Facilitating Global Trade: Connectivity Across Borders

Dr. Andreas Kopp

World Bank
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

Measures the overall trade logistics efficiency of 150+ countries

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