

Modeling the interplay of MA restrictions, DS and ES

Free trade regime										
P _D	P _W	Q _S	Q _D	[Q _T] _{EC}	[Q _T] _{WLD}	Welfare analysis: areas that represent welfare change		Net trade status of EC, ED _{EC} or ES _{EC}	World ED and ES curves	
									ED _{WLD}	ES _{WLD}
						ΔCS	0		1050 – [35/2]P	-350 + [35/2]P
						ΔPS	0			
						ΔG	0	Graph the initial world mkt and EC internal market situation		
						ΔNSW	0			
2.1. Variable levy regime and export subsidy										
P _D	P _W	Q _S	Q _D	[Q _T] _{EC}	[Q _T] _{WLD}	Welfare analysis: areas that represent welfare change		Net trade status of EC, ED _{EC} or ES _{EC}	World ED and ES curves	
									ED _{WLD}	ES _{WLD}
						ΔCS				
						ΔPS				
Discuss the MA regime:						ΔG		Graph the new world mkt and EC internal market		
						ΔNSW				
Discuss the DS and AMS regime:						Interpret the welfare changes:				
2.2. Income support payment (equal to support under the variable levy)										
P _D	P _W	Q _S	Q _D	[Q _T] _{EC}	[Q _T] _{WLD}	Welfare analysis: areas that represent welfare change		Net trade status of EC, ED _{EC} or ES _{EC}	World ED and ES curves	
									ED _{WLD}	ES _{WLD}
						ΔCS				
						ΔPS				
Discuss the MA regime:						ΔG		Graph the new world mkt and EC internal market		
						ΔNSW				
Discuss the DS and AMS regime:						Interpret the welfare changes:				