Preference Utilisation and Customs Data: The Missing Pieces of the FTA Puzzle

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Brussels, Belgium, 18th July 2019 - Even though free trade agreements (FTAs) have proliferated for several decades, researchers still don’t fully understand their effects. In the wake of recent mega-regional trade deals, many governments are now interested in evaluating the effectiveness of their existing commitments and the benefits they have brought for business.

It is therefore more important than ever to understand how FTAs are applied and to pinpoint any issues in their design or implementation. ‘It may seem obvious that the economic benefits of an FTA cannot be achieved if the agreement is not fully implemented and utilised’, says Dr Anna Jerzewska.

Unfortunately, policymakers have only a limited understanding of FTA utilisation and often rely on incomplete data and estimates. ‘To remedy these shortcomings, we need to improve the comprehensive collection and availability of preferential import data from the national customs authorities of WTO members’, explains Nicolas Köhler.

As the political momentum for greater transparency on regional trade agreements is increasing, there is a pressing need to create a centrally-held, WTO-driven and standardised database of utilisation data for trade agreements. This would allow for a more systematic review of how current trade agreements have been implemented and are applied.

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