

## **PAKISTAN INSTITUTE OF TRADE AND DEVELOPMENT**

*Pakistan Institute of Trade and Development is a policy think tank for the Ministry of Commerce, Government of Pakistan; It provides research based policy inputs and training to different stakeholders in Pakistan's international trade.*

*The PITAD e-newsletter alerts to News, Events, Publications and Analysis of international trade*

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## **TRADE NEWS**

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### **INDIAN COS HOPE TO TAP AUSTRALIAN ENERGY RESOURCES IF FTA SAILS THROUGH**

*New Delhi, Aug. 30 — At a time when Indian utilities are scrambling for securing energy assets abroad, easier access to Australia's vast natural resources could be among the possibilities for domestic companies, if the proposed Foreign Trade Agreement (FTA) between the two countries sails through. Indian companies, which have aggressively begun hunting for overseas mineral resources, led mainly by coal and natural gas assets, could get a better footing Down Under as trade engagements pick up further. For Australian companies, the prospect offers greater access to the Indian market for agri-products and dairy items, mining resources and climate change technologies.....[Read More](#)*

### **CHINA'S MANUFACTURING CONTINUES TO GROW**

*China's manufacturing sector expanded for the sixth straight month in August to a 16-month high, according to the official purchasing managers' index, an indication that the economy continued to see strong recovery.....[Read More](#)*

### **BRAZIL WINS WTO GO-AHEAD FOR US SANCTIONS**

*The World Trade Organization gave Brazil the green light on Monday to impose \$295m (€206m, £181m) of sanctions on US goods over Washington's failure to scrap illegal subsidies to its cotton farmers.....[Read More](#)*

### **TAX SOPS TO EXPORTERS WILL COST RS 2200CR**

*NEW DELHI: Tax incentives offered to exporters in the recently announced Foreign Trade Policy (FTP) will cost the exchequer an estimated Rs 2,200 crore, the Central Board of Excise and Customs (CBEC) said. "Our analysis of implications of different sops on indirect taxes is Rs 2,200 crore for this fiscal," CBEC chairman V Sridhar told reporters on the sidelines of an industry function in the Capital on Monday.....[Read More](#)*

### **VICTORS IN JAPAN ARE SET TO ABANDON MARKET REFORM**

TOKYO — Japan's opposition party won an overwhelming victory at the polls on Sunday pledging to increase social welfare, better protect workers and do away with American-style, pro-market reforms to lead the country out of its long slump.....[Read More](#)

### VENTURE FIRM'S 'GREEN' FUNDS TOP \$1 BILLION

MENLO PARK, Calif. — Vinod Khosla, the prominent venture capitalist who has been investing hundreds of millions of his own dollars in green technology companies for the last several years, will now invest other people's money, too.....[Read More](#)

### INDIA'S G.D.P. GREW 6.1% IN QUARTER

NEW DELHI — India's economy grew a slightly faster-than-expected 6.1 percent in the April-June quarter from a year earlier, as government stimulus measures helped spur demand, although a poor monsoon threatens to crimp growth later in the year even as it drives inflation.....[Read More](#)

### CANADA'S ECONOMY IMPROVED IN SECOND QUARTER

TORONTO (AP) — The Canadian economy contracted at a 3.4 percent annual pace in the second quarter, an improvement from the first three months of the year, the government said Monday.....[Read More](#)

### BUSINESSES STRUGGLE WITH MALAYSIA'S RESTRICTIONS ON FOREIGN WORKERS

KUALA LUMPUR — It is lunchtime at the Wangsa Ukay restaurant in suburban Kuala Lumpur, and regulars are coming in for local favorites like roti canai, chicken curry and tea tarik, the sweet, milky drink that is ubiquitous across Malaysia.....[Read More](#)

### EURO AREA INFLATION ESTIMATED AT -0.2%

Euro area annual inflation is expected to be -0.2% in August 2009 according to a flash estimate issued by Eurostat, the Statistical Office of the European Communities. It was -0.7% in July.....[Read More](#)

## TRADE EVENTS

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### CHINA WENZHOU INTERNATIONAL LEATHER FAIR

**Date:** 24 September 2009 to 26 September 2009

**Where:** Wenzhou, China

**Industry:** Leather

**Action:** Events/Conf/**Fairs**/Trade Show

**Event Profile:** China Leather Fair is one of the biggest leather fair in Asia. It possesses the biggest synthetic leather exhibiting area in China. It is recognized as an annual event for China natural and synthetic leather industry and a favorable purchasing means for Chinese buyers in luggage & bags, shoes, furniture, garments, automobile ornaments, etc. Co-located with 2007 Int'l Shoe Machinery & Raw Materials Exhibition. **Visitors Profile:** Trade Visitors - importers & exporters of Semi-finished / finished leather, Hides & skins, Components & accessories, Process chemicals, Tanning machinery, Synthetic

materials, Man-made leather, Exotic leather, Shoe machinery, Technology & General Public. **Exhibitors Profile:** Manufacturer of classic, small leather goods, handbags and briefcases, fashionable handbags, footwear, travelware, leather garments, fashion accessories and lifestyle products, impressed participants with its range of products, innovative design ideas, and information on upcoming color and materials trends will be participating in the event.....[Read More](#)

## TRADE ANALYSIS

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### WHO MIGRATES OVERSEAS AND IS IT WORTH THEIR WHILE? AN ASSESSMENT OF HOUSEHOLD SURVEY DATA FROM BANGLADESH

**Summary:** The paper assesses the costs and household level benefits of migrating overseas from Bangladesh. The authors survey households who have had overseas migrants to assess their characteristics compared to non-migrants. They also compute various types of migration and remittance related transaction costs and discuss the channels by which overseas migration is financed, remittances sent and the constraints faced by the poorest. Using the Propensity Score Matching method, the paper finds that overseas migration conveys substantial benefits to families as measured by household consumption, use of modern agricultural inputs, and level of household savings. The authors also offer some possible policy directions to strengthen the returns from migration as well as reduce some of the costs.....[Read More](#)

### LESSONS FROM EUROPEAN UNION POLICIES FOR REGIONAL DEVELOPMENT

**Summary:** Regional disparities present an ever present development challenge in most countries, especially those with large geographic areas under their jurisdiction. A neglect of these inequities may create the potential for disunity and, in extreme cases, for disintegration. In view of this, most countries actively pursue policies with a view to helping lagging regions catch up with faster growing regions. These policies have at best a mixed record of success. It is therefore useful to discern what type of policies work and why? In this context learning from the experience of the European Union (EU) may be particularly instructive as, over the years, it has provided significant support to assist poorer regions achieve convergence with the richer regions. This paper reviews the impact of EU policies for regional development to draw lessons of interest to other countries pursuing similar goals. The paper concludes that policies that serve to create an internal common market by creating a level playing field that enables poorer regions to integrate with the broader national and global economies have the best potential to advance regional income convergence. In this context, removal of barriers to trade and factor mobility and providing enhanced access to information and technology to the lagging regions should be main policy priorities for regional development.....[Read More](#)

### CHINA: URBAN SERVICES AND GOVERNANCE

**Summary:** The study addresses governance challenges in public service delivery in China. It builds on the citizen scorecard survey conducted in five Chinese cities in 2006 to gauge citizens' experience with public services, and demonstrates the usefulness of citizens' feedback for policy development and implementation. The survey found that citizens were generally pleased with urban public services, but worried about the associated fees. Compared with the official urban residents, the urban poor and rural migrants in cities reported sharper utilization constraints, lower readiness to complain or pay informal fees, and a much larger income share spent on public services. The reported citizens' perceptions sometimes diverged from the evidence and pointed to significant information asymmetries. Explaining the

*survey results, the study reveals problems of inadequacy, inequality and misaligned incentives in public resource allocation. The study presents several successful experiments reducing the dependence on user fees in basic education and primary healthcare. It recognizes that China has been undertaking comprehensive reforms to enhance equity and quality in public service delivery. Such reforms have included measures to strengthen the regulatory, monitoring, and enforcement systems and accountability relationships. In the context of the ongoing reforms, this study highlights the need to: a) hold the provincial governments accountable for public service delivery performance; b) develop effective mechanisms to align public resources and incentives at each level of government with the national priorities; and c) develop proper means to empower the citizens. In this context, the study affirms that the Chinese government is rightly placing reforms in the intergovernmental, administrative, and public finance systems at the top of its agenda.....[Read More](#)*