

Preface

The Pacific Trade and Development (PAFTAD) conference was held in Bangkok between 16 and 19 July 2019 with the theme ‘New dimensions of connectivity in the Asia Pacific’. The conference was hosted by the Thailand Development Research Institute (TDRI) in conjunction with the International Institute for Trade and Development and the Mekong Institute. The papers presented at the conference are collected in this volume.

The 40th PAFTAD conference met to consider the policy and capacity gaps impeding greater connectivity in Asia and how to alleviate them. Significant economic gains are available from better connectivity. Regional connectivity is a key driver of trade integration and investment facilitation. Investment in the capacity to provide connectivity frees up the movement of goods and services, as well as the complementary flows of people and data. Improved access to and the provision of better quality infrastructure leads to falling trade costs and the creation of more efficient regional value chains. Second-round effects of enhanced connectivity include higher productivity and poverty reduction. Still, funding gaps persist that preclude the improvements in connectivity infrastructure offers, despite the benefits.

The chapters in this volume look at regional connectivity performance, China’s Belt and Road Initiative (BRI), the impacts of connectivity—both physical and digital—and questions around investment in facilities to support connectivity. Close attention is paid to the impediments to infrastructure investment and how to overcome them. Preparing a commonly shared vision for infrastructure development in the region and developing a set of principles for the good governance of infrastructure projects could be the first steps to improving connectivity. The process emerging from sharing experiences in implementing these steps would benefit from consideration of how it links to other forms of regional

cooperation. This can complement the role of multilateral development banks in deepening connectivity and actions to foster interactions between government and private sector investors.

A distinguished group of economists from East Asia and the Pacific met to discuss how regional cooperation and national government action can break the deadlocks related to policy and capacity gaps on connectivity. PAFTAD conferences have made an important contribution to policy thinking and policy development in the Asia-Pacific region for over 40 years. PAFTAD is famous for extensive discussion and debate around each chapter at the conference, followed by extensive revision for publication.

The PAFTAD team is grateful for the contributors to the book who collaborated enthusiastically to bring this research to publication. Our debt to the authors in the volume is obvious. Further, we are grateful for the invaluable and substantive contributions made by Peter Drysdale, Hugh Patrick, Mari Pangestu, Adam Triggs, Akira Kohsaka, Anna Strutt, Celia Reyes, Chia Siow Yue, Chul Chung, David Dollar, Edward Chen, Erik van der Marel, Francis Hutchinson, Gilberto Llanto, Il-Houng Lee, Jayant Menon, Jonathan Tsuen Yip Wong, Joseph Yap, Juan Palacios, Khalil Hamdani, Lin Chen, Lin Chien-Fu, Mia Mikic, Muhamad Chatib Basri, Narongchai Akrasanee, Robert Scollay, Shekhar Shah, Shiro Armstrong, Shujiro Urata, Siwage Dharma Negara, Somkiat Tangkitvanich, Souknilanh Keola, Stephen Howes, Tomoo Kikuchi, Vo Tri Thanh, Watcharas Leelawath, Wendy Dobson, Yiping Huang, Yves Tiberghien, Zaw Oo and Zhang Monan. They helped refine arguments and ideas at the conference and engage in thinking on connectivity issues facing Asian economies.

Narongchai Akrasanee, Twarath Sutabutr and Shujiro Urata participated in a stimulating panel discussion at the forum, which focused on how to connect the ASEAN Smart Cities Network. This was also Mari Pangestu's last conference as PAFTAD chair after many years of engagement with the group. Mari departed PAFTAD to take on a directorship at the World Bank. We are deeply grateful for her leadership of PAFTAD and regular presence at the conferences.

We are indebted to Sam Hardwick of ANU, and Wisarn Puppavesa, Nuchanart Phumphruk and Jirakorn Yingpaiboonwong of the TDRI team, for all stages of the management of the PAFTAD conference

that made it such a success. The book would not exist if it were not for the hard work of Dorothy Mason and later Brandon Harrington for managing PAFTAD, the publication process and the editors through to the finalisation of the book in 2021.

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May we extend our sincere thanks to Emily Tinker, Teresa Prowse and ANU Press for working so patiently with us through the production process. We express our gratitude to Jan Borrie for her excellent copyediting work.

This is an important collection of essays at a critical point in time for the global economy where Asia can lead an effort to improve physical and digital connectivity. Infrastructure gaps threaten to prolong any recovery and perpetuate regional trade bottlenecks and stall deeper regional integration.

Christopher Findlay and Somkiat Tangkitvanich
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