

Indicators for Trade Facilitation: A Handbook (Version 1.0)



Preface

This digital Handbook was developed as a follow-up to the Workshop on Trade Facilitation Performance and Monitoring, co-organized on 23 November 2015 by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), the Organization for Economic Cooperation and Development (OECD) and the Asian Development Bank (ADB), in collaboration with World Bank (WB), International Trade Centre (ITC), World Customs Organization (WCO), United Nations Conference on Trade and Development (UNCTAD), with the support of the United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific (UNNExT), the China International Electronic Commerce Center (CIECC) and the New Zealand Ministry of Foreign Affairs and Trade.*

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This Handbook aims to assist readers in accessing currently available Trade Facilitation indicators. All the data and indicators presented remain the property and the responsibility of the organization which developed them. Their inclusion in this Handbook does not necessarily indicate that they have been endorsed by the United Nations or the OECD.

(*) <http://www.unescap.org/events/trade-facilitation-performance-and-monitoring-workshop>

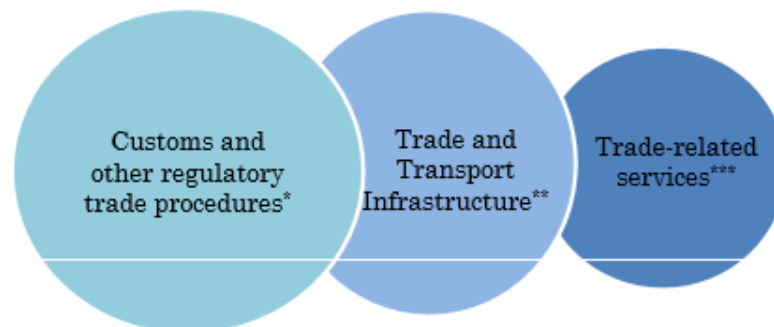
Introduction

There has been growing interest in trade facilitation since the beginning of the new millennium, as evidenced by the successful negotiation of the WTO Trade Facilitation Agreement (TFA) as well the rapid increase in trade facilitation commitments made through regional trade agreements as well as other specialized agreements (e.g., transit agreements or regional single window agreements).

As governments continue their efforts to reduce trade costs by streamlining trade-related procedures and enhancing the quality of related infrastructures and services, it is important that officials in charge of developing future plans in this area be fully cognizant of the available data and indicators they may use to monitor progress.

Accordingly, this Handbook aims at providing a comprehensive source of information on publicly available cross-country databases and indicators relevant to trade facilitation in a format easy to use for both trainers and individual readers alike. Rather than going through the Handbook sequentially, users are encouraged to navigate through it and “dig deeper” by clicking any of the many internal and external links.

What does
Trade
Facilitation
encompass?



The Handbook has put special focus on indicators related to areas (*) and (**). Indicators regarding area (***) can be consulted in the indicator's webpage links provided in this Handbook.

Introduction (cont'ed)

Introduction (cont'd)

A wide range of indicators related to trade facilitation have been developed over the past 15 years, in part because of the growing importance attached to this issue at the WTO. These indicators are often very different in nature and/or scope, depending on whether a broad or narrow definition of trade facilitation was adopted and their specific purposes. As a result, they often overlap and there is no easy way to classify them.

In its broadest sense, trade facilitation is about reducing international trade costs, and we therefore start by introducing the ESCAP-World Bank Trade Cost Database, which arguably provides the most comprehensive and aggregate data on bilateral trade costs.

We then focus on databases which provide indicators related to customs and other regulatory trade procedures, which form the core of the trade facilitation agenda. The World Bank Doing Business Survey and its Trading Across Borders indicators are introduced, supplemented by relevant indicators from the World Bank Enterprise Surveys, which provide firm-level data for many countries.

Two other databases are then reviewed, both of which focus on implementation of specific trade facilitation measures rather than on providing time or cost performance indicators. The OECD trade facilitation indicators provide a detailed view of the extent of implementation of WTO TFA measures, while the UN Survey on Trade Facilitation and Paperless Trade Implementation also provides information on the state of implementation of various paperless trade measures.

The Handbook then presents indicators that go beyond the relatively narrow WTO TFA definition of trade facilitation to touch upon trade and transport infrastructure as well as services. This includes indicators from the World Bank Logistics Performance Index (LPI), the UNCTAD Liner Shipping Connectivity Index (LSCI), as well as from the World Economic Forum. The Services Trade restrictiveness Indices of both World Bank and OECD are then briefly introduced.

The Handbook ends with a call for countries to develop trade and transport facilitation monitoring mechanisms (TTFMMs), in line with the new UN/CEFACT Recommendation No. 42 adopted in April 2017 in support of the implementation of trade facilitation reforms.

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I. [ESCAP-World Bank Trade Costs Database](#)

- [UNESCAP-World Bank Trade Costs Database](#)
- [UNESCAP Value-Added Trade costs Database](#)

II. [World Bank Doing Business Trading across borders](#)

- [Trading Across Borders Rank Indicator](#)
- [Border Compliance: Time and cost to export/import](#)
- [Documentary Compliance: Time and cost to export/import](#)
- [Domestic Transport: Time and cost to export/import](#)

III. [World Bank Enterprise Surveys](#)

- [Days to clear a direct exports through customs](#)
- [Days to clear imports from customs](#)
- [Percent of firms identifying customs and trade regulations as major constraint](#)

IV. [OECD Trade Facilitation Indicators](#)

- [Eleven Trade Facilitation indicators](#)

V. [United Nations Global Survey on Trade Facilitation and Paperless Trade Implementation](#)

- [General Trade Facilitation measures](#)
- [Paperless Trade measures](#)
- [Cross-border Paperless Trade measures](#)
- [Transit Facilitation measures](#)

VI. [World Bank Logistic Performance Index \(LPI\)](#)

- [World Bank Logistic Performance Index \(International\)](#)
- [World Bank Logistic Performance Index \(Domestic\)](#)
 - i. [Environment and Institutions](#)
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VII. [UNCTAD Liner Shipping Connectivity Index \(LSCI\) & Liner Shipping Bilateral Connectivity Index \(LSBCI\)](#)

- [Five components of the LSCI](#)
- [Five components of the LSCBI](#)

VIII. [World Economic Forum, The Global Enabling Trade Report](#)

- [Border administration](#)
 - i. [Efficiency and transparency of border administration](#)
- [Infrastructure](#)
 - i. [Availability and quality of transport infrastructure](#)
 - ii. [Availability and quality of transport services](#)
 - iii. [Availability and use of ICTs](#)

IX. [World Bank & OECD Services Trade Restrictiveness Index \(STRI\)](#)

- [World Bank STRI](#)
- [OECD STRI](#)

X. [Beyond Aggregate Indicators and Cross-country Databases: Trade and Transport Facilitation Monitoring Mechanism \(TTFMM\)](#)

<http://www.enterprisesurveys.org/~media/GIAWB/EnterpriseSurveys/Documents/Methodology/questionnaire-manual.pdf>
<http://www.enterprisesurveys.org/~media/GIAWB/EnterpriseSurveys/Documents/Misc/Indicator-Descriptions.pdf>

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OECD Trade Facilitation Indicators

Overview

- The [OECD Trade Facilitation Indicators \(TFIs\)](#) cover the full spectrum of Customs and other regulatory trade procedures at the border included in the WTO Trade Facilitation Agreement (TFA)
- 133 variables, organised by 11 policy dimensions : Information availability ; Consultations; Advance rulings; Appeal procedures; Fees and charges; Documentation requirements; Automation of border procedures; Streamlining of border processes; Domestic border agency co-operation; Cross-border agency co-operation; Governance and Impartiality
- They were first launched in 2013 and are updated every two years. The current (2017) dataset covers 163 countries

Why is it useful?

- Precisely targeted for monitoring and benchmarking country performance on implementation of specific trade facilitation measures
- Can be used for assessing the impact of specific trade facilitation measures on trade flows, trade costs, resource allocation and welfare
- Based on factual information, not perception
- Two interactive tools allow users to compare country performance across the 11 TFIs and to discover the key measures driving the performance of a selected country

Limitations

- Trade and transport infrastructure or trade-related services are not covered
- Because of the level of detail, data on some of the variables are not available for every country in the database

Methodology

- The data on the OECD TFIs are gathered through a questionnaire replied by the relevant administrations and by carriers with worldwide presence, and cross-checked against publicly available sources
- They are then verified through each concerned country's WTO and Customs administrations
- Variables follow a scoring from 0 (lowest performance) to 2 (highest performance) (percentile ranking is used where no "natural" thresholds can be identified, i.e. where variables are numerical in nature)
- The indicators are the simple average of the scores for each variable composing them

For more information: <http://www.oecd.org/tad/facilitation/indicators.htm>

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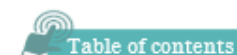
OECD Trade Facilitation Indicators (TFIs)

OECD Trade Facilitation Indicators: eleven policy dimensions



Indicator	Description
(a) Information Availability	Enquiry points; publication of trade information, including on Internet; transparency of required documentation; user manuals; available legislation
(b) Involvement of the Trade Community	Structures for consultations; established guidelines for consultations; publications of drafts; existence of notice-and-comment frameworks
(c) Advance Rulings	Prior statements by the administration to requesting traders concerning the classification, origin, valuation method, etc., applied to specific goods at the time of importation; the rules and process applied to such statements
(d) Appeal Procedures	The possibility and modalities to appeal administrative decisions by border agencies
(e) Fees and Charges	Disciplines on the fees and charges imposed on imports and exports; transparency and regular review of fees and charges; disciplines on transparency and implementation of penalties systems
(f) Formalities – Documents	Acceptance of copies, simplification of trade documents; harmonisation in accordance with international standards
(g) Formalities – Automation	Electronic exchange of data; use of automated risk management; automated border procedures; electronic payments; automated pre-arrival processing; digital signatures
(h) Formalities – Procedures	Streamlining of border controls; single submission points for all required documentation (single windows); post-clearance audits; authorised operators; measures on perishable goods; risk management systems; expedited shipments
(i) Internal Co-operation	Control delegation to Customs authorities; co-operation between various border agencies of the country
(j) External Co-operation	Co-operation with neighbouring and third countries
(k) Governance and Impartiality	Customs structures and functions; accountability; ethics policy

For more information: <http://www.oecd.org/tad/facilitation/indicators.htm>

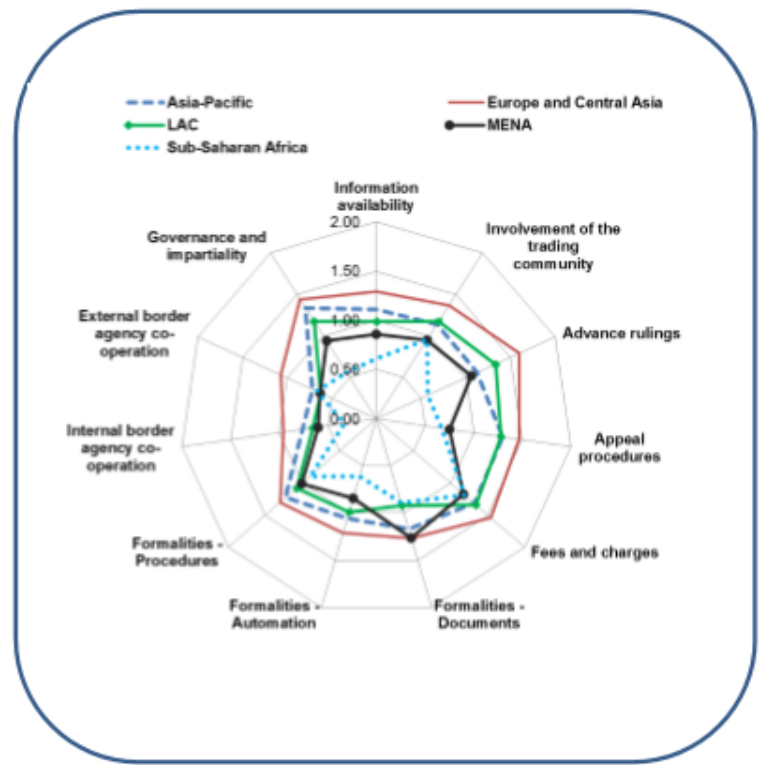
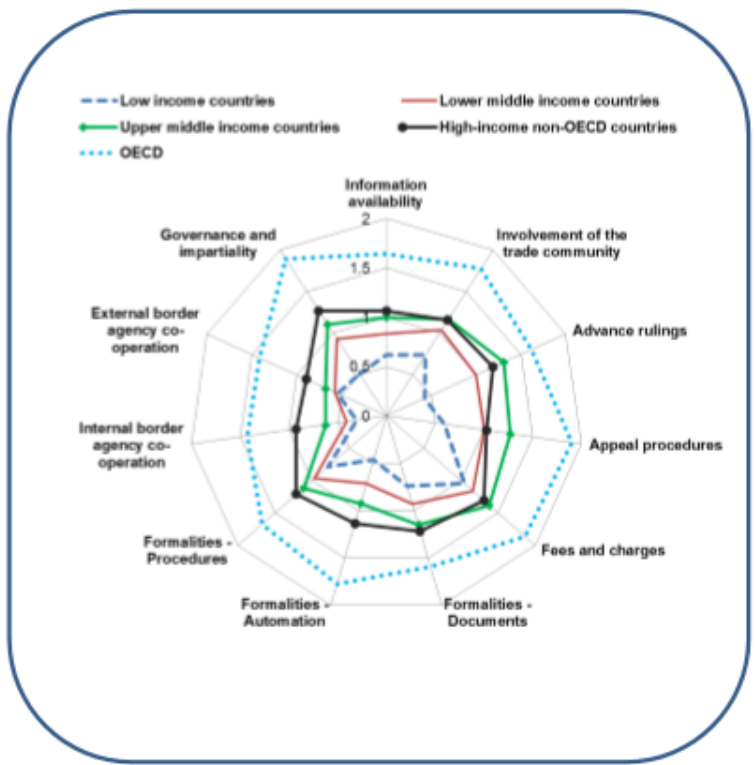




OECD Trade Facilitation Indicators (TFIs)



2017 state of play: a glance at selected income groups and regions



For more information: <http://www.oecd.org/tad/facilitation/indicators.htm>

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Where to find the digital Handbook?

- <http://www.unescap.org/resources/escap-oecd-handbook-indicators-trade-facilitation>
- <http://www.oecd.org/trade/facilitation/Indicators-for-Trade-Facilitation-ESCAP-OECD-Handbook.pdf>