



Asia - Pacific Research and Training Network on Trade Newsletter



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As ARTNeT Phase I draws to a close – somewhat ahead of the planned schedule, thanks to the active participation of members and other stakeholders – we are now shifting our focus to the launch of Phase II, expected to begin in September 2007.

The ongoing preparations for the new phase provide an excellent opportunity for new donors, members and partners to help shape and strengthen ARTNeT, whose vision is to become a multi-donor and multi-stakeholder regional collaborative platform for trade and investment policy and facilitation research and related capacity building.

While existing members and partners have already been contacted for input as part of the ongoing external review, we take this opportunity to invite interested donors and partners to contact us to discuss how they may contribute to this initiative and join IDRC, Canada and others as core ARTNeT Partners.

The ARTNeT Secretariat, TID, UNESCAP

Upcoming Event

An ARTNeT Consultative Meeting on Trade and Investment Policy Coordination will be held in Bangkok, Thailand, on 16-17 July 2007. The purpose of the meeting is to provide a regional forum for researchers and policy makers to discuss existing practices in this area and the need for more coordination between trade, investment and other policies at the national and regional levels, in particular through investment provisions in preferential trade agreements.

ARTNeT External Review

Mr. Supperamianiam Manickam, former Ambassador of Malaysia to the WTO (2000-2004), has been selected to conduct the external review of ARTNeT. [continued on page 3]

WTO/ESCAP Third ARTNeT Capacity Building Workshop on Trade Research

On 26-30 March 2007, the Third ARTNeT Capacity Building Workshop on Trade Research was held in Bangkok, Thailand. The event, jointly organized by UNESCAP and the WTO, brought together 20 trade researchers from 14 developing countries and least developed countries (LDCs) of the region.



Prof. Allan Rae, Director, Centre for Applied Economics and Policy Studies, Massey University, advising participants

The objective of the workshop was to build the capacity of junior researchers from participating institutions to undertake policy-relevant trade research and to promote intra-regional exchange of information and knowledge among researchers. [continued on page 3]

ARTNeT Research Programme 2006-2007 Implementation Status

As part of the implementation of the Research Programme 2006-2007 approved during the Third ARTNeT Consultative Meeting of Policy Makers and Research Institutions, twenty-seven ARTNeT short-term proposals were submitted and reviewed. Of these, thirteen were short listed for further review by a multi-stakeholder Proposal Review Board and for possible funding by ARTNeT partners. Six **ARTNeT Short Term Studies** have already been funded and are now on-going. In addition, the **ARTNeT Regional Study on Trade and Investment Policy Coordination** has also begun. [for details, see page 2]

ARTNeT Regional Trade and Investment Study

[Continued from page 1] The objective of this new regional study is to examine how trade and investment policies have been coordinated in selected countries in Asia and the Pacific and whether improvements in this area may be needed, to allow for the further expansion of trade and foreign direct investment for development. As part of the overall research effort, the following case studies have been undertaken:

- *Trade and Investment Linkages in Higher Education Services in Malaysia* by Tham Siew-Yean (National University of Malaysia, Malaysia).
- *Trade and Investment Policy Reforms and their Effect on the Development of Small and Medium Enterprises: A Case Study of Indonesia* by Tulus Tahi Hamonangan (Universitas Trisakti, Indonesia).
- *Trade and Investment Linkages in Nepal: Impact on Productivity and Exports and Need for Policy Coordination* by Dilli Raj Khanal (Institute for Policy Research and Development, Nepal).
- *Trade and Investment Linkages and Need for Policy Coordination in LDCs: A case study of Bangladesh* by Debapriya Bhattacharya (Centre for Policy Dialogue, Bangladesh).
- *Trade and Investment Linkages and Need for Policy Coordination: A case study of Sri Lanka* by Tilani Jayawardhana (Institute of Policy Studies, Sri Lanka).

In addition to these country and sectoral case studies, Nagesh Kumar (Research and Information System for Developing Countries, India) is conducting a review of investment provisions in preferential/regional trade agreements in Asia-Pacific and their implications for policy makers.

Pierre Sauve, the latest addition to the team of ARTNeT advisors, will make his knowledge and experience on investment policy issues available to the researchers throughout the course of the study and participate in the mid-term reviews of the papers as well as in the ARTNeT consultative meeting during which they will be presented.

The study is coordinated by Yann Duval (TID, ESCAP). Researchers from the region doing research on this topic are invited to contact him for possible participation in the meeting and resulting publication.

Welcome to our new member

China Europe International Business School (CEIBS), Shanghai, China was established in 1994. CEIBS is the first business school in mainland China that offers a wide array of executive education programmes in business. It has particular expertise on investment policy issues. Mr. Bala Ramasamy is CEIBS focal point to ARTNeT.

ARTNeT Short-Term Studies 2007

[Continued from page 1] The six on-going ARTNeT short-terms studies funded this year include:

- *A Study on Nepalese Women's International Labour Migration and the Impact of their Remittance on Poverty Reduction* by Chandra Bhadra (Tribhuvan University, Nepal).
- *Performance of Export- Oriented small and medium manufacturing enterprises in Viet Nam* by Tran Quoc Trung et al. (Ministry of Planning and Investment, Viet Nam).
- *Impacts of smuggling and under-invoicing on Indonesian Manufacturing Competitive Advantage in domestic market* by Imelda Maidir and Raymond Atje (Centre for Strategic and International Studies, Indonesia).
- *The impact of ASEAN Trade Liberalization on Macroeconomics and Agricultural industries in ASEAN countries and income distribution in Indonesia* by Rina Oktaviani (Bogor Agricultural University)
- *Agricultural Trade Liberalization under AFTA: A Case Study of its Impact on Some Vegetable Commodities* by Vutha Hing and Sok Sina, (Cambodia Development Resource Institute, Cambodia).
- *The Transit Regime of South Asian Countries: WTO Rules and Development* by Abdur Rob Khan (Bangladesh Institute of International and Strategic Studies, Bangladesh) and Prabir De (Research and Information System for Developing Countries, India).

WTO/ESCAP Third ARTNeT Capacity Building Workshop on Trade Research

[Continued from page 1] The workshop was opened by Mr. Xuan Zengpei, Director, Trade and Investment Division (TID), 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).

The first two days of the workshop consisted of research updates on issues of growing importance, such as Trade, Poverty and Inequality (by Mr. Patrick Low), Trade and Regional Integration (by Ms. Tiziana Bonapace and Ms. Mia Mikic, TID) and trade facilitation (by Mr. Yann Duval, TID). Selected researchers from ARTNeT member institutions also participated as resource persons, including Mr. Prabir De (RIS¹, India) and Ms. Christine Mendoza Liao (PIDS², Philippines), who presented technical overviews of their work on “The Importance of Trade Costs: A Gravity Model Application” and “Who are opposed to Free Trade in the Philippines: An ordered Logit Estimation of Survey Data”, respectively.

The second part of the workshop (3 days) was dedicated to computable general equilibrium (CGE) modeling based on the Global Trade Analysis Project (GTAP) by Mr. Allan Rae, Professor and GTAP Research Fellow, Massey University, New Zealand.

**Patrick Low,
Director,
Economic
Research and
Statistics
Division, WTO**



After extensive briefing about the assumptions and data on which the GTAP model is based, participants had the opportunity to develop a simulation, run the model, and analyse solutions. This part of the workshop generated an enthusiastic response from participants, some of whom declared their intention to further upgrade their skills in CGE and GTAP and apply them to analyse important policy issues in their countries. Presentations by Mr. Dilli Raj Khanal, (IPRAD³, Nepal) and Mr. Phouphet Kyophilavong (NUL⁴, Lao PDR) concluded this part of the workshop and highlighted the difficulties faced by LDC researchers in acquiring data and developing CGE models in their countries. More information on this workshop, as well as related training material, are available at www.artnetontrade.org.

Since the workshop was held during the 60th Anniversary of UNESCAP, all participants also were given the opportunity to listen to a special lecture by Amartya Sen, 1998 Nobel Laureate in Economics for his work on welfare economics.



Amartya Sen during his lecture at UNESCAP

ARTNeT External Evaluation

[Continued from page 1] Mr. Supperamaniam has been involved in trade and investment policy making and negotiations in Malaysia and ASEAN for well over a decade prior to that appointment. Since his retirement from civil service, he has served as a resource person, expert and/or advisors in various



**Supperamaniam M.,
ARTNeT External
Evaluator**

trade-related regional and global events and projects, facilitating the development of linkages between the research community, Governments, and civil society. He recently participated in reviews of major technical assistance programmes of WTO and UNCTAD.

A key objective of the review is to learn lessons from the first two years of operations of ARTNeT and develop recommendations for ARTNeT Phase II and beyond. Should you have any suggestions for ARTNeT Phase II, Mr. Supperamaniam may be contacted at supperamaniam@gmail.com.

ARTNeT Proposals Review Board Established

A Review Board has been established to allow more direct participation of selected and interested senior trade officials in the screening and selection of research proposals submitted to the ARTNeT Secretariat.

ARTNeT Secretariat would like to take this opportunity to thank the following Review Board Members for participating in this year's review of short-term proposals: Mr. Elias Ahmed, Additional Secretary, Ministry of Commerce, Bangladesh; H.E. Mr. Pan Sorasak, Secretary of State, Ministry of Commerce, Cambodia; Mr. Prachanda Man Shrestha, Joint Secretary, Ministry of Industry Commerce and Supply, Nepal; and Ms. Poonsri Khulimakin, Assistant Director-General, Department of Trade and Negotiations, Ministry of Commerce, Thailand.

Two New ARTNeT Policy Briefs released

ARTNeT Policy Brief No. 10, “**Regional Agricultural Trade Liberalization Efforts in South Asia: Retrospect and Prospects**”, in the brief, the authors, Parakrama Samaratinga, Kamal Karunagoda and Manoj Thibbouwawa (IPS⁵, Sri Lanka) assess to what extent agriculture has been liberalized in South Asia.

ARTNeT Policy Brief No. 11, “**Agricultural Trade Protection: A Perspective from India**”, was published in January 2007. In the brief, author Biswajit Dhar, (IIFT⁶, India), discusses the need for interventions in the agricultural sector.

These and other policy briefs are available online at www.artnetontrade.org.

Call for ARTNeT Policy Briefs

Researchers from the Asia and Pacific region are encouraged to submit draft briefs to ARTNeT Secretariat (1800-2400 words). Policy briefs should address a specific policy question/issue within the area of Trade, Investment, and Regional Integration policies and facilitation. Please visit www.artnetontrade.org for more information.

News from ARTNeT Members & Partners

• From the Institute for International Trade, University of Adelaide: Economic researchers and institutes interested in contributing to their new Trade and Poverty Reduction book project are invited to visit their website at www.iit.adelaide.edu.au. The project is financially supported by AUSAID and the WTO.

• From the WTO: In cooperation with UNCTAD and the World Customs Organization, WTO is organizing a Regional Workshop on Trade Facilitation for Asian Countries, Viet Nam, 14-18 May 2007. Please visit www.wto.org for more information.

ARTNeT Working Paper Series

- Sachin Chaturvedi, **Trade Facilitation Measures in South Asian FTAs: An Overview of Initiatives and Policy Approaches**, AWP No. 28, January 2007
- Janaka Wijayasiri, **Utilization of Preferential Trade Agreements: Sri Lanka's Experience with the EU and US GSP Schemes**, AWP No. 29, January 2007
- Mia Mikic, **Health-related Services in Multilateral Trade Arrangements in Asia and the Pacific**, AWP No. 30, January 2007
- Jayatileka S. Bandara, **The Effects of Agricultural Trade Liberalization under DDA with Special Reference to the Asia Pacific Region: A Brief Survey**, AWP No. 31, February 2007
- Dionisius A. Narjoko and Raymond Atje, **Promoting Export: Some Lessons from Indonesian Manufacturing**, AWP No. 32, February 2007
- Tran Quoc Trung, Nguyen Tungm, Le Thuc Duc, Nguyen Cao Duc and Tran Hao Hung, **Trade Liberalization and Development in ICT Sector and its Impact on Household Welfare in Vietnam**, AWP No. 33, February 2007

These working papers are available online at www.artnetontrade.org. If you wish to contribute an ARTNeT working paper or a policy brief, please contact the ARTNeT Secretariat and email your drafts for consideration to artnetontrade@un.org

The ARTNeT Database of Trade Publications now contains links to over 1,000 full-text trade-related publications.

Visit it at www.artnetontrade.org



¹ Research and Information System for Developing Countries, India; ² Philippine Institute for Development Studies, Philippines; ³ Institute for Policy Research and Development, Nepal; ⁴ National University of Lao, Lao PDR; ⁵ Institute of Policy Studies, Sri Lanka; ⁶ Indian Institute for Foreign Trade, India;