No 35
4th Quarter
2007

The CEPII NEWSLETTER

RESEARCH AND EXPERTISE
ON MAJOR ISSUES FOR THE WORLD ECONOMY

CONTENTS:

FOCUS

Unhappy Euro

In the summer of 2003, after the Euro/dollar exchange rate had appreciated to 1.15 from its 2001 low, a *Lettre du CEPII* untitled “The Happy dollar” argued that (i) the dollar would likely continue on its way down, (ii) adjusting the US current account through the exchange rate alone would yield a very large dollar depreciation, (iii) the Euro could reach unreasonable levels should some Asian countries not accept a revaluation of their currencies, and (iv) this would result in a tough test for the cohesion of the Euro area, given unequal vulnerability of countries and sectors to the dollar weakness.

At the end of 2007, the Euro/dollar exchange rate is approaching 1.50, and none of our 2003 thoughts has proven ill designed. The question now is whether the dollar fall will come soon to an end.

There is no definite answer to this question. Every day, the amount of foreign exchange transactions represents about one hundred times the amount of goods and services traded around the world.

Needless to say, failing confidence on the dollar will result in new downs for this currency. However, it should be remembered that each fall in the dollar depreciates all US items, from Californian wine and lawyer services to Treasury bonds and IT stocks. Such depreciation of goods, services and especially assets acts as a powerful brake on dollar depreciation: when US assets get cheaper, why not buy more of them? Why not bet on a dollar re-appreciation? Hence, there is an end to the dollar depreciation, just because when it is cheap enough, the US debt finds more investors to buy it. In addition, some investors, such as the People's Bank of China or sovereign funds are still buying dollars massively, even though they are also diversifying their portfolios towards other currencies. This is also stabilising.

In the longer run, a weak dollar should help reducing or even inverting the US current account deficit. If the deficit is reduced, then less US securities will need to be purchased by non-US residents, which should lead to a higher dollar. However, not too much hope should be put on the ability of the weak dollar to raise the US current account. Price elasticities of exports and imports are generally found to be limited. On the import side, foreign suppliers are likely to reduce their prices in their own currencies to keep their market shares on the US market; as for those suppliers located in countries with a quasi-fixed exchange rate against the USD – notably China – they could substitute for other suppliers in US imports. On the export side, the specialization of the United States on service exports is unlikely to yield much sensitivity to price competitiveness.

Still, it is difficult to guess what will be the dollar's low, just because it is difficult to guess what benchmark world markets have in mind. In fact, there are two ways of reasoning.

According to the first one, the present stock of US debt held by the rest of the world is huge, but there are also huge savings around the world that would be happy to come back to a safe, liquid market. The present weakness of the dollar can then be viewed as temporary: it is related to the subprime crisis, to the US downturn and to the quick reaction of the Federal Reserve. Lower interest rates will unlikely convince foreign investors to buy more dollars. Nevertheless, when the downturn has hit more countries, or when the Fed has succeeded in stopping it, the dollar will come back as the preferred currency of international capital markets, and the US debt spiral will start again.

A second line of reasoning considers the US net debt as undoubtedly non-sustainable. In order to reduce it, there is no other choice but save. For national net savings to increase, all agents would need to save more: households, firms, and the government, which would mean selling more domestic goods and services to non-residents, and less to residents, thanks to a weak dollar. In this view, the dollar weakness is not temporary. It will last until the net foreign asset position of the United States is back to sustainability. The dollar could even be weaker in order to make the balance-of-payment adjustment faster.

In between those two polar scenarios, there is a soft-landing scenario where the dollar appreciates a little bit while staying under-valued compared to its purchasing power parity level, and where the balance-of-payments adjustment is achieved more through a change in behaviours (more savings), and less from currency depreciation. This soft-landing scenario has become more likely now that a new growth engine exists in Asia. Indeed, slowing consumption in the United-States is now less depressing for the world economy than it used to be. However this soft-landing scenario relies on virtuous behaviours of households and authorities – the government and the Fed – and perhaps also on international policy co-ordination, which has not really been active since *Le Louvre* agreements, twenty years ago.

References

BÉNASSY-QUÉRÉ, A., BÉREAU, S. & MIGNON, V. **Equilibrium exchange rates: a guidebook for the Euro/dollar**, *CEPII working paper*, forthcoming.
BÉNASSY-QUÉRÉ, A., FONTAGNÉ, L. & FOUQUIN, M., **The Happy Dollar**, *La Lettre du CEPII* N ° 225, 2003.
BÉNASSY-QUÉRÉ, A., LAHRÈCHE-RÉVIL, A., MIGNON, V. & DURAN-VIGNERON, P., **Burden sharing and exchange rate misalignments within the Group of Twenty**, within C.F. Bergsten and J. Williamson eds., Dollar Adjustment: How Far? Against What? *Institute for International Economics special report 17*, Washington D.C., November 2004.
BÉNASSY-QUÉRÉ, A., LAHRÈCHE-RÉVIL, A. & MIGNON, V.,**The dollar in the G20**, *La Lettre du CEPII* N ° 238, 2004.
BÉNASSY-QUÉRÉ, A., LAHRÈCHE-RÉVIL, A. & MIGNON, V., **World Consistent Equilibrium Exchange Rates**, *CEPII working paper* N ° 2006-20.

GAULIER, G., LAHRÈCHE-RÉVIL, A. & MÉJEAN, I., **Exchange-Rate Pass-Through at the Product Level**, *CEPII working paper* N ° 2006-03.
GAULIER, G., LAHRÈCHE-RÉVIL, A. & MÉJEAN, I., **Structural Determinants of the Exchange-Rate Pass-Through**, *CEPII working paper* N ° 2006-02.

ON THE RESEARCH AGENDA

The Brain-Drain Between Knowledge-Based Economies: the European Human Capital Outflow to the US

Like secondary education was crucial to the post-war West-European economy, higher education has become a major factor for the development of the knowledge society, which requires an ever increasing supply of highly-educated, highly-skilled people (Aghion, 2006). The Third European Report on Science and Technology Indicators points out that “Europe produces a large number of university graduates, doctorate recipients and postdoctoral students. But a significant share of them finds work in an occupation outside of European R&D. It may be one of Europe's biggest obstacles in its attempt to becoming the world's most competitive knowledge-based economy [...]”

Where, outside Europe, could European workers best employ their skills and knowledge if not in the U.S.? We assess the human capital outflows from Europe to the U.S., and the underlying consequences in terms of output and productivity loss for European countries. Using data on three cohorts of expatriates in the 1970s, 1980s and the 1990s, we follow three different but complementary approaches. In the first and simplest one, we evaluate the impact of skilled emigration based on a production function which assumes perfectly substitutable workers and skill-neutral technology. However, we also show that cross-country data on wage premia and skilled labour supply do not fully support these assumptions. Therefore, in the second approach, following Caselli and Coleman (2006), we use a production function in which workers are imperfectly substitutable and the technology is skill-specific: the efficiency depends on the size of skilled workers in the labour force. Finally, as a better understanding on the nature of human capital embodied in European emigrants, we gather information on expatriates' performance in the U.S. labour market in order to measure the importance of talents, defined as the set of unobservable characteristics that commands higher wages. The main finding from these three different empirical investigations is that human capital outflows are increasingly costly for Europe since:

- expatriates are more and more drawn from the upper tail of the educational distribution in their home country,
- skilled workers have been relatively more efficient than unskilled ones in the 1990s compared to the previous decades,
- there are progressively more talents drained from Europe.

Ahmed Tritah

Labour Migration: Macroeconomic and Demographic Outlook for Europe and Neighbourhood Regions

Over the past few years, the pace of international migration has accelerated and this phenomenon is likely to further develop in the coming decades as part of the world globalization process. The recent period is characterized by new migrations, especially from Eastern and Central European regions and Commonwealth of Independent States (CIS). Indeed, migration flows between and within these regions hav increased as soon as the Communist dominance began to crumble.

Since the frontiers of a large Europe are not well-defined, it might be relevant to assess the consequences of tighter links between Western Europe and regions perceived to be in its back yard. Some political leaders seems also ready to embrace the idea that an influx of migrants is the best way to save the European pension systems by limiting the increase of the dependency ratio and the contribution rate. This question is all the more crucial as numerous CIS countries are much advanced in the ageing process and are already suffering from a declining population.

In the context of the EU 6th framework funded research project "EU Eastern Neighbourhood: Economic Potential and Future Development (ENEPO)", we assess the demographic and economic consequences of migrations in Europe and neighbouring countries using Ingenue2 model, a multi-region, overlapping-generations general equilibrium model. We evaluate the potential migration flows from CIS to Western Europe and Russia based on economic and demographic factors but also on other factors of migrants' life such as ethnic background, political situation and migration policies in CIS countries.

Compared to the literature, this study offers a global vision of the consequences of international migration since the Ingenue2 model is able to analyse the effects of migration on both the destination and the origin regions. Consequently, the following questions are addressed: what is the impact of migration on economic growth, capital accumulation, consumption, pension schemes and the current accounts of sending and receiving countries? Can immigration from neighbourhood regions help mitigate the adverse effects of population ageing in Western Europe?

Xavier Chojnicki

Databases

Customs Data: Many Trade Flows for a Few Firms …

Most empirical analyses of international trade use aggregate or sector-level trade data. This type of data illustrates countries' specialization patterns and international trade flows. It is a useful tool to examine a broad spectrum of political issues. It is also perfectly designed to assess theoretical predictions of either traditional trade models of comparative advantages or new trade theories *à la* Krugman-Dixit-Stiglitz. However, this relatively aggregate data conceals the consequences of globalization for intra-industry dynamics: firms' export strategies and competition strength.

Trade models assuming an oligopolistic market structure (in the line of Brander and Krugman, 1983), enlighten the consequences of competitive pressure of foreign producers on domestic firms. More recently, models with both monopolistic competition and heterogeneous firms (Mélitz, 2003) show how trade openness impacts firms' hierarchy within each industry. In this framework, the most competitive firms take advantage of new opportunities in foreign countries, while the least efficient have to exit the market. Finally, there is a set of firms which are efficient enough to resist foreign competition but not enough to pay the fixed costs required to enter the export markets; they only supply their own domestic market. These models present several important economic policy implications. First, it suggests that only a relatively small subset of firms can export, so that country's export performances are mainly driven by a relatively limited number of individual decisions. Second, international competition pushes the less efficient firms out of any market; this rationalization effect raises productivity in all countries.

To observe and analyze these consequences of globalization one needs very detailed data, at the individual level. French Customs data are a very accurate tool for this purpose. The database reports all customs declarations of French firms. Hence, it gives the value and the quantity of all individual shipments towards each country, at the 8 digit level of the combined nomenclature. France is the fifth exporting country in the world; consequently, the database is very large. For each year from 1998 to 2003, the database reports about 2 million trade flows achieved by more than 100,000 firms over 225 countries (see Table 1). It is worth noting that the number of exporting firms reported in the database is slightly underestimated. Indeed, since the implementation of the Single Market, intra-EU trade statistics do not record all trade flows. Inside the EU, shipments are reported if their annual trade value exceeds 250,000 euros. Exports outside the EU are recorded, unless their value is smaller than 1000 euros or one ton.

Table 1: **French individual export structure**

Year	Number of firms	Mean Export value €)	Median Export value €)
1998	101,610	2,639,121	45,593
1999	103,741	2,687,007	44,069
2000	104,128	3,082,182	48,349.5
2001	103,749	3,143,356	48,323
2002	103,244	3,131,379	48,299.5
2003	100,034	3,152,159	49,658

Source: French Customs.

The use of individual trade data renews the usual views on globalization. Two main stylized facts emerge clearly.

First, the proportion of exporting firms is low. Of course, Table 1 shows that the absolute number of French firms that supply at least one export market is quite large. But it represents only less than 20% of French manufacturing firms. Actually, most firms do not declare any export activity and, even in a widely open country such as France, exporting is not a widespread activity. The low proportion of firms that export suggests indeed that the entry on export market requires a significant initial investment.

Second, most exporting firms have a very limited activity on foreign markets. Some exporting firms serve a very large cast of foreign countries; between 164 to 173 countries at most. But the mean number of destinations is systematically lower than 6. More, the median number of destinations is about 2: out of the 20% of French manufacturing firms that declare a significant export activity, 50% only supply one or two countries (mostly border countries: Germany, Belgium, Switzerland…). Similarly, some firms export a very large set of products: between 1500 to 2100 depending on the year. But the mean number of products exported is around 8 and the median is only 3.

Table 2: **Mean and maximum number of destinations served and product exported by firms**

Year	Mean nb. of countries	Max. nb. of countries t	Mean nb. of products	Max. nb. of products
1998	5.36	173	7.97	2118
1999	5.43	167	7.90	2094
2000	5.55	164	8.10	2042
2001	5.57	169	8.05	1806
2002	5.58	165	8.10	1873
2003	5.57	167	7.95	1527

Source: French Customs.

Table 2 suggests that the population of exporting firms is very heterogeneous. Some firms have a very intense export activity but most firms only export few products to one or two markets. This heterogeneity is also visible in the distribution of total French export flows between exporting firms.

Table 3 displays the share of total exports achieved respectively by the 1st, 2nd, 3rd, 5th, 10th and 20th percentiles of exporters. This table reveals the extreme skewness of the population of exporting firms. The first percentile, *i.e.* about 1000 firms only, are responsible for around 68% of total French exports, that is to say that 99% of exporters account only for 32% of trade. Moreover, the 20% of the largest exporters account for almost all (98%) French exports.

Table 3: **Shares of total exports by percentiles of exporting firms**

Year	1st percentile	2nd percentile	5th percentile	10th percentile	20th percentile
1998	67.88	77.48	88.18	94.02	97.73
2003	68.44	78.00	88.48	94.20	97.81

Source: French Customs.

These two stylized facts (the low rate of participation of French firms to export markets and the extremely limited export activity of the wide majority of exporters) suggest that some general views about globalization and international trade issues have to be reconsidered. Indeed, competitiveness and trade imbalance issues are usually tackled with macroeconomic tools. A closer look to the microeconomics of international trade may suggest more accurate economic policies.

Matthieu Crozet

EVENTS

New Developments in International Trade in Services
November 22, 2007

The seminar, coorganized with the OECD, focused on two main subjects:

- services liberalization and firms strategies;
- measurement and consequences of trade barriers in services.

Researchers and experts from international organizations, research centers and universities discussed differents aspects of these topics. Papers are available online.

- What Do We (Not) Know About Services Trade? Towards a Research Agenda
  Dale Andrew, OECD
- Measuring Services Trade: Where Are We Today?
  William Cave, OECD
- International Services Outsourcing and Innovation: an Empirical Investigation
  Aoife Hanley, University of Nottingham
  Thierry Mayer, CEPII
- Service Offshoring and White-Collar Employment
  Rosario Crino, University of Bocconi
- FDI versus Exports: Evidence from German Banks
  Claudia Buch, University of Tübingen, IAW
- Regulations Affecting Services Trade: Developing a Restrictiveness Index - Presentation of STRI
  Hildegunn Nordas, Trade and Agriculture Directorate, OECD
- Does Gravity Apply to Intangibles? Trade and FDI in Services
  Julia Woerz, WIIW
  Cyrille Schwellnus CEPII, OECD
- CGE Modeling Including Trade in Services
  Cristina Mitaritonna, CEPII
  Przemyslaw Kowalski, Trade and Agriculture Directorate, OECD

WORKING PAPERS

Economic Geography, Spatial Dependence and Income Inequality in China
N°2007-22, December 2007

This paper contributes to the analysis of growing income disparities within China. Based on a structural model of economic geography using data on per capita income, we evaluate the extent to which market proximity and spatial dependence can explain growing income inequality between Chinese cities. We rely on a data set of 195 Chinese cities between 1995 and 2002. Our econometric specification incorporates an explicit consideration of spatial dependence effects in the form of spatially lagged per capita income. We provide evidence that the geography of access to markets is statistically significant in explaining variation in per capita income in China, especially so in provinces with low migration inflows which is consistant with NEG theory.

Laura Hering & Sandra Poncet

Does FDI in Manufacturing Cause FDI in Business Services? Evidence from French Firm-Level Data
N°2007-21, December 2007

This paper uses a large French firm-level dataset to evaluate the determinants of location choices in services. In a first step, estimates for four broad services sectors are compared with the estimates for the manufacturing sector in a gravity type of framework. Using a discrete choice model it is found that this framework does fairly well in explaining location choices in services and that the parameter estimates for services are close to the ones for manufacturing. It is then investigated whether the similarity in estimated parameters is due to a complementarity between location choices in manufacturing and in services, in the sense that manufacturing location choices may cause the location of services. A particularly appropriate services sector for this purpose is the business services sector for which input-output linkages with the manufacturing sector are particularly strong. It is found that the downstream demand of French manufacturing firms has a positive effect on the location choice probabilities of French business services firms. This effect is robust to controlling for unobserved determinants of the choice probabilities that may possibly be correlated with the downstream demand variable.

Benjamin Nefussi & Cyrille Schwellnus

Bilateral Trade of Cultural Goods
N°2007-20, November 2007

International trade flows of cultural goods have grown very rapidly over the last decades and their liberalization will be one of the important issues of future multilateral trade negotiations. Despite these stakes, cultural flows have, to date, not been much studied by trade economists.
In this paper, we focus on bilateral trade in cultural goods, such as books, recorded media, visual arts, audio visual media, and we investigate its determinants. Furthermore, we use trade in cultural goods as a proxy for countries' cultural proximity and study if countries with proximate cultural tastes tend to have more intense bilateral exchanges.
Our estimations show a positive and significant influence of cultural flows on overall trade, suggesting that regulations fostering domestic cultural creation might have impacts going beyond what is generally expected.

Anne-Célia Disdier, Silvio H.T. Tai, Lionel Fontagné & Thierry Mayer

China and India in International Trade: from Laggards to Leaders?
N°2007-19, November 2007

China and India are demographic giants which have become big economic powers before getting rich. Their rise in international trade has created two symmetric shocks, on the supply of manufactured goods and the demand of primary goods, contributing to a reversal in world relative prices. They have kept traditional specialisation in textiles but have developed new outward-oriented sectors linked to new technology. Foreign firms, through offshoring and outsourcing, have played a critical part in turning China into a global export platform for electronic products, and India into a global centre for ICT services. Beyond the question of their technological catch-up, the challenge is now their quality upgrading, especially for China. In the two countries, there is a debate about the necessary changes to make long term growth sustainable. Their successful integration in world trade has not solved the problem of their overall oversupply of labour, but has accentuated the shortage of highly-skilled personnel.

Françoise Lemoine & Deniz Ünal-Kesenci

How Remote is the Offshoring Threat?
N°2007-18, November 2007

Advances in communication technology make it possible for workers in India to supply business services to head offices located anywhere. This has the potential to put high-wage workers in direct competition with much lower paid Indian workers. Service trade, however, like goods trade, is subject to strong distance effects, implying that the remote supply of services remains limited. We investigate this proposition by deriving a gravity-like equation for service trade and estimating it for a large sample of countries and different categories of service trade. We find that distance costs are high but are declining over time. Our estimates suggest that delivery costs create a significant advantage for local workers relative to competing workers in distant countries.

Keith Head, Thierry Mayer & John Ries

Costs and Benefits of Euro Membership: a Counterfactual Analysis
N°2007-17, November 2007

The aim of this paper is to gauge quantitatively the macroeconomic costs or gains of EMU membership. Building on the Global VAR framework designed by Pesaran *et al.* (2004), we want to shed light on the following important questions: What would have happened had the euro never been launched? How would have evolved national outputs and inflation rates? What would have been the consequences for Italy of not participating to Stage 3? We show that we cannot draw any general conclusion for the three largest euro area members, namely Germany, France and Italy. It is however certain that these countries had, and probably still have, conflicting interests regarding the most suitable monetary policy for each of them. Conversely, small euro area members like Finland, the Netherlands and Spain, seem to have benefitted from the pre-euro convergence and from the single currency regime. Besides, the single currency regime probably did not have any significant impact on price developments. Finally, the non-participation of Italy to the single currency is quite neutral on the macroeconomic performances of the euro area.

Emmanuel Dubois, Jérôme Hericourt & Valérie Mignon

Location Decisions and Minimum Wages
N°2007-16, November 2007

The paper contributes to the living debate on the controversial effects of minimum wage policy on economic performances, focusing on its impact on firms' location choice. The question is investigated through a theoretical model, that incorporates features from the new trade literature (Krugman, 1991) and the labor-market literature. In a two-country framework, we model endogenous entry of firms under wage rigidity. In this setting, the impact of an unilateral increase in the home country's minimum wage is analyzed. The policy shock is shown to have a twofold influence on the relative attractiveness of the home country, simultaneously affecting its relative cost competitiveness and the aggregate demand addressed to firms. The final effect on firms' location decisions notably depends on the way skilled and unskilled labor markets adjust. Our overall results suggest that the impact of labor-market policies on firms' location decisions have to be taken into account when evaluating their whole consequences in the national economy.

Isabelle Méjean & Lise Patureau

MIRAGE, Updated Version of the Model for Trade Policy Analysis: Focus on Agriculture and Dynamics
N°2007-15, October 2007

MIRAGE is a multi-region, multi-sector computable general equilibrium model, devoted to trade policy analysis. It incorporates imperfect competition, horizontal and vertical product differentiation, and foreign direct investment, in a sequential dynamic set-up where installed capital is assumed to be immobile. Adjustment inertia is linked to capital stock reallocation. MIRAGE draws upon a very detailed measure of trade barriers and of their evolution under given hypotheses, thanks to the MAcMap database. The most recent version, presented in this document, offers improvements in the modelling of agriculture policy and dynamics.

Yvan Decreux & Hugo Valin

CEPII Working Papers are available for free, on-line, in PDF format; hard copies are also available on request.

RECENT PUBLICATIONS

ECONOMIE INTERNATIONALE, QUARTERLY

Issue 111, 3rd Quarter 2007
Monetary and Financial Integration in Asia

Introduction
Agnès Bénassy-Quéré & Valérie Mignon

Can a Currency Board or a Hard Peg be Unstable? The Case of China
Patrick Artus

Developing the Bond Market in China: the Next Step Forward in Financial Reform
Michel Aglietta & Pierre Maarek

Dependence on External Finance by Manufacturing Sector: Examining the Measure and its Properties
George M. von Furstenberg & Ulf von Kalckreuth

Saving-Investment Relationship, Financial Crisis and Structural Changes in East Asian Countries
Carlos C. Bautista & Samuel Maveyraud-Tricoire

The Relevance of Currency Mismatch Indicators: an Analysis Through Determinants of Emerging Market Spreads
Stéphanie Prat

Économie Internationale is a European based journal which publishes papers in numerous subject areas of international economics, such as international macroeconomics, international finance, international trade, transition economies, economic integration and regional economics. *Économie Internationale* especially encourages submission of articles which are empirical in nature or that have strong policy content. *Économie Internationale* is committed to give a first response to author(s) within four months starting from the submission date.To submit your paper, please visit www.International-Economics.eu.

LA LETTRE DU CEPII, MONTHLY

Financing Social Welfare: the Attraction of Broad Bases
N° 269, August 2007

The idea that a drop in social welfare contributions being offset by an increase in VAT could favour employment and competitiveness is a subject of important controversies. This not does suggest that that such a kind of measures could not be neutral. In the long run, on an unchanged budgetary basis, lowering contributions should have positive effects of promoting employment, albeit modestly. In the short run, while the policy improves competitiveness, it undermines household purchasing power. Furthermore, calculations made at a detailed sector level reveal that this switch does not benefit all sectors uniformly. Indeed, in top of the range activities that form the heart of the European specialisation, the increase in competitiveness is quite limited. The trade-off is therefore the following: either to promote demand for unskilled labour over the long term or boost the competitiveness of those sectors exposed over the short term. This is a particular instance of the usual observation according to which efficiency considerations are not independent from distributive purposes.

Martine Carré-Tallon, Benjamin Carton & Stéphane Gauthier

IMF: Ill-Tailored Quota
N° 268, June-July 2007

The present discussions around IMF quotas may well reveal internal inconsistencies between the three purposes of the quotas: determine the financial contribution of each member country to the Fund, its access to Fund resources, and its voting rights. If the IMF is to find a new legitimacy as a co-ordinator of the global economy away from its traditional role of financial assistance, then deep changes in quota formulas would be appropriate, such as the inclusion of population in the formulas and the subsequent exclusion of variability and foreign exchange reserves. We provide illustrative projections of present and alternative quota formulas at the year 2030. There is little the Eurozone can do against a decline in its calculated quota share by at least 6 percentage points at this horizon. Excluding intra-Eurozone payments (consistent with a single seat at the IMF) would involve an additional 3 percentage point drop.

Agnès Bénassy-Quéré

Global Overview of Trade Policies
N° 267, May 2007

The lack of progress in the Doha negotiations does not mean that trade policies have remained at a standstill at the start of the Cycle in 2001. A new version of the MAcMapHS6 database, which contains the bilateral tariff protection agreements of 170 countries, covering more than 5,000 products, can be used to give the most recent picture of these protections. We are interested not only in measuring the tariff barriers which countries maintain to protect their domestic markets, but also in evaluating those encountered by their exports in external markets, including tariff preferences. All these data taken together highlight the interests of the various players and helps us understand the positions they defend in multilateral negotiations.

David Laborde

News in Brief

Jacopo Cimadomo is on leave at th ECB for one year.

Jérôme Sgard left the CEPII for the CERI, Institut d'Etudes Politiques, Paris.

Forthcoming

L'Europe et le monde
Conference organized by CEPII to celebrate the creation of the Center in 1978.
February 12 , 2008

Conjoncture et marchés financiers: perspectives 2008-2009, la fin d'un cycle
CEPII Business Club
February 20 , 2008

Les fonds souverains: une nouvelle puissance financière?
CEPII Business Club
February 21 , 2008

Le Brésil, grande économie émergente dans la globalisation après la stabilisation
CEPII Business Club
February 26, 2008

The contents of this Newsletter were finalised January 31, 2008

Publisher: AGNES BENASSY-QUERE, Director of the CEPII
Chief Editor: DOMINIQUE PIANELLI
Web Assistant: Isabelle Bartolozzi

Subscription manager: SYLVIE HURION
Address: CEPII - 9, rue Georges Pitard - 75015 Paris - France
Tel. (33) 1 53 68 55 00 - Fax: (33) 1 53 68 55 03
http://www.cepii.fr