

**EU sponsored concerted action:** In early 2001, we completed our role in an EU-sponsored concerted action. The LEI coordinated the project. The goal of the project was two-fold: (1) to promote development of an EU-based network exploring application of GTAP to agricultural policy, and (2) to educate the Commission on the use of GTAP. (Hopefully, this will further the reintegration of the Commission into the GTAP consortium).

- <http://europa.eu.int/comm/research/agro/fair/en/nl4148.html>

**EU sponsored concerted action:** We are currently involved in an EU-sponsored action aimed at integration of scale economies and market structure into climate change modeling. The project is coordinated through the ZEW at Mannheim, and involves integration of GTAP data and GAMS-based modeling tools.

- <http://www.zew.de/en/forschung/projekte.php3?action=detail&nr=185&abt=umw>

**European Trade Study Group:** The third annual ETSG meeting was held in Brussels in September 2001. There were several GTAP-based applications (ranging from global trade policy to assessment of the impact of mad cow disease). This is further evidence of the application of GTAP in the European economic community. ETSG 2002 will be held in Kiel in September.

- [www.etsg.org](http://www.etsg.org)

#### Capacity Building

**WITS:** The TI is working with UNCTAD and the World Bank to develop/expand the analytical components of WITS, including improved partial equilibrium tools, and also simple mapping of tariff rate and bindings data to GTAP sector. Plans are for a functional distribution this Fall. WITS combines COMTRADE, TRAINS, WTO integrated database, and (we hope!) WTO consolidated tariff schedule data

**Training #1:** We sent two people, Carmen Fillat and Felix Eschenbach, to the GTAP course in Purdue in 2001. We will be sending two more participants, Hugo Rojas Romagosa and Lucio Vinhas de Souza, to the course in the UK in August 2002.

**Training # 2:** We have continued to offer occasional training through the World Bank Institute in applied partial and general equilibrium modeling, including GTAP-based applications.

#### Policy Research

**The Doha Round:** The Next WTO Round: North-South Stakes in New Market Access Negotiations, was published by the Centre for International Economic Studies, Adelaide and the Tinbergen Institute in September 2001. This study uses a version of the GTAP model (with market structure and dynamics included) to examine the developing countries and OECD impact of new market access negotiations. The study was quoted and cited widely in the build-up to Doha, and afterwards, by the WTO, USTR, and the European Commission.

- <http://www.intereconomics.com/francois/BookProofs.pdf>

**Steel:** Joseph Francois and Laura Baughman used a version of the GTAP model to identify the costs of proposed U.S. steel import restraints. The study, Estimated Economic Effects of Proposed Import Relief Remedies for Steel, received wide press coverage, including the New York Times, Time Magazine, Newsweek, and the Washington Times and Washington Post. It was cited on the Hill during the intense lobbying surrounding the steel duties. In the end, the White House ignored it, however.

- <http://www.citac-trade.org/remedy/>

**China:** We have been involved in a series of projects focused on China's accession to the WTO. This includes modeling the impact on the economy of Hong Kong, and also modeling the impact on China's automobile industry.

- <http://www.intereconomics.com/HKandChina/>

**FTAA:** We have also been exploring the possible impact of the proposed Free Trade Area of the Americas on the U.S. economy, and also on other national economies.

- <http://www.tradepartnership.com/pdf/FTAA2001.pdf>

#### **Basic Research**

**Database development:** We are working on expanding country coverage for GTAP data (in particular developing an improved dataset for Egypt). We have also been working on development of a set of macro and industry level time series data at the GTAP sector and region level.

**Methods:** Research continues on the application of time series methods within the GTAP framework (and more generally within AGE models). Some effort is planned to coordinate/collaborate with Purdue (Channing Arndt) in the coming year on this area.