

Presseaussendung

Model Simulations for Trade Policy Analysis: The Impact of Potential Trade Agreements on Austria

FIW-Studie "Model Simulations for Trade Policy Analysis: The Impact of Potential Trade Agreements on Austria" ist als kostenloser Download unter <http://fiw.ac.at> erschienen.

The Vienna Institute for International Economic Studies (wiiw) has made a study, which quantifies effects of possible medium-term changes in EU trade policy on the Austrian economy, including implementation of Free Trade Agreements (FTAs) with regional entities like ASEAN and the NAFTA countries, and conclusion of the Doha round of WTO negotiations. The study employs a multi-region computable general equilibrium (CGE) model, focused on Austria and its major trading partners.

Austrian trade policy is bound tightly to the EU policy. Changes in trade policy at the regional and global level translate directly into the rules that govern Austria's trade with its major partners, both in Europe but also outside the scope of the European Economic Area, and hence affect trade and industrial structure of the country. In this study we analyse potential effects of major EU trade initiatives on the Austrian economy.

Importance of the ASEAN economies and US for Austria

Collectively, the ASEAN countries represent roughly 6 percent of extra-EU Austrian trade. This is more than Japan and Korea combined, and roughly at par with trade with China. Services dominate Austrian exports to ASEAN. This contrasts sharply with the general pattern of Austrian exports, where manufacturing dominates. This point is seen even more clearly when we examine trade on a value added basis. On this basis, services account for over 60 percent of the value added contained in Austrian exports to ASEAN.

The North American economies (which comprise NAFTA trade bloc), collectively, account for 25 percent of Austrian extra-EU exports, and over 20 percent of imports. However, in contrast to ASEAN, this trade is concentrated in manufactured goods rather than in services. This means that barriers to trade in goods are relatively much more important in a trans-Atlantic context than they are in the ASEAN context, where services are the dominant linkage between exports and Austrian value added.

Doha development round

Doha negotiations came to a stalemate in 2008 over issues of agricultural trade; however, recently several countries have called for their revival. Even allowing for likely exceptions for sensitive and special products, concluding the Doha Round of trade negotiations would bring significant reduction in barriers to trade in manufactures and agricultural products. While there is great potential for liberalisation in services as well, at this stage there is little evidence that current offers in services would provide liberalisation, though there would be improved security linked to market access.

Impact of FTAs and Doha Round on the Austrian economy

Possible trade agreements under the Doha Round of WTO negotiations, and on a regional basis with NAFTA and ASEAN countries, are examined with a computer-based model of world production and trade. From this model, the highest GDP growth and welfare increase for Austria are estimated under the EU-US FTA scenario – 0.25 percent and € 874 million respectively. Liberalisation of trade under the ASEAN scenario yields the lowest increase in GDP – less than 0.1 percent. Imports increase roughly in line with exports in all the scenarios. The Doha scenario yields gains similar, but slightly less than under a NAFTA agreement (0.24 percent of GDP).

The study also presents estimated changes in the value added contained in Austrian exports under all three liberalisation scenarios. Under all scenarios, the value added content of expanded exports is between 45 percent and 65 percent of the gross value of expanded exports. This reflects the role of complex production chains, and the difference between gross exports (which include imported intermediate goods) and the domestic value added contained in those exports. For example, with the ASEAN case, where export growth in services is the primary contributor to total export growth, 65 percent of gross export growth is in value added, while under the Doha case, the value added accounts only for 45 percent of gross export growth. The NAFTA case is in the middle, with value added contained in new exports equal to 55 percent of gross new export values.

There is also a strong difference in the importance of different sectors to total value added growth. For example, though import protection in motor vehicles is relatively low in North America, the motor vehicles sector is actually quite important when we look at the impact of a North American FTA on Austrian value added contained in exports. In all cases, one striking message from the modelling is the importance of high technology services (ICT and other business services) to the total growth in Austrian exports, on a value added basis. This reflects both the high value added content of trade in this sector, and the apparent comparative advantage of Austria in this sector.

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Rückfragen bitte an

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Der "Forschungsschwerpunkt Internationale Wirtschaft" (FIW) wird im Auftrag des Bundesministeriums für Wirtschaft, Familie und Jugend (BMWFJ) im Rahmen der Internationalisierungsoffensive der Bundesregierung von drei Instituten – Österreichisches Institut für Wirtschaftsforschung (WIFO), Wiener Institut für Internationale Wirtschaftsvergleiche (wiiw), Wirtschafts- und Sozialwissenschaftliches Rechenzentrum (WSR) – betrieben. Er bietet Zugang zu internationalen Außenwirtschafts-Datenbanken, eine Forschungsplattform und Informationen zu außenwirtschaftsrelevanten Themen.

Die FIW-Studien 2010/11 zeigen die Ergebnisse von den sechs Arbeitspaketen "The financial and economic crisis of 2007-2010 and the European economy", "Modelling the Effects of Trade Policy and the Transmission Mechanisms of the Economic Crisis on the Austrian Economy", "The Gravity Equation", "Macroeconomic Aspects of European Integration", "Effects of International Integration on Income Distribution" und "New Energy Policy and Security of Gas Supply", die im Rahmen des "Forschungsschwerpunkts Internationale Wirtschaft" (FIW) Anfang 2010 vom Bundesministerium für Wirtschaft, Familie und Jugend (BMWFJ) ausgeschrieben und aus Mitteln der Internationalisierungsoffensive finanziert wurden.

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