

# **Trade preference index**

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## **Abstract**

Building on the work by Anderson and Neary on theoretically grounded trade policy indexes, we define an aggregate measure (Mercantilistic trade preference index – MTPI) of the trade preferential margins. The MTPI provides a method of aggregation that is consistent with a common objective of the preferential policies, since it focuses on the volume of exports. We compute the bilateral MTPIs for the preferences granted by the European Union to 162 exporters to assess how the market access granted by the EU preferential trade agreements does differ across sectors and countries.

**JEL Classification:** F13; Q17

**Keywords:** International agricultural trade; Protection; Tariffs