

Introduction

This has been a busy quarter for ARTNet, with regional capacity building activities organized in China and Thailand, the beginning of a second phase of the trade facilitation research effort and the start of a regional study on services trade liberalization. The first quarter of 2006 also saw ARTNet welcome the Institute for Policy Research and Development (IPRAD, Nepal) into its membership.

WTO/ESCAP ARTNet Regional Seminar on Agriculture Negotiations for Asia-Pacific Economies

On 29-31 March 2006, the WTO/ESCAP ARTNet Regional Seminar on Agriculture Negotiations for Asia-Pacific Economies was held in Xian, China. The objective was to enhance the understanding of concerned policymakers and negotiators regarding issues related to multilateral liberalization of trade in agriculture and the current state of play in on-going WTO negotiations in this area, with particular focus on regional interests and issues emerging from the Sixth WTO Ministerial Conference, which was held in Hong Kong, China, in December 2005. Five ARTNet Researchers took active part in the discussions: Mr. Uttam Kumar Deb (CPD, Bangladesh), Mr. Saman Kelegama (IPS, Sri Lanka), Ms. Gloria O. Pasadilla (PIDS, Philippines), Mr. Parakrama A. Samarasinghe (IPS, Sri Lanka) and Mr. Shunli Yao (Peking University, China) [continued on page 4].

WTO/ESCAP Second ARTNet Capacity Building Workshop on Trade Research

On 17-21 April 2006, the Second ARTNet Capacity Building Workshop on Trade Research was held in Bangkok, Thailand. The event, jointly organized by UNESCAP and the WTO, brought together 25 trade researchers from 14 developing countries and least developed countries of the region. The objective of the workshop was to build the capacity of junior researchers from participating institutions to undertake policy-relevant trade research that would assist policymakers in understanding the impact of alternative trade policies and negotiating positions [continued on page 3].



ARTNet Workshop participants and Mr. Patrick Low, Director, Economic Research and Statistics Division, WTO

ARTNet Research Programme 2005-06: Implementation Status

As part of the implementation of the Research Programme 2005-06 approved during the Second ARTNet Consultative Meeting of Policy Makers and Research Institutions, the **ARTNet Trade Facilitation Research Effort - Year 2** was launched early in 2006 in collaboration with and with funding support of the **UNDP Asia-Pacific Trade and Investment Initiative (APTII)** [continued on page 2].

The **Second ARTNet Regional Research Study** has also begun, with a focus on financial sector services liberalization [continued on page 2].

Seventeen short-term research proposals were received and are being reviewed. Final selection of the proposals is expected to be completed by 17 May 2006.

ARTNeT Trade Facilitation Research Effort – Year 2

[continued from page 1] This joint ESCAP/UNDP research effort will, on the basis of the discussions that took place during the Second ARTNeT Consultative Meeting as well as the preliminary results of the Trade Facilitation Research Effort – Year 1, focus on the following three issues:

- WTO Customs Valuation Agreement (CVA): Implementation issues and lessons learned
- Trade Facilitation in Regional Trade Agreements (RTAs)
- Trade Facilitation and Liberalization in Trade Logistics Services

Research team members and ARTNeT advisors met on 15 March 2006 in Bangkok for a first **Trade Facilitation Research Team Meeting** to discuss how to proceed with the research effort.

Mr. Pushpa Raj Rajkarnikar (IPRAD, Nepal) and Mr. Sachin Chaturvedi (RIS, India) presented their plans and initial findings on Customs Valuation and implementation of the CVA in their respective countries. A similar case study will also be conducted by Mr. Biman Chand Prasad (USP, Fiji). The objective is to identify problems/issues associated with current customs valuation practices as well as with the WTO CVA implementation, and to derive recommendations for policymakers and those involved in the WTO trade facilitation negotiations.

Mr. Dedi Budiman Hakim (IPB, Indonesia), Mr. James Redden (IIBE&L, Australia) and Mr. Sachin Chaturvedi (RIS, India) discussed the scope of their research on “Trade Facilitation and Regional Trade Agreements”. It was agreed that team members would work closely to avoid duplication, and that the IIBE&L (Australia) would be responsible for the overall comparative analysis of RTAs, while RIS, India would look more specifically at South Asia. Mr. Hakim would focus on the impact of ASEAN trade facilitation Initiatives on Members’ Trade using gravity modeling techniques.

As for the work on trade facilitation and trade logistics services liberalization, Mr. Yang Zerui (CIIS, China) proposed a comparative analysis of relevant logistics-related sectors in China, looking at growth rates of these sectors overtime in relation to the evolving policy framework. IIBE&L may focus on the historical evolution of one or a few [large] Australian agribusiness companies, trying to find how the liberalization efforts in trade logistics affected their supply chain structure and transaction costs.

First ARTNeT Visiting Fellowship Awarded

The first ARTNeT Visiting Fellowship, part of the Network’s Capacity Building Activities, was awarded to Mr. Rajan Panta, a member of a research team led by Mr. Nephil M. Maskay (Tribhuvan University, Nepal) conducting an ARTNeT short-term study on *Foreign Direct Investment Incentives in the Service Sector*.

He was hosted at the UNESCAP Trade and Investment Division as well as at the Thailand Development Research Institute (TDRI) from 17 February to 25 April 2006.

Ms. Deunden Nikomborirak, Research Director for Economic Governance, Sectoral Economics Program, TDRI, acted as a mentor to Mr. Panta as he was conducting research on services subsidies in the context of the WTO negotiations on services. Mr. Panta reported that his short visit to Thailand enhanced his understanding and interest in trade issues and that he hoped to continue to work on services liberalization issues after returning to Nepal.

ARTNET Regional Study on Services

[continued from page 1] The regional study consists of a comparative study of the Banking and Insurance Sectors in Nepal, Bangladesh and Malaysia complemented by an examination of Financial Services Liberalization in the EU to derive lessons for ASEAN and the Asia-Pacific Region. The study is led by Dilli Raj Khanal (IPRAD, Nepal). Team members include Salahuddin Ahmad (Uttara University, Bangladesh), Muthi Samudram (Monash University, Malaysia), and Gloria O. Pasadilla (PIDS, Philippines).

The comparative study will analyze the impact of policies implemented in the finance and banking sector in the above mentioned three countries, taking ownership issue into special account. The positive experience of the EU in financial liberalization and the factors that made it possible will then be reviewed, underscoring the difficulties that accompanied the liberalization process and highlighting possible solutions to make financial liberalization in the region as smooth as possible.

WTO/ESCAP Second ARTNeT Capacity Building Workshop on Trade Research

The workshop was opened by Mr. Xuan Zengpei, Director, Trade and Investment Division, UNESCAP, Mr. Patrick Low, Director, Economic Research and Statistics Division, WTO, and Mr. Evan Due, Senior Regional Programme Specialist, Office for Southeast and East Asia, International Development Research Centre (IDRC), and organized in two segments. The first part (2 days) introduced participants to the multilateral trading system. Mr. Patrick Low was the lead resource person and discussed the architecture and rationale of the multilateral trading system, as well as the role and treatment of developing countries in that system. Mr. Low also informed the participant of the state of play of the negotiations in NAMA, agriculture and services. He stressed the importance of services liberalization and the need for more research in this area. Ms. Tiziana Bonapace, Chief, Ms. Mia Mikic and Mr. Yann Duval, all from the Trade Policy Section, UNESCAP, also made presentations highlighting systemic trade and development issues related to regional trade agreements and trade facilitation.



Ms. Roberta Piermartini, WTO, advising workshop's participants

The second part (3 days) was dedicated to gravity modeling and applications to trade policy and related analyses. Following an introduction to the theory, practice and interpretation of gravity models, participants were asked to work in small groups to address a trade policy issue of their choice using the new technique learned. Efforts were made to ensure that junior researchers learned from the more experienced one in their group, as a way to promote cooperation and networking among ARTNeT member and other participating institutions. Ms. Roberta Piermartini, Economic Research and Statistics Division, WTO was the lead resource person for that segment. Mr. Prabir De (RIS, India) and Mr. Santi Chaisrisawatsuk (NIDA, Thailand) also presented their recent or on-going work with gravity models.

More information on this workshop, as well as related training material, are available on the www.artnetontrade.org website.

ARTNeT Working Paper Series 2006

Five new working papers have already been released during this quarter.

- Duval, Yann, **Cost and Benefits of Implementing Trade Facilitation Measures under Negotiations at the WTO: an Exploratory Survey**, ARTNeT Working Paper Series, No. 3, January 2006
- Chaturvedi, Sachin, **An Evaluation of the Need and Cost of Selected Trade Facilitation Measures in India: Implication for the WTO Negotiations**, ARTNeT Working Paper Series, No. 4, March 2006
- Wenjing, Chen and Li Wei, **An Evaluation of the Need and Cost of Selected Trade Facilitation Measures in China--Implications for the WTO Negotiations on Trade Facilitation**, ARTNeT Working Paper Series, No. 5, March 2006
- Dhar, Biswajit, **Modelling the Doha Round Outcome: A Critical view**, ARTNeT Working Paper Series, No. 6, April 2006
- Prabir, De, **Why Trade Costs Matter?**, ARTNeT Working Paper Series, No. 7, April 2006

These working papers are available online at www.artnetontrade.org. Working papers on non-tariff agricultural trade barriers for LDCs, regional trade agreements and agriculture, and more case studies on the needs and costs of trade facilitation are forthcoming.

If you would like to contribute an ARTNeT working paper or a policy brief, please contact the ARTNeT Secretariat and email your drafts for consideration at artnetontrade@un.org

Powerful Resources Addition to www.artnetontrade.org

As mentioned in our previous issue, the ARTNeT Secretariat has been developing for the past few months the *ARTNeT Database of Trade Publications*, available since February 2006 on the ARTNeT website, and searchable from all the website's core pages. The main access is located on the "Resources for Researchers" webpage and materialized by the following button, which may also be found on participating ARTNeT members' and partners' websites:



The database includes records of trade-related publications of major international organizations, ARTNeT member institutions, and selected other research institutions from 2004 onward. New publications are added on a monthly basis.

More than 1,000 full text trade-related publications can already be searched under 16 trade focus areas:

- Export Competitiveness (supply-side)
- Intellectual Property
- Monetary/Financial Cooperation
- Non-tariff Barriers
- Preferential Trade Agreements
- Regional Integration
- Trade and Development
- Trade and Environment
- Trade and Investment
- Trade and MDGs
- Trade Facilitation
- Trade in Agriculture
- Trade in Goods (non agriculture)
- Trade in Services
- WTO Accession
- WTO Agreements/Negotiations

Publications can be retrieved through search by trade focus areas, source, author(s), keywords and more. A selection of the "top ten webpages" in each of the 16 trade focus areas mentioned above is also available from the "Resources for Researchers" webpage.

WTO/ESCAP ARTNeT Regional Seminar on Agriculture Negotiations for Asia- Pacific Economies, 29-31 March 2006, Xian, China

[continued from page 1] A key outcome from the meeting was the conclusion that more could and should be done to meet the needs of policymakers in terms of access to research output in a usable format for them and in terms of choice of research topics that are relevant to their mandate (incorporating political economy approach with quantitative analysis). ARTNeT will strive to develop additional resources for policy makers on its website to match these needs.

The issue of agriculture trade liberalization at multilateral, preferential and autonomous levels remains complex and sensitive in a political and economic sense with great developmental challenges for all Asian and Pacific economies irrespective of their economic size and level of development.

News from Members and Partners

•Opening at CDRI for a Director of Research

<http://www.cdri.org.kh/jobredir.htm>

The Cambodia Development Resource Institute (CDRI), is seeking to appoint a *Director of Research* to join its senior management team. More details about this vacancy is available by clicking on the above link.

• Latest Working Paper from CSIS: *Integration and trade specialization in East Asia*

http://www.csis.or.id/publications_paper_view.asp?id=66&tab=0

This paper, authored by a participant to the Second ARTNeT Training Workshop on Trade Research, examines how trade specialization pattern changed in East Asia following greater integration in the region.

• UNCTAD Trade and Environment Review

<http://www.unctad.org/Templates/WebFlyer.asp?intItemID=3725&lang=1>

Presenting the Trade and Environment Review 2006 in Geneva on 31 March, the Head of UNCTAD said that developing countries could turn environmental requirements in export markets from trade barriers into trade opportunities...