

The GTAP Advisory Board Meeting, April 2000

Agricultural Economics Research Institute (LEI)

GTAP activities of LEI

Note: we changed our name!

LEI is no longer part of 'DLO' as this organization has merged with Wageningen University. As a consequence we are also part of the newly formed Wageningen University and Research Center, Wageningen-UR. Our official name and address now is:

LEI, Agricultural Economics Research Institute
P.O. box 29703
2502 LS The Hague, The Netherlands
switchboard: +31 70 3358 330, fax: +31 70 3615 624

GTAP activities LEI, 1999

The Agricultural Economic Research Institute (LEI) has been a member of the GTAP consortium since November 1996. We use GTAP for a variety of research related to international trade in agri-food products. A summary of our activities over 1999:

Consortium related

- EU DG VI and DG XI funded concerted action project: "Assessment of the GTAP modelling framework for policy analyses from a European perspective". This project has 10 European partners who (potentially) use GTAP. Besides LEI, there are 3 more consortium members involved (SJFI, FAL and Joe Francois). LEI is coordinating this effort. We officially started February 1, 1999 and the project is expected to continue until November 2000. The project is to develop a network of researchers involved in international trade, resource and environmental modelling and who (potentially) use GTAP as tool of analysis. The project focuses on agriculture. The objectives are:
 - to assess the usefulness of the GTAP framework for (global) issues that are of importance to the European Union;
 - to bring together European researchers who work on the field of global trade, resource and environmental issues and who (potentially) use the GTAP framework as tool of analyses;
 - to identify joint research proposals that actually apply the GTAP framework to European issues.

These objectives are to be seen in the light of four challenging policy issues facing the European Union.

- the prospect of a new round of trade negotiations under auspices of the WTO
- enlargement of the EU with Eastern European countries
- further reforms of the EU Common Agricultural Policy
- transboundary environmental problems and policies

The project proceeds very satisfactorily. During its first year, the project has resulted in six papers (one of which accepted for an EAAE conference, and a derived paper is invited for publication in *Agricultural Economics*). Three project meetings and one dissemination workshop have been held. The dissemination workshop (held in Copenhagen 10-11 February) attracted some 40 participants, including five prominent academic discussants for the draft papers. Proceedings, edited by SJFI Soren Frandsen & Michael Staehr, will be available soon. The workshop revealed that there is a broader European interest in the GTAP framework. It also appeared that the interest in the GTAP concerted action is widening beyond researchers in agriculture and is attracting researchers from the energy/environment field (including DG-ENVI).

During the remainder of this year, we will produce 4 illustrative applications with GTAP which should explain the relevance of GTAP for EU policy users (we are hoping to use version 5 of the dataset). The results will be discussed during a policy workshop 21 September in Rotterdam. Members of the consortium are cordially invited to attend this workshop. We strive to publish the results of the concerted action in a book.

With the help of Melanie Bacou we have constructed a project website that is to facilitate communication and co-ordination. A webboard for project team discussions is part of this site.

<http://www2.lei.dlo.nl/english/research/projects/gtap/default.htm>

- Construction of disaggregated IO tables for the EU15 for version 5 of the GTAP dataset. This is co-funded by EU DG XII (energy & environment) the Dutch Ministry of Agriculture and LEI. The first version of the tables has been submitted to the GTAP Center Purdue January 14.
- Hans van Meijl and Frank van Tongeren served as instructors on the 1999 GTAP short course.

Research 1999

- WTO and developing countries. Research for a paper prepared for The conference on Agriculture and the New Trade Agenda in the WTO 2000 Negotiations, jointly organized by The World Bank and The World Trade Organization, Geneva October 1-2, 1999.
- Policy research Dutch Ministry of Agriculture: One small project on WTO and Developing countries.
- China's food economy in the early 21st century (financed by Dutch Ministry of Agriculture). Partner: CCAP of Chinese Academy of Agricultural Sciences (Jikun Huang). This project started in October 1999 and will continue until fall 2002. The project is preparing an 'Outlook' of the Chinese food economy until 2020 (another magic year). The GTAP contribution lies in providing an international trade dimension to the national projections. We are planning to link the CAPSIM model of CCAP to GTAP projections.
- Modelling of CAP and UR commitments using explicit quantity restrictions and quota. (This is still ongoing?)

GTAP papers 1999

Meijl, H. van, F. van Tongeren (1999), Endogenous international technology spillovers and biased technical change in agriculture, *Economic Systems Research*, Vol. 11, No. 1, pp. 31-48.

Tongeren, F.W. van, H. van Meijl and P. Veenendaal (1999), Global effects of EU Agenda 2000. Implications for the WTO negotiations and developing countries, Paper prepared for The conference on Agriculture and the New Trade Agenda in the WTO 2000 Negotiations, jointly organized by The World Bank and The World Trade Organization, Geneva October 1-2, 1999.

Meijl, H. van, F. van Tongeren (1999), Endogenous international technology spillovers and biased technical change in the GTAP model. GTAP technical paper No. 15, West Lafayette (IN), Center for Global Trade Analysis, Purdue University.
<http://www.agecon.purdue.edu/gtap/techpapr/tp-15.htm>

From the GTAP-EU concerted action:

Tongeren, F.W. van and H. van Meijl (ed.), (1999), Review of applied models of international trade in agricultural and related resource and environmental modeling, Agricultural Economics Research Institute, Report 5.99.11 (EU-Fair VI-CT 98-4148, Interim report 1).

J. Francois, GTAP Applications Survey: An overview with particular emphasis on the European Union, EU-Fair VI-CT 98-4148, Interim report 2.

Tongeren, F.W. and H. van Meijl (ed.), (1999), Review of agricultural trade models: an assessment of models with EU policy relevance. Paper presented at the 65th EAAE seminar, Agricultural Policy Information Systems, Bonn, March 29-31, 2000-01-26.

5 Papers presented at dissemination workshop Copenhagen, February 10-11, 2000:

- J. Francois (ed.), WTO Millennium Round: Policy and modelling issues;
- C. Nielsen and M. Staehr, Enlargement of the European Union: Policy and Modelling issues;
- P. Veenendaal (ed.), CAP reforms, Policy and Modelling issues;
- M. Brockmeier (ed.), Environmental issues, Policy and Modelling issues.

Research activities in 2000

- GTAP-EU: CAP policy reforms. GTAP application in the context of GTAP-EU project. World market impact of Agenda 2000; UR commitments on export subsidies. Projections.
- GTAP-EU: Agri-environmental policies (jointly with Martina Brockmeier). GTAP application on (non-linear) taxes on fertilizers and pesticides.
- WTO and Developing countries: Research on behalf of Dutch Ministry of Agriculture (and Ministry of Foreign Affairs). This project zooms in on the role of developed country protection on processed food from selected groups of Developing countries. Keywords are: tariff escalation, SPS and TBT, imperfect competition, development strategies.
- China's food economy in the early 21st century: Develop projections/scenarios; develop method for linking of CAPSIM and GTAP.
- Pending: proposal for joint research with IFPRI on nutrient content of trade in agricultural products (Dutch Ministry of Foreign Affairs).
- Pending: Proposal for assessment of 'flexible instruments' in greenhouse gas policies (Dutch ministry of Agriculture).
- Pending: proposal for development of recursive dynamic GTAP based model. (LEI in-house research)