

United Nations Economic Commission for Africa (UNECA)
Report on the Use of the Global Trade Analysis Project (GTAP) Tools
For the period 2012-2013

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In its efforts to remain at the forefront in terms of formulation of policy recommendations to facilitate decision making, especially from African Member States and Regional Economic Communities (RECs), UNECA values resources made available by the Global Trade Analysis Project (GTAP). Precisely, for the period 2012-2013 UNECA again used the GTAP database intensively to conduct trade policy analysis looking at various issues, such as: regional integration within the African continent, alternatives post-2015 to the African Growth and Opportunity Act (AGOA) and illicit financial flows from Africa. Additionally, UNECA through its African Trade Policy Center (ATPC) is currently building capacities for trade policy analysis in African RECs which shall lead to the use of GTAP tools in the near future. Finally, UNECA also plans to be more active in terms of utilizing the GTAP CGE model in the near future (for example, by sending staff members to GTAP courses to be trained on the utilization of the model).

Brief overview of UNECA's activities using GTAP resources

Regional integration in Africa

Prior to and probably even more since the endorsement by African Heads of State and Government of an African Union (AU) action plan aiming at boosting intra-African trade and establishing a Continental Free Trade Area (CFTA) during the 18th Summit of the AU in January 2012, UNECA is very active supporting the regional integration process in Africa. Quantitative assessments from the establishment of a CFTA were undertaken using the MIRAGE CGE model relying on the GTAP database in order to facilitate decision making in Africa. REC secretariats are showing appreciation of the work

undertaken by UNECA using GTAP resources. For example, COMESA recently requested UNECA to produce a policy brief focusing on the expected trade and real income effects following the establishment of the COMESA-EAC-SADC Tripartite FTA as well as on the implications of a CFTA for the Tripartite. In collaboration with its sub-regional office for North Africa, UNECA also undertook a modeling exercise looking at the impacts of deepened regional integration for the region.

African Growth and Opportunity Act (AGOA)

AGOA is set to expire at the end of September 2015. In that sense, UNECA has designed and simulated various scenarios looking at AGOA in the perspective of post-2015 using CGE modeling and the GTAP database. The scenarios can be declined into four main categories: a) Potential expansions of product-eligibility under AGOA; b) Revisions of country-eligibility under AGOA; c) Revisions of the structure of AGOA; d) AGOA in a different trading environment (i.e. how does AGOA interact with other agreements?). These scenarios aim at helping Africa to define a common position for the AGOA Annual Forum to be held later this year and proposing a win-win scenario potentially acceptable for both parties, that is to say the United States and Africa.

Illicit Financial Flows from Africa

UNECA has developed a methodology to estimate illicit financial flows from Africa through trade mis-pricing. The computations were made for African countries with information on the destination of the flows and at the GTAP level of sectors. The analysis was pushed further using a CGE model to try estimating the costs of illicit financial outflows for African economies. This is potentially an important contribution for future work on illicit financial flows using the GTAP database in the perspective of quantifying and analyzing the economic consequences of such flows for other regions as well.

Capacity building

The African Trade Policy Center of the UNECA is assisting the RECs setting up Trade Policy Units (TPUs) aiming at increasing understanding of policy analysis in order to make better informed decisions. This implies building capacities of RECs' staff giving

them training on econometric analysis and modeling. Therefore, it means that GTAp resources are to be used more widely for policy analysis within the African continent.

Supply and use tables

UNECA's Regional Integration and Trade Division in collaboration with the African Center for Statistics (ACS) are working in improving the availability and reliability of supply and use tables for African countries focusing in priority on the countries for which data are not yet available into the GTAP database.