

## GTAP activity report OECD, 2015

### TAD Directorate

#### Trade

The development of version 1 (static) of OECD's trade model, METRO, based on GTAP 8.1 database, is complete and the model has been applied in two OECD publications: *Export Restrictions in Raw Materials Trade: Facts, fallacies and better practices* (<http://www.oecd.org/trade/benefitlib/export-restrictions-raw-materials-2014.pdf>) and *Emerging Policy Issues: Localisation Barriers to Trade* (Forthcoming). Plans are underway to make the model publicly available. This version is expected to be expanded in 2016 based on the GTAP/EU work on government procurement. Version 2 (dynamic, migration) is expected to be finalised and applied internally in 2016. This version will utilise the GTAP 9.0 database and the OECD ICIO 2011 tables.

Trade and Environment department have funded a study about "Capital and Labor Substitution in Computable General Equilibrium Models" by Terrie Walmsley, Csilla Lakatos and Peter Minor. This report discuss possible technological choice to integrate in GTAP based CGE the 5-skills specification detailed in the doc GTAP 7088 by Walmsey and Cairo.

#### Agriculture

Agriculture and Environment are actually constructing a bridge in data between FAO / IFPRI-IMPACT / Model-GTAP sectors in order to feed with agriculture projections from FAO and IMPACT the ENV-linkages model of environment department.

#### Environment Directorate

*Environment Directorate has funded 4 GTAP based project:*

- 5-skills inclusions in production structure (see before)
- Re-writing the codes of the OECD ENV-Linkages model, by Dominique van der Mensbrugge
- Inclusion water in the OECD ENV-Linkages, Dominique and Tom Hertel
- Financial participation to the common project of electricity splitting in GTAP database

*The Environment Directorate has also improved its model in 4 directions:*

- Agriculture specification is now more detailed and inspired by the magnet model and projections (link between ENV-linkages and IMPACT v3 from IFPRI)
- Inclusion of more climate damages than last year (Hurricanes, ...) and linking climate damage in agriculture with IMPACT output
- Inclusion of some local air pollutant (link with EMF30 collaborative work)
- Inclusion of 5 skills and labor market segmentation

*Selected new publications with the ENV-linkages GTAP based model:*

- Collaboration with IEA (new joint position OECD-IEA): forthcoming special WEO 2015 report on bridging the gap to a 450ppm scenario
- Economic Consequences of Climate Changes, forthcoming OECD book
- Modelling of distributional impacts of energy subsidy reforms, ENV-WP No87
- Economic Implications of the IEA Efficient World Scenario, ENV-WPNo65