



Trade Facilitation & Poverty Reduction: Mechanism and research outlook

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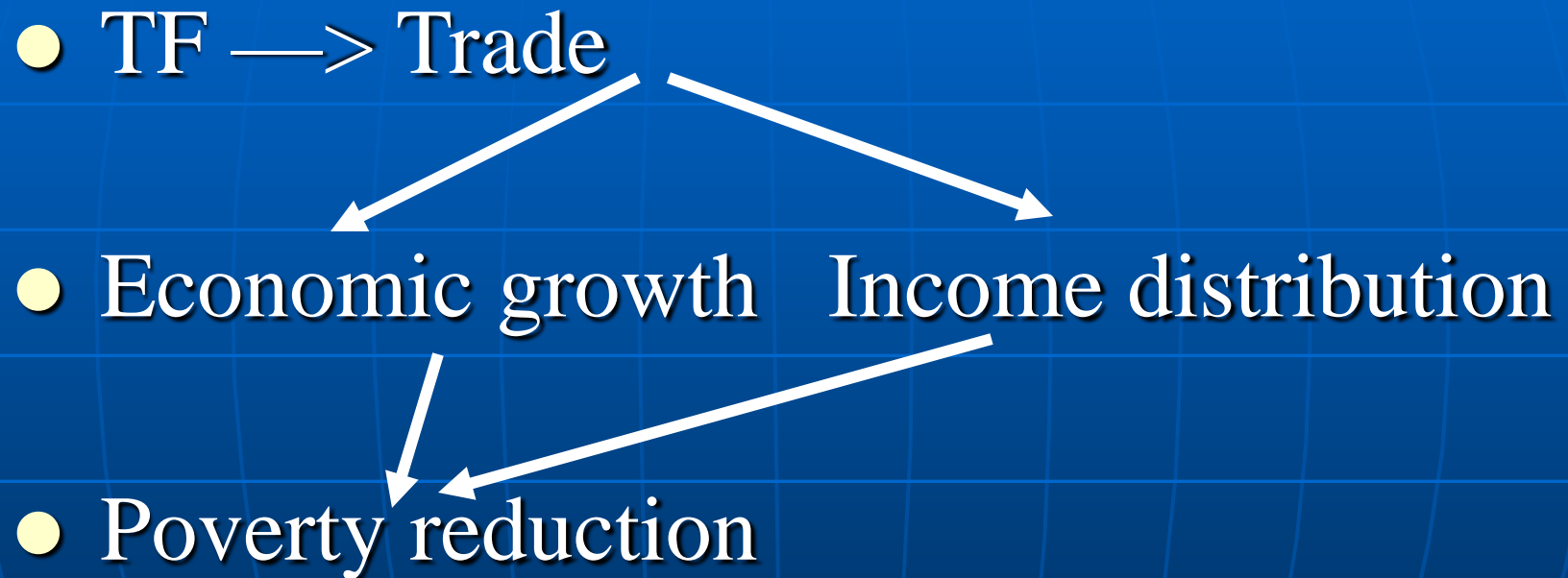
Outline

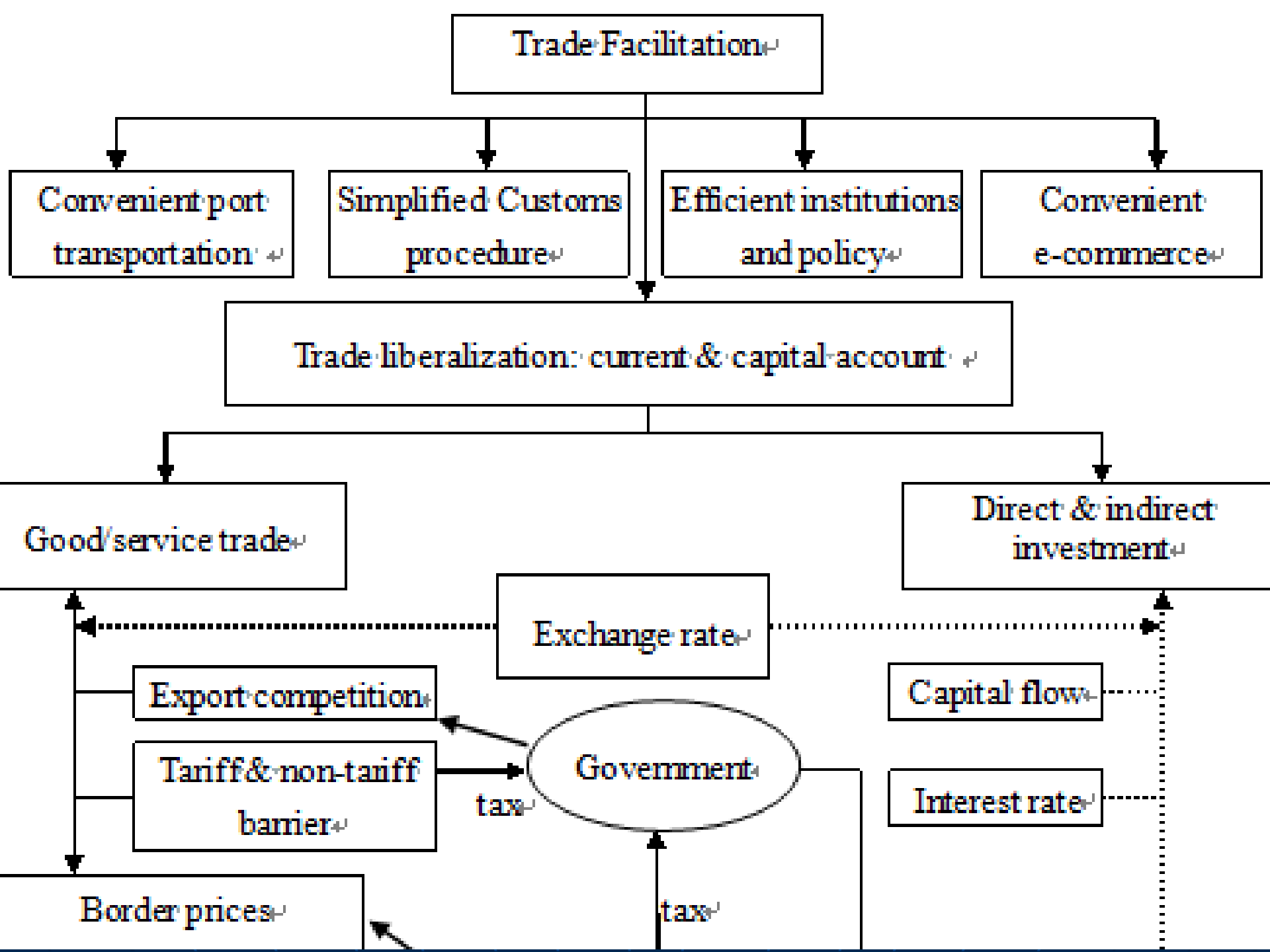
1. Background
2. Impacts of TF on poverty: mechanism
3. Empirical research
4. Research outlook

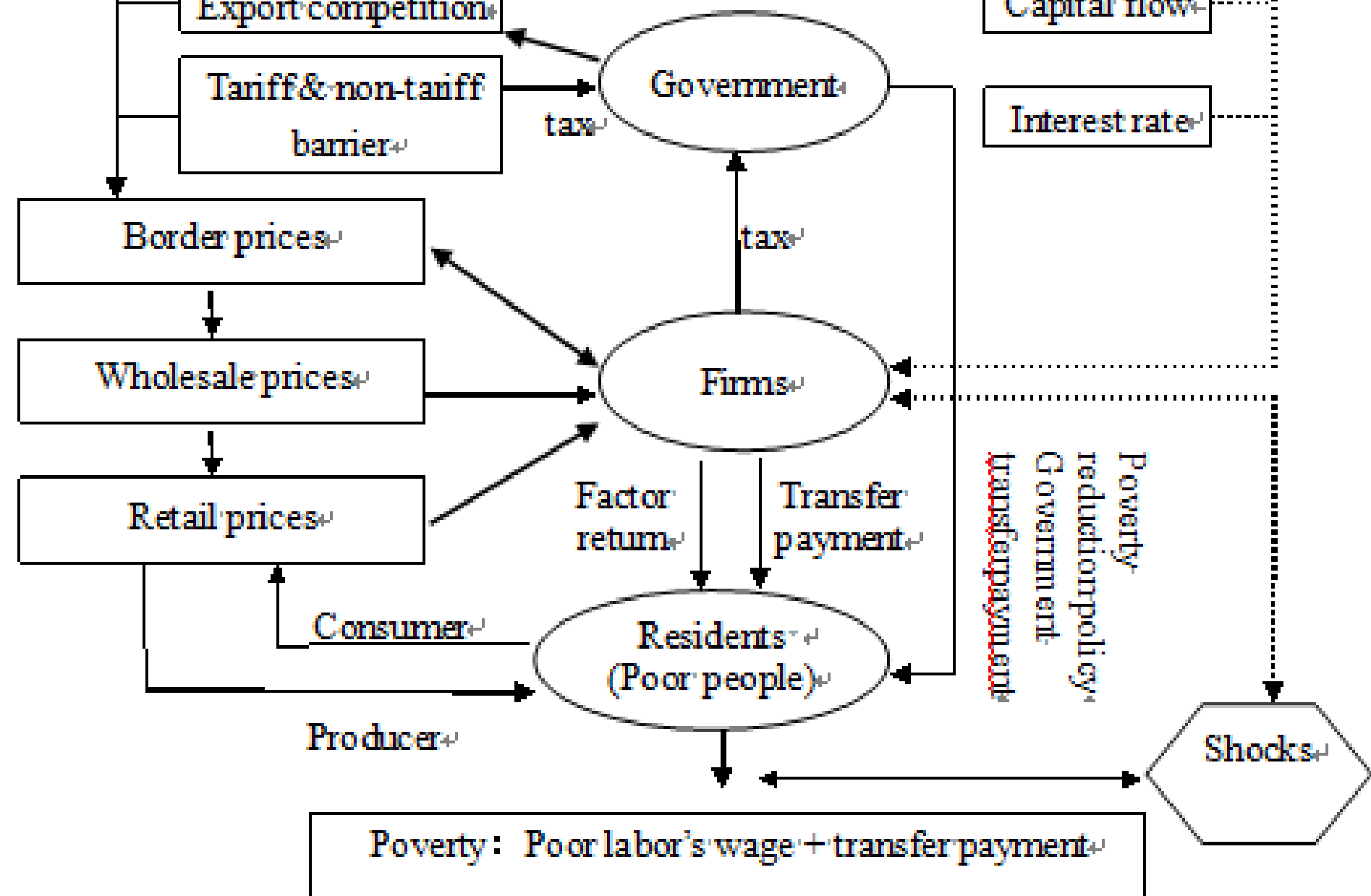
1. Background: Why trade facilitation now?

- Tariff has been reduced greatly through WTO negotiation.
- Traditional NTBs also reduced or removed, eg. quota, TBT, SPS
- Free trade/modern trade need further remove the barriers by new techniques and advanced infrastructure so as to achieve fast transportation and low cost

2.Impacts of TF on poverty: mechanism







3. Impacts of TF on poverty: empirical research

Table1: elasticity of port of poverty

	import	export	Overall
<u>Port elasticity of trade</u>	1.02	1.07	-
<u>Trade elasticity of poverty</u>	Ag. import	Ag. export	
<i>National</i>	-0.05	1.03	0.9800
<u>Elasticity of port on poverty</u>			
<i>National</i>	-0.0510	1.1021	1.0511
Eastern area	-0.0570	0.4044	0.3473
Middle area	-0.1483	2.2641	2.1158
Western area	-0.0233	0.6335	0.6103

research results

- 1 % increase in port efficiency causes 1.051% decrease of poverty.
- For the middle area, the elasticity reaches 2.116%; it is smaller for eastern or western area.

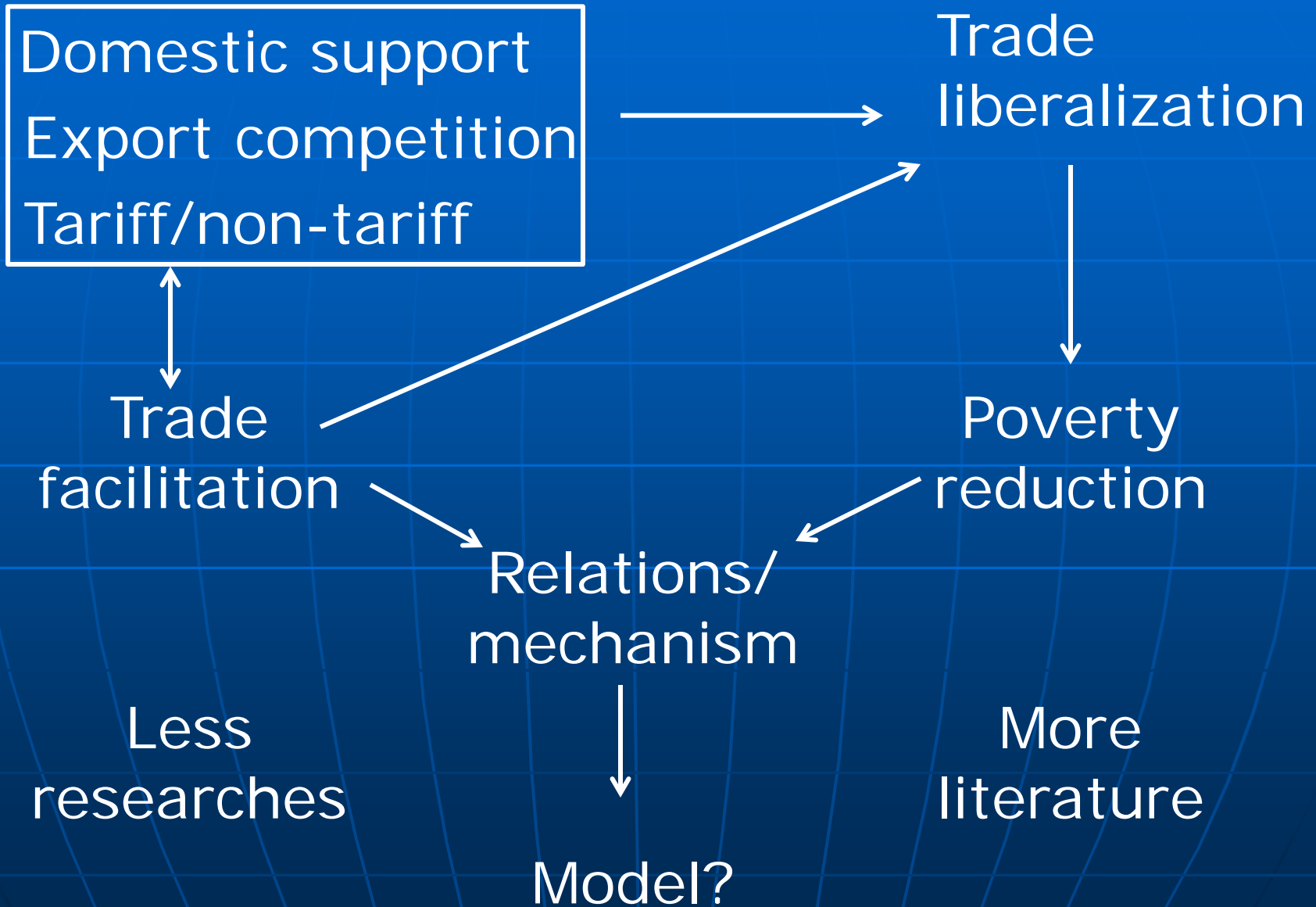
- Chinese TF reaches the world average level, but within the ASEAN big difference across countries
- Since CAFTA in 2010, TF improved greatly between China and ASEAN.
- TF significantly improves the poverty reduction in China

4. Research outlook

1. research gaps in TF area

- compared with tariff reduction, non-tariff barriers and other trade related measures
- Compared with poverty reduction

3 pillars in WTO



4. Research outlook

2. Challenges:

- how to measure?
- how to find the mechanism of TF development
- how to build model to study the determination and impacts of TF

4. Research outlook

3.suggestions for future research

- Continue to study the concept of TF:
 - definition and measurement;
 - comparison of different measures of TF
- Continue to study development of TF
- Comparative researches between TF and other trade measures
- Effect evaluation: trade, poverty reduction
- Policy research/simulation
- Case study: country case, TF-measure case

Thank You