



CENTER FOR GLOBAL TRADE ANALYSIS NEWSLETTER

Vol. 3, No. 1, May 2006

CONTENTS:

1. Center News
2. Consortium News
3. Research Highlights
4. Short Courses
5. Conference
6. Data Base Developments
7. New Resources on the GTAP website
8. Contact Information

Current and back issues of the GTAP newsletter are available online at:
<http://www.gtap.org/about/newsletters.asp>.

MISSION STATEMENT:

The Center for Global Trade Analysis is the publicly funded, university-based home for GTAP (Global Trade Analysis Project), a global network of researchers and policy makers conducting quantitative analysis of international policy issues. Our purpose is to improve the quality of global economy-wide analysis through education and by developing analytical data bases, economic models, and innovative methodologies. Our unique institutional structure enables us to foster collaboration among academia, public sector, and private sectors worldwide.

1. CENTER NEWS

The GTAP seminar series is a venue for Center staff and graduate students to present their research to faculty, staff, and graduate students in the Center and in the Department of Agricultural Economics, Purdue University. Vitaly Kharitonov presented “Does Quality of Goods Matter? An Application to CGE Model” on April, 24, 2006.

2. CONSORTIUM NEWS

The GTAP Advisory Board is composed of representatives from consortium member agencies that provide financial support and guidance to the project. More information about the GTAP Consortium is available at: <http://www.gtap.org/about/consortium.asp>.

The next meeting of the GTAP Advisory Board is scheduled for June 12-13, 2006, in Addis Ababa, Ethiopia. More information about the GTAP Advisory Board meeting is available at: http://www.gtap.org/events/Board_Meetings/default.asp.

3. RESEARCH HIGHLIGHTS

Terrie Walmsley and Amer Ahmed have recently developed an international migration model and data base (GMig2) which has been used by the World Bank in the production of the 2006 Global Economic Prospects and in a number of applications on the liberalization of the international movement of labor.

In "Measuring the Impact of the Movement of Labour Using a Model of Bilateral Migration Flows", Walmsley, Winters, Ahmed and Parsons examine the impact of the movement of labor from developing to developed economies. They find that developed economies increasing their skilled and unskilled labor forces by 3% would raise the welfare of their permanent residents by an average \$US382 per person. Most of those gains (\$US227 per person) arise from the lifting of quotas on unskilled labor. On average the permanent residents of developing countries also gain \$US4.60 per person in welfare from sending unskilled labor, but lose \$US1.35 per person from skilled labor. While results differ across developing economies, most gain as a result of the higher remittances sent home.

In their latest paper "The Liberalization of Temporary Migration: India's Story", Ahmed and Walmsley investigate the effects of brain drain and brain gain from skilled Indian workers moving to developed countries. They find that the welfare of the Indians remaining behind improved as a result of the skilled labor migration. Although there is a degree of brain drain, its effects are mitigated by the increase in remittances. They also find that there is a clear improvement in total real income - brain gain - due to the increased productivity brought back by returning migrants.

The GMig2 Data Base is the result of collaboration with the Development Research Centre on Migration, Globalisation and Poverty, Sussex University, United Kingdom, and the Department for International Development (UK) to develop a bilateral matrix of 226 home and host regions for the World's 176.6 million international migrants; and with the World Bank to incorporate bilateral remittances. Further information on this project, including access to some of the data used, is available on the Migration DRC website and on the GTAP website at:

http://www.migrationdrc.org/research/typesofmigration/global_migrant_origin_database.html

http://www.gtap.org/models/labor_migration.asp

4. SHORT COURSES

The Fourteenth Annual Short Course in Global Trade Analysis will be held in West Lafayette, IN, USA on the campus of Purdue University from July 29 to August 4, 2006. The course will consist of two parts. Part I is a web-based, instructor-led preparatory course which will be delivered via the World Wide Web from May 15 to July 14, 2006. Part II brings participants on-site for a week-long intensive training course consisting of a mix of daily lectures, computer-based laboratory assignments, and informal discussions designed to introduce participants to the basic features of the GTAP Model and Data Base.

The GTAP Short Courses in Global Trade Analysis aim to: (1) introduce participants to a standardized framework for conducting global trade analysis in an applied general equilibrium setting, (2) provide participants with ample hands-on training with software that has been tailored to global trade analysis within a standard modeling framework, and (3) give participants the opportunity to interact with economists working on global trade and resource use issues, and become part of an international network. Information about previous and forthcoming short courses is available at:

http://www.gtap.org/events/Short_Courses/upcoming.asp.

A Short Course in Dynamic Global Trade Analysis will be held in West Lafayette, IN, USA on the campus of Purdue University from October 6-11, 2006. This course consists of a mix of daily lectures, lab assignments, and informal discussions designed to introduce participants to the basic features of the Dynamic GTAP Model. These activities culminate in a major application undertaken by small groups and presented on the final day of the course. Groups are assigned an instructor who is intimately familiar with their project to act as a resource person. Our goal is for participants to leave with the capability of conducting and analyzing their own GTAP-Dyn simulations. It is expected that participants of this course will have already undertaken the Short Course in Global Trade Analysis. In special cases, participants may also be eligible if they have completed a significant piece of analysis using the Dynamic GTAP Model or another, comparable, general equilibrium model.

The aim of the course is to: (1) introduce participants to a dynamic model designed for conducting global trade analysis in an applied general equilibrium setting, (2) provide participants with ample hands-on training with software that has been tailored for undertaking analysis using a dynamic recursive model, and (3) give participants the opportunity to interact with economists working on global trade and resource use issues using a dynamic modeling framework. Information about previous and forthcoming dynamic courses is available at: http://www.gtap.org/events/Dynamic_Courses/default.asp.

The Indira Gandhi Institute of Development Research (IGIDR) and the Center for Global Trade Analysis held the South Asia GTAP Short Course in Global Trade Analysis on the IGIDR campus in Mumbai, India from February 18-24, 2006. Twenty scholarships were provided for participants from countries within South Asia with support provided by the Ford Foundation (India) and the Economic Research Service, US Department of Agriculture

(USA). Further information about this course is available at:
http://www.gtap.org/events/Short_Courses/2006-SouthAsian/default.asp

Participants of this course have expressed great interest in possibly organizing and hosting a workshop in the future. As it is available, more information on this workshop will be posted on the GTAP website at: <http://www.gtap.org/about/announcements/SouthAsia.asp>

5. CONFERENCE

The Ninth Annual Conference on Global Economic Analysis is being held June 15-17, 2006 at the United Nations Conference Center in Addis Ababa, Ethiopia. The conference is being organized by the United Nations Economic Commission for Africa (UNECA), in conjunction with the Center for Global Trade Analysis, Purdue University. Sponsorship is provided by the African Trade Policy Centre, in collaboration with the African Economic Research Consortium, the African Development Bank, and the United Nations Development Programme. Hakim Ben Hammouda of the UNECA and Thomas Hertel of the Center for Global Trade Analysis are co-chairs of the conference.

The goal of the annual conference is to promote the exchange of ideas among economists conducting quantitative analysis of global economic issues. The main theme of the conference is “Multilateralism, Bilateralism, and Development” with sub-themes of multilateral and bilateral trade arrangements; trade and the environment; climate change and development; and trade, poverty, and gender.

The conference will include six plenary sessions, nine organized sessions, and several general sessions comprised of papers selected by a reviewing committee. In total, 227 abstracts were submitted for consideration with 143 of those being presented at the conference. For more information on the Ninth Annual Conference on Global Economic Analysis, visit the conference homepage on the GTAP website at:
<http://www.gtap.org/events/Conferences/2006/default.asp>.

6. DATA BASE DEVELOPMENTS

The GTAP 6.2 Data Base is currently under construction and will be released to GTAP Consortium member agencies and data base contributors as soon as it becomes available. The GTAP 6.2 interim release data base builds on the publicly released, 87-region, GTAP 6.0 Data Base. Aside from Pakistan, Bolivia, Ecuador, Iran, Mauritius and Nigeria which were included in the GTAP 6.1 interim release, domestic data for four new regions (Cambodia, Paraguay, Egypt and Senegal) are introduced in GTAP 6.2. The data base also incorporates more recent domestic data for Vietnam, the United States, and Mexico. Free access to pre-releases and interim releases of the data base is a benefit provided only to GTAP Consortium member agencies and data base contributors.

7. NEW RESOURCES ON THE GTAP WEBSITE

The list below covers recent documents submitted to the GTAP Resource Center from November 30, 2005 through May 9, 2006. A comprehensive list of recent additions can be found at: <http://www.gtap.org/resources/latest.asp>.

GTAP RESEARCH MEMORANDUM

Gurgel, Angelo, Gilbert Metcalf, and John Reilly, 2006. "Comparing Tax Rates Using OECD and GTAP6 Data," GTAP Research Memorandum No. 7.

GTAP APPLICATIONS

Francois, Joseph, Matthew McQueen, and Ganeshan Wignaraja, 2005. "European Union–Developing Country FTAs: Overview and Analysis".

Anderson, Kym and Ernesto Valenzuela, 2006. "Do Global Trade Distortions Still Harm Developing Country Farmers?," Review of World Economics forthcoming Vol 143 (1). World Bank, Policy Research Working Paper No. 3901.

Anderson, Kym, Will Martin, and Ernesto Valenzuela, 2005. "Why Market Access is the Most Important of Agriculture's Three Pillars in the Doha Negotiations," The World Bank, DRG Trade Electronic Newsletter, Winter 2005 vol4:34.

Lejour, Arjan M. and George M. M. Gelauff, 2006. "Five Lisbon highlights: the economic impact of reaching these targets," CPB Document 104.

Lejour, Arjan M., Henk L.M Kox, and Roland De Bruijn, 2006. "The trade-induced effects of the Services Directive and the country of origin principle," CPB Document 108.

Lejour, Arjan M., Paul J.J. Veenendaal, Gerard Verweij, and Nico van Leeuwen, 2006. "WorldScan: a Model for International Economic Policy Analysis," CPB Document 111.

Osakwe, Patrick, 2006. "Emerging Issues and Concerns of African Countries in the WTO Negotiations on Agriculture and the Doha Round".

Anderson, Kym, Will Martin, and Ernesto Valenzuela, 2006. "The relative importance of global agricultural subsidies and market access," forthcoming the World Trade Review 5(3) November. WORLD BANK Policy Research Working Paper No. 3900.

Anderson, Kym and Ernesto Valenzuela, 2006. "WTO's Doha Cotton Initiative: A Tale of Two Issues," Centre for Economic Policy Research, Discussion paper Series No.5567.

Antimiani, Alessandro and Luca Salvatici, 2005. "EU Trade Policies: Benchmarking Protection in a General Equilibrium Framework," TRADEAG Working Paper 05/04.

Anderson, Kym and Ernesto Valenzuela, 2006. "WTO's Doha Cotton Initiative: How will it affect developing countries?," The World Bank, Trade Note No. 27.

Philippidis, George and Lionel Hubbard, 2003. "Varietal Utility and Patriotic Preference: The Case of European Agriculture," *Cahiers D'Economie et Sociologie Rurales*, 66, pp5-25.

Philippidis, George and Lionel Hubbard, 2003. "Agenda 2000 reform of the CAP: Impacts on Member States: A Note," *Journal of Agricultural Economics*, 54, (3), pp479-486.

Philippidis, George, 2004. "Membership of NAFTA: A Viable Alternative for UK Agro-Food Producers?," *Economic Issues*, v.9 (2) September Issue, pp21-42.

Philippidis, George and Anca Carrington, 2005. "European Enlargement and Single Market Accession: A Mistreated Issue.," *Journal of Economic Integration*, v20(3) pp543-566.

Philippidis, George and Lionel Hubbard, 2005. "A Dynamic CGE Treatment of the Ban on UK Beef Exports: A Note," *Journal of Agricultural Economics*, 56(2), pp307-312.

Philippidis, George and Ana Sanjuan, 2006. "An Examination of Morocco's Trade Options with the EU," *Journal of African Economies*.

Philippidis, George, 2006. "Agricultural Trade Liberalisation in the Doha Round: Impacts on Spain," *Economia Agraria y Recursos Naturales*.

Das, Gouranga and Soamiely Andriamananjara, 2006. "Hub-and-Spokes Free-Trade-Agreements in the Presence of Technology Spillovers: An Application to the Western Hemisphere," *Review of World Economics* Vol.142 (1).

Lejour, Arjan M., 2003. "Quantifying Four Scenarios for Europe," CPB Document.

Lejour, Arjan M. and Nico van Leeuwen, 2002. "Population Size and Participation Rates in WorldScan," CPB Memorandum.

Brockmeier, Martina and Janine Pelikan, 2006. "Agricultural Market Access: A Moving Target in the WTO Negotiations?," Contributed Paper at the 26th conference of International Association of Agricultural Economists. Brisban 2006.

Philippidis, George and Lionel Hubbard, 2003. "Modelling Hierarchical Consumer Preferences: An Application to Global Food Markets," *Applied Economics*, 35, pp1679-1687.

OTHER CGE APPLICATIONS

Wang, Jiao, David Mayes, and Guanghua Wan, 2005. "Income Distribution and Labour Movement in China after WTO Membership --- A CGE Analysis," UNU/WIDER, Research Paper No.2005/38.

Mayes, David and Jiao Wang, 2003. "China after WTO Membership--- A CGE Analysis of the Impact of Trade Liberalisation," WIDER/UNU.

8. CONTACT INFORMATION

Judy Conner, Administration and Program Manager

Center for Global Trade Analysis

Purdue University - Agricultural Economics

connerjr@purdue.edu

Telephone: +1 (765) 494-4267

Fax: +1 (765) 496-1224

URL: <http://www.gtap.org>