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**ECONOMIC AND ENVIRONMENTAL IMPACT OF TRADE LIBERALISATION.
ILLUSTRATIONS FROM EAST AND SOUTH-EAST ASIA**

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Abstract. Although the globalization of the economic activities is the main trend, regionalism in the form of regional economic integration also began to develop around the end of the 20th century and has grown more rapidly in the 21st century. The current study evaluates the economy wide impact of trade liberalization in ASEAN region along with China, Japan and Korea (ASEAN+3) by the year 2020. The study also assesses the environmental impact of the trade liberalization in the region. Result shows that the countries under agreement (ASEAN+3) will benefit with increased output, and welfare due to liberalization. Further, the region not under agreement in the world will show a decline in output. Though Vietnam will be gaining with highest output growth among the ASEAN region, but the negative impact on the environment would also be expected. The implications on the environment will not be unfavourable for other participating countries under the agreement except Vietnam. This analysis provides useful insight in pursuing greater trade liberalization among the countries under the study with a "win-win strategy".

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