



Trade facilitation around the world: State of play and economic impacts

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Session 1. Measuring the impact of five years of TFA Implementation

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Outline

Global supply chains continue to experience disruptions, which are placing logistics under further stress and increasing uncertainty around trade costs → Trade facilitation measures remain key in offsetting some of the time and cost increases experienced by firms and consumers across all sectors.

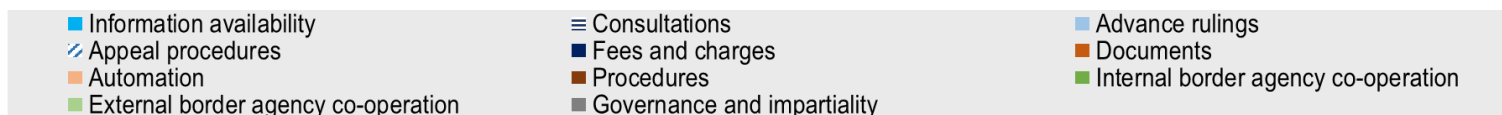
- (1) How and where is progress taking place in the implementation of the various TFA areas
- (2) What are the multi-dimensional economic benefits from continued efforts in implementing the TFA
- (3) Which challenges need to be addressed to reap the economic benefits



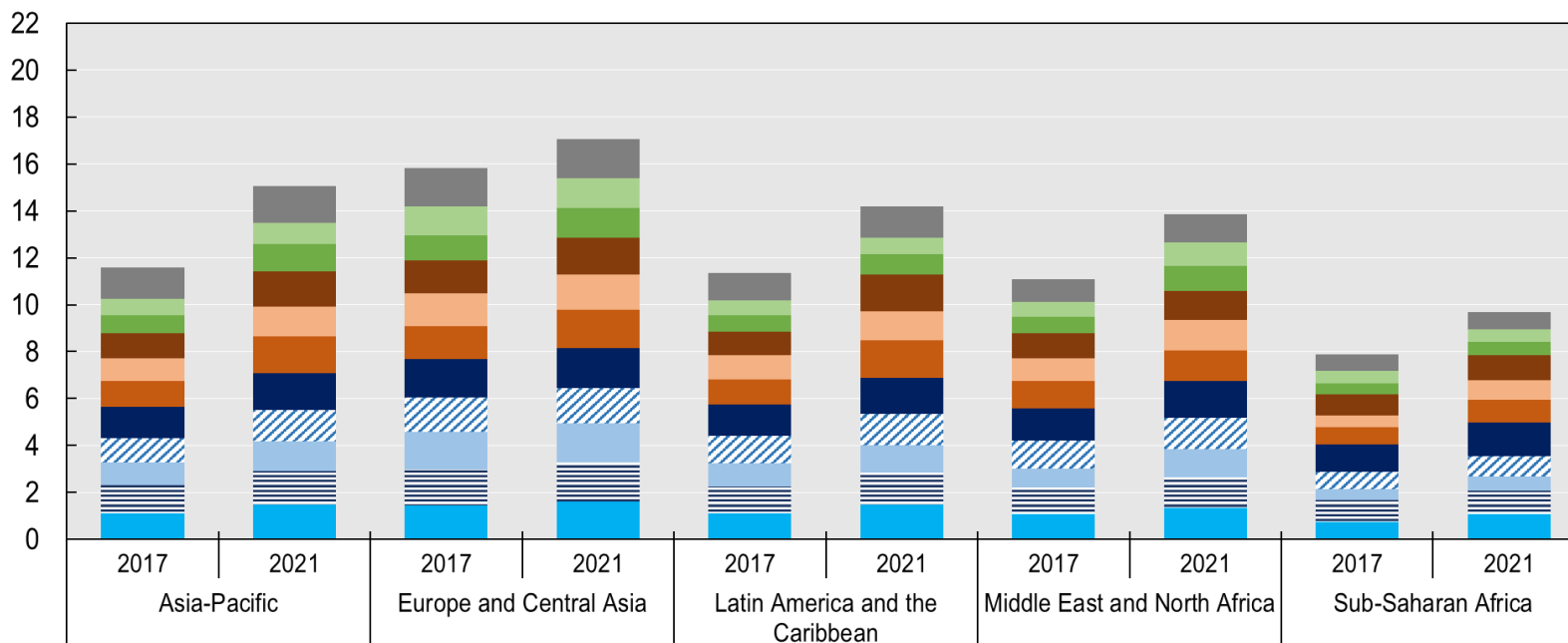
How and where is progress taking place in the implementation of the various TFA areas

Progress in implementing TF reforms is occurring across all regions

OECD Trade Facilitation Indicators (TFIs), 2017-22



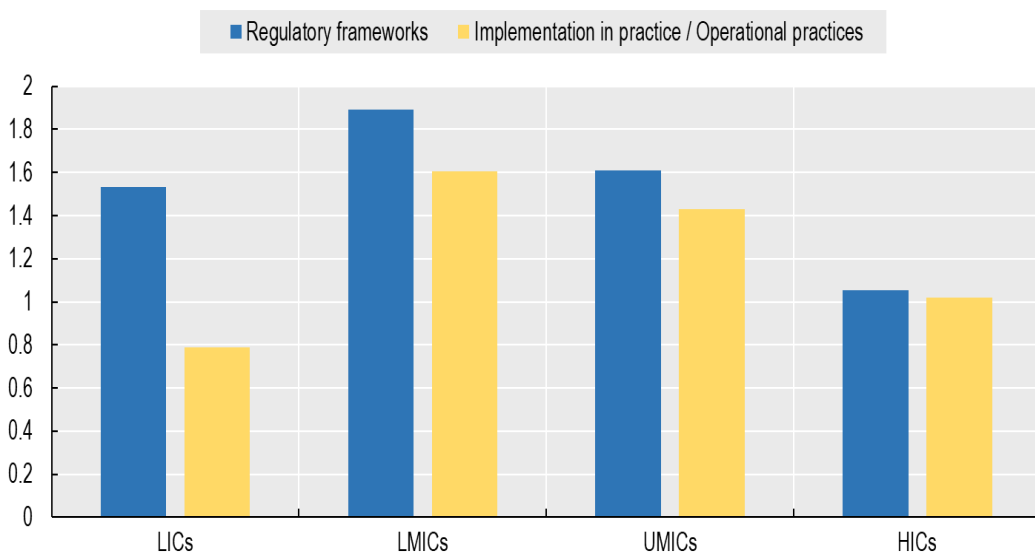
TFI indicator (2=maximum performance possible by area)



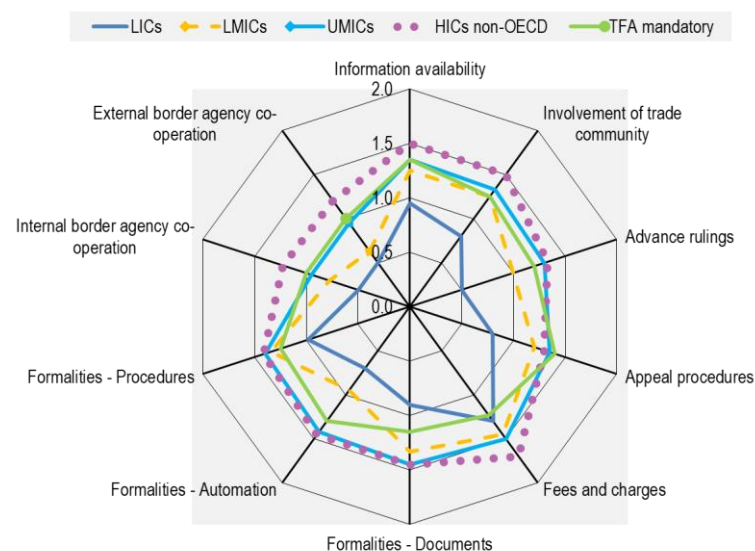
Source: TFIs database, 2022.

Improvements in regulatory frameworks are supporting TFA implementation

Improvements in regulatory frameworks are notable across all income groups (2021-22)



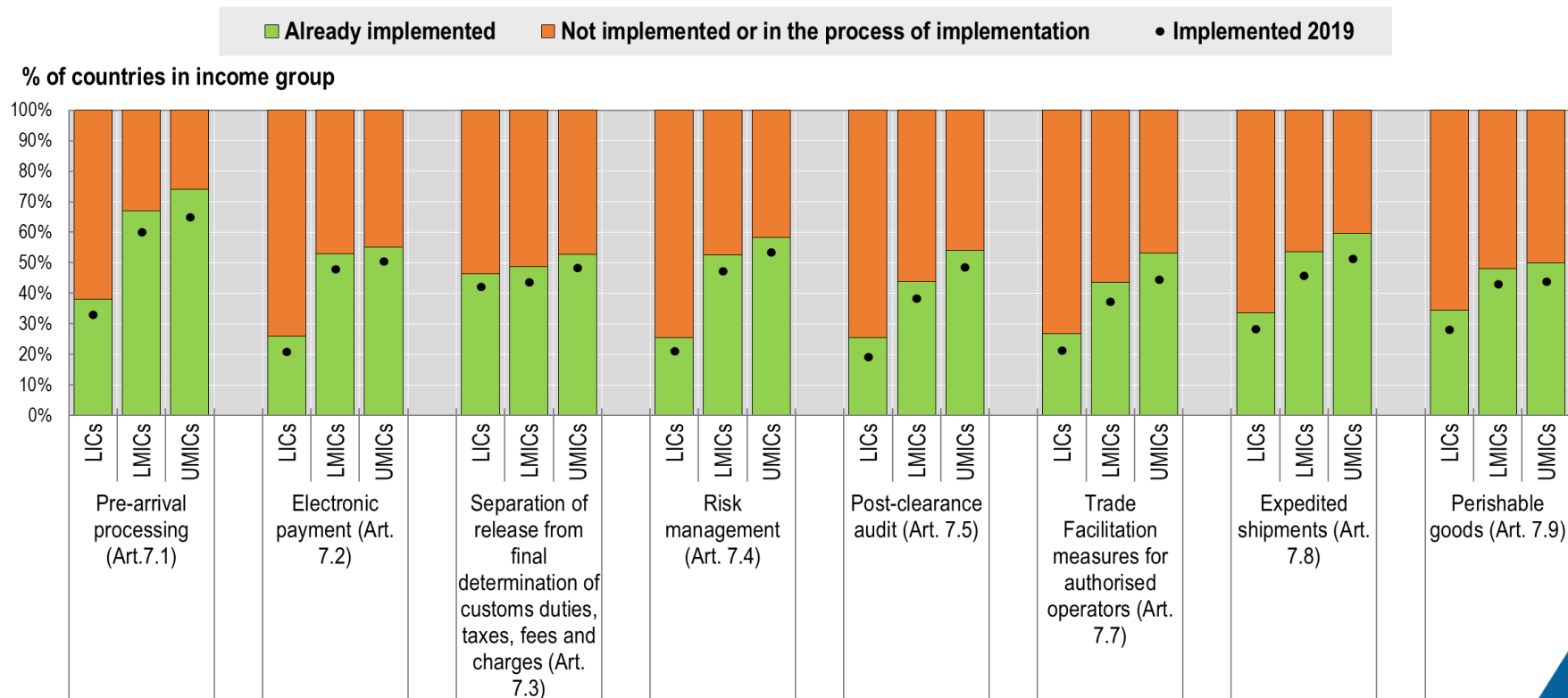
TFA implementation advances across all income groups (2021-22)



Source: TFIs 2021-22 data collection.

» And helping advance the digitalisation of trade-related processes, essential during the COVID-19 crisis

TFA areas relating to the release and clearance of goods



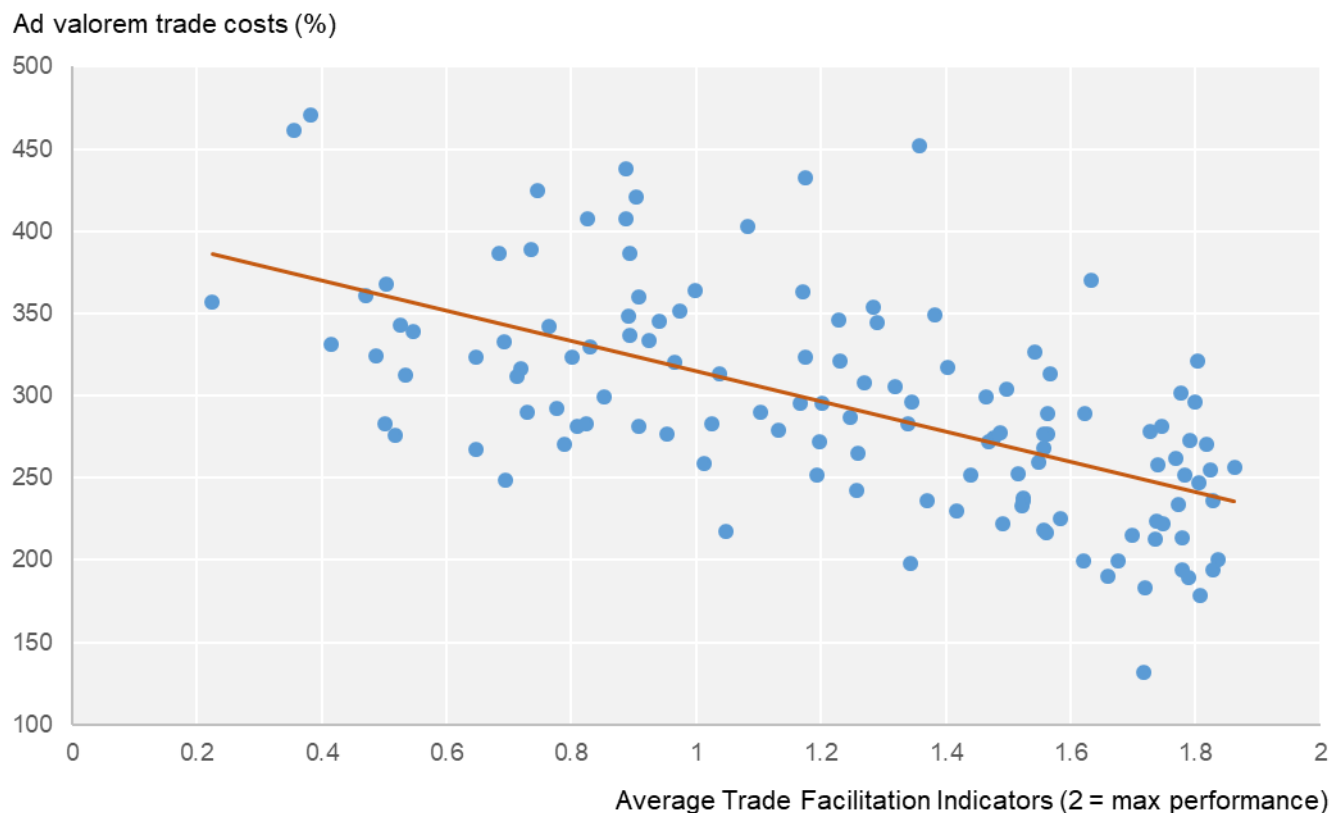
Source: TFIs 2021-22 data collection.



What are the multi-dimensional economic benefits from continued efforts in implementing the TFA

Trade facilitation policies support participation in international trade, across all goods sectors

Trade facilitation performance and trade costs for all goods, selected economies, 2019



Source: UN ESCAP – World Bank Trade Costs Database and Trade Facilitation Indicators database.

» Trade facilitation matters for inclusiveness and for the digital age

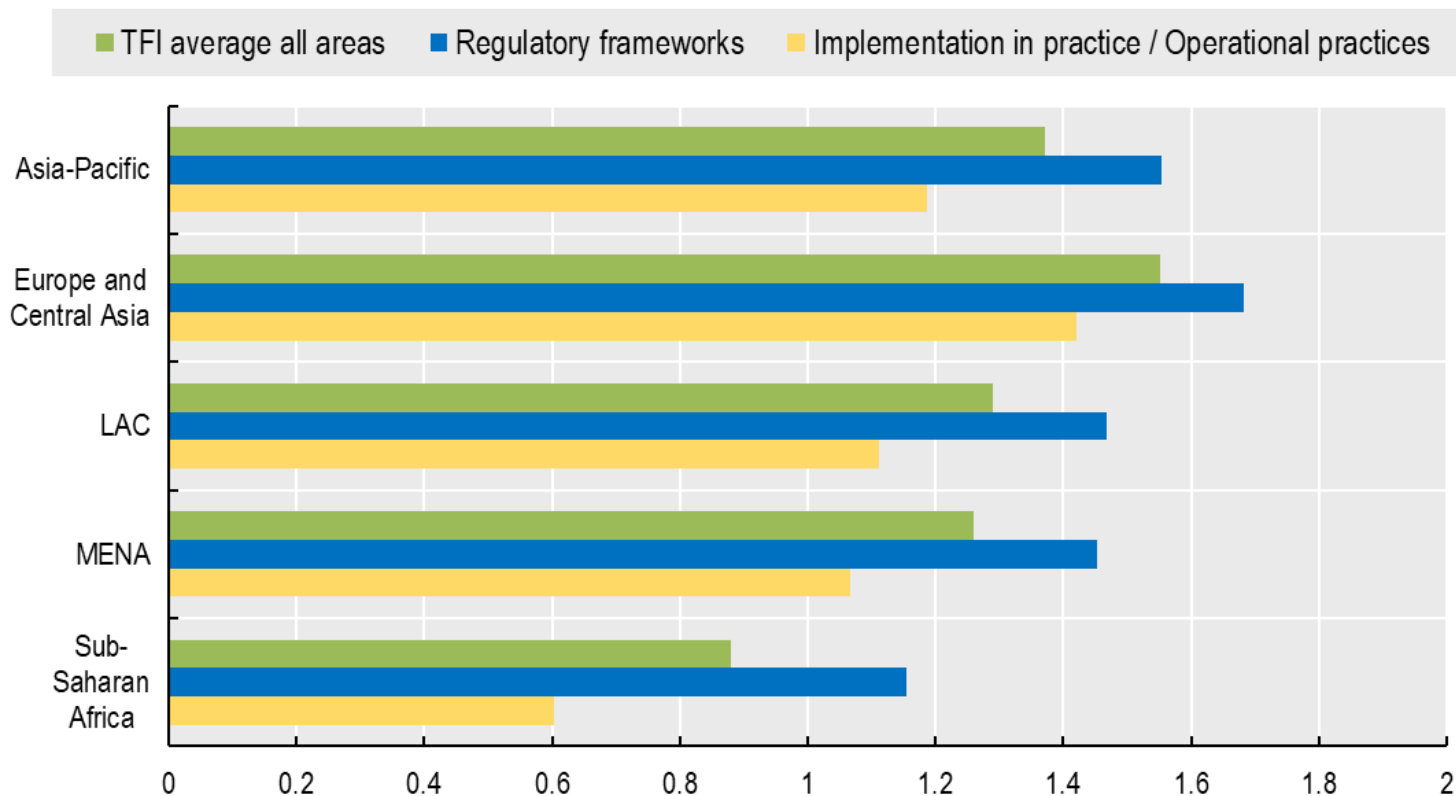
- Even small improvements in the trade facilitation environment can increase the **probability of an MSME becoming an exporter** by **up to 3%** in countries at all levels of development
- Areas such as automation of border procedures can increase MSMEs exports by between **4.5%-6.5%**
- **Trade facilitation policies matter more, not less, in the digital age:** trade facilitation policies such as transparency, automation and streamlining of processes at borders, as well as border agency cooperation can each enhance **parcel exports** -- including those that are digitally ordered -- by between **6% - 14%**



**Which challenges need to be
addressed to reap the economic
benefits**

» Further efforts needed in closing gaps between regulatory frameworks and implementation in practice

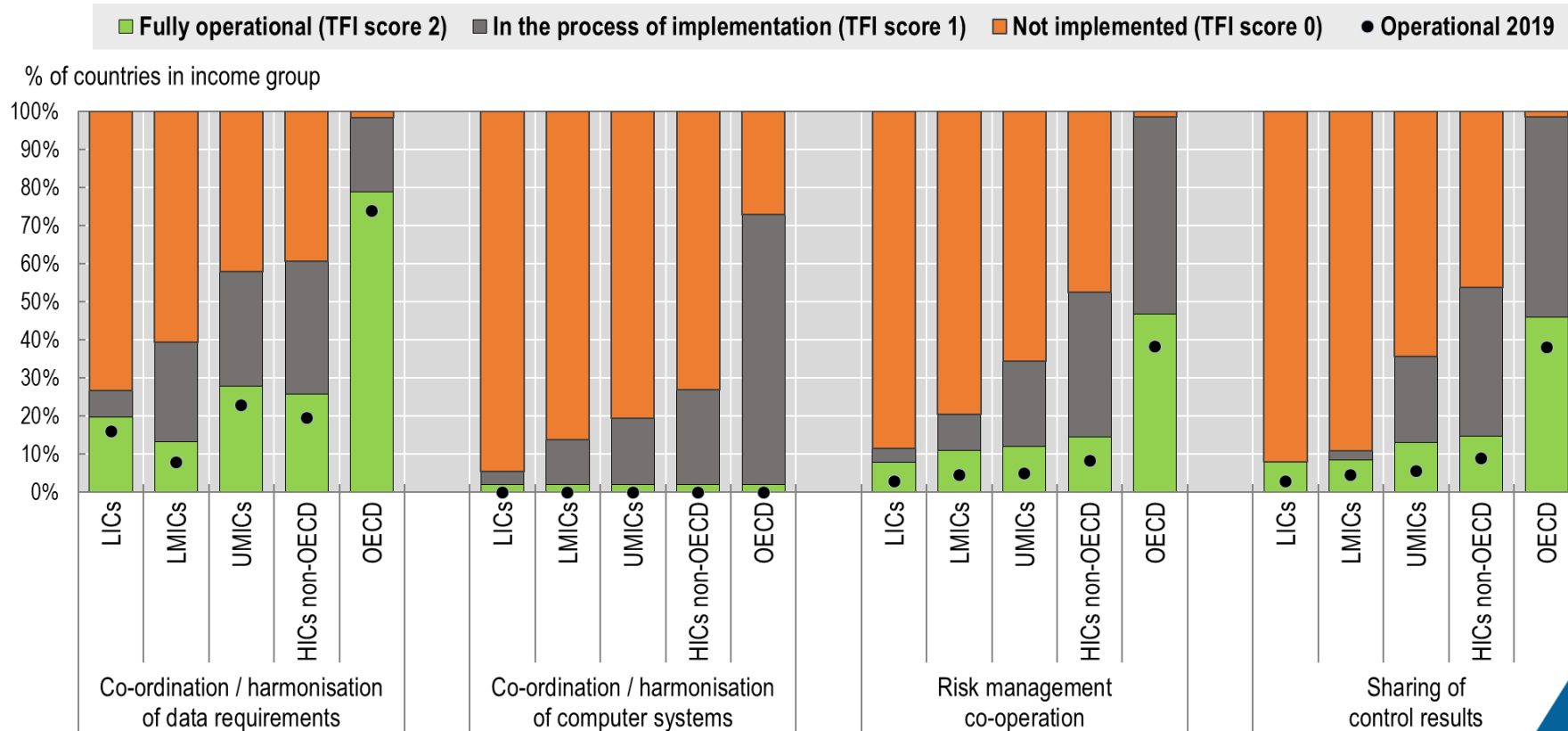
Improving operational practices is more challenging than establishing regulatory frameworks



Source: TFIs 2021-22 data collection.

Advancing border agency co-operation to enhance global supply chains resilience

Improving cross-border agency co-operation can build on progress in automating trade-related processes



Source: TFIs 2021-22 data collection.

» Thank you for your attention!



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