**Summary of "Myanmar and the Asia-Pacific:
The Role of Policy Research in the Country's Economic
and Trade Reform"
19-21 February 2015, Yangon, Myanmar**

By Ms. Khai Zaw

Day 1 - 19 February 2015

The 3-day seminar began on 19 February 2015, with the objective of discussing and demonstrating the benefits of using research in policy and policymaking. The first and second day of the seminar engaged trade-related topics of interest to the collaboration of researchers and policy makers, while the third day engaged researchers for capacity building. The seminar would also present two papers done under the IDRC supported project of ARTNeT "Reducing obstacles to international trade and investment in Asia and the Pacific" - 2300-JCE11012 (Activity entitled "Trade and investment capacity building for Myanmar"). Last but not least, it was announced at the beginning of the seminar that the Yangon University of Economics (YUE) is joining ARTNeT as the first institutional member from Myanmar.

With an opening speech by Yangon University of Economics Pro-Rector Tun Aung, the first day of the seminar commenced. Then in 5 sessions, topics covering research and trade policy in Myanmar were presented, with each presentation followed by questions from the audience. Between certain sessions, coffee was provided for a networking break when researchers and policy makers could unwind as well as exchange knowledge and ideas.

In the first session after a brief summary of the seminar's objectives, Mia Mikic, Chief of Trade Policy and Analysis Section, ESCAP, dove into the importance of moving to evidence-based policymaking. Without a conscious effort to collect and use evidence linked to solid applied research, Mikic explained, it is easy to fall into ad-hoc and impulsive mode akin to arbitrary policymaking. Unlike evidence-based policymaking, such arbitrary policymaking lacks the foundation for stakeholders to have enough material and information to discuss and assess policies in a democratic way. Mikic then presented the tools and techniques to not only generate data and evidence, but to convince policymakers to use the same.

Continuing on that note, in the second session, ESCAP Economic Affairs Officer Masato Abe presented an ambitious and recently completed Business Survey for Myanmar. Beginning with the technicalities of implementing the Survey, Abe expounded on methodology, survey techniques and design, and sampling issues. One technique explained was GIGO ("Garbage In Garbage Out"), which concisely expresses what ought to be done when faced with shoddy data. For the second part of his session, Abe introduced the

Business Survey project manager Sai Aung Mane. Speaking in Myanmar for the audience, Mane described the extensive work done on the ground to collect data from diverse and oftentimes reluctant businesses. Mane then presented the results of the Survey while fielding questions to clarify the context and culling of the raw data.

After a lunch break, "Investment and integration: The case of AEC" was presented by World Trade Institute External Fellow Sufian Jusoh. Jusoh stressed that for an economy to reach a high-income level, it has to move from producing goods to producing services, especially in high-income sectors; and investment is needed to facilitate this movement. As well, he continued, integration with other economies and the right policies are basic building blocks for this development. In the following session, YUE Professor Zin Zin Naing and her team presented the first of the two research papers done under the project, "Analysis of impacts of trade barriers - NTMs in textile and apparel industry in Myanmar". Naing had found that virtually all exporting firms in the industry are so-called CMP (cutting-making-packaging) firms, which cannot export, nor import finished products directly, indicating not only an extremely restrictive regulatory environment but also a lack of flexibility to tap the full potential of the world and regional markets.

After a short networking break, Centre for WTO Studies professor Sachin Sharma presented on research needs in agriculture trade. An expert on Indian agriculture and trade, Sharma explained what lessons learned from India could be applied to Myanmar. As agriculture employs a majority of the labor force in Myanmar, and Myanmar being bound by WTO agreements, issues of subsidies and tariffs have to be carefully considered by policy makers. An in-depth question and answer session followed, covering special safeguard measures, agriculture value chains, and price support measures.

Day 2 - 20 February 2015

The second day of the seminar, held on 20 February 2015, saw four presentations and a roundtable discussion. The presentations covered several topics in services trade and policy reform in Myanmar, whereas the last session of the day was the roundtable, in which panelists and attendants discussed setting the research agenda for Myanmar's reintegration into the regional and global economy.

In the first session, international trade advisor Dennis Audet presented on responding to the need for technical assistance with respect to Myanmar's ongoing trade policy reforms. He began by discussing the legacies of the previous decades when Myanmar isolated itself by using restrictive instruments, with sanctions exacerbating the situation. Because the isolation resulted in poor infrastructure, lack of data, and outdated legal instruments, Audet said, there is need for technical assistance especially since recent reforms in Myanmar have moved very quickly. Audet then expounded on the background and findings of the WTO's first ever Trade Policy Review of Myanmar, completed in 2014. As well, he also covered the structure and purpose of the Enhanced Integrated Framework, which Myanmar could utilize for trade coordination.

The second session of the day covered the paper "Preparedness of Myanmar services sector for AEC- The case of telecommunications sector", as presented by Yangon University of Economics professor Tha Pye Nyo. Nyo explained the ASEAN Economic Community and the expectation of its realization by 2015, as well as Myanmar's service sector commitments under it. As the study focused on the telecommunication services sector, Nyo also detailed the recent opening up of the sector in Myanmar, which led to significant improvements in costs and quality.

After a lunch break, Mia Mikic presented on global and regional value chains. Mikic presented the case that since there is often a lot of value-adding and processing in different countries, value chains are becoming ubiquitous and indispensable. As well, Mikic explained why an economy cannot be a part of the global value chain without liberalizing imports and facilitating free trade in intermediate goods and services. Furthermore, accounting correctly for goods and services part of the value chain and the need for input-output tables, Mikic said, is something Myanmar needs for improving on trade policy design, briefly noting that international organizations, such as ESCAP, are available for information or advice.

In the next session, Research and Information System for Developing Countries professor Prabir De talked about the South Asian Association for Regional Cooperation, or SAARC, and what it means for Myanmar. He covered services trade data classification, services performance, and services volume in South Asia. Next, De introduced SATIS (SAARC Agreement on Trade in Services) and explained the differences between positive versus negative lists. De concluded with a summary of emerging challenges, lessons, and the way forward for Myanmar.

After a short networking break, the last session of the day—the roundtable discussion on "Setting the research agenda for Myanmar's reintegration into regional and global economy" opened with Mikic moderating the roundtable and introducing the panelists, who then each made opening comments. Audet, the opening panelist, stressed that useful research could analyze the regulatory environment of service sectors, with a view to assess whether Myanmar has achieved a sufficient level of comfort to make GATS commitments in these sectors. Next, Sufian Jusoh detailed policy issues for investment in Myanmar and De's opening comment was that one must look at Myanmar through context, such as with respect to national identity and ethnic identity. After the floor was opened, commenters and panelists discussed limited funding, lack of researcher specialization, language barriers, and government bureaucracy with respect to what extent such factors act as obstacles for meaningful research in Myanmar. Pierre Sauve contributed his views in writing and the note "Elements of a Policy Research Agenda in Services Trade" is available from the webpage.

Day 3 - 21 February 2015

Whereas the first and second day of the seminar presented material oriented for both researchers and policy makers, the third day of the seminar saw three intensive

capacity building sessions oriented for researchers. Descriptive statistics were presented in the first session, followed by "Tools for trade policy analysis", presented in two parts.

The first session covering descriptive statistics, presented by Mia Mikic, began with a call for data. Mikic said that sources of data that are comparable for different countries are needed, since with such data, descriptive statistics can be used for simple analysis of the flows of trade. Mikic then explained the advantages and disadvantages of several measures of "trade openness": trade over GDP, import content of exports and external orientation, export diversification or concentration and the Herfindahl concentration index. Measures of comparative advantage were then covered, namely the revealed comparative advantage, regional intensity of trade and the intra-regional import matrix.

After a short networking break, ESCAP economist Witada Aunkoonwattaka's session covered the first part of the "Tools for trade policy analysis" presentation. Aunkoonwattaka, who specializes in econometric work, first stressed that there are many types of indicators and that the session would not be able to present all indicators. Since there are different sets of tools for each scenario, choosing the rights tools will have impact on the quality of the research, she further stressed. As such, this session was meant to be an introduction to the many tools available but require advanced study for appropriate and rigorous use. Aunkoonwattaka then taught how to make inferences from trade indicators, estimate potential effects on an individual product, and gauge the potential effects on the whole economy. To aid in estimating such potential effects, Aunkoonwattaka differentiated between when Partial Equilibrium analysis is relevant as compared to when Computable General Equilibrium analysis may be more appropriate. She then covered preferences, Free Trade Agreements (FTAs) and their impacts on economies, and the gravity model of trade.

In the third and final session, Centre for WTO Studies professor Sachin Sharma covered economic modeling. The first model covered was the Computable General Equilibrium model—its components, when and where to use, and how to reconcile with partial equilibrium models where appropriate. Sharma also stressed that in economic modeling, there are many different tools and models; what to use depends on the issue or relevant sector and doing multiple models can complement each other. Sachin then introduced and demonstrated use of an important modeling program, the GTAP Database Aggregator. The demonstration ran an equilibrium analysis of what happens if FTAs