1. Summary of the impact

International trade policy is central to economic and political relationships between countries. Specialists from Sussex developed a method and software, TradeSift (see www.tradesift.com), to analyse trade policy options simply, and have delivered reports and capacity building programmes that have influenced decision-makers engaged in regional integration in the EU, Asia, and Africa. The UK government and the European Commission have funded trade policy evaluation studies from the University and the associated spin-off company (InterAnalysis Ltd) using TradeSift. There have been more than 20 training courses, for over 400 participants, from 70 countries. The beneficiaries are the participants, their employers and civil society.

2. Underpinning research

The underlying research was carried out between 2001–2013 by researchers in the Sussex European Institute, including Dr. M. Gasiorek, Dr. P. Holmes, Prof. J. Rollo, Prof. A. Smith, Prof. A. Winters.

The focus of the research was to distil simple and generally applicable principles for the evaluation of trade policy options, based on core economic theory, and our own and others' empirical research, on regional integration that can be applied by any policy-maker without the need for technically advanced and frequently opaque formal modelling [R1, R2]. The on-going research also led to the establishment of the Centre for the Analysis of Regional Integration at Sussex (CARIS) in 2006.

TradeSift arose from the realisation that, for policy-makers, sophisticated mathematical techniques are frequently not appropriate or feasible; and that much can be gleaned from the intelligent consideration of data, and diagnostic indicators based on that data (such as revealed comparative advantage, intra-industry trade, etc.) [R3]. In 2004 DFID asked the Sussex team to develop a method for analysing regional trading agreements, which could be applied without requiring complicated modelling [R4]. The report provided a coherent analytical method (the ‘Sussex Framework’) [R4] for analysing the issues through the use of descriptive trade statistics and indicators. The premise was that much can be learned from simple quantification based on analytical tabulation of data rather than formal modelling. We developed ‘rules of thumb’ which could be applied by policy-makers. The value added was to use the conclusions from the academic research to put together a conceptual framework on which the rules of thumb are based and which comprises an integral part of the TradeSift software. The research was conducted using both formal modelling and the informal methods in order to find out how the results of complex methods can be replicated by simpler and more transparent approaches [R2]. These conclusions fed directly into the rules of thumb for a regional trading agreement, which identify the data and diagnostic indicators useful in determining whether a country is more or less likely to gain. The key innovation is thus methodological and lies in showing how key operational conclusions can be derived from trade data using a very few assumptions.

The researchers carried out extensive work on various aspects of ‘deep integration’ including legal and political dimensions [R5]. They undertook a major study of the qualitative impact of an EU-India FTA, including the role of standards competition policy, and other regulations, and the policy implications (http://trade.ec.europa.eu/doclib/html/135348.htm). This is linked to work on the industrial dimension of supply chains in international trade, which emerged from work undertaken by a then PhD student, and now collaborator (Lopez-Gonzalez). Researchers are currently working on an EU-funded project examining the barriers to such trade between the EU and China and have
received approval for a joint project with policy researchers in India.

An essential feature of the approach is the recognition of the need to take political and distributional factors into account. The method does not, unlike conventional economic analysis, calculate a single net ‘welfare’ effect but tries to highlight sectors that will gain or lose from integration processes, making it clear that it is for political authorities to decide priorities.

The methods have also been applied to analyse the impact of EU trade agreements (e.g. with India or US) on excluded countries. Once again the approach is to show that while aggregate or net effects might be small, this obscures the fact that at the sectoral level there may be both big gainers and big losers, which cancel out at the aggregate level in most formal models.

Numerous research projects have been undertaken, on the impact of trade agreements, for the European Commission, the Commonwealth Secretariat, the World Bank, and the UK government (both DFID and BIS) [R6, R3]. This includes the analysis of changes in ‘rules of origin’ in EU trade agreements, analysis of the Economic Partnership Agreements between the EU and developing countries, the impact on excluded countries from an EU-India FTA, or the recently announced negotiations on an EU-US agreement (which will provide a basis for UK input into the EU negotiating position). Sussex produced an influential report on the changes to the trade preferences the EU offers developing countries, and research on the international fragmentation of supply chains.

3. References to the research


Outputs can be supplied by the University on request.

4. Details of the impact

International economic integration is increasingly important and TradeSift illuminates economic effects and policy implications robustly and cheaply. It is also an effective tool for capacity-building on trade policy and more than 400 policy makers from over 70 countries have been trained since
2000. The interactive nature of the programmes allows officials from different countries to analyse sensitive bilateral trade policy issues in an informal non-negotiating context with open agendas.

How the research underpins the impact:

TradeSift was developed from having undertaken complex computer modelling and in recognition of the high financial and human cost to policy makers of such modelling for the analysis of trade performance, to help understand policy options, and to engage in trade negotiations. This is particularly the case for developing countries. It distils the results of extensive theoretical and empirical work undertaken in part by the Sussex team into robust usable guidelines.

Impact on capacity of policy-makers:

The work has impacted on the UK, EU and many developing countries. The direct impact of this process has been to provide a tool for policy-makers and government ministries, and to build capacity for trade policy decision-making and negotiation. The feedback from participants has been invariably positive [see Section 5, C1]:

‘… my Director is particularly pleased that I was able to use it [TradeSift] to analyse trade data and draw inferences on the implications of the GSTP and D8 preferential trade agreements for Nigeria’ (Trade Official, Nigeria)

‘Our WTO mission is already examining the possibility of incorporating this scheme of data analyses into our regular training courses for the Trade Officers prior to their departure to respective serving stations abroad’ (Commercial Counsellor, WTO, Pakistan)

‘Thanks for the superb training, support and making economic modelling appealing to a lawyer. I shared my lessons with the Economic Diplomacy team here and as a first step we’ve agreed to test the software on an Aid for Trade job that we’re involved in’ (South African Institute of International Affairs)

‘Without doubt, the knowledge and experience gained during the 5-day course will be shared with my colleagues in my home country. The course will assist my country a lot in analysing trade policies as well as other developing countries’ (Trade Official, Botswana)

On average 78 per cent of course participants claimed that TradeSift was useful to their daily work, and over 86 per cent stated that their colleagues would benefit [C1].

Impact through improved trade policy:

Early recognition of the usefulness of the software came from the UK government’s Trade Policy Unit (TPU) which provided initial funding in 2009, and a number of the TPU’s team have used TradeSift and attended training:

‘The original idea of the Sussex Framework was to correct a mismatch in resources between negotiators in developing countries and those in the developed world. In those countries with some trade economics capability TradeSift has dramatically improved the situation. It has done the same for the UK government.’ [C3]

‘TradeSift was used regularly for manipulating and analysing large trade and tariff datasets. This information was combined with information from stakeholders to identify UK and ultimately EU priorities in current and future trade negotiations.’ [C4]

‘TradeSift analytic outputs played a key role in forming European Commission and UK negotiating positions on the future of the GSP, the EU’s principal trade preference scheme for developing countries] in advance of the negotiations.’ [C5]

An initial contract in 2012 for training and capacity-building for the Ministry of Commerce, India has led to a 3-year joint programme of training and research for Indian and Pakistani trade officials. Even during the current political tensions, officials from both countries have jointly participated in
TradeSift training in Delhi and Kathmandu and a workshop in Islamabad is being planned. The joint workshop in Delhi was the first time Pakistani officials had visited the Indian Institute of Foreign Trade:

‘TradeSift, indeed, can play a significant role in meaningful analysis of India–Pakistan trade flows and potential. My reports will be very useful for policy decisions on Pakistan–India trade relations.’ (Trade Minister, Pakistan High Commission, New Delhi)

The department works closely with both the Indian and Pakistan Commerce ministries and increasingly with External Affairs in Delhi and believes it is one of the few projects facilitating contact between personnel of the two states and the UK [C7, C8, C9].

Under the Trade Advocacy Fund programme in 2013 Tradesift also provided training and on-going support to the East African Community (EAC): ‘The course is proving to be very useful in assisting the EAC in preparing negotiating positions on market integration’ [C6]. They expect to be delivering courses in Zambia and Laos, shortly, as part of this funding framework.

In 2011-2013 three courses were provided for over 40 participants from nine countries for the Commission of the Economic Community of West African States (ECOWAS) which wishes to enhance the capacity of its staff and members, several of whom have requested proposals for further work. Further examples of the use of TradeSift include its use to analyse the Free Trade Area options facing Bangladesh by their Ministry of Trade; identifying future export opportunities for the Tunisian Government; the analysis of competitiveness in key products by the Dubai government; and the Trade Sustainability Impact Assessment of the deep and comprehensive free trade area negotiated between the EU and Moldova.

5. Sources to corroborate the impact

C1 Tradesift website: www.tradesift.com. For summary evaluation results and testimonials see: ‘TradeSift Examples of Use’.

C2 Tradesift website: www.tradesift.com. For information on these applications see: ‘TradeSift Testimonials’.

Contacts cited above who can corroborate the statements made concerning the impact:

C3 Former Head of the Department of Business Innovation and Skills, Trade Policy Unit, currently Director Stakeholder Relations, the Energy Technologies Institute

C4 Assistant Director, Competition Policy, Dept. for Business, Innovation and Skills

C5 Economist, TPU

C6 Trade Coordinator East African Community Secretariat

C7 Joint Secretary, Ministry of Commerce, Government of Pakistan

C8 Head of the WTO centre, Indian Institute of Foreign Trade, India

C9 Economic Advisor, DFID