



CENTER FOR GLOBAL TRADE ANALYSIS NEWSLETTER

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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

GTAP Seminar Series

In May 2008, Thomas Hertel will present in the GTAP Seminar Series. The seminar is titled: “Biofuels for all? Understanding the Global Impacts of Multinational Mandates”.

2. CONSORTIUM NEWS

The GTAP Advisory Board is composed of representatives from consortium member agencies that provide financial support and guidance to the project.

2008 GTAP Advisory Board Meeting

The next GTAP Advisory Board meeting will be held from June 9-10, 2008 at the House of the Estates (Säätytalo) in Helsinki, Finland.

More information about the GTAP Advisory Board meeting is available at:

http://www.gtap.org/events/Board_Meetings/default.asp.

3. RESEARCH HIGHLIGHTS

Biofuels for all? Understanding the Global Impacts of Multinational Mandates

by Hertel, Thomas, Wally Tyner and Dileep Birur

GTAP Working Paper No. 51

http://www.gtap.org/resources/res_display.asp?RecordID=2809

The recent rise in world oil prices, coupled with heightened interest in the abatement of greenhouse gas emissions, has led to a sharp increase in domestic biofuels production around the world. Previous authors have devoted considerable attention to the impacts of these policies on a country-by-country basis. However, there are also strong interactions among these programs, as they compete in world markets for feedstocks and ultimately for a limited supply of global land. In this paper, we evaluate the interplay between two of the largest biofuels programs, namely the renewable fuel mandates in the US and the EU. We examine how the presence of each of these programs influences the other, and also how their combined impact influences global markets and land use around the world.

We begin with an analysis of the origins of the recent bio-fuel boom, using the historical period from 2001-2006 for purposes of model validation. This was a period of rapidly rising oil prices, increased subsidies in the EU, and, in the US, there was a ban on the major competitor to ethanol for gasoline additives. Our analysis of this historical period permits us to evaluate the relative contribution of each of these factors to the global biofuel boom. We also use this historical simulation to establish a 2006 benchmark biofuel economy from which we conduct our analysis of future mandates.

Our prospective analysis of the impacts of the biofuels boom on commodity markets focuses on the 2006-2015 time period, during which existing investments and new mandates in the US and EU are expected to substantially increase the share of agricultural products (e.g., corn in the US, oilseeds in the EU, and sugar in Brazil) utilized by the biofuels sector. In the US, this share could more than double from 2006 levels, while the share of oilseeds going to biodiesel in the EU could triple.

4. SHORT COURSES

Sixteenth Annual Short Course

The Center for Global Trade Analysis will hold the Sixteenth Annual Short Course in Global Trade Analysis on the campus of Purdue University from August 2-8, 2008.

The course will consist of two main parts:

Part I is a series of weekly, online modules aimed at increasing the familiarity of the course participants with the theory behind GTAP, the standard GTAP notation, and the course software.

Part II is an intensive, week-long course consisting of a mix of daily lectures, lab assignments, and informal discussions designed to introduce participants to the basic features of the model and GTAP Data Base.

More information on the Sixteenth Annual Short Course is available at:

http://www.gtap.org/events/Short_Courses/2008/default.asp.

2008 Dynamic Short Course

The Center for Global Trade Analysis will hold the 2008 Short Course in Dynamic Global Trade Analysis on the campus of Purdue University from October 10-15, 2008.

The course will consist of two main parts:

Part I is a series of several modules to be delivered online and via CD-ROM. By working through this material in advance of the on-site course, participants will become familiar with the theory behind GTAP, the standard GTAP notation as well as the course software.

Part II is an intensive, week-long course consisting of a mix of daily lectures, lab assignments, and informal discussions designed to introduce participants to the basic features of the model and GTAP Data Base. These activities culminate in a major application undertaken by small groups and presented on the final day of the course. Each group is assigned an instructor who is intimately familiar with their project to act as a resource person. Participants leave with the capability of designing, conducting, and analyzing their own simulations.

More information on the 2008 Dynamic Short Course is available at:

https://www.gtap.org/events/Dynamic_Courses/2008/default.asp.

5. CONFERENCES

Eleventh Annual Conference

The Eleventh Annual Conference on Global Economic Analysis will be held at the Marina Congress Center in Helsinki, Finland from June 12-14, 2008. This conference is being jointly organized by the Government Institute for Economic Research (VATT), United Nations University / Wider Institute, and the Center for Global Trade Analysis.

The themes of the Eleventh Annual Conference are: globalization and economies in transition; development, poverty and vulnerability; energy and environment; and wealth, aging and income distribution.

Further information on this conference is available at:
<http://www.gtap.org/events/Conferences/2008/default.asp>.

Post-Conference Event - Contributing I-O Tables to the GTAP Data Base

The goal of this intensive 2-day course is to assist individuals wishing to contribute I-O tables to the GTAP Data Base. The course consists of hands-on exercises (using Gempack and batch files) to convert a fairly standard I-O table into the GTAP format for I-O table contributions. Participants will be required to provide their own laptops for this course.

6. DATA BASE DEVELOPMENTS

TASTE for GTAP

In a previous newsletter, there was a mention about a trade-tariff database-cum-tool named TrdMat, which is being developed by David Laborde and Mark Horridge. This has now been renamed as Tariff Analytical and Simulation Tool for Economists (TASTE). Prepared from CEPPI's MacMAP Data Base, this tool allows the user to prepare files of tariff shocks from tariff data at a HS6 level and to split up one or more of the 57 GTAP sectors, using HS6-level trade matrices. TASTE comes with a huge database of bilateral trade flows and of applied and bound tariff rates distinguishing around 200 countries and 5000 HS6 goods. There will be an organized session focusing on TASTE and its applications in the Eleventh Annual Conference on Global Economic Analysis to be held at Helsinki in June 2008. This session would include presentations by the developers of TASTE as well as an application of this tool to demonstrate its usefulness in linking a Partial Equilibrium Model with standard GTAP model. This session will be particularly useful for the researchers who are interested in highly disaggregated trade policy analysis.

7. NEW RESOURCES ON THE GTAP WEBSITE

The list below details new resources submitted to the GTAP Resource Center between January 3, 2008 and April 4, 2008. A comprehensive list of all recent additions can be found at:
<http://www.gtap.org/resources/latest.asp>.

CGE Applications

[A SALTER Database Aggregation Facility](#)

by James, Marianne and Robert McDougall

[A SALTER database summary](#)

by Watts, Greg

[Aggregated New Zealand Import Data by Source - Procedures Used and Data Generated](#)

by Maclaine, G. and Simon Wear

[An Independent Assessment of the SALTER General Equilibrium Model of the World Economy](#)

by Hertel, Thomas

[Creating Synthetic Single Region Input-Output Data for SALTER: Hong Kong and the Rest of the World](#)

by Tormey, James

[Early Stage Processing of International Trade and Input-Output Data for SALTER](#)

by Hambley, James

[Estimation of Trade Margins - An Application of the UN Bilateral Trade Data](#)

by Gehlhar, Mark, James Binkley and Thomas Hertel

[FIT: An Input-Output Data Update Facility for SALTER](#)

by James, Marianne and Robert McDougall

[Implementation of the WALRAS Model of the Australian Economy](#)

by McDougall, Robert and Craig Sugden

[Incorporating International Capital Mobility into SALTER](#)

by McDougall, Robert

[Industry assistance data for SALTER](#)

by Gotch, Michelle

[Introducing Imperfect Competition into the SALTER Model](#)

by Hertel, Thomas

[Later Stage Processing of International Trade Data for SALTER](#)

by Hanslow, Kevin

[Linking CGE Country Models: An Example Using the OECD's WALRAS Model](#)

by McDougall, Robert

[Linking Regional Models in WALRAS](#)

by McDougall, Robert

[Matching Input-output Data to International Trade Data and Assembling a Salter Database](#)

by Brown, Stephen, Alexandra Strzelecki and Greg Watts

[NERAM: A Nominal and Effective Rates of Assistance Model for the SALTER World Trade Models](#)

by Brown, Stephen

[Procedures for Later Stage Processing of Single-region Input-Output Data for SALTER](#)

by Calder, Wayne, Robert McDougall and Alexandra Strzelecki

[SALTER: A General Equilibrium Model of the World Economy](#)

by Zeitsch, John, Robert McDougall, Patrick Jomini, A. Welsh, J. Hambley, Stephen Brown and J. Kelly

[SINTIA A Guide to Collecting Tariff Rate Data for SALTER](#)

by Tormey, James

[Suggested Revisions to the SALTER Model](#)

by Wigle, Randall and Carlo Perroni

[The Elasticity of Substitution Between Imports from Different Sources - Estimates for](#)

[New Zealand](#)

by Wear, Simon

[The SALTER Model of the World Economy: Model Structure, Database and Parameters](#)

by Jomini, Patrick, Robert McDougall, Greg Watts and Philippa Dee

[The SALTER Model: Construction of the European Database](#)

by Ryan, Cillian

[Two Small Extensions to SALTER](#)

by McDougall, Robert

GTAP Applications

[An Empirical Research on the Changing Comparative Advantage and the Structure of China's Export in Service from 1982 to 2005](#)

by HE, Shu-Quan

[Reducing social contributions for unskilled labor as a way of fighting unemployment: an empirical evaluation for the case of Spain](#)

by Bajo-Rubio, Oscar and Antonio Gomez

[Simulating the effects of the European Single Market: a CGE analysis for Spain](#)

by Bajo-Rubio, Oscar and Antonio Gomez

[South Africa's Way Ahead: Trade Policy Options](#)

by Sandrey, Ron, Hans Grinsted Jensen, Nick Vink and Taku Fundira

[The performance of Tunisia's bank : evaluation by a DEA model](#)

by Hadj Salem, Haykel

[THE REDUCTION OF CUSTOMS DUTIES ON NON-AGRICULTURAL GOODS AS PART OF THE WTO DOHA ROUND AND THE MOVE'S IMPLICATIONS FOR POLAND'S FOREIGN TRADE](#)

by Hagemeyer, Jan and Ewa Kaliszuk

[WOMEN AND FOOD SECURITY: A STUDY OF VEGETABLE FARMING IN CALABAR METROPOLIS](#)

by Bassey, Charles

GTAP Working Papers

[An Integrated Global Land Use Data Base for CGE Analysis of Climate Policy Options](#)

by Lee, Huey-Lin, Thomas Hertel, Steven Rose and Misak Avetisyan

[Biomass Energy and Competition for Land](#)

by Reilly, John and Sergey Paltsev

[Global Agricultural Land Use Data for Climate Change Analysis](#)

by Monfreda, Chad, Navin Ramankutty and Thomas Hertel

[Global Forestry Data for the Economic Modeling of Land Use](#)

by Sohngen, Brent, Colleen Tennity, Marc Hnytko and Karl Meeusen

[KLUM@GTAP: Spatially-Explicit, Biophysical Land Use in a Computable General Equilibrium Model](#)

by Ronneberger, Kerstin, Maria Berrittella, Francesco Bosello and Richard Tol

[Land Use in Computable General Equilibrium Models: An Overview](#)

by Hertel, Thomas, Steven Rose and Richard Tol

[Land Use Modeling in Recursively-Dynamic GTAP Framework](#)

by Golub, Alla, Thomas Hertel and Brent Sohngen

[Modeling Land-use Related Greenhouse Gas Sources and Sinks and their Mitigation Potential](#)

by Hertel, Thomas, Huey-Lin Lee, Steven Rose and Brent Sohngen

[Modeling the Competition for Land: Methods and Application to Climate Policy](#)

by Sands, Ronald and Man-Keun Kim

[Non-CO2 Greenhouse Gas Emissions Data for Climate Change Economic Analysis](#)

by Rose, Steven and Huey-Lin Lee

[The Impact of Environmental and Climate Constraints on Global Food Supply](#)

by Eickhout, Bas, Hans van Meijl, Andrzej Tabeau and Elke Stehfest

[The Role of Forestry in Carbon Sequestration in General Equilibrium Models](#)

by Sohngen, Brent, Alla Golub and Thomas Hertel

8. CONTACT INFORMATION

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