

WTO AND REGIONAL
TRADE NEGOTIATION
OUTCOMES:

QUANTITATIVE ASSESSMENTS OF
POTENTIAL IMPLICATIONS ON
BANGLADESH

Edited by
Selim Raihan
Abdur Razzaque

FIRST PUBLISHED BY PATHAK SHAMABESH
DHAKA, BANGLADESH, AUGUST 2007
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ABSTRACT

Despite being somewhat paradoxical, the world has in recent times witnessed ambitious multilateral trade negotiations along with a proliferation of regional trading blocs. Almost all countries are now involved in both types of trading arrangements, with Bangladesh actively participating in several important trade talks under the World Trade Organisation (WTO) alongside its commitments to the South Asian Free Trade Area (SAFTA). Different multilateral and regional trade negotiations have, however, different implications. For example, while the liberalisation of global agricultural trade – by reducing subsidies in rich countries and thereby causing prices to rise – will benefit many developing country farmers, it may hurl a formidable challenge for the net food importing countries in ensuring food security for their poor populations. Similarly, WTO negotiations in non-agricultural goods aim at improving market access for many, but for the least developed countries, including Bangladesh, currently enjoying tariff preferences in a large range of products in major markets, the ensuing outcomes could lead to preference erosion, undermining their competitiveness. Regional trading arrangements can also be challenging as they tend to replace global imports with less efficient regional supplies resulting in adverse welfare consequences.

Effective trade negotiations partly depend on *a priori* assessments of possible negotiation outcomes. As such, it is very important to provide the policymakers and trade negotiators with informed inputs on the potential implications of negotiating issues. Since trade negotiations comprise subject matters of conflicting interests – often amongst countries at comparable levels of development that otherwise share and support similar views and positions – only country-specific objective analyses based on appropriate research methods can inform the negotiators in the best possible way. This book is an endeavour in that direction. It focuses on some of the major issues in the on-going multilateral and regional trade negotiations, and employs state-of-the-art analytical tools to empirically assess their likely implications for Bangladesh. While the analyses and results presented would be useful for policymakers and trade negotiators, this volume would also be of interest to trade analysts involved in empirical research.

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