



OECD Trade Facilitation Indicators: structure and impacts

Silvia Sorescu
Development Division
OECD Trade and Agriculture Directorate

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(TTFMM)

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Overview

- OECD Trade Facilitation Indicators (TFIs): objectives and structure
- TFIs as a monitoring tool
- TFIs as an evaluation tool

OECD Trade Facilitation Indicators: objectives

- An evaluation tool to measure the impact of trade facilitation measures on trade flows and trade costs
 - ✓ following the structure of the WTO Trade Facilitation Agreement
- A monitoring and benchmarking tool providing
 - ✓ an overview of country performance, strengths and weaknesses
 - ✓ a basis for prioritising trade facilitation actions by governments
 - ✓ a support for mobilising technical assistance by donors in a targeted way



OECD Trade Facilitation Indicators: structure

a. Information availability	Publication of trade information, including on internet; enquiry points
b. Involvement of the Trade Community	Consultations with traders
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
f. Formalities – Documents	Simplification of trade documents; harmonisation in accordance with international standards; acceptance of copies
g. Formalities – Automation	Electronic exchange of data; automated border procedures; use of risk management
h. Formalities – Procedures	Streamlining of border controls; single submission points for all required documentation (single windows); post-clearance audits; authorised economic operators
i. Border agency cooperation - internal	Co-operation between various border agencies of the country; control delegation to customs authorities
j. Border agency cooperation - external	Co-operation with neighboring and third countries
k. Governance and Impartiality	Customs structures and functions; accountability; ethics policy



OECD Trade Facilitation Indicators: structure

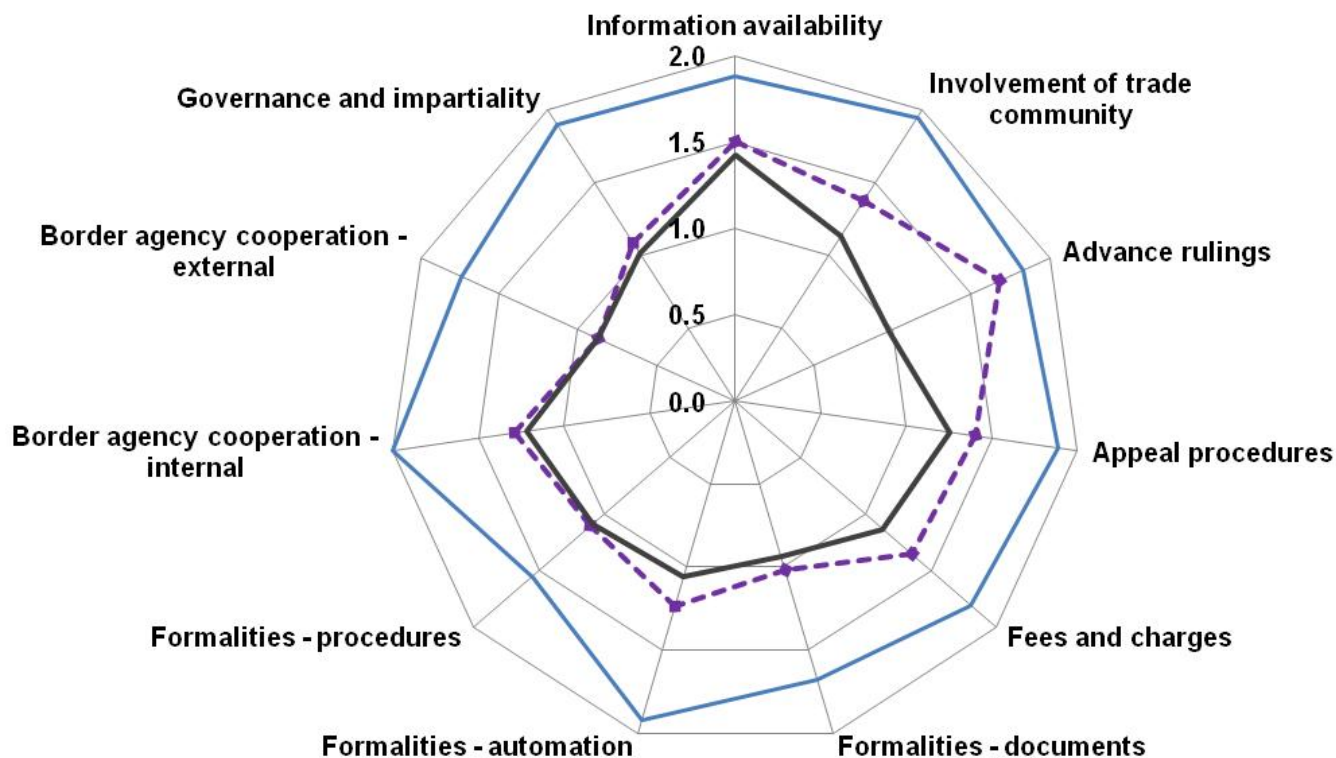
- each TFI area is composed by a set of variables that are codified with 0, 1 or 2, where 2 reflects the best performance that can be achieved in the specified area
- analyzing the sources of information in order to assign the 0/1/2 scores: variables seek to reflect not only the regulatory framework in the concerned countries, but delve, to the extent possible, into the state of implementation of various trade facilitation measures
- the TFIs measure the actual extent to which countries have introduced and implemented trade facilitation measures in absolute terms, but also their performance relative to others, using a series of quantitative measures on key areas of the border process

Data collection process

- 4 stages of the work:
 - ✓ OECD countries
 - TF questionnaire (2010 and 2014)
 - ✓ Countries outside the OECD area
 - data collection and processing followed by validation through the countries' Permanent Delegations to the WTO (2012 and 2015)
 - slight variations from the list of variables used for the OECD sample were due to the need for adjusting the composition of the indicators to reflect developing country specificities, including differences in the business, administrative and infrastructure environment, as well as data collection difficulties

TFIs: monitoring state of implementation Europe (non-OECD) and Central Asia

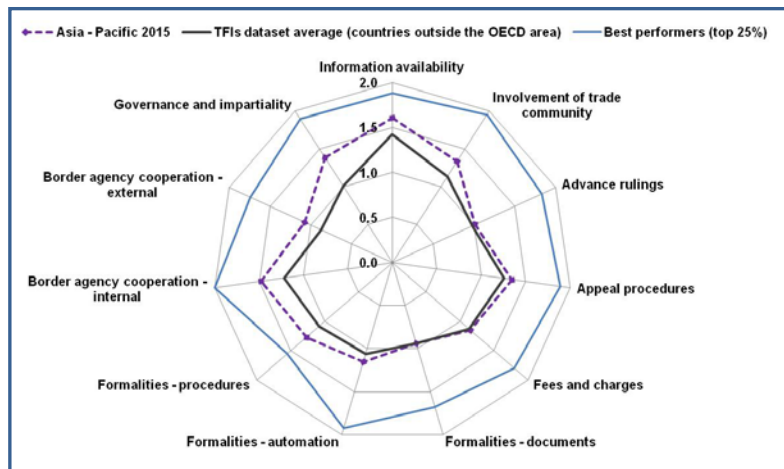
◆ - - ECA 2015 — TFIs dataset average (countries outside the OECD area) — Best performers (top 25%)



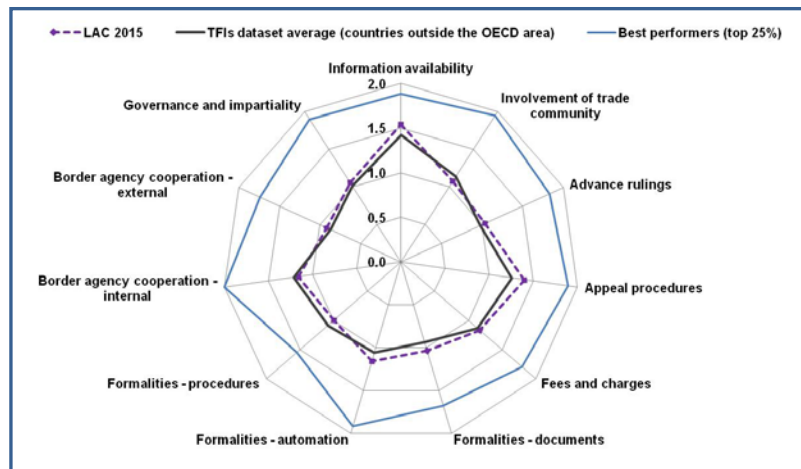


TFIs: monitoring state of implementation

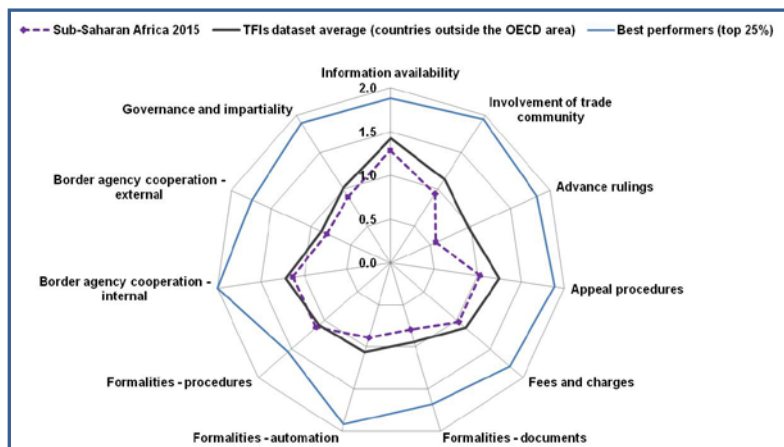
Asia-Pacific



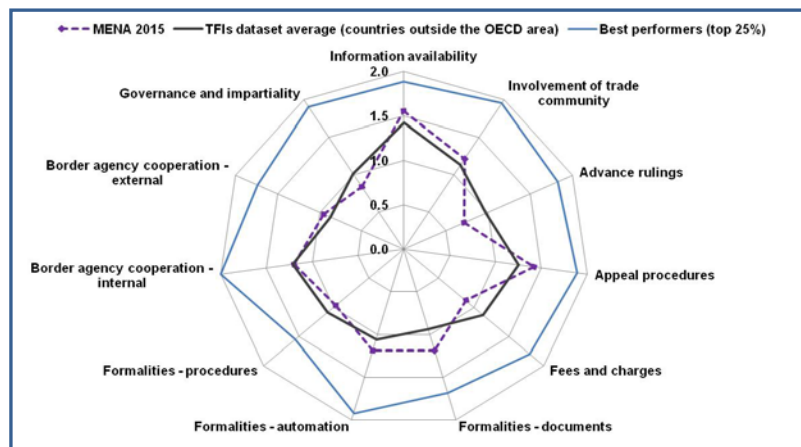
Latin America and the Caribbean



Sub-Saharan Africa



Middle East and North Africa



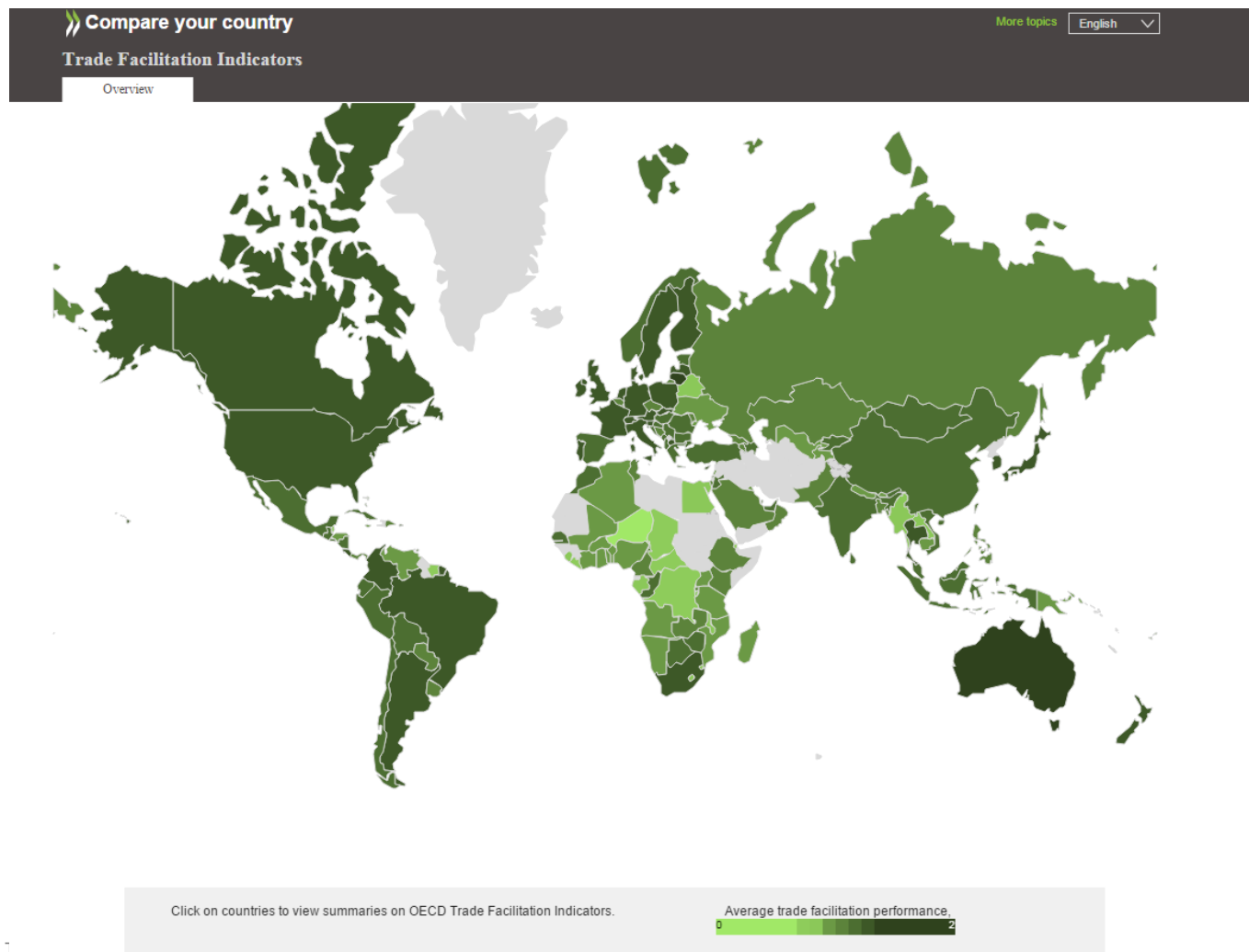
TFIs state of implementation: Interactive web-tools

- **Compare your Country** - performs comparisons with:
 - ✓ your own country's past performance (2015 vs 2012)
 - ✓ your neighbors or trading partners
 - ✓ country groups of interest (geographical or income)
- **TFIs Policy Simulator**
 - ✓ highlights the key measures driving the performance of a selected country in a specific indicator
 - ✓ simulates and tests the effects of potential policy reforms



TFIs Compare your Country

<http://compareyourcountry.org/trade-facilitation>





TFIs Compare your Country

<http://compareyourcountry.org/trade-facilitation>

» Compare your country

Trade Facilitation Indicators

Overview

More topics

Serbia - Country note

Performance

Areas for Action

Definitions

Get PDF

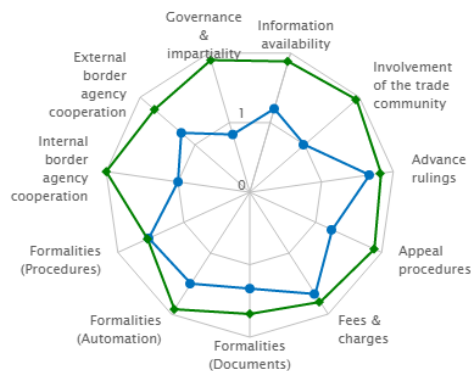
Trade facilitation performance

Serbia matches or exceeds best performance across the sample as regards advance rulings, fees and charges and streamlining of procedures. Serbia matches or exceeds the average performance of upper middle income countries in the areas of advance rulings, fees and charges, formalities (documents, automation and procedures) and external border agency cooperation. Performance has improved between 2012 and 2015 in the areas of the involvement of trade community and streamlining of procedures.

Performance in the other areas is stable, with the exception of information availability, simplification and harmonisation of documents, automation and internal border agency cooperation, where some ground was lost. Performance in the areas of information availability, involvement of trade community, appeal procedures, simplification and harmonisation of documents, automation, border agency cooperation (internal and external) and governance and impartiality is below best performance.

compare with best practice compare by income group compare by region

Country performance, latest available year.
2 = best performance that can be achieved.

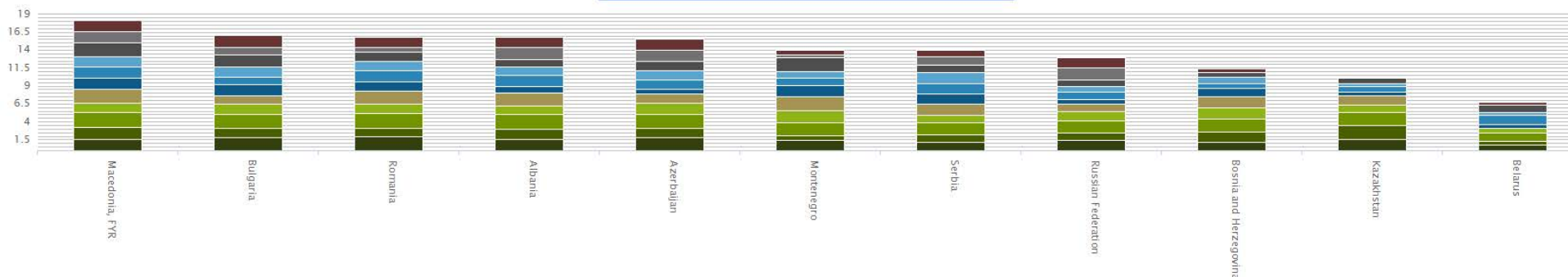


TFIs Policy Simulator

<http://sim.oecd.org/default.ashx?lang=En&ds=TFI>

Trade Facilitation Indicators Simulator

for « Upper middle income - Europe (non-OECD) and Central Asia » »



Select a group and country to start the Policy Simulator.

Upper middle income - Eu ... for Choose a country View table

About the TFIs

To help governments improve their border procedures, reduce trade costs, boost trade flows and reap greater benefits from international trade, the OECD has developed a set of Trade Facilitation Indicators (TFIs) that identify areas for action and enable the potential impact of reforms to be assessed. Estimates based on the indicators provide a basis for governments to prioritise trade facilitation actions and mobilise technical assistance and capacity-building efforts for developing countries in a more targeted way.

The OECD TFIs also allow countries to identify their strengths and weaknesses in trade facilitation. They measure the actual extent to which countries have introduced and implemented trade facilitation measures in absolute terms, but also their performance relative to others, using a series of quantitative measures on key areas of the border process.

The TFIs take values from 0 to 2, where 2 designates the best performance that can be achieved. They are calculated on the basis of information in the TFIs database.

TFIs Home

Interactive Tools

- » Compare your country
- » Policy simulator
- » Aid for Trade facilitation

Analysis and Methodology

Methodology and reports



TFIs Policy Simulator

<http://sim.oecd.org/default.ashx?lang=En&ds=TFI>

Trade Facilitation Indicators Simulator

Upper middle income - Eu ... for Albania compared to Choose a country Reset

Albania 15.795

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Upper middle income - Europe (non-OECD) and Central Asia measures				Search a measure	Search	Cancel	Answers	Scores	Values
A Information availability								15	1.5
B Involvement of the trade community								6	1.5
B.11 Communication of policy objectives							0.52	2	0.5
B.12 Consultations between traders and government							<input type="radio"/> [0,1] <input type="radio"/> 1 <input checked="" type="radio"/> (1,2]	2	0.5
B.13 Targeted stakeholders							2	0	0
B.14 Adoption of public comments							<input type="radio"/> [0,1] <input checked="" type="radio"/> (1,2]	2	0.5
C Advance rulings								12	2
D Appeal procedures								10	1.25
E Fees and charges								7	1.75
F Formalities - Documents								6	1
G Formalities - Automation								6	1.5
H Formalities - Procedures								18	1.2
I Internal border agency cooperation								2	1
J External border agency cooperation								5	1.667
L Governance and impartiality								10	1.429

TFI as an evaluation tool

- Assessing potential **impacts** on:
 - ✓ Trade costs (OECD, 2015)
 - ✓ Operation of global value chains (OECD, 2015)
 - ✓ Time necessary to clear customs and associated cost (Hillberry and Zhang, 2015)
 - ✓ Export diversification (Beverelli, Neumeuller and Teh, 2014)
 - ✓ Trade flows, GDP and welfare (WTO World Trade Report 2015)

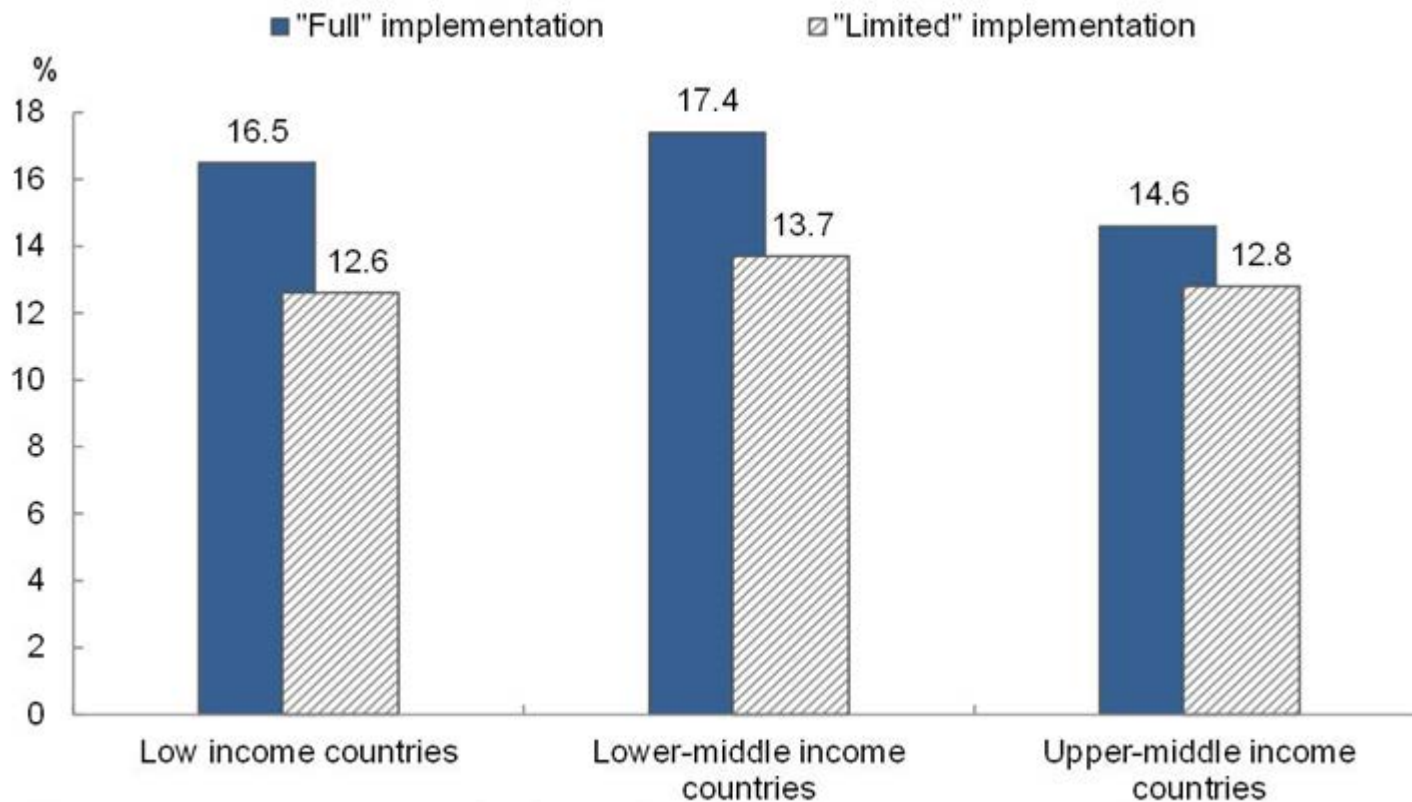
Impacts on trade costs

Income groups	Geographic groups	Economic partnerships
Low income	Asia – Pacific	APEC
Lower middle income	Europe and Central Asia	ASEAN
Upper middle income	Latin America and the Caribbean	
High income	Middle East and North Africa	
OECD countries	Sub-Saharan Africa	

Exploit the possibility of differentiated impacts of trade facilitation measures on trade, across the selected country groups → highlighting whether priorities differ across such groups



Trade costs and TFA implementation scenarios



» TF and the operation of value chains

Complexity increases in Global Value Chains...

Trends in Global Value Chains

- international “fragmentation of production” has increased rapidly over the last two decades
- 70% of global trade is associated to GVCs
- significant shares of intermediate imports are used to produce exports
- competitiveness increasingly depends on access to imports

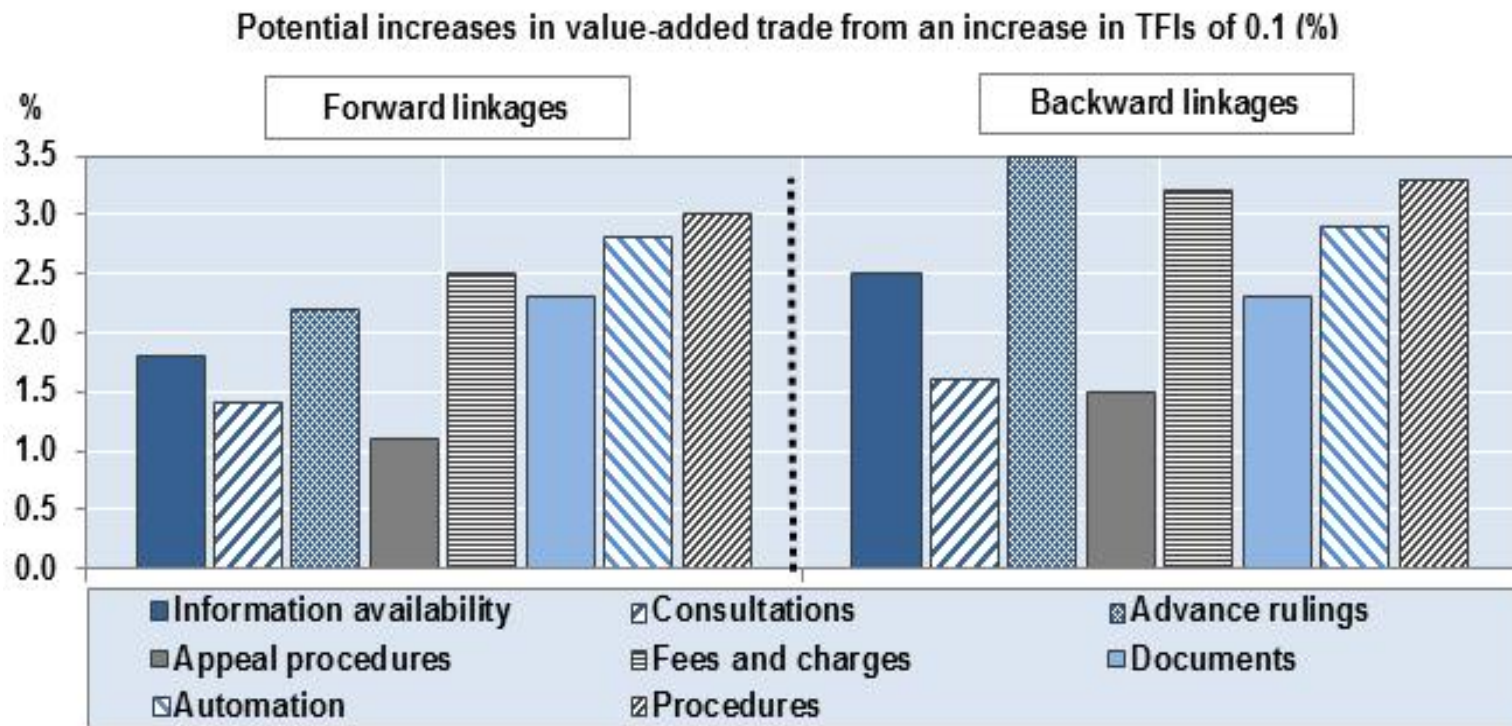


Implications for Trade Facilitation

- several border crossings can be incurred during the course of production of a single product
- the cumulative effect of administrative barriers at the border can significantly raise costs and prices and create delays in delivery
- the existence of upstream and downstream linkages means that trade facilitation actions on both the export and import side impact on production and competitiveness



TF and the operation of value chains



» Thank you!

- For further information:

www.oecd.org/trade/facilitation/indicators.htm

- For any questions:

evdokia.moise@oecd.org

silvia.sorescu@oecd.org