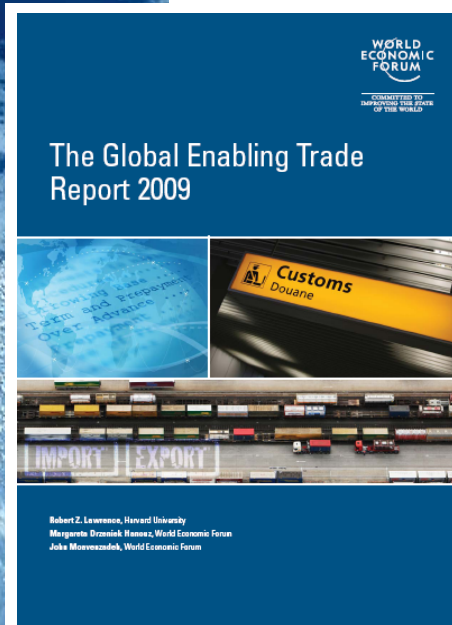


Global Enabling Trade Report 2009

Analyzing Colombia's performance



- **Margareta Drzeniek Hanouz**, Senior Economist
World Economic Forum

International Business Speaker Series
International Business Department EAFIT
Geneva-Medellin | 23 July, 2009

Global Competitiveness Network

- Since 1979:
- Study of National Competitiveness
- Developing benchmarking tools (indexes) for global, regional and industry specific analysis
- Flagship Report: Global Competitiveness Report
- Regional and special topics reports:
 - Gender Gap Report
 - Travel and Tourism Competitiveness Report
 - Global Information Technology Report
 - Mexico and Brazil Competitiveness Reports

The Global Enabling Trade Report Background

- **Aim:** Raise awareness of the significance of international trade flows for economic development and the importance of reducing barriers to global trade, in particular those related to transport.
- Developed and launched in 2008 by the World Economic Forum, initiated by the Forum's **Industry Partners in Logistics and Transportation.**
- **Partners:** The Forum's Industry Partners and International Organizations active in the area of international trade.
- **2009:** covering **121 countries**, over 95% of global GDP

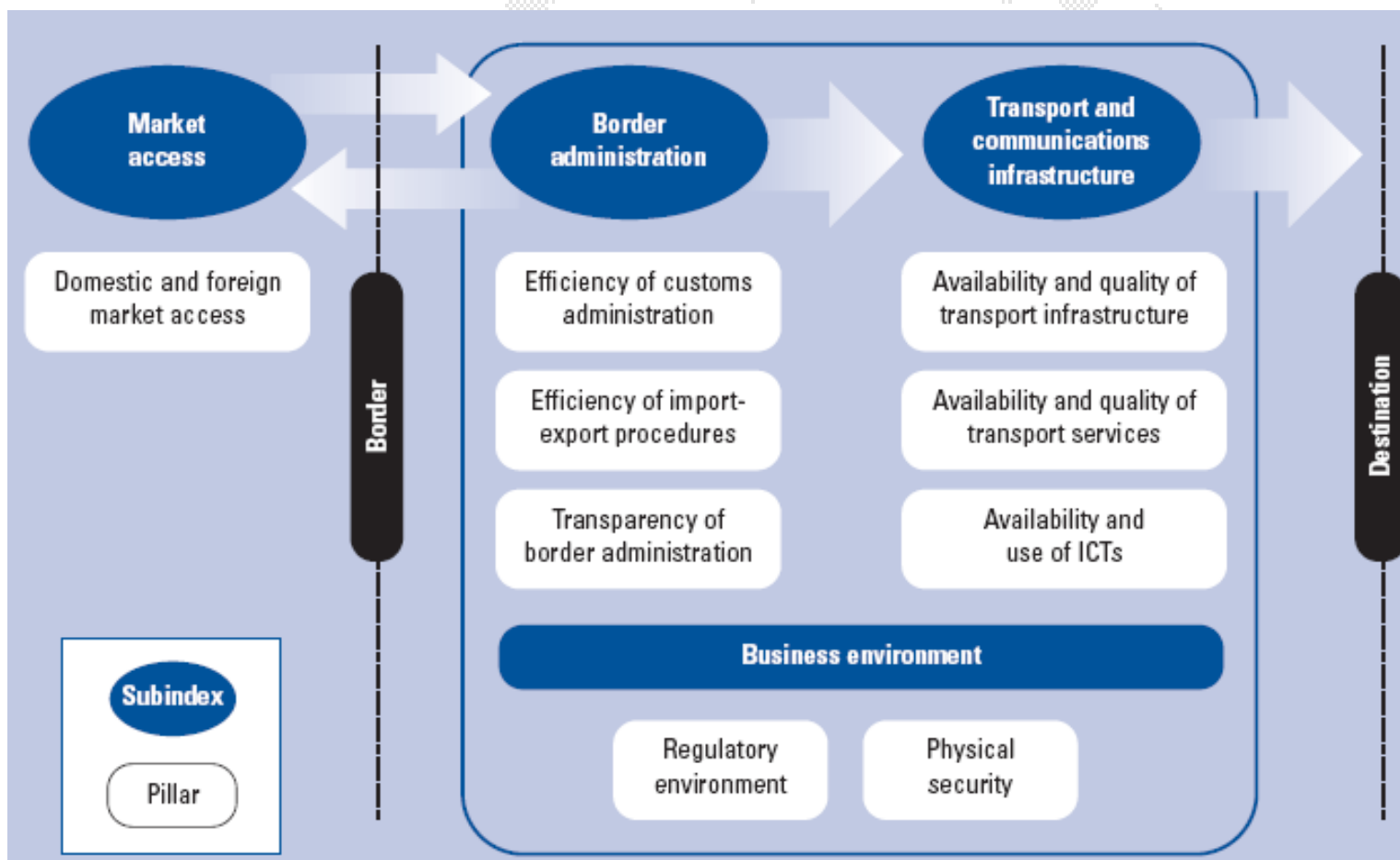
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How are the results being used?

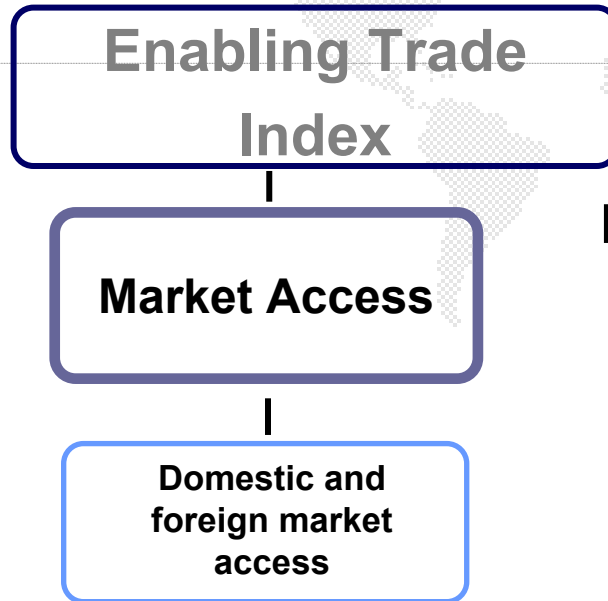
- **Enabling public-private dialogue:** The results of our reports provide an objective base for public-private dialogue on how to enable trade in countries.
- **Prioritizing reform:** Identifying strengths and weaknesses in each country's trade environment.
- **Monitoring:** Help policy makers and business to monitor progress over time.

The Enabling Trade Index

... measures the institutions, policies and services that enable the trade in goods across borders and to destination



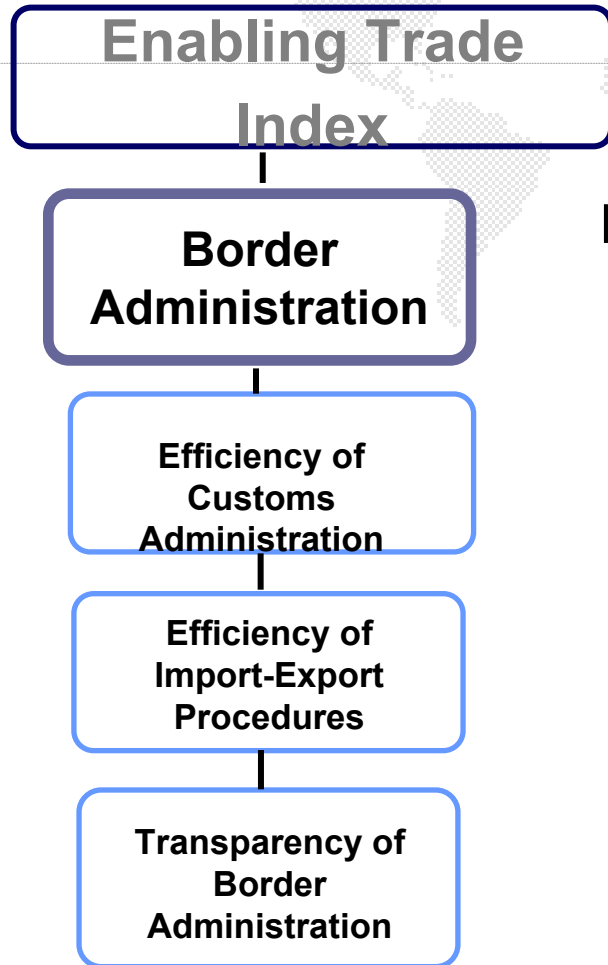
Index structure



Examples of variables:

- Trade weighted average tariff rate
- Non-tariff barriers
- Share of duty-free imports
- Complexity of the tariff regime
- Tariffs faced

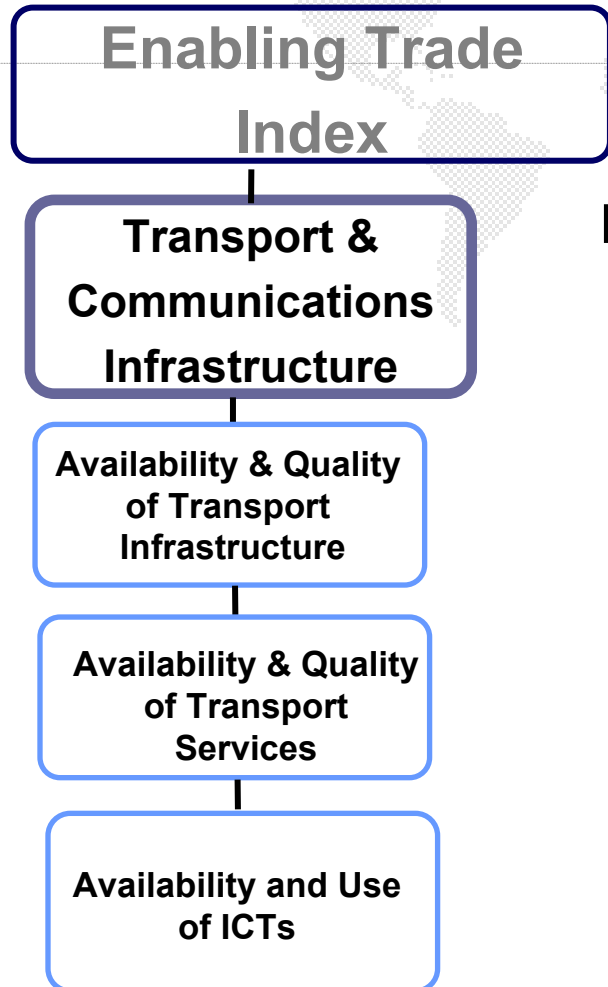
Index structure



Examples of variables:

- Burden of customs procedures
- Quality of customs services
- Number of days and documents to import
- Cost to import
- Irregular payments in exports and imports

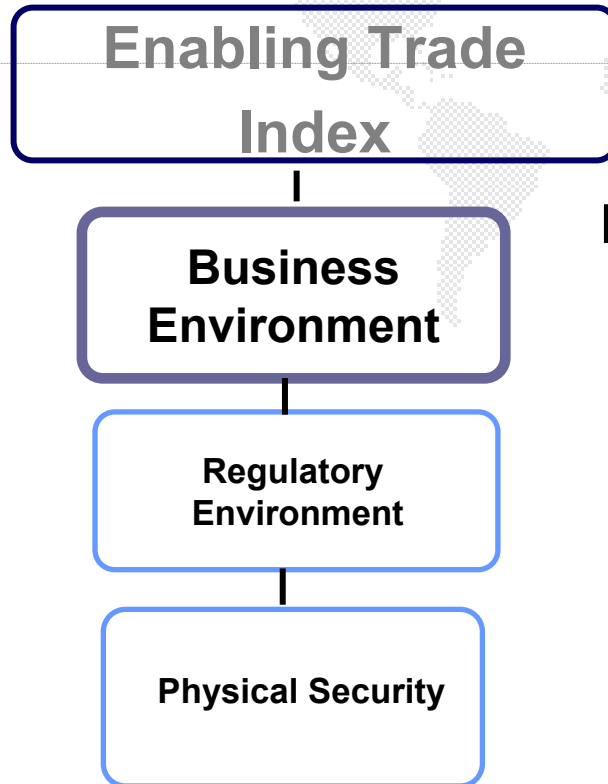
Index structure



Examples of variables:

- Airport density
- Road congestion
- Transport infrastructure quality (air, rail, roads, ports)
- Ease and affordability of shipment
- Ability and ease of tracking
- Postal service efficiency
- ICT penetration rates (Internet, cell phones, etc.)

Index structure



Examples of variables:

- Ethics and corruption
- Property rights
- Government efficiency
- Foreign ownership restrictions
- Ease of hiring foreign labor
- Country-level violence
- Reliability of the police

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Top 10 and Selected Economies (out of 121)

Country/Economy	Rank	Score	Country/Economy	Rank	Score
Singapore	1	5.97	Germany	12	5.24
Hong Kong SAR	2	5.57	United States	16	5.02
Switzerland	3	5.44	France	17	5.02
Denmark	4	5.44	United Arab Emirates	18	4.97
Sweden	5	5.44	Korea, Rep.	26	4.73
Canada	6	5.35	Malaysia	28	4.70
Norway	7	5.33	China	49	4.19
Finland	8	5.33	South Africa	61	3.92
Austria	9	5.29	India	76	3.72
Netherlands	10	5.27	Brazil	87	3.58
			Vietnam	89	3.54
			Argentina	97	3.46
			Russian Federation	109	3.29
			Bangladesh	111	3.20
			Chad	121	2.77

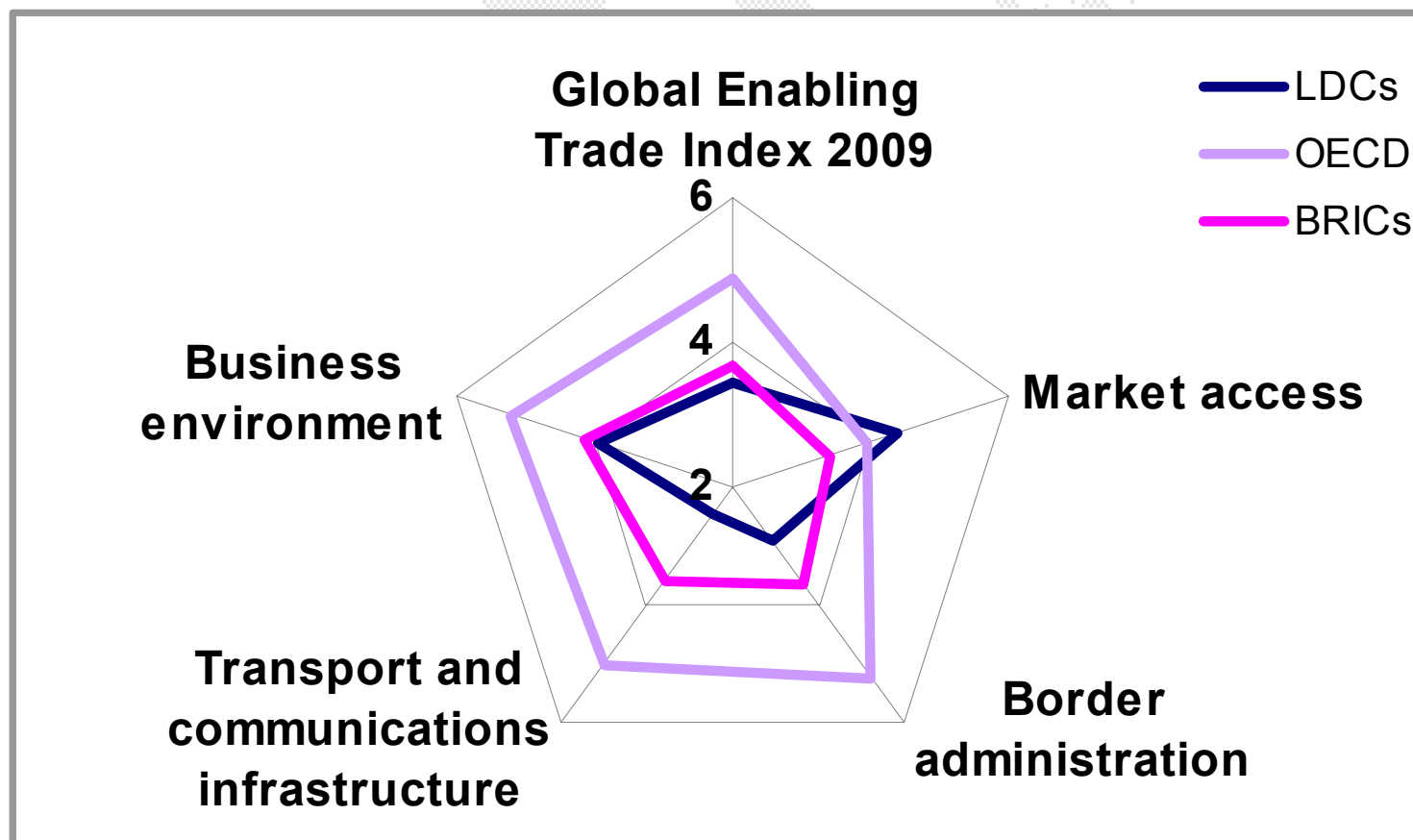
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Detailed Results for Selected Countries

	Singapore	United States	China	Russia	Chad
Domestic and foreign market access	2	49	103	113	50
Efficiency of customs administration	1	10	45	74	120
Efficiency of import-export procedures	1	16	30	107	113
Transparency of border administration	4	21	55	109	121
Availability and quality of transport infrastructure	12	3	30	64	121
Availability and quality of transport services	1	14	19	68	120
Availability and use of ICTs	11	12	60	50	117
Regulatory environment	1	23	45	109	119
Physical security	9	63	52	88	116
GDP per capita, 2008	21	14	77	44	102

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Example of Results



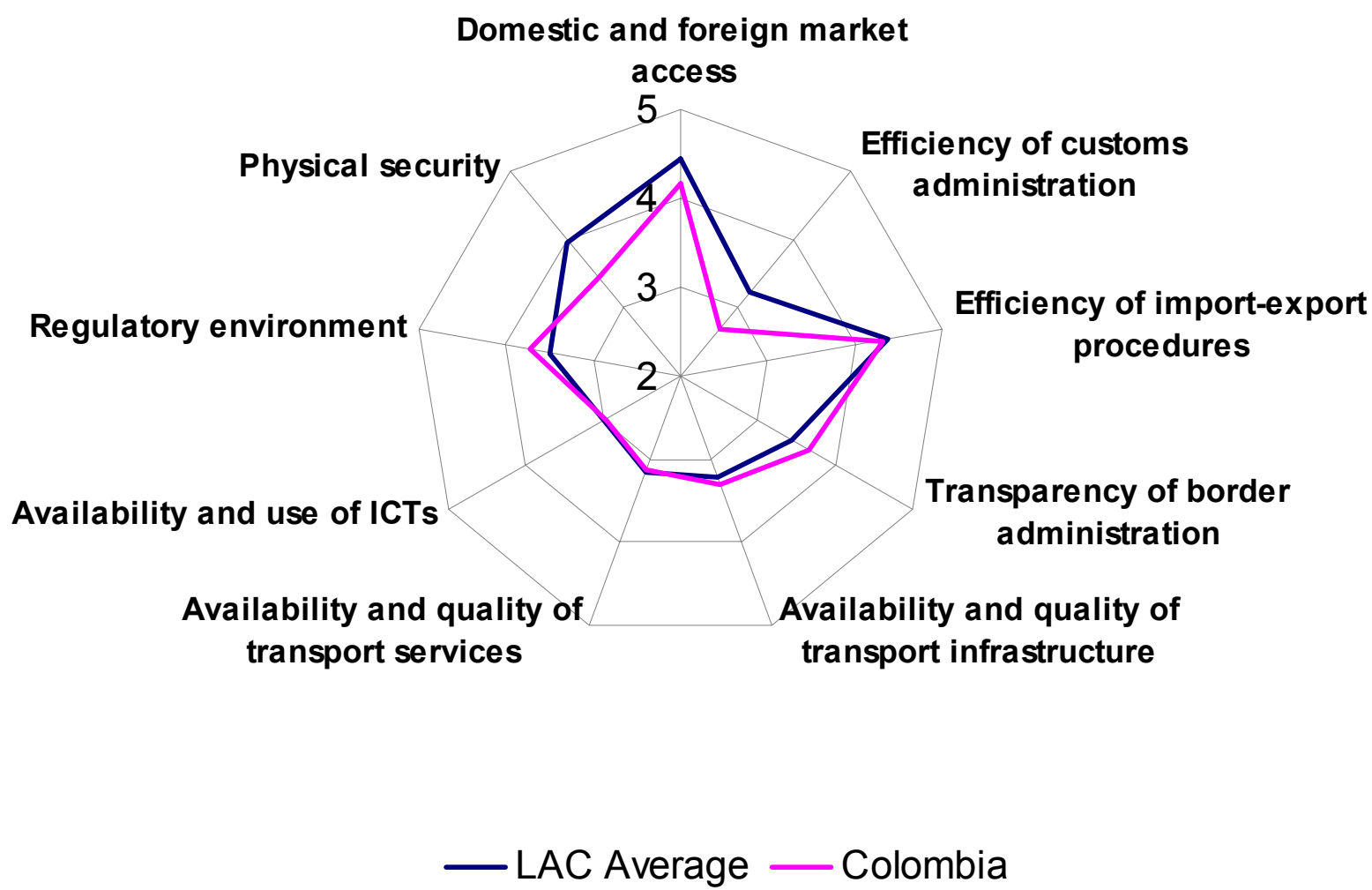
Results for Latin America

rank	country	rank out of 121	score (1-7 scale)
1	Chile	19	4.96
2	Costa Rica	43	4.36
3	Uruguay	51	4.18
4	Panama	53	4.06
5	El Salvador	56	4.00
6	Guatemala	58	3.97
7	Peru	65	3.81
8	Mexico	74	3.74
9	Nicaragua	77	3.71
10	Jamaica	79	3.70
11	Dominican Republic	81	3.64
12	Colombia	84	3.61
13	Brazil	87	3.58
14	Bolivia	88	3.55
15	Argentina	97	3.46
16	Ecuador	103	3.41
17	Paraguay	105	3.39
18	Guyana	115	3.13
19	Venezuela	119	2.84

Detailed results for Latin American countries

	Brazil	Chile	Colombia	Costa Rica	Ecuador	El Salvador	Guatemala	Mexico	Nicaragua	Peru	Venezuela
Global Enabling Trade Index 2009	87	19	84	43	103	56	58	74	77	65	119
Domestic and foreign market access	100	3	48	5	36	1	8	43	15	25	105
Efficiency of customs administration	98	20	89	41	121	78	32	52	92	79	103
Efficiency of import-export procedures	67	40	75	65	83	52	85	78	70	61	114
Transparency of border administration	65	17	60	46	114	58	57	64	81	49	120
Availability and quality of transport infrastructure	93	48	76	66	86	98	81	85	100	90	96
Availability and quality of transport services	56	51	84	103	78	93	69	65	102	90	86
Availability and use of ICTs	54	44	64	56	79	73	61	63	103	75	62
Regulatory environment	95	37	71	41	116	70	69	78	106	79	121
Physical security	90	26	114	80	98	115	119	106	60	103	120

Colombia vs. LAC average



Colombia's performance in the ETI vs. Best performers

1st pillar: Domestic and foreign market access

Tariff barriers	91	10.2	Hong Kong SAR	0.0
Tariff barriers for non-agricultural products	93	9.7	Multiple (2)	0.0
Tariff barriers for agricultural products	74	16.6	Hong Kong SAR	0.0
Non-tariff barriers	83	56.2	Chad	0.0
Complexity of tariffs	28	6.7	Hong Kong SAR	7.0
Variance of tariffs	30	7.3	Hong Kong SAR	0.0
Domestic tariff peaks	40	0.6	Multiple (23)	0.0
Specific tariffs	1	0.0	Multiple (30)	0.0
Number of distinct tariffs	33	13	Hong Kong SAR	1.0
Share of duty-free imports	80	35	Hong Kong SAR	100.0
Tariffs faced	18	5.0	Chile	3.8
Margin of preference in target markets	23	53.4	Nepal	94.6

Colombia's performance in the ETI vs. Best performers

2nd pillar: Efficiency of customs administration

Burden of customs procedures	74	3.5	Singapore	6.5
Customs services index	92	3.5	United Kingdom	12.0

3rd pillar: Efficiency of import-export procedures

Effectiveness and efficiency of clearance	101	2.1	Netherlands	4.0
Time for import	35	15	Singapore	3.0
Documents for import	66	8	France	2.0
Cost to import	88	1,640	Singapore	439.0
Time for export	33	14	Multiple (3)	5.0
Documents for export	42	6	France	2.0
Cost to export	99	1,690	Malaysia	450.0

4th pillar: Transparency of border administration

Irregular payments in exports and imports	62	4.0	Sweden	6.6
Corruption Perceptions Index	55	3.8	Multiple (3)	9.3

Colombia's performance in the ETI vs. Best performers

5th pillar: Availability and quality of transport infrastructure

Airport density	31	1.1	Norway	10.6
Transshipment connectivity index	38	72.2	United Kingdom	100.0
Paved roads	97	14.4	Multiple (18)	100.0
Road congestion	27	16	Bangladesh	1.0
Quality of air transport infrastructure	59	4.8	Singapore	6.9
Quality of railroad infrastructure	94	1.5	Switzerland	6.8
Quality of roads	81	2.9	France	6.7
Quality of port infrastructure	97	2.9	Singapore	6.8

Colombia's performance in the ETI vs. Best performers

6th pillar: Availability and quality of transport services

Liner Shipping Connectivity Index	42	21.6	China	137.4
Ease and affordability of shipment	73	2.6	Netherlands	4.1
Competence of the logistics industry	79	2.4	Netherlands	4.3
Ability and ease of tracking	67	2.6	Singapore	4.3
Timeliness of shipments in reaching destination	79	2.9	Singapore	4.5
Postal service efficiency	68	4.3	Switzerland	6.9
GATS commitments in the transport sector	68	0.0	Moldova	60.6

7th pillar: Availability and use of ICTs

Firm-level technology absorption	92	4.2	Japan	6.3
Mobile telephone subscribers	67	73.5	United Arab Emira	176.5
Broadband Internet subscribers	58	2.6	Denmark	36.0
Internet users	53	26.2	Norway	85.0
Telephone lines	62	17.2	Switzerland	65.9

Colombia's performance in the ETI vs. Best performers

8th pillar: Regulatory environment

Property rights	64	4.1	Switzerland	6.5
Ethics and corruption	72	2.8	Singapore	6.5
Undue influence	59	3.4	Denmark	6.3
Government inefficiency	64	3.5	Singapore	6.1
Domestic competition	98	3.9	Singapore	5.7
Openness to foreign participation	73	4.7	Singapore	6.3
Ease of hiring foreign labor	31	5.2	United Arab Emira	6.1
Prevalence of foreign ownership	79	4.9	Hong Kong SAR	6.7
Business impact of rules on FDI	73	5.0	Ireland	6.7
Capital controls	97	3.7	Hong Kong SAR	6.6

9th pillar: Physical security

Reliability of police services	67	4.1	Finland	6.7
Business costs of crime and violence	107	3.3	Syria	6.7
Business costs of terrorism	121	3.0	Finland	6.8



Thank you!

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