

Productivity Commission Canberra-Melbourne-Australia

(very brief) Modelling Activity Report GTAP Board Meeting 7-8 June 2010 Patrick Jomini

The Productivity Commission is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Its role, expressed simply, is to help governments make better policies in the long term interest of the Australian community.

Given its community focus, the Commission has a long-standing tradition of CGE modelling with national and global models. This is typically conducted by quantitative support branches which provide support to more research focused teams.

Current activities

1. **Preferential Trade Agreements:** Support to research team(see terms of reference at: <http://www.pc.gov.au/projects/study/trade-agreements>). Consists of GTAP-based modelling and gravity model estimation. GTAP modelling used to illustrate mechanisms and order of magnitude in PTAs, including effects of preferential and MFN tariff reductions, rules of origin, preferential and non-preferential reduction in barriers to investment and barriers to trade in services.
2. **Model development:** a simpler approach to CGE modelling. Approach is to build a model that has less 'bagage' than do GTAP, MMRF and Monash, the 'simpler model' is completed with modules as required.
3. **MMRF redevelopment** (MMRF is a regional model of the Australian economy) – re-standardisation of the code and database in preparation for comprehensive, periodic evaluations of progress and effects of National Reform Agenda.
4. Estimating the costs of renewable energy targets for detailed industries and economy-wide

Publications

Productivity Commission 2009, *Modelling supporting the Productivity Commission Annual Report 2008-09*, Technical note, Productivity Commission, Melbourne, November.

(http://www.pc.gov.au/data/assets/pdf_file/0010/92836/12-chapter1-technical-note.pdf)

Costa, C., Osborne, M., Zhang, X.G., Boulanger, P. and Jomini, P. 2009, *Modelling the Effects of the EU Common Agricultural Policy*, Staff Working Paper, Melbourne, December.

(<http://www.pc.gov.au/research/staffworkingpaper/european-agricultural-policy>)

Boulanger, P. and Jomini, P. 2009. Of the benefits to the EU of removing the Common Agricultural Policy. GEM Policy Brief, November.
(http://www.gem.sciences-po.fr/content/publications/pdf/agriculture/Jomini_boulanger_CAPandFrenchGlobal102009.pdf)

Jomini, P, Zhang, X, and Osborne, M. 2009. The Armington-Heckscher-Ohlin model - an intuitive exposition. GEM working paper, February.
(http://gem.sciences-po.fr/content/publications/pdf/Jomini_AHOpaper05022009.pdf)