

# Anatomy of Intraregional Services Trade in Asia

ARTNeT/WTO Research Workshop on Emerging Trade Issues in Asia and the Pacific:  
Meeting Contemporary Policy Challenges  
Bangkok, 4-5 April 2012

Shintaro Hamanaka  
Economist  
Office of Regional Economic Integration  
Asian Development Bank

# Issues

- Our understanding on trade integration is dominated by knowledge on goods trade.
  - If services trade is included, common understanding on trade integration in Asia may be revised.
- We do not know even very basic facts on services trade integration:
  - What is the trend of services trade integration in Asia?
  - Which is more integrated: goods trade or services trade?
  - Is Asia's services trade integration higher or lower than Europe and North America?

# Outline

- Measurement of regional trade integration
- Literature on services trade
  - In comparison with goods trade literature
- Brief explanation of services trade data
- Actual development of services integration in Asia
  - In comparison with other regions
  - In comparison with goods integration
- Possible explanations on the status of services trade integration in Asia
- Policy Implications

# What is Regional Bias?

- Intraregional Trade Share (“Share Index”)  
 $= T_{ii} / T_i$ 
  - This is a very problematic indicator!!
- Intraregional Trade Intensity Index (“Bias Index”)  
 $= (T_{ii} / T_i) / (T_i / T_w)$
- Where:
  - $T_{ii} \equiv$  exports of region  $i$  to region  $i$  plus imports of region  $i$  from region  $i$
  - $T_i \equiv$  total exports of region  $i$  to the world plus total imports of region  $i$  from the world
  - $T_w \equiv$  total world exports plus imports

# Literature on Services Trade

- Gravity model literature on bilateral trade usually includes 2 types of explanatory variables:
  - Relational factors
    - Distance between 2 countries
    - Whether 2 countries share a land border
    - Whether 2 countries signed RTA
    - Whether 2 countries speak the same language
  - Country specific factors
    - GDP, per capita GDP, population etc of each country
- It is relational factors that explain regional bias
  - Why Canada trade a lot with the US compared against other countries

# Empirical Findings in Existing Literature: Explanatory power of each relational factors

	<b>Kimura and Lee (2006)</b>	<b>Lennon (2009)</b>	<b>Lennon, Mirza and Nicoletti (2009)</b>
<b>Distance</b>	<b>Larger impact on services</b>	<b>Slightly larger impact on goods</b>	<b>Slightly larger impact on goods</b>
<b>Common borders</b>	<b>Much larger impact on goods</b>	<b>Much larger impact on goods</b>	<b>Slightly larger impact on goods</b>
<b>Common language</b>	<b>Much larger impact on services</b>	<b>Much larger impact on services</b>	<b>Much larger impact on services</b>
<b>Common RTA (in goods)</b>	<b>No significant difference</b>	<b>Much larger impact on services</b>	<b>Much larger impact on goods</b>

# Services Trade Data

- Analysis is limited to Mode 1/2 (cross-border/consumption abroad [travel])
  - Relatively more available
  - Consistency with goods trade data
- Mode 1/2 services trade are covered:
  - by EBOPS (extended balance of payment statistics)
  - not by customs data (where by-country goods trade data is available)

# es Sectors under

portation

munications services

struction services

nce services

cial services

uter and information services

ties and license fees

business services

onal, cultural, and recreational services

ernment services

预览已结束，完整报告链接和二维码如下：

[https://www.yunbaogao.cn/report/index/report?reportId=5\\_7683](https://www.yunbaogao.cn/report/index/report?reportId=5_7683)

