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# “Workshop on Trade Policy and Trade Indicators”

## Project on “Increasing the Contribution of Preferential Trade Agreements to Inclusive and Equitable Trade”

**December 12 to 14, 2017**  
**Kingston-Jamaica**

**Day 1: Tuesday, December 12th**

**8:00 – 8:30** *Registration of participants*

**8:30 – 8:45** Opening Mr. Zebulun Kreiter, Associate Economic Affairs Office, Regional Integration Unit, International Trade and Integration Division, ECLAC

**8:45 – 9:00** Opening remarks from the Ministry of Foreign Affairs and Foreign Trade, Government of Jamaica

**9:00 – 10:30** **Module 1: Introduction to Theories of International Trade and Data Classifications**

**1. Theories of International Trade**

- a. Comparative advantages and factor endowments (Ricardo and Heckscher).
- b. New theories of international trade (Krugman and Melitz).
- c. Brief overview of the economic effects of trade policy.

**2. International Trade Data Classifications**

- a. International classifications and relationship with industrial classifications: HS, SITC, GCE and CN databases.
- b. Trade and investment microdata.

**10:30 – 11:00** *Coffee break*

**11:00 – 13:00** **Module 2: Trade Indicators for the Analysis of Trade Policy**

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### **1. Databases necessary for the application of quantitative methods.**

- a. National bases of trade (Customs, statistical offices, and central banks).
- b. International trade bases (COMTRADE, WITS, SIGCI).
- c. Databases of protective barriers (tariffs, non-tariff barriers) (WITS).
- d. Other sets of operational data (sales, employment).
- e. Additional statistics: Household surveys, industrial surveys.
- f. Macroeconomic information (Input-Output Matrices, Social Accounting Matrices).

**13:00 – 14:00** *Lunch*

**14:00 – 17:00** **Continuation of Module 2**

### **2. Review of basic statistical analysis**

- a. Proportions and weights.
- b. Index and deflation numbers.
- c. Unit Value Indexes, the importance of deflation
- d. Terms of Trade (ToT).
- e. Growth rates.
- f. Exchange rates.
- g. Exercises.

### **3. Indicators related to trade dynamism**

- a. Revealed Comparative Advantages.
- b. Balassa index.
- c. Commercial Environment (or Economic) Index.
- d. Elasticity example.
- e. Trade Openness Indicators.
- f. Exercises.

**Day 2: Wednesday, December 13th**

**8:30 – 10:30** **Continuation of Module 2**

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#### 4. Indicators related to trade dynamism (continued)

- a. Export baskets.
- b. Similarity Index.
- c. Krugman Index.
- d. Exercises.

**10:30 – 11:00** *Coffee break*

**11:00 – 13:00** **Continuation of Module 2**

#### 5. Indicators related to trade dynamism (continued)

- a. Grubel-Lloyd Index.
- b. Trade Overlap Index.
- c. Herfindahl-Hirschman index.
- d. Theil.
- e. Indicators of intraregional trade.
- f. Exercises.

**13:00 – 14:00** *Lunch*

**14:00 – 17:00** **Continuation of Module 2**

#### 6. Maquila and tariff protection

- a. Links between trade and production (maquila, free zones, among others).
- b. Tariff protection: MFN Tariff, Effective Tariff, *Ad valorem* Equivalent Tariffs, and tariff peaks.
- c. WITS exercises.
- d. Effective protection.
- e. Non tariff measures.

#### **Day 3: Thursday, December 14th**

**8:30 – 10:30** **Continuation of Module 2**



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## **7. Integrated exercise incorporating material from all of Module 2.**

**10:30 – 11:00** *Coffee break*

### **11:00 – 13:00 Module 3: Analysis of Balance of Payments**

#### **1. Balance of Payments**

- a. Structure and utility of the Balance of Payments.
- b. Trade in Goods and Services.
- c. Difficulties in service statistics.
- d. Current Account indicators.
- e. Goods and Services Account indicators.
- f. Exercises.

**13:00 – 14:00** *Lunch*

### **14:00 – 15:00 Module 4: Quantitative methods for the analysis of the effects of FTAs**

#### **1. General Equilibrium Model and Micro simulations.**

- a. Definition of the problem and modeling in general equilibrium.
- b. Details of an Evaluation.
- c. Micro simulations.
- d. Macro-micro model splicing (MIP vs. Household Survey).

### **15:00 – 17:00 Module 5: Presentation of ECLAC's Study on Potential Jamaican FTAs**

#### **1. Evaluation of the economic and social impact of possible trade negotiations between Jamaica and Central America, Mexico and the countries of the Northern Caribbean**

- a. Presentation of the study.
- b. Questions and answers.

**17:00** *Closing and presentation of certificates*