



Eminent Person Lecture on Asian Century: The Dynamics of North East Asia, ASEAN and India

Professor Chung Duck-Koo, Hon'ble Member of Parliament, and former Minister of Commerce, Industry and Energy, Republic of Korea delivered the Eminent Person Lecture on Asian Century: The Dynamics of North East Asia, ASEAN and India, organized by RIS on 27 January 2006 in New Delhi.

Shri Ajay Maken, Hon'ble Member of Parliament chaired the event. Dr. Nagesh Kumar, Director General, RIS; and Ambassador Shashank, former Foreign Secretary and former Ambassador to South Korea made the initial remarks. Thereafter Shri Ajay Maken, Hon'ble Member of Parliament addressed the gathering on the importance of the theme of the lecture. He also touched briefly on the various aspects of the evolving Indian-ASEAN economic cooperation. It was followed by the Eminent Person Lecture by Hon'ble Professor Chung Duck-Koo. After the lecture a question-answer session also took place in which the



(From left): Ambassador Shashank; Hon'ble Shri Ajay Maken; Hon'ble Professor Chung Duck-Koo; and Dr. Nagesh Kumar.

participants raised a number of issues | relations and the importance of India-Korea
concerned with India-ASEAN economic | economic cooperation.

National Consultation on Trade in GM Products: Issues Concerning Cartagena Protocol

RIS, All India Crop Biotechnology Association, and the Ministry of Environment and Forest, Government of India jointly organized the National Consultation on Trade in GM Products: Issues Concerning Cartagena Protocol on 1 March 2006 in New Delhi.

The programme began with welcome remarks by Dr. Nagesh Kumar, Director General, RIS. Shri Desh Deepak Verma, Joint Secretary, Ministry of Environment and Forest (MoEF) made a presentation on the issues and challenges facing the country on the subject. Shri R. K. Sinha, Executive Director, All India Crop Biotechnology Association (AICBA), also spoke at the inaugural session.

Dr. Vibha Dhawan, Vice-Chancellor, TERI School of Advanced Studies chaired the Panel Discussion on Key Regulatory Issues relating to Cartagena Protocol on Biosafety. Dr. S. R. Rao, Scientific Advisor, Ministry of Science and Technology; and Dr. Partha R. Das Gupta, Advisor, Syngenta India Ltd. were the panelists.



(From left): Dr. Nagesh Kumar; Dr. Sachin Chaturvedi; Shri Desh Deepak Verma; and Shri R. K. Sinha at the inaugural session of the National Consultation on Trade in GM Products: Issues Concerning Cartagena Protocol.

Dr. R. S. Rana, former Director, NBPGR, New Delhi chaired the session on Liability and Redress: Defining the Contours. In this session Dr. Martha Stanton, Crop Life

Asia, Bangkok; Dr. Vibha Ahuja, Deputy General Manager, Biotech Consortium India

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Current Research/Advisory Activities

Economic Integration in SAARC: Challenges for SAFTA and Beyond

The signing of the Framework Agreement on South Asian Free Trade Area (SAFTA) at the Islamabad Summit of SAARC was a landmark in evolution of SAARC as a regional grouping. At long last the SAARC region seems to be heading towards a regional trade arrangement (RTA) that is the first step in the evolution of SAARC as a regional trade bloc and an economic union. Limited experiences with trade liberalization, that South Asia has had so far in the framework of SAPTA or bilateral FTAs in the region, provide useful pointers for the gains from regionalism in terms of efficiency-seeking industrial restructuring. However, a look at the text on SAFTA clearly suggests that it is a case of "too little, too late." Given the emergence of competing regional trading arrangements such as BIMSTEC FTAs and various bilateral FTAs as also the ongoing trade liberalization at the multilateral level, a slow track move by SAFTA for attaining a free trade area would make the arrangement largely irrelevant. This calls for urgent effort in considerably enhancing the pace of regional trade liberalization as well expanding its scope. Against that background, this study makes an attempt to come up with a policy agenda for increasing the effectiveness of SAFTA and other measures for fully exploiting the potential of regional economic integration in South Asia. This study is conducted by RIS in collaboration with the Institute of Policy Studies of Sri Lanka, Colombo within the framework of South Asia Centre for Policy Studies (SACEPS), Kathmandu and supported by resources obtained by SACEPS from the ADB. Contact for further details: dgoffice@ris.org.in

Economic Cooperation between East and South Asia

Against the background of intensifying efforts at regional economic cooperation and integration between East and South Asian economies in recent years the Asian Development Bank is conducting a major policy research study on the subject. The study seeks to identify gains from closer economic cooperation between East and South Asian economies and inform public and private sector stakeholders of the policy steps required for effective economic cooperation and integration between the two sub-regions. The ADB has assigned RIS to prepare a country study of India which will assess the evolution of India's pattern of economic cooperation and integration with East and South Asian countries; assess the degree of economic cooperation and integration in each of the three areas of merchandise trade and investment, services trade, and infrastructure and trade facilitation; prioritize the sub-sectors within each area, where appropriate, in terms of benefits from further cooperation and

integration; identify specific constraints to cooperation in the prioritized sectors within each of the three areas, including reference to current and proposed agreements; evaluate the consistency of India's current and proposed agreements among themselves and their compatibility with the multilateral system; list and discuss policy recommendations at the country level to enhance effective cooperation and integration and their sequence; and provide background information as required to prepare the CGE model based study and the sectoral studies under the project. Contact for further details: dgoffice@ris.org.in

Trade Facilitation, Customs Valuation and Regional Integration in South Asia

RIS has further intensified the collaborative work on WTO specific issues with ARTNet / UNESCAP, Bangkok. In the second phase of the ongoing work on trade facilitation, customs valuation and regional integration are identified as focus areas for deepening the research work. Benefits associated with trade facilitation in a regional context may also be investigated, along with issues related to the implementation of the WTO customs valuation agreement and liberalization in trade logistics services.

Possible implications for the WTO negotiations on trade facilitation would be assessed, as well as recommendations on how to address trade facilitation issues through preferential trade agreements would be attempted. The objective of the study is to review regional and bilateral trade agreements and related trade facilitation initiatives in South Asian countries and their experience in customs valuation

reform, to analyze the impact of these initiatives and reforms on trade, selected national Governments, and the private sector, and to derive policy implications for the WTO negotiations on trade facilitation, as well as detailed recommendations on how SAFTA could enhance trade facilitation at the regional level. Contact for further details: sachin@ris.org.in

Policy Notes prepared for the Government

- Note on Utilizing Lines of Credit for Strengthening Indian Competitiveness Abroad and Access to Key Raw Materials was prepared and sent to the Ministry of External Affairs on 24 February 2006.
- Note on the Case for an India-Japan Comprehensive Economic Partnership Agreement was prepared for and sent to the Ministry of External Affairs on 25 February 2006.
- Japan-India Joint Study Group: Draft annotated outline of the merged Chapters 6 and 7: Other areas of economic cooperation, cooperation at WTO, and regional economic cooperation were provided.
- A Brief Note on Trade Complementarity between India and the EU-15 was submitted to the Embassy of India, Brussels on 31 January 2006.
- Note on Chapter 8 (Liberalised and Upgraded Framework for India-Japan Economic Partnership) of India-Japan Joint Study Group was submitted.
- The note on combined Chapters 6 and 7 (Other Areas of Economic Cooperation) of India-Japan JSG was submitted.
- Inputs were provided for ASEAN-India FTA negotiations on Rules of Origin.

MoU between ISEAS and RIS

RIS has collaborated with the Institute of Southeast Asian Studies (ISEAS), Singapore with respect to work on Asian Economic Integration among other issues. ISEAS collaborated with RIS in organizing the Fourth High-Level conference on Asian Economic Community in New Delhi in November 2005. They have also issued a number of joint publications. To formalize their growing collaborative links, ISEAS and RIS, signed an MoU. The MoU aims at



Ambassador K. Kesavapany and Dr. Nagesh Kumar signing the MoU.

fostering mutual academic cooperation by undertaking collaborative research project; organizing joint conferences/seminars for informed debate; exchange of research faculty members; knowledge dissemination through joint publications and website links; seeking outside funding sources for joint research activities; and exchanging publications brought out by the two institutions. The two institutes shall undertake, by mutual agreement, other forms of research cooperation that they consider as conducive to promoting mutual exchanges and cooperation. The MoU was signed by Ambassador K. Kesavapany, Director, ISEAS, Singapore on behalf of ISEAS and Dr. Nagesh Kumar, DG, RIS on behalf of RIS on 29 March 2006 during former's visit to RIS.

Seminar on Competitiveness of India, China and ASEAN and their role in the emerging Asian Economic Community

RIS organized a seminar on Competitiveness of India, China and ASEAN and their role in the emerging Asian Economic Community, on 25 January 2006. Ambassador K. Kesavapany, Director, Institute of Southeast Asian Studies (ISEAS), Singapore; and Dr. Tan Khee Giap, Visiting Senior Research Fellow, ISEAS and Head, ASEAN Economies Monitoring Unit, Nanyang Technological University, Singapore, presented an empirical study examining a comprehensive assessment of competitiveness indicators for 35 Indian States and Union Territories, 31 Chinese Provinces, and 10 ASEAN economies to draw some policy lessons. Ambassador S.T. Devare, Vice-Chairman, RIS chaired. The analytical and empirical assessment of relative competitiveness of major Asian economies provided a backdrop for rich discussions on the nature and direction of



(From left:) Dr. Tan Khee Giap; Ambassador K. Kesavapany; Ambassador S.T. Devare; and Dr. Nagesh Kumar.

policy reforms for strengthening our competitiveness, growth and regional cooperation. A large number of participants

from academia, government departments and business and industry circles took active part in the discussion.

Programme on International Economic Issues and Development Policy, 20 February-17 March 2006

RIS conducted a Programme on International Economic Issues and Development Policy (IEIDP) in conjunction with the ITEC Programme, sponsored by the Ministry of External Affairs. RIS has been receiving ITEC Fellows since 2000. However, the programme structure was revised from 2005/06 in the light of the feed back obtained from previous batches. In the 2005/06 the programme schedule was made more compact with a larger participation. The programme participants included: Mr. Oybek Makhmudov of Uzbekistan; Ms. Irina Arkadyeva, Russia; Mr. J.M.O. Ahanda of Cameroon; Mr. I.D. Antonius, Suriname; Ms. Y.G. Sardinas, Cuba and Mr. M.V. Razafindrakota, Madagascar. This research and capacity building programme was held during 20 February to 17 March 2006 in RIS.

The course contents included organization of special lecture-cum-interactive

sessions for the benefit of the Visiting Fellows by the invited experts and RIS faculty members. The important themes of these special sessions included: World Trading System and Development; Reform of the International Monetary System; WTO Negotiations: A developed country view; Some Perspectives on Washington Consensus; East Asia Summit: Implications for India; Status of NAMA Negotiations; Trade in Services under GATS; Negotiating Issues in Agriculture in Doha Round; Trade Facilitation Issues in WTO; Non-Tariff Barriers Negotiations in WTO; Panel Discussion on 'Economic Survey of India'; Rise of IT and Software Sector in India; Emerging Global Trends in Regionalism; Negotiating Issues in Regional Cooperation; Economic Importance of Re-emerging Asia; Foreign Direct Investment and Development: Some Analytical Issues; Trade and Domestic

Policy Implications for Agriculture Sector in Developing Countries; Regional Cooperation in Transport Sector: Issues and Experiences; Economic Aspects in Regional Integration among Developing Countries; and Energy Security Issues and Regional Cooperation.

During the training programme RIS-ITEC Visiting Fellows also participated in a number of events organized by FICCI and PHD Chamber of Commerce and Industry and also visited Maruti-Suzuki Automobile Plant in Gurgaon. Special meeting sessions were also held with the representatives of NASSCOM, EXIM Bank of India, FICCI, SIAM, etc. apart from holding research interactions and library consultation sessions in RIS. At the conclusion of the training programme the Visiting Fellows made their respective presentations on the select themes. Dr. Ram Upendra Das, Fellow, RIS coordinated the programme.



RIS-ITEC Fellows with Dr. Nagesh Kumar, Director-General, RIS and other members of the RIS faculty.

Dr. Nagesh Kumar, Director-General

- Delivered a lecture on Regional Economic Integration in Asia: Approaches, Relevance and Prospects for a Broader Asian Community at the International Conference on International Trade, organized by the Centre for Advanced Studies in Economics, Jadavpur University, Kolkata on 2 January 2006.
- Participated in the Meeting of Economists for Pre-Budget Consultations with the Finance Minister, held in the Ministry of Finance on 13 January 2006 in New Delhi.
- Made a presentation on Trade, RTAs, Asian Integration at the Seventh Annual NBER-NCAER Neemrana Dialogue, held at Neemrana, Rajasthan on 16 January 2006.
- Participated in the First Steering Committee Meeting of 34th World Marketing Congress, at the Institute of Marketing and Management, New Delhi on 18 January 2006.
- Made a presentation on Economic Integration in SAARC at the 33rd World Marketing Congress on the South Asian Market: Its Challenges & Opportunities, organized by the Institute of Marketing & Management, New Delhi, on 20 January 2006.
- Participated in the Meeting the Working Group on Trade of IBSA held in the Department of Commerce, New Delhi on 27 January 2006.
- Delivered a Special Address and participated in the discussion at the Seminar on BIMSTEC-Business Opportunities, organized by ASSOCHAM in New Delhi on 31 January 2006.
- Delivered a lecture on India's Look East Policy at the training programme for the 20 member IFS Office Trainees of 2005 Batch, organized by the Foreign Service Institute (FSI), Ministry of External Affairs on 31 January 2006 in New Delhi.
- Participated in the Meetings of the India-Japan JSG organized by the Ministry of External Affairs in New Delhi on 1-3 February 2006.
- Delivered a Dinner Talk at the Regional Dialogue on New Asian Dynamism and SAARC 2015: Prospects and Challenges, organized by Friedrich Ebert-Stiftung, in New Delhi on 6 February 2006 in New Delhi.
- Delivered the inaugural address at the International Seminar on Emerging India in 21st Century Asia Pacific, organized by the Centre for Southeast Asia and Pacific Studies, Sri Venkateswara University, Tirupati, Andhra Pradesh on 7-8 February 2006.
- Made a presentation on East Asian Integration and Its Impact on the Indian Economy at the State of the Economy Seminar, organized by NCAER in New Delhi on 9 February 2006.

- Delivered a lecture on Regional Economic Cooperation in Asia at the 40th Professional Course for Foreign Diplomats conducted by the FSI in New Delhi on 14 February 2006.
- Chaired the lecture on East Asia and Asia Pacific: Competing or Complementary Regionalism delivered by Dr Paul Evans, Vice-Chair of Board of Directors and Co-CEO, Asia Pacific Foundation of Canada at the India International Centre, New Delhi on 16 February 2006.
- Chaired the session on Strategic Issues in Services at the IV International Conference on Globalization & Sectoral Development, organized by the Academy of International Business-India in association with Institute for Integrated Learning in Management in New Delhi on 17-19 February 2006.
- Panelist in the Seminar on East Asia Summit: Implications for India, organized jointly by the Indian Council of World Affairs and the Council for Security Cooperation in the Asia Pacific (CSCAP) in New Delhi on 22 February 2006.
- Made a presentation on Multilateral Trade Negotiations and Economic Diplomacy at the Seminar on Economic Diplomacy, organized by the Association of Indian Diplomats and the India International Centre in New Delhi on 25 February 2006.
- Made a presentation on South Asia in the Context of Economic Integration in Asia in the Seminar on A Creative Conceptualization of Cooperation in Our Region, organized by the Indian Council for South Asian Cooperation and the India International Centre in New Delhi on 10 March 2006.
- Made a presentation on Gains from SAFTA for Private Sector at the Seminar on SAFTA: Business Opportunities and Challenges, organized by FICCI in New Delhi on 13 March 2006.
- Participated in the India-Japan JSG-Internal meeting of the Indian Component, organized by the Ministry of Finance in New Delhi on March 13, 2006.
- As part of the Indian delegation, participated and made presentation on regional architecture at the High Level Seminar on Asian Regional Cooperation organized at the Lee Kuan Yew School of Public Policy in Singapore on 15-16 March 2006.
- Participated in the Brainstorming on FTAs: Issues and Challenges in Designing Effective Trade Agreements in Asia, organized by the Asian Development Bank in Manila on 20 March 2006.
- Made a presentation at the Workshop for the Asian Cooperative Strategy in Trade and Industry: Opportunities and Obstacles, organized by the Institute of World Economics

and Politics of Chinese Academy of Social Science in Beijing on 23-24 March 2006.

- Launched and presented to the media the ESCAP's Annual Publication *Economic and Social Survey of Asia and the Pacific – 2006* at the United Nations Information Centre, New Delhi on 30 March 2006.
- Chaired the session on Issues of Deeper Economic Integration in Asia at the Workshop on IDRC Project: Preferential Trading Arrangements in Asia: Towards an Asian Economic Community, organized by ICRIER New Delhi on 30 March 2006.

Dr. Rajesh Mehta, Senior Fellow

- Delivered a lecture on Non-Agricultural Market Access (NAMA) at Advance Course on WTO for Officers of the Indian Administrative Service, organized by IIFT on 30 January 2006 in New Delhi.
- Made a presentation on Impact of WTO on Indian SSI at the Programme for Promoting Export Business Development Services (BDS), organized by the IIFT in New Delhi on 24 February 2006.
- Made a presentation on Role of WTO in Development of Global Trade in Processed Foods: SPS and TBT Issues at the National Seminar on Quality Assurance for Indian Processed Foods and Overcoming Trade Barriers, organized by All India Food Processors Association (AIFPA) in New Delhi on 10-11 March 2006.
- Participated in the Expert meeting organized by Institute for Human Development (IHD) on 3 March 2006 to discuss the study on Regional Trade and Food Security in Asia prepared by the IHD and ActionAid.
- Made a presentation on NAMA Negotiations: Issues for India at the National Consultation on WTO and India: Strategising beyond Hong Kong, organized by FICCI and CENTAD in New Delhi on 20 March 2006.

Dr. S.K. Mohanty, Fellow

- Paper on WTO Agreement on Agriculture, Liberalisation in Select Industrialised Countries, and Implications for Developing Countries: A CGE Modelling Analysis (co-author) was presented in the International Conference on International Trade organized by Centre for Advanced Studies in Economics, Jadavpur University, Kolkata on 2-3 January 2006.
- Made a presentation at the Conference on IBSA Free Trade Agreement: Opportunities and Challenges, organized by ASSOCHAM in New Delhi on 10 March 2006.
- Made a presentation in the Workshop on Managing Global Governance, organized by the German Development Institute and InWEnt in Bonn, Germany on 29-31 March 2006.

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Limited; and Prof. Bharat H. Desai, JNU, made the presentations.

The session on Issues in Handling and Transboundary Movement was also chaired by Dr. R. S. Rana. The speakers in the session were: Dr. Ravi Khetarpal, Head, Plant Quarantine, NBPG; Dr. Biswajit Dhar, IIFT (WTO Centre); and Dr. Vibha Dhawan, Vice-Chancellor, TERI School of Advanced Studies.

Dr J L Karihaloo, Project Coordinator, Asia-Pacific Consortium on Agricultural Biotechnology (APCoAB), chaired the session on Compliance Mechanism: Issues and Options. Dr. T. V. Ramaniah, Director, Department of Biotechnology, and Dr. Sachin Chaturvedi, Fellow, RIS, made presentations.

The concluding session on The Way Forward was chaired by Dr J L Karihaloo. In this session the main speakers were: Dr. S. R. Rao; Dr. Manoranjan Hota, Additional Director, Ministry of Environment and Forest (MoEF); and Dr. Damien Plan, Director, Public, Government and Communication Asia Pacific, Bayer Crop Science, Singapore.

Executive Secretary, UN-ESCAP visits RIS



H.E. Mr. Kim Hak-Su and members of his delegation interacting with RIS faculty.

H.E. Mr. Kim Hak-Su, Executive Secretary, UN-ESCAP during his visit to New Delhi visited RIS along with his colleagues on 11 February 2006 for an briefing on the RIS work programme and strengthen ESCAP-RIS collaboration. This discussion began with a presentation on the work programme of RIS made by Director-General, RIS. RIS is represented on the Institutional Advisory Board of the ESCAP's Asia Trade Research Network on Trade (ARTNeT) and actively contributes to it. H.E. Mr. Kim showed keen interest in the work programme of RIS especially on Asian economic integration. The Indian Ministry of Commerce and Industry has also proposed to support a study on regional institutional financing mechanism on infrastructure in Asia to be conducted by RIS and ICRIER to support ESCAP's work during this visit.

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Dr. Sachin Chaturvedi, Fellow

- Presented a paper on Integration in South Asia and Issues in Asian Economic Community at the Seventh Annual Global Development Network Conference on Asian and Other Drivers of Global Change, held on 9-21 January 2006 in St. Petersburg, Russia.
- Presented a paper on Biotechnology and the Emerging TRIPs-Plus Regime: Concerns of Developing Countries at the CAPPE Workshop on Medicine and Poverty, organized by the University of Melbourne, Australia on 31 January-1 February 2006.
- Made a presentation on Biosafety and Trade Related Issues at the TERI School of Advanced Studies Short-term Orientation Course on Biosafety and Biotech Regulations, held on 9 February 2006, in New Delhi.
- Made a presentation on SAFTA and Trade Facilitation Measures at the Seminar on Challenges and Opportunities: Regional Economic Cooperation in South Asia, organized by CUTS-CITEE, FES, IMC, on 24 March 2006, in Mumbai.
- Made a presentation on Trade Facilitation and Regional Integration in South Asia at the UNDP/ESCAP ARTNeT Trade Facilitation Research Team Meeting, held on 15 March 2006 in Bangkok.
- Made presentations on Intellectual

Property and Agro Biotechnology: Emerging Global Regime; and Biotechnology and Trade Related Issues at the TERI School of Advanced Studies Training Workshop on Law and Biotechnology, on 10 March 2006, in New Delhi.

Dr. Ram Upendra Das, Fellow

- Participated in the Discussion Meeting on Preferential Rules of Origin: Building a Product-specific Approach at World Customs Organization, held on 25-29 January 2006, Brussels, Belgium.
- Participated in the Consultations on Product-specific Rules of Origin submitted by BIMSTEC Members, organized by Ministry of Commerce and Industry, on 2 March 2006, New Delhi.
- Discussant in International Conference on Development in Open Economies: Labour in Industry, organized by the Academy of Third World Studies and Jamia Millia Islamia, 6 March 2006, New Delhi.
- Made a presentation on SAFTA Negotiations: Implications for the Business at the Symposium on Trade Liberalization in SAARC, organized by SCCI, BCCI and AusAID during 9-12 March 2006 in Thimphu, Bhutan.
- Delivered a lecture on WTO Related Issues for Foreign Journalists, organized by the Indian Institute of Mass Communication (IIMC), 21 March 2006, New Delhi.

Shri Prabir De, Associate Fellow

- Participated in the Round Table Meeting Changing Face of Japan: India's Role, organized by the Delhi Policy Group, in New Delhi on 4 January 2006.
- Visiting Research Fellow at the Centre for Northeast Asia Economic Cooperation (CNAEC), Korea Institute for International Economic Policy (KIEP), Seoul during January 20- February 24, 2006. Presented two papers on Regional Trade in Northeast India: Why Do Trade Costs Matter?; and Look East Policy and India's Economic Engagement with Northeast Asia: Opportunities and Challenges.
- Participated in the International Conference on India and East Asia: Paradigms for New Global Cooperation, organized by ICWA, New Delhi in collaboration with the Department of East Asian Studies, University of Delhi, and the Academy of Third World Studies, Jamia Millia Islamia in New Delhi, during 7-9 March 2006.
- Discussant at the Workshop Preferential Trading Agreements in Asia: Towards an Asian Economic Community, organized by ICRIER, in New Delhi on 30 March 2006.
- Presented a paper on Facilitating Overland Trade in BCIM: Issues and Ways Forward, at the 6th BCIM Forum, organized by the Institute of Chinese Studies, Delhi University in collaboration with the Centre for Policy Research, during 30-31 March 2006 in New Delhi.

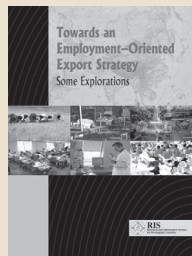
Latest Publications

Book

Towards an Employment-Oriented Export Strategy: Some Explorations, published by RIS, 2006.

India currently faces a major challenge of employment generation for millions of its unskilled and semi-skilled unemployed workers. The employment in the organized sector has shrunk in the recent years despite acceleration in GDP growth. India needs a manufacturing revolution to complement the booming services sector to meet the challenge of employment creation. Some countries like China, Malaysia, Thailand, among others have built export-oriented manufacturing industries and have created millions of job opportunities, while generating output and foreign exchange.

Export-oriented production has a huge potential for generating jobs. However, very little information has been available on the role that exports play in employment generation and policies that may help in that respect. This Report, prepared by RIS at the request of the Ministry of Commerce and Industry, explores into the role that exports can play in employment generation. It discusses the analytical issues in linking exports and employment generation and summarizes the international experiences on the subject. It makes the first exploratory attempt at estimating the role that export-oriented industry is playing in job creation and its potential. It outlines an employment-oriented export strategy that will not only strengthen India's place in international division of labour but can also improve the condition of its unemployed youth and generate new income and wealth. The government has taken cognizance of its findings and recommendations in the recent policy-making.



RIS Policy Briefs

#22 Doha Round and Developing Countries: Will the Doha deal do more harm than good?

WTO members agreed that the current round of trade talks should focus on development. The deal that seems to be emerging, however, is unlikely to deliver. The benefits are small for developing countries and the costs are high. It will be up to developing country governments to decide whether the Doha deal does more harm than good to their prospects for economic advancement.



Discussion Papers

#106 Japan and an Asian Economic Community by Masanori Kondo

Abstract: Until recently, most Japanese considered the gaining momentum of Asian economic integration in the frame of ASEAN+3. With India maintaining a high economic growth rate and its population being predicted to overtake China as the most populous country in Asia is leading many to rethink the importance of India to Asian economic integration. In order to find a political and economic counterbalance to China, the Japanese government has also put effort in vitalizing the Japan-India relationship. India following its 'Look East' policy has been successful in improving its economic relations with Korea, China and Japan. However, with some exceptions, Japanese businesses are behind other countries (especially US, UK, and South Korea) towards investing in India. While there are indeed many unique difficulties involved in entering the Indian market, the massive consumer potential of the population combined with a skilled and numerous labour pool allows many South Korean and American firms to attain great success there. Japanese and Indian policymakers have great designs for the relationship between the two countries, but it is only when Japanese firms step up and make the needed large scale commitment in India that Indo-Japanese trade will start to grow.

#107 Monetary and Financial Cooperation in Asia: Emerging Trends and Prospects by Ramkishan S. Rajan

Abstract: Ever since the currency crisis of 1997-98 there has been a great deal of interest in enhancing regional economic cooperation in Asia. It is important to keep in mind that economic regionalism is multidimensional nature. The focus of this paper is on policy initiatives underway in Asia to enhance monetary and financial regionalism and the analytical bases for these initiatives, rather than on examining the *de facto* level of financial and monetary links that already exists (which may or may not have been facilitated via regional policy mechanisms). There are many gradations of monetary and financial regional cooperation, ranging from the weak form involving regional policy dialogue and surveillance, on the one hand, to

exchange rate and monetary coordination, on the other. To maintain focus, this paper concentrates more narrowly on "medium forms" of monetary and financial regionalism, broadly defined as the development of regional liquidity arrangements and regional financial markets.

#108 Towards Comprehensive Economic Co-operation between India and Central Asian Republics by Dr. Ramgopal Agarwala

Abstract: Despite some recovery in recent years, Central Asian Republics (CARs) remain in difficult economic situation and they present a serious challenge to Asia. It is in the mutual interest of both CARs and rest of Asia (including India) to explore the avenues for more intensive regional economic co-operation. This paper argues how India can be more active by: (a) giving intellectual confidence to CARs in developing and implementing their own Eurasian model of development which follows a middle path on both democracy and markets; (b) providing financial and technical resources to revive their agriculture, industry and services; and (c) improving connectivity and liberalizing trade and investment regimes for greater exchange of goods, services and capital.

Journals

- **South Asia Economic Journal**, Vol. 7 No. 1, January-June 2006

Contents: *Impact of Protection on Domestic Processing of Primary Commodities for Export Markets: An Example from the Sri Lankan Tea Industry* by Gaminda Ganewatta, Robert Waschik, Sisira Jayasuriya and Geoff Edwards; *Trade Policy Reforms and Openness of Indian Agriculture: Analysis at the Commodity Level* by Seema Bathla; *Money, Income and Prices in Pakistan: a Bivariate and Tri-variate Causality* by Kalbe Abbas and Fazal Husain; *Market Efficiency for the Pakistan Stock Market: Evidence from the Karachi Stock Exchange* by Madhumita Chakraborty; *Analysing India's Trade Dynamics vis-à-vis SAARC Members Using the Gravity Model* by Biswajit Nag and Anisha Nandi; *On the Incentives of Violence: Greed and Pride in Sri Lanka's Civil War* by Benedikt Korf and Stefanie Engel; Review Article and Book Reviews.

- **New Asia Monitor**, Vol. 3 No. 1, January 2006.
- **RIS Diary**, Vol. 4 No. 1, January 2006.

Outside Publications of RIS Faculty Members

Research Papers

- Chaturvedi, Sachin. 2006. "An Evaluation of the Need and Cost of Selected Trade Facilitation Measure in India: Implications for the WTO Negotiations" ARTNeT Working Paper No. 4. Asia-Pacific Research and Training Network on Trade (ARTNeT), United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP), Bangkok.
- De, Prabir. 2005. "Cooperation in the regional transportation infrastructure sector in South Asia." Routledge: *Contemporary South Asia*, 14 (3). September.
- De, Prabir. 2006. "Deepening IBSA Trilateral Cooperation: The Role of Communication Services". *India Quarterly*, Vol. LXI, No. 4, March 2006.
- Kumar, Nagesh. 2006. "Towards an Asian Economic Community: An Indian Perspective". *Asian Voices Seminar Series*. Sasakawa Peace Foundation USA.
- Mehta, Rajesh. 2006. "Implication of WTO on India's Trade Policy." *South Asian Journal*. February.
- Mehta, Rajesh (co-author). 2006. "Is Indian Leather & Footwear Industry Ready for Duty Free Integration with the World". *Indian Leather*, Vol.39, No.12, February, pp. 59-71.
- Mehta, Rajesh. 2006. "SPS and TBT Issues" in *Quality Assurance for Indian Processed Foods and Overcoming Trade Barriers Souvenir*. All India Food Processors Association (AIFPA), March, ITPO, New Delhi.
- Mehta, Rajesh (co-author). 2006. (Reprint) "Non-Agriculture Market Access Negotiations: Post-Cancun Issues and Implications for

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Pricing poses hurdle to Tata's Bangladesh plan

By Khusem Merchant in Mumbai

Tata will this month present final terms for a \$300 investment in steel, fertilizer and power plants in Bangladesh.

commercial terms last week that it had "diverted what it could afford [on gas prices]" short of underlining the price-competitiveness of steel and urea products.

the time, formed a "large list". Tata has proposed a 2.6m tonne capacity steel plant, a 1m tonne urea unit and two 300MW power units - one gas-fired and captive, the other coal-based and feeding into the national grid. Many of the assump-

There are two key hurdles for Tata - first, it is seeking a 10-year tax holiday on the steel plant, but it has been told that current rules limit the benefit to five years. Second, "significant" differences remain on gas pricing.

Tata is likely to offer a high fixed price or a floor price that adjusts with changes in market prices.

Relations between Dhaka and New Delhi have been cool. Given the political sensitivity of foreign companies, especially Indian ones, devel-

India, ESCAP demarcate four areas of cooperation

Deals likely in fields of disaster management

Special Correspondent

NEW DELHI: India and United Nations' ESCAP (Economic and Social Commission for Asia and the Pacific) have identified four new areas of cooperation - disaster management, infrastructure financing, setting up of an India-ESCAP Cooperation Fund and enhanced Indian participation in the Asia-Pacific Technology Transfer Centre.

ESCAP has estimated that the region requires an investment of US\$ 300 billion to three trillion per year for the four major infrastructure sectors of transport, energy, water and information and communication technology.

India to conduct study for ESCAP on strengthening institutions

Our Bureau New Delhi, Feb.

THE Department of Commerce will get a study done for the UN Economic and Social Commission for Asia and the Pacific (ESCAP) on how to strengthen existing institutions and instruments for long-term infrastructure financing in the region.

the Asian region had vast and unmet infrastructure needs including heavy outlays which currently were being availed by members outside the region, the savings that could be achieved by undertaking infrastructure projects among ESCAP members would run to \$2.3 trillion. He said this was one of the important pillars of robust regional cooperation in larger Asian Economic Community.

FM urged to step up reforms

Economists favour phasing out of tax exemptions

Special Correspondent

NEW DELHI: Economists have urged Finance Minister P. Chidambaram to step up reform by abolishing the fiscal deficit and giving a boost to foreign direct investment inflow. Calling for fiscal consolidation and rationalising of expenditures in the latest meeting on Friday in the series of pre-budget consultations, they emphasised the need to continue the impact in tax reforms in direct and indirect taxes.

- Tax policies to include improved corporate governance
- Higher level subsidies for R&D needed

Centre for Policy Research Director Pradyumn Shrivastava and Karita Basu of the National Institute for Public Finance and Policy (NIPFP).

Suggestions made at the meeting included proposals to give a strategic direction to manufacturing to boost employment levels and make this country a global production hub. There was also need to provide subsidies for research and development at much higher levels in the lines of developed countries, it was felt.

Some economists suggested that the FDI regime should be liberalised to increase employment opportunities. Others felt

Asia as the next supermarket

THE structural weaknesses crippling the US economy on account of its slow spring-up and even grating current account deficit is making many experts forecast a boom in Asia.

MONEY TALK



• Investment outside offers more risk-reward options in the American market

• The Beijing firm 'China' has set up a large-scale investment fund in Asia by introducing of FDI, which would invest in China, India, Japan and Korea



China Vibes: Noodles To Naan

For the first time, the growth rate of India's GDP is higher than that of China's. This is a significant milestone for India, as it shows that the country is now growing faster than the world's second largest economy.

China's economic growth has been a major focus of attention for investors and analysts. The country's rapid expansion has led to a surge in demand for raw materials and services, which has benefited India's export sector.



Removal of tax sops critical, say experts

OUR ECONOMY BUREAU New Delhi, 13 January

Urging Finance Minister P Chidambaram to continue with tax reforms and fiscal consolidation, eminent economists today identified removal of tax exemptions as critical for generating additional resources.



in a pre-Budget meeting with the finance minister, they also stressed the need to increase allocation for improving the quality of education and improving infrastructure in rural areas.

Removal of exemptions on software exports, the small-scale sector and special category states were some of the areas mentioned by the economists.

ICRA's Chief Economist Saumitra Choudhury said, "We need to continue fiscal consolidation, both at the Centre and in states. Exemption should be kept under control, while Customs duty be reduced in a phased manner."

Nagesh Kumar, director general of Research and Information System of Developing Countries, said the Budget should provide strategic direction for making India a manufacturing hub. "We should also move to providing subsidies to re-

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Industrial Tariffs". ICAFI's Professional Reference Book: *India and the WTO: The Development Agenda*. (Forthcoming).

Mehta, Rajesh. 2006. "Indian Poultry Industry in Global Context". *World Agro Trade Scanner (WATS)*, Vol. 1 No.1, 15-31 March. pp. 7-10.

Mohanty, S.K. and Sachin Chaturvedi. 2006. "Asian Drivers: Opportunities and Threats". *IDS Bulletin*. Vol. 37, No. 1, January.

Popular Columns

Agarwala, Ramgopal. 2006. "Asia can ease the risks of global imbalances". *The Financial Express*. February 9.

Chaturvedi, Sachin. 2006. "Deliver on Doha". *The Financial Express*. March 14.

Das, Ram Upendra. 2006. "Apprehensions need to be set aside for steady progress". *The Financial Express*. January 11.

Kumar, Nagesh. 2006. "Birth of a forum for dialogue on Asia". *The Financial Express*. January 3.

Kumar, Nagesh. 2006. "What the Budget should do for brand India". *The Financial Express*. January 31.

Kumar, Nagesh. 2006. "Lacking ambition on long-term growth". *The Financial Express*. March 3.

Mehta, Rajesh. 2006. "Imposition of CVD to offset Customs Reduction". *The Financial Express*. 8 March.

Consultations with Industry on Rules of Origin under the India-ASEAN FTA

Currently the Government of India is in the process of evolving Product-specific Rules of Origin (PSRs) under the India-ASEAN FTA. In this context, RIS has been entrusted to conduct a comprehensive study exploring different options available within the ambit of Rules of Origin that can contribute to the progress in negotiations between India and ASEAN, while being sensitive to the concerns of Indian industry.



Industry representatives at the consultation meeting held in RIS.

With a view to concretize understanding on PSRs and to provide timely inputs to the Government of India on this important issue RIS organized a series of Meetings during 6-10 February 2006. The Meeting was attended by senior officials of Department of Commerce. The representatives from industry and business circles also took part in the deliberations. Subsequently a Summing-up Session was also organized with the representatives of the stakeholders at RIS on 10 February 2006.

Important Visitors/Delegations Received

● A delegation including Mr Atsuyuki Oike, Director, Economic Partnership Division, Economic Affairs Bureau; Mr Takashi Koyama, Deputy Director, Economic Partnership Division, Economic Affairs Bureau; Ministry of Foreign Affairs; and Mr Naoyasu Yoshimura, Deputy Director, Economic Partnership Division, Trade Policy Bureau, Ministry of Economy, Trade and Industry, Tokyo, in connection with the India-Japan Joint Study Group, visited RIS on 3 February 2006.

● Dr Ashok V. Desai, formerly Chief Consultant, Ministry of Finance, Government of India on 4 January 2006.

● Dr B. Bhattacharyya, Distinguished Professor and Director, Graduate School of Management, Institute for Integrated Learning in Management, New Delhi on 5 January 2006.

● Prof Masanori Kondo, Associate Professor of Economics, Division of International Studies, International Christian University, Tokyo, Japan on 5 January 2006.

● Dr. Keith Atkinson, Managing Director, Imani Development Austral Pvt. Ltd., Perth WA, Australia on 6 January 2006.

● Dr. Thomas Fues, German Development Institute, Dr. Günther Taube and Dr. Valeska Gruenhage, Internationale Weiterbildung und Entwicklung gGmbH (Inwent), Germany on 16 January 2006.

● Dr Praduman Rana, Senior Advisor, ADB on 17 January 2006.

● Shri R S Ratna, Director (RMTR), Department of Commerce on 19 January 2006.

● Ambassador K K Bhargava on 19 January 2006.

● Mr Bishnu N. Mohapatra, Programme Officer, Local-Global Governance, The Ford Foundation, New Delhi on 19 January 2006.

● Mr. Anant Swarup, Deputy Secretary, Ministry of Commerce and Industry on 19 January 2006.

● Ambassador R.M. Abhyankar on 20 January 2006.

● Mr. Akash Khurana, Senior Consultant and Ms. Divya Goyal, CB Richard Ellis South Asia Pvt. Ltd. Strategic Consulting Group on 20 January 2006.

● Mr M K Venu, *Economic Times* and Mr Siddharth Varadarajan, *The Hindu* on 28 January 2006.

● Dr Raja Mitra, Consultant, The World Bank, Washington DC on 31 January 2006.

● Dr Dong Zhang, Senior Analyst, Trade and Economic Analysis, Australian Agency for International Development, Canberra, Australia on 2 February 2006.

● Dr. Christopher L. Delgado, Director, Joint ILRI-IFPRI Programme on Livestock Market Opportunities ILRI's Theme 3, Nairobi ILRI, Nairobi, Kenya on 3 February 2006.

● Dr Clare Narrod, Research Fellow, Markets, Trade and Institutions, IFPRI, Washington, USA on 3 February 2006.

● Dr Sailendra Narain, Chairman, Centre for SME Growth & Development Finance, Mumbai on 6 February 2006.

● Mr P K Dash, Jt Secretary, Ministry of Commerce and Industry on February 6, 2006.

● Dr Laurence Henry, Visiting Fellow, International Law, Centre de Sciences Humaines, New Delhi on 6 February 2006 and on 14 February 2006.

● Dr. Partha Das Gupta, Consultant, Biotech Regulatory Policy & Business Development – Seeds, Syngenta India Limited, Kolkata on 7 February 2006.

● Dr. Katherine Kahn, Agricultural Biotechnology Advisor, USDA and Dr. Janet Carpenter, Biotechnology Advisor, U.S. Agency for International Development (USAID), on 10 February 2006.

● Dr Yan Xuetong, Director and Dr Sun Xuefeng, Institute of International Studies, Beijing, China on 13 February 2006.

● A delegation including Mr Suprpto Martosetomo, Director/Secretary of the Policy Planning and Development Agency, Department of Foreign Affairs; Mr Moenir Ari Soenanda, Director, Centre for Policy Analysis and Development of the Asia Pacific and African Region; and Mr Mochamad A. Ridwan, Department Luar Negeri Ri, Indoensia along with Mr Fientje M. Suebu, Embassy of the Republic of Indonesia, New Delhi visited RIS on 29 March 2006 for interaction with DG.

● Mr. Subash Bose Pillai, Minister Counsellor (Economic Affairs), High

Commission of Malaysia on 15 February 2006.

● Mr Mahendra Ved, Special Correspondent, *The Times of India*, on 15 February 2006.

● Dr Paul Evans, Vice-Chair of Board of Directors and Co-CEO, Asia Pacific Foundation of Canada on 16 February 2006.

● Prof Deena Khatkhate on 20 February 2006.

● Dr Jayanta Roy, Principal Advisor, CII, New Delhi on 21 February 2006.

● Dr Rajiv Kumar, Director and Chief Executive, ICRIER on 22 February 2006.

● A delegation from the Institute of Public Policy Research, UK visited RIS on 6 March 2006. The members of the delegation were: Dr Howard Reed, Research Director; Dr Kevin Bowman, Corporate Relations Manager; and Dr Rachel O'Brien, Editor, *Public Policy Research*.

● Dr K.C. Reddy, Chairman, A.P. State Council of Higher Education, Hyderabad on 24 February 2006.

● Dr Jagjit Singh, Executive President, IMM, New Delhi on 7 March 2006.

● Dr. Sanjoy Sharma, Project Director, IPSOS, Seoul, Korea on 10 March 2006.

● Prof Francis Kornegay, Senior Researcher; and Dr Jabu Dada, Senior Researcher, Centre for Policy Studies, Doornfontein, South Africa 13 March 2006.

● Dr Mohan Chutani, IES on 14 March 2006.

● Dr. Soon Cheoul Lee, Fellow, Korea Institute for International Economic Policy (KIEP), Seoul, Korea on 20 and 27 March 2006.

● Dr. Nagesh Singh, Director, Planning Commission on 21 March 2006.

● Prof Peter Drysdale, Asia Pacific School of Economics and Government, The Australian National University, Canberra on 31 March 2006.

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



RIS
Research and Information System
for Developing Countries

Core IV-B, Fourth Floor,
India Habitat Centre
Lodhi Road, New Delhi-110 003
India.
Ph. 91-11-24682177-80
Fax: 91-11-24682173-74
Email: dgoffice@ris.org.in
Websites: <http://www.ris.org.in>
<http://www.newasiaforum.org>

Managing Editor: Tish Kumar Malhotra