

International Transport Forum
2012 Annual Summit

*Seamless Transport:
Making Connections*

**Facilitating Global Trade:
Connectivity Across Borders**

Dr. Andreas Kopp

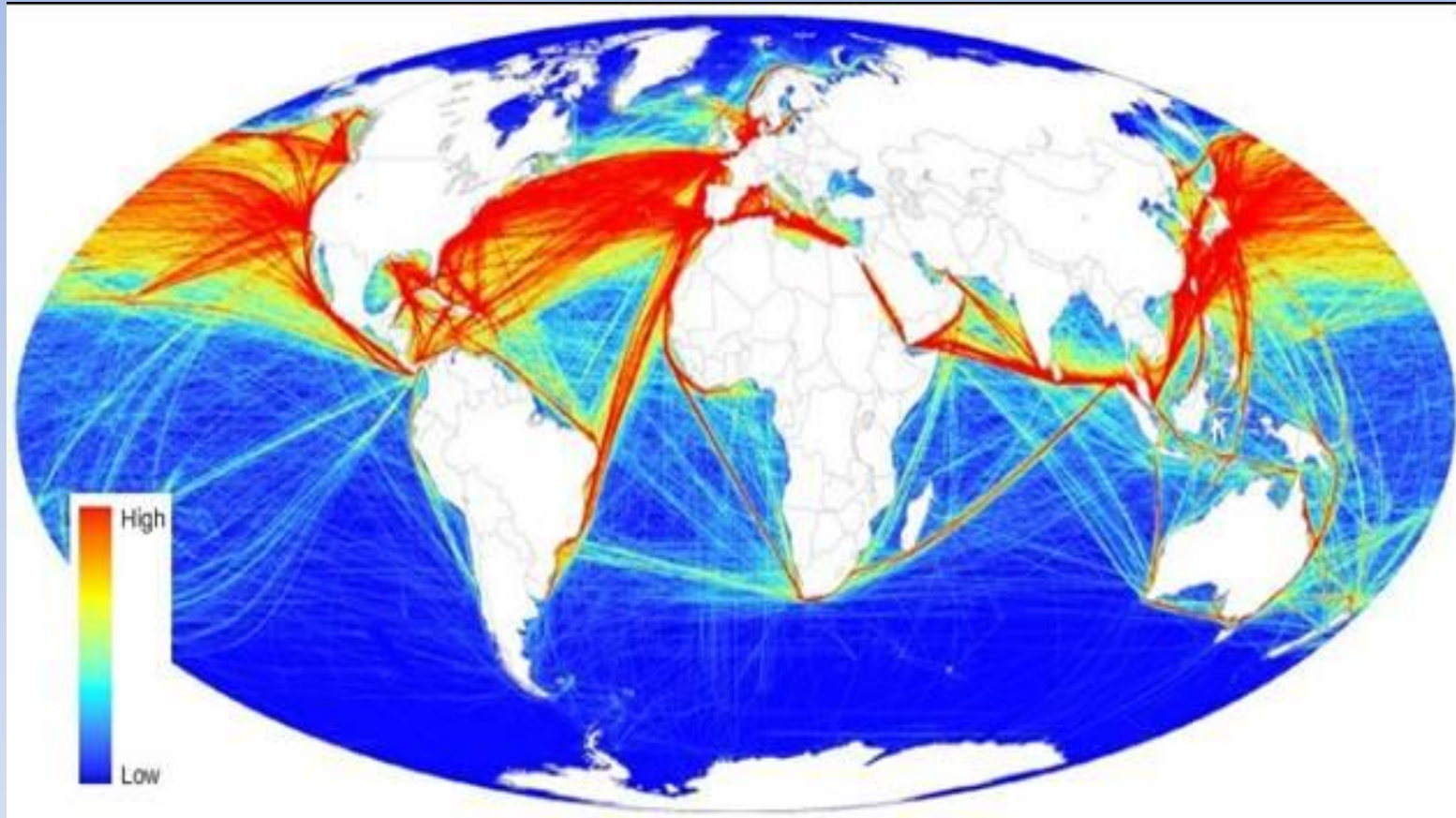
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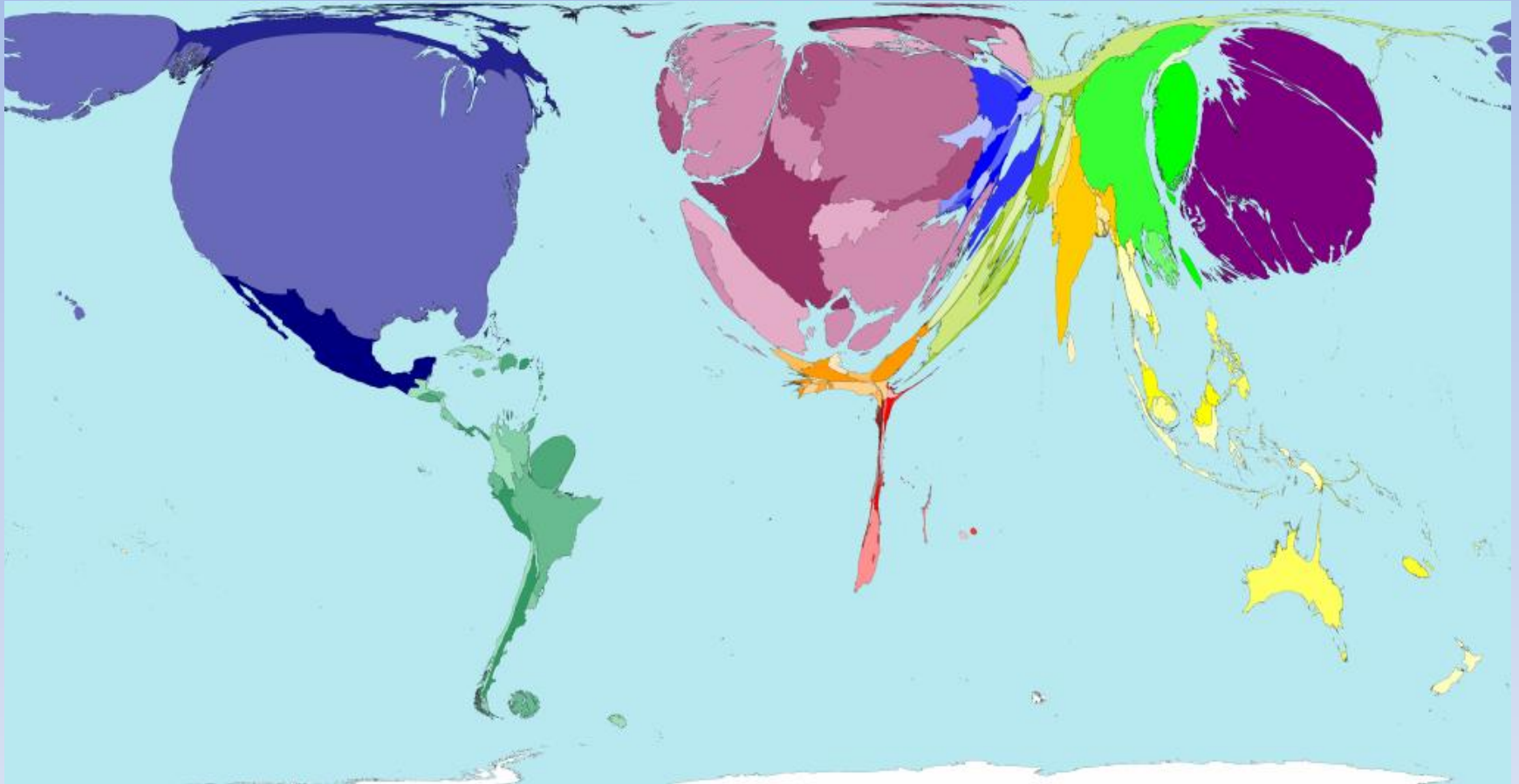
THE BORDERS IN AFRICA, SOUTH AND CENTRAL ASIA HAVE REMAINED THICK.



THE THICKNESS OF BORDERS CORRESPONDS TO TRADE INTENSITY.



THE INTENSITY OF TRADE CORRESPONDS TO ECONOMIC SUCCESS OF COUNTRIES AND CONTINENTS.



MONETARY TRANSPORT COSTS ARE THE MOST IMPORTANT TRADE IMPEDIMENT,...

- High responsiveness of trade to transport costs: a 10 per cent increase in transport costs leads to a 20 per cent reduction in trade volumes on average, leading to lower aggregate income of 2.5 %
- High transport costs reduce competitiveness in two ways:
 - Net domestic export prices are reduced
 - Gross imported input prices are higher



AND TIME COSTS OF TRANSPORT INCREASINGLY DETERMINE TRADE FLOWS.

- On average a one day delay in transit reduces trade by more than one percent.
- A 10 days delay reduces national income by 1.25 % on average.



THE LOGISTICS PERFORMANCE INDEX

Connecting
to
Compete

2012

Trade Logistics in the
Global Economy



The Logistics Performance Index and Its Indicators

Measures the overall
trade logistics efficiency
of 150+ countries

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