



**Asia-Pacific
Economic Cooperation**

2010/SOM3/CTI/WKSP/005

Trading Across Borders

Submitted by: World Bank



**Ease of Doing Business Workshop on Trading
Across Borders
Sendai, Japan
18-19 September 2010**

Doing Business 2010

Trading across Borders
APEC Ease of Doing Business Workshop

Mikiko Imai Ollison
Doing Business Team

18 September, 2010
Sendai, Japan

Reforming through Difficult Times

THE WORLD BANK IFC International Finance Corporation

www.doingbusiness.org

Presentation outline:

Doing Business 2010

- 1. What is *Doing Business* and the Trading across Borders indicator?**
- 2. How do we measure it and who are the best performers?**
- 3. Trade facilitation reforms**

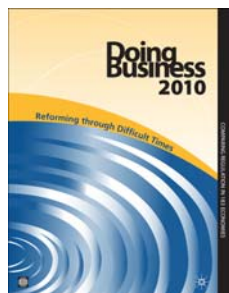
Presentation outline:

Doing
Business
2010

1. What is *Doing Business* and the Trading across Borders indicator?
2. How do we measure it and who are the best performers?
3. Trade facilitation reforms

What is the *Doing Business* project?

Doing
Business
2010

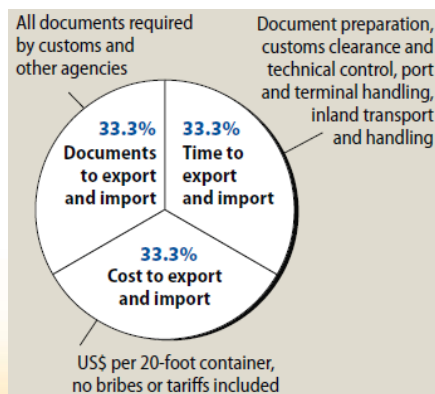


- ✓ Initiated 8 years ago to provide an objective basis for understanding and improving the regulatory environment for business
- ✓ Measure and rank 183 economies
- ✓ Focus on regulations relevant to the life cycle (starting, operating and closing a business) of a small to medium-sized domestic business based under standardized case.
- ✓ **DOES NOT** measure all aspects of the business environment.

What is the Trading Across Borders indicator?

Doing
Business
2010

- ✓ One of the *Doing Business* indicators
- ✓ **Time** and **cost** (excluding tariffs) associated to **exporting** and **importing** by **ocean transport**, and the number of **documents** necessary to complete the transaction
- ✓ Rankings are based on these 3 sub-indicators



Presentation outline:

Doing
Business
2010

1. What is *Doing Business* and the Trading across Borders indicator?
2. How do we measure it and who are the best performers?
3. Trade facilitation reforms

Case Study

Doing
Business
2010

- Exporting and importing from the **largest business city** in the country
- to/from the country's **largest overseas trade partner**
- **via ocean transport** using the primary seaport used for that city
- in a dry cargo **20-ft full container load (FCL)**, weighs 10 tons and is valued at **US\$20,000**.
- Product is one of the **country's leading export and import products**, and is
 - not hazardous
 - not include military items
 - not require refrigeration or any other special environment
 - not require special phytosanitary or environmental safety standards
- Payment is through a **Letter of Credit**
- Company does not operate within an export processing zone or other special export/import privileges

4 processes in trade to measure TIME and COST

Doing
Business
2010

EXPORTING



- L/C
- Other documents (customs declaration forms, etc)

- Packing
- Arranging for transport
- Transport
- Loading and unloading

- Customs
- Inspections
- Technical/health
- Security

- Waiting for vessel
- Loading and unloading
- Terminal handling

IMPORTING



- Document preparation

- Inland transportation

- Customs and other border agency

- Ports and terminal handling

All required trade-related DOCUMENTS are counted Doing Business 2010

- Examples of documents
 - ✓ *Commercial*: commercial invoice, packing list, bill of lading
 - ✓ *Customs*: customs export/import declarations, export/import license
 - ✓ *Port authorities*: terminal handling receipts
 - ✓ *Other agencies*: certificate of origin, inspection report, technical certificate
- Varies greatly across countries:

France
2 documents for importing:
 customs import declaration
 & bill of lading

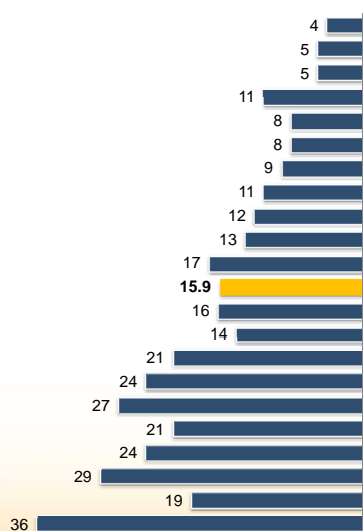
VS.

Central African Republic
17 documents for importing:
 bill of lading; border crossing authorization; cargo release order; collection order; commercial invoice; customs attestation; customs import declaration; electronic cargo tracking receipt (BESC); form S101 (Transit document); import license; insurance certificate; packing list; pre-shipment inspection clean report of findings; tax certificate; technical standard / health certificate; terminal handling receipts; truck manifest (feuille de route)

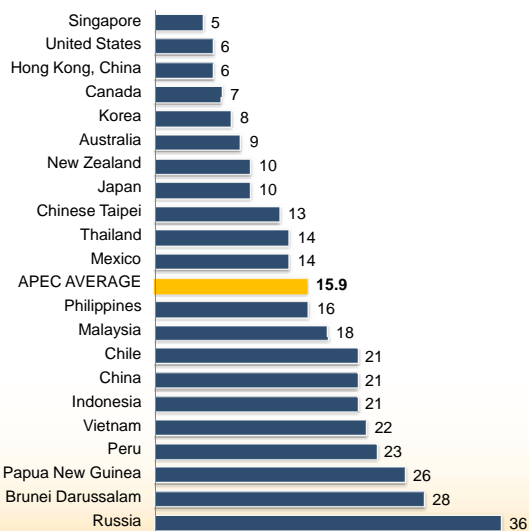
• *NOTE: Letter of credit is assumed between parties and therefore not counted as a document, unless explicitly required by customs (ex: Nepal)*

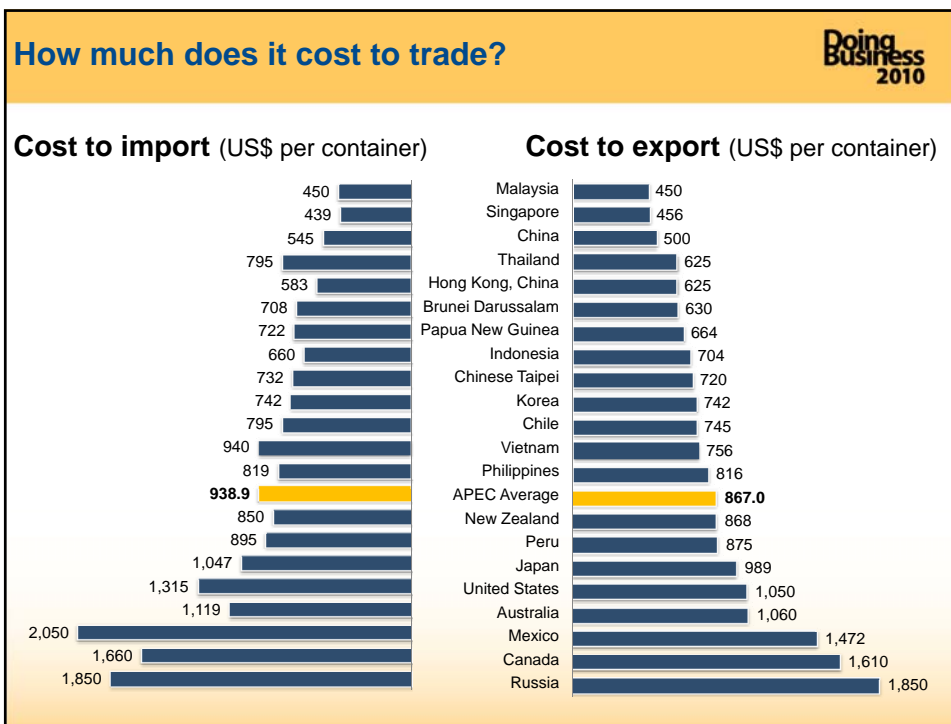
How long does it take to trade? Doing Business 2010

Time to import (days)



Time to export (days)





In which region is it easy to trade across borders?

Doing
Business
2010

Region	Importing			Exporting		
	Time (days)	Cost (per US\$ container)	Documents (number)	Time (days)	Cost (per US\$ container)	Documents (number)
Asia-Pacific Economic Cooperation	15.9	938.9	6.0	15.9	867.0	5.6
East Asia & Pacific (EAP)	24.3	952.8	7.1	23.1	909.3	6.7
European Union (EU)	12.7	1,102.7	5.3	11.8	1,038.8	4.5
Latin America and Caribbean	20.9	1,481.0	7.3	18.6	1,243.6	6.8
Organization for Economic Co-Operation and Development (OECD)	11.5	1,136.5	4.9	10.8	1,082.4	4.4

Where is it easiest to trade? What do they have in common?

Doing
Business
2010

Global good practice

1. Singapore

2. Hong Kong, China

3. Estonia

4. Finland

5. United Arab Emirates

6. Denmark

7. Sweden

8. Korea, Rep.

9. Norway

10. Panama

✓ Paper-free electronic data interchange (EDI) system.

✓ Pre-arrival submission of customs declaration and manifest.

✓ Less than 10% of containers are physically controlled, using risk based inspection systems.

✓ Single Window for obtaining trade documents and approvals

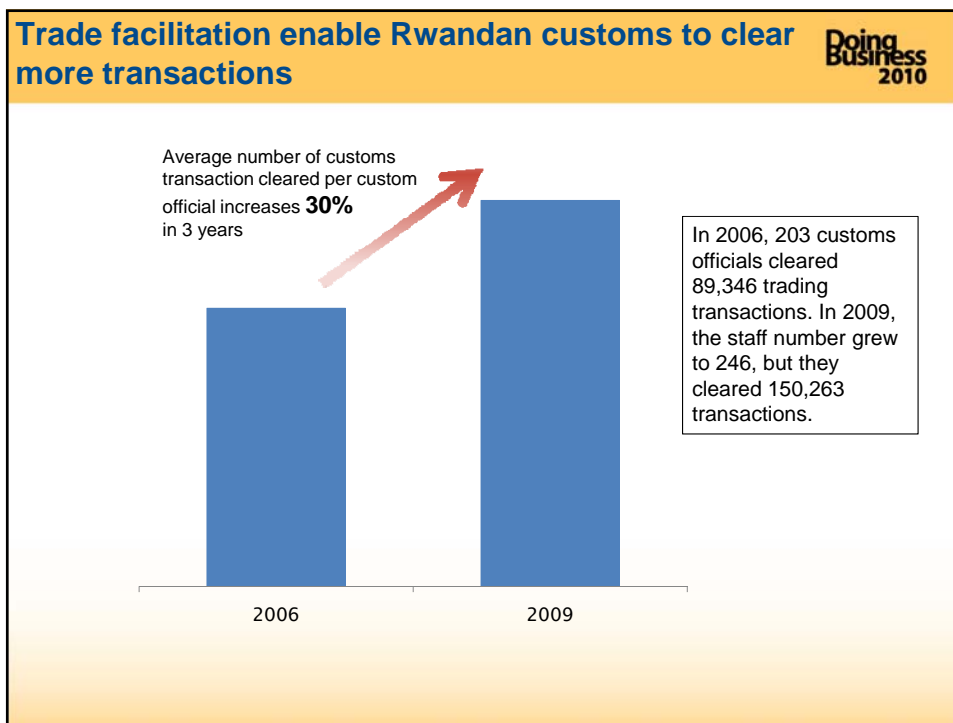
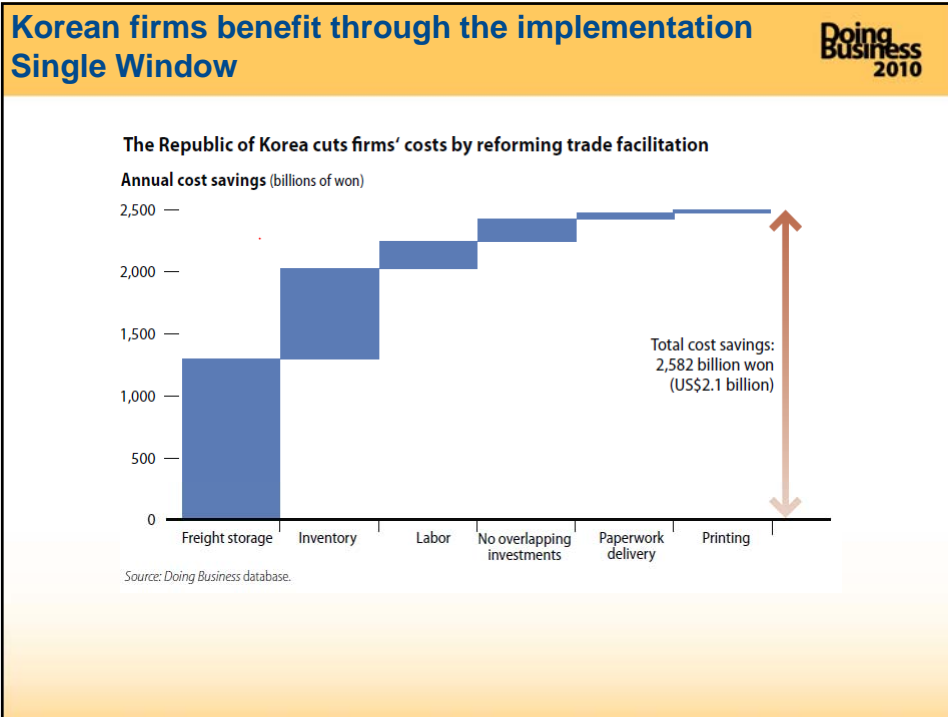
✓ Efficient ports and transportation infrastructure

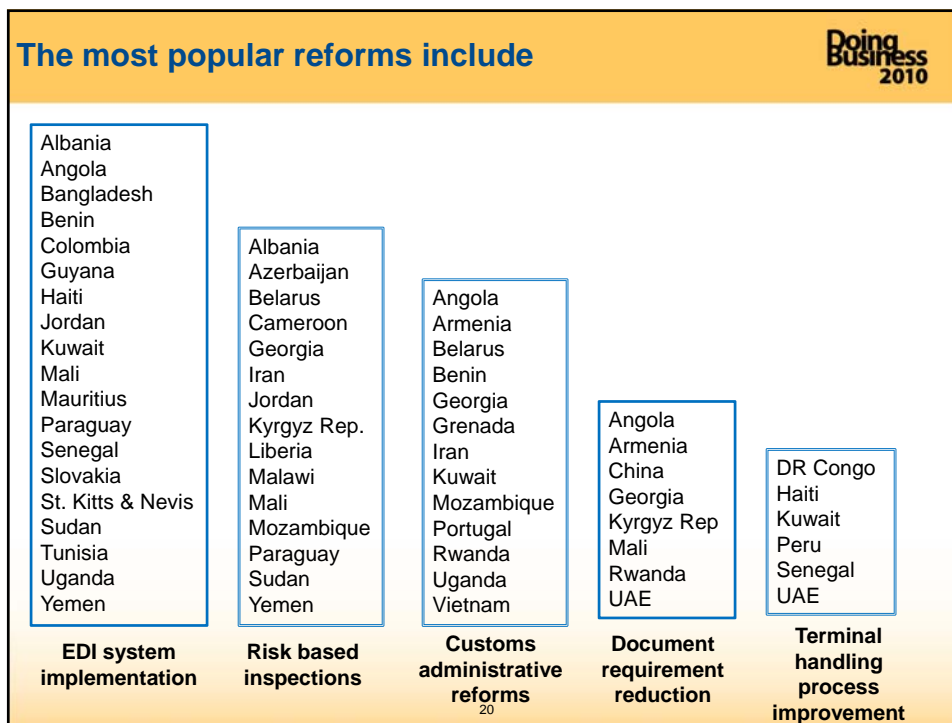
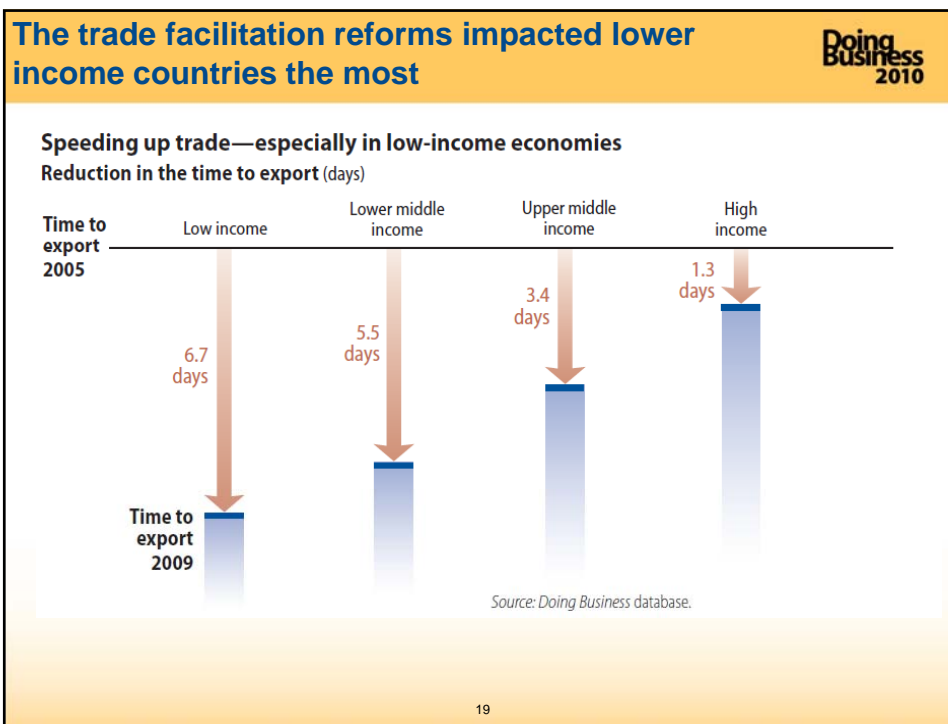
Presentation outline:**Doing
Business
2010**

1. What is *Doing Business* and the Trading across Borders indicator?
2. How do we measure it and who are the best performers?
3. **Trade facilitation reforms**

Trade facilitation reforms – why it matters?**Doing
Business
2010**

- Gains for firms:
 - ✓ Savings in cost and time
 - ✓ Opportunities to be part of global production networks
- Gains for governments:
 - ✓ Increase in revenue
 - ✓ Savings in cost and time





Are all trade facilitation efforts successful?

Doing
Business
2010

- Reforming too quickly
 - Electricity supply and basic infrastructure?
 - Are electronic signatures and transaction laws?
 - Training of users, easy to install?
- Duplication/Extra work
 - Is it a paperless system or do hard copies need to be submitted?
- Lack of support/resistance
 - Are stakeholders involved throughout the process?

Thank you. For more information, visit:
www.doingbusiness.org

Doing
Business
2010

The screenshot shows the Doing Business 2010 website. At the top, there are language options: English, Español, Français, Português, Русский, 中文, العربية. The main header includes the title "Doing Business" and the subtitle "Measuring business regulations". Below this is a navigation menu with links: Home, Meet the Team, Rankings, Subnational Profiles, Reforms, Law Library, Methodology & Research, Downloads, Local Partners, Media, and a search bar.

The main content area is divided into several sections:

- Current Features:**
 - Doing Business 2009: Five years of reforms:** More regulatory reforms were recorded worldwide between June 2007 and June 2009 than in any previous year, according to Doing Business 2009. For the fifth year in a row, Eastern Europe and Central Asia led the world in Doing Business reforms. Once again, Singapore tops the rankings, followed by New Zealand, the United States, and Hong Kong, China.
 - Learn more about reform trends
 - Download report overview (PDF, 358K)
 - Azerbaijan: This year's top reformer:** Azerbaijan led the world as the top reformer in 2007/08, with improvements on seven out of 10 indicators of regulatory reform, according to Doing Business 2009. Extensive reforms moved it far up the ranks, from 91 to 33 in the overall ease of doing business. Learn more about reforms in Azerbaijan and the other top 10 reformers.
 - Doing Business Profiles:** Doing Business 2009 profiles of 13 regions are available for download! Each profile summarizes Doing Business indicators for that region of the world. Regional data appear in graphs that allow for comparison across economies. Good-practice economies are also identified by indicator and overall ranking.
 - Doing Business 2009 regional profiles
- Featured video:** A video player showing a video titled "The Doing Business project..." with a progress bar at 0:00 / 0:00.
- Special Features:**
 - Doing Business Blog:** Shares the experiences and insights of the Doing Business team, its local partners, and successful reformers.
 - Doing Business on Facebook:** Connect with other users of Doing Business products!
 - Simulate reforms:** See the impact of reforms by using the ranking simulator (Excel, 420KB) to change indicator values.
- More features...**
- Press Releases**