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INTEGRATED APPROACH FOR PERFORMANCE MEASUREMENT AND MONITORING

**SEMINAR ON TRADE LOGISTICS AND CAREC CORRIDOR
PERFORMANCE MONITORING**

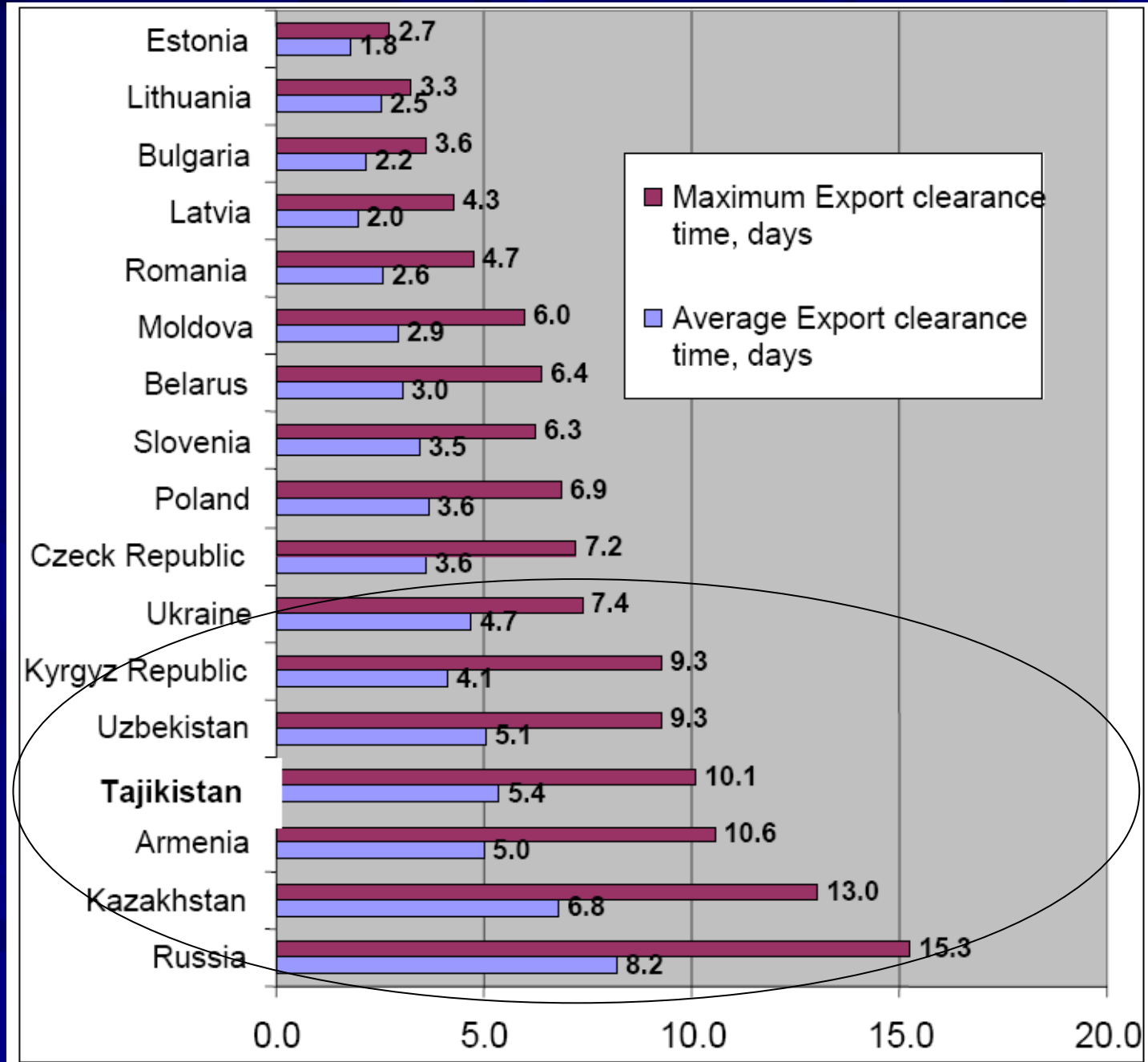
23 APRIL 2008 * BAKU, AZERBAIJAN

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Some key indicators on Trade Logistics in the CAREC region

Average Export clearance times.

Source:
BEEPS
2006,
EBRD



Ex.: Import complexity in Doing Business survey 2006: Tajikistan, Russia and Latvia

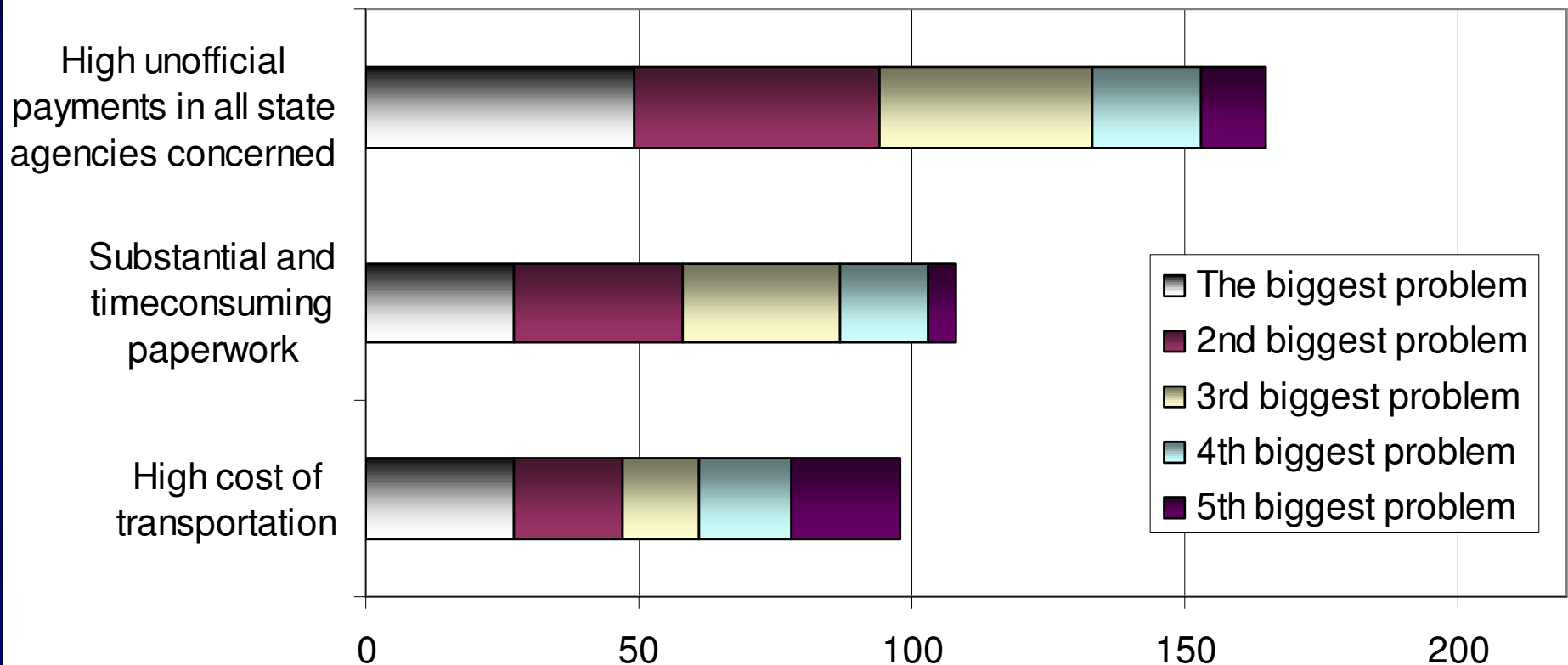
Needed in Import	Tajikistan	Russia	Latvia
Number of docs to export	14	8	6
Time to export (days)	72	39	11
Cost to export (USD)	4,300	2,237	965
Number of docs to import	10	8	5
Time to import (days)	44	38	12
Cost to import (USD)	3,550	2,237	965

Data source: Doing Business 2006, The World Bank/IFC

Example of country-level surveys among traders

Country X in the CAREC region in 2004-2005

The Biggest Detriments to Imports Identified by firms (N=221)



Example of macro level indicators

Order of magnitude of estimated logistics costs in CAR* trade in 2003

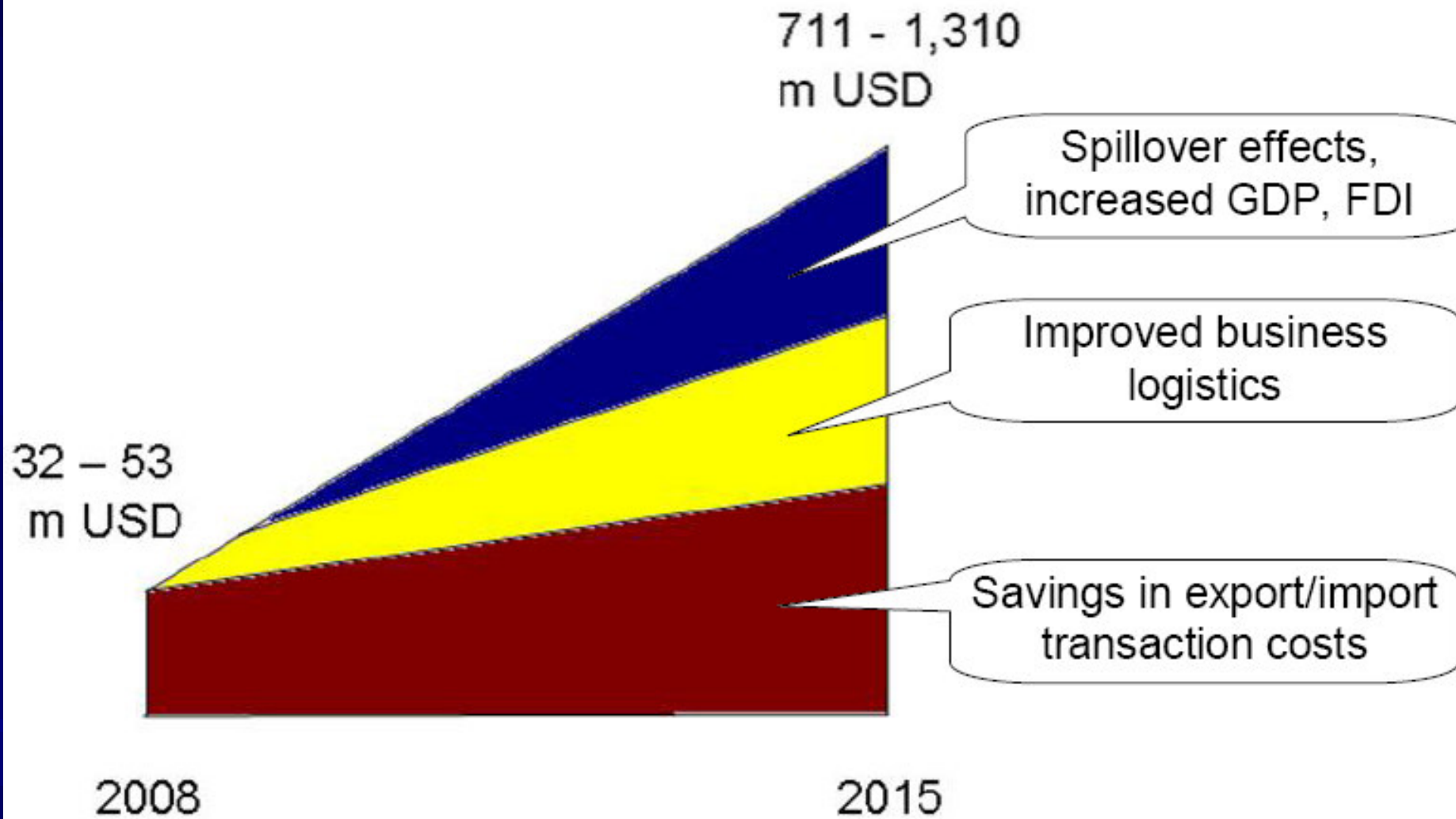
- **Transport costs:**
 - 11.5 % of export value and 8.0% of import value
- **Other logistics costs add:**
 - 7 - 10 %-points in exports and 5 - 8 %-points in imports

- **Total logistics cost of CAR trade 5.8 to 6.7 \$bn;
16 % to 19 % of trade value, a very high share**

*) KAZ, KGZ, TAJ, TKM, UZB; Exports = 20.6 \$bn and Imports = 14.9 \$bn

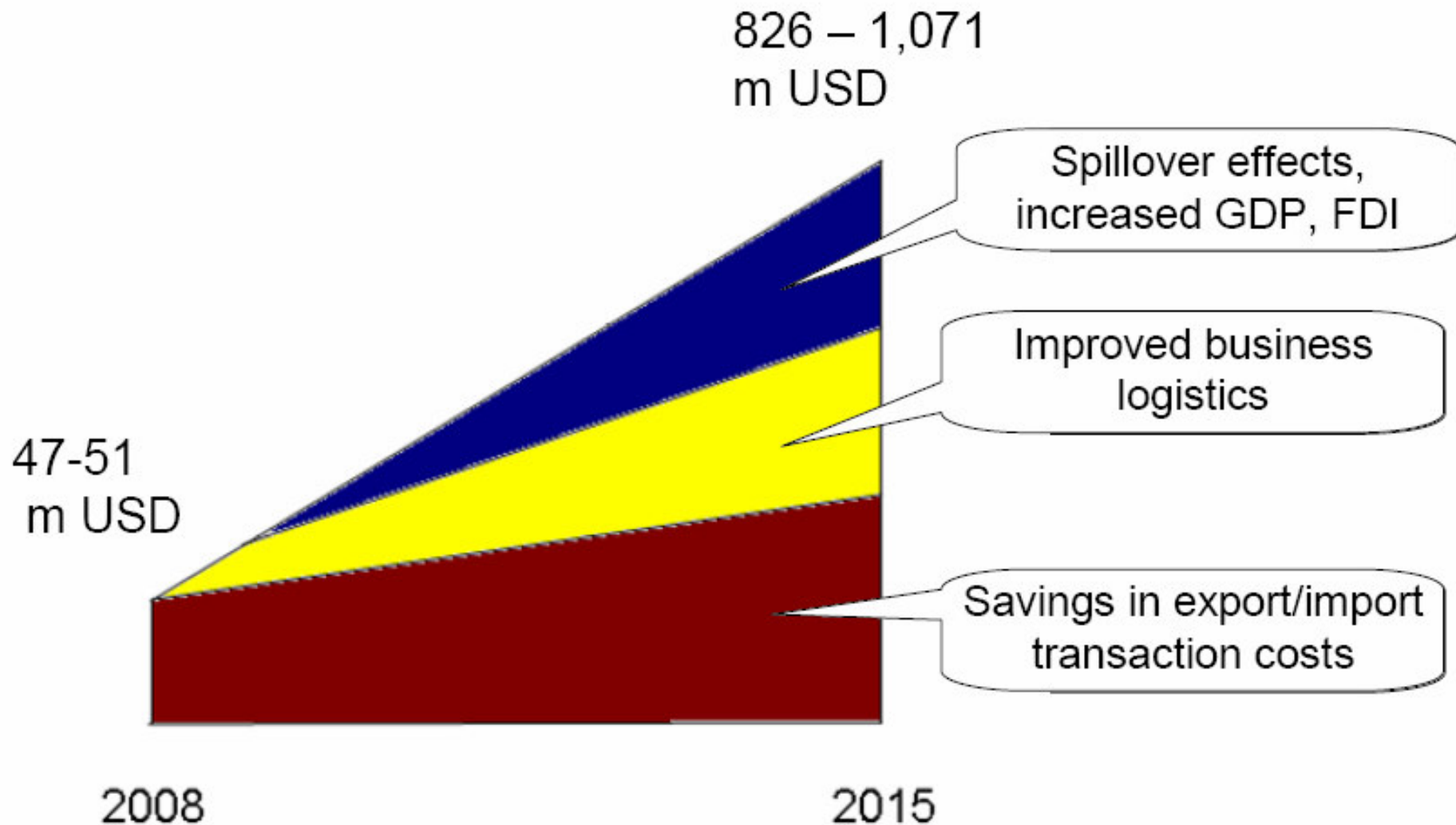
Trade Facilitation and Trade Logistics improvements have a substantial economic effect

Estimated savings: Kyrgyz Rep.



Source: Tapio Naula (March 2007) Study on Simplification of Export and Import Procedures in the Republic of Kyrgyzstan; GTZ

Estimated savings: Tajikistan



Source: Tapio Naula and Khushnidjon Rasulov (June 2007) Study on Simplification of Export and Import Procedures in the Republic of Tajikistan; GTZ

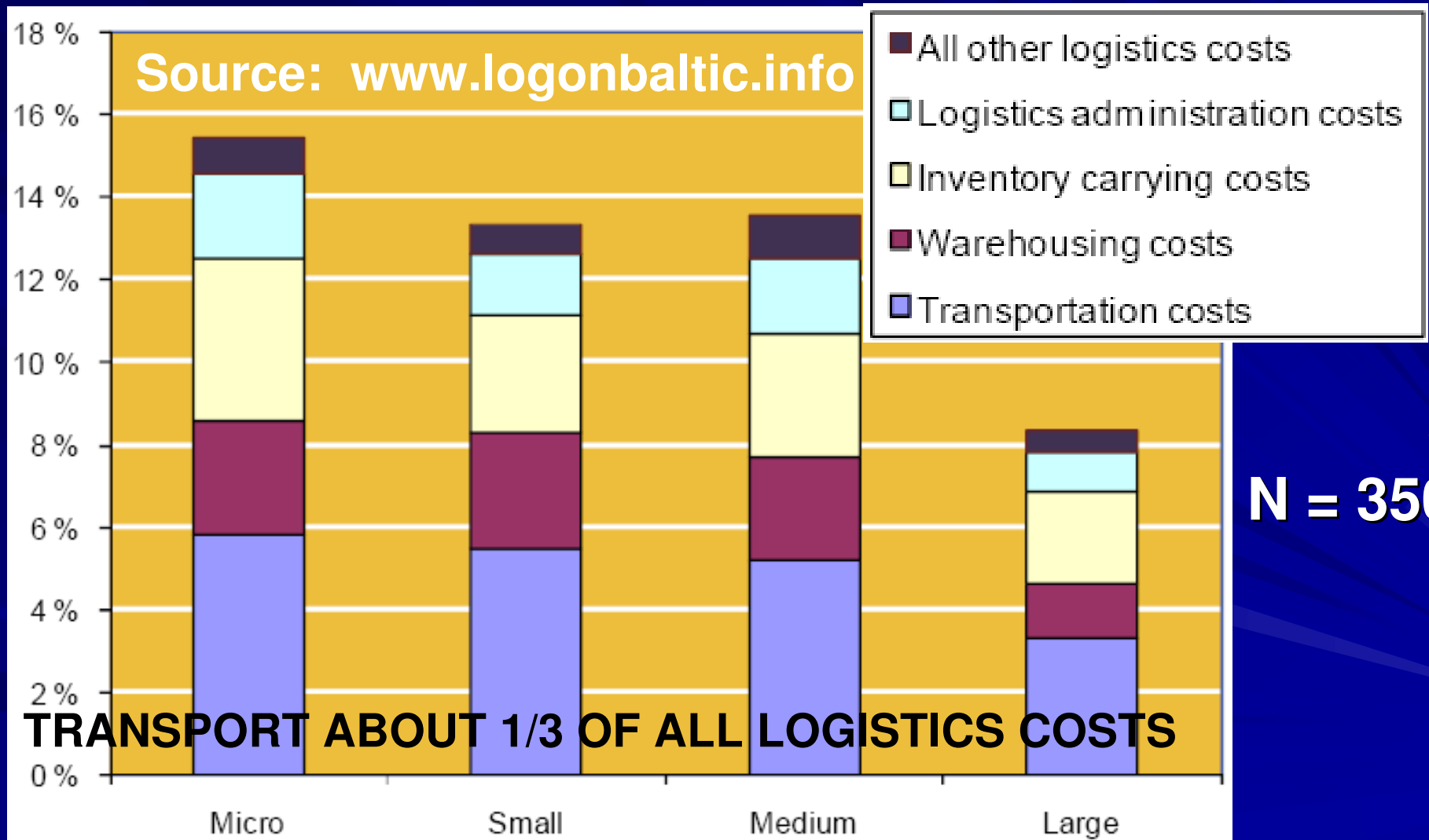
Logistics costs for traders

Typology of logistics costs for manufacturers and traders

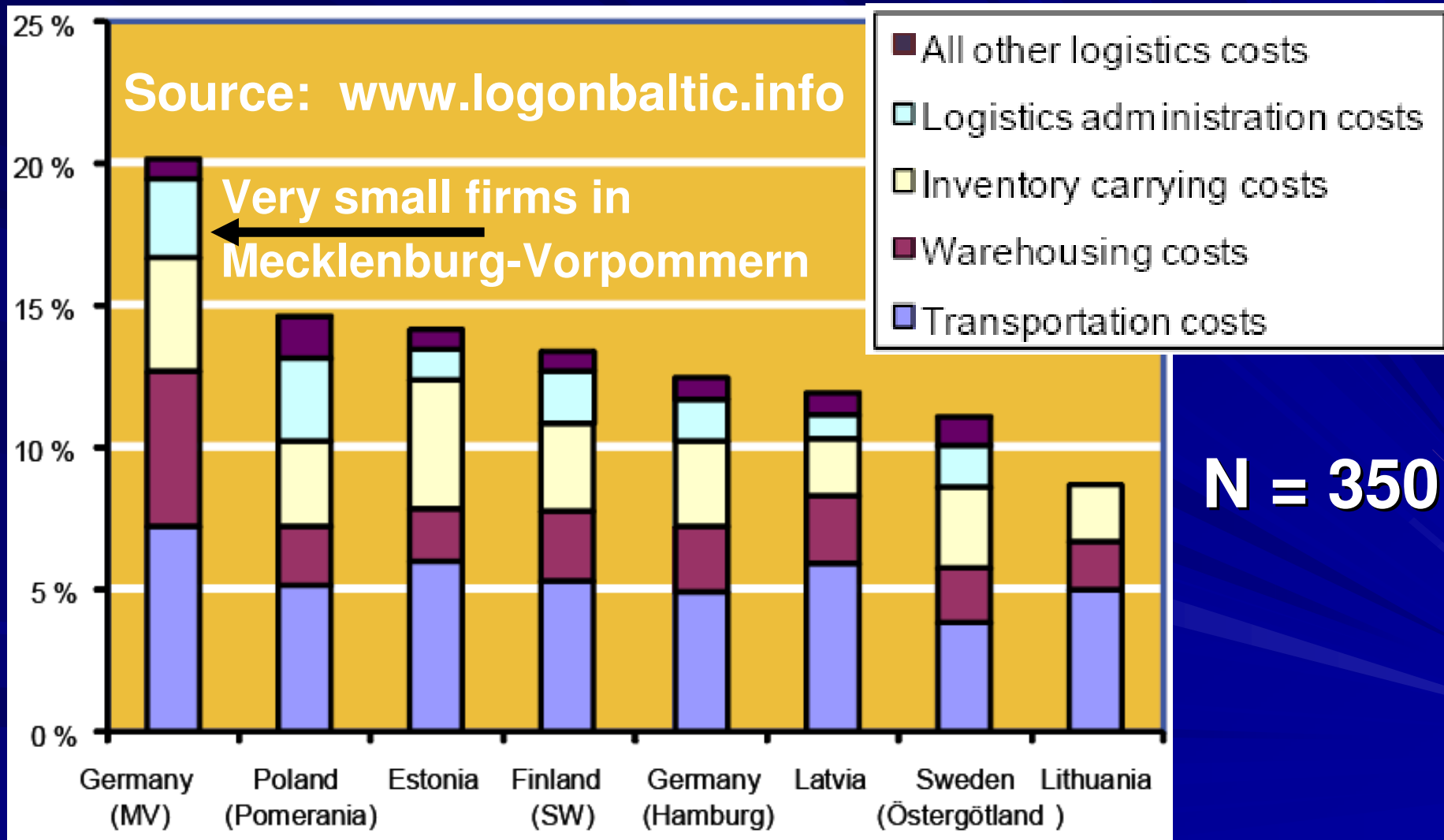
Alternative – or overhead costs	Stock keeping Cost of time IT-maintenance	Lost sales Customer service level Non-marketable products IT mainetance/purchases
	Transportation (freight) Goods handling Warehousing Fairway–, road-, etc fees Documentation Communication	Packing materials Packing Capital costs of equipment and facilities Administration
Functional costs	Direct logistics costs	Indirect logistics costs

Original: Ojala & Häkkinen(2005)Freight Logistics note to European Commission

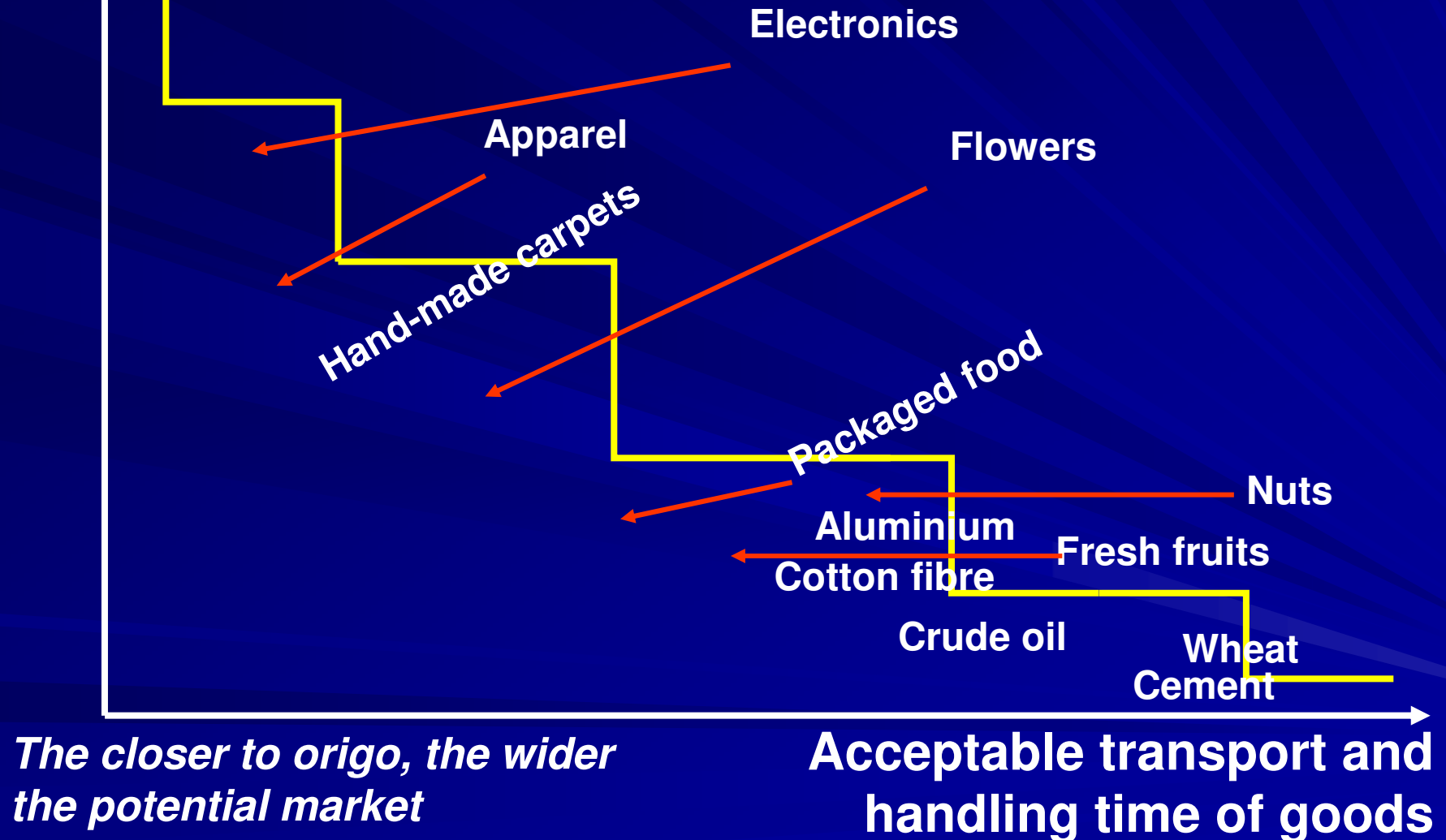
Firm size greatly affects manufacturers logistics costs (percent of turnover); data from the Baltic Sea Region in 2007



Logistics costs as % of turnover differ by country, but size and industry matter more; Baltic Sea Region manufacturers in 2007

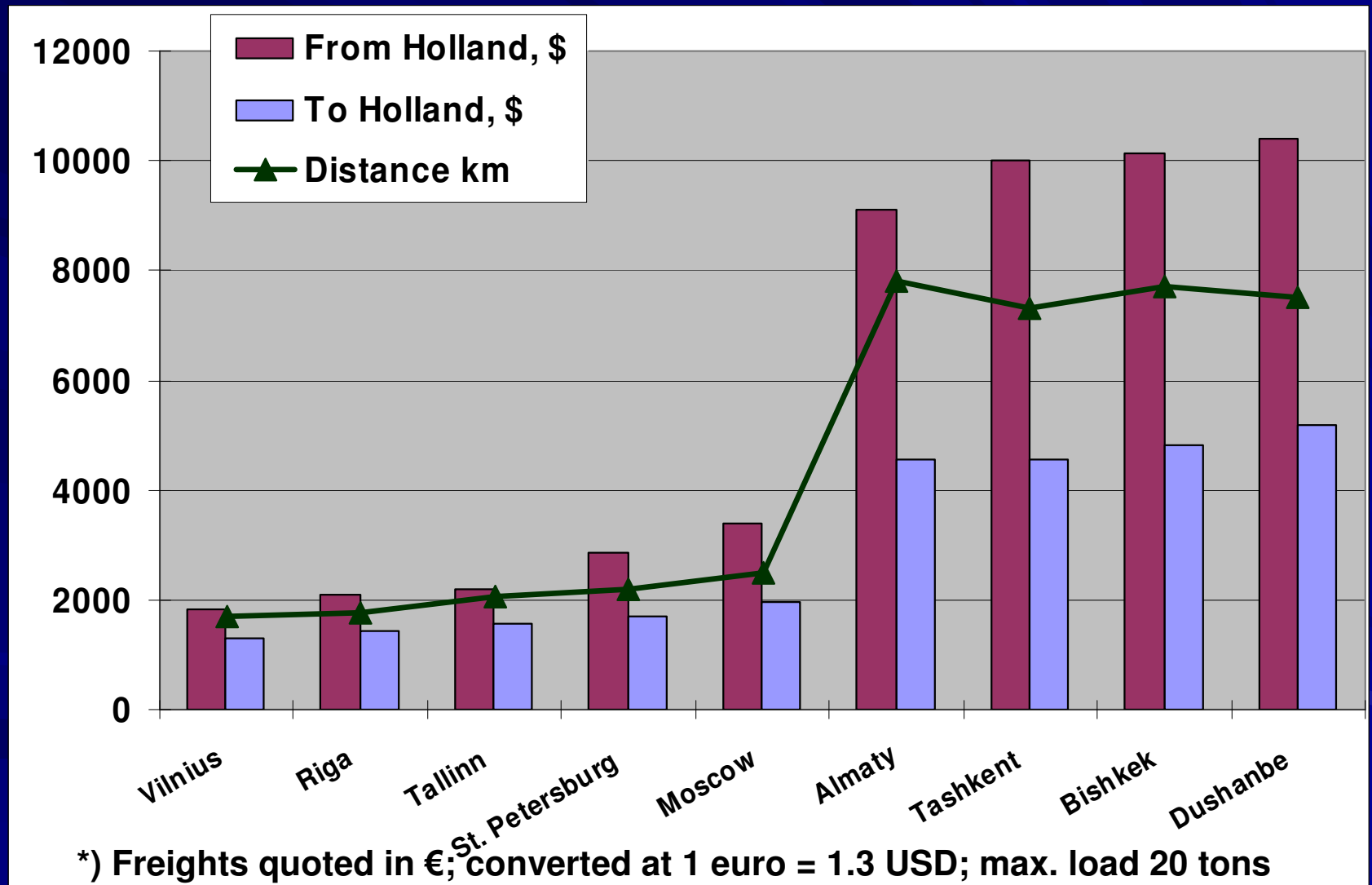


CAR Goods **above the line** seldom competitive in world markets; their market is domestic or with neighbors



Selected transport cost indicators in the CAREC region

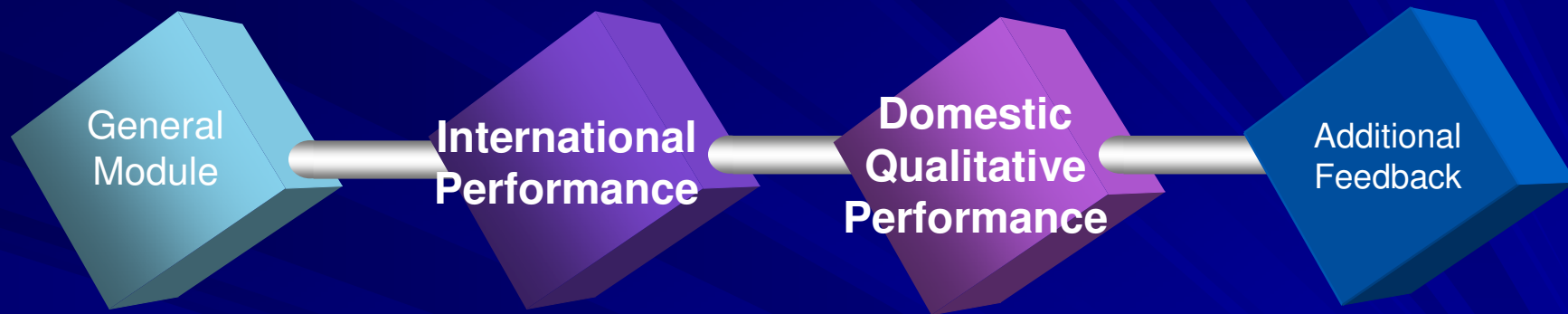
Full truck load (FTL) freight indications in 2005 in USD *)



Logistics Performance Index by The World Bank November 2007

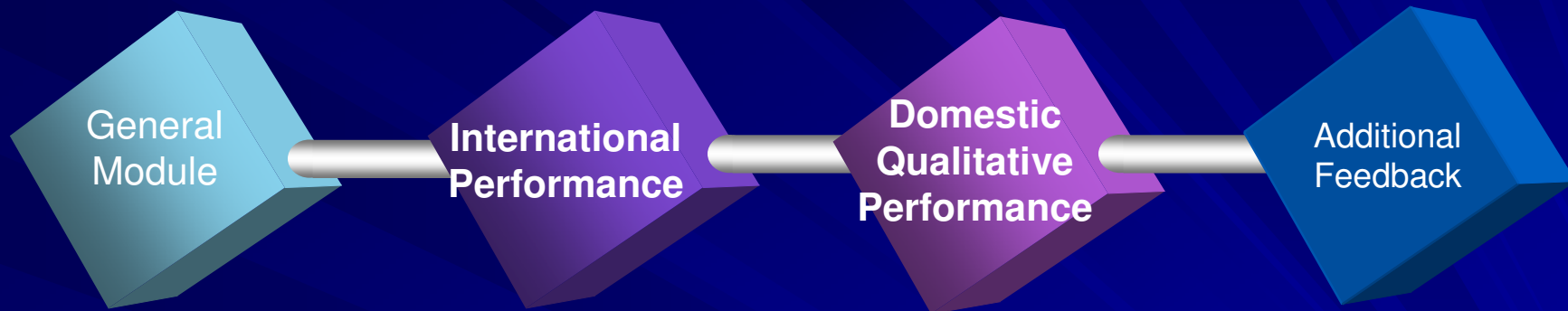
www.worldbank.org/lpi

The LPI Survey – Structure



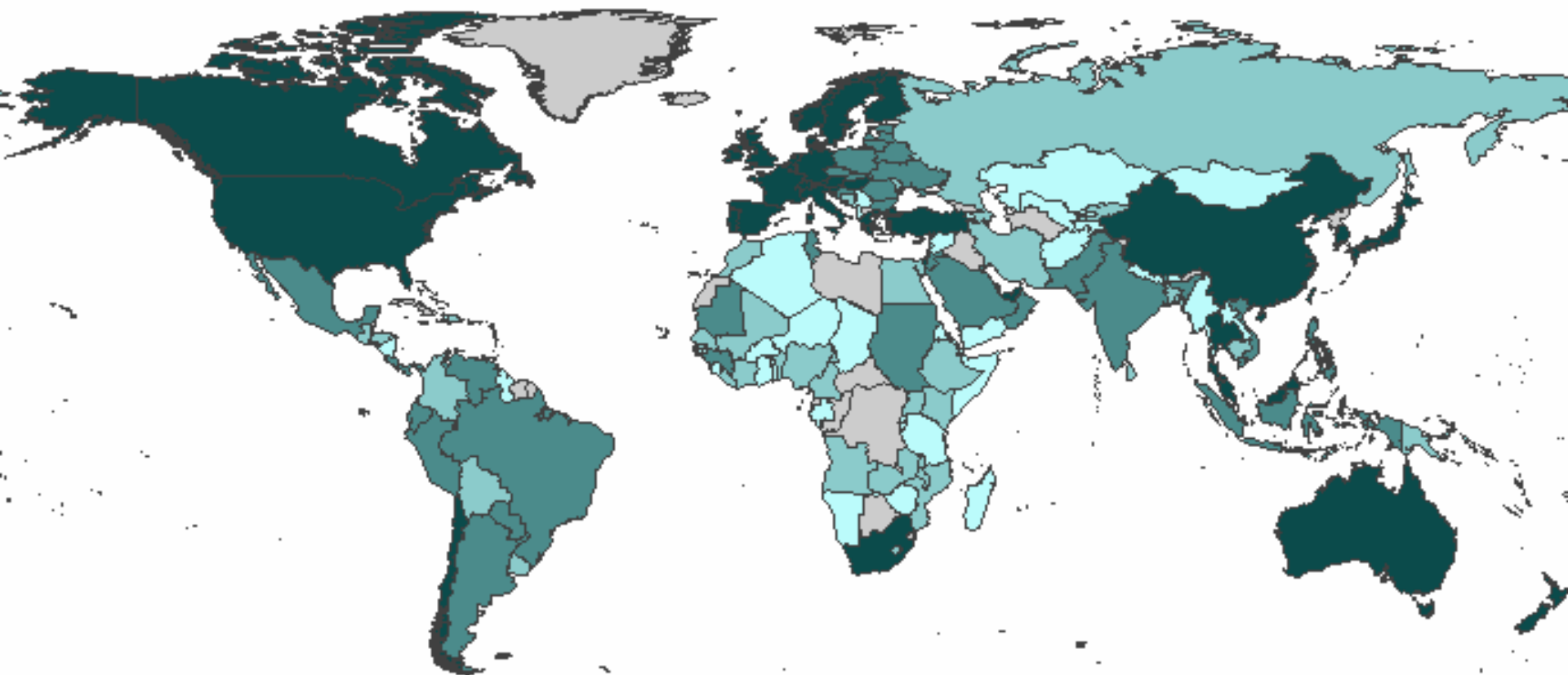
The survey used an anonymous web-based questionnaire asking respondents to evaluate their country of residence and eight countries they are dealing with on several logistics dimensions.

The 7 Key Dimensions of LPI



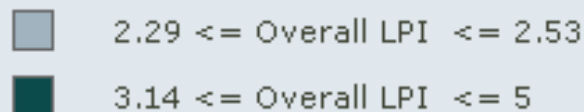
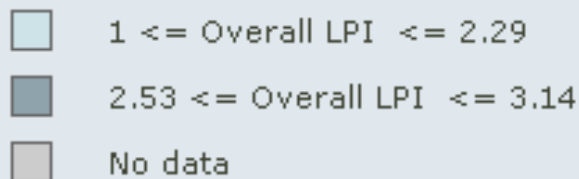
150 countries assessed on:

- Customs and other border procedures; and
- Transport and IT infrastructure;
- Ease and availability of shipments;
- Logistics competence.
- Traceability of shipments;
- Domestic transportation costs;
- Timeliness of shipments;



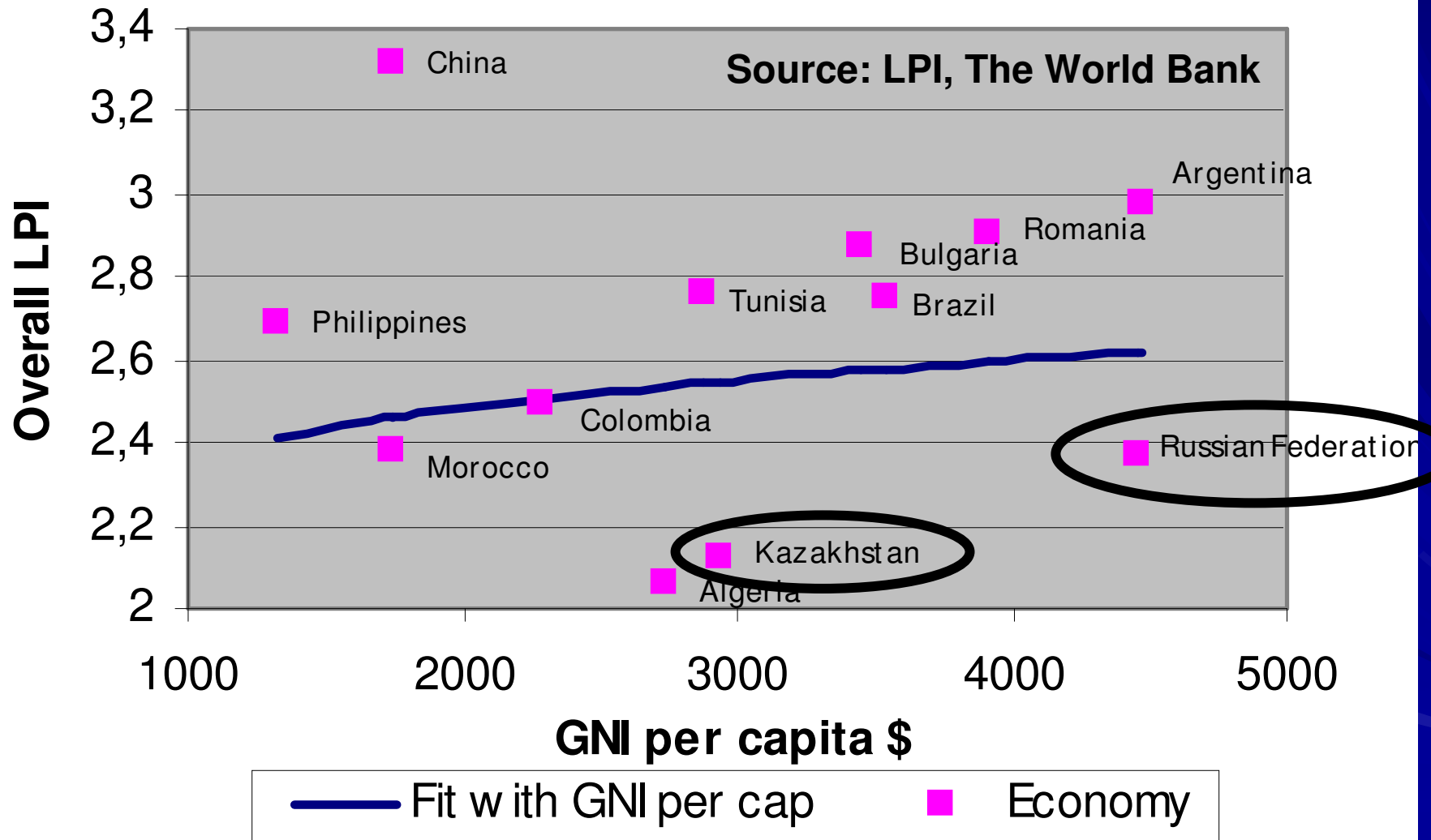
Overall LPI scores on a World map

www.worldbank.org/lpi

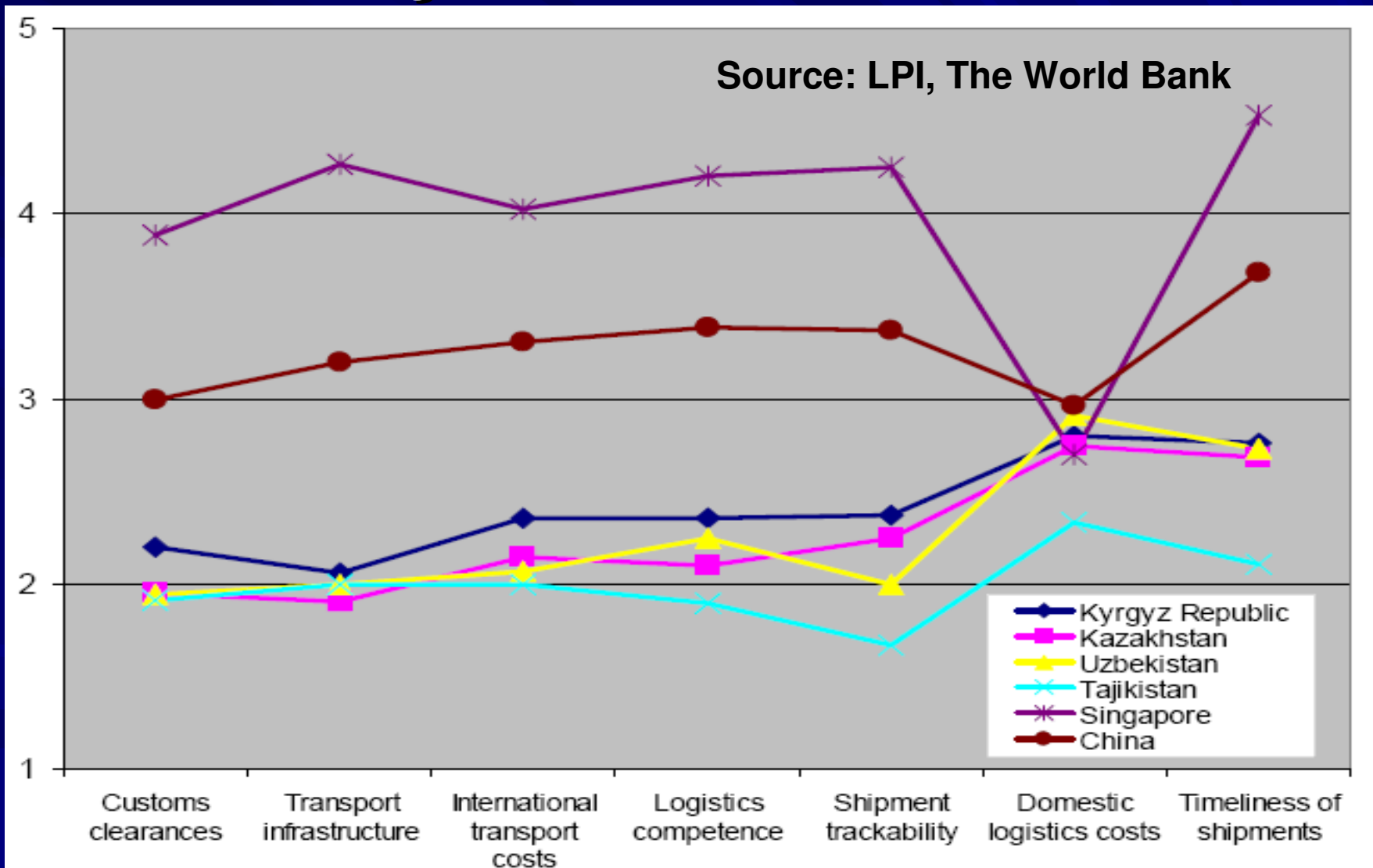


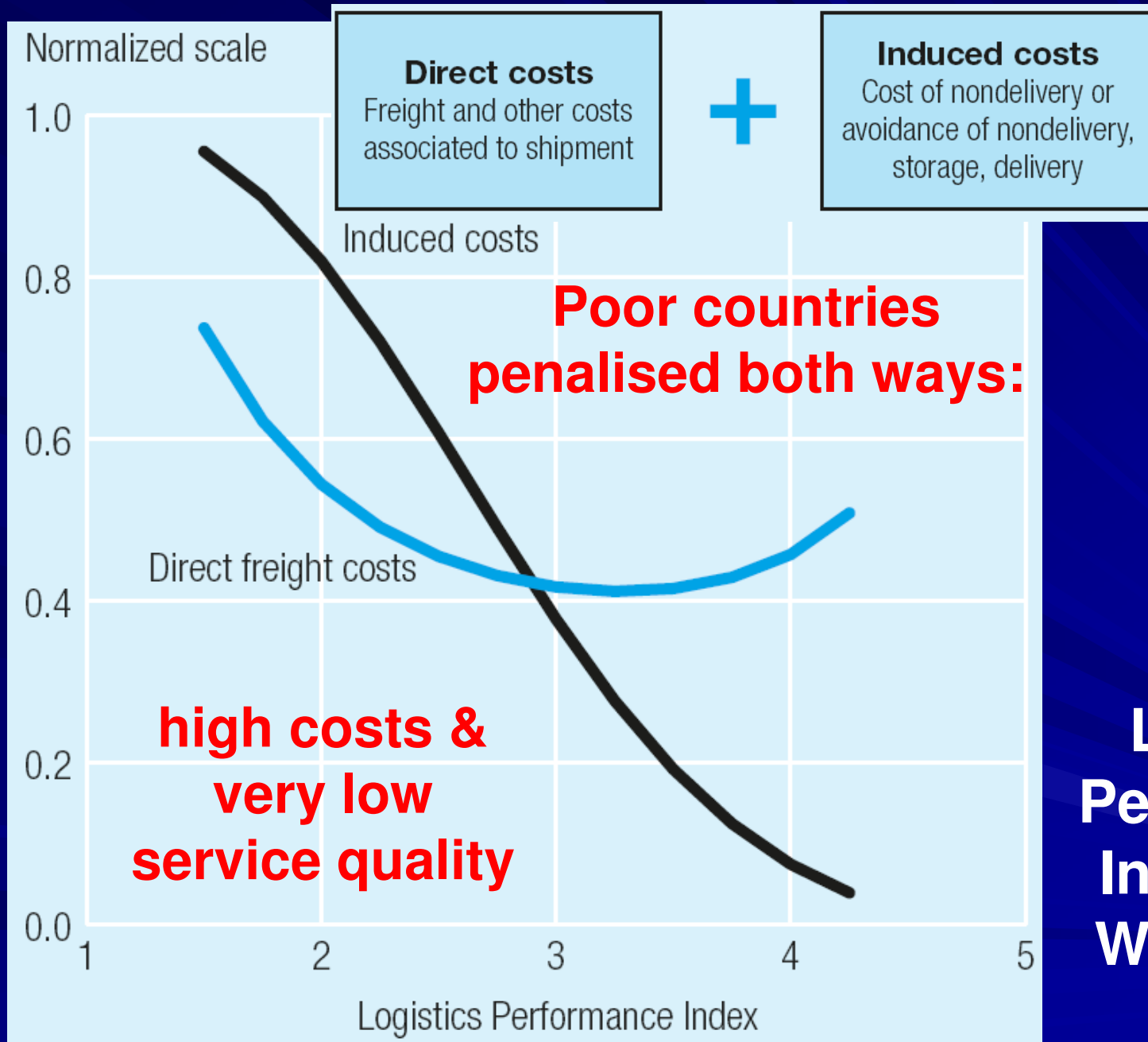
1 is the lowest score and 5 is the maximum score.

Income level alone does not explain differences among countries



CAREC Logistics Performance Index scores by its seven dimensions





**Source:
Logistics
Performance
Index 2007,
World Bank**

**Trade Facilitation and
Trade Logistics
improvements have a
substantial effect across
the society to help
eradicate poverty**

...looking what's up in trade logistics



Thank You!

References

- **Business Environment survey BEEPS, European Bank for reconstruction and Development (EBRD)**
- **Connecting to Compete; Logistics Performance Index 2007, The World Bank; www.worldbank.org/lpi**
- **Doing Business 2006, The World Bank/IFC**
- **LogOn Baltic project on Logistics development in the Baltic Sea Region in 2006-2007; see: www.logonbaltic.info**
- **Naula, Tapio: Study on Simplification of Export and Import Procedures in the Republic of Kyrgyzstan; March 2007, GTZ**
- **Naula, Tapio and K. Rasulov: Study on Simplification of Export and Import Procedures in the Republic of Tajikistan; June 2007, GTZ**
- **Ojala, Lauri and Häkkinen, Lotta (2005) Freight Logistics note to European Commission**