Case Analysis II
Thailand and TPP

EE459

Semester 2/2015

GTAP – Data Preparation and Simulation

Using GTAPAgg to **create the new global trade database**. Specifically this database is composed of :

- **7 regions** (Thailand, US, EU, China, Japan, RoTPP, RoW)
- **10 groups of commodities**

Then, run these 2 simulations:

(1) Imposing zero import tax for all commodities traded among TPP members (US & Japan & RoTPP)

(2) Imposing zero import tax for all commodities traded among Thailand and TPP members (US & Japan & RoTPP)

Research Tasks

(3) Apply GTAP to run 2 simulations. For each simulation, examine impacts of zero import-tax policies on the following variables :

- **GDP** (“qgdp” on GTAP) of 6 regions (i.e. Thailand, US, EU, China, Japan, RoTPP)
- **Inflation** (“pgdp” on GTAP) of 6 regions (i.e. Thailand, US, EU, China, Japan, RoTPP)
- **Change on Trade Balance** (“DTBAL”) of 6 regions (i.e. Thailand, US, EU, China, Japan, RoTPP)

- Also please rank sectors that will gain their export volumes according to 2 simulations of zero import-tax policies (ranked by % change in export as shown in **qxw [*,Thailand]**)
- Rank sectors that will increase their import volumes caused by 2 simulations of zero import-tax policies (ranked by % change in imports as indicated by **qim[*,Thailand]**)

Research Tasks

(4) Compare main findings obtained from 2 scenarios

- Compare positive and negative impacts on 3 main macro indictors (Real GDP, CPI and Trade Balance) of Thailand and those of other countries.
- Compare positive and negative impacts on 10 groups of commodities of Thailand and those of other countries.
- Other data sources and methods of analyses are welcome.

(5) Propose policy recommendations that would lead to the highest benefit of Thailand

- Should Thailand join TPP?
- What should we do with the export-declining sectors and the import-rising industries?
- What should we do with the export-gaining commodities?

Suggestions on the 2nd Assignment

(1)Written report : the format typically used by consulting companies (PowerPoint with texts and graphs/diagrams)

(2) Submit the hardcopy in the box attached to my office's door (March 15, 2016) and also email the PowerPoint file to nattapong@econ.tu.ac.th (by 5.00pm)

(3) Presentation date : March 16 and 18 (time slot : 12 minutes)

(4) Sequence of presentation : from draw

Suggestions on the 2nd Assignment

(5) Length of report : 12-15 pages

(6) Structure of the report

- **Part 1 – Background of TPP**
- **Part 2 - Analytical methodologies and results**

    - Results from GTAP simulations

- **Part 3 - Policy recommendations**

    - Other related info/data are welcome

Grading Criteria

Quality of report (60%)

- appropriate methodologies (20%)
- critical reasoning in result analysis and policy recommendation (20%)
- format of report (comprehensive graphical communication and concise text explanation) (10%)
- on-time submission (10%)

Quality of presentation (40%)

- convincing verbal explanation (30%)
- comprehensive Q&A (10%)