

Regional and Sectoral Implications of Trade agreements



Philadelphia

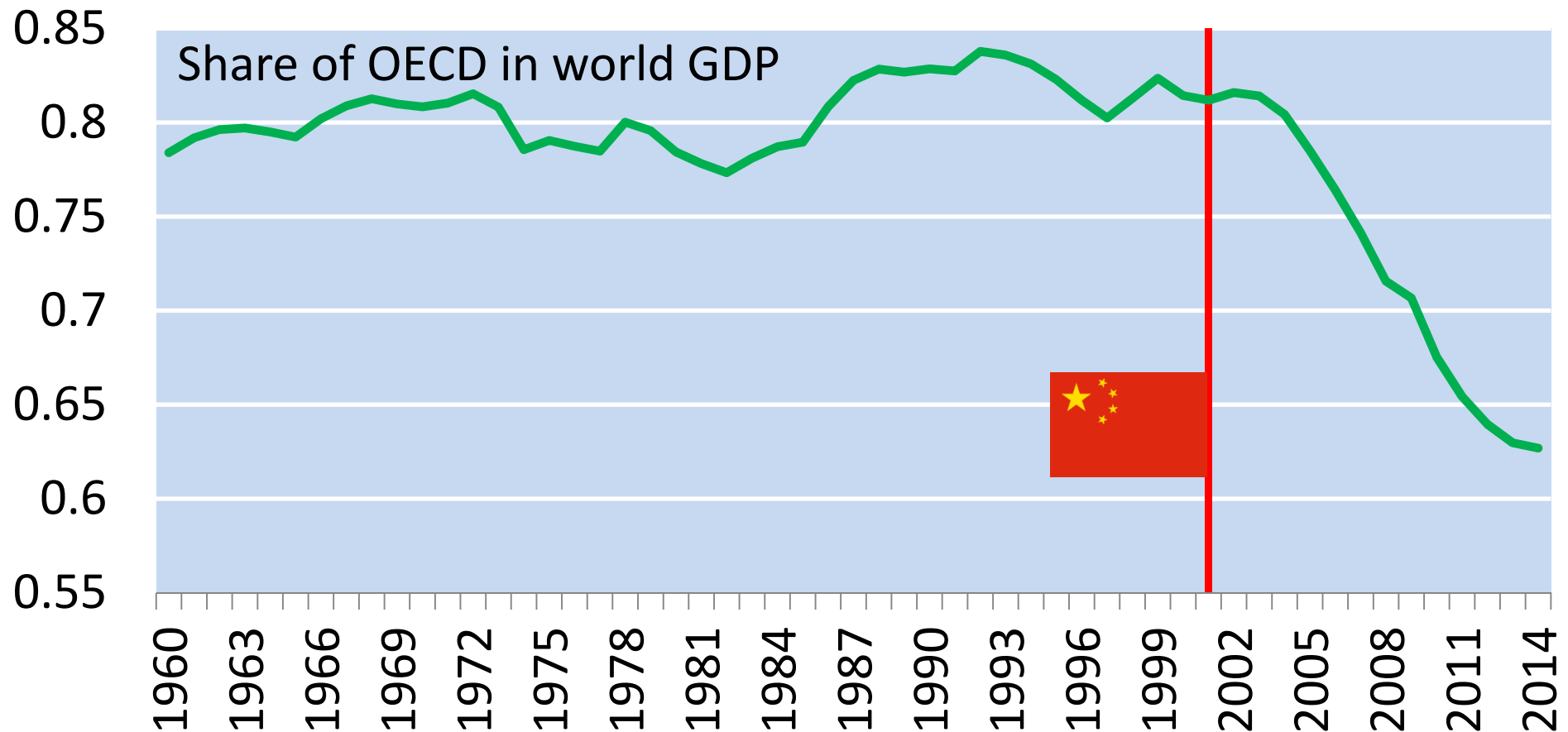
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an der Universität München e.V.

END OF AN ERA ?

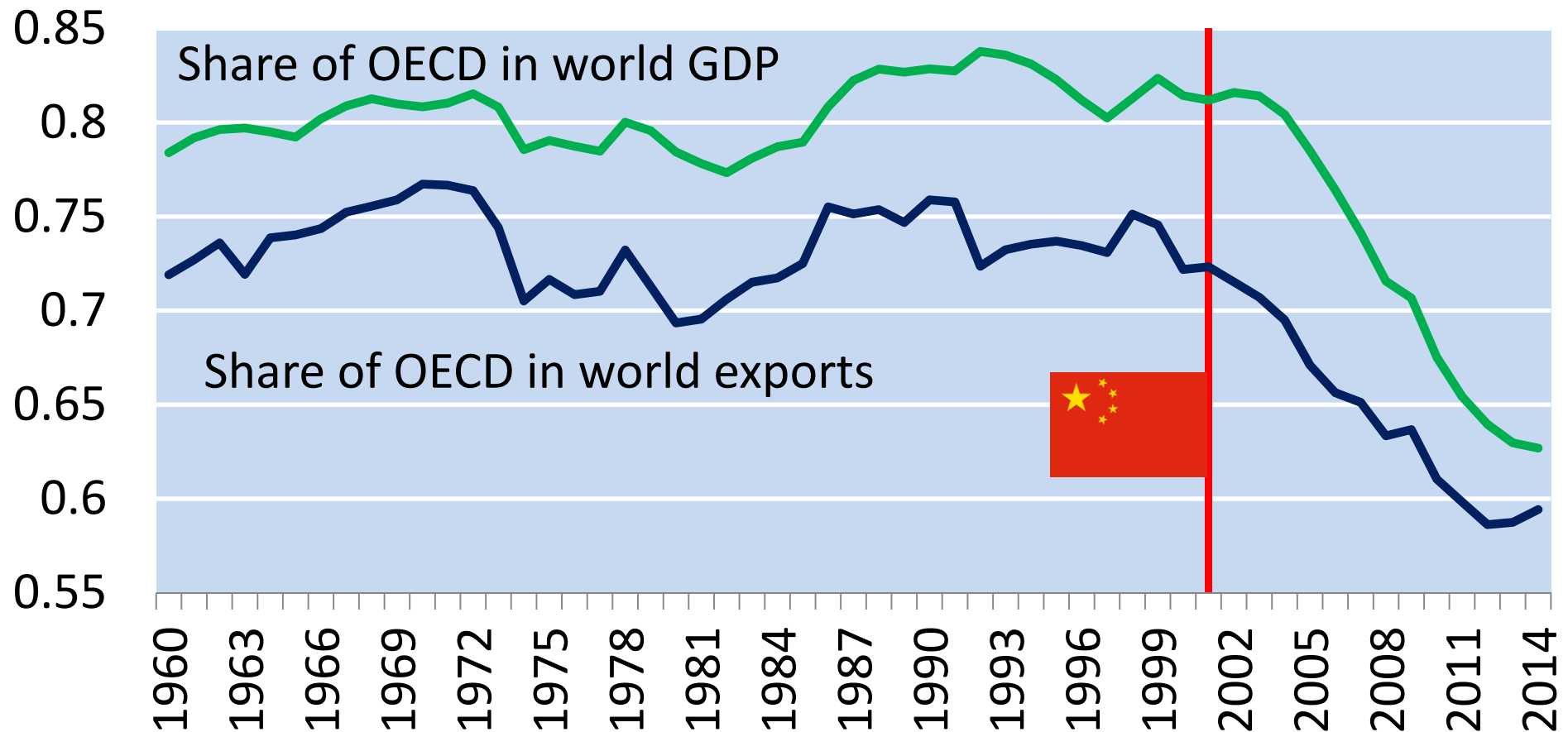
OECD shares in *nominal* world GDP and in world trade



Source: World Development Indicators.

END OF AN ERA ?

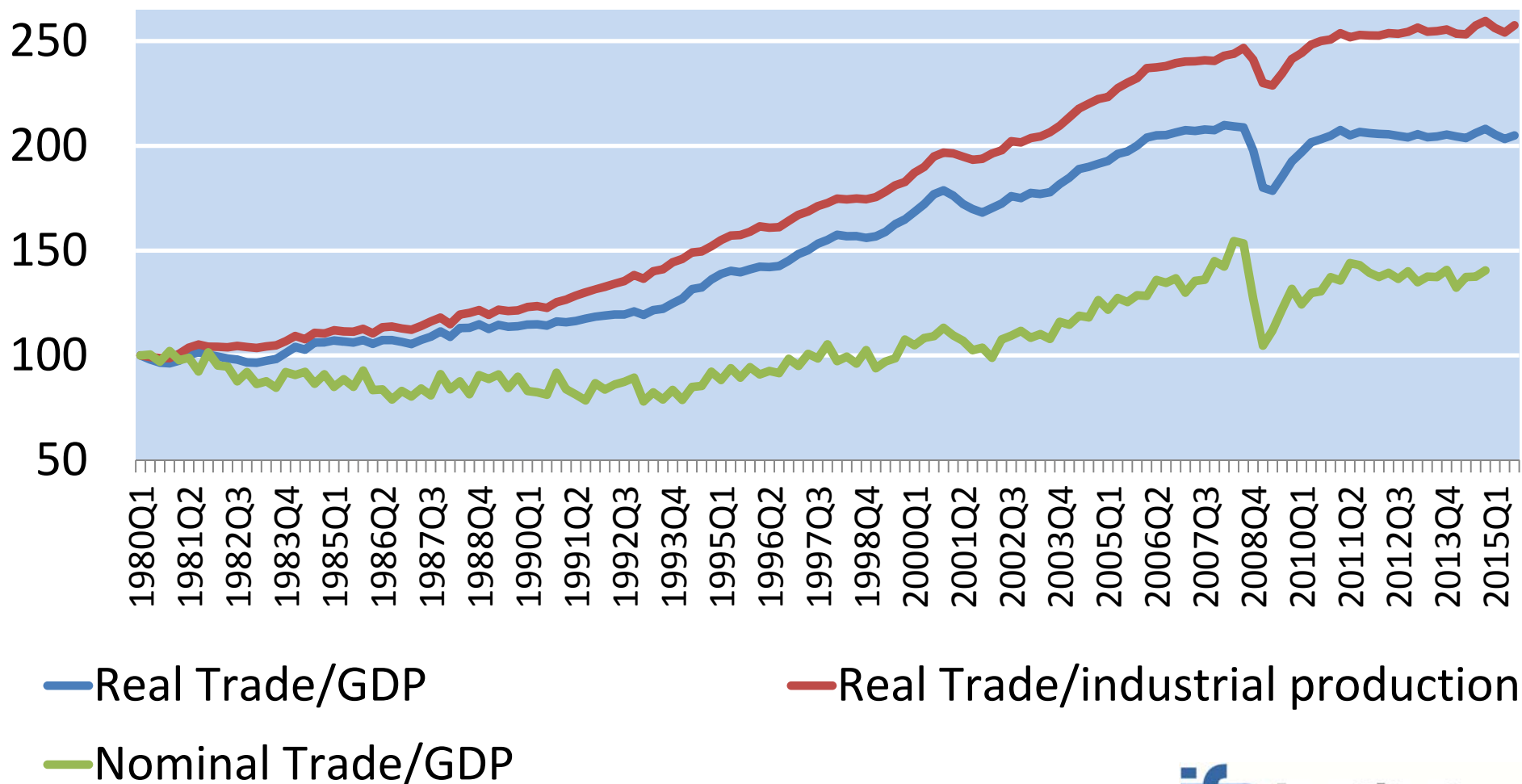
OECD shares in *nominal* world GDP and in world trade



Source: World Development Indicators.

GLOBAL TRADE SLOWDOWN

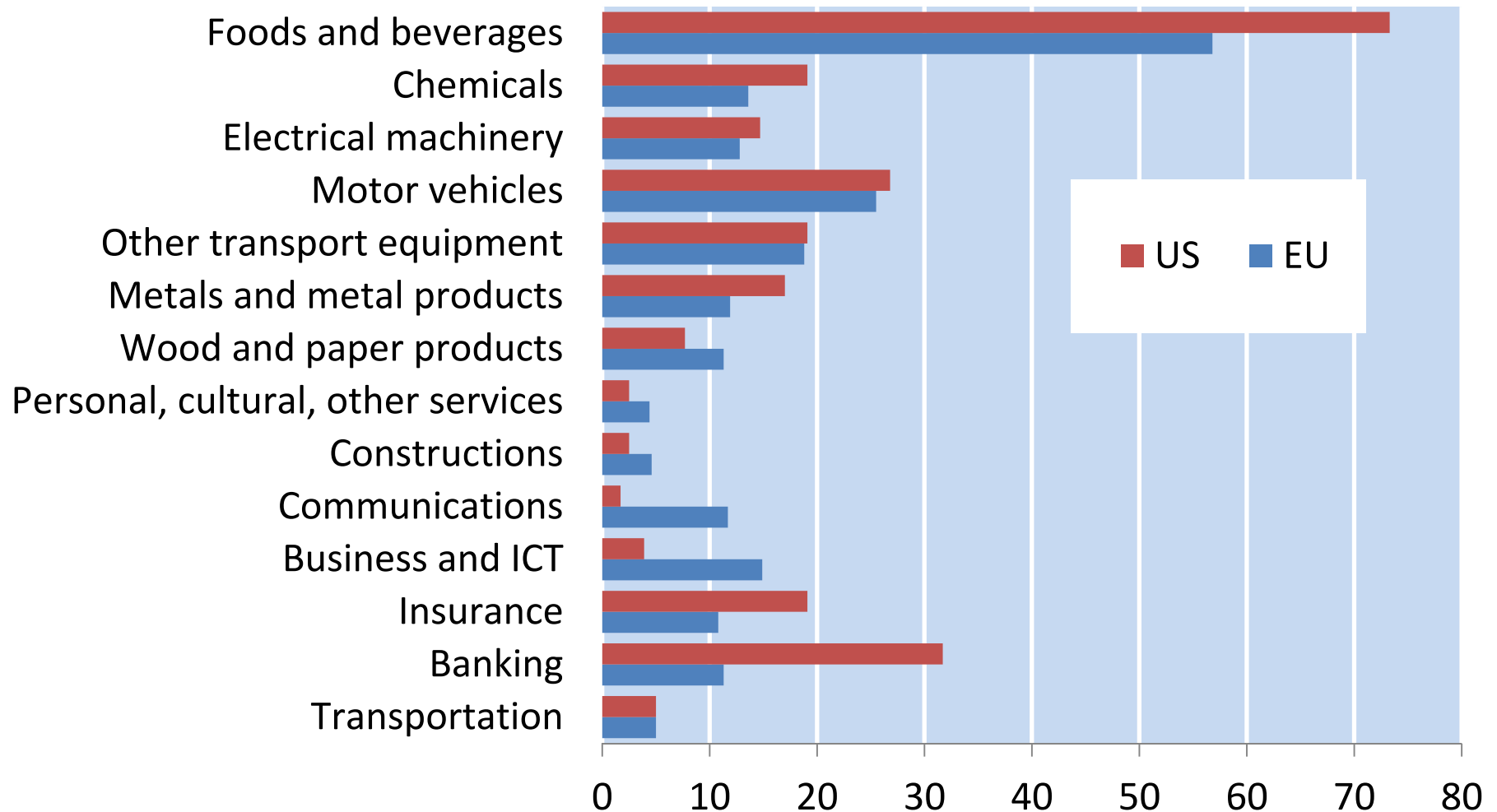
Since 2008, global trade has barely outgrown global GDP



Source: National accounts, World Input-Output Database, and International Monetary Fund's World Economic Outlook.

Non-tariff trade barriers substantial

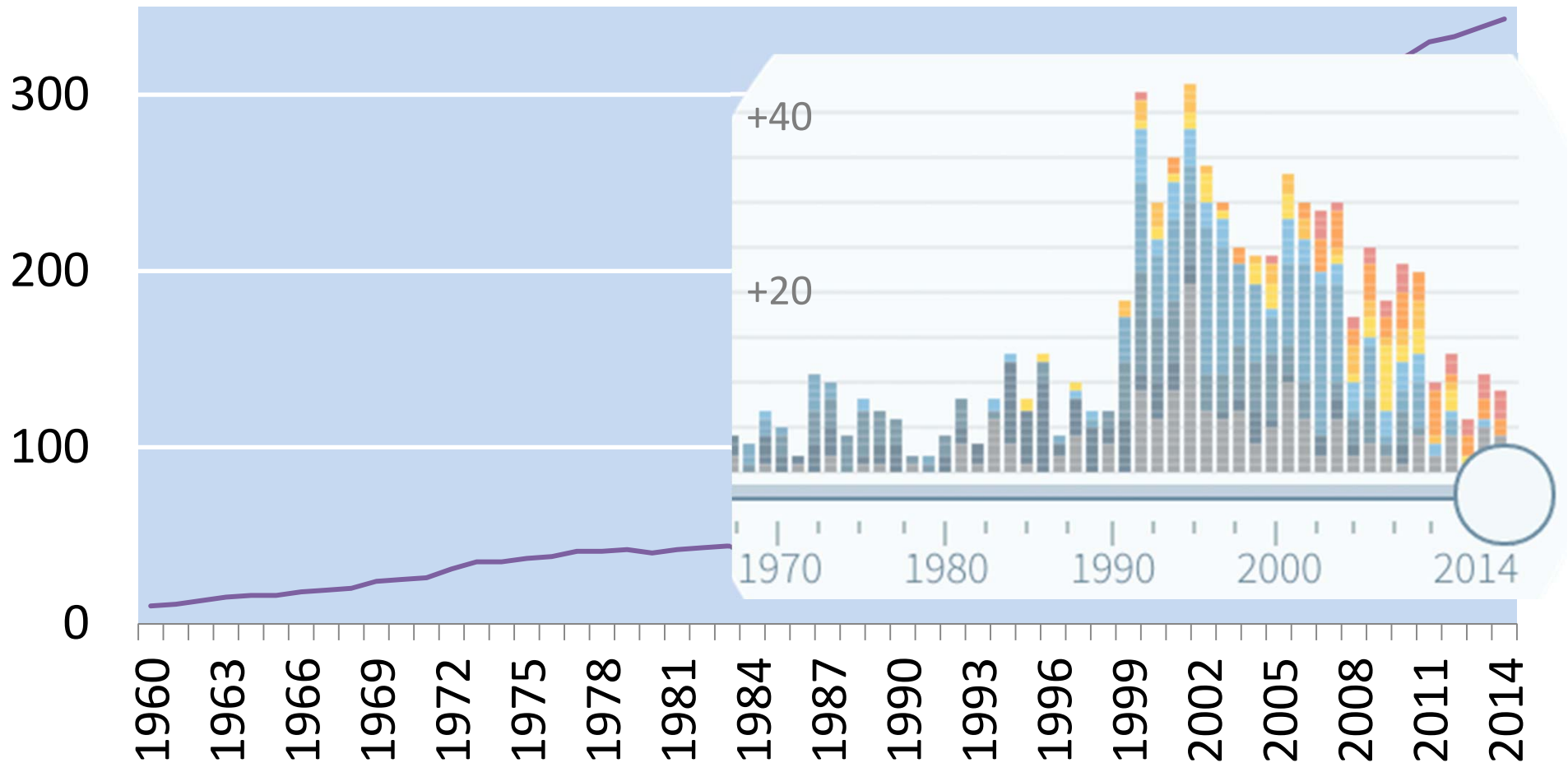
Bottom-up estimates, tariff equivalents, %



Source: Berden et al. (2011)

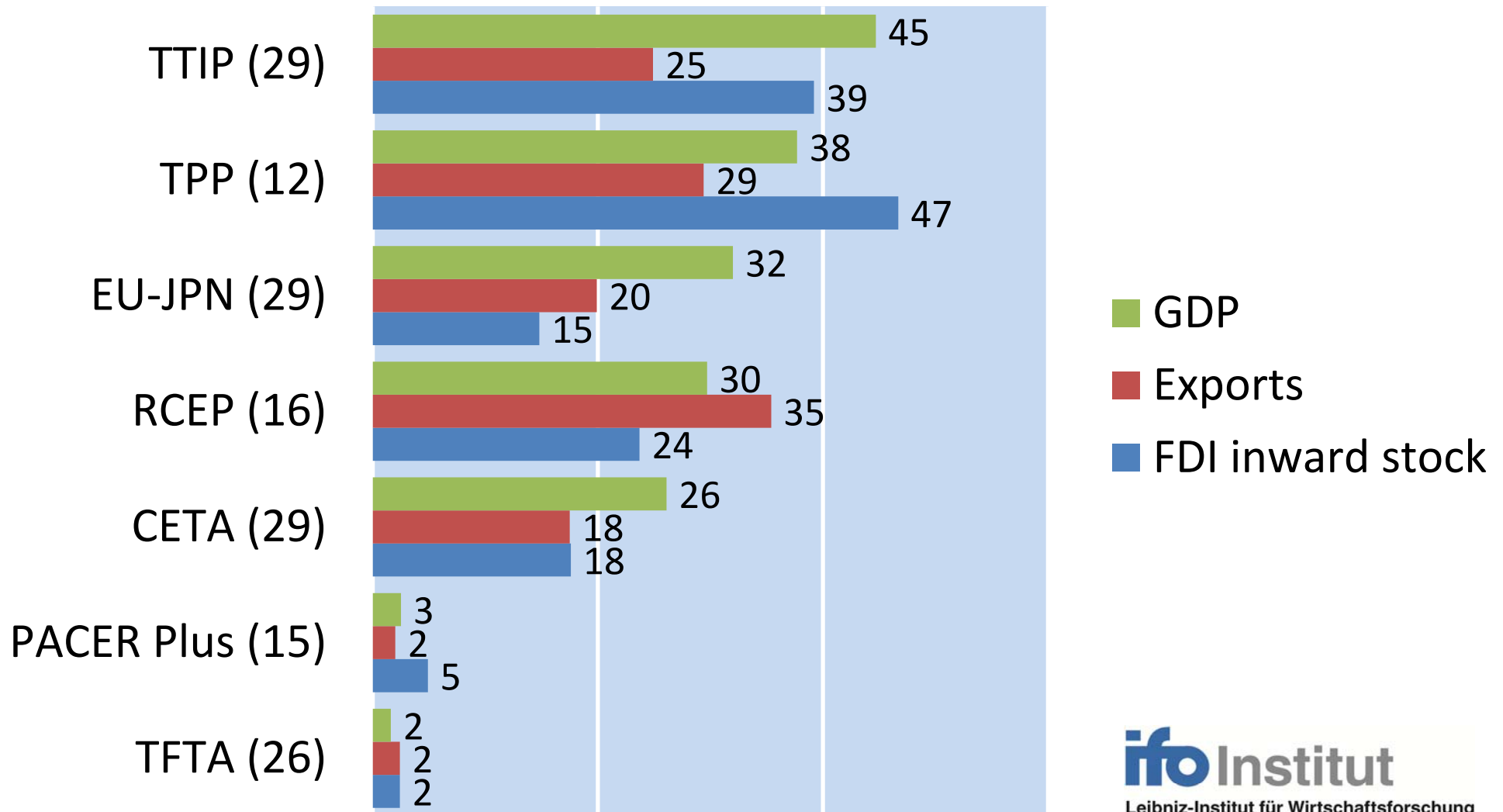
MORE, BIGGER, DEEPER RTAs

In terms of numbers, the boom of the nineties is over ...



Source: DESTA data base; Bertelsmann Foundation..

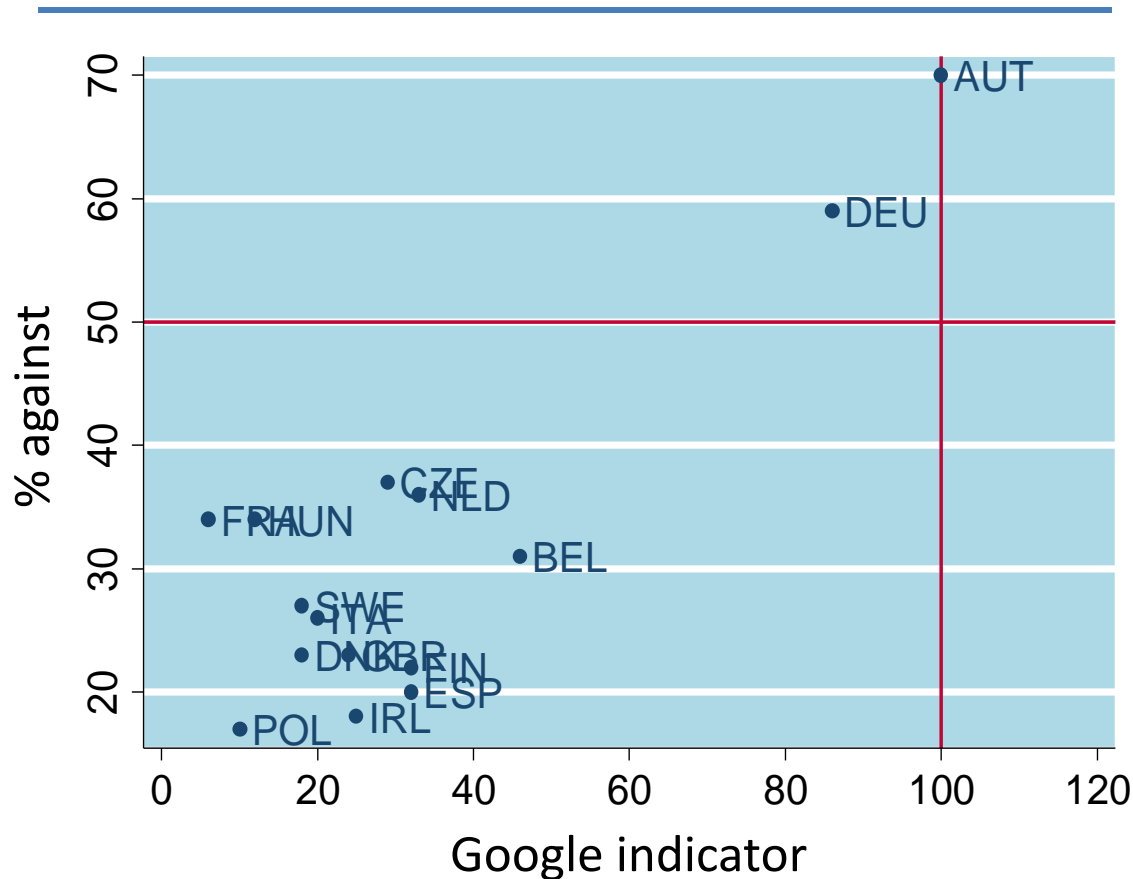
MEGAREGIONALS: SHARES (%) IN GLOBAL TOTALS (2014)



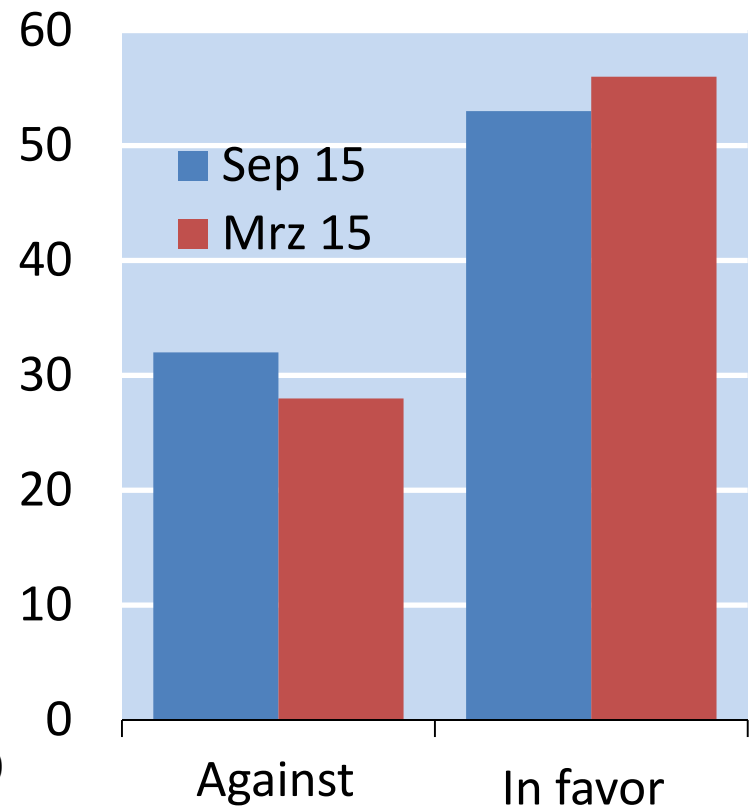
■ GDP
■ Exports
■ FDI inward stock

TTIP: NOT EXACTLY POPULAR ...

Eurobarometer vs. Google-Trends

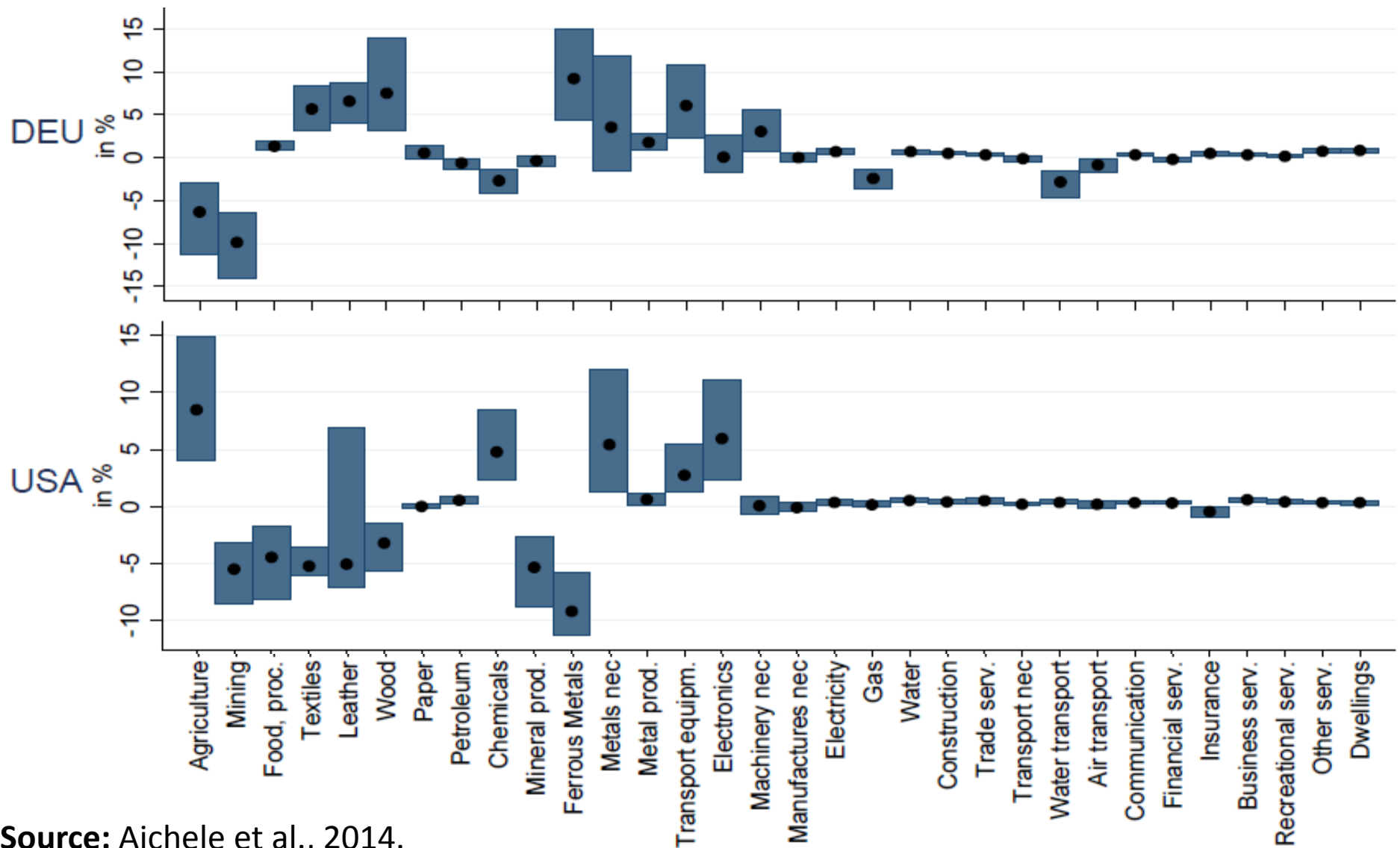


Eurobarometer EU Average



SECTORAL EFFECTS OF TTIP

long-run change in sectoral value added (%), medians and 95%-CIs



Source: Aichele et al., 2014.

SECTORAL ISSUES

No-Go-Areas

- Agri-food – but heterogeneities
- Certain services industries
- Public sector

Reindustrialization ?

- Regulatory cooperation mostly in manufacturing realistic
- Servitization of manufacturing

Some modeling results

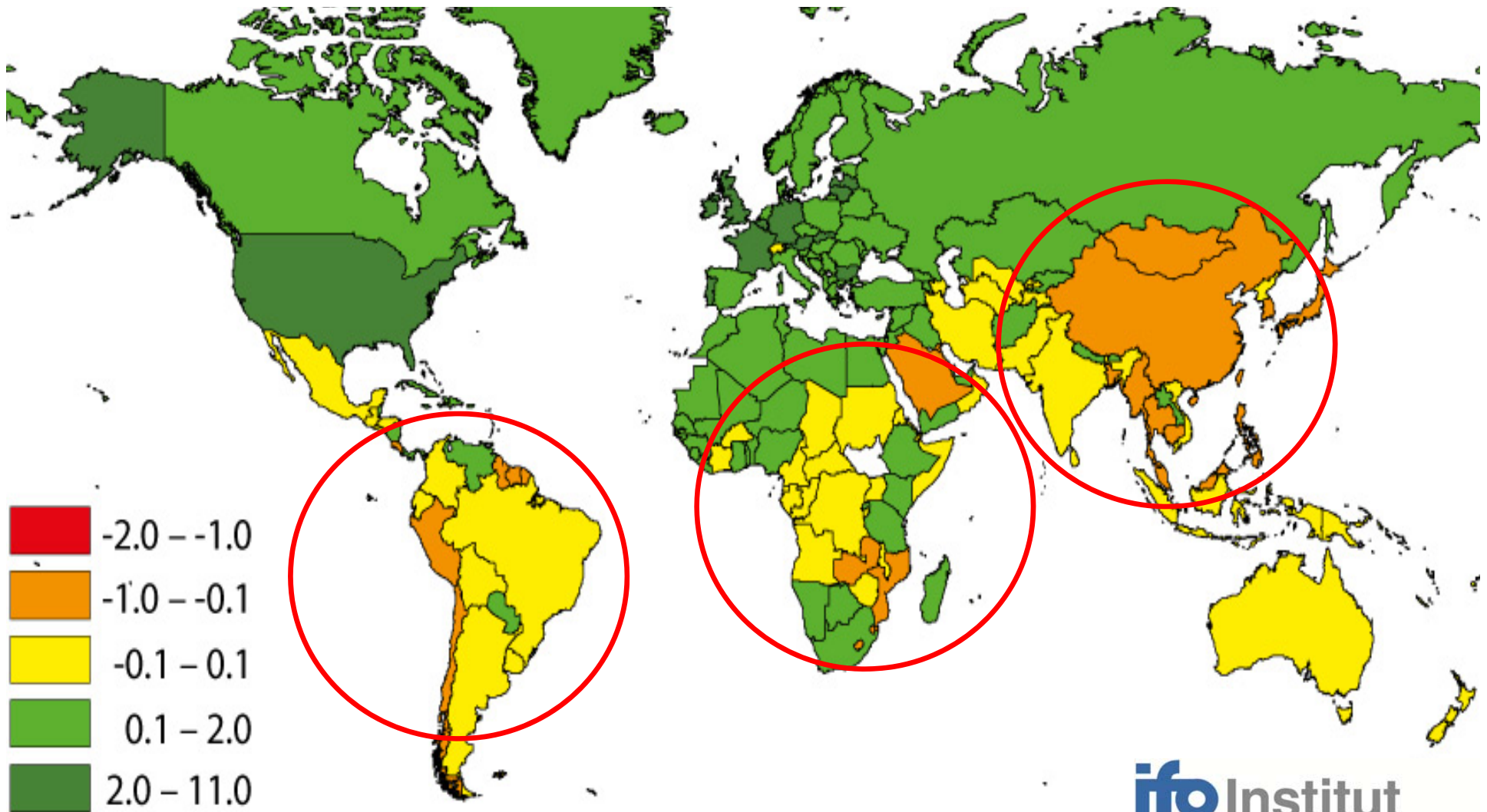
- Within-sector effects dominate between-sector effects
- Regionalization of GVCs?

New political economy

- Protection for sale logic outdated
- Consumers fear to lose out

REGIONAL EFFECTS OF TTIP

long-run effects on real per capita income (%)



Quelle: Updated ifo calculations; Aichele et al., 2014.

REGIONAL ISSUES

Broad patterns

- Megaregionals create winners and losers, but world GDP increase
- Sum of RTAs: Africa, LAM lose out

Bloc-agreements

- Preference erosion (E.g., within EU, NAFTA, TPP)
- Within-region disintegration

Some modeling results

- Rules of origin decisive
- Multilateralization through GVCs?
- Regulatory spillovers?