

Report on Ph.D. Thesis Defense

Ph.D. Candidate	Imran Ullah Khan
Main referee	Kaliappa Kalirajan
Referees	Jonna P. Estudillo 大山 達雄 Wade Pfau ナーワーラゲ・S・クーレイ (国際大学)
Dissertation Title	The Impact of Policy Reforms on Pakistan's Trade Performance: An Econometric Analysis

Result: Pass (subject to minor changes)

Presentation and Results:

1. Mr. Khan presented his dissertation in 50 minutes, and the presentation was followed by comments and questions by the honorable members of the examination committee and other participants. The thesis was written under the direct supervision of Prof. Kaliappa P. Kalirajan, while Prof. Wade Pfau provided guidance on several issues. Two independent journal papers were sent to recognized research journals, which are under review and are likely to be accepted for publication. These papers were included in the thesis as Chapter 3 and Chapter 4.
2. Imran answered the queries raised by the examiners and other participants at the seminar satisfactorily with clarity and coherence.
3. The meeting of the Examination Committee was held immediately after the presentation. The Committee comprised of Prof. Kaliappa P. Kalirajan, Prof. Tatsuo Oyama, Prof. Wade Pfau, Prof. Jonna Ostodillo and Prof. Cooray as an external examiner. The Committee decided that both the contents of the dissertation and the public defense were satisfactory for conferring the doctoral degree. However, it was agreed in the meeting that some minor changes in the format and presentation would improve the clarity of the dissertation. It was, therefore decided that the required changes and revisions be made in the dissertation before the final submission. It was further decided that there is no need of submission of copies of revised manuscript to all the members, and authorized Prof. Kaliappa P. Kalirajan to check and validate the revisions.

4. Imran has made the changes recommended by the examination committee members and has given a detailed report of the changes to me. I have examined those changes and I am satisfied that he has fully followed the recommendations of the examination committee.

Summary of the Thesis

The study investigates the impact of trade policy reforms on Pakistan's trade performance. There are two policy shifts in Pakistan's trade regime. First, multilateral trade liberalization and trade facilitation since 1990; and second, bilateral preferential trade agreements with several countries since 2002. It is argued that the trade between two regions not only depends on natural factors like the distance and size of the regions, but also on the institutional rigidities and infrastructure bottlenecks in the exporting and importing countries which affect the trade negatively. The policy reforms aim at removing these resistance factors and thereby contribute towards trade expansion between regions. Based on stochastic frontier estimation method, an appropriate methodology is proposed to isolate the contribution of policy reforms in total trade expansion during a certain time, and is applied to Pakistan's export growth during 1999-2004. It is found that internal reforms have helped exports to grow only to traditional trade partners and that the pace of policy reforms could not cope with the rapidly changing trade environment in the fast growing economies like China and India. Moreover, impact of bilateral trade agreements with small countries like Sri Lanka, would have little impact on the existing bilateral trade, while an agreement with large economies like China would increase imports by a much larger volume than the exports. It is recommended that Pakistan should focus on effectiveness of internal reforms and multilateral trade liberalization.

Comments of Committee Members

1. The committee members unanimously agreed that the research undertaken by Mr. Khan would fill a gap in the existing trade literature, which lacks rigorous empirical studies for the developing countries like Pakistan. The strong policy oriented theme of the dissertation was also appreciated, and the analysis of export growth decomposition was particularly commended.
2. One member pointed out that the title of the dissertation be revised to give a more specific meaning about the contents of the thesis. Moreover, a separate chapter on

methodology is not needed and can be included in the chapter on export growth decomposition. He further suggested revising some titles and sub-titles in the thesis. This was carried out.

3. Another member pointed out that an appropriate statistical test of the change in export losses between 1999 and 2004 would enhance the reliability of the results. He further suggested that explanation on increasing export losses towards China and India be made more elaborate like bottlenecks in starting new business. Imran carried out the test and has reported the results now in his thesis.

Two members made some suggestions about the general organization and presentation of the thesis, like reducing the significant digits in the tables, using figures in millions instead of numbers, formatting, adding definitions of technical terms when these appear first in the thesis, spell-check, including sources for each table, numbering the equations in each chapter, significance of parameters in tables be explained. Imran has done these corrections.