

research activities highlights report

Advisor board member, at large

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### (1) Database and training

WIOD: May 2009 - May 2012, a three year project was initiated extending the EU-KLEMS database. The project (World Input-Output Database: Construction and Applications –WIOD) is funded by the European Commission (DG Research) under its Seventh Framework Program (FP7). This project aims to develop databases, accounting frameworks, models and a consistent expert system for research.

There are parallels with the GTAP project, but also complementarities. The emphasis is on a panel dataset of linked input-output tables for the OECD economies and a number of other major non-OECD economies, covering the years . The sectoring scheme is different (there is no real breakdown of agricultural products). Target usage is both econometric and computational modeling. It is not clear if there will be support for follow-up work (there is risk this will be a one-off exercise).

At the wiiw (Vienna) a team led by Joe Francois has been coordinating the development of the panel trade dataset. Wiiw is also leading econometric applications of the data. There may be scope for using concordances developed in this project to better split intermediate use data by origin in GTAP, based on HS6 data.

GIST: September 2008 September 2012 we started a four year project devoted to research on trade and investment in services. The Project (Globalization, Investment, and Services Trade – GIST) is funded by the European Commission (DG Research) under its Seventh Framework Program (FP7). The project aims to develop data on service trade and FDI flows, to explore political economy dimensions of service sector integration, and to examine interactions between cross border trade and patterns of FDI in services. The project is by Joe Francois (Linz), and includes University College Dublin, Paris 1, the University of Stockholm, wiiw (Vienna), CEPR, the CPB, the University of Ljubljana, and Centro Studi Luca d'Agliano (Milan). In parallel with WIOD, we are working on a panel dataset of global services trade and FDI flows, as well as satellite FATS accounts. We are also working, through WIOD and GIST, on better estimation of bilateral transport costs. One by-product is an updated matrix of global trade data on services by detailed BOPs category that reconciles IMF, OECD, UN, and Eurostat data on services trade. This is now being made publicly available.

Impact Quantification of Global Changes (Global-IQ): July 2011-July 2014, a three year project, led by Toulouse School of Economics (TSE), and including Fondazione Eni Enrico Mattei FEEM), Internationales Institut für

Angewandte Systemanalyse (IIASA), Potsdam-Institut für Klimafolgenforschung (PIK), University of Gothenburg, Charles University in Prague, (CUNI), Istituto di Studi per l'Integrazione dei Sistemi (ISIS), Grantham Research Institute on Climate Change and the Environment at the London School of Economics (LSE), Graduate Institute of International Studies in Geneva (HEID), Centre for Economic Policy Research (CEPR), and the Vienna Institute for International Economic Studies (wiiw). This network project will focus on medium term issues of structural change and sustainability, including adaptation of mitigation technologies, demographic pressures, trade and investment trends, and basic drivers of climate change. It includes EU funding for basic extension of dynamic (investment), migration, and demographic properties of a number of models in the network institutions.

## (2) Recent Policy Research

Trade and Sustainability Impact Assessments of EU FTAs: The GTAP database has played an important role in modeling prospective EU FTAs with a number of developed and developing countries and regions. These are policy studies done for DG Trade, and in 2009-2011 have included studies of an EU-Canada FTA, EU-Japan, EU-ASEAN, EU-Andean Pact, EU-Mercosur, and EU-Central America.

DG Trade Framework contract: a consortium led by CEPR (coordinated by Joe Francois) and including Purdue University (GTAP), CEPR, CPB, Leuven, CEPR, Univ of Cambridge, and the Univ of Nottingham has been awarded a multi-year contract to carry out policy-related studies on trade, FDI, regulatory convergence, WTO-related issues, and a range of similar topics on trade, trade policy, and competitiveness.

In 2010, papers for the G20 Ministerial were prepared on trade and employment (with the OECD) and trade and development (with the World Bank), featuring use of the GTAP data, for modeling and to describe patterns of trade and tariffs.

## (3) Conferences:

The European Trade Study Group (ETSG): 2011 is the 12th Anniversary for ETSG. The conference this year will be held September 2011 in Copenhagen. ([www.etsg.org](http://www.etsg.org)). We will have approximately 350 papers, presented over 3 days. Joe Francois is the director of ETSG (together with Ian Wooton and Maurizia Zanardi). ETSG features an annual award from the World Trade Organization (the WTO prize). From the WTO's website: "The annual WTO Essay Award consists of a prize of CHF 5,000 to the author(s) of the winning essay. In the case of a co-authored paper, the prize will be equally divided among the authors. The winning paper will be officially announced at the annual meeting of the European Trade Study Group (ETSG), which is currently the largest conference specializing in international trade." There is also an annual prize from the University of Louvain.