

United Nations Economic Commission for Africa (ECA)
Report on the Use of the Global Trade Analysis Project (GTAP) Tools
For the period 2013-2014

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As a major think tank in the African continent, producing high quality research is a key priority for the United Nations Economic Commission for Africa (ECA). To that end, resources and tools available from the Global Trade Analysis Project (GTAP) are most useful; in particular, these allow ECA to undertake empirical analyses which help formulating policy recommendations for African member States and Regional Economic Communities (RECs), thereby facilitating decision making across the continent.

Moreover, aware of the need to continuously improve data reliability and availability for African countries, ECA plays an active role in that respect through its African Center for Statistics (ACS) and five sub-regional offices working in close collaboration with national statistic offices. The new orientations taken following ECA's recent restructuring can only attest of the importance and increased efforts that ECA will place in trying to fill the gaps when it comes to data in Africa; this of course includes working closely with the GTAP network to make sure that better data for African countries can be widely available for policy analysis.

For the period 2013-2014, ECA -through its African Trade Policy Center (ATPC)- has been using the GTAP database intensively; conducting trade policy analysis especially looking at the future of the African Growth and Opportunity Act (AGOA) and also at Africa's regional integration. Currently, ECA is in the process of examining the economic implications from signing or not signing the Economic Partnership Agreements with the European Union by African countries. Additionally, ECA is organizing two sessions during the upcoming 17th Annual Conference on Global Economic Analysis.

Finally, one ECA staff member took part in the Annual GTAP Short Course in 2013 and another one is to be sent to this year's course in order to enhance modeling capacities within ATPC.

Brief overview of UNECA's activities using GTAP resources/network

African Growth and Opportunity Act (AGOA)

In August 2013, the Annual AGOA Forum was held in Addis Ababa, Ethiopia. This was an opportunity for the United States and African governments to discuss the future of AGOA which is set to expire at the end of September 2015. To facilitate the debate, ECA has produced a report which presents several scenarios for AGOA in the perspective of post-2015, using CGE modeling and the GTAP database. The scenarios can be declined into four main categories: a) Potential expansions of product-eligibility under AGOA; b) Revisions of country-eligibility under AGOA; c) Revisions of the structure of AGOA; d) AGOA in a different trading environment (i.e. how does AGOA interact with other agreements?). The final report entitled "The African Growth and Opportunity Act: An empirical Analysis of the Possibilities Post-2015" was presented at the AGOA Forum and has gained interest from both Africa and the US (through the Assistant USTR) and is currently a valuable resource to help the two parties shaping AGOA's future.

Trade in Intermediate Inputs and Africa's Regional Integration

Despite concerted efforts, Africa's regional integration process has encountered delays and it is legitimate to wonder why is the regional integration process stalling? The conventional answer lies in challenges such as inadequate financial resources and infrastructure for trade among others. In an attempt to answer the above question ECA prepared a paper on "Trade in Intermediate Inputs and Trade Facilitation in Africa's Regional Integration" which proposes an approach to regional integration refocused on resource-based industrialization. Resource-based industrialization could contribute to job creation and inclusive growth if properly managed. The analysis finds that while the level of industrialisation is heterogeneous among African economies, the overall level is low. Moreover, results from five African regions triangulate this finding by suggesting that

manufacture, energy and mining imported intermediate inputs together make out 76 per cent of total imported intermediate inputs for production in Africa.

Economic Partnership Agreements (EPAs)

On 14 May 2012, the first Economic Partnership Agreement (EPA) between the EU and an African region came into effect: four countries from the Eastern and Southern African regional negotiating group (one of five) have started implementing their agreement. Other groups are still negotiating. Today, a number of outstanding issues remain but if African countries do not sign EPAs by 1 October 2014 then some of the preferential market access to the EU market will be lost for negotiating African non-LDCs. Following requests from various African governments, ECA is therefore undertaking a cost-benefit analysis of signing or not EPAs.

ECA organized sessions at the 17th Annual Conference on Global Economic Analysis

For the second time, the Annual Conference on Global Economic Analysis will be held in Africa. ECA will be one of the sponsors of the Conference organizing two sessions on: 1) Boosting Intra-African Trade; 2) Land, Food Security and International Trade. In each of the two sessions, 4 papers will be presented. These papers were pre-selected among more 46 papers received following a call for papers launched by ECA to African scholars, researchers and policy makers at the end of 2013. All the eight papers were then selected by the Conference review Committee for presentation. ECA in its efforts to promote research and support scholars and researchers throughout the African continent will be sponsoring the eight selected participants whose papers were accepted for ECA's organized sessions.