



Asia - Pacific Research and Training Network on Trade Newsletter



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2008 has been a challenging year for ARTNeT, with the largest number of research projects launched in any year since the founding of the network in 2004 and a difficult operating environment for the ARTNeT Secretariat in Bangkok, which led to the unfortunate postponement of two of our meetings scheduled in December in Manila. The ARTNeT-PEP Policy Forum went ahead however, thanks to the excellent collaboration of the Poverty and Economic Policy Network (PEP) and the timely support of a number of ARTNeT advisors, members and partners who actively contributed to the Forum. The flow of draft research outputs circulated by research team members has been consistently increasing since October, such that we expect a significant amount of new trade and investment related analysis will become available on the website –which popularity increased by another 30% this year –in the first half of 2009.

Our focus in this new year will be to actively foster South-South cooperation, tapping to the extent possible on the strengths of some of our founding institutions to support others in the new year. We also hope to enhance the network's impact on the institutional capacity of our members, in particular through the pilot launched of ARTNeT Cells in selected Least Developed countries.



*Wishing you a most happy and
prosperous new year 2009.*

The ARTNeT Secretariat, TID, UNESCAP

Updated ARTNeT Research Programme 2009

While the ARTNeT Multi-Stakeholder Steering Committee could not meet face-to-face on 11 December 2008 due to the untimely closure of Bangkok international airports the week earlier, consultations took place over electronic mail and an agreement was reached to proceed with implementation of a slightly updated ARTNeT research programme in 2009. [for details see page 3]

ARTNeT Capacity Building Workshop for Trade Research: “Behind the Border” Gravity Modelling

Thanks to the combined support of IDRC, Canada and the Government of France, a second capacity-building workshop for trade research could be held this year. Twenty researchers from 16 research and government institutions in 11 countries participated in the event. The workshop was part of an ambitious ARTNeT Gravity Modelling Initiative on “Behind the Border” Factors affecting trade, to be implemented with the substantive support of ESCAP and the Research and Information System for Developing Countries (RIS), India.[continued on page 2]



ARTNeT-PEP Policy Forum on Trade, Investment and Domestic Policy Coherence for Inclusive Growth

The event was jointly organized by ARTNeT and PEP on 9 December 2008, Manila, Philippines. The Policy Forum aimed to contribute to the strengthening of the analytical basis for policymaking that would involve the poor in the growth process. ARTNeT was strongly represented in the programme of the event: Mr. Alan Deardorff, Professor, University of Michigan Ann Arbor and ARTNeT Permanent Advisor presented in session 1: Trade and investment for inclusive growth: evidence and elements of a coherent policy framework. In session 2, [continued on page 3]

ARTNeT Capacity-Building Workshop for Trade Research: “Behind the Border” Gravity Model

This workshop aimed to provide participants with the following: a solid understanding of the gravity model of bilateral trade, including its theoretical basis; practical skills in applying best practice gravity econometrics using STATA; and an appreciation of data and estimation issues involved in the application of gravity models to study trade costs and trade facilitation. The workshop was conducted by Ben Shepherd [below], Niehaus Center, Princeton University, and GEM, Sciences Po, Paris.



Mr. Prabir De [left], Fellow, RIS, and Ms. Jeevika Weerahewa [right], Senior Lecturer, Department of Agricultural Economics and Business Management, University of Peradeniya, Sri Lanka presented their works on the empirical applications on trade costs and trade facilitation in Asia. This workshop was the first activity of the ARTNeT Gravity Modelling Initiative (see below).



Post-workshop studies

Following the Research Capacity Building Workshop in Cambodia, two team of workshop participants were selected to conduct short-term studies:

- **Quantitative Assessment of BCIM Economic Cooperation: Prospects and Challenges** by Md. Tariqur Rahman and Muhammad Al Amin, Research Associate, Centre for Policy Dialogue (CPD), Bangladesh
- **Competitiveness of Nepali Ready-Made Garments after ATC expiry** by Paras Kharel, Programme Officer, South Asia Watch on Trade, Economics & Environment (SAWTEE) and Anil Belbase, research assistant, Institute for Policy Research and Development (IPRAD), Nepal.

Studies are expected to be completed in March 2009. More information on www.artnetontrade.org

ARTNeT Gravity Modelling Initiative on “Behind the Border” Factors Affecting Trade (2008-2009)

This initiative is designed to more closely integrate the research capacity building and research programme implementation objectives and activities of ARTNeT as well as to concretize South-South Cooperation between ARTNeT members. It includes regional technical research workshops, support for research studies to apply techniques learned, development of related research facilitation tools, and support for dissemination of policy relevant results. The initiative aims at achieving the following three objectives:

1. To enhance trade-related research capacity of research institutions in the region – As such the initial capacity-building workshop held in December will be followed by another workshop during the second half of 2009. RIS, India, a founding member of ARTNeT, has agreed to assist in the organization of this follow-up event as well as to provide substantive support to a junior ARTNeT visiting fellow from one of the ARTNeT members from a least developed country.

2. To make available to the ARTNeT research community an up-to-date gravity dataset including non-tariff barriers and “behind the border” indicators – The initiative will aim for the collaborative development and maintenance by the Secretariat, RIS and other ARTNeT member and partners of a regionally-focused gravity model dataset. An online gravity modelling interface is already under development and is expected to be available on the ARTNeT website before March 2009.

3. To deliver relevant research results to the policy community and other stakeholders. The WTO Secretariat and IDRC will provide financial support for workshop participants – through a competitive call for proposals – to conduct relevant gravity-based studies and will facilitate dissemination of results through publications and participation of relevant policy meetings and consultations.



ARTNeT GMS Research Team Meeting - Political Economy of Regional Integration in the GMS: A Stakeholder Analysis

This meeting was organized on 21 August 2008 in Bangkok by ESCAP to provide an opportunity for team leader and members to meet face-to-face, discuss and reach common understanding on the proposed objective, structure and methodology for the study and agree on the way forward and deadlines.

In addition to the research team and relevant ESCAP staff, Prof. Hank Lim, Singapore Institute of International Affairs, and Simon Evenett, University of St. Gallen, Ms. Pussawadee Polsaram, University of the Thai Chamber of Commerce (UTCC), Ms. Supranee Termrungruanglert, GMS Business Forum also participated and provided guidance and advice to the team.

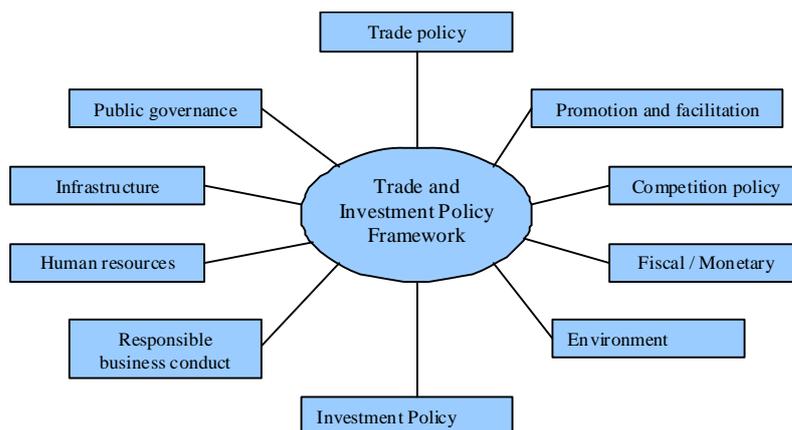
Following presentations by team members on available literature and data sources related to their countries' regional integration with other countries in the GMS, the participants drafted and agreed on research guidelines to conduct country case studies. Draft studies are expected to be completed by early next year, with a researcher-policymaker consultation tentatively set for the last week of May 2009. The final study will include a case study from Thailand, as Ms. Kornkarun Cheewatrakoolpong, Chulalongkorn University, recently joined the research team.



Two other research team meetings were also held in July - for the teams working on trade facilitation and production networks.

Updated ARTNeT Research Programme 2009

[Continued from page 1] In an effort to bring together all the research undertaken by ARTNeT under a common theme, the research to be conducted 2009 is expected to pertain to the following single theme: *Trade and Investment Related Policy Coherence for Inclusive and Sustainable Development.*



This change, emphasizing the former Priority Theme 1, is consistent with expectations that the network will conduct research that will not only assist developing countries in generating more trade and investment, but in developing trade and investment policy framework that will lead to balanced development of the national and regional economies (see figure above). Calls for expressions of interest in research team membership or leadership, as well as call for short-term proposals, will be issued on 15 January 2009. Proposals related to the other priority themes (trade facilitation and development of related services, multilateral trade liberalization and regional integration) will be welcome as long as they also relate to the main theme. For more information, please visit the ARTNeT Research page at www.artnetontrade.org.

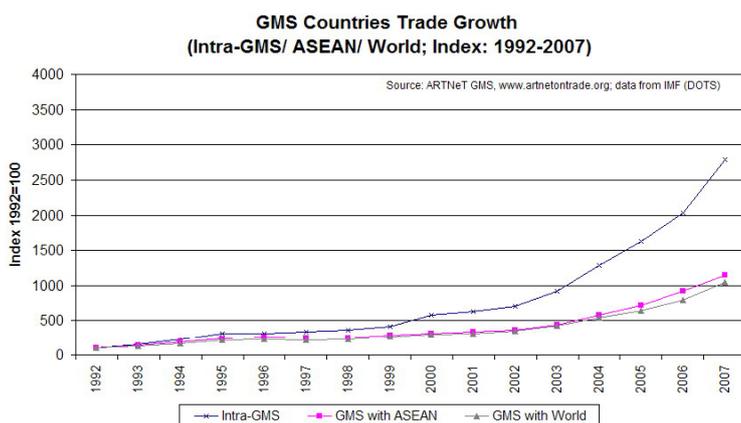
ARTNeT-PEP Policy Forum on Trade and Investment for Inclusive Growth

[Continued from page 1] Mr. Raj Pandey Posh, President, SAWTEE and member of the ARTNeT Steering Committee, gave a presentation on mechanisms for more inclusive trade-related policy making, followed by commentaries by Mr. Joseph Yap, President, PIDS and Mr. Supperamaniam Manickam, Advisor to the Federation of Malaysian Manufacturer and ARTNeT. Mr. Saman Kelegama, Executive Director, Institute of Policy Studies (IPS), contributed a presentation on reducing regional disparities through regional integration in the last session of the Forum, followed by discussion by Mr. Florian Albuero, Executive Director, Centre for the Advancement of Trade Integration & Facilitation (CATIF) and ARTNeT Research Team Leader. Thanks also go to Evan Due, IDRC, Canada who kindly agreed to read a welcome statement on behalf of Mr. Ravi Ratnayake, Director, Trade and Investment Division, ESCAP.

NEW from ARTNeT GMS: Trade and Development of GMS Countries in Figures

To facilitate trade and investment related research on the Greater Mekong Subregion economies and the design of policies aimed at reducing the development gap between CLMV and other ASEAN member countries, ARTNeT GMS has collected data on trade, foreign direct investment and socio-economic development trends of GMS and ASEAN countries. The data is presented over time and in figures and graphs allowing for easy comparison of the relative performance of GMS and other ASEAN member countries. One of the 24 figures available on the ARTNeT GMS website is shown below.

All figures are publicly available - for download as pictures – on the ARTNeT GMS website at (www.unescap.org/tid/artnet/artnet_app/GMS_trd_figs.aspx) or www.artnetontrade.org



Four new ARTNeT Working Papers issued

- Albuero, Florian, **Policy Coherence and Coordination for Trade Facilitation: Integrated Border Management, Single-Windows and others Options for Developing Countries**, AWP No. 57, August 2008.
- Lewis, Donald J., **Integration of Landlocked Countries into the Global Economy and Domestic Economic Reforms: The case of Lao People's Democratic Republic**, AWP No. 58, August 2008.
- Lim, Hank G., **Regional Integration and Inclusive Development: Lessons from ASEAN Experience**, AWP No. 59, December 2008.
- Wang, Jinmin and Xianguo Yao, **The Expansion of Textile and Clothing Firms of China to the Least Developed Countries (LDCs) in Asia and the Pacific**, AWP No. 60, December 2008.

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

Upcoming Events

- Research Workshop on Emerging Trade Issues for Developing Countries in Asia-Pacific Region, 4-5 March 2009, Manila, Philippines (postponed from 10-11 December 2008).
- Multi-Stakeholder Steering Committee Meeting of the Asia-Pacific Research and Training Network on Trade, 6 March 2009, Manila, Philippines (postponed from 11 December 2008).
- ARTNeT Multi-stakeholder Consultative Meeting on *Trade Facilitation for Inclusive Development: Do IT-based TF measures facilitate SME participation in international trade?*, March 2009, Bangkok, Thailand.
- ARTNeT GMS Consultative Meeting on *Bridging the Development Gap in the GMS: Political Economy of CLMV Regional Integration*, May 2009, Bangkok, Thailand (tentatively).
- A 5th Anniversary Conference of ARTNeT is also planned on 2-3 November 2009, back-to-back with the ESCAP Inter-governmental Committee on Trade and Investment (4-6 November 2009), Bangkok, Thailand.
- Capacity Building Workshops will be announced separately.

Please visit our website at www.artnetontrade.org for more details.