



CENTER FOR GLOBAL TRADE ANALYSIS NEWSLETTER

Vol. 4, No. 2, April 2007

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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

Staff/Graduate Student Updates

The Center would like to welcome Badri Narayanan, who has been hired for the Data Base Construction Specialist/Research Economist position. Badri holds a Ph.D. in Development Studies from the Indira Gandhi Institute of Development Research in Mumbai and has been working as a Fellow at the Indian Council for Research on International Economic Relations since July 2006. Badri will begin working at the Center in May 2007.

The Center would also like to wish the best of luck and express our sincerest gratitude to Betina Dimaranan, who recently accepted a position as Research Fellow in the Markets, Trade and Institutions Division of IFPRI. This is a great opportunity for Betina to focus on research and we look forward to interacting with her in this new capacity.

Jason Grant accepted a tenure track position as an Assistant Professor in the Department of Agricultural and Applied Economics (AAEC) at Virginia Polytechnic Institute and State University. His appointment starts on September 10th, 2007.

Staff travel

In March, Terrie Walmsley traveled to Rawalpindi, Pakistan to represent the Center at an international conference on “Trade Liberalization and SAFTA: Opportunities, Concerns and Challenges”. The conference was held at the University of Arid Agriculture in Pakistan in collaboration with the Higher Education Commission (HEC) of Pakistan and the Center for Global Trade Analysis, Purdue University. Special thanks go to Dr Sarfraz Ahmad, who organized the conference after attending the South Asia Short Course in India last year. At that course, Dr. Ahmad recognized the need for academics and policy makers in Pakistan to learn more about CGE modeling and in particular the GTAP Model and Data Base; which was essentially unknown in Pakistan prior to the conference. The conference was a huge success. Chief guest, former Chief Economist of Pakistan, Dr. A.R. Kamal, spoke at the opening ceremony on the importance of free trade for developing countries; and a number papers, using both CGE and econometrics techniques to examine the impact of SAFTA on the region, were presented and discussed. The hospitality provided by the faculty, staff, and students of the University of Arid Agriculture was superb – each day following the conference, guests were shown the delights of the Pakistan countryside and cuisine. A wonderful time was had by all. Thank you, Dr. Sarfraz Ahmad for your hard work in organizing this conference.

Staff Publications

Grant, J.H., T.W. Hertel and T.F. Rutherford. “Tariff Line Analysis of U.S. and International Dairy Protection,” in Keijiro Otsuka and Kaliappa Kalirajan (eds.), *Contributions of Agricultural Economics to Critical Policy Issues*. Malden, MA: Blackwell, forthcoming Sept. 2007.

GTAP Seminar Series

In March 2007, Betina Dimaranan presented in the GTAP Seminar Series. Her seminar was titled: “Competing with Giants: The Export Growth of China and India” and provided excellent insight to her work.

Visitors

In April, 2007, David Laborde visited the Center and presented the latest developments on “TrdMat”, his ongoing project with Mark Horridge, to make HS-6 trade and tariff data readily available and easily accessible to GTAP users.

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 4-5, 2007, on the campus of Purdue University, in West Lafayette, IN, USA. More information about the GTAP Advisory Board meeting is available at: http://www.gtap.org/events/Board_Meetings/default.asp.

Representative Updates

CPB

Arjan Lejour has decided to step down as the representative for the CPB on the GTAP Advisory Board. Arjan has been a key advisory board member and a strong advocate for many issues, most notably, trade data – including re-exports and most recently, international trade in services. Thank you, Arjan for all your hard work; we look forward to your continued involvement in GTAP!

Please also join us in welcoming Paul Veenendaal to the GTAP Advisory Board as the new representative for the CPB. Paul is a Program Leader for the International Economics sector at the CPB with emphasis on the International Structural Analysis program. Welcome, Paul, we look forward to working with you!

3. RESEARCH HIGHLIGHTS

Why Isn't the Doha Development Agenda More Poverty Friendly?

by Hertel, Thomas W., Roman Keeney, Maros Ivanic, and L. Alan Winters

GTAP Working Paper No. 37 (http://www.gtap.org/resources/res_display.asp?RecordID=2292)

The breakdown of the WTO negotiations under the Doha Development Agenda has inspired critics to highlight the lack of effort on the part of rich countries to reform their agricultural policies. In this paper, we focus instead the poverty impacts of developing country tariff cuts – particularly those in agriculture. We argue that the Doha Development Agenda is fundamentally less poverty-friendly than it could be -- in large part due to the absence of tariff cuts on staple food products in developing countries. Such cuts would give the poor access to food at world prices, thereby reducing the cost of living at the poverty line. We also explore the contention that such tariff cuts will hurt the poor working in agriculture. Based on our analysis of the impacts of multilateral trade policy reforms on a sample of fifteen developing countries, we find there is some evidence of poverty increases in agriculture. However, such effects are minimized by ensuring that agricultural tariffs are cut in *all* developing countries. Overall, the poverty-reducing impact of lower food prices dominates; we conclude that the Doha Development Agenda would be more poverty friendly if it were to include deeper cuts in developing country agricultural tariffs. This contrasts sharply with calls for special products exemptions by many developing country advocates.

4. SHORT COURSES

The Fifteenth Annual Short Course in Global Trade Analysis will be held on the campus of Purdue University in West Lafayette, IN, USA from August 4-10, 2007. Part I, the web-based, instructor-led preparatory course will precede the on-site course and run from May 21 – July 20, 2007.

Scholarships

Five scholarships have been awarded to African economists who will attend the GTAP Short Course as well as a follow up session on preparation of data for GTAP aimed at guiding them in the preparation of a GTAP-ready I-O table for their country. This training will allow these economists to contribute to an African GTAP Data Base as well as learn about the GTAP Model and Data Base. They will also be eligible for participation in a follow-up project focusing on the analysis of the impact of Economic Partnership Agreements on their country.

Following the short course, three of these scholarship recipients will be commissioned to write papers analyzing the impact of the Doha agenda on Africa. The three economists will be selected based on their performance during the courses as well as the quality of their proposals. Research support would be provided by the Center over the course of a year and all those undertaking projects would be invited to participate in a special session of the GTAP conference in Finland in 2008.

Further information on this course is available at:

http://www.gtap.org/events/Short_Courses/2007/default.asp

5. CONFERENCES

The Tenth Annual Conference on Global Economic Analysis will be held June 7-9, 2007 on the campus of Purdue University in West Lafayette, IN, USA. The conference is being organized by the Center for Global Trade Analysis, Purdue University.

As this is the Tenth Anniversary Conference the Center would like to take this opportunity to revisit the foundations of global economic analysis, reflecting on the past successes of the GTAP Network and deliberating on future issues related to global economic analysis. We have joined together with the Journal of Economic Integration to publish a special edition for the conference. The top papers submitted to the conference, as selected by the reviewers and the program committee will be invited to publish in this special edition of the Journal of Economic Integration, along with a commissioned paper by Alan A. Powell, tracing the history of GTAP. The aim is to publish the best papers under the four key sub-themes: Future directions, International Trade, International Development, and the Environment.

The conference program is developing nicely and will include the following plenary speakers:

- Bruce Blonigen, University of Oregon, USA
- Lionel Fontagne, University of Paris-1 Pantheon-Sorbonne, France
- Bernard Hoekman, The World Bank, USA
- Sam Kortum, University of Chicago, USA
- William Pizer, Resources for the Future, USA
- Alan Powell, Monash University, Australia
- John Reilly, MIT, USA
- Scott Taylor, University of Calgary, Canada

On Wednesday, June 6, 2007, there will be a pre-conference event held in Chicago, IL consisting of an architectural boat tour on "Chicago's First Lady" and, tentatively, an event to be held in Chicago's Millennium Park.

The cost to participate in this event is \$50. Please note that meals are not included in this fee; therefore, each participant is responsible for paying for their own meals. To attend this event, please indicate so on the conference registration form.

We strongly encourage individuals interested in attending this event to meet us in Chicago at Riverside Gardens at the intersection of Michigan Avenue and Wacker Drive (Southeast corner of the Michigan Avenue Bridge). For the convenience of those who will be flying into Chicago on June 5 and spending the night before meeting us on the 6th, we have blocked 50 rooms at the Congress Hotel (1-800-635-1666) for \$179/night + tax. Reservations must be made by May 5, 2007. When making your reservation be sure to mention "GTAP".

The deadline to register to attend the conference is May 1 with all payments due by May 15.

Further information on this conference is available at:
<http://www.gtap.org/events/Conferences/2007/default.asp>.

6. DATA BASE DEVELOPMENTS

African Data Base

A preliminary GTAP Africa Data Base was recently released by the Center to the UNECA and funding agencies of the Africa Data Project (The World Bank and the European Commission). The data base was built on existing national data bases and international datasets incorporated in the GTAP 6 Data Base and features further disaggregation of the North and Sub-Saharan Africa region into 31 regions. In this initial version, the national data bases for countries such as Algeria, Cote d'Ivoire, Ghana, Cameroon, Angola, Ethiopia, Kenya, Sudan, and several country aggregates representing PTAs in Africa were simply constructed by using the input-output structures of similar countries in the data base.

The Africa Data Project aims to improve the GTAP Data Base to allow for quantitative assessments of regional and multilateral trade agreements in Africa. The initial data base (Stage 1) is intended only for evaluation and comment to help identify priorities for improving data quality and to compare with existing country-specific data. Subsequent stages of the project will involve review of the international data sources, collection and/or estimation of additional data, and incorporation of national data bases from external data contributors.

GTAP 7 pre-release 1

The first pre-release of the GTAP 7 Data Base will be available soon. The GTAP Data Base pre-releases are released only to GTAP Consortium member agencies and data contributors as the Center continues to incorporate updated international datasets (macroeconomic data, bilateral trade data, protection datasets, energy data) for the same reference year. Each pre-release data base is intended for scrutiny, evaluation, and feedback from users to help improve the quality of data that will be incorporated in the next pre-release.

The GTAP 7 Data Base has a 2004 reference year, and divides global economic activity into 101 regions and 57 sectors. The first pre-release (GTAP 7pre1) incorporates 2004 data on macroeconomic aggregates, merchandise trade, tariffs, agricultural domestic support, agricultural export subsidies, and the export tax equivalent of quotas on textiles and apparel under the ATC.

A number of new I-O tables have been incorporated since the 87 regions of the GTAP 6 Data Base. These include Pakistan, Bolivia, Ecuador, Iran, Mauritius and Nigeria (added in GTAP 6.1); Cambodia, Paraguay, Egypt, and Senegal (added in GTAP 6.2); and Nicaragua, Kazakhstan, and Kyrgyzstan (added in GTAP 7pre1). The pre-release data base also includes updated I-O tables for Australia, China, Indonesia, Vietnam, United States, Mexico, Bolivia, Chile, and Turkey.

Subsequent pre-releases will incorporate other 2004 international datasets 2004 including improved data content in services trade data, energy volume and prices data, and factor and income taxes data. New and updated I-O tables will be included as they become available.

7. NEW RESOURCES ON THE GTAP WEBSITE

The list below details some of the latest documents submitted to the GTAP Resource Center between January 10, 2007 and April 3, 2007. A comprehensive list of all recent additions can be found at: <http://www.gtap.org/resources/latest.asp>.

Econometric Applications

Behavioral and Entropy Parameters in the Dynamic GTAP Model

by Golub, Alla

The Impact of Migration on Foreign Trade: A Developing Country Approach

by Canavire Bacarreza, Gustavo Javier and Laura Ehrlich

Latin American Journal of Economic Development, 2006

Trade Integration, Firm Selection and the Costs of Non-Europe

by Del Gatto, Massimo, Giordano Mion and Gianmarco I.P. Ottaviano

CEPR dp 5730/2006, 2006

GTAP Applications

Can Regional Integration Accelerate Development in Africa? CGE Model Simulations of the Impact of the SADC FTA on the Republic of Madagascar

by Hallaert, Jean-Jacques

IMF working paper WP/07/66, 2007

Computing Tax Rates for Economic Modeling: A Global Dataset Approach

by Gurgel, Angelo, Gilbert Metcalf, Nicolas Osouf and John Reilly

2007

Farming the Planet. Part 1: The 1 Geographic Distribution of Global Agricultural Lands in the Year 2000

by Ramankutty, Navin, Amato T. Evan, Chad Monfreda and Jonathan A. Foley

Global Biogeochemical Cycles, Feb 2007, 2007

Farming the Planet. 2: The Geographic Distribution of Crop Areas and Yields in the Year 2000

by Monfreda, Chad, Navin Ramankutty and Jonathan A. Foley
Global Biogeochemical Cycles, 2007, 2007

Identifying agricultural research and development investment opportunities in sub-Saharan Africa: A global, economy-wide analysis

by Ehui, Simeon and Marinos Tsigas
African Journal of Agricultural and Resource Economics Vol 1 No 1, 2006

Information Age to Genetic Revolution: Embodied Technology Transfer and Assimilation-- A Tale of Two Technologies

by Das, Gouranga
Technological Forecasting and Social Change (forthcoming, 2007) , 2007

The Agricultural Dimension of the EU Economic Partnership Agreements in a Reformed Sugar Trade Regime. A General Equilibrium Analysis on Development

by Gotor, Elisabetta and Marinos Tsigas
2007

The WTO, Agricultural Trade Reform and the Environment: Nitrogen and Agrochemical Indicators for the OECD

by Rae, Allan and Anna Strutt
Estey Center Journal of International Law and Trade Policy 8(1):11-36., 2007

Other CGE Applications

Foreign Direct Investment in Applied General Equilibrium Models: Overview of the Literature

by Lejour, Arjan and Hugo Rojas-Romagosa
CPB Memorandum 169, 2006

8. CONTACT INFORMATION

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