Chapter 15

Other protection data

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 This describes the regional protection data files used as inputs into `fitprep` on the speedy computer. The protection data base for Version 3 is composed of data inputs from a variety of sources as explained in the following discussion.

Import tariff rates were provided for all regions (except China, Taiwan and FSU) by Ulrich Reincke of the World Bank in the files, `???Y.TXT`. The rates provided were bilateral for all commodities but CNS, T_T, OSP, OSG and DWE. Rates of zero were filled in for these commodities to give a 37x30 array for each destination. Any rates contrary to pre-existing free trade agreements still need to be zeroed out.

Christian Bach of the World Bank provided the tariff rates for China and Taiwan as 37x30 arrays in the file, header.txt. The rates for FSU were developed based on correspondence with David Tarr of the World Bank. He felt that the level of import protection on all goods should be zero, but that an export tax rate of 75% should apply to raw materials. Note that the files initially passed on for import protection in FSU mistakenly included that 75% rate on COL, OIL, GAS, OMN and P_C. I believe that Robert made the corrections to the import tariff file for FSU after I realized my error.

The agricultural import protection data was provided by Merlinda Ingco of the World Bank (for commodities 1-6 and 13-17). Pre- and post-Uruguay Round powers of the import tariff were provided. The pre-Uruguay Round powers were prepared as the inputs to fitprep as a vector of 11 elements. Missing values in this data were flagged by an entry of -1000. Data for China and Taiwan came from Version 2 of the data base. This information was provided by Brad McDonald of WTO. No data was available for Singapore, Hong Kong and Rest of World so missing value flags make up the input files for these regions. The agricultural import protection data files are called `???agm.prn`.

The anti-dumping protection data is based on the data used for Version 2. This was provided by Brad McDonald of WTO. The rates for LAM (Latin America) from Version 2 were used for

CHL, CAM and RSM. The rates for SAS (Rest of South Asia) from Version 2 were employed for IDI and RAS. The rates for EIT (Economies in Transition) from Version 2 were applied for CEA and FSU. The rates from Version 2 ROW were applied for the new ROW, as well as, EU3 and EFT. This data is in the files, `???ad.prn`. The data comes in the form of a 37 by 30 array.

MFA rates from Version 2 were employed for the regions common with Version 3 and for the original MFA destinations (CAN, USA and E_U). As per discussions with Yongzheng Yang, the rates for SAS were used for IDI and .75 times these rates were used for RAS. The rates for MEX, BRA and LAM are equal and they were applied to CHL, RSM and CAM. The EIT rates were employed for CEA and FSU. The old ROW rates were maintained for the new ROW region. All of these rates were then converted to percent of fob price and multiplied by minus 1. For Version 3, EFT and EU3 are additional MFA destinations.

Rates for all sources to EFT and EU3 come from Appendix Table 17 of Chapter 6 of the World Bank Discussion Paper, "The Uruguay Round and the Developing Economies". The chapter is entitled, "Assessing the Uruguay Round" and is written by Joe Francois, Brad McDonald and Hakan Nordstrom. The EFTA rates they report as percent of fob price are multiplied by minus one and applied for the EFT and EU3 destinations. The source regions they report rates for are, CHINA, EASIA, SOASIA, LAT_AM, AFRICA, EEUROP and ROW. EASIA is considered to include KOR, IDN, MYS, PHL, SGP, THA, HKG and TWN. The rates for SOASIA are applied directly for IDI, but for RAS (still following advice of Yongzheng Yang) they are first converted to percent of market price and multiplied by .75 before converting back to percent of fob price. LAT_AM is considered to include BRA, MEX, CAM, CHL and RSM. ARG is not included since it was excluded as an MFA source in Version 2. AFRICA is considered to include MEA but not SSA (again, SSA was not a participant in the MFA for Version 2). EEUROP is considered to include both CEA and FSU. ROW is treated as the Version 3 ROW.

These mfa rates are found in the files, `???mfa.prn`, as 2 by 5 arrays. Rates of zero apply for regions not participating as MFA exporters including EU3 and EFT.

Data for price undertakings come from Version 2 and were provided by Brad McDonald. The rates for LAM in Version 2 are applied to CAM, RSM and CHL in Version 3. The rates for MNA are applied to MEA. The rates for EIT are applied for CEA and FSU. The rates for SAS are applied to IDI and RAS. Finally, the rates for Version 2 ROW are applied to EU3, EFT and Version 3 ROW. All other regions are common to the two versions and the rates are identical. The rates are found in the files, `???pu.prn` in a 37 element vector.

Output subsidies from Version 2 are employed again for Version 3. This data was provided by Brad McDonald. The rates for LAM in Version 2 are applied to CAM, RSM and CHL in Version 3. The rates for MNA are applied to MEA. The rates for EIT are applied for CEA and FSU. The rates for SAS are applied to IDI and RAS. Finally, the rates for Version 2 ROW are applied to EU3, EFT and Version 3 ROW. All other regions are common to the two versions and the rates are identical. The rates are found in the files, `???out.prn` in a 37 element vector. Version 2 of the data base employed values of agricultural export subsidies reported by GATT country submissions

(provided to us by Brad McDonald). Since fitprep deals with either rates or powers, these values needed to be converted to rates. Since the trade volume associated with these rates was unknown, the rates implied by the fitted Version 2 data were obtained. Although a value is reported for Indonesian paddy rice, a rate of zero is used (value of the subsidy far exceeded any value of trade in this commodity). The export taxes on raw materials in FSU mentioned previously were converted to percent of fob price and since they are a tax, the rate reported as a negative number. All missing information is replaced with the flag, -1000. The export subsidy data for each region is reported as a 37 element vector in the file, `???xsub.prn`.

Francois *et al.* also report other VERs (besides the MFA) in appendix table 17. These rates are reported for each exporting region in the files, `???ver.prn` as 37 by 30 arrays. When there is no information, the rate is recorded as a zero. In the case of VERs, the SOASIA rates are applied equally for IDI and RAS, the LAT_AM rates are applied equally for ARG, BRA, MEX, CAM, CHL and RSM and the AFRICA rates are applied for both MEA and SSA. The rates from the table have also been multiplied by minus 1 before the data files were created.

The protection data was provided in text files, but the objective is for fitprep to read in region specific header array files of protection data. The headers on the various protection instruments should be `mimt` for the manufacturing import tariffs, `agmp` for the powers of the agricultural import tariffs, `atdp` for the antidumping duties, `mfa` for the MFA rates, `prud` for the price undertakings, `outs` for the output subsidies, `xsub` for the export subsidies and `ver` for the other VERs. In some cases the files included with this `README` will have the correct header name at the top and in other cases this will need to be done. Once the regional protection files are combined in one text file, `modhar` can be used to create header array files containing the region specific protection data.