



Asia - Pacific Research and Training Network on Trade Newsletter



Volume 3, Issue 3 / September – December 2007

The end of the year 2007 was an exciting one for ARTNeT, as the network launched its second phase of development with, in particular, renewed and expanded support from IDRC, Canada as well as new support from the Swiss Agency for Cooperation and Development (SDC) as part of an ARTNeT-Greater Mekong Subregion initiative. Progress was made in finalizing a research programme for 2008/9 during the first Multi-stakeholder Steering Committee meeting of the network. Many thanks to our growing number of members and partners - including WTO, UNDP, UNCTAD- for their many and varied contributions to the network in 2007. As the new year unfolds, we look forward to the new policy research studies that will be produced, as well as to the further development of ARTNeT into a multi-donor multi-stakeholder regional cooperation platform for trade and investment policy research and capacity building.

Best wishes for the new year 2008.

The ARTNeT Secretariat, TID, UNESCAP

First Multi-stakeholder Steering Committee Meeting of ARTNeT held in Macao, China

On the basis of recommendations and insights from the external review of ARTNeT Phase I and the subsequent Regional Consultation in preparation of ARTNeT Phase II (held in Bangkok on 16 July), a multi-stakeholder steering committee was established as the lead advisory body to the ARTNeT Secretariat for Phase II.

The first MSC meeting of the Committee was held as an open meeting, with participation of most core partners, Institutional Advisory Board members and Government focal points, as well as many ARTNeT advisers. The main purpose of this first meeting was to discuss and approve the research and activities of ARTNeT in 2008/9. [Page 2]

ARTNeT Phase II launched during intergovernmental meeting

ARTNeT Phase II was formally launched on 12 September 2007 during the third session of the ESCAP Committee Meeting on Managing Globalization.



Following opening remarks by Shigeru Mochida, Deputy Executive Secretary of ESCAP and Evan Due, Senior Programme Specialist, International Development Research Center, who both renewed their commitments to ARTNeT in its second phase, Debapriya Bhattacharya, at the time Executive Director of the Centre for Policy Dialogue (CPD), Bangladesh, delivered an inaugural address.

Dr. Bhattacharya, who has since become Ambassador of Bangladesh to the WTO, highlighted how CPD's active participation in ARTNeT had contributed to the capacity building of that institution in the area of international trade research and reiterated the need for trade and investment policies to be based on research and analysis generated in the developing countries themselves, in itself a key objective of ARTNeT. During its subsequent deliberation, ESCAP's intergovernmental Committee expressed its appreciation for the work of ARTNeT during its initial phase.

ARTNeT participates in regional Research Workshop on Emerging Trade Issues

ARTNeT joined WTO, ESCAP and MARKHUB¹ in organizing for the second time a regional workshop on emerging trade issues in Macao, China on 10-11 December 2007. [Page 3]

ARTNeT Multi-stakeholder Steering Committee (MSC) Meeting plans ARTNeT research programme and activities 2008/9

[Continued from page 1] The morning session was dedicated to discussing the 2008/9 Research Programme. As agreed in the July consultation, the bulk of the research programme to be implemented in Phase II will consist of regional studies under the following three priority themes: Trade, Investment and Domestic Policy Coherence for Inclusive Growth, (Theme 1), Trade Facilitation and Development of Related Services (Theme 2), and Multilateral Trade Liberalization and Regional Integration (Theme 3).

One regional study under each of these three themes will be undertaken over 2008/9. Following a call for expressions of interest for research team leaders conducted prior to the MSC, Florian Albuero, Center for the Advancement of Trade Integration and Facilitation, University of the Philippines, and Dionisius A. Narjoko, Center for Strategic and International Studies, Indonesia, were invited to present their research concepts to the meeting for further discussion. Prof. Albuero proposed to lead *An Evaluation of the Development Impact of Information Technology in Trade Facilitation*, particularly in terms of measures that may be necessary to ensure that SMEs can take part in trade transactions that increasingly involve potentially sophisticated IT systems.

Dr. Narjoko, on behalf of CSIS, proposed to lead a study entitled: *Production Networks and Regional Integration in East Asia: The Way Forward*, exploring the link between regional integration initiatives, multilateral trading rules and the emergence of regional production networks that may contribute to economic and inclusive growth and development. The two concepts were found to be consistent with priorities highlighted under Theme 2 and 3, respectively, and accepted. They will be implemented in 2008 in cooperation with a selection of the many researchers and institutions who participated in the separate call for team members under each of the three themes.

Under Theme 1, since to date no research concepts meeting the requirements were identified as part of the call, Yann Duval, Trade and Investment Division, ESCAP, presented a research concept under this theme, building on ARTNeT work conducted during Phase I. ESCAP, as the ARTNeT Secretariat, will lead the regional study under Theme 1 until a suitable team leader emerges. Invitation to ARTNeT member institutions to submit a research concept remains open.

In addition to the regional studies, three sub-regional studies will be undertaken in the Greater Mekong Subregion (GMS). Khin Maung Nyunt, Mae Fah Luang University, Thailand, presented an overview of his study on *Export of Services and Economic Growth: Needs and Opportunities for the GMS*, in which he proposed to take a close look at trade barriers in key trade-support services sectors (e.g., logistics and telecommunication) and their effects on growth of the subregion. The other two studies planned include one on the *Political Economy of GMS Regional Integration*, which will aim at identifying the drivers of regional integration through a comprehensive multi-stakeholder analysis, and another focusing on the competitiveness of three priority sectors in Cambodia, Lao PDR and Viet Nam. The latter study is part of a trade research capacity building exercise funded by the Government of France and will therefore involve emerging researchers from relevant institutions in the three countries.



During the afternoon session, it was agreed that a call for short-term (individual) research studies to be issued in January 2008 should put special emphasis on least-developed and landlocked country issues and in developing the research capacities of these countries. The research capacity building workshop for junior researchers was tentatively set for 12-16 May 2008, subject to confirmation from WTO and other partners expected to be involved in the delivery. Efforts would be made to host the workshop in one of the LDCs to allow more researchers from the host country to participate. No regional Thematic Consultative Meeting was expected to take place in 2008 as this would be the first year of implementation of the ARTNeT Phase II research programme.

ARTNeT MSC Meeting

[continued from page 2] The MSC meeting concluded with a presentation by Jingjai Hanchanlash, Executive Director, Thai Chamber of Commerce, and representative of the private sector on the MSC, who provided useful insights on how to enhance the policy impact of research through involvement of the private sector.

The next MSC meeting would tentatively be held in November 2008, if possible back-to-back with another Research Workshop on Emerging Trade issues.

Research Workshop on Emerging Trade Issues for Developing Countries in Asia-Pacific Region, 10-11 December 2007, Macao 2007

The Research Workshop on Emerging Trade Issues for Developing Countries in Asia-Pacific Region was held from 10 to 11 December 2007. The objective of the workshop was to provide a review of research (consolidated or in progress/emerging) on issues that matter to policy makers in the region.

The workshop began with a discussion of the *New versus old paradigms of trade* led by Hiledegunn Nordas, OECD² and Biswajit Dhar, IIFT³, and facilitated by Mia Mikic, TID, ESCAP. This was followed by presentations of recent research on *Trade in components and parts and foreign direct investment in East Asia* by K.C. Fung, UCSC⁴, Douglas Brooks, ADBI⁵, Biswajit Nag, IIFT and Shunli Yao, CCER⁶.

The afternoon session was dedicated to *Advances in measuring the impacts of trade on distribution and poverty*, with presentations by Selim Raihan, PEP/SANEM⁷, John Gilbert, USU⁸/ESCAP, Hossein Jalilian, CDRI⁹ and Prabir De, RIS¹⁰. A session on *International trade Law and economics* featuring presentations by Donald Lewis, HKU¹¹, Jiangyu Wang, CUHK¹², and Rajesh Sharma, MUST¹³ followed by discussion by Allan Deardorff, UM¹⁴, concluded the first day.

¹Macao Regional Knowledge Hub on Trade and Investment Policies,

²Organization of Economic Co-operation and Development, ³Indian Institute of Foreign Trade, ⁴University of California, Santa Cruz, ⁵Asian Development Bank Institute, ⁶China Centre for Economic Research, Peking University, ⁷PEP/South Asian Network on Economic Modelling, ⁸Utah State University, ⁹Cambodia Development Resource Institute, ¹⁰Research and Information System for Development Countries, India, ¹¹Hong Kong University, ¹²The Chinese University of Hong Kong, ¹³Macao University of Science and Technology, ¹⁴University of Michigan, Ann Arbor, ¹⁵Centre for Advancement of Trade Integration and Facilitation, University of the Philippines, ¹⁶Mae Fah Luang University, ¹⁷Centre for International Economic and Development Studies, Thailand, ¹⁸Waikato University, Japan, ¹⁹Kangwon National University, Rep. of Korea, ²⁰Institute of Policy Studies, Sri Lanka, ²¹Korea Institute of International Economic Policy.

Welcome to one new member and one associate partner

The Department of Economics, Jadavpur University, Kolkata, India was founded in 1956. It has established itself as a leading Indian research and academic institution in the field of international trade and environmental economics. Ajitava Raychaudhuri, who co-authored an ARTNeT study on education services in 2007, will be the focal point of this institution to ARTNeT.

International Institute for Trade and Development (ITD), Thailand was established in 2000 by the Government of Thailand with cooperation from UNCTAD. The trade and development focused research and training activities of ITD make the institute a natural partner for ARTNeT. Watcharas Leelawath will be ITD's focal point to ARTNeT.

On 11 December 2007, Joy Abrenica, CATIF¹⁵, Biplove Choudhary, UNDP, Khin Maung Nyunt, MFLU¹⁶ and Greg McGuire discussed *Advances in measuring trade barriers in services*, followed by a session on *Non-tariff barriers: advances in measurement and policy implications*, with presentation by UNCTAD and Santi Chaisrisawatsuk, CIEDS¹⁷.

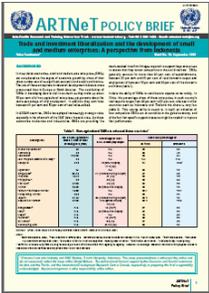
The afternoon was mainly dedicated to *Assessing impacts of preferential trade agreements*, with presentations by Anna Strutt, WU¹⁸, Hyun-Hoon Lee, KNU¹⁹, Saman Kelegama, IPS²⁰ and Backhoon Song, KIEP²¹. The workshop ended with a discussion of *Life after Doha - Multilateralizing regionalism*, led by Alan Deardorff, UM, and Tiziana Bonapace, ESCAP.

The workshop, kindly hosted by the Macau University of Science and Technology, was very useful in generating new policy research directions and ideas of relevance to the region, an important function of ARTNeT. It also contributed to networking of researchers (both intra and extra regionally) as well to strengthening the linkages between researchers and ARTNeT government focal points who participated in the event.

Important Announcement: papers from the 2006 Research Workshop have been issued in **ESCAP (2007), "Future Trade Research Areas that Matter to Developing Country Policy Makers", Studies in Trade and Investment, No. 61, United Nations**. The publication is available at:

<http://www.unescap.org/tid/publication/tipub2467.asp> 3

New Publications



ARTNeT Policy Brief No. 13, “Trade and Investment liberalization and the Development of Small and Medium Enterprises: A Perspective from Indonesia”. The brief, authored by Tulus Tambunan, Director, Centre for Industry and SME Studies, Trisakti University, Indonesia reviews the existing literature on the effect of international trade and investment reforms on SMEs and draw policy recommendations.

ESCAP (2007), “Trade Facilitation beyond the Multilateral Trade Negotiations : Regional Practices, Customs Valuation and other Emerging Issues – A Study by the Asia-Pacific Research and Training Network on Trade”, United Nations, New York. This book, published by UNESCAP in cooperation with UNDP, features the main research outputs produced by the Asia-Pacific Research and Training Network on Trade (ARTNeT) on trade facilitation between April 2006 and January 2007. Issues covered include trade facilitation in preferential trade agreements, rules of origin, customs valuation, trade facilitation needs and priorities, trade facilitation and liberalization of logistics services, and the effect of trade costs on trade flows. Overall, the book suggests that policymakers should look beyond the narrow agenda of the multilateral trade negotiations on trade facilitation to develop comprehensive trade facilitation strategies that best meet their needs.

ESCAP(2007) “Toward Coherent Policy Frameworks: Understanding Trade and Investment Linkages”, Trade and Investment Studies, No. 62, ESCAP, United Nations, New York. This book contains a selection of ARTNeT, ESCAP and UNCTAD studies presented during the ARTNeT Consultative Meeting on Trade and Investment Policy Coordination and an ESCAP Expert Group Meeting on Policy Coherence held in Bangkok in July and September 2007, respectively.

These publications are available online in full at :
www.artnetontrade.org.

Upcoming Events

- ARTNeT Call for Short-term Studies will be issued on 17 January 2008 on the ARTNeT Website.

Nine new ARTNeT Working Papers issued

- Tulus Tambunan, **Trade and Investment Liberalization and the Development of Small and Medium Enterprises: A Literature Review and Case Study from Indonesia**, AWP No. 42, August 2007.
- Tham Siew Yean and Andrew Kam Jia Yi, **Trade and Investment Linkages in Higher Education Services in Malaysia**, AWP No. 43, September 2007.
- Chandra Bhadra, **International Labor Migration of Nepalese Women: Impact of their Remittances on Poverty Reduction**, AWP No. 44, September 2007.
- Santi Chaisrisawatsuk and Wisit Chaisrisawatsuk, **Imports, Exports and Foreign Direct Investment Interactions and Their Effects**, AWP No. 45, October 2007.
- Nagesh Kumar, **Investment Provisions in Regional Trading Arrangements in Asia: Relevance, Emerging Trends, and Policy Implications**, AWP No. 46, October 2007.
- Mustafizur Rahman, **Annex 2 and 3 of the Draft NAMA Text of July 2007: Implications for Bangladesh**, AWP No. 47, October 2007.
- Gloria O. Pasadilla and Christine Marie M. Liao, **Has Liberalization Strengthened The Link Between Services And Manufacturing ?**, AWP No. 48, November 2007.
- Pierre Sauvé, **Investment Regulation through Trade Agreements : Lessons from Asia**, AWP No. 49, November 2007.
- Yann Duval, **Trade Facilitation Beyond the Doha Round of Negotiations**, AWP No. 50, December 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