



บทวิจารณ์

“การเปิดเสรีทางการค้าภายใต้มาตรการชดเชยรายได้ของภาครัฐ”

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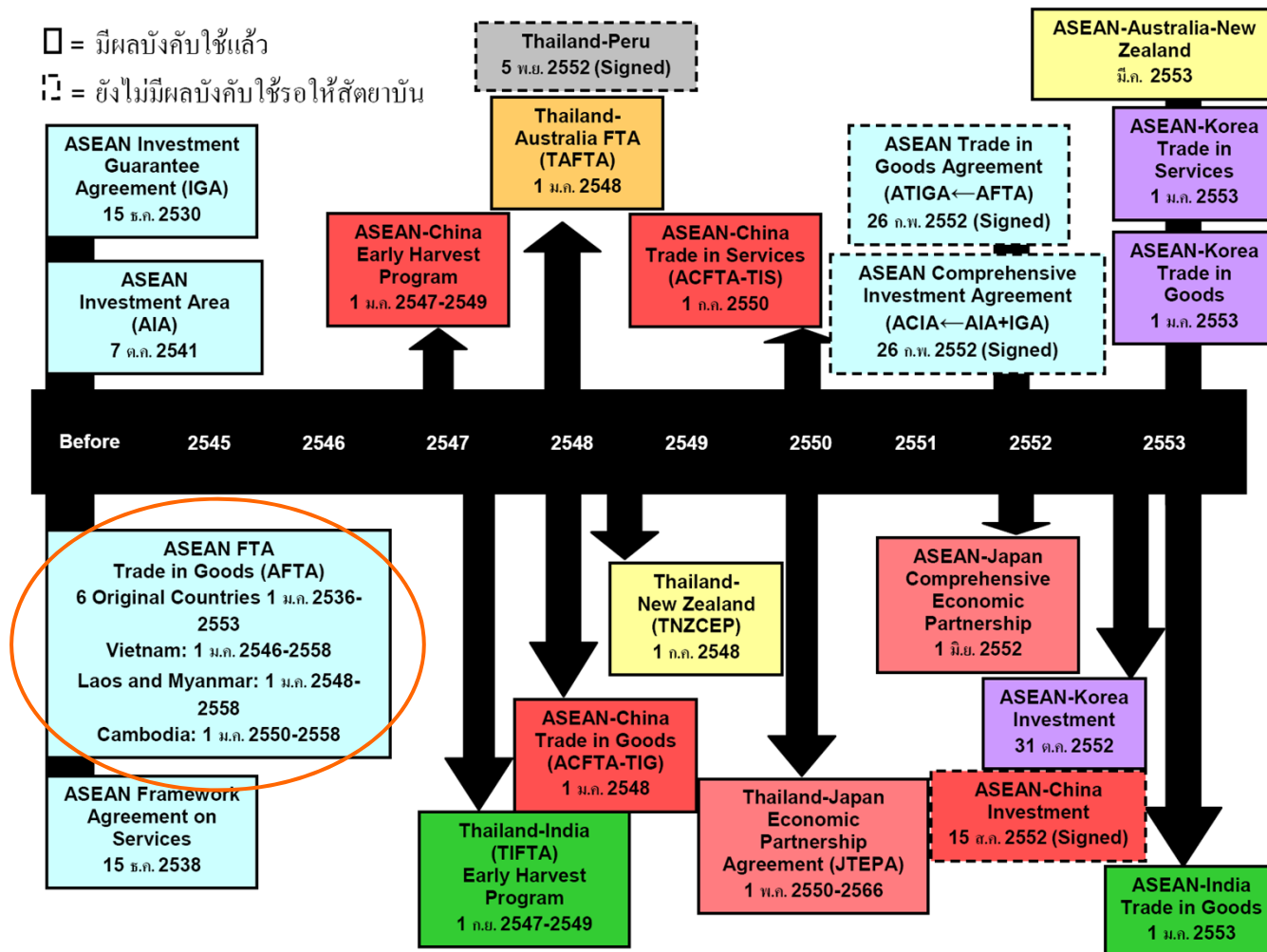
การสัมมนาเชิงวิชาการด้านเศรษฐกิจมหภาคและบัญชีประชาชาติ
เรื่อง การบริหารจัดการด้านการคลัง
ในช่วงแผนพัฒนาเศรษฐกิจและสังคมแห่งชาติ ฉบับที่ 11
วันพุธที่ 29 กันยายน 2553
โรงแรม Renaissance กรุงเทพฯ

บทวิจารณ์นี้เป็นข้อคิดเห็นส่วนบุคคล
ไม่จำเป็นต้องสอดคล้องกับข้อคิดเห็นของธนาคารแห่งประเทศไทย



Trade liberalization – current FTAs

Elimination of barriers to trade in goods and services
Liberalization of foreign investment



Source: Dulyadhamapiromya and Unakul (2010)



Key points of Boonchit (2010)

■ Research question and contribution

- Which fiscal policy needs to be implemented to compensated for reduction in government revenues owing to tariff elimination?
- Quantitative analysis of trade liberalization

■ Method of study

- Applied recursive dynamic general equilibrium model

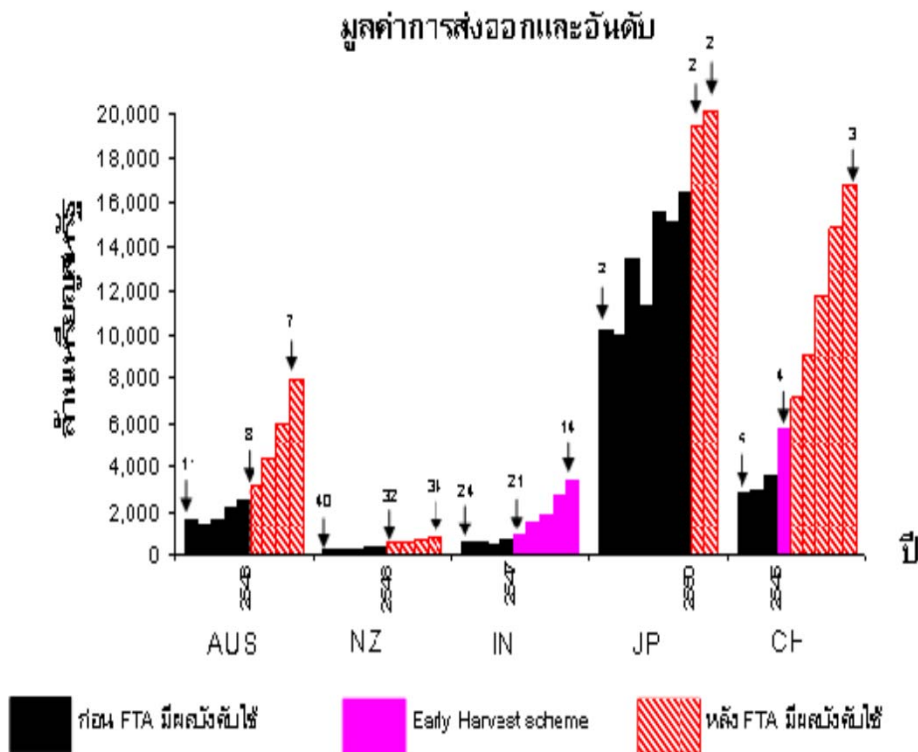
■ Main finding

- A revenue-constrained government might prefer public investment reduction or income tax increase to VAT or excise tax hike



Analytical frameworks for evaluating trade liberalization

1. Comparing trade volume before and after FTA introduction



Source: Dulyadhamapiromya and Unakul (2010)

2. Regression analysis

- Can control other time-varying variables other than FTA introduction
 - Trading partners' demand and exchange rates
 - Market diversification
- Shortcomings
 - Limited data span
 - Policy evaluation not possible



Analytical frameworks for evaluating trade liberalization

3. Multi-sector CGE model (used in Boonchit, 2010)

- **General equilibrium allows complete and consistent analysis**
 - Households maximizing utility, firms maximizing profits
 - Government seeking to maintain sustainable fiscal position
- **Multisector framework enables detailed economic structure**
 - **Demand:** C, I, G, X, M
 - **Production:** agricultural, industrial, and service sectors
 - **Prices:** CPI, export & import prices, exchange rates
 - **Taxes:** income tax, VAT, excise tax, tariffs
- **Counterfactual analysis**



Key findings (1)

	No tariff	No tariff & IPUB reduction	No tariff & VAT hike	No tariff & EXCISE TAX hike	No tariff & INCOME TAX hike
<u>GDP growth</u>					
– Year 1	0.8	0.2	0.0	-0.2	0.3
– Years 2-5, average	0.4	0	-0.1	-0.4	0.4
<u>Inflation</u>					
– Year 1	-1.0	-0.3	2.0	3.6	-1.2
– Years 2-5, average	0.0	0.0	0.2	1.0	0.0
<u>Welfare</u>					
– Years 1-5, average	27.3	15.0	-1.8	-22.6	13.9

GDP growth and inflation are in terms of percentage points. Household welfare is in terms of billions baht. IPUB is public investment.



Key findings (2)

Year 1	No tariff	No tariff & IPUB reduction	No tariff & VAT hike	No tariff & EXCISE TAX hike	No tariff & INCOME TAX hike
Demand					
– Consumption	2.0	2.0	-0.1	-0.8	-0.2
– Investment	6.9	6.6	4.4	4.6	5.6
– Exports	1.6	1.1	0.8	0.4	1.2
– Imports	4.6	1.7	2.4	2.1	2.8
– Public investment	n.a.	-59.4	n.a.	n.a.	n.a.
Production					
– Agriculture	0.5	0.1	-0.4	-0.6	0.1
– Manufacture	1.0	0.3	0.2	-0.1	0.5
– Service	0.2	0.2	-0.1	-0.3	0.3

Growth rates in terms of percentage points.

Source: Boonchit (2010)



Key findings (3)

Years 2-5, average	No tariff	No tariff & IPUB reduction	No tariff & VAT hike	No tariff & EXCISE TAX hike	No tariff & INCOME TAX hike
Demand					
– Consumption	-0.1	-0.1	0.0	-0.4	0.5
– Investment	0.3	0.0	-0.3	-0.8	0.4
– Exports	0.4	0.0	-0.1	-0.5	0.4
– Imports	0.4	0.0	-0.1	-0.5	0.4
– Public investment	n.a.	0.8	n.a.	n.a.	n.a.
Production					
– Agriculture	0.4	0.0	-0.1	-0.4	0.4
– Manufacture	0.4	0.0	-0.1	-0.4	0.4
– Service	0.0	0.0	-0.1	-0.4	0.3

Growth rates in terms of percentage points.

Source: Boonchit (2010)



Comments and suggestions

- **Model parameterization**
- **Model property & model evaluation**
 - Simulation with respect to exogenous shocks
 - Out-of-sample forecast
- **Simulation results may underestimate FTA benefits on exports**
 - Unilateral tariff reduction
- **Extension**
 - Optimal mix of taxes
 - Subsidies for disadvantaged groups



Summary

- **Complete view of economic effects of trade liberalization**
 - General equilibrium, not partial analysis
- **Thoughtful analysis on trade–fiscal policy mix**
 - Most studies focus on trade alone
- **Trade liberalization analysis at the frontier**