

The Division of Economics and the Economic Growth Centre under the One Asia Foundation Lecture Series cordially invite you to a seminar by Associate Professor Phouphet Kyophilavong

- Speaker** : **Associate Professor Phouphet Kyophilavong**
Director, Research Division
Faculty of Economics and Business Management
National University of Laos
- Topic** : **"Impact of Trade Liberalization on Pollution and Poverty in Lao PDR - CGE model and Micro-simulation Approach-"**
- Chairperson** : **Assistant Professor Chang Youngho**
Division of Economics
School of Humanities & Social Sciences
- Date** : **Tuesday, 26 March 2013**
- Time** : **2:30 pm – 3:30 pm**
- Venue** : **HSS Conference Room (HSS 05-57, Level 5)**
Nanyang Technological University
School of Humanities and Social Sciences
14 Nanyang Drive
Singapore 637332

About the Speaker:

Dr. Kyophilavong is an Associate Professor and Director of the Research Division at the Faculty of Economics and Business Management, National University of Laos. He received his PhD in economics from Kobe University in 2003. Since then, he has been carrying out research on macroeconomic management issues, Small and Medium Enterprises (SMEs) development, micro-finance, economic integration, natural resources and environmental issues, and poverty in Laos and has published over 20 papers in academic journals and book chapters. He has directed numerous projects in his areas of expertise and has worked closely with national organizations, universities and government agencies in Laos, as well as with international organizations such as the Asian Development Bank (ADB), ADB Institute, Japan International Cooperation Agency (JICA), IUCN, UNDP, UNESCAP, Mekong River Commission (MRC), IUCN, World Trade Organization (WTO), Economic Research Institute for ASEAN and East Asia (ERIA), and World Bank. He was also the visiting scholar at Pukyong National University, Nagoya University and the University of Laval.

Abstract:

Various empirical studies have confirmed that trade liberalization stimulates economic growth. In order to strengthen economic development and emerge from Least Developed Country (LDC) status by the year 2020, the Government of Lao (GoL) PDR is eager to capitalize on trade liberalization agreements such as the ASEAN Free Trade Area (AFTA) and future membership of trade organizations such as the World Trade Organization (WTO). However, the exact impact of trade liberalization is debatable, especially in LDCs such as Lao PDR, which face various economic and social constraints. Due to a lack of research on this issue, the impact of trade liberalization on pollution and poverty is unclear from a quantitative perspective. The main objective of this study is to use a Computable General Equilibrium (CGE) model to analyze the impact of trade liberalization on pollution and poverty. In particular, this study uses two approaches: a Global CGE model –GTAP model – to assess the impact of trade liberalization on CO2 emissions, and a micro-simulation to assess the impact of trade liberalization on poverty. The results from the GTAP model show that trade liberalization has a positive effect on growth, but this effect is relatively small. Surprisingly, trade liberalization decreases CO2 emissions but the change is small due mainly to declining output in some sectors as a result of trade liberalization. However, trade liberalization increases the rate of resource depletion in some sectors because the demand for products increases. The micro-simulation using a household survey indicates

that the change in household welfare due to tariff reduction is heterogeneous. The winners from the tariff cut are urban households, households in Vientiane, the capital of Lao PDR, and non-poor households in urban areas. The losers from this policy change are households that do not belong to the above categories; these households suffer a drop in income and their poverty rate increase.

Reservation:

Admission is free. Please reply to Christina, e-mail: achristina@ntu.edu.sg or Tel: 6790-5689 to confirm your attendance.