

Trade-led Growth in Times of Crisis
Asia-Pacific Trade Economists' Conference
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Session 3

Will Trade Liberalization Help During the Crisis in LDCs?
Evidence from Laos

Phouphet Kyophilavong



Asia-Pacific Research and Training Network on Trade

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**Will Trade Liberalization Help During the Crisis in LDCs?
- Evidence from Laos**

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Celebrating the 5th Anniversary of the
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Outline of Presentation

- **Problems & objectives**
- **Characteristics of Lao economy & trade structure**
- **Characteristics of GTAP model**
- **Simulation scenario design & results**
- **Conclusion & limitations**

Problem Statement

- **Like other LDCs, Laos is being hit by the Global Financial Crisis (GFC).**
- **Main routes of the impact of the GFC : declining foreign investment, exports, and government revenues.**
- **Declining mineral exports is the most severe**

Problem Statement

- **Government Policy 1: Increase expenditures and credit to private sector.**
- **Government Policy 2: Enhance trade liberalization through AFTA and joining WTO.**
- **Whether trade liberalization is good for minimizing the impact of the GFC is still being debated.**

Research Questions

- **How does the GFC affect Lao economy?**
- **Does trade liberalization improve growth?**
- **Will trade liberalization help minimize the adverse impacts of the GFC?**

Macroeconomic Indicator for Laos

Macroeconomic indicators	2001-2006	1996-2000	1990-1995
Population (mil. person)*	5.46	4.86	4.40
Population growth (annual %)*	2.12	2.06	2.52
GDP (current mil. US\$) **	2,416	1,618	1,276
GDP growth (annual %)	6.53	6.18	6.46
Inflation* -CPI (increase %)	9.73	57.00	15.27
Official Rate (change, %)	4.52	67.88	5.53
Trade Deficit (mil. US\$)/GDP (%)	-9.24	-16.06	-13.14
Budget deficit (exclude grants)/GDP (%)	-6.29	-7.58	-11.21
External debt (mil. US\$) /GDP (%)	115	152	161

Sources: * Asian Development Bank (2008), *Key Indicators for Asia and the Pacific 2008*.

** World Bank (2008), *World Development Indicators CD-ROM*.

Share of Laos Exports by Country

(%)

	91-95	96-00	01-05	2006	2007
	45.3	23.2	37.0	61.2	56.0
	29.0	45.7	21.4	14.1	17.0
	7.8	8.0	12.1	3.7	3.4
	6.9	1.9	3.9	5.8	9.7
	6.8	7.5	8.5	4.5	5.6
	0.0	0.0	0.8	5.7	3.9
	0.0	4.8	4.6	2.1	1.4
ls	3.1	2.0	3.6	1.8	1.4
gdom	0.3	4.0	4.7	0.2	0.8
	0.8	2.9	3.4	0.9	0.9
	100.0	100.0	100.0	100.0	100.0

development Bank (2008).

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_8204

