

The GTAP Advisory Board Meeting, April 2000

## **US Interantional Trade Commission (ITC)**

### **GTAP activities of (ITC)**

Most applications of GTAP at the U.S. International Trade Commission (ITC) are performed by members of the Research Division in the Office of Economics. ITC staff frequently receives requests from the U.S. Trade Representative and Congress (House Ways and Means and Senate Finance Committees) to evaluate the potential impacts of prospective trade policy changes. Official requests include both in-depth studies that require several months of analysis, and short-term technical assistance. ITC staff has often found GTAP to be the appropriate tool in both cases.

Completed and ongoing long-term projects using GTAP include assessment of the economic effects of U.S. sanctions with respect to India and Pakistan, and the inclusion of the United Kingdom in a Free Trade Arrangement with the United States, Canada, and Mexico. The GTAP data base was used in a study of Chinese accession to the WTO. ITC staff are also exploring the use of GTAP in formal studies of the Andean Trade Preference Act and the recently completed South Africa-EU free trade agreement. The Commission hopes to use a dynamic version of GTAP in some of its forthcoming work.

ITC staff Bob Koopman and Linda Linkins presented an overview of the GTAP model and the GTAP consortium as part of a seminar on quantitative methods for trade policy assessments in Moscow, Russia at the end of March, 2000. The seminar was sponsored by the Department of Commerce, Commercial Law Development Program and the Russian Ministry of Foreign Trade.

Research Division economists have also used GTAP in their own research activities. For instance, the recently published paper by Ferrantino and Linkins applies GTAP to generate estimated changes in pollution associated with trade liberalization. In an ITC research note, Andriamananjara explores the optimal degree of unilateral liberalization by South Africa. Hillberry is currently investigating the use of GTAP for analysis of electricity market reform in selected foreign markets.

**Selected publications:**

Andriamananjara, Soamiely. "Trade Liberalization in South Africa: A Note on the 'Optimal Tariff Cut'," Office of Economics Research Notes, 99-08-B, US International Trade Commission, August 1999.

Ferrantino, Michael and Linda Linkins. "The Effect of Global Trade Liberalization On Toxic Emissions in Industry," Weltwirtschaftliches Archiv, Vol. 135, no. 1, 1999, pp. 128-155.

USITC Investigation No. 332-403, "Assessment of the Economic Effects of China's Accession to the WTO," September 1999.

USITC Investigation No. 332-406. "Overview and Analysis of the Economic Impact of U.S. sanctions with respect to India and Pakistan," September 1999.

USITC Investigation No. 332-409 "The Impact on the U.S. Economy of Including the United Kingdom in a Free Trade Arrangement with the United States, Canada, and Mexico," forthcoming.