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|  |  **NEWS RELEASE**  |

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**Global Trade Logistics Performance Slows Down Amid Recession and Major Events**

***But many countries like Chile, China, India, Morocco, South Africa, and the U.S. continued to improve***

**WASHINGTON, May 16, 2012—**Progress in trade logistics performance slowed down over the last two years amid the global recession, but countries that pursued aggressive reforms continued to improve their performance, according to the World Bank’s latest survey on trade logistics.

Singapore is the top performer among the 155 economies included in the Logistics Performance Indicators (LPI), which are part of the ***Connecting to Compete 2012: Trade Logistics in the Global Economy*** report. Countries like Chile, China, India, Morocco, South Africa, Turkey, and the U.S. all improved their previous performance, according to the study, which is based on a comprehensive world survey of international freight forwarders and express carriers.

“Trade logistics is key to economic competitiveness, growth, and poverty reduction,” said Otaviano Canuto, World Bank Vice President for Poverty Reduction and Economic Management (PREM). “Unfortunately, the logistics gap between rich and poor countries continues and the convergence trend experienced between 2007 and 2010 has stalled as events like the global recession, and the European debt crisis shifted attention away from logistics reform.”

According to the LPI, high income economies dominate the top logistics rankings, while the economies with the worst performance are least developed countries that are also often landlocked, small islands, or post-conflict states. Nevertheless, logistics performance is not simply determined by the level of per capita income, as many countries across different income groups have done better than their peers.

In the upper-middle income country category, top performers include South Africa, China and Turkey. In the lower middle income category, India, Morocco and the Philippines have above average performance improvements. And among low-income countries, outperformers included Benin, Malawi and Madagascar.

“Infrastructure stands out as the chief driver of progress in top performers, followed by improvements in logistics services, and customs and border management,” said Mona Haddad, Sector Manager of the World Bank’s International Trade Department. “All top performers show strong cooperation between the public and private sectors, and a comprehensive approach in the development of services, infrastructure and efficient logistics.”

The survey shows while logistics services have improved compared to past surveys, rail services dissatisfied more than 90 percent of respondents. On the border management side, customs agencies got better ratings than all other agencies involved in the process, with those responsible for sanitary and phytosanitary regulations lagging behind.

**Better logistics needed to reduce food prices and carbon footprint**

At a time where food prices are at historic highs, the survey also found that logistics is important for food security. Transport and logistics directly affect the price and local availability of food through the performance and resilience of food chains, especially in African and Middle Eastern countries that depend heavily on food imports.

In developing countries, particularly in landlocked and poor ones, transport and logistics account for 20-60 percent of delivered food prices. For instance, they make up 48 percent of the cost of U.S. corn imported by Nicaragua.

The survey, which for the first time included environmental indicators, also found that green logistics is quickly gaining prominence in high-income and emerging economies –a positive development since logistics and freight-related activities may account for up to 15 percent of human carbon dioxide emissions. Large logistics providers like DHL, FedEx, UPS, and TNT, all now have global initiatives to reduce their carbon footprint, shift to more efficient vehicles, make facilities more efficient, and help clients become more green-friendly

**The way forward**

The 2012 LPI shows preconditions for efficient logistics. All top performers have developed and maintained a strong public-private partnership and dialogue; good cooperation between policymakers, practioners, administrators and academics; and a comprehensive approach in the development of transport services, infrastructure and efficient logistics.

Only by fostering cooperation between the public and private sectors, and by considering the impact of all agencies on the supply chain can a country create sustainable improvements in its logistical capabilities, the study says.

**What the World Bank is doing to help improve trade logistics**

* Projects dealing with logistics and trade facilitation constitute about 10 percent of the World Bank’s overall portfolio.
* Examples of these projects include customs reforms, trade development, and regional and corridor projects. In Africa, for instance, the $300 million East Africa Trade and Transport Facilitation Project improved the corridor infrastructure and upgraded the main border crossing between Uganda and Kenya at Malaba. The project reduced border crossing times from three days to three hours between 2006 and 2012.
* The Trade Facilitation Facility, a donor-funded technical assistance initiative of $50 million, is helping low-income countries improve their logistics projects and trade-related infrastructure.
* The World Bank is also working with:
	+ Other international partners involved in projects, including regional development banks, UNCTAD, and the World Customs Organizations, all of which are members of the Global Facilitation Partnership.
	+ Regional groups of countries and forums like the Asia-Pacific Economic Cooperation, the Common Market for Eastern and Southern Africa (COMESA), and the Economic Community of West African States (ECOWAS), among others.
	+ Private organizations and companies promoting good practices, including the international Road Union, and the International Federation of Freight Forwarders Associations.
	+ The World Economic Forum to analyze the potential for multilaterally agreed measures to boost logistics service delivery and the efficiency of global supply chains. The WEF also uses the LPI as an input into its competitiveness indicators.

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***Please see the LPI Ranking in page below***

*To access the report under embargo, please visit:* [*https://media.worldbank.org/secure/lpi2012*](https://media.worldbank.org/secure/lpi2012)

*To learn more about what the World Bank is doing on trade, please visit:* [*www.worldbank.org/trade*](http://www.worldbank.org/trade)

# LPI ranking and scores 2012\*

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Rank | Score | % of highest performer |  | Rank | Score | % of highest performer |  | Rank | Score | % of highest performer |
| Singapore | 1 | 4.13 | 100.0 |  | Uruguay | 56 | 2.98 | 63.5 |  | Venezuela, RB | 111 | 2.49 | 47.7 |
| Hong Kong SAR, China | 2 | 4.12 | 99.9 |  | Egypt, Arab Rep. | 57 | 2.98 | 63.3 |  | Iran, Islamic Rep. | 112 | 2.49 | 47.6 |
| Finland | 3 | 4.05 | 97.6 |  | Lithuania | 58 | 2.95 | 62.3 |  | Paraguay | 113 | 2.48 | 47.4 |
| Germany | 4 | 4.03 | 97.0 |  | Indonesia | 59 | 2.94 | 62.2 |  | São Tomé and Príncipe | 114 | 2.48 | 47.4 |
| Netherlands | 5 | 4.02 | 96.7 |  | Peru | 60 | 2.94 | 61.9 |  | Guinea | 115 | 2.48 | 47.4 |
| Denmark | 6 | 4.02 | 96.6 |  | Panama | 61 | 2.93 | 61.6 |  | Azerbaijan | 116 | 2.48 | 47.4 |
| Belgium | 7 | 3.98 | 95.3 |  | Oman | 62 | 2.89 | 60.4 |  | Uzbekistan | 117 | 2.46 | 46.9 |
| Japan | 8 | 3.93 | 93.8 |  | Yemen, Rep. | 63 | 2.89 | 60.3 |  | Gambia, The | 118 | 2.46 | 46.8 |
| United States | 9 | 3.93 | 93.7 |  | Colombia | 64 | 2.87 | 59.8 |  | Liberia | 119 | 2.45 | 46.3 |
| United Kingdom | 10 | 3.90 | 92.7 |  | Estonia | 65 | 2.86 | 59.5 |  | Montenegro | 120 | 2.45 | 46.3 |
| Austria | 11 | 3.89 | 92.5 |  | Ukraine | 66 | 2.85 | 59.3 |  | Nigeria | 121 | 2.45 | 46.3 |
| France | 12 | 3.85 | 91.2 |  | Benin | 67 | 2.85 | 59.3 |  | Kenya | 122 | 2.43 | 45.9 |
| Sweden | 13 | 3.85 | 91.2 |  | Botswana | 68 | 2.84 | 58.9 |  | Fiji | 123 | 2.42 | 45.4 |
| Canada | 14 | 3.85 | 91.1 |  | Greece | 69 | 2.83 | 58.6 |  | Jamaica | 124 | 2.42 | 45.3 |
| Luxembourg | 15 | 3.82 | 90.3 |  | Kuwait | 70 | 2.83 | 58.5 |  | Algeria | 125 | 2.41 | 45.3 |
| Switzerland | 16 | 3.80 | 89.7 |  | Pakistan | 71 | 2.83 | 58.4 |  | Solomon Islands | 126 | 2.41 | 45.2 |
| United Arab Emirates | 17 | 3.78 | 88.9 |  | Mauritius | 72 | 2.82 | 58.2 |  | Mauritania | 127 | 2.40 | 44.7 |
| Australia | 18 | 3.73 | 87.2 |  | Malawi | 73 | 2.81 | 57.8 |  | Papua New Guinea | 128 | 2.38 | 44.0 |
| Taiwan, China | 19 | 3.71 | 86.6 |  | Guatemala | 74 | 2.80 | 57.7 |  | Myanmar | 129 | 2.37 | 43.8 |
| Spain | 20 | 3.70 | 86.4 |  | Serbia | 75 | 2.80 | 57.6 |  | Kyrgyz Republic | 130 | 2.35 | 43.3 |
| Korea, Rep. | 21 | 3.70 | 86.2 |  | Latvia | 76 | 2.78 | 56.9 |  | Gabon | 131 | 2.34 | 43.0 |
| Norway | 22 | 3.68 | 85.9 |  | Georgia | 77 | 2.77 | 56.8 |  | Moldova | 132 | 2.33 | 42.6 |
| South Africa | 23 | 3.67 | 85.5 |  | Albania | 78 | 2.77 | 56.7 |  | Guyana | 133 | 2.33 | 42.5 |
| Italy | 24 | 3.67 | 85.4 |  | Ecuador | 79 | 2.76 | 56.2 |  | Burkina Faso | 134 | 2.32 | 42.3 |
| Ireland | 25 | 3.52 | 80.6 |  | Bahamas, The | 80 | 2.75 | 56.1 |  | Afghanistan | 135 | 2.30 | 41.5 |
| China | 26 | 3.52 | 80.5 |  | Sri Lanka | 81 | 2.75 | 56.0 |  | Tajikistan | 136 | 2.28 | 41.1 |
| Turkey | 27 | 3.51 | 80.3 |  | Costa Rica | 82 | 2.75 | 55.9 |  | Libya | 137 | 2.28 | 41.0 |
| Portugal | 28 | 3.50 | 80.1 |  | Côte d’Ivoire | 83 | 2.73 | 55.4 |  | Angola | 138 | 2.28 | 40.8 |
| Malaysia | 29 | 3.49 | 79.8 |  | Madagascar | 84 | 2.72 | 55.1 |  | Rwanda | 139 | 2.27 | 40.5 |
| Poland | 30 | 3.43 | 77.8 |  | Dominican Republic | 85 | 2.70 | 54.4 |  | Mongolia | 140 | 2.25 | 40.0 |
| New Zealand | 31 | 3.42 | 77.4 |  | Kazakhstan | 86 | 2.69 | 54.2 |  | Ethiopia | 141 | 2.24 | 39.6 |
| Iceland | 32 | 3.39 | 76.6 |  | Niger | 87 | 2.69 | 54.1 |  | Lesotho | 142 | 2.24 | 39.5 |
| Qatar | 33 | 3.32 | 74.3 |  | Tanzania | 88 | 2.65 | 52.9 |  | Congo, Dem. Rep. | 143 | 2.21 | 38.6 |
| Slovenia | 34 | 3.29 | 73.1 |  | Namibia | 89 | 2.65 | 52.9 |  | Cuba | 144 | 2.20 | 38.3 |
| Cyprus | 35 | 3.24 | 71.8 |  | Bolivia | 90 | 2.61 | 51.6 |  | Iraq | 145 | 2.16 | 37.1 |
| Bulgaria | 36 | 3.21 | 70.7 |  | Belarus | 91 | 2.61 | 51.6 |  | Comoros | 146 | 2.14 | 36.5 |
| Saudi Arabia | 37 | 3.18 | 69.7 |  | Syrian Arab Republic | 92 | 2.60 | 51.3 |  | Eritrea | 147 | 2.11 | 35.5 |
| Thailand | 38 | 3.18 | 69.6 |  | El Salvador | 93 | 2.60 | 51.2 |  | Sudan | 148 | 2.10 | 35.3 |
| Chile | 39 | 3.17 | 69.5 |  | Guinea-Bissau | 94 | 2.60 | 51.1 |  | Congo, Rep. | 149 | 2.08 | 34.7 |
| Hungary | 40 | 3.17 | 69.5 |  | Russian Federation | 95 | 2.58 | 50.7 |  | Sierra Leone | 150 | 2.08 | 34.5 |
| Tunisia | 41 | 3.17 | 69.4 |  | Lebanon | 96 | 2.58 | 50.6 |  | Nepal | 151 | 2.04 | 33.1 |
| Croatia | 42 | 3.16 | 69.2 |  | Togo | 97 | 2.58 | 50.5 |  | Chad | 152 | 2.03 | 32.9 |
| Malta | 43 | 3.16 | 69.0 |  | Central African Republic | 98 | 2.57 | 50.3 |  | Haiti | 153 | 2.03 | 32.8 |
| Czech Republic | 44 | 3.14 | 68.5 |  | Macedonia, FYR | 99 | 2.56 | 50.1 |  | Djibouti | 154 | 1.80 | 25.5 |
| Brazil | 45 | 3.13 | 68.2 |  | Armenia | 100 | 2.56 | 50.0 |  | Burundi | 155 | 1.61 | 19.5 |
| India | 46 | 3.08 | 66.4 |  | Cambodia | 101 | 2.56 | 50.0 |  |  |  |  |  |
| Mexico | 47 | 3.06 | 66.0 |  | Jordan | 102 | 2.56 | 49.8 |  |  |  |  |  |
| Bahrain | 48 | 3.05 | 65.7 |  | Zimbabwe | 103 | 2.55 | 49.6 |  |  |  |  |  |
| Argentina | 49 | 3.05 | 65.5 |  | Maldives | 104 | 2.55 | 49.4 |  |  |  |  |  |
| Morocco | 50 | 3.03 | 65.0 |  | Honduras | 105 | 2.53 | 49.1 |  |  |  |  |  |
| Slovak Republic | 51 | 3.03 | 64.9 |  | Cameroon | 106 | 2.53 | 48.9 |  |  |  |  |  |
| Philippines | 52 | 3.02 | 64.8 |  | Bhutan | 107 | 2.52 | 48.6 |  |  |  |  |  |
| Vietnam | 53 | 3.00 | 64.1 |  | Ghana | 108 | 2.51 | 48.2 |  |  |  |  |  |
| Romania | 54 | 3.00 | 63.8 |  | Lao PDR | 109 | 2.50 | 48.0 |  |  |  |  |  |
| Bosnia and Herzegovina | 55 | 2.99 | 63.5 |  | Senegal | 110 | 2.49 | 47.7 |  |  |  |  |  |

*\*Scores are provided on a 1 (worst) to 5 (best possible) scale of performance.*

*The column “% of best performer” represents the relative LPI and is obtained by normalizing the LPI score. In this way, the best performer reaches the maximum score of 100% and the worst performer the minimum of 19.5%*