

**VPO1 Opening Remarks**  
**4th CAREC Think Tanks Development Forum**  
**“Trading for Shared Prosperity”**  
**Hosted by CAREC Institute**  
**27-28 August 2019, Xi’an, Shaanxi, People’s Republic of China**

Vice Governor Mr. Xu Datong;  
CAREC Institute Director Syed Shakeel Shah;  
Distinguished participants;  
Ladies and gentlemen:

Very good morning!

**I. Introduction**

I am honored to open the Fourth CAREC Think Tanks Development Forum, with its focus on trade to achieve prosperity in the region.

I would like to begin by congratulating Mr. Shakeel Shah on his appointment as the new Director of the CAREC Institute. We look forward to working with you.

I would like to thank Shaanxi Province for the warm hospitality and excellent supports to this forum.

Xi’an is an appropriate venue for this Forum. Historically, Xi’an served as the eastern starting point of the ancient silk road. It was not only an important international trade route. It was also a cultural bridge connecting the civilizations of China, Central Asia, the Indian subcontinent, and Europe. Caravans headed from China, laden with lacquer ware, porcelain, jade, bronze, fur and silk, traded these items for gold, silver, ivory, gems and glass. Traders engaged not just in trade but also exchanged knowledge about science, the arts, literature, even philosophy, and crafts and technologies. These business-related, intellectual and cultural exchanges enriched all countries and societies along the silk road.

Taking this opportunity, I would like to address several related topics. First, trade in the CAREC region.

## **II. Trade in the CAREC region**

The global trading environment remains volatile with concerns of growing protectionism. Amidst these challenges, this Forum serves as a timely reminder about the importance of trade for growth and prosperity in our region. It is surely possible for trading countries to grow together and benefit as they abide by internationally-agreed rules and principles. Trade, after all, is not a zero-sum game.

CAREC countries are not yet well integrated now in global trade and value chains. Excluding PRC, the share of CAREC members in global trade remains at less than 1%. CAREC economies are not sufficiently diversified, resulting in high product concentration.

The CAREC program is helping countries overcome obstacles to trade by improving regional connectivity, harmonizing customs procedures, reducing tariff and non-tariff trade barriers, and supporting accession of CAREC countries to the WTO.

Ministers from CAREC countries last year endorsed a new CAREC Integrated Trade Agenda (CITA) 2030, seeking to expand trade among the countries and with the outside world, diversify economies and link them with global and regional value chains, and promote stronger institutions for trade.

## **III. Role of the CAREC Institute**

Second, role of the CAREC Institute.

CAREC Institute is the knowledge arm of the CAREC program. The Institute supports the program through providing capacity building, research and policy advice services. The CAREC Institute has formulated its 5-year strategy.

The Intergovernmental Agreement establishing the CAREC Institute entered into force in August 2017. The Institute has since ramped up its operational work. It has established partnerships with other global and regional international organizations such as World Bank, Asian Infrastructure Investment Bank, Islamic Development Bank, UNESCAP, Shanghai Cooperation Organization, and TRACECA, and thinktanks such as

European Institute of Asian Studies, International Economics and Finance Institute, and Chinese Academy of Fiscal Sciences. The Institute also collaborates with various regional cooperation mechanisms, including the Belt and Road Initiative.

In the area of trade, the Institute has engaged actively and trained officials from CAREC member countries on the WTO Trade Facilitation Agreement, economic diversification, special economic zones, and SME trade financing. It is undertaking joint research partnership with the International Food Policy Research Institute with a focus on regional trade in agricultural products.

The Institute has initiated a flagship “*CAREC Regional Cooperation and Integration Index (CRII)*” to monitor progress of CAREC countries on trade and investment, value chains, connectivity, and movement of people. I look forward to hearing today’s presentation on CRII study.

#### **IV. CAREC Think Tanks Network**

Third, CAREC Think Tanks Network.

It is wonderful that as leading representatives of thinktanks, governments, academe, civil society and development partners, you all are participating in the Forum today. Our collective intellectual capital is way more than any single organization. We need to jointly find imaginative solutions to our region’s development problems.

Eight centuries ago, Zhu Xi wrote this beautiful poem:

问渠哪得清如许

为有源头活水来

(Wèn qú nǎ dé qīng rúxǔ //Wèi yǒu yuántóu huóshuǐ lái)

Roughly translated this means:

*I wonder why the water in the pond stay so clear. It must be that fresh spring water comes in all the time.*

The freshness of your ideas and the quality of your contributions will help clarify arguments and bring new perspectives. CAREC member countries

are keen to tap on your reservoir of knowledge and learn from your wisdom and experience.

I am happy to announce that we are launching a Visiting Fellows Program at the CAREC Institute. This program is co-funded by ADB and PRC's Poverty Reduction and Regional Cooperation Fund. It will support research studies in the operational priority areas of CAREC 2030.

The Think Tanks Network has come a long way since it was launched in Astana in 2016. We would like to see it mature into a leading knowledge-sharing platform in the region to promote regional economic cooperation.

I hope you will all continue to be engaged with the work of the Institute and in building the capacities of governments and contributing to concrete development results on the ground.

## **V. Conclusion**

Ladies and gentlemen,

ADB will remain a strong supporter of the CAREC Institute. I would also like to acknowledge the significant contribution of People's Republic of China, which hosts the Institute's headquarters in Urumqi, and provides generous financial support. We will continue to coordinate our support closely with the PRC and other member countries of the Institute.

Thank you again for having me here today. I wish the Fourth CAREC Think Tanks Forum great success.

*Word count: 965*