

**2008 Agency Report  
Productivity Commission  
Australia  
by Patrick Jomini**

The Productivity Commission provides economic policy advice to Australian governments. Its focus during the past few years has largely been on domestic reform and regulatory issues. As a result, there has been little demand for GTAP-related applications. However, the Commission has

- Adopted the Monash Multi-Regional Forecasting model as its ‘workhorse’ to analyse domestic reforms (most recently on assistance to the automotive industry, see *Modelling Economy-wide Effects of Future Automotive Assistance*, which is likely to be very influential in a high profile review of issue, and *Potential Benefits of the National Reform Agenda*.  
(<http://www.pc.gov.au/study/automodelling/study/finalreport>)  
(<http://www.pc.gov.au/research/commissionresearch/nationalreformagenda>)
- Continued its work on the properties of the Armington model and initiated a project to test the potential for a mixed Armington-Heckscher-Ohlin model, which would enhance the gains from comparative advantage of trade liberalisation in global trade models. The challenge here is in developing a sensible database that identifies ‘homogeneous’ products in world trade, and then splits the database (including production, etc) into Armington goods and homogenous goods.  
(<http://www.pc.gov.au/research/economic-models-frameworks/gtap-database-development> )

The Commission has initiated a joint project with the Groupe d’Economie Mondiale in Paris. From August 2008 to January 2010, Patrick Jomini will be working closely with Patrick Messerlin at GEM and will be located at the GEM offices in Paris. During this period, Patrick will retain strong connections with the Productivity Commission and will still be reachable via the Productivity Commission’s email.