.a. | 0.34 | 0.09 | 0.03 | 0.08 | 0.00 | 0.94 | 0.03 | 0.01 | 0.01 | 0.38 | 0.07 | n.a. | 0.35 |
| Asia n.i.e. | 0.30 | 0.03 | 0.13 | n.a. | 0.10 | n.a. | 0.02 | 1.55 | 0.03 | n.a. | n.a. | 0.16 | 0.06 | 0.03 | 0.02 | n.a. | 0.00 | 0.01 | 0.11 | 0.17 | 0.03 | 0.00 | n.a. | 0.04 |
| World | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 0.03 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

*Source:* United Nations Service Trade databases.

## Table 20.1. Services import of Singapore, 2000 and 2009 (percentage)

| Partners \ Service codes | 2000 | | | | | | | | | | | | 2009 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 205 | 236 | 245 | 249 | 253 | 260 | 262 | 266 | 268 | 287 | 291 | Total 200 | 205 | 236 | 245 | 249 | 253 | 260 | 262 | 266 | 268 | 287 | 291 | Total 200 |
| Australia | 2.03 | n.a. | n.a. | n.a. | 0.89 | 1.84 | 2.95 | n.a. | 1.94 | 2.41 | n.a. | 1.26 | 2.51 | n.a. | n.a. | 3.51 | 8.72 | 2.54 | 4.68 | 0.22 | n.a. | 3.47 | n.a. | 2.37 |
| China | 1.84 | n.a. | n.a. | 11.63 | 0.69 | n.a. | 1.36 | n.a. | 2.60 | 1.92 | n.a. | 1.26 | 5.05 | n.a. | n.a. | 6.02 | 5.56 | 0.83 | 9.49 | 0.01 | n.a. | 4.45 | n.a. | 3.51 |
| Hong Kong, China | 1.88 | n.a. | n.a. | n.a. | 2.23 | 9.55 | 5.64 | n.a. | 8.58 | 3.90 | n.a. | 2.44 | 3.48 | n.a. | n.a. | n.a. | 3.04 | 17.45 | 4.46 | 0.08 | n.a. | n.a. | n.a. | 3.04 |
| India | 0.84 | n.a. | n.a. | n.a. | 0.16 | n.a. | 1.59 | n.a. | 2.34 | n.a. | n.a. | 0.78 | 2.00 | n.a. | n.a. | 10.82 | 3.35 | 3.82 | 16.23 | n.a. | n.a. | n.a. | n.a. | 1.99 |
| Japan | 3.07 | n.a. | n.a. | n.a. | 2.73 | 19.22 | 5.43 | 6.46 | 8.38 | n.a. | n.a. | 4.10 | 6.21 | n.a. | n.a. | 0.76 | 5.29 | 5.87 | 5.64 | 2.26 | n.a. | 0.44 | n.a. | 4.34 |
| Republic of Korea | 0.99 | n.a. | n.a. | n.a. | 1.85 | 2.40 | 1.26 | n.a. | 1.51 | n.a. | n.a. | 0.78 | 2.30 | n.a. | n.a. | n.a. | 2.27 | 1.17 | 1.05 | 0.02 | n.a. | n.a. | n.a. | 1.59 |
| United States | 16.08 | n.a. | n.a. | n.a. | 1.48 | 24.06 | 36.14 | 69.90 | 36.70 | 34.35 | n.a. | 24.93 | 11.00 | n.a. | n.a. | 5.77 | 6.09 | 13.38 | 21.61 | 55.26 | n.a. | 10.69 | n.a. | 18.40 |
| World | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | n.a. | 100.00 | n.a. | 100.00 |

## Table 20.2. Services export of Singapore, 2000 and 2009 (percentage)

| Partners \ Service codes | 2000 | | | | | | | | | | | | 2009 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 205 | 236 | 245 | 249 | 253 | 260 | 262 | 266 | 268 | 287 | 291 | Total 200 | 205 | 236 | 245 | 249 | 253 | 260 | 262 | 266 | 268 | 287 | 291 | Total 200 |
| Australia | 4.84 | n.a. | n.a. | n.a. | 6.15 | 1.46 | 6.07 | 6.05 | 3.04 | n.a. | n.a. | 3.18 | 9.38 | n.a. | n.a. | 2.59 | 11.66 | 2.36 | 7.82 | 9.96 | n.a. | 1.96 | n.a. | 5.39 |
| China | 3.38 | n.a. | n.a. | 25.84 | 1.46 | 0.92 | 2.77 | 3.20 | 3.16 | 6.25 | n.a. | 2.57 | 4.51 | n.a. | n.a. | 7.65 | 11.97 | 1.52 | 4.96 | 17.30 | n.a. | 5.95 | n.a. | 5.03 |
| Hong Kong, China | 3.93 | n.a. | n.a. | n.a. | 5.84 | 14.93 | 8.22 | 7.64 | 6.44 | n.a. | n.a. | 4.54 | 2.55 | n.a. | n.a. | 0.39 | 2.01 | 5.81 | 8.34 | 3.71 | n.a. | 8.37 | n.a. | 4.39 |
| India | 1.99 | n.a. | n.a. | n.a. | 0.71 | 0.82 | 5.16 | 1.57 | 2.83 | n.a. | n.a. | 1.77 | 3.51 | n.a. | n.a. | 13.64 | 6.60 | 1.47 | 11.37 | n.a. | n.a. | n.a. | n.a. | 3.22 |
| Japan | 11.04 | n.a. | n.a. | n.a. | 8.93 | 3.87 | 9.83 | 7.48 | 9.41 | n.a. | n.a. | 7.85 | 6.50 | n.a. | n.a. | n.a. | 8.66 | 1.82 | 9.46 | 22.74 | n.a. | n.a. | n.a. | 5.51 |
| Republic of Korea | 2.66 | n.a. | n.a. | n.a. | 7.91 | 1.63 | 1.77 | 2.57 | 5.13 | n.a. | n.a. | 2.89 | 2.69 | n.a. | n.a. | 0.68 | 7.06 | 1.38 | 1.86 | 7.97 | n.a. | 1.19 | n.a. | 3.00 |
| United States | n.a. | n.a. | n.a. | n.a. | 4.09 | 18.76 | 5.55 | 15.72 | 19.76 | n.a. | n.a. | 14.14 | 11.32 | n.a. | n.a. | n.a. | 2.75 | 10.16 | 17.59 | 5.98 | n.a. | n.a. | n.a. | 10.46 |
| World | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | n.a. | 100.00 |

*Source:* United Nations Service Trade databases.

## Table 21. Inward and outward FDI flows

| | FDI net inflows | | | | | FDI outflows | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | $ million | percentage per annum | | | | $ million | percentage per annum | | | |
| | 2009 | 90-94 | 95-99 | 00-04 | 05-09 | 2009 | 90-94 | 95-99 | 00-04 | 05-09 |
| **East and North-East Asia** | **163 974** | **47.0** | **18.1** | **-1.7** | **8.7** | **185 646** | **-5.5** | **-2.5** | **-2.7** | **20.0** |
| China | 95 000 | 76.4 | 1.8 | 10.5 | 7.0 | 48 000 | 24.6 | -2.9 | 56.5 | 40.7 |
| DPR Korea | 2 | -67.7 | 521.1 | 175.5 | -55.5 | 0 | 64.3 | -21.5 | -18.3 | |
| Hong Kong, China | 48 449 | 24.3 | 41.0 | -13.9 | 9.6 | 52 269 | 72.0 | -6.2 | -6.3 | 17.7 |
| Japan | 11 939 | -16.3 | 318.7 | -1.6 | 44.0 | 74 699 | -22.7 | 0.1 | -0.5 | 13.0 |
| Macao, China | 2 303 | 64.1 | 44.0 | | 16.7 | 196 | | | | 34.3 |
| Mongolia | 437 | 2 782.1 | 32.7 | 14.7 | 23.9 | -90 | | | | |
| Republic of Korea | 5 844 | 1.2 | 67.0 | 0.0 | -4.6 | 10 572 | 23.7 | 4.3 | -1.2 | 25.2 |
| **South-East Asia** | **36 806** | **12.4** | **0.5** | **11.4** | **-2.5** | **21 284** | **47.6** | **-3.7** | **19.8** | **4.1** |
| Brunei Darussalam | 311 | -4.2 | 6.4 | -11.7 | 1.9 | 30 | 4 983.4 | -27.1 | 19.3 | -10.7 |
| Cambodia | 533 | | 11.4 | -3.0 | 8.7 | -1 | | | -3.5 | |
| Indonesia | 4 877 | 19.0 | | | -12.5 | 2 949 | | -51.7 | 118.3 | -1.0 |
| Lao PDR | 157 | 77.2 | -12.6 | -15.9 | 54.2 | 0 | 57.0 | -31.8 | -100.0 | |
| Malaysia | 1 381 | 15.1 | -9.5 | 5.1 | -23.6 | 8 038 | 106.1 | -13.0 | 0.4 | 28.2 |
| Myanmar | 323 | -12.0 | -1.1 | 4.8 | 8.2 | 0 | | | | |
| Philippines | 1 948 | 30.4 | -3.8 | -25.6 | 1.2 | 359 | 92.5 | 7.9 | 46.7 | 17.4 |
| Singapore | 16 809 | 11.3 | 9.5 | 6.3 | 2.1 | 5 979 | 22.5 | 4.2 | 16.2 | -14.6 |
| Thailand | 5 949 | -14.6 | 31.0 | 14.5 | -7.3 | 3 818 | 33.8 | -20.8 | | 63.9 |
| Timor-Leste | 18 | | -100.0 | | 318.1 | 0 | | | | |
| Viet Nam | 4 500 | 81.3 | -4.5 | 5.7 | 22.2 | 112 | | | | 14.5 |
| **South and South-West Asia** | **49 016** | **30.0** | **2.2** | **23.2** | **19.1** | **16 825** | | **41.5** | **21.5** | **38.4** |
| Afghanistan | 185 | 568.7 | | 475.8 | -9.1 | 0 | | | | |
| Bangladesh | 716 | 36.2 | 35.3 | -5.6 | -4.1 | 15 | -20.5 | -56.7 | 29.9 | 46.5 |
| Bhutan | 36 | -95.0 | 1 14.1 | 1 017.1 | 41.8 | 0 | | | | |
| India | 34 613 | 42.4 | 0.2 | 12.6 | 46.0 | 14 897 | 92.3 | -9.5 | 43.4 | 49.5 |
| Iran (Islamic Rep. of) | 3 016 | | 15.5 | 96.1 | -1.0 | 356 | 102.9 | 171.6 | 32.7 | -5.8 |
| Maldives | 10 | 11.8 | 14.2 | 3.1 | 0.3 | 0 | | | | |
| Nepal | 39 | -100.0 | | -3.7 | 99.4 | 0 | | | | |
| Pakistan | 2 387 | 29.8 | 2.0 | 37.9 | 2.0 | -14 | -15.9 | 1 103.8 | 50.2 | |
| Sri Lanka | 404 | 40.0 | 32.6 | 7.7 | 10.4 | 20 | 78.2 | 43.9 | 31.6 | -14.8 |
| Turkey | 7 611 | -2.9 | -3.0 | 29.8 | -6.6 | 1 551 | | 54.6 | -2.7 | 9.9 |
| **North and Central Asia** | **55 619** | **351.1** | **12.2** | **52.5** | **32.7** | **49 551** | | **38.4** | **44.3** | **37.8** |
| Armenia | 838 | 23.9 | 48.2 | 24.2 | 36.8 | 53 | | | | 67.8 |
| Azerbaijan | 473 | | 23.0 | 128.7 | -27.1 | 326 | | | 531.0 | -28.1 |
| Georgia | 764 | | 92.4 | 39.2 | 14.0 | -1 | | | 32.1 | -68.3 |
| Kazakhstan | 12 649 | | 10.5 | 33.9 | 58.9 | 3 119 | | 92.6 | | |
| Kyrgyzstan | 60 | | -17.5 | | 8.8 | -3 | | | 76.8 | |
| Russian Federation | 38 722 | | 12.5 | 54.4 | 31.7 | 46 057 | | 38.2 | 44.3 | 37.8 |
| Tajikistan | 8 | 3 209.8 | -9.5 | 84.4 | -38.8 | 0 | | | | |
| Turkmenistan | 1 355 | 5 565.1 | -14.4 | 28.2 | 34.2 | 0 | | | | |
| Uzbekistan | 750 | | | 24.0 | 40.7 | 0 | | | | |
| **Pacific island economies** | **24 782** | **-8.9** | **-31.0** | **27.4** | | **18 105** | **6.3** | **-29.0** | **20.8** | |
| American Samoa | | | | | | | | | | |
| Australia | 22 572 | -14.8 | -34.9 | 28.4 | | 18 426 | 30.7 | -42.0 | 26.2 | |
| Cook Islands | 1 | -40.7 | | -62.7 | 29.0 | 0 | | | 113.8 | -100.0 |
| Fiji | 238 | -4.0 | 8.5 | 203.2 | 10.9 | 5 | | | 8.9 | -17.3 |
| French Polynesia | 34 | -48.6 | 20.8 | 33.9 | 44.7 | 18 | | -100.0 | | 3.3 |
| Guam | | | | | | | | | | |
| Kiribati | 2 | 9.5 | 3 531.9 | 1.7 | 30.4 | 0 | | | | |
| Marshall Islands | 8 | | | -57.5 | 5.2 | 0 | | | 85.6 | -100.0 |
| Micronesia (F.S.) | 8 | | | | 272.3 | 0 | | | | |
| Nauru | 0 | -100.0 | 25.7 | 123.6 | -26.9 | 0 | | | | |
| New Caledonia | 955 | -81.1 | 58.3 | | | 41 | | | 58.7 | 7.8 |
| New Zealand | 348 | 11.6 | -24.2 | 15.9 | -30.9 | -406 | -4.0 | -11.9 | | -28.1 |
| Niue | 0 | | | | -100.0 | 0 | | | -5.9 | |
| Northern Mariana Islands | | | | | | | | | | |
| Palau | 2 | -100.0 | | -17.1 | 23.2 | 0 | | | -100.0 | -100.0 |
| Papua New Guinea | 396 | -18.1 | -16.0 | -28.5 | 85.4 | 4 | -44.9 | | -52.9 | -9.7 |
| Samoa | 1 | -17.9 | -12.7 | | | 1 | | | | -8.0 |
| Solomon Islands | 173 | -33.0 | | 43.1 | 74.7 | 14 | | | -30.2 | 199.5 |
| Tonga | 15 | 93.1 | -1.8 | -1.1 | -3.5 | 2 | -100.0 | | | -23.8 |
| Tuvalu | 2 | | | | | 0 | | | | |
| Vanuatu | 27 | 22.8 | -18.9 | -0.5 | 19.5 | 0 | 0.0 | 0.0 | 1 560.6 | -33.6 |
| **Developing economies** | **295 339** | **32.6** | **8.8** | **5.3** | **10.5** | **198 692** | **53.9** | **-2.7** | **3.5** | **25.4** |
| **Developed economies** | **34 858** | **-9.6** | **-0.2** | **20.2** | | **92 719** | **-20.1** | **-4.0** | **3.2** | **63.0** |
| **All economies** | **330 197** | **22.3** | **7.4** | **7.9** | **16.7** | **291 411** | **-0.5** | **-3.2** | **3.4** | **32.9** |

## Table 22. Inward and outward FDI stocks

| | FDI inward stock | | | | | FDI outward stock | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | $ million | percentage per annum | | | | $ million | percentage per annum | | | |
| | 2009 | 90-94 | 95-99 | 00-04 | 05-09 | 2009 | 90-94 | 95-99 | 00-04 | 05-09 |
| **East and North-East Asia** | **1 713 362** | **7.9** | **15.6** | **4.7** | **14.2** | **1 921 449** | **12.9** | **15.8** | **4.2** | **19.1** |
| China | 473 083 | 37.6 | 16.5 | 6.1 | 14.8 | 229 600 | 37.2 | 10.9 | 12.7 | 41.5 |
| DPR Korea | 1 437 | 5.8 | 9.8 | 7.2 | 0.1 | 0 | | | | |
| Hong Kong, China | 912 166 | 2.4 | 15.5 | -0.1 | 14.9 | 834 089 | 49.0 | 42.1 | 0.9 | 15.3 |
| Japan | 200 141 | 18.2 | 8.3 | 17.8 | 18.7 | 740 930 | 8.1 | 1.1 | 7.4 | 17.7 |
| Macao, China | 13 381 | -0.1 | 0.0 | 8.6 | 27.7 | 1 211 | | | | 25.6 |
| Mongolia | 2 383 | 275.6 | 35.7 | 30.5 | 35.3 | 0 | | | | |
| Republic of Korea | 110 770 | 12.2 | 32.3 | 23.2 | 1.4 | 115 620 | 34.2 | 22.9 | 4.6 | 31.5 |
| **South-East Asia** | **689 980** | **18.1** | **13.7** | **6.2** | **14.3** | **342 367** | **40.2** | **13.0** | **13.5** | **20.0** |
| Brunei Darussalam | 10 672 | 16.0 | 50.7 | 24.0 | 3.1 | 732 | 7 198.5 | 6.9 | 7.5 | 3.3 |
| Cambodia | 5 169 | 50.5 | 41.6 | 7.2 | 20.3 | 307 | 6 008.3 | 6.2 | 7.3 | 3.5 |
| Indonesia | 72 841 | 16.7 | 9.4 | -10.8 | 15.3 | 30 183 | 170.1 | 3.6 | 11.9 | 21.3 |
| Lao PDR | 1 564 | 76.7 | 25.5 | 3.6 | 23.7 | 20 | 2 192.4 | 23.0 | -1.1 | |
| Malaysia | 74 643 | 22.1 | 14.3 | -5.0 | 13.8 | 75 618 | 36.8 | 28.2 | -5.3 | 36.3 |
| Myanmar | 5 869 | 33.5 | 31.9 | 5.5 | 4.8 | 0 | | | | |
| Philippines | 23 559 | 17.7 | 11.9 | -8.5 | 12.0 | 6 095 | 31.4 | 10.1 | -2.6 | 31.7 |
| Singapore | 343 599 | 15.8 | 11.8 | 11.3 | 15.3 | 213 110 | 35.4 | 12.3 | 18.0 | 15.1 |
| Thailand | 99 000 | 17.5 | 15.2 | 15.5 | 13.1 | 16 303 | 36.7 | 7.3 | 14.1 | 33.9 |
| Timor-Leste | 238 | 253.9 | 0.0 | 23.2 | 9.6 | 0 | | | | |
| Viet Nam | 52 825 | 34.3 | 26.3 | 9.0 | 14.1 | 0 | | | | |
| **South and South-West Asia** | **295 399** | **9.2** | **11.9** | **20.4** | **19.0** | **96 833** | **6.2** | **25.8** | **24.9** | **48.4** |
| Afghanistan | 1 550 | 0.2 | 9.7 | 106.5 | 27.7 | 0 | | | | |
| Bangladesh | 5 139 | 1.6 | 33.2 | 9.3 | 10.2 | 91 | 0.5 | 8.6 | 7.9 | -0.8 |
| Bhutan | 167 | 6.7 | 13.4 | 29.7 | 66.9 | 0 | | | | |
| India | 163 959 | 20.5 | 28.6 | 23.5 | 39.6 | 77 207 | 32.0 | 36.3 | 45.3 | 67.8 |
| Iran (Islamic Rep. of) | 23 984 | 2.8 | 1.3 | 49.3 | 10.6 | 2 209 | | | -12.6 | 29.5 |
| Maldives | 231 | 21.1 | 14.7 | 9.6 | 6.4 | | | | | |
| Nepal | 166 | 4.5 | 51.3 | 14.7 | 6.9 | | | | | |
| Pakistan | 17 789 | 19.5 | 7.4 | 2.4 | 14.9 | 2 201 | 2.2 | 11.7 | 9.5 | 26.1 |
| Sri Lanka | 4 687 | 16.0 | 14.3 | 8.0 | 17.6 | 334 | 37.7 | 24.4 | 11.0 | 18.6 |
| Turkey | 77 729 | 5.9 | 5.0 | 19.1 | 2.2 | 14 790 | 3.2 | 18.4 | 17.9 | 15.5 |
| **North and Central Asia** | **356 693** | **405.8** | **36.0** | **34.8** | **11.8** | **262 008** | **1 2583.8** | **30.1** | **52.2** | **15.1** |
| Armenia | 3 628 | 47.2 | 64.1 | 17.3 | 27.8 | 77 | | | 37.5 | 65.3 |
| Azerbaijan | 9 044 | | 81.8 | 34.4 | -10.1 | 6 114 | | | 654.6 | 13.5 |
| Georgia | 7 547 | 3 917.6 | 107.5 | 24.9 | 33.5 | 122 | | | 4.8 | 54.8 |
| Kazakhstan | 72 333 | | 28.8 | 22.1 | 29.6 | 6 786 | | 159.0 | | |
| Kyrgyzstan | 1 075 | | 31.2 | 13.3 | 20.0 | 15 | | | 25.8 | -43.5 |
| Russian Federation | 252 456 | | 34.4 | 39.6 | 8.8 | 248 894 | | 30.0 | 51.9 | 14.1 |
| Tajikistan | 870 | 4 061.8 | 29.5 | 16.6 | 29.9 | 0 | | | | |
| Turkmenistan | 6 103 | 6 431.6 | 18.5 | 20.1 | 26.4 | 0 | | | | |
| Uzbekistan | 3 638 | 5 904.6 | 55.7 | 12.2 | 29.4 | 0 | 0.0 | 0.0 | 0.0 | -100.0 |
| **Pacific island economies** | **406 933** | **9.4** | **4.3** | **23.4** | **8.0** | **359 584** | **11.4** | **12.2** | **23.4** | **12.9** |
| American Samoa | | | | | | | | | | |
| Australia | 328 090 | 6.7 | 3.8 | 24.4 | 7.9 | 343 632 | 11.9 | 14.0 | 24.3 | 13.3 |
| Cook Islands | 41 | 0.1 | 44.3 | 0.0 | 3.7 | 0 | | | | |
| Fiji | 2 163 | 16.7 | -9.1 | 24.6 | 22.4 | 31 | 6.4 | -5.0 | 12.1 | -17.3 |
| French Polynesia | 340 | 10.0 | 7.2 | 8.9 | 13.8 | 117 | | | | 27.1 |
| Guam | | | | | | | | | | |
| Kiribati | 143 | 22.9 | 175.9 | 18.0 | 1.6 | | | | | |
| Marshall Islands | | | | | | | | | | |
| Micronesia (F.S.) | | | | | | | | | | |
| Nauru | | | | | | | | | | |
| New Caledonia | 4 184 | 7.4 | 3.4 | 53.7 | 83.9 | | | | | |
| New Zealand | 66 634 | 29.1 | 6.3 | 20.0 | 6.7 | 15 076 | 7.5 | -2.3 | 13.2 | 6.8 |
| Niue | 7 | | | 355.6 | 0.0 | | | | | |
| Northern Mariana Islands | | | | | | | | | | |
| Palau | 126 | | | 4.9 | 1.7 | | | | | |
| Papua New Guinea | 3 071 | -0.3 | 3.5 | 2.5 | 8.1 | 280 | 73.4 | 5.4 | -0.4 | 1.2 |
| Samoa | 81 | 29.1 | 17.6 | 1.8 | 10.8 | | | | | |
| Solomon Islands | 873 | 4.2 | 1.6 | -0.6 | 22.2 | 389 | | | 0.2 | 10.7 |
| Tonga | 99 | 70.8 | 3.6 | 12.4 | 25.3 | | | | | |
| Tuvalu | 34 | | 9.9 | | 7.8 | | | | | |
| Vanuatu | 1 046 | 11.3 | 6.5 | 6.7 | 16.0 | 59 | | | 4 668.1 | 3.0 |
| **Developing economies** | **2 867 502** | **10.3** | **15.7** | **7.3** | **14.1** | **1 882 603** | **42.5** | **30.3** | **7.7** | **20.2** |
| **Developed economies** | **594 865** | **10.6** | **5.1** | **22.3** | **10.8** | **1 099 639** | **8.6** | **3.7** | **12.5** | **16.0** |
| **All economies** | **3 462 368** | **10.3** | **13.5** | **10.0** | **13.5** | **2 982 241** | **14.2** | **15.2** | **9.7** | **18.5** |

## Table 23. Trade facilitation indicators

| | Time for completing trade procedures (days) | | | Cost of completing trade procedures (2000 constant United States dollars) | | | Import-export facilitation bias 2010 | |
|---|---|---|---|---|---|---|---|---|
| | 2005 | 2010 | % Change | 2005 | 2010 | % Change | Time basis | Cost basis |
| **East and North-East Asia** | **23** | **19** | **-20.9** | **907** | **815** | **-10.1** | **1** | **1** |
| China | 21 | 23 | 7.1 | 309 | 412 | 33.5 | 1.1 | 1.1 |
| DPR Korea | | | | | | | | |
| Hong Kong, China | 15 | 6 | -63.3 | 370 | 483 | 30.7 | 0.8 | 1.0 |
| Japan | 11 | 11 | | 886 | 817 | -7.8 | 1.1 | 1.0 |
| Mongolia | 59 | 47 | -20.5 | 2 178 | 1 738 | -20.2 | 1.0 | 1.1 |
| Macao, China | | | | | | | | |
| Republic of Korea | 12 | 8 | -37.5 | 792 | 623 | -21.3 | 0.9 | 1.0 |
| **South-East Asia** | **29** | **21** | **-25.2** | **701** | **633** | **-9.7** | **1.0** | **1.1** |
| Brunei Darussalam | | 23 | | | 528 | | 0.8 | 1.1 |
| Cambodia | 49 | 24 | -51.0 | 675 | 633 | -6.3 | 1.2 | 1.2 |
| Indonesia | 28 | 24 | -14.5 | 531 | 538 | 1.3 | 1.4 | 0.9 |
| Lao PDR | 72 | 49 | -31.9 | 1 353 | 1 539 | 13.7 | 1.0 | 1.1 |
| Malaysia | 16 | 16 | 0.0 | 356 | 355 | -0.1 | 0.8 | 1.0 |
| Myanmar | | | | | | | | |
| Philippines | 18 | 15 | -17.1 | 696 | 554 | -20.4 | 0.9 | 1.1 |
| Singapore | 4 | 5 | 12.5 | 341 | 353 | 3.7 | 0.8 | 1.0 |
| Thailand | 23 | 14 | -41.3 | 822 | 560 | -31.9 | 0.9 | 1.3 |
| Timor-Leste | 26 | 26 | 0.0 | 864 | 799 | -7.5 | 1.0 | 1.0 |
| Viet Nam | 24 | 22 | -8.5 | 674 | 474 | -29.8 | 1.0 | 1.2 |
| **South and South-West Asia** | **38** | **30** | **-20.5** | **1 047** | **1 222** | **16.6** | **1.0** | **1.2** |
| Afghanistan | 82 | 76 | -7.4 | 2 002 | 3 048 | 52.3 | 1.0 | 1.0 |
| Bangladesh | 46 | 28 | -39.1 | 953 | 937 | -1.6 | 1.2 | 1.4 |
| Bhutan | 38 | 38 | 0.0 | 1 406 | 1 585 | 12.8 | 1.0 | 2.0 |
| India | 40 | 19 | -53.2 | 917 | 821 | -10.5 | 1.2 | 1.0 |
| Iran (Islamic Rep. of) | 33 | 29 | -12.3 | 953 | 1 115 | 17.0 | 1.3 | 1.6 |
| Maldives | 21 | 22 | 4.9 | 1 044 | 1 214 | 16.2 | 1.0 | 1.0 |
| Nepal | 39 | 38 | -2.6 | 1 447 | 1 600 | 10.6 | 0.9 | 1.1 |
| Pakistan | 35 | 20 | -44.3 | 571 | 509 | -10.8 | 0.9 | 1.1 |
| Sri Lanka | 26 | 20 | -21.6 | 639 | 576 | -9.8 | 0.9 | 1.0 |
| Turkey | 23 | 15 | -35.6 | 543 | 810 | 49.2 | 1.1 | 1.1 |
| **Norht and Central Asia** | **61** | **52** | **-14.9** | **2 017** | **2 198** | **9.0** | **1.1** | **1.2** |
| Armenia | 36 | 16 | -56.3 | 1 514 | 1 464 | -3.3 | 1.4 | 1.2 |
| Azerbaijan | 56 | 45 | -20.5 | 2 463 | 2 549 | 3.5 | 1.1 | 1.2 |
| Georgia | 53 | 12 | -78.3 | 1 192 | 1 044 | -12.5 | 1.3 | 1.0 |
| Kazakhstan | 83 | 74 | -10.3 | 2 398 | 2 391 | -0.3 | 0.8 | 1.0 |
| Kyrgyzstan | 70 | 68 | -2.9 | 2 154 | 2 482 | 15.2 | 1.1 | 1.1 |
| Russian Federation | 36 | 36 | 0.0 | 1 523 | 1 460 | -4.1 | 1.0 | 1.0 |
| Tajikistan | | 83 | | | 3 117 | | 1.0 | 1.4 |
| Turkmenistan | | | | | | | | |
| Uzbekistan | 92 | 82 | -11.4 | 2 872 | 3 078 | 7.2 | 1.3 | 1.5 |
| **Pacific island economies** | **23** | **23** | **-3.7** | **863** | **775** | **-10.2** | **1.1** | **1.0** |
| American Samoa | 12 | 9 | -29.2 | 757 | 860 | 13.6 | 0.9 | 1.1 |
| Australia | | | | | | | | |
| Cook Islands | | | | | | | | |
| Fij | 24 | 23 | -6.3 | 497 | 507 | 1.9 | 1.0 | 1.0 |
| French Polynesia | | | | | | | | |
| Guam | | | | | | | | |
| Kiribati | 21 | 21 | 0.0 | 1 349 | 844 | -37.4 | 1.0 | 1.0 |
| Marshall Islands | 27 | 27 | 0.0 | 666 | 746 | 12.0 | 1.6 | 1.0 |
| Micronesia (F.S.) | | 30 | | | 1 022 | | 1.0 | 1.0 |
| Nauru | | | | | | | | |
| New Caledonia | | | | | | | | |
| New Zealand | 10 | 10 | 0.0 | 664 | 663 | -0.1 | 0.9 | 1.0 |
| Niue | | | | | | | | |
| Northern Mariana Islands | | | | | | | | |
| Palau | 32 | 31 | -3.1 | 988 | 826 | -16.4 | 1.1 | 1.0 |
| Papua New Guinea | 28 | 28 | 0.0 | 534 | 547 | 2.5 | 1.1 | 1.1 |
| Samoa | 29 | 29 | 0.0 | 774 | 658 | -14.9 | 1.1 | 1.0 |
| Solomon Islands | 23 | 23 | 0.0 | 998 | 892 | -10.7 | 0.9 | 1.2 |
| Tonga | 22 | 22 | -2.3 | 507 | 543 | 7.0 | 1.3 | 1.1 |
| Tuvalu | | | | | | | | |
| Vanuatu | 28 | 28 | 0.0 | 1 758 | 1 196 | -32.0 | 1.2 | 0.9 |
| **Developing economies** | **36** | **30** | **-15.8** | **1 093** | **1 123** | **2.8** | **1.0** | **1.0** |
| **Developed economies** | **11** | **10** | **-10.9** | **769** | **780** | **1.4** | **1.0** | **1.0** |
| **All economies** | **34** | **29** | **-16.0** | **1 107** | **1 129** | **1.9** | **1.0** | **1.1** |

## Table 24. Tariff protection in 2009

| | Tariff rate percentage Simple average MFN applied | | | Tariff rate percentage Simple average Final bound | | | Import duties collected as percentage of total imports | MFN duty free imports percentage 2008 | |
|---|---|---|---|---|---|---|---|---|---|
| | Total | Agri-cultural | Non-agri-cultural | Total | Agri-cultural | Non-agri-cultural | | In agri-cultural | In non-agri-cultural |
| **East and North-East Asia** | | | | | | | | | |
| China[h] | 9.6 | 15.6 | 8.7 | 10.0 | 15.7 | 9.2 | 1.8 | 0.7 | 48.4 |
| DPR Korea | | | | | | | | | |
| Hong Kong, China[h] | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 100.0 | 100.0 |
| Japan[e] | 4.9 | 21.0 | 2.5 | 5.1 | 22.2 | 2.5 | 1.5 | 50.7 | 84.0 |
| Mongolia[*b] | 5.0 | 5.1 | 5.0 | 17.5 | 18.9 | 17.3 | 2.4 | 0.0 | 1.4 |
| Macao, China[i] | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 100.0 | 100.0 |
| Republic of Korea[i] | 12.1 | 48.6 | 6.6 | 16.6 | 56.1 | 10.2 | 1.7 | 4.8 | 38.8 |
| **South-East Asia** | | | | | | | | | |
| Brunei Darussalam[‡a] | 2.5 | 0.1 | 2.9 | 25.4 | 31.6 | 24.5 | | 91.7 | 67.6 |
| Cambodia[†ag] | 14.2 | 18.1 | 13.6 | 19.1 | 28.1 | 17.7 | 2.9 | 0.3 | 6.0 |
| Indonesia[d] | 6.8 | 8.4 | 6.6 | 37.1 | 47.1 | 35.5 | 2.1 | 57.5 | 61.2 |
| Lao PDR[a] | 9.7 | 19.5 | 8.2 | - | - | - | | | |
| Malaysia[c] | 8.4 | 13.5 | 7.6 | 24.0 | 73.0 | 14.9 | 1.0 | 75.1 | 64.6 |
| Myanmar[a] | 5.6 | 8.7 | 5.1 | 83.4 | 103.7 | 21.5 | | | |
| Philippines[f] | 6.3 | 9.8 | 5.8 | 25.7 | 35.0 | 23.4 | 5.2 | 0.0 | 22.2 |
| Singapore[i] | 0.0 | 0.2 | 0.0 | 10.4 | 27.3 | 6.4 | 0.0 | 98.6 | 100.0 |
| Thailand[i] | 9.9 | 22.6 | 8.0 | 28.2 | 40.6 | 25.5 | 1.5 | 15.5 | 50.8 |
| Timor-Leste | | | | | | | | | |
| Viet Nam | 10.9 | 18.9 | 9.7 | 11.4 | 18.5 | 10.4 | | 36.4 | 44.6 |
| **South and South-West Asia** | | | | | | | | | |
| Afghanistan[a] | 5.6 | 5.8 | 5.5 | - | - | - | | | 0.3 |
| Bangladesh[*ah] | 14.7 | 17.6 | 14.3 | 169.2 | 192.0 | 34.4 | 11.8 | 27.8 | 16.6 |
| Bhutan[j] | | | | | | | 0.5 | | |
| India[i] | 12.9 | 31.8 | 10.1 | 48.5 | 113.1 | 34.4 | 8.1 | 40.7 | 14.3 |
| Iran (Islamic Rep. of)[‡ai] | 26.0 | 28.9 | 25.6 | - | - | - | 7.1 | 0.0 | 0.0 |
| Maldives[i] | 20.4 | 18.3 | 20.7 | 36.9 | 48.0 | 35.1 | 12.7 | 15.6 | 0.1 |
| Nepal[j] | 12.4 | 14.3 | 12.1 | 26.0 | 41.4 | 23.7 | 6.5 | | |
| Pakistan[e] | 13.9 | 17.1 | 13.4 | 59.9 | 95.6 | 54.6 | 7.1 | 24.6 | 40.5 |
| Sri Lanka[i] | 11.2 | 24.8 | 9.2 | 30.2 | 50.1 | 19.6 | 4.0 | 0.3 | 42.1 |
| Turkey[ai] | 9.7 | 42.9 | 4.8 | 28.6 | 60.8 | 17.0 | 1.0 | 22.2 | 39.0 |
| **Norht and Central Asia** | | | | | | | | | |
| Armenia[ai] | 2.8 | 6.8 | 2.2 | 8.5 | 14.7 | 7.6 | 2.1 | 27.9 | 77.4 |
| Azerbaijan | 8.9 | 13.5 | 8.2 | - | - | - | | 33.6 | 9.8 |
| Georgia[i] | 1.3 | 7.7 | 0.3 | 7.4 | 13.1 | 6.5 | 0.8 | 45.9 | 98.0 |
| Kazakhstan[i] | 5.9 | 12.2 | 4.9 | - | - | - | 2.1 | 13.4 | 47.7 |
| Kyrgyzstan[*i] | 4.6 | 7.7 | 4.2 | 7.5 | 12.7 | 6.7 | 2.9 | 31.4 | 49.4 |
| Russian Federation[d] | 10.5 | 13.2 | 10.1 | - | - | - | 5.2 | 7.1 | 24.5 |
| Tajikistan[a] | 7.9 | 11.1 | 7.5 | - | - | - | 1.8 | | |
| Turkmenistan | | | | | | | | | |
| Uzbekistan | 15.9 | 19.2 | 15.4 | - | - | - | | | |
| **Pacific island economies** | | | | | | | | | |
| American Samoa | | | | | | | | | |
| Australia[i] | 3.5 | 1.3 | 3.8 | 10.0 | 3.4 | 11.0 | 2.2 | 48.1 | 52.2 |
| Cook Islands | | | | | | | | | |
| Fiji[*g] | 12.0 | 23.9 | 10.2 | 41.5 | 46.0 | 40.0 | 6.2 | 28.5 | 4.6 |
| French Polynesia | | | | | | | | | |
| Guam | | | | | | | | | |
| Kiribati | | | | | | | | | |
| Marshall Islands | | | | | | | | | |
| Micronesia (F.S.) | | | | | | | | | |
| Nauru | | | | | | | | | |
| New Caledonia | | | | | | | | | |
| New Zealand[h] | 2.1 | 1.4 | 2.2 | 10.1 | 5.9 | 10.8 | 2.6 | 53.3 | 67.6 |
| Niue | | | | | | | | | |
| Northern Mariana Islands | | | | | | | | | |
| Palau | | | | | | | | | |
| Papua New Guinea[a] | 5.0 | 14.2 | 3.6 | 32.1 | 45.8 | 30.0 | | 85.6 | 94.1 |
| Samoa | | | | | | | | | |
| Solomon Islands[a] | 9.9 | 14.6 | 9.2 | 78.6 | 73.5 | 79.4 | | | |
| Tonga | 11.7 | 11.7 | 11.7 | 17.6 | 19.2 | 17.3 | | | |
| Tuvalu | | | | | | | | | |
| Vanuatu | 15.8 | 29.4 | 13.8 | - | - | - | | | |
| **Developing economies** | | | | | | | | | |
| **Developed economies** | | | | | | | | | |
| **All economies** | | | | | | | | | |

[a] Import duties collected, data during 2000-2001.
[b] Import duties collected, data during 2000-2002.
[c] Import duties collected, data during 2001-2003.
[d] Import duties collected, data during 2002-2004.
[e] Import duties collected, data during 2003-2005.
[f] Import duties collected, data during 2004-2005.
[g] Import duties collected, data during 2004-2006.
[h] Import duties collected, data during 2005-2007.
[i] Import duties collected, data during 2006-2008.
[j] Import duties collected, data during 2007-2009.
[*] MFN duty free imports (%) 2007.
[‡] MFN duty free imports (%) 2006.
[†] MFN duty free imports (%) 2004.
[a] Tariff rate in 2008.

## Table 25. Preferential trade agreements – signed, under implementation and trade coverage

| | Preferential trade agreements signed | | | | | | Preferential trade agreements put into force | | | | | | Trade coverage under RTAs in percentage, average 2007-2009 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1976-1995 | 1996-2000 | 2001-2005 | 2006-2010 | 2011 | Total | 1976-1995 | 1996-2000 | 2001-2005 | 2006-2010 | 2011 | Total | Export | Import |
| **East and North-East Asia** | | | | | | | | | | | | | 25.01 | 30.56 |
| China | 1 | | 5 | 5 | | 11 | 1 | | 4 | 6 | | 11 | 31.01 | 25.64 |
| DPR Korea | | | | | | | | | | | | | | |
| Hong Kong, China | | | 1 | 1 | | 2 | | | 1 | | 1 | 2 | 28.85 | 46.15 |
| Japan | | | 3 | 9 | 1 | 13 | | | 2 | 9 | | 11 | 15.34 | 16.59 |
| Macao, China | | | 1 | | | 1 | | | 1 | | | 1 | 13.90 | 34.77 |
| Mongolia | | | | | | | | | | | | | | |
| Republic of Korea | 1 | | 3 | 3 | 1 | 8 | 1 | | 1 | 4 | | 6 | 35.94 | 29.66 |
| **South-East Asia** | | | | | | | | | | | | | 61.84 | 70.12 |
| Brunei Darussalam | 1 | | 1 | 5 | | 7 | 1 | | 1 | 6 | | 8 | 92.57 | 63.51 |
| Cambodia | 1 | | 1 | 4 | | 6 | 1 | | 1 | 4 | | 6 | 8.81 | 69.75 |
| Indonesia | 1 | | 1 | 6 | | 8 | 1 | | 1 | 5 | | 7 | 61.32 | 76.29 |
| Lao PDR | 3 | | 2 | 4 | | 9 | 3 | | 2 | 4 | | 9 | 82.41 | 93.92 |
| Malaysia | 1 | | 4 | 7 | | 12 | 1 | | 1 | 6 | | 8 | 54.62 | 59.58 |
| Myanmar | 1 | | 1 | 4 | | 6 | 1 | | 1 | 4 | | 6 | 88.29 | 92.93 |
| Philippines | 1 | | 1 | 5 | | 7 | 1 | | 1 | 5 | | 7 | 46.69 | 54.05 |
| Singapore | 1 | 1 | 9 | 9 | | 20 | 1 | | 8 | 9 | | 18 | 67.29 | 66.11 |
| Thailand | 2 | | 4 | 4 | | 10 | 2 | | 4 | 4 | | 10 | 49.66 | 53.46 |
| Timor-Leste | | | | | | | | | | | | | | |
| Viet Nam | 1 | | 2 | 5 | | 8 | 1 | | 2 | 5 | | 8 | 66.77 | 71.60 |
| **South and South-West Asia** | | | | | | | | | | | | | 40.32 | 39.96 |
| Afghanistan | | | 3 | | | 3 | | | 2 | 1 | | 3 | 82.33 | 49.40 |
| Bangladesh | 1 | | 1 | 1 | | 3 | 1 | | | 1 | | 2 | 7.53 | 37.15 |
| Bhutan | | | 1 | 1 | | 2 | | | | 2 | | 2 | 93.09 | 76.34 |
| India | 1 | 1 | 4 | 4 | 1 | 11 | 1 | | 3 | 7 | | 11 | 39.40 | 42.93 |
| Iran (Islamic Rep. of) | | | 2 | 1 | | 3 | | | 1 | 1 | | 2 | 8.29 | 8.11 |
| Maldives | | | 1 | | | 1 | | | | 1 | | 1 | 13.92 | 17.75 |
| Nepal | | | 1 | 1 | | 2 | | | | 2 | | 2 | 64.09 | 61.45 |
| Pakistan | | | 5 | 4 | | 9 | | | 2 | 6 | | 8 | 20.26 | 23.24 |
| Sri Lanka | 1 | 1 | 2 | | | 4 | 1 | | 2 | 1 | | 4 | 8.22 | 33.19 |
| Turkey | 2 | 2 | 8 | 7 | | 19 | 1 | 3 | 5 | 6 | 2 | 17 | 66.08 | 50.02 |
| **North and Central Asia** | | | | | | | | | | | | | 45.39 | 46.50 |
| Armenia | 7 | 1 | | | | 8 | 4 | 3 | 1 | | | 8 | 78.90 | 63.05 |
| Azerbaijan | 2 | 1 | 2 | | | 5 | 1 | 2 | 1 | 1 | | 5 | 20.46 | 46.18 |
| Georgia | 3 | 3 | 1 | 1 | | 8 | 1 | 5 | | 2 | | 8 | 51.39 | 46.82 |
| Kazakhstan | 3 | 4 | 1 | 1 | | 9 | 2 | 4 | 2 | 1 | | 9 | 22.50 | 47.03 |
| Kyrgyzstan | 6 | 2 | 1 | | | 9 | 4 | 4 | 1 | | | 9 | 55.71 | 59.99 |
| Russian Federation | 5 | 1 | | 1 | | 7 | 5 | 1 | | 1 | | 7 | 15.00 | 13.81 |
| Tajikistan | 1 | 1 | 2 | | | 4 | 1 | 1 | 2 | | | 4 | 40.03 | 46.54 |
| Turkmenistan | 3 | 1 | 1 | | | 5 | 2 | 2 | 1 | | | 5 | 59.31 | 46.73 |
| Uzbekistan | 3 | 2 | 1 | | | 6 | 2 | 3 | 1 | | | 6 | 65.20 | 48.39 |
| **Pacific island economies** | | | | | | | | | | | | | 19.36 | 37.88 |
| American Samoa | | | | | | | | | | | | | | |
| Australia | 3 | | 3 | 2 | | 8 | 3 | | 3 | 2 | | 8 | 21.44 | 37.15 |
| Cook Islands | 1 | | 1 | | | 2 | 1 | | | 1 | | 2 | 10.03 | 73.59 |
| Fiji | 2 | | 1 | | | 3 | 2 | | | 1 | | 3 | 32.76 | 37.59 |
| French Polynesia | | | | | | | | | | | | | | |
| Guam | | | | | | | | | | | | | | |
| Kiribati | 1 | | 1 | | | 2 | 1 | | | 1 | | 2 | 6.15 | 56.83 |
| Marshall Islands | 1 | | | | | 1 | 1 | | | | | 1 | 0.07 | 0.11 |
| Micronesia (F.S.) | 1 | | 1 | | | 2 | 1 | | | 1 | | 2 | 0.08 | 6.23 |
| Nauru | 1 | | 1 | | | 2 | 1 | | | 1 | | 2 | 11.50 | 26.52 |
| New Caledonia | | | | | | | | | | | | | | |
| New Zealand | 2 | 1 | 2 | 4 | | 9 | 2 | | 2 | 3 | 1 | 8 | 44.13 | 48.05 |
| Niue | 1 | | 1 | | | 2 | 1 | | | 1 | | 2 | 9.63 | 37.54 |
| Northern Mariana Islands | | | | | | | | | | | | | | |
| Palau | | | | | | | | | | | | | | |
| Papua New Guinea | 3 | | 1 | 1 | | 5 | 3 | | | 1 | | 4 | 44.54 | 49.80 |
| Samoa | 1 | | 1 | | | 2 | 1 | | | 1 | | 2 | 64.25 | 44.36 |
| Solomon Islands | 2 | | 1 | | | 3 | 2 | | | 1 | | 3 | 2.71 | 34.16 |
| Tonga | 1 | | 1 | | | 2 | 1 | | | 1 | | 2 | 17.18 | 64.96 |
| Tuvalu | 1 | | 1 | | | 2 | 1 | | | 1 | | 2 | 24.15 | 16.91 |
| Vanuatu | 2 | | 1 | | | 3 | 2 | | | 1 | | 3 | 1.77 | 34.39 |
| **Developing economies** | | | | | | | | | | | | | **38.36** | **46.49** |
| **Developed economies** | | | | | | | | | | | | | **26.97** | **33.93** |
| **All economies** | | | | | | | | | | | | | **37.66** | **45.72** |

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