

The Agricultural Economic Research Institute (LEI) has been a member of the GTAP consortium since November 1996. We use GTAP for a variety of research related to international trade in agri-food products. A summary of our activities over 2001/02:

Consortium Related Activities

GTAP-EU network: not much news to report. A workshop meeting is scheduled during the EAAE conference in Zaragoza in August 2002. There is a continued latent interest by the European Commission (DG-agri and DG-env) to utilize GTAP. One proposal on EUROMED agreements with participation from the network has been submitted in the last round of calls.

Working group on NTBs: a very silent working group, with no progress at all. LEI has worked on an inventory of food-safety related trade barriers. See attached draft document.

Hans van Meijl served as instructor on the 2001 GTAP short course. One LEI researcher has attended the 2001 course. Hans van Meijl and Frank van Tongeren are again contributing to the 2002 short course.

Frank van Tongeren has served on the conference organization in 2001 and 2002.

Together with CPB and Erasmus University Rotterdam, LEI is organizing the **2003 conference in The Hague**. CPB will give a presentation at the board.

Research Involving GTAP in 2001/02

OECD trade liberalisation and food security. Joint work with the OECD secretariat (directorare food, agriculture and fisheries). Effects of OECD trade liberalisation on food security in developing countries. The project employed OECD AGLINK and GTAP in tandem. An OECD report is due to be released soon.

Modelling the EU CAP. In the context of the GTAP-EU concerted action, we developed a number of extensions to the standard GTAP model, including the representation of intervention prices and production quota. LEI has proceeded along this line in 2001/02. A continuing part of this work is the checking and double-checking of the EU agricultural production, trade and protection data. Another aspect of the EU related work is an improved representation of intra-EU trade. With the 15 individual EU member states in the version 5 database single intra-EU analysis has become feasible. However, the standard Armington structure may result in grossly misleading results if applied uncritically. A paper will be presented at the Taipeh conference. In the context of the work with the OECD and the work on China we gained experience with linking PE models (both multi-country and single country) to GTAP.

Policy research for The Netherlands: various projects have formed input into a key policy paper by the Dutch Ministry of Agriculture, Nature and Fisheries Management: 'Farming under free trade'. This work will be continued and expanded in 2002. We also provided inputs into a cabinet paper for the parliament on EU trade liberalisation and developing countries. Finally, we conducted an analysis on reforms of the EU's dairy policy that also used GTAP.

PROFETAS: A large multi-disciplinary project that studies the possibilities of protein crops as substitute for animal proteins in the human diet. Our part in this project is to look into the international trade implications. This work involved the introduction of a new, and hitherto non-existent, commodity in the database. The multi-disciplinary work lead to some interesting lessons about models as communicators. This project is funded by the Dutch Organisation for the advancement of Research (NWO). It is due to be finalized this summer.

China's food economy in the early 21st century (financed by Dutch Ministry of Agriculture). Partner: CCAP of Chinese Academy of Sciences (Jikun Huang). This project started in October 1999 and will continue until fall 2002. The project is preparing an 'Outlook' of the Chinese food economy until 2020 (another magic year). The GTAP contribution lies in providing an international trade dimension to the national projections. We are linking the CAPSIM model of CCAP to GTAP projections. This has resulted in a couple of papers, two of which will be presented at the Taipei conference.

WTO and Bangladesh. Joint work with IFPRI. Funded by Dutch Ministry of Foreign affairs and DIFID (UK). This continues until fall 2003. Centerpieces of research are the MFA/ATC, regional integration (SAARC), WTO issues. All related to poverty. There is a great interest in Bangladesh to get involved in GTAP. Two BIDS scholars are planning to attend this year's short course.

Databases: our TSA-express software makes trade time series from various sources easily accessible. It now contains a GTAP version 5 commodity concordance that allows GTAP aggregations of ITC (PCTAS) data (SITC rev3 5-digit level) at the click of the mouse. Other features include user-defined country and commodity groupings, times series, and trade portfolio analysis. This will be presented at the Taipei conference.

Proposal for an Asian Short Course in 2003

Many researchers in developing countries have a latent interest in GTAP activities. Even though GTAP significantly lowers the entry barriers to global trade analysis, developing country involvement is often restricted by limited financial and human resources. As a consequence, many developing country researchers have a sense of exclusion from the club. This is unfortunate in many respects. Above all GTAP has the potential to contribute to capacity building in these countries, which is not fully exploited. Currently developing country interests are mainly voiced in projects with the World Bank, most often in collaboration with other consortium members.

The GTAP short course has been the most important and effective vehicle to broaden the network. For many developing country researchers it is very difficult to attend the course, unless it can be organized in the context of a joint project with external funding. This limits the outreach of GTAP to developing country researchers.

This proposal attempts to bring the course to the Asian region, rather than bringing the region to the course. A similar strategy has already been follow with the South African course.

As with the S. Africa course, a strong local host/partner is necessary and external funding is pre-requisite. At this point, the idea is to organize an Asian short course, hosted by the Bangladesh Institute of Development Studies in Dhaka. Two researchers from BIDS will attend this year's course in Sheffield. The course should attract individuals from the SAARC region plus individuals from China and perhaps Indonesia. The Center for Chinese Agricultural Policy in Beijing (partner in one of our projects) has already voiced some interest in co-organizing such an event. Funding for a course in Bangladesh can be sought from ADB and international donors.

Questions to the Advisory Board

- Is the board willing to support such an initiative?
- Can the board help in raising funds?
- Should the prep-course be an integral part of such an event? In this case, GTAP center resources need to be committed.