Trade in logistics services and food losses reduction

Session 4

by

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SESSION 4: TRADE IN LOGISTICS SERVICES AND FOOD LOSSES REDUCTION

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Head of Division, Trade in Services
OECD
Evolution of trade volume for merchandise trade and agricultural trade

## Food loss along the value chain

<table>
<thead>
<tr>
<th>Production</th>
<th>Handling and Storage</th>
<th>Processing and Packaging</th>
<th>Distribution and Market</th>
<th>Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Definition</strong></td>
<td><strong>Includes</strong></td>
<td><strong>Includes</strong></td>
<td><strong>Includes</strong></td>
<td><strong>Includes</strong></td>
</tr>
<tr>
<td>During or immediately after harvesting on the farm</td>
<td>After produce leaves the farm for handling, storage, and transport</td>
<td>During industrial or domestic processing and/or packaging</td>
<td>During distribution to markets, including losses at wholesale and retail markets</td>
<td>Losses in the home or business of the consumer, including restaurants/caterers</td>
</tr>
<tr>
<td><strong>Fruits bruised during picking or threshing</strong></td>
<td><strong>Edible food eaten by pests</strong></td>
<td><strong>Milk spilled during pasteurization and processing</strong></td>
<td><strong>Edible produce sorted out due to quality</strong></td>
<td><strong>Edible products sorted out due to quality</strong></td>
</tr>
<tr>
<td><strong>Crops sorted out post-harvest for not meeting quality standards</strong></td>
<td><strong>Edible produce degraded by fungus or disease</strong></td>
<td><strong>Edible fruit or grains sorted out as not suitable for processing</strong></td>
<td><strong>Edible products expired before being purchased</strong></td>
<td><strong>Food purchased but not eaten</strong></td>
</tr>
<tr>
<td><strong>Crops left behind in fields due to poor mechanical harvesting or sharp drops in prices</strong></td>
<td><strong>Livestock death during transport to slaughter or not accepted for slaughter</strong></td>
<td><strong>Livestock trimming during slaughtering and industrial processing</strong></td>
<td><strong>Edible products spilled or damaged in market</strong></td>
<td><strong>Food cooked but not eaten</strong></td>
</tr>
</tbody>
</table>

Source: OECD (2014)
Efficient logistics services deepen integration into global value chains

Integrated point-to-point supply management

Just-in-time delivery

Lower cost and enhanced competitiveness for users of LS services

Efficient logistics services
Integrated logistics services

- Cargo handling
- Storage and warehousing
- Freight forwarding
- Customs brokerage
OECD Services Trade Restrictiveness Index

• Instrument to identify and catalogue regulatory barriers to services trade
• Composite indices give a snapshot of the level of restrictiveness
• Coverage:
  – 44 countries
  – 22 sectors
  – 4 years: 2014-2017
### Common barriers to logistics services

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Countries with restrictive answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>Individual licenses required for different logistics services</td>
<td></td>
</tr>
<tr>
<td>Operation of cargo-handling</td>
<td>Service provision is reserved for statutory monopoly or granted...</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cross-subsidisation is not prohibited (cargo handling at airports)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Separation of accounts is not required (cargo handling at ports)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cross-subsidisation is not prohibited (cargo handling at ports)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>National, state or provincial government control at least one...</td>
<td></td>
</tr>
<tr>
<td>Operation of storage and warehousing</td>
<td>Service provision is reserved for statutory monopoly or granted...</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Prices or fees are regulated (customs warehouses)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Limitations on working hours of operation for storage and...</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Licences are subject to quotas or economic needs test (customs...</td>
<td></td>
</tr>
<tr>
<td></td>
<td>National, state or provincial government control at least one...</td>
<td></td>
</tr>
<tr>
<td>Customs</td>
<td>Long duration for customs clearance (more than one day)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Nationality or citizenship required for customs brokerage</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The release of goods is not possible before determination and...</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pre-arrival processing is not possible</td>
<td></td>
</tr>
<tr>
<td></td>
<td>National, state or provincial government control at least one...</td>
<td></td>
</tr>
</tbody>
</table>

Source: OECD STRI (2017)
Mobility of transport crew is essential for timely delivery of goods

- **Visa regime for transport crew:**
  - Visas on arrival or visa exemption are available for temporary entry/transit of crew
  - Duration of visa for crew: number of months allowed by the visa
  - Multiple entry visas are allowed for crew

Number of STRI countries: restrictions in special visa regimes, by transport mode

<table>
<thead>
<tr>
<th>Measure</th>
<th>Air</th>
<th>Maritime</th>
<th>Road</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visas on arrival or visa exemption</td>
<td>8</td>
<td>10</td>
<td>29</td>
</tr>
<tr>
<td>Short duration</td>
<td>8</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Restrictions on multiple entry visas</td>
<td>4</td>
<td>4</td>
<td>10</td>
</tr>
</tbody>
</table>
Trade barriers increase costs for logistics suppliers

Efficiency at ports enable logistics services providers.
Tightening regulatory environment for most logistics and transport services

Cumulative trade liberalisations (2016 to 2017)  
Cumulative trade restrictions (2016 to 2017)

- Digital network
- Transport and distribution supply chain
- Market bridging and supporting services
- Physical infrastructure services
More information about the OECD STRI

- **Regulatory database**
- **Compare countries**
- **Policy simulator**
- **Mobile application**
- **Country and sector notes**
- **Research papers**
Contact us

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STRI Freight forwarding 2016

Restrictions on foreign entry
Restrictions to the movement of people
Other discriminatory measures
Barriers to competition
Regulatory transparency
Average

STRI 2014
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