



# Review of Trade Facilitation Indicators

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## **Current Trade Facilitation Indicators**

- TFI 1 : Average Border Crossing Time, Hours
- TFI 2 : Average Border Crossing Cost, USD
- TFI 3 : Total Transport Cost, USD (500 km, 20 tons)
- TFI 4 : Speed With Delay (SWD) and Speed Without Delay (SWOD), kilometers per hour

## **Limitations**

- They occur at the border, not behind the border
- Too 'transport' heavy and ignores other regulatory and documentary requirements before and after the shipment



## New Indicators?

### **ADB CAREC's Priority**

- Any activities that can increase cross-border trade
- Specific directions : Single window, CAREC Advanced Transit System (CATS), Coordinated Border Management

### **Possible Indicators**

- Road Quality
- Trade Tariffs
- Transport Insurance



# New Trade Facilitation Indicators

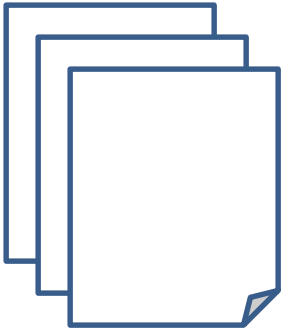
1



## Number of Agencies

Before a shipment, the shipper needs to visit different agencies for getting the approval/licenses/permits for the shipment. This number enables one to estimate the difficulty level of import or export, or transit (transport operator).

2



## Number of Documents


This includes the paperwork required for a shipment. This can include common requirements such as (1) Commercial invoice, (2) Packing list, (3) Bill of Lading/WayBill. Other trade related documents include (4) Certificate of Origin, (5) CMR document, (6) TIR Carnet, (6) Import or Export Permit/License, (7) Association's Letter (depending on industry), (8) SPS Certificate etc.

In general, the more agencies and documents requirement, the less effective is cross-border trade. Trade Facilitation team can identify those and help policy makers to assess if the number could be reduced through legislation reforms, procedural changes, process improvement and adoption of innovation and technology. A **single window** initiative may be the single-most powerful method to achieve the reduction.



# New Trade Facilitation Indicators


## Document Time, Hours

1  The time to obtain, fill up, submit and confirm the documents and approvals.

Total Time = **Processing** + **Waiting**.

This allows Trade Facilitation team to tackle the non-value added portion (waiting) and launch initiatives such as electronic application, or integrated under single electronic window.

## Document Cost, USD

2  The money to pay for obtaining, submitting and getting approvals. Just like border performance, CPMM shall also estimate if 'facilitation fees' are prevalent and significant in getting permits.

Total Cost = **Official** + **Unofficial**

Possible trade facilitation initiatives can be e-payment, one stop shop operation and removal of unnecessary documents.

## Important Discussion Point

For the new Trade Facilitation Indicators (TFIs), it may be more meaningful to report by country, rather than by corridor level. This allows the trade facilitation team to work with the policy makers and the private sector to evaluate and improve the trade facilitation effectiveness at a national level.



# New TFIs in Excel Template

	A	B	C	D
1	<b>FILE ID</b>	<b>1</b>	<b>2</b>	<b>3</b>
2	Route			
3	Commodity			
4	Commodity Classification			
5	Perishable			
6	Cargo Weight (tons)			
7	Container?			
8	TIR?			
9	Date of questionnaire completion			
10				
11	Number of Agencies			
12	Number of Documents			
13	Document Time (Processing) Hrs			
14	Document Time (Waiting) Hrs			
15	Document Time (Total) Hrs	0.00	0.00	0.00
16	Document Cost (Official) USD			
17	Document Time (Unofficial) USD			
18	Document Time (Total) USD	\$0.00	\$0.00	\$0.00
19				
20				
21	Distance (km)	0.00	0.00	0.00

Navigation: Dashboard | **Summary** | Controls | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9



## Feedback Mechanism

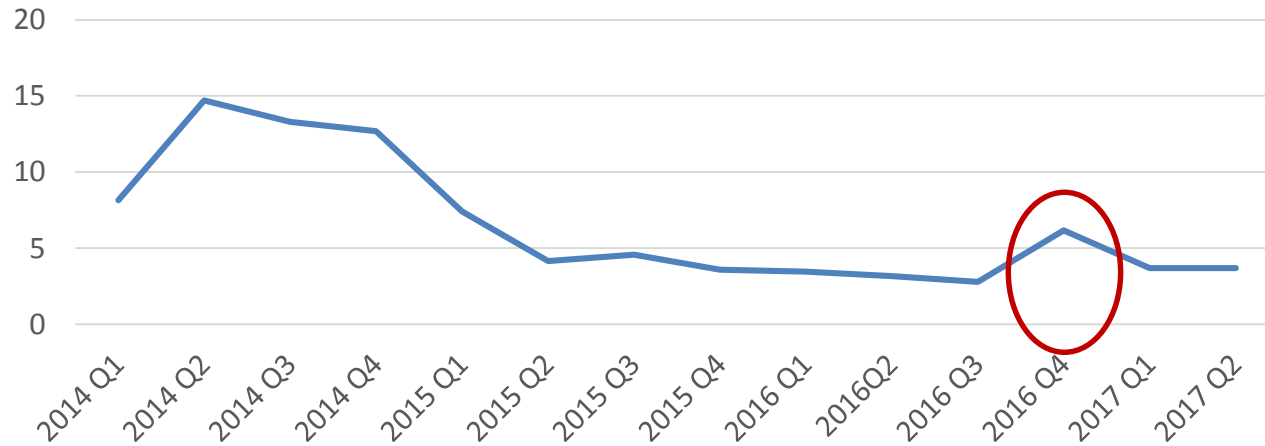
- Samples from associations will be summarized quarterly/monthly to solicit feedback from partner associations. It aim to gather ideas and comments in drafting reports and to confirm the veracity of submissions.





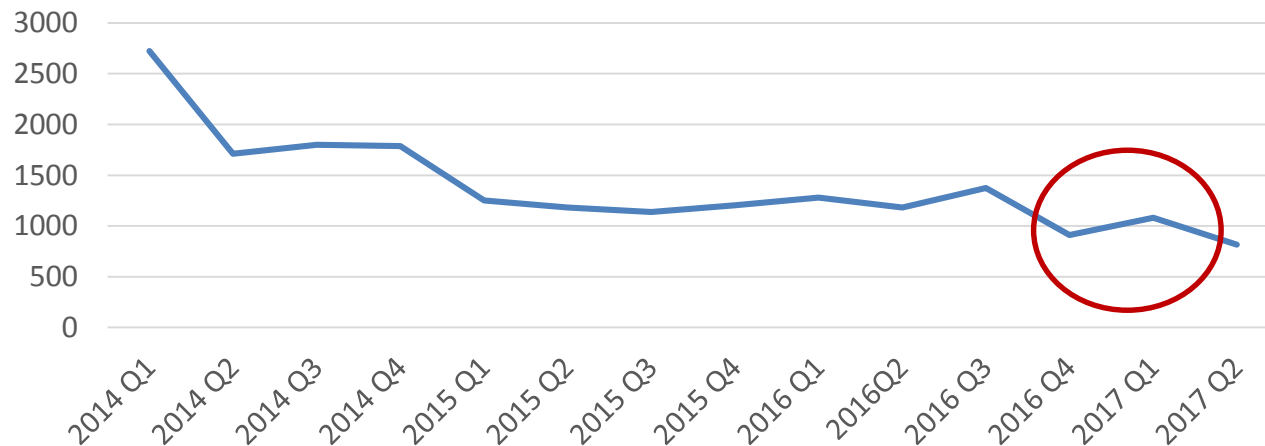
# Example: XULA Road Samples

## Road TFI1: Border Crossing Duration, average hours



We need to substantiate sudden jumps in data trends from each associations which are left unexplained in their data.

## Road TFI3: Transport cost per 500 km, \$



Inconsistent trends may have underlying reasons (such as prices, seasonality) which are not reported in TCDs