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## OECD Trade Facilitation Indicators: Tracking progress and challenges in trade facilitation

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## OECD Trade Facilitation Indicators (TFIs): Tracking progress and challenges in trade facilitation

(1) How can the TFIs be used ?

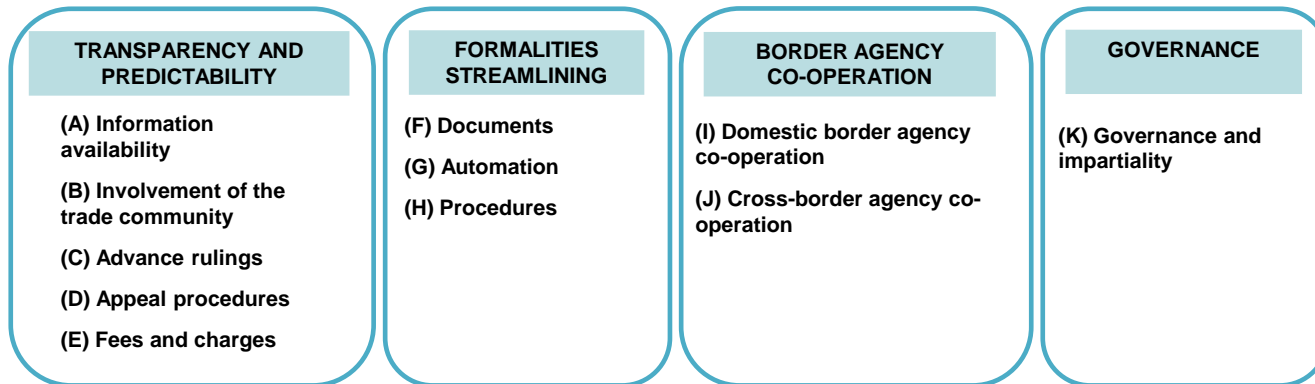
- Tracking progress and challenges
- Assessing benefits of TF reforms

(2) How can they support the work of NTFCs?

(3) What next?

## » OECD TFIs: Tracking progress and challenges

- **policy tools:** 11 policy areas & 155 measures (full spectrum of border procedures) & **163 economies** & 4 years, since **2012**



- strongly linked to the areas covered by the WTO **Trade Facilitation Agreement**
- variables seek to reflect **both** the **regulatory framework** and delve to the extent possible into the **implementation in practice** of trade facilitation measures

## » OECD TFIs: Tracking progress and challenges

**Regulatory framework** and **implementation in practice** of trade facilitation measures - a few examples:

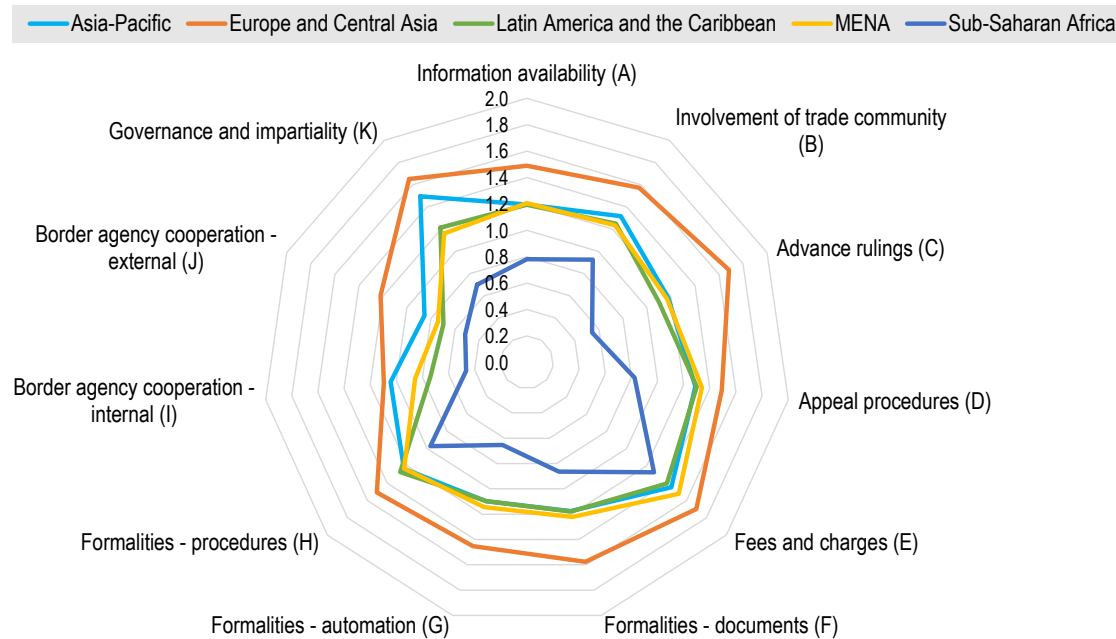
- On *Pre-arrival processing*: TFI-Procedures looks at the existence of processes allowing for the submission of information to enable processing to begin prior to the arrival of goods, as well as the share of trade transactions that are covered in practice by pre-arrival processing
- On *Authorised Operators (AOs)*: TFI-Procedures looks into the existence of procedures for submission and review of applications for AO status, as well as into the programme's actual reach (i.e. in terms of the share of traders or SMEs covered)

## » OECD TFIs: Tracking progress and challenges

**Multiple layers for collecting, validating and gap filling of the information - including a wide range of publicly available sources, such as:**

- Countries Customs websites, Customs Codes; Other border agencies websites, where available
- WTO TFA Database; WTO Trade Facilitation Committee notifications and case studies; WTO Trade Policy Reviews;
- United Nations Regional Economic Commissions Global Survey on Digital and Sustainable Trade Facilitation
- UNCTAD Database for National Trade Facilitation Committees
- World Bank logistics indicators
- Global Express Association Customs Capabilities Report
- World Economic Forum (WEF) Global Competitiveness Report (GCR)
- Reports from other international organisations or inter-governmental fora (e.g. APEC, ASEAN, CARICOM, ECOWAS etc.)

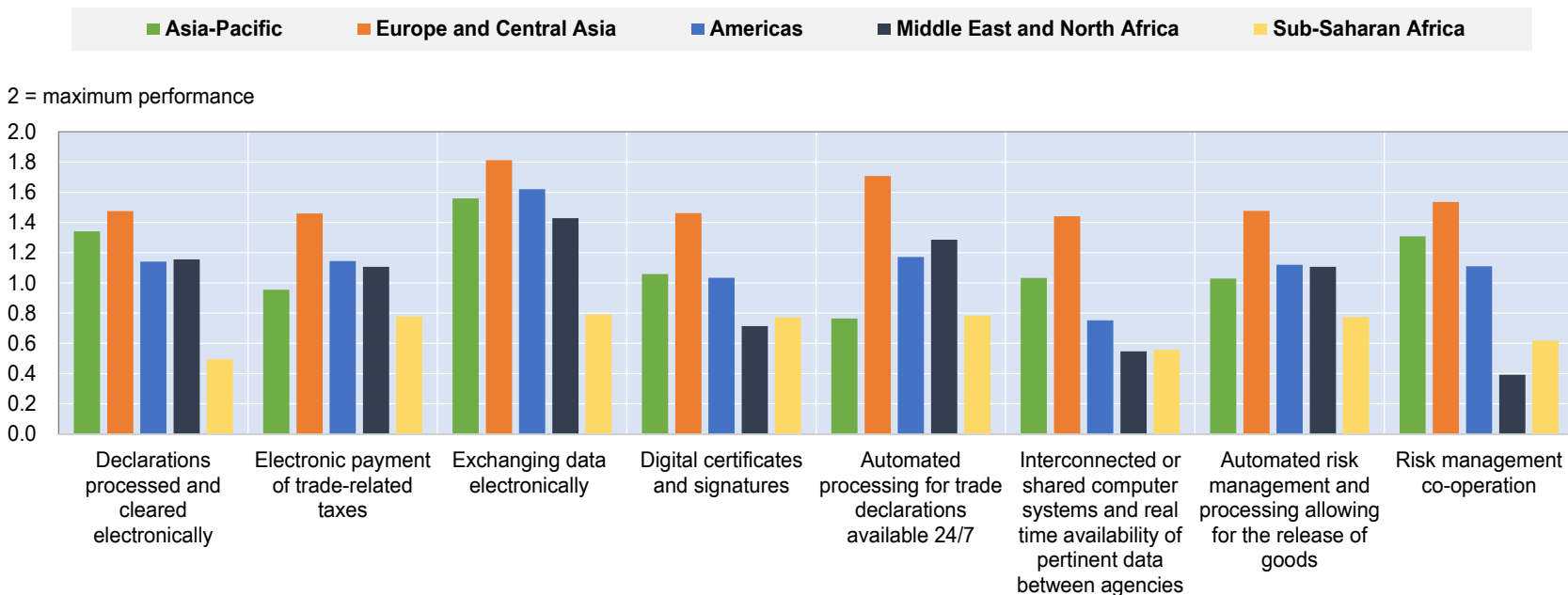
# OECD TFIs: Tracking progress and challenges



Source: OECD Trade Facilitation Indicators (TFIs) (2020).

# OECD TFIs: Tracking progress and challenges

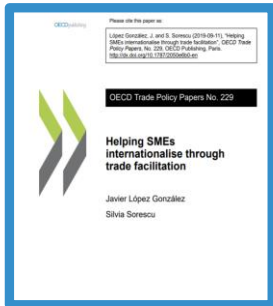
The sustained implementation of the TFA provided the basis for COVID-19 responses



Source: OECD Trade Facilitation Indicators (TFIs) (2020).

## » OECD TFIs: Assessing benefits of trade facilitation reforms

### How trade facilitation matters for inclusiveness



- Small improvements in the trade facilitation environment can increase the **probability of an MSME becoming an exporter by up to 3%** in both developing and developed countries
- Measures such as automation of border processes and inclusion of **MSMEs** in consultation processes -- including through their participation in **NTFCs** -- are among the measures that can have the largest differentiated impacts on MSMEs relative to larger firms. These can increase the **value of MSMEs exports up to 6.5%**



### How trade facilitation matters more, not less, in the digital age

- Improvements in transparency, automation, streamlining of processes at borders, border agency cooperation can each **enhance parcel exports** -- including those that are digitally ordered -- by between **6% - 14%**

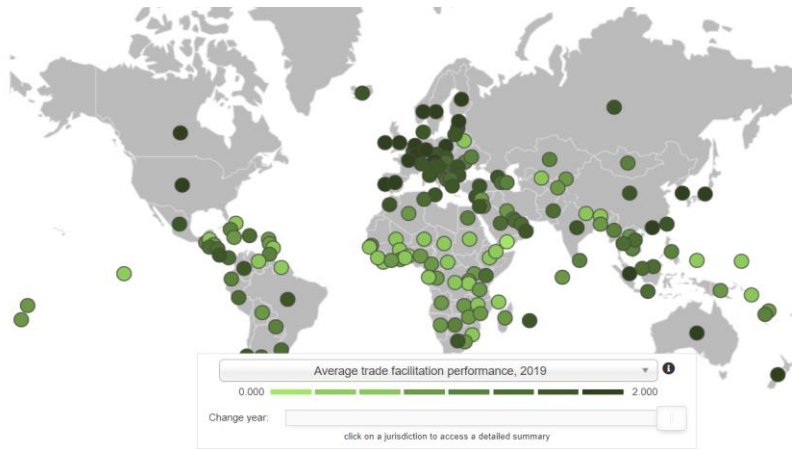


## » How can they support the work of NTFCs?

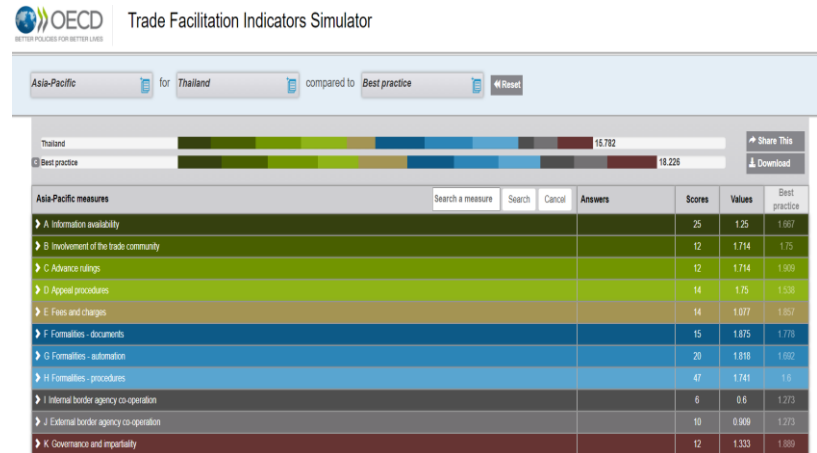
- Provide a comprehensive overview of the trade facilitation policy environment
- Policy tool to enable planning and implementation of trade facilitation reforms
- Regulatory vs. implementation in practice
- Identify best practices by specific areas
- Assess impacts of potential reforms
- Provide pointers to areas where further analysis is required, complementing other key indicators

# » How can they support the work of NTFCs?

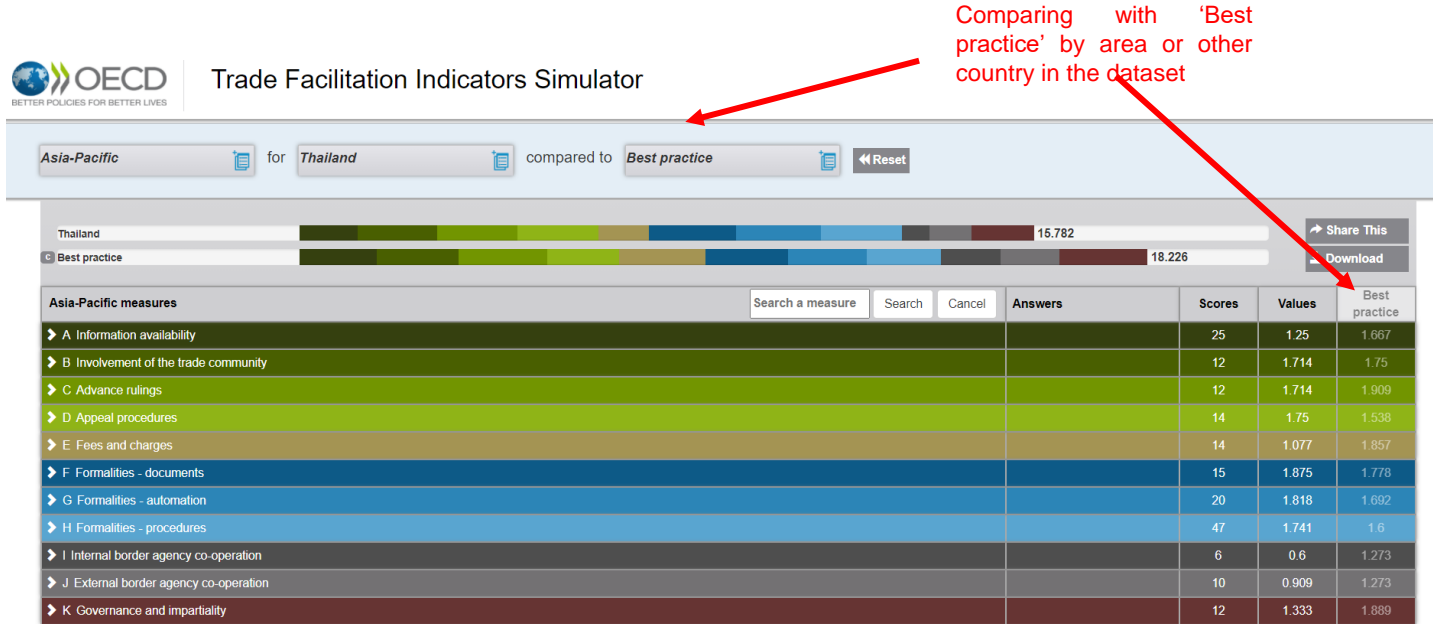
## Compare your Country



## Policy Simulator



# Using the Policy Simulator to assess challenges and areas for action



Trade Facilitation Indicators Simulator

Asia-Pacific for Thailand compared to Best practice

Thailand 15,782

Best practice 18,226

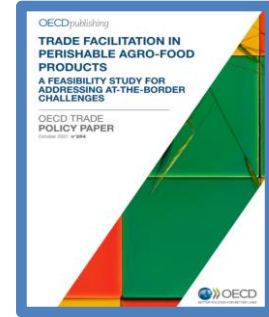
Asia-Pacific measures	Answers	Scores	Values	Best practice
▶ A Information availability		25	1.25	1.667
▶ B Involvement of the trade community		12	1.714	1.75
▶ C Advance rulings		12	1.714	1.909
▶ D Appeal procedures		14	1.75	1.538
▶ E Fees and charges		14	1.077	1.857
▶ F Formalities - documents		15	1.875	1.778
▶ G Formalities - automation		20	1.818	1.692
▶ H Formalities - procedures		47	1.741	1.6
▶ I Internal border agency co-operation		6	0.6	1.273
▶ J External border agency co-operation		10	0.909	1.273
▶ K Governance and impartiality		12	1.333	1.889

Comparing with 'Best practice' by area or other country in the dataset

The 11 policy areas under which each measure is categorised. Allows to see description of measures and associated scores.

## » What next?

- Update cycle 2021-22 TFIs
- Deep-dive into specific sectors
  - devising specific TFIs of relevance to [agro-food products](#)
- Trade facilitation in the digital age
  - in the digital age, trade facilitation reforms cannot be done in isolation, as digitalisation of trade processes is needed at all stages of the supply chain (i.e. e-authentication, e-signatures, e-contracts, e-invoices, e-payments)
  - holistic approach through suite of policy tools: OECD [TFIs](#), [\(Digital\) Services Trade Restrictiveness Index \(STRI\)](#), [Digital Trade Inventory](#)





# Thank you for your attention!

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Access all of the information from the Trade & Agriculture Directorate at:

[www.oecd.org/tad](http://www.oecd.org/tad)

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