

Session 4

Costs of Trade: Using ESCAP/WB Trade Cost Database (ESCAP)

**ARTNeT-GIZ Capacity Building Workshop on Practical tools for
Impact Assessment of Trade liberalization and
Free Trade Agreement
23-27 January 2017**

Introduction to trade costs and other databases for Trade Facilitation

Trade Facilitation

- **Brief intro**
- **Databases: ESCAP source**
 - ESCAP-World Bank Trade Cost Database
[<http://artnet.unescap.org/databases.html#first>]
 - UNRCs Joint Survey on Trade Facilitation and Paperless Trade Implementation Database
[<http://artnet.unescap.org/databases.html#fifth>]
 - Trade Process Analysis Database [<http://www.tpad.unnext.org>]
 - Asia-Pacific Trade Facilitation Forum: APTFF 2015
[<http://unnext.unescap.org/tfforum15-presentations.asp>]

Trade Facilitation

- **Databases: non-ESCAP source**
 - Doing Business Database [<http://www.doingbusiness.org>]
 - Liner Shipping Connectivity Index Database [<http://unctadstat.unctad.org/wds/TableView/tableView.aspx?ReportId=92>]
 - Logistics Performance Index Database [<http://lpi.worldbank.org>]
 - Global Competitiveness Report [<http://reports.weforum.org/global-competitiveness-report-2014-2015>]
- **Concluding remarks**

Trade Facilitation (TF)?

- “The plumbing of international trade” (Staples, 1998)
- “The simplification and harmonization of international trade procedures.”, where trade procedures are the “activities, practices and formalities involved in collecting, presenting, communicating and processing data required for the movement of goods in international trade.” (based on WTO documents)
- **“Any measure, or set of measures, that aims to increase the cost-effectiveness of international trade transactions”.**
<http://www.gfptt.org/Entities/TopicProfile.aspx>

Trade Facilitation (TF)

Table A.1: Definitions of trade facilitation

a) Academic literature

Study	Definition
Duval (2007).	Trade facilitation involves increasing the efficiency of trading processes. Trade facilitation involves making customs, transport, and banking and insurance (services and infrastructure) more efficient. Trade facilitation cannot simply be limited either to at-the-border or to customs control processes, since these two sets of processes are only two of a number of other processes (e.g., payment and logistics) that affect the efficiency of a trade transaction.
Grainger (2011).	Trade facilitation looks at how procedures and controls governing the movement of goods across national borders can be improved to reduce associated cost burdens and maximize efficiency while safeguarding legitimate regulatory objectives.
Persson (2013).	Trade facilitation refers to making it easier for traders to move goods across borders by making cumbersome cross-border trade procedures more efficient.
Portugal-Perez and Wilson (2012).	Trade facilitation measures can be undertaken along two dimensions: a "hard" dimension related to tangible infrastructure such as roads, ports, highways, telecommunications, as well as a "soft" dimension related to transparency, customs management, the business environment, and other institutional aspects that are intangible.
Zaki (2014).	Trade facilitation includes five main elements: 1) simplification of trade procedures and documentation; 2) harmonization of the trade practices and rules; 3) more transparent information and procedures of international flows; 4) recourse to new technologies to promote international trade; 5) more secured means of payment for international commerce.

Trade Facilitation (TF)

b) International organizations	
Institution/source	Definition
Asia-Pacific Economic Cooperation (APEC) <i>Source: APEC (2007).</i>	Trade facilitation refers to the simplification and rationalization of customs and other administrative procedures that hinder, delay or increase the cost of moving goods across international borders.
European Commission <i>Source: http://ec.europa.eu/taxation_customs/customs/policy_issues/trade_facilitation/index_en.htm</i>	Trade facilitation can be defined as the simplification and harmonization of international trade procedures including import and export procedures. Procedures in this context largely refer to the activities (practices and formalities) involved in collecting, presenting, communicating and processing the data required for movement of goods in international trade.
International Chamber of Commerce (ICC) <i>Source: ICC (2007).</i>	Improvements in the efficiency of the processes associated with trading in goods across national borders.
Organisation for Economic Co-operation and Development (OECD) <i>Source: Moïsé et al. (2011).</i>	Trade facilitation refers to policies and measures aimed at easing trade costs by improving efficiency at each stage of the international trade chain.
United Nations Economic Commission for Europe (UNECE) <i>Source: http://tfig.unece.org/details.html</i>	The simplification, standardization and harmonization of procedures and associated information flows required to move goods from seller to buyer and to make payment.
United Nations Conference on Trade And Development (UNCTAD) <i>Source: UNCTAD (2006).</i>	Trade facilitation seeks to establish a transparent and predictable environment for cross-border trade transactions based on simple, standardized customs procedures and practices, documentation requirements, cargo and transit operations, and trade and transport arrangements.

Trade Transactions: Buy-Ship-Pay Model



INVOLVES

Commercial Procedures

- Establish Contract
- Order Goods
- Advice on Delivery
- Request Payment
- Packing
- Certification
- Accreditation
- Warehousing

Transport Procedures

- Establish Transport Contract
- Collect, Transport and Deliver Goods
- Provide Waybills, Goods Receipts Status Reports, etc.

Regulatory Procedures

- Obtain Import/Export Licenses, etc.
- Provide Customs Declaration
- Provide Cargo Declaration
- Apply Trade Security Procedures
- Clear Goods for Export/Import

Financial Procedures

- Provide Credit Rating
- Provide Insurance
- Provide Finance
- Execute Payment
- Issue Statements

Source: United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT). 2008.

Trade Facilitation (TF) in Asia and the Pacific

- Significant progress made in reducing time of import/export since 2005,
 - but developed economies also improved during that period
 - On average, it still takes 30 days to move goods from factory to deck-of-ship at the nearest seaport
 - South Asia: 30 days
 - South-East Asia: 20 days
 - Developed economies: 10 days
- Improvements in TF could bring \$250 billion in additional trade for Asia and the Pacific

ESCAP-World Bank Trade Costs Database

ESCAP-World Bank (WB)

Trade Cost Database

- ESCAP-WB (Bilateral) Comprehensive Trade Costs:
 - Capture all *additional costs involved in trading goods bilaterally relative to those involved in trading goods domestically, including*
 - International shipping and logistics costs
 - Tariff and non-tariff costs, including indirect and direct costs associated with trade procedures and regulations
 - Costs from differences in language, culture, currencies...
 - are based on the comprehensive trade costs measure proposed by Jacks, Meissner and Novy (2009)
 - Measure derived from the gravity equation, i.e., ratio based essentially on bilateral trade data and Gross Output data → “objective” measure of costs

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ESCAP-World Bank (WB)

Trade Cost Database

- Our measure of **ad valorem** trade costs:

$$\tau_{ij} = \tau_{ji} = \left(\frac{t_{ij} t_{ji}}{t_{ii} t_{jj}} \right)^{\frac{1}{2}} - 1 = \left(\frac{X_{ii} X_{jj}}{X_{ij} X_{ji}} \right)^{\frac{1}{2(\sigma-1)}} - 1$$

Where

- **τ_{ij} denotes geometric average trade costs between country i and country j**
 - t_{ij} denotes international trade costs from country i to country j
 - t_{ji} denotes international trade costs from country j to country i
 - t_{ii} denotes intranational trade costs of country i
 - t_{jj} denotes intranational trade costs of country j
- **X_{ij} denotes international trade flows from country i to country j**
- **X_{ji} denotes international trade flows from country j to country i**
- **X_{ii} denotes intranational trade of country i**
- **X_{jj} denotes intranational trade of country j**
- **σ denotes intra-sectoral elasticity of substitution (which is set = 8)**

ESCAP-World Bank (WB)

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- Intuition: keeping all else constant, a rise in the ratio of international trade relative to domestic trade must be associated with a fall in international trade costs relative to domestic trade costs
- *Ad valorem* ? → bilateral trade costs are expressed in % of the value of goods (like tariffs generally are)
- Important note: Change in the value of sigma can change the absolute value of trade costs → **better to look at trade cost relative to each other**

ESCAP-World Bank (WB)

Trade Cost Database

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Note that:

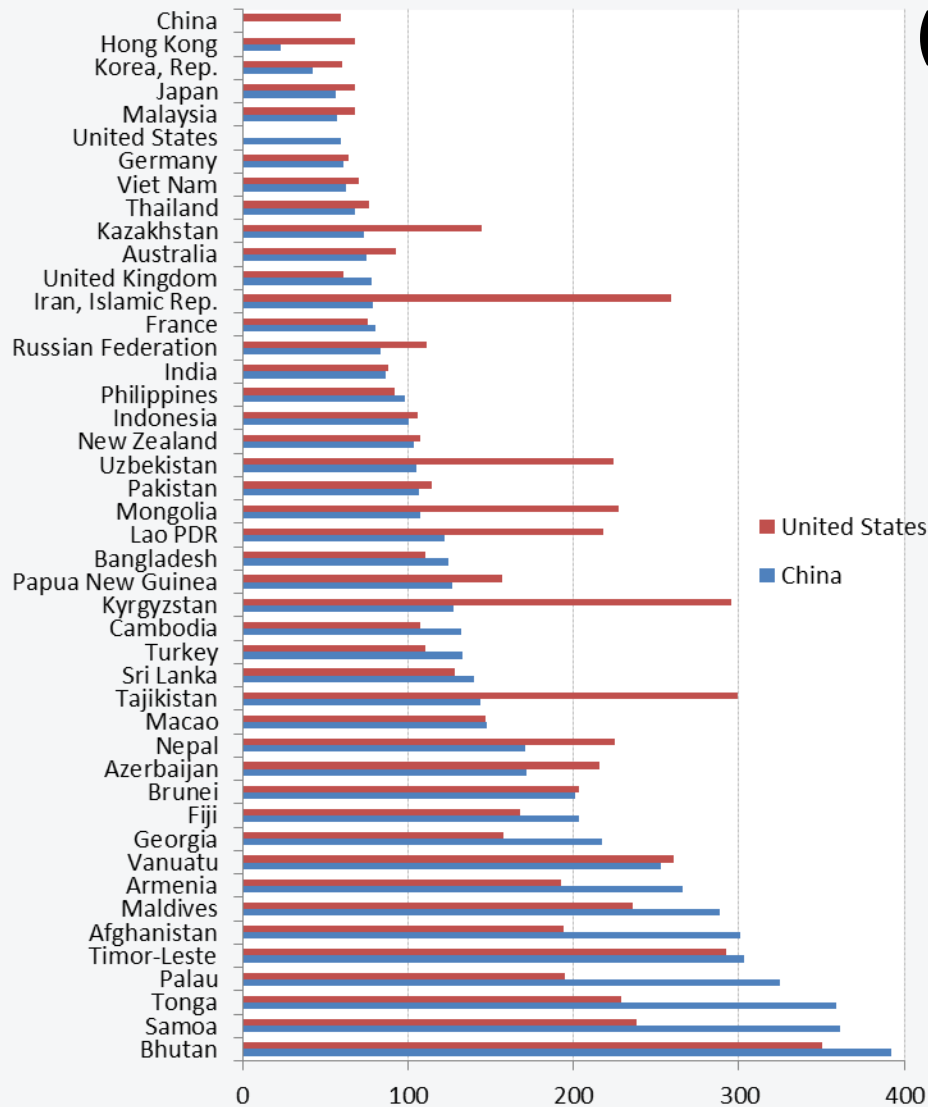
- Our trade costs are always expressed in terms of international relative to intra-national trade costs
- Our trade costs are the geometric average of trade costs in both directions (country i to j and country j to i)

Intra and extraregional comprehensive trade costs in the Asia-Pacific region (excluding tariff costs), 2009-2014

Region	ASEAN-4	East Asia-3	North and Central Asia - 4	Pacific Islands Developing Economies	SAARC-4	AUS-NZL	EU-3
ASEAN-4	76% (8%)						
East Asia-3	75% (5%)	51% (-3%)					
North and Central Asia - 4	354% (11%)	175% (-6%)	121% (7%)				
Pacific Islands Developing Economies	172% (-10%)	175% (-3%)	369% (29%)	132% (-10%)			
SAARC-4	128% (1%)	124% (-1%)	285% (2%)	318% (2%)	116% (11%)		
AUS-NZL	101% (4%)	88% (-5%)	336% (-7%)	83% (-8%)	138% (-5%)	52% (-4%)	
EU-3	106% (-1%)	85% (-3%)	152% (-8%)	209% (-4%)	115% (2%)	108% (-1%)	43% (-5%)
USA	86% (10%)	63% (0%)	177% (-1%)	163% (-6%)	110% (6%)	100% (4%)	67% (1%)

Source: ESCAP-World Bank Trade Cost Database, updated June 2015. Available from Trade costs: <http://artnet.unescap.org/databases.html#first>

Bilateral comprehensive trade costs in the Asia-Pacific, excluding tariff costs of selected economies with China and (2009-2014)



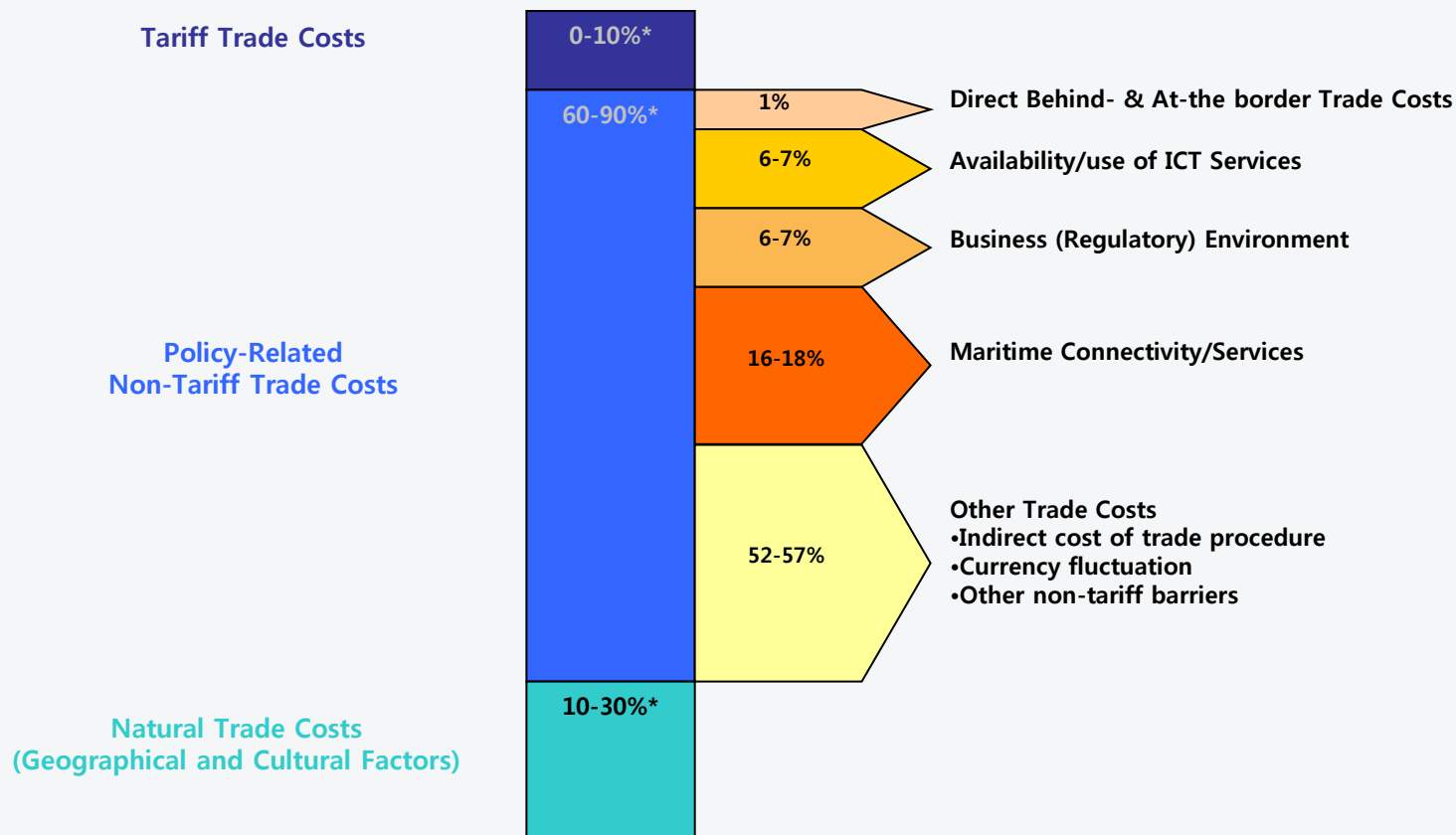
For some landlocked and Pacific island developing economies, comprehensive trade cost is up to 3 times their trade costs with China, which is significantly high compared to other economies.

Expectedly, it is the small islands or landlocked developing countries that incur the highest trade costs with both China and USA.

Source: ESCAP-World Bank Trade Cost Database, updated June 2015.
Available from Trade costs: <http://artnet.unescap.org/databases.html#first>

What are key factors in lowering trade costs?

Contribution of natural barriers, behind-the border facilitation and trade-related practice to trade costs



* Illustrative based on casual observation of the data only. Natural trade costs for landlocked countries may be outside the range shown for natural trade costs.



Asia-Pacific Research and Training Network on Trade



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ESCAP-World Bank Trade Cost Database

Gravity Modeling Database

International Supply Chain Connectivity
Database

UNRCs Joint Survey on Trade Facilitation
and Paperless Trade Implementation
Database

Databases

ARTNeT acts as an information repository providing a linkage to international organizations such as the International Trade Centre, UNCTAD, and the WTO, which in turn facilitate researchers' access to trade data and trade analysis tools. ARTNeT also builds trade research capacity through facilitating access to relevant trade and investment related databases. In addition to the ARTNeT Trade Publications Database, ARTNeT supports the development of the Asia-Pacific Trade and Investment Agreement Database (APTAD).

ESCAP-World Bank Trade Cost Database

- [ESCAP-World Bank Trade Cost Database \[Excel\]](#)
- [ESCAP-World Bank Trade Cost Database \[Stata\]](#)
- [Metadata \[Excel\]](#)
- [User Note](#)

The ESCAP Trade and Investment Division, in support to the ARTNeT research programme on trade facilitation, initiated development of a bilateral trade cost database in 2010 in an effort to increase understanding of the cost of trading between countries in Asia and the Pacific and beyond. The trade cost measure, based on Novy (2012)^[1], is a comprehensive all-inclusive measure based on micro-theory and calculated using macro-economic data, providing an alternative measure of trade facilitation performance. Following release of a first version of the database in 2010 using trade and GDP data,^[2] an improved and expanded version 2 was released in December 2011 - based on gross output data and providing sectoral trade cost estimates for about 100 countries.^[3]

Source: ESCAP-World Bank Trade Cost Database, updated June 2015. Available from Trade costs:
<http://artnet.unescap.org/databases.html#first>



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Trade Costs Dataset

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The Trade Costs Dataset provides estimates of bilateral trade costs in agriculture and manufactured goods for the 1995-2010 period. It is built on trade and production data collected in 178 countries. Symmetric bilateral trade costs are computed using the Inverse Gravity Framework (Novy 2009), which estimates trade costs for each country pair using bilateral trade and gross national output. Trade costs are available for two sectors: trade in manufactured goods, and agriculture. Energy is excluded.

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Resources

Not available in the API

[DATABANK](#)

Type	Time series
Periodicity	Annual
Last Updated	30-Sep-2014
Economy Coverage	World, East Asia & Pacific, Europe & Central Asia, Latin America & Caribbean, Middle East & North Africa, South Asia, Sub Saharan Africa, High income, Low or Middle income, IBRD, IDA
Granularity	National
Number of Economies	178
Data notes	This is a joint project between the World Bank International Trade Department and the Trade Division at the UNESCAP.

Source: ESCAP-World Bank Trade Cost Database,
Available from [WB platform](#):
<http://data.worldbank.org/data-catalog/trade-costs-dataset>

UNRCs Joint Survey on Trade Facilitation and Paperless Trade Implementation

Trade facilitation and paperless trade implementation

- This database provides a forward-looking overview of the current state of trade facilitation implementation in 119 economies across 8 regions worldwide, including some of the key trade facilitation measures featured in the WTO TFA Agreement, as well as more advanced cross-border paperless trade measures.
- The global report accompanying this dataset, along with a number of regional/sub-regional reports and country notes based on the Survey results are available on the United Nations Network of Experts for Paperless Trade (UNNExT) website.



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UNRCs Joint Survey on Trade Facilitation and Paperless Trade Implementation Database

An online database featuring the results of the first UNRCs Joint Survey on Trade Facilitation and Paperless Trade Implementation. This database provides a forward-looking overview of the current state of trade facilitation implementation in 119 economies across 8 regions worldwide, including some of the key trade facilitation measures featured in the WTO TFA Agreement, as well as more advanced cross-border paperless trade measures. The global report accompanying this dataset, along with a number of regional/subregional reports and country notes based on the Survey results are available on the United Nations Network of Experts for Paperless Trade (UNNExT) [website](#).

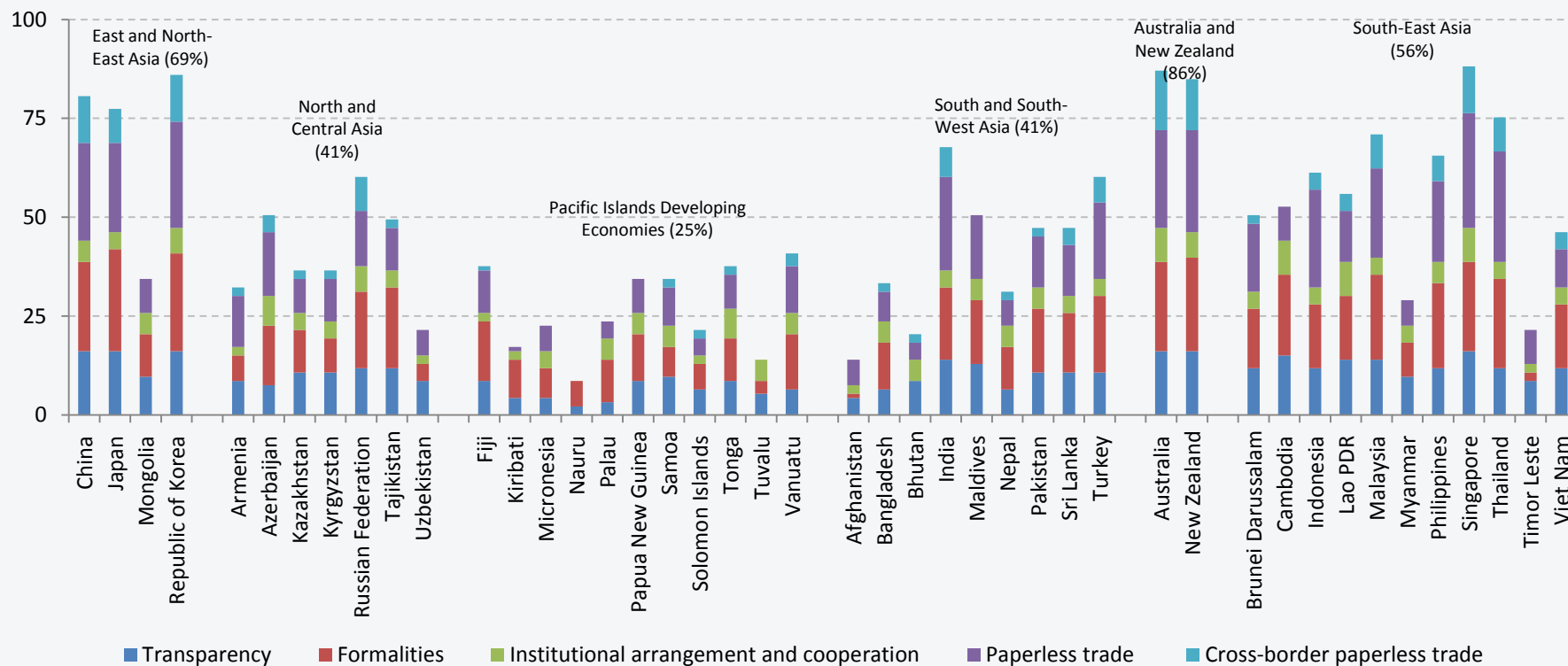
- [Database \[excel file\]](#)

Trade facilitation and paperless trade implementation

		Trade facilitation measure (and question No.) in the questionnaire
General TF measures	Transparency	2. Publication of existing import-export regulations on the Internet 3. Stakeholder consultation on new draft regulations (prior to their finalization) 4. Advance publication/notification of new regulation before their implementation (e.g., 30 days prior) 5. Advance ruling (on tariff classification) 9. Independent appeal mechanism (for traders to appeal Customs and other relevant trade control agencies' rulings)
	Formalities	6. Risk management (as a basis for deciding whether a shipment will or will not be physically inspected) 7. Pre-arrival processing 8. Post-clearance audit 10. Separation of Release from final determination of customs duties, taxes, fees and charges 11. Establishment and publication of average release times 12. Trade facilitation measures for authorized operators 13. Expedited shipments 14. Acceptance of paper or electronic copies of supporting documents required for import, export or transit formalities.
	Institutional arrangement and cooperation	1. Establishment of a national trade facilitation committee or similar body 31. Cooperation between agencies on the ground at the national level 32. Government agencies delegating controls to Customs authorities 33. Alignment of working days and hours with neighbouring countries at border crossings 34. Alignment of formalities and procedures with neighbouring countries at border crossings
	Paperless trade	15. Electronic/Automated Customs System established (e.g., ASYCUDA) 16. Internet connection available to Customs and other trade control agencies at border-crossings 17. Electronic Single Window System 18. Electronic submission of Customs declarations 19. Electronic Application and Issuance of Trade Licenses 20. Electronic Submission of Sea Cargo Manifests 21. Electronic Submission of Air Cargo Manifests 22. Electronic Application and Issuance of Preferential Certificate of Origin 23. E-Payment of Customs Duties and Fees 24. Electronic Application for Customs Refunds
	Cross-border paperless trade	25. Laws and regulations for electronic transactions are in place (e.g. e-commerce law, e-transaction law) 26. Recognized certification authority issuing digital certificates to traders to conduct electronic transactions 27. Engagement of the country in trade-related cross-border electronic data exchange with other countries 28. Certificate of Origin electronically exchanged between your country and other countries 29. Sanitary and Phytosanitary Certificate electronically exchanged between your country and other countries 30. Banks and insurers in your country retrieving letters of credit electronically without lodging paper-based documents
	Transit facilitation	35. Transit facilitation agreement(s) with neighbouring country(ies) 36. Customs Authorities limit the physical inspections of transit goods and use risk assessment 37. Supporting pre-arrival processing for transit facilitation 38. Cooperation between agencies of countries involved in transit

Source: TF Implementation Database, updated June 2015. Available from UNRCs Joint Survey on TF: <http://artnet.unescap.org/databases.html#fifth>

Trade facilitation and paperless trade implementation



Source: TF Implementation Database, updated June 2015. Available from UNRCs Joint Survey on TF: <http://artnet.unescap.org/databases.html#fifth>

Trade Process Analysis Database

Trade Process Analysis Database

- Moving goods across borders requires meeting a vast number of commercial, transport, and regulatory requirements, which typically entail complex procedures and often a large number of documents. While most actors and regulators along the international supply chain are aware of the need to streamline import and export procedures, few, if any, have a complete understanding of the entire trade transaction process, making it difficult to identify the bottlenecks and to prioritize reforms.
- UNNExT Business Process Analysis (BPA) of Trade Procedures has proved to be an effective tool to provide detailed understanding of international trade transactions, and is regarded as the first step to be conducted before undertaking other trade facilitation measures. Over 50 import and export processes have been studied using BPA since 2009 by international organizations such as ESCAP, ECE, ADB, and their member states.

Trade Process Analysis Database

- In order to record existing and future studies on trade processes and procedures in a systematic manner and further support evidence-based policy making, the current Trade Process Analysis Database (TPAD) has been developed by ESCAP. This database enables users to search for information on a particular trade procedure they are interested in.

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Further information on BPA is available at <http://unnext.unescap.org/tools/business_process.asp>. Relevant studies related to TPAD is available at <http://unnext.unescap.org/pub/brief11.pdf>.

IMPORTANT NOTE: TPAD is still under development. As we work towards finalizing the web-based interface, you are invited to provide your feedback and suggestions to Mr. Tengfei Wang, Economic Affairs Officer, Trade and Investment Division, United Nations Economic and Social Commission for Asia and the Pacific (wangt@un.org).



Export/Import (Select Import or Export procedure)

- Any -
- Any -
Export
Import

Select general Category

Procedure (Select the specific Procedure)

- Any -

3. Select the specific Procedure.

Search (optional, if required insert keywords)

Reset

Export/Import (Select Import or Export procedure)

- Any -

Category (Select general Category)

- Any -
- Any -
Cargo and vehicle handling Procedures at port or border crossing
Contract between seller and buyer
Goods Payment Arrangement
Inland carriage and handling
Logistics and Transport Arrangement
One-time Pre-clearance Regulatory Procedures
Other
Payment between buyer and seller
Pre-Clearance Business Requirements Procedures (Importer Side)
Pre-clearance Regulatory Procedures
Pre-clearance Regulatory Procedures (Importer/Exporter Side)
Regulatory Border Procedures
Transport and Logistics Arrangement

Procedure (Select the specific Procedure)

- Any -
- Any -
Allocate
Apply for CoO, ARAC, FHCC
Apply for Import recommendation
Apply for export (trade) license
Apply for export license
Apply for labor permit
Apply for phytosanitary certificate
Apply for the BTOS Procedure
Appoint clearing agent and hand over documents
Appoint clearing agent and handover documents
Arrange auction
Arrange berthing
Arrange berthing
Arrange border crossing
Arrange for customs declaration
Arrange inspection
Arrange land transport to auction center
Arrange pre-inspection and fumigation
Arrange transport

Source: Trade Process Analysis Database, updated June 2015. Available from TPAD: <http://www.tpad.unnext.org>

No.	Exporting country	Importing Country	Product	Corridors and routes	Study period	Link to study	Procedure name
1	China	Japan	Garments	Pinghu - Shanghai - Japan	2009 to 2010	Download	Collect empty containers from yard
2	Japan	China	Auto-parts	Not Specified	2009 to 2010	Download	Inspect goods at check point by customs
3	China	Thailand	Electronics	Through Foshan and Shenzhen ports - Thailand	2009 to 2010	Download	Arrange inspection
4	Japan	China	Textiles	Not Specified	2009 to 2010	Download	Prepare/collect/endorse documents
5	China	Japan	Garments	Pinghu - Shanghai - Japan	2009 to 2010	Download	Stuff containers

[Home](#) » [Procedures](#)

Export/Import (Select Import or Export procedure)

Export ▼

Category (Select general Category)

Goods Payment Arrangement ▼

Procedure (Select the specific Procedure)

Obtain L/C ▼

3. Select the specific Procedure.

Search (optional, if required insert keywords)

Reset

No.	Exporting country	Importing Country	Product	Corridors and routes	Study period	Link to study	Procedure name
1	Nepal	India	Vegetable ghee	Terai - India	2009 to 2010	Download	Obtain L/C
2	Bangladesh	Bhutan	Fruit juices	Burimari - Changrabanda - Jaigaon - Phyentsholing	2011 to 2012		Obtain L/C
3	India	Bangladesh	Wheat	Through Port of Chittagong	2012 to 2013	Download	Obtain L/C
4	Malaysia	Myanmar	Palm oil	- Yangon Port - Nay Pyi Taw	2012 to 2013	Download	Obtain L/C

Case study name: Import of palm Oil from Malaysia to West Myanmar, 2013

Case study basic information	Use case diagram	Time procedure charts	Procedure details
------------------------------	------------------	-----------------------	-------------------

Product: Palm oil
Corridors and routes: - Yangon Port - Nay Pyi Taw
Process analysis: Import to Myanmar, Export from Malaysia
Importing Country: Myanmar
Exporting country: Malaysia

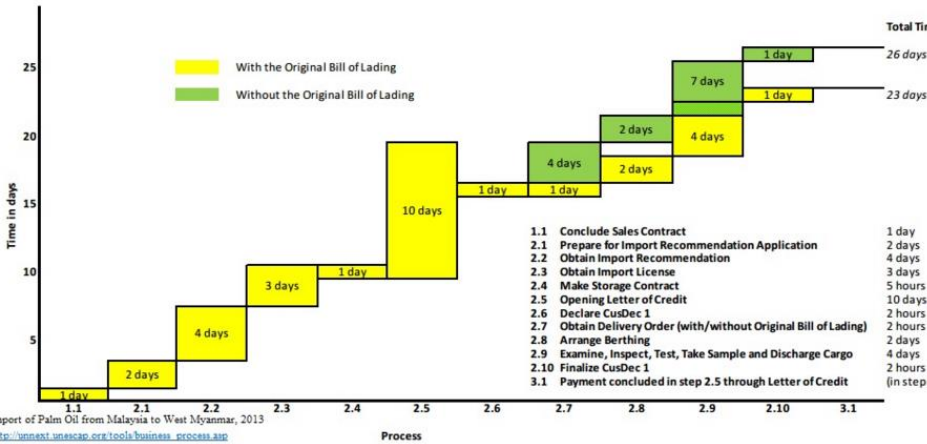
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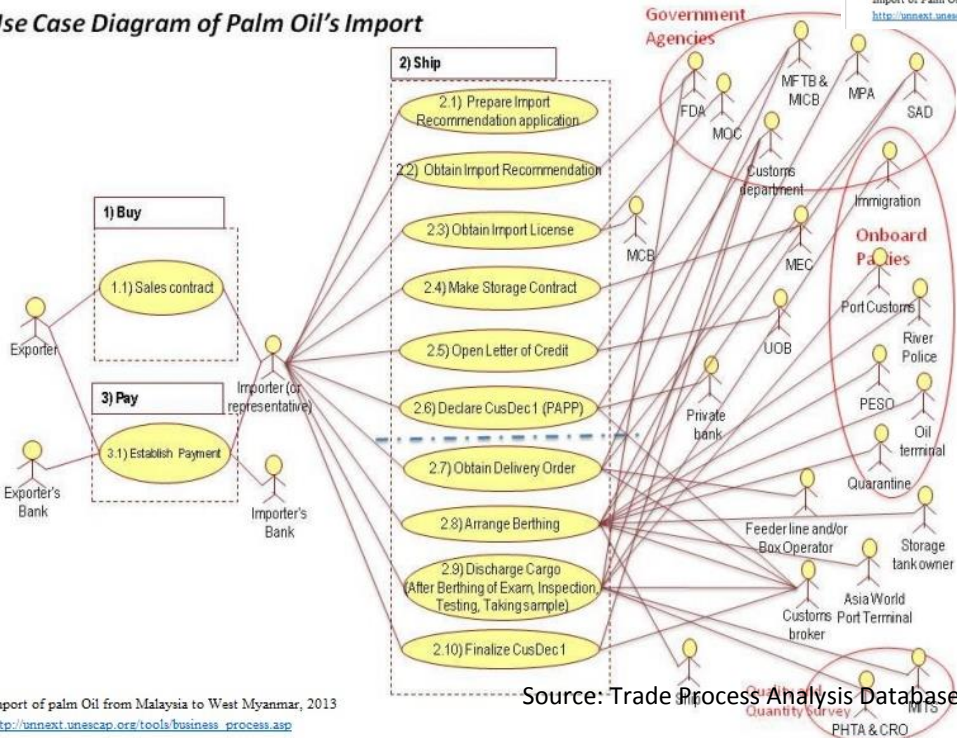
Case study name: Import of palm Oil from Malaysia to West Myanmar, 2013

Case study basic information	Use case diagram	Time procedure charts	Procedure details
------------------------------	------------------	-----------------------	-------------------

Time Chart for the Import of Palm Oil from Malaysia



Use Case Diagram of Palm Oil's Import



Case study name: Import of palm Oil from Malaysia to West Myanmar, 2013

Case study basic information	Use case diagram	Time procedure charts	Procedure details
------------------------------	------------------	-----------------------	-------------------

Procedure name:	Conclude contract and trade terms
Click for details	
Procedure name:	Apply for Import recommendation
Click for details	
Procedure name:	Obtain import recommendation/permit
Click for details	
Procedure name:	Obtain import license
Click for details	

Asia-Pacific Trade Facilitation Forum: APTFF 2015

ASIA-PACIFIC TRADE FACILITATION FORUM 2015

20-21 OCTOBER 2015, WUHAN, CHINA

>>Trade Facilitation at ESCAP

Asia-Pacific Trade Facilitation Forum 2015: "Deepening regional integration through Trade facilitation"

Presentations

Session 1: Overcoming high trade costs of Asia-Pacific developing economies: Prioritizing Trade Facilitation Measures

Trade costs and trade facilitation implementation: implication for the region

Yann Duval, Chief, Trade Facilitation Unit, Trade and Investment Division, ESCAP

Update of TFA and its implications for LLDCs, LDCs and Island developing countries

Xiaobing TANG, Counsellor in the Market Access Division, WTO

Session 2: Enhancing regional connectivity through trade and transport corridor facilitation

Challenges in developing paperless transit transport facilitation system in the region

Sandeep Jain, Transport Facilitation and Logistics Section, Transport Division, ESCAP

Integrating port community and regulatory single window systems: international experience and implications for Asia and the Pacific
Richard Morton, Secretary General, International Port Community System Association (IPCSEA)

Session 3: Re-thinking Trade Facilitation Strategies for More Inclusive Regional Integration: Focusing on SMEs and the Agricultural Sector

Progress and key challenges for connecting SMEs to global market in the Asia-Pacific region

Mohammad Saeed, Senior Advisor, Trade Facilitation, International Trade Centre

Progress and key challenges for connecting agricultural sector to global market in the region

Somnuk Keretho, founding Director of Institute for IT Innovation (INOVA), Kasetsart University, Thailand

Re-thinking Trade Facilitation Strategies for More Inclusive Regional Integration: Focusing on SMEs and the Agricultural Sector

Virginia Cram-Martos, Director, Economic Cooperation and Trade Division, UNECE

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Doing Business Database

- Doing Business ranks the business regulation and environment in 185 economies around the world
- Ranking is based on 10 topics: starting a business, dealing with construction permits, getting electricity, registering properties, getting credit, protecting investors, paying taxes, trading across borders, enforcing contract, resolving insolvency

DOING BUSINESS

Measuring Business Regulations

[Home](#) / [DATA](#) / [RANKINGS](#) / [REPORTS](#) / [SUBNATIONAL](#) / [METHODOLOGY](#) / [RESEARCH](#) / [BUSINESS REFORMS](#) / [LAW LIBRARY](#) / [CONTRIBUTORS](#) / [ABOUT](#) / [MEDIA](#)

Home / Data / Trading Across Borders

Trading Across Borders

Select a topic ▼

Doing Business records the time and cost associated with the logistical process of exporting and importing goods. *Doing Business* measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in June 2016. [See the methodology for more information.](#)

Data	Distance to Frontier	What is Measured	Why it Matters	DB Reforms	Good Practices	FAQ	Other Resources
------	----------------------	------------------	----------------	------------	----------------	-----	-----------------

 = Subnational *Doing Business* data available.  = Multi-city data for same economy is available.



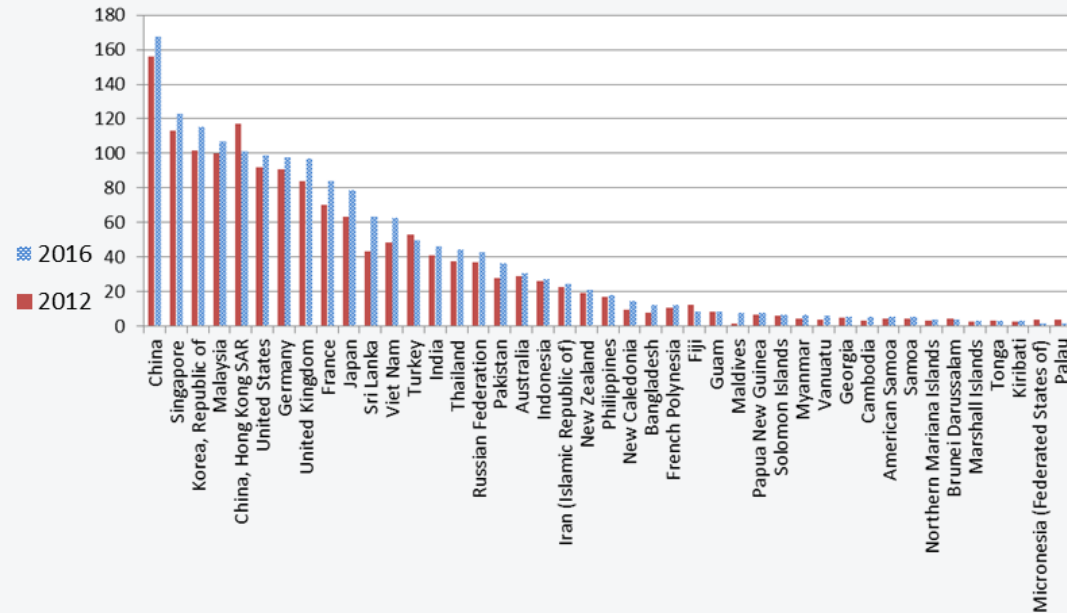
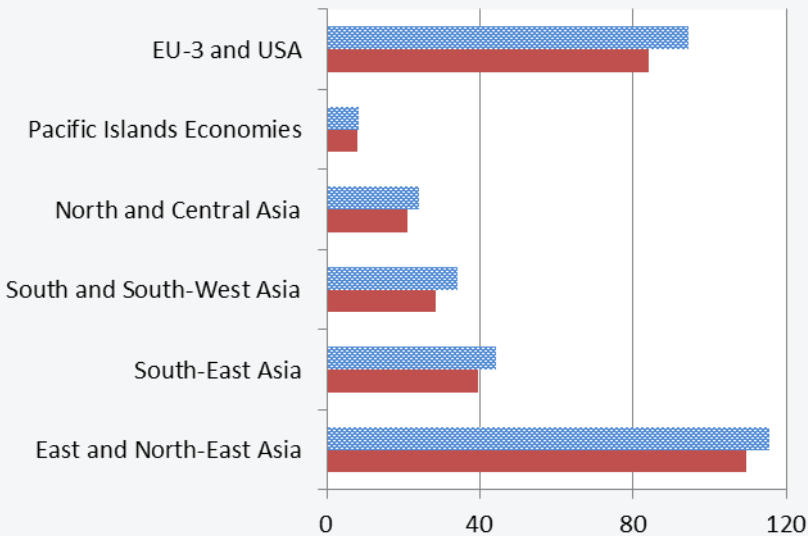
Region ▲	Time to export: Border compliance (hours)	Cost to export: Border compliance (USD)	Time to export: Documentary compliance (hours)	Cost to export: Documentary compliance (USD)
East Asia & Pacific	57.0	401.7	73.3	
Europe & Central Asia	28.0	195.0	26.9	
Latin America & Caribbean	63.5	526.6	55.7	
Middle East & North Africa	64.4	459.6	77.4	
OECD high income	12.4	149.9	2.6	
South Asia	59.4	376.1	78.0	
Sub-Saharan Africa	103.0	583.4	92.6	

Liner Shipping Connectivity Index

Liner Shipping Connectivity Index (LSCI) Database

- Liner shipping connectivity Index (LSCI) measures the level of seaport connectivity to the global networks in 159 countries
- LSCI ranking is based on 4 topics: numbers of ships, total container-carrying capacity of ships, maximum vessel size, number of services and number of companies that deploys container ships on services to and from a country's port

LSCI: at a glance





🏠 HOME DATA CENTER COUNTRY PROFILE DOCUMENTATION ▾

Reports Table Chart

Actions ▾



Liner shipping connectivity index, annual, 2004-2015 ⓘ

Other: MEASURE ⓘ - Index (Maximum 2004=100) ⓘ

YEAR	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
ECONOMY	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓
Afghanistan	..	..	..	..	..	..	..	..	..	..	..	..
Albania	0.40	0.40	0.40	2.28	1.98	2.30	4.34	4.54	0.53	4.43	4.11	3.88
Algeria	10.00	9.72	8.70	7.86	7.75	8.37	31.45	31.06	7.80	6.91	6.94	5.92
American Samoa	5.17	5.30	4.86	6.28	6.44	4.60	4.85	4.56	4.39	4.19	4.42	5.22
Andorra	..	..	..	..	..	..	..	..	..	..	..	..
Angola	9.67	10.46	9.46	9.90	10.22	11.31	10.71	11.27	13.95	13.80	19.28	19.57
Anguilla	..	..	..	..	..	..	..	..	..	..	..	..
Antigua and Barbuda	2.33	2.56	2.43	3.76	3.82	2.66	2.40	2.40	2.41	2.43	4.07	4.07
Argentina	20.09	24.95	25.58	25.63	25.70	25.99	27.61	30.62	34.21	33.51	37.69	36.72
Armenia	..	..	..	..	..	..	..	..	..	..	..	..
Aruba	7.37	7.52	7.53	5.09	5.09	3.52	5.34	6.21	6.03	6.30	6.14	5.93
Australia	26.58	28.02	26.96	26.77	38.21	28.80	28.11	28.34	28.81	29.87	31.29	32.02
Austria	..	..	..	..	..	..	..	..	..	..	..	..
Azerbaijan	..	..	..	..	..	..	..	..	..	..	..	..
Bahamas	17.49	15.70	16.19	16.45	16.35	19.26	25.71	25.18	27.06	26.41	26.70	27.69
Bahrain	5.39	4.34	4.44	5.99	5.75	8.04	7.83	9.77	17.86	17.90	27.01	26.72
Bangladesh	5.20	5.07	5.29	6.36	6.40	7.91	7.55	8.15	8.02	7.96	8.39	9.31
Barbados	5.47	5.77	5.34	5.79	5.36	4.75	4.20	5.85	4.82	5.18	4.71	4.86
Belarus	..	..	..	..	..	..	..	..	..	..	..	..
Belgium	73.16	74.17	76.15	73.93	77.98	82.80	84.00	88.47	78.85	82.21	80.74	86.96
Belize	2.19	2.59	2.62	2.61	2.32	2.30	3.95	3.85	9.99	10.32	7.80	7.80
Benin	10.13	10.23	10.99	11.16	12.02	13.52	11.51	12.69	15.04	14.28	17.21	17.67
Bermuda	1.54	1.57	1.57	1.57	1.57	1.57	1.57	1.57	1.57	15.92	1.51	1.51
Bhutan	..	..	..	..	..	..	..	..	..	..	..	..
Bolivia (Plurinational State of)	..	..	..	..	..	..	..	..	..	..	..	..
Bonaire, Sint Eustatius and Saba	..	..	..	..	..	..	..	..	..	..	..	..
Bosnia and Herzegovina	..	..	..	..	..	..	..	..	..	..	..	..
Botswana	..	..	..	..	..	..	..	..	..	..	..	..
Brazil	25.83	31.49	31.61	31.64	30.87	31.08	31.65	34.62	38.53	36.88	42.28	41.02
British Virgin Islands	..	..	..	..	..	..	..	..	..	..	..	..
Brunei Darussalam	3.91	3.46	3.26	3.70	3.68	3.94	5.12	4.68	4.44	4.61	4.30	4.56

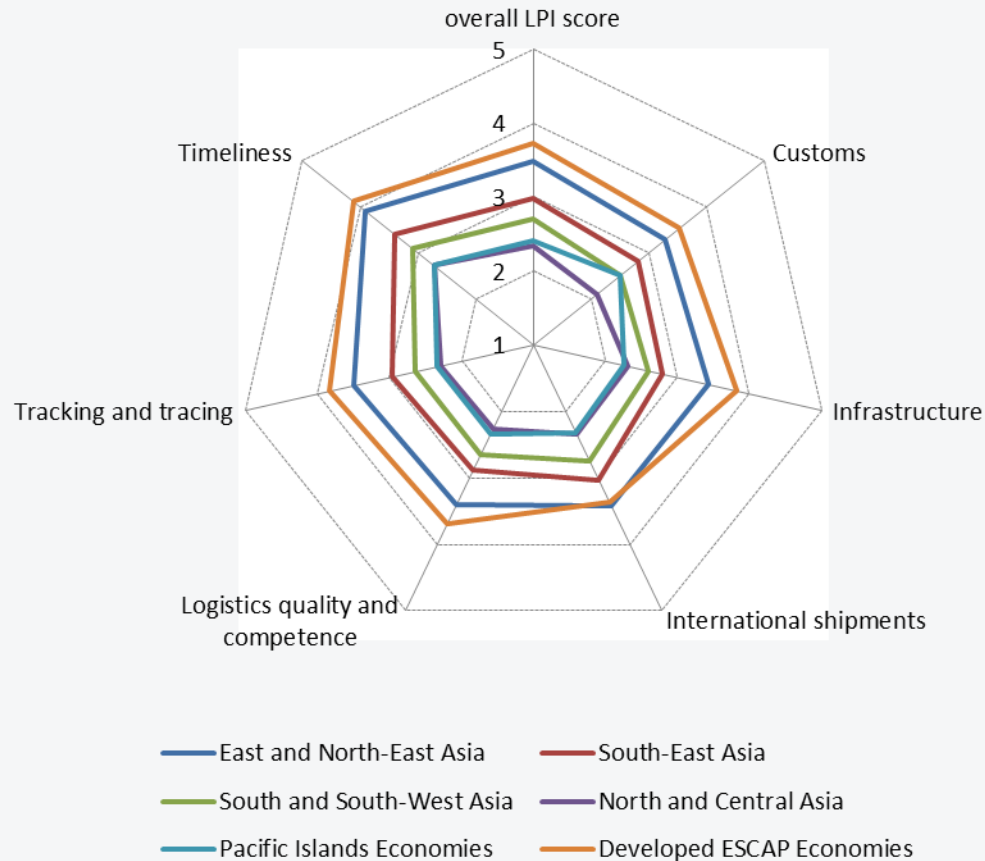
Source: Liner Shipping Connectivity Index Database. Available from LSCI: <http://unctadstat.unctad.org/wds/TableViewer/tableView.aspx?ReportId=92>

Logistics Performance Index

Logistics Performance Index (LPI) Database

- Logistics Performance Index (LPI) indicates the level of logistic friendliness in 155 countries
- LPI ranking is based on 6 topics: [customs](#), infrastructure, [international shipments](#), logistics competence, [tracking and tracing](#) and timeliness

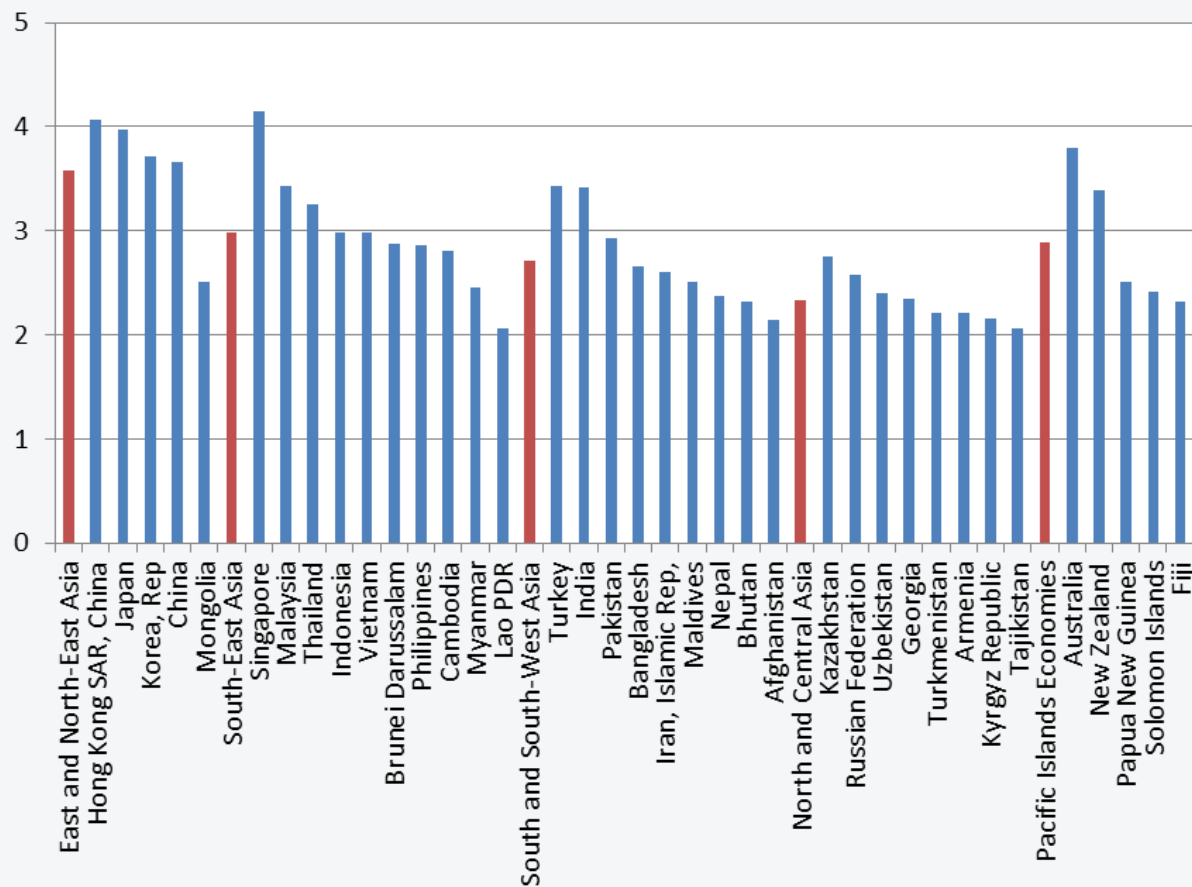
Logistic Performance Index: 2016



Note: scores are provided at a 1 (worst performance) to 5 (best performance) scale


Source: Logistic Performance Index Database. Available from LPI: <http://lpi.worldbank.org>

Logistic Performance Index: 2016



Note: scores are provided at a 1 (worst performance) to 5 (best performance) scale

Source: Logistic Performance Index Database. Available from LPI: <http://lpi.worldbank.org>

DATA TABLE
(Toggle Rank and Score for Subindicators) 

Country	Year	LPI Rank	LPI Score ▼	Customs ?	Infrastructure ?	International shipments ?	Logistics competence ?	Tracking & tracing ?	Timeliness ?
Germany	2016	1	4.23	4.12	4.44	3.86	4.28	4.27	4.45
Luxembourg	2016	2	4.22	3.90	4.24	4.24	4.01	4.12	4.80
Sweden	2016	3	4.20	3.92	4.27	4.00	4.25	4.38	4.45
Netherlands	2016	4	4.19	4.12	4.29	3.94	4.22	4.17	4.41
Singapore	2016	5	4.14	4.18	4.20	3.96	4.09	4.05	4.40
Belgium	2016	6	4.11	3.83	4.05	4.05	4.07	4.22	4.43
Austria	2016	7	4.10	3.79	4.08	3.85	4.18	4.36	4.37
United Kingdom	2016	8	4.07	3.98	4.21	3.77	4.05	4.13	4.33
Hong Kong, China	2016	9	4.07	3.94	4.10	4.05	4.00	4.03	4.29
United States	2016	10	3.99	3.75	4.15	3.65	4.01	4.20	4.25
Switzerland	2016	11	3.99	3.88	4.19	3.69	3.95	4.04	4.24
Japan	2016	12	3.97	3.85	4.10	3.69	3.99	4.03	4.21
United Arab Emirates	2016	13	3.94	3.84	4.07	3.89	3.82	3.91	4.13
Canada	2016	14	3.93	3.95	4.14	3.56	3.90	4.10	4.01
Finland	2016	15	3.92	4.01	4.01	3.51	3.88	4.04	4.14
France	2016	16	3.90	3.71	4.01	3.64	3.82	4.02	4.25
Denmark	2016	17	3.82	3.82	3.75	3.66	4.01	3.74	3.92
Ireland	2016	18	3.79	3.47	3.77	3.83	3.79	3.98	3.94
Australia	2016	19	3.79	3.54	3.82	3.63	3.87	3.87	4.04
South Africa	2016	20	3.78	3.60	3.78	3.62	3.75	3.92	4.02
Italy	2016	21	3.76	3.45	3.79	3.65	3.77	3.86	4.03
Norway	2016	22	3.73	3.57	3.95	3.62	3.70	3.82	3.77
Spain	2016	23	3.73	3.48	3.72	3.63	3.73	3.82	4.00
Korea, Rep.	2016	24	3.72	3.45	3.79	3.58	3.69	3.78	4.03

Source: Logistic Performance Index Database. Available from
LPI: <http://lpi.worldbank.org>

AROUND THE WORLD

LPI Top performer

Germany Compared to its Income Group

Panama LPI Scores

2007, 2010, 2012, 2014, 2016

Cambodia

Cambodia, 2007 through 2016

China Domestic LPI

China's Domestic, Performance compared to Region and Income Averages

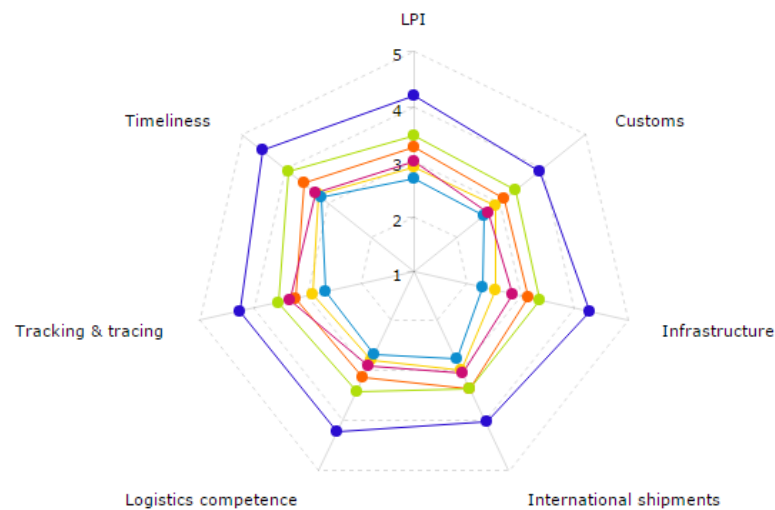
World Regions

Compares World Bank regions to LPI Top Performer

Radar Column Line

chart by amcharts.com

Thailand 2016



Thailand 2016

Vietnam 2007

Malaysia 2007

Philippines 2007

Singapore 2007

Indonesia 2007

COUNTRY

2007 2010 2012

2014 **2016**

Thailand

Togo

Trinidad and Tobago

Tunisia

Turkey

Turkmenistan

Uganda

COMPARE AND CONTRAST DATA

Instructions

Quick compare Thailand 2016

Compare countries and regions

Country

Vietnam

2007

Country

Malaysia

2007

Country

Philippines

INDICATORS

Quick links:

All indicators

Only Overall LPI

- ☒ Overall
- ☒ Customs
- ☒ Infrastructure
- ☒ International shipments
- ☒ Logistics competence
- ☒ Tracking & tracing
- ☒ Timeliness

Refresh

COUNTRY

2007 2010 2012

2014 **2016**

Thailand

Togo

Trinidad and Tobago

Tunisia

Turkey

Turkmenistan

Uganda

Ukraine

United Arab Emirates

United Kingdom

COMPARE AND CONTRAST DATA

Instructions

Quick compare Thailand 2016

Compare countries and regions

Country ▾

Vietnam ▾

2007 ▾

Country ▾

Malaysia ▾

2007 ▾

Country ▾

Philippines ▾

2007 ▾

Country ▾

Singapore ▾

2007 ▾

INDICATORS

Quick links:

All indicators

Only Overall LPI

- ☒ Overall
- ☒ Customs
- ☒ Infrastructure
- ☒ International shipments
- ☒ Logistics competence
- ☒ Tracking & tracing
- ☒ Timeliness

Refresh

DATA TABLE



Download XLS

(Toggle Rank and Score for Subindicators) +

Country	Year	LPI Rank	LPI Score ▾	Customs ?	Infrastructure ?	International shipments ?	Logistics competence ?	Tracking & tracing ?	Timeliness ?
Singapore	2007	1	4.19	3.90	4.27	4.04	4.21	4.25	4.53
Malaysia	2007	27	3.48	3.36	3.33	3.36	3.40	3.51	3.95
Thailand	2016	45	3.26	3.11	3.12	3.37	3.14	3.20	3.56
Indonesia	2007	43	3.01	2.73	2.83	3.05	2.90	3.30	3.28
Vietnam	2007	53	2.89	2.89	2.50	3.00	2.80	2.90	3.22
Philippines	2007	65	2.69	2.64	2.26	2.77	2.65	2.65	3.14

Global Competitiveness Report

Global Competitiveness Index (GCI) Database

- Global Competitiveness Index (GCI) measures the level of domestic competitiveness in 144 economies
- Index is based on 12 topics: [institution](#), [infrastructure](#), macroeconomic environment, health and primary education, higher education and training, goods market efficiency, labor market efficiency, financial market development, [technological readiness](#), market size, business sophistication, and innovation

The Global Competitiveness Report 2016-2017

Featuring the Global Competitiveness Index, the Report assesses the competitiveness landscape of 138 economies, providing unique insight into the drivers of their productivity and prosperity. Discover the 2016-2017 edition's rankings, key findings, your economy's scorecard, and much more.

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Read later:



Select an Economy

























Select an Index Component

Highlights

Data

Global
Themes





About

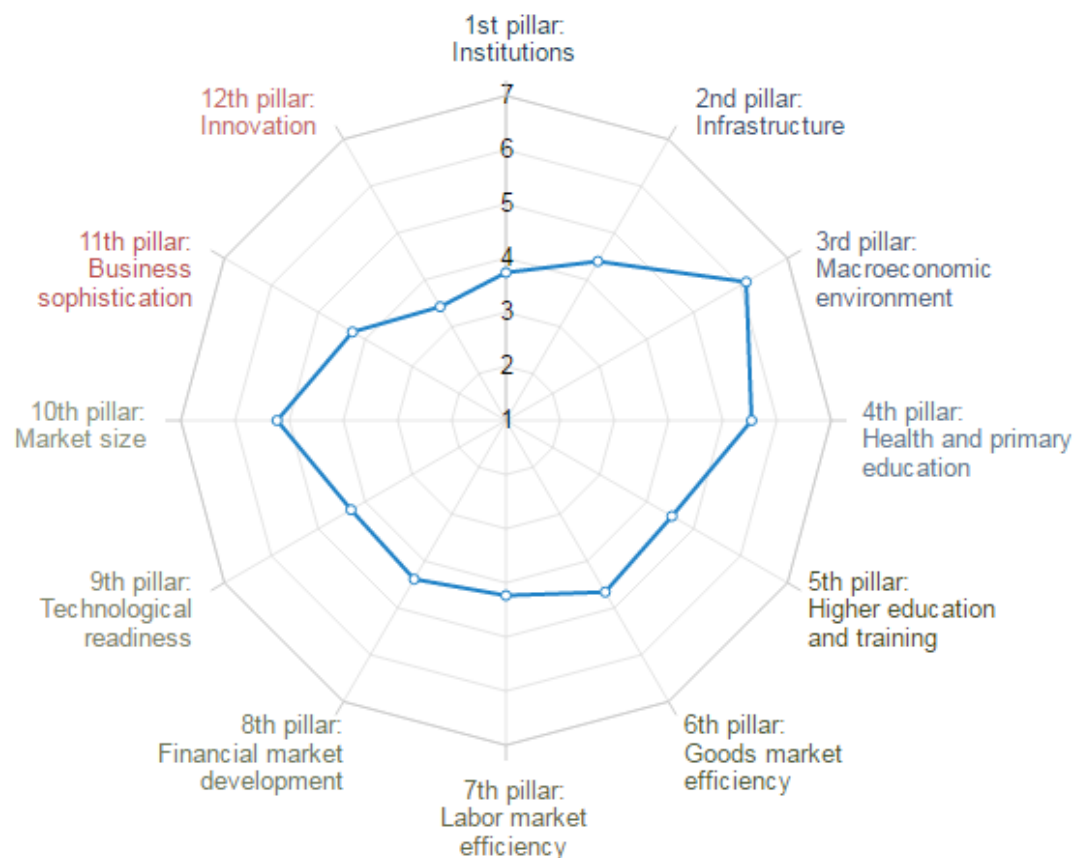
GCI Global Competitiveness Index					
▲ Rank / 138	Country / Economy		Score	Trend	Distance from best
1	Switzerland	ⓘ	5.8		<div><div></div><div></div><div></div><div></div><div></div></div>
2	Singapore	ⓘ	5.7		<div><div></div><div></div><div></div><div></div><div></div></div>
3	United States	ⓘ	5.7		<div><div></div><div></div><div></div><div></div><div></div></div>
4	Netherlands	ⓘ	5.6		<div><div></div><div></div><div></div><div></div><div></div></div>
5	Germany	ⓘ	5.6		<div><div></div><div></div><div></div><div></div><div></div></div>
6	Sweden	ⓘ	5.5		<div><div></div><div></div><div></div><div></div><div></div></div>
7	United Kingdom	ⓘ	5.5		<div><div></div><div></div><div></div><div></div><div></div></div>
8	Japan	ⓘ	5.5		<div><div></div><div></div><div></div><div></div><div></div></div>
9	Hong Kong SAR	ⓘ	5.5		<div><div></div><div></div><div></div><div></div><div></div></div>
10	Finland	ⓘ	5.4		<div><div></div><div></div><div></div><div></div><div></div></div>
11	Norway	ⓘ	5.4		<div><div></div><div></div><div></div><div></div><div></div></div>
12	Denmark	ⓘ	5.3		<div><div></div><div></div><div></div><div></div><div></div></div>
13	New Zealand	ⓘ	5.3		<div><div></div><div></div><div></div><div></div><div></div></div>
14	Taiwan, China	ⓘ	5.3		<div><div></div><div></div><div></div><div></div><div></div></div>
15	Canada	ⓘ	5.3		<div><div></div><div></div><div></div><div></div><div></div></div>
16	United Arab Emirates	ⓘ	5.3		<div><div></div><div></div><div></div><div></div><div></div></div>
17	Belgium	ⓘ	5.3		<div><div></div><div></div><div></div><div></div><div></div></div>
18	Qatar	ⓘ	5.2		<div><div></div><div></div><div></div><div></div><div></div></div>
19	Austria	ⓘ	5.2		<div><div></div><div></div><div></div><div></div><div></div></div>
20	Luxembourg	ⓘ	5.2		<div><div></div><div></div><div></div><div></div><div></div></div>
21	France	ⓘ	5.2		<div><div></div><div></div><div></div><div></div><div></div></div>
22	Australia	ⓘ	5.2		<div><div></div><div></div><div></div><div></div><div></div></div>
23	Ireland	ⓘ	5.2		<div><div></div><div></div><div></div><div></div><div></div></div>
24	Israel	ⓘ	5.2		<div><div></div><div></div><div></div><div></div><div></div></div>
▼	25 Malaysia	ⓘ	5.2		<div><div></div><div></div><div></div><div></div><div></div></div>

Source: Global Competitiveness Report Database. Available from GCR: <http://reports.weforum.org/global-competitiveness-index/>

Global Competitiveness Index:
2016-2017 edition

Key Indicators, 2015

Population millions	68.8 	GDP per capita US\$	5742.3 
GDP US\$ billions	395.3 	GDP (PPP) % world GDP	0.98 

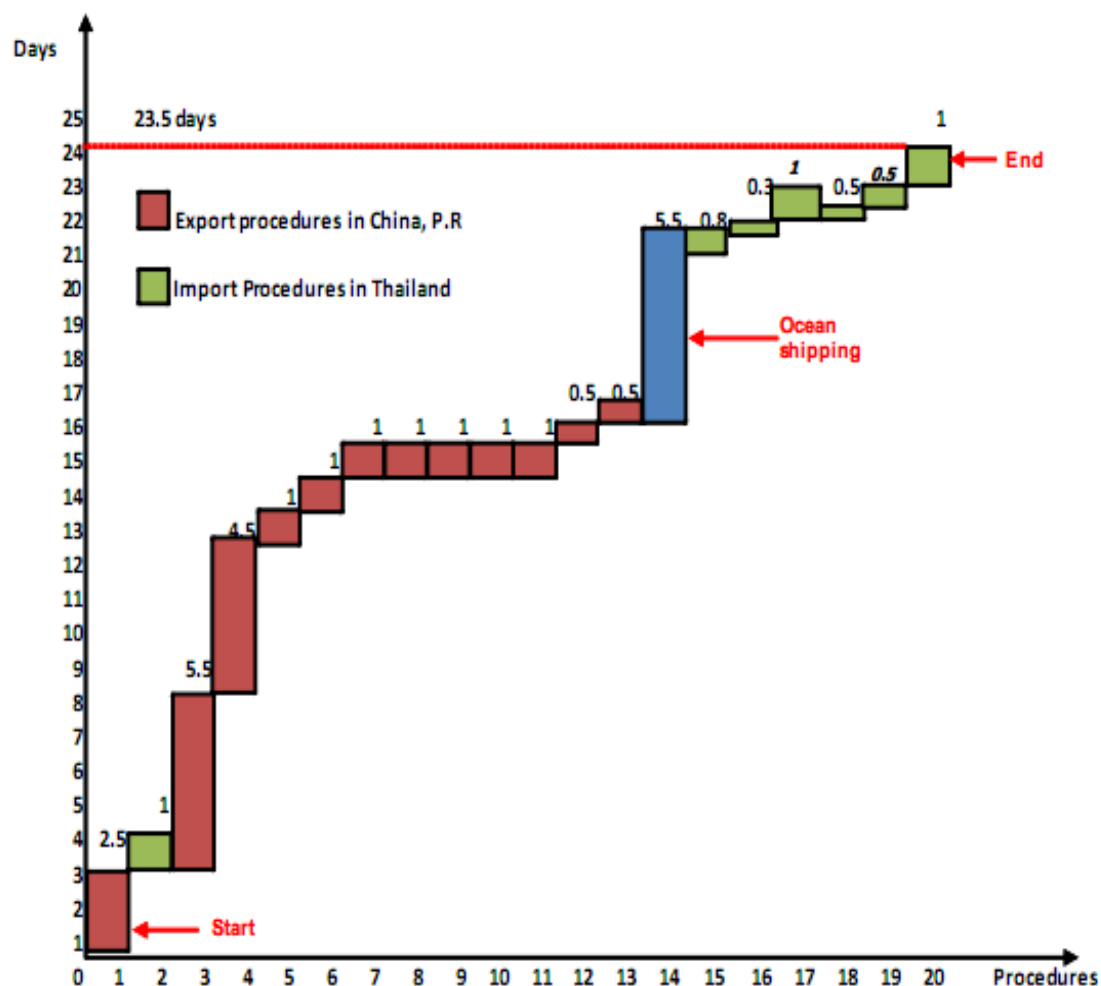


Concluding Remarks

- Countries serious about trade facilitation should develop their own performance monitoring system
 - UNNExT Business Process Analysis Guide for Simplification of Trade Procedures

Sr. No	Process	Days
1	Buy	2.50
2	Obtain permission for raw materials release	1.00
3	Obtain export permit	5.50
4	Arrange transport	4.50
5	Arrange inspection	1.00
6	Prepare customs declaration	1.00
7	Collect empty containers from yard	1.00
8	Stuff a container	1.00
9	Transfer to port of departure	1.00
10	Clear goods through customs	1.00
11	Handle containers and stow on vessel	1.00
12	Obtain cargo insurance	0.50
13	Prepare documents for payment	0.50
14	Ocean shipping	5.50
15	Request for vessel berthing	0.75
16	Unload goods from vessel	0.25
17	Declare goods to Customs	1.00
18	Arrange goods for inspection	0.50
19	Inspect and release goods	0.50
20	Pay	1.00
	Total	23.50

Figure 4. Time Procedure Chart: Trade in electronic devices from China to Thailand

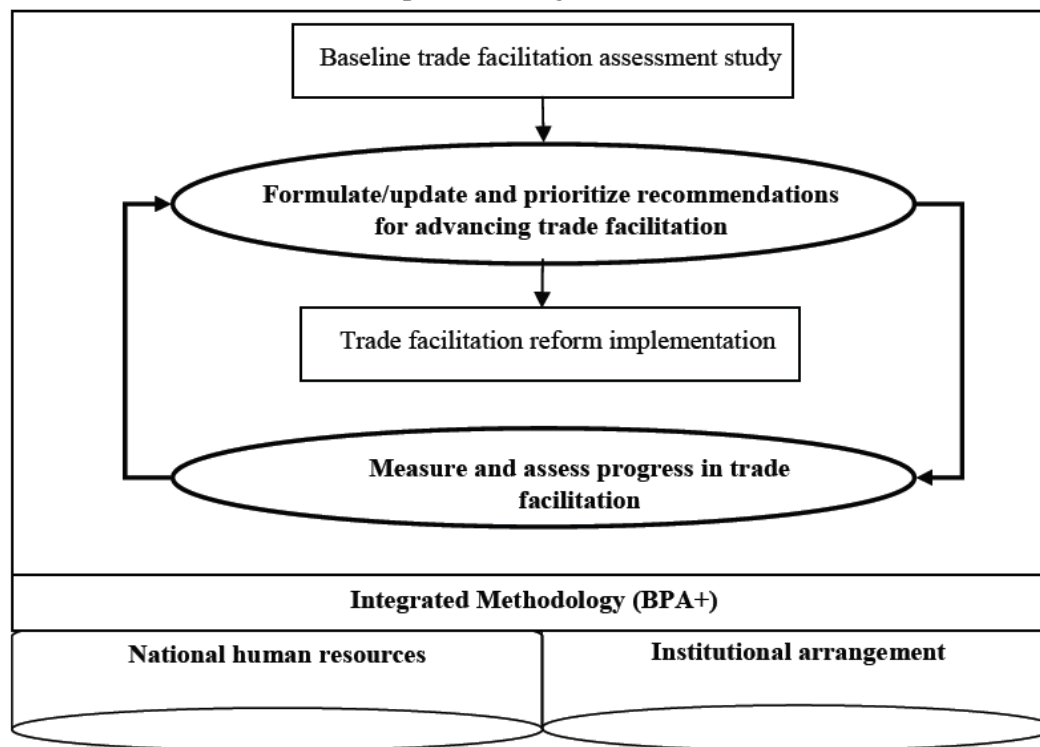


Source: ARTNet Working Papers 88 and 103.

BPA+: Trade & Transport Facilitation Monitoring System

<http://www.unescap.org/tid/unnext/tools/bpa+.pdf>

Figure 1. A national integrated and sustainable trade and transport facilitation monitoring and improvement system



Thank You

Hand-on Session for Trade Facilitation

Policy question

- Which policies affect trade costs?
 - Dependent variable: trade costs
 - Independent variables: model mostly includes both trade policy and trade facilitation variables to avoid omitted variable bias
 - Geographical variables: distance, landlockedness,
 - Cultural variables: contiguity, common language, colony, common colonizer, same countries
 - Policy variables: RTA, tariff
 - Trade facilitation variables: LSCI, doing business: trading across border
- So the setup is

Trade costs = f(distance, landlockedness, contiguity, common language, colony, common colonizer, same countries, RTA, tariff, LSCI, doing business: trading across border)