The CEPII NEWSLETTER

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CENTRE D'ETUDES PROSPECTIVES
ET D'INFORMATIONS INTERNATIONALES

CONTENTS:

FOCUS

Fiscal Spillovers in the Eurozone : Tax Increase versus Spending Cut

In January 2007, Germany will experience a 3 percentage point increase in the VAT rate. This rise meets some of the stability and growth pact's requirements and makes sense since the normal VAT rate in Germany (16%) lies 4 percentage points below the EU average (20%). However this is typically a major non-co-operative tax policy measure that may impact on consumption, GDP and prices not only in Germany, but in neighboring countries too.

A simple, Keynesian analysis would show that:

- Higher VAT will impact negatively on aggregate demand in Germany;
- Weaker demand in Germany will reduce GDP growth in neighboring countries through weaker exports.

This negative spillover could be reinforced through the monetary channel. This is because higher VAT in Germany will feed Eurozone inflation; hence the ECB may react through tighter monetary policy. To the extent that the increase in German prices remains one-shot (no second-round effects), neighboring countries will be unlikely to benefit from stronger competitiveness, in accordance with the fact that VAT is generally levied on the destination principle. On the whole, a negative spillover is expected for the Eurozone partners of Germany.

This view however can be challenged in several ways:

- First, the ECB may not react to the shock with monetary tightening. That could happen, for instance, if the fall in the output gap is large enough to prevent any second-round inflationary impact of the VAT hike.

- Second, German consumers may not react negatively to the shock. They may actually have anticipated this rise as unavoidable and, saved money accordingly. In addition German households may take the opportunity to smooth consumption over time with the help of the financial market.

These issues have recently been studied by the CEPII within the TAXBEN consortium, under the 6th Framework Program of the DG Research of the European Commission. This consortium aims at contributing to the understanding of the needs and functioning of tax/benefit reforms in the European Union. Within this consortium, the CEPII has been focusing on tax and social competition[1] and on the short-term, macroeconomic impact of tax reforms.

On the theoretical side, a standard finding in the literature is that, if the ECB aims at a 2% inflation rate for the aggregate Eurozone, then a fiscal tightening in one country will generate positive spillovers in other Eurozone countries. This occurs because the central bank will cut interest rates until the inflation level and the output gap of the zone as a whole are entirely stabilized. Bénassy-Quéré (2006) shows that the size of a (positive) spillover may be lower for a tax increase than for a spending cut, because in the first case the ECB will be less prone to cut the interest rate. In addition, Benassy-Quéré argues that such an unrealistic positive spillover results from a very strong reaction of the ECB. In the more realistic case of interest-rate smoothing, the sign of the spillover becomes ambiguous and depends on the relative strength of demand-side and supply-side effects. If demand-side effects dominate, a tax increase in one country has a negative impact on GDP of Euro partners; conversely, if supply-side effects prevail, the same tax shock produces a positive impact on GDP in neighboring countries.

On the empirical side, it is important to pay attention to the numerous structural changes that have affected the Euro area during the last 40 years: financial liberalization, change in monetary policy doctrine, monetary union... Hence, estimating domestic and cross-border fiscal multipliers over such a long period may not be meaningful. Bénassy-Quéré and Cimadomo (2006) estimate spending and tax multipliers within a VAR specification over a rolling window of 17 years. The results for Germany are striking: while a spending cut in Germany has no significant impact, a tax increase impacts negatively on GDP in both Germany and neighboring countries. However, both direct and cross tax multipliers seem to have decreased since the launch of the monetary union. Following these results, the VAT hike in Germany is expected to have a negative but moderate impact on GDP in Germany and in its immediate neighboring countries.

1 - See *The CEPII Newsletter* No 26, 2005.

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BÉNASSY-QUÉRÉ, A. & CIMADOMO, J., Changing Patterns of Domestic and Cross-border Fiscal Multipliers, *TAXBEN Working Document*, 2006.

ON THE RESEARCH AGENDA

Global Ageing and Macroeconomic Consequences of Demographic Uncertainty in a Multi-Regional Model

Current demographic projections suggest that old-age dependency ratios in the OECD countries (notably European countries and Japan) should increase significantly. Other regions of the world are expected to have relatively low ratios and a growing working age population. From an economic point of view, the age structure of the population can determine the global macroeconomic level of saving, since high savers are concentrated in older working ages, say, 45-69. Thus, differential ageing patterns may induce international flows of saving from the ageing regions to the younger regions during the next decades.

While demographics have long been identified as a key variable in long term macro-economic analysis, most previous studies have relied on deterministic population forecasts. But, as Alho, Cruijsen & Keilman attest in recent research papers (see Alho *et alii*), demographic developments are uncertain, and attempts at describing this via scenario-based variants have serious shortcomings. The macroeconomic consequences of demographic uncertainty have not been explored in a multi-regional economic setting yet, but they can be of considerable interest. First, as already mentioned, the ageing process is not synchronous, and second, the uncertainty of population forecasts differs across regions.

In this study, initiated in the frame of the European project DEMWEL, we investigate the impact of demographic uncertainty within a multi-regional general equilibrium, overlapping generations model. Specifically, we consider the level of uncertainty for ten major regions of the world[1], and its correlation across regions. In order to address these issues, we produce stochastic simulations for the world population by region until 2050. Then, in the INGENUE 2 world scale model, we analyze the economic consequences of these demographic projections on a path by path basis over the 2000-2050 period.

These simulations allow us to assess the uncertainty induced into some key macro-economic variables by the uncertainty in demographics. Furthermore, we show that the assumptions regarding the interregional correlation of forecast errors are crucial in this multi-regional demographic and economic model. First, they have a large impact on the uncertainty of the macroeconomic variables. Second, it appears that the macroeconomic adjustments differ substantially when we consider independence or high correlation across regions. In particular, the macroeconomic behavior of agents in the current account/saving problem differs significantly across regions depending on the degree of interregional correlation.

Vladimir Borgy

- ALHO, J., CRUIJSEN, H. & KEILMAN, N., Empirically-Based Specification of Forecast Uncertainty.
- BORGY V. & ALHO, J., Global Ageing and Macroeconomic Consequences of Demographic Uncertainty in a Multi-Regional Model.
- KEILMAN, N., CRUIJSEN, H. & ALHO, J., Changing Views of Future Demographic Trend.

In ALHO, J., HOUGAARD JENSEN, S. & LASSILA, J., Uncertain Demographics and Fiscal Sustainability, Cambridge University Press, forthcoming, 2007.

1 - The world is divided into ten regions, mainly according to geographic or cultural proximity: North America (including Australia and New Zealand), Western Europe (approximately EU15), Japan, Eastern Europe (including mainly the newcomers in the EU), Russian region (including Ukraine, Bielorussia and Central Asia), Chinese region (China and other East Asian countries excluding Japan), Indian region (India, Indonesia, Pakistan, Bangladesh, Sri Lanka), Latin region (South and Central America and the Caribbean), Mediterranean region (Non-European Mediterranean countries, Near and Middle Eastern countries), and Africa (Sub-Saharan Africa).

Current Account Reversals and Long Term Imbalances: Application to Central and Eastern European Countries

In the last few years, current account deficits in Central and Eastern European Countries (CEECs) have been widening and have reached, on average, 7.4% of GDP (in 2004). Estonia and Latvia experience the biggest current account imbalances, with deficits amounting to 13% of GDP. As a consequence of persistent current account imbalances, net foreign liabilities of CEECs have also been growing, reaching 52% of GDP. Again, Estonia arouses particular concern, since its net foreign liabilities reach 106% of GDP.

Studies on sustainability of current account imbalances often focus on the analysis of short-term flows. They usually ignore the stock external position of a country, which is very important for two reasons:

- First, current account deficits might be sustainable precisely because these countries are reaching new levels of net foreign assets: due to growing investment needs associated with real convergence with the old EU member states;
- Second, the correlation between current account deficits and changes in net foreign assets position is always low due to valuation effects.

Taking into account the importance of the long-term external position, in the first step we calculate a long-term model of net foreign assets. In the second step, we compute deviations of net foreign assets from their long-term equilibria. Finally, we estimate a model of current account reversals, in which we include long-term imbalances computed above and other determinants proposed in the literature: persistence of current account imbalances, GDP per capita, ratio of investment to GDP, etc.

Our model consistently predicts that Hungary is vulnerable to external shocks. Its current account deficit exceeded 7% of GDP in the last three years, and its net foreign liabilities grew to 97% of GDP in 2004. Besides, Hungary is suffering from a “twin deficit”, in which, the current-account deficit is coupled and partly caused by persistent budget deficits. The general government deficit has reached 5% of GDP on average in the last 5 years, and the general government debt accounts for 57.2% of GDP.

Kenza Benhima & Olena Havrylchyk

International Comparison of Living Standards: A New Indicator

International comparisons of living standards are still primarily made using GDP per capita, in spite of recurrent criticism that this is a partial and ill-founded measure of social welfare (Sen). Alternative measures abound, such as the Index of Human Development computed by the United Nations Development Program since 1990 or Osberg & Sharpe's Index of Economic Well-being. The problem is that these indicators are based on the aggregation of various subindexes of social performance, arbitrarily weighted. We suggest reliance on a basic notion of welfare economics, namely, compensating variations, which take into account country differences in non-income dimensions of living standards (such as leisure, health, etc) and make international comparisons possible. We use compensating variations in a way that is consistent with recent developments in social choice theory, so that our work is closely tied to a theoretically sound notion of social welfare.

Specifically, we rely on compensating variations in the following way:

- When countries differ in some non-income dimension, we set a reference level for this dimension and, for each country, compute the willingness to pay (WTP) of the population in order to achieve this reference level. The current income is then corrected with this amount; this gives an "equivalent income", that is directly comparable between countries. In short, all differences are converted to income differences so as to make comparison possible.

- In addition, we consider inequalities in the distribution of income, in order to avoid counting a dollar for the poor as equivalent to a dollar for the rich.

Living standards are computed for a sample of twenty-four OECD countries. The results show that the corrections make a noticeable difference: the final index of living standard is still, not surprisingly, correlated with GDP per capita, but the general ranking of countries is substantially affected by the corrections. The configuration of the corrections shows that several groups of countries with similar non-income features can be identified and associated with different models of social and economic development.

Guillaume Gaulier

FLEURBAEY, M. & GAULIER, G., International Comparisons of Living Standards by Equivalent Incomes *CEPII Working Paper* Forthcoming 2006
OSBERG, L. & SHARPE, A., The Index of Economic Well-being, *Indicators: The Journal of Social Health* , Vol. 1, No. 2: 24-62, Spring, 2002.
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The Future of EU-ASEAN Trade Relations : A CGE Assessment

The EU has always regarded bilateral agreements as a stepping stone for progressive liberalization, and thus complementary and indeed supportive to its first priority, which is the WTO. In its bilateral agreements, the EU aims to go beyond what can be achieved at the global level by seeking deeper reductions in tariffs; by tackling non-tariff barriers to trade; and by covering issues which are not yet ready for multilateral discussion, such as rules for competition or investment.

In line with this approach, the European Union and the ASEAN (10 countries) have accordingly established in 2005 a study group “to bring fresh thinking to the economic relations between the EU and ASEAN”. In a recent study[1], the CEPII has conducted an assessment of a potential free trade agreement between these two groups of countries in order to identify the impact of the liberalization of agriculture, industrial products and services. Alternative scenarios were computed with CEPII's general equilibrium model nicknamed MIRAGE and compared in order to provide a quantitative assessment of the opportunities to be expected from such a bilateral negotiation.

In the new baseline, we used (UN) population and (World Bank) GDP projections, and computed the trajectory of the total factor productivity consistent with the assumptions of the model. This baseline, where no assumption of future evolutions of market access is made, provides a more realistic framework than the original one for the world economy up to 2025.

Then, in the pre-experiments, we introduced assumptions regarding the future of trade policies, either based on expected outcomes of ongoing negotiations or on already signed relevant agreements.

In a first, very ambitious, scenario, all obstacles to trade in goods are removed, while a 50 per cent cut in the obstacles to trade in services is implemented. A second scenario introduces a list of sensitive products excluded from the agreement. In a third scenario, a different pre-experiment scenario is used, in which two other FTAs are incorporated. In all scenarios, both regions would benefit from welfare gains. An important conclusion is that while such a FTA is beneficial for ASEAN-10 members, for some of them, this is conditional upon the liberalization of the services sector. Lastly, gains are larger when other FTAs are introduced in the pre-experiment, since the completion of a bilateral EU-ASEAN agreement would in this case avoid the strong diversion effect associated with the ongoing dynamics of regionalization.

Houssein Boumellassa & Lionel Fontagné

1 - BOUMELLASSA, H., DECREUX, Y. & FONTAGNE, L. Economic Impact of a Potential Free Trade Agreement (FTA) Between the European Union and ASEAN, *CEPII Working Paper,* forthcoming. The final report of the EU-ASEAN Vision Group (including this study and others) has been “welcomed” by the European Commission in August.

DATABASES

Impact of Sensitive and Special Products on Liberalization Scenarios: The Case of Developing Countries

A key feature in recent trade negotiations is the notion of flexibility and the treatment of exceptions. Some sectors or products will not follow the general principles of liberalization. When a product is considered as sensitive, the normal cut that should have been driven by the generic tariff cutting formula is reduced by half. When a product is defined as special, it is excluded from liberalization. Due to some lobbying pressures, a specific unskilled labor intensity, a high degree of geographical concentration or food security reasons, policy-makers do not want to reduce the barriers protecting these activities too quickly or too significantly.

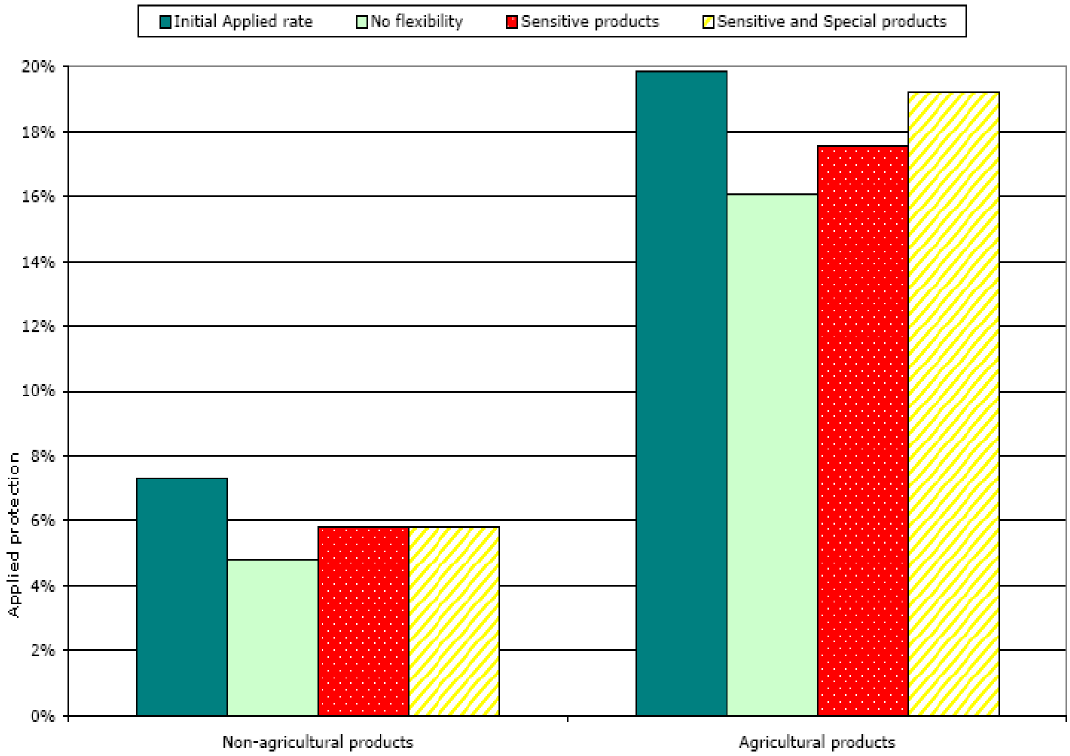
To study realistic liberalization scenarios taking into account these numerous specificities, researchers as well as policymakers need detailed information. The MAcMapHS6 database allows working on a worldwide coverage at a level of disaggregation never provided before. We can apply that tool to the recent Doha negotiations,[1] specifically to the case of developing countries.

Developing countries benefit from special and differentiated treatment and have a wide range of flexibility. Using MAcMapHS6 data, we first select sensitive products, up to 4% of all agricultural products, in order to minimize losses resulting from tariff cuts.[2] Then, using FAO data on food balance sheets and calories supply, we define on a per country basis, a list of priority products from which special ones will be selected,[3] to be excluded from liberalization.

For agricultural goods, the G20 proposal[4] would lead to a reduction of one-fifth of the applied protection of developing countries. Allowing for a total of 14% of sensitive products will reduce the cut by more than 33% (1.5 point over a total cut of 4 points). Since 10% of lines are special products and 4% of lines are sensitive products, most of the liberalization vanishes.

Finally, the developing countries will also have similar opportunities for non-agricultural products. Here, we assume that 10% of their tariff lines will be excluded from liberalization. Applying flexibility, exemptions and tariff-cutting formula at the HS6 level, and then aggregating, sheds light on the effects of such subtleties. For non-agricultural products, we can see in Graph 1 that 10% of sensitive sectors reduce the liberalizing effects of the Swiss formula by half.

Graph 1
Effects on applied protection of a Doha-like agreement for developing countries

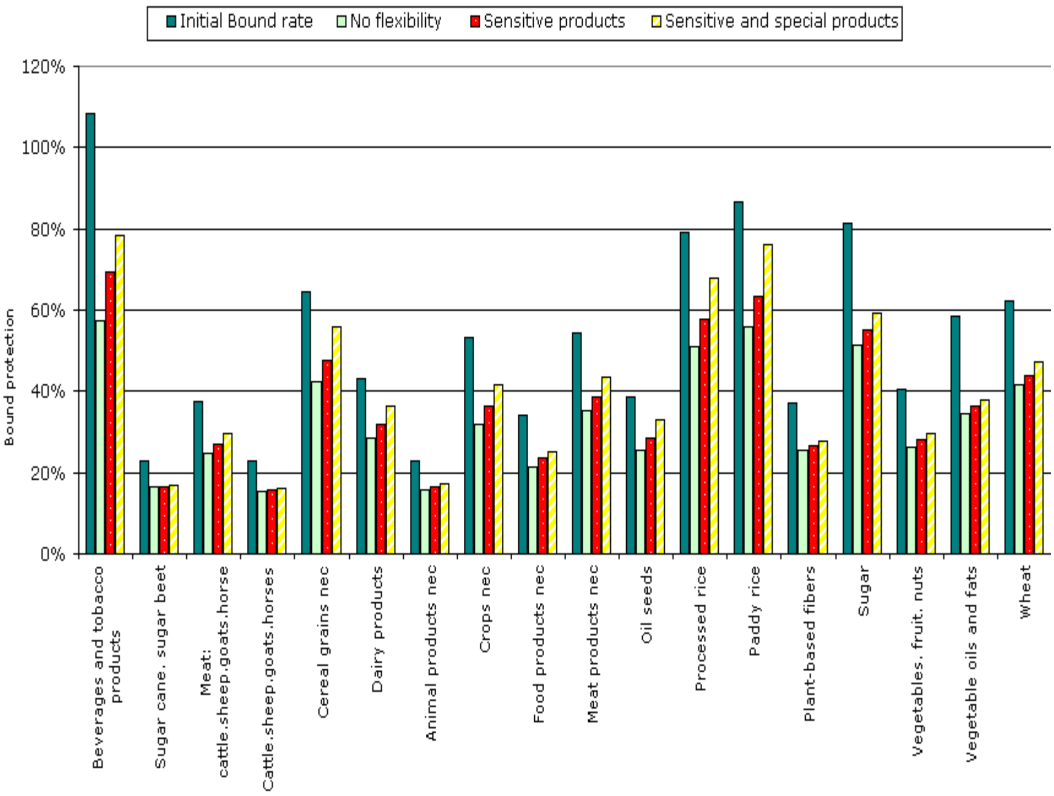


Source: MAcMapHS6v1. Author's calculations. Reference Group aggregation procedure.

However, the most interesting results appear when we look at the differentiated impacts of specific and special products on different agricultural sectors as it is depicted in Graph 2. For example, we can see that if sugar appears as a sensitive product like processed rice with a similar level of bound protection (80%), the effect of the special product clause, due to the food safety related criteria, is much stronger for the processed rice sector (final protection of 67%) than for sugar (final protection of 59%).

Graph 2

Effects on bound tariffs of the G20 proposal for agricultural sectors, with and without flexibility for developing countries



Taking these differences into account is crucial when these tariff scenarios are used in modeling exercises to assess their impact on trade, production or especially poverty.

David Laborde

1 - LABORDE, D. & FONTAGNE, L., Doha: No Miracle Formula, *La Lettre du CEPII* N°257, June-July 2006.
2 - The reduction of tariff revenue losses is equal to: trade x (Final_Tariff_If_Sensitive – Final_Tariff_If_NOT_Sensitive).
3 - G20 proposal is applied for agricultural goods and a Swiss formula (coef. 20) for non-agricultural goods. Starting from the situation where no flexibility is allowed, we authorize in agriculture: first 14% of sensitive products, then 4% of sensitive products and 10% of special products. For non-agricultural products, 10% of sensitive products are allowed.
4 - Inside this list, the same ranking criteria as for sensitive products is used.

EVENTS

India: a Second Locomotive for Asia?

October 17, 2006

This symposium was co-organized by Thierry Apoteker Consultant (TAC) and the CEPII's Business Club to address a series of questions : Does India have the potential to grow as fast as China and will she become as challenging as a competitor? Will the two countries be complementary or competitors within their own markets and the world market? Jacques de Larosière, former Managing Director of the IMF opened the symposium. Saumitra Chaudhuri, member of the Economic Advisory Council to the Prime Minister of India, presented the risks and the opportunities in India. Thierry Apoteker, TAC's president examined the strategic options to be a partner of Indian growth. Françoise Lemoine and Deniz Unal-Kensenci (CEPII) presented a comparison between India and China regarding their integration in world trade.

Lula's Brazil: What Assessment before a Second Term ?

September 27, 2006

This meeting, organized by the CEPII's Business Club invited Luiz de Mello (OECD) and Jerôme Sgard (CEPII) to give an evaluation of Lula's first term regarding the Brazilian economic performance. It is ending with success regarding monetary policy, budgetary consolidation and drastic reduction of external economic vulnerability. As far as the fight against poverty is concerned, Brazil is among the rare countries that show clearly favorable trends. Nevertheless the debate on public policy is now centered on the main problem for Brazil: the inability to put the economy on a growth path greater than the 3% experienced on average during the past ten years. This raises the question of macroeconomic management, and more, of structural reforms. The case of the labor market, which stays largely informal, and a slow spread of productivity gains are good examples of what Brazil has to overcome in the near future.

Redeployment of International Capitalism

September 21, 2006

Every year, the CEPII and Groupama-AM jointly organize a conference on one major international economic issue. This year, the conference focused on the Redeployment of International Capitalism. The participants discussed the implications of China and India emerging not only as producers and markets, but also as global investors, considering both microeconomic and macroeconomic angles. From the discussions, it appears that, although China and India have had a major impact on the world division of labor, their influence on stock markets is still limited. The role of both countries in the recent evolution of prices and long-term interest rates was extensively discussed during the conference. For some participants, the net impact of both countries on world prices is ambiguous, due to their opposite influence on energy and primary goods prices on the one hand, on labor costs on the other hand. There was no consensus either on the responsibility of China regarding the low level of long-run interest rates: for some participants, the quasi-dollar standard translates into low interest rates in the US, despite large current account deficits. For others, the low level of long-run interest rates is related to the credibility of monetary policies in advanced economies.

Taïwan: Domestic Reforms and Stakes of Economic Relationship with China

September 5, 2006

Chen-en KO, President of Chung-Hua Institution for Economic Research and Jean-Pierre Cabestan, Research Director at the French CNRS were invited by the CEPII's Business Club to discuss these topics. Taïwan is a new symbol of economic success of Asia, in spite of a very complex diplomatic situation. The impact of the 1997-1998 financial crises was less severe in Taiwan than in other countries in the region and now the country is considered to be a developed economy. But Taiwan is facing new challenges: to create a knowledge-based economy, to complete financial and economic reforms, and last but not least, to keep control of its economic integration with China.

WORKING PAPERS

Import Prices, Variety and the Extensive Margin of Trade

N° 2006-17, October

This paper studies the aggregate price effect of newly imported varieties and compares it in a sample of countries. The method allows for quantification of the measurement bias in import price indices that take as given the basket of imported varieties and neglect the aggregate effect of increased diversity. Applying it to the BACI database describing bilateral trade flows at the world level, we are able to compare the aggregate price impact of the extensive margin of trade among 28 countries. Our results suggest that, in the 1994-2003 period, neglecting newly imported varieties leads to overestimating the import price level by 0.2% a year, on average. The magnitude of this effect, however, strongly varies across countries, this overestimation being especially strong in some emerging countries like India, Indonesia or Brazil.

Guillaume Gaulier & Isabelle Méjean

The Long Term Growth Prospects of the World Economy: Horizon 2050

N° 2006-16, October

This study develops long-term forecasts for world economic growth, based on a production function according to which an economy can grow by (1) deploying more inputs (labor and capital inputs) to production and/or by (2) becoming more efficient, i.e. producing more output per unit of input. An econometric analysis of past performance is carried out to describe the process by which physical capital accumulates over time and to estimate the parameters of a catch-up model of technology diffusion. Moreover we account for the modification of real exchange rates against the US dollar. The results suggest that today's advanced economies are to become a shrinking part of the world economy: In less than 50 years, China and India together could match the size of the US in current dollars. China and India will stand out as engines of new demand growth and spending, their GDP could grow at a yearly average rate of 4.6 and 4.5%, respectively, between 2005 and 2050. The largest economies in the world (by GDP) may no longer be the richest (in terms of income per capita).

Sandra Poncet

Economic Integration in Asia: Bilateral Free Trade Agreements versus Asian Single Market
N° 2006-15, October

Institutional regionalization has come late to East Asia compared to Europe, but its pace has accelerated since the mid-1990s. Many agreements, including bilateral ones - such as those signed between Singapore and Japan, and plurilateral ones - such as those between ASEAN countries -ASEAN Free Trade Agreement (AFTA)-, cover an ever-increasing portion of the East Asian region, including China. We first analyze regional economic integration in East Asia, questioning the notion of open regionalism. In a second part we explore the possible consequences of different kinds of agreements. We rely on the CEPII's CGE model MIRAGE, adapted to the specificity of Asia's economic integration. As regards the geometry of the agreement(s), two sets of scenarios are considered, following a Hub-and-Spoke versus a Full-FTA assumption, with or without sensitive products inclusion. Among the main results, we find that Asian countries have divergent interests. While ASEAN maximises its benefit in the bilateral scenario including agricultural liberalization, Japan and Korea fare better in the Asia global agreement scenario, including sensitive products for Japan but excluding these products for Korea. For EU-25, it appears that increased competition within Asia has a negative impact on its goods exports but positive impact on its service exports. The main losers are the neighboring countries as well as primary goods producers such as Taiwan, South Asia (excluding India), North of Africa, South America.

Hedi Bchir & Michel Fouquin

Foreign Direct Investment in China: Reward or Remedy?
N° 2006-14, September

In his book "Selling China" Huang (2003) states that a high level of foreign direct investment (FDI) in China is not necessarily a sign of strength, but can be partly attributed to the distortive nature of state policies that put restrictions on private enterprises. The Chinese financial system allocates resources to the least efficient firms – state-owned enterprises – while denying the same resources to Chinese private enterprises, forcing them to look for a foreign investor. We propose to analyze determinants of FDI in Chinese provinces to test the above hypothesis. We control for traditional determinants of FDI such as market access, labor costs, productivity, infrastructure, reform advances and banking sector size in order to assess the impact of inter-provincial heterogeneity in terms of the access that private enterprises have to credit. Our findings show support to the hypothesis that private enterprises use FDI in order to escape constraints imposed by the state dominated banking sector.

Olena Havrylchyk & Sandra Poncet

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RECENT PUBLICATIONS

ECONOMIE INTERNATIONALE, QUARTERLY

Numero 106, 2nd Quarter 2006

Regional integration areas and the persistent uneven spread of economic activities in developing areas
Souleymane COULIBALY

Cross-country technological differences as a determinant of vertical intra-industry trade: a theoretical model
Alberto BALBONI

Interventions de change en Asie et taux de change d'équilibre du dollar
Benjamin CARTON, Karine HERVÉ & Nadia TERFOUS

Comportement de l'indice de risque pays en régime de fixité extrême des changes
Caroline DUBURCQ

Le rôle de la qualité dans les exportations agricoles : une vérification empirique pour la Méditerranée
Nadia Belhaj HASSINE & Mohamed SALAH MATOUSSI

BOOK REVIEW

By Peter HOLMES
Competition Policy and Development in Asia
Edited by Douglas H. Brooks and Simon J. Evenett

By André CARTAPANIS
Economie internationale
Gunther CAPELLE-BLANCARD & Matthieu CROZET

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NEWS IN BRIEF

Martine Carré-Tallon is the new Deputy-Director of the CEPII, replacing Agnès Bénassy-Quéré, who was appointed Director (see The CEPII Newsletter N°30). Martine Carré-Tallon is Professor in Economics at the University of Cergy-Pontoise, where she heads the Doctoral School. She also teaches Macroeconomics at the ENSAE. From 1997 to 2006 Martine Carré-Tallon was a Research Associate to the CREST. As part of her research at the CEPII, Martine Carré-Talon heads the International Money and Finance Economic Policy research programs.

Starting November 1st, Matthieu Crozet, Professor of Economics at the University of Reims, is a Scientific Advisor to the CEPII in charge of the International Trade Analysis research program. Matthieu Crozet holds a PhD from University of Paris I. His research activity, both theoretical and empirical, is mainly focused on International Trade analyses and Economic Geography.

Amina Lahrèche-Revil left the CEPII to go to the IMF, in Washington, as an Advisor to the Executive Director for FRANCE.

Christophe Gouel and Hugo Valin joined the MIRAGE team in November. They are working on agricultural liberalization, FDI modeling and regional impacts of trade agreements.

FORTHCOMING

Regards sur l'économie turque Changements structurels & perspectives énergétiques
Symposium organized by Tüsiad and the CEPII's Business Club
November 24, 2006

Tax / benefit systems and growth potential of the EU
Final conference of TAXBEN
November 27, 2006

Mondialisation et sécurité : la mondialisation économique est-elle un facteur de paix ?
Conference organized by the Groupe d'Analyses de la Mondialisation
November 28, 2006

The Economy of Huge Risks
Conference organized by OECD & the CEPII's Business Club
December 1, 2006

VIIth Doctoral Meetings in International Trade and International Finance - RIEF
Conference organized by the University of Rennes 1, INRA & CEPII
February 1 & 2, 2007

Openness and Innovation in Emerging Financial Markets
Conference organized by CEFI, CEPII, CNCE, Ixis-Cib, MACROFI, the French Embassy in Beijing, *Revue économique* & TX Investment Consulting Co.
March 27 & 28, 2007

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