Book Review


The book is devoted to the exploration of trade implications confronted by Pakistan due to the enlargement of EU from EU₁₅ to EU₂₅. The author highlighted the instrument of EU’s external trade regime operative to regulate trade flows between its trading partners and examine their application. The rivalry of foreign firms put the local producer under constant pressure which is conducive to growth. The author also highlighted the eclectic approach developed by Dunning (1981). Which explains the reasons how and why firms decide to invest abroad? The EU is the biggest trading block of the world and the largest trading partner of the developing countries. Being at the bottom of EU’s hierarchy, enjoying only GSP, what is Pakistan’s performance as a competitor of EU member countries and what is the right strategies the firms should adopt and how government interventions bring changes are the points deeply focused in the study.

The study is also based on the enlarged EU market to EU₂₅ and its effects on Pakistan’s trade. The trade relation of EU with Mediterranean countries has been of special nature due to historical, political and economic reasons (Shlain and Yannopoulos, 1976 and Pomfret, 1986). The discrimination of EU to different countries being at the bottom of hierarchy enjoying on GSP, Pakistan export performance as a competitor of EU₁₅’s member is also discussed.

The issue addressed by the author is that Pakistan has fared well in the EU₁₅ market in relation to its competitors in EU₁₅ market as per its external regime. Previously it is also indicated that one third of Pakistan’s export is absorb to the EU. According to him trade creation would be the positive trade effect of EU enlargement for Pakistan and trade diversion would be the negative effect of enlargement for Pakistan. He points out the two situations that are imperfect competition before the enlargement and perfect competition after the enlargement. The author suggests some remedial measures for the inclusive growth and for the progress on EU’s hierarchy. Pakistan must increase technical and dynamic efficiency. Now Pakistan’s industrial sector has to undertake constant technological efforts to create access absorb and adopt new technologies. Firms must have spirit of conquest both in its home and foreign markets and government should motivate the firms through friendly policies. What are the future challenges Pakistan has to face and how to tackle these challenges, suggestions have been given in detail on the basis and apprehension that Pakistan would be badly affected country. Pakistan would have to compete the largest market.

The study is very much useful having authentic data for the policy makers both in the EU and Pakistan. It is also useful for the students, scholars, economic researchers conducting research on trade. The data and the information provided in this book is based on authors own research.
The study seems important with reference to the changing circumstances and environment for forming economic integration movements, enlargement of EU from EU$_{15}$ to EU$_{25}$. It indicates the globalization of the trade under the WTO. This study is useful not only for the policy makers and traders of the EU but for Pakistani traders, trade policy makers and for the economic think-tank also. The EU has become the single largest market of the world. Pakistan is its trade partner having its own trade history with Europe. Textile products are its major items. One third of our trade depends on this market. From going through the study one comes to know these facts.

One can come to the conclusion that it has become the right time for EU’s policy makers and Pakistani policy makers to frame the policies for the creation of favorable trading environment for Pakistan. As it is said Pakistan does not need aid but trade with the world and especially largest EU market. Pakistan is made able to have access of textile exports. The study is one of the best sources of knowledge for the researchers, exports and traders in the developing countries and of Pakistan. It highlights trade implications for Pakistan with reference to the EU enlargement from EU$_{15}$ to EU$_{25}$ and it also indicates the ties and development of ties between EU and Pakistan with specific reference to Globalization in terms of WTO.

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