

Table 2.1 Modeled Regions by Type of Economy

High-income economies

European Union (EU15)
European Free Trade Area (EFTA)
Canada
United States
Mexico
Japan
Korea, Rep. of, and Taiwan (China)
Hong Kong (China) and Singapore
Australia and New Zealand (ANZ)

Transition economies

EU's 10 new entrants
Russian Federation
Other Eastern Europe and former Soviet Union

Developing economies

China
Indonesia
Philippines
Vietnam
Other East Asia (OEAsia)
India
Bangladesh
Other South Asia (OSAsia)
Argentina
Brazil
Other Latin America and Caribbean (OLAC)
Morocco
Other North Africa and Middle East (ONAM)
Southern African Customs Union (SACU)
Mozambique
Other Southern Africa (OSAfrica)
Other Sub-Saharan Africa (OSSA)

Source: Authors; classifications.

Table 2.2 Agricultural Domestic Support in Selected High-Income Economies

<i>Country/region</i>	<i>Total PSE (2001 US\$ millions)</i>	<i>Domestic support PSE, 2001 US\$ millions (% of total PSE)</i>	<i>Percentage of domestic support PSE by payment basis</i>			
			<i>Output payments</i>	<i>Input payments</i>	<i>Land payments</i>	<i>Capital payments</i>
EU15	87,734	39,585 (45)	9.2	12.3	47.9	30.6
Switzerland	4,444	1,883 (42)	18.2	4.5	47.1	30.2
Canada	3,977	2,079 (52)	11.4	12.5	72.3	3.8
United States	31,880	31,880 (62)	29.6	22.2	46.9	1.3
Mexico	7,271	2,631 (36)	17.1	19.6	49.0	14.4
Japan	45,423	4,604 (10)	37.5	21.3	20.9	25.3
Korea, Rep. of	16,680	967 (6)	0.0	18.1	51.4	30.5
ANZ	818	815 (100)	3.2	60.0	31.3	5.5

Source: OECD's PSE/CSE database (www.oecd.org).

Table 2.3 Average Applied Import Tariffs, by Sector and Region, 2001*percent, ad valorem equivalent*

<i>Exporting region</i>	<i>Importing region</i>		
	<i>High-income economies</i>	<i>Transition economies</i>	<i>Developing economies</i>
<i>Agriculture</i>			
High-income	8.4	16.8	18.8
Transition	10.3	10.3	17.4
Developing	15.9	17.2	18.3
<i>Other primary</i>			
High-income	0.2	0.8	4.8
Transition	0.1	0.3	1.7
Developing	0.7	0.4	3.4
<i>Textiles and apparel</i>			
High-income	3.4	6.4	18.2
Transition	1.8	6.5	30.9
Developing	8.4	16.2	20.5
<i>Other manufactures</i>			
High-income	1.0	3.7	9.9
Transition	0.8	4.0	8.7
Developing	1.3	6.0	9.2

Source: GTAP Version 6 database (www.gtap.org).

Table 2.4 Average Import Tariffs in Developing Countries*percent, ad valorem equivalent*

<i>Importing region</i>	<i>Agriculture and food</i>	<i>Textiles and apparel</i>	<i>Other merchandise</i>
China	9.6	9.6	5.5
Indonesia	5.0	7.9	4.4
Philippines	9.5	6.5	2.2
Vietnam	36.6	28.8	12.2
OEAsia	22.6	13.5	6.2
India	50.1	26.6	25.4
Bangladesh	12.7	30.1	16.0
OSAsia	21.4	7.2	13.5
Argentina	6.9	11.1	10.1
Brazil	5.0	14.7	9.7
OLAC	10.7	12.8	8.3
Morocco	29.4	38.7	15.3
ONAM	12.8	26.4	6.8
SACU	7.8	19.6	4.9
Mozambique	13.4	21.8	8.4
OSAfrica	23.7	14.9	16.3
OSSA	20.9	27.8	13.2

Source: GTAP Version 6 database (www.gtap.org).

Table 2.5 Percentage Changes in Developing Country Imports from Removing All Tariffs and Agricultural Subsidies

<i>Importing region</i>	<i>Agriculture and food</i>	<i>Textiles and apparel</i>	<i>Other merchandise</i>
China	21 (3,432)	47 (60,147)	16 (40,487)
Indonesia	13 (898)	42 (5,213)	9 (4,051)
Philippines	19 (431)	31 (1,086)	2 (619)
Vietnam	53 (1,531)	66 (3,498)	19 (849)
OEAsia	34 (6,377)	49 (7,059)	10 (14,013)
India	89 (6,035)	119 (18,046)	54 (14,008)
Bangladesh	18 (85)	80 (4,315)	22 (143)
OSAsia	42 (1,107)	24 (2,710)	21 (628)
Argentina	18 (2,365)	35 (431)	22 (2,701)
Brazil	30 (4,945)	66 (2,178)	28 (10,860)
OLAC	16 (4,114)	28 (3,218)	11 (8,344)
Morocco	50 (836)	60 (1,663)	29 (992)
ONAM	10 (847)	35 (3,070)	9 (17,548)
SACU	27 (1,279)	39 (489)	12 (4,034)
Mozambique	14 (26)	18 (1)	3 (18)
OSAfrica	27 (1,279)	39 (489)	12 (4,034)
OSSA	25 (2,199)	32 (322)	13 (3,510)
Developing countries total	(37,852)	(113,789)	(124,626)
World total	18 (88,252)	31 (150,653)	5 (232,927)

Source: Authors' simulations.

Note: Numbers in parentheses are volume changes in 2001 US\$ millions.

Table 2.6 Percentage (and Volume) Changes in Developing Country Exports from Removing All Tariffs and Agricultural Subsidies

<i>Exporting region</i>	<i>Agriculture and food</i>	<i>Textiles and apparel</i>	<i>Other merchandise</i>
China	48 (7,669)	29 (36,733)	3 (7,883)
Indonesia	17 (1,134)	25 (3,160)	-1 (-275)
Philippines	13 (310)	47 (1,649)	0 (40)
Vietnam	-10 (-298)	70 (3,710)	7 (308)
OEAsia	35 (6,662)	24 (3,436)	4 (6,110)
India	88 (6,030)	31 (4,773)	57 (14,669)
Bangladesh	24 (116)	50 (2,697)	41 (272)
OSAsia	44 (1,170)	13 (1,465)	35 (1,040)
Argentina	11 (1,514)	-17 (-212)	12 (1,403)
Brazil	50 (8,281)	-17 (-564)	-2 (-689)
OLAC	22 (5,582)	33 (3,862)	6 (4,917)
Morocco	75 (1,235)	77 (2,136)	22 (742)
ONAM	47 (3,940)	61 (5,267)	5 (9,625)
SACU	38 (1,838)	8 (106)	0 (161)
Mozambique	13 (24)	79 (4)	5 (24)
OSAfrica	41 (1,321)	-5 (-48)	4 (331)
OSSA	21 (1,786)	53 (527)	12 (3,340)
Developing countries total	(48,314)	(68,700)	(49,884)
World total	21 (96,048)	19 (87,005)	5 (228,640)

Source: Authors' simulations.

Note: Numbers in parentheses are volume changes in 2001 US\$ millions).

Table 2.7 Regional Welfare Effects of Removing All Agricultural Tariffs and Subsidies

2001 US\$ millions equivalent variation in income

<i>Agricultural liberalization component</i>	<i>Beneficiary region</i>			
	<i>High-income economies</i>	<i>Transition economies</i>	<i>Developing economies</i>	<i>World</i>
High-income liberalization of				
Import market access	31,811	1,608	10,376	43,795
Export subsidies	2,554	-488	-1,023	1,043
Domestic support	2,450	76	284	2,809
Transition economies' market access liberalization	847	495	476	1,818
Developing countries' market access liberalization	3,908	468	1,817	6,193
Total agricultural liberalization	41,569	2,160	11,930	55,658

Source: Authors' simulations.

Table 2.8 Developing Countries' Welfare Gains from Removing All Agricultural Tariffs and Subsidies

2001 US\$ millions equivalent variation in income

<i>Benefiting Region</i>	<i>High-income economies' agricultural liberalization</i>			<i>Transition economies' agricultural liberalization (market access)</i>	<i>Developing countries' agricultural liberalization (market access)</i>	<i>Agriculture total</i>
	<i>Market access</i>	<i>Export subsidies</i>	<i>Domestic support</i>			
China	1,141	-78	-428	23	-98	560
Indonesia	-9	-19	-43	2	155	85
Philippines	11	-36	-67	1	5	-85
Vietnam	-19	-2	51	-5	-32	-7
OE Asia	807	-29	66	39	1,252	2,135
India	409	13	72	6	774	1,275
Bangladesh	-16	-9	-31	-6	12	-50
OSAsia	34	-9	4	172	30	231
Argentina	444	75	503	42	72	1,137
Brazil	4,302	24	649	109	-45	5,039
OLAC	1,580	-112	-26	70	-432	1,079
Morocco	232	-55	-32	0	-55	92
ONAM	770	-547	-528	0	115	-190
SACU	441	-17	46	8	50	529
Mozambique	-8	-1	1	0	3	-6
OSAfrica	151	-33	23	38	95	275
OSSA	107	-189	22	-22	-84	-167
Developing countries total	10,376	-1,023	284	476	1,817	11,930

Source: Authors' simulations.

Table 2.9 Developing Countries' Welfare Gains from Removing All Nonagricultural Tariffs, Agricultural Assistance, and Merchandise Trade Distortions

2001 US\$ millions equivalent variation in income

<i>Nonagricultural liberalizing region/component</i>	<i>Beneficiary region</i>			
	<i>High-income economies</i>	<i>Transition economies</i>	<i>Developing economies</i>	<i>World</i>
High-income economies				
Textiles and apparel	-3,421	-338	7,783	4,024
Other merchandise	5,521	356	2,500	8,378
Transition economies				
Textiles and apparel	43	-42	480	481
Other merchandise	755	159	292	1207
Developing countries				
Textiles and apparel	4,709	92	511	5,312
Other merchandise	10,271	420	-1,413	9,278
Nonagricultural liberalization total (sum of above rows)	17,878	647	10,153	28,680
Agricultural liberalization total (from table 2.7)	41,569	2,160	11,930	55,658
All merchandise liberalization total	59,447	2,807	22,083	84,338

Source: Authors' simulations.

Table 2.10 Welfare Effects of Liberalizing All Merchandise Trade*2001 US\$ millions equivalent variation in income*

<i>Benefiting region</i>	<i>Agricultural liberalization</i>	<i>Other manufactures liberalization</i>			<i>Textiles and apparel liberalization</i>			<i>All merchandise, total</i>
		<i>High-income</i>	<i>Transition</i>	<i>Developing</i>	<i>High-income</i>	<i>Transition</i>	<i>Developing</i>	
China	560 (0.05)	1,355 (0.13)	192 (0.02)	-1,066 (-0.10)	4,549 (0.43)	214 (0.02)	-436 (-0.04)	5,369 (0.51)
Indonesia	85 (0.06)	93 (0.07)	-4 (0.00)	195 (0.15)	316 (0.24)	2 (0.00)	-23 (-0.02)	666 (0.50)
Philippines	-85 (-0.13)	-208 (-0.33)	0 (0.00)	-18 (-0.03)	308 (0.48)	-2 (0.00)	-38 (-0.06)	-43 (-0.07)
Vietnam	-7 (-0.02)	56 (0.19)	-2 (-0.01)	458 (1.57)	783 (2.68)	85 (0.29)	539 (1.84)	1,911 (6.54)
OEAsia	2,135 (0.86)	18 (0.01)	24 (0.01)	1,106 (0.45)	503 (0.20)	4 (0.00)	-247 (-0.10)	3,543 (1.43)
India	1,275 (0.29)	48 (0.01)	26 (0.01)	142 (0.03)	487 (0.11)	17 (0.00)	-321 (-0.07)	1,673 (0.38)
Bangladesh	-50 (-0.12)	-19 (-0.05)	-2 (0.00)	-87 (-0.21)	10 (0.02)	-5 (-0.01)	-41 (-0.10)	-194 (-0.47)
OSAsia	231 (0.25)	0 (0.00)	6 (0.01)	117 (0.13)	209 (0.23)	-3 (0.00)	-142 (-0.16)	418 (0.46)
Argentina	1,137 (0.47)	56 (0.02)	-14 (-0.01)	105 (0.04)	43 (0.02)	1 (0.00)	-52 (-0.02)	1,275 (0.52)
Brazil	5,039 (1.13)	538 (0.12)	-18 (0.00)	-362 (-0.08)	133 (0.03)	0 (0.00)	-181 (-0.04)	5,149 (1.16)
OLAC	1,079 (0.20)	-66 (-0.01)	12 (0.00)	-1,425 (-0.26)	770 (0.14)	-2 (0.00)	-488 (-0.09)	-120 (-0.02)
Morocco	92 (0.30)	5 (0.02)	3 (0.01)	42 (0.14)	-127 (-0.42)	6 (0.02)	143 (0.47)	163 (0.54)
ONAM	-190 (-0.03)	583 (0.08)	78 (0.01)	-420 (-0.06)	-182 (-0.02)	162 (0.02)	1,795 (0.24)	1,826 (0.24)
SACU	529 (0.49)	116 (0.11)	-13 (-0.01)	463 (0.43)	25 (0.02)	0 (0.00)	38 (0.04)	1,158 (1.08)
Mozambique	-6 (-0.18)	-6 (-0.18)	0 (0.00)	-6 (-0.18)	-1 (-0.03)	0 (0.00)	2 (0.06)	-17 (-0.52)
OSAfrica	275 (0.72)	-22 (-0.06)	-5 (-0.01)	135 (0.35)	-10 (-0.03)	0 (0.00)	-27 (-0.07)	345 (0.90)
OSSA	-167 (-0.12)	-47 (-0.03)	11 (0.01)	-790 (-0.58)	-33 (-0.02)	1 (0.00)	-10 (-0.01)	-1,034 (-0.76)
Developing countries total	11,930 (0.27)	2,500 (0.06)	294 (0.01)	-1,411 (-0.03)	7,783 (0.18)	480 (0.01)	511 (0.01)	22,088 (0.50)

Source: Authors' simulations.

Note: Numbers in parentheses show welfare effects as percentages of net national income.

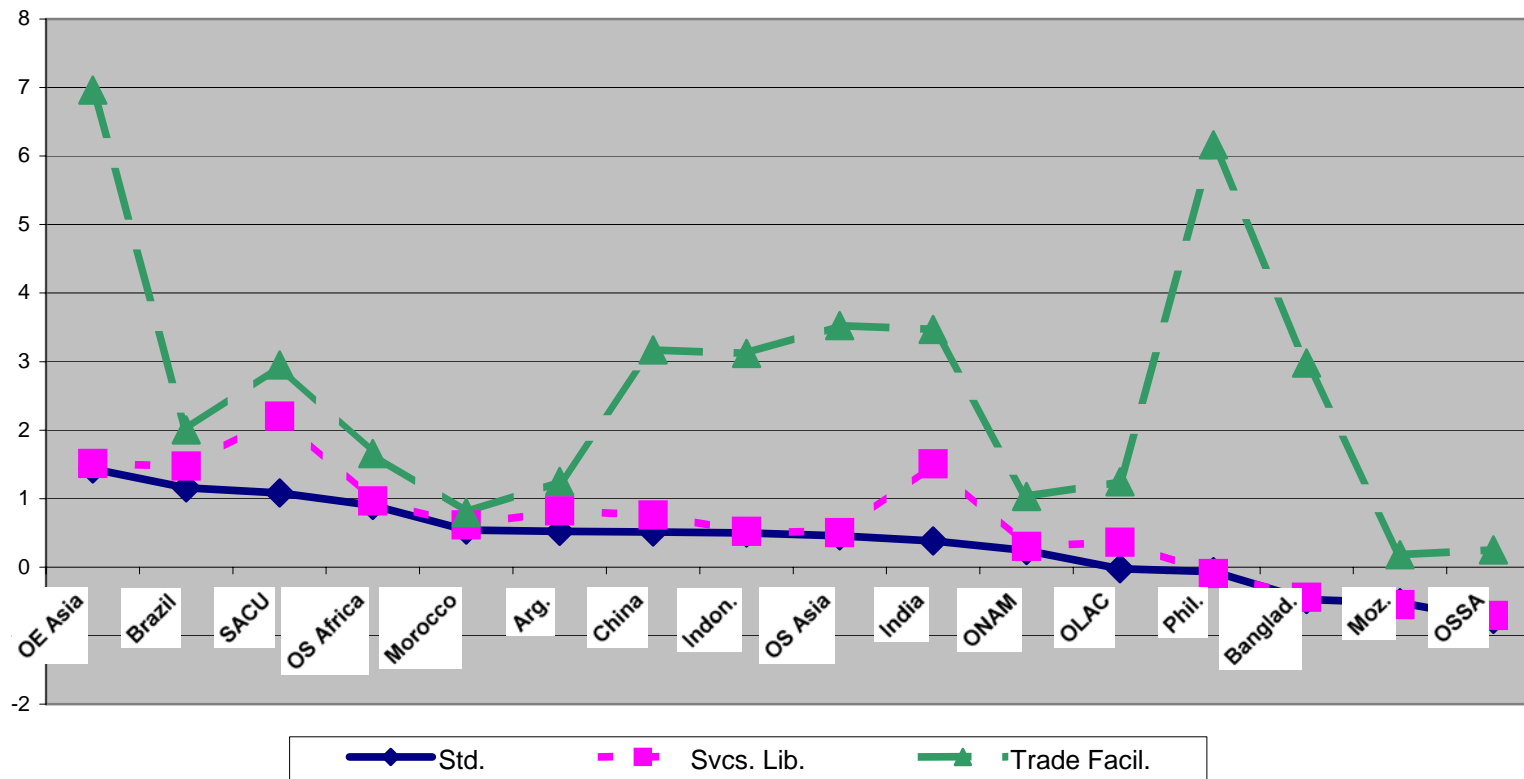
Table 2.11 Welfare Decomposition from Merchandise Trade Liberalization for Developing Countries
2001 US\$ millions equivalent variation in income

<i>Benefiting region</i>	<i>Total (all products)</i>	<i>Total (all products)</i>		<i>Agriculture and food</i>		<i>Textiles and clothing</i>		<i>Other merchandise</i>	
		<i>Efficiency</i>	<i>Terms of trade</i>	<i>Efficiency</i>	<i>Terms of trade</i>	<i>Efficiency</i>	<i>Terms of trade</i>	<i>Efficiency</i>	<i>Terms of trade</i>
China	5,369 (0.51)	1,889 (0.18)	3,481 (0.33)	-138 (-0.01)	698 (0.07)	872 (0.08)	3,456 (0.33)	1,155 (0.11)	-673 (-0.06)
Indonesia	666 (0.50)	135 (0.10)	529 (0.40)	-1 (0.00)	86 (0.06)	38 (0.03)	257 (0.19)	98 (0.07)	186 (0.14)
Philippines	-43 (-0.07)	277 (0.43)	-320 (-0.50)	159 (0.25)	-245 (-0.38)	10 (0.02)	258 (0.40)	108 (0.17)	-333 (-0.52)
Vietnam	1,911 (6.54)	742 (2.54)	1,171 (4.00)	150 (0.51)	-157 (-0.54)	285 (0.97)	1,123 (3.84)	307 (1.05)	205 (0.70)
OEAsia	3,543 (1.43)	2,074 (0.84)	1,469 (0.59)	1,260 (0.51)	875 (0.35)	157 (0.06)	103 (0.04)	657 (0.27)	491 (0.20)
India	1,673 (0.38)	4,430 (1.01)	-2,757 (-0.63)	1,431 (0.33)	-156 (-0.04)	197 (0.05)	-14 (0.00)	2802 (0.64)	-2587 (-0.59)
Bangladesh	-194 (-0.47)	361 (0.88)	-555 (-1.36)	67 (0.16)	-117 (-0.29)	218 (0.53)	-254 (-0.62)	76 (0.19)	-184 (-0.45)
OSAsia	418 (0.46)	547 (0.60)	-129 (-0.14)	188 (0.21)	43 (0.05)	38 (0.04)	26 (0.03)	321 (0.35)	-198 (-0.22)
Argentina	1,275 (0.52)	327 (0.13)	948 (0.39)	104 (0.04)	1,033 (0.42)	48 (0.02)	-56 (-0.02)	175 (0.07)	-29 (-0.01)
Brazil	5,149 (1.16)	1,472 (0.33)	3,678 (0.83)	497 (0.11)	4,542 (1.02)	46 (0.01)	-93 (-0.02)	929 (0.21)	-771 (-0.17)
OLAC	-120 (-0.02)	1,287 (0.24)	-1,407 (-0.26)	426 (0.08)	653 (0.12)	364 (0.07)	-84 (-0.02)	497 (0.09)	-1976 (-0.36)
Morocco	163 (0.54)	612 (2.03)	-450 (-1.49)	128 (0.42)	-37 (-0.12)	240 (0.79)	-219 (-0.73)	244 (0.81)	-194 (-0.64)
ONAM	1,826 (0.24)	4,430 (0.59)	-2,605 (-0.34)	982 (0.13)	-1,172 (-0.15)	2,523 (0.33)	-748 (-0.10)	925 (0.12)	-685 (-0.09)
SACU	1,158 (1.08)	532 (0.50)	626 (0.58)	219 (0.20)	310 (0.29)	127 (0.12)	-64 (-0.06)	186 (0.17)	380 (0.35)
Mozambique	-17 (-0.52)	11 (0.34)	-28 (-0.85)	6 (0.18)	-12 (-0.37)	1 (0.03)	0 (0.00)	4 (0.12)	-16 (-0.49)
OSAfrica	345 (0.90)	482 (1.26)	-138 (-0.36)	167 (0.44)	108 (0.28)	26 (0.07)	-64 (-0.17)	289 (0.75)	-182 (-0.47)
OSSA	-1,034 (-0.76)	906 (0.67)	-1,941 (-1.43)	432 (0.32)	-599 (-0.44)	205 (0.15)	-247 (-0.18)	269 (1.86)	-1095 (-0.81)
Developing countries total	22,088 (0.50)	20,513 (0.47)	1,569 (0.04)	6,077 (0.14)	5,852 (0.13)	5,394 (0.12)	3,380 (0.08)	9042 (0.21)	-7663 (-0.17)

Source: Authors' simulations, using the welfare decomposition technique developed by Huff and Hertel (2000).
Note: Numbers in parentheses show welfare decomposition as percentages of net national income.

Figure 2.1 Welfare Gains for Developing Countries from Freeing Trade in Services and from Trade Facilitation Compared with the Standard Removal of Merchandise Tariffs and Subsidies

percent of net national income <<Typesetter: this is label for Y axis>>



Source: Authors' calculations.

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