

**The Debate on “the ‘Gains’ from Preferential Trade Liberalization
in the CGE Models”
– Evidence from a CGE Model and its Recent Applications**

**MOTIVATION
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- Inform CGE modellers

**Specific Objectives
Theoretical View points**

**The ambiguity of the welfare implications of
RTAs**

**Revisit the Debate
Panagariya and Duttagupta (2001)
have strongly criticised**

**(2) CGE models generate benefits to a country from its
own preferential trade liberalisation due to a number of
reasons**

**Panagariya and Duttagupta (2001)
CGE Modellers Response
Why the critiques are irrelevant?**

**GTAP and Its Applications
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The GTAP applications: what are the welfare results?

Conclusion