



THE WORLD BANK



Turku School of
Economics, Finland



International Federation
for Freight Forwarders
Associations



logistics perception index

2006 survey Results



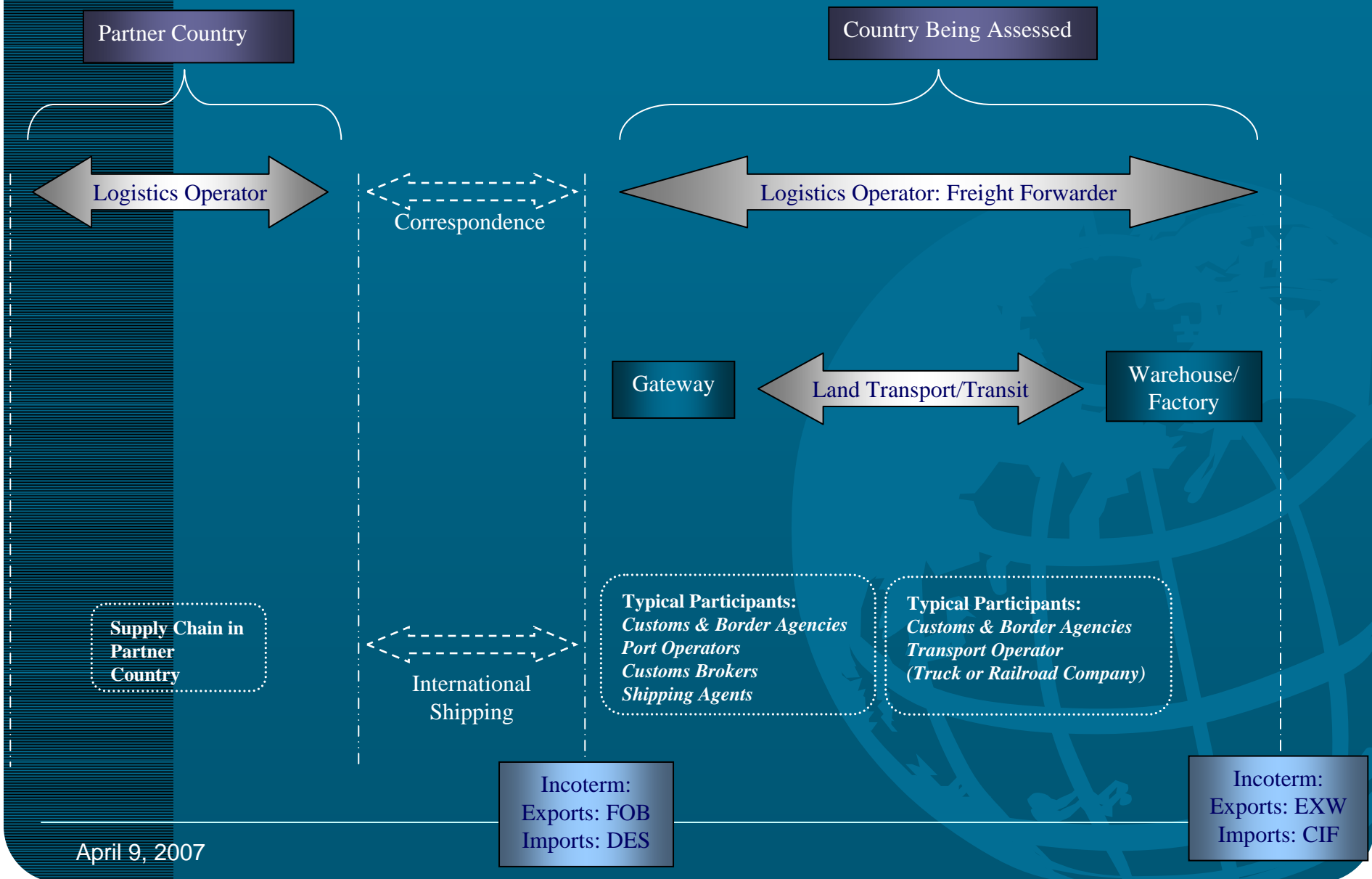
Global Facilitation
Partnership for
Transportation and Trade

Transport Forum

April 9, 2007

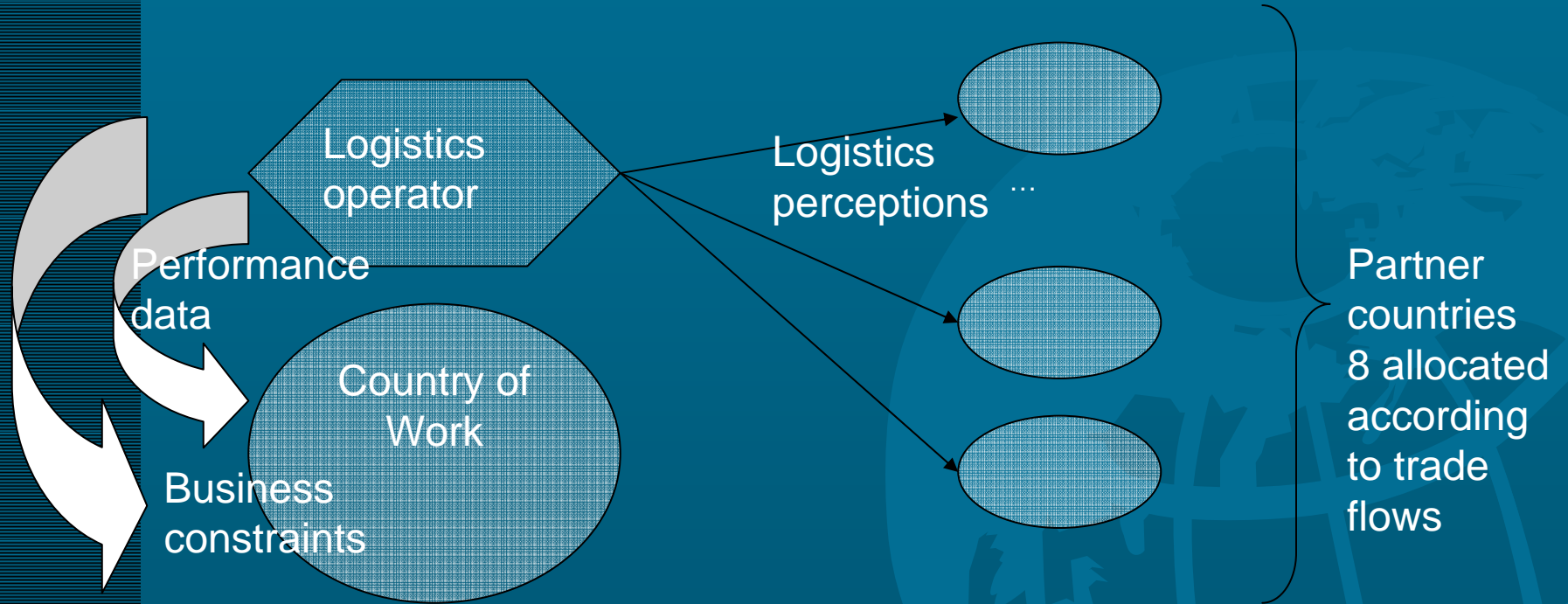


The Supply Chain Framework





The logistics providers as sources of information





The LPI Survey – Structure

Trade patterns vary greatly among countries. To maximize “authorized opinions,” LPI uses a tailor-made format for each group and for each country:



1. Low income landlocked countries
2. Low income coastal countries
3. Middle income landlocked countries
4. Middle income coastal countries
5. High income countries



The LPI Survey – Structure

a) Evaluation of 8 Most Important Trading Countries

Rate the effectiveness and efficiency of the clearance process by Customs and other border control agencies in ...

Evaluate the quality of infrastructure in use for logistics operations (e.g. ports, railroads, information technology) in ...

Assess the ease and affordability associated with arranging shipments to or from ...

Evaluate the level of competence of the logistics industry (e.g. transport operators, customs brokers) in ...

Rate the ability to track and trace your consignments when shipping to or from ...

Rate domestic logistics costs (e.g. local/transit transportation, (air)port and terminal handling, warehousing) in...

When arranging shipments to the countries listed below, how often do they reach the consignee within the scheduled delivery time?



The LPI Survey – Structure

b) Own Country Evaluation

Detailed Approach

Availability and Cost of Logistics Services

Level of Infrastructure

Logistics Competence Among Various Stakeholders

Effectiveness and Efficiency of Logistics Processes

Constraints in Logistics

"Hard Data" On

1. Border Crossing
2. Customs Clearances
3. Domestic Logistics



Logistics Perception Index 2006

English

In this part of the questionnaire, you are invited to rate eight countries listed below along seven key dimensions in logistics performance. The countries have been generated according to the trade patterns for your country of work.

Based on your experience in [international logistics](#), please provide **your perception** of the following countries against the generally accepted industry standards or practices. Please select the option that **best applies** to each individual country:

9/27. Rate the [effectiveness and efficiency of the clearance process](#) by Customs and other border control agencies in...

| | Very low | Low | Average | High | Very high |
|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Brazil | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| United States | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Chile | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Germany | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Gambia | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| India | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Panama | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Bosnia and Herzegovina | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |



The LPI Survey – Analysis

| | |
|----|-----------------------|
| Q1 | Clearance Process |
| Q2 | Infrastructure |
| Q3 | Organizing Shipments |
| Q4 | Competence |
| Q5 | Tracking |
| Q6 | Domestic Costs |
| Q7 | Timeliness |

- Correlation Except for Q6
- LPI Created by PCA to Reduce Noise
- Final Ranking for 150 Countries

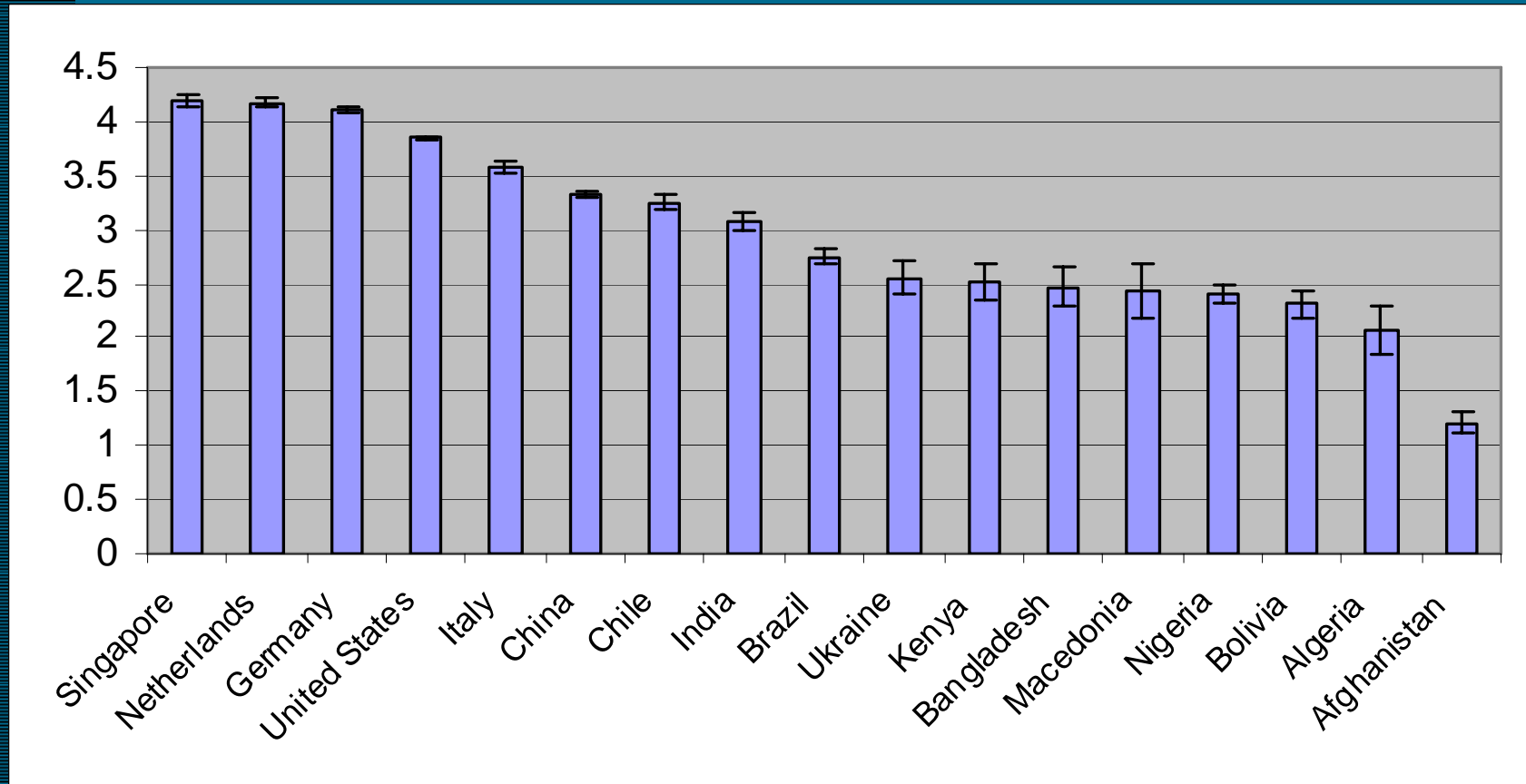
● Performance measurement of key trade logistics processes for 100 countries

➔ Link perceptions and outcomes



Overall Logistics Perception Ranking

▶ The LPI: A Clear Logistics Gap





Objectives Outcomes

| | EAP | ECA | LAC | MNA | SAR | AFR | OECD |
|---------------------------|-----|-----|-----|-----|-----|------|------|
| Number of Border Agencies | 4.3 | 3.8 | 3.7 | 4.2 | 2.9 | 4.2 | 3.3 |
| Customs (days) | 2.1 | 1.2 | 2.0 | 2.2 | 2.0 | 3.3 | 0.9 |
| Inspection | 18% | 8% | 14% | 14% | 27% | 29% | 3% |
| Appeal | 40% | 57% | 33% | 58% | 37% | 33% | 68% |
| Lead Time X (days) | 2.5 | 1.7 | 2.7 | 2.1 | 4.4 | 4.8 | 1.8 |
| Lead Time M (days) | 5.7 | 4.5 | 5.7 | 7.2 | 7.2 | 13.3 | 4.6 |



Main messages

1. High consistency (perception/outcome)
2. Huge gap
3. Look beyond investment in infrastructure or IT and improve service delivery (users' demand)
4. Private Public nexus (much more than customs and procedures)
5. It is the political economy stupid! (=much more than customs or port reform)



Output and Dissemination Plans

Anticipated Output

- Perception data covering relevant dimensions in trade logistics for 150 countries: subjective (150) and objective measures (100).
- Based on the perception data, indices are constructed.

Dissemination

- Dataset made available through the World Bank Trade Logistics website, as well as the websites of LPI partners including Global Facilitation Partnership for Transportation and Trade (GFP), International Federation for Freight Forwarders Associations (FIATA), Global Express Association (GEA), and Turku School of Economics (TSE).
- Comparative analysis with other global indicators and relevant datasets such as:
 - Corruption Perception Index;
 - Human Development Index;
 - Economic Freedom Index;
 - Global Competitiveness Index; and
 - Doing Business Database.
- Research papers and other publications based on the findings from this survey.
- **Note prepared by TSE for each participant company summarizing the collective perception of the companies and comparing this perception against the average.**

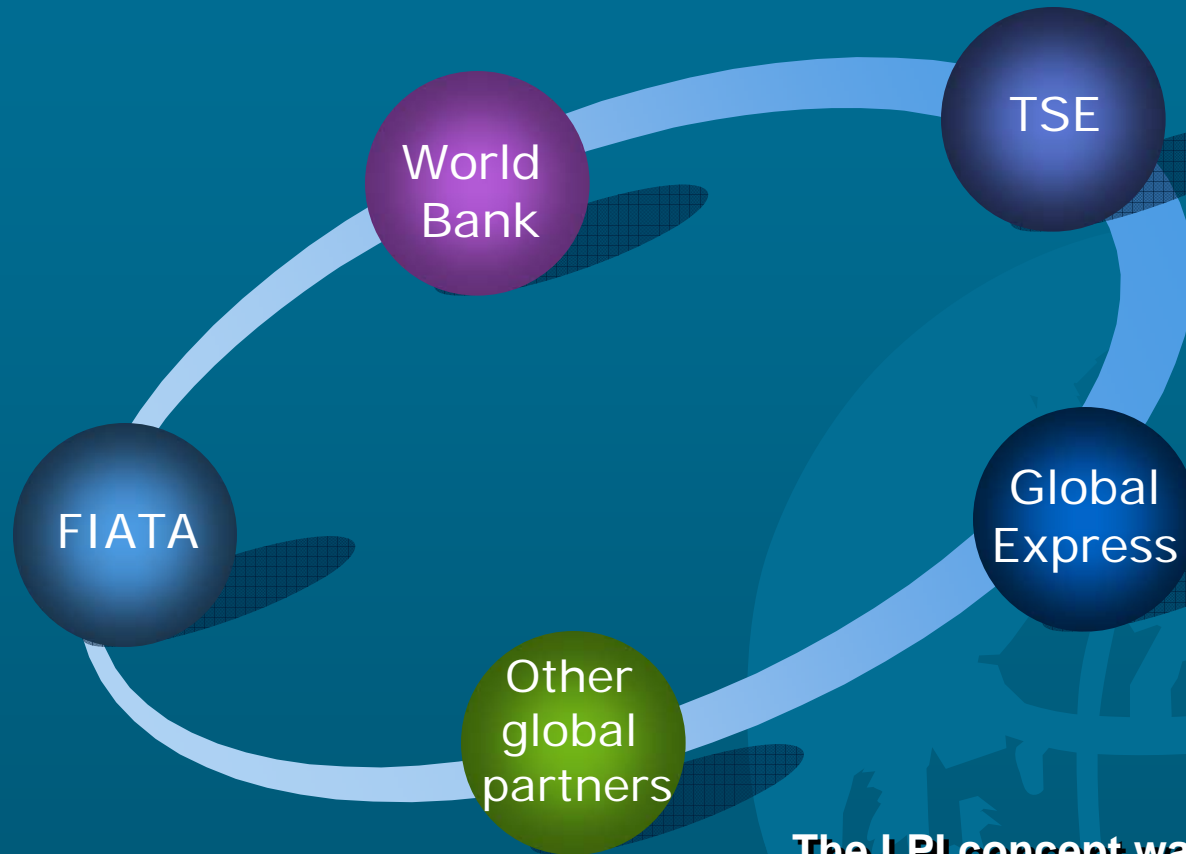


Timeline





LPI 07 Partnerships



The LPI concept was endorsed and promoted by experts who are partners in the **Global Facilitation Partnership**. The GFP will be instrumental in the dissemination strategy.



logistics
perception
index



THANK YOU !



LPI Scores

| | Score | Rank |
|------------------|-------|------|
| Singapore | 4.19 | 1 |
| Netherlands | 4.18 | 2 |
| Germany | 4.10 | 3 |
| Sweden | 4.08 | 4 |
| Austria | 4.06 | 5 |
| Japan | 4.02 | 6 |
| Switzerland | 4.02 | 7 |
| Hong Kong, China | 4.00 | 8 |
| United Kingdom | 3.99 | 9 |
| Canada | 3.92 | 10 |
| Ireland | 3.91 | 11 |

| | Score | Rank |
|----------------------|-------|------|
| Belgium | 3.89 | 12 |
| Denmark | 3.86 | 13 |
| United States | 3.84 | 14 |
| Finland | 3.82 | 15 |
| Norway | 3.81 | 16 |
| Australia | 3.79 | 17 |
| France | 3.76 | 18 |
| New Zealand | 3.75 | 19 |
| United Arab Emirates | 3.73 | 20 |
| Taiwan, China | 3.64 | 21 |
| Italy | 3.58 | 22 |



LPI Scores/Region

| ECA | Score | Rank |
|---------------------------|-------|------|
| Hungary | 3.15 | 35 |
| Turkey | 3.15 | 34 |
| Czech Republic | 3.13 | 38 |
| Poland | 3.04 | 40 |
| Latvia | 3.02 | 42 |
| <i>Russian Federation</i> | 2.37 | 99 |
| <i>Kazakhstan</i> | 2.12 | 133 |

| East Asia and Pacific | Score | Rank |
|-----------------------|-------|------|
| Malaysia | 3.48 | 27 |
| China | 3.32 | 30 |
| Thailand | 3.31 | 31 |
| Indonesia | 3.01 | 43 |
| Vietnam | 2.89 | 53 |
| <i>Philippines</i> | 2.69 | 65 |

| South Asia | Score | Rank |
|------------|-------|------|
| India | 3.07 | 39 |
| Pakistan | 2.62 | 68 |
| Bangladesh | 2.47 | 87 |
| Sri Lanka | 2.40 | 92 |
| Buthan | 2.16 | 128 |

| LAC | Score | Rank |
|---------------|-------|------|
| Chile | 3.25 | 32 |
| Argentina | 3.11 | 45 |
| Panama | 3.03 | 54 |
| Mexico | 3.01 | 56 |
| Peru | 2.91 | 59 |
| <i>Brazil</i> | 2.91 | 61 |



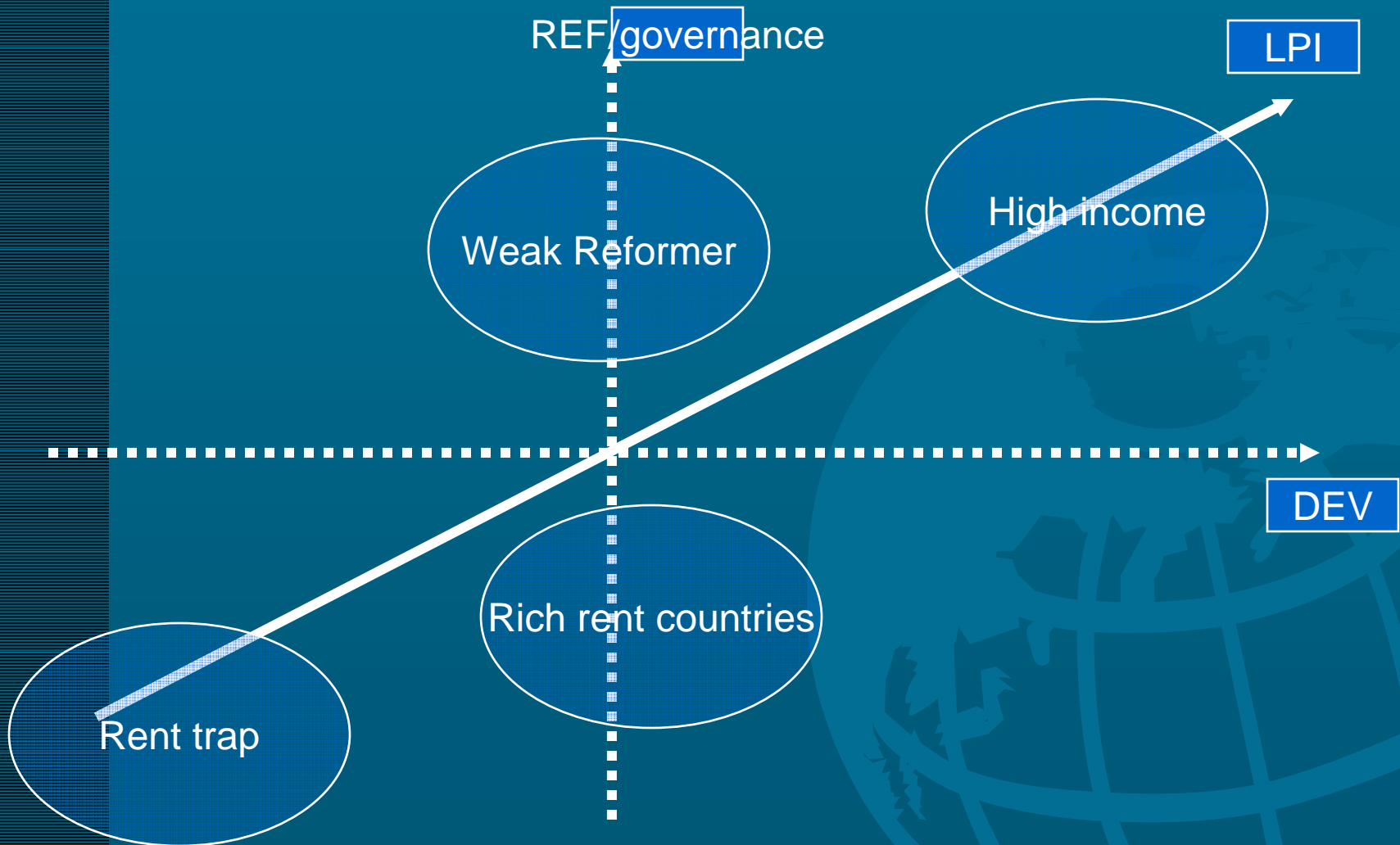
LPI Scores/Region

| MENA | Score | Rank |
|--------------|-------------|-----------|
| Oman | 2.92 | 48 |
| Jordan | 2.89 | 52 |
| Tunisia | 2.76 | 60 |
| Iran | 2.51 | 78 |
| Morocco | 2.38 | 94 |
| <i>Egypt</i> | <i>2.37</i> | <i>97</i> |

| Sub-Saharan Africa | Score | Rank |
|--------------------|-------------|------------|
| South Africa | 3.53 | 24 |
| Sao Tome | 2.86 | 57 |
| Guinea | 2.71 | 62 |
| Sudan | 2.71 | 64 |
| Mauritania | 2.63 | 67 |
| <i>Nigeria</i> | <i>2.40</i> | <i>93</i> |
| <i>Senegal</i> | <i>2.37</i> | <i>101</i> |
| <i>Ghana</i> | <i>2.16</i> | <i>125</i> |



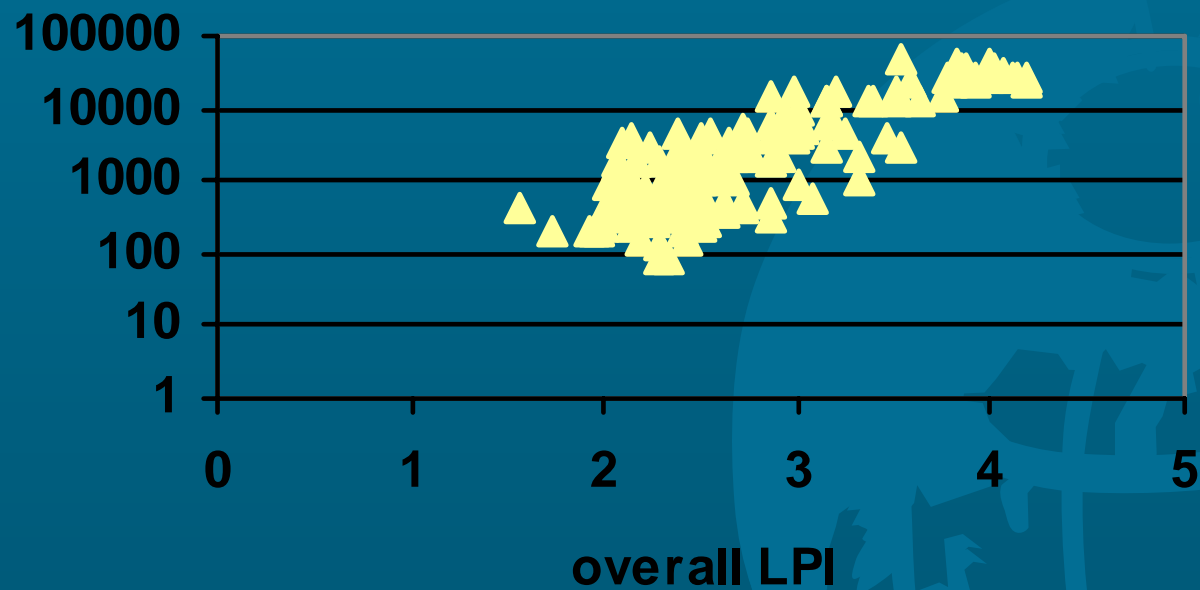
A new picture





GNI per capita vs LPI

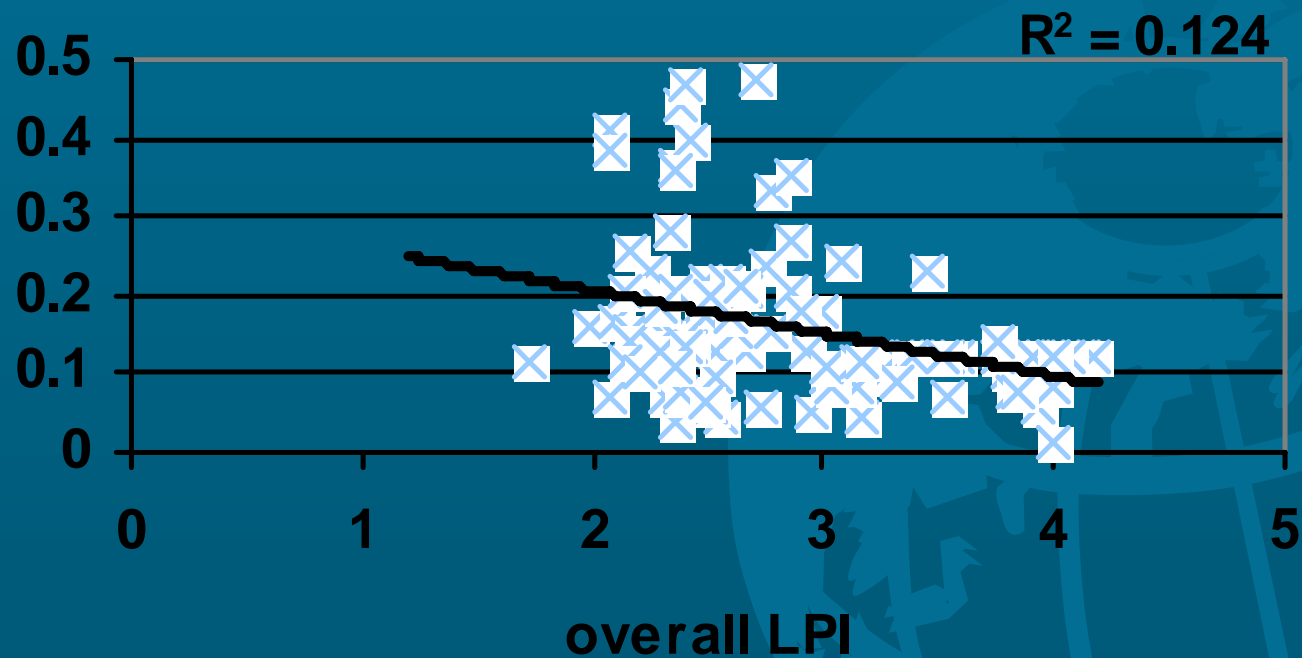
Gni per cap vs LPI





Trade Restrictiveness vs LPI

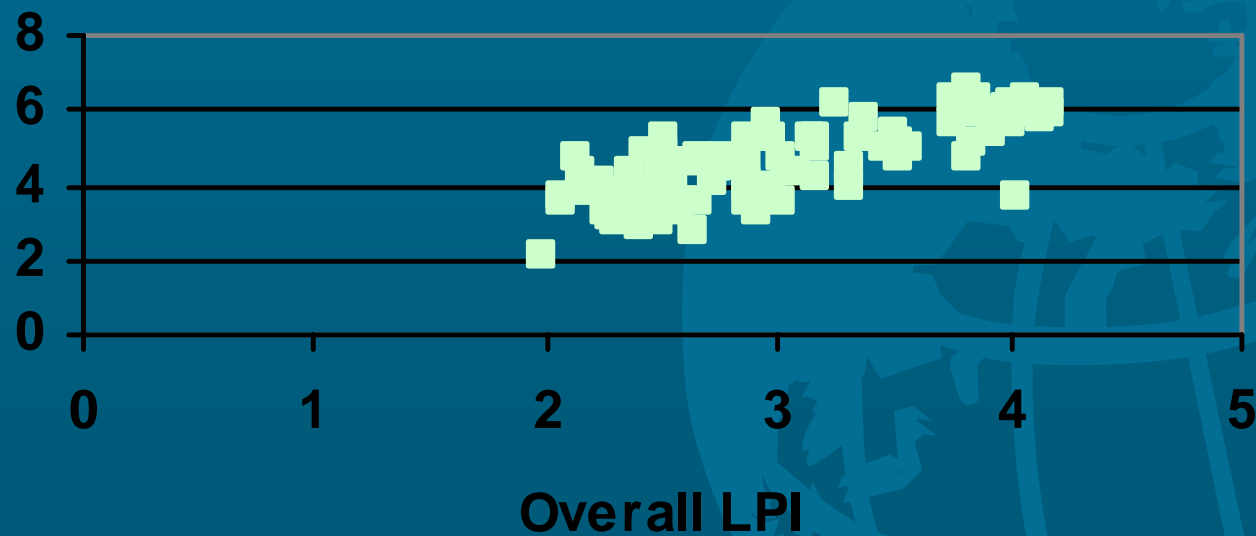
Trade Restrictiveness vs LPI





Trade Non-Tariff Barriers vs LPI

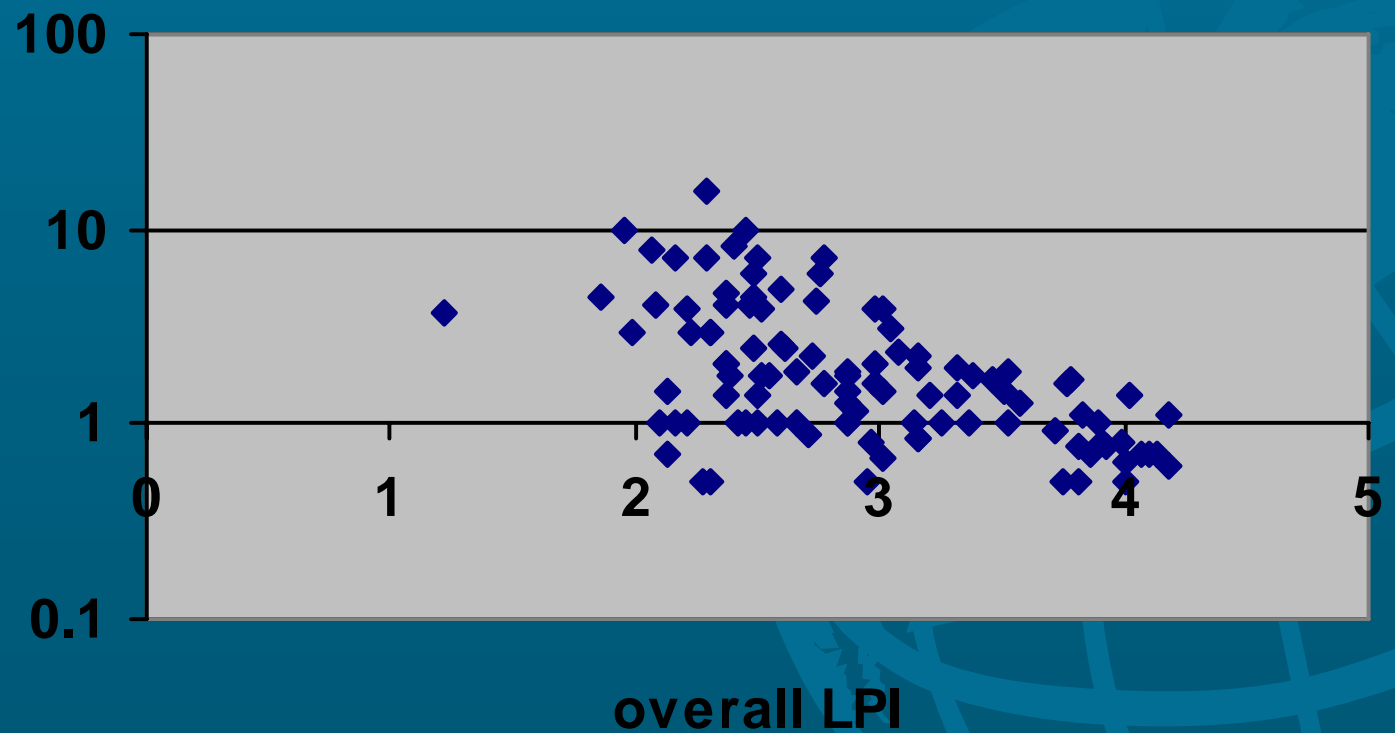
World Dev Report Trade Non-Tariff Barriers Index vs LPI





Time release

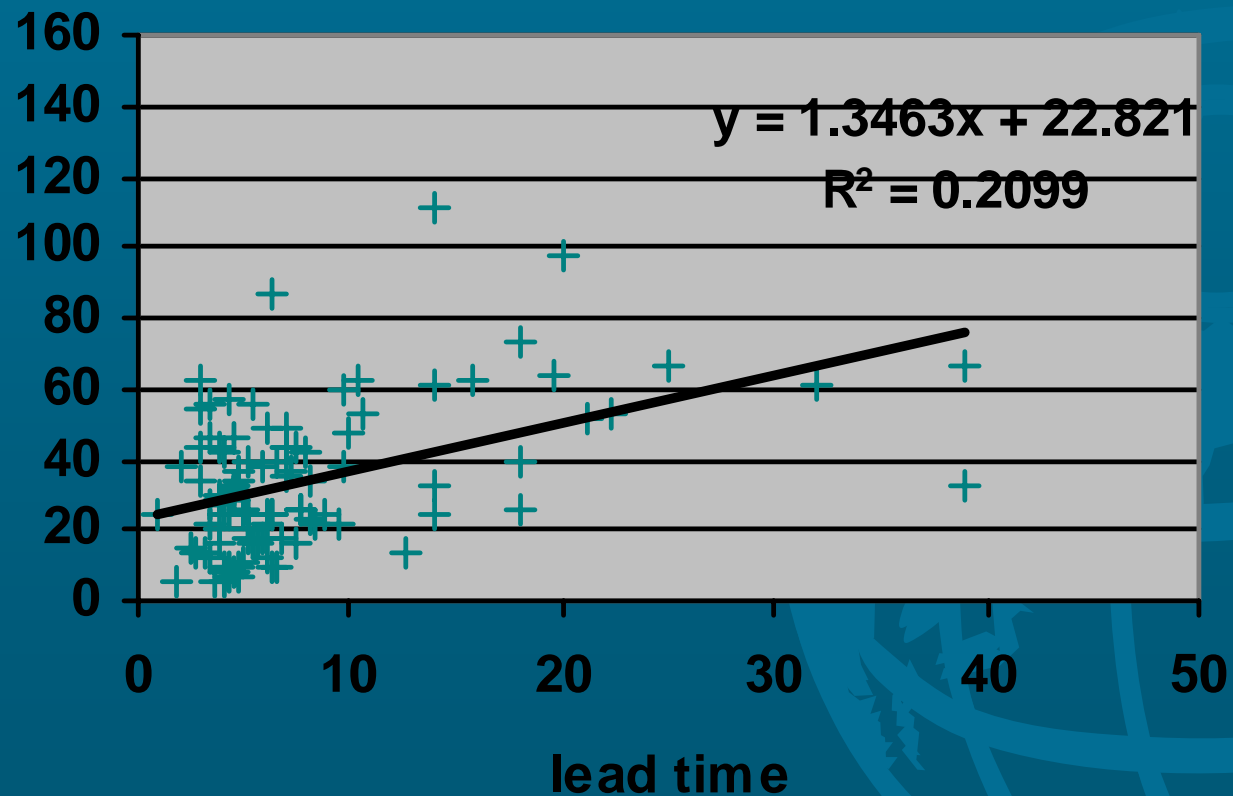
Time release vs LPI (semi-log)





Comparisons of time measures

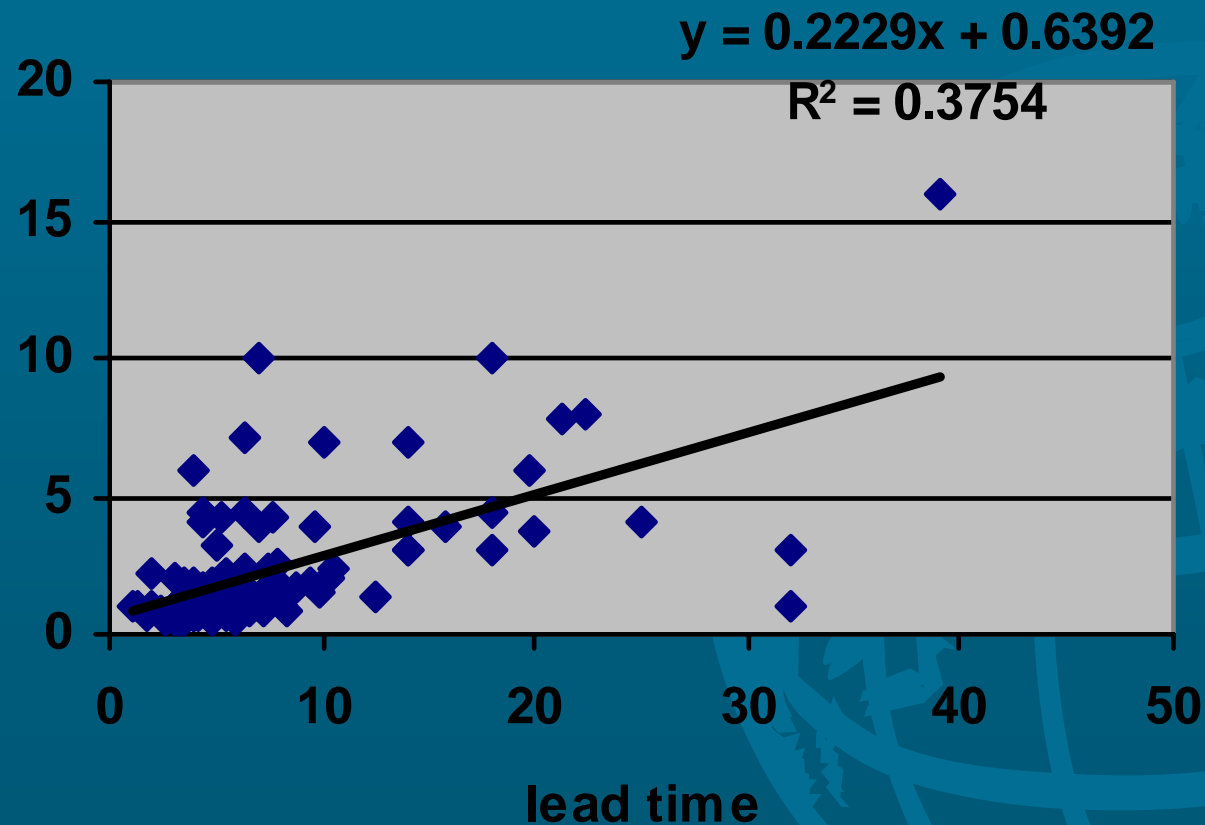
Doing Business time to import vs
actual lead time to import





Comparisons of time measures

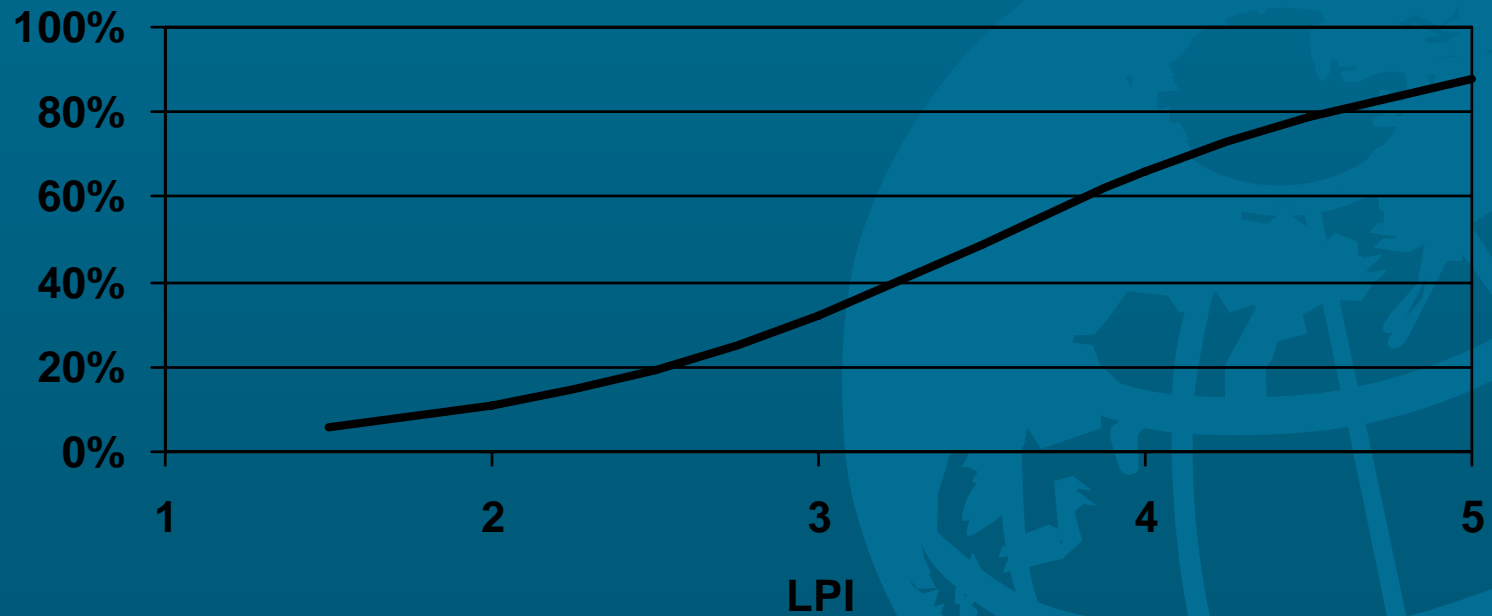
Time release vs lead time

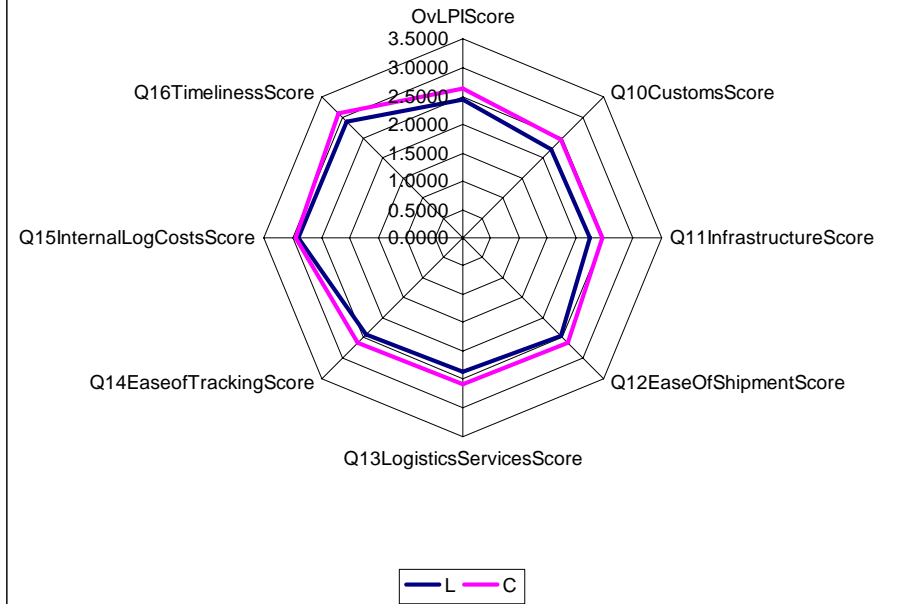
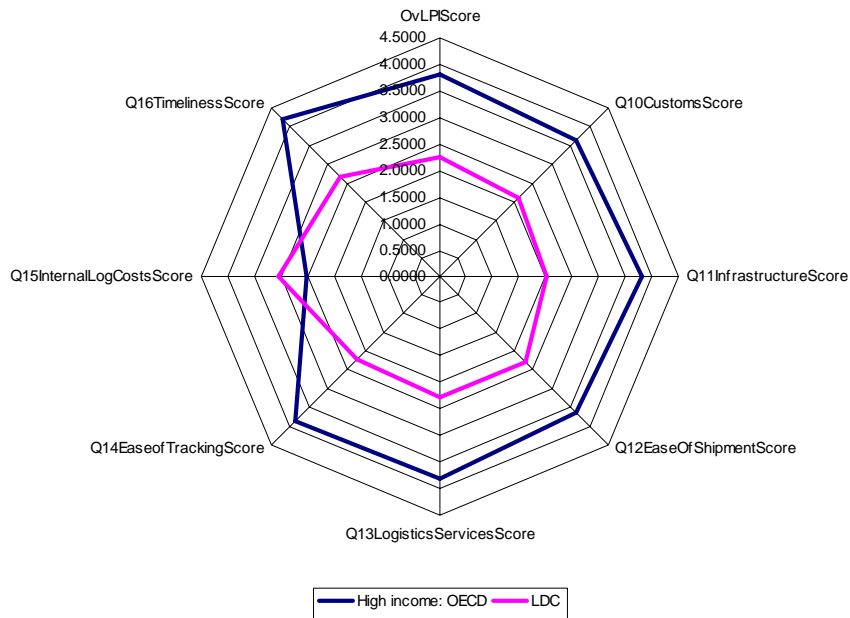




% of Respondents Trusting the Appeal Process

Probability of a Fair Review Process

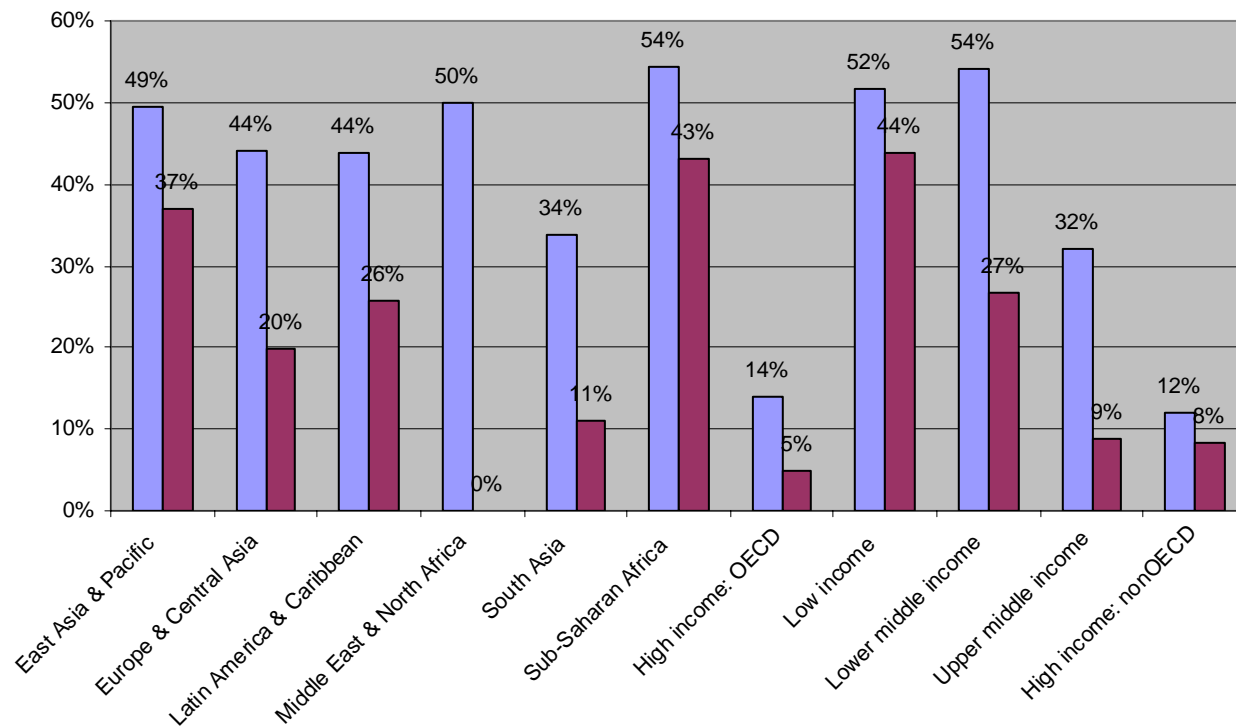






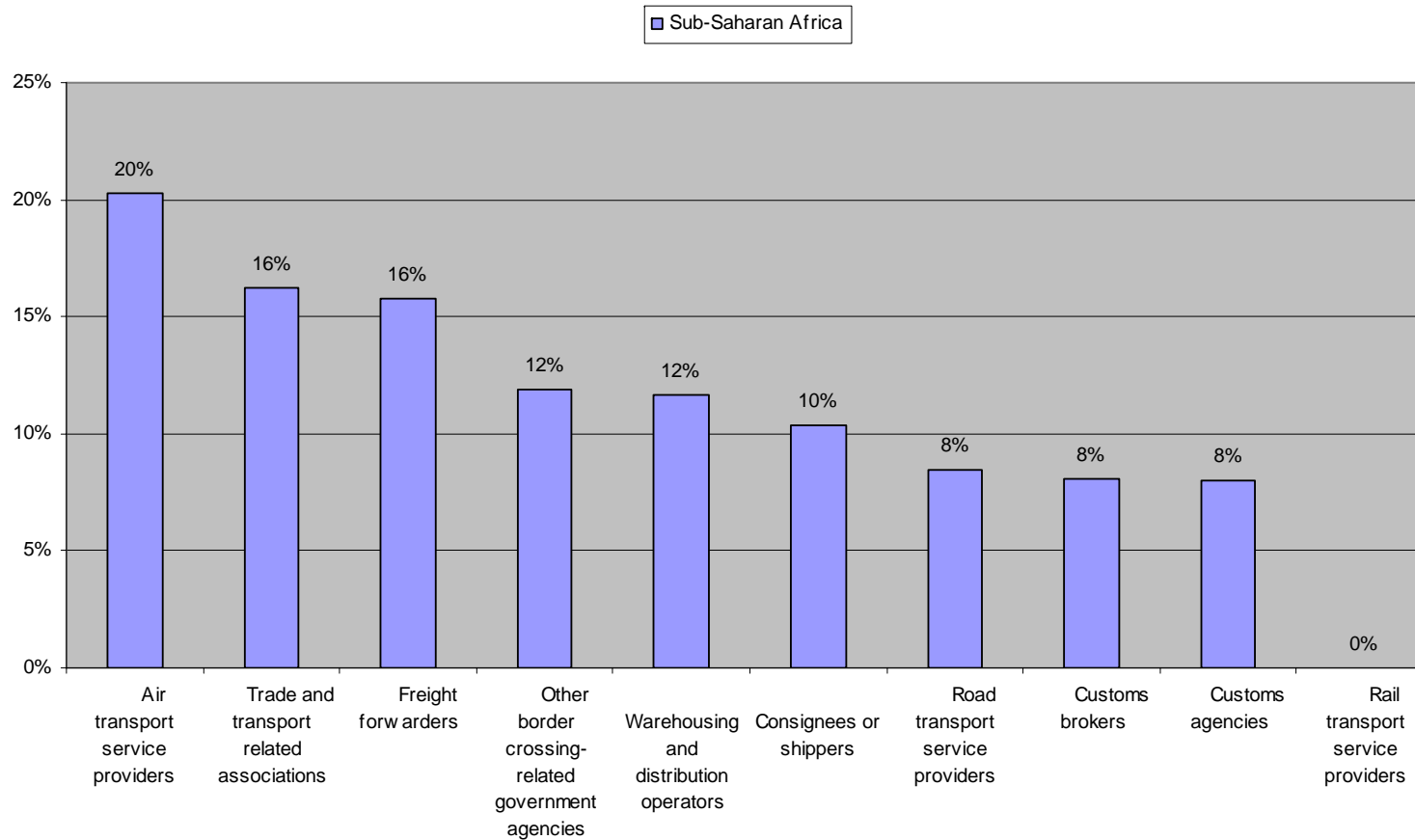
% of respondents saying that infrastructure quality is a (very severe, constraint

■ Fixed transport infrastructure (e.g. ports, roads, warehouses) ■ Telecommunications infrastructure and services



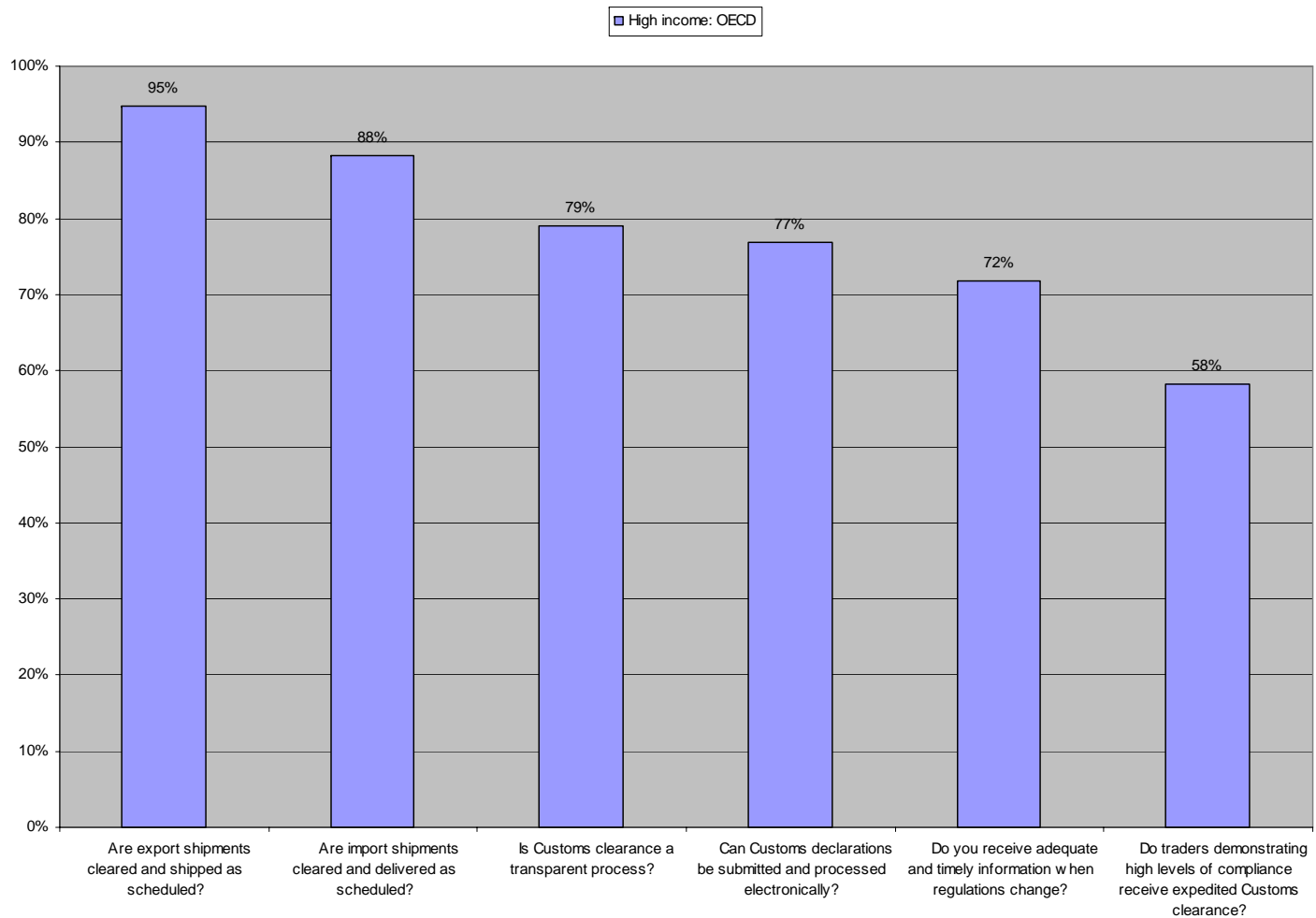


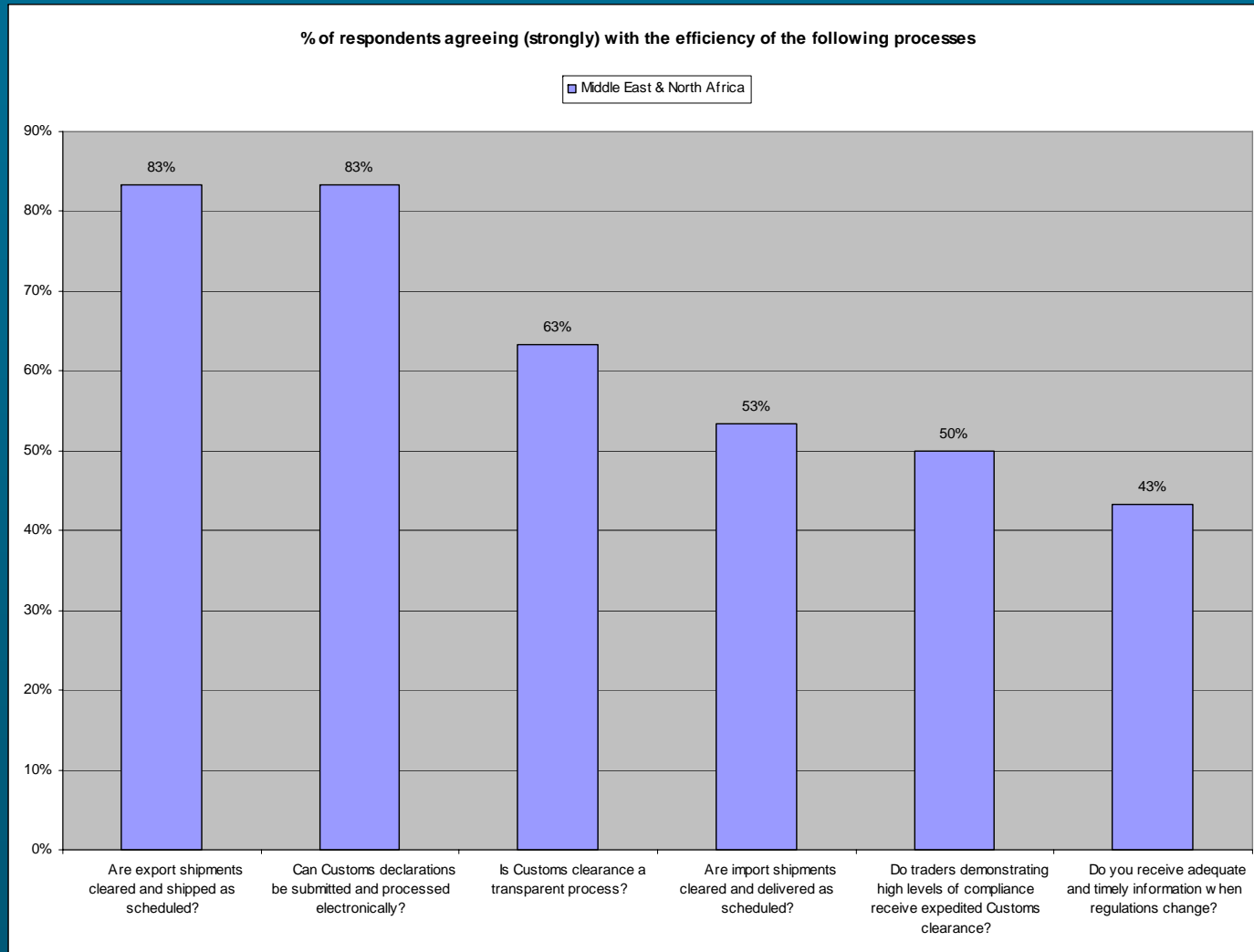
% of respondents saying that the following deliver (high) quality service





% of respondents agreeing (strongly) with the efficiency of the following processes







% of operators seeing positive improvements in the last three years with

■ Sub-Saharan Africa

