



Inception Workshop for the Study on Potentials for Trade in Services under SAFTA Agreement

RIS, jointly with SAARC Secretariat, Nepal, organized the Inception Workshop for the Study on 'Potentials for Trade in Services under SAFTA Agreement' in New Delhi on 10-11 May 2007. The SAARC Secretariat has assigned RIS to conduct this study in consultation with the researchers from the other SAARC countries within the framework of SAARC Network of Researchers on Global Financial and Economic Issues. The study is funded by the Asian Development Bank.

Mr. Jairam Ramesh, Hon'ble Minister of State for Commerce and Industry inaugurated the Inception Workshop on 10 May 2007. In his inaugural address Mr. Jairam Ramesh underlined, among others things, the importance of the significant contribution of the services sector in the GDP of all the SAARC member countries and



Mr. Jairam Ramesh, Hon'ble Minister of State for Commerce and Industry (third from left) at the inaugural session of the Workshop. Others in the picture (from left) are: Mr. Rajeev Kher, Joint Secretary, Department of Commerce; Dr. Nagesh Kumar, Director-General, RIS; Mr. Vinay Kwatra, Director, SAARC Secretariat, and Mr. S.Bando, Asian Development Bank.

mentioned that the study may focus on informal and formal services sectors in South Asia, importance of remittances in the South Asian economies and issues related to migration.

Dr. Nagesh Kumar, Director-General, RIS; Mr. Vinay Kwatra, Director, SAARC Secretariat, on behalf of Secretary-General, SAARC H.E. Mr. Chenkyab

Continued on page 6

International Workshop on Emergence of Large Developing Countries (BICS) and Implications for International Development



From right: Dr. Ivan Mbirimi, Principal Adviser, Economic and Trade Division, the Commonwealth Secretariat, London; Dr. Arjun Sengupta, M.P. (Rajya Sabha) and Chairman, RIS; and Dr. Nagesh Kumar, Director-General, RIS at the Inaugural Session.

Emergence of large countries in the developing world such as China, India, Brazil and South Africa, has created new avenues for South-South cooperation. At

the same time there are some apprehensions also. There is an urgent need to study in-depth the issues involved and draw policy lessons for international

development that could facilitate a fuller exploitation of the potential of such cooperation between emerging economies and other developing countries especially in Africa. RIS, with the support of the Commonwealth Secretariat, London, has undertaken a study on the subject. As a part of the study, RIS and the Commonwealth Secretariat, London, jointly organized an International Workshop on Emergence of Large Developing Countries (BICS) and Implications for International Development in New Delhi on 28-29 June 2007.

Dr. Arjun Sengupta, M.P. (Rajya Sabha) and Chairman, RIS, delivered the inaugural address. Dr. Nagesh Kumar, Director-General, RIS; and Dr. Ivan Mbirimi, Principal Adviser, Economic and Trade Division, the Commonwealth Secretariat, London also addressed the opening session.

Continued on page 6

Towards an Asian Economic Community: Proposals for Asian Economic Integration

RIS has been working on the regional economic integration in Asia under a programme supported by the Sasakawa Peace Foundation, Japan since 2002. Under this programme, RIS developed a proposal for a broader regional economic integration in Asia, bringing together all major dynamic economies of the continent in one single grouping to create a seamless market, to begin with a core group of Japan, ASEAN, China, India and Korea (JACIK). Subsequently, a new forum, namely East Asia Summit (EAS) bringing together leaders of all the JACIK countries and Australia and New Zealand, was launched in December 2005 in Kuala Lumpur. Hence, the focus of the ongoing work programme of RIS on Asian economic integration, shifted to supporting the EAS process.

At its second session, held in Cebu, Philippines on 15 January 2005, the EAS decided to establish the Economic Research Institute for ASEAN and East Asia (ERIA) and started a Track-Two study on Comprehensive Economic Partnership of East Asia (CEPEA).

RIS is supporting both these processes. RIS has been participating in the meetings of ERIA Expert Group and the research being undertaken within the framework of the emerging institution. DG-RIS has also been nominated to the Track Two Study Group on CEPEA and participated in its first meeting held in Tokyo in June 2007.

As a part of the research programme, RIS continues publication of the *New Asia Monitor* besides keeping the New Asia Forum as an active forum of dialogue on regional cooperation related issues with its own dedicated website: www.newasiaforum.org.

RIS also plans to organize two high-level conferences on the Agenda of Third East Asia Summit, which is scheduled to be held in November in Singapore. These Conferences will be organized by RIS in collaboration with the Institute for South East Asian Studies (ISEAS), Singapore, among other partners at the end of October 2007 in Singapore and middle of November 2007 in New Delhi to provide a backdrop to the discussions in the EAS. These Conferences will provide a forum for discussion of upcoming research that is being

conducted at RIS and other think-tanks on the potential road-map for Asian economic integration. For more details, please contact dgoffice@ris.org.in

Financial and Monetary Cooperation in Asia: Implications for India

This Study has been undertaken at the request of the Department of Economic Affairs, Ministry of Finance, Government of India. It will provide inputs for preparing the government's position towards a number of proposals being discussed in different forums on financial and monetary cooperation in Asia. These proposals include an Asian Currency Unit (ACU), the Asian Bond market, and various proposals for pooling of foreign exchange reserves.

This study will build upon a number of earlier studies conducted at RIS especially the recent one on Regional Mechanism for Infrastructure Financing in Asia. For more details, please contact: dgoffice@ris.org.in

Genomics and Benefit Sharing with Developing Countries

RIS in collaboration with the University of Central Lancashire and with the support of the European Commission has launched a detailed study on "Genomics and Benefit Sharing with Developing Countries – from Biodiversity to Human Genomics". The other partner institutions in the study are University of Preston, United Kingdom; University of the Witwatersrand, South Africa; Centre d'Ethique, France; Vilnius University (VU), Vilnius, Lithuania; and University of the Philippines (UP), Manila, Philippines.

This project established an interdisciplinary team of economists, ethicists, lawyers, medical doctors, specialists in gender studies, representatives of indigenous communities and policy advisers from five continents. The teams are studying four paradigmatic international case studies (from India, South Africa, Iceland, and Kenya) to provide a profound state-of-the-art analysis for benefit sharing in the context of human and non-human resources.

Based on this comparative research, the main aim of this project is to promote policy developments by developing "economies/ethics health check" for benefit sharing agreements involving vulnerable groups and communities in the area of human genetics. The project is for three years. Recently an

interim report has been submitted. For more details, please contact: sachin@ris.org.in

Economic Cooperation between East Asia and South Asia

Against the background of intensifying the efforts at regional economic cooperation and integration between East and South Asian economies in recent years, the Asian Development Bank conducted a major policy research study on the subject. The work on India study, assigned by the Asian Development Bank, has been completed. It examined the evolution of India's economic cooperation and integration with East Asia and rest of South Asia and assessed the degree of integration in the areas of merchandise trade, services trade, investments, and infrastructure and trade facilitation. It identified the areas in which India would gain from further cooperation and integration with the two subregions. The findings of the study are to be published in an edited book form. For more details, please contact: sharmapa@ris.org.in

Policy Notes Prepared for the Government of India:

- Inputs to the Inter-Ministerial Preparatory Meeting on 11th India-ASEAN Working Group were provided on 11 April 2007.
- Copies of some of RIS publications on India-ASEAN partnership were made available to the Ministry of External Affairs on 12 April 2007 as inputs for preparation for the 11th India-ASEAN Working Group Meeting.
- Inputs were provided to the Department of Economic Affairs, Ministry of Finance on 20 April 2007 on the chapter "India's Key Challenges to Sustaining Growth" in the OECD survey on Indian economy.
- Inputs on Rajya Sabha Provisionally Admitted Question regarding investment of surplus forex reserves were provided to the Economic Division, Department of Economic Affairs, Ministry of Finance, on 3 May 2007.
- Notes on Relevance of APEC for India; Work of APEC; and APEC

Continued on page 7

Discussion Meetings on RIS' *World Trade and Development Report 2007*

In London on 31 May, 2007



From left: Prof. Graham Dutfield, Centre for International Governance, Leeds University; Dr. Sheila Page, Senior Research Associate, Overseas Development Institute (ODI); Dr. Nagesh Kumar, Director-General, RIS; Dr. Ivan Mbirimi, Principal Adviser, the Commonwealth Secretariat; Dr. Amrita Narlikar, Cambridge University; Mr. Shishir Priyadarshi, Counsellor, Development Division, WTO at the Discussion Meeting in London.

The Commonwealth Secretariat, London and RIS jointly organized a discussion meeting on the *World Trade and Development Report 2007: Building a Development-Friendly World Trading System* in London on 31 May 2007. The purpose of the meeting was to discuss the contents of the Report, take stock of

the state of play in the Doha Round negotiations and suggest ways in which a development friendly outcome can be achieved.

The Meeting started with the opening remarks by Ambassador Edwin Laurent, Head, International Trade and Regional Cooperation, Economic

Affairs Division (EAD). Thereafter Dr. Nagesh Kumar, Director-General, RIS presented the main highlights and recommendations of the Report. The presentation of the highlights and recommendations of the Report was followed by a Panel Discussion moderated by Dr. Ivan Mbirimi, Principal Adviser, the Commonwealth Secretariat, which included following Panelists: Prof. Graham Dutfield, Centre for International Governance, Leeds University; Dr. Sheila Page, Senior Research Associate, Overseas Development Institute (ODI); Dr. Amrita Narlikar, Cambridge University; and Mr. Shishir Priyadarshi, Counsellor, Development Division, WTO. After the panel discussion, an open discussion also followed in which invited participants took part. RIS was complimented for bringing out the Report and highlighting the development concerns in the ongoing Doha Round.

In Geneva on 5 June, 2007

RIS and the International Centre for Trade and Sustainable Development (ICTSD), Geneva, organized a Discussion Meeting on the *World Trade and Development Report 2007: Building a Development-Friendly World Trading System* in Geneva on 5 June 2007. The Report has been published jointly by RIS and Oxford University Press.

The meeting opened with remarks by Dr. Ricardo Melendez-Ortiz, Chief Executive, ICTSD. Dr. Nagesh Kumar, Director-General, RIS presented the highlights and recommendations of the Report.

This was followed by comments and discussions by a panel of discussants which included: H.E. Shree Baboo Chekitan Servansing, Ambassador, Permanent Mission of Mauritius to the WTO; Professor Thandika Mkandawire, Director of UNRISD; Dr. Chiedu Osakwe, Director DDA, WTO Secretariat; and Professor Carlos Murillo, International Centre of Economic Policy for Sustainable Development (CINPE), Costa Rica.

The panel discussion was followed by an open discussion which had participation of a large number of invited experts.



From right to left: Dr. Nagesh Kumar and Dr. Ricardo Melendez-Ortiz and other participants at the Discussion Meeting in Geneva.

In Colombo on 4 April, 2007



Dr. Pooja Sharma, Fellow, RIS presenting a copy of The World Trade and Development Report 2007 to Prof. G.L. Peiris, Hon'ble Minister of Export Development and International Trade, Sri Lanka at the Conference. Also seen in the picture is Dr. Saman Kelegama, Executive Director, IPS, Sri Lanka.

The *World Trade and Development Report 2007* was launched by Prof. G.L. Peiris, Hon'ble Minister of Export Development and International Trade, Sri Lanka at the International Conference on Trade in Services in South Asia: Opportunities and Risks in Liberalization, organized by the Institute of Policy Studies of Sri Lanka and the Friedrich Ebert Stiftung on 4-5 April 2007 in Colombo, Sri Lanka. Dr. Pooja Sharma, Fellow, RIS, introduced the Report at the inaugural session of the aforesaid Conference on 4 April 2007.

Dr. Nagesh Kumar, Director-General

- Nominated by the Hon'ble Minister of Commerce and Industry as a Member of Track Two Study Group on Comprehensive Economic Partnership in East Asia (CEPEA), constituted by the Secretary-General, ASEAN, on 20 March 2007.
- Made a presentation on Pan-Asian FTA and EAS at the India-Malaysia Strategic Dialogue, organized by the Indian Council of World Affairs, New Delhi on 9-10 April 2007.
- Made a presentation on FDI in India and Competition at the National Conference on Expanding Freedom: Towards Social and Economic Transformation in a Globalising World, organized by the Institute of Economic Growth on April 11-13, 2007 in New Delhi.
- Made a presentation on Outward Investments from India at the Workshop on Intra-Asian FDI Flows: Magnitude, Trends, Prospects and Policy Implications, organized by ICRIER in New Delhi on 25 April 2007.
- Participated in the Meeting of the Experts on Economic Research Institute for ASEAN and East Asia (ERIA), organized by the Malaysian Institute of Economic Research, in Malaysia on 26-27 May 2007.
- Participated in the First Meeting of the Expert Committee on Development of Service Price Index (SPI) in respect of Air Transport and Port Services, organized by the Ministry of Commerce and Industry in New Delhi on 29 May 2007.
- Participated in the Brainstorming and Interactive Session on the Future Directions for India's Public Diplomacy, organized by the Ministry of External Affairs in New Delhi on 29 May 2007.
- Nominated as Member of the High Level Study Group of the Asia Cooperation Dialogue (ACD), constituted at the Sixth Meeting of the Foreign Minister of the Asia Cooperation Dialogue, held at Seoul on June 4-5, 2007.
- Participated in the 7th Meeting of the Governing Board of ICTSD, held in Geneva on 7-8 June, 2007. Also took part in the Meetings of the Executive Council as well as Publications Committee of ICTSD, held on 5-6 June 2007 in Geneva. Held meetings with senior officials of UNCTAD, WTO and the South Centre in Geneva.
- Nominated as a Member of Strategy Advisory Committee, constituted by the Export-Import Bank of India, Mumbai.
- Participated in the first meeting of Track-Two Study Group on Comprehensive Economic Partnership in East Asia of ERIA, organized by Japan External Trade Organization (JETRO) in Tokyo on 15-16 June 2007.

- Nominated as a Member of the High Level Committee on Economic Affairs, constituted by FICCI, under the Chairmanship of Dr. Vijay Kelkar.

Dr. Rajesh Mehta, Senior Fellow

- Participated in a Brainstorming Meeting on Research Agenda for 2nd phase of South Asian Policy Analysis Network (SAPNA) at New Delhi on April 3, 2007.
- Delivered a lecture in the Introduction Training Programme for the Indian Statistical Service Officer on Econometric Theories and Applications on Macro Econometric Models of External Sector at the Institute for Integrated Learning in Management, New Delhi on 16 May 2007.
- Participated in the International Seminar on "Dynamics, Economic Growth, and International Trade, DEGIT – XII" at University of Melbourne, Australia on 29-30 June 2007.
- Visiting Professor at the University of Melbourne, Australia from 16 June to 4 July, 2007.

Dr. Ramgopal Agarwala, Senior Adviser

- Panel Speaker at the Conference on Investing in BRIC Economies: Opportunities and Challenges, organized by ASSOCHAM in New Delhi on 18 April 2007.

Dr. Sachin Chaturvedi, Fellow

- Made a presentation on Trade Integration in South Asia: Emerging Bilateral and Regional Arrangements including SAFTA at the South Asian People's Summit, organized by SANSAD, New Delhi on 2 April 2007.
- Made presentations on Biotechnology and International Trade Issues: Impact of WTO Agreement on Transboundary Movement at the Training Workshops for Customs Officers on Biosafety, organized by the National Academy of Customs, Excise and Narcotics in Chennai on 30 April 2007, in New Delhi on 8 May, 2007, and in Bangalore on 14 June 2007.
- Made a presentation on Indo-German Development Cooperation: Issues and Prospects at the German Development Institute (DIE), Bonn on 21 May 2007.
- Made a presentation on What Does India Expect from German Development Cooperation? at the German Development Institute (DIE), Bonn on 23 May 2007.
- Made a presentation on Emerging Anchor Countries: Implications for Global Governance, at the International Conference on Democratizing Global Governance: Perspectives of Emerging Powers and G-8 on

Summit Reform and the United Nations, organized by the German United Nations Association, Berlin on 31 May 2007.

Dr. Ram Upendra Das, Fellow

- Made a presentation on Afghanistan Study in the Department of Commerce on 16 April, 2007, New Delhi.
- Speaker at the Roundtable on SAFTA: An Enabler of South Asian Regional Integration, organized by the SAARC Chamber of Commerce and Industry, FPCCI and FNSI on April 17-18, 2007 in Bhurban, Pakistan.
- Participated in the India-ASEAN Trade Negotiating Committee (TNC) Meeting, held on May 9-11, 2007 in New Delhi.
- Participated in the India-Malaysia JSG Meeting, held in the Ministry of Commerce and Industry, New Delhi on 25 May 2007.
- Speaker at Regional Conference on SAARC: Fourteenth Summit & Beyond, organized by ICWA and KAF in New Delhi on 1-2 June 2007.
- Participated in the Meeting on Asian Think Tanks: Strengthening Knowledge Management and Knowledge-Sharing, organized by ADBI on 5-8 June, 2007 in Tokyo, Japan.
- Participated in the Meeting of the Government of India's Expert Group on Preferential Rules of Origin, held in New Delhi on 15 June, 2007.
- Delivered a lecture on Structure & Working of WTO, organized by ICAI's Post Qualification Course in International Trade Laws & WTO, held in New Delhi on 18 June 2007.
- Participated in the Meeting on Trade in Audio-Visual Services held in the Ministry of Information and Broadcasting, New Delhi on 28 June 2007.

Dr. Pooja Sharma, Fellow

- Discussant on paper Services Trade Liberalisation in India, at the International Conference on Trade in Services in South Asia: Opportunities and Risks in Liberalisation, organized by the Institute of Policy Studies of Sri Lanka and the Friedrich Ebert Stiftung on 4-5 April 2007 in Colombo, Sri Lanka.

Dr. Somesh K. Mathur, Fellow

- Presented a paper on the Indian IT Industry: A Data Envelopment and Malmquist Analysis at Conference on Globalization and Economic Freedom, organized by the Institute for Economic Growth in New Delhi in April, 2007.
- Delivered a Short Talk on Global Health on TRIPS and Mailbox Applications, at the ESF-IfW Conference, Salzau, Germany, 7-10 May, 2007.

Continued on page 8

RIS Policy Brief

#31 *Towards an Asian Regional Mechanism for Addressing Excess Foreign Exchange Reserves, Infrastructure Deficits and Global Imbalances*

The foreign exchange reserves of Asia are now more than \$3 trillion and are increasing at more than 10 per cent per year. While such abundance of reserve is a cause for comfort in many Asian countries, with recent memories of foreign exchange crisis, there are also major problems associated with it. Apart from discussing these problems, the Policy Brief talks about the promising reforms in: public-private partnership for infrastructure, better returns from foreign exchange reserves, and developing regional bond markets. It also identifies the way forward and answers questions pertaining to regional mechanism for infrastructure development in Asia. The Policy Brief concludes with discussing the proposed institutional set-up either within the framework of the Asian Development Bank or independent of it.



Discussion Papers

#122 *Community-based Rights and IPR Regime: Revisiting the Debate* by Srividhya Ragavan and Jamie Mayer

This paper examines whether the Protection of Plant Varieties and Farmers Rights Act 2001 along with the proposed Seed Bill fulfills India's obligations under Article 27.3 of TRIPS. Further, the paper analyzes the benefits India is likely to derive from fulfilling these obligations. Thus, Part I examines Article 27.3 of TRIPS to analyze the constituents of the "effectiveness" requirement of the article. In analyzing whether the *sui generis* system in UPOV is effective, Part II details that UPOV's effectiveness is questionable considering that it has diluted eligibility standards, exaggerated scope of breeders' rights, and limited exceptions to breeders' rights. Part III examines the effectiveness of PPVFA and the proposed Seeds Bill. This part concludes that India should refrain from enacting the Seeds Bill but should, instead, strengthen the PPVFA by plugging existing loopholes to achieve national objectives. The conclusion highlights PBRs *per se* can potentially lead to increased research in agriculture despite the resulting privatization/monopolization.

#123 *Regional Economic Integration, Foreign Direct Investment and Efficiency-Seeking Industrial Restructuring in Asia: The Case of India* by Nagesh Kumar

This paper examines the India's RTAs policy in Asia and the emerging patterns of efficiency-seeking industrial restructuring unleashed by it. Section 2 provides a discussion of the analytical relationship between RTAs, patterns of trade, FDI resulting from the industrial restructuring. It also summarizes some examples of industrial restructuring of the type the EU's Single Market Plan has led to. Section 3 summarizes the India's RTA policy in Asia and indicators of its growing economic integration with East Asian countries. Section 4 highlights the emerging patterns of industrial restructuring resulting from India's RTA's policy. Section 5 concludes the paper with a few remarks on the importance of a broader framework for regional economic integration.

#124 *Emergence of Indian Biopharmaceutical Sector: Issues and Prospects* by Sachin Chaturvedi

This paper attempts to analyse how from being a major generic exporter India is likely emergence at the global biopharmaceutical market. This shift in technological trajectory and related economic growth has evoked a great deal of interest. Apart from tracking down the growth in the sector, the paper brings forth the missing linkages between sectoral systems of innovation (SSI) and the National Systems of Innovation (NSI). It does so in the light of major expansion in the Indian pharmaceutical industry and the new efforts to incorporate strategies for targeting of biotechnology for high-end innovation. The paper studies the policy regime facilitating this new era and discusses the future growth prospects of the Indian biopharmaceutical industry.

Journals

- *South Asia Economic Journal*, Vol. 8 No. 1. January-June 2007.

Contents: *Does Migration Matter in Trade? A Study of India's Exports to the GCC Countries* by Sajitha Beevi Karayil; *Effects of Proposed Free Trade Agreement between India and Bangladesh* by Mahinda Siriwardana and Jinmei Yang; *Impact of Structural Adjustment Programmes on Overall Social*

Welfare in Pakistan by Nina Gera; *The Economic Effect of the Asian Tsunami on the "Tear Drop in the Indian Ocean": A General Equilibrium Analysis* by Jayatilke S. Bandara and Athula Naranpanawa; *Saving, Investment and Growth in India: An Application of the ARDL Bound Testing Approach* by Reetu Verma; *Asymmetric Volatility and Risk-return Relationship in the Indian Stock Market* by Madhusudan Karmakar; and *Benchmarking and Regulation for the Electricity Distribution Sector in Pakistan: Lessons for Developing Countries* by Muhammad Saleem, Book Reviews. Document: Joint statement of the Ninth BIMSTEC Ministerial Meeting, 9 August 2006, New Delhi.

- *New Asia Monitor*, Vol. 4, No. 2, April 2007.

Outside Publications of the RIS Faculty Members

Books

- Mathur, S.K. 2007. *Perspective of Economic Growth and Convergence in Selected South Asian and East Asian Economies: A Data Envelopment Analysis*. Hyderabad: ICFAI University Press.
- Mathur, S.K. 2007. *Global Economic Trends and South Asia*. Hyderabad: ICFAI Press.

Research Papers

- De, Prabir (co-author). 2007. Assessing Barriers to Trade in Education Services in Developing Asia-Pacific Countries: An Empirical Exercise, ARTNeT Working Paper No. 34, UNESCAP, Bangkok, June.
- De, Prabir. 2007. Role of Infrastructure in Reducing Trade Costs, Indian Engineering Exports, Vol. 1, No. 2, April-May, Engineering Export Promotion Council (EEPC).
- Kumar, Nagesh. 2007. "India in 21st Century Asia-Pacific" in *Emerging India in Asia-Pacific* by Y. Yagama Reddy (ed). New Delhi: New Century.
- Kumar, Nagesh. 2007. "Infrastructure Availability, FDI Inflows and Their Export-orientation: A Cross-Country Exploration". *The Indian Economic Journal*. Vol. 54, No. 1, 2006, pp. 125-144.
- Mathur, S.K. 2007. "Indian IT Industry: A Model for Possible Adoption". MPRA Paper No. 2368. Munich.
- Mathur, S.K. 2007. "TRIPS: Issues, Impact and the Way Forward for Developing Countries, including India". American Law & Economics Association 17th Annual Meeting. *Working Paper* 7. April.
- Mathur, S.K. 2007. "Indian IT & ICT Industry: A Performance Analysis Using Data Development Analysis & Malmquist Index". *Global Economy Journal*, May, Vol. 7: No. 2, Article 3. The Berkeley Electronic Press, US.
- Mehta, Rajesh. 2007. "Non-Tariff Barriers in the Context of WTO". *FOCUS WTO*. (May-June).
- Mohanty, S.K. and Chaturvedi, Sachin. 2007. "Impact of SAFTA on Trade in Environmentally Sensitive Goods in South Asia: Emerging Challenges and Policy Options". *Asia-Pacific Trade and Investment Review*, Vol. 2 No. 2. Bangkok.

Popular Columns

- Agarwala, Ramgopal. 2007. "A model salutary use of Asia's forex reserves." *The Economic Times*. April 7.
- De, Prabir. 2007. "Changing dynamic of work". *The Financial Express*, April 18.
- De, Prabir. 2007. "Building a partnership based on trade". *The Financial Express*, May 2.
- De, Prabir. 2007. "FDI flows in the emerging markets". *The Financial Express*, May 23.
- Kumar, Nagesh. 2007. "European Union Kee Raha Per Chalney Kee Jaroorat". (Need to Follow the Path of European Union). *Hindustan*. 2 April.
- Kumar, Nagesh. 2007. "Employment-oriented Thrust". *Chartered Financial Analyst*. June.
- Chaturvedi, Sachin. 2007. "Should the export incentives be reduced? Pay greater Attention to Market Development". *The Financial Express*, April 2.

Inception Workshop for the Study on Potentials for Trade in Services under SAFTA Agreement *(Continued from page 1)*

Dorji; and Mr. S.Bando, Asian Development Bank, also addressed the inaugural session. Mr. Rajeev Kher, Joint Secretary, Department of Commerce, Ministry of Commerce and Industry, proposed the vote of thanks.

Dr. Nagesh Kumar, Director General, RIS, and the leader of the delegation of India, was elected Chairperson of the Workshop.

The country presentations in different business sessions discussed the importance of services in the economy; extent of trade in services; service sector liberalization and barriers and potential for services under SAFTA. The presentations also included the suggestions regarding issues to be addressed by the study.

Country presentations were made by delegations, viz.: Dr. Ananya Raihan, Executive Director, D.Net (Development Research Network), and Dr. Mostafa

Abid Khan, Deputy Chief, Bangladesh Tariff Commission: Bangladesh; Mr. Pema R. Rinchen, Deputy Director (WTO), Foreign Trade, Ministry of Trade and Industry: Bhutan; Dr. Pooja Sharma, Fellow, RIS: India; Dr. Ramesh C. Chitrakar, Executive Director, Centre for Economic Development and Administration (CEDA): Nepal; Mr. Fazal Abbas Maken, Minister (Trade), High Commission of Pakistan: Pakistan; and Mr. Deshal de Mel Research Officer, Institute of Policy Studies: Sri Lanka.

From Indian side the Workshop included participation of, among others, Mrs. Preeti Saran, Joint Secretary (SAARC), Ministry of External Affairs; Mr. Rajeev Kher, Joint Secretary, Department of Commerce, Ministry of Commerce & Industry; Mr. Rajeev Kumar, Deputy Secretary, Ministry of Commerce and Industry; Ms. Sonia Pant, Deputy Director, Ministry of Commerce

and Industry; Mrs. Apoorva Srivastava, Under Secretary (SAARC-III), Ministry of External Affairs; besides members of the RIS faculty. Mr. Vinay Kwatra, Director, Economic Trade and Finance Division; and Mr. Subash Sharma represented the SAARC Secretariat, Nepal. Select participants from the business, industry and academic circles also participated in the discussion.

The presentations were followed by extensive discussions. The Workshop also discussed the terms of reference, outline of the study, national inputs to be included in the study, operational approach and time lines to be adopted for the study. It also discussed the work plan and terms of reference made by RIS and as revised during the discussions at the meeting.

The two-day programme concluded with the adoption of the report of the Inception Workshop.

International Workshop on Emergence of Large Developing Countries (BICS) and Implications for International Development *(Continued from page 1)*

Dr. Nitin Desai, former Under Secretary-General, United Nations, chaired the first session on Growing Role of Brazil, India, China, South Africa (BICS) in the World Economy in which Dr. Pronab Sen, Chief Statistician of India delivered the Keynote Address on Changing Global Economy by 2050.

Professor Anthony Clayton, University of West Indies, Kingston, Jamaica; and Dr. T.K. Bhaumik, Chief Economist, Reliance Industries were the panelists.

Ambassador A.N. Ram, former Secretary, Ministry of External Affairs chaired the Session II on BICS as Markets and Sources of Investments and Technologies for Other Developing Countries: Case of India. It had presentations on India's Emergence as a Market for Developing Countries by Dr. S. K. Mohanty, Fellow, RIS; India as a Source of Investments, Technology, and Assistance by Dr. Sachin Chaturvedi, Fellow, RIS; and Technical Assistance and Capacity Building in Other Developing Countries - The Case of Exim Bank of India by Mr. K. Muthukumar, Chief General Manager, Export-Import Bank of India, Mumbai.

Dr. Marios Obwona, Ag. Executive Director, Economic Policy Research Centre, Kampala, Uganda; and Mr. Sanjay Kumar, Director, Ministry of Commerce & Industry were the main commentators.

The Session III on BICS as Markets and Sources of Investments and Technologies for Other Developing Countries: Case of China was chaired by Prof. Patricia Uberoi, Director, Institute of Chinese Studies, New Delhi. Dr. Guanghua Wan, UNU-WIDER, Finland; and Dr. Song Hong, Chinese Academy of Social Sciences (CASS), Beijing, China made presentations.

Dr. Joseph Karugia, African Economic Research Consortium, Nairobi; and Dr. Sunil Ashra, Management Development Institute, Gurgaon were the commentators.

Dr. Joseph Karugia, African Economic Research Consortium, Nairobi chaired the Session on BICS as Markets and Sources of Investments and Technologies for Other Developing Countries: Cases of South Africa and Brazil. It had presentations on The Case of South Africa by Dr. Stephen Gelb, Executive Director, The EDGE Institute,

Johannesburg, South Africa; and The Case of Brazil by Dr. Maria Lucia Padua Lima, Coordinator, Center of International Strategic Studies at FGV/EAESP, Sao Paulo.

Professor Anthony Clayton, University of West Indies, Kingston, Jamaica; and Professor Arindam Banik, International Management Institute, New Delhi were the commentators.

Dr. Ivan Mbirimi, Commonwealth Secretariat, London chaired the Session V on the Role of BICS in Building a Development-Friendly World Trading System. It had presentations by Professor Manmohan Agarwal, School of International Studies, Jawaharlal Nehru University, New Delhi; and Dr. Nagesh Kumar, RIS.

Mr. Abhijit Das, Senior Trade Officer, UNCTAD, India was the Commentator.

The Workshop concluded with remarks by Dr. Ivan Mbirimi, Commonwealth Secretariat, London; and Dr. Nagesh Kumar, Director-General, RIS.

A number of experts participated in the extensive deliberations and open discussion in sessions of the Workshop.

A balanced WTO would rather move slowly

Amil Sen
NEW DELHI

The low-key meeting of the high-profile group of four at the World Trade Organisation (WTO), including the US, India, Brazil and the EU, in Brussels last week brings to question the feasibility of the year-end deadline for the conclusion of the ministerial trade negotiations. At the end of the two-day intensive discussions, the four had nothing more to announce than their intention to work towards wrapping up the talks this year and hold another meeting next month.

"As outlined last month in New Delhi, we will continue to hold intensive talks at the official and ministerial level in the coming weeks to find a convergence," a statement issued by G-4 at the

man holding up the talks like the US is not in a position to move alone in the negotiations. The paper brought out by the WTO committee on agriculture chairman Crawford Falconer on possible modalities for reduction of tariffs and subsidies made matters worse as it was heavily criticised by developing countries for favouring their developed counterparts. "The paper was so biased that it proved to be counterproductive," G-4 members, both India and Brazil, criticised the agriculture paper

impossible to accept," the official said. The on-going Doha round, which began in November 2001, is in its sixth year. Some policy watchers feel that the US will not be in a position to make commitments all its presidential elections get over. It may be noted that the Uruguay round, which preceded the Doha round, took eight years to get completed. It will not come as a surprise if the Doha round takes more time to be concluded, as it not only covers a wider stretch of areas, including industry, agriculture, services and rules, but also



discussing agriculture subsidies. The bet

BLANK TALKS

It won't be a surprise if the Doha round, which covers a wider stretch of areas, including industry, agriculture, services and rules, but also

native focus. Schwab stated that while the US was prepared to move, no country could move alone in the negotiations. The paper brought out by the WTO committee on agriculture chairman Crawford Falconer on possible modalities for reduction of tariffs and subsidies made matters worse as it was heavily criticised by developing countries for favouring their developed counterparts. "The paper was so biased that it proved to be counterproductive," G-4 members, both India and Brazil, criticised the agriculture paper

impossible to accept," the official said. The on-going Doha round, which began in November 2001, is in its sixth year. Some policy watchers feel that the US will not be in a position to make commitments all its presidential elections get over. It may be noted that the Uruguay round, which preceded the Doha round, took eight years to get completed. It will not come as a surprise if the Doha round takes more time to be concluded, as it not only covers a wider stretch of areas, including industry, agriculture, services and rules, but also

Comparative advantages and jobs

Two to tango: India & Brazil have reasons to join hands



Brazilian president Luiz Inacio Lula da Silva's ongoing talks with India's Prime Minister Manmohan Singh are seen as a significant step towards a strategic partnership between the two nations. The talks are being held in the context of the need to enhance economic cooperation between the two nations. The India-Brazil Strategic Partnership Agreement, signed in 2003, laid the foundation for a comprehensive partnership between the two nations. The agreement covers a wide range of areas, including trade, investment, and technology. The current talks are expected to build on the existing framework and explore new areas of cooperation. The two nations share a common interest in promoting economic growth and development, and the partnership is seen as a key to achieving these goals.

PRINCEPS FOREVER

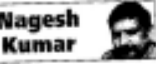
- The volume of trade between India and Brazil will continue to grow.
- India knows the climate better than Brazil. A similar experience may be shared by other nations.
- Healthcare industry will benefit from a new paradigm in education.
- India will continue to be a major player in the global market.
- India will continue to be a major player in the global market.

India's export strategy continues with its employment generation thrust

The past few years have seen a gradual shift in the way India looks at international trade. In the laydays of the import-substitution regime, we tried to substitute imports as much as possible and looked at exports as a way to earn foreign exchange to pay for the imports that could not be substituted. In the 1990s, the government, as articulated by the Commerce & Industry Minister, Kamal Nath, while promoting his annual supplement of National Foreign Trade Policy, effected a paradigm change. The focus at last began to shift towards exports as an 'engine' of growth and employment generation. This shift is seen as a positive step towards economic growth and employment generation. The government is committed to supporting the private sector and promoting exports as a key to achieving these goals.

The development of clusters of small-scale industries—aided by concessional facilities, infrastructure and intensive marketing facilities for export expansion—is a critical on the agenda.

The emphasis on promotion of exports of labour-intensive goods is a well-deserved priority. We should not overlook India's potential of emerging as a global manufacturing hub for export-oriented labour-intensive products, raw materials and garments, leather products, and gems and jewellery. In these products, despite our traditional comparative advantage, India's share of the global market is only 3% compared to China's 15%.



Nagesh Kumar
The emphasis on promotion of exports of labour-intensive goods is a well-deserved priority.

Employment-oriented Thrust



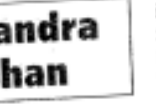
Several countries especially those in East Asia like China, Thailand and Malaysia, have created millions of jobs by developing export-oriented manufacturing industries. In the context of shrinking employment in the organized sector, despite acceleration in GDP growth, the importance of job creation through export-oriented production cannot be overemphasized. An RIS study, "Towards an Employment-oriented Export Strategy", prepared for the Ministry of Commerce and Industry in 2006, made an attempt at examining the employment generation potential of exports. It found the merchandise export target of US\$150 bn by 2009-10 set by the UPA government in 2004, to have a potential to generate 81.57 lakh direct new jobs.

Exchanging policy space

Why is there no urgency?
Even though the bulk of the estimated \$96 billion benefits from a "likely" outcome of the Doha negotiations go to developed countries, Prof Dani Rodrik of Harvard University

Will the Doha deadlock be broken if the developed and developing countries exchange policy space?

Kevin Gallagher, in their paper 'Relevance of policy space for development: implications for multilateral trade negotiations' argue that developing countries should thus seek to preserve policy flexibility and retrieve the space that has been eroded in previous WTO rounds. While rich countries used infant industry protection and soft patent regimes to industrialise, the space to employ these by developing countries has been squeezed by WTO negotiations on trade-related intellectual property rights (TRIPS) and trade-related investment measures agreements (TRIMS).



N Chandra Mohan
Will the Doha deadlock be broken if the developed and developing countries exchange policy space?

Continued from page 2 (Current Research/Advisory Activities)

- Membership Obligations were made available to the Ministry of External Affairs on 5 May 2007.
- Report of the Study on Prospects of Making India's Manufacturing Sector Export-Oriented was submitted to the Department of Commerce on 8 May 2007.
- Inputs for G-8 Summit 2007 were provided to the Ministry of External Affairs on 15 May 2007.
- Inputs on Common Draft of the Joint Position Paper of the State and/or Government of Brazil, China, India, Mexico and South Africa, participating in the G-8 Heiligendamm Summit, June 2007, were provided to the Ministry of External Affairs on 21 May 2007.
- Note on India-East Asia Summit Countries' Trade sent to the Ministry of External Affairs on 2 June 2007.
- Report on the participation of RIS in the First Meeting of the Track-Two Study Group on Comprehensive Economic Partnership in East Asia (CEPEA), held at JETRO Headquarters, Tokyo on 15-16, June 2007 was provided to the Ministry of Commerce and Industry.
- Various inputs were provided to the Department of Commerce, Ministry of Commerce and Industry, as part of the ongoing study on Comprehensive Economic Partnership Agreement between India and Korea.
- Report of the Feasibility Study of Investment Cooperation between India and GCC under the Framework Agreement on Economic Cooperation was submitted to the Department of Commerce.
- Report on Trade Impact on India's Exports to USA with Possible Withdrawal of US-GSP Benefit, prepared as a part of the Phase II of the project on Market Access for Non-Agricultural Products in WTO Negotiations, was submitted to the Department of Commerce.
- The Final Report on WTO Proposals and Indian Paper and Newsprint Industry of the research project on Implications of the WTO Tariff Proposals and Indian Paper and Newsprint Industry was submitted on 25 June 2007.

Important Visitors/Delegations Received

- Dr. Sarojini Ganju Thakur, Acting Head of Gender Section, Social Transformation Programmes Division-Gender Section, Commonwealth Secretariat, London on 3 April 2007.
- Dr. Rizwanul Islam, Director, ILO, Geneva on 5 April 2007.
- Mr. Augustine Peter, Adviser (Economic), Competition Commission of India, New Delhi on 9 April 2007.
- Shri Chaitanya Kaushal, Trade Officer, Trade and Economic Affairs, European Union, Delegation of the European Commission to India, Bhutan and Nepal, New Delhi and Mr. Patrick Deboyser, Minister-Counsellor, Health & Food Safety, European Union, Delegation of the European Commission, Bangkok on 11 April 2007.
- Hon. Navdeep Singh Bains, P.C., M.P., Mississauga-Brampton South, Canada; Mr. Barrett Bingley, Policy Advisor-International Trade; Office of the Minister of International Trade and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics, Canada; and Ms. Tejdeep Kaur, Economic Analyst, Canadian High Commission, New Delhi on 19 April 2007.
- H.E. Mr. Graeme Waters, New Zealand High Commissioner; Mr. Tim McIvor, Head EAS Unit, Ministry of Foreign Affairs and Trade; and Ms. Tui Dewes, Second Secretary, New Zealand High Commission on 23 April 2007.
- A delegation from Sri Lanka on 24 April 2007, including Mr. H.L. Tissera, Acting Secretary, Ministry of Youth Empowerment and Socio Economic Development; Mr. M. Vamadevan, Senior Advisor, Ministry of Resettlement & Disaster Relief Services; Mr. M.K.D.G. Meegoda, Advisor, Ministry of Youth Empowerment and Socio Economic Development; and Mr. R. Ellegala, Director General, Plantation Human Development Trust. From Sri Lanka High Commission Mr. A. Saj U Mendis accompanied the delegation.
- Dr. Daisuke Hiratsuka, Director-General, Development Studies Centre, IDE-JETRO, Chiba, Japan on 25 April 2007.
- ESCAP-ARTNeT delegation: Ambassador Mr. Supperamaniam Manickam, former Ambassador / PR of Malaysia to WTO; Mr. Yann Duval, Economic Affairs Officer, Dy. ARTNeT Coordinator, UNESCAP on 26 April 2007.
- Dr. Dilek Aykut, The World Bank Washington DC and Dr. Andrea Goldstein, OECD Development Centre, Paris on 27 April 2007.
- Dr. Jayanta Roy, Principal Adviser, CII, New Delhi on 3 May 2007.
- Dr. Sunil Ashra, Management Development Institute, Gurgaon on 5 May 2007.

- Ms. Sonia Pant, Deputy Director, Ministry of Commerce & Industry on 9 May 2007.
- Asian Development Bank Delegation: Mr. Tadateru Hayashi, Economist/Country Programs Specialist and Mr. S. Bando, ADB on 9 May 2007.
- The ERIA Delegation from IDE/JETRO: Dr. Toshitaka Gokan, Researcher, Economic Integration Studies Group, Inter-Disciplinary Studies Center, Institute of Developing Economies; Mr. Ikumo Isono, Researcher, Inter-Disciplinary Studies Center, Institute of Developing Economies; and Dr. Yasushi Ueki, Research Fellow, Inter-Disciplinary Studies Center, Institute of Developing Economies, on 17 May 2007.
- Mr. Sun Weidong, Counsellor (Political), Mr. Zhang Biao, Dy. Chief of Political Section, Embassy of the People's Republic of China, New Delhi on 21 May 2007.

- Mr. K.B.L. Mathur, Former Economic Adviser, Ministry of Finance on 23 May 2007.
- Dr. Sailendra Narain, Chairman, Centre for SME Growth & Development Finance, Mumbai on 20 June 2007.
- Dr. Rajeev Anantaram, Head and Sr. Economist, CRISIL Limited on 25 June 2007.
- Ambassador Aftab Seth, Chairman, International Advisory Committee, Keio University, Japan, on 26 June 2007.
- Mr. Naoyoshi Naguchi, Director-General, JETRO, Delhi Office; and Mr. Daisuke Matsushima, Director, JETRO on 27 June 2007.
- Dr. Jai-Joon Hur, Senior Economist, Korea Labour Institute, Seoul.
- Ms. Preet Sethi, SAARC Law on 27 June 2007.
- Mr. Neelesh Hundekari, AT Kearney on 28 June 2007.

Continued from page 4 (Faculty News)

- Presented a paper on TRIPS and India at the Conference on Innovation in the Health Sector, held at Andrassy University, Budapest on 10-12 May, 2007.
- Delivered two lectures on Economic Growth and Convergence at the Asian Institute of Management, Delhi on 23 June, 2007.
- Delivered a lecture on Indian IT and ICT Industry: A Performance Analysis Using DEA and Malmquist Index at the Jan Tinbergen European Peace Science Conference, held in Netherlands on 25-28 June, 2007.

Dr. Prabir De, Fellow

- Participated in the 3rd Northeast Business Summit, organized by the Ministry of DoNER, Govt. of India and Indian Chamber of Commerce, Kolkata, in New Delhi, on 10-11 April 2007.
- Participated in the Inter-Ministerial Preparatory Meeting on 11th India-ASEAN Working Group, organized by the Ministry of External Affairs in New Delhi on 12 April 2007.
- Presented a paper on India's Look East Policy and Its Implications for Northeast India, at the National Seminar on Dynamics and Issues of Development in North-East India, organized by the Maulana Abul Kalam Azad Institute of Asian Studies (MAKAIAS),

Kolkata in collaboration with the Department of Economics, Mizoram University, Aizwal, at Aizwal, Mizoram on 19-20 April 2007.

- Participated in the 11th India-ASEAN Working Group Meeting, 9th India-ASEAN Joint Cooperation Committee Meeting, and 9th India-ASEAN Senior Officials' Meeting, organized by the Ministry of External Affairs at Kolkata, on 25-28 April 2007.
- Delivered a lecture on Transport Economics to the Students of Export and Import Management, IIFT, New Delhi, on 7 June 2007.
- Made a presentation on India-Vietnam Economic Relations: Profile and Potentials, at the Commemorative Seminar to Mark the 35th Anniversary of the Establishment of Full Diplomatic Relations between India and Vietnam, organized by the Indian Council of World Affairs, New Delhi, in association with the Vietnam Academy of Social Science, Hanoi and the Indian Embassy in Vietnam, at Hanoi on 19 June 2007.
- Made presentations on Trade Flows and Trade Costs in Asia, and Role of Infrastructure in Reducing Trade Cost in South Asia at the International Conference on Trade Costs in Asia, organized by the Asian Development Bank Institute (ADBI), in Tokyo, on 25-26 June 2007.

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