

The Department for International Trade launches modelling review to support economic recovery

- DIT is reviewing how best to model trade impacts to enhance its trade negotiation capability
- DIT will consult with a panel of academics led by Professor Tony Venables
- Updated trade models will help our negotiators to get the best trade deals for the UK

The Department for International Trade is reviewing its trade modelling to ensure that all of Britain's new trade deals are specifically tailored to shape the country's economy as it recovers from the impacts of Coronavirus.

Modelling trade is an important part of the Department for International Trade's negotiation capability. Given the significant global impact of Coronavirus, it's an appropriate time for DIT to review its trade models, as free trade agreements will play a crucial role in our economic recovery.

As part of its programme of continuous development, the department will consult with a panel of external experts and academics, led by Professor Tony Venables, BP Professor of Economics at Oxford University. The internal review will be led by DIT's Chief Economist Richard Price, drawing on expertise from other Government departments, including the Treasury.

DIT's modelling of new free trade agreements has won praise from leading commentators. The department is now reviewing its approach to take account of new techniques and insights to make sure it remains best in class. The external panel will support the development of cutting-edge models and analysis. It will also advise on a variety of issues, such as how best to incorporate wider global economic developments, how economies change with more innovation, investment and specialisation as trade increases, and how to best accommodate the impact of the Coronavirus crisis. The review will also help the department to draw on diverse thinking and expertise from across the world.

The UK has assembled a team of negotiators with a wide range of specialisations and international negotiating experience, including from the WTO and UN. DIT's world-class analysts will be able to draw from the updated trade models and inform our negotiators on which areas would most benefit the UK economy. This will help them to secure benefits for every region and nation of the UK, as well as for small business and entrepreneurs who may have suffered during this difficult time.

Liz Truss, International Trade Secretary, said:

More trade is essential if the UK is to overcome the unprecedented

economic challenge posed by Coronavirus.

The pandemic has given oxygen to the politics of protectionism across the globe, and to those who advocate closed, statist economies.

We will use our voice as a new independent trading nation to champion free trade, fight protectionism and remove barriers at every opportunity. This review will support our analysts, and their work supporting our trade negotiators as they seek to sign new free trade agreements.

Notes to editors

Chair of the External Panel – Professor Tony Venables CBE FBA

DIT has asked Professor Tony Venables to lead an external panel of experts to advise the department. Tony Venables CBE FBA is Professor of Economics at Oxford University and is a Fellow of the Econometric Society, the Regional Science Association and the British Academy. Former positions include chief economist at the UK Department for International Development, professor at the London School of Economics, and research manager of the trade group in the World Bank. He has published extensively in the areas of international trade and spatial economics. Publications include *The Spatial Economy; cities, regions and international trade*, with M. Fujita and P. Krugman (MIT press, 1999), and *Multinationals in the World Economy* with G. Barba Navaretti (Princeton 2004).

Using trade modelling to support DIT's Free Trade Agreements

DIT uses trade modelling to identify the potential impacts of its trade agreements. Modelling supports decision-making and prioritisation in trade negotiations to get a better understanding of areas of potential benefit for the UK economy, the interests of our negotiating partners, and areas of potential mutual benefit in which both we and our partner economies stand to gain.

The Government committed to consulting in advance of launching DIT's trade negotiations, as well as publishing its objectives and a scoping assessment for each FTA. Drawing on insights from its trade modelling, DIT recently published scoping assessments for its negotiations with the United States, Japan, Australia and New Zealand. These reflected the potential gains for the UK, including impacts on different regions and sectors, effects on different groups and on the environment. DIT will also publish impact assessments at the end of each negotiation.

About the Department for International Trade (DIT)

DIT helps businesses export, drives inward and outward investment, negotiates market access and trade deals, and champions free trade. We also secure UK and global prosperity by promoting and financing international trade and investment.

We champion free trade by: 1. supporting and encouraging UK businesses to drive sustainable international growth 2. ensuring the UK remains a leading destination for international investment 3. opening markets, building a trade framework with new and existing partners which is free and fair 4. using trade and investment to underpin the government's agenda for a Global Britain and its ambitions for prosperity, stability and security worldwide.

DIT support during Coronavirus

The Government is supporting businesses and employees through a package of measures to help manage the impact of Coronavirus (Covid-19). These measures include financial support packages for businesses, support for employees' wages and [Export Insurance Policy \(EXIP\)](#). Visit the [Business Support website](#) for more information about these additional measures and find guidance here for UK [businesses trading internationally](#).