



UNCTAD Report to the GTAP Advisory Board Meeting  
June 12-13, 2006- Addis Ababa, Ethiopia

## 1. UNCTAD Activities

GTAP utilities have been used essentially to shed some light on issues of major concern to developing countries policy makers.

### a. Technical Assistance

An important activity in UNCTAD is to provide Developing countries with technical assistance in WTO negotiations. As it was already the case last year and because negotiations are still on-going, technical assistance has been essentially focusing on the production of simulations of the various NAMA modalities currently under discussion. These exercises have been essentially country/region focus. Some attention was also paid to possible consequences in terms of sectoral adjustment to new international market access conditions.

### b. GTAP applications in 2005-2006

**A South-South Survival Strategy: The potential for trade among developing countries**, by Marco Fugazza (UNCTAD) and David Vanzetti (University of Camberra), first draft presented at the GTAP conference, Lübeck, 9-11 June 2005. A revised version is forthcoming in the Policy Issues in the UNCTAD International Trade and Commodities Study Series

**Deepening and Broadening Preferential Access for Sub-Saharan Africa**, by Marco Fugazza (UNCTAD) and Ralph Peters (UNCTAD), UNCTAD note, input to the Report of The Commission for Africa, March 2005. An extended version is forthcoming in the UNCTAD Policy Issues in International Trade and Commodities Study Series

**Non tariff Barriers in a Non Tariff World**, by Marco Fugazza (UNCTAD) and Jean-Christophe Maur (DFID), to be presented at the GTAP conference, Addis Ababa, 15-17 June 2006.

This research provides a quantification of the impact of liberalization of NTBs at the global level, using recent data from the World Bank and UNCTAD. The model used is significantly larger than in previous studies, using a 27-sector and 26-region aggregation. It also reviews questions related to the spread and coverage of NTBs in the world and to discuss approaches to modeling of NTBs in CGE models with a focus on the GTAP model.

### c. Modeling

Some efforts should be devoted to improving the GTAP set up in order to deal more appropriately with Non-Core Non Tariff Barriers with a focus on technical regulations following UNATD classification. Indeed, NTBs can not be treated in a satisfactory manner in a perfect competition context. However, the standard imperfect competition GTAP set-up is not the most appropriate either. These efforts

would be part of a more general dedication of some UNCTAD's resources to further collection of data on NTBs and their quantification.

## **2. Capacity Building at UNCTAD**

UNCTAD is attempting to increase the internal use as well as the number of users of GTAP utilities.

### **a. Participation in GTAP short course**

UNCTAD resources for training remain limited. This implies that participation of any staff in external courses is also rather limited. However, we expect to have one participant in next year course on the dynamic version of the GTAP model.

### **b. Internal Training**

UNCTAD provides funds for individuals training whenever there might be some benefit to the rest of the staff. To this end, Marco Fugazza (Division on International Trade and Commodities) was asked to introduce the basics of GTAP to other UNCTAD staff. This took the form a two-day seminar organized first in August 2005 for the staff of the Trade Analysis Branch of the Division and repeated in November 2005 for all interested staff in UNCTAD.

These internal training activities are expected to be repeated in October-November 2006.

## **3. Data Issues**

### **a. NTBs**

Non Tariff Barriers are likely to become the prominent barriers to trade in the coming years. UNCTAD organized an Intergovernmental Expert Meeting on the topic in Geneva on September 5-7, 2005. (For further information:

<http://www.unctad.org/Templates/Meeting.asp?m=10489&intItemID=1942&lang=1>)

The meeting aimed to identify ways to improve, both in terms of country coverage and data quality, the non-tariff barriers (NTB) database contained in the UNCTAD Trade Analysis and Information System (TRAINS). It also tried to clarify methodologies for defining and classifying NTBs according to their nature and source. The meeting provided an opportunity to review econometric and quantification approaches to calculate NTBs that could be applied to improve overall understanding of NTBs impacts on trade.

The Secretary General of UNCTAD decided to form a group of eminent persons on NTBs to guide the secretariat through the process of data collection, classification and quantification. As mentioned previously, some efforts should also be devoted to modeling in order to make possible estimates readily and plausibly usable for CGE simulations. On that point, it might be necessary to consider the modeling issue on a broader and perhaps more systematic base.

### **b. Utilization rates in the General System of Preferences**

Following an exchange of emails in the past weeks, UNCTAD in the person of Aki Kuwara (Chief of the Trade Information Section in the Trade Analysis Branch) agreed to compute averages utilization rates following GTAP aggregation. These averages would be elaborated on the basis of a methodology that UNCTAD is currently elaborating based on available data. This process being rather resource intensive it is expected to be completed in no less than 6 months from now.