



Centre for WTO Studies, New Delhi and CUTS International, Jaipur

Seminar

on

Doha Round Impacts on India:
A Study in a Sequential Dynamic CGE Framework
(*Dr. Selim Raihan, Director, SANEM*)

Conference Hall, Indian Institute of Foreign Trade, New Delhi

4 March 2010

10: 30 AM -12:30 PM

Backgrounder¹

The Doha Development Round (DDR) of negotiations under the WTO will have profound and far-reaching impact on developing countries like India and a research project was initiated by CUTS International, Jaipur, India, with the objective of examining the impact of DDR on the economy of India. The specific objectives of the project were (i) to examine the impact of agricultural trade liberalisation under the Doha negotiations, (ii) to examine the impact of NAMA negotiations, (iii) to explore the combined effect of agricultural and NAMA negotiations, and (iv) to examine the impact of liberalisation of the domestic services sectors.

Selim Raihan and Bazlul Khondker of South Asia Network for Econometric Modeling (SANEM) undertook the modeling exercise for this project using dynamic computable general equilibrium (CGE) framework. The model takes into account accumulation effects and thus allows long-run poverty analysis. In addition, it enables the tracking of the adjustment path of the economy, which may include substantial effects on poverty. All these effects are analysed by comparing the business-as-usual scenario and the impacts of different policy scenarios.

The study shows that welfare effects of outcomes of negotiations on agriculture are positive and the effects are stronger in the long run. Poverty falls for all household categories both in the short and long run as a result. The NAMA scenario would lead to a rise in real GDP though a number of manufacturing sectors would contract, because of the more than offsetting effect of the expansion of textiles as well as some services and agricultural sectors. Similarly, the effects of services trade negotiation outcomes depend on the relative strength of two opposite effects viz. contraction of domestic services sectors and expansion of gross employment in services sectors owing to increased inflow of FDI. The full DDR scenario would therefore lead to mixed results

¹ For further information please contact jg2@cuts.org

Positive effects on GDP growth and poverty reduction become stronger and pronounced in the long run, despite the occurrence of short run sectoral setbacks.

The results of this study will be presented in this seminar jointly organized by CUTS International and the Centre for WTO Studies, New Delhi, with the objective of generating awareness about the likely impacts of Doha Round outcomes on the Indian economy as well as garnering diverse perspectives from skilled trade practitioners on both the subject and method of trade modeling using the Computable General Equilibrium framework. The organizers also expect that this study and the discussions facilitated by this event will prompt other such studies that enable informed decision making regarding the DDR by developing countries.

Programme Schedule

Conference Hall, Indian Institute of Foreign Trade, New Delhi 4 March 2010 10: 30 AM -12:15 PM	
10.00	Registration
10.30	Welcome <i>R S Ratna, Professor, Centre for WTO Studies</i> <i>Siddhartha Mitra, Director (Research), CUTS International</i> <i>K.T.Chacko, Director, Indian Institute of Foreign Trade</i> <i>Official from Department of Commerce</i>
10.45	Speaker <i>Selim Raihan, Director, SANEM</i>
11:15	Discussants <i>R S Ratna, Centre for WTO Studies</i> <i>Rashmi Banga, Senior Economist, UNCTAD</i> <i>Amit Shovon Ray, Chair Professor of Trade, Technology and Competitiveness, Indian Council for Research on International Economic Relations</i>
11:45	Open Floor Discussion
12:15	Closing Remarks
12.45	Lunch