

An International Conference

WTO, China, and the Asian Economies, IV

University of International Business and Economics
Beijing, China, June 24-25, 2006



- Organizers:** **Kar-yiu Wong**, *University of Washington*, U. S. A. (co-chair)
Guijun Lin, *University of International Business and Economics*, China (co-chair)
- Organizing Units:** **University of International Business and Economics**, China
Research Center for International Economics, U. S. A.
- Local Organizers:** **Baomin Dong**, *University of International Business and Economics*, China (chair)
Qian Sun, *University of International Business and Economics*, China
Ying Ge, *University of International Business and Economics*, China

To download the papers and to get more information about this and previous conferences, please visit the web site: <http://faculty.Washington.edu/karyiu/confer/beijing06/>.

PROGRAM

(as of June 21, 2006)

June 23, 2006

7:30 pm – 9:30 pm **Welcome Party**, Ting Li Guan Restaurant at the Royal Summer Palace

June 24, 2006

All sessions will be held at the Beijing Grand Continental Hotel (Beijing Conference Center), unless stated otherwise.

8:00 am – 8:40 am **Registration**

8:40 am – 8:55 am **Welcome Session**

Chair: Baomin Dong, University of International Business and Economics

LIN Guijun, University of International Business and Economics

Kar-yiu Wong, University of Washington

9:00 am – 10:30 am **Session Group 1**

Session 1-A: Foreign Direct Investment and China

Chair: SONG Yaowu, Harbin Institute of Technology

K. C. Fung, University of California, Santa Cruz, **Busakorn Chantasawat**, National University of Singapore, **Hitomi Iizaka**, University of Hong Kong, and **Alan Siu**, University of Hong Kong, “FDI Flows to Latin America, East and Southeast Asia and China: Substitutes or Complements?”

Discussant: **Rossitza B. Wooster**, California State University at Sacramento

Kevin H. Zhang, Illinois State University, “Foreign Direct Investment and Economic Growth in China: A Panel Data Study for 1992-2004”

Discussant: **Tianshu Liu**, RMIT University

Kun-Ming Chen, **Chia-Ching Lin**, and **Hsiu-Hua Rau**, National Chengchi University, “Exchange Rate Volatility and the Timing of Foreign Direct Investment: Market-seeking versus Export-substituting”

Discussant: **Zhongxiu Zhao**, University of International Business and Economics

Session 1-B: Banks and Financial Markets in China

Chair: Kazunori Tanigaki, Ritsumeikan University

ZENG Hua and **LI Kai**, Northeastern University, “After China’s entry into WTO, Study on National Bond Market and Market Prime Interest Rate”

Discussant: Yue Ma, Lingnan University

Jin-Li Hu, **Chiang-Ping Chen**, and **Yi-Yuan Su**, National Chiao Tung University, “Ownership Reform and Efficiency of Nationwide Banks in China”

Discussant: Junmin Wan, Osaka University

Jean-Claude Maswana, Kyoto University, “Reconciling the Chinese Financial Development with its Economic Growth: An Empirical Examination”

Discussant: Thomas Gries, University of Paderborn

Session 1-C: WTO, China, and the World

Chair: Ari Van Assche, HEC Montreal and CIRANO

Hiro Ito, Portland State University and **Menzie D. Chinn**, University of Wisconsin at Madison, “Current Account Balances, Financial Development and Institutions: Assaying the World ‘Savings Glut’”

Discussant: Masahiro Enya, Osaka International University

SHEN Hongfang, Xiamen University, “Implications of China’s WTO Entry on Philippine Economic Growth and Development”

Discussant: Beoy Kui Ng, Nanyang Technological University

Se Young Ahn, Sogang University, and **Kiyoun Sohn**, University of Incheon, “Improving WTO Dispute Settlement Rules: Lessons from the Korea-China Garlic Dispute”

Discussant: Joon-Mo Yang, Yonsei University

10:30 am – 10:45 am **Tea/Coffee Break**

10:45 am – 12:15 pm **Session Group 2**

Session 2-A: Economic Integration in East Asia, 1

Chair: Taek-Dong Yeo, Yeungnam University

Chawin Leenabanchong, Thammasat University, “East Asia FTAs: ASEAN Perspectives”

Discussant: Ping Hua, Université d’Auvergne

Nathalie Aminian, University of Le Havre, and **Cuauhtémoc Calderon**, El Colegio de la Frontera Norte, “Prospects for Economic Cooperation in Northeast Asia”

Discussant: Len-kuo Hu, National Chengchi University

Ping Hua, Université d’Auvergne, “Price-competitiveness of China and its Asian neighbor competitors”

Discussant: **ZENG Hua**, Northeastern University

Session 2-B: The RMB, the Yen, and the Chinese Economy

Chair: **George Yuen**, Better Hong Kong Foundation

Yin-Wong Cheung, University of California, Santa Cruz, **Menzie D. Chinn**, University of Wisconsin, Madison, and **Eiji Fujii**, University of Tsukuba, “Why the Renminbi Might be Overvalued (But Probably Isn’t)”

Discussant: **Akira Kohsaka**, Osaka University

JIA Baohua and **YANG Lingming**, University of International Business and Economics, “An Argument about the RMB Exchange Rate”

Discussant: **Young-Jae Kim**, Pusan National University

Muqun Li, University of Wisconsin at Madison, **Wei Liu** and **Shunfeng Song**, University of Nevada at Reno, “How Do Fluctuations of Yen Affect Exports of China, Japan, and South Korea?”

Discussant: **Donald Kimball**, Central University of Finance and Economics

Session 2-C: Outsourcing and Firm Behavior

Chair: **Been-Lon Chen**, Academia Sinica

Subhayu Bandyopadhyay, West Virginia University and **Howard J. Wall**, Federal Reserve Bank of St. Louis, “Immigration and Outsourcing: A General Equilibrium Analysis”

Discussant: **Caren Sureth**, University of Paderborn

Martin Richardson and **Ryan Fang**, Australian National University, “Private and Public Incentives for Mergers in the Face of Foreign Entry”

Discussant: **Baomin Dong**, University of International Business and Economics

Kiyoun Sohn, University of Incheon, “Policies for the Development-Friendly World Trading System”

Discussant: **Rod Tyers**, Australian National University

12:15 pm – 2:00 pm **Lunch**

2:00 pm – 3:30 pm **Session Group 3**

Session 3-A: Economic Growth, I

Chair: **Martin Richardson**, Australian National University

Robert Dekle and **Guillaume Vandenbroucke**, University of Southern California, “Whither Chinese Growth? A Sectoral Growth Accounting Approach”

Discussant: **Yin-Wong Cheung**, University of California, Santa Cruz

Rod Tyers and **Jane Golley**, Australian National University, “China’s Growth to 2030: The Roles of Demographic Change and Investment Risk”

Discussant: **Pak Hung Mo**, Hong Kong Baptist University

Tran Van Hoa, Victoria University, “Impact of the WTO Membership, Regional Economic Integration and Structural Change on China’s Trade and Growth”

Discussant: **Tulus Tambunan**, University of Trisakti

Session 3-B: Inflation and Price Levels

Chair: **Ronald M. Schramm**, Columbia University

Chih-Chuan Yeh, Tamkang University, “Patterns of Inflation Rates and Inflation Uncertainty in Quantile Regression”

Discussant: **Muqun Li**, University of Wisconsin at Madison

Jin-Li Hu, National Chiao Tung University, **Yang Li** and **Yung-Ho Chiu**, National University of Kaohsiung, and **Tsz-Yi Ke**, Soochow University, “Shadow Prices of SO₂ Abatements for Regions in China”

Discussant: **Xiaoling Huang**, University of International Business and Economics

Baomin Dong, **Boqiang Lin**, and **Xuefeng Li**, University of International Business and Economics, “Forecasting Long-run Coal Price in China: A Shifting Trend Time Series Approach”

Discussant: **Pavel Chakraborty**, The Energy and Resources Institute

Session 3-C: The Chinese Economy, I

Chair: **Kun-Ming Chen**, National Chengchi University

Ming Men and **Rui Li**, University of International Business & Economics, “An Empirical Study on the Relationship between Stock Index and the National Economy: The Case of China”

Discussant: **Xiaopeng Yin**, University of Windsor

Kai Li and **Tao Xiang**, Northeastern University, “The Relations between Concentration and Agglomeration in Manufactures Development of China”

Discussant: **WONG Hock Tsen**, Universiti Malaysia Sabah

Ashok S. Guhal, Jawaharlal Nehru University, “Similarities and Differences in the Roles of China and India in the World Economy”

Discussant: **Kishor Goswami**, Indian Institute of Technology

3:30 pm – 3:45 pm **Tea/Coffee Break**

3:45 pm – 5:15 pm **Session Group 4**

Session 4-A: Multilateralism and Regionalism

Chair: Young-Jae Kim, Pusan National University

Yue Ma, Lingnan University and **Huayu Sun**, University of International Business and Economics, “Is there any economic integration among China and her Western partners?”
Discussant: K. C. Fung, University of California, Santa Cruz

WANG Fei, University of International Business and Economics and **EZAKI Mitsuo**, Nagoya University, “Regional Economic Integration and its Impacts on Growth, Poverty and Income Distribution: The Case of China”
Discussant: Ryan Fang, Australian National University

Danuta Tomczak, Ostfold University College, “Multilateralism and regional integration: the European and the Asian approach”
Discussant: Subhayu Bandyopadhyay, West Virginia University

Session 4-B: Foreign Direct Investment and Technology

Chair: Len-kuo Hu, National Chengchi University

Rossitza B. Wooster, California State University at Sacramento and **David S. Diebel**, San Juan Unified School District, “Productivity Spillovers from Foreign Direct Investment in Developing Countries: A Meta-Regression Analysis”
Discussant: Kun-Ming Chen, National Chengchi University

Zhongxiu Zhao, University of International Business and Economics, and **Kevin H. Zhang**, Illinois State University, “Multinational Corporation and Technology Transfers in Developing Countries: Evidence from China”
Discussant: Taek-Dong Yeo, Yeungnam University

Xiaopeng Yin, University of Windsor, The Tendency of Regional Integration in China: Incentive, Pattern, and Growth
Discussant: Siu Kee Wong, Nankai University

6:00 pm – 8:00 pm **Dinner**

June 25, 2006

9:00 am – 10:30 am **Session Group 5**

Session 5-A: Economic Integration in East Asia, II

Chair: Tran Van Hoa, Victoria University

Chan-Hyun Sohn, Yokohama National University and Korea Institute for International Economic Policy, and **Hongshik Lee**, Korea Institute for International Economic Policy, “Trade Structure, FTA and Economic Growth: Implications to East Asia”

Discussant: Nathalie Aminian, University of Le Havre

CHEN Lurong, Graduate Institute of International Studies, “A Two-Hub Trading Bloc in East Asia?”

Discussant: Mei Hsu, National Taipei University

Len-kuo Hu, National Chengchi University, “Culture Coherence and Regional Economic Cooperation in Northeast Asia”

Discussant: Hiro Ito, Portland State University

Session 5-B: The Chinese Economy, II

Chair: Caren Sureth, University of Paderborn

LIN Guijun, University of International Business and Economics, and **Ronald M. Schramm**, Columbia University, “A Decade of Flow of Funds in China (1995-2005)”

Discussant: Chih-Chuan Yeh, Tamkang University

ZHUO Jun, Zhe Jiang University, and **Leeva Li** and **Xiaoling Hu**, University of Gloucestershire, “Do Chinese Consumer Prefer to Buy Imported Wine? - the Effect of Country-of-Origin”

Discussant: Se Young Ahn, Sogang University

Thomas Gries, University of Paderborn, “Reducing Regional Disparity through WTO? - Endogenous Formation of Regions, Labor Market Frictions and Multiple Equilibria”

Discussant: Kiyoun Sohn, University of Incheon,

10:30 am – 10:45 am **Tea/Coffee Break**

10:45 am – 12:15 pm **Session Group 6**

Session 6-A: China and ASEAN

Chair: Siu Kee Wong, Nankai University

Tulus Tambunan, University of Trisakti, “The Likely Impact of the ASEAN Plus China on Intra-ASEAN Trade”

Discussant: **Chawin Leenabanchong**, Thammasat University

Tang Yihong and **Wang Weiwei**, University of International Business and Economics, “An Analysis of Trade Potential between China and ASEAN within China-ASEAN FTA”

Discussant: **Danuta Tomczak**, Ostfold University College

Yunhua Liu and **Beoy Kui Ng**, Nanyang Technological University, “Facing the Challenge of Rising Chinese Economy: ASEAN’s Responses”

Discussant: **WANG Fei**, University of International Business and Economics

Session 6-B: General Theory

Chair: **Paul Jackson**, La Trobe University

Been-Lon Chen, Academia Sinica, and **Mei Hsu**, National Taipei University, “Admiration Is a Source of Indeterminacy”

Discussant: **Martin Richardson**, Australian National University

Kazunori Tanigaki, Ritsumeikan University, “A Simple Model of Product Complexity”

Discussant: **Ari Van Assche**, HEC Montreal and CIRANO

Tianshu Liu, RMIT University, and **Xuean Jiao**, Monash University, “Impact of Regional Trade Agreements on Commodity Trade between China and Australia”

Discussant: **Tran Van Hoa**, Victoria University

12:15 pm – 2:00 pm **Lunch**

2:00 pm – 3:30 pm **Session Group 7**

Session 7-A: Economic Growth, II

Chair: **Tang Yihong**, University of International Business and Economics

Pak Hung Mo, Hong Kong Baptist University, “Trade, Exchanges and Productivity Growth”

Discussant: **Jin-Li Hu**, National Chiao Tung University

Zhihua Song and **Kai Li**, Northeastern University, “The Analysis of Different Economic Growth Rates among Countries”

Discussant: **Robert Dekle**, University of Southern California

Akira Kohsaka, Osaka University and **Masahiro Enya**, Osaka International University, “The Balance Sheet Effects and Macroeconomic Development in the Pacific Region”

Discussant: **Ronald M. Schramm**, Columbia University

Session 7-B: Government Policies and the Economy

Chair: Chih-Chuan Yeh, Tamkang University

Caren Sureth and **Dirk Langeleh**, University of Paderborn, “The Degree of Integrating Corporate and Capital Gains Tax into Income Tax and Its Impact on Investment Decisions”

Discussant: Jean-Claude Maswana, Kyoto University

Fengjuan Xiao and **Donald Kimball**, Central University of Finance and Economics, “Effectiveness and Effects of China’s Capital Controls”

Discussant: SHEN Hongfang, Xiamen University

Junmin Wan, Osaka University, “The Incentive to Declare Taxes and Tax Revenue: The Lottery Receipt Experiment in China”

Discussant: Kevin H. Zhang, Illinois State University

3:30 pm – 3:45 pm **Tea/Coffee Break**

3:45 pm – 5:15 pm **Session Group 8**

Session 8-A: Trade, Technology, and Policies

Chair: K. C. Fung, University of California, Santa Cruz

Xiaoling Huang, University of International Business and Economics, “Trade and Technology Transfer: The Case of Automobile, Electronic and Telecommunication Sectors in China”

Discussant: Cuauhtémoc Calderon, El Colegio de la Frontera Norte

Jian-Ming Zhou, Institute of Agronomy for the Overseas, “Achieving Global Competitive Agriculture without Protectionist Subsidies - Solving Its Most Fundamental Microeconomic Obstacle Ignored by Nobel Laureate Schultz and Nominee Hirschman”

Discussant: YANG Lingming, University of International Business and Economics

Ari Van Assche, HEC Montreal and CIRANO, and **Galina A. Schwartz**, University of California–Berkeley, “Firm Heterogeneity, Input Specificity, and the Optimal Outsourcing Strategy”

Discussant: Been-Lon Chen, Academia Sinica

WONG Hock Tsen, Universiti Malaysia Sabah, “Exports, Domestic Demand and Economic Growth in China: Granger Causality Analysis”

Discussant: CHEN Lurong, Graduate Institute of International Studies

Session 8-B: Asian Economies

Chair: Xiaopeng Yin, University of Windsor

Joon-Mo Yang, Yonsei University, **Tae-Wan Kim**, Dong Eui University, and **Hyun-Ok Han**, Pusan National University, “Understanding the Economic Development of Korea from a Co-Evolutionary Perspective”

Discussant: **Chan-Hyun Sohn**, Yokohama National University and KIEP

Pavel Chakraborty, The Energy and Resources Institute, and **Alokesh Barua**, Jawaharlal Nehru University, “Does Openness Affect Inequality? A Case Study of Manufacturing Sector of India”

Discussant: **Rui Li**, University of International Business & Economics

Kishor Goswami, Indian Institute of Technology, “Impact of Globalisation of Silk Industry in Northeast India: An Assessment from Gender Perspectives”

Discussant: **Ashok S. Guhal**, Jawaharlal Nehru University