Making better connections in 'factory Asia'

Evidence from the OECD Trade Facilitation Indicators (TFIs)

Making Global Value Chains work for ASEAN
OECD - ERIA Joint Regional Symposium, 13 June 2016

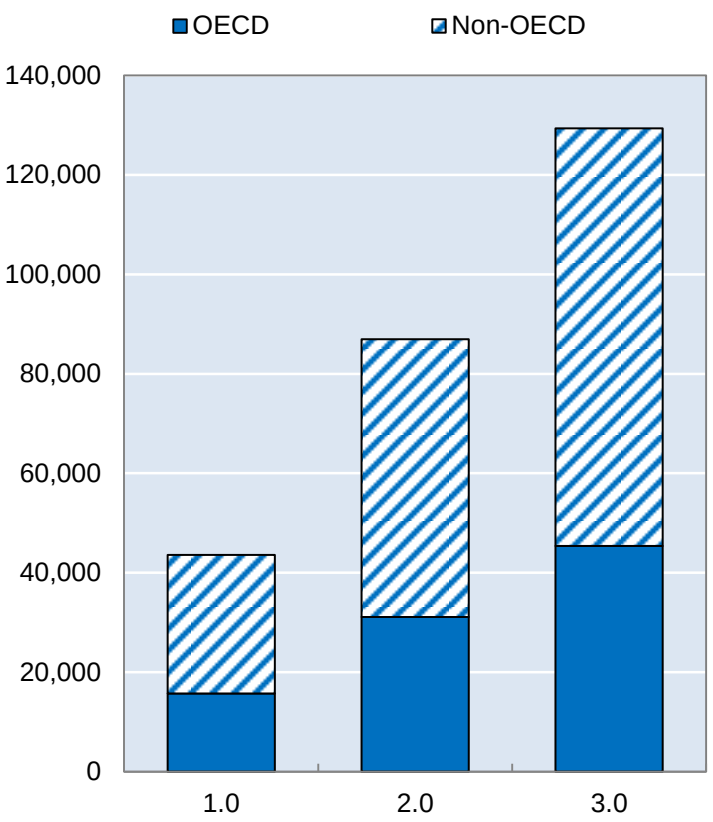
OECD
BETTER POLICIES FOR BETTER LIVES

What are the TFIs ?

- An **evaluation** tool to measure the impact of **trade facilitation** on trade flows and costs
  - ✓ following the structure of the WTO Trade Facilitation Agreement
- A **monitoring and benchmarking** tool providing
  - ✓ an overview of country performance, strengths, weaknesses and evolution
  - ✓ a basis for prioritising trade facilitation reforms and targeting aid interventions

Why the TFIs ?

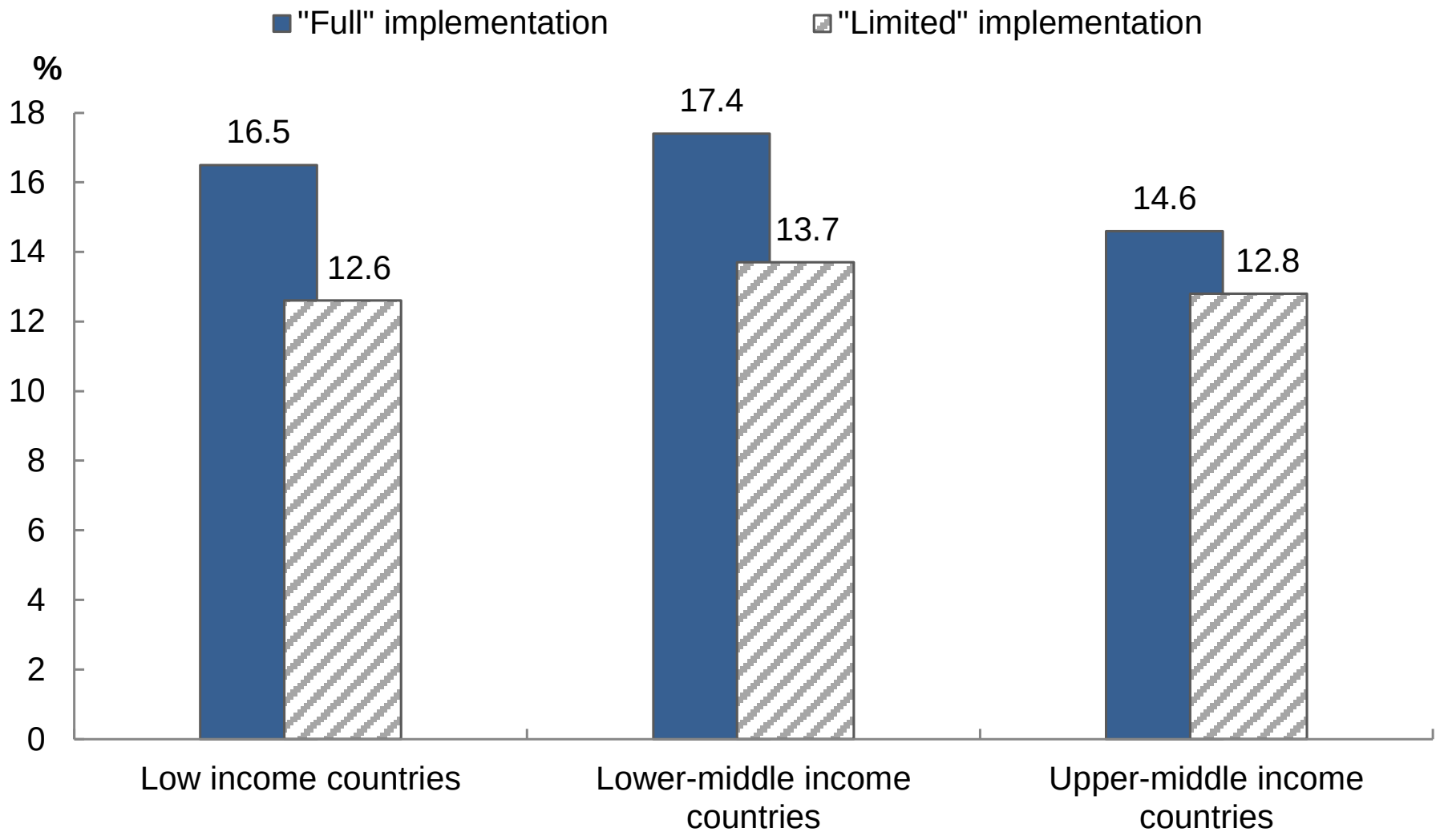
Welfare gains under alternative scenarios of trade cost reductions



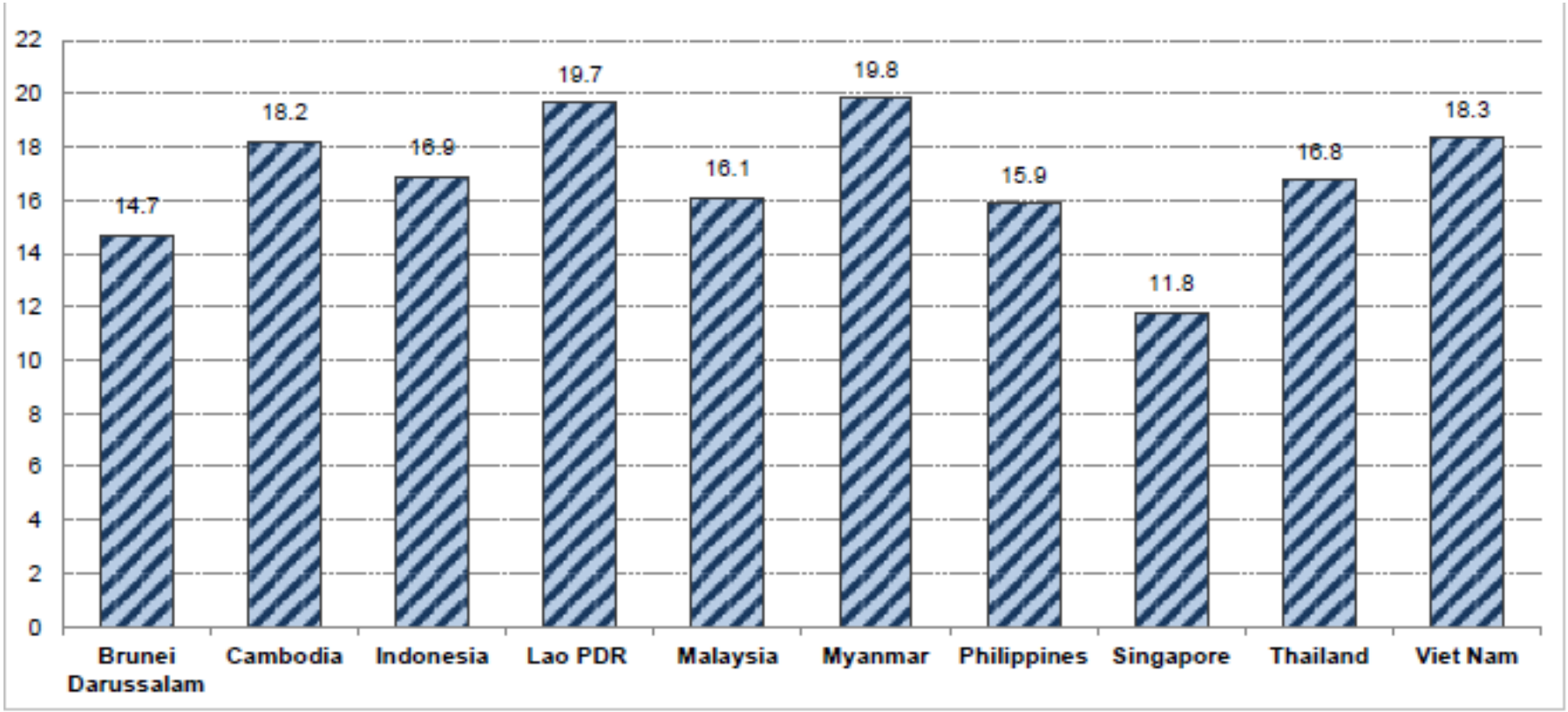
Trade Facilitation matters to business

- ✓ one of the four policy areas with the highest estimated impact on foreign input sourcing decisions
- ✓ A 1% reduction in trade costs would result in USD 40 billion welfare gains with 63% accruing to developing countries

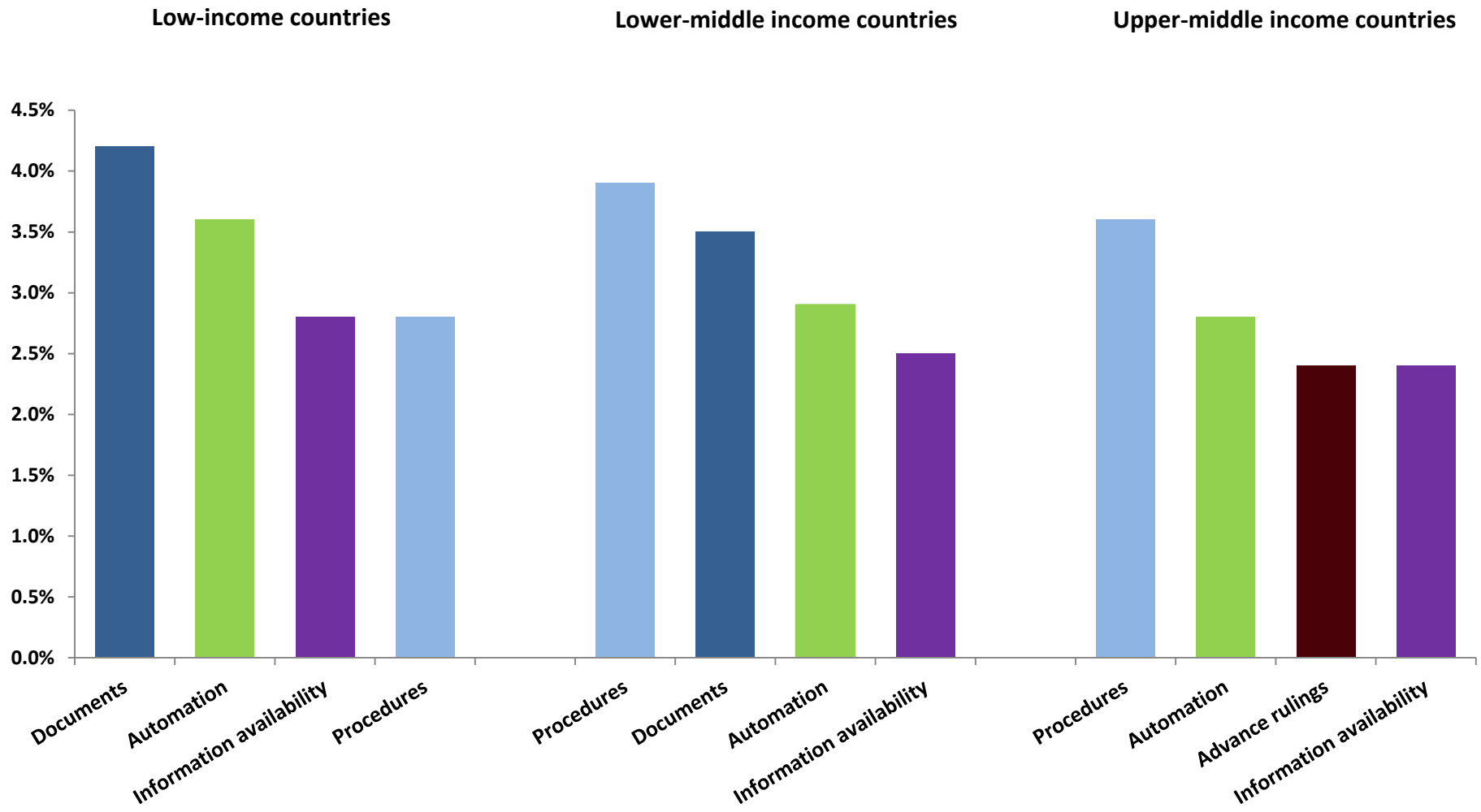
Potential Trade Cost Reductions from TFA Implementation by Income Group



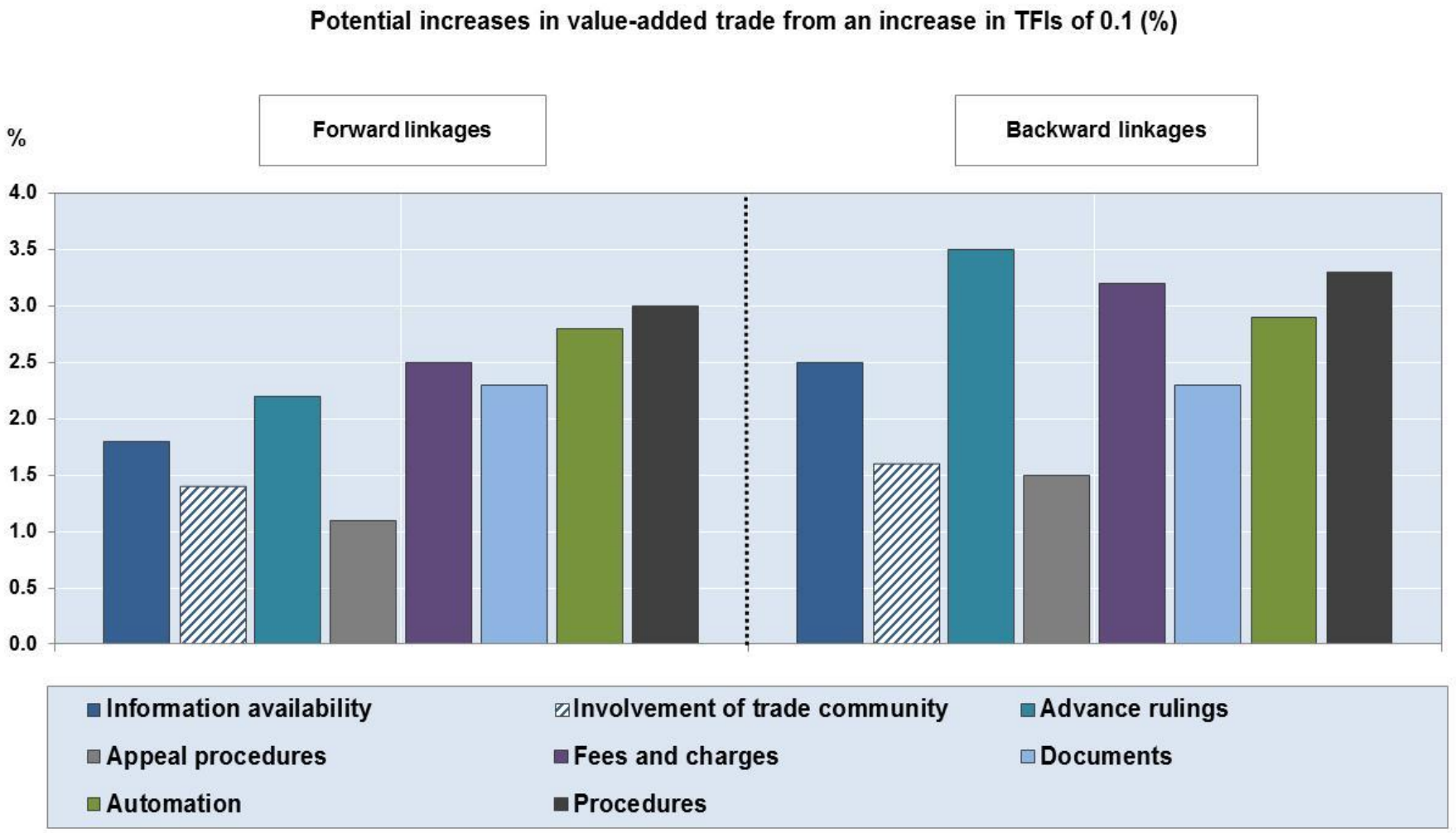
Overall Potential Trade Costs Reductions for ASEAN countries (%)



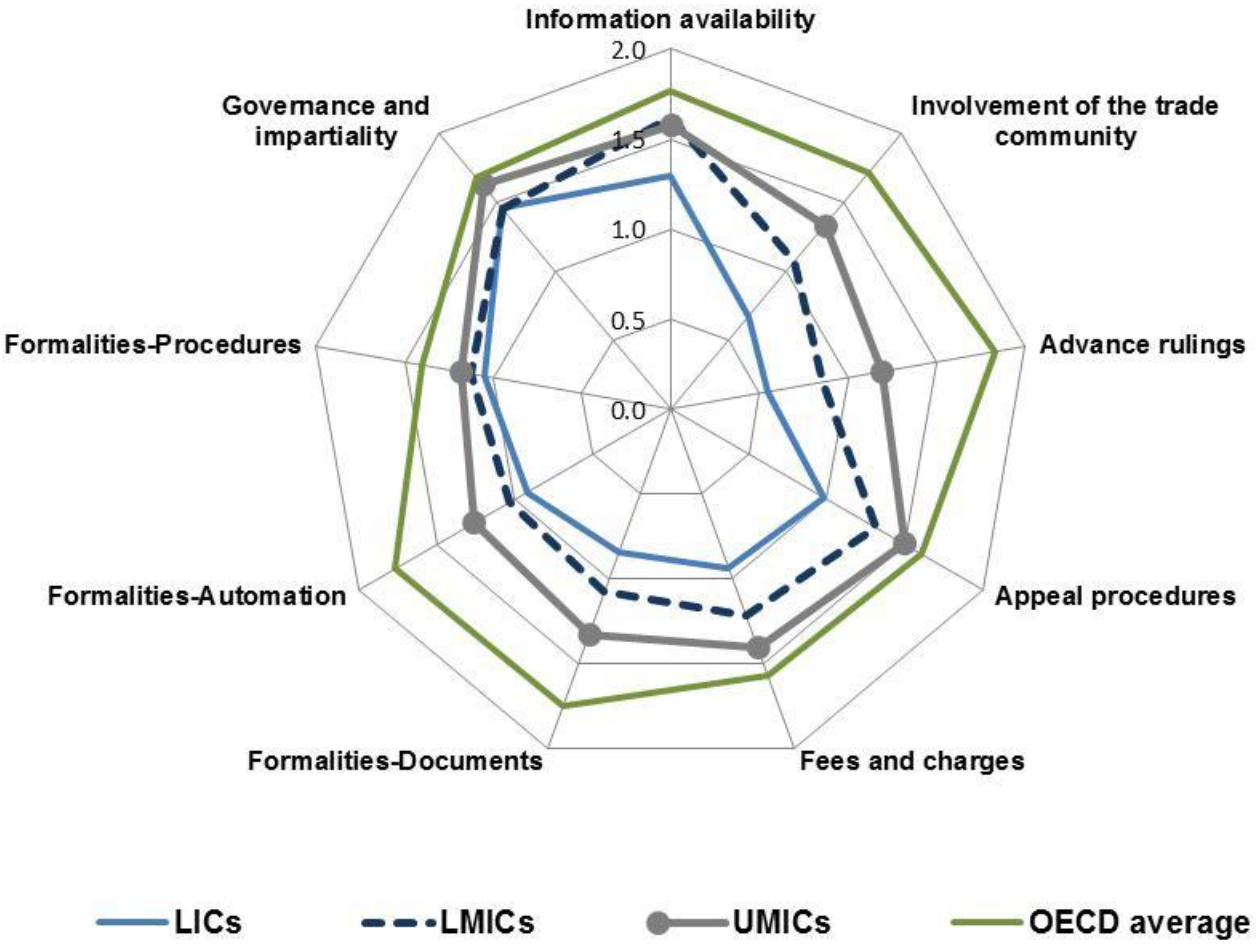
Potential Trade Costs Reductions for the Top Four Sets of Measures



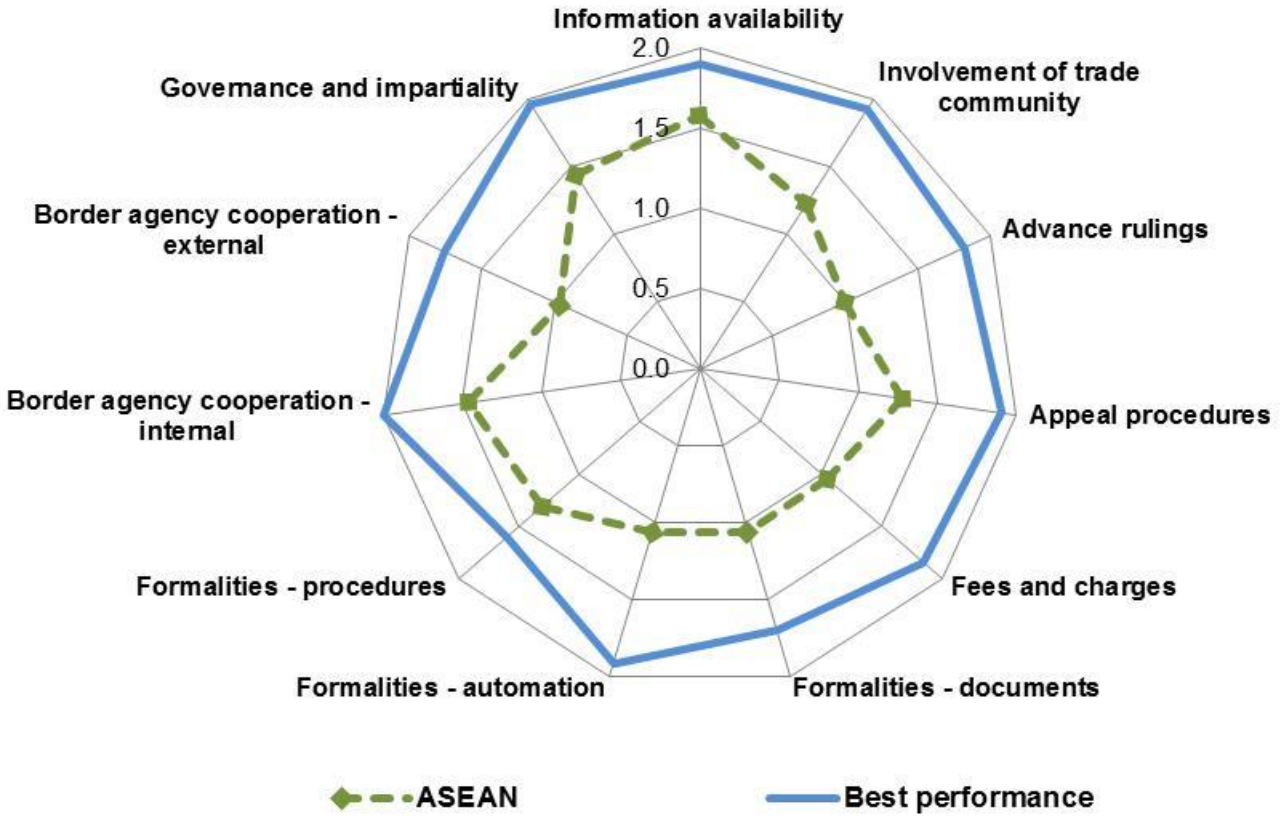
TFI Contribution to the Operation of Supply Chains



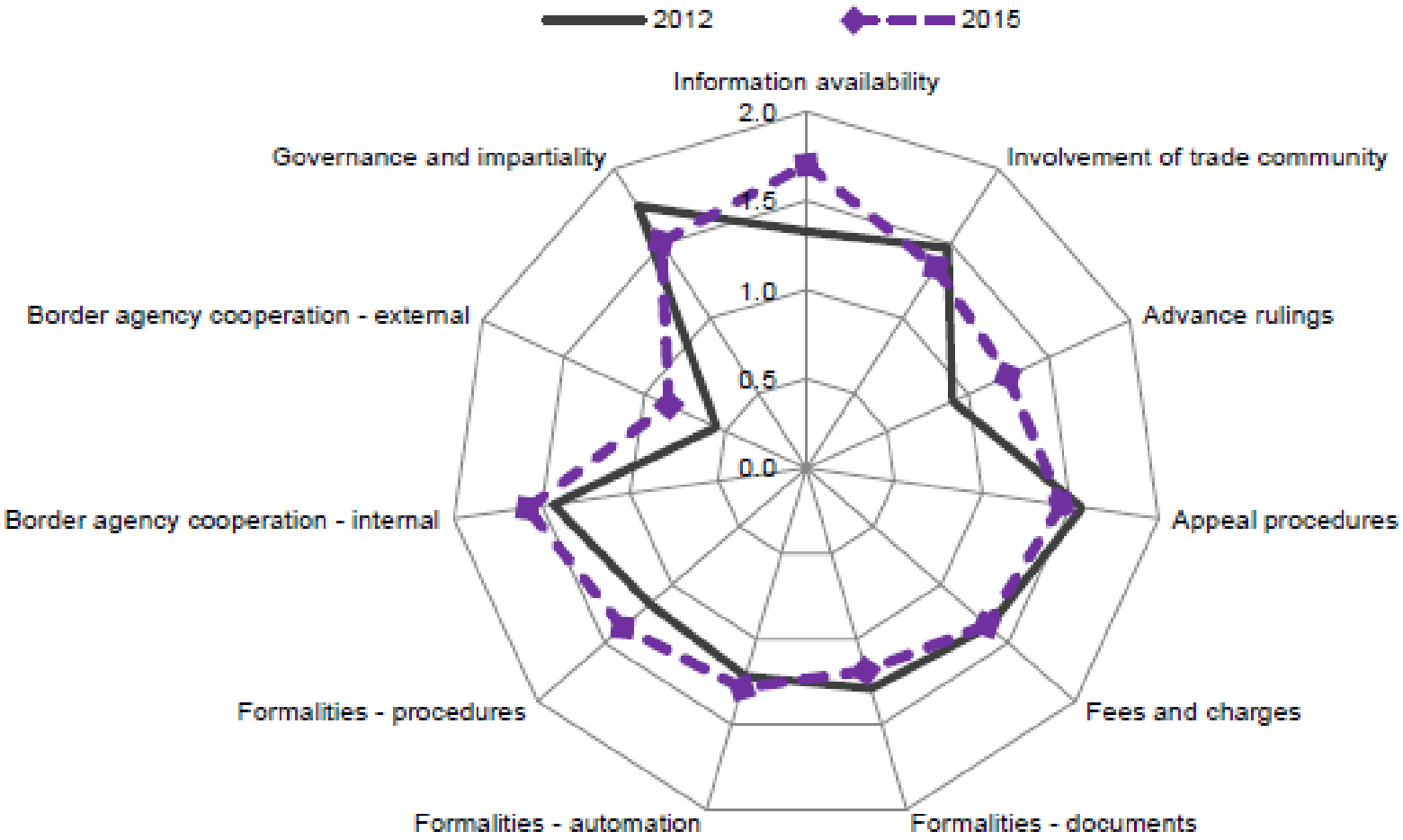
TFIs: worldwide performance



ASEAN's average TF performance



ASEAN's TF performance - evolution



Thank you

OECD Trade Facilitation Indicators

http://oe.cd/tfi-tools

Compare your country tool

http://compareyourcountry.org/trade-facilitation

Interactive Policy Simulator

http://oe.cd/tfi-sim

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