GTAP Board Meeting 2000
Meeting Notes

Energy

Roy Darwin and others urged that the Center adopt a more discriminating policy, choosing between IEA and IO table energy data on their case-by-case merits, rather than globally preferring the IEA data. Robert McDougall stated that the Center would like to do that, but was unlikely to do so for GTAP release 5, given other energy data issues including the frequent inability of the FITting program to impose energy usage targets, and mismatches between IEA and IO demand categories. He suggested that the priority ordering was (1) the targeting problems, (2) demand category mismatches, and (3) greater selectivity in the use of IEA data.

Trade in services

Greg McGuire described how the Productivity Commission hopes to maintain a database on the price effects of restrictions on trade in services. They would publish the database on the web, and aim to develop a network of contributors providing data on restrictions in their countries of expertise. Joe Francois suggested that a database that covered not only the price effects but also the underlying restrictions would attract much interest from researchers.

Joe Francois described potential sources of data on restrictions, including reports on restrictions by the United States Special Trade Representative on US trading partners' restrictions; a parallel series by Japan; studies by the ITC; and, for South Africa, studies by Rashad Cassim. He also mentioned that Erasmus University has a department of ports and shipping, and offered to inquire from them about international margins.

Interest was expressed in developing data on intra-country as well as inter-country margins. Robert McDougall described a proposal from the CTGA to the European Commission, for an energy data development proposal, focusing in part on that issue. Ali Bayar stated that consideration of the proposal has been delayed by the Commission's restructuring, but that he would pursue the matter on his return.

Agricultural Protection in Version 5

The representation of agricultural protection in version 5 will strive to better reflect the diversity of interventions used to support agriculture in the OECD countries.

1. Default allocation of PSEs:
The following default assignments were made (letters in parentheses refer to OECD PSE categories of support):

- Border measures (import tariffs and export subsidies): Market price support (A)
- Output subsidies: Payments based on output (B) and Miscellaneous payments (H)
- Subsidies to elements of value-added: Payments based on planted area or animal numbers (C), payments based on historical entitlements (D), payments based on on-farm investment (E3) and payments based on fixed input constraints (F2). Payments based on

area and fixed inputs will be assigned to land subsidies and payments based on animal numbers and on-farm investment will be assigned to capital subsidies. If the value of the subsidy exceeds total payments to that factor in a given sector, it will be spread over all elements of value-added.
-   Subsidies to intermediate inputs: Payments based on input use (E1, E2, F1, F3). These will be spread over all intermediate inputs unless more detail is available.
-   Subsidies to value-added: Payments based on overall farm income (G).

2. EU country detail. Members of the EU concerted action project will strive to deliver this subsidy information at the individual country level for the 15 EU member countries. (It is only available from the OECD for the EU as a whole.)

3. US detail. ERS/USDA will be asked to scrutinize and possibly improve on the assignment of subsidies for the US.

4. IFPRI will seek to provide comparable information for key developing countries.

Activities in Southern Africa

In version 5 of the GTAP database (due for public release in November 2000), there will be substantially expanded detail for Sub-Saharan Africa, particularly Southern Africa. Country coverage will be expanded from SACU, Rest of SADC, and Rest of Sub-Saharan Africa found in version 4 to Botswana, Malawi, Mozambique, South Africa (including Lesotho, Swaziland, and Namibia), Tanzania, Uganda, Zambia, and Zimbabwe plus rest of SADC and rest of Sub-Saharan Africa.

Efforts have been made in training and raising awareness that these data and modeling frameworks will be available shortly. The Zimbabwe Tariffs Commission hosted a GTAP course in January 2000. Participants at the course were from the Tariffs Commission, the Zimbabwe Ministry of Commerce and Industry, the South African Departments of Trade and Industry and

Finance. A preparatory course was also delivered using recently distance-learning modules. This was quite successful. An example module from the distance learning modules can be viewed at:

http://www.agecon.purdue.edu/academic/agec618/
with login "visitor" and password "gtap".

In order to raise awareness of this soon to be available resource, presentations on GTAP in Southern Africa were made at the Zimbabwe Tariffs Commission, the Mozambique Ministry of Planning and Finance, the Botswana Ministry of Agriculture, the Southern Africa Regional Mission for the United States Agency for International Development, and the South African Department of Finance.

Also along these lines, the Trade and Industrial Policy Secretariat (TIPS) of South Africa will sponsor a regional symposium on September 17, 2000. The symposium will immediately precede the TIPS Annual Forum and will take place at the same location (for more information

on the forum, see www.tips.org.za). At the symposium, we will take stock of strengths/weaknesses of available data for the region, consider any policy/analytical implications that emerge from newly available data sources (including but not limited to GTAP), and present results from recent analyses based on the new data sources. Participants will also have an opportunity to examine software and training tools available through the Global Trade Analysis Project.

Future Conferences and Courses

The board approved a proposal to hold the Fourth Annual Conference in Global Economic Analysis at Purdue University. The dates for this conference are June 27-29, 2001. Judy Conner presented a draft budget which entails registration fees of $195 for graduate students and $295 for professionals. Estimated total participant costs (including three nights lodging and all meals) are: $373 for students and $593 for professionals. This conference will be immediately preceded by the 2001 GTAP board meeting (June 25-26, 2001).

There have been two informal proposals for hosting the 2002 Annual Conferences. The National Council for Applied Economic Research in India has expressed an interest, as have faculty at Nagoya University in Japan. We will consider these, and any other formal proposals for hosting this conference during the 2001 board meeting.

There is also interest in holding the Ninth Annual GTAP Short Course in Europe. This would be the third course in Europe, with earlier ones held in Germany and The Netherlands. Poland has been proposed as a possible location for this course in 2001. This would fit in well with increased interest in using GTAP to analyze issues associated with EU enlargement.

Goals for the Coming Year

At this time next year, we plan to have accomplished the following:

- Implementation of our plan for multiple updates on the prerelease as major improvements are made, converging on the final data base three months prior to the public release.
- Introduction of a web board for discussion of data base related concerns, as well as posting of related information and news.
- Public release of the GTAP version 5 data base.
- Release of a new version of the standard GTAP model, featuring a modular structure and accessible via the web with version control features.
- Release of a dynamic GTAP model featuring international capital mobility and explicit accounting for ownership of foreign and domestic assets.
- Successful delivery of the eighth annual short course, along with associated preparatory modules.
- Successful delivery of a dynamic GTAP short course in October. Validation of the GTAP model in conjunction with a back-casting exercise aimed at estimation of trade elasticities for the standard GTAP model.
- A successful Third Annual Conference in Global Economic Analysis in Melbourne, Australia.

- Continued GTAP support for outreach efforts aimed at building capacity to analyze trade policy in Africa, including a series of workshops in the region, coordinated by Channing Arndt.
- Begin the process of improving the government and external accounts in GTAP.
- Development of additional distance learning modules on advanced topics, in collaboration with researchers/teachers at other institutions.
- The addition of a 3 – 4 more technical papers on the web site.