Statement of the Islamic Republic of Iran

by

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on

Regional Connectivity for Shared Prosperity

At

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Mr. Chairman,

Allow me at the outset to congratulate you and other members of the bureau for your election and I am confident that under your leadership we will address the substantive and emerging issues in our region and the outcome of this annual session ESCAP commission, will lead us to tap the opportunities, as well as addressing the challenges in our region. I would also like to express our sincere appreciation to Dr. Shamshad AKTAR and her colleagues in the ESCAP secretariat for excellent preparation and documentation for the seventieth annual session of ESCAP commission,

Excellencies,

Distinguished Delegates,

Ladies and Gentlemen,

The Asia and the Pacific region continues to be the engine of growth in the global economy and the trade-led expansion continues to contribute to the regional economic growth and development. Strong performance in export since the beginning of the crisis in 2009 has helped the region to recover from the serious adverse impacts and consequences of the recent economic crisis. Nonetheless, the strategy of export-led growth and overdependence on exports to the markets of developed and industrial countries is coming under increasing pressures from protectionist measures across the globe. Even the strong performers in export-led growth strategy continued to feel adverse impacts of persistent weak economic growth of major developed countries and regions. The subdued economic growth and
continued weakness in major export destinations are holding the whole region from realization of its enormous potentials in various economic fields.

All countries in the region through various policy and stimulus packages, fiscal and monetary policies are striving to revive economic growth and social development. Nonetheless, addressing such challenges in an unpredictable international economic system, needs new and innovative strategies, at the national and regional levels. The existing complementarities and diversity in the economies at the regional level can create ample opportunities for boosting trade and investment and economic cooperation and integration at the regional level, supplementing the benefits derived from trade with major industrial economies and regions outside our continent. Such cooperation can create new markets at the regional level that would benefit all countries. This approach can also help to stabilize and increase economic growth and enhance poverty eradication at the region. To enhance such cooperation at the regional level, we should address the infrastructural bottlenecks and constraints to facilitate trade and investment across the region. For instance, due to such constraints and impediments, in some subregions in our continent, trade with neighboring countries is more costly than export and import to commercial partners in other continents and regions.

Mr. Chairman,

Excellencies,

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Ladies and Gentlemen,

To address these constraints and facilitate regional integration, a package of interlinked policies that could reinforce each other and increase synergies among themselves, is necessary to promote connectivity in various fields at the regional level. We need to strengthen regional institutions and even establish new ones to create and enhance a number of key regional networks and infrastructures namely connectivity in the areas of trade and transport, information and communication technologies, energy, as well as people to people connectivity. The report of ESCAP secretariat has provided very good and reasonable arguments why we need regional connectivity in these fields, and I will focus on what the Islamic Republic of Iran can offer to facilitate and strengthen these connectivity.

In the field of transit transport and trade facilitation, the Islamic Republic of Iran has signed 120 bilateral and multilateral agreements in all transport modes and has acceded to more than 10 regional multilateral agreements such as Trans-Asian Railway and Asian Highways, as well as 25
international road and rail border gates, has taken effective measures in transport field and its related services. We are witnessing remarkable growth in transit of goods within the framework of targeted transit programs, and it is envisaged to increase the transit share to the volume of 50 million tons per year within National Five-year Plan. The Islamic Republic of Iran has undertaken remarkable actions for completing rail missing links with neighboring countries in the ESCAP region, as well as expansion of Trans-Asian Railway network in its territory.

Furthermore, enjoying from more than 164 customs facilities throughout the country, I.R. of Iran has taken fundamental and strategic steps to facilitate trade and transport, including through development of strategic document of customs of I.R. of Iran to realize the 20 year vision plan, implementation of new customs law, and establishment of common gates between the customs of I.R. of Iran and neighboring countries including Turkmenistan, Armenia, Azerbaijan, Turkey, Iraq and Afghanistan.

In the field of energy, the Islamic republic of Iran is exporting oil and gas to many Asian countries including through the pipelines. There are also plans for building such connectivity, particularly through gas pipelines to South and West Asia as well. The Islamic Republic of Iran has also connected its power grids to most of its neighboring countries for exchanging power. We believe such interconnections will contribute to the promotion of energy efficiency, energy security, affordable energy access and reducing the need to construct new power plants. My country supports regional cooperation in the field of energy and establishing an Asian energy highway through the physical connection of the energy infrastructures, which could lead to integration of market mechanism to move energy more efficiently across the region and optimize its allocation. Establishing a committee on Energy issues in ESCAP could contribute to the further analytical and normative work of ESCAP in the field of energy, and facilitate the achievement of the objectives of strengthening of regional cooperation and establishing relevant arrangements and networks on energy at the region, leading to reaching further intergovernmental agreements in the field of energy.

Last but not least Mr. Chairman, the main challenge before all of us is how to finance the infrastructural projects to address the gaps and missing links critical for seamless connectivity across the region, critical for regional economic cooperation and integration in the Asia and the Pacific. It is clear that we need financial cooperation at the regional level to create new financial institutions and mechanisms for addressing the major resource gap for building necessary infrastructure and missing links to connect the infrastructures across the borders. The Islamic Republic of Iran as follow-up
to the resolution 69/4 of the ESCAP commission on the Implementation of Tehran Declaration on Public-Private Partnership for Infrastructure Development in Asia and the Pacific, strongly supports the establishment of the Asian Investment Bank for infrastructure development which was recommended in that declaration. The Asian Investment Bank can mobilize a large sum of public and private reserves and savings in Asia for constructing necessary infrastructures for enhancing connectivity in various fields across Asia and the Pacific region.

Thank you very much Mr. Chairman,