

**Summary Document for
GTAP Advisory Board Meeting 2004**
June 14-15, 2004
Washington DC

(Dates: Next year's Advisory Board Meeting: June 6-7 2005, Lübeck, Germany)

A. Summary of Goals and Accomplishments in the Past Year

See background document.

B. Summary of Agency Activities in the Past Year

See: http://www.gtap.org/events/Board_Meetings/2004/

C. Major Points of Discussion

a. Strategic Plan

This year the Center undertook a strategic planning exercise led by Sandra Rivera. This exercise included obtaining feedback through surveys from the GTAP network, advisory board members and staff and students at the center and an intensive 3 day retreat which all staff and a graduate student representative participated in. As a result of this exercise the Center set out its mission, vision, values and beliefs, and 5 goals. The Advisory Board spent half of the first day discussing the Center's strategic plan and seemed pleased with the progress made in this area. A number of suggestions arose from this discussion:

1. Organization: It was generally felt that Goal 2, related to the data base should be first or of equal importance to Goal 1. After much discussion, board members suggested that all numbers be removed if the order remained.
2. Goal 1 (Research): should be more open-ended, leaving open the possibility of working on other topics as they arise. Specific suggestion included changing "trade and *poverty*" to "trade and *development*".
3. Goal 2 (Data): More emphasis should be placed on improving the review of data base pre-releases.
4. Goal 2 (Data): In terms of improving marketing of the GTAP Data Base, Board members suggested that summary data based on individual countries could be placed on the web.
5. Goal 4 (Model):
 - a. GTAP-based models should replace GTAP models.
 - b. Validation should not be restricted to validation of the GTAP model. The term "*validation*" be replaced "*testing and evaluation*".
 - c. There was strong support for organizing a workshop in this area in the next year. In fact, the USITC offered to support this activity. Joe Francois

has offered to organize the workshop, with input from Tom Hertel and others.

6. Goal 4 (Model): A closely related issue is that of replication of studies. In this context, it was suggested that GTAP should examine the possibility of serving as a repository for computer files required to replicate key global economic studies.
7. Goal 5 (Network):
 - a. It was noted that there was no discussion of language barriers.
 - b. Some suggested that old data could be released for free.
 - c. Some board members did not want consortium money to be used for funding LDCs; would not mind outside money funding these efforts.
8. Surveys: There was some interest in the three survey results undertaken as part of the strategic planning process. These were thought to give some useful insights.
9. Budget:
 - a. Most of the Advisory Board members were eager to examine resources and budgetary issues related to the strategic plan.
 - b. Several members expressed a particular interest in knowing which activities are funded from consortium dues.
 - c. The development of a set of budget projections was given a high priority by the Board.
 - d. The Center staff made a commitment to develop budget numbers over the summer, thereupon distributing them to the Board. (i.e. we don't plan to wait until next year to give the Board a proper set of budget projections.)

b. Protection

Protection was a very important topic at the board meeting this year. For the first time the Center was in the (fortunate) position of having access to a number of competing data bases for protection: the UNCTAD Trains data base, the CEPII-ITC (Geneva) MAcMap data base and the USDA-ERS International Protection Data Base on Agriculture. There has been a great deal of discussion on these various data bases over the year and during the board meeting these discussions continued. The pros and cons of each of the data bases were set out (these will be distributed in a separate memo) and the following conclusions reached:

1. Board members (and GTAP data base subscribers) MUST have access to data at the HS 6 digit level and sufficient documentation to be able to replicate and modify the various assumptions made in the protection measures used in the GTAP data base.
2. The CEPII-ITC (Geneva) MAcMap data base added significant value to the UNCTAD trains data base upon which it was based and it should be used in the GTAP data base. (See the pros and cons memo for a summary of this discussion, which took place after the official conclusion of the board meeting.)
3. The decision on whether to use trade weighted protection or reference groups to aggregate the measures of protection was left undecided. Arguments for each side will be drawn up by Robert McDougall and Sebastien Jean and all board members would be given the opportunity to vote for their preferred method.

4. Flexibility was emphasized. The board should be given every opportunity to change the rates of protection though Altax if needed. Bound rates should be provided where possible.

c. Data Base Quality

The method of reviewing data bases and improving Data Base quality was again an important point of discussion at the Board meeting. The primary conclusions were that:

1. Good progress has been made on improving communications with IO table contributors.
2. Further attempts should be made by the Center to develop systematic checking programs to check both the inputs into the GTAP data base and the pre-releases.
3. The center should also improve its communication of the methods it has developed or is currently developing to examine and improve quality.

D. Other Important Points

a. New Regional Data Bases

A number of board members were very keen to see improvements in the regional data bases of Central and Latin America and were pleased to hear that the short course in Latin America, sponsored by the IADB was making progress in this area. A potential project to incorporate the IFPRI/UNDP I-O tables was encouraged.

b. Bilateral Services Data

Although board members were pleased to hear that some progress had been made on the services trade data, incorporating bilateral services information into the GTAP Data Base still remains a high priority for the board. This will be undertaken in the first interim release of the version 6 data base.

c. Primary Factor Splits

The Board felt that the Center should work to improve primary factor splits. The LEI are working in this area and offered to give some assistance.

d. Taxes

The Board was pleased to hear that progress had been made on incorporating income taxes for tax replacement experiments. There was strong interest in extending coverage of domestic taxes. The Center committed to begin work on value added taxes in the coming year.

e. Timeliness

The center should draft a “Lessons Learned” report from version 6 outlining how long it took to do each task and use this to plan better in the future. In addition, it would be helpful if the software development stream could be fully separated from the data base production process so that problems in making significant improvements to the Data Base would not “hold up” the release of the GTAP Data Base.

f. Research Fellows

The following individuals were nominated as research fellows: Rajesh Chadha, Roy Darwin, Aziz Elbehiri, Paul Gibbson, Hsin Huang, Scott McDonald, Kazuhiko Oyamada, Everett Peterson and Sherman Robinson.

E. Action Plans for the Coming Year

The following is a synthesis of the action plans for the upcoming year.

Goal	SP Goal	Primary:	With
1. Develop a systematic approach to budgeting and link this to the Strategic Plan.		WT	JC, SR, TLW
2. Incorporate MAcMap protection data base into v6.0 of the GTAP Data Base. Technical Paper on MAcMap protection in the GTAP Data Base.	Data	BD	
3. Examine ways in which the source data for MAcMap can be made available for replication and scenario building.	Data	TH	WT, WM, SJ
4. Release the v6.0 GTAP Data Base and documentation. Including the dissemination of summary country tables on the web.	Data	BD	JC
5. Incorporate bilateral services trade data into the GTAP Data Base	Data	RMD	JH
6. Examine possibilities for collaboration between FAO and GTAP on Agr IO relationships	Data	WT	RMD
7. Incorporate self employed labor into GTAP Data Base	Data	BD	MI
8. Technical paper on incorporating domestic wholesale/retail/transport margins into GTAP model and data base	Data	EP	RMD, TLW

9. Incorporate the IFPRI/UNDP social accounting matrices for Latin American into the GTAP data base v6.1.	Data	TLW	
10. Continue to improve the quality of national I-O data through the creation of user-friendly check programs and the review of current and missing I-O data.	Data	TLW	MB
11. GTAP Technical paper on the SAM aggregation program	Data	TLW	
12. Develop a systematic approach to examining, reporting and improving the quality of the international datasets in the GTAP data base	Data	BD	RMD
13. Report on “Lessons learned” to improve timeliness of v7 or distinguish between data improvements and production of versions.	Data	BD	RMD
14. Workshop on parameter estimation and encourage research aimed at model validation. With funding from the USITC and organized by Joe Francois	Model	TH	SR
15. Refine and document Dynamic GTAP model in anticipation of a dynamic modeling short course.	Research	TLW	RMD, KI
16. GTAP technical paper on adjustment costs	Model	TH	
17. Improve marketing of GTAP products through brochures and other web sites.	Education	JC	WT, MB, SR
18. Review pricing policies and other methods available for funding outreach to developing economies.	Network	WT	JC
19. Aid in facilitation of 8th annual conference on Global Economic Analysis to be held in Lübeck, Germany, June 9-11, 2004	Education	JC	MB, TLW
20. Hold annual GTAP short course in Purdue in August 2004	Education	TLW	JC, MB
21. Hold Dynamic GTAP short course in Purdue in October 2004	Education	TLW	JC, MB

Suggested Items requiring additional resources:

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| 1. Baseline for the Dynamic GTAP Model | Research | TLW |
| 2. Government Accounts – examine how value added taxes can be incorporated into the GTAP Data Base and model. | Data | RMD |
| 3. Examine possibility of holding GTAP/GAMS courses. | Education | TLW |
| 4. Use of GTAP web site as a repository for CGE applications. | Network | BD |
| 5. Technical paper and data base on using GTAP to examine the liberalization of services. | Research | TLW |