

Institution: University of Nottingham		
Unit of Assessment: 17 – Business and Management Studies		
Title of case study: Advancing Trade Facilitation: Informing Policy, Developing Understanding and Facilitating International Trade		
Period when the underpinning research was undertaken: 2009-2017		
Details of staff conducting the underpinning research from the submitting unit:		
Name: Dr Andrew Grainger	Role: Assistant Professor	Period employed by submitting HEI: 2009-2017
Period when the claimed impact occurred: 2015-2019		
Is this case study continued from a case study submitted in 2014? N		
1. Summary of the impact		
<p>Dr Andrew Grainger's research on, and conceptualisation of, the topic of trade facilitation has informed debate at global, regional and national policy levels surrounding how best to reduce friction between public and private sector stakeholders as well as improve upon the quality of controls for the benefit of wider society and business competitiveness. This includes informing the establishment of the World Trade Organisation's 'Trade Facilitation Agreement' and the UK's obligations, with regards to the private sector, under that agreement, including the formation of a national trade facilitation committee and developing content for the International Trade Centre's training course for understanding and implementing the agreement. Other impacts include providing guidance to the World Bank-funded implementation of National Trade Information Portals and informing the Brexit preparations of the Department for Environment, Food and Rural Affairs (DEFRA), the Office for Product Safety and Standard (OPSS) and HM Revenue and Customs (HMRC).</p>		
2. Underpinning research		
<p>Grainger's research, conducted at the University of Nottingham, has explored and contributed to the conceptualisation of the field of trade facilitation, specifically by cutting across the disciplines of politics and international relations; law; public administration; business; information technology; as well as transport, logistics and operations management. Key findings from Grainger's research include demonstrating the importance of cutting red tape in international trade and removing friction between businesses and government agencies. It has also shown the need to make borders work better whilst safeguarding business competitiveness and societal expectations.</p> <p>In 2011, Grainger argued for a new understanding and conceptualisation of trade facilitation by taking a more operational, bottom-up perspective of the topic alongside the traditional top-down premise previously advocated [1]. This approach provided a strong case for an interdisciplinary research agenda and questioned whether current institutions, concerned with trade and border controls, had the necessary capabilities to apply themselves to the more operational aspects associated with international trade. Grainger continued this research in 2014 but with greater focus on the role of the private sector and how it can best be consulted. This research argued for the importance of developing suitable institutions to ensure that the friction experienced by business operators is adequately identified and remedied. This approach would guarantee that the resources invested into trade facilitation are put to optimal effect and that the quality of implemented trade facilitation measures are continuously monitored and assessed [4].</p> <p>Much of Grainger's research has been commissioned by organisations seeking to gain a better understanding of both trade facilitation as a broad topic and specific operational and policy aspects of the field. For example, [2] was commissioned and published by the World Bank and demonstrated how dialogue between the private and public sectors can identify opportunities for reform, how a climate of shared responsibility can be encouraged, and can be used to gain a systemwide understanding of complex international trade operations. [2] also showed that the interests of particular communities can vary and, therefore, Grainger argued that guidance from dedicated trade facilitation committees, often with government sponsorship, and better substantiated research, can help identify best solutions and fine-tune reform programs.</p>		

Grainger's research continued by applying his bottom-up approach to develop a methodology that engages public and private sector stakeholders across the supply chain. In 2013, Grainger used this method to examine the cost of importing meat into the UK with the support of the UK's Association of Port Health Authorities (APHA) and the UK's International Meat Trade Association (IMTA) [7]. The study, which was directly informed by businesses, involved a detailed review of current import procedures applicable to importing meat into the UK from outside of the EU and an in-depth study of the trade and customs compliance costs. As such, it untangled the many legal and operational complexities associated with international trade compliance and measured the associated costs.

In 2015, Grainger was commissioned by the European Parliament's Committee on International Trade to address MEP questions about the significance of customs and trade facilitation type issues in contemporary trade policy and EU practices. [5] addresses those questions and, by examining the relation between EU trade and customs policies, demonstrates explicitly why customs and trade facilitation must be part of INTA's formal remit. [5] argues that the development of Customs specific performance indicators could achieve much greater co-ordination between stakeholders. The success of this project led to another commissioned piece, in 2017, examining 'The role of border management in implementing trade policy goals' [6]. This research demonstrated how trade facilitation principles help reduce the cost of cross-border trade in goods while safeguarding regulatory control objectives and how appropriate border management practice is integral to trade facilitation. The study demonstrated how border management can be improved through coordination, cooperation and integration within the respective border agencies (intra-agency), between the many border agencies (interagency) and internationally (with colleagues across the border and EU trade partners). Specific recommendations were made on the development of suitable EU institutions in aid of trade facilitation as well as for future research.

3. References to the research

Grant Details:

<i>Funding body</i>	<i>Investigators</i>	<i>Title</i>	<i>Dates</i>	<i>Amount</i>
G1. São Paulo Research Foundation (FASAP) with University of Nottingham	Grainger & Professor Cristiano Morini	The Role of Private Sector in Customs and Border Management Reform	1/10/2014-31/12/2016	GBP10,460 to Nottingham, GBP18,521 in total.
G2. University of Nottingham Spark Grant	Grainger	An Assessment of Trade Compliance Cost: UK Meat Imports	01/02/2012-01/08/2012	GBP5,199
Approx. TOTAL:				GBP15,650

Publications:

1. **Grainger, A.** 2011. "Trade Facilitation: a conceptual review." *Journal of World Trade* 45, no.1 (February): 39-62. <https://bit.ly/3g1WCRQ>
2. **Grainger, A.** 2011. "The Role of the Private Sector in Border Management Reform" in *Border Management Modernization*, edited by G. McLinden, E. Fanta, D. Widdowson and T. Doyle. Washington, 157-174. Washington D.C.: The World Bank. <https://bit.ly/3g1J1Kt>
3. **Grainger, A.** 2012. "A trade facilitation perspective." In *2012 Inland Transport Security Discussion Forum Proceedings: Organization for Security and Co-operation in Europe and United Nations Economic Commission for Europe, Vienna, 12-13 December 2011*, 73-79. <https://bit.ly/39DN5iU>
4. **Grainger, A.** 2014. "The WTO Trade Facilitation Agreement: Consulting the Private Sector." *Journal of World Trade* 48, no. 6: 1167-1188. <https://bit.ly/33Cct4y>
5. **Grainger, A.** 2015. "Customs issues falling under INTA's new remit", Report for the European Parliament's Committee on International Trade, December, Brussels: European Parliament. <https://bit.ly/2VsEIDU>

6. **Grainger, A.** and Hintsa, J. 2017. "The role of border management in implementing trade policy goals", Report for the European Parliament's Committee on International Trade, May, Brussels: European Parliament. <https://bit.ly/39CDwkwf>
7. **Grainger, A.** 2013. "Trade and customs procedures: the compliance costs for UK meat imports: a case study", Report published by Nottingham University Business School and supported by IMTA and APHA. <https://bit.ly/36xIYmq>
8. **Grainger, A.** 2017 "Trade and customs procedures in international transport: requirements, issues and trends" in *International Freight Transport: cases, structures and prospects*, edited by A. Beresford and S. Pettit, 57-75. London: Kogan, <https://bit.ly/3IAxUcn>

4. Details of the impact

The work of Grainger has had significant impact on informing policy makers and practitioners, and thus helps them consider relevant measures to reduce friction between public and private sector stakeholders in the administration and control of national borders. The impact relates to multilateral, regional and bilateral (FTA) policy.

World Trade Organisation

Grainger's conceptual research laid the foundation for his work with the World Trade Organisation (WTO) which led to many of the impacts detailed below. In the WTO's 2015 World Trade Report, Grainger's research [1, 4] was cited and used to define the concept of trade facilitation as well as the factors that would need to be considered in a prospective Trade Facilitation Agreement [A]. The WTO report, which thanks Grainger for his 'useful comments on early drafts', clearly demonstrates the expected benefits of the Trade Facilitation Agreement as reducing trade costs by an average of 14.3% and boosting global trade by up to USD1,000,000,000,000 per year, with the biggest gains in the poorest countries [A]. The WTO's Trade Facilitation Agreement was adopted by members of the WTO in February 2017 and binds member countries to adopting measures that help reduce transaction costs experienced at national borders.

In 2018, Grainger's research and expertise continued to be utilised by the WTO as he produced the content for a free online eLearning course that is hosted on the website of the WTO and UNCTAD's International Trade Centre (ITC) – a multilateral agency which has a joint mandate with the WTO and the UN to lend technical assistance to developing countries with focus on enabling business communities to participate fruitfully within international trade. The ITC note that they drew on Grainger's expertise 'on a number of occasions' and draw particular attention to the WTO's 2015 World Trade Report [A] which evidences that 'much of Grainger's conceptual work in trade facilitation is seminal' [B]. The ITC also specify that for the WTO Trade Facilitation Agreement to boost global trade by USD1,000,000,000,000 per year, as is estimated, 'a key requirement for the trade facilitation related economic benefits to be realised is that the business community in developing countries understands key trade facilitation principles and knows how to articulate its requirements to policy makers' [B]. Therefore, Grainger's research and expertise was used by the ITC 'to develop the content of a dedicated online training module which aims to raise the understanding of the private sector on the WTO Trade Facilitation Agreement, assist businesses in developing countries to effectively advocate for trade facilitation reforms and build private sector capacity to benefit from a reformed cross-border environment' [B]. The online course, "Introduction to the WTO Trade Facilitation Agreement", was made available in December 2018 [<https://learning.intracen.org/course/info.php?id=310> accessed 28/01/2020] and, as of December 2019, the course has been successfully completed by more than 593 participants from over 35 countries. The ITC note that 'the participants feedback has been very positive and the increasing number of enrolments to each edition of the training demonstrate the relevance of this e-learning course' [B].

World Bank

From 2015 to 2017, Grainger, serving as an international project advisor, assisted World Bank funded trade facilitation projects including the implementation of National Trade Information Portals in Laos, Bangladesh, Vietnam, Malawi, and Sri Lanka. Funding for these projects, as stated by PM Group's Associate Director who oversaw the project, was provided by the World Bank as 'all WTO members are encouraged to implement Trade Information Portals by reference

to Article 1 of the WTO Trade Facilitation Agreement. They serve as a centrally managed gateway for government agencies to publish all information necessary for businesses to be able to comply with applicable import and export procedures – this includes access to all trade tariff and customs information’ [G].

The PM group state that Grainger provided ‘strategic guidance’ and was relied upon ‘to run a workshop [in Bangladesh] with the business community and senior policy makers to advise on best practice trade facilitation principles’ [G]. The guidance and expertise provided stemmed from Grainger’s conceptual research [2,4]. The PM Group notes that Grainger’s ‘steer and guidance has subsequently helped shape our approach – as well as that of the World Bank – to implementing and operating the respective trade information portals. This has not only made trade compliance significantly easier for the business community, it also helped make regulatory complexity more visible. Subsequently, it became easier for policy makers (along with donors, such as the World Bank) to identify opportunities for further reform – for example by cutting down the volume of applicable trade and customs procedures or by implementing electronic systems to help automate and speed up border management operations’ [G].

Brexit

Grainger’s research informed the Brexit preparations of the Department for Environment, Food and Rural Affairs (DEFRA) including their economic modelling to understand Brexit’s impact upon UK food supply chains and industries. This impact stemmed from Grainger’s research, [7], which underpinned two research projects, commissioned by DEFRA, ‘to calculate Non-Tariff Measures (NTMs) at the HS four-digit level and their impact upon UK food supply chains and upon the UK fish industry once the UK departs from the European Union’ [F]. These projects were led by the Anderson’s Centre who specialise in producing economic, policy and market analysis of agriculture and collaborated closely with Grainger. They note that ‘in developing our methodology, we drew extensively on Andrew’s earlier work at the University of Nottingham. To date there is no other study within the public domain that is as comprehensive as his early work in 2013 about the cost of trade and customs procedures for goods within the agricultural domain’ [F]. The work led to the creation of specific economic models which DEFRA were able to use to input data and receive expected outcomes relating to Brexit and UK food supply chains. The specific findings of the commissioned research are subject to a non-disclosure agreement, but the Anderson’s Centre have confirmed that the projects, which were ‘commissioned because the UK relies extensively on food imports and because non-tariff barriers are a key feature in contemporary trade policy’ culminated in models which ‘covered all the main food categories and were used by DEFRA and other government agencies to inform their BREXIT related economic modelling’ [F].

Grainger’s research has also been utilised by The Institute for Government in its recommendations to the UK government regarding Brexit. In its 2017 paper, ‘Implementing Brexit: Customs’, The Institute for Government drew particular acknowledgement to Grainger’s involvement and cited his research [1, 8] to ultimately make recommendations to help the UK avoid ‘the customs cliff edge’ [C]. Additionally, subsequent to the UK’s decision to leave the European Union, Grainger was requested to serve as witness in front of the Health Select Committee to advise upon the impact of Brexit on Health Supply Chains (December 2017) [D] and the International Trade Committee in support of its enquiry into Brexit and issues specific to Northern Ireland (July 2018) [E].

Department for Business, Energy & Industrial Strategy and HM Revenue and Customs

Grainger’s research has been used in the activities of the Department for Business, Energy & Industrial Strategy’s (BEIS) Regulatory Delivery, which is now superseded by the Office for Product Safety and Standards (OPSS) and has led to the establishment of a dedicated Trade Facilitation Expert Reference Panel (the secretariat of which was provided by BEIS) and subsequently the UK’s National Trade Facilitation Committee (where the secretariat is provided by HMRC). His research has also informed OPSS’s preparations for Brexit by informing their ideas and responses about UK product safety and market surveillance requirements and cited by HMRC in its statements to UK Parliament.

These impacts are evidenced in a testimonial from the CEO of the OPSS which states that Grainger's conceptualisation of the topic of trade facilitation [1] led the BEIS to invite Grainger to share his research surrounding best practice trade facilitation measures with over 200 senior international policy makers and then with BEIS key staff members, therefore informing and providing essential understanding of the topic [H]. The OPSS states that 'concluding [Grainger's] presentation and subsequent Q&A's, a decision was taken by us to establish a dedicated Trade Facilitation Expert Reference Panel' [H]. This has involved more than 110 UK business interest associations and has 'helped raise wider awareness of trade facilitation principles, such as those described by Dr Grainger in his work' and engaged 'HM Revenue and Customs, the Foreign and Commonwealth Office and its Permanent Representation to the World Trade Organisation to engage in dialogue with the UK business community about how to improve regulations specific to international trade and cross-border operations' [H].

More specifically, OPSS's testimonial notes, 'a particular output of the establishment of [the] Trade Panel was Dr Grainger's academic work in assisting the panel members consider how to identify and address technical barriers to trade with Brazil and how this might provide a model for addressing bilateral issues with other countries. The existence of this panel helped collate UK business concerns about trade and border related procedures as well enable government to communicate with the UK business community on such matters in a more efficient way' [H]. Furthermore, the OPSS notes that 'following the UK's decision to leave the European Union, and the UK's subsequent independent trade policy along with its obligations to the WTO, HMRC decided to set-up a dedicated National Trade Facilitation Committee' and 'Dr Grainger also worked with OPSS in December 2017 and January 2018 to help inform ideas and responses about UK product safety and market surveillance requirements after the UK's exit from the European Union' [H].

The OPSS' acknowledgement is referring to research, [1, 2, 4], which helped the Head of EU and International Relations, Customs 'and other senior colleagues in familiarising [them]selves with: key trade facilitation principles, trade and customs related compliance costs, and the practicalities of running a National Trade Facilitation Committee in line with the expectations of the WTO Trade Facilitation Agreement' [I]. The Head of EU and International Relations, Customs' testimonial also states that detailed studies, including [7], have fed into 'our better understanding of trade compliance costs' and were drawn upon 'in our briefings to UK Parliament and elsewhere (as was cited by our Chief Executive ... on 23 May in his oral evidence to Parliament's Treasury Select Committee)' [I, J]. Therefore, Dr Grainger's research has provided essential knowledge and understanding to senior HMRC officials and, in turn, informed the information they provided to UK parliament surrounding trade compliance, specifically in regard to costings surrounding the UK's withdrawal from the EU and what this would cost in customs declarations [J].

5. Sources to corroborate the impact

- A. World Trade Report (2015) – *Speeding up trade: benefits and challenges of implementing the WTO Trade Facilitation Agreement* (pp. 2, 36, 37, 129)
- B. Testimonial from International Trade Centre
- C. Institute for Government (2017) - *Implementing Brexit: Customs* (pp. 9, 46, 51)
- D. House of Commons Health Committee – Oral Evidence: "Effects of Brexit on supply chain of medicines examined", 5 December 2017
- E. House of Commons International Trade Committee – Oral Evidence: "Implications of the Irish Border Arrangement on Future Trade Policy Examined", 4 July 2018
- F. Testimonial from Anderson's Centre
- G. Testimonial from PM Group
- H. Testimonial from the Office for Product Safety and Standards
- I. Testimonial from HMRC Head of EU and International Relations, Customs
- J. <https://www.parliamentlive.tv/Event/Index/066a04fe-51d7-4dcf-a9c3-20849bad75e8> - Question asked and answered from 14:54:45 [video is saved and available on request]