The Logistics Performance Index and Doing Business Report

Connecting to Compete

Trade Logistics in the Global Economy

The Logistics Performance Index and Its Indicators

Two separate but complementary reports
• Measures the trade logistics efficiency of a country

• Fundamental premise: Efficient logistics drives economic performance
The Doing Business Report

- Provides measures of the ease of doing business (regulations) for local firms in a given country

- Fundamental premise: economic activity requires effective regulations in all areas of setting up and operating a business
1. Overview of LPI 2010
2. Overview of Doing Business 2011
3. LPI Results: PAM countries
4. DB Results: PAM Countries
5. Want to Learn More?
1. Overview LPI 2010

Connecting to Compete

Trade Logistics in the Global Economy

The Logistics Performance Index and Its Indicators
The Logistics Performance Index

• First report in 2007, every three years
• Source of data is suppliers of logistics services (freight forwarders, express carriers)
• Rates logistical performance on a scale of 1 to 5
LPI: Key messages

- Trade logistics is an important element of national competitiveness
- A country’s performance is only as good as its weakest link
- The LPI dataset can be used to identify key bottlenecks in your own country
What are efficient logistics?

The LPI measures six dimensions of country performance:

- Efficiency of the clearance process
- Quality of trade and transport infrastructure
- Ease of arranging competitively priced shipments
- Logistics competence and quality of logistics services
- Ability to track and trace shipments
- Timeliness of shipment delivery
**Why Logistics Matter:**

Result when a low income country reaches LPI of middle income average

<table>
<thead>
<tr>
<th>Indicator/policy area</th>
<th>Increase in trade (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Logistics Performance Index</td>
<td>15.2</td>
</tr>
<tr>
<td>All trade barriers reduced to 10%</td>
<td>8.4</td>
</tr>
<tr>
<td>Regulatory reform measures</td>
<td>7.4</td>
</tr>
<tr>
<td>Tariffs reduced to 5%</td>
<td>5.7</td>
</tr>
</tbody>
</table>
Key Policy Implications:

• Expand the traditional development agenda beyond customs reform and infrastructure to be comprehensive—processes, services, and infrastructure.

• Increase border agency coordination

• Partner with the private sector

• Reform must be tailored to each country’s circumstances
The Logistics Performance Index

Connecting to Compete

Trade Logistics in the Global Economy

The Logistics Performance Index and Its Indicators
2. Overview Doing Business 2011
The Doing Business Report

- First report in Sept 2003, yearly
- Covers 183 countries
- Surveys in-country specialists with knowledge of regulatory system
- Provides a basis for measuring, understanding and improving the regulatory environment for business
- creates methodology and a database for policy makers
Doing Business does not measure all aspects such as:

- macroeconomic stability
- corruption
- level of labor skills
- proximity to markets,
- regulations specific to foreign investment or financial markets
### Doing Business indicators – 11 areas of business regulation (9 included in the ranking)

<table>
<thead>
<tr>
<th>Start-up</th>
<th>• <strong>Starting a business</strong> <em>Minimum capital requirement, procedures, time and cost</em></th>
</tr>
</thead>
</table>
| Expansion | • **Registering property** *Procedures, time and cost*  
• **Getting credit** *Credit information systems, Movable collateral laws*  
• **Protecting investors** *Disclosure and liability in related party transactions*  
• **Enforcing contracts** *Procedures, time and cost to resolve a commercial dispute* |
| Operations | • **Dealing with construction permits** *Procedures, time and cost*  
• **Paying taxes** *Payments, time and Total Tax Rate*  
• **Trading across borders** *Documents, time and cost*  
• **Getting electricity (annex I)** *Procedures, time and cost*  
• **Employing workers (annex II)** |
| Closing | • **Closing a business** *Time, cost and recovery rate* |
**Doing Business – Trading Across Borders index**

**What are best practices?**

- ✔ Paper-free electronic data interchange (EDI) system
- ✔ Risk-based inspection systems (less than 10% of cargo physically inspected)
- ✔ Electronic Single Window for obtaining trade documents and approvals
LPI and DB – separate but complementary

<table>
<thead>
<tr>
<th>Source of data</th>
<th>LPI</th>
<th>DB</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3rd country providers of Logistics services</td>
<td>In-country entities with knowledge of business regulations</td>
</tr>
<tr>
<td>Concept</td>
<td>Performance outcomes</td>
<td>Analytic breakdown in component procedures</td>
</tr>
<tr>
<td>Frequency</td>
<td>Every 3 years since 2007</td>
<td>Yearly since 2003</td>
</tr>
<tr>
<td>Significance</td>
<td>Several indices of logistics performance</td>
<td>Metric of broader business regulatory environment.</td>
</tr>
<tr>
<td>Countries</td>
<td>155</td>
<td>183</td>
</tr>
</tbody>
</table>

Both indices provide basic input for policy-makers. Neither are in-depth analysis.
3. LPI Results: PAM countries
LPI 2010 – performance around the world

- Logistics unfriendly
- Partial performers
- Consistent performers
- Logistics friendly
- No data
# LPI 2010 - Top 10 Countries Overall

<table>
<thead>
<tr>
<th>LPI Rank</th>
<th>Country</th>
<th>LPI</th>
<th>Customs</th>
<th>Infrastructure</th>
<th>International shipments</th>
<th>Logistics competence</th>
<th>Tracking &amp; tracing</th>
<th>Timeliness</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Germany</td>
<td>4</td>
<td>4</td>
<td>4.34</td>
<td>3.66</td>
<td>4.14</td>
<td>4.18</td>
<td>4.48</td>
</tr>
<tr>
<td>2</td>
<td>Singapore</td>
<td>4</td>
<td>4.02</td>
<td>4.22</td>
<td>3.86</td>
<td>4.12</td>
<td>4.15</td>
<td>4.23</td>
</tr>
<tr>
<td>3</td>
<td>Sweden</td>
<td>4</td>
<td>3.88</td>
<td>4.03</td>
<td>3.83</td>
<td>4.22</td>
<td>4.22</td>
<td>4.32</td>
</tr>
<tr>
<td>4</td>
<td>Netherlands</td>
<td>4</td>
<td>3.98</td>
<td>4.25</td>
<td>3.61</td>
<td>4.15</td>
<td>4.12</td>
<td>4.41</td>
</tr>
<tr>
<td>5</td>
<td>Luxembourg</td>
<td>4</td>
<td>4.04</td>
<td>4.06</td>
<td>3.67</td>
<td>3.67</td>
<td>3.92</td>
<td>4.58</td>
</tr>
<tr>
<td>6</td>
<td>Switzerland</td>
<td>4</td>
<td>3.73</td>
<td>4.17</td>
<td>3.32</td>
<td>4.32</td>
<td>4.27</td>
<td>4.2</td>
</tr>
<tr>
<td>7</td>
<td>Japan</td>
<td>4</td>
<td>3.79</td>
<td>4.19</td>
<td>3.55</td>
<td>4</td>
<td>4.13</td>
<td>4.26</td>
</tr>
<tr>
<td>8</td>
<td>United Kingdom</td>
<td>4</td>
<td>3.74</td>
<td>3.95</td>
<td>3.66</td>
<td>3.92</td>
<td>4.13</td>
<td>4.37</td>
</tr>
<tr>
<td>9</td>
<td>Belgium</td>
<td>4</td>
<td>3.83</td>
<td>4.01</td>
<td>3.31</td>
<td>4.13</td>
<td>4.22</td>
<td>4.29</td>
</tr>
<tr>
<td>10</td>
<td>Norway</td>
<td>4</td>
<td>3.86</td>
<td>4.22</td>
<td>3.35</td>
<td>3.85</td>
<td>4.1</td>
<td>4.35</td>
</tr>
<tr>
<td>Global Rank 2010</td>
<td>Country</td>
<td>LPI 2010</td>
<td>LPI 2007</td>
<td>Change in LPI</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td>----------------</td>
<td>----------</td>
<td>----------</td>
<td>---------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>France</td>
<td>3.84</td>
<td>3.76</td>
<td>0.08</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Italy</td>
<td>3.64</td>
<td>3.58</td>
<td>0.06</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>Israel</td>
<td>3.41</td>
<td>3.21</td>
<td>0.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>Lebanon</td>
<td>3.34</td>
<td>2.37</td>
<td>0.97</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>Portugal</td>
<td>3.34</td>
<td>3.38</td>
<td>-0.04</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>39</td>
<td>Turkey</td>
<td>3.22</td>
<td>3.15</td>
<td>0.07</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>46</td>
<td>Cyprus</td>
<td>3.13</td>
<td>2.92</td>
<td>0.21</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>54</td>
<td>Greece</td>
<td>2.96</td>
<td>3.36</td>
<td>-0.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>57</td>
<td>Slovenia</td>
<td>2.87</td>
<td>3.14</td>
<td>-0.27</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>61</td>
<td>Tunisia</td>
<td>2.84</td>
<td>2.76</td>
<td>0.08</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
LPI Scores by Region

Average 2010 LPI Score

- High income: OECD
- High income: nonOECD
- PAM
- Central America*
- East Asia & Pacific
- South America
- Europe & Central Asia
- Middle East & North Africa
- Caribbean
- South Asia
- Sub-Saharan Africa

Legend:
- Upper Middle Income
- Lower Middle Income
- Low Income
LPI Scores

- **Consistent performers**
- **Partial performers**
- **Logistics friendly**
- **Logistics unfriendly**

**High Income: OECD**

**Consistent performers**

**Partial performers**

**Logistics friendly**

**Logistics unfriendly**

**Middle East and N.Africa**

**Low income**

**PAM Avg.**

Average 2010 LPI Score

- Logistics
  - Friendly
  - Unfriendly

- Consistent performers
- Partial performers

- High Income: OECD
- Middle East and N.Africa
- Low income
- PAM Avg.

- Logistics friendly
- Logistics unfriendly

Countries: France (17), Italy (22), Lebanon (31), Portugal (34), Turkey (39), Cyprus (46), Greece (54), Slovenia (57), Malta (61), FYR (73), Croatia (74), Jordan (80), Serbia (83), Bosnia and Herzegovina, Egypt, Arab Rep. (92), Albania (119), Montenegro (121), Algeria (130), Libya (132)
Performance in the 6 areas of the LPI

2010 Average LPI Score
4. Doing Business Results: PAM Countries
Top 30 economies on the ease of Doing Business 2009/10

1. Singapore
2. Hong Kong SAR, China
3. New Zealand
4. United Kingdom
5. United States
6. Denmark
7. Canada
8. Norway
9. Ireland
10. Australia
11. Saudi Arabia
12. Georgia
13. Finland
14. Sweden
15. Iceland
17. Estonia
18. Japan
19. Thailand
20. Mauritius
21. Malaysia
22. Germany
23. Lithuania
24. Latvia
25. Belgium
26. France
27. Switzerland
28. Bahrain
29. Israel
30. Netherlands
Rankings on the ease of Doing Business 2009/10

PAM member states (average ranking)

Average ranking on the ease of doing business
(1–183)
### Global top 10 economies:
- **#1** Singapore
- **2** Hong Kong SAR, China
- **3** United Arab Emirates
- **4** Estonia
- **5** Finland
- **6** Denmark
- **7** Sweden
- **8** Korea, Rep.
- **9** Norway
- **10** Israel

### Top 10 PAM member states:
- **#10** Israel
- **19** Cyprus
- **21** Egypt, Arab Rep.
- **26** France
- **27** Portugal
- **30** Tunisia
- **34** Montenegro
- **56** Slovenia
- **59** Italy
- **66** Macedonia, FYR
Doing Business - 33 economies made trading across borders easier in 2009/10

Who improved the most in trading across borders?

1. Peru
2. Grenada
3. Armenia
4. Montenegro
5. Nicaragua
6. Rwanda
7. Cambodia
9. Spain
10. Philippines

Traders in Peru benefited the most in 2009/2010
5. Want to Learn More?
Welcome to the 2010 LPI! The LPI is an interactive benchmarking tool created to help countries identify the challenges and opportunities they face in their performance on trade logistics and what they can do to improve their performance - the LPI 2010 allow for comparisons across 155 countries.

Global Trade Logistics Improving, but more Needed to Boost Recovery

The capacity of countries to efficiently move goods and connect manufacturers and consumers with international markets is improving around the world, but much more is needed to spur faster economic growth and help firms benefit from trade recovery, according to a new World Bank Group survey on trade logistics.

Full Report (pdf - 1.5mb) | Index Chart (pdf - 365k)
Press Release | Video | Feature Story | Regional Series
## International LPI ranking

By default, the table is sorted by the Logistics Performance Index (LPI). Click on the ▼ icons to sort by other categories in ascending order. Please click on the country name for the detailed information on the Country Scorecard.  

<table>
<thead>
<tr>
<th>Int. LPI Rank</th>
<th>Country</th>
<th>LPI</th>
<th>Customs</th>
<th>Infrastructure</th>
<th>International shipments</th>
<th>Logistics competence</th>
<th>Tracking &amp; tracing</th>
<th>Timeliness</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Germany</td>
<td>4.11</td>
<td>4.00</td>
<td>4.34</td>
<td>3.66</td>
<td>4.14</td>
<td>4.18</td>
<td>4.48</td>
</tr>
<tr>
<td>2</td>
<td>Singapore</td>
<td>4.09</td>
<td>4.02</td>
<td>4.22</td>
<td>3.86</td>
<td>4.12</td>
<td>4.15</td>
<td>4.23</td>
</tr>
<tr>
<td>3</td>
<td>Sweden</td>
<td>4.08</td>
<td>3.88</td>
<td>4.03</td>
<td>3.83</td>
<td>4.22</td>
<td>4.22</td>
<td>4.32</td>
</tr>
<tr>
<td>4</td>
<td>Netherlands</td>
<td>4.07</td>
<td>3.98</td>
<td>4.25</td>
<td>3.61</td>
<td>4.15</td>
<td>4.12</td>
<td>4.41</td>
</tr>
<tr>
<td>5</td>
<td>Luxembourg</td>
<td>3.98</td>
<td>4.04</td>
<td>4.06</td>
<td>3.67</td>
<td>3.67</td>
<td>3.92</td>
<td>4.58</td>
</tr>
<tr>
<td>6</td>
<td>Switzerland</td>
<td>3.97</td>
<td>3.73</td>
<td>4.17</td>
<td>3.32</td>
<td>4.32</td>
<td>4.27</td>
<td>4.20</td>
</tr>
<tr>
<td>7</td>
<td>Japan</td>
<td>3.97</td>
<td>3.79</td>
<td>4.19</td>
<td>3.55</td>
<td>4.00</td>
<td>4.13</td>
<td>4.26</td>
</tr>
<tr>
<td>8</td>
<td>United Kingdom</td>
<td>3.95</td>
<td>3.74</td>
<td>3.95</td>
<td>3.66</td>
<td>3.92</td>
<td>4.13</td>
<td>4.37</td>
</tr>
<tr>
<td>9</td>
<td>Belgium</td>
<td>3.94</td>
<td>3.83</td>
<td>4.01</td>
<td>3.31</td>
<td>4.13</td>
<td>4.22</td>
<td>4.29</td>
</tr>
<tr>
<td>10</td>
<td>Norway</td>
<td>3.93</td>
<td>3.86</td>
<td>4.22</td>
<td>3.35</td>
<td>4.10</td>
<td>4.10</td>
<td>4.35</td>
</tr>
<tr>
<td>11</td>
<td>Ireland</td>
<td>3.89</td>
<td>3.60</td>
<td>3.76</td>
<td>3.70</td>
<td>3.82</td>
<td>4.02</td>
<td>4.47</td>
</tr>
<tr>
<td>12</td>
<td>Finland</td>
<td>3.89</td>
<td>3.86</td>
<td>4.08</td>
<td>3.41</td>
<td>3.92</td>
<td>4.09</td>
<td>4.08</td>
</tr>
<tr>
<td>13</td>
<td>Hong Kong, China</td>
<td>3.88</td>
<td>3.83</td>
<td>4.00</td>
<td>3.67</td>
<td>3.83</td>
<td>3.94</td>
<td>4.04</td>
</tr>
<tr>
<td>14</td>
<td>Canada</td>
<td>3.87</td>
<td>3.71</td>
<td>4.03</td>
<td>3.24</td>
<td>3.99</td>
<td>4.01</td>
<td>4.41</td>
</tr>
</tbody>
</table>
Thank you

sjackson2@worldbank.org