Designing the UK trade preferences scheme for developing nations

Open consultation on GSP reform

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Should the Government set all tariff rates of 2% or less to zero?

Yes

Nuisance tariffs should be abolished. These tariffs lie generally between zero and 2 per cent and generally cost more to collect than they raise in revenue. Inspecting the list of General Framework tariffs ranging from 1.2 to 1.6 per cent associated with the 33 commodity codes listed in the documentation, these rates are all too low to protect any domestic supplier. Elimination of all these nuisance tariffs would reduce the administrative costs faced by suppliers associated with conditions such as rules of origin that establish eligibility for preferential access to the UK market. In addition, scarce resources would be saved by the government which could be allocated to other purposes.

Furthermore, the elimination of all nuisance tariffs would be another way in which the UK could lead by example in promoting freer multilateral trade. A recent analysis of tariff schedules using WTO data reveals around 2,000 tariff lines that G20 countries have set a rate of 2 percent or less. The European Union, United States, and China accounted for more than half of those, with Australia, Canada, Japan, and Korea accounting for most of the rest. The value of trade covered [1] by these tariff lines in 2016 was almost $1 trillion.

Should the government simplify certain tariff rates that apply to goods from countries in the Enhanced/ General frameworks?

Yes, for all seasonal tariffs.

Seasonal tariffs on agricultural products in the GSP and Enhanced framework are complex, impose additional uncertainty costs to importers and raise prices for consumers. There is some evidence that seasonality in tariff rates produces market inefficiencies and welfare

[1] Elliot, K.A. (2020) A Post-Brexit Trade Policy for Development and a More Integrated Africa, Centre for Global Development Note.

losses. [2] Furthermore, the existing schedule of seasonal rates are rarely relevant to the UK economy and should be either reduced, abolished, or simplified by averaging over the year. Each seasonal tariff rate may be considered on a case-by-case basis, but tariffs for producers in the Enhanced frameworks should all be reduced to zero at all times of the year to aid development.

Inspecting the schedule of tariffs documented under the existing framework, most of them appear to be designed to protect the EU's agricultural sector rather than promoting development through trade. For example, fresh or dried Satsumas (Code 8052110) face a tariff of 12.5% from 1 March to 31 October in the GSP framework and 0% for the Enhanced Framework which rises to 16.0% in both categories from 1 November to 28 February. The same seasonal hike in rates applies to other fruits consumed during the festive season (Codes 8052190, 805220, 8052900) which are all inherently protectionist aimed at shielding producers in countries such as Spain from lower cost exports from Southern Africa. During the festive season there is no inherent advantage between GSP and Enhanced preference producers.

The tariff rates are geared to rise during the EU's growing seasons producing complex rates from which developing market exporters and Britain's consumers will gain from simplification. For example, importers of Fresh pears face four rates with no difference between the tariffs for GSP and Enhanced producers: 8% from 1 January to 31 January, 4% from 1 February to 31 March, 0% from 1 April to 31 July and 10% from 1 August to 1 December. In some cases, the value of being on the Enhanced list is marginal. For example, for Fresh Plums (Code 8094005), the GSP and Enhanced Tariff is 6% from 11 June to 30 June and 12% from 1 July to 30 September while from 1 October to 10 June Enhanced beneficiaries face a 0% tariff compared with 2.5% for the GSP group.

Do you think the government should provide greater tariff reductions on eligible goods from countries in the Enhanced Framework and/or General Framework?

There is some evidence that expanding the preferential market access offered through an expanded UK GSP would produce substantial trade benefits. The current GSP covers roughly only 66% of product lines, but the current UK GSP has only favoured a relatively small cluster of developing countries that are already well integrated into the multilateral trading system. Furthermore, GSP utilisation rates, or the proportion of goods eligible for GSP treatment that use it, are often low. This rate confers information about the economic value

[2] Hillen, J. (2019) Market Integration and Market Efficiency under Seasonal Tariff Rate Quotas, *Journal of Agricultural Economics,* 70 (3): 859-873.

of the range of products included in a GSP programme and the extent to which exporters also face non-tariff barriers restricting market entry.[3]

Furthermore, restricting the eligible products provides a disincentive effect since exporters are faced with tariff escalation if they move into producing higher-value products which inhibits their capacity to process natural agricultural products. This reduces the value of a GSP and reduces utilisation rates. One study [4] at a 6-digit level analysis limited to agricultural products revealed that only about 28% of the dutiable imports from developing countries are offered duty-free access in the UK. The study noted a number of significant coverage gaps: the two main exports of Belize (banana and sugar), two exports of Ghana (bananas and yams), three exports of Jamaica (sugar, sweet oranges and rum) and four of Swaziland's main exports are not covered under the current United Kingdom GSP regime.

Do you think the government should amend its approach to goods graduation?

Yes.

Graduation mechanisms can be divided into two groups: country-product section graduation and country graduation when all trade promoting preferences are withdrawn for a beneficiary country. The product graduation mechanism needs to be reviewed fully. Ideally, it would be optimal to continue to offer low or zero tariffs to developing countries as trading partners without introducing goods graduation. This would allow them to exploit comparative advantage, to enhance export diversification promoting development while allowing domestic customers the benefits of lower cost imports. The concept of graduation does not fit within this narrative as it implies freeing trade for only a temporary period.

The EU's system of automatic graduation from a preferential scheme graduation is based on assessing an improvement in competitiveness over a three-year period. The graduation mechanism can create negative incentives for an exporter in a developing country to become fully competitive since it faces a withdrawal of preferences simply because of its success in increasing its exports of a particular product. Therefore, the United Kingdom should use the freedom it now has to investigate removing or at least reforming the European Union's flawed graduation system the operation of which can harm both beneficiaries and importers. It is essential, however, that any new graduation scheme is well considered and is aimed at promoting development through encouraging trade as well as strengthening the UK's future international partnerships and benefiting domestic consumers and importing businesses.

The UK should investigate in some detail the consequences of rolling over or substantially amending the EU's graduation arrangements. The problem is that the study of the economic

[3] Persson, M., and Wilhemsson, F. (2016), EU trade preferences and export diversification, The World Economy, 2016 - Wiley Online Library.

[4] Akinmade, B., Khorana, S., and Adedoyin, F.F. 'An assessment of United Kingdom's trade with developing countries under the generalised system of preferences, *Journal of Public Affairs*, August 2020.

effects of graduation on trade patterns and development is still relatively unexplored. In other words, more needs to be known about what happens to the exports of a specific product group or a country after passing through a GSP 'life-cycle' from initial preferential access, [5] to export success and, in consequence, graduating from a preferential scheme. Graduation provides a disadvantage in comparison to other developing nations who still have products which are not subject to withdrawn preferences.

The system of country graduation, which is based on the World Bank's flawed estimates of GDP per capita, should also be revised to take note of differences between countries in the relative quality of national income accounts. Given the number of frequent revisions of GDP per capita due to revisions of base years, changes in the system of national accounting standards (SNA) employed, the size of the informal economy and changes in the resources of national income offices, the existing country graduation using World Bank should not be relied on. [6] Instead, the UK should look at more reliable methods to assess country graduation from GSP schemes which reflect its own international trading interests and development policies.

There are a range of possible outcomes: the expected return on initial investments to enter an export market which are undertaken when a country or product faces preferential treatment will be reduced by a removal of preferential treatment, but all the development benefits are not likely to fully disappear when a country or product group graduates from a scheme. The theory of the economic and welfare impact of the introduction of preferential schemes and graduation from them has been explored using a model of the EU, a group of smaller developing countries and the Rest of the World.[7] The model shows both how the intensive margin will be affected when reducing trade barriers which is that the quantity from the exporting industries increases, and the extensive margin of trade or an increase in the diversification of products exported. The main theoretical prediction is that there would be a negative deviation from the past trend of exports due to a newly imposed MFN tariff, which suggest that the trend in export growth will continue but at a slower rate than before graduation. The competitive product groups where the developing countries had a comparative advantage and started to export due to the preferential treatment will continue to be exported, but the cost to export them and the cost of importing will increase from graduation. Furthermore, there could be a relative effect in that competitor countries that have not yet graduated will gain an advantage.

There are many studies into the economic effects of preferential arrangements, but there is still limited empirical evidence on the trade effect of graduation from preferential schemes. The first example is an early study[8] into the impact of graduation from the preferential regime

[5] Cuyvers, L. and Verherstraeten, S. (2005). "The EU's Generalized System of Preferences and its ASEAN beneficiaries: a success story?" CAS Discussion Paper No. 47, Centre for ASEAN Studies, Antwerp, December
[6] The quality of economic data is regularly assessed by World Economics: https://www.worldeconomics.com/
[7] Persson, M. (2015). "Trade Preferences from a Policy Perspective." in Morrissey, O. R. Lopez and K. Sharma (eds.), Handbook on Trade and Development, Cheltenham, United Kingdom: Edward Elgar, pp. 111-128
[8] Kirkman, K. E. (1989). "Graduation in the generalized system of preferences: The projected impact on remaining beneficiaries in the United States scheme." World Development, ISSN 0305-750X,1989, Vol 17, Issue 10. pp. 1597 – 1600

of the United States[9], with the evidence focused on the rapidly developing economies of East Asia. [10]

There is far less evidence concerning graduation from the European Union, but what is available suggests that the possible trade effects of graduation are negative at least in terms of the growth rate of the export of beneficiaries. One empirical study[11] using disaggregated commodity level data found that, in line with the theoretical predictions, that graduation of a specific product from a specific exporter had a negative effect on the imports of that product. The study was limited in time and in terms of the number of countries and concentrated only on the basic GSP [12] and the exporting countries studied included only seventeen of those that were eligible to benefit from EU's GSP scheme from 1994 to 2015.

The study used a gravity model to explain observed trade patterns and studied the impact of graduation on imports from the beneficiary countries. This result suggested that the effects of graduation of product groups enjoyed by beneficiaries were negative as expected by theory. The estimated coefficient in the baseline results implies that the imports of the graduated products to the EU countries decreased on average by 9.5 per cent from graduation during the time-period studied. In other words, graduation reduced the trend rate of prior growth in the imports of the graduated products to twelve of the EU Member states that were covered in the study.

[9] Hoch, O. C. & Ow-Taylor C. H. (1993). "Graduation from the U.S. GSP-A Comparative Study of the East Asian Newly Industrializing Economies." Journal of Asian Economics, vol. 4(1). pp. 89-98

[10] The first case of graduation was in 1989 when the United States withdrew preferences from Hong-Kong, Singapore, South Korea and Taiwan.

[11] Eggers, A.R. (2017), The Trade Effects of Graduation in the EU's GSP Scheme, Lund University, Master's Thesis.

[12] The sample consists of 17 exporting countries and only 12 of the EU importing countries during the time period 1993-2015. The exporting countries were or are classified as developing countries when they gained preferential treatment through the GSP arrangement.

Do you think that the government should amend the grouping of goods used in the goods graduation assessment? Refer to the Information Pack for the list of GSP sections.

Yes.

The rules of graduation within the European Union's preferential access schemes have changed during the years and currently are based upon a definition of competitiveness calculated on product import share of total GSP imports from one country. Currently, there are three graduation thresholds by chapter: 57% for most products covered in the GSP scheme, 47.5% for textiles, and 17.5% for live plants, animal and vegetable fats and oils, and mineral products. There is little economic logic in the value of these import ratios and in the goods covered apart from implicit protectionism. Countries such as Japan, the United States and Canada operate different thresholds. This suggests that the UK should study the most appropriate graduation criteria for products and in the interim ease the conditions pertaining to graduation from the EU scheme by raising the thresholds defining product competitiveness which produce automatic graduation when the import ratio is exceeded.

Ideally, the UK should abolish product specific graduations and introduce duty-free and quota-free trade for all GSP eligible countries so that the Everything But Arms (EBA) country criteria is extended to more countries. The argument for this product extension for all products, whatever the degree of processing would encourage trade and development, is based on the development needs and relative poverty of all GSP eligible countries.

Simply rolling over the EU graduation criteria for preference removal will cause problems for both countries and products. A static[13] study based on the impact of the EU's existing graduation criteria on past trade flows found that the existing uneven distribution of trade between the UK and the EU would cause the loss of preferences even without any change in competitiveness for some countries and products. The graduations are a mechanical outcome of the separation of the UK from the EU27 block which will change the import concentrations in both regions.

The study estimates that the value of trade affected is not trivial. In 2016, the sectors likely to be subject to mechanical graduations accounted for €1.27 billion of UK imports, corresponding to approximately €31.6 million in tariff preferences. This would necessitate the UK changing the import-share thresholds upwards for graduation to maintain unchanged market access post-Brexit for all current GSP beneficiaries. India is the country which would be most affected by the application of the current GSP structure in the UK. Another problem

[13] The calculation of import shares is based on data available in 2015, exploiting the preceding three years, 2012-14 and included most of the countries which are GSP, GSP+ and EBA beneficiaries. The calculation is at the level of the 32 "sections", which are the sectors the EU exploits to aggregate products in its GSP programme.

is the vulnerability thresholds[14] that determine eligibility to the Enhanced GSP+ regime, which will need to be revised upwards in the UK's scheme, to ensure that three members of the current scheme (Pakistan, the Philippines and Sri Lanka) are not excluded from the GSP+ programme of the UK. The study makes no attempt to predict the dynamic pattern of trade flows that might occur with a substantially modified or removed graduation framework.

The government will review the list of graduated goods every 3 years. Do you think the government should review its list of graduated goods more or less frequently than this?

Keep the assessment every 3 years. The investments made by exporters should be based on a stable and predictable GSP regime. Changes should be avoided in frequency until more investigation is undertaken.

How easy do you think it is for traders in Least Developed Countries (LDCs) to comply with the current GSP rules of origin requirements?

Currently, it is relatively difficult for traders in LDCs to comply with existing requirements.

To understand the problems faced by exporters in LDCs, it is important to distinguish between the need to satisfy rules of origin requirements in general and rules of origin requirements specific to an individual preferential scheme such as that of the EU. The lack of standard rules across international trade increases uncertainty, raises administrative and legal costs and reduces transparency. This can have the effect of distorting supply chain decisions. Compliance can also affect investment decisions and production costs. If the optimal mix of sourced inputs from non-domestic countries are not allowed by rules of origin requirements an exporter may have to shift to a higher cost production source reducing the value of the preferential arrangement. If an exporter is already supplying both preferential and non-preferential partners with the same product the ability to enjoy economies of scale and to produce at lower average costs may also be limited. The ability to prove origin may be beyond the means and managerial capacity of many small-scale enterprises in LDCs.

Rules of origin are a key area of trade policy. The avowed purpose of detailed rules of origin regulation in preferential trade agreements is to prevent transhipments by importing into a beneficiary low-tariff country and subsequently exporting the product to the high-tariff country. Rules of origin ensure that third country goods do not benefit from preferential agreements that they are not party to. Rules of origin can, however, lead to trade diversion:

[14] Vulnerability is defined by a country's share of total EU GSP imports being less than a threshold of 6.5% and the share of the seven largest sections in total EU GSP imports from that country being larger than 75%.

some of the trade growth between members comes at the expense of outsiders, who see demand for their goods fall because they are less competitive.

The effect of rules of origin have been of concern to trade economists for some time. One leading trade economist several decades ago noted that they are "inherently arbitrary" and make "the occupation of lobbyists who seek to protect by fiddling with the adoption of these rules and then with the estimates that underlie the application of these rules ... immensely profitable at our expense." [15] Another more recent study noted that the concept of origin is increasingly problematic given the growth in complex international value chains [16] so that the proliferation of preferential agreements facilitates protectionist tendencies.

Furthermore, non-standardised rules of origin requirements fragment multilateral trading systems and reduce economic welfare. The WTO notes that currently there are 36 separate schemes operated by 24 members offering non-reciprocal preferential market access[17] for products originating from developing countries and LDCs. This is leading to a proliferation of complex product origin requirements due to trade agreements: [18] many "recent agreements have increasingly tailor-made, more specific and tighter rules of origin, which increase trade costs and diminish the appeal of the preferences for businesses."[19]

The potential negative impact of rules of origin requirements on investment and trade has been explored for some time[20] in trade theory.[21] The additional costs can be broken down into distortionary costs, arising from sub-optimal impacts on production or supply chains, and administrative costs, necessary to prove origin. Empirical evidence suggests that depending on the restrictiveness of rules, compliance costs can vary between 3-15% of final product prices.[22] The distortionary costs are more difficult to measure, but it is generally believed that restrictive rules of origin have a negative impact on the utilization rates of preferential trade agreements reducing their purpose as stimulants of trade and development.[23] One study comparing US and EU imports of clothing from African LDCs found that trade between Africa and the latter had stagnated as a result of more restrictive European rules of origin.[24]

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[15] Bhagwati, Jagdish (1995), "US Trade Policy: The Infatuation with Free Trade Agreements." The Dangerous Drift to Preferential Trade Agreements. Ed. by Jagdish Bhagwati and Anne O. Krueger

[16]Baldwin, Richard (2016), The Great Convergence: Information Technology and the New Globalization. Harvard University Press.

[17] Preferential Trade Arrangements Database: WTO | Preferential Trade Arrangements

[18] Estevadeordal, A and Suominen, K. (2006), "Mapping and Measuring Rules or Origin around the World." The Origin of Goods: Rules of Origin in Regional Trade Agreements. Ed. by Olivier Cadot, Antoni Estevadeordal, Akiko Suwa-Eisenmann, and Thierry Verdie

[19] https://www.wto.org/english/news_e/news21_e/roi_19may21_e.htm

[20] Krishna, K., and Krueger, A.O. (1995), "Implementing Free Trade Areas: Rules of Origin and Hidden Protection." NBER Working Paper Series No. 4983.

[21] Krishna, K. (2006), "Understanding Rules of Origin." The Origin of Goods: Rules of Origin in Regional Trade Agreements. Ed. by Olivier Cadot, Antoni Estevadeordal, Akiko Suwa, Eisenmann, and Verdier Thierry

[22] Felbermayr, G; Teti, F; Yalcin, E (2018). "On the Profitability of Trade Deflection and the Need for Rules of Origin". CESifo Working Papers, 6929 2018. http://www.cesifo-group.de/DocDL/cesifo1_wp6929.pd

[23] Keck, A. and Lendle, A. (2012), "New Evidence on Preference Utilization." WTO Staff Working Papers No. ERSD-2012-12.

[24] Brenton, P. (2006), 'Enhancing Trade Preferences for LDCs: Reducing the Restrictiveness of Rules of Origin.' In Newfarmer, R. (ed) Trade, Doha and Development. Washington DC: World Bank.

Do you think the government should expand the cumulation possibilities for Least Developed Countries?

Yes.

The UK should explore the potential for expanded cumulation or even cross-cumulation in its GSP rules as suggested by the Institute of Exporters. [25] Cross-cumulation, or expanded cumulation, allows the cumulation of rules of origin between three or more countries which need not be joined by a trade agreement, unlike diagonal cumulation, or are joined by agreements with disparate rules of origin. Currently, cross-cumulation is not allowed by the WTO, however, following a decision by the Appellate Body of the WTO in US-Carbon Steel (India). Despite this ruling, the legal position of cross-cumulation remains uncertain and it has been argued that the ruling only relates to the specific case of subsidisation and dumping. [26] Furthermore, it has been suggested by trade lawyers that cross-cumulation carries many benefits by assisting in the facilitation of global value chains and acting as a *de facto* free trade area.[27] Expanded cumulation would allow companies more flexibility in terms of the choice of supplier by extending the originating status for specified products to selected countries such as all LDCs or all signatories to the African Free Trade Agreement, for example. Expanded cumulation will increase the GSP beneficiaries for the purpose of determining the origin of goods.

With cross-cumulation, originating inputs from one LDC country in Africa, for example, can be counted towards originating status of goods produced in another country in Asia when they are exported to a third country such as the UK even when the rules of origin under the Asia- African countries and Asian country to UK trade agreements differ. In other words, production in country Africa can be counted towards determining whether the rule of origin is met under the Asian-UK agreement.

Do you think the Government should make the product specific rules [on origin] more liberal?

Yes.

The EU's preferential access rules of origin scheme for products is needlessly complex and should be simplified in any future preferential arrangement set up by the UK. There is evidence that the potential for transhipment, the main reason for restrictive rules of origin is

[25] https://www.export.org.uk/news/460503/Brexit-and-origin-a-case-for-the-wider-use-of-cross-cumulation-.htm

[26] Ramanujan, A. (2015) 'To Cumulate or Not to Cumulate: That Is the Question', *Global Trade and Customs Journal*, Volume 10, Issue 9 pp. 308 – 322

[27] Kim, J.B. (2020) 'Cross-Cumulation Arrangement as FTA Under GATT Article XXIV'**,** *Journal of International Economic Law*, Volume 23, Issue 1, March 2020, Pages 165–185.

exaggerated. The UK should at least reduce, significantly, the minimum in-country value-added requirement for originating status on key products where it is currently high and make cumulation completely flexible among all LDCs as well as countries with which the UK has zero-tariff arrangements with no product or sectoral exceptions. On author has suggested that the need to prove origin could be put in place only if external tariffs of preferential agreement members differ by some minimum amount.[28] This threshold could be product-specific to reflect different transportation costs and actual tariffs should be periodically evaluated against it, since applied tariffs may change over time. The degree of restrictiveness of the existing rules of origin should be calculated and monitored regularly in terms of the cost of meeting them and their impact on the utilization of agreements and trade flows with LDCs.

Under the EU preferential rules of origin scheme, a product must be wholly obtained in the partner country[29] concerned or it must comply with one, or more, of a number of product specific rules which detail the criteria by which a product has been deemed to have been sufficiently transformed if the product contains non-originating materials. There are a number of product specific rules applied in the EU's GSP:[30] Value-added rules – the value of all non-originating materials used cannot exceed a given percentage of the product's ex-works price; change of tariff classification – the production process results in a change of tariff classification between the non-originating materials and the final product and specific operations – a specific production process is required.

A multilateral trading system in which rules of origin proliferate can be inferior to one in which there are no preferential agreements in place. One simple model[31] demonstrates that even when every country has an agreement with every other country with rules of origin, the level of economic welfare can be lower than in the multilateral situation where only MFN tariffs apply. Therefore, the United Kingdom should engage with the WTO's efforts to simply and harmonize rules of origin. In 2015, WTO preference-granting members made a commitment in Nairobi[32] to ensure that "preferential rules of origin applicable to imports from least developed countries (LDCs) are transparent and simple and contribute to facilitating market access."[33] The WTO recently produced a note on the utilization of trade preferences by LDCs covering the period 2015-2019 and found that volatility in trade and underutilizations was significant for LDCs during the period under review, and that there was scope to improve preference utilization across schemes. [34]

It is possible to measure the degree of restriction of rules of origin requirements in a preferential agreement using an ordinal index, the R index, first compiled to measure rules of

[28] Felbermayr, G; Teti, F; Yalcin, E (2018). "On the Profitability of Trade Deflection and the Need for Rules of Origin". CESifo Working Papers, 6929 2018. http://www.cesifo-group.de/DocDL/cesifo1_wp6929.pd
[29] This is more relevant to live animals and agricultural products
[30] Access2Markets Quick guide to working with rules of origin (europa.eu)
[31] Deardorff, A. V. (2016), "Rue the ROOs : Rules of Origin and the Gains (or Losses) from Trade Agreements."
[32] https://www.wto.org/english/thewto_e/minist_e/mc10_e/l917_e.htm
[33] Felbermayr, G; Teti, F; Yalcin, E (2018). "On the Profitability of Trade Deflection and the Need for Rules of Origin". CESifo Working Papers, 6929 2018. http://www.cesifo-group.de/DocDL/cesifo1_wp6929.pd
[34] https://www.wto.org/english/tratop_e/roi_e/overview_marti19may21.pdf

origin in NAFTA.[35] Subsequent evidence suggests that agreements involving the EU have high values for R, implying tighter restrictions on trade [36] and that higher values for R impact negatively on the rate of utilization of preferential agreements. [37] Furthermore, a use has been made of the R index to distinguish between 'justifiable' restrictions aimed at preventing trade deflection from political economy restrictions emanating from protectionism. The study found that in the latter case rules were tightened when a country, Mexico, had an observed comparative advantage.[38] Furthermore, another study found that fears of the incidence of trade deflection are exaggerated implying that most rules of origin are unnecessary. It found that "in 78% of all country pair × product combinations, trade deflection is not profitable" because either the country through which third countries could potentially cross-haul sets a higher tariff than the destination country, making trade deflection unprofitable, or the additionally arising transportation costs from cross-hauling turn out to outweigh the tariff savings. The study recommended a new approach to the use of rules of origin in agreements: "… one could substantially relax the requirements to prove the origin of goods in many FTAs without risking any trade deflection." [39]

[35] Estevadeordal, A. (2000), "Negotiating Preferential Market Access: The Case of the North American Free Trade Agreement." Journal of World Trade 34(1

[36] Estevadeordal, A. and Suominen, K. (2006), "Mapping and Measuring Rules or Origin around the World." The Origin of Goods: Rules of Origin in Regional Trade Agreements. Ed. by Olivier Cadot, Antoni Estevadeordal, Akiko Suwa-Eisenmann, and Thierry Verdie

[37] Cadot, O., Estevadeordal, A. and Suwa-Eisenmann, A. (2006), "Rules of Origin as Export Subsidies." The Origin of Goods: Rules of Origin in Regional Trade Agreements. Ed. by Olivier Cadot, Antoni Estevadeordal, Akiko Suwa-Eisenmann, and Thierry Verdier

[38] Portugal-Perez, A. (2009), 'Assessing the Impact of Political Economy Factors on Rules of Origin and NAFTA, World Bank Policy Research Paper 4848.

[39] Felbermayr, G; Teti, F; Yalcin, E (2018). "On the Profitability of Trade Deflection and the Need for Rules of Origin". CESifo Working Papers, 6929 2018. http://www.cesifo-group.de/DocDL/cesifo1_wp6929.pd