The IDB is committed to strengthening the analytical capacity of Latin American and Caribbean governments to evaluate the potential impacts of trade liberalization and regional agreements (i.e., FTAA, access to the EU market, WTO, sub-regional agreements, other unilateral trade measures, etc.). To support countries in this task, the IDB is working in the following activities:

1. **The development of analytical instruments and preparation of impact studies on the economic and social effects of trade liberalization/trade agreements.**

As member of the tripartite committee (together with the Organization of the American States, OAS, and the United Nations Economic Commission for Latin America, ECLAC), it has been providing technical support to the FTAA negotiation process. Parallel to this, another group of the Bank has been active in conducting policy-oriented studies particularly in the area of regional integration and trade liberalization. With the aid of the GTAP database, the Bank has made analyses in a number of formal and informal studies on the subregional blocs such as MERCOSUR, Central American Common Market (CACM) and hemispheric integration (FTAA).

Ongoing efforts continue to focus on regional integration in order to evaluate the importance of Latin America in the hemispheric process and with the European Union in the context of North-South and South-South approaches. Another recent study is designed to examine the impact of agricultural policy reform in the Western Hemisphere and the key transatlantic trade negotiations between MERCOSUR and the European Union. In these applications, the GTAP database is used with the elaboration of WTO export subsidies and OECD Producer Support Estimate (PSE).

Late last year, the IDB held a Conference, entitled “Impacts of Trade Liberalization Agreements on Latin America and the Caribbean”, jointly with the Centre d’Etudes Prospectives et d’Information Internationales (CEPII), inviting a number of policy makers in the region, modelers and academics.

2. **Coordinate training activities to disseminate studies, use and interpretation of analytical tools among different government policy and negotiating teams.**

In this sense, the IDB is interested in supporting a GTAP course in Latin America. The course would be introductory and tailor-made to an audience of potential users within the governments and perhaps academia in the region.

**Research Using GTAP Data Base**


Monteagudo, Josefina and Masakazu Watanuki, April 2001, “Quantifying the economic impact of the integration alternatives and new tariff regime introduced to tackle the economic crisis for Argentina,” unpublished manuscript.

