Regional Trade and Economic Integration

Analytical Insights and Policy Options

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Analytical Insights and Policy Options

Ram Upendra Das

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Anoop Swarup

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Preface

*“Who that recalls the attention of mankind to any part of learning which time
has left behind may be truly said to advance our age”*

Samuel Johnson

Regional Trade and Economic Integration: Analytical Insights and Policy Options acquaints reader to the terms and concepts necessary for academicians, policy makers, businessmen, and students in the emerging borderless world of new economic engagements. The book covers a wide and rich array of topics that, though being contemporary, do not lose sight of the basic principles in this very fast, interconnected, and ever changing world of sociopolitical and geopolitical landscape with economic implications.

This book show cases the enormous effort that has gone into collecting and analyzing a substantial number of Regional Trade Agreements (RTAs) among nations. In particular, the book presents the recent emergence of China and India as economic powers and the trend of trade and economic engagement within the Asia Pacific region that has become a significant area of interest even to the general public. As international trade has been increasing among the countries in the region, many have decided to explore possibilities to introduce free trade by negotiating Free Trade Agreements (FTAs), due to its many advantages. This book comprehensively covers the existing economic cooperation arrangements in the region as well as those that are at various stages of study and negotiations.

Understanding the nature of free trade requires a conceptual framework as well as perspective — drawn from historical and recent advances in the area of international trade — including those from the economic agreements in India and the Asian region. The organization and coverage of the book is innovative in a number of ways.

The introductory chapter lays the foundation for the book by examining the rationale and scope of India's trade policy reforms, including its trade and economic agreements. The second chapter expands upon the economic agreements of India and Asia in terms of their status of implementation and negotiations in a synoptic way.

The third chapter tries to explain the trends in the proliferation of RTAs as documented in the previous chapters. This chapter presents a more comprehensive analytical basis for RTAs, often not captured in the existing literature on the subject. In doing so, it brings about certain new analytical insights from trade negotiations.

Traversing a wide canvas of conceptual issues underlying RTAs, this research enters into the domain of empirical estimation of economic and welfare gains potentially emanating from RTAs and accruing to trade and economic partners in the fourth chapter. The Computable General Equilibrium (CGE) Modeling estimates with the help of GTAP simulations form the core of such empirical analysis. However, some of the well-known limitations of CGE estimations given in the book also supplement the empirics by taking recourse to various other methodologies.

Extending the analysis of RTAs in terms of its conceptual and empirical basis, the book finds it necessary to examine issues related to policy implementation. The fifth chapter fulfills this necessity by focusing on various policy implementation issues in RTAs, including unfair trade practices; circumvention of rules of origin; customs codes, valuation, and procedures; and e-implementation.

The sixth chapter further looks at issues on which negotiations are much more difficult due to lack of objectivity that prevails in different countries' trade and economic regimes. These include non-tariff barriers, restrictive practices, custom administrative practices, technical barriers to trade, rules of origin for services, and investment cooperation. Apart from illustrations for better understanding and case studies for ease of reference, the book also provides topics suitable for students to ensure coverage from an academic perspective.

In this era of globalization, the book sheds light on the very complex and myriad world of free trade and regional economic engagements and allows the reader to discover new perspectives and insights in order to improve business and trading options for better profitability and policy

analysis. This book is not only meant as an asset for graduate students, but has also been written with policy makers, experts, academicians, researchers, and the curious readers in mind. We are sure that this book will emerge as an invaluable source of analysis and reference for professionals and amateurs alike, and a veritable resource for posterity.

Dr. Ram Upendra Das
Dr. Piyadasa Edisurya
Dr. Anoop Swarup

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The book cannot go to press without mentioning that a large part of the work in this book was possible due to the opportunities that unfolded on account of the trajectory shift in India's economic relations with other

countries brought about by India's former Prime Minister Mr. A. B. Vajpayee and present Prime Minister Dr. Manmohan Singh. This shift has and shall remain crucial for broader economic integration efforts both toward the *Eastern* and the *Western* arcs.

Dr. Ram Upendra Das
Dr. Piyadasa Edisurya
Dr. Anoop Swarup
17 December 2011
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