GTAP related activities at the OECD 2016-2017:

OECD Environment Directorate

The OECD ENV-Linkages model relies on the GTAP database at its core. In addition its database incorporates data from a variety of sources, not least the IEA. The ENV-Linkages model is used in analysis of economy-environment interactions; in the last 12 months this included:

- OECD report "The International Trade Consequences of Climate Change" (2017).

- joint OECD-PBL report "The Biophysical and Economic Consequences of the Land-Water-Energy Nexus" (forthcoming).

- OECD Environment Directorate collaborations:

- Link the OECD Env-linkages model and the IEA WEM model for the IEA World Energy Outlook 2016.

OECD Trade and Agriculture Directorate

The OECD METRO model relies on the GTAP database at its core. In addition its database incorporates OECD data, such as the trade in value added (TiVA) data, trade facilitation indicators, and information on export restrictions.

To foster wider use and collaboration we have organized a second 'hands-on' training. This 3 day event took place 29-31 march 2017 and featured about 10 participants from policy research institutions related to OECD governments.

- The METRO model is used in the publication on trade related policies and multilateral trade reform: OECD (2016), Evolving Agricultural Policies and Markets: Implications for Multilateral Trade Reform, OECD Publishing, Paris.

- One work stream focusses on the modelling of trade facilitation measures. The work includes the estimation of ad-valorem equivalents from the recently updated OECD trade facilitation indicators (TFIs), and introduction of iceberg costs and a Willingness to Pay methodology into the METRO model. The effects of improvements of trade facilitation are estimated in the report: Sorescu,S. and Flaig,D. (forthcoming) "Economy-wide Impacts of Trade Facilitation: A METRO Model Simulation". The methodology and data developments are detailed in: Flaig,D. and Sorescu, S. (forthcoming): "METRO Development: Modelling Non-Tariff Measures and Estimation of Trade Facilitation Impacts." A paper comparing modelling approaches to depict trade facilitation will be presented by D. Flaig at the GTAP conference 2017.

- We are making progress with developing estimates of AVEs of non-tariff measures that are eventually feeding into the policy data used in the model. A first paper is to be discussed at an upcoming meeting of the OECD Working Party of the Tarde Committee, (forthcoming) "Estimating Ad-Valorem Equivalents of Non-Tariff Measures Combining Price-Based and Quantity-Based Approaches".

- The GTAP database has been used to derive an inter-country-input-output Table (ICIO) which has been used in the report: OECD (2017) “GVC participation in the agriculture and food sectors” TAD/TC/CA/WP(2016)1/PART2/FINAL (this is available to the public) ; the methodology is described in: “Estimating GVC Participation in the Agriculture and Food Sectors” TAD/TC/CA/WP(2016)1/REV1/PART1. Further work in this area is ongoing.

- The METRO model has been used in a report on “market opening growth and employment”, analysing the effects of regional and multilateral trade integration with focus on Asia.

The METRO model is increasingly being used across the OECD to support work on trade-related issues:

The model has been used in a contribution to the Global Economic Outlook, November 2016 (Box 1.3 “The impact of changes in global trade costs”).

Together with the OECD Economics department use of the METRO model for the report: “Sectoral and regional distribution of export shocks: what do two hundred thousand UK firm observations say?”

Together with the Directorate for Science, Technology and Innovation (STI) the METRO model has been used in the report (forthcoming): “The future of global value chains: “business as usual” or a "new normal”?”. The report discusses the factors that will drive the future of GVCs. Based on different scenarios for the future, this joint STI-TAD work simulates how production and trade within GVCs may look in future.