

## Greetings from RIS!



Over the years, *RIS Diary* has performed the role of disseminating information about the activities of the organization to you all. While you have been quite familiar with the way the *Diary* has been presented, we thought that it is time that we do present our mouthpiece in a slightly different format. From this issue, the RIS faculty will present to you a thought-piece on a current topic.

We make this beginning through the write-up prepared by Dr. Ram Upendra Das, Senior Fellow, on the imperatives of economic integration in the South Asian region, before the 17th SAARC Summit. We hope that you will find our new endeavour useful

**Biswajit Dhar**  
Director-General, RIS

## Peaceful Coexistence and Regional Economic Cooperation in South Asia

by Ram Upendra Das\*



Peaceful coexistence and economic upliftment reinforce each other. Instead of debating as to which one precedes, they need to be addressed simultaneously. Economic integration process in the South Asian region began in the early 1990s. It is often believed that the South Asian economic cooperation has been rather slow and has not kept pace with the global trends in regionalism despite the fact that it has ample scope and rich potential for much deeper economic integration. It is argued that not only the region has the need to address common economic maladies with common regional policy measures, the region also has the necessary initial conditions to do so, as exemplified by its sustained macroeconomic growth with stability in recent times.

However, there is another side to this scenario as well, which is noticed in terms of a major paradox with respect to regional economic cooperation that the region is characterized with. On the one hand, a lack of economic complementarities is considered a reason enough for rendering any South Asian regional cooperation initiative a non-starter. On the contrary, regional cooperation-related complex and long-drawn negotiations in South Asia provide a crude index of presence of high economic complementarities among the countries.

South Asian Association of Regional Cooperation (SAARC) has come a long way in giving effect to regional economic

and development cooperation projects, that too against severe constraints. The ongoing implementation of various flagship regional cooperation projects like the implementation of SAFTA Treaty, South Asian University, SAARC Development Fund and the SAARC Food Bank are but pointers to SAARC's emergence as a dynamic economic grouping.

On a more positive note, while it is considered a major step forward in making a transition from SAARC Preferential Trading Arrangement (SAPTA) to a South Asian Free Trade Area (SAFTA) Treaty, which was signed in January 2004, several arguments are put forth for an intensification of the regional economic integration initiatives. It may be further highlighted that while some of the apprehensions concerning SAFTA's success are genuine, several of them are based on unfounded reasons.

South Asia as a region with geographical contiguity, cultural, social and historical ties, has good potential for emerging as a strong, efficient and dynamic region in an economically integrated setting. However, economic cooperation in the region lacks in progress due to the lack in awareness of potential for cooperation and costs of non-cooperation. Detailed quantitative assessment of costs of non-cooperation in the SAARC region has revealed that some SAARC members imported many items at higher unit values than those if they had imported from within the SAARC region. On this count, these countries lose enormous amount of scarce foreign currency resources.

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\*Senior Fellow, RIS.

# The Second South Asia Economic Summit (SAES) on 'South Asia in the Context of Global Financial Meltdown'



(From left): Dr. Biswajit Dhar, Mr. Xiaoyu Zhao, Prof. Muchkund Dubey, Mr. Tariq Sayeed, and Dr. Ajay Chhibber at the inaugural session of the Second South Asia Economic Summit.

The second South Asia Economic Summit (SAES) was organized by RIS in New Delhi on 11-12 December 2009 in New Delhi in collaboration with SACEPS, UNDP, ESCAP, ADB and FICCI. The partner institutes were IPS, CPD, IIDS and SAWTEE. The programme of the SAES began with Welcome Remarks by Dr. Biswajit Dhar, Director-General, RIS. Prof. Muchkund Dubey, President, Council for Social Development and Chairman, RIS Research Advisory Council chaired the inaugural session. Mr. Xiaoyu Zhao, Vice President (Operations 1) Asian Development Bank delivered the Special Address and also released the ADB study on Intraregional Trade and Investment in South Asia. Mr. Tariq Sayeed, President, SAARC Chamber of Commerce and Industry made a special presentation. The keynote address was delivered by Dr. Ajay Chhibber, UN Assistant Secretary-General, UNDP Assistant Administrator and Director for Regional Bureau for Asia and Pacific, UNDP. The UNDP RCC Study *The Global Financial Crisis and the Asia-Pacific Region* and the latest RIS Discussion Papers were also launched in the inaugural session.

The first technical session on Global Economic Crisis and Implications for South Asian Economic Integration and Development was chaired by Dr. Pronab Sen, Secretary and Chief Statistician of India, Government of India. Dr. Nagesh Kumar, Chief Economist, UNESCAP, Bangkok presented the theme

paper. Dr. Debapriya Bhattacharya, Special Adviser on LDCs, Office of the Secretary General, UNCTAD, Geneva; Dr. Saman Kelegama, Executive Director, Institute of Policy Studies, Colombo and Dr. Biswambher Pyakuryal, Professor, Tribhuvan University, Kathmandu were the main speakers.

Regional Economic Integration: Deepening of SAFTA was the theme of the second technical session. Mr. Yogendra Kumar, Additional Secretary (MER), Ministry of External Affairs, Government of India chaired it. Professor Rehman Sobhan, Chairman, Centre for Policy Dialogue, Bangladesh delivered the special address. Dr.

Dushni Weerakoon, Senior Economist, Institute of Policy Studies, Colombo presented the theme paper. Speakers included: Dr. Ram Upendra Das, Senior Fellow, RIS; Dr. Posh Raj Pandey, President, SAWTEE, Kathmandu; Dr. Sridhar Khatri, Executive Director, SACEPS, Kathmandu; and Dr. Ejaz Ghani, Economic Adviser, The World Bank, Washington.

In a special session, Mr. Salman Khurshid, Hon'ble Minister of State (Independent Charge) for Corporate Affairs, Government of India was the Guest of Honour. He also delivered a special address. Governor Atiur Rahman, Bangladesh Bank, Dhaka chaired this special session.

The third Technical Session had two themes. The first one focused on Strengthening Physical Connectivity in South Asia which was chaired by Dr. K.L. Thapar, Chairman, Asian Institute of Transport Development. Dr. M Rahamatullah, Transport Policy Adviser, Planning Commission, Bangladesh presented the theme paper. The speakers included Dr. Prabir De, Fellow, RIS and Dr. Sadiq Ahmed, Bangladesh. The second session was on Towards an Inclusive Society in South Asia which was chaired by Prof. Muchkund Dubey. Professor T.K. Oommen, Chairperson, Schumacher Centre, New Delhi delivered the special address. Other speakers included Professor Manoranjan Mohanty, Durgabai Deshmukh Professor of Social Development, Council for Social Development, New Delhi



(From left): Mr. Salman Khurshid, Hon'ble Minister of State (Independent Charge) for Corporate Affairs, Government of India delivering the Special Address; Governor Atiur Rahman, Bangladesh Bank, Dhaka; and Dr. Biswajit Dhar, Director-General, RIS.

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## International Symposium on “Under Economic Crises, How Should Asia Promote Further Economic Integration?”



(From left): Dr. Shashi Tharoor, Hon'ble Minister of State for External Affairs, Dr. Biswajit Dhar, Prof. Arjun Sengupta, Mr. Noboru Hatakeyama, and Dr. Ram Upendra Das at the inaugural session.

RIS and Japan Economic Foundation hosted the International Symposium on Under Economic Crises, How Should Asia Promote Further Economic Integration? in New Delhi on 24 - 25 September 2009. The programme began with Inaugural Session which was chaired by Prof. Arjun Sengupta, Member of Parliament (Rajya Sabha) and Chairman, RIS. Dr. Biswajit Dhar, Director-General, RIS made welcome remarks. Mr. Noboru Hatakeyama, Chairman and CEO, Japan Economic Foundation (JEF) (Former Vice-Minister for International Affairs, Ministry of International Trade and Industry, Japan) delivered the Opening Speech. Dr. Shashi Tharoor, Hon'ble Minister of State for External Affairs delivered the Keynote Address. Dr. Ram Upendra Das, Senior Fellow, RIS proposed the vote of thanks. This international symposium had sessions on The Financial and Economic Crisis and FTAs – How Can Intra-regional Export Growth through FTAs help Tackle the Crisis?; Asian FTAs in Progress – An Introduction to EAFTA, CEPEA, and TPP; What Would be the Future Shape for Regional Economic Integration in East Asia? The concluding session was chaired by Ambassador L.K. Ponappa, Vice Chairperson, RIS and Dy. National

Security Adviser. Summing up was done by Mr. Noboru Hatakeyama and Dr. Biswajit Dhar. The second day of the programme focused on the Experts' Informal Roundtable Discussion. The Media Briefing session was led by Dr. Biswajit Dhar and Mr. Noboru Hatakeyama. The overall coordinator of the event was Dr. Ram Upendra Das, Senior Fellow, RIS.



Mr. Noboru Hatakeyama, Chairman and CEO, Japan Economic Foundation (JEF) (Former Vice-Minister for International Affairs, Ministry of International Trade and Industry, Japan) at an open discussion.



(From Left) Mr. Hidetoshi Nishimura, Executive Director, Economic Research Institute for ASEAN and East Asia (ERIA); Dr. Shujiro Urat, Professor of International Economics, Graduate School of Asia-Pacific Studies, Waseda University Professor of International Economics, Graduate School of Asia-Pacific Studies, Waseda University; Mr. Naoyuki Haraoka, Executive Managing Director, JEF; Prof. Gary Hawke, Emeritus Professor, Victoria University; Dr Ram Upendra Das, Senior Fellow, RIS; and H.E. Ambassador Ong Keng Yong, Ambassador-at-Large, Ministry of Foreign Affairs Singapore and Director, Institute of Policy Studies (IPS) at one of the sessions.

# 18<sup>th</sup> Biennial Meeting of Association of Indian Economic and Financial Studies on Emerging India and the Global Economy

RIS, jointly with the US-based Association of Indian Economic and Financial Studies (AIEFS), organized the 18th Biennial Meeting of the Association of Indian Economic and Financial Studies on Emerging India and the Global Economy in New Delhi on 19-20 June 2009. The programme began with the welcome remarks by Prof. Suhas Ketkar, President, AIEFS and Dr. Biswajit Dhar, Director-General, RIS. Prof. Abhijit Sen, Member, Planning Commission delivered the keynote address. The Meeting had the following important sessions: Presidential Session on Global Recession and Development Financing; Perspectives on Indian Economy; Productivity and Trade; Financial Sector and Global Financial Crisis; Productivity Challenges of Agriculture Sector; Socio-economic Consequences of Globalization; Globalization and Trade. In the Valedictory Session Dr. Biswajit Dhar, Director-General, RIS made the initial



(From left): Prof. Abhijit Sen delivering the Keynote Address; Dr. Ram Upendra Das, Dr. Biswajit Dhar, Prof. Suhas Ketkar; and Prof. Kusum Ketkar at the inaugural session.

remarks. Prof. Suhas Ketkar, Vanderbilt University did the Summing up. Ambassador L.K. Ponappa, Vice-Chairperson, RIS, and Deputy National Security Adviser delivered

the Valedictory Address. Dr. Ram Upendra Das, Senior Fellow, RIS was the coordinator of the event.

## Workshop on Alternate Patent Regime and Access to Health

RIS and the Chinese Academy of Science and Technology for Development organized a two-day Workshop on Alternate Patent Regime and Access to Health in Beijing on 25-26 May 2009. The inaugural session began with the welcome remarks by the Vice President of CASTED and by Mr. Miltos Ladikas, Coordinator, Innova-P2. Dr. Sachin Chaturvedi, Senior Fellow, RIS extended the vote of thanks. The Workshop had the following sessions: Panel on Global Pharma and R&D Priorities in India; Panel on Global Pharma and R&D Priorities in China; Trends in IPR Regime India: Focus Health Sector; Trends in IPR Regime China: Focus Health Sector; IPR, Indigenous Knowledge and Medical Sector: Policy Imperatives: Case Study of India; IPR, Indigenous Knowledge and Medical Sector: Policy Imperatives: Case Study of China; Dynamics of Innovation in Health Sector in



Participants of the Workshop on Alternate Patent Regime and Access to Health.

India; Dynamics of Innovation in Health Sector in China; Access to Health and IP: Alternative Approaches and Innova P-2 - WHO Work Overview: Chinese perspective and Indian perspectives; and the Work

Agenda Ahead and Joint Perspectives for Innova - case study for pharmaceutical survey and analysis to Innova P-2. (For further details, please contact [sachin@ris.org.in](mailto:sachin@ris.org.in))



# Pan-Asian Integration: Linking East and South Asia and National Strategies for Regional Integration: South and East Asian Case Studies

RIS jointly with ADB organized a seminar and launch of books on *Pan-Asian Integration: Linking East and South Asia*; and *National Strategies for Regional Integration: South and East Asian Case Studies* in New Delhi on 20 November 2009. The Seminar began with welcome remarks by Dr. Ram Upendra Das, Senior Fellow, RIS. Dr. Srinivas Madhur, Senior Director, Office of Regional Economic Integration, ADB made the opening remarks. Dr. Biswajit Dhar, Director-General, RIS addressed the participants on the theme of linking South Asia with East Asia. Dr. Isher Ahluwalia, Chairperson, ICRIER delivered the keynote address. It was followed by the presentation on the main findings of the publications by Dr. Ganeshan Wignaraja, Principal Economist, Office of Regional Economic Integration, Asian Development Bank. Participants also took part in the open discussion that followed.



(From left): Dr. Ganeshan Wignaraja, Dr. Srinivas Madhur, Dr. Isher Ahluwalia, Dr. Biswajit Dhar, and Dr. Ram Upendra Das at the Seminar.

## RIS-ITPO Conference on India-ASEAN FTA: Business Opportunities

India and ASEAN have signed a Trade in Goods FTA recently. Linking together the dynamic economies of the ten ASEAN countries and India in a trade pact is an important event in the direction of strengthening their mutual partnership in the realms of trade in goods, services and investment as well as a stepping stone towards a broader architecture for regional economic cooperation in Asia. Against this background, RIS, jointly with India Trade Promotion Organization (ITPO), New Delhi organized a Conference on India-ASEAN FTA: Business Opportunities on 18 November 2009 in New Delhi. The programme began with Opening Remarks by Dr. Subas Pani, Chairman and Managing Director, ITPO; and Opening Remarks by Dr. Biswajit Dhar, Director-General, RIS. Mr. Yogendra Kumar, Additional Secretary (MER), Ministry of External Affairs made Inaugural Remarks. Mr. Rajiv Yadav, Executive Director, ITPO extended the vote of thanks. It was followed by a panel discussion on India-ASEAN FTA in Goods. Mr. P.K Dash, Joint Secretary,



(From left): Dr. Biswajit Dhar, Mr. Vinod Kumar, Dr. Subas Pani and Mr. Rajiv Yadav at the inaugural session.

Ministry of Commerce & Industry chaired this session. The Panelists included Dr. Ram Upendra Das, Senior Fellow, RIS; Professor N Chandra Mohan, IILM Institute for Higher Education; Mr. D. Matsushima, Senior

Director, JETRO; and Mr. Dilip Chenoy, Director General, Society of Indian Automobile Manufacturers (SIAM), New Delhi. It was followed by open discussion.

# IDEAs-RIS Workshop on Nature and Implications of Expanding Presence of India and China for Developing Asia

RIS and the International Development Economics Associates (IDEAs) hosted the Workshop on Understanding the Nature and Implications of the Expanding Presence of India and China in the Global Economy in New Delhi on 5-6 November 2009. The Workshop brought together activists, policy

makers and academics from various parts of developing Asia. The Workshop focused on the following broad themes: On the Question of the Shifting Power Centres in Global Economic Order: Role of China and India; China's Importance for Developing Asia; Trade and Investment Relations; China's Impact on

Developing Asia: Case Studies; India's Importance for Developing Asia: Trade and Investment Relations; Asian Experience of Integration through Trade, Aid and Investment: South Asia; Asian Experience of Integration through Trade, Aid and Investment: South-

East Asia; and Future Regional Integration: Possible Trajectories. Prominent participants in the workshop were Prof. Abhijit Sen, Prof. Prabhat Patnaik, Prof. Muchkund Dubey, Ambassador Navrekha Sharma and Ambassador L.K. Ponappa. Lt. Gen. (Retd.) Andi Muhammad Ghalib, Ambassador of Indonesia in India delivered a Special Address.



(From left): Prof. Prabhat Patnaik, Dr. Jayati Ghosh and Dr. Biswajit Dhar at the inaugural session of the Workshop.



(From left to right) Lt. Gen. (Retd.) H. Andi Muhammad Ghalib, Ambassador of Indonesia in India delivering a Special Address; Ambassador Navrekha Sharma, chairing the session; Prof. Surajit Majumdar; and Malini Chakravarty

## Discussion Meeting on the Unrelenting Pressure of Protectionism

RIS organized a Report launch-cum-discussion meeting on *The Unrelenting Pressure of Protectionism: The 3<sup>rd</sup> GTA Report* in New Delhi on 18 December, 2009. Dr. Simon Evenett, Professor of International Trade, University of St. Gallen, who is the editor of the Report, made a presentation on the main findings of the Report. Global Trade Alert, coordinated by the Centre for Economic Policy Research, an academic and policy research think-tank based in London, has come out with this Report. The Report represents the latest data on the protectionist dynamics at work since the first G-20 crisis-related Summit in November, 2008 and highlights many anti-trade measures that are in the pipeline. Drawing upon a rich evidential base of over 600 completed investigations of state measures that could affect foreign commercial interests, the main



Dr. Biswajit Dhar, Dr. Simon Evenett and other participants at the Discussion Meeting.

findings are discussed in the Report. This Report has a particular focus on developments in the Asia-Pacific Region, which contains several export-led powerhouses.

A large number of participants took part in the discussion that took place during the presentation.



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and Professor Rehman Sobhan, Chairman, Centre for Policy Dialogue, Dhaka. The participants also took part in the open discussion.

The fourth technical session held on 12 December 2009 had two themes. (i) Scope for Project-based Plurilateral Cooperation in South Asia, chaired by Ambassador Farooq Sobhan, President, Bangladesh Enterprise Institute, Dhaka. Dr. Rupa Chanda, Professor IIM, Bangalore and Consultant, UNDP RCC presented the theme paper. Professor L.R. Baral, Executive Chairman, Nepal Centre for Contemporary Studies, Kathmandu; and Dr. Biplove Choudhary, Officer in Charge and Programme Specialist, APTII, UNDP RCC, Colombo were the main speakers. (ii) Trade, Climate Change and Food Security Issues for South Asia chaired by Dr. Posh Raj Pandey, President, SAWTEE, Kathmandu. The Speakers included Dr. Abid Suleri, Executive Director, Sustainable Development Policy Institute, Islamabad, Pakistan; Dr. Biswajit Dhar, Director-General, RIS; Dr. Nazrul Islam, Senior Research Associate, Centre for Policy Dialogue, Dhaka; Mr. Michel Anglade, Regional Campaigns and Policy Manager, Oxfam, New Delhi; and Mr. Bishal Thapa, Managing Director, ICF International India.

The themes in the fifth technical session were: (i) Special and Differential Treatment to LDCs in South Asia, chaired by Dr. Saman Kelegama, Executive Director, Institute of Policy Studies, Colombo. Mr. Ratnakar Adhikari, General Secretary, SAWTEE, Kathmandu and Consultant, UNDP RCC presented the theme paper. Speakers included Dr. Mustafizur Rahman, Executive Director Centre for Policy Dialogue, Dhaka; Dr. Biswajit Dhar, Director-General, RIS; and Mr. Iftikhar Ali Malik, Vice President, SAARC Chamber of Commerce and Industry, Lahore. (ii) Migration and Development, chaired by Mr. Patrice Coeur-Bizot, Resident Representative, UNDP, New Delhi. Speakers in this session were Ambassador Farooq Sobhan, President, Bangladesh Enterprise Institute, Dhaka and Professor Sridhar Khatri, Executive Director, SACEPS, Kathmandu.

The sixth Technical Session had the themes: (i) South Asian Regionalism. Ambassador L.K. Ponappa, Vice-Chairperson, RIS chaired this session. Speakers included: Professor I.N. Mukherji, Sr. Consultant, RIS; Dr. S.K. Mohanty, Senior Fellow, RIS; Dr. Rashmi Banga,



(From left): Dr. Debapriya Bhattacharya, Special Adviser on LDCs, Office of the Secretary General, UNCTAD, Geneva; Dr. Nagesh Kumar, Chief Economist, UNESCAP, Bangkok; Dr. Pronab Sen, Secretary and Chief Statistician of India, Government of India; Dr. Saman Kelegama, Executive Director, Institute of Policy Studies, Colombo and Dr. Biswambher Pyakuryal, Professor, Tribhuvan University, Kathmandu.

Senior Economist UNCTAD India, New Delhi; and Dr. Shahid Ahmed, Professor, Jamia Millia Islamia, New Delhi. (ii) South Asian Integration- presentation of ADB Case Studies, chaired by Dr. Mustafizur Rahman, Executive Director, Centre for Policy Dialogue, Dhaka. Speakers included: Ms. Suwendrani Jayaratne, Research Economist, Institute of Policy Studies, Colombo; Mr. Bruno Carrasco, Director, Country Coordination and Regional Cooperation Division, South Asia Department Asian Development Bank, Manila; and Mr. Shunsuke Bando, Economist, Asian Development Bank, Manila.

The seventh technical session was on Vision of Integration and Development in South Asia. It was chaired by Governor Atiur Rahman, Bangladesh Bank, Dhaka. Professor Muchkund Dubey delivered the Special Address. All these sessions had open discussion.

The valedictory session was chaired by Professor Rehman Sobhan. Dr. Sheel Kant Sharma, Secretary-General, SAARC, Kathmandu delivered the Valedictory Address.

Dr. Biswajit Dhar, Director-General, RIS extended the vote of thanks to all the participants.



(From left): Dr. Sheel Kant Sharma, Secretary-General, SAARC, Kathmandu delivering the Valedictory Address; Dr. Biswajit Dhar, Director-General, RIS and Professor Rehman Sobhan at the Valedictory Session.

# Seminar on Fast Growth in India and China: Implications for Jobs in the US in the Context of the Financial Crisis

RIS organized the Seminar on Fast Growth in India and China: Implications for Jobs in the US in the Context of the Financial Crisis in New Delhi on 15 April 2009. Dr. Nagesh Kumar, Director-General, RIS made the initial remarks. Professor Ajit Singh, Director of Research, Cambridge Endowment for Research in Finance, University of Cambridge; Chair in Economics, University of Birmingham Business School; and Emeritus Professor of Economics, University of Cambridge initiated the discussion on the subject at this Seminar. Mr. R. Gopalan, Additional Secretary, Ministry of Commerce and Industry chaired. A large number of participants took part in the open discussion that followed.



*Professor Ajit Singh, Mr. R. Gopalan and Dr. Nagesh Kumar at the Seminar.*

## Seminar on Patent Regime and Access to Health

RIS and the India Habitat Centre jointly organized the Seminar on Patent Regime and Access to Health in New Delhi on 12 June, 2009. The seminar began with initial remarks by Dr. Biswajit Dhar, Director-General, RIS and Mr. R.M.S. Liberhan, Director, India Habitat Centre, New Delhi. A large number of participants took part in the discussion that took place during the Seminar. Dr. Sachin Chaturvedi, Senior Fellow, RIS was the coordinator of the event.



*Dr. Biswajit Dhar, Director-General, RIS; Mr. R.M.S. Liberhan, Director, India Habitat Centre; and Dr. Sachin Chaturvedi, Senior Fellow, RIS among others at the Seminar.*



*Dr. Guy Henry, Project Co-coordinator and Dr. Rajesh Mehta, Senior Fellow, RIS with other delegates at the Inaugural Session of the NTM-Impact – Kick-Off Meeting, 28 June – 2 July 2009, University Foundation, Brussels.*



# Capacity Building Programmes

## Capacity-Building Module on Global Economic Issues and Regional Trade Blocs with Special reference to SAARC

RIS, on behalf of the Foreign Service Institute, Ministry of External Affairs, Government of India organized a special course on Capacity-Building Module on Global Economic Issues and Regional Trade Blocs with Special reference to SAARC for the Diplomats from Maldives in New Delhi on 3-4 August 2009.



(From Left): Mr. S.T. Devare, Director-General, ICWA; and Dr. S. K. Mohanty, Senior Fellow, RIS at the Capacity-Building Programme.



Participants of the Capacity-Building Module with Dr. Biswajit Dhar, Director-General, RIS and Dr. Ram Upendra Das, Senior Fellow, RIS.

## Capacity-Building Programme on Regional Trade Blocs with particular reference to India-ASEAN Cooperation

On behalf of the Foreign Service Institute, Ministry of External Affairs, Government of India, RIS organized the Capacity-Building Programme on Regional Trade Blocs with particular reference to India-ASEAN Cooperation for Diplomats from ASEAN in New Delhi on 26 August 2009.

## Training Programme for IFS Probationers (2008 Batch) on Global Economic Regime and India's Regional Economic Engagements

RIS, on behalf of the Foreign Service Institute, Ministry of External Affairs, Government of India organized the Training Programme for IFS Probationers (2008 Batch) on Global Economic Regime and India's Regional Economic Engagements in New Delhi on 7-11 September 2009.



Participants of the ESCAP ARTNeT/RIS Follow-up Workshop with Dr. Biswajit Dhar, Director-General, RIS and Dr. Prabir De, Fellow, RIS.



(From Left): Mr. P.S. Maan, Joint Secretary, MEA; Prof. Muchkund Dubey, President, CSD and Chairman, Research Advisory Council, RIS and Dr. Ram Upendra Das, Senior Fellow, RIS with the IFS Probationers (2008 Batch).

## ESCAP ARTNeT/RIS Follow-up Workshop on Gravity Modelling of Trade Facilitation and "Behind the Border" Measures Affecting Trade

The ESCAP ARTNeT/RIS Follow-up Workshop on Gravity Modelling of Trade Facilitation and "Behind the Border" Measures Affecting Trade was held in RIS on 21-25 September 2009.

## Training Module on Understanding Global Trading System and Regional Economic Cooperation

RIS organized a Training Module for University and College Teachers on Understanding Global Trading System and Regional Economic Cooperation in New Delhi on 23 October 2009 in conjunction with the UGC Refresher Training Programme in Economics.



University and College Teachers with Dr. Biswajit Dhar, Director-General, RIS and Dr. Ram Upendra Das, Senior Fellow, RIS.

## Foreign delegations

**RIS faculty held an interactive session with an Indonesian Delegation of Senior Government Officials on *The Rise of India as a New Emerging Power and its Implications for Asia Pacific Regional Architecture* on 6 October 2009.**



*Amb. Navrekha Sharma in chair with Dr. Biswajit Dhar during interactions with the Indonesian Delegation.*



▲ *Dr. Biswajit Dhar; Dr. S. K. Mohanty; and Dr. Ram Upendra Das during interactions with the S. Korean Delegation.*

*H.E. Dr. Kwak Seung – Jun, Chairman, Presidential Council on Future and Vision to the President of S. Korea along with other members of delegation.*



**Delegation from S. Korea led by H.E. Dr. Kwak Seung – Jun, Chairman, Presidential Council on Future and Vision to the President of Korea along with four members and three officials from the S. Korean Embassy in New Delhi visited RIS for discussing Regional Economic Cooperation Issues on 22 October 2009.**

**Delegation of Federation of Bangladesh Chamber of Commerce and Industry visited RIS to discuss issues relating to Indian Economy & Indo-Bangladesh Economic Relations on 11 November 2009.**



*Bangladeshi Delegation in discussion with RIS faculty.*



*DRC Delegation at RIS.*

**RIS received a DRC Delegation from China for an interactive session on various dimensions of mutually beneficial economic cooperation on 17 November 2009.**

**A Delegation from the Policy Planning office, Ministry of Foreign Affairs, Government of Thailand held a meeting with RIS faculty on identifying areas for joint research and capacity building on 24 December 2009.**



*Dr. Biswajit Dhar speaking to the Thai Delegation during the meeting with RIS faculty.*



# Contributions to Outside Policy Dialogues

## Dr. Biswajit Dhar, Director-General

- Participated in the First Meeting of the Task Force on China, organized by CII in New Delhi on 3 July 2009.
- Participated in the Meeting of the Task Force on Traditional Knowledge, organized by FICCI in New Delhi on 3 July 2009.
- Released UN Secretary General's Report 2009 on Millennium Development Goals at UNIC, New Delhi on 7 July 2009
- Participated in the Meeting of the Subcommittee on Indo-EU Bilateral Trade and Investment Agreement, organized by CII in New Delhi on 10 July 2009
- Participated in the Meeting of the Expert Group on Facilitating Global and Regional Trade, organized by UN-ESCAP, Bangkok, Thailand on 14-16 July 2009
- Made presentation on IPRs and Counterfeiting: Recent Developments in NISTADS, New Delhi on 21 July 2009.
- Delivered a lecture on Intellectual Property Rights and Emerging Trends in the Training Course, organized by Foreign Service Institute (FSI), Ministry of External Affairs in New Delhi on 21 July 2009
- Delivered a lecture on Intellectual Property Rights and Health Sector in the Indian Institute of Public Health, New Delhi on 29 July 2009.
- Participated in the Roundtable on Post Crisis Global Economy: Vectors and Challenges, organized by Observer Research Foundation in New Delhi on 8 September 2009.
- Participated in the Principal Secretary's Meeting to Review initiatives announced by Prime Minister at India-ASEAN Summit and East Asia Summit Processes at PMO South Block on 9 Sept. 2009.
- Delivered a lecture on State of Play in WTO Negotiations in Jamia Millia Islamia University, New Delhi on 12 August 2009.
- Made presentation on Counterfeiting Threat at the International Conference on Counterfeiting & Piracy, organized by CII in New Delhi on 19 August 2009.
- Delivered lecture on Developments in Indian Economy organized South Asian University during the visit of Japanese Scholars at South Asian University, JNU on 22 August 2009.

- Participated in the Discussion Meeting on Arrangements Themes for SAARC Countries with Cabinet Secretaries of SAARC Countries at Cabinet Secretary's Office in New Delhi on 25 August 2009.
- Presented a paper on Access and Distribution Mechanisms in the Innova-Patent-2 Issues at the International Meeting held in Beijing on 26-29 August 2009.
- Presented a paper at the session on Policy Coherence or Fragmentation: Inter-Ministerial Cooperation towards global Challenges in the DIE Alumni Conference on Global Challenges for International Development Cooperation, organized by the German Development Institute in New Delhi on 11-12 Sept. 2009.
- Made a presentation in the Round Table 2: New Trade Issues in Energy, Natural Resources and Food of the Thinking Ahead on International Trade Inaugural Conference on Challenges Facing the World Trade System, organized by CTEI in collaboration with WTO in Geneva on 17-18 September 2009.
- Delivered a Talk at the Expert Meeting on Development and Intellectual Property, organized by the Third World Network in Geneva on 19-20 September 2009.
- Presented a paper at the Meeting on the Mid-Year Review of the Indian Economy organized by IIC in New Delhi on 7 November 2009.
- Delivered a lecture on Coordinated Course on Climate Change and Development at TERI University on 7 November 2009.
- Participated in the CEO Roundtable on Linking Innovation and Intellectual Property to face Global challenges in Climate Change, Public Health, Food Security and the Preservation of Biodiversity, organized by CII in New Delhi on 12 November 2009.
- Chaired a session on Innovation, Access and Public Health at the 5<sup>th</sup> Annual Conference on Trade and Development organized by CENTAD in New Delhi on 24 November 2009.
- Panelist in the Global Trade and Employment in the ICC Regional CEO Forum held in New Delhi on 4 December 2009.

- Delivered Valedictory Address at the Conference on Dynamics of Regional Trade Agreements and WTO Developing Countries held in Jamia Millia Islamia University, New Delhi on 4 December 2009.
- Made a presentation on Agricultural Trade Policy at the Training Programme on Agricultural Policy Analysis, organized by CSD, New Delhi on 9 December 2010.
- Made a presentation on Overview of WTO Doha Talks Negotiations – Non-Agricultural Market Access (NAMA) at the Seminar on WTO Agreements & Doha Ministerial Negotiations: Towards Capacity Building of Stakeholders, organized by FICCI and Centre for WTO Studies in Mumbai on 15 December 2009.

## Dr. Rajesh Mehta, Senior Fellow

- Made presentation on India paper at the Kick-Off Meeting of the EU Sponsored Project: NTM-Impact held on 28 June-2 July 2009 at University Foundation, Brussels.
- Made a presentation on Non-tariff barriers in Regional Integration in South Asia in the South Asian Conference on Managing Regional Integration in South Asia, organized by South Asian Network on Economic Modeling (SANEM), in collaboration with the Commonwealth Secretariat and Bangladesh Investment Climate Fund (BICF), in Dhaka on 7-8 July, 2009.
- Presented a paper (co-author) on Livestock Industrialization, Trade and Social-Health-Environment Impacts in Developing Countries: A Case of Indian Poultry Sector at the Fourth International Conference on Public Policy and Management, organized by the Centre for Public Policy, Indian Institute of Management (IIM) Bangalore on 9-12 August at Bangalore.
- Participated in the Roundtable on Post Crisis Global Economy: Vectors and Challenges, organized by ORF and ICRIER in New Delhi on 8 September 2009.
- Speaker on Empirical Research in NAMA-Related issues and Future Research Agenda at the UNCTAD-India Workshop on WTO: State of Play and Future Research Agenda, hosted by Jadavpur University, Kolkata on 13-14 October 2009.

## Contributions to Outside Policy Dialogues

- Delivered two lectures on Applied Econometrics in Trade for the IES Probationer Officers at the Institute of Economic Growth, Delhi on 16 July 2009.
- Participated in Fourth Meeting of the India-Australia Joint Study Group, organized by the Government of India and the Government of Australia in New Delhi on 2-3 September 2009.

### Dr. S.K. Mohanty, Senior Fellow

- Made a presentation on Evaluation of India's Trade Linkages with China in the Reserve Bank of India, Mumbai on 6 April 2009.
- Made a presentation on Implications of the Crisis on International Cooperation and Trade: A Southern Perspective at the Global Governance School Workshop and Conference on Global Governance at a Crossroad: What about Global Solutions?, organized by German Development Institute (DIE), Bonn, Germany on 16 April 2009.
- Participated in the International Seminar on Developmental States in Africa: What prospects and Whose Interest?, organized by Friedrich Ebert Stiftung, Bonn, Germany on 28-29 April 2009.
- Made a presentation in the Workshop on Development Policy: Questions for the Future, organized by German Development Institute (DIE), Bonn, Germany on May 7, 2009.
- Participated in the Inter-Ministerial Meeting on IBSA Working Group and the Focal Points, held in the Ministry of External Affairs, New Delhi on 11 June 2009.
- Made a presentation on Trade Prospects of IOR-ARC in the New Millennium, 15th Meeting of the IORAG held on 20 June 2009 at Sana'a, Yemen.
- Made a presentation on Consistency of Indian Exports with the Global Demand: Relevance of Regional Approach to Promote Exports in the Ministry of Finance, New Delhi on 27 October 2009.
- Participated in the International Workshop on Rising Non-tariff Protectionism and Crisis Recovery, organized by ARTneT-ESCAP at Macao on 14-15 December 2009.

### Dr. Ram Upendra Das, Senior Fellow

- Participated in the Trade and Gender meeting of the Project Steering Committee under the Commonwealth Secretariat held in New Delhi on 8 April 2009.
- Participated in the Advisory Committee Meeting of 37th World Marketing Congress, organized by Institute of Marketing & Management (IMM) in New Delhi on 15 April 2009.
- Participated in the Meeting of India-Australia Joint Study Group, organized by the Ministry of Commerce and Industry in New Delhi on 16 April 2009.
- Participated as a Resource Person in the South Asia Media Training on Trade and Development Issues, organized by the South Asia Watch on Trade, Economics & Environment (SAWTEE) and the South Asian Centre for Economic Journalists (SACEJ), Kathmandu on 24 April 2009.
- Participated in the 15th ASEAN India Working Group Meeting and 11th ASEAN-India Joint Cooperation Committee Meeting, organized by the Ministry of External Affairs in New Delhi on 28 April 2009.
- Participated in the 11th ASEAN-India Senior Officials' Meeting (SOM), organized by the Ministry of External Affairs in New Delhi on 29 April 2009.
- Participated in the IOR-ARC Meeting, organized by the Ministry of External Affairs in New Delhi on 5 May 2009.
- Delivered a lecture on India's Trade Policy: Multilateralism to Regionalism to Indian Economic Service Probationers under the Training Programme, organized by the Institute of Economic Growth in New Delhi on 14 May 2009.
- Delivered a lecture on the interface between WTO & RTAs at the Capacity Building Programme for Class I Officers of the Lok Sabha Secretariat, organized by the National Institute of Financial Management, Ministry of Finance in Faridabad on 15 May 2009.
- Participated as a Resource Person at the UNCTAD Training Workshop on Trade Issues and Application of Econometric Tools held at the Mizoram University, Aizawl, Mizoram on 20 May 2009.
- Delivered a lecture on New Developments in Trade Theory and Practice at the Refresher/Training programme for college lecturers and researchers on Contemporary Issues in

International Trade, organized by the Centre for Development Studies, Trivandrum, Kerala on 26 May 2009.

- Participated in the 3rd Meeting of the Track II Study Group on CEPEA, held in Sydney, Australia on May 28-31, 2009.
- Participated in the meeting of India-Australia Joint Study Group, organized by the Ministry of Commerce and Industry, New Delhi on 4 June 2009.
- Participated in the IOR-ARC Meeting, organized by the Ministry of External Affairs in New Delhi on 4 June 2009.
- Presented a paper on Afghanistan-India-Pakistan Trilogue at the International Conference, organized by the Delhi Policy Group in New Delhi on 7-8 June 2009.
- Participated in the Meeting of India-Indonesia JSG, organized by the Ministry of Commerce and Industry in New Delhi on 1 July 2009.
- Participated in the 3rd Meeting of the Track II Study Group on CEPEA held on 3 July 2009 in Jakarta, Indonesia.
- Delivered a lecture on India's Regional Trade Agreements, organized by the Institute of Chartered Accountants of India, New Delhi on 5 July 2009.
- Participated in the Meeting of National SAARC Award Committee (NSAC), organized by the Ministry of External Affairs, New Delhi on 9 July 2009.
- Participated in the Presidential Friends of Indonesia Programme, Government of Indonesia during August 13-19, 2009 at Bali, Jakarta, and Bogor, Indonesia.
- Participated in the Meeting on Understanding Productivity Impact of Trade and Investment Liberalizations in East Asia, organized by ERIA, Jakarta, Indonesia on 24-25 August 2009.
- Participated in the Meeting of India-Indonesia JSG, organized by the Governments of India and Indonesia on 15 September 2009 in Jakarta.
- Participated in the Meeting of EAS: Senior Economic Officials Meeting, organized by the ASEAN Secretariat on 16 September 2009 in Jakarta.
- Participated in the Meeting of India-Australia JSG, organized by the Ministry of Commerce and Industry in New Delhi on 22-23 September 2009.
- Participated in the 5th Advisory Committee Meeting of the Institute of Marketing & Management on 37th World



Marketing Congress on Marketing Opportunities and Strategies for South Asia: A Fresh Look on 8 October 2009 in New Delhi.

- Delivered a lecture on India's Engagements in Regional Trade Agreements, organized by Institute of Chartered Accountants of India in New Delhi on 7 November 2009.
- Participated in the 2<sup>nd</sup> Micro-data Working Group Meeting on Understanding Productivity Impact of Trade and Investment Liberalizations in East Asia, organized by ERIA on 13-14 November 2009 in Jakarta.
- Participated in the Meeting of the Project Steering Committee on Gender and Trade, organized by the Ministry of Commerce and Industry in New Delhi on 16 November 2009.
- Participated in the Meeting of India-Australia JSG, organized by the Ministry of Commerce and Industry in New Delhi on 18 December 2009.

## Dr. Sachin Chaturvedi, Senior Fellow

- Participated as an observer at the seventh meeting of the Ad Hoc Open-ended Working Group on Access and Benefit-sharing (WG ABS 7), organised by Secretariat of the Convention on Biological Diversity, Paris, France on 2-8 April 2009.
- Made a presentation on Emerging Trade and Investment Linkages between India and East Africa: Agenda for Collective Resurgence at the seminar on Contemporary India-East Africa Relations: Shifting Terrains of Engagement, organized by the British Institute in Eastern Africa, Nairobi on 27-28 April 2009.
- Made a presentation on Emerging Trade and Investment Linkages between India and East Africa: Agenda for Collective Resurgence at the Conference on Contemporary India-East Africa relations: Shifting Terrains of Engagement, organized by British Institute in Eastern Africa, Nairobi on 27-28 April 2009.
- Made a presentation on Patents and Access to Knowledge in Biotechnology at the National Consultation on Access to Patented Knowledge in Biotechnology, organized by TERI, New Delhi on 1 May 2009.
- Made a presentation on Trade Facilitation

and Regional Integration: A View from India at the Regional Policy Forum on Trade Facilitation and SMEs in Times of Crisis, organized by UN ESCAP, ARTNeT, Bangkok, World Bank and China Council for the Promotion of International Trade (CCPIT), at Beijing, China on 20-22 May 2009.

- Made a presentation on Changing Structure of Indian Seed Industry: Policy Prospects and Emerging Lessons organized by IFPRI on 9 June 2009 in New Delhi.
- Participated at the Second Inter-Ministerial Meeting, organized by the MER Division, Ministry of External Affairs for the Sixth IBSA Trilateral Commission, on 11 June 2009 in New Delhi.
- Delivered a lecture on IPR, TRIPs and Indian Experience for the Lecture for Executive Post-Graduate Diploma Students on TRIPs, organized by IIFT, New Delhi on 28 June 2009.
- Made a presentation on Biosafety and Trade Related Issues at the Third ITEC Training Programme on Applications of Biotechnology and Its Regulation, organized by TERI, New Delhi on 11 August 2009.
- Made a presentation on Traditional Medicines at the International Meeting on Innova-Patent 2 organized by CASTED on 26-29 August 2009 in Beijing.
- Made a presentation on International Regulations at the Conference on Genomics and Benefit Sharing with Developing Countries – From Biodiversity to Human Genomics, organized by GenBenefit and Sixth Framework Programme, Montreal, Canada on 6 November 2009.
- Made a presentation on Development Aid Policies: Emerging Experience from India at the in-house seminar at MacMillan Centre for International Affairs, Yale University on 20 November 2009.

## Dr. Prabir De, Fellow

- Delivered a lecture on Inclusive Growth and Trade Facilitation in South Asia at the Seminar on Globalization, Trade and Development in Asia: Emerging Issues, organized by the United Nations University – Institute of Advanced Studies (UNU-IAS), Yokohama, Japan on 13 April 2009.

- Presented a paper on Trade, Infrastructure and Regional Disparity in China and India at a Seminar organized by the Institute of Developing Economies (IDE-JETRO), Chiba, Japan on 11 June 2009.
- Made a presentation on Global Economic and Financial Crisis: Implications for South Asian Trade at the Research Workshop, organized by the Asian Development Bank (ADB) in Bangkok on 25-26 June 2009.
- Presented a paper on Enhancing Asia's Trade: Transportation Costs Matter at the Graduate School of International Development (GISD), Nagoya University, Nagoya, Japan on 24 July 2009.
- Panelist and made a presentation on Global Economic and Financial Crisis and India - Japan Economic Partnership Agreement (EPA) at the International Conference on India-Japan Economic Cooperation: Current Engagement and Future Prospects, organized by the Sasakawa Peace Foundation (SPF) Tokyo, Japan on 6 August 2009.
- Presented a paper on Global Economic and Financial Crisis and Asia's Trade Potential at the Research Institute of Economy, Trade and Industry (RIETI), Tokyo, Japan on 13 August 2009.
- Presented a paper on Governance, Institutions and Infrastructure in Asia at the Asian Development Bank Institute (ADBI), Tokyo on 3 August 2009. A revised version of the same paper was also presented at The Energy and Resources Institute (TERI), New Delhi on 1 October 2009 and the Indian Council for Research on International Economic Relations (ICRIER), New Delhi on 23 October 2009.
- Panelist and presented a paper on Global Economic Crisis: Implications for Trade and Industrial Restructuring in South Asia at the International Conference on Global Economic Crisis: Impacts and Implications for Industrial Restructuring in Asia, organized by ADBI, Tokyo; Asian Productivity Organization (APO), Tokyo; and the National Cheng Kung University (NCKU), Taiwan at Tainan, Taiwan on 19-20 August 2009.
- Delivered a lecture on Asian Economic Integration in Times of Global Economic Crisis: Current Status and Future Prospects at the Indian Institute of Foreign Studies, Calcutta University, Kolkata on 14 September 2009.

## Contributions to Outside Policy Dialogues

- Presented a paper on Does Governance Matter for Enhancing Trade? Empirical Evidence from Asia at the Asia-Pacific Trade Economists' Conference on Traded Growth in Times of Crisis, organized by the Trade and Investment Division (TID), UNESCAP, Bangkok on 2-3 November 2009.
- Made a presentation on Improving Regional Trade Procedures and Processes in India at the ARTNeT Trade Facilitation Research Team Meeting, organized by the ARTNeT, UNESCAP, Bangkok on 23-24 November 2009.
- Panelist and made a presentation on Transit Trade in South Asia: Challenges and Way Forward at the Asia Pacific Trade Facilitation Forum 2009, organized jointly by the ADB, Manila and UNESCAP in Bangkok on 25-26 November 2009.
- Participated in the Meeting on India's Research Partners of ARTNeT/ UNESCAP, organized by the Department of Commerce in New Delhi on 2 December 2009.

### **Prof. I. N. Mukherji,** **Senior Consultant**

- Chaired Session III on Comprehensive Economic Partnership Agreement: Lessons for Other South Asian Countries. Also a Panelist on Managing Regional Integration in South Asia in the Regional Conference on Managing Regional Integration in South Asia, organized by South Asian Network on Economic Modeling (SANEM), held in Dhaka, 7-8 July, 2009.
- Delivered a Luncheon Talk on Global Financial Crisis: Implications for India at Rotary Club of Delhi on 15 July, 2009.
- Made a presentation on Improving Regional Coordination in Economic Enterprises at Eighth Bangladesh, China, India and Myanmar Meeting, Nay Pyi Taw, Myanmar on 23-24 July, 2009.
- Made a presentation on Climate Change and Energy Security in South Asia at South Asian Youth Peace Meet on Environment Sustainability and Energy Efficiency held on 23 September, 2009 at Pune.
- Chaired Session II on Towards Economic Inter-regionalism at the International Conference on Inter-regionalism between East Asia and SAARC: Perspectives, Challenges and Implications for the Future, organized by Department of East

Asian studies, University of Delhi on 26 November, 2009.

- Chaired Session 4 on Regional Integration in South Asia and Africa: Present and Future in the International Conference on Dynamics of Regional Trade Agreements and WTO: Developing Countries' Perspective, organized by the Department of Economics, Jamia Milia University, New Delhi in collaboration with Export-Import Bank of India on 3-4 December, 2009.
- Made a presentation on Global financial Meltdown: Challenges and Opportunities for India at the International Conference on Global Economic Crisis: Opportunities and Challenges, organized by UNCTAD's India Project-Academy of International Business-India and Institute of Integrated Learning in Management in New Delhi on 17-18 December, 2009.

### **Dr. K. Ravi Srinivas, Associate Fellow**

- Made a presentation on Trade and Climate Change in the Civil Society Interactive Workshop on Climate Change held in New Delhi on 29 July 2009.
- Made a presentation on Health Impact Fund and Protective Measures' at Innova Project Meeting held at Beijing on 27-28 August 2009.
- Delivered a Talk on Climate Change, Technology Transfer, and IPRs at the Friday Seminar Series held in CILS, JNU, New Delhi on 4 September 2009.
- Made a presentation at the South Asian Civil Society Consultation on Trade, Climate Change and Food Security Agenda for Copenhagen held in Kathmandu on 9-11 September 2009.
- Made a presentation on Human Resources Development in Biotechnology in Asia Pacific Region at the UNESCO Conference on Capacity-building in Life Sciences Research and Training held at Bangkok on 9 October 2009.
- Participated in the India-China Workshop on Climate Change and Technology Transfer held in New Delhi on 22 October 2009.
- Participated in the High Level Conference on Climate Change: Technology Development and Transfer held in New Delhi on 22-23 October 2009.
- Participated in the India-Australia Dialogue on International Law organized

by Indian Society of International Law and Australian and New Zealand Society of International Law in New Delhi on 5-6 December 2009.

### **Ms. Kasturi Das, Consultant**

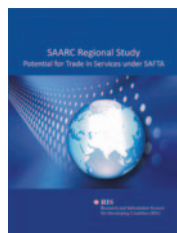
- Presented a paper on Geographical Indications as a Tool for Economic Development: Are the Stated Opportunities Real? at the National Seminar on Geographical Indications organized by the Centre for WTO Studies, Indian Institute of Foreign Trade (IIFT), New Delhi on 25 September 2009.
- Delivered lectures for the course on Climate Change and Development as a part of the MBA (Business Sustainability) Programme of the TERI University, New Delhi, during October-November 2009.
- Delivered a lecture on Select Legal and Economic Issues around Geographical Indications as a part of the Compulsory Training on Trade and Intellectual Property Rights for Indian Forest Service Officers organized by the Indian Society of International Law, New Delhi on 7 October 2009.
- Delivered a lecture on Climate Change Issues and UNFCCC Negotiations: Copenhagen and Beyond as a part of the 48th Professional Course for Foreign Diplomats, organized by the Foreign Service Institute (FSI) in New Delhi on 30 November 2009.

### **Mr. Reji K. Joseph, Consultant**

- Participated in the Seminar on Health Technology: Assessment, Choices and IPR Issues, organized by NHSRC and DFID in New Delhi on 14 September 2009 in New Delhi.
- Presented a paper on Political Economy of India's Engagement with WTO: An Analysis in the Context of Amendment of India's Patents Act at the International Conference on World Trade, World Poverty at Indiana University-Purdue University, United States on 18-19 September 2009.
- Conducted a session on Indian Pharmaceutical Industry during the CENTAD-IIFT 'School on Trade and Public Health' on 5-9 October 2009 in New Delhi.
- Participated in the UNDP Technical Consultation on Access to Affordable Medicines: India's Role Post-TRIPS on 11 December 2009 in New Delhi.



## REPORT



### SAARC Regional Study: Potential for Trade in Services under SAFTA

This regional study was prepared by RIS in collaboration with nominated research teams by all the SAARC Member countries as per a mandate given by the SAARC Summits. It was presented to the SAFTA Ministerial Council and has become basis for launching negotiations on a SAARC Agreement on Trade in Services.

## POLICY BRIEFS

### # 44 Agro-industry as the 'Mahayana' of International Cooperation: A World Waiting to be Born

A highly positive sum game awaits the community of nations if a cooperative international programme for rural industrialization in the developing world generally, through a boost to the agro-industry (supplier) sector world-wide, could be brought into play. Moving beyond the past and the present, and looking to the future, UNIDO (in conjunction with FAO, IFAD, UNDP and others may be) would need to prepare similar 'sustainable industrialization blueprints' for servicing the 'second Green Revolution' (based, inter alia, on biotechnology and other emergent technologies), hopefully an evergreen one, that is on the anvil in many countries in a bid to make up for the neglect of investment in agriculture of the past decades. An ambitious global agro-industrialization programme incorporating these futuristic technologies would be a still higher contribution that the UN organizations could make, by virtue of their prestige and positioning within the overall global 'development enterprise', for inducing greater dynamism into the development process in the developing world to the common advantage of all nations. (For details, please see *RIS Policy Brief # 44*.)

### #43 Regional Keynesianism: An Urgent Need of the Hour and Its Relevance for India Today

This policy brief updates proposals for a regional mechanism for a stimulus package which can turn the current economic crisis into an opportunity for sustained growth in the region. The case of India is presented as an illustration of what is needed and possible for the region. Given the economic crisis due to declining effective demand in the US and UK and risk of dollar crisis, there is no time to lose. Using the East Asia Summit (EAS) framework, an official level committee should be set up immediately to review the feasibility of a regional financial mechanism to address the emerging problems and prevent the nightmare scenario of a prolonged stagnation or stagflation in the world economy. For details, please see *RIS Policy Brief # 43*.)

### # 42 IPR, R&D Capability and Health Care: Key Issues before India

There is clearly a case of substantial increase in government financing to address the health care needs of the country. Although in the recent past, the government has increased the Budget support granted to the Ministry of Health and Family Welfare, the allocations are not in tune with the enormity of health care problems that the country faces. This is despite the fact that two major government programmes, viz. the National Rural Health Mission (NRHM) and the National Urban Health Mission (NUHM) are in operation. It is by now well recognised that an affordable health care system is critically dependent on an innovation system that is sensitised to the needs of the majority of the population. In case of India, such an innovation system can be put in place by building effective synergies between the Scientific Ministries and the Ministry of Health and Family Welfare on the one hand, and the domestic pharmaceutical firms, on the other. (For details, please see *RIS Policy Brief # 42*.)

- *Mekong-Ganga Policy Brief*, No.4, March 2009.

## DISCUSSION PAPERS

### # 160 Regional Cooperation for Regional Infrastructure Development: Challenges and Policy Options for South Asia by Prabir De

**Abstract:** Regional infrastructure is one of the major determinants of economic integration process. The South Asian merchandise trade due to South Asia Free Trade Agreement (SAFTA) is expected to increase by manifolds in coming years. Accompanying this growth will be an increase in demand of both national and regional infrastructure services, for both production and consumption, and international trade purposes. A failure to respond to this demand will slow down South Asia's trade and hamper the growth process. This paper discusses the emerging scenario in regional infrastructure development in South Asia, identifies the infrastructure challenges for the future, and provides some policy options in order to better integrate the South Asian region. (For details, please see *RIS Discussion Paper # 160* by Prabir De)

### # 159 India's Trade in Drugs and Pharmaceuticals: Emerging Trends, Opportunities and Challenges by Reji K Joseph

**Abstract:** The paper looks into the recent experience in exports and imports of drugs and pharmaceutical products. It is found that there is a tremendous growth in the exports. The focus of exports has shifted from intermediates and bulk drugs to formulations. The expiry of patents on drugs worth billions of dollars in the near future, would provide a big opportunity for Indian generic producers. However, the expansion of formulation exports is increasingly facing challenges from various corners-increasing application of non tariff barriers by importing countries, authorised Indian generics being targeted by global anti-counterfeit drive and competition from China. Import of formulations did not increase as has been anticipated. Paper also finds that there is a negative and growing trade balance, owing to the import of intermediates and bulk drugs. The industry is now increasingly adopting the strategy of importing intermediates and bulk drugs and processing them into formulations. The removal of ratio parameter linking the production of intermediates and bulk drugs to the production of formulations has eliminated compulsions on the indigenous production of intermediates and bulk drugs. (For details, please see *RIS Discussion Paper # 159* by Reji K Joseph)

### # 158 On Managing Risks Facing the Indian Economy: Towardser Balance between Public and Private Sectors by Ramgopal Agarwala

**Abstract:** While the global economy has pulled back from the financial abyss, it is by no means out of the woods. The developing countries (including India) should be prepared for: (a) medium term stagnation in their exports to the developed countries, (b) severe reduction in inflow of longer term capital from the developed countries, (c) a high degree of instability in short term capital flows and (d) instability in exchange rates with a serious risk of a dollar crisis. The impact on the Indian economy of these external factors may be more serious than is currently recognized in official documents. In order to prevent such reversal in growth rates, increased efforts are necessary to: (a) generate domestic demand, in particular in unorganized sector where there is considerable underemployment and where additional demand can create its own additional supply, (b) mobilize domestic savings for long-term investment, (c) explore opportunities for greater South-South co-operation for trade and finance, (d) provide for protection from volatile capital flows and unstable exchange rates including a possible dollar crisis and (e) make an intensive study of financial risks of the corporate sector. In business as usual scenario, India may return to pre-bubble trend growth rates of about 6 per cent per year. On the other hand with appropriate reforms (quite different from those popular under the now defunct Washington Consensus) we can turn the crisis into an opportunity for maintaining rapid growth of 8-9 per cent per year and make it more sustainable and more inclusive. (For details, please see *RIS Discussion Paper # 158* by Ramgopal Agarwala)

## # 157 Regional Economic Integration in South Asia: Prospects and Challenges by Ram Upendra Das

**Abstract:** Realizing its importance, the South Asian region has also embarked upon various processes of regional economic integration. However, the South Asian regional integration process is fraught with difficulties, especially due to a lack of understanding about the very economics of regional economic integration. Thus, this paper dwells upon some of the conceptual issues pertaining to regional economic cooperation in general and specific to the South Asian region. It also documents the progress made in SAARC, the SAFTA trade liberalization and associated mechanisms alongside the nature of safeguards provided for. In this respect, developmental perspectives of safeguards are put forth. Some fresh insights on the status of SAARC trade integration process in a dynamic setting are also brought out. The paper also highlights the potentials for deeper economic integration in the region. The paper further illustrates some of the areas wherein project-based cooperation is feasible in the region. Finally, the paper makes an objective assessment of the regional integration process and identifies certain policy-induced and structural constraints that have important policy-implications. (For details, please see *RIS Discussion Paper # 157* by Ram Upendra Das)

## # 156 The European Union's Proposed Carbon Equalization System: Can it be WTO Compatible? by Biswajit Dhar and Kasturi Das

**Abstract:** Numerous political statements by the world leaders on the urgency of reaching an ambitious climate deal in Copenhagen notwithstanding, the actual discussions at the UNFCCC (United Nations Framework Convention on Climate Change) continue to be shrouded by daunting North-South divide, dimming the hope of sealing a deal in December 2009. The negotiating climate has been further queered by the European Union (EU) and the United States (US), which have, in the recent past, made attempts to include certain unilateral trade measures in their domestic climate change regimes. Among the issues that have fuelled the debates on the climate-trade interface in the run-up to Copenhagen, perhaps the most contested one is the proposed use by developed countries of border measures on imports from countries (read 'major-emitting' developing countries) not implementing comparable GHG (green house gas) emissions reduction policies on the grounds of addressing the risk of what has been coined as 'carbon leakage'. The issue of carbon leakage has its origin in the purported apprehension in these developed countries that in the energy intensive, trade-exposed sectors, the carbon costs imposed by their domestic climate policies (e.g. carbon tax or cap-and-trade scheme) will put domestic producers at a competitive disadvantage *vis-à-vis* producers in countries not imposing similarly strict carbon constraints. It is argued that if stringent domestic climate action causes their firms to relocate to other countries with less stringent or no carbon constraint, or to lose market share to firms from countries having low emission standards, then the emission reduction achieved in countries imposing stringent measures will be offset to a great extent by an increase in emissions elsewhere. According to the developed countries, such carbon leakage could end up undermining the environmental integrity of the carbon constraining domestic policy measures. In keeping with the above arguments, law makers in both the US and the EU have proposed introduction of carbon tariffs in order to obviate the disadvantages that their domestic products may face *vis-à-vis* imports as a result of emission reduction measures being adopted by them. While the inclusion of such onerous proposals in the American Clean Energy and Security Act of 2009 (the Waxman-Markey Bill), as approved by the US House of Representatives in the end-June 2009, has generated significant furore over the past several months, somewhat similar provisions were already included in the post-2012 climate change and energy package finalized by the EU in December 2008. It is widely argued by developing countries that such carbon tariffs on imports would be akin to protectionism in the guise of preventing global warming. Concerns have emerged among the so-called 'major-emitting developing countries' (such as, China and India), who are the main target of such measures, that these measures could act as a discriminatory market access barrier affecting their exports to the developed countries concerned in energy intensive sectors that may come under the purview of these

measures. Hence, it is apprehended by them that the proposals to impose such carbon tariffs may act as an effective threat to induce them to undertake binding emission reduction commitments in the ongoing climate negotiations. It is this tacit protectionist intent allegedly underlying the proposed border measures that has triggered a huge furore among the developing countries. Another controversial issue pertaining to such carbon tariffs is whether they could be compatible with the WTO (World Trade Organization) commitments of the countries introducing such measures. This concern has found reflection not only in the post-2012 climate-energy package of the EU itself, but also in the debates on the domestic climate legislations in the EU and US. Against this backdrop, this paper makes an attempt to analyze the WTO compatibility or otherwise of the border measure proposed by the EU in its post-2012 climate-energy package. The analysis focuses on two sets of issues: (i) whether the proposed border measure could conform to the 'border tax adjustment' provisions and the Most Favoured Nation (MFN) clause of the GATT (General Agreement on Tariffs and Trade), and if not then (ii) whether the EU could justify it under the 'General Exceptions' provisions included in Article XX of the GATT that allow WTO Members, subject to certain conditions included in its *chapeau*, to deviate from their GATT obligations to serve certain legitimate policy objectives, including environmental objectives. The analysis presented in this paper indicates that the EU could face significant difficulties in establishing that the proposed border measure would be WTO-compliant. However, the devil would finally lie in the details. (For details, please see *RIS Discussion Paper # 156* by Biswajit Dhar and Kasturi Das)

## # 155 Addressing the Defaults of Globalization by Prof. Jan Pronk

Text of the First RIS Silver Jubilee Eminent Persons Lecture delivered on 24 March 2009 in New Delhi. (For details, please see *RIS Discussion Paper # 155* by Prof. Jan Pronk)

## # 154 Trade Facilitation, Information Technology and SMEs: Emerging Evidences from India by Sachin Chaturvedi

This paper look into the key issues concerning trade facilitation and SMEs, particularly how information technology related measures have influenced SMEs. India undertook focused and dedicated trade facilitation (TF) initiatives for improving infrastructure and the regulatory regime dealing

### Friends of Indonesia



Foreign Minister Hassan Wirajuda (center) speaks at a press conference at the Foreign Ministry in Jakarta, on Tuesday, 18 August 2009 while the Presidential Friends of Indonesia (from left to right) Irina Gorbulina (Russia), Christopher H. Barnes (Australia), Jan Axel Nordlander (Sweden), Ram Upendra Das (India) and Ami Hasegawa look on. Hassan received the Presidential Friends of Indonesia on Tuesday. These Presidential Friends of Indonesia are foreigners who contributed to strengthening of friendship and cooperation between Indonesia and their respective countries. JP/Nurhayati (<http://www.thejakartapost.com/news/2009/08/19/friends-indonesia>)



with its external sector. Information technology (IT) and information technology enabled services (ITES) are prominently placed centre-stage of the trade process reforms.

Despite 'full' automation of the cargo clearance process, constant personal follow-up at various stages is still needed, which small and medium enterprises with a low volume of trade find it difficult to pursue. This leaves SMEs with very little option but to rely on CHAs, which has its own implications for transaction costs. Moreover, in India some of the key legislations are also not SME friendly. For instance, the customs automation programme does not distinguish between small and large players, despite SMEs contribution in India's trade being consistently above the 30 per cent mark (For details, please see *RIS Discussion Paper # 154* by Sachin Chaturvedi.)

## # 153 Climate Change, Technology Transfer and Intellectual Property Rights by K.Ravi Srinivas

In this discussion paper, the question of technology transfer, intellectual property rights is addressed in the context of climate change. Patent statistics shows the dominance of developed countries in specific technologies. The analysis on specific technologies indicates that IPRs is an important issue in development and transfer of technology and it is a barrier. Data indicates that although developing countries have made some progress, the dominance of developed countries in terms of patents, royalty and licensing income and expenditure on Research and Development remains as before. The historical experience is that stronger IPRs do not always result in more technology transfer and technology absorption. Hence the argument that developing countries should provide stronger protection of IPRs to encourage technology transfer has to be challenged. The technology transfer under UNFCCC and Kyoto Protocol has been minimal and insufficient to meet the needs of developing countries. The harmonization of IPRs through TRIPS has limited the options of countries to use compulsory licensing and competition policy. TRIPS has not facilitated technology transfer, particularly to Least Developed Countries (LDCs) and the North-South divide on this issue has resulted in a stalemate. Under these circumstances it is futile to expect that TRIPS alone will result in more transfer of climate-friendly technologies. Using Common But Differentiated Responsibility principle in technology development and transfer is desirable. Many proposals and suggestions have been made to stimulate technology development and transfer. Montreal Protocol is a successful example that is relevant in the context of climate change. The proposals including the proposals made by developing countries deserve a serious consideration and innovative solutions have to be found. Humanity does not has the luxury of finding solutions over a century to solve problems created by global climate change. Developing countries need both development and access to technologies that will facilitate the transition to less carbon intensive economy within the next two or three decades. So it is essential that IP issues do not become a barrier in this transition. The challenge of climate change calls for out of the box thinking to find solutions that can make a difference. The IPR issues in technology transfer need to be tackled by a combination of policy measures, incentives and bringing in changes at the global IP regime under TRIPS. (For details, please see *RIS Discussion Paper # 153* by K.Ravi Srinivas)

## JOURNALS FROM RIS

- **South Asia Economic Journal**, Vol. 10, Number 2, July-December 2009

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# India submits request list to Asean nations

Amiti Sen  
NEW DELHI

INDIA has taken the first concrete step towards concluding a deal with the Asean for liberalising trade in services, including cross-border movement of professionals, by sending a request list to all Asean members pointing out where exactly it wants greater access.

The dialogue can begin in earnest once these countries get back with their reactions and also their own position on opening the trade in services.

The services negotiations are taking place on a request-offer basis, wherein both sides make requests for the openings they seek and offers are made by the receiving country based on the requests. There are four meetings scheduled between January and July and the deal is expected to be finalised by August, a commerce department official has said.

India and Asean concluded their free trade agreement in goods earlier this year, which is scheduled to be implemented



GROUP EFFORT

vestments so that a comprehensive pact including goods, services and investments is in place by August next year.

"India has submitted its requests to all Asean member countries," a commerce department official, who wished not to be named, confirmed to ET.

While India has received requests for opening up its services markets from Malaysia, it is waiting for similar requests from other

year-end, following which offers can be made," the official said.

India expects to gain most from the negotiations on services, as tariffs on goods in the Asean region are already low and the improved market access through the FTA was minimal.

India has made requests in a number of areas including teaching, nursing, architecture, chartered accountancy and medicine as it has a large number of English speaking professionals in these areas who can gain from job opportunities in the Asean region.

India is also keen on expanding its telecom, IT, tourism and banking network in the Asean countries, the official added.

"The good thing about the services negotiations is that they take place on the basis of a positive list which gives members the flexibility to include new areas even after the agreement is implemented," said Ram Upendra Das from Research & Information System for developing and non-aligned countries.

So, even if the agreement takes place in a few areas, those could be implemented first, and

to be a victim of the environment of distrust that hangs over the sub-continent.

The South Asian Free Trade Area (Safra) treaty was intended to deepen the economic integration of its seven members—India, Pakistan, Bangladesh, Sri Lanka, Nepal, Maldives and Bhutan—by increasing trade. A road map was drawn up to eliminate tariffs on goods, India, by virtue of its economic might, stood to gain the most.

However, in its current form, Safra is limited in nature. Every member-country has a long 'negative list'—goods on which it won't drop tariffs, thus disincentivising exporters from other countries. The services sector, which constitutes 53% of India's GDP, is excluded (a draft treaty on including it is under consideration).

"Safra is a non-starter," says Geetanjali Nataraj of National Council for Applied Economic Research (NCAER). "The tariff-reduction targets are unlikely to be met," she adds. The initial target to reduce tariffs for intra-regional trade to 20% by 2007 has been largely met. But a question mark hangs over other targets. The date for total liberalisation—duty-free movement of goods and services—is set for 2016. A two-tier system has been outlined for tariff cuts: a slower pace for least developed countries and a faster pace for others. So, as regards trade with India, Pakistan is to go to zero tariffs by 2012, Sri Lanka by 2013, and Bangladesh, Bhutan, Maldives and Nepal by 2015.

Given the complications to protect their domestic sector and their internal turmoil, countries haven't embraced Safra. India, too, has held back, at times due to indifference. Nataraj points out the paradox in India promising to take on "asymmetrical responsibilities" and then labelling 302 textiles items out of bounds for Saarc exporters. "Being a big country, India should not expect reciprocal treatment and should

take more responsibility for fast-track implementation of Safra," she says.

There are many pressing reasons. China is making inroads into what should have been India's trade territory. With India being relatively unhurt by the global slowdown (due to its large domestic market), here lies an opportunity to increase investment and trade with her neighbours who are hit hard by the global lag. And, in the process of upping trade ties, build goodwill as well. Says Ram Upendra Das of RIS: "In

"Irrespective of whether it is reciprocated or not, India should extend trade benefits to her neighbours."

—Yashwant Sinha  
Former External Affairs Minister

"Too much has been talked about the Chinese influence, but little has been done to better India's neighbourly ties."

—Rajiv Kumar  
Director and Chief Executive, ICRIER

the interests of the region, India has to go in for friendly trade policies without delay." Das wants India to cut tariffs and go in for services and investment co-operation at the earliest.

## The China Way

Several experts want India to take cues from the way China is going about business in the region, complementing trade with generous investments. China is building ports in Pakistan (Gwadar), Bangladesh (Chittagong), Sri Lanka (Hambantota) and Myanmar (Kyauk Pya), all of which can be used as naval bases, if need be. This is part of, what Indian Navy Chief Admiral Suresh Mehta, calls China's "string of pearls" strategy—setting up military bases along its energy lines, across the globe. China is building road and rail corri-

dors in Pakistan, Nepal, Bangladesh and Myanmar that will link these countries to it, especially to the ports. This can be the clincher for importers/exporters to divert trade from India to China. For instance, China is extending a railway link (besides highways) to Khassa, in Nepal. India's railway links to Nepal, in the north-east regions in particular, are substantially weak.

China is investing in the power sector in Pakistan, Bangladesh and Nepal. Although India has helped Nepal to set up hydroelectric projects such as Pokhar, Trishuli, Western Gandak and Devighat, China is making inroads here too. It has given soft loans of \$190 million for the Trishuli hydropower project. The surge of the Maoists in Nepal has also led to an increased Chinese influence. That apart, with the trade deficit being hugely in favour of China, in April, it provided duty-free access to 497 Nepalese goods in China. Says Ram Upendra Das of RIS: "The 336 m Chukha-I hydel project strengthened Indo-Bhutan ties, leading to the second and third phases. India should go in for similar projects with Nepal and Pakistan too."

Pravakar Sahoo of Institute of Economic Growth, says India can't ignore the Chinese message. "People look for 'visible' progress such as bridges and roads being built," says Sahoo. "India will have to earn goodwill by doing just that." Kumar of ICRIER says the government should go all out to "push, promote and facilitate" greater interactions with our neighbours, especially for the private sector. "The steps taken are not enough," he adds. Sahoo points to a simple thing as a visa. "Bangladesh businessmen find it difficult to get a visa to India. But they get one to China easily," he says. Reasons like these explain why China's trade with Bangladesh trailed that of India by 10% in 2002, but was 50% greater in 2007. In fact, between 2002 and 2007, China's exports to individual Saarc nations have grown faster than India's. India can strike back through the moribund Saarc and non-trade measures. But that won't happen by itself—the new government has to make that happen. ■

## Insight

## Gung-Ho Vietnam

The small Southeast Asian country is taking giant strides towards a better economy

Diriya Subramaniam

Vietnam has come a long way from the Socialist foundation that it built in its modern economy on 2000 marks the 40th anniversary of the beginning of the end of the Indochina War. Destruction caused by the 1959-75 war seriously strained Vietnam's economy. The situation was worsened by 1.5 million deaths and the exodus of 3 million refugees, including tens of thousands of professionals, intellectuals and workers. The Vietnamese government budget for 1979 was \$2.5 billion, but investments of \$7.2 billion were made between 1976 and 1980. But, for a small country, Vietnam sure was how to get around.



Up to Speed Even though it started out as a Socialist nation, Vietnam is steadily moving forward, becoming a market economy.

India could now grant Vietnam market entry status. Why? Because Vietnam, member of Association of South East Nations (ASEAN), had indicated its interest in the India-ASEAN trade agreement (FTA) depends on China recognising Vietnam as a member. China, Japan and New Zealand already do so.

According to the Asian Development Bank, "Despite the weak external environment, the Vietnamese economy continued expanding this year, albeit at a slower rate. GDP grew by 5.9 percent in the first half of 2007."

India is booming as well. According to the World Investment Report 2007

put out by the United Nations Conference on Trade and Development, "In 2006, India ranked 20th among the fastest growing economies in the world, up from 26th in 2005."

India's growth rate in 2006 was 9.3 percent, up from 8.7 percent in 2005.

For as long as 1997-1998, India's investment in Vietnam was smaller than countries like Taiwan, South Korea and British Virgin Islands. However, the increase in bilateral trade has been significant. While it was \$11.5 million in 1984-1985, it grew to \$395 million in 2003-2004. Between 2001

and 2006 it grew at 20-30 percent and reached \$1 billion in 2006.

According to Das, one of the problems in Vietnam is that the banking system is not very developed — a problem faced by many emerging market economies. But there has been efforts in the area of FDI regulation.

In 2006, Vietnam passed the Enterprise Law which reduces entry barriers to foreign companies. Plastic, pharmaceuticals, oil refineries, sugar and oil exploration are the main sectors inviting in Vietnam. ONGC Videsh, a wholly-owned subsidiary of Oil and Natural Gas Corporation Limited (ONGC), has had a presence in Vietnam since 1988. Enam O&G

spectrum exploration and production subsidiary Enam Exploration & Production Ltd, Mauritius, has been awarded a shallow water block in Vietnam's prolific Song Hong basin, measuring approximately 5,925 sq km in 2006.

The two countries are likely to collaborate on software and agricultural research, and on joint mineral exploration. ■

## KING OF THE

Eight years on, WTO's Doha talks are still in a deadlock. The solution? Broaden the negotiating space

by Udit Misra & Neelima Mahajan-Bansal



WTO Organization, talks to reporters in 2001

here three areas, namely Services Trade, Investment and Trade Related Intellectual Property Rights (TRIPS).

That the Experts Say

gents suggest that the developed and a developing world should meet half to half.

Developing countries provide agricultural access and agree to a 15 percent threshold for farm import restrictions.

The US and EU up their farm subsidies and currently applied levels.

All countries "share their trade" on special and sensitive products — goods they want to exclude from foreign trade — and then pass back the list.

The G20 allows free trade in at least three sectors — chemicals, electronic and electrical goods, digital products.

or Take

countries have been negotiating on agriculture and industry for eight years, going it and forth with various offer lists

time to time. All the negotiating space has been exhausted. The way forward would be to broaden the negotiating space. Countries must focus their attention on Services Trade negotiations which have remained on the back burner till now.

Reports are unanimous that number countries stand to gain a lot with the opening up of services trade. India is expected to be a huge beneficiary especially under "mode 4" which allows for the temporary movement of people across borders.

India stands to gain a lot if there is liberalisation in services like medical, law, audio-visual (like TV serials) but unfortunately each sector has not articulated their demands in a formal manner," says Ram Upendra Das of the New Delhi-based Research and Information System for Developing Countries. Richard Hyatt, Professor of International Political Economy at the University of Warwick, supports such a view. "Specially if India leads it" and says "it could provide a breakthrough" ■

In its current form, Safra is limited in nature. Every member-country has a long 'negative list'—goods on which it won't drop tariffs.

## The Daily Star

Committed to PEOPLE'S RIGHT TO KNOW

Published On: 2009-07-09, Dhaka

Analysts stress framework to defuse non-tariff disputes  
Star Business Report

Saarc member states should build a broad framework to deal with disputes over non-tariff barriers (NTBs) that hurt intra-regional trade development in South Asia, analysts said yesterday.

Experts also observed that trade restrictive measures also prevail in other groupings, such as Association of Southeast Asian Nations and European Union, hurting many least-developed countries in getting market access.

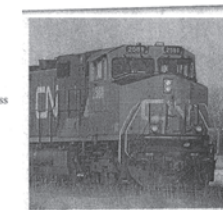
There are 3,000 types of hardcore NTBs in the current global trading system.

Such impositions and the prevalence of NTBs also cause a dilution of tariff preferences obtained by countries under multilateral and regional trading arrangements, they observed.

"NTBs now contribute to a large share of trade restrictiveness across countries. On average, they add an additional 87 percent to the restrictiveness imposed by tariffs," Rajesh Mehta, senior fellow of Research and Information System for Developing Countries (RIS) New Delhi, said at a discussion on NTBs in South Asia.

"Moreover, in 34 of the 78 countries, restrictiveness of NTBs is larger than the restrictiveness of tariffs," he said, citing a study.

SANEM (South Asian Network on Economic Modelling) and Commonwealth Secretariat, UK, in collaboration with BICF (Bangladesh Investment Climate Fund) organised the discussion on NTBs, as part of a two-day conference on "Managing Regional Integration in South Asia" at Dhaka Sheraton Hotel.



## India moots trans-Saarc container train

NEW DELHI: India has floated a concept paper among the SAARC countries to start a container train on a pilot basis, running from Bangladesh to Pakistan via India and Nepal, in a bid to give a big boost to intra-regional trade. The possible corridor for running the train is from Chittagong Port in Bangladesh to Kathbar in India, Birgunj in Nepal and to Lahore in Pakistan. "The proposal being considered could unify the entire region and will lead to a seamless, borderless trade," said Ram Upendra Das, senior fellow, Research and Information System for Developing Countries (RIS). He said concept will lead to saving on transport costs and time. "All this will get reflected in product competitiveness. Increase volumes and reduce prices for consumers," Mr Das added. Member states are set to communicate their views on the

- Dr. N. Jaspers, London School of Economics.
- Mr. Nigel Singh, Oxford University.
- Ms. Nicole Weber and Ms. Nisha Rajan, US Embassy, New Delhi.
- Mr. Shashank Mohan, The Rhodium Group, New York, United States
- Prof. Suranjan Das, Vice Chancellor, Calcutta University, Kolkata

- Prof. Soon Cheul Lee, Pusan University of Foreign Studies (PUFS), Busan, Korea
- Mr. Sandeep Khanna, ISI Emerging Markets, New Delhi
- Prof. Naoko Shinkai, Nagoya University, Nagoya, Japan
- Dr. Amitendu Palit, Institute of South

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- Dr. Saman Kelegama, Executive Director, Institute of Policy Studies (IPS), Colombo, Sri Lanka
- Mr. Yi-Ryong Choi, First Secretary, Embassy of the Republic of Korea, New Delhi

## Peaceful Coexistence and Regional...

In the context of SAFTA, it is widely believed that trade diversion would outweigh the trade creation effects and hence, SAFTA could be welfare-reducing. However, it may be argued that trade diversion effects need not be always with negative connotations. It is often missed out from the analytical debate on the subject that trade diversion in some products could itself lead to trade creation in other products over a period of time.

Having highlighted the nature of potentials that exist in the region inasmuch as they can generate trade much more than the present level, it is prudent to point out that trade generation is not merely a function of tariff reduction alone as envisaged primarily by the SAFTA Treaty. Tariff liberalization could only be an enabling condition for enhancing trade flows though not a sufficient condition. In the absence of measures that strengthen trade-investment linkages, the economic impact and even impact on higher trade flows of SAFTA would remain limited. It would also be limited if non-tariff barriers are not addressed adequately as many have argued.

In the context of SAFTA, one of the arguments often forwarded is its limited product coverage. While one must take cognizance of such an issue, the implementation of SAFTA needs to be viewed with a positive perspective, howsoever modest it may be. The more important issue is not of product coverage at this moment than to look ahead and focus on enhancing the trade capability of the SAARC countries. For this too, mechanisms to forge trade-investment linkages would be crucial. Setting in place policy mechanisms towards this objective would help not only augment the level of export supply capabilities but also contribute to export-diversification if this is taken up with sectoral targeting. This can

be executed by facilitating intra-SAARC investments as well as attracting extra-SAARC investments into the region.

One of the major limitations of SAFTA is in terms of its scope restricted to cover trade in goods only. Most often, the inter-linkages between trade in goods and services and the concomitant need for investment to forge them are not given adequate consideration. It can be argued that trade in goods cannot be stepped up unless institutional mechanisms exist for facilitating trade in services. Similarly, trade in services in a sector is often dependent upon trade in goods pertaining to the specific service sector. Thus, the region needs to recognize the two-way linkages in trade in goods and services otherwise SAFTA's impact on trade in goods may remain limited.

Services have emerged as the engine of growth in the SAARC economies explaining the dynamism displayed by them over the past decade. Service sector is also emerging an important source of employment. Some SAARC countries have also begun to exploit the potential of services in trade. However, the trade potential of services remains to be exploited by the region. Recognizing this, the SAARC Heads of State or Government at their Thirteenth SAARC Summit (Dhaka, 12-13 November 2005) had called for a study to see how services could be integrated into the SAFTA process. At their Fourteenth Summit (New Delhi, 3-4 April 2007) also, the Leaders stressed that to realize its full potential, SAFTA should integrate trade in services and called for finalisation of an Agreement in the services sector at the earliest. Accordingly, the Study on Potential for Trade in Services under SAFTA Agreement was launched within the framework of the SAARC Network of Researchers on Global Financial and Economic Issues with Research and Information System for Developing

Countries (RIS), New Delhi as the Coordinator, seeking national studies prepared by each national focal points of the SAARC members with the support of the Asian Development Bank under the aegis of the SAARC Secretariat.

Upon the adoption of RIS Regional Study Trade in Services and as per the recommendation of the SAFTA Committee of Experts (COE) the Third Meeting of SAFTA Ministerial Council held in New Delhi on 3 March 2008, decided as follows: "The Meeting appreciated the fact that the Regional Study on Potential of Trade in Services under SAFTA Agreement has since been concluded. It commended the Research and Information System for Developing Countries (RIS), New Delhi, and the National Focal Points for their hard work in finalizing the Study."

"The Meeting endorsed the recommendations of the Third Meeting of SAFTA COE and decided that RIS be requested to draft the text of Draft SAARC Framework Agreement on Trade in Services (SAFAS) by 30 June 2008." Subsequently, a Draft SAFAS (Das, 2008)<sup>1</sup> was submitted to the SAARC Secretariat, which is now under consideration by the SAARC members.

In sum, the preceding insights underscore the imperatives of strengthening trade-investment linkages for moving beyond SAFTA and to reap the full potential of regional economic integration in the region in trade in services. Against this backdrop, countries in the region need to understand the dynamics of mutual economic interdependence in the context of economics of neighbourhood. This, apart from yielding economic benefits, has the potential to create peaceful coexistence via regional economic cooperation.

<sup>1</sup>Das, Ram Upendra. 2008. Draft SAARC Framework Agreement on Trade in Services (SAFAS). Submitted to SAARC Secretariat, Kathmandu.

### — Policy research to shape the international development agenda

RIS Diary appears in January, April, July and October. It is available from RIS or can be downloaded from RIS website.



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