ANALYSIS OF PREDICTABILITY AND ACCOUNTABILITY TRANSPARENCY PRACTICES AND FTA ON TRADE GROWTH IN SELECTED COUNTRIES OF THE ASIA-PACIFIC REGION: TRADE POLICY

First Author: Rosalyn Perkins, PhD in Commerce candidate, Pontifical and Royal University of Santo Tomas, Manila. Email: Rosalyn.Perkins@runbox.com
http://orcid.org/0000-0002-0773-386X
(acted as a Corresponding Author)

Second Author: Prof. Mary Caroline Castano, PhD., Graduate School, Pontifical and Royal University of Santo Tomas, Manila. Email: Marycaroline.castano@gmail.com

Third Author: Prof. Condrad Montemayor, PhD., Graduate School, Pontifical and Royal University of Santo Tomas, Manila. Email: ctmontemayor@yahoo.com

Abstract:

Generally, trade policies exclude provision for predictability and accountability as transparency measures and facilitates trade consensus that enhance market access, reduce trading costs, and promote cooperation. In analyzing the trajectories on transparency, free trade agreement (FTA), and trade growth, many scholars investigate international trade norms on how countries play a proactive role to increase competition and improve transparency but limited in scope on the inter-linkages between these three variables that contribute to trade and economic growth. This paper intends to address this missing link by examining the causal relationships between the two transparency measures, FTA, and trade growth from a sample of 15 countries in the Asia-Pacific region using panel regression analysis. Results show a significant increase in trade growth affected by a percent changed in predictability and FTA measures. While increase in trade disputes i.e. less accountability transparency measure tends to decrease trade growth. By determining the effects of transparency practices and FTAs in the international trade arena, the study concludes that these trade policy tools are important parameters to boost trade growth.

Keywords: Accountability, FTA, Predictability, Trade Growth, Trade Policy, Transparency

Introduction:

Trade policy is a vital tool in structuring the rules of the International trade and important to nation's trade performance and at the same time serves as a crucial instrument in securing regional growth. To exemplify this key function in the international trade system, trade policy utilizes two critical policy measures: transparency practices and free trade agreement (FTA) (Collins-Williams, T. & Wolfe, R., 2010; Badinger, H., 2008). Transparency refers the "degree to which trade policies and practices, and the process by which they are established, are open and predictable" (Collins-Williams T, & Wolfe R, 2010, p. 552). Consistently, FTA is a policy measure that diminishes trade barriers among trading partners and facilitate easier flow of trade and investment in each set of conditions agreed by the parties (Fukunaga, 2014).

Several scholars conducted various studies that focused on the impact of FTA to economic growth (Urata & Yikota, 2003); the changing relationships between trade policy and economic growth (Kawai and Wignaraja, 2014); the impact of trade policy uncertainty to export market (Handley, 2012); and on the relationships between trade openness and economic growth (Frankel and Romer, 1999). They utterly direct to trade policy situation and what they are regarded in is to determine the influence of trade policy and free trade consensus on economic growth. While extant literature portrays transparency and FTAs as essential elements for economic growth which force firms to create clear and open trade policies (see sources, Lejarraga & Shepherd, 2013; Plummer and Tafti, 2014; Turnes and Ernst, 2015; Fukunaga, 2014), the inter-linkages between transparency practices and FTA in relation to trade growth are considerably missing in the existing literature. This missing information on the inter-linkages of these policy measures will discount the advantage or benefits of increasing growth in trade and weaken the trade policy in implementing policy measures crucial for higher trade growth and for

economic performance. The international trade continually refers to the importance of these policy measures in trade policy, to reduce the uncertainty and disagreement on lack of transparency require high level of transparent practices and need more free trade consensus utilization to wider access to foreign market, robust economic ties and international relations. The apparent possible effects of these trade policy measures are seen to enlarge the set of opportunities for traders to grow export market and generate long-term trade growth. Both policy measures exhibit their essentiality in boosting trade policy and in achieving trade growth in the International trade sphere.

The transparency measures are prime instruments for advancing trade policy in sustaining predictable practices and clear rules and obligations parallel in relation to FTA measure, which have revealed the rising direction towards expansion. It is being viewed as genuine that contains various related practices such as disseminating information and produce harmonized explanations of the information is important to innovative governance for international trade institutions and national regimes. Transparency practices provide the need for superiority information regarding the actors to the International trade transaction (Collins-Williams, T & Wolfe R., 2010). They are essential measures for trade policy to enhance trade laws and draw important information to reduce unpredictability and disagreement on trade policies that resulted to a positive effect to trade growth. On the other hand, along with transparency practices, the FTA is also viewed as one of the essential instrument for trade policy that enhanced policy measures, sustain long-term trade growth, and strengthen economic integration, particularly in the Asia-Pacific region (Kawai and Wignaraja, 2010). This free trade consensus concurs on reducing trade barriers from their trading partners and its emergence have a significant impact on region's trade (Fukase and Martin, 2015). The increasing trend of FTA including Asian nations

are regional response to the expanding global trend while Doha Round negotiations have not successfully produced a multilateral trade round (Soo Yeon Kim, 2015) and used as measure to enhance trade activity.

Across the past few decades, Asia-Pacific region have considerably noted the increasing level of demand of transparency practices and free trade consensus policy measures within trade partners and non-trade partners as nations function as either makers or implementer of trade policy. Trade volume in Asian region has been accelerating fast over few decades. According to Nasreen & Anwar (2014, p. 83), "the growth rate of Asian export was 13% while imports increased by 9%, over 50% of export are carried out within the region and provided about 40% of global growth in 2012. Asia's merchandise trade growth has amounted to US$14 trillion in 2011". While global imports, "the region's share grew from 16% in 1985 to 23% in 1995 and more to 30% in 2013" (Kawai and Wignaraja, 2014, p.4). Transparency practices refer to predictability on the one hand, which indicates the degree of reliable and essential macroeconomic information, credible of finding in advance the relevant information to appropriate internal and external stakeholders supported by the advanced data and information; and on the other hand, accountability presents clear responsibility of every country to safeguard private and principled public interest on trade, ability to adhere, act and enforce policy measures; and supply reliable information to all stakeholders. In this paper, we show how the trade policy in terms of transparency practices and FTA to possibly influence a positive increase to trade growth when giving provision to implement trade policy measures, specifically the function of predictability, accountability, and FTA policies to growth in trade. While the Asia-Pacific region have covered trade policy measures fostering transparency and trade liberalization as the major tool for International trade by virtue of robust trade policies, we question: how does trade policy

address these transparency practices and FTA to trade growth when nations in Asia-Pacific region pursue for increasing this growth performance. This paper aims to examine the causal relationships between predictability and accountability transparency practices, FTA and trade growth that analyze how the links between these trade policies works and their role to trade growth using panel regression analysis, covering a 5-year period from 2009-2013 from a sample of 15 countries in the Asia-Pacific region.

In the next section, we identify the existing literature of trade policies on transparency and free trade agreements to explain how the current studies offer a limited understanding on their important function and significant inter-linkages to trade growth. The key function that expand international markets and strongly underpin trade policies that focus on the provision of improving predictability and accountability transparency practices and FTA utilization, which cover the uncounted significant connections of these policy measures for trade growth. Then, we describe the model specification on how to study the independent and dependent parameters from the panel data regression equation for our estimation and interpretation of the chosen variables. From this model specification, our results highlight the significant causal relationship of transparency measures and FTA trade policy tools to trade growth. We conclude that the effect of transparency practices and FTAs on trade flows comes from openness and responsiveness to lessen unpredictability, increase accountability, and give more importance on FTAs utilisation. In the end, our results suggest the importance of these trade policy measures to value and consider and offer significant information to boost trade policy and increase trade growth. Also, the findings contribute valuable knowledge to bridge the gap on the existing debates on limited understanding of the inter-linkages of transparency practices and FTAs to trade growth vital in Trade policy and in International trade.

Literature Review:

This section reviews the extant literature on the two aspects of transparency such as predictability and accountability practices and FTA trade policy measures, and review of empirical studies that utilized indicators for predictability, accountability, and FTA as well as their use as a driving tools for growth. Transparency evolves from a domestic governance to international regimes to furnish transparent and high quality of information about the norms in trading system, enhance the efficiency and reliability of trading, and support the accountability and creditability of the regimes in enforcing and establishing trade policy measures crucial to International trade. Josling and Mittenzwei (2013) introduce transparency measure as a primary feature of multilateral trade system and are commonly discerns as authentic and essential to modern governance (Mr Pascal Lamy, 2007). Also, transparency is the main component of the piece of work of the World Trade Organization (Kerr, 2008) and an essential primary criterion of trading operations (Collins-Williams, and Wolfe, 2010). Transparency growingly viewed as a vital instrument practiced under the direction and control of the WTO.

Transparency applies to the count of interconnected efforts, enclosing how policy is nurtured and implemented. Also, it can signify different things to various groups and perhaps essential for various causes (Williams, 2015). A wider outlook on this, drawn from the view of Florini, that transparency explain the "release of information by institutions that is relevant to evaluating those institutions" (Florini, A., et al., 2000, p. 5). Transparency quintessentially absorbs various elements with the accessibility of information regarding the internal functioning and performance of an institution. This subject will allow the external groups and individuals to use their ability to observe and monitor activities, procedures, policies and measures undertaken inside the organization. Thus, transparency is the obtainability of information about an

institution or actor authorizing external actors to oversee the internal functioning or accomplishments of that institution (Grimmelikhuijsen, 2012,). Further, transparency has been developed to impart information among border management agencies, traders, international manufacturers, importers, and international governments (Turnes and Ernst, 2015). It functions well in the trading process to which transparency supplements more aims in dispensing information as well as escalating ideas on the aim of trading policy rules (Collins-Williams & Wolfe, 2010).

Across a great work of literature, these two ordinary benchmarks that comprise transparency were manifested. First, transparency regards to the upswing quantity and quality of information accessible to public demand and other interested agencies. Second, it regards to the growing restraints on government officials to make them accountable for their deeds and the people (William, 2015). The information and accountability linkage entails the necessity of creating information accessible, which involves the ability of the public to access and the authority to take measures on the matter (Lindstedt and Naurin, 2010).

These authors Lejarraga and Shepherd in 2013 introduce one of the aspects of transparency that is predictability and Turnes and Ernst in 2015 introduce that accountability is currently used as another aspect to consider in transparency. Florini in 2000, p. 5 "makes clear that transparency is always literally related to accountability". On the first hand, predictability reduces the uncertainty to do international business. Any unforeseen policy, quota; material adjustment in the tariff rate applied; unpredictable rules and regulations, taxes or laws are all example issues of non-transparent practices that signify constraints for trading in the foreign land (Turnes and Ernst, 2015). The predictability is preferred by private market actors "with substantial cross-border contractual interests" (Frieden, 2002). Primary to predictability are

government policies regarding trade, which affects international costs (Mansfield and Reinhardt, 2008). Several scholars attest that predictability, as one aspect of transparency practices, exhibits as an essential factor for International trade flows (Helble, M., Shepherd, B, & Wilson, J.S., 2009; Lejarraga, I., & Shepherd, B., 2013). For instance, the link between trade and predictability of exchange rate had been the subject of an extensive policy discourse over several decades. The change to free floating from fixed exchange rate regimes conveyed evident on unpredictability, and hence, this brought interest to various scholars to study and focus on this issue particularly on impacts of exchange rates unpredictability on trade flows. This effect of change in exchange rate reveals that higher exchange rate unpredictability steers to higher trade cost and it subsequently will decrease international trade (see e.g. Simakova, 2014). Another study by Hooper and Kohlhagen in 1987 attest that in the event of movements in exchange rates are volatile it signifies unpredictability regarding a firm's operations and decreases the advantages of international trade. (Simakova, 2014).

The increase predictability transparency of trade policy is an essential contribution of trade agreement that have long been accepted by policy-makers (Osnago et al., 2015). Handley in 2014 unveils that unpredictability generates an alternative of holding to enter new trade opportunity over future circumstances of trade, based on the paradigm of trade with heterogeneous firms, consequently persuading businesses to hold back in international trade activities. The uncertainty of a trade policy shift performs as an operating cost to go into foreign trade and hence disadvantage effect on trade (Osnago et al., 2015). What is missing here is the understanding of predictability in trade policy that simplify the safety of tariff shift and to reduce uncertainty and operating cost to venture in foreign market that foster growth in trade.

On the other hand, accountability concerning international trade refers to the capacity to implement the will and right to create the various entities responsible and accountable to agree guarantees in agreements (Turnes and Ernst, 2015). Also, accountability is the power and ability to inflict and impose sanctions on violators of the rules and policies for both private and public sectors (Ocampo, 2014). Transparency in trade policy was also looked to be an aspect to avert the crawling protectionism by providing trading partners with the instruments to carry each other accountable (Plummer and Tafti, 2014). Using transparency for trade policy is not only demanding access to information but also counting for accountability. Wolfe & Halle in 2011 examines the used of accountability principles in the WTO membership both internally and externally after the 2008 financial crisis to ascertain the degree to which the accountability policy already in the position and the level to which protectionist measures were disseminated. The accountability transparency principle is an aspect to prevent protectionism and avoid escalation of disputes on policies among trading partners and is important for regime's implementation of trade policy measures and compliance with international treaties under the WTO context. The increasing number of disputes brought against by trading partners or of WTO members indicates the weak practice of clear accountability, on the enforcement towards violators and compliance of its commitment under WTO obligations (see e.g. Xue Dong & Krishna Jayakar, 2013). Also, insubstantial practices of accountability transparency to act against violators of trade policy measures at national level, any illegal acts such as infringement; breach of trade policy; and non-compliance will continue to escalate. Transparent information on the regimes' accountability to enforce its trade policy measures at domestic level and responsibility to comply its WTO commitments will help alleviate the number of disputes and safeguard its small scale domestic traders against big firm's illicit trading activities and deter illegal acts from trading partners. The

WTO dispute by agreements emphasizes that a dispute will arise when a member government has challenged specific trade policy measures of other government. In other words, any concerns expressed about loosen agreements resulting from the safeguards or about threats to health and safety (Sanitary and Pythosanitary or SPS) standards amount to the likelihood that a measure thought to be unjust or inessential restriction could be challenged in dispute settlement. The possible occurrence of these disputes can be avoided by way of introducing and understanding the importance of accountability transparency practice, which is also crucial for the government's reliability in implementing new trade policy measures and compliance to its WTO obligations. This missing information and understanding is needed to prevent disputes among trader partners and likewise increase the flow of trade and access to foreign markets.

The transparency, which is one of regarded fundamental rules in trading system, hinder public officials by using tariff barriers to protect various interest-groups and helps eradicate the crawling protectionism practices as well as eliminate disputes caused by non-transparent trade policies. Further, transparency reduce trade transaction costs due to uncertainty of exchange rate, which affects export and import activities. Transparency measures are key instruments for improving trade policy in sustaining effective trade rules and obligations and in the same way the FTA measure, which have revealed the rising direction towards expansion. While transparency measures in the form of predictability and accountability represents as important instruments to enhance trade policy, the FTA measure also constitute as an essential instrument to advance trade policy that foster economic collaboration and integration in the sphere of International trade and contribute for trade liberalization. The FTA includes provisions to facilitate trade and investment and to enhance transparency in trade and investment relations (Fukunaga, 2015) and to diminish tariff and non-tariff barriers among others. In the 1990s, FTA has come to the

spotlight and proliferated in Asia (Soo Yeon Kim, 2015). Notwithstanding as a latecomer to the FTA scene, significantly, economic growth in the region has manifested at the top of global and regional trade agreement. The increasing trade flows and the igniting of FTAs including Asian nations are plainly a regional response to the expanding global trend while Doha Round negotiations have not successfully produced a multilateral trade round (Soo Yeon Kim, 2015). Kawai and Wignaraja in 2010 documented the four main factors that induced the current growth of FTA initiatives in Asia such as intensifying market-driven economic integration in Asia; European and North American economic integration; the slow-moving development in the WTO Doha Round dialogue; and the 1997-1998 Asian financial crisis. The Asia-Pacific region began highlighting FTAs as an instrument for trade policy, and its emergence has a significant impact on region's trade. The FTA's primary purpose is to decrease nation's trade barriers on a reciprocal basis that requires negotiations with FTA partners to concur on reducing their barriers while achieving acceptance from their trading partners (Fukase and Martin, 2015).

The views in the theoretical literature remains that trade policies influence the countries' economic standing and enduring trade flows. The predictability and accountability transparency and FTAs literature has perceived important evolution addressing adoption results and carrying out policies. Studies revealed that predictability and accountability transparency was effectively introduced functioning as trade policy instruments and the importance and compliance of the guidelines have remained progressively valued and appeared highly regarded (see e.g. Collins-Williams and Wolfe, 2010). In the soundness structure of trade industries show that first, predictability will reduce any unpredictable barriers to the entry of trade activities into new markets and more receptive and responsive to trade policy restrictions. Second, accountability transparency will increase trust of foreign investors to enter new trade

ventures as well as increase responsibility of country to ward off protectionism, which is often the cause of disputes and to act on the binding trade policy commitments at the national level. Finally, the FTAs utilization increase economic cooperation among traders in the region and increase access to international market. Trade policy provision for the FTAs utilization promote sustainable exchange of goods effecting to increase trade flows and growth. Trade industries and other trade actors will favour for country with lower trading transaction costs and lower trade barriers and most likely to increase trade agreement among member countries and widen international trade and investments. Provided that FTAs do really reduce costs and lower trade barriers, and so member-countries and trade partners should accordingly increase the number of trade agreement among other countries in the region and or increase consensus to liberalize trade. The immediate impact of the FTAs on trade flows arising from trading partners and other trade actors widen the gateway to international market that will heighten growth and increase economic development. Study shows that the rise of FTAs, to strive for their own bilateral and multilateral trade policies, come from big economies such as Japan, People's Republic of China (PRC), and the Republic of Korea. ASEAN members are also prompted into FTAs to increase its trade activity (Kawai and Wignaraja, 2010).

Various scholars have examined different measures of trade policies that exhibit an impact to trade flows and economic development, however commonly disregarded by scholars the significant effect of the interconnections of the transparency measures and FTA utilization that impact trade growth. Collins-Williams & Wolfe in 2010 states that, the provision of trade policy for transparency measures can provide assertiveness for countries relating to what business trade collaborators perform in the global market. While the FTA as an important instrument of trade policy (Badinger, H., 2008, Kawai and Wignaraja, 2010) can reduce costs

and increase access to International market. FTAs transpose market structure by way of healthy competition, freer trade, and stable commercial agreement. The accelerated spread of FTAs in the Asia-Pacific region contributes necessarily to trade growth and the region's economy. For instance, Baier and Bergstrand in 2005 shows that the effect of FTAs to trade flows is quintupled, thus shows significant increase in trade growth. In another set of literatures, Kawai and Wignaraja in 2014, emphasize that FTAs are the engine to underpin the evolving and deepening of regional economic cooperation nexus through trade. The increasing trend of FTA enhance cooperation and integration, and strengthen economic ties in the Asia-Pacific region. The analysis of the relationships between transparency practices, FTA, and trade growth that consider their significance on the stability of international trade and sustainable growth thus obtain at unbiased conclusions.

Equally important, trade activity and trade flows is affected by predictability and accountability transparency and FTA: First, the empirical literature of several studies shows different description on the effects of unpredictability of exchange rate on the level of trade. For instance, Dell'Ariccia in 1999 investigates the impact of exchange rate instabilities using several measures on trade. He presents a systematic analysis of exchange rate unpredictability on the bilateral trade of Switzerland and 15 EU members over the 20 years' period and investigates bilateral trade by utilizing various measures of exchange rate unpredictability: the standard deviation of the first difference of the logarithm of the monthly bilateral and real exchange rate; the percentage difference between the maximum and the minimum of the nominal spot rate; and the sum of the squares of the forward errors. The results show that the exchange rate uncertainty has a minimal but significantly negative impact on trade and both nominal and real exchange rate measures are highly connected. The Sum of Squares of the three-month logarithmic forward

error to assess for potential endogeneity in exchange rate uncertainty validates the negative link between uncertainty and trade; with the magnitude of the effect that corresponds to the previous results. While findings on the two estimation methods such as random effects and fixed effects measures to assess the simultaneity bias of the parameter show significant result with a lesser magnitude of the effect. Rose in 2000 who uses the gravity methods and utilizes data set covering 186 countries for 5 – year period presents the same finding as Dell'Ariccia. He applies the Standard Deviation of the first difference of the monthly logarithmic bilateral nominal exchange rate as the main measure for exchange rate unpredictability. The use of three selection measures of uncertainty shows strong finding, however weak when standard deviation measure utilized above 5-year period of the exchange rate measure. The results employing the pooled data indicates a lower but significant negative effect. In any case, the extent of the effect of unpredictability percentage on trade decreased when random effects (REM) are included in the estimation measure. The findings of Dell'Ariccia in 1999 and Rose in 2000 on the impact of exchange rate unpredictability on trade exhibits to be comparatively steady (Clark et al., 2004). Lastly, various studies conducted exchange rate unpredictability and its effects find that unpredictability reduces trade (see, for example, Broda and Romalis, 2003). The authors' analysis did not present a negative relationship between exchange rate unpredictability and trade when time-varying country fixed effects were permitted (Clark et al., 2004).

Second, on the accountability transparency indicator, the study presents that there has been a dramatic rise of disputes that urge transparency demand in the WTO. For instance, a study by Halle & Wolfe (2011, p. 7) emphasize that, "country members are accountable for their overall WTO commitments and obligations to govern trading practice in order to prevent disputes among trading partners, to establish transparent practice, and to foster international trade

welfare". The country disputants who progressively implore transparency accountability proposes non-compliance with WTO obligations undermines and decreases trade flows (Baccini, 2014). Bown and Reynolds creates a category of fundamental facts of the degree of trade output which was influenced by policies with which cause dispute on WTO obligation. Their study establishes the modern data set which includes the charting of contradicted trade protocol and measures to separated trade information and statistics, and utilizes them in distinguishing ranges on reforms in trade costs, sizes, and worth of commodities which turned an issue for disputes. Their empirical results find that there is a large fluctuation of status on affected trade with a range of summarized commodities on WTO conflicts. Records show that there are about 14% proceedings on disputed import goods which are lower than $1million a year characterize as bilateral trade. Also, about 15% which is above the $1billion a year (see, for instance, Bown and Reynolds, 2015). WTO member countries are specifically accountable to each member and then completely to their citizens. Grant and Keohane in 2005 would call this process a delegation paradigm, i.e. the players are countries, not citizens. The process is accountability ex-post, not ex-ante; however, the expectation of reporting was expected to have ex-ante effects by restricting the recourse to protectionist measures with the help of added transparency in trade policy.

Finally, the rising trend of the FTAs alerted several scholars, trade policy analysts, and influential economic leaders. The bilateral trade brought practical attribution to tariff transitions, and its substantial volume effects are ascribed to non-tariff cost shrinkages. The study reveals that various nations achieve over 5% gain, some have less than 0.3% loss and global efficiency increases to 0.9% (Anderson & Yotov, 2016). Anderson & Yotov estimates the trade volume effects of the FTAs operation. They utilize the gravity model to analyze the exports and imports price ratio implication of the technical free trade agreement performance during the 1990s. Their

empirical finding reveals that free trade consensus considerably raised production revenue of nearly all largest part economies in the globe (Anderson & Yotov, 2016). Moreover, various studies show that the result of FTAs impact and consensus between nations to reduce restrictions on trade among the involving regions, to the movements of trade activities, were varied. Bergstrand in 1985 discovered insignificant effects on bilateral trade in the European Community (EU) members. However, the study of Frankel in 1997 shows that, though negative effects on trade in specific years he discovered important MERCORSUR impacts on trade flows. Gosh & Yamarik in 2004 conducted full scope of test to foster the insubstantial assertion regarding the impact of FTA on the movements of trade activities. They found that, through the common progressions that undertake efficient two-way causality, the FTA and trading blocs have a significant direct effect on the volume of bilateral trade among member nations comparative to non-member nations. Moreover, the study presented by Baier and Bergstrand in 2007 shows that, on the average, the FTAs give rise to roughly a 100% increase in member nations' bilateral trade in comparison to non-member nations from their initiation within ten year periods.

Specifically, predictability and accountability practices decrease uncertainty of unexpected rate change, reduce costs, and prevent protectionist restrictions on new trade policy measures of the country. Thereby trade policies might as well increase transparency practices and FTAs measures as factors to increase trade growth. In fact, a substantial portion of the effect of transparency practices and FTAs on trade flows comes from openness and responsiveness to lessen unpredictability, increase accountability, and give more importance on FTAs utilization, instead of increasing trade activity alone. Our results show that a significant links between predictability and accountability transparency measures and FTAs to trade growth are critical

factors to value and consider. Their key function is to strengthen trade policy to boost trade growth and economic development, hence, incorporate them in trade policy formulation. A trade policies that is more predictable, promotes robust accountability practices in implementing rules and regulations and foster the increase utilization of FTAs that reduce tariff barriers in international market thus, increase trade growth. Consequently, the predictability and accountability transparency practices and FTA are essential trade policy measures that provides benefits in International trade system, facilitates smooth trade bargain, and enhance regional trade and economic cooperation. However, the policy provision for these transparency measures and FTA seems to be missed out and evidence of their interlinkages in terms of increasing trade growth is generally overlooked. In conclusion, lack of empirical work about the inter-linkages of predictability, accountability transparency practices and FTA on trade growth has emanated and developed in the literature. In the next section, we will converse what trade policy measures may take after, and the model specification for its assessment and analysis.

Methodology:

The paper seeks to examine causal relationships between predictability and accountability practices and FTA and trade growth using panel data of countries affected by several factors during the period 2009-2013. We performed panel regression to study the causality among the independent and dependent variables, the Ordinary Least Square Estimation (OLS) could be used to analyze the parameters. In examining the three measures of the relationship between transparency, FTA, and trade growth, the empirical approach draws benefits of dataset comprising trade exchange rate (ER), number of disputes (ND), and number of FTAs signed and in effect (NFTA) data from World Bank Organization (WB), World Trade Organization (WTO), and Asia Development Bank (ADB) databases. The assessment structure for examining the

effect of predictability (ER), accountability (ND), and FTA (NFTA) comprises of an econometric model where a schedule of common pooled, fixed effects, and random effects influences for all components of trade growth commonly embodied in panel regression model specifications. The relationships between transparency, FTA, and trade growth are likely explored with a common pooled, fixed effects, and random effects models. The variables in the study are ratio in nature and the type of data set has a mixture of time series component and cross-sections, thus, panel data regression model is the tool to be utilized in the estimation of the parameters. According to Gujarati (2011), by combining time series of cross sectional observations, panel data provides "more informative data, more variability, less collinearity among variables, more degrees of freedom and more efficiency". Moreover, by studying the repeated cross-sections of observation, panel data are more fitted to study dynamics of change. It also detects and measure effects that cannot be observed in pure cross sectional or time series data. The panel data were called "balance panel" because the number of time observations (5 years) is the same for each cross section (15 selected countries of the Asia-Pacific region). Furthermore, the data are also called as "short panel" since the number of cross-sectional *N* or selected countries of the Asia-Pacific region (15) is greater than the number of time period *T* (5). The OLS estimation in the first differences of the variables can be used if all variables are stationary. The panel unit root is utilised to test the stationarity. Majority of the panel unit root tests are founded in the extension of the ADF test by incorporating its component in regression equations. Nevertheless, the estimation procedure dealing with panel data is more complex that utilized in time series. The crucial factor in panel data estimation appears to be the degree of heterogeneity. It is important to realize that all the individuals in a panel may not have the same property that is they may not be all stationary or non-stationary. Using the Im, Pesaran and Shin

(IPS) test, the variables are tested using the null hypotheses that all series are non-stationary processes and alternative that a fraction of the series in the panel are assumed to be stationary (Gujarati, 2011). Further, cointegration test of the parameters is needed to evaluate if the model is valid for policy formulation. The Pedroni test is used in this study to test if spurious regression occurs because of the presence of non-stationarity. Predoni proposed several tests for cointegration in panel data model that allow considerable heterogeneity.

The Panel Data modeling considers three models to address: Pooled OLS Regression, Fixed Effect Model (FEM) or Least Square Dummy Variable (LSDV) and Random Effect Model (REM) and to test which of these three models had the powerful estimators, we employed a devised by Hausman which is incorporated in EVIEWS 7. The null hypothesis in the Hausman test is that three models do not differ substantially. If the computed chi-square value exceeds the critical chi-square value for the given df and the level of significance, it can be concluded that the REM is not appropriate because the random error terms are probably correlated with one or more regressors. In this case, FEM is preferred than REM.

Model Specification:

The economic model on trade growth is:

$$T_g = f(Pr, Acc, FTA)$$

Where: T_g= dependent variable (Trade growth)

Pr= predictability transparency (percent change in exchange rate)

Acc= accountability transparency (percent change in number of disputes)

FTA= free trade agreement (percent change in number of FTA).

Since most of the parameters identified in the conceptual framework were not quantifiable in nature, indicators of these parameters at national level are used in testing the empirical model. In this study, the measure of ER, ND, and NFTA follows a percentage change measurement. In a proper term: Percentage change in ER: %ΔEr = Er(current)–Er (previous)/ Er (previous). Predictability indicated by exchange rate. The exchange rate is predictable when the shift in exchange rate tends not to switch sign across the different sample periods and unpredictable when the shift bends sign across the different sample periods. Also, when exchange rate changes over time it typifies the level of unpredictability. Moreover, the measure of number of disputes and number of FTAs signed & in effect follows the same percentage measurements: The percent change in ND: %ΔND = ND(current) – ND (previous)/ND(previous); Percent change in NFTA: %ΔNFTA = NFTA(current) – NFTA(previous)/NFTA(previous). Regarding the trade growth, a dependent variable, this paper uses indicators for capturing trade growth changes. The growth in volumes of trade is measured by the import plus export divided by GDP. In formal terms: T_g = T_g (current) – T_g (previous) / T_g (previous).

To test the relationships between transparency, FTA, and trade growth, this article uses a panel data analysis comprising 15 countries from 2009 to 2013. The assessing framework employs three models to explain the effect of the indicators on trade growth and to identify which model shows the powerful estimation for policy formulation. The relationship between independent and dependent variables is measured by a panel regression model in which the common pooled, fixed effects, random effects, and models for all predictors of trade growth commonly embodied in the panel regression model specifications. The assessment of the effect

on trade growth caused by changes in the predictability(ER), accountability (ND), and FTA (NFTA) is based on this specification:

The Fixed Effect Model (FEM) is estimated to cross-check the heterogeneity that may exist among the 75 observations. The term fixed effect is caused by the fact that while the intercept may differ across countries, the intercept does not vary over time that is it time invariant. FEM considers the heterogeneity that exist as it allows each country to have its own intercept value thereby introducing intercept dummies. The model for FEM: *Tgit* = ß1 + ß2D2i+ ß3D3i…+ ß74D74i + ß75Erit + ß76NDit +ß77NFTA it+ ß78NFTA it+ u it; Where: *D2i*=1 for country 2, 0 otherwise; *D3i* =1 for country 3, 0 otherwise; and so on..*i* (cross section unit); *t* (time); *Tg* (growth rate); *Er* ([Percentage change in exchange Rate] Predictability); *ND* ([Percentage change in number of disputes] Accountability); *NFTA* (Percentage change in number of foreign trade agreements); *u* (error term). In the FEM, 74 dummies will be used to represent 75 countries to avoid the dummy variable trap (perfect collinearity). The first country will be treated as the benchmark or reference category. The Random Effect Model (REM) suggested the expression of the said ignorance through the disturbance term, subject to a stochastic random error component and to account for the lack of representation and knowledge on the dummy variables. The individual differences of each country are being reflected in the error term. REM considered both the time series and cross section component. The REM assumed that ß1i is a random variable with a mean value of ß1 and the intercept of any cross-section unit expressed as ß1i = ß1 + Ɛi where Ɛi is a random error term with mean 0 and variance Ơ2Ɛ. The Random Effect Model: *Tgit* = ß1it + ß2Erit + ß3ND it + ß4NFTAit +w it; Where:

w it = Ɛi + u it ; Ɛi, which is the cross section or the country specific error term and , which is the combined time series and cross section component *i* (cross section unit); *t* (time); *Tg*

(growth rate); *Er* ([Percentage change in Exchange Rate] Predictability); *ND* ([Percentage change in number of disputes] Accountability); *NFTA* (Percentage change in number of foreign trade agreements); *u* (error term). The Common Pooled Regression (CPR) is considered to captures the aggregate effect of the regressors and assumed that the regressors are non-stochastic or if stochastic are uncorrelated with the error term. In CPR model, cross section and time series nature of the data is neglected. The model for Pooled regression: *Tgit* = ß1it + ß2Erit + ß3ND it + ß4NFTAit + u it, *i* = 1,2,…15, *t* = 1,2,…5, Where : *i* (cross section unit); t (time); *Tg* (growth rate); *Er* ([Percentage change in exchange Rate] Predictability); *ND* ([Percentage change in number of disputes] Accountability); *NFTA* (Percentage change in number of free trade agreements); *u* (error term).

Results and Discussion:

We based our examination on the econometric analysis of panel regression model using dataset of volume of trade, exchange rates, number of disputes, and number of FTAs signed & in effect for 15 countries in Asia-Pacific region comprising a period of 5 years. Subsequently, we discuss the econometric results on the relationships between transparency, FTA, and trade growth.

Since the data are panel, estimation of the causal relationship utilizes common pooled regression, fixed effect model, and random effect model. The estimation starts with a panel unit testing, we performed to test if the variables taken collectively were stationary. The obtained annual data of merchandise trade, exchange rate, the number of disputes, and free trade agreement signed and in effect are from WB, WTO, and ADB for each of the 15 selected countries of the Asia-Pacific region. These countries include: Australia, Brunei, Cambodia, China, Indonesia, Japan, Lao PDR, Malaysia, Myanmar, Philippines, South Korea, Thailand,

Singapore, Vietnam, and New Zealand (ASEAN+5) and are chosen to represent sample with varied trade performance and economic development. They are first plotted at levels and are observed for the trending patterns that they exhibited. The data series demonstrated fluctuating trends which characterized non-stationary variables at levels. However, plotting at first difference, all the variables are found to be stationary.

Table 1 shows the unit root test utilizing Im, Pesaran, and Shin (IPS). At levels, all variables were deemed non-stationary as shown in the probabilities which exceeded the 5% level of significance. However, probability values were almost zero after first differencing, thus exhibiting a stationary or stochastic trend. We performed regression on the variables and since the variables were integrated of the same order, the regression results are levels remained fit.

Table 1. Summary of Panel Unit Root Test Using the Im, Peasaran and Shin

Variables	At Level	Probability	At 1st Difference	Probability
Trade Growth (Merchandise trade)	-1.20328	0.1144	-5.97813	0.0000
Exchange Rate	-0.38248	0.3511	-2.03284	0.0210
Number of Disputes	-14.4998	0.4200	-14.6272	0.0000
Free Trade Agreement	-0.54241	0.2938	-2.29454	0.0109

We performed panel regressions to properly account the heterogeneity of the data. Three regression models were tested to determine which of the model was applicable to use as trade policy model. The Common Pooled Regression assumed that the regressors are non-stochastic or if stochastic are uncorrelated with the error term. It is also presumed that the error term satisfies the usual classical assumptions (Gujarati, 2011). The results of the common pooled regression show that the predictability (ER), accountability (ND), and FTA are not significantly related to trade growth. The Fixed Effect Model is estimated to cross-check the heterogeneity that may exist among the 75 observations. This model allows each country to have its individual intercept

value. The term fixed effect is caused by the fact that while the intercept may differ across countries, the intercept does not vary over time that is it time invariant. This process is done by introducing differential intercept dummies. The dummies for the countries and the time are represented as D2 to D15 and T16 to T19 respectively. The exchange rate that represents predictability transparency and free trade agreement exert positive and statistical significance on trade growth at 5%. The intercept values or the dummy variables accounted the differences in the exchange rate, number of disputes, free trade agreement and growth in trade of each selected countries. To account for the lack of representation and knowledge on the dummy variables, Random Effect Model suggested the expression of the said ignorance through the disturbance term, subject to a stochastic random error component. The individual differences of each country are being reflected in the error term.

The performed econometric estimation of the relationship between trade policy measures and trade growth is based on the model presented in table 2 that supports a greater extent to infer the effects of transparency practices and FTA on trade growth in International trade. The econometric estimation is essential to manage for the number of parameters that affect the variables advantages and its intention is to examine whether trade growth is influenced by the changes in indicators such as exchange rate, number of disputes, and number of FTA signed and in effect considering determinants of trade have been appropriately directed.

Table 2 presents the panel data regression analysis. The results show that predictability and accountability has a significant relationship with trade growth. Using OLS estimation, results show that, first, predictability measured in exchange rate has a significant positive impact on trade growth, as the increase change by 1 percent it tends to increase in trade growth by 0.004%. Second, accountability transparency practices measured in the number of disputes has a

negative impact on trade growth. The increase in the number of disputes tends to lower trade growth by 2.692%. Third, FTA measured in number of FTAs signed and in effect showed a positive impact on trade growth. An increase of FTA by 1% tends to increase by 3.116% in trade growth. Furthermore, results show that the impact of transparency practices and FTA on trade growth in the selected countries of the Asia-Pacific region was heterogeneous. Thus, in forecasting trade, transparency practices as trade policy measures are factors that must be considered. Policies directed toward exchange rate must be reviewed and carefully formulated. Finally, as this paper reveals, countries must be more open to free trade agreements utilization as its positive effects to growth in trade is considerable.

Table 2. Panel Data Regression

Variables	Panel Data Regression			
	Common Pooled	Fixed Effect	Random Effects	Hausman Test (Prob.)
Constant	-236.1180	94.08490*	75.80577	
Exchange Rate	0.002890	0.004052**	0.002926	0.7824
Number of Disputes	-0.024666	-2.692000	-2.563598	0.6842
Free Trade Agreement	1.542701	3.116772**	0.100130	0.1362
D2	-	13.39942	-	-
D3	-	17.84462	-	-
D4	-	-25.39381*	-	-
D5	-	-63.60440*	-	-
D6	-	-53.51065*	-	-
D7	-	-37.93822*	-	-
D8	-	51.11820*	-	-
D9	-	-52.38124*	-	-
D10	-	-30.23737**	-	-
D11	-	24.47749*	-	-
D12	-	44.27980*	-	-
D13	-	189.5264	-	-
D14	-	-16.23776*	-	-
D15	-	-107.5410*	-	-
T16	-	11.40115*	-	-
T17	-	12.67403*	-	-

T18	-	13.68264*	-	-
T19	-	13.33134*	-	-
R-squared	0.821671	0.985394	0.883229	-
F-statistics	757.3035	170.2677	2.148565	-
Prob(F-statistics)	0.0000	0.0000	0.101714	-
Durbin Watson	1.958765	1.243709	0.968263	-
Jarque-Bera (Prob)	0.0000	0.51916	0.00000	-

**** significant at 5% * significant at 1%**

The Jarque-Bera result shows to a p-value of 0.51916 thus showed normally distributed residuals. This result exhibits that the model is statistically significant and valid for trade policy formulation. Also, restricted test of the two models had been performed to test which model is best suited for policy formulation. The restricted F-test was used, computed as follows:

$$F = \frac{(0.985394 - 0.821617) / (15-1)}{(1 - 0.985394)/ (75 - 15 - 4)}$$

$$F = 44.8506$$

Since the computed F-value exceeded the critical value of the F-statistics of 2.54 at 5% level with the df = 14/56, indicated that the fixed effect model is superior that the pooled regression model.

The Pedroni procedure was applied to validate the long-term equilibrium relationship among panel data variables. The result shows in Table 3 that the Group ADF-statistics was statistically significant at 1% level. The result suggests that this could not be a sufficient measure for long-term equilibrium. The result could have been evidenced by individual cointegration test performed.

Table 3. Pedroni Cointegration Residual Test

Alternative hypothesis: common AR coefs. (within-dimension)

	Statistic	Prob.	Weighted Statistic	Prob.
Panel v-Statistic	0.536651	0.2958	0.163141	0.4352
Panel rho-Statistic	0.062300	0.5248	0.325000	0.6274
Panel PP-Statistic	-4.124412	0.0000	-2.380734	0.0086
Panel ADF-Statistic	-4.201811	0.0000	-2.369126	0.0089

Alternative hypothesis: individual AR coefs. (between-dimension)

	Statistic	Prob.
Group rho-Statistic	1.331038	0.9084
Group PP-Statistic	-3.460973	0.0003
Group ADF-Statistic	-4.182555	0.0000

Finally, Hausman Test (Table 4) was used to determine the appropriate model to use for policy formulation. The null hypothesis of the Hausman test is that FEM and REM do not differ substantially. The result of the Hausman test strongly accepts the REM model for the p value of the estimated chi-square statistic as high. However, it did not indicate a significant difference and did not necessarily follow that random effect estimates are free from bias and are more preferred than fixed effect estimates.

Table 4. Hausman Test

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	3.988994	3	0.2627

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
ND	-2.605144	-2.563598	0.022620	0.7824
FTA	0.026992	0.100130	0.032336	0.6842
EX_RATE	0.004580	0.002926	0.000001	0.1362

Cross-section random effects test equation:

Dependent Variable: TG
Method: Panel Least Squares
Date: 03/17/16 Time: 20:34
Sample: 2009 2013
Periods included: 5
Cross-sections included: 15
Total panel (balanced) observations: 75

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	70.03381	9.182892	7.626553	0.0000
ND	-2.605144	1.504316	-1.731780	0.0887
FTA	0.026992	0.830961	0.032483	0.9742
EX_RATE	0.004580	0.001888	2.426191	0.0184

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.983304	Mean dependent var	87.17733
Adjusted R-squared	0.978325	S.D. dependent var	63.06407
S.E. of regression	9.284573	Akaike info criterion	7.500149
Sum squared resid	4913.587	Schwarz criterion	8.056346
Log likelihood	-263.2556	Hannan-Quinn criter.	7.722232
F-statistic	197.4745	Durbin-Watson stat	1.227175
Prob(F-statistic)	0.000000		

The study had determined that predictability, accountability transparency practices and FTA were significantly affecting trade growth. The findings showed that, first, the predictability aspect of transparency practices is a significant parameter to increase trade growth. Our result shows that trade growth increases by a percent changed in predictability, hence, this aspect of transparency reduces unpredictability on different factors affecting trade activity. In addition, the relation between predictability and trade growth is driven by validated causality, in which predictability helps raise trade growth, thus reduces unpredictability. In fact, several scholars

attest that predictability, as one aspect of transparency practices, exhibits as an essential factor for International trade flows (Helble, M., Shepherd, B, & Wilson, J.S., 2009; Lejarraga, I., & Shepherd, B., 2013). Meanwhile, various studies conducted exchange rate unpredictability and its effects find that unpredictability reduces trade (see Broda and Romalis, 2003). Simakova (2014), the effect of change in exchange rate reveals that higher exchange rate unpredictability steers to higher trade cost and it subsequently will decrease international trade. Further, Hooper and Kohlhagen in 1987 attest that in the event of movements in exchange rates are volatile it signifies unpredictability regarding a firm's operations and decreases the advantages of international trade. According to UNCTAD in 2013, exchange rate represents a vital function in the nation's trade flows; the comparative evaluations of currencies and their unpredictability frequently have essential effect on global trade and the whole economic standing and accomplishment (Nicita A., 2013). The increase predictability transparency of trade policy is an essential contribution of trade agreement that have long been accepted by policy-makers (Osnago et al., 2015). Second aspect of transparency practices is the accountability that we found to have an important influence on trade growth. This aspect of transparency practices constricts countries from implementing protectionist trade policy rules and reduces the number of disputes among trade partners. The increase number of disputes brought against by trading partners or of WTO members indicates weak practice of transparent accountability, on the enforcement against violators and compliance of its commitment on trade terms under WTO obligations (see Xue Dong & Krishna Jayakar, 2013). The transparent accountability practice of government's implementation of trade policy measures and compliance of international treaties under the WTO context is an important aspect to avoid escalation of disputes on trade policy measures among trading partners. Lastly, the FTA policy measures exhibits significant effect on trade growth.

The increase utilization of FTA supports the countries aspiration to expand its trading activities by diminishing tariff barriers, open new foreign entrance for trade, and strengthen trade and economic collaboration. As Baldwin in 1993 mention that the rapidly increasing FTAs will eventually contribute to trade liberalization and by conforming to FTA rules will drive traders to pressure regimes to coordinate the rules existing in FTAs. Thus, the rising proliferation of FTAs and its utilization can be a welfare enhancing for trade system.

Moreover, study found that there is a significant relationship between trade growth and predictability transparency and FTA. The exchange rate that represents predictability transparency and number of FTA signed and in effect exert positive result and statistical significant relationship to trade growth at 5% level. While findings show no significant relationships between trade growth and accountability transparency measures, hence, the study fail to reject the null hypothesis that there is no significant relationship between trade growth and accountability. Statistic test in Table 5 exhibited that the *p value* of 0.0789 exceeds 5% significance level regarding accountability measured in number of disputes. This result is noticeable as it shows that not much of the selected countries in the Asia-Pacific region have number of disputes recorded within the period covered in this paper – in this case only 5 countries out of 15 countries have dispute issues as respondents which may have a contributing factor on the result. With regards to this effect, countries with less transparent practices and fewer utilization of FTA measure may find it hard to pursue growth in trade.

The findings show significant results that guarantee a country's preference of trade measures and reforms strategies to reduce opacity and increase bilateral consensus in Trade Policy in the conditions of withstanding international trade. In effect, these can collectively have significant positive results on continuous trade growth. Though the study is limited to aspects of

transparency namely Predictability and Accountability, and Free Trade Agreement that emerge from Trade Policy, findings show that their influence on trade flows have a substantial importance to increase growth and advance the economic development of the countries in the region. Nevertheless, there appears to be a further scope of Trade Policy for the country to increase trade growth by considering other aspects and predictors such as trade openness, FDI, terms of trade, and any other factors affecting trade.

In the recent decade, Asia economies have considerably liberalized foreign trade authorities with the substructure of the WTO. The economic growth fueled by the growing in size of trade and investment in the region despite the various results of the performance of nations become visible in recent years. These comprise of the results of global financial crisis in 2008-2009, the risk of protectionism, the tenacity of remaining behind-the-border regulatory barriers, the failure to conclude WTO multilateral trade negotiations, and corresponding exclusion of small and medium-sized enterprises (Kawai and Wignaraja, 2014). These global issues prompted Asia economies to embark on various inventiveness, economic collaborations and integration in the sphere of trade and investment, innovation, and became interdependent among each other. An essential element of the regions' policy reaction must do with an advance trade policy focused on FTA to underpin the enabling of Asia-Pacific region and transparency which is believed to furnish good governance (de Graaf and van der Wal, 2010). The extant literature shows that efforts to investigate the impact of trade agreements and economic cooperation on trade growth are exerted. Among them is the evaluation of the level of economic integration, the transfer of trade and commodities, resources and people between trade partner nations (Kawai and Wignaraja, 2014).

Conclusions:

The study finds that the two transparency aspects and free trade agreement policies are widely commencing to generate good results i.e. increasing trade growth. The results uncover the deepening importance of transparency practices and free trade consensus utilization in the International trade and economic development. The magnifying usefulness of these trade policies should not be ignored. They are regarded a beneficial trade policy tools not just in advancing competition and improving transparency, but also in robust transparent practices of predictability and accountability and productive utilization of free trade agreements in making international trading process to share trade with other countries.

The evidence shows that higher predictability and accountability transparency practices in trade policy measures and increased in free trade consensus have an impact on trade growth upshot. The thorough practices of these two aspects of transparency and the increasing number of FTAs are significant factors to combat the difficult challenges of opacity and a determinant to intensify market-driven economic integration respectively. These trade policies will help to achieve the sustainability of increase growth in trade. In the lack of transparency practices in aspiring policy change, International trade unpredictability and imbalances will emerge that could weaken growth, and this is highly detrimental to countries in the Asia-Pacific region's trade activity. However, trade policy change that adheres deeply to transparency practices raises long-term favourable impact to trade growth and economic performance of the countries in the region. It reduces the risks of bigger disorders to the trading system and increases sustainability to the region's trade flows and boosts trade growth.

The increase in trade activity is fostered by the key elements. Those are predictability and accountability transparency practices, and the number of FTAs signed and in effect. The

role of International trade organisations, regimes, and policy makers in this matter is essential as trade policy is vital to channel for the international trade market for modern governance. It has been revealed in this empirical work that predictability aspect of transparency and the increase in free trade agreement have a significant contribution to trade growth. The result appears to imply that transparency practices and FTA policy will not steer to significant and crucial trade flows reductions, and rather they will push forward the Asia-Pacific region as the leading trade giant to continue to thrive in the world – succeeding both trade growth and economic performance. The empirical model suggests that transparency is a contributing factor for growth as well as free trade agreement in the selected countries of the Asia-Pacific region. Therefore, for a country to increase growth in trade, the policy must be directed toward increasing transparency practices and induce free trade agreement in their trading activity.

The inter-linkages of the transparency practices and FTA exhibit their significance in trade policy, which are important for trading countries in advancing their trade activity by including provision for these policy measures that have a major influence to heighten growth in trade. As can be seen, the trade policy measures play an important function in trade where correspondingly increase in trade growth is a feature of increase in transparency and FTA while decrease in trade growth is a feature of decrease in transparency measure specifically the accountability.

Nevertheless, the econometric findings may not be enough to guarantee the region's trade policy measures to increase growth in trade particularly in the context of accountability transparency as the result show that accountability has no significant relationship to trade growth. It will be considerably worthwhile for future research to investigate the same trade policy issue, this will be possible if updated and new datasets are already available. Moreover,

to consider other indicators on accountability measures that may represent a significant relationship to trade growth. The study also suggests the need for further thorough research to derive conclusions about the impact and relationship between transparency aspects and FTA policy and trade growth.

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