GTAP activities of EPA - Japan

The Economic Research Institute of the Economic Planning Agency started GTAP-related research activities in April 1996. Professor Kanemi BAN of Osaka University and Professor Shigeru OTSUBO of Nagoya University have been core members of our research team. Our recent projects are as follows.

The Impact of Trade Liberalization in APEC

The motive of conducting the research was to estimate the economic effects of trade and investment liberalization in accordance with the Manila Action Plan, which was agreed upon in the APEC Ministerial Meeting in November 1996. The EPA estimated these effects, using the Version 3 database and reported the results to the APEC Ministerial Meeting in November of 1997.

Since then, there have been several new requests to update the report because of the following reasons. First, new members joined APEC in November 1998. Second, each member revised its APEC Individual Action Plans (IAPs). Third, the database used in the last study(1997 Study) was updated. The new database (Version 4) reflects more recent trade and industrial structures in the world. In the context of APEC, the update provided vivid pictures of the latest APEC economies. We updated the last study(1997 Study), and the new report was submitted to the Ministerial Meeting in September 1999.

Development of Japanese AGE model

Another topic in our AGE analyses is an application to regulatory reform in Japan. Our government has been eagerly promoting regulatory reform. The Economic Planning Agency has been responsible for estimating the economic effects of the reform. We prepared a detailed database for the ORANI-G model, because the GTAP database does not have enough industrial categories, particularly in the service industries (References 3. and 4). We would like to use this model for other policy analyses in the future. It is necessary to link our database and the GTAP database to analyze the impact of regulatory reform in Japan on the world economy.

Japanese Database Estimation for Version 5

We estimated the database based on 1995 Input-Output Tables in Japan for GTAP Version 5 and submitted it to Purdue University.
References

1. APEC Economic Committee (1999), Assessing APEC Trade Liberalization and Facilitation – 1999 Update

