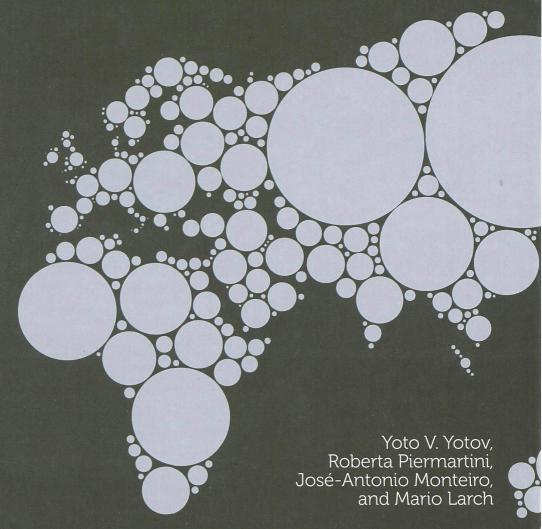
1И//673642(039)

An Advanced Guide to Trade Policy Analysis: The Structural Gravity Model







CONTENTS

Autho	uthors			
Ac	cknowledgments			
Disclaimer				
Introduction				
A.		e gravity model: a workhorse of applied international de analysis	5	
B.	Us	ring this guide	6	
		R 1: PARTIAL EQUILIBRIUM TRADE POLICY LYSIS WITH STRUCTURAL GRAVITY	9	
A.	Ov	verview and learning objectives	11	
B.	3. Analytical tools		12	
	1.	Structural gravity: from theory to empirics	12	
	2.	Gravity estimation: challenges, solutions and best practices	17	
	3.	Gravity estimates: interpretation and aggregation	28	
	4.	Gravity data: sources and limitations	32	
C.	Applications		40	
	1.	Traditional gravity estimates	41	
	2.	The "distance puzzle" resolved	45	
	3.	Regional trade agreements effects	49	
D.	Exercises		55	
	1.	Estimating the effects of the WTO accession	55	
	2.	Estimating the effects of unilateral trade policy	56	

A	Appendices			
	A	ppendix A: Structural gravity from supply side	57	
	A	ppendix B: Structural gravity with tariffs	60	
	A	ppendix C: Databases and data sources links summary	63	
Cha	pter	2: General equilibrium trade policy analysis with		
٤	struc	ctural gravity	67	
I	4. O	verview and learning objectives	69	
В	3. A	nalytical tools	70	
	1.	Structural gravity: general equilibrium context	70	
	2.	Standard approach to general equilibrium analysis with structural gravity	88	
	3.	A general equilibrium gravity analysis with the Poisson Pseudo Maximum Likelihood (GEPPML)	95	
(C. A	pplications	102	
	1.	Trade without borders	103	
	2.	Impact of regional trade agreements	111	
D.	D. E:	Exercises		
	1.	Calculating the general equilibrium impacts of removing a specific border	117	
	2.	Calculating the general equilibrium impacts of a regional trade agreement	118	
I	Appe	ndices	119	
	A	ppendix A: Counterfactual analysis using supply-side gravity framework	119	
	A	Appendix B: Structural gravity with sectors		
	A	ppendix C: Structural gravity system in changes	126	
Refe	eren	ces	131	