

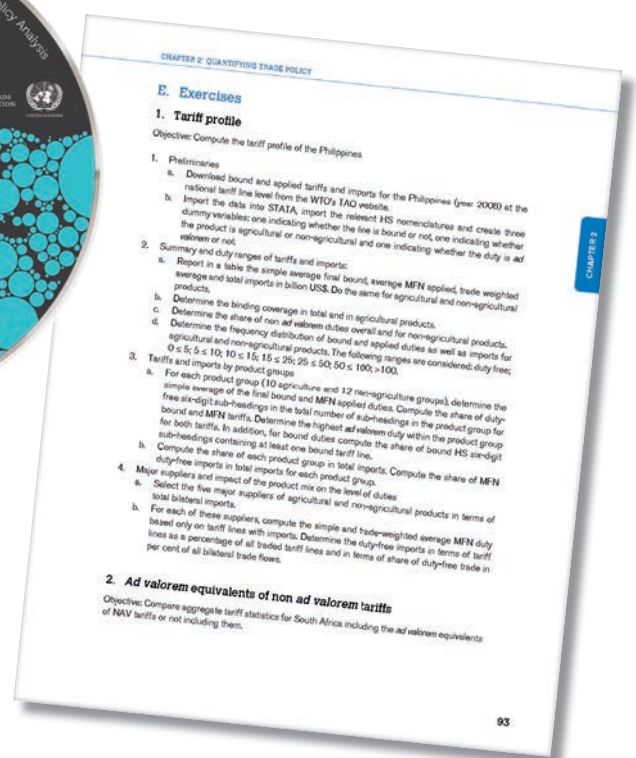
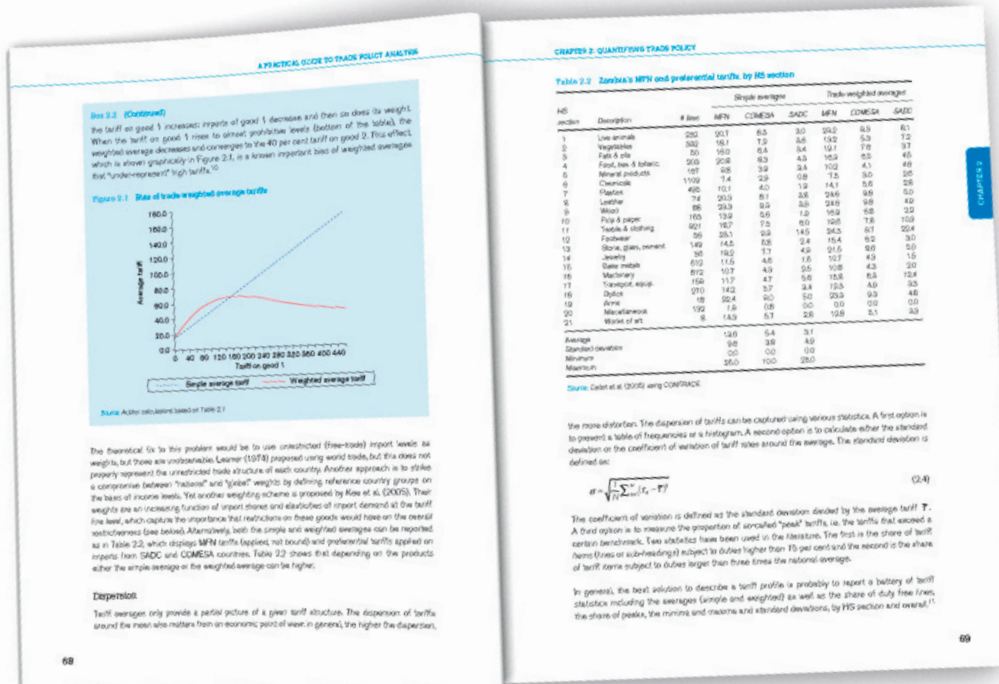
A Practical Guide to Trade Policy Analysis

- Where can I find the best trade and tariff data?
- How can I build basic descriptive statistics on a country's trade and tariff structure?
- What is the ad valorem equivalent of a non-tariff measure and how can it be calculated?
- What analytical tool should be used to assess the trade and welfare effects of a preferential trade agreement?
- How can I estimate the effects of trade and trade policies on income distribution?

The answers to these questions can be found in
A Practical Guide to Trade Policy Analysis.

A *Practical Guide to Trade Policy Analysis*, co-published by the World Trade Organization and the United Nations Conference on Trade and Development, provides the main tools for the analysis of trade policy. Written by experts with practical experience in the field, this publication outlines the major concepts of trade policy analysis and contains practical guidance on how to apply them to concrete policy questions.

The Guide has been developed to contribute to the enhancement of developing countries' capacity to analyse and implement trade policy. It is aimed at government experts engaged in trade negotiations, as well as students and researchers involved in trade-related study or research.



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What is *A Practical Guide to Trade Policy Analysis*

A Practical Guide to Trade Policy Analysis aims to help researchers and policy-makers choose the best sources of data and the most useful tools available to analyse world trade and trade policies.

Using the Guide

This practical guide explains analytical techniques, reviews the data necessary for analysis and provides illustrative applications and exercises for independent practice. The accompanying DVD contains datasets and programme command files required for the exercises.

Overview

- Trade flows and trade policies need to be properly quantified to describe, compare or follow the evolution of policies between sectors or countries or over time. This is essential to ensure that policy choices are made with an appropriate knowledge of the real conditions.
- This practical guide introduces the main techniques of trade and trade policy data analysis. It shows how to develop the main indices used to analyse trade flows, tariff structures and non-tariff measures. It presents the databases needed to construct these indices as well as the challenges faced in collecting and processing these data, such as measurement errors or aggregation bias.
- Gravity models are a means to understanding the determinants and patterns of trade and assessing the trade effects of certain trade policies, such as WTO accession or the signing of preferential trade agreements. The appropriate specification of the model and estimation method is crucial for reliable results. This practical guide guides you in making the right choice.
- Trade policies generally have diverse effects across economic sectors and ultimately individuals. The welfare impact of trade policies is therefore an important concern for policy-makers.
- This practical guide provides an overview of how applied partial and general equilibrium models can be used to assess the impact of policy reforms such as tariff reductions. The aim is to provide the reader with an understanding of how these models work, what they can and cannot do, and what is required to make them operational.
- In particular, the practical guide offers a hands-on introduction on how to use the most common partial equilibrium models and how to estimate the distributional effects of trade policies on welfare, in particular on inequality and poverty.

"Good policy needs to be backed by good analysis. Although quantitative analysis cannot provide all the answers, it can help to discipline the process of policy formulation and ensure that choices are based on detailed knowledge of underlying realities."

We commend this guide to those engaged in making trade policy and we hope that by contributing to the diffusion of state-of-the-art tools for policy analysis, this guide will improve the quality of trade policy-making and contribute to a more level playing field in trade relations."



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WTO Director-General



Further information

A World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD) co-publication.

- Published June 2012
- WTO ISBN 978-92-870-3812-8
- 200 pages
- Price: 50.- CHF
- Includes DVD

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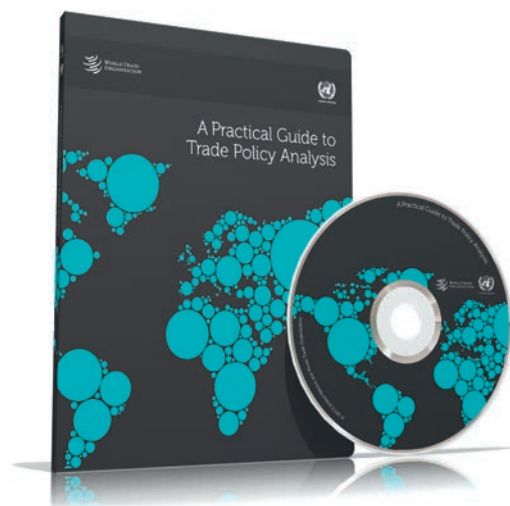
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Forthcoming title

World Trade Report 2012

Trade and public policies: A closer look at non-tariff measures in the 21st century

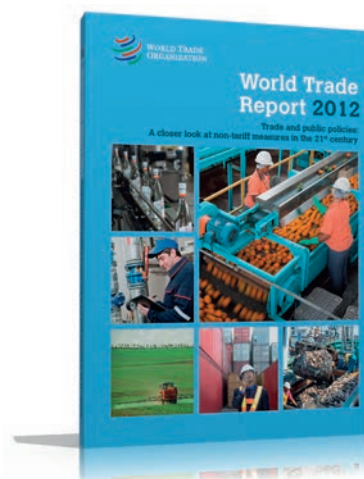
The World Trade Report 2012 ventures beyond tariffs to examine other policy measures that can affect trade. Regulatory measures for trade in goods and services raise new and pressing challenges for international cooperation in the 21st century. More than many other measures, they reflect public policy goals (such as ensuring the health, safety and well-being of consumers) but they may also be designed and applied in a manner that unnecessarily frustrates trade. The focus of this report is on technical barriers to trade (TBT), sanitary and phytosanitary (SPS) measures (concerning food safety and animal/plant health) and domestic regulation in services.

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