

Report to GTAP Advisory Board, 2008

Asian Development Bank

GTAP-related activities in 2007/08

1. Study on Asia's labor migration

The Economic Research Department of ADB organized a study on Asia's labor migration. It used a global comparative static general equilibrium model to examine the impact of Asian migration liberalization. It specially examined the role of larger regional cooperation in facilitating labor movement across Asian countries. Part of the research outcomes are reflected in the theme chapter "Asian Workers on the Move" of *Asian Development Outlook 2008*. The work was carried out by Terrie Walmsley using *GMig* model.

2. Infrastructure development in Central Asia

The Central and West Asia Department of ADB organized a study to evaluate the impact of infrastructure projects (transportation and energy) in Central Asia. This project compiled Social Accounting Matrix of several Central Asian countries and developed country and regional CGE models of Central Asia. David Roland-Holst of UC Berkeley is the principal consultant for this project.

3. Publications based on GTAP model or database

Asian Development Bank (2008) *Asian Development Outlook*, Part II

Brooks, Douglas, David Roland-Holst and Fan Zhai (2008) "Behavioral and Empirical Perspectives on FDI: International Capital Allocation across Asia," *Journal of Asian Economics*, Vol. 19, No. 1, pp. 40-52

Cyn-Young Park and Fan Zhai (2007) "Asia's Imprint on Global Commodity Markets," *Minerals & Energy*, 22(1-2) pp. 18-47.

Kawai, Masahiro and Ganeshan Wignaraja (2007) "ASEAN+3 or ASEAN+6: Which Way Forward?" Asian Development Bank Institute Discussion Paper, No: 77, September 2007

Zhai, Fan (2008) "'Armington Meets Melitz: Introducing Firm Heterogeneity in a Global CGE Model of Trade.'" *Journal of Economic Integration*, Volume 23 No. 3

Future projects and priorities

1. Trade

OREI (Office of Regional Economic Integration) of ADB will undertake a CGE model based study on the implications of South-Asian integration.

2. Infrastructure

A CGE-based research on power trading between Mongolia and People's Republic of China will be conducted by the East Asia Department of ADB.

3. Climate change

Climate change is likely to be an important research priority for ADB in the coming years. Currently, the Economic Research Department is undertaking a project on "A Regional Review of the Economics of Climate Change in Southeast Asia". National and global CGE models will be used in this project to assess the impact of climate change and analyze alternative adaptation and GHGs mitigation strategies. Agriculture, land use and energy are possibly the key aspects of this research.