



STOCKHOLM INSTITUTE OF
TRANSITION ECONOMICS

CORISK

Trade Redirection and Circumvention Evaluation Ranking (TRACER)

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TRACER: Background and Purpose



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Original project supported by US Aid 2025-2026

State Capture Accountability Project, Corisk, SITE

Circumvention by Western countries and Intermediary countries

Explore and Benchmark trade with Russia in sanctioned goods

Explore and explain relative sanctions compliance performance

TRACER: Three ways of measuring circumvention (goods)

Partners' official trade data

Excessive trade in all goods with third-countries (validated vs total trade)

Excessive trade in sanctioned goods with third-countries (detailed data)

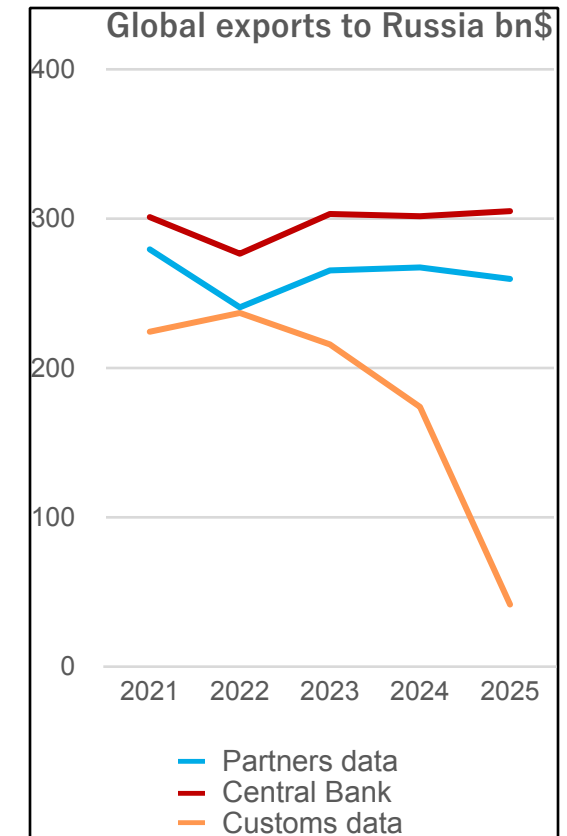
Russian Central Bank data

Total trade with World, Balance-of-Payments

Russian Customs data

Individual trades in Western-origin goods declared by Russian Customs

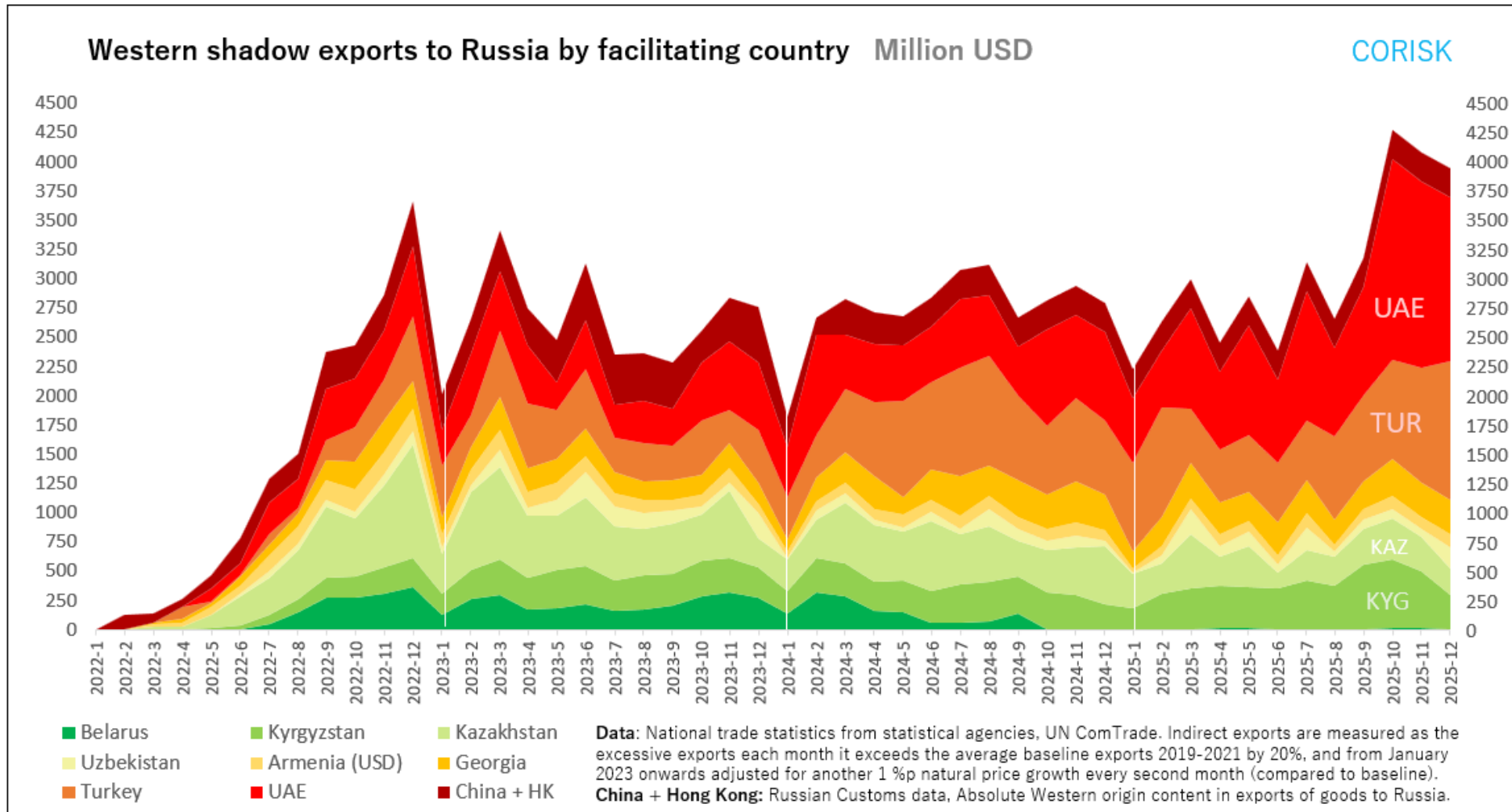
Excludes intra-EAEU trade. Missing data from **May 2024** onwards



TRACER: Excessive Western trade with third-countries 2022-2025



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Estimation

Excessive trade model

All goods

Baseline 2019-2021

Excessive > 20%+

Specific model of excessiveness via Turkey and UAE

Q4 2025: Massive growth in UAE imports from USA, Japan, France, Italy, etc

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Why an Index? - Motivation

- Raw trade volumes don't offer a fair comparison — countries differ in size, trade structure, pre-war exposure to Russia, and institutional capacity
- Need for a systematic cross-country measure of capability to enforce sanctions - and performance
- **Contribution: first systematic cross-country capability ranking specific to sanctions enforcement,**
 - with an empirical benchmark linking institutional configuration to observed trade outcomes
 - covering export restrictions with a three-tier output (ranking + diagnostics + outcome monitoring)

Three Steps, complementary approaches

1.
**Institutional
and structural
capacity**

2.

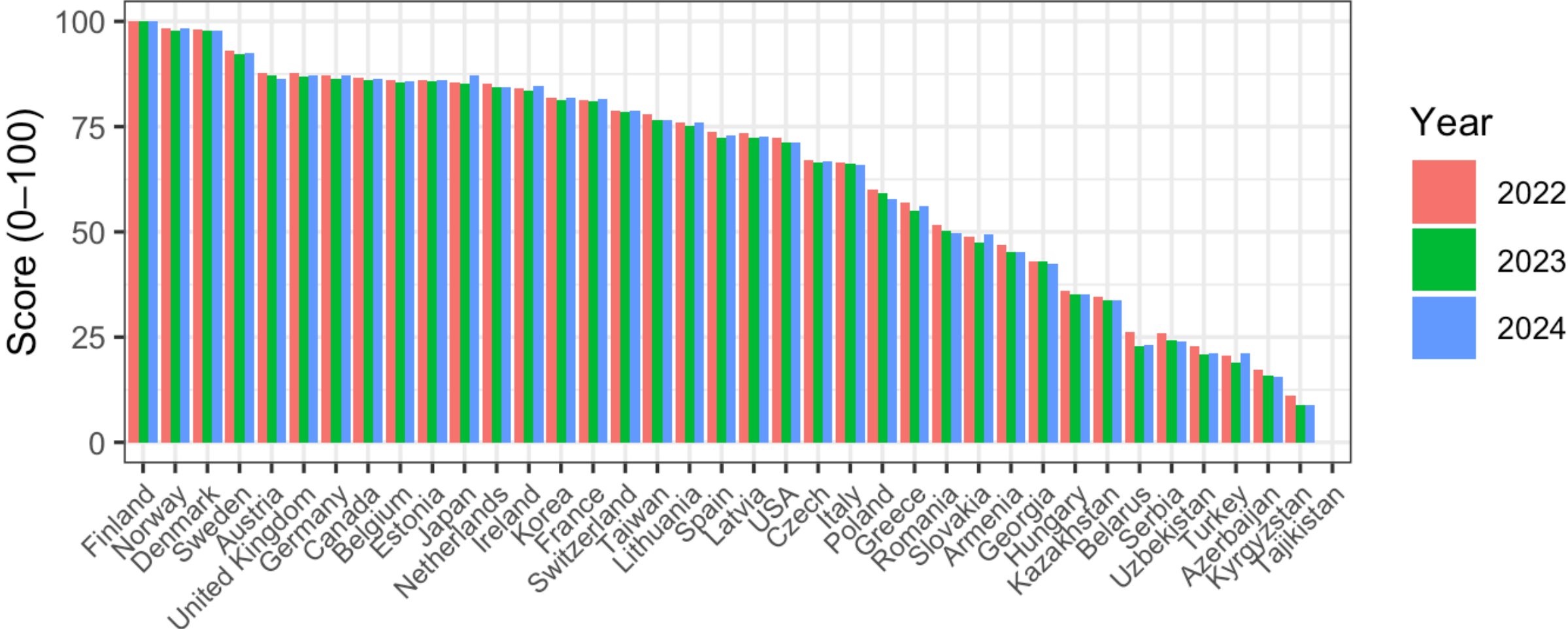
3.

Organized in 4 pillars

- Legal frameworks
- Government enforcement
- Corporate compliance
- Exposure and constraints

Composite Compliance Index: Country Rankings (2022–2024)

Composite Compliance Index (PC1, global PCA)



Three Steps, complementary approaches

**1.
Institutional
and structural
capacity**

Organized in 4 pillars

- Legal frameworks
- Government enforcement
- Corporate compliance
- Exposure and constraints

**2.
Predicted
trade
diversion**

**3.
Excessive
trade
diversion**

Target

1.

Excessive export of war-relevant goods

(61 categories) to six intermediary countries (Armenia, Georgia, Kyrgyzstan, Serbia, Tajikistan, and Uzbekistan)

2.

Export to Russia

of the same goods, attributed by origin to the country of production (Russian customs data, available only until mid-2023)

3.

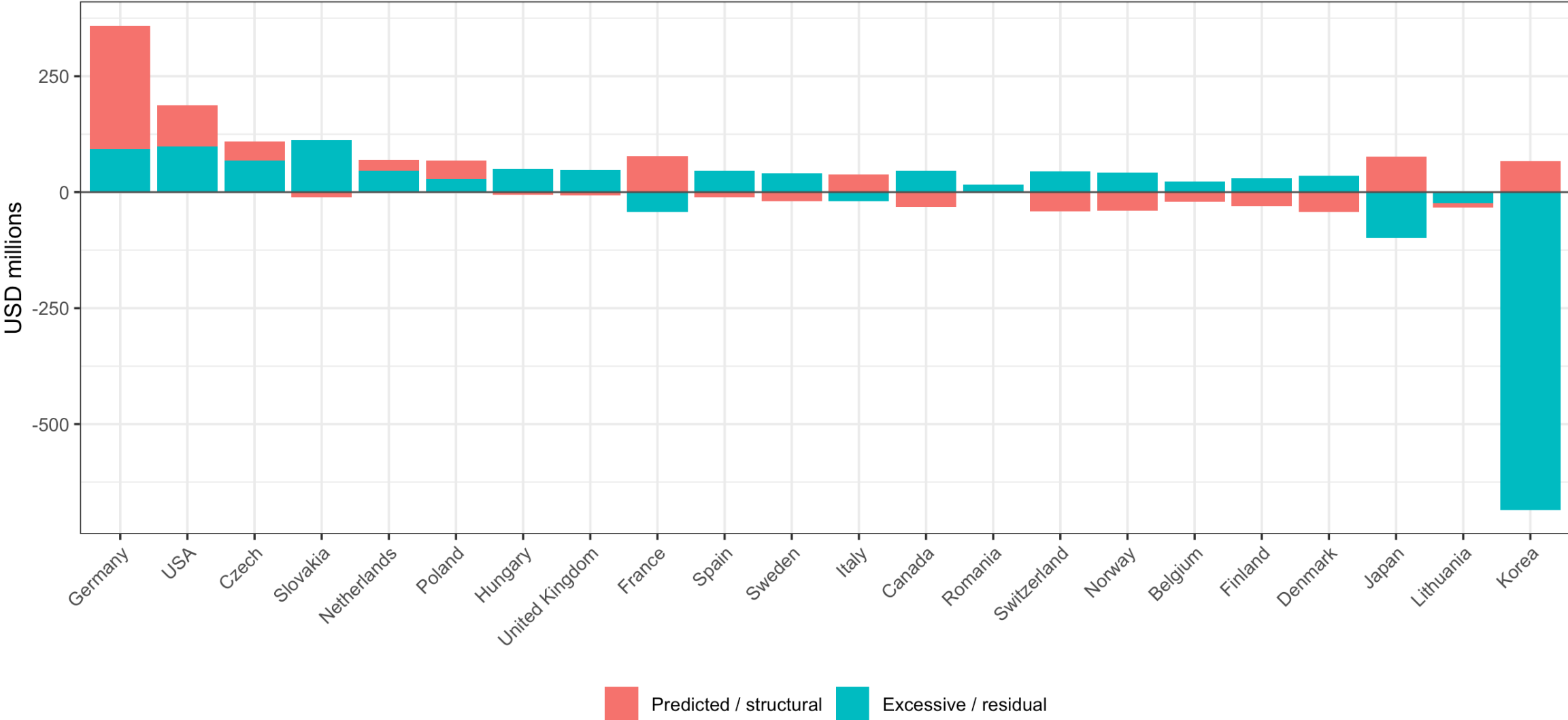
Share of foreign-made battlefield components

attributed to the country of manufacture, based on data compiled by the Kyiv School of Economics (2023)

Predicted and Excessive Trade Diversion, 2024

Composition of Trade Diversion: Structural vs Excessive, 2024

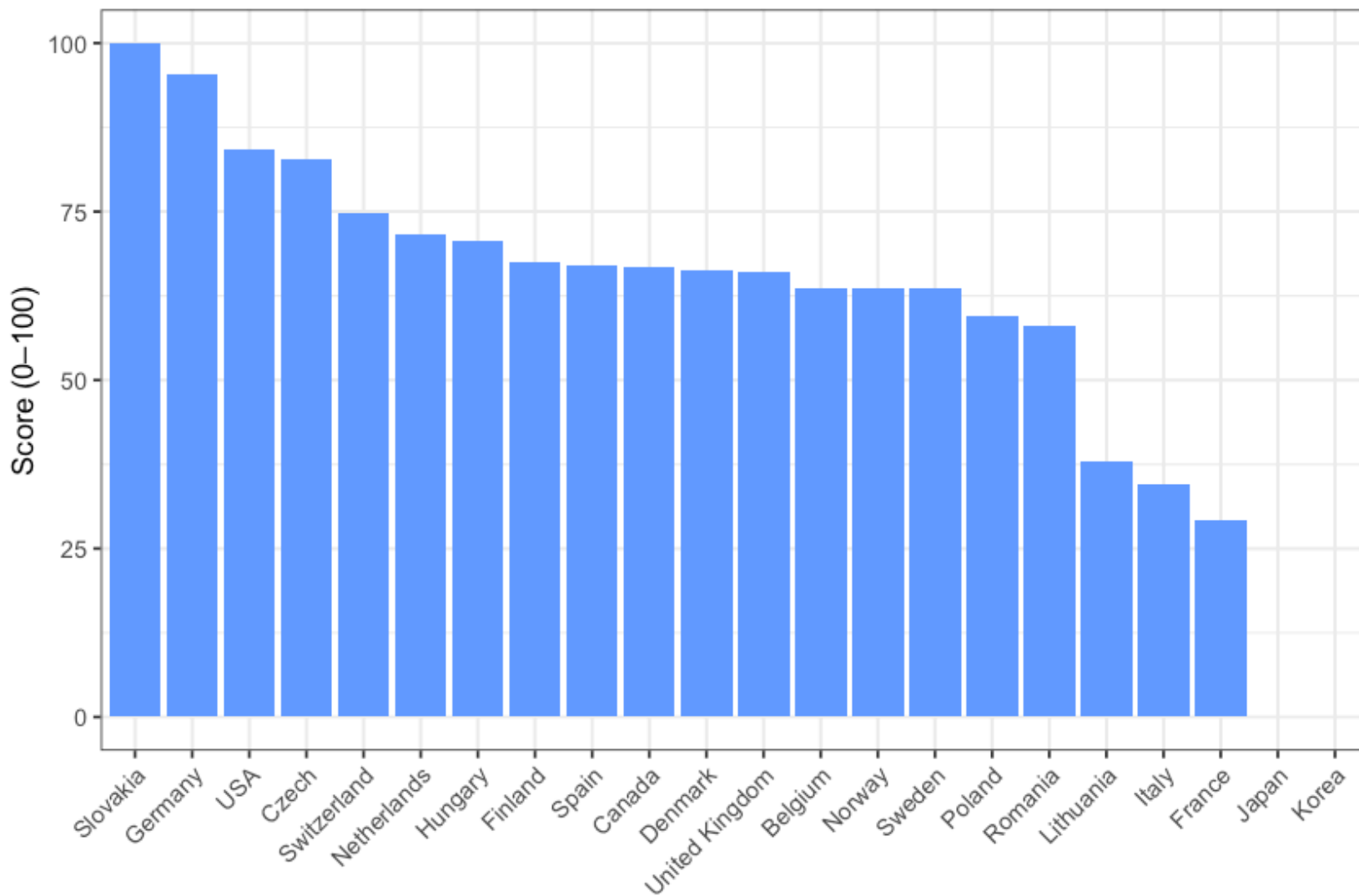
Total bar = total trade diversion



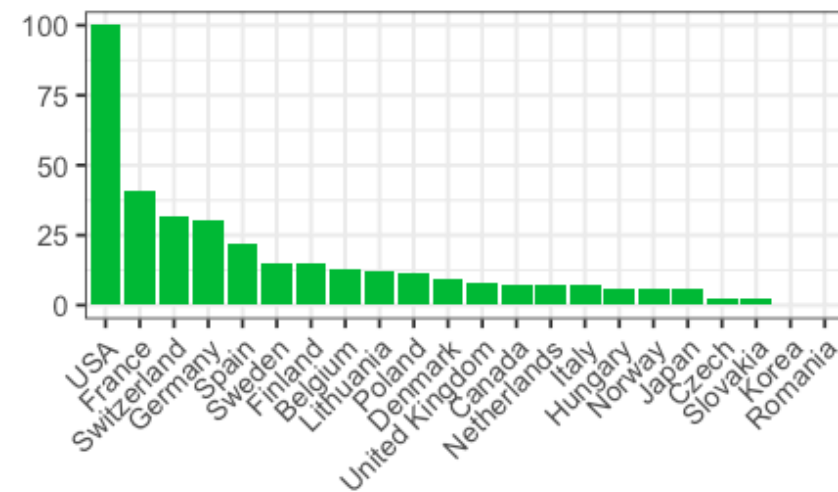
TRACER: Excessive Evasion

Excessive Trade Diversion (scaled within year, 6 intermediaries)

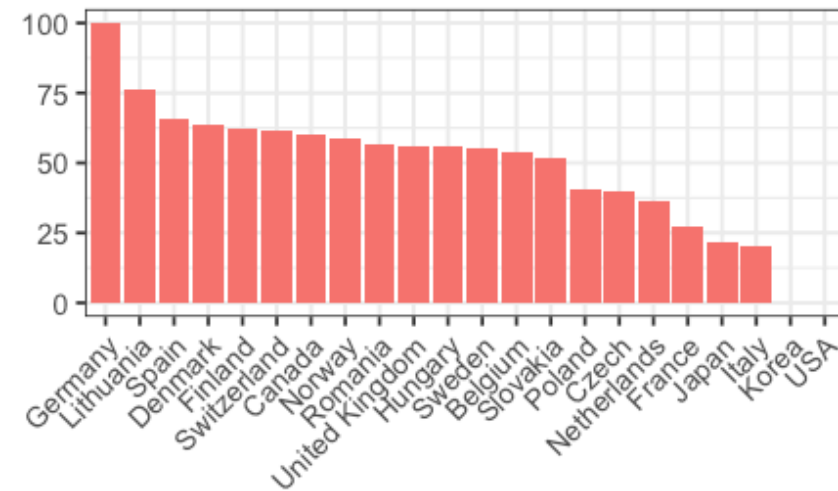
2024



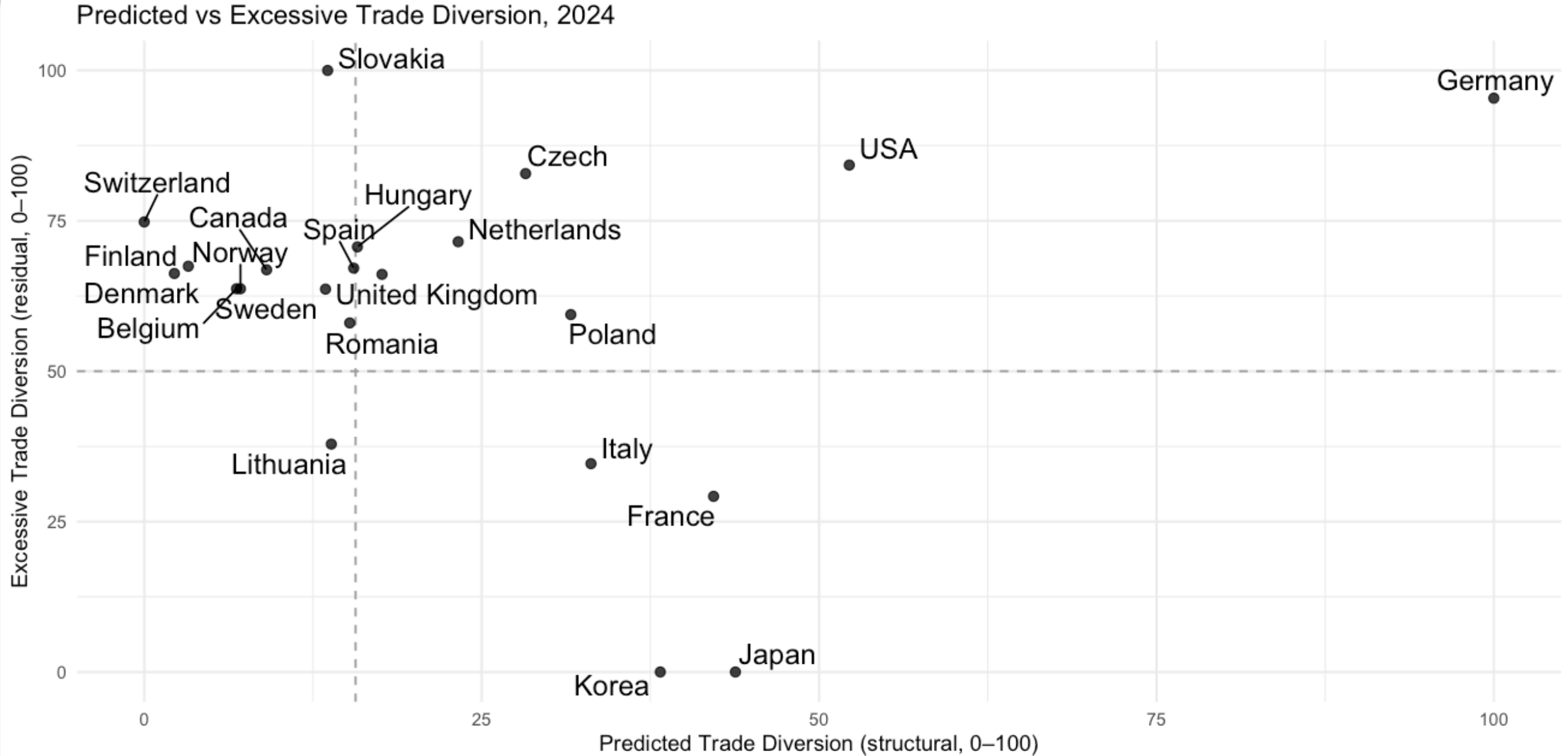
2023



2022



Predicted vs Excess Trade Diversion, 2024



Limitations and Future Extensions

Current limitations

- Unsupervised index reflects institutional configuration, not observed enforcement
- Some indicators time-invariant or infrequently updated, limits within-country change detection
- Target 2 (Russian customs) available only through mid-2023
- Panel (2022–2024) still adjusting; longer series needed for stable regression estimates

Future extensions

- **Scope currently limited to export restrictions, two high-priority extensions:**
 - Fossil fuel import / resale compliance (oil price cap, energy revenue to Russia)
 - Financial sanctions compliance (asset freezes, correspondent banking, payment systems exclusion)
- Index designed to be updatable as new data become available
- Extendable to other sanctions regimes (Iran, North Korea, Belarus)

Visit sanctionsrussia.org
to learn more!



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