

# *Chapter 10.F*

## *ATC Export Tax Equivalents*

*Joseph Francois and Julia Wörz*

### **Abstract**

We develop a panel-based ICLS framework for estimating the export tax equivalent (ETE) of quotas where the ETEs vary over time. Working with a panel of bilateral data on textile and clothing trade, underlying bilateral tariffs, and the country-pair coverage of quotas under the WTO's Agreement on Textiles and Clothing (ATC), we use this framework to examine the evolution of market access conditions in the textile and clothing sectors. Our estimating framework takes advantage of the panel nature of trade data when calculating export tax equivalents while allowing for inequality constraints on the quota premium estimates. We also implement quadrature methods for calculating confidence intervals for our regression-based NTB measures.

*Refer to IIDE Discussion Paper: 200805-01 entitled "Non-Linear Panel Estimation of Time-Varying Effects of Import Quotas", available for download from:*  
<http://www.i4ide.org/content/wpaper/dp20080501.pdf>