OECD Trade Facilitation Indicators

Monitoring facilitation reforms up to 2023

Key insights

- Against a backdrop of supply chain disruptions since 2020, the global regulatory environment for trade facilitation remains dynamic as countries are trying to increase supply chain resilience. The OECD Trade Facilitation Indicators (TFIs) help monitor reforms meant to expedite the movement, release, and clearance of goods at the border and they reflect the policy efforts addressing challenges in the operation of supply chains.

- The trade facilitation areas that improved most by 2022 are co-operation between agencies at the border, transparency of information on trade procedures, and automation tools to facilitate trade. Improvements in these three areas are larger than in the immediate period following the entry into force of the WTO Trade Facilitation Agreement in 2017.

- All regions are making progress in streamlining trade-related processes, but further efforts are warranted to close the gaps between establishing regulatory frameworks for trade facilitation and implementation in practice.

- Trade facilitation policies are key in supporting open markets and in promoting a more sustainable and inclusive trading system. They matter for advancing transparency and predictability throughout global and complex supply chains and as an enabler of economic resilience and diversification along supply chains.

State of play of trade facilitation reforms

This policy note provides an overview of the efforts made to expedite the movement, release, and clearance of goods at the border in 163 economies. The OECD Trade Facilitation Indicators (TFIs) refer to a specific set of measures that streamline and simplify the technical and legal procedures for intermediate or final products to be traded internationally (Box 1). The TFIs follow closely the structure of the WTO Trade Facilitation Agreement (TFA) and therefore provide a means to monitor progress in the implementation of the WTO TFA.

Against a backdrop of supply chain disruptions since 2020, the global regulatory environment for trade facilitation remains dynamic, highlighting countries' efforts to address challenges at the border while enhancing supply chain resilience. This is reflected in the trade facilitation areas that improved most since 2020, namely: co-operation between agencies at the border, availability of information on trade procedures, and automation tools to facilitate trade (Figure 1). Moreover, improvements in these three areas are larger than in the immediate period following the entry into force of the TFA in 2017 (Figure 2).

Figure 1. Most improvements are in areas relating to co-operation, transparency, and automation, reflecting efforts to address global supply chain challenges
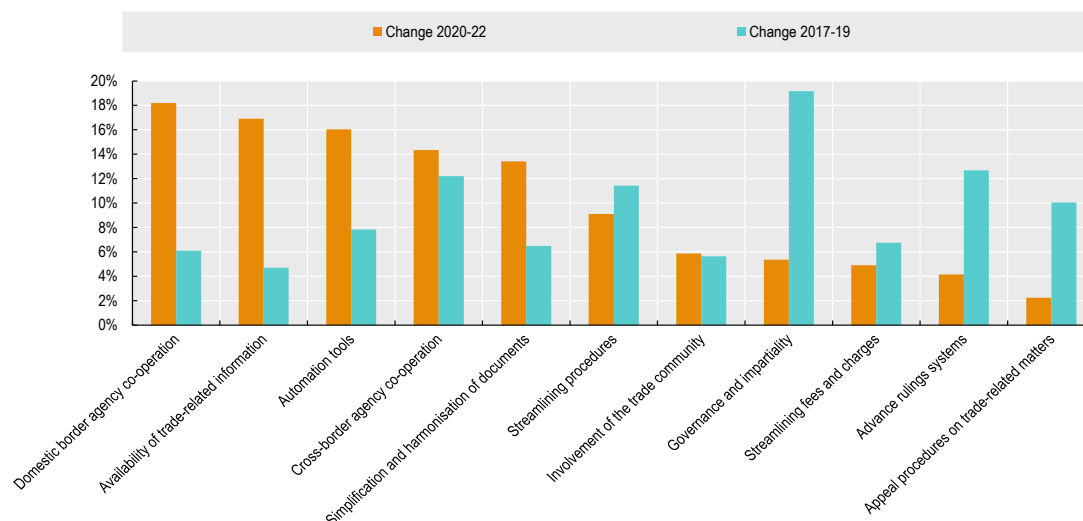
Percentage change (%) by TFI area, 2020-22

Source: OECD TFIs database (https://www.oecd.org/trade/topics/trade-facilitation/).
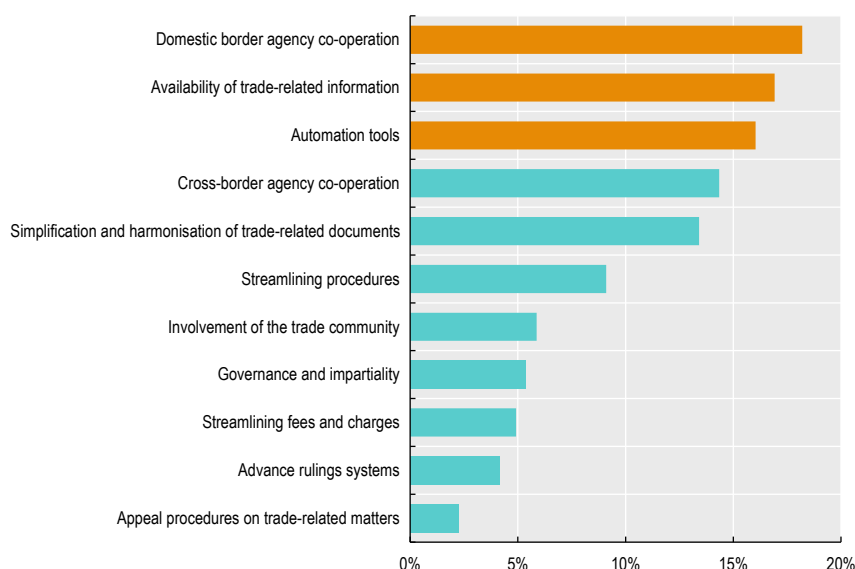
Figure 2. Top areas of reform are driven by changes since the COVID-19 pandemic

Percentage change (%) by TFI area, 2020-22 versus 2017-19

Source: OECD TFIs database (https://www.oecd.org/trade/topics/trade-facilitation/).

Other areas such as the co-operation with border agencies in neighbouring economies and other trading partners, the simplification and harmonisation of trade documents, and the streamlining of border processes also continued to improve strongly since the entry into force of the TFA.

In turn, the COVID-19 pandemic has relatively slowed down the speed of reforms in areas such as advance rulings, appeal procedures on trade-related matters, and streamlining fees and charges, which improved less than in 2017-19 (Figure 2). These areas remain nevertheless key for the predictability of export, import and transit trade transactions.

Box 1. OECD TFIs: Key policy areas covered

The **eleven TFIs** are each composed of several specific, precise, and fact-based variables related to existing administrative processes at the border and their implementation in practice (e.g., the average time between publication and entry into force of new or adjusted trade-related regulations, the proportion of trade transactions that can be processed in advance to the arrival of goods at the border, or the coverage of certified trader programmes).

The indicators can support policymakers in developed and developing countries alike to assess the state of their trade facilitation efforts, pinpoint challenges, and identify opportunities for progress.

The TFIs cover four main policy areas.

*   **Transparency and predictability**, which includes:
    *   *TFI (A) Information availability* – publication of customs and trade-related regulations and information, feedback mechanisms, and specific functions for businesses (dedicated webpages/portals, user manuals etc.).
    *   *TFI (B) Involvement of the trade community* – structures, guidelines, and frameworks for consultations with stakeholders.
    *   *TFI (C) Advance rulings* – the rules and processes applying to prior statements by the administration to requesting traders concerning the classification, origin, valuation method, etc., applied to specific goods.
    *   *TFI (D) Appeal procedures* – the possibility and modalities to appeal administrative decisions by border agencies.
    *   *TFI (E) Fees and charges* – disciplines on the fees and charges imposed on imports and exports.
*   **Automating and streamlining procedures**, which includes:
    *   *TFI (F) Documents* – harmonisation and simplification of trade-related documents, in accordance with international standards.
    *   *TFI (G) Automation* – aspects such as the electronic exchange of data and use of automated risk management.
    *   *TFI (H) Procedures* – aspects such as the streamlining of border control (inspections, clearance), implementation of trade single windows, or certified trader programmes.
*   **Border agency co-operation**, which includes:
    *   *TFI (I) Internal border agency co-operation* – institutional frameworks, mechanisms, and IT systems for domestic co-operation between various border agencies.
    *   *TFI (J) External border agency co-operation* – institutional frameworks, mechanisms, and IT systems for co-operation between various border agencies with neighbouring economies and other trading partners.
*   **Governance and impartiality**, which includes:
    *   *TFI (K) Governance and impartiality* – transparency of customs structures and functions, as well as accountability and ethics policies.

# Progress is occurring across all regions

Transparency and predictability of border processes improved significantly in low and lower-middle income economies, while border agency co-operation aspects improved mainly in upper-middle income economies and high-income non-OECD countries. This is also the area where OECD economies observed most notable improvements. Automating and streamlining border procedures improved the most in lower-middle income economies (Figure 1.a).

These steps forward are also confirmed when taking a regional perspective (Figure 1.b). In the areas of transparency and predictability, there is progress across all regions with respect to availability of trade-related information, while improvements in frameworks for consultations with stakeholders are notable in Asia-Pacific, Middle East and North Africa, Latin America and the Caribbean, and Sub-Saharan Africa. All regions made progress in simplifying and harmonising trade-related documents, automating and streamlining border procedures, and improving the domestic co-operation between border agencies.

While improvements are more modest for the area of co-operation with border agencies in neighbouring economies and other trading partners, the overall pace of reform appears to be more ambitious than that recorded in 2017-19. Since the COVID-19 pandemic, a strong emphasis was placed on enhancing overall communication and co-ordination among border agencies. This involved a wide range of government institutions and had the objective of enabling swift responses to disruptions and ensuring the continued flow of essential goods at borders.

Figure 3. Progress in trade facilitation performance is notable across all regions

A. Income groups
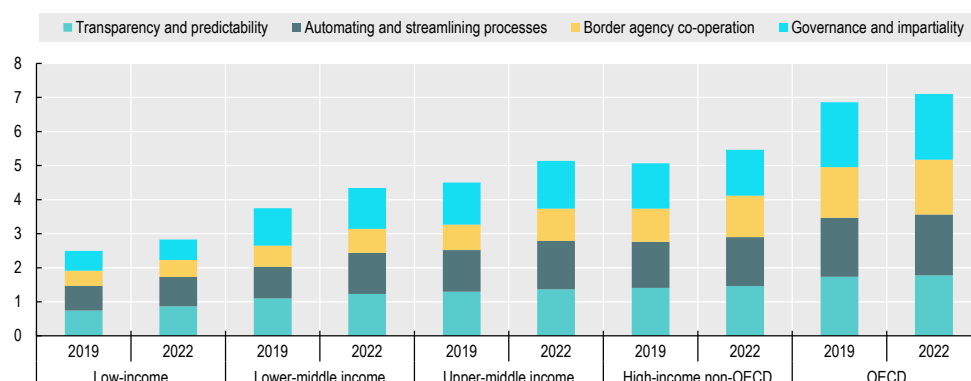
B. Regional groups
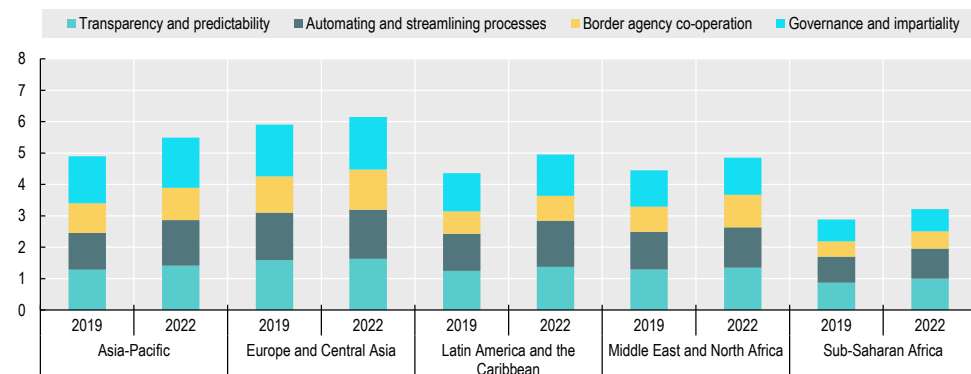
Note: The TFIs take values from 0 to 2, where 2 designates the best performance that can be achieved.
Source: OECD TFIs database (https://www.oecd.org/trade/topics/trade-facilitation/).

Improvements in different mechanisms of collaboration – from risk management systems, coordinated inspections, to certified trader programmes – have been driving the improvements in border agency co-operation (Figure 4). Digital tools for border agency co-operation, such as coordination of computer systems and data requirements, are also being enhanced.

Figure 4. All economies are advancing border agency co-operation mechanisms, including through digital tools

Share in total of economies (%), 2022

Source: OECD TFIs database (https://www.oecd.org/trade/topics/trade-facilitation/).
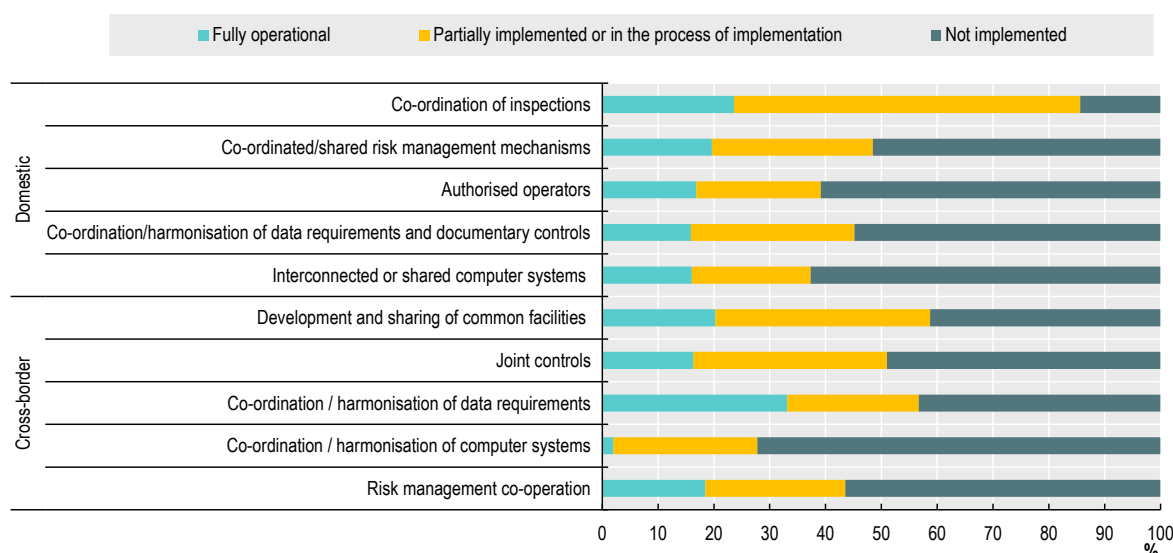
Implementation in practice of trade facilitation tools remains challenging

Improvements recorded across the different TFIs areas appear to be driven by progress in establishing the regulatory frameworks necessary for trade facilitation. The advances in regulatory frameworks provide the basis for a more transparent and predictable environment. They have been focusing on making trade-related legislation more easily available to traders, as well as publication in advance of regulations, providing guidelines for governing consultations mechanisms with traders, introducing clear procedures for processing trade-related information in advance of the arrival of goods at borders, and certified trader programmes.
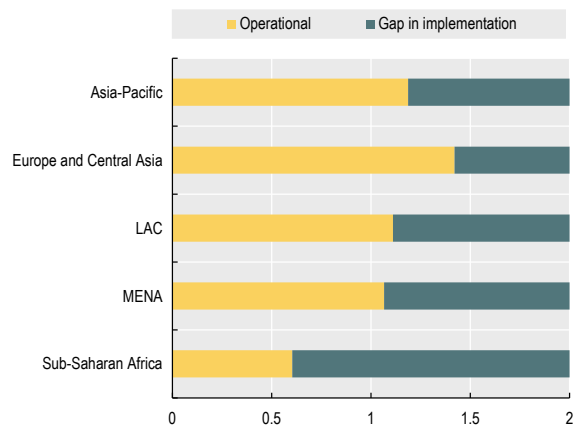
Implementation in practice of trade facilitation measures is proving to be more challenging across all regions (Figure 5), and particularly in Sub-Saharan Africa, Middle East and North Africa, and Latin America and the Caribbean. This concerns areas such as the share of documents and trade procedures that can be processed electronically, the coverage of certified trader programmes, or the proportion of trade transactions that can be processed in advance to the arrival of goods at the border.

Figure 5. Improvements in trade facilitation performance are driven by regulatory frameworks

A. Regulatory frameworks for trade facilitation
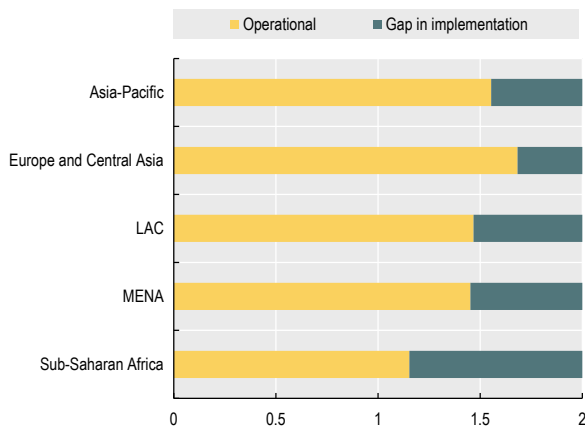
B. Implementation in practice of trade facilitation measures

Note: The regulatory and operational frameworks each include the variables targeting the 'regulatory frameworks for trade facilitation' versus the 'implementation in practice' across all 11 TFIs.
Source: OECD TFIs database (https://www.oecd.org/trade/topics/trade-facilitation/).

Regional perspectives

Asia-Pacific

- In 2020-22, leading reformers[1] in the Asia-Pacific region[2] are: Vanuatu; Papua New Guinea; Palau; Maldives; Bhutan; Philippines; Bangladesh; Malaysia; Cambodia; Myanmar.

- *1 in 2 economies in Asia-Pacific* improved its performance in information availability, while *1 in 3 economies* in the region improved its performance in streamlining fees and charges, automation tools, and cross-border agency co-operation, and *1 in 4 economies* improved consultations with traders.

- Areas where performance is most heterogeneous within the region are advance rulings; automation; and information availability. Areas that are most challenging are border agency co-operation and advance rulings.

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[1] Defined based on the percentage change of the average TFI performance in 2020-22 compared to 2017-19.
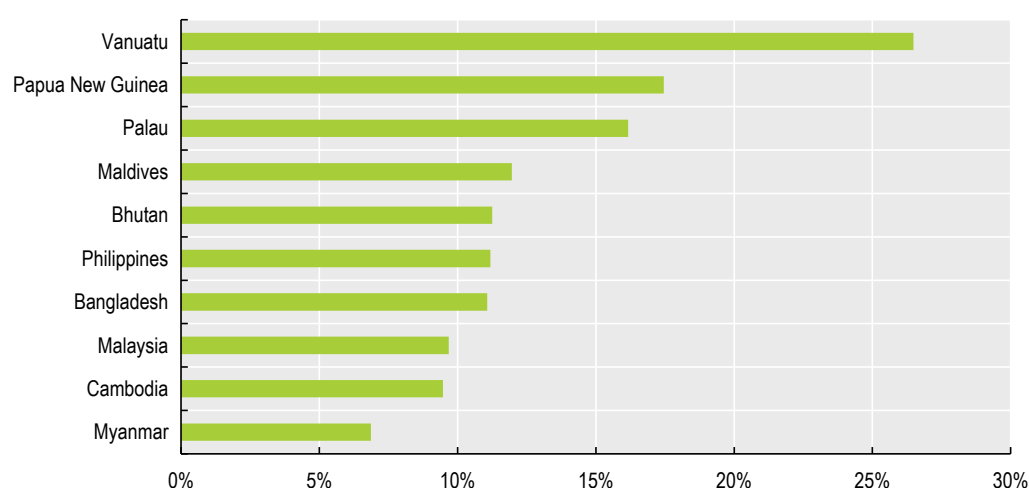
[2] The TFIs cover 35 economies in Asia-Pacific (full list of economies in Annex A).

Figure 6. Regional perspectives: Asia-Pacific

A. Average, minimum and maximum values by area, 2022
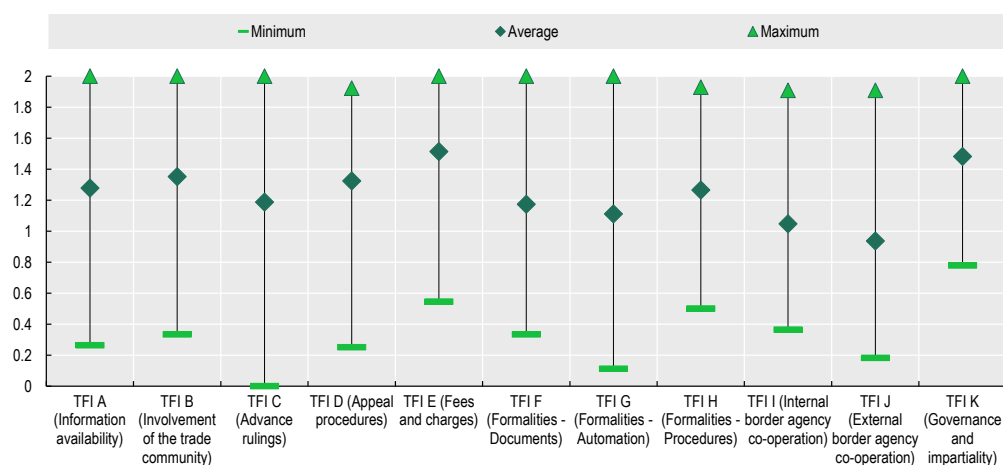
B. Leading reformers, 2020-22

Note: Panel b: percentage change in the performance by area in 2020-22.
Source: OECD TFIs database (https://www.oecd.org/trade/topics/trade-facilitation/).

Europe and Central Asia

- In 2020-22, leading reformers in the Europe and Central Asia region[3] are: Uzbekistan; North Macedonia; Kazakhstan; Tajikistan; Hungary; Greece; Czech Republic; Kyrgyz Republic; Azerbaijan; Moldova.

- *1 in 2 economies in Europe and Central Asia* improved its performance in the simplification and harmonisation of trade-related documents and the automation of border processes, while *1 in 3 economies* in the region improved consultations with traders.

- Areas where performance is most heterogeneous within the region are border agency co-operation, simplification and harmonisation of trade-related documents and automation of border processes. Areas that are most challenging are border agency co-operation and appeal procedures.
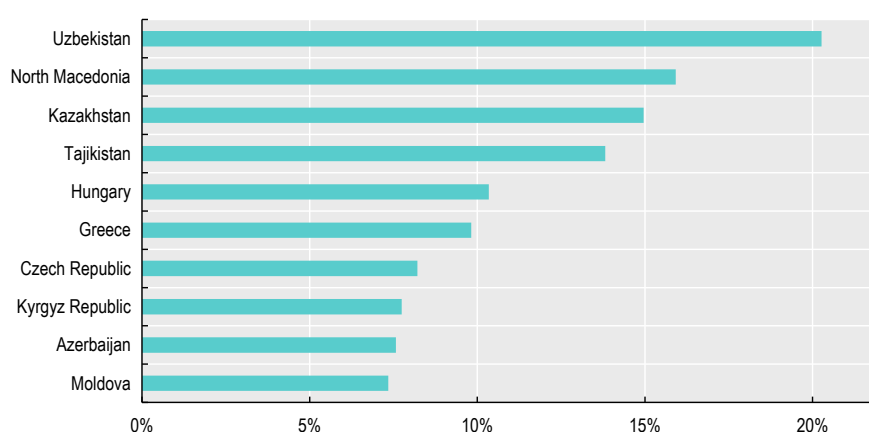
[3] The TFIs cover 48 economies in Europe and Central Asia (full list of economies in Annex A).

Figure 7. Regional perspectives: Europe and Central Asia

A. Average, minimum and maximum values by area, 2022
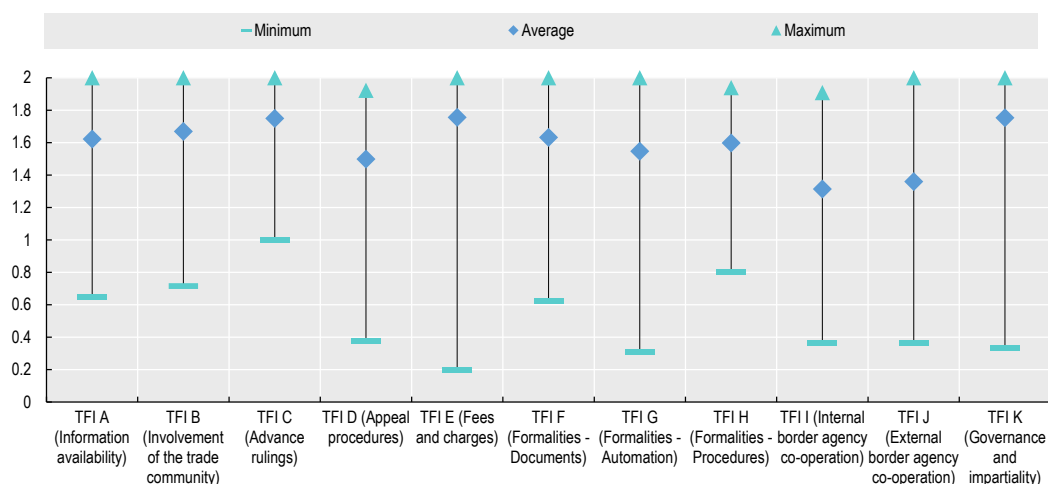
B. Leading reformers, 2020-22

Note: Panel b: percentage change in the performance by area in 2020-22.
Source: OECD TFIs database (https://www.oecd.org/trade/topics/trade-facilitation/).

Latin America and the Caribbean

- In 2020-22, leading reformers in Latin America and the Caribbean[4] are: Honduras; Panama; Paraguay; Guatemala; Dominican Republic; Bolivia; Colombia; Mexico; Uruguay; Peru.

- *1 in 2 economies in Latin America and the* Caribbean improved cross-border agency co-operation, while *1 in 3 economies* in the region advanced the simplification and harmonisation of trade-related documents.

- Areas where performance is most heterogeneous within the region are cross-border agency co-operation, automation of border processes, and advance rulings. Areas that are most challenging are domestic border agency co-operation, streamlining of border processes, and advance rulings.

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4 The TFIs cover 27 economies in Latin America and the Caribbean (full list of economies in Annex A).

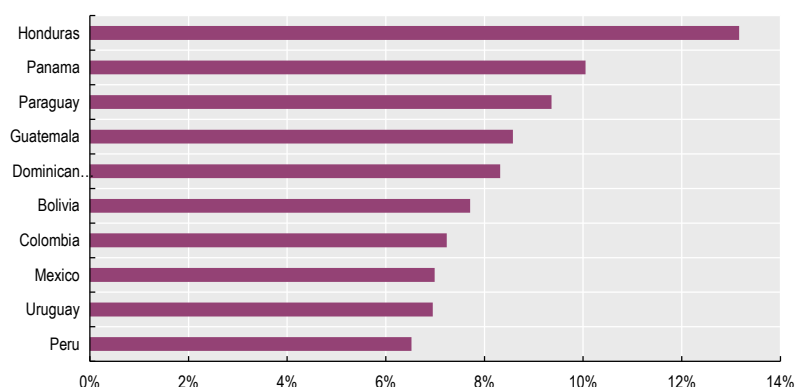## Figure 8. Regional perspectives: Latin America and the Caribbean

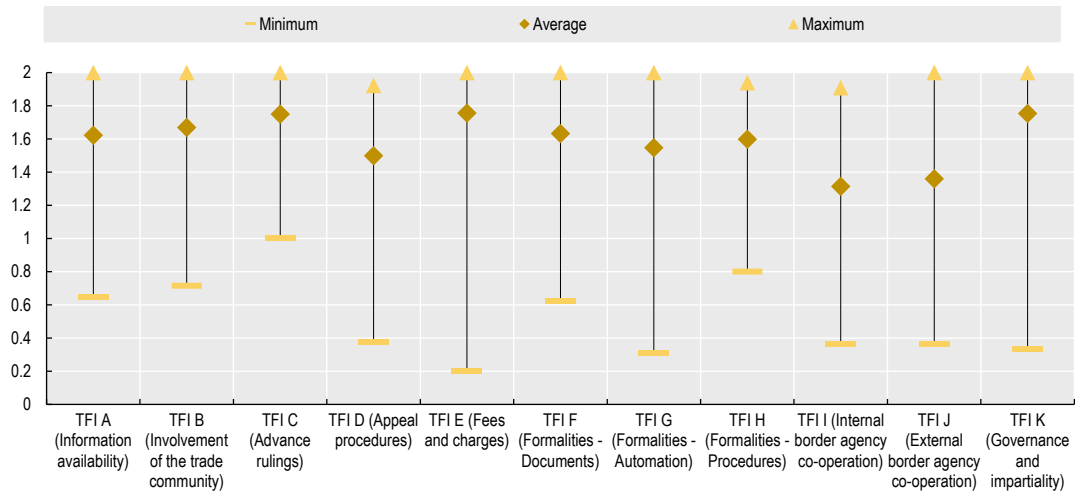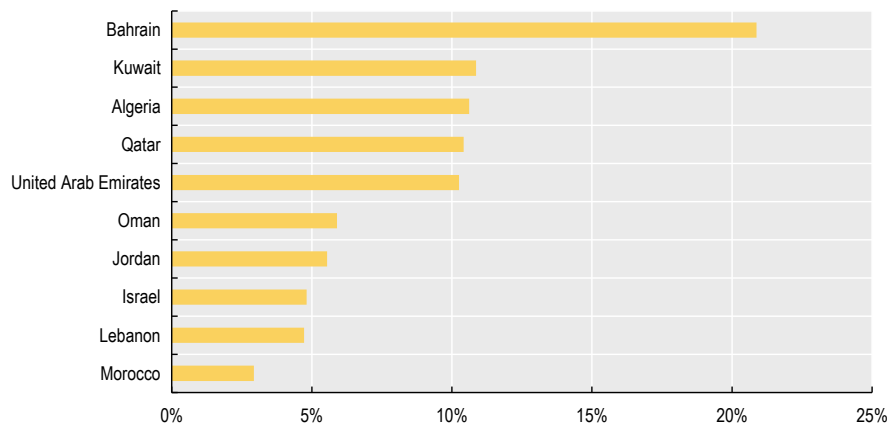A. Average, minimum and maximum values by area, 2022
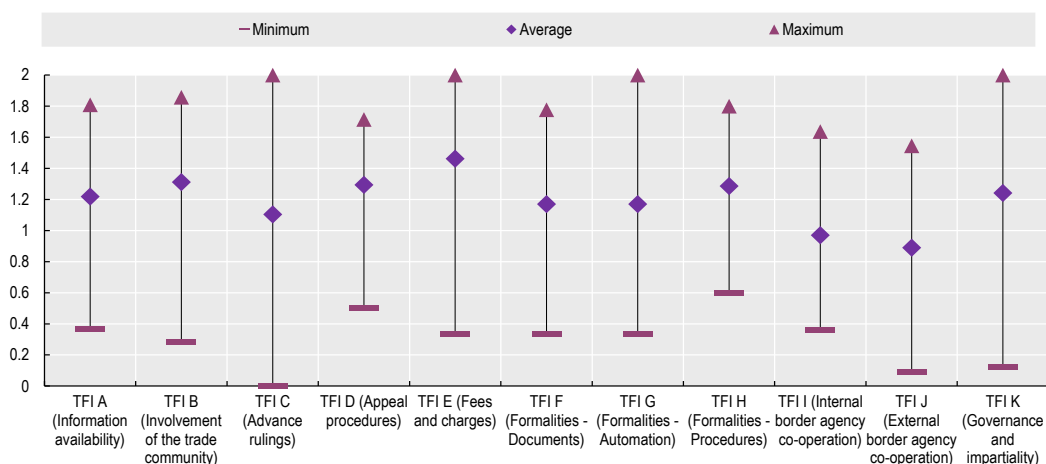
B. Leading reformers, 2020-22

Note: Panel b: percentage change in the performance by area in 2020-22.
Source: OECD TFIs database (https://www.oecd.org/trade/topics/trade-facilitation/).

Middle East and North Africa

- In 2020-22, leading reformers in Middle East and North Africa[5] are: Bahrain; Kuwait; Algeria; Qatar; United Arab Emirates; Oman; Jordan; Israel; Lebanon; Morocco.

- *1 in 3 economies* in the Middle East and North Africa advanced the streamlining and simplification of fees and charges, while *1 in 5 economies* in the region advanced the simplification and harmonisation of trade-related documents.

- Areas where performance is most heterogeneous within the region are advance rulings, governance and impartiality, and automation. Areas that are most challenging are border agency co-operation and automation.

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[5] The TFIs cover 14 economies in Middle East and North Africa (full list of economies in Annex A).

Figure 9. Regional perspectives: Middle East and North Africa

A. Average, minimum and maximum values by area, 2022

B. Leading reformers, 2020-22

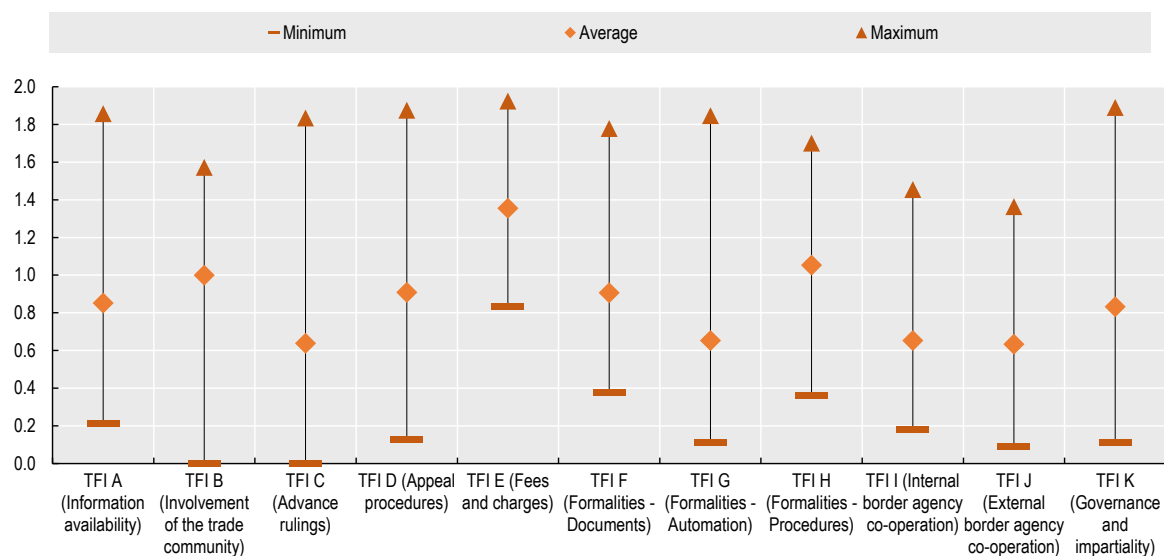Note: Panel b: percentage change in the performance by area in 2020-22.
Source: OECD TFIs database (https://www.oecd.org/trade/topics/trade-facilitation/).

Sub-Saharan Africa

- In 2020-22, leading reformers in Sub-Saharan Africa[6] are: Benin; Liberia; Niger; Mali; Central African Republic; Chad; Malawi; Mozambique; Eswatini; Angola.

- *1 in 2 economies in Sub-Saharan Africa* improved its performance in the areas of information availability and automation, while *1 in 3 economies* in the region improved the streamlining of fees and charges, and *1 in 4 economies* advanced consultations with traders.

- Areas where performance is most heterogeneous within the region are advance rulings, automation, information availability, and involvement of the trade community. Areas that are most challenging are advance rulings, automation, and cross-border agency co-operation.
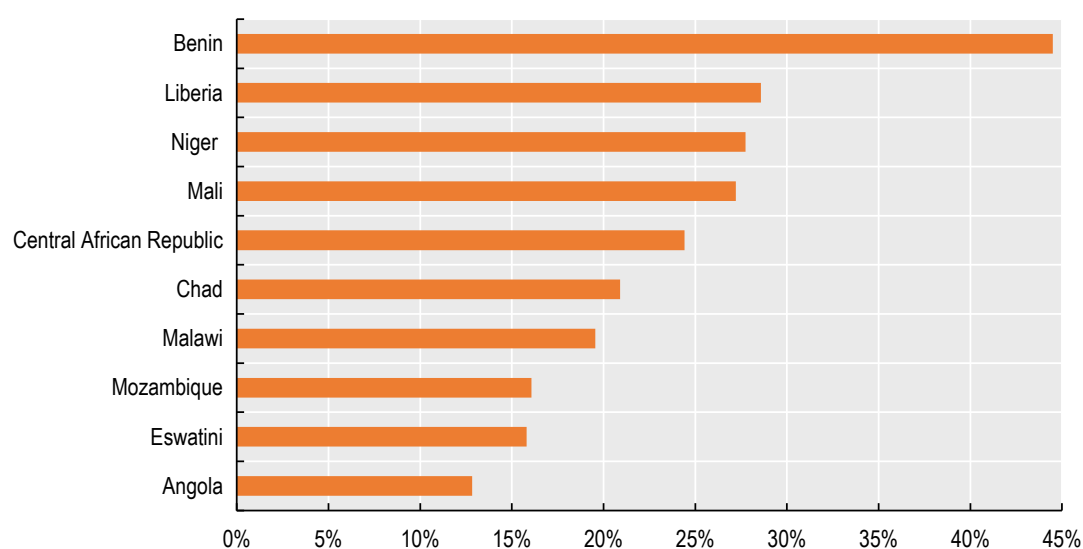
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[6] The TFIs cover 39 economies in Sub-Saharan Africa (full list of economies in Annex A).

Figure 10. Regional perspectives: Sub-Saharan Africa

A. Average, minimum and maximum values by area, 2022

B. Leading reformers, 2020-22

Note: Panel b: percentage change in the performance by area in 2020-22.
Source: OECD TFIs database (https://www.oecd.org/trade/topics/trade-facilitation/).

ANNEX A. REGIONS AND ECONOMIES COVERED BY THE TFIs

Region	Economies covered
Asia-Pacific	Australia; Bangladesh; Bhutan; Brunei Darussalam; Cambodia; People's Republic of China; Federated States of Micronesia; Fiji; Hong Kong, China; India; Indonesia; Japan; Kiribati; Korea; Lao PDR; Malaysia; Maldives; Mongolia; Myanmar; Nepal; New Zealand; Pakistan; Palau; Papua New Guinea; Philippines; Samoa; Singapore; Solomon Islands; Sri Lanka; Thailand; Tonga; Vanuatu; Viet Nam
Europe and Central Asia	Albania; Armenia; Austria; Azerbaijan; Belarus; Belgium; Bosnia and Herzegovina; Bulgaria; Croatia; Cyprus[1]; Czech Republic; Denmark; Estonia; Finland; France; Georgia; Germany; Greece; Hungary; Iceland; Ireland; Italy; Kazakhstan; Kyrgyz Republic; Latvia; Lithuania; Luxembourg; Malta; Moldova; Montenegro; Netherlands; North Macedonia; Norway; Poland; Portugal; Romania; Russian Federation; Serbia; Slovak Republic; Slovenia; Spain; Sweden; Switzerland; Tajikistan; Turkey; Ukraine; United Kingdom; Uzbekistan
Latin America and the Caribbean	Antigua and Barbuda; Argentina; The Bahamas; Barbados; Belize; Bolivia; Brazil; Chile; Colombia; Costa Rica; Cuba; Dominica; Dominican Republic; Ecuador; El Salvador; Guatemala; Honduras; Jamaica; Mexico; Nicaragua; Panama; Paraguay; Peru; Suriname; Trinidad and Tobago; Uruguay; Venezuela
Middle East and North Africa	Algeria; Bahrain; Egypt; Israel[2]; Jordan; Kuwait; Lebanon; Morocco; Oman; Qatar; Saudi Arabia; Tunisia; United Arab Emirates; Yemen
Sub-Saharan Africa	Angola; Benin; Botswana; Burkina Faso; Burundi; Cameroon; Central African Republic; Chad; Comoros; Congo, Democratic Rep.; Congo, Rep.; Côte d'Ivoire; Djibouti; Eswatini; Ethiopia; Gabon; Gambia, The; Ghana; Kenya; Lesotho; Liberia; Madagascar; Malawi; Mali; Mauritius; Mozambique; Namibia; Niger; Nigeria; Rwanda; Senegal; Sierra Leone; South Africa; Sudan; Tanzania; Togo; Uganda; Zambia; Zimbabwe

1. Note by the Republic of Türkiye:
The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Türkiye recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Türkiye shall preserve its position concerning the "Cyprus issue".
Note by all the European Union Member States of the OECD and the European Union:
The Republic of Cyprus is recognised by all members of the United Nations with the exception of Türkiye. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.
2. The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.