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World Trade Indicators 2007

Global Trade Policies
and Outcomes

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Acronyms

CIS	Commonwealth of Independent States
COMTRADE	United Nations Commodity Trade Statistics Database
EAP	East Asia and Pacific
ECA	Europe and Central Asia
EIU	Economic Intelligence Unit
EU	European Union
EU ECA	European Union
EUROSTAT	European Statistics Database
FTA	Free Trade Agreement
GATS	General Agreement on Trade in Services (WTO)
GDP	Gross Domestic Product
IDA	International Development Association
IMF	International Monetary Fund
ITC	International Trade Centre
ITCI	International Trade and Competitiveness Indicators
ITU	International Telecommunication Unit
LAC	Latin America and the Caribbean
LDC	Least Developed Countries
LPI	Logistics Performance Index
MA	Market Access
MENA	Middle East and North Africa
MFN	Most-favored-nation
MNA	Middle East and North Africa
NAFTA	North American Free Trade Agreement
OECD	Organisation for Economic Co-operation and Development
OTRI	Overall Trade Restrictiveness Index
PCA	Principal Component Analysis
SAR	South Asia Region
SAS	South Asia
SPS	Sanitary and Phytosanitary Standards
SSA	Sub-Saharan Africa
TAAG	Trade-at-a-Glance
TBT	Technical Barriers to Trade
TCI	Trade Competitiveness Index
TDI	Trade and Development Index
TPI	Trade Performance Index
TRAINS	Trade Analysis and Information System
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
USITC	United States International Trade Commission
WB	World Bank
WBI	World Bank Institute
WDI	World Development Indicators
WITS	World Integrated Trade Solution
WTI	World Trade Indicators
WTO	World Trade Organization

Summary and Conclusions

The 2007 World Trade Indicators (WTI) database attempts to measure the most important policies and institutions that affect trade and country outcomes in trade. This overview paper summarizes some of the main stylized facts revealed by the database. The data for the latest period for which internationally comparable data are available indicate that all regions and income groups witnessed real growth in trade during the last decade. They also reduced border protection. However, there is a great deal of variation among individual countries in policy performance and outcomes and some systematic differences among different income and regional groups.

Real growth in trade in developing countries was higher than in high-income countries for the period 2000-2006. During the most recent years, 2005-06 real growth in trade was 9.1 percent for developing countries versus 7.1 percent on average for high-income countries. This is a statistically significant difference among the growth rate of trade in the two income groups. Real export growth followed the same pattern and was 10 percent for developing countries and 7.5 percent for developed countries during 2005-06. During 2000-06, the ECA region was the best performer in terms of real growth in both trade and exports, followed by the EAP region. These two regions have also the lowest trade restrictions. In the latest two years, 2005-06, the South Asia (SAR) region had the highest real growth rates of trade driven to a large extent by a jump in imports. The developing region with the lowest growth in trade and exports during 2000-06 was the Latin America and Caribbean (LAC) region.

The average high-income country is one and a half times more open than the average developing country in terms of the share of trade in gross domestic product, and as expected, the smaller economies also tend to be more open than the larger ones. The most specialized countries tend to be either mineral resource-abundant economies or very small islands. The Sub-Saharan Africa (SSA) region has the most concentrated export structure followed by the Middle East and North Africa (MENA) region. Export concentration tends to be significantly positively correlated with volatility in export growth.

Most countries have lowered their tariff barriers over the last decade. Out of 136 countries for which comparable estimates for both periods exist, only three countries, Madagascar, Rwanda and Uganda, experienced an increase in trade restrictiveness across a multiplicity of indicators. Other countries either improved on all tariff indicators or, like European and Southern African countries, show marginal or opposing changes in different tariff indicators. The Europe and Central Asia (ECA) and East Asia and the Pacific (EAP) regions have the lowest average tariffs. The SAR region has the most restrictive regime overall and is still the least integrated in global markets in comparison with other regions. The SSA region has the second most restrictive regime. Low-income countries still have the highest tariff barriers on average and high income countries the lowest. However, this pattern is reversed when considering protection in the agriculture sector: OECD high-income countries are the most restrictive and low-income countries the least.

The regions differ in how they design border protection, as illustrated by the variation not only in average tariff levels, but also in tariff dispersion and escalation, maximum protection rates, the use of specific tariffs, and the extent to which they rely on non-tariff barriers. Compared to both high- and middle-income countries, low-income countries have more simple and uniform trade regimes across regions though also more tariff escalation. The high-income countries show the greatest dispersion in tariffs, and rely more on non-tariff barriers. High tariff barriers in low-income countries are reflected in the large share of import duties in their fiscal revenues: the low-income average is 26 percent while the high-income OECD average is only 1.3 percent. The SAR region obtained a remarkable 42 percent of its fiscal revenues from import duties followed by the SSA region. OECD and middle-income countries, especially in ECA and LAC, tend to rely more on specific (non-ad valorem) tariffs and non-tariff measures than do low-income countries. The LAC, SSA and EAP regions show the least dispersion in their MFN applied tariff structures and the lowest maximum rates.

At their current export patterns, low-income countries, particularly in the SAR, SSA, and ECA regions and particularly agricultural exporters, face the highest restrictions to their exports on world markets. Middle-high-income countries, particularly in the MENA and EAP regions whose exports are dominated by minerals and manufacturing goods, face the lowest. The value of EU and US preferences granted unilaterally or under free trade agreements is very small relative to bilateral trade flows, even for countries with high utilization rates. The average Latin American country benefits the most from such preferences. The value of US preferences for LAC is 6.7 percent of the value of exports and for the EU 2.8 percent of the value of LAC exports. ECA countries benefit the least from such preferences.

The SSA, SAR, and MENA regions rank below the world average on both institutional environment dimensions related to the business climate and to governance. In addition, there is a significant gap in the quality of trade facilitation between the high-income countries which are all top performers, and even the best performing developing countries. At the bottom of the rankings are low-income countries that are geographically isolated or countries isolated because of conflict or severe governance problems. Landlocked developing countries, especially in Africa and in Central Asia, are the most constrained in terms of trade logistics, as they typically suffer from difficult geography, poor access to logistics services in neighboring countries, and high coordination and transportation costs. Among developing regions, the ECA and EAP regions score the highest, while the SAR and SSA regions lag significantly behind them.

During the past decade, countries have become increasingly more integrated into the world economy. On average middle and low-income countries have improved trade policies and have seen increases in trade growth and diversification. However, there are some variations among the different regions and income levels in policies and outcomes, in addition to country specific differences in the same. The database is useful in highlighting the many policy factors that together influence trade. The data show that countries with poor endowments and geographical constraints can overcome these bottlenecks to trade. It is hoped that the database, by highlighting and benchmarking country performance in various policy and outcome areas, provides a clearer picture of where each country stands and enhances incentives to implement policy reform.

World Trade Indicators 2007

Global Trade Policies and Outcomes

1. Introduction

1. Since the mid-1990s, world trade in goods and services has expanded at almost double GDP growth rates for developing countries, with the increase being even higher in recent years. Historically, the growth of trade and the move to diversify exports have been uneven, with many developing countries falling short of the strong performance seen by Brazil, China, India, Russia, and other East Asian countries. In recent years, however, trade growth has been more even across regions and income groups. The long-term expansion of trade is likely to continue and according to a recent World Bank forecast, global trade in goods and services, growing faster than output, is likely to rise more than threefold to \$27 trillion by 2030. Roughly half that increase is expected to come from developing countries (World Bank 2006a).

2. Countries will be seeking to gain from the increasing global integration. Each country's share of trade growth and benefits from integration will naturally be influenced by its position and endowments relative to other participants in world trade and the policies they each undertake. The availability of relevant data and indicators on trade-related policies and outcomes is a critical input into the policymaking process, helping both to assess the status quo and to appraise each country's standing relative to its competitors and trading partners.

3. The World Trade Indicators 2007 is a comprehensive database that compiles trade-related policy and outcome indicators for 208 countries around the world. It aims to (i) enhance awareness of the different policy factors that work together to influence trade outcomes in a particular country, (ii) provide incentives for reform by benchmarking and highlighting a country's policy position relative to competitors, (iii) allow systematic comparisons over time in order to better design policy, and (iv) highlight important gaps in the existing data. The data sources are chosen to maximize coverage and quality. The indicators are drawn from internationally comparable and standardized databases and are presented for four time periods (1995-99, 2000-04, 2005, and 2005-06¹).² The 126 indicators have been organized in five main groups: (i) trade outcomes, consisting of trade growth in goods and services, structure of trade, and export diversification; (ii) trade policy or border protection, reflecting tariffs and non-tariff barriers on goods and services; (iii) the external environment, consisting of market access for a

¹ In cases where the 2006 numbers are not available, the 2005 numbers are used.

² The number of indicators reported for various years may differ due to data availability.

country's exports and the evolution of the real exchange rate; (iv) the overall business and institutional environment; and (v) trade facilitation.³

4. The first phase of the project has focused on assembling and organizing mostly existing data and indicators from within and outside the Bank in a compact, user-friendly, and easily accessible format that facilitates comparisons among countries and country groupings. In addition, five new indicators have been included in the WTI database: (i) production-weighted average tariffs,⁴ (ii) the utilization and value of trade preferences for a recipient country, (iii) the depth of overall services trade commitments in the GATS, (iv) an index of trade commitments in banking just developed by the US International Trade Commission, and (v) an indicator of logistics related to trade from a new Bank survey of logistics operators. For the first phase (WTI 2007), the project output is a user-friendly provisional database and country summaries, a web-based analytical tool and an overview paper reflecting the main trends in the provisional database.⁵

5. The second phase of this work will focus on verifying and adjusting the database in light of users' and partners' comments, expanding indicators to economic sectors and preferential trade agreements, and incorporating new datasets such as from Bank-sponsored research projects on agricultural trade distortions and actual services trade liberalization.

6. This paper uses the database to highlight some stylized patterns with respect to world trade and trade policy, complementing existing Bank publications focusing on specific regions or sectors. The database offers detailed country-level data; this paper aggregates these figures to concentrate mainly on the global and regional levels, providing the broader context to country-level analyses that may be undertaken. Sections 2-4 discuss some of the main trade-related indicators across regions and income groups. Section 2 paints a broad picture of trade outcomes in different regions and income groups, and identifies some important regularities. Section 3 presents a comparative analysis across income and regional groups of the various policy-relevant indicators that may affect trade performance. Section 4 investigates the variations of the trade-related indicators within each region. Annex A provides a definition of the indicators and their sources, Annex B addresses the selection for the indicators, and Annex C surveys existing databases and benchmarking initiatives by other organizations.

³ A detailed description and a full set of indicators and country summaries, with accompanying Trade at-a-Glance (TAAG) tables with a subset of 78 indicators, can be found at <http://www.worldbank.org/wti2007>

⁴ This indicator is available for countries for which matching tariff and production data are available at the disaggregated level.

⁵ The indicators are presented online in tables allowing rankings and cross-country comparisons to be made, and are supplemented by accompanying pre-defined Trade-At-A-Glance (TAAG) tables and country summaries consisting of brief write-ups. The one-page summaries reflect insights gained from both the WTI database and available analytical work by the Bank, IMF, or WTO on the country. The website offers full access to all the country indicators and allows customized comparisons.

2. Trade Outcomes

7. In 2006, the latest year for which internationally comparable trade flow data are available, global trade in goods and services grew by almost 9 percent in real terms, up from an average growth rate of around 6 percent during the preceding ten years. On average, trade growth in developing countries was almost 2 percentage points faster than trade in their high-income counterparts (an average of 9.1 percent versus 7.1 percent) in 2006.⁶

8. Among developing countries, the South Asia (SAR), Europe-Central Asia (ECA), and East Asia-Pacific (EAP) regions registered double digit growth in real trade during 2005-06 (Figure 1).⁷ The SAR region exhibited a particularly steep acceleration (from an average growth rate of 6 percent in 1995-99 to 11 percent in 2005-06). As shown in Table 1, the figure for the SAR region is driven mainly by brisk performance by Pakistan (18 percent) and Bangladesh (16 percent). At the other end of the spectrum, the Latin American and Caribbean (LAC), Middle East and North Africa (MENA), and Sub-Saharan Africa (SSA) regions recorded lower growth rates in 2005-06, averaging between 8 and 9 percent. Yet for these regions, this comparatively more modest trade growth represents an increase relative to past performance: between 2000 and 2004, these regions registered an average annual real growth rate of trade of 4, 7 and 7 percent, respectively. Moreover, the 2005-06 average growth rates for all three regions were higher than the high-income OECD average, which was less than 7 percent.

⁶ All regional and income averages mentioned in this paper are simple, unweighted averages. The terms “developing countries” and “developing regions” refer to the World Bank classifications that do not include high-income countries even if they are physically located in the “developing regions.”

⁷ The regional groupings discussed here are East Asia and Pacific (EAP), Europe and Central Asia (ECA), Latin America and Caribbean (LAC), Middle East and North Africa (MENA), South Asia (SA), Sub-Saharan Africa (SSA), High-income OECD countries (HI-OECD) and high-income non-OECD countries (HI non-OECD). The World Bank regional classifications are used throughout the paper; these include only developing and transitional economies. Thus, most West European countries are not included in the Europe and Central Asia regional group, and the following countries are included in the high-income countries grouping, rather than in their respective regions: Bahrain, Hong Kong (China), Israel, Kuwait, Qatar, Saudi Arabia, Singapore, Slovenia, Taiwan, and the United Arab Emirates. In the EAP region, low and lower-middle income countries account for more than 80% of the countries. In the ECA and MENA regions most countries are in the lower-middle category, and the upper-middle income category is second in importance. In LAC, half of the countries are upper-middle income ones and only a fifth are low-income. Finally, at least three quarters of the countries in the SA and SSA regions are low-income countries.

Figure 1. Real Growth of Total Trade (average of 2005-06, percent)

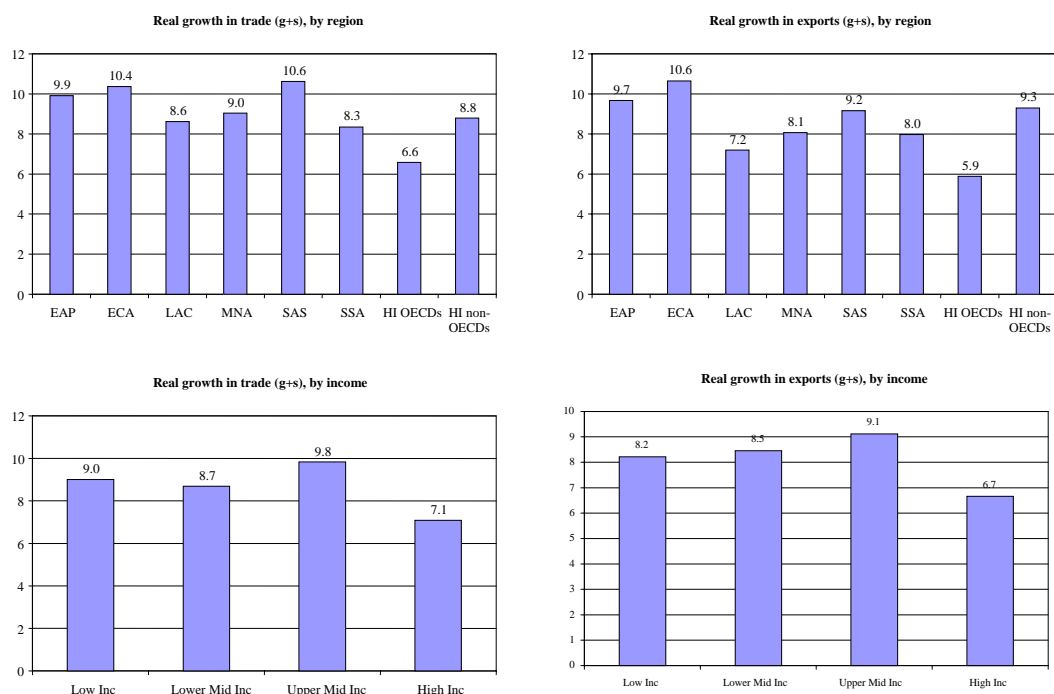


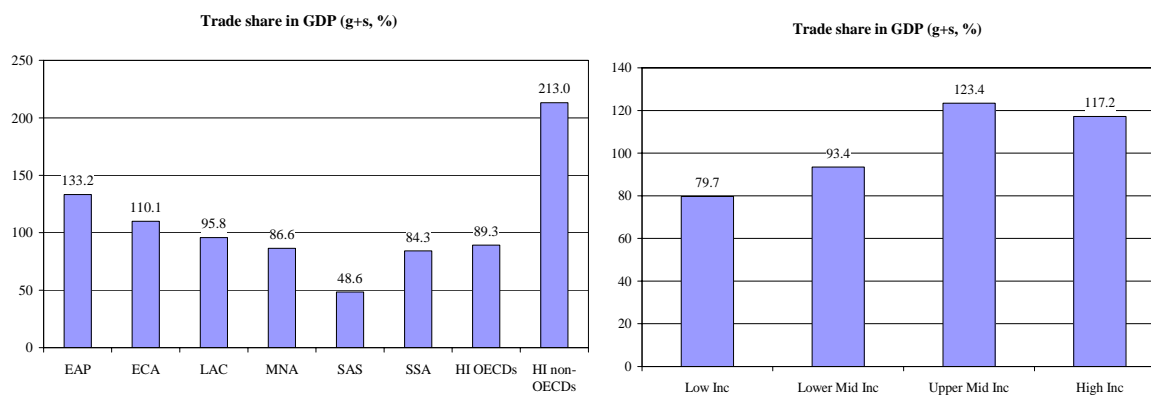
Table 1. Real Growth of Total Trade: Fastest and Slowest 20 (2005-06, percent)

Country	Real Trade Growth (2005-06)	Rank (1-152)	Country	Real Trade Growth (2005-06)	Rank (1-152)
Mauritania	36.0	1	New Zealand	-3.3	152
Iran	27.9	2	Lebanon	-2.7	151
Azerbaijan	25.1	3	Ukraine	-2.1	150
Egypt	20.6	4	Malawi	-1.5	149
Sierra Leone	20.4	5	Chad	-0.6	148
China	19.6	6	Zimbabwe	0.0	147
Vietnam	19.6	7	Guyana	1.0	146
Angola	19.6	8	Tunisia	1.18	145
Pakistan	18.5	9	Senegal	1.2068	144
Estonia	18.4	10	Eritrea	1.2065	143
Cambodia	16.0	11	Guinea	1.4	142
Nigeria	16.0	12	Papua New Guinea	1.5	141
Bangladesh	15.9	13	Belgium	1.9	140
Lithuania	15.90	14	Central African Rep.	2.1	139
Singapore	15.88	15	Italy	2.6	138
Sudan	15.8	16	El Salvador	2.8	137
Latvia	15.5	17	Equatorial Guinea	2.9	136
Lao PDR	15.2	18	Guatemala	3.0	135
Slovak Republic	15.0	19	Fiji	3.2	134
Madagascar	14.9	20	Swaziland	3.3	133

9. Among the top 20 countries with the fastest trade growth in recent years are some mineral and commodity exporters, such as Mauritania, Azerbaijan, Sierra Leone, Angola, Nigeria, and Sudan, but most of the remaining high-performing countries are a mix of low-income and middle-income developing countries from South Asia, East Asia, and Eastern Europe. In the latter two regions, most high-performing countries implemented ambitious liberalization programs, linked to their accession to the WTO or to the EU during the last decade. Countries in the bottom 20 are of two types: some are rich countries that are very open, and others are small economies (especially in Africa), many of which have suffered from domestic political uncertainties or sub-regional conflicts.⁸

10. The share of trade in a country's gross domestic product, often referred to as the openness ratio, is used to measure the degree of integration in global markets. Figure 2 suggests a positive link between this ratio and income level. The average openness ratio, including trade in both goods and services, in high-income countries is around 117 percent. The corresponding number is 78 percent in low-income countries. In terms of the regions, the EAP and ECA regions show the highest ratios at 133 and 110 percent, respectively, and the SAR and SSA regions the lowest, at 48 and 84 percent, respectively. MENA falls in between at around 87 percent.

Figure 2. Trade Openness Ratio, Average 2005-06



11. Table 2 suggests that, in addition to income level, country size is also an important determinant of a country's openness ratio.⁹ In fact, small economies tend to be more dependent on (or open to) trade—nine of the top 10 economies could be characterized as “small” in terms of economic activity and population and territorial size (the exception being Malaysia). Small

⁸ Intra-EU trade is included in the calculation of total trade outcomes for each country.

⁹ In a study of trade in Sub-Saharan Africa, Rodrik (1998) finds that “country size (as measured by population) and per-capita income are two very strong determinants of the openness of an economy. Smaller and richer countries trade more (as a share of their GDP). The estimated coefficients imply that a doubling of population decreases trade by 16% of GDP while a doubling of per-capita income increases it by 12%.” Other papers also find a positive correlation between openness and income.

island economies, in particular Singapore, Hong Kong (China), and the Seychelles, show an openness ratio of more than 200 percent. On the other hand, due to their large domestic markets and/or more diversified economy and endowments, large countries like Japan, Brazil, and the United States (with openness ratios of 28-31 percent) are at the bottom of the ranking for 2006. Australia (44 percent) and India (40 percent) are close behind. Similarly, China with a percent openness of 76 is in 88th place and Indonesia with 68 percent held 106th place in 2006. The correlation of openness with country size highlights the importance that non-policy factors may have on trade outcomes. However, at least seven out of the twenty least “open” countries are small African economies: Central African Republic, Comoros, Burundi, Rwanda, Burkina Faso, Niger and Benin, underscoring the need for policies to promote their integration in the global economy.¹⁰

Table 2. Trade Openness Ratio: Top and Bottom 20 (2005-06)

Country	Trade /GDP (2005-06)	Rank (1-152)	Country	Trade /GDP (2005-06)	Rank (1-152)
Singapore	489.4	1	Central African Republic	27.3	152
Hong Kong, China	391.2	2	United States	27.7	151
Luxembourg	320.4	3	Brazil	28.1	150
Seychelles	290.1	4	Japan	29.3	149
Guyana	227.5	5	Burkina Faso	31.6	148
Malaysia	221.0	6	Pakistan	37.1	147
Swaziland	196.0	7	Comoros	39.4	146
St. Lucia	195.3	8	Colombia	39.4	145
Cambodia	192.3	9	India	39.7	144
Estonia	181.2	10	Uganda	39.9	143
Antigua and Barbuda	172.9	11	Burundi	40.6	142
Slovak Republic	169.8	12	Niger	40.7	141
Belgium	166.5	13	Bangladesh	41.3	140
Vietnam	158.8	14	Benin	41.9	139
Bahrain	157.5	15	Peru	42.5	138
Moldova	157.1	16	Australia	43.1	137
Thailand	152.0	17	Rwanda	43.7	136
Lesotho	151.0	18	Zambia	44.4	135
Czech Republic	150.3	19	Tanzania	45.7	134
Jordan	149.8	20	Guatemala	46.9	133

12. All regions have become more open over the last decade (see Figure 3), with the world average increasing from 82 percent in 1995-99 to 101 percent in 2006—suggesting an increased global integration. Among developing regions, EAP experienced the fastest integration with the share of trade in GDP rising from 94 percent in 1995-99 to 136 percent in 2006. In South Asia however, fast trade growth is a more recent phenomenon. Despite registering the fastest real

¹⁰ The data map of the WTI 2007 website does not indicate that landlocked countries tend to be less open.

trade growth in 2005-06, South Asia has only reached a relatively modest openness ratio at 48 percent in 2006, since its starting point of 45 percent in 1995-99.

Figure 3. Evolution of Trade Openness by Region (Share in GDP in %)

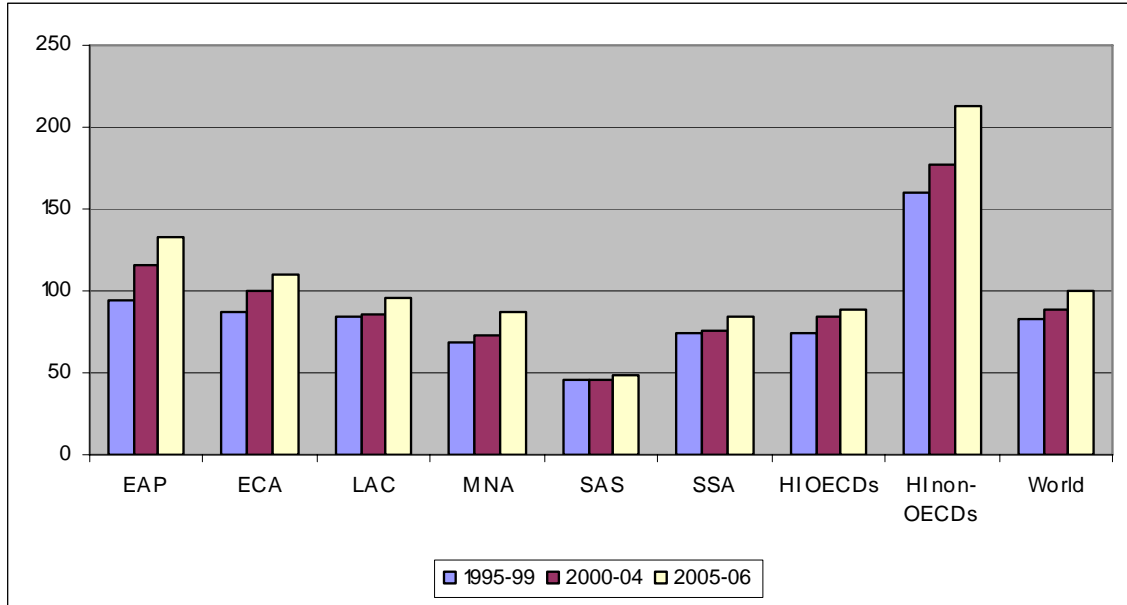
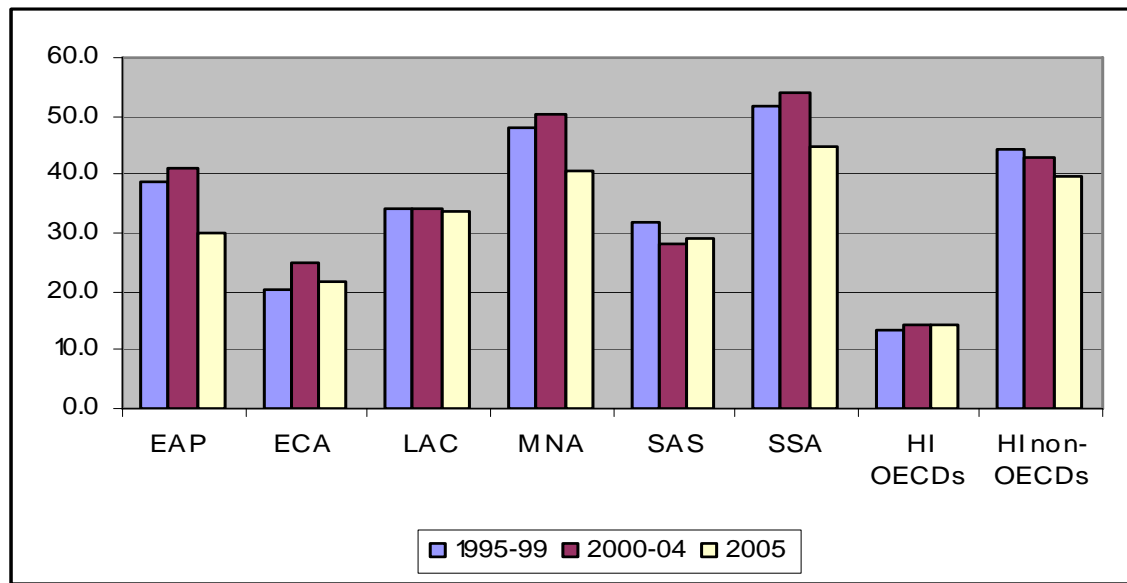


Figure 4. Export Concentration index (2005; 0 to 100, highest concentration)



13. In addition to reducing risks associated with terms of trade fluctuations, countries seek to generate new sources of export growth—by diversifying away from traditional export patterns. Different indicators used to assess the degree of export diversification (export concentration index, number of products exported, and share of top five export products) show broadly similar results.¹¹ Figure 4 shows that, on average, high-income economies (especially OECD members) are significantly more diversified than developing countries.¹² The most diversified exporters are European countries (Table 3, showing the top 20 most concentrated and the bottom 20 or least diversified economies, including oil exporters).¹³ If the EU were considered as a single entity, it would rank as the 16th most diversified economy, and a variety of countries such as India, El Salvador, Canada, Croatia, Mexico, Japan, South Africa, Hong Kong (China), Argentina, and Bosnia and Herzegovina would enter the Top 20 in terms of export diversification.

Table 3. Export Concentration (including oil exporters): Top and Bottom 20, 2005

Top 20 Most Diversified			Bottom 20 Least Diversified		
Rank	Country	Export concentration index (0 to 100)	Rank	Country	Export concentration index (0 to 100)
1	Italy	5.4	126	St. Kitts and Nevis	57.5
2	Austria	7.4	127	Ghana	58.5
3	United States	7.4	128	Mali	60.3
4	Poland	8.1	129	French Polynesia	60.3
5	France	8.2	130	Kazakhstan	60.6
6	Denmark	8.4	131	Burundi	60.7
7	Netherlands	8.5	132	Jamaica	60.8
8	Thailand	8.7	133	Seychelles	61.5
9	Brazil	8.9	134	Faeroe Islands	62.2
10	Turkey	9.1	135	Oman	65.8
11	Czech Republic	9.4	136	New Caledonia	67.0
12	United Kingdom	9.8	137	Antigua and Barbuda	69.0
13	Serbia and Montenegro	10.1	138	Samoa	69.5
14	Greece	10.1	139	Burkina Faso	69.9
15	Portugal	10.3	140	Gabon	73.9
16	Germany	10.5	141	Iran, Islamic Rep.	79.3
17	Belgium	10.6	142	Bahrain	79.5
18	Spain	11.0	143	Yemen, Rep.	84.0
19	China	11.0	144	Sudan	85.1
20	Croatia	11.1	145	Venezuela, RB	87.0

Source: WTI 2007 database. A lower value indicates more diversification.

¹¹ Note that this type of concentration indicators tend to be quite vulnerable to cyclical fluctuations in relative-prices, in a way that commodity price rises make commodity exporters look more concentrated.

¹² It is noted that recent research has shown that diversification is not monotonically increasing in income levels and that past a certain level of income, countries show a tendency to re-concentrate their exports (see Klinger-Lederman 2004 or Carrère et al. 2007).

¹³ Intra-EU trade is included.

14. Among developing countries, MENA and SSA countries are the most specialized (the least diversified), and ECA and SAR countries are the most diversified. The degree of export diversification may be affected by many factors but a country's initial natural endowments tend to be significant. The data show for instance that the most specialized countries tend to be either mineral resource abundant (e.g., oil exporters like Venezuela) or very small island (e.g., Samoa, and Antigua and Barbuda) economies.

Table 4. Top 5 Export Products for Most and Least Diversified Countries (2005)

	Top 5 Export Products (% of exports)	Top 5 Export Products (shares of total exports)
Top 10 Most Diversified		
Italy	12.9	Pharmaceutical products (4%), auto parts (3%), cars (2%), footwear (2%), industrial machines (2%)
Croatia	13.3	Ships (3%), wood (3%), pharmaceutical products (3%), chair parts (2%), polyethylene (2%)
Netherlands	13.7	Oils (4%), computers (ADPMs) (3%), pharmaceuticals (3%), microcircuits (2%), computer parts (2%)
Austria	15.2	Cars (5%), auto parts (3%), engines (3%), pharmaceuticals (3%), sound recording equipments (2%)
United States	15.7	Microcircuits (5%), auto parts (4%), cars (3%), aircrafts (3%), Pharmaceutical products (2%)
Bulgaria	17.7	Copper (8%), flat rolled iron (3%), outer garments (3%), electric circuit equipments (2%), jackets (2%)
Greece	18.9	Pharmaceuticals (6%), aluminum (5%), olive oil (4%), outer garments (2%), prepared vegetable (2%)
Poland	20.1	Auto parts (5%), cars (5%), internal combustion engines (4%), chairs (4%), furniture parts (3%)
China	20.2	Office machines (5%), machinery parts (5%), toys (4%), telecom parts (3%), sound/TV recorders (3%)
Romania	20.6	Footwear (6%), electric cable (5%), outer garments (3%), auto parts (3%), trousers (3%)
Top 10 Most Concentrated		
Mauritania	95.81	Iron ores (43%), frozen fish (26%), seafood (21%), other iron (3%), and fish (3%)
Bermuda	95.84	Ships (88%), Pharmaceutical products (4%), liquors (2%), iron ore (1%), nitrogen compound (1%)
Micronesia	96.08	Frozen fish (90%), fish (2%), coffee (2%), nonferrous metal (1%), bones (1%)
New Caledonia	96.60	Ferro-alloys (65%), nickel ores (26%), iron ores (3%), seafood (1%), and iron scrap (1%)
Palau	97.14	Fish (93%), construction machines (1%), prepared fish (1%), survey equipments (1%), bones/ivory (1%)
Liberia	98.03	Ships (79%), rubber (10%), tugs/vessels (7%), iron ores (1%), scrap iron (1%)
Cayman Islands	98.08	Ships (96%), coal (1%), flat rolled iron (1%), fertilizers (0.4%), art (0.4%)
Guinea-Bissau	98.31	Nuts (86%), frozen fish (9%), seafood (2%), scrap iron (1%), saw logs (1%)
Botswana	98.50	Diamonds (88%), nickel ores (8%), beef (1%), industrial diamonds (1%), jerseys (0.4%)
Marshall Islands	99.17	Ships (91%), frozen fish (6%), fish (1%), coconut oil (0.4%), fish fillets (0.4%)

Source: WTI 2007 database, and compiled from WITS. This table does not include oil exporters.

15. Table 4, excluding oil exporters who tend to have very concentrated export structures, shows that mineral products and primary commodities tend to account for a large fraction of the total exports of most "export concentrated" countries.^{14 15} Resource abundant countries may

¹⁴ Some of the top exports recorded in 2005 (the most recent available year in COMTRADE), such as ships for the Cayman and Marshall Islands, and Liberia, may represent sales of aging items previously registered under the country's flag rather than the true picture of the country's export structure. Such peculiarities are discussed more fully in the relevant WTI 2007 Country Briefs.

¹⁵ When oil exporters are included, the following countries would figure in the Top 10: Equatorial Guinea, Angola, Chad, Iraq, Nigeria, and Libya.

suffer from a “Dutch disease” problem in which a booming (mineral or commodity) export sector leads to an appreciation of the real exchange rate that may have a negative impact on the international competitiveness of other export sectors. Governments may sterilize real exchange rate appreciations of this type in order to reduce the negative impact on other export sectors.

16. Generally, export concentration indices have exhibited a slight downward trend in most developing regions. Between 1995 and 2005, the EAP, MNA, and SSA regions experienced the fastest export rate of diversification, while the ECA region showed a small move towards increased specialization.

3. Policy-Related Trade Indicators

17. The WTI 2007 database contains four categories of policy-related indicators that directly or indirectly influence trade outcomes.¹⁶ These are (i) traditional at-the-border trade policy that can help accelerate integration in the world economy, (ii) policies other than traditional border constraints that may influence trade substantially, (iii) a country's access to other markets, (iv) its overall business and institutional environment, and (v) trade facilitation performance. A number of non-policy factors such as country size, physical location, and endowments influence trade outcomes, but the focus here is on policy. This section highlights some regularities revealed by the database in each of the above four categories of policy factors.

3.1. Trade Policy or Border Protection¹⁷

18. An indicator that summarizes the tariff barriers imposed by a given country is the Overall Trade Restrictiveness Index (OTRI) constructed at the World Bank. The OTRI represents the MFN tariff that when uniformly applied across the tariff schedule would keep total imports at the observed level.¹⁸

19. There is strong negative correlation between a country's income level and the tariff restrictiveness of its trade regime as measured by the OTRI. That is, richer countries tend to have less restrictive trade policies (the same relationship applies when non-tariff measures are taken into consideration). Developing countries in all regions have a higher level of trade restrictiveness than high-income countries. This pattern is driven by the manufacturing sector. In the agricultural sector the opposite is true as the most restrictive countries tend to be OECD high-income ones and the least restrictive countries are the lower middle-income countries. The SAR

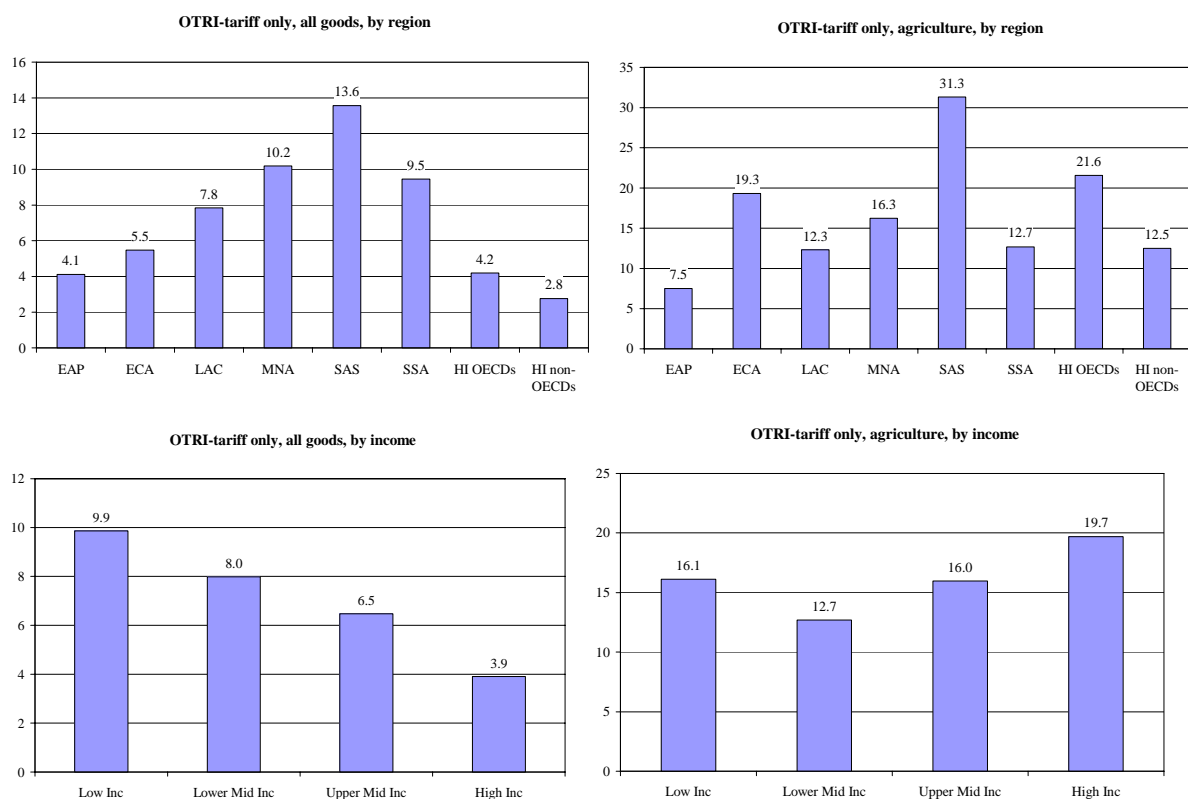
¹⁶ See, for example, the evidence and references mentioned in Annex A to this paper and also the various papers in World Bank (2001).

¹⁷ The discussion in this paper refers to applied rather than bound tariffs. There are two indicators in the database that deal with bound tariff rates: the share of tariff lines that have been bound, and the tariff overhang (bound/applied ratio).

¹⁸ See Kee H.L., A. Nicita and M. Olarreaga (2008) for more details on this indicator. Since the OTRI is based on the MFN tariff, it does not take preferences into account. This indicator only applies to goods (not services) and is not adjusted for domestic subsidies or export taxes. This measure is based on actual or current trade patterns and does not capture the *dynamic* dimension such as the restrictions facing new or potential trade. The latest available OTRI was published in 2007, but is based on the latest 2006 or 2005 tariff information; and trade flows from 2005 or 2006. One version of the OTRI includes non-tariff barriers but the data are from 2001. This version is included in the database. Non-tariff measures include protectionist measures such as quotas as well as technical barriers to trade (TBT) and sanitary and phytosanitary standards (SPS) that have legitimate consumer-protection or public health rationales, but are nonetheless restrictive of trade. Examples are lead content standards that many countries impose on paint and import bans or testing requirements following detection of bacterial contamination. (OTRI webpage: <http://go.worldbank.org/C5VQJIV3H0>)

region is an exception: its OTRI for agriculture is the highest among regions *and* income groups.¹⁹ MENA, SSA and LAC also impose relatively high barriers to imports on average. The EAP and ECA regions have the lowest average trade restrictiveness among developing countries.

Figure 5. Trade Restrictiveness: OTRI-Tariff Only (2007), by regions and income groups



Note: The latest available OTRI was published in 2007, but is based on tariff information and trade flows for 2005 or 2006.

20. The least restrictive trade regimes are found in high-income and middle-income countries, but also in two low income countries, Papua New Guinea and Honduras. At the opposite end, the list is mostly composed of middle-income and low-income developing countries from all regions except East Asia. Bangladesh is the only country that appears among the most restrictive countries (in both the early and mid-2000s) and among the best performing countries on real trade growth in the most recent period. The growth in trade represents large increases in both exports and imports. The export increase may be explained partly by the fact that its garments export industry is allowed duty-free imports of raw materials and duty-free market access (although subject to strict rules of origins) to the EU under its Everything But Arms initiative. In addition, at the end of 2005 the global quota system restricting its garment exports ended and Bangladesh has also adopted a flexible exchange rate system.

¹⁹ Note that not all countries have all the data available through all the years covered in the database. The OTRI is only available for 95 countries.

Table 5. Trade Restrictiveness: OTRI-Tariff Only (2007), Top and Bottom 20

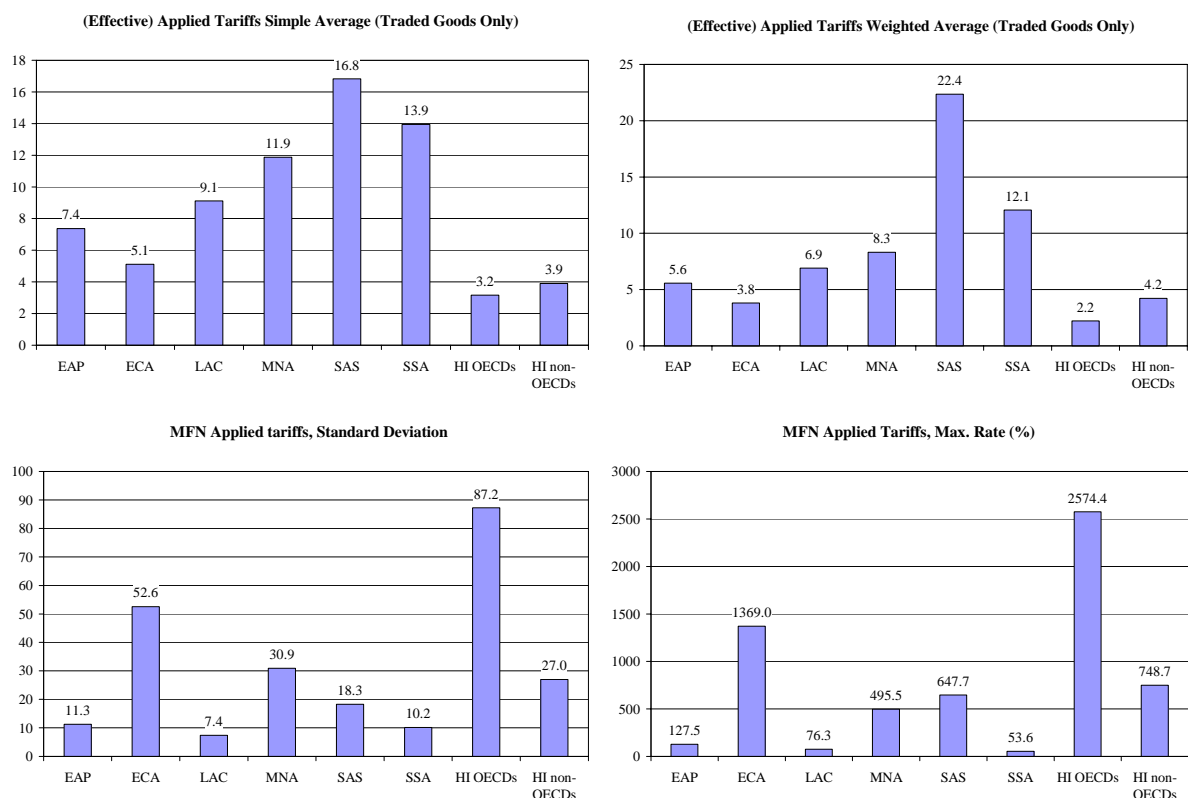
Country	Rank (1-95)	OTRI-tariff	Country	Rank (1-95)	OTRI-tariff
Hong Kong, China	1	0.0	Russia	76	9.2
Singapore	2	0.0	Cote d'Ivoire	77	9.6
Papua New Guinea	3	2.1	Burkina Faso	78	9.9
Mauritius	4	2.2	Jordan	79	10.2
Iceland	5	2.3	Uganda	80	10.4
Norway	6	2.4	Colombia	81	11.3
Moldova	7	2.7	Algeria	82	11.6
United States	8	2.9	Venezuela, RB	83	12.2
Philippines	9	2.9	Argentina	84	12.4
Switzerland	10	3.2	Ethiopia	85	12.6
Brunei	11	3.5	Mexico	86	13.3
Ukraine	12	3.6	Cameroon	87	13.6
Indonesia	13	3.6	India	88	14.4
Honduras	14	3.9	Romania	89	14.5
Malaysia	15	3.9	Sudan	90	15.1
New Zealand	16	4.0	Gabon	91	15.8
Canada	17	4.1	Morocco	92	17.7
EU-25 countries	18	4.3	Tunisia	93	18.8
Australia	43	4.3	Rwanda	94	19.4
Oman	44	4.4	Bangladesh	95	19.9

21. As expected, many other trade policy indicators show similar rankings as the OTRI across income groups and regions. On average, countries with high OTRI also exhibit higher simple and weighted tariffs that reflect the effect of both ad-valorem and specific tariffs (see Figure 6, top panels, showing the effective applied tariffs for traded goods only, inclusive of the ad-valorem equivalent of specific tariffs). Countries whose trade has been liberalized to a great degree with preferential partners rather than multilaterally, however, may well rank much higher on indicators capturing the effective applied tariffs than they do on those based on MFN tariffs (including the OTRI). That is for instance the case for Mexico, whose rank (38th) according to the effective applied trade weighted average tariff of 3 percent contrasts with its bottom placement (86th) according to the OTRI. Using these other measures also helps capture countries that are missing the OTRI altogether, such as many CIS countries in the ECA region.

22. When measured by a multiplicity of tariff indicators, trade restrictiveness has declined between the early 2000s and 2005-06 for most countries, owing mainly to their reduction of import tariffs. Out of 136 countries for which comparable estimates for both periods exist, only three countries, Madagascar, Rwanda and Uganda, experienced an increase in the OTRI as well as in their simple and weighted tariff averages. Other countries either improved on all tariff indicators or, like EU-15 and SACU-6 member countries, show marginal or opposing changes in different tariff indicators. As shown in Figure 7, simple average MFN tariffs (inclusive of the ad-valorem equivalent of specific tariffs) have been falling in all regions, although import-

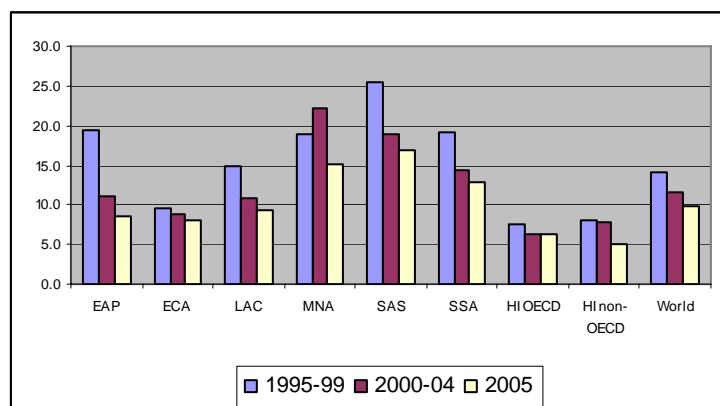
weighted tariffs in South Asia and Sub-Saharan Africa have increased between 2000-04 and 2005-06. This does not necessarily suggest a reversal of liberalization for these regions, as the data indicate that their import composition has shifted towards higher tariff products. In developing countries, simple average MFN tariffs have fallen from 16 percent in 1997 to around 11 percent in 2006, with the EAP region showing the steepest decline.

Figure 6. Tariff Indicators (latest 2006 or 2005, percent)



Note: MFN (“most favored nation”) applied tariffs are the non-preferential tariffs applicable to all WTO partners per national schedules (as opposed to bound levels at the WTO). (Effective) applied tariffs include preferential rates as reported in TRAINS.

Figure 7. Evolution of MFN Applied Tariff, simple average, by regions



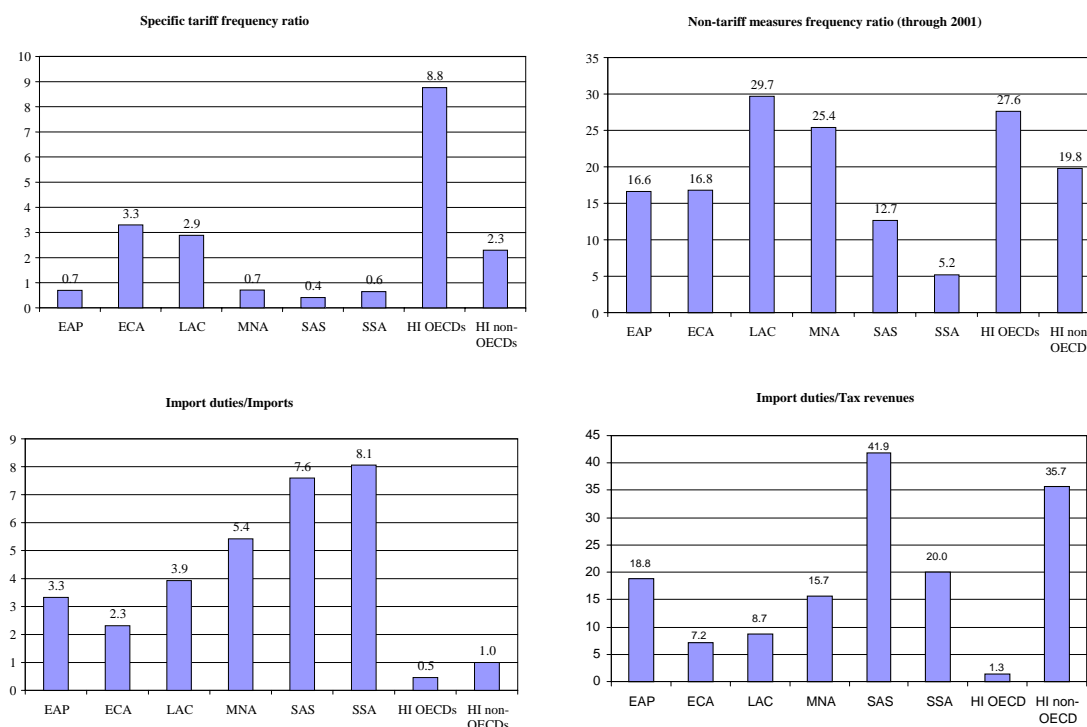
23. Developing countries that have seen substantial falls in their trade restrictions on goods imports include India, Egypt, Nigeria and Mauritius, as well as China and many LAC countries. Among developed countries, overall trade restrictions in Japan and the United States have fallen somewhat, while they have remained largely unchanged in Canada and in the European Union. It should be stressed however that much of this observed liberalization pertains to manufacturing, and that less has been done in agriculture. In fact, for some countries such as India, according to the OTRI, and Egypt, according to the tariff escalation indicator, the agriculture sector is now more protected than it was six years ago. In the EU there has been no change, while Canada and the United States have registered small declines in restrictiveness since 2000.²⁰ “A small number of countries, such as China, Argentina, and Chile, have achieved substantial reductions in the OTRIs for agriculture, whether including or excluding non-tariff measures.

24. In terms of tariff *dispersion*, the LAC and SSA regions show the least dispersion in their MFN tariff structures and the lowest maximum rates, while the high-income OECD and ECA regions show the highest dispersion and extremely high maximum rates, reaching over a 1000 percent (specific) tariff. The MENA and SAR regions also display relatively high tariff dispersions and both have high maximum tariff levels (see Figure 6, last two panels). Comparing 2005/2006 with the early 2000s, the MENA and SAR regions are the only two regions that saw an increase in tariff dispersion. All other regions had a decline. In terms of income levels, both the high-income and upper middle-income countries had a reduction in tariff dispersion.

²⁰ See World Bank (2007), pp. 176-179. Producer support estimates as a percentage of gross farm receipts (the only internationally comparable measure of support to agriculture that includes both at the border and behind the border measures) have also remained around 30 percent for OECD countries from the early 2000s through 2005 (OECD 2006). Subsidies and other support measures are relatively very small in developing countries and would not change their protection patterns if included in the measure.

25. Compared to both high- and middle-income countries, there is greater simplicity in the trade regimes of low-income countries, primarily due to their greater reliance on ad-valorem tariffs with low dispersion and peaks and their low usage of non-tariff measures. As illustrated in Figure 8 (first two panels), Sub-Sahara African and South Asian countries are the least intensive users of specific (non-ad-valorem) duties and non-tariff measures. On the other hand, high-income OECD and middle-income countries tend, on average, to use more specific tariffs (e.g. in Europe and Central Asia) and to apply more non-tariff measures (e.g. Latin American countries).

Figure 8. Selected Indicators of Import Restrictions (latest 2006 or 2005, percent)

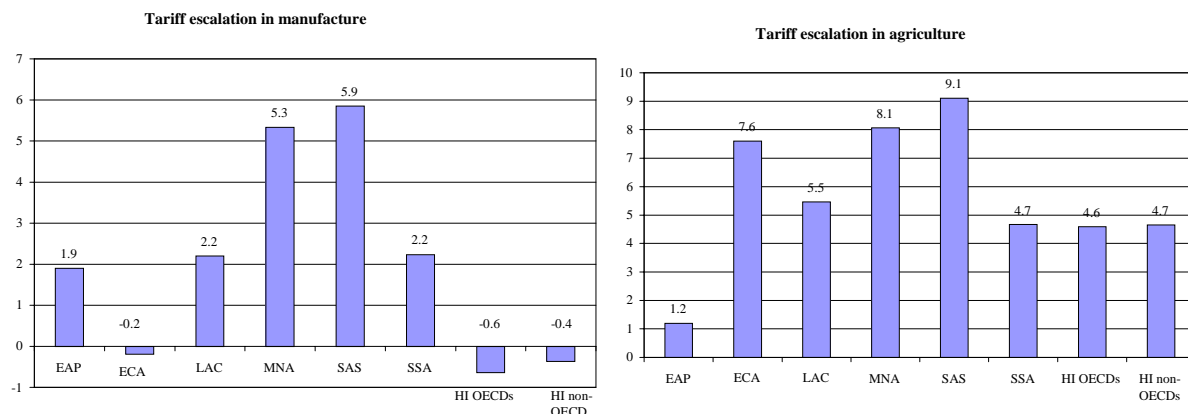


26. On average, tariff revenues in developing countries account for a larger share of fiscal revenues than is the case for developed countries. Duties on imports as a percent of total taxes are most important in SSA and SAR countries, where they range, on average, from 20 to 42 percent, respectively, compared to only 1.3 percent in the OECD (see Figure 8, third panel). The other regions all register less than 19 percent of fiscal revenues as coming from trade taxes.²¹ The large gap for all regions (as high as 15 percent for the SAR region) between the applied trade-weighted average tariff rates (see Figure 6 above, second panel) and the ratios of import duties to total merchandise imports (see Figure 8, last panel) suggests that non-transparent customs

²¹ The high ratio for the non-OECD high-income group is driven by Bahrain, Kuwait, and the Bahamas.

exemptions and practices remain important, leading to lower duty collections from customs than expected on the basis of the published MFN and preferential tariff schedules and trade flows.²²

Figure 9. Tariff Escalation (2005, percent)



27. The WTI database also reveals a stronger tendency for tariff escalation in the lower-middle-income countries. Tariff escalation provides a higher effective protection to domestic producers than the nominal tariff protection.²³ In manufacturing, this indicator is a proxy measure for trade-related industrial policy measures. Tariff escalation is highest among lower middle-income countries, modest in the low-income group and negative in the upper middle and the high-income groups. On a regional basis, the MENA and SAR regions have the highest escalation followed by the EAP, LAC, and SSA regions. The ECA region has the lowest tariff escalation. In agriculture, the low-income group has the lowest tariff escalation, and the lower middle-income group the highest (above 9 percent). In agriculture, the EAP has the lowest tariff escalation, and the SAR region the highest, followed by the MENA and ECA regions. All other regions also show positive rates around 5 percent (Figure 9). Generally, a more escalated tariff structure is likely to create a stronger anti-export bias, as productive resources are artificially channeled into import-competing sectors. Among developing regions, the ECA region's unique pattern of negative escalation in manufacturing and highly escalated tariffs in agriculture reflects features of the EU tariff structure that also apply to many countries that have recently acceded to the EU. Egypt and Pakistan stand out as the countries with the most escalated tariff structures in both agriculture and manufacturing. The former, which has liberalized tariffs on goods and the

²² Information on export taxes will be added to the WTI database in 2008.

²³ This is characterized by increasingly higher tariff levels the greater the degree of processing a given commodity undergoes. Tariff escalation has long been the subject of an intense debates and negotiations between developed and developing countries because the tariff structures of the former are generally perceived as displaying significant escalation favoring their own domestic producers in the 'processed' stages and discouraging "value addition" in the export basket of their poorer trading partners. In fact, tariff escalation is even stronger in developing countries.

services trade regulatory regime since the early 1990s, still managed to achieve a strong export performance in 2005-06, but the latter experienced a loss in export market share.

28. At this time, there are no global measures of actual services trade liberalization. A project at the World Bank is underway to assess actual services trade liberalization within countries and to produce a synthetic indicator of the degree of liberalization. These will be incorporated in the WTI database when available. For the 2007 WTI database, an index of the extent of services trade commitments under the GATS has been constructed for all sub-sectors and modes of supply for 147 countries, based on a methodology developed by Hoekman (1997) and recently applied to selected European countries (Hoekman and Eschenbach, 2006).²⁴ Actual service liberalization is often well ahead of such commitments. Thanks to unilateral reforms measures or bilateral agreements that have already been implemented, this index is a very imperfect proxy for the extent of services trade liberalization in a country.²⁵ However, at this time, it is the only globally comparable measure available, except for a sectoral estimate on banking by the USITC, which has evaluated and scored GATS commitments in depth.

29. According to this index, countries that have recently acceded to the WTO and developed countries have committed to a high degree of openness in services trade. Moldova stands out with the highest score of 84 on a scale of 0-100, followed by other countries in Central Asia and the Caucasus that have recently joined the WTO. Scores for the OECD countries range from 72 for Austria, 63 for the US, 49 for Japan, and 41 for Korea.

30. Few developing countries reach similar levels of commitments: indices range from a low of less than 1 in the case of Madagascar (lowest) to 56 for Jordan (highest), which acceded to the WTO in 2000 and also has a free trade agreement with the US. In signing these trade agreements, Jordan undertook to liberalize services and has actually implemented many reforms. Most developing countries, however, score below 40, including China (36), which has committed less as a condition of WTO accession than other smaller countries in ECA and in South-East Asia (Cambodia scores a high of 49). The SSA and LAC regions have the lowest degree of commitments, with most countries in the southern part of the African continent registering single digit scores. The champions of services trade commitments in the SSA region are two coastal, open economies, South Africa (53) and the Gambia (52), and two landlocked countries, Lesotho (47) and Burundi (36).

²⁴ Each entry by sub-sector and by mode in the commitment schedule has been graded 1, 0.5, or 0, depending on whether scheduled liberalization commitments are full and unqualified, partial or qualified, or nil (unbound or virtually nil). Such raw scores are then aggregated by sub-sectors and modes to which specific weights are assigned to reflect their economic importance.

²⁵ In fact, countries usually at the top of global competitiveness rankings and considered very open to services trade, like Singapore, Hong Kong (China) and the United Arab Emirates, rank very low using this indicator (with scores of 26, 23, and 17, respectively), due solely to weak commitments under the GATS.

31. The index of liberalization in the banking sector constructed by the USITC shows the lowest level of (committed) openness among Japan and many EU member countries (with the Baltic states at the bottom). Upper-middle-income countries, including most LAC countries with the exception of Argentina (Venezuela is not scored) and ECA countries that have not acceded to the EU score the highest on the same index. An additional index by the International Telecommunications Union measures the degree of foreign participation allowed in the telecommunications sector on a scale from 0 to 100 percent. It shows all ECA countries as being fully open, and other regions having an average score higher than 80. The EAP region is at the bottom with a score of 52.

3.2. External Environment

32. Access to global markets for exported products is an important element of an outward oriented development strategy of many developing countries. Domestic policies may go a long way towards promoting trade, but export growth will be limited if third party markets are closed to exporters' products. The indicators in the WTI 2007 database suggest that, in general, low-income countries face the highest entry restrictions in the world market for their exports and upper middle-income countries face the lowest.

33. The Market Access version of the OTRI (MA-OTRI) includes all the available data on both unilateral and reciprocal tariff preferences granted.²⁶ According to this indicator, exporters in South Asia face the highest barriers, equivalent to a uniform tariff of 9 percent when excluding, or 34 percent when considering, respectively, non-tariff measures. SAR is followed by the SSA and ECA regions.²⁷ The LAC region also faces more restrictions than those faced by exporters in the MENA and EAP regions. The SSA region faces low barriers on its manufacturing exports but relatively high barriers on its agricultural exports, while the opposite is true for the LAC region (see Figure 10).²⁸

²⁶ The data on preferences are partial since South-South agreements are not well covered in the TRAINS database. Neither does it fully include preferences granted by all the high-income countries, although EU and US preferences are covered well.

²⁷ The MA-OTRI computes a single "uniform tariff" equivalent of all tariffs facing the given country's exports. It is calculated using bilateral trade and preferential tariffs (assuming their full utilization) as recorded in the TRAINS database. It should be noted that this type of measure is based on actual or current trade patterns, so is a *static* measure and does not capture the *dynamic* dimension such as new exports that may result from policy change. Just as for the OTRI, a version of the MA-OTRI including non-tariff measures is available in the database. See Kee, Nicita and Olarreaga (2008) for more details on this indicator.

²⁸ After the DR-CAFTA with the United States became effective in April 2006, the high effective pre-CAFTA preferential tariffs that the US imposed on Central American exports of cotton products were reduced significantly, in many cases to zero, but the TRAINS database (and thus the MA-OTRI) still reflects for 2006 the higher, pre-CAFTA preferential tariffs. Thus, Central American countries and the LAC region relative standing on market access is expected to improve once the 2007 effective tariffs will be taken into account in the next WTI update.

Figure 10. Market Access Trade Restrictiveness: MA-OTRI-Tariff Only (2007, percent)

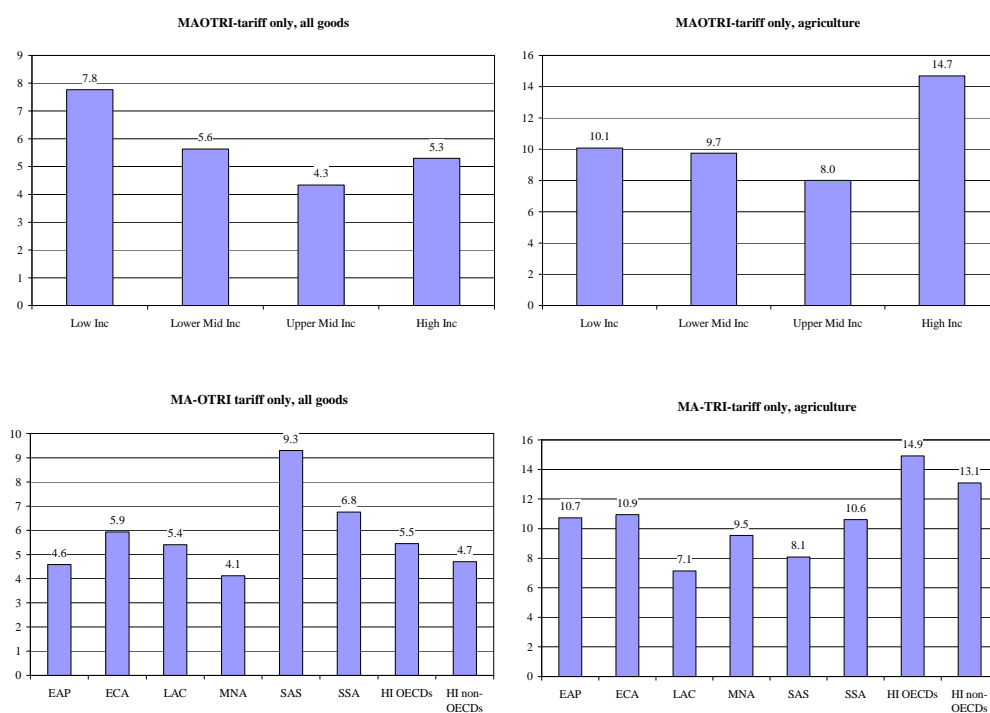


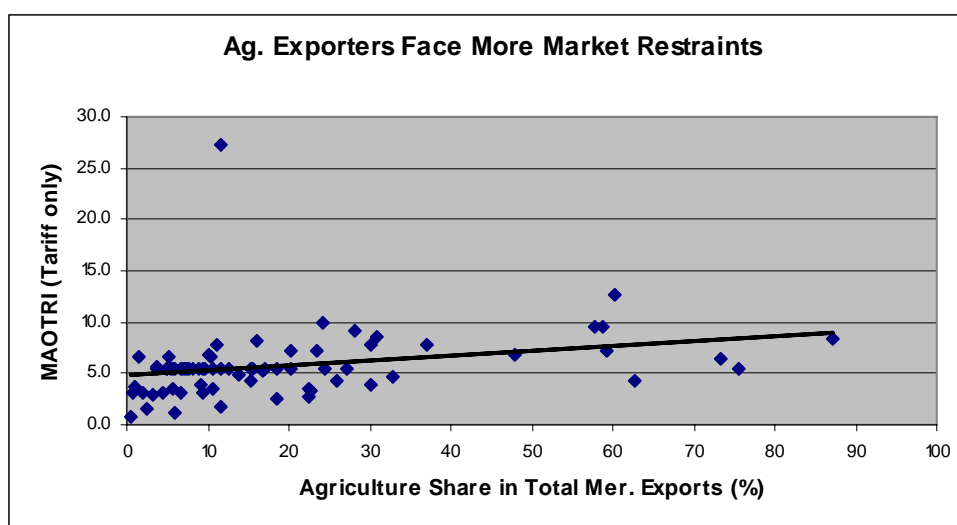
Table 6. Top and Bottom 20 Countries for MA-OTRI – Tariff only (2007)

Country	Rank (1-95)	MAOTRI-tariff only	Country	Rank (1-95)	MAOTRI-tariff only
Nigeria	1	0.5	Australia	76	7.18
Venezuela, RB	2	0.7	Morocco	77	7.228
Gabon	3	1.02	Iceland	78	7.232
Algeria	4	1.04	Turkey	79	7.7
Mexico	5	1.2	Brazil	80	7.8
Oman	6	1.5	Guatemala	81	7.9
Canada	7	1.7	Thailand	82	8.2
Papua New Guinea	8	2.06	Nicaragua	83	8.4
Brunei	9	2.07	Senegal	84	8.6
Zambia	10	2.5	Mauritius	85	9.2
Peru	11	2.7	Honduras	86	9.5
Switzerland	12	2.99	Moldova	87	9.6
Russian Federation	13	3.03	Mali	88	9.8
Singapore	14	3.05	Sri Lanka	89	10.0
Saudi Arabia	15	3.079	Burkina Faso	90	11.0
Malaysia	16	3.083	El Salvador	91	11.1
Philippines	17	3.14	Bangladesh	92	11.2
Bolivia	18	3.2	New Zealand	93	12.6
Norway	19	3.53	Rwanda	94	16.4
Colombia	20	3.55	Sudan	95	27.3

Note that the WTI estimates discussed below of the value of US preferences rely on national data for 2006 and thus reflect the post-CAFTA preferences, although their impact on trade flows will become apparent only in later years.

34. The findings above are driven primarily by regional differences in product composition of exports. As shown in Figure 11, the MA-OTRI is positively correlated with the export share of agriculture. Since agriculture generally faces greater restrictions in terms of market access than manufacturing, regions and countries exporting mainly agricultural products generally face a higher MA-OTRI than those where minerals and manufacturing dominate exports (Table 6). Indeed, as a result of the importance of oil, gas and manufactured products in their respective export baskets, exporters like Nigeria, Venezuela, Gabon, Mexico, the MENA countries, the EAP region and the high-income countries face more favorable market access conditions.

Figure 11. Market Access OTRI (2007) and Export Share of Agriculture (2005)



Note: The correlation between Agriculture share and MA-OTRI (all) is significant at the conventional statistical level (0.05).

35. Almost half of US imports in 2006 and about 63 percent of EU imports in 2005 entered these countries under a zero MFN tariff rate (MFN-0). However, at 29 percent, the figure is much lower for US imports from developing countries for which protected agricultural goods such as sugar and manufactures such as garments are important exports. High percentages of MFN-0 trade obviously imply relatively little scope for granting additional preferences, whether unilateral or reciprocal, to add additional benefits to exporters. Afghanistan, Burundi, the Central African Republic, Djibouti, Guinea, Guinea-Bissau, Sierra Leone, and Zambia represent extreme cases with over 97 percent of their exports to the United States in 2006 facing MFN-0. For the EU, over 98 percent of the exports from Angola, Burundi, the Central African Republic, Liberia and Sierra Leone and 52 percent of those from Least Developed Countries (LDC) were MFN-0.²⁹

²⁹ LDCs are 50 of the poorest countries that have a special status in the WTO and enjoy special tariff preferences from most OECD countries. They are so classified by UNCTAD according to three criteria: low-income, human resource scarcity, and economic vulnerability.

Figure 12. Value of US and EU Preferences, latest 2005-06

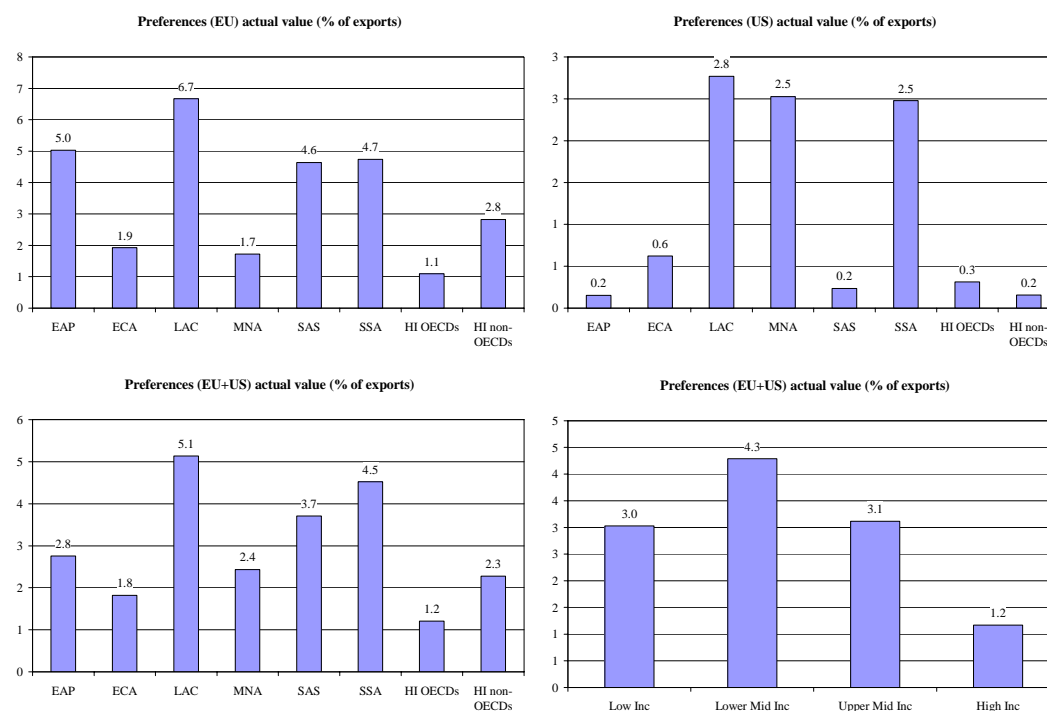
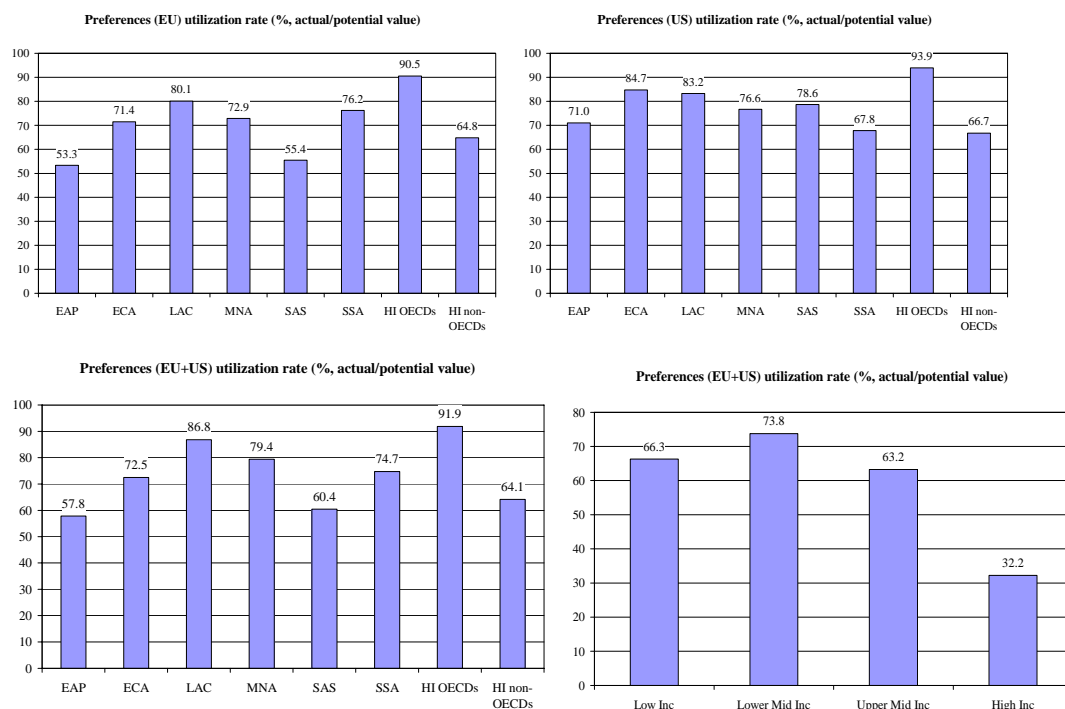


Table 7. Top 20 for Value and Utilization of EU+US Preferences (2005-06, ranked by actual value)

Country	Preferences (EU+US) actual value (% of exports)	Preferences (EU+US) utilization rate (% , actual/potential value)	Rank (1-175)
Swaziland	32.98	99.51	1
Fiji	27.81	99.49	2
Andorra	25.05	100.00	3
Guyana	23.05	99.77	4
Mauritius	21.33	97.64	5
Maldives	19.28	98.93	6
Malawi	16.23	97.82	7
Seychelles	15.38	94.49	8
Lesotho	14.99	99.89	9
Belize	14.78	98.29	10
Haiti	14.53	98.88	11
Jordan	13.55	97.76	12
Cape Verde	12.37	96.87	13
Solomon Islands	12.02	89.64	14
Madagascar	11.88	96.98	15
Barbados	11.20	96.73	16
Zambia	11.13	97.43	17
Dominica	11.01	99.01	18
Honduras	9.61	84.59	19

36. Overall, the actual “value of preferences,” which takes into consideration both the potential value and the utilization rate, is small relative to the overall value of a beneficiary country’s exports to the preference granting countries.³⁰ While the value of EU preferences represents the equivalent of 0.85 percent of the total value of beneficiary countries’ exports to the EU and 0.76 percent of the value of the developing countries’ exports to the EU, the corresponding figures are 0.8 and 1 percent for US preferences.³¹ Moreover, this indicator varies greatly among developing regions and countries (Figure 12 and Table 7). The average LAC country benefits the most from both EU and US preferences (the value of preferences being 6.7 percent and 2.8 percent, respectively). On the other hand, ECA countries are among those that benefit the least. The value of preferences is high for exports from the MENA countries (e.g. the West Bank and Gaza, and Egypt) to the United States, and especially those countries with which the US has free trade agreements (e.g., Jordan) but is very low for those to the EU.

Figure 13. Utilization of US (2006) and EU (2005) Preferences



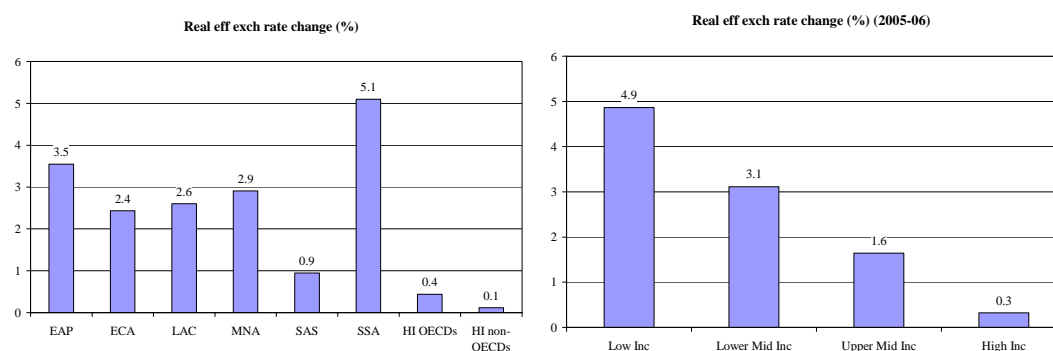
Sources: World Bank calculations based on USITC tariff and trade flows data for the US (both available for 2006) and on TRAINS tariff and EUROSTAT detailed trade flows (the latter only available for 2005) for the EU.

³⁰ In the WTI database, the actual value of preferences granted is calculated as the difference between the total duties that would be paid without preferences based on MFN duties and the duties that are actually paid using trade preferences granted to that country. It is expressed as a percentage of a beneficiary country’s total exports to the relevant preference granting country(ies) (the US and the EU for this WTI 2007). In future WTI releases, such indicators will be calculated for other preference granting countries depending on the availability of the underlying data.

³¹ Brenton and Ikezuki (2005) reach the same conclusion on their work on Africa and LDC. This paper makes the same point but at the global level.

37. Despite concerns about restrictive standards and rules of origin discouraging exports from developing countries with weak institutional capacities and limited processing facilities the utilization rate for US trade partners is almost 94 percent. The corresponding figure for the European Union is 77 percent (see Figure 13). For the low and middle-income countries, the two rates are respectively about 86 percent and 76 percent. Chad, the Republic of Congo and Gabon are examples of countries characterized by limited utilization of US preferences, with utilization rates below 30 percent. Afghanistan and Chad and other small countries, such as Brunei, Macao and Marshall Islands, are examples of countries with low utilization of preferences of EU preferences, below 20 percent.³²

Figure 14. Change in Real Effective Exchange Rate (REER, average 2005-06)



38. Variations in exchange rates may affect a country's trade performance as an appreciating currency makes a country's exports relatively more expensive (or less profitable for exporters in domestic currency) than that of competitors. During 2005-06, low-income countries experienced the largest average rate of currency appreciation (on a real, trade-weighted basis) of almost 5 percent. The upper-middle-income countries saw the lowest real appreciation and the highest concomitant increase in exports. All the developing regions experienced a higher appreciation of their currency (ranging from 5.1 percent to 0.9 percent) than the high-income group taken together (Figure 14).³³ The SAR and ECA regions have experienced the lowest real appreciation and are also the ones with the highest growth rates of exports (as shown in Figure 1). Within the regions, some countries such as China, South Africa, the EU, and the US had large depreciations during 2005-2006.

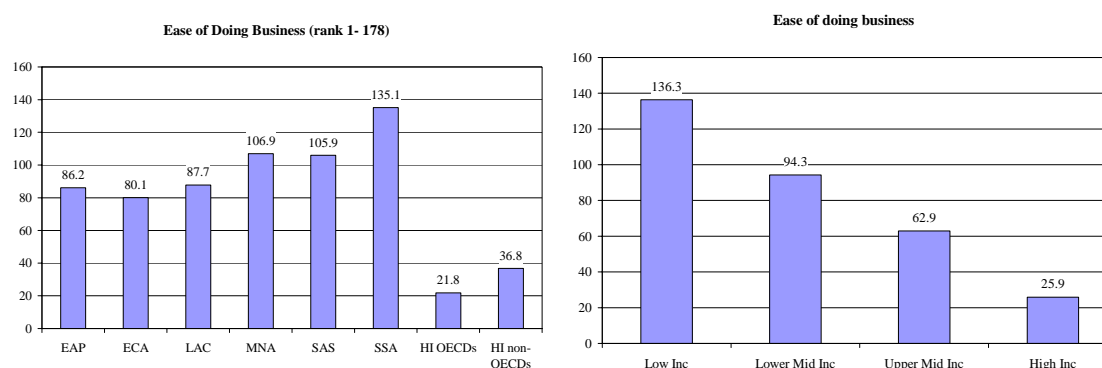
³² Low utilization rates can be a consequence of burdensome administrative procedures, stringent rules of origin requirements, low margin of preference (i.e., the rate at which the good would be taxed under non-preferential conditions minus the preferential rate), or the very substantial import flows already under MFN-0. See also Brenton (2003) and Brenton and Ikezuki (2005).

³³ The indicator used here is the "real effective exchange rate," compiled by the Research Department of the IMF, and computed as the nominal effective exchange rate (measured by the value of a currency against a *trade-weighted average* of a basket of selected foreign currencies) adjusted by the relative price index between the domestic and foreign countries over the period. This indicator is expressed as a percentage change in the normalized index from the 2000 base year and is based on the official exchange rate. If the value of index is positive, it reflects an appreciation of the currency.

3.3. Overall Business and Institutional Environment

39. The prevailing business environment and the quality of governance in a given country can significantly affect the country's performance in world trade.³⁴ The "Ease of Doing Business Rank" from the World Bank's 2007 Doing Business project captures information on a number of dimensions relevant to trade, including starting a business, enforcing contracts, and closing a business. The data are based on surveys conducted in 2006, and present data for that year for most indicators.³⁵ Another set of indicators representing the institutional environment included in the WTI 2007 database is taken from the Worldwide Governance Indicators database.³⁶

Figure 15. Ease of Doing Business 2007



Note: The underlying surveys were conducted in 2006. The DB database ranks countries from 1-175. The numbers presented in the figures are averages of country rankings.

³⁴ For instance, Bolaky and Freund (2004) find that increased openness does not stimulate growth in economies with high regulation. There is some evidence that openness may even hamper growth in economies with excessive regulation. Research by de Groot and others (2004) highlights institutional quality as an explicit determinant of bilateral trade, recognizing that the performance of institutions can have a significant impact on transaction costs, which in turn affect trade. Various contributions in the literature explain the value of institutions to international trade through their impact on information asymmetries, property rights and contract enforcement. Anderson and Marcouillier (2002) develop a model in which corruption and poor contract enforcement reduce trade between countries. Levchenko (2004) models institutional differences as a source of comparative advantage and shows, among other things, that developing countries may not gain from trade due to the poor quality of their institutions and that factor prices may diverge when institutional quality varies among trading partners. Souva et al. (2005) examine the relative importance of political versus market institutions for trade and conclude that it is the latter that counts. Islam and Reshef (2006) look at the impact of institutional quality versus differences in institutional design on trade values.

³⁵ The 2008 Ease of Doing Business findings were released in October 2007, based on underlying surveys conducted in the Spring of 2007. These were not incorporated in the 2007 WTI database and are not discussed here, because the underlying surveys conducted in early 2006 for the 2007 Ease of Doing Business are the most relevant for the latest WTI period (2005-06). See www.doingbusiness.org

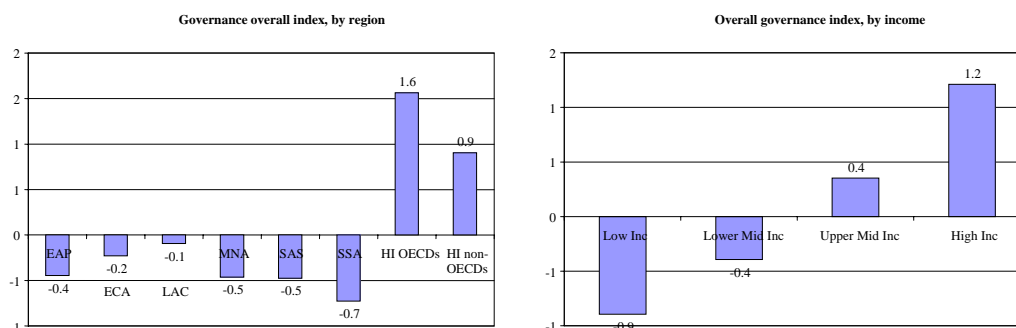
³⁶ See the Worldwide Governance Indicators (WGI) at <http://www.govindicators.org>. These indicators refer to surveys conducted in 2006. The value of index is ranged from -2.5 to 2.5 with estimated higher value corresponding to better governance.

40. The average Ease of Doing business rank for the low-income group is about 136 (175 being the lowest rank), while the corresponding number for high-income countries is 26 (see Figure 15). The upper-middle-income developing countries are still only one-fifth as easy in terms of Doing Business as the high-income countries (using the relative average ranking of the groups as an indicator: $26.4/62.7$). This ordering is maintained across the various “doing business” indicators. In the developing world, the business environment is most challenging in Sub-Saharan Africa, with an average rank of 135. This region is followed by MENA and SAR. At the other end, the ECA countries are the most business friendly followed by EAP and LAC.

41. Singapore, Latvia, and Estonia are the only ones in the Top 20 lists for Doing Business (2007) and for trade growth (average in 2005-06). Among the Bottom 20 for Ease of Doing Business (poor scores on the governance indicators), Angola and Laos managed nonetheless to secure their places in the Top 20 countries in trade performance, with growth rates above 15 percent, as they either rebounded from conflict or benefited from high demand for energy and other commodities.

42. Similarly, high-income countries score higher on governance dimensions than developing countries (see Figure 16), as for the Doing Business indicators. The regional rankings for the governance indicators mirror the pattern found in the Doing Business database. Sub-Saharan Africa registers the lowest overall index and Latin America and Caribbean the highest in the developing world.

Figure 16. Governance Overall Index 2007



Note: The underlying surveys were conducted in 2006. These indicators range from -2.5 to 2.5; the higher the number the better the country stands in its governance outcome.

3.4. Trade Facilitation³⁷

43. The quality and performance of trade facilitation and logistics services have a significant effect on trade and competitiveness.³⁸ Complementing existing international indicators that measure some aspects of the logistics environment—such as the World Bank’s Doing Business measures and the World Economic Forum’s Global Competitiveness Index, a recent study by the World Bank provides a comprehensive assessment of the logistics gaps and constraints facing 150 countries (World Bank 2007). The composite Logistics Performance Index (LPI) summarizes seven areas of performance, covering the (i) efficiency and effectiveness of the clearance process by customs and other border control agencies; (ii) quality of transport and information technology infrastructure for logistics; (iii) ease and affordability of arranging shipments; (iv) competence in the local logistics industry (e.g., transport operators, customs brokers); (v) ability to track and trace shipments; (vi) domestic logistics costs (e.g., local transportation, terminal handling, warehousing); and (vii) timeliness of shipments in reaching destination.³⁹

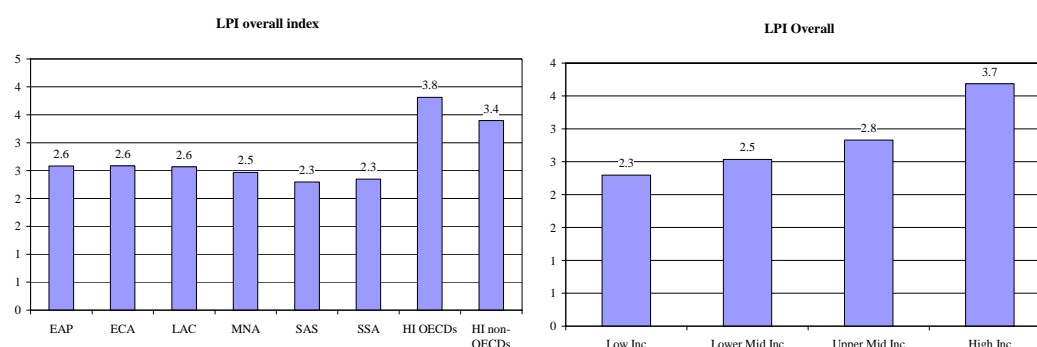
44. Unsurprisingly, countries that top the LPI rankings are all developed economies that are major global transport and logistics hubs (e.g., Singapore which ranks first) or have a strong service industry (Switzerland). Logistics services in these countries tend to benefit from economies of scale and are often sources for innovation and technological change. The scores for the top performers are fairly close, and in many cases the differences are too small to be statistically significant. However, the average index for high-income countries (3.7 out of a maximum of 5) is significantly ahead of that of even the best performing developing regions, as shown in Figure 17. Among the latter, the Europe and Central Asia and East Asia regions score high, and South Asia and Sub-Saharan Africa the lowest. The high-income countries score 1.6 times higher than the low-income countries on average.

³⁷ This section draws largely from World Bank (2007b)

³⁸ For instance, Hausman, Lee and Subramanian (2005) find that logistics performance has a statistically significant relationship with the level of bilateral trade. Many empirical studies have examined the effect of transport costs on trade flows. Notably, Limão and Venables (2001) find a robust statistical link between transport costs and international trade flows. They also find a clear link between the quality of infrastructure and transport costs—and thus conclude that infrastructure investments are important for export-led economic growth. Other studies find that differences in logistics performance are driven only in part by poor quality of physical infrastructure services such as road, rail, waterways, port services, and telecommunications (Subramanian and Arnold 2001). Instead, the inadequacies often are caused by (nontariff) policy and institutional constraints—such as procedural red tape, inadequate enforcement of contracts, poor definition and enforcement of rules of engagement, delays in customs, delays at ports and border crossings, pilferage in transit, and highly restrictive protocols on movement of cargo.

³⁹ The Logistics Performance Index (LPI) and its indicators have been constructed on the basis of the information gathered in a world-wide survey of logistics companies responsible for moving goods—the multinational freight forwarders and main express carriers. More than 5,000 individual country evaluations were used to prepare the LPI which covers 150 countries. The value of the index ranges from 1 to 5 for each component, 1 is the lowest score and 5 is the maximum score.

Figure 17. Logistics Performance Index, 2007



Note: underlying surveys were conducted in 2006. The maximum value of the index is 5 and the minimum is 1.

Table 8. Top and Bottom 20 Country Rankings by LPI

Country	LPI	Int. LPI Rank	Country	LPI	Int. LPI Rank
Singapore	4.19	1	Armenia	2.14	131
Netherlands	4.18	2	Mauritius	2.13	132
Germany	4.1	3	Kazakhstan	2.12	133
Sweden	4.08	4	Gabon	2.1	134
Austria	4.06	5	Syrian Arab Republic	2.09	135
Japan	4.02	6	Mongolia	2.08	136
Switzerland	4.02	7	Tanzania	2.08	137
Hong Kong, China	4	8	Solomon Islands	2.08	138
United Kingdom	3.99	9	Albania	2.08	139
Canada	3.92	10	Algeria	2.06	140
Ireland	3.91	11	Guyana	2.05	141
Belgium	3.89	12	Chad	1.98	142
Denmark	3.86	13	Niger	1.97	143
United States	3.84	14	Sierra Leone	1.95	144
Finland	3.82	15	Djibouti	1.94	145
Norway	3.81	16	Tajikistan	1.93	146
Australia	3.79	17	Myanmar	1.86	147
France	3.76	18	Rwanda	1.77	148
New Zealand	3.75	19	Timor-Leste	1.71	149
United Arab Emirates	3.73	20	Afghanistan	1.21	150

45. At the bottom of the rankings are low-income countries that are landlocked and geographically isolated, or countries isolated because of conflict or severe governance problems, like Afghanistan, which ranks last (see Table 8). In fact, landlocked developing countries, especially in Africa and in Central Asia, are the most logistically constrained, as they typically suffer from difficult geography, poor access to logistics services in neighboring countries, and high coordination and transportation costs. The average LPI is in fact lower for landlocked

countries in Sub-Saharan Africa than for the region as a whole (2.22 versus 2.35). Nonetheless, three landlocked countries appear in the list of the top 15 performers within the SSA region (out of 39 ranked in the LPI): Uganda (regional 8/ global 83), Malawi (13/91), and Zambia (15/100). These three countries are served by relatively efficient logistics providers. Uganda's trucking industry has developed as a response to the demise of the Uganda railroad system. Malawi and Zambia are integrated into South Africa's relatively efficient transit system.

46. Differences in logistics performance are not simply linked to a country's income or development level. While all developed countries are top performers, there is much dispersion among lower-middle-income and higher-middle-income countries. For example, China ranks 30th of 150, while countries in higher income groups, such as oil producers, rank lower.

47. Countries doing relatively well on logistics performance are also likely to do well in trade expansion and export diversification. This is reflected in the performance of various countries: South Africa (24 is its LPI rank), Malaysia (27), Chile (32), and Turkey (34) among the upper-middle-income countries, China (30) and Thailand (31) among the lower-middle-income, and India (39) and Vietnam (53) among the low-income (Table 1).

48. In addition to landlocked countries discussed above, many of the countries ranked low on the LPI within their regional and income groups are oil and gas producers. Algeria (ranked 140th) lags significantly behind its neighbors Tunisia (60) and Morocco (94). The same applies to the high-income Bahrain (36), Saudi Arabia (41), Kuwait (44), and Qatar (46) relative to other high-income non-OECD countries. While good logistics may promote exports, a strong manufacturing sector may also promote better logistics. A lower LPI in these countries may reflect these factors at work.

4. Regional Analysis

4.1. East Asia and Pacific

49. The EAP region is one of the most dynamic zones according to most trade performance indicators. In fact, based on simple (unweighted) cross-country averages, the region registers one of the highest growth in real trade, the highest openness ratio, and one of the most diversified export structure among all developing regions. The average share of trade in GDP has risen from 94 percent in 1995 to 136 in 2006. This dynamism is also reflected in an acceleration of the region's average annual growth in its world export share (from 3 percent annual growth rate in 1995-99 to 16 percent in 2005). The average export concentration index declined from 38 in 1995-99 to 29 in 2005 showing increasing export diversification.

50. Among the economies in the region, trade performance varies greatly with real trade growth ranging from 19.6 percent for China to 1.5 percent for Papua New Guinea. Vietnam, China, Lao PDR, and Cambodia are among the best performing economies, consistently registering double digit real trade growth between 2000 and 2006. The best performers are all countries that have recently acceded to or are in the process of acceding to the WTO. It is likely that recent adoption of more market friendly policies have played an important role in boosting trade.

51. EAP countries have adopted very liberal trade policies relative to other developing regions, with the regional average tariff dropping from 15 percent in 1995-99 to 5 percent in 2005. Within the region, Papua New Guinea ranks highest in terms of trade policy at the border (as measured by the OTRI of 2.1) and the external environment (an MA-OTRI of 2.1) and is doing well with respect to its business environment. Nonetheless, partly on account of its poor performance in trade facilitation and appreciating real effective exchange rate, the country has seen the slowest 2005-06 trade growth in the region.

52. For China, the region's top performer in terms of 2005-06 real trade growth, the tariff-only OTRI declined from 14 to 6 between 2000-04 and 2005 while the average (import weighted) tariff dropped from 16 to below 5 percent between 1995-99 and 2005, due to the reforms it undertook in preparation to WTO accession. Its logistics performance index is better than the regional average, while its relative performance on the business and institutional environment is only average. Malaysia and Thailand noticeably outperform relative to the regional average on both the business environment and trade facilitation indicators; yet their recent trade growth is below average. This may be partly explained by the fact that these two countries were already among the region's economies with the highest trade openness ratio in 2000-04 as evidenced by their share of trade in GDP and that both experienced real exchange

rate appreciation in 2005-06. Among underperformers, Lao PDR is below the regional average in all the policy, business environment, and trade facilitation indicators, and yet experienced a sustained strong trade growth (albeit from a smaller base) due in part to growing mineral (particularly copper) exports, and, to some extent, market oriented reforms.⁴⁰

Table 9. East Asia and Pacific, Representative Indicators, Latest

Country	Overall Trade Restrictiveness Index-tariff only (OTRI-tariff)	Market Access Overall Trade Restrictiveness Index (MAOTRI-tariff only)	Ease of Doing Business Rank (1-175)	Logistics Performance Index (LPI)	Real Growth in Total Trade of Goods and Services (%)
American Samoa	..	..	..	..	..
Cambodia	..	..	143	2.5	16.0
China	5.9	5.6	93	3.3	19.6
Fiji	..	..	31	..	3.2
Indonesia	3.6	5.3	135	3.0	9.4
Kiribati	..	..	60	..	..
Korea, Dem. Rep.	..	..	..	..	..
Lao PDR	..	..	159	2.3	15.2
Malaysia	3.9	3.1	25	3.5	7.5
Marshall Islands	..	..	87	..	..
Micronesia, Fed. Sts.	..	..	106	..	..
Mongolia	..	..	45	2.1	..
Myanmar	..	..	..	1.9	..
Northern Mariana Islands	..	..	..	..	..
Palau	..	..	62	..	..
Papua New Guinea	2.1	2.1	57	2.4	1.5
Philippines	2.9	3.1	126	2.7	5.9
Samoa	..	..	41	..	..
Solomon Islands	..	..	69	2.1	..
Thailand	6.3	8.2	18	3.3	6.9
Timor-Leste	..	..	174	1.7	..
Tonga	..	..	51	..	..
Vanuatu	..	..	58	..	4.0
Vietnam	..	..	104	2.9	19.6
EAP	4.1	4.6	82.2	2.6	9.9

⁴⁰ Lao PDR began its transition from a centrally planned economy to a market economy in 1986. In the late 1980s and early 1990s price controls were lifted, multiple exchange rates were unified, and foreign trade and investment were opened for the first time.

4.2. Europe and Central Asia

53. Between 2000-04 and 2006, the region experienced a real average growth rate of trade of around 10 percent per year (compared with 6 percent in 1995-99), which is the second fastest among developing regions. This is reflected by an average growth rate of more than 8 percent of the region's share of the world export market between 2000 and 2006, which is among the fastest among developing regions. The region also exhibits the most diversified export structure among developing regions (with an export concentration index of 21 compared with the world average of 31) and the second highest trade openness ratio (113 percent in 2006 up from 87 percent in 1995-99).

Table 10. Europe and Central Asia, Representative Indicators, Latest

Country	Overall Trade Restrictiveness Index-tariff only (OTRI-tariff)	Market Access Overall Trade Restrictiveness Index (MAOTRI-tariff only)	Ease of Doing Business Rank (1-175)	Logistics Performance Index (LPI)	Real Growth in Total Trade of goods and services (%)
Albania	6.5	6.9	120	2.1	8.2
Armenia	..	..	34	2.1	9.5
Azerbaijan	..	..	99	2.3	25.1
Belarus	..	..	129	2.5	4.1
Bosnia and Herzegovina	..	..	95	2.5	..
<i>Bulgaria</i>	..	..	54	2.9	12.8
Croatia	..	..	124	2.7	5.2
<i>Czech Republic</i>	4.3	..	52	3.1	11.9
<i>Estonia</i>	4.3	..	17	2.9	18.4
Georgia	..	..	37	..	6.8
<i>Hungary</i>	4.3	..	66	3.2	12.1
Kazakhstan	..	..	63	2.1	7.4
Kyrgyz Republic	..	..	90	2.3	4.1
<i>Latvia</i>	4.3	..	24	3.0	15.5
<i>Lithuania</i>	4.3	..	16	2.8	15.9
Macedonia, FYR	..	..	92	2.4	11.5
Moldova	2.7	9.6	103	2.3	12.1
<i>Poland</i>	4.3	..	75	3.0	10.7
<i>Romania</i>	14.5	6.6	49	2.9	6.6
Russian Federation	9.2	3.0	96	2.4	12.3
Serbia and Montenegro	..	..	68	2.3	..
<i>Slovak Republic</i>	4.3	..	36	2.9	15.0
Tajikistan	..	..	133	1.9	..
Turkey	4.5	7.7	91	3.2	8.9
Turkmenistan	..	..	..	..	..
Ukraine	3.6	4.8	128	2.6	-2.1
Uzbekistan	..	..	147	2.2	6.5
ECA	5.5	6.4	78.4	2.6	10.4

Note: New EU members are in *italics*.

54. Nevertheless, the performance inside the region in terms of trade growth is very heterogeneous. Azerbaijan's trade growth has been the most impressive at 19 percent in 2000-04, 21 percent in 2005, and 29 percent in 2006—its share of the world export market grew by more than 50 percent in both 2005 and 2006. This performance was mainly driven by strong oil exports and the start of the Baku-Tbilisi-Ceyhan pipeline operations. Almost half of the countries with available trade data show double digit-real trade growth rate in 2006 (compared to one fourth in 1995-99). Most of these countries have recently joined the EU and have implemented policy reforms in the context of their EU accession. At the other end, trade in Ukraine, which was buffeted by both domestic political struggles and a tense relationship with Russia, declined by 2 percent in 2005 and then recovered slightly by increasing by 1 percent in 2006. Other ECA countries with relatively weak trade growth include Armenia, Kyrgyz, Moldova, and Uzbekistan—countries with poor trade facilitation performance.

55. The ECA region, which contains many countries that have recently acceded to or are on their way to acceding to the EU, is among the regions with the strongest overall performance on trade policy, comparable in many instances to that of the high-income economies. For instance, at 3.8 percent, the region's import weighted average tariff in 2005 is just slightly above the high-income average of 3.1 percent, is much lower than that of other regions, and has declined from the average of 6.4 percent in 1995-99.

56. In the main indicators of logistics and institutional performance, the EU accession countries stand out as the best performers. New EU Member States are catching up to Europe on some measures of logistics performance, and all rank in the top 50 with the exception of Lithuania. But transition economies in the CIS (e.g., Tajikistan, Kazakhstan, and Uzbekistan) occupy some of the lowest rankings of all countries in the LPI, with customs and border management among the biggest concerns in Central Asia. In logistics, the Russian Federation also scores significantly below the average for upper-middle-income countries. Ukraine, Tajikistan and Uzbekistan have worse performance than other countries in the region in the "Ease of Doing Business" indices.

4.3. Latin America and Caribbean

57. After experiencing a relatively slow 4 percent average growth rate in 2000-04, trade in the Latin America and Caribbean region picked up in 2005 and 2006, growing by an average of 9 percent in 2005 and 8 percent in 2006. Even with such acceleration, LAC countries still have growth rates that are among the lowest for developing regions. Only 10 out of the 27 LAC economies with available data had real trade growth above 10 percent in 2006. Between 1995-99 and 2006, the average trade openness ratio in LAC increased from 84 to 96 percent. The degree of export concentration in the region is around 34, compared to 31 for the world in 2005.

58. As a region, LAC has a relatively open trade regime with an average tariff of 6 percent, which is about half of the 1995-99 average. Its OTRI (Tariff only) index of 7.8 (down from 10 in 2000-04) is also lower than that of most developing regions (with the exception of ECA and EAP). The region, however, sports a big variance in policy and institutional indicators. According to the OTRI, Central American economies tend to have more liberal trade policy than most countries in LAC. On the other hand, some of them (Guatemala, Nicaragua, Honduras, and El Salvador) had the worst market access through 2006 despite pre-CAFTA preferences granted by the US and other countries (according to the MA-OTRI indicator)⁴¹ and experienced lower trade growth than the regional average in 2005-06. Across most policy indicators, Chile stands out as the best performer in the region, with the lowest overall tariff restrictiveness index, as well as top rankings in ease of doing business and trade facilitation.⁴² Combined with copper price rises and Chile's expanded market access through recent bilateral FTAs, these factors have contributed to an average trade growth rate of 9 percent in 2005-06 and to the increase in Chile's openness ratio from 56 to 81 percent between 1995 and 2006.

59. Mexico is also well above the regional averages on all dimensions of policy and institutions, except for non-discriminatory trade policy (see paragraph 21), resulting in an average 10 percent trade growth rate since 1995. (following NAFTA). Mexico and Venezuela face the best market access conditions due to lack of foreign barriers on their oil exports and the web of free trade agreements for the former. Uruguay, Nicaragua, and Trinidad and Tobago, at the other extreme, face poor market access.

⁴¹ See however the qualifications in Footnote 28 regarding post-CAFTA market access that will be reflected in the next update of the WTI database.

⁴² For instance, Chile ranks 32nd in trade facilitation, behind only high-income countries and a handful of developing ones such as South Africa, Malaysia, China, and Thailand.

Table 11. Latin America and Caribbean, Representative Indicators, Latest

Country	Overall Trade Restrictiveness Index-tariff only (OTRI-tariff)	Market Access Overall Trade Restrictiveness Index (MAOTRI-tariff only)	Ease of Doing Business Rank (1-175)	Logistics Performance Index (LPI)	Real Growth in Total Trade of Goods and Services (%)
Antigua and Barbuda	..	..	33	..	8.3
Argentina	12.4	6.9	101	3.0	13.5
Barbados	..	..	..	..	..
Belize	..	..	56	..	9.2
Bolivia	7.3	3.2	131	2.3	8.9
Brazil	8.4	7.8	121	2.8	10.9
Chile	5.5	4.2	28	3.3	9.3
Colombia	11.3	3.5	79	2.5	13.1
Costa Rica	4.5	4.8	105	2.6	13.0
Cuba	..	..	..	..	..
Dominica	..	..	72	..	3.5
Dominican Republic	..	..	117	2.4	7.9
Ecuador	..	..	123	2.6	7.4
El Salvador	5.9	11.1	71	2.7	2.8
Grenada	..	..	73	..	..
Guatemala	5.0	7.9	118	2.5	3.0
Guyana	..	..	136	2.0	1.0
Haiti	..	..	139	2.2	13.9
Honduras	3.9	9.5	111	2.5	6.3
Jamaica	..	..	50	2.2	3.8
Mexico	13.3	1.2	43	2.9	9.8
Nicaragua	4.9	8.4	67	2.2	6.0
Panama	..	..	81	2.9	9.9
Paraguay	7.7	4.7	112	2.6	6.5
Peru	8.1	2.7	65	2.8	10.9
St. Kitts and Nevis	..	..	85	..	..
St. Lucia	..	..	27	..	10.2
St. Vincent and the Grenadines	..	..	44	..	7.4
Suriname	..	..	122	..	..
Trinidad and Tobago	..	..	59	..	12.3
Uruguay	7.1	4.3	64	2.5	11.0
Venezuela, RB	12.2	0.7	164	2.6	13.1
LAC	7.8	5.4	86.6	2.6	8.6

60. In spite of doing much worse relative to the rest of the region on all dimensions other than market access, Venezuela is still among the countries with the fastest trade growth in 2006. This growth was driven mainly by soaring imports (29 percent in 2005-06) led by a consumption boom, along with exchange-rate appreciation. Argentina experienced the fastest growth in trade (13.5 percent) in 2005-06 (up from 2 percent in 2000-04), paralleling its economic recovery from the 1999-02 crisis, despite registering lower than average performances in trade policy, market access, and institutional indicators. It registered however a double digit (10 percent) real effective depreciation and enjoys relatively strong performance on trade facilitation.

4.4. Middle East and North Africa

60. Trade growth accelerated to an average of 9 percent in 2005-06 in the Middle East and North Africa region, which historically has experienced only sluggish trade growth (2.8 percent in 1995-99, during which no country achieved rates of trade growth of 10 or higher, and 7 percent in 2000-04). The share of trade in GDP has increased from 69 percent in 1995 to 89 percent in 2006. Given the importance of oil exports in many countries in the region, the average export concentration index is one of the highest among developing regions, though it has dropped from 48 to 40 between 1995 and 2006.

61. Within the region, three countries (Algeria, Egypt, and Iran) registered real trade growth of more than 10 percent in 2005-06 and almost doubled their trade openness. Between 1995 and 2006, the shares of trade in GDP for Algeria, Egypt and Iran increased from 51, 44 and 33 percent (the lowest in the region) to 85, 73, 76 percent, respectively. Lebanon is the only country in the region that had declining trade in real term, due in large part to war, internal strife, and political uncertainty.

62. The MNA region exhibits one of the weaker, albeit highly differentiated, policy performances. However, the region on the whole appears to have experienced substantial improvements through the mid-2000s in terms of trade policy indicators (e.g., its OTRI-tariff index dropped from 16 in 2000-04 to 10 in 2006) and correspondingly has also seen its real growth rate of trade accelerating from 6.8 percent in the first half of the decade to 9 percent in the period 2005-06. Oman, Jordan, and especially Saudi Arabia are outperforming the regional average in all four policy and institutional dimensions, and trade in goods and services registered robust real growth rates in all three in 2006, though those rates were lower than the regional average. At the other end, Algeria, Egypt, and to some extent Iran have worse performance than average on all trade policy, institutional, and logistics indicators, and yet they experienced the fastest trade growth in 2006, due to the importance, and the increased importance, of oil products in their export bundles.

63. Morocco and Tunisia are underperforming with respect to the regional average on the trade policy indicators, explaining in part their below average real trade growth. However, both countries have recently embarked on trade policy reforms that have already significantly improved their trade policy regimes. For instance, the (import weighted) average tariff rate in Morocco dropped from 25 percent in 2000-04 to 11 percent in 2005 while that of Tunisia declined from 24 percent to 9 percent. For the two countries, the share of exports facing “duty free” MFN tariffs were the lowest in the region (14 percent for Morocco, and 20 for Tunisia). According to the MA-OTRI, their manufactures and agricultural products face higher barrier to international markets compared to regional comparators. Morocco also ranks below average for

both business environment and trade facilitation. Tunisia's low real trade growth (1.2 percent in 2005-06) was driven by a slight real decline in imports in 2006 resulting from more expensive fuel imports combined with a 3 percent real depreciation.

Table 12. Middle East and North Africa, Representative Indicators, Latest

Country	Overall Trade Restrictiveness Index-tariff only (OTRI-tariff)	Market Access Overall Trade Restrictiveness Index (MAOTRI-tariff only)	Ease of Doing Business Rank (1-175)	Logistics Performance Index (LPI)	Real Growth in Total Trade of Goods and Services (%)
Algeria	11.6	1.0	116	2.1	12.2
Djibouti	..	..	161	1.9	..
Egypt, Arab Rep.	7.8	4.4	165	2.4	20.6
Iran, Islamic Rep.	..	..	119	2.5	27.9
Iraq	..	..	145	..	..
Jordan	10.2	4.3	78	2.9	8.8
Lebanon	4.9	4.6	86	2.4	-2.7
Libya	..	..	..	..	..
Morocco	17.7	7.2	115	2.4	7.0
Oman	4.4	1.5	55	2.9	5.0
Saudi Arabia	6.1	3.1	38	3.0	6.7
Syrian Arab Republic	..	..	130	2.1	5.8
Tunisia	18.8	6.8	80	2.8	1.2
West Bank and Gaza	..	..	127	..	..
Yemen, Rep.	..	..	98	2.3	7.1
MNA	10.2	4.1	108.1	2.5	9.0

Source: WTI 2007 database. Sorted by Real Trade Growth

4.5. South Asia

64. In the South Asia region trade grew on average in 2005-06 by almost 11 percent, the highest growth among regions during these years. When the period 2000-06 is considered, however, SAR falls to third place for both trade and export growth. This performance is driven by exceptional trade growth in Bangladesh (16 percent) and Pakistan (18 percent). Bangladesh's trade growth reflects the strong performance in readymade garment and knitwear exports following the abolition of the MFA quotas on January 1, 2005, combined with a 4 percent real depreciation in 2006. Pakistan's trade surge was the result of a 40 percent jump in imports in 2005 due to a sharp increase in oil imports, associated with a real appreciation (3.1 percent in 2006). The slowest trade growth rates were 4 percent for Nepal and 5 percent for Sri Lanka. Notwithstanding the recent strong performance, the region's openness ratio (trade as a percent of GDP) has stayed relatively unchanged, starting from 45 percent in 1995-99 to 49 percent in 2006, the lowest among developing regions.

65. Policy performance among the countries in the South Asia region varies. Sri Lanka is doing better than its neighbors on trade policy. Its trade-weighted average tariff has declined from 23 percent in 1995-99 to 7 percent in 2005. Also, its OTRI (tariff only) index of 6.4 is much lower than that of Bangladesh (20) or India (14). Moreover, it has a better than average business environment and trade facilitation. Still, it consistently has lower trade growth rate than the regional average. This may be partly explained by a relatively weak performance of its clothing sector combined with an appreciating real exchange rate (7.5 percent in 2006). Another factor that might have affected Sri Lanka's trade performance is the relatively low value of preferences it receives from the EU and the US (amounting for 1.8 percent of Sri Lanka's exports to those two countries compared with 4.8 percent for Bangladesh).⁴³

66. India scores the best on trade facilitation indicators and market access in the region, but has a relatively poor business environment. Its average tariff has declined steadily and significantly from 24 percent in the late 1990s to 14 percent in 2005. This was accompanied by an almost doubling of the share of trade in GDP, from around 20 percent in 1995 to more than 40 percent in 2005 (still the lowest in the region due to India's large size). For Bangladesh, trade policy and market access were not particularly favorable over the period considered, but they were offset by a relatively favorable business environment and trade facilitation to yield one of the region's stronger trade growth outcomes.⁴⁴

Table 13. South Asia, Representative Indicators, Latest

Country	Overall Trade Restrictiveness Index-tariff only (OTRI-tariff)	Market Access Overall Trade Restrictiveness Index (MAOTRI-tariff only)	Ease of Doing Business Rank (1-175)	Logistics Performance Index (LPI)	Real Growth in Total Trade of Goods and Services (%)
Afghanistan	..	..	162	1.2	..
Bangladesh	19.9	11.2	88	2.5	15.9
Bhutan	..	..	138	2.2	..
India	14.4	6.7	134	3.1	9.2
Maldives	..	..	53	..	..
Nepal	..	..	100	2.1	4.0
Pakistan	..	..	74	2.6	18.5
Sri Lanka	6.4	10.0	89	2.4	5.4
SAS	13.6	9.3	104.8	2.3	10.6

Source: WTI 2007 database. Sorted by Real Trade Growth.

⁴³ In 2005-06, Sri Lanka claimed less than half of the preferences that it could have taken advantage of. Its preference utilization rate is only 48 percent compared with 64 percent for Bangladesh.

⁴⁴ Bangladesh announced a raft of trade policy reforms measure in 2007, which would certainly improve its relatively poor standing but these measures are not captured yet in the WTI database.

4.6. Sub-Saharan Africa

67. In 2005-06, the SSA region's trade grew annually at more than 8 percent. While the pace of expansion is up from the 6 percent annual growth rate of 2000-04, it is still the lowest among the regions. In addition, the SSA region exhibits the highest variance in trade performance. Three out of the 44 countries with available data recorded negative real trade growth. The reasons for poor performance in trade outcomes varied. For example in Chad, there was a deceleration of exports since the jump in oil exports during 2000-2004. Chad's growth rate of exports was 56.0 percent in 2000-04. Falling tobacco prices had a big impact on Malawi (and a smaller one on Zimbabwe), 60 percent of whose exports are from tobacco. Senegal had a large drop in exports due to difficulties in the sector accounting for 35 percent of total merchandise exports. The CAR had a large decline in timber exports which account for 38 percent of merchandise exports. Each of these experiences indicates how export growth may be very volatile if concentrated in a few commodities and dependent on commodity prices.

68. On the other hand, trade grew by more than 15 percent for five African countries. The experience of these five demonstrates the importance of non-policy factors as driver of trade growth. For instance, Mauritania's trade grew by 36 percent in 2005-06 (the fastest rate in the world) resulting from purchases of machinery for oil exploration, on the import side, and the start of the country's oil production, on the export side. Sierra Leone also has an unfavorable business environment and scores low on the trade facilitation indicator, and yet it registered trade growth of 20 percent in 2005-06, as a result of the lifting of the diamond export ban (following the civil war)—diamonds accounted for 60 percent of its total merchandise exports. The other three that saw the highest growth in trade (Angola, Nigeria, and Sudan) were also shored up by their oil exports.

69. SSA's export bundle is the least diversified among all developing regions, though there is some indication of a slow move to widen the range of its exports. While the export concentration index remained flat over the last decade, the average number of exported products increased from 77 to 96 between 1995-99 and 2005. This remains the lowest among developing regions. The cumulative share of the top 5 exports products was 79 percent in 2005, dropping slightly from 81 in 1995-99, but still the highest among developing countries.

Table 14. Sub-Saharan Africa, Representative Indicators, Latest

Country	Overall Trade Restrictiveness Index-tariff only (OTRI-tariff)	Market Access Overall Trade Restrictiveness Index (MAOTRI-tariff only)	Ease of Doing Business Rank (1-175)	Logistics Performance Index (LPI)	Real Growth in Total Trade of Goods and Services (%)
Angola	..	..	156	2.5	19.6
Benin	..	..	137	2.4	5.3
Botswana	6.8	3.6	48	..	8.5
Burkina Faso	9.9	11.0	163	2.2	5.9
Burundi	..	..	166	2.3	7.8
Cameroon	13.6	3.8	152	2.5	7.4
Cape Verde	..	..	125	..	12.5
Central African Republic	..	..	167	..	2.1
Chad	..	..	172	2.0	-0.6
Comoros	..	..	144	2.5	6.4
Congo, Dem. Rep.	..	..	175	..	7.7
Congo, Rep.	..	..	171	..	11.1
Cote d'Ivoire	9.6	4.2	141	2.4	4.9
Equatorial Guinea	..	..	150	..	2.9
Eritrea	..	..	170	2.2	1.2
Ethiopia	12.6	4.1	97	2.3	9.1
Gabon	15.8	1.0	132	2.1	5.0
Gambia, The	..	..	113	2.5	12.0
Ghana	..	..	94	2.2	10.3
Guinea	..	..	157	2.7	1.4
Guinea-Bissau	..	..	173	2.3	6.1
Kenya	7.1	6.9	83	2.5	11.5
Lesotho	6.8	3.6	114	2.3	3.4
Liberia	..	..	..	2.3	..
Madagascar	8.4	6.7	149	2.2	14.9
Malawi	..	..	110	2.4	-1.5
Mali	8.3	9.8	155	2.3	5.2
Mauritania	..	..	148	2.6	36.0
Mauritius	2.2	9.2	32	2.1	5.5
Mayotte	..	..	..	..	..
Mozambique	..	..	140	2.3	8.7
Namibia	6.8	3.6	42	2.2	6.8
Niger	..	..	160	2.0	7.4
Nigeria	7.8	0.5	108	2.4	16.0
Rwanda	19.4	16.4	158	1.8	11.8
Sao Tome and Principe	..	..	169	2.9	..
Senegal	8.0	8.6	146	2.4	1.2
Seychelles	..	..	84	..	14.3
Sierra Leone	..	..	168	2.0	20.4
Somalia	..	..	..	2.2	..
South Africa	6.8	3.6	29	3.5	10.9
Sudan	15.1	27.3	154	2.7	15.8

Table 14 continued on next page

Table 14 continued

Country	Overall Trade Restrictiveness Index-tariff only (OTRI-tariff)	Market Access Overall Trade Restrictiveness Index (MAOTRI-tariff only)	Ease of Doing Business Rank (1-175)	Logistics Performance Index (LPI)	Real Growth in Total Trade of Goods and Services (%)
Swaziland	6.8	3.6	76	..	3.3
Tanzania	7.6	6.5	142	2.1	4.1
Togo	..	..	151	2.2	4.8
Uganda	10.4	5.5	107	2.5	10.8
Zambia	8.6	2.5	102	2.4	9.5
Zimbabwe	..	..	153	2.3	0.0
SSA	9.5	6.8	130.7	2.3	8.3

Source: WTI 2007 database. Sorted by Real Trade Growth.

70. The Sub-Saharan Africa region consistently sports unfavorable cross-regional indicators on all the policy and institutional categories. It is the most restrictive region with an average tariff of 11.5 percent (albeit down from 15 percent in 1995-99). SSA's 9.5 OTRI (Tariff only) index is among the highest among the regions, though it is lower than that of South Asia (13.6) and MNA (10.2). The region also displayed the worst rankings in business environment and governance indicators, as well as in logistics and trade facilitation.

71. South Africa clearly outperforms the rest of the region on all four policy and institutional dimensions, resulting in a solid 10 percent trade growth rate in 2005-06 (up from 5 percent in 1995-99). Mauritius, for which trade grew by a mere 5 percent in 2005-06 (after an even lower 1.3 percent in 2000-04), had the lowest regional OTRI and the second best regional business environment, but relatively unfavorable market access (according to the MA-OTRI) and trade facilitation rankings.

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Annex A. Definition of Selected Indicators

Applied (AV+ AVE) tariff	<p>This indicator is calculated as the average of the tariff rates that a country applies to its trading partners, which include the preferential rates available at HS 8- or 10-digit product level in a country's customs schedule. Both ad valorem and specific tariffs (or ad valorem equivalents (AVE)) are included in this qualification.</p> <p>Source: UNCTAD TRAINS database through WITS. (http://wits.worldbank.org/witsnet/StartUp/Wits_Information.aspx)</p>
Ease of Doing Business Rank (1-175)	<p>The Ease of Doing Business rank represents a country's overall business environment based on the Starting a Business, Closing a Business, and Enforcing Contracts categories.</p> <p>Source: World Bank Doing Business, various years.</p>
Export concentration index (0 to 100, max.)	<p>This index, also called the Herfindahl-Hirschmann index, is calculated as $H_{ij} = 100 [\sqrt{\sum(X_i/X_t)^2} - \sqrt{(1/n)}] / [1 - \sqrt{(1/n)}]$, where X_i is the country j's exports of product i (at SITC 3-digit level) and X_t is country j's total exports; and n is the number of actual 3-digit products that could be exported. Note that this type of concentration indicator tends to be quite vulnerable to cyclical fluctuations in relative-prices, in a way that commodity price rises make commodity exporters look more concentrated.</p> <p>Source: UNCTAD Handbook of Statistics, various issues.</p>
Export credit as % of exports	<p>This indicator reflects the percentage share of a country's received export credits in total exports of goods and services. Export credits include official credits, suppliers' credits, and both long-term and short-term bank credits officially guaranteed or insured by an export credit agency.</p> <p>Sources: World Bank Global Development Finance (GDF) and WDI databases.</p>
Frequency ratio of specific tariff (% of total tariff lines)	<p>This indicator reflects the number of Harmonized Schedule (HS) tariff lines with at least one non ad-valorem duty without an ad-valorem equivalent or a specific tariff as a percentage share of the total number of HS tariff lines. Tariff lines for which a duty is not provided are treated as non ad-valorem duties.</p> <p>Source: WTO IDB database through WITS.</p>
Import duties as % of imports	<p>This indicator reflects the quotient of a country's customs and other import duties and total imports, evaluated in local national currency.</p> <p>Sources: World Bank WDI database and IMF Government Finance Statistics database.</p>

<p>Import duties as % of total revenues (in %)</p>	<p>This indicator reflects the percentage share of levied import duties in the total tax revenues collected by the country's central government.</p> <p>Sources: World Bank WDI database and IMF Government Financial Statistics database.</p>
<p>ITU Foreign participation allowed in telecom</p>	<p>This indicator is based on the 2004 ITU private sector participation survey of 190 countries. The survey measure the maximum foreign participation or ownership allowed in a country's telecom sector based on eight different categories: facilities-based operators, spectrum-based operators, local service operators, long-distance service operators, international service operators, value-added service providers, internet service providers, and others. A score (on the scale of 1 to 100) is assigned in each of the eight categories reflecting the level of foreign participation permitted under the current government regulations or restrictions and a simple average of the eight values is then computed.</p> <p>Source: ITU World Telecom Regulatory database.</p>
<p>Logistics Performance Index (1 to 5)</p>	<p>The Logistics Performance Index (LPI) reflects the overall perception of a country's seven key logistics based on over 1000 surveys of logistic information. Logistics categories include efficiency of customs and other border procedures, quality of transport and IT infrastructures, international and domestic transportation costs, ease of shipments and logistics competence, and tracking ability and timeliness of shipments. The value of the index ranges from 1 to 5, with a higher score representing a better performance.</p> <p>Source: Global Facilitation Partnership for Transportation and Trade.</p>
<p>Market Access-Overall Trade Restrictiveness Index (MA-OTRI)</p>	<p>This Market Access-Overall Trade Restrictiveness Index summarizes the trade policy stance of the trading partners of a country. It is the uniform equivalent tariff that maintains the aggregate export volume of a country at its current level with heterogeneous tariffs and non-tariff measures. The methodology of the estimation of MA-OTRI can be found in Kee, Nicita and Olarreaga (2006).</p> <p>Source: World Bank Trade website.</p>
<p>Maximum MFN AV + AVE applied tariff</p>	<p>It is calculated as the maximum MFN tariff applied to imports. Specific tariffs or ad valorem equivalents (AVE) are included in this calculation.</p> <p>Source: UNCTAD TRAINS database through WITS. (http://wits.worldbank.org/witsnet/Startup/Wits_Information.aspx)</p>
<p>MFN Duty Free Exports</p>	<p>This indicator reflects the value of goods exported duty free (based on the country's HS tariff structure) or under zero-rate MFN tariffs as a percentage share of total merchandise exports. In cases where tariff lines include both duty free and non-duty free rates at the HS 8-digit level, exports are treated as non-duty free.</p> <p>Sources: UNCTAD TRAINS and UN COMTRADE database through WITS.</p>

<p>Number. of products exported (239 max. in sitc-3, R2)</p>	<p>It is calculated at 3-digit SITC, Revision 2 level; the figures include only those products whose value exceeds \$ 100,000 or 0.3 per cent of the country's total exports. The actual number of 3-digit products that could be exported is 239.</p> <p>Source: UNCTAD Handbook of Statistics, various issues.</p>
<p>Non-tariff measures frequency ratio (%)</p>	<p>This indicator reflects the simple average of import coverage in the percentage of products within a category that is affected by at least one non-tariff measure at the HS tariff line level. The non-tariff barriers cover only those NTBs which include various price control measures, variable charges, anti-dumping and countervailing actions, quantitative restrictions, non-automatic licensing, or other prohibitions.</p> <p>Source: UNCTAD TRAINS database through WITS.</p>
<p>Overall GATS commitments index</p>	<p>The overall GATS Commitment Index reflects the degree of commitments made by a GATS signatory country in its schedule of commitments. The indicator value ranges from 100 (completely liberalized under the GATS) to 0 (unbound or no commitment under the GATS). It is calculated based on a mix of simple and weighted averages for the 155 sub-sectors, divided in two categories (market access and national treatment) and 4 modes of supply of the country's schedules of commitments.</p> <p>Source: Computed by WTI 2007 team using WTO information.</p>
<p>Overall Trade Restrictiveness Index (OTRI)</p>	<p>OTRI summarizes the trade policy stance of a country. It is the uniform equivalent tariff that maintains the aggregate import volume of a country at its current level with heterogeneous tariffs and non-tariff measures. The methodology of the estimation of OTRI can be found in Kee, Nicita and Olarreaga (2006).</p> <p>Source: World Bank Trade website.</p>
<p>Preferences, actual value (% of exports)</p>	<p>Value of actually utilized US or EU preferences, expressed as a share of the value of the country's exports to the US and EU.</p> <p>Sources: USITC Trade Data Web, USITC Tariff Database Tables, UNCTAD TRAINS, Comext, COMTRADE, WTO Integrated Database, and WBI calculations.</p>
<p>Preferences utilization rate (% , actual/potential value)</p>	<p>The ratio between the value of actually utilized US or EU preferences and the value of potential US and EU preferences, expressed in percentage terms.</p> <p>Sources: USITC Trade Data Web, USITC Tariff Database Tables, UNCTAD TRAINS, Comext, COMTRADE, WTO Integrated Database, and WBI calculations.</p>

<p>Real Effective Exchange Rate change (% + = appreciation)</p>	<p>This indicator is computed as the nominal effective exchange rate, which is measured by the value of a currency against a trade-weighted average of a basket of selected foreign currencies adjusted by the relative price index between the domestic and foreign countries over the period. This indicator is expressed as a percentage change in the normalized index from the 2000 base year. If the value of index is positive (or negative), it reflects the appreciation (or depreciation) of the currency.</p> <p>Source: Compiled by the IMF's Research Department and available at World Bank WDI database.</p>
<p>Real growth in total trade of goods and services (in %)</p>	<p>It is calculated as the average annual growth rate of the total exports and imports in goods and services at constant 2000 U.S. dollar. This indicator shows the trade expansion of a country over the period.</p> <p>Source: World Bank DECPG (including their provisional estimation for 2006 data).</p>
<p>Tariff escalation (% change from raw to finished gds)</p>	<p>This indicator reflects the percentage point difference between the applied tariffs for raw materials (or primary products) and the applied tariffs for finished (or fully processed) goods. Source: WTO IDB CD Rom 2005.</p> <p>Source: WTO IDB CD Rom 2005.</p>
<p>Top 5 products export share (in %)</p>	<p>It is calculated as the total values of top five major products of a country divided by the total merchandise exports at SITC 4-digit level in Revision 2. The high percentage share reveals high concentration of few major products in exports.</p> <p>Source: UN COMTRADE database.</p>
<p>Openness Ratio, Trade share in GDP (in %)</p>	<p>It is the sum of exports and imports in goods and services divided by the value of GDP in current U.S. dollars.</p> <p>Source: World Bank DECPG.</p>
<p>USITC GATS commit. index - banking</p>	<p>This sector-specific services trade (GATS) commitments index was developed by the U.S. International Trade Commission. Market access and national treatment commitments on seven activities defined as banking services by the GATS and in the four modes of the GATS were assigned scores based on their relative restrictiveness, using criteria set out by the OECD (TD/TC/WP(99)58/Final). Scores range from 0 (completely liberalized under the GATS) to 1 (unbound or no commitment under the GATS), and with intermediate steps of 0.25, 0.50, and 0.75. These scores were then aggregated and divided by 56, the score which would exist if market access and national treatment in all modes and services were unbound.</p> <p>Source: USITC.</p>

Annex B. Background to the Selection of Trade-Related Indicators

Trade policy can take many different forms: tariffs, quotas, non-automatic licensing, antidumping duties, countervailing duties, tariff-quotas, subsidies, etc. As widely shown in the literature, reforms related to traditional trade policy (border controls on trade in goods and services) can help accelerate integration in the world economy and strengthen an effective growth strategy. However, they cannot ensure its success (World Bank 2006b, Chapter 2). Other elements that may constrain trade (and by extension, growth) need to be highlighted, including (i) a country's access to the global economy, (ii) the overall business and institutional environment, and (iii) trade facilitation (mainly for customs and other logistics, but also selected infrastructure and skills).

Access to global markets for the goods produced by the world's poor such as agricultural products and textiles and apparel is reflected in the database. The problems of escalating tariffs, tariff peaks, and quota arrangements that systematically limit market access and skew incentives against adding value by poor countries are also examined to the extent allowed by data availability.

Including the behind-the-border reform agenda implies that the set of relevant variables affecting trade outcomes is potentially very large. For example, it may be argued that any policy that affects how businesses operate domestically may also affect whether, and how much, they export and import. Some of these factors may have a disproportionate affect on trading firms versus non-trading ones. Foreign firms may face higher transactions costs in a poor governance environment than local firms because the latter may be able to use informal methods to do business. These differential effects, however, are often hard to quantify. The indicators chosen for the WTI are wider than what would normally be thought of as pure trade policy, but would be narrowed to reflect as much as possible to those with the closest links to international trade, as highlighted in the literature. While a full literature survey is not provided here, some empirical work supporting the choice of certain indicators is mentioned below. Regulations on business and commerce and the general state of governance are believed to play a significant role in hampering or promoting trade (Bolaky and Freund, 2004; de Groot et al., 2004; Anderson and Marcouillier, 2002; Dollar and Kraay, 2003; Levchenko, 2004; Souva and Rowan, 2005; Islam and Reshef, 2006). The quality and performance of logistics services also have a significant effect on trade competitiveness (Hausman, Lee and Subramanian, 2005; Limão and Venables, 2001; Subramanian and Arnold, 2001).

Qualitative, subjective or perception indicators from non-Bank surveys have been excluded from this project due to the difficulty in assessing their methodology and validity. Also, the Bank's qualitative trade ratings that originate from the Bank country economists and are part of the annual Country Policy and Institutional Assessment exercise have been excluded for similar reasons as well as due to the existing publication restrictions of such indicators for non-IDA countries.

Within each broad category of indicators, a representative indicator has been identified to highlight the salient features of policy/outcome evolution, based on a qualitative judgment by the project's team

about its methodological robustness, relevance to policymakers, and theoretical linkages among groups and within groups. The choice of highlighting representative indicators rather than constructing composite indicators had been originally made mainly for purposes of transparency and simplicity. Nonetheless, for all pillars the pre-selected representative indicators turned out to be highly correlated with composite pillar indexes, which the project team estimated on a previous dataset (updated through June 2007) following the standard principal component analysis (PCA) methodology.⁴⁵

Another notable feature of these indicators is that the trade policy, business, and trade facilitation indicators appear significantly correlated across these same groups (Table B2 below shows correlation results among the representative indicators in the five groups for all countries). This is not surprising, as it would be expected that a country committed to trade integration in the global economy would have a liberal trade policy regime, a favorable business and institutional environment, and good trade facilitation. Nonetheless, the only mild degree of such correlations is also reassuring, as it is evidence that each group offers valuable information not fully embedded elsewhere.

Table B2. Correlation among Representative Indicators

	Real Growth in Trade (g+s) (%), 2005-06	OTRI-tariff only 2006	MAOTRI-tariff only 2006,	Doing Business (1-175)	LPI, Overall Index
Real Growth in Trade (g+s) (%), 2005-06	1				
OTRI-tariff only 2006	0.1362	1			
MAOTRI-tariff only 2006	0.0157	0.22284**	1		
Doing Business Rank (1-175)	0.0499	0.5465***	0.1915*	1	
LPI, Overall Index	-0.0315	-0.4862***	-0.1369	-0.7637*	1

Note: Three stars (***) indicates significance at 1% level; two stars (**) at 5% level; one star (*) at 10% level.

⁴⁵ Principal Component Analysis (PCA) is a statistical method to reduce multidimensional data sets to lower dimensions to find patterns. PCA summarizes a p-dimensional dataset into a smaller number, q, of dimensions while preserving the variation in the data to the maximum extent possible. The q new dimensions are constructed such that (i) they are linear combinations of the original variables, (ii) they are independent of each other, and (iii) each dimension captures a successively smaller amount of the total variation in the data. The p original variables are combined into q linear combinations, which form the new principal components of the system. A standardized linear combination Z_i of data vector, $X_i = (X_{i1}, X_{i2}, \dots, X_{ip})$ of length p is defined as: $Z_i = w_i^t X_i$; where the sum of the squares of the weights, w_i^t is equal 1. PCA chooses the weights by determining the linear combination of all p variables in the transformed dataset that maximizes the variance of the data. Each principal component provides a set of factor loadings of the indicators, which correspond to their importance for the component.

Annex C. Trade Indicators by Other Institutions

A number of other institutions also produce useful trade-related indicators, which are easily accessible directly or via hyperlinks on the WTI website.

The Geneva-based *International Trade Centre* (ITC) offers a series of analytical tools (TradeMap, MAcMap, InvestmentMap, and CountryMap) designed to facilitate strategic market research and to monitor national and sectoral trade performance. Among those tools, the CountryMap presents trade and market profiles for 184 countries based on trade statistics that benchmark national trade performance. The primary data source is COMTRADE. For each country, CountryMap offers a Trade Performance Index (TPI) which provides a general profile and ranking in 14 different sectors. The TPI consists of 24 static and dynamic sector-level performance indicators which are given (ad hoc) weights. CountryMap also provides separate National Export Performance and National Import Profiles. These profiles provide an overview of the export/import performance of countries by looking at the composition of their trade portfolio in terms of the dynamics of international demand and sector diversification. Additionally, CountryMap includes an econometric model (TradeSim) based on a large variety of variables that can help in the identification of sectors and markets with significant (untapped) trade potential.

Since 1997, the *IMF* has also computed a Trade Restrictiveness Index annually; this is a composite of tariff and non-tariff restrictiveness indexes from information collected during Article IV staff visits. This indicator is only utilized in bilateral policy review discussions by the Fund with its members and is not available for public disclosure.

The *Organisation for Economic Co-operation and Development* (OECD) compiles International Trade and Competitiveness Indicators (ITCI) for its member countries using data reported by those members. The ITCI table contains cross-country comparison of various indicators of international trade and competitiveness from 1975 onwards. The trade indicators include the usual exports, export price, imports, and import price as well as export market growth and performance. Other competitiveness indicators include unit labor cost as well as indices of relative unit labor cost, relative export prices, and relative consumer prices.

In the 2004 Economic Report on Africa, the *UN ECA* conducted a benchmarking exercise and constructed the Trade Competitiveness Index (TCI) for 30 African countries and eight non-African comparator countries. The TCI consists of three components: (i) a Trade-enabling Environment Index, reflecting the overall economic and political environment's conduciveness to trade; (ii) a Productive Resource Index, measuring the availability of direct inputs to production, such as land and labor; and (iii) an Infrastructure Index, measuring the availability of indirect inputs that enable the movement of goods and services (e.g., transport networks, energy infrastructure and communication networks). A total of 31 indicators (from various sources, but primarily WDI) are used to construct the three sub-indices which in turn receive equal weights in calculating the overall TCI.

The *World Trade Organization* (WTO) offers compact country trade and tariff profiles on its website and in two 2007 publications (Trade Profiles 2007 and Tariff Profiles 2006) that provide a good deal of information on a country's structural trade flows through 2005, basic and sectoral MFN tariffs imposed

on imports and faced abroad by its exporters (through 2006), and number of patents, trademarks, and trade-related disputes, among other trade indicators. These profiles are complemented with general macroeconomic indicators. Data are currently provided for 175 economies. These profiles reflect a joint effort in recent years by the WTO, UNCTAD, and the ITC to construct an agreed and updated trade database. The WTO does not, however, attempt to rank or compare countries.

In 2005, UNCTAD produced and updated at end-2007 a composite Trade and Development Index (TDI) for 123 countries, applying Principal Component Analysis (see footnote 31 in Annex B) to various indicators of economic performance and social development, including a human development index, health expenditures per capita, domestic credit to the private sector, access to improved water, gender development statistics, and a few limited trade policy and trade outcome indicators. Its aim is to provide “a quantitative indication and an analytical framework to identify how well trade and development policies allow developing countries to maximize benefits and minimize costs from trade liberalization and globalization” and to point to “policy options to overcome structural, institutional, or financial bottlenecks, as well as shortcomings in trade policy and development strategies.” It provides a ranking of the trade and development performance of developing and developed countries, as well as countries with economies in transition. The 2007 update shows the United States holding the top position, followed by Germany, Denmark and the United Kingdom.

The *Economist Intelligence Unit* has extensive trade and commerce-related values and analyses, including country summary of regulations and some basic aggregate trade indicators. Their business risk indicators are extensive and widely used, but they are also subjective and proprietary. In any case, they cover similar ground to the Bank’s Doing Business and WBI’s Governance indicators (the latter actually incorporates the relevant EIU governance indicators).

The WTI database complements and extends the ITC’s and WTO’s global approaches in a number of directions. In particular, the WTI database contains country indicators at a more aggregate level better suited to policymakers and analysts than those available through the ITC, whose main clients are business people. It includes more of the relevant aggregate trade policy and behind-the-border indicators than those on the WTO country profiles, while also incorporating some of the indicators reported by the WTO. And finally, its focus is more on trade-related aspects of policy and outcomes than the UNCTAD Trade Development Index which is very broad and assesses overall development policies, everything from health expenditures per capita, to domestic credit to the private sector, to access to improved water, to gender development statistics.

The WTI indicators are based mostly on UNCTAD’s TRAINS database for tariffs, the United Nations’ COMTRADE for disaggregated trade flows, and Bank sources (WDI database, Doing Business rankings, Governance indicators, and the Prospects Group’s estimates of aggregate trade flows). Indicators from external organizations (non-Bank generated or at least verified) that are included in this dataset are WTO’s indicators related to regional agreements, binding coverage, and disputes and contingency protection measures; an International Telecommunication Union (ITU)’s indicator of the maximum allowed foreign participation in telecom services; UNCTAD’s Liner Shipping Connectivity index; the U.S. International Trade Commission (USITC)’s indicators of the depth of multilateral services commitments for the banking sector of 65 countries (and under preparation for the insurance and telecom

sectors),⁴⁶ the USITC indicators for total freight charges and for air cargo freight rates, and DHL's air freight costs to/from the US.

In early 2008, further consultations are planned with relevant institutions to ensure that the WTI database uses the best and most accurate information (and sources) and that it has real added value. The project team will continue to monitor the indicators and methodologies used by other institutions for any further insights and, if warranted, for incorporating their indicators or expanding their coverage more globally in the case of regional institutions.

⁴⁶ These indices are grounded in the same transparent and quantitative scoring methodology used also (with minor differences) by WBI for producing the index of overall services trade commitments across all services sectors (see technical data note for the details).

Annex D. Trade At-A-Glance Tables

Low Income: Trade At-A-Glance

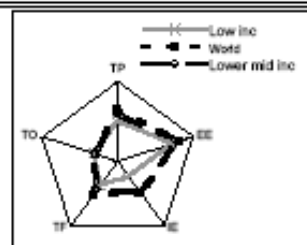
Dec-07

GNI*	GNI*	Trade Share*	Trade (g+s)	Membership*		No. of RTAs/ EIAs*	
(millions)	per capita	In the World	per capita*	GATT	WTO	goods	services
\$28,323	\$711.1	0.1%	\$905.7	1967.74	1996.2	2.2	0.1

* average across countries in the region or income group

TRADE PERFORMANCE μ

	ranking	devote
TRADE POLICY (TP) (out of 95)	68.6	8
EXTERNAL ENVIRONMENT (EE) (out of 95)	58.2	7
INSTITUTIONAL ENVIRONMENT (IE) (out of 178)	136.3	8
TRADE FACILITATION (TF) (out of 150)	107.2	8
TRADE OUTCOME (TO) (out of 152)	76.9	6

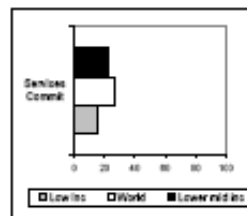
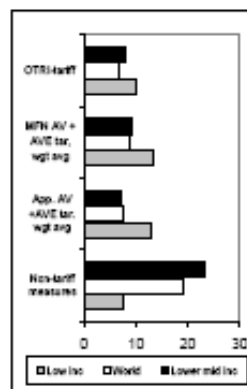


† Rankings are based on the 'representative' indicators (in bold) in each group below for the latest year or average over 2005-06

Outer bound represents best value in 2005-06

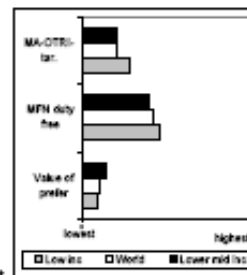
TRADE POLICY (TP) *

	1995-99 average	2000-04 average	2006/08 latest
Overall Trade Restrictiveness Index (OTRI, MFN tariff only) \circ	..	11.3	8.8
Manufacture OTRI (tariff only, 0 to 100)	..	10.9	9.2
Agriculture OTRI (tariff only, 0 to 100)	..	13.0	16.1
Other trade policy indicators			
MFN applied AV tariff (simple avg, %)	19.8	13.8	12.8
Specific tariffs frequency ratio (%)	..	..	0.4
MFN applied AV+AVE tariff (simple avg, %)	20.3	13.9	13.2
Standard deviation	17.6	10.0	10.7
Maximum rate (%)	198.3	87.6	155.3
MFN applied AV+AVE tariff (trade weighted avg, %)	17.5	12.2	13.2
Applied AV+AVE tariff (trade weighted avg, %)	17.1	11.8	12.7
Applied AV+AVE tariff (production weighted avg, %)	..	..	15.6
Import duties (% of imports)	12.3	11.0	6.9
MFN duty free imports (% of total imports)	19.3	15.2	15.3
Tariff escalation in agric (% change from raw to finished gds)	..	5.0	4.6
Tariff escalation in manuf (% change from raw to fully proc)	..	5.8	2.0
Bound tariff frequency ratio (% of total lines)	47.7	51.4	56.0
Tariff overhang (MFN bound minus MFN applied rate, in %)	44.0	47.4	45.3
Non-tariff measures frequency ratio (%)	..	7.8	..
Overall Trade Restrictiveness Index (OTRI, MFN tariff + NTM) \circ	..	20.1	18.5
Manufacture OTRI (MFN tariff + NTM, 0 to 100)	..	17.8	16.2
Agriculture OTRI (MFN tariff + NTM, 0 to 100)	..	32.3	34.3
Service trade GATS commitments index (0 to 100)	..	..	15.3
ITU competition index in telecom (1 to 3)	..	1.9	2.2



EXTERNAL ENVIRONMENT (EE) *

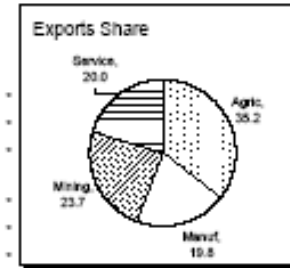
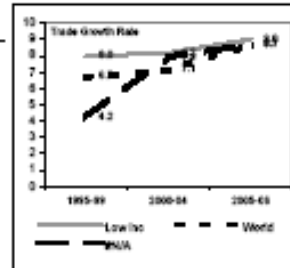
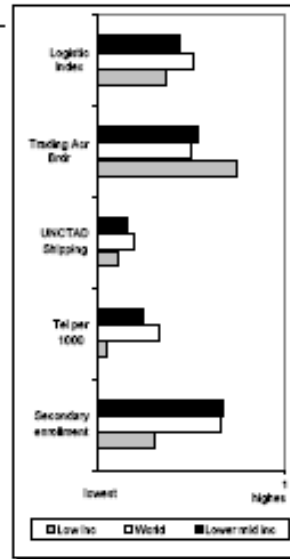
	1995-99 average	2000-04 average	2006/08 latest
Market Access Overall Trade Restrictiveness Index (tariff only) \circ	..	..	7.8
Manufacture MA-OTRI (applied tariff only, 0 to 100)	..	..	5.2
Agriculture MA-OTRI (applied tariff only, 0 to 100)	..	..	10.1
Other External Environment Indicators			
MA-OTRI (applied tariff + NTM) \circ	..	..	28.9
MFN duty free exports (% of total exports)	35.9	39.8	43.7
Preferences (EU+US) utilization rate (% actual/potential value)	..	..	69.8
Preferences (EU+US) actual value (% of exports)	..	..	3.1
Real effective exchange rate change (% + = appreciation)	3.2	-0.1	5.3



- AV=ad valorem tariff; AVE=ad valorem equivalent of specific tariff; MFN=most favored nation; NTM=non-tariff measures; \circ indicates average over 2005-06
 *For EU member countries, OTRI and MA-OTRI are computed excluding intra-EU trade.

WORLD TRADE INDICATORS 2007: GLOBAL TRADE POLICIES AND OUTCOMES

Low Inc	Trade At-A-Glance			Dec-07	2 of 2
INSTITUTIONAL ENVIRONMENT (IE)					
Ease of Doing Business Overall Rank (out of 175, 2007 release) #		2006	World	Lower mid Inc	
Starting a business rank (out of 178)		118.0	89	95	
Enforcing contracts rank (out of 178)		111.5	89	88	
Closing a business rank (out of 178)		124.6	92	99	
Other IE indicators: Governance Survey Overall Rank (out of 203, 2007 release) #		158	102	121	
TRADE FACILITATION (TF)					
	1995-99	2000-04	2006/08		
	average	average	latest		
Logistics Performance Index (LPI, 1 to 5) #	--	--	2.8		
Efficiency of customs and other border procedures	--	--	2.1		
Quality of transport and IT infrastructures	--	--	2.1		
International transportation costs	--	--	2.3		
Logistics competence	--	--	2.3		
Trackability of Shipments	--	--	2.2		
Domestic transportation costs	--	--	3.0		
Timeliness of Shipment	--	--	2.7		
Other Trade Facilitation indicators					
Ease of Doing Business- Trading Across Borders Rank (out of 175) #			133		
No. of documents required for exports	--	9	9		
No. of days process required for exports	--	46	41		
Cost to export (\$ per container)	--	--	1,587		
No. of documents required for imports	--	13	10		
No. of days process required for imports	--	59	50		
Cost to import (\$ per container)	--	--	1,982		
UNCTAD liner shipping connectivity Index (0 to 100, better)	--	--	12.8		
Telephones and mobiles per 1000 people	14	42	116		
Average costs of 3-minute call to US (\$)	7.9	5.4	0.4		
Internet users per 1000 people	0.6	10.7	26.0		
Secondary school enrollment (%)	25.9	29.6	35.2		
TRADE OUTCOME (TO) #					
	1995-99	2000-04	2005-08		
	average	average	average		
Real growth in trade of goods and services (in %)	8.0	8.2	8.0		
Real growth in exports of goods and services (in %)	10.0	9.6	8.2		
Real growth in imports of goods and services (in %)	7.9	8.2	10.0		
Other trade outcome indicators					
Trade(g+s) share in GDP (in %)	68.3	71.8	79.7		
Export(g+s) share in GDP (in %)	28.1	30.8	34.0		
Import(g+s) share in GDP (in %)	40.2	41.0	45.7		
FDI inflow as % of GDP (in %)	4.4	4.2	3.5		
Market share growth in total trade (in %)	1.8	2.6	1.9		
Market share growth in exports (in %)	3.9	4.2	1.6		
Market share growth in imports (in %)	1.6	2.2	2.1		
Merchandise share in total exports(g+s) (%)	78.0	78.7	80.0		
Agriculture share in total exports (%)	39.5	35.6	35.2	*	
Manufacture share in total exports (%)	19.6	21.2	19.8	*	
Mining & fuel share in total exports (%)	18.3	21.4	23.7	*	
Service share in total exports(g+s) (%)	22.0	21.3	20.0	*	
of which tourism share in total exports (%)	11.4	11.0	14.2	*	
Export concentration index (0 to 100)	45.1	48.6	42.0	*	
Top 5 products in merchandise export share (in %)	74.6	72.4	73.6	*	
List of top 5 products exported *					



Indicators for Doing Business (2007), Governance (2007), and LPI(2007) are based on surveys in 2006. For more info, please see User's Guide at <http://www.worldbank.org/wdi2007>

The recently released Doing Business 2008 rankings (assessing the year 2007) will be reflected in the 2008 WTI database and TAAG, together with other trade-related indicators through 2007.

* Trade Outcome data is from DECPG, with 2006 data from its provisional estimates; for series with *, the source is WDI, UNCTAD or COMTRADE, available up to 2005.

Lower Middle Income: Trade At-A-Glance

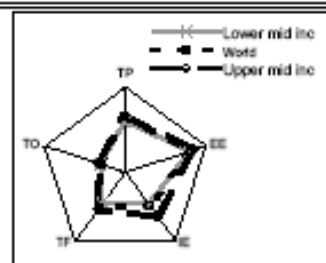
Dec-07

GNI ^a	GNI ^a	Trade Share ^b	Trade (g+s)	Membership ^c		No. of RTAs/ EIAs ^d	
(millions)	per capita	In the World	per capita ^e	GATT	WTO	goods	services
\$134,356	\$2,591.7	0.4%	\$2,193.7	1973.86	1996.11	3.9	0.4

^a average across countries in the region/income group

TRADE PERFORMANCE ^f

	ranking	score
TRADE POLICY (TP) (out of 95)	58.2	7
EXTERNAL ENVIRONMENT (EE) (out of 95)	48.9	6
INSTITUTIONAL ENVIRONMENT (IE) (out of 178)	94.3	6
TRADE FACILITATION (TF) (out of 150)	85.8	6
TRADE OUTCOME (TO) (out of 152)	78.3	6

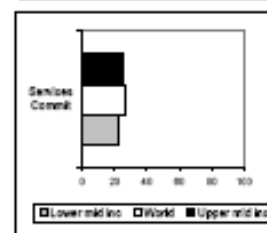
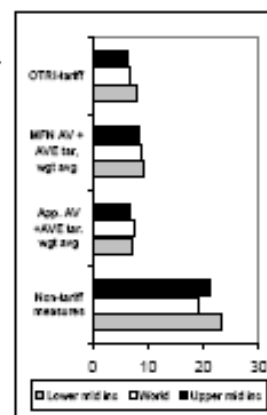


^f Rankings are based on the 'representative' indicators (in bold) in each group below for the latest year or average over 2005-06

Outer bound represents best value in 2005-06

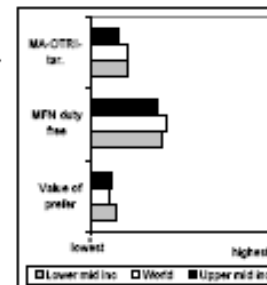
TRADE POLICY (TP) ^{*}

	1996-99 average	2000-04 average	2006/08 latest
Overall Trade Restrictiveness Index (OTRI, MFN tariff only) ^o	--	10.8	8.0
Manufacture OTRI (tariff only, 0 to 100)	--	10.2	7.5
Agriculture OTRI (tariff only, 0 to 100)	--	15.7	12.7
Other trade policy indicators			
MFN applied AV tariff (simple avg, %)	15.1	12.8	10.6
Specific tariffs frequency ratio (%)	--	--	3.0
MFN applied AV+AVE tariff (simple avg, %)	15.2	13.4	11.3
Standard deviation	15.9	17.7	15.2
Maximum rate (%)	293.4	200.1	197.9
MFN applied AV+AVE tariff (trade weighted avg, %)	12.4	10.5	9.4
Applied AV+AVE tariff (trade weighted avg, %)	12.1	9.6	7.3
Applied AV+AVE tariff (production weighted avg, %)	--	--	14.5
Import duties (% of imports)	7.2	5.5	4.4
MFN duty free imports (% in total imports)	15.9	22.2	23.5
Tariff escalation in agric (% change from raw to finished gds)	--	9.2	6.9
Tariff escalation in manuf (% change from raw to fully proc)	--	3.5	4.4
Bound tariff frequency ratio (% of total lines)	86.3	89.2	88.0
Tariff overhang (MFN bound minus MFN applied rate, in %)	17.1	17.4	19.1
Non-tariff measures frequency ratio (%)	--	23.4	--
Overall Trade Restrictiveness Index (OTRI, MFN tariff + NTM) ^o	--	19.8	16.3
Manufacture OTRI (MFN tariff + NTM, 0 to 100)	--	17.4	14.1
Agriculture OTRI (MFN tariff + NTM, 0 to 100)	--	37.3	34.2
Service trade GATS commitments index (0 to 100)	--	--	22.4
ITU competition index in telecom (1 to 3)	--	2.0	2.2



EXTERNAL ENVIRONMENT (EE) ^{*}

	1996-99 average	2000-04 average	2006/08 latest
Market Access Overall Trade Restrictiveness Index (tariff only) ^o	--	--	6.8
Manufacture MA-OTRI (applied tariff only, 0 to 100)	--	--	4.9
Agriculture MA-OTRI (applied tariff only, 0 to 100)	--	--	9.7
Other External Environment indicators			
MA-OTRI (applied tariff + NTM) ^o	--	--	20.3
MFN duty free exports (% of total exports)	26.5	31.1	37.8
Preferences (EU+US) utilization rate (% actual/potential value)	--	--	77.9
Preferences (EU+US) actual value (% of exports)	--	--	4.5
Real effective exchange rate change (% + = appreciation)	1.4	0.2	3.1

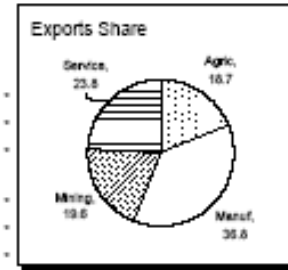
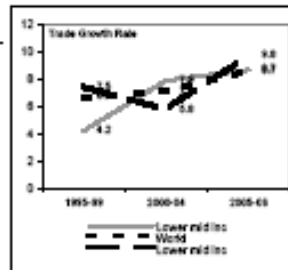
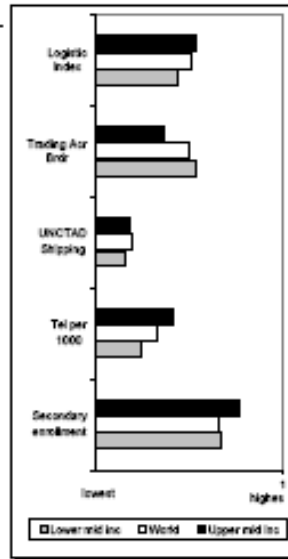


^o AV+AE value-in-tariff; AVE: ad valorem equivalent of specific tariff; MFN: most favored nation; NTM: non-tariff measures; † indicates average over 2005-06

^o For EU member countries, OTRI and MA-OTRI are computed excluding intra-EU trade.

WORLD TRADE INDICATORS 2007: GLOBAL TRADE POLICIES AND OUTCOMES

Lower mid inc	Trade At-A-Glance			Dec-07	2 of 2
INSTITUTIONAL ENVIRONMENT (IE)					
<i>Ease of Doing Business Overall Rank (out of 175, 2007 release) #</i>		2006	World	Upper mid inc	
Starting a business rank (out of 178)		95.2	89	74	
Enforcing contracts rank (out of 178)		88.4	89	93	
Closing a business rank (out of 178)		99.2	92	89	
Other IE indicators: Governance Survey Overall Rank (out of 203, 2007 release) #		121	102	74	
TRADE FACILITATION (TF)					
	1995-99	2000-04	2006/08		
	average	average	latest		
<i>Logistics Performance Index (LPI, 1 to 5) #</i>	--	--	2.6		
Efficiency of customs and other border procedures	--	--	2.3		
Quality of transport and IT infrastructures	--	--	2.4		
International transportation costs	--	--	2.6		
Logistics competence	--	--	2.5		
Trackability of Shipments	--	--	2.5		
Domestic transportation costs	--	--	3.0		
Timeliness of Shipment	--	--	3.0		
Other Trade Facilitation indicators					
<i>Ease of Doing Business- Trading Across Borders Rank (out of 175) #</i>			97		
No. of documents required for exports	--	8	8		
No. of days process required for exports	--	30	27		
Cost to export (\$ per container)	--	--	1,174		
No. of documents required for imports	--	11	9		
No. of days process required for imports	--	35	31		
Cost to import (\$ per container)	--	--	1,269		
UNCTAD liner shipping connectivity Index (0 to 100, better)	--	--	16.7		
Telephones and mobiles per 1000 people	103	260	521		
Average costs of 3-minute call to US (\$)	5.4	2.9	3.5		
Internet users per 1000 people	4.6	45.7	96.9		
Secondary school enrollment (%)	58.9	63.6	69.0		
TRADE OUTCOME (TO) #					
	1995-99	2000-04	2005-08		
	average	average	average		
<i>Real growth in trade of goods and services (in %)</i>	4.2	7.8	8.7		
Real growth in exports of goods and services (in %)	4.8	8.0	8.5		
Real growth in imports of goods and services (in %)	4.1	8.4	9.3		
Other trade outcome indicators					
Trade(g+s) share in GDP (in %)	75.7	85.4	93.4		
Export(g+s) share in GDP (in %)	34.5	39.2	43.2		
Import(g+s) share in GDP (in %)	42.2	46.1	50.2		
FDI inflow as % of GDP (in %)	3.1	3.4	4.6		
Market share growth in total trade (in %)	-1.9	3.4	4.9		
Market share growth in exports (in %)	-1.0	3.7	6.0		
Market share growth in imports (in %)	-2.1	3.3	3.9		
Merchandise share in total exports(g+s) (%)	74.3	74.9	76.2		
Agriculture share in total exports (%)	22.3	20.6	18.7	*	
Manufacture share in total exports (%)	31.8	35.0	36.8	*	
Mining & fuel share in total exports (%)	19.2	19.1	19.6	*	
Service share in total exports(g+s) (%)	25.7	25.1	23.8	*	
of which tourism share in total exports (%)	14.1	15.6	16.3	*	
Export concentration index (0 to 100)	33.8	35.1	30.0	*	
Top 5 products in merchandise export share (in %)	56.2	55.7	57.7	*	
List of top 5 products exported *					



Indicators for Doing Business (2007), Governance (2007), and LPI(2007) are based on surveys in 2006. For more info, please see User's Guide at <http://www.worldbank.org/ind2007>

The recently released Doing Business 2008 rankings (assessing the year 2007) will be reflected in the 2008 WTI database and TAAG, together with other trade-related indicators through 2007.

* Trade Outcome data is from DECPAS, with 2006 data from its provisional estimates; for series with *, the source is WDI, UNCTAD or COMTRADE, available up to 2005.

Upper Middle Income: Trade At-A-Glance

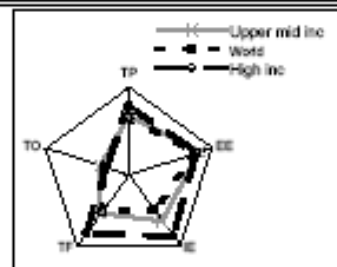
Dec-07

GNI ^a	GNI ^a	Trade Share ^b	Trade (g+c)	Membership ^c		No. of RTAs/ EIAs ^d	
(million\$)	per capita	In the World	per capita ^a	GATT	WTO	goods	services
\$74,771	\$7,520.9	0.4%	\$8,356.2	1978.43	1996.27	7.2	2.2

^a average across countries in the region/income group

TRADE PERFORMANCE ^z

	ranking	score
TRADE POLICY (TP) (out of 95)	42.5	5
EXTERNAL ENVIRONMENT (EE) (out of 95)	32.4	4
INSTITUTIONAL ENVIRONMENT (IE) (out of 178)	62.9	4
TRADE FACILITATION (TF) (out of 150)	60.0	4
TRADE OUTCOME (TO) (out of 152)	60.9	5

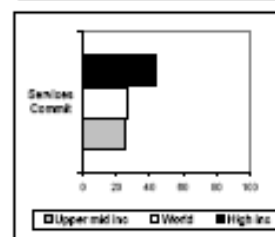
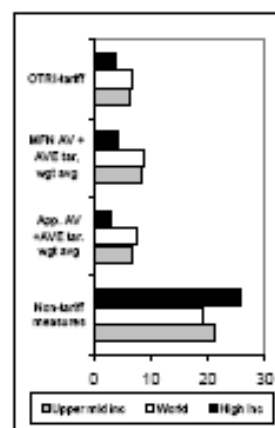


^z Rankings are based on the "representative" indicators (in bold) in each group below for the latest year or average over 2005-06

Outer bound represents best value in 2005-06

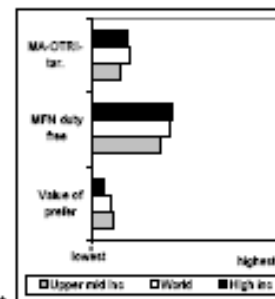
TRADE POLICY (TP) ^a

	1995-99 average	2000-04 average	2006/08 latest
Overall Trade Restrictiveness Index (OTRI, MFN tariff only) ^o	..	9.9	8.5
Manufacture OTRI (tariff only, 0 to 100)	..	9.4	5.5
Agriculture OTRI (tariff only, 0 to 100)	..	14.4	16.0
Other trade policy indicators			
MFN applied AV tariff (simple avg, %)	13.8	11.1	7.5
Specific tariffs frequency ratio (%)	..	..	1.8
MFN applied AV+AVE tariff (simple avg, %)	14.1	11.3	8.4
Standard deviation	18.0	20.2	38.3
Maximum rate (%)	316.9	302.6	949.8
MFN applied AV+AVE tariff (trade weighted avg, %)	12.6	11.4	8.5
Applied AV+AVE tariff (trade weighted avg, %)	12.0	10.4	6.8
Applied AV+AVE tariff (production weighted avg, %)	..	..	7.2
Import duties (% of imports)	7.3	3.9	2.6
MFN duty free imports (% in total imports)	20.0	24.0	35.9
Tariff escalation in agric (% change from raw to finished gds)	..	7.5	6.3
Tariff escalation in manuf (% change from raw to fully proc)	..	3.8	-1.4
Bound tariff frequency ratio (% of total lines)	95.3	95.7	96.0
Tariff overhang (MFN bound minus MFN applied rate, in %)	24.5	24.3	16.6
Non-tariff measures frequency ratio (%)	..	21.1	..
Overall Trade Restrictiveness Index (OTRI, MFN tariff + NTM) ^o	..	15.9	12.6
Manufacture OTRI (MFN tariff + NTM, 0 to 100)	..	15.1	9.3
Agriculture OTRI (MFN tariff + NTM, 0 to 100)	..	36.7	42.9
Service trade GATS commitments index (0 to 100)	..	..	25.3
ITU competition index in telecom (1 to 3)	..	1.8	2.2



EXTERNAL ENVIRONMENT (EE) ^a

	1995-99 average	2000-04 average	2006/08 latest
Market Access Overall Trade Restrictiveness Index (tariff only) ^o	..	..	4.8
Manufacture MA-OTRI (applied tariff only, 0 to 100)	..	..	3.3
Agriculture MA-OTRI (applied tariff only, 0 to 100)	..	..	8.0
Other External Environment indicators			
MA-OTRI (applied tariff + NTM) ^o	..	..	20.3
MFN duty free exports (% of total exports)	18.3	26.4	35.1
Preferences (EU+US) utilization rate (% actual/potential value)	..	..	78.0
Preferences (EU+US) actual value (% of exports)	..	..	3.8
Real effective exchange rate change (% + = appreciation)	2.4	-1.3	1.6

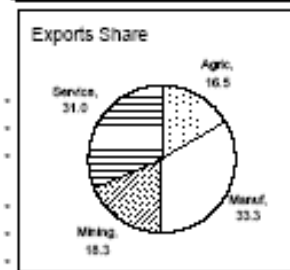
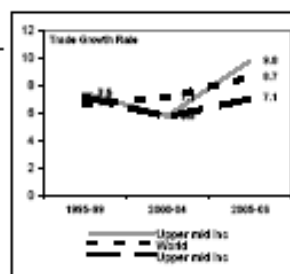
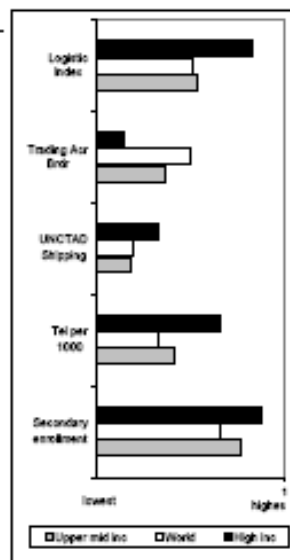


^a AV=ad valorem tariff; AVE=ad valorem equivalent of specific tariff; MFN=most favored nation; NTM=non-tariff measures; .. indicates average over 2005-06

^o For EU member countries, OTRI and MA-OTRI are computed excluding intra-EU trade.

WORLD TRADE INDICATORS 2007: GLOBAL TRADE POLICIES AND OUTCOMES

Upper mid inc	Trade At-A-Glance			Dec-07	2 of 2
INSTITUTIONAL ENVIRONMENT (IE)					
Ease of Doing Business Overall Rank (out of 175, 2007 release) #	2008	World	High inc		
	82.6	80	28		
Starting a business rank (out of 178)	73.6	89	43		
Enforcing contracts rank (out of 178)	92.5	89	44		
Closing a business rank (out of 178)	89.2	92	22		
Other IE indicators: Governance Survey Overall Rank (out of 203, 2007 release) #	74	102	32		
TRADE FACILITATION (TF)					
	1995-99	2000-04	2006/08		
	average	average	latest		
Logistics Performance Index (LPI, 1 to 5) #	--	--	2.8		
Efficiency of customs and other border procedures	--	--	2.6		
Quality of transport and IT infrastructures	--	--	2.7		
International transportation costs	--	--	2.8		
Logistics competence	--	--	2.8		
Trackability of Shipments	--	--	2.8		
Domestic transportation costs	--	--	3.0		
Timeliness of Shipment	--	--	3.3		
Other Trade Facilitation indicators					
Ease of Doing Business- Trading Across Borders Rank (out of 175) #			65		
No. of documents required for exports	--	7	6		
No. of days process required for exports	--	20	19		
Cost to export (\$ per container)	--	--	1,040		
No. of documents required for imports	--	10	7		
No. of days process required for imports	--	25	24		
Cost to import (\$ per container)	--	--	1,180		
UNCTAD liner shipping connectivity index (0 to 100, better)	--	--	19.2		
Telephones and mobiles per 1000 people	254	558	877		
Average costs of 3-minute call to US (\$)	4.8	2.8	1.6		
Internet users per 1000 people	19.9	136.2	257.0		
Secondary school enrollment (%)	70.6	75.8	78.1		
TRADE OUTCOME (TO) ##					
	1995-99	2000-04	2005-08		
	average	average	average		
Real growth in trade of goods and services (in %)	7.6	6.8	8.8		
Real growth in exports of goods and services (in %)	7.5	5.9	9.1		
Real growth in imports of goods and services (in %)	8.4	6.2	10.9		
Other trade outcome indicators					
Trade(g+s) share in GDP (in %)	102.6	106.9	123.4		
Export(g+s) share in GDP (in %)	50.1	53.9	62.1		
Import(g+s) share in GDP (in %)	52.4	53.1	61.3		
FDI inflow as % of GDP (in %)	5.3	5.7	7.4		
Market share growth in total trade (in %)	2.8	0.0	3.1		
Market share growth in exports (in %)	4.8	0.7	3.0		
Market share growth in imports (in %)	2.5	-0.5	3.1		
Merchandise share in total exports(g+s) (%)	69.9	69.4	69.0		
Agriculture share in total exports (%)	22.1	19.0	16.5		
Manufacture share in total exports (%)	32.0	35.5	33.3		
Mining & fuel share in total exports (%)	15.5	14.0	18.3		
Service share in total exports(g+s) (%)	30.1	30.6	31.0		
of which tourism share in total exports (%)	15.5	14.5	15.2		
Export concentration index (0 to 100)	33.9	37.4	31.9		
Top 5 products in merchandise export share (in %)	52.6	59.0	60.1		
List of top 5 products exported *					



* Indicators for Doing Business (2007), Governance (2007), and LPI(2007) are based on surveys in 2006. For more info, please see User's Guide at <http://www.worldbank.org/ind2007>

The recently released Doing Business 2008 rankings (covering the year 2007) will be reflected in the 2008 WTI database and TAAGs, together with other trade-related indicators through 2007.

** Trade Outcome data is from DDCFG, with 2006 data from its provisional estimation; for series with *, the source is WDI, UNCTAD or COMTRADE, available up to 2005.

High Income non-OECD: Trade At-A-Glance

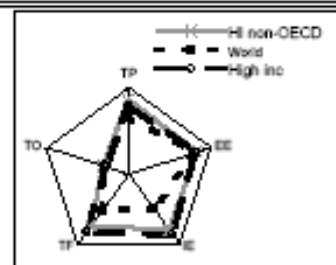
Dec-07

GNI ^a	GNI ^a	Trade Share ^a	Trade (g+s)	Membership ^a		No. of RTAs/ EIAs ^a	
(millions)	per capita	In the World	per capita ^a	GATT	WTO	goods	services
\$189,543	\$20,525.3	1.0%	\$47,435.8	1981.85	1995.6	7.2	2.1

^a average across countries in the region or income group

TRADE PERFORMANCE

	ranking	devile
TRADE POLICY (TP) (out of 95)	11.3	2
EXTERNAL ENVIRONMENT (EE) (out of 95)	35.8	4
INSTITUTIONAL ENVIRONMENT (IE) (out of 178)	36.8	3
TRADE FACILITATION (TF) (out of 150)	29.5	2
TRADE OUTCOME (TO) (out of 152)	73.0	5

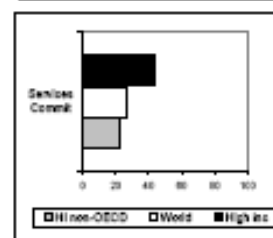
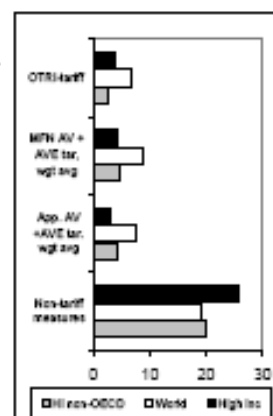


1. Rankings are based on the "representative" indicators (in bold) in each group below for the latest year or average over 2005-06

Outer bound represents best value in 2005-06

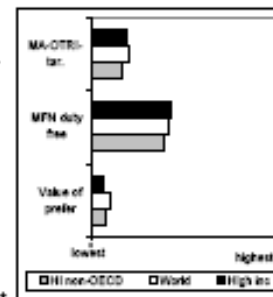
TRADE POLICY (TP) *

	1995-99 average	2000-04 average	2006/08 latest
Overall Trade Restrictiveness Index (OTRI, MFN tariff only) ◊	--	3.9	2.8
Manufacture OTRI (tariff only, 0 to 100)	--	3.6	2.0
Agriculture OTRI (tariff only, 0 to 100)	--	16.9	12.5
Other trade policy indicators			
MFN applied AV tariff (simple avg, %)	8.0	7.2	6.2
Specific tariffs frequency ratio (%)	--	--	2.3
MFN applied AV+AVE tariff (simple avg, %)	8.0	7.9	5.1
Standard deviation	6.6	19.5	27.0
Maximum rate (%)	105.1	744.3	749.7
MFN applied AV+AVE tariff (trade weighted avg, %)	7.7	18.7	4.8
Applied AV+AVE tariff (trade weighted avg, %)	7.7	18.1	4.2
Applied AV+AVE tariff (production weighted avg, %)	--	--	5.5
Import duties (% of Imports)	2.8	1.3	1.0
MFN duty free imports (% in total imports)	48.9	42.0	42.9
Tariff escalation in agric (% change from raw to finished gds)	--	3.9	4.7
Tariff escalation in manuf (% change from raw to fully proc)	--	1.7	-0.4
Bound tariff frequency ratio (% of total lines)	81.0	89.7	83.4
Tariff overhang (MFN bound minus MFN applied rate, in %)	17.0	27.4	26.5
Non-tariff measures frequency ratio (%)	--	19.8	--
Overall Trade Restrictiveness Index (OTRI, MFN tariff + NTM) ◊	--	13.7	8.4
Manufacture OTRI (MFN tariff + NTM, 0 to 100)	--	9.5	5.8
Agriculture OTRI (MFN tariff + NTM, 0 to 100)	--	30.4	42.6
Service trade GATS commitments index (0 to 100)	--	--	22.4
ITU competition index in telecom (1 to 3)	--	1.7	2.1



EXTERNAL ENVIRONMENT (EE) *

	1995-99 average	2000-04 average	2006/08 latest
Market Access Overall Trade Restrictiveness Index (tariff only) ◊	--	--	4.7
Manufacture MA-OTRI (applied tariff only, 0 to 100)	--	--	4.2
Agriculture MA-OTRI (applied tariff only, 0 to 100)	--	--	13.1
Other External Environment Indicators			
MA-OTRI (applied tariff + NTM) ◊	--	--	20.5
MFN duty free exports (% of total exports)	21.2	29.9	37.2
Preferences (EU+US) utilization rate (% actual/potential value)	--	--	64.1
Preferences (EU+US) actual value (% of exports)	--	--	2.3
Real effective exchange rate change (%; + = appreciation)	0.4	-0.9	0.1



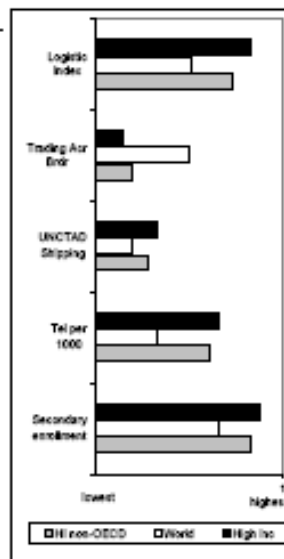
◊ AV: ad valorem tariff; AVE: ad valorem equivalent of specific tariff; MFN: most favored nation; NTM: non-tariff measures; † indicates average over 2005-06
 ◊ For EU member countries, OTRI and MA-OTRI are computed excluding intra-EU trade.

WORLD TRADE INDICATORS 2007: GLOBAL TRADE POLICIES AND OUTCOMES

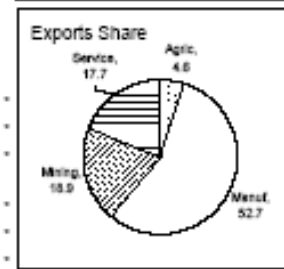
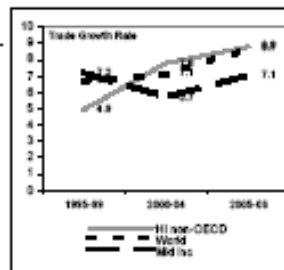
HI non-OECD Trade At-A-Glance Dec-07 2 of 2

INSTITUTIONAL ENVIRONMENT (IE)	2006	World	High inc
Ease of Doing Business Overall Rank (out of 175, 2007 release) #	38.8	90	28
Starting a business rank (out of 178)	64.4	89	43
Enforcing contracts rank (out of 178)	77.1	89	44
Closing a business rank (out of 178)	41.6	92	22
Other IE indicators: Governance Survey Overall Rank (out of 203, 2007 release) #	44	102	32

TRADE FACILITATION (TF)	1995-99 average	2000-04 average	2006/08 latest
Logistics Performance Index (LPI, 1 to 5) #	..	..	3.4
Efficiency of customs and other border procedures	..	..	3.1
Quality of transport and IT infrastructures	..	..	3.4
International transportation costs	..	..	3.3
Logistics competence	..	..	3.3
Trackability of Shipments	..	..	3.4
Domestic transportation costs	..	..	2.7
Timeliness of Shipment	..	..	3.8
Other Trade Facilitation indicators			
Ease of Doing Business- Trading Across Borders Rank (out of 175) #			35
No. of documents required for exports	..	6	6
No. of days process required for exports	..	15	13
Cost to export (\$ per container)	..	..	730
No. of documents required for imports	..	8	7
No. of days process required for imports	..	17	13
Cost to import (\$ per container)	..	..	730
UNCTAD liner shipping connectivity Index (0 to 100, better)	..	..	28.9
Telephones and mobiles per 1000 people	540	1026	1289
Average costs of 3-minute call to US (\$)	3.4	1.9	3.1
Internet users per 1000 people	58.5	306.0	393.0
Secondary school enrollment (%)	81.2	80.3	84.0



TRADE OUTCOME (TO) #	1995-99 average	2000-04 average	2005-08 average
Real growth in trade of goods and services (in %)	4.8	7.8	8.8
Real growth in exports of goods and services (in %)	4.8	8.7	9.3
Real growth in imports of goods and services (in %)	5.3	7.1	8.3
Other trade outcome indicators			
Trade(g+s) share in GDP (in %)	160.3	177.1	213.0
Export(g+s) share in GDP (in %)	81.6	93.1	114.0
Import(g+s) share in GDP (in %)	78.7	84.0	99.0
FDI inflow as % of GDP (in %)	5.9	6.1	10.1
Market share growth in total trade (in %)	-1.6	1.0	2.7
Market share growth in exports (in %)	-1.0	2.1	4.0
Market share growth in imports (in %)	-1.9	0.0	0.4
Merchandise share in total exports(g+s) (%)	83.3	82.8	82.3
Agriculture share in total exports (%)	14.9	15.2	4.6
Manufacture share in total exports (%)	43.4	45.1	52.7
Mining & fuel share in total exports (%)	23.5	23.0	18.9
Service share in total exports(g+s) (%)	16.7	17.2	17.7
of which tourism share in total exports (%)	22.0	26.6	31.7
Export concentration index (0 to 100)	44.2	42.8	39.8
Top 5 products in merchandise export share (in %)	65.7	65.7	68.1
List of top 5 products exported *	..	..	..



Indicators for Doing Business (2007), Governance (2007), and LPI(2007) are based on surveys in 2006. For more info, please see User's Guide at <http://www.worldbank.org/ind2007>

The recently released Doing Business 2008 rankings (assessing the year 2007) will be reflected in the 2008 WTI database and TAAG, together with other trade-related indicators through 2007.

* Trade Outcome data is from DECPAS, with 2006 data from its provisional estimates; for sectors with *, the source is WDI, UNCTAD or COMTRADE, available up to 2005.

High Income OECD: Trade At-A-Glance

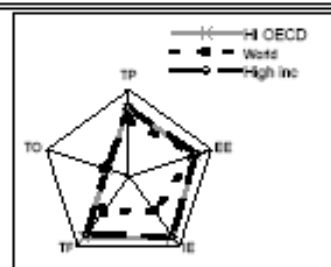
Dec-07

GNI ^a	GNI ^a	Trade Share ^a	Trade (g+s)	Membership ^a		No. of RTAs/ EIAs ^a	
(millions)	per capita	In the World	per capita ^a	GATT	WTO	goods	services
\$1,490,661	\$40,248.3	2.6%	\$41,690.8	1875.2	1915.2	18.5	5.4

^a average across countries in the regional or income group

TRADE PERFORMANCE ^a

	ranking	decile
TRADE POLICY (TP) (out of 95)	19.4	3
EXTERNAL ENVIRONMENT (EE) (out of 95)	41.4	5
INSTITUTIONAL ENVIRONMENT (IE) (out of 178)	21.8	2
TRADE FACILITATION (TF) (out of 150)	14.5	1
TRADE OUTCOME (TO) (out of 152)	92.3	7

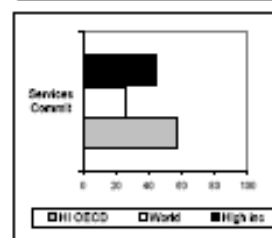
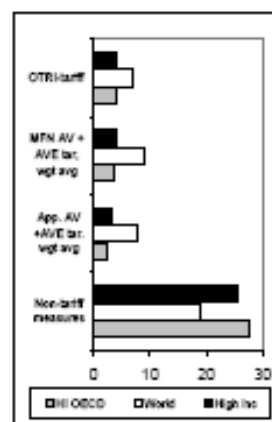


^a Rankings are based on the "representative" indicators (in bold) in each group below for the latest year or average over 2005-06

Outer bound represents best value in 2005-06

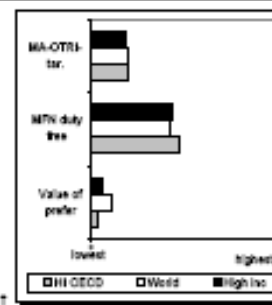
TRADE POLICY (TP) ^a

	1986-89 average	2000-04 average	2005/06 latest
Overall Trade Restrictiveness Index (OTRI, MFN tariff only) ^b	..	6.2	4.2
Manufacture OTRI (tariff only, 0 to 100)	..	3.8	2.6
Agriculture OTRI (tariff only, 0 to 100)	..	19.6	21.6
Other trade policy indicators			
MFN applied AV tariff (simple avg, %)	5.2	4.3	3.6
Specific tariffs frequency ratio (%)	..	..	8.8
MFN applied AV+AVE tariff (simple avg, %)	7.5	6.3	6.3
Standard deviation	35.1	59.2	87.2
Maximum rate (%)	1544.9	1977.8	2574.4
MFN applied AV+AVE tariff (trade weighted avg, %)	7.8	4.0	3.5
Applied AV+AVE tariff (trade weighted avg, %)	6.6	2.8	2.2
Applied AV+AVE tariff (production weighted avg, %)	..	..	3.9
Import duties (% of Imports)	0.7	0.8	0.5
MFN duty free imports (% in total imports)	29.5	45.3	50.2
Tariff escalation in agric (% change from raw to finished gds)	..	6.1	4.6
Tariff escalation in manuf (% change from raw to fully proc)	..	-1.1	-0.6
Bound tariff frequency ratio (% of total lines)	99.4	99.4	99.4
Tariff overhang (MFN bound minus MFN applied rate, in %)	1.5	2.6	2.8
Non-tariff measures frequency ratio (%)	..	27.6	..
Overall Trade Restrictiveness Index (OTRI, MFN tariff + NTM) ^c	..	9.9	8.8
Manufacture OTRI (MFN tariff + NTM, 0 to 100)	..	6.1	5.2
Agriculture OTRI (MFN tariff + NTM, 0 to 100)	..	50.9	50.1
Service trade GATS commitments index (0 to 100)	..	..	57.0
ITU competition index in telecom (1 to 3)	..	2.8	2.8



EXTERNAL ENVIRONMENT (EE) ^a

	1986-89 average	2000-04 average	2005/06 latest
Market Access Overall Trade Restrictiveness Index (tariff only) ^b	..	..	6.6
Manufacture MA-OTRI (applied tariff only, 0 to 100)	..	..	3.9
Agriculture MA-OTRI (applied tariff only, 0 to 100)	..	..	14.9
Other External Environment Indicators			
MA-OTRI (applied tariff + NTM) ^c	..	..	22.2
MFN duty free exports (% of total exports)	23.7	35.1	45.4
Preferences (EU+US) utilization rate (% actual/potential value)	..	..	91.9
Preferences (EU+US) actual value (% of exports)	..	..	1.2
Real effective exchange rate change (% + = appreciation)	-0.9	1.1	0.4



^a AV=ad valorem tariff; AVE=ad valorem equivalent of specific tariff; MFN=most favored nation; NTM=non-tariff measures; ^b indicates average over 2005-06

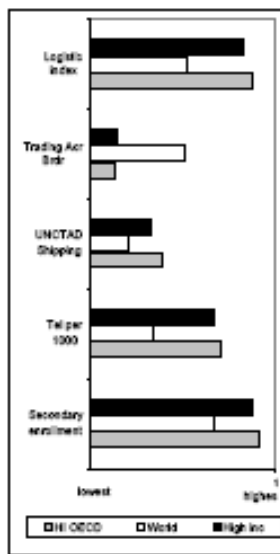
^cFor EU member countries, OTRI and MA-OTRI are computed excluding intra-EU trade.

WORLD TRADE INDICATORS 2007: GLOBAL TRADE POLICIES AND OUTCOMES

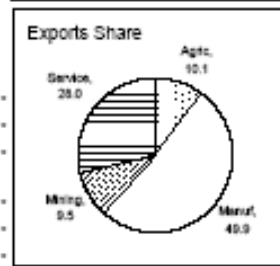
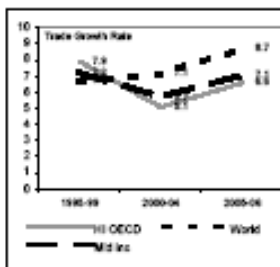
HI OECD Trade At-A-Glance Dec-07 2 of 2

INSTITUTIONAL ENVIRONMENT (IE)	2006	World	High Inc
Ease of Doing Business Overall Rank (out of 175, 2007 release) #	21.8	80	28
Starting a business rank (out of 178)	35.9	89	43
Enforcing contracts rank (out of 178)	32.0	89	44
Closing a business rank (out of 178)	15.8	92	22
Other IE indicators: Governance Survey Overall Rank (out of 203, 2007 release) #	19	102	32

TRADE FACILITATION (TF)	1996-99 average	2000-04 average	2005/06 latest
Logistics Performance Index (LPI, 1 to 5) #	..	..	3.8
Efficiency of customs and other border procedures	..	..	3.6
Quality of transport and IT infrastructures	..	..	3.8
International transportation costs	..	..	3.6
Logistics competence	..	..	3.8
Trackability of Shipments	..	..	3.9
Domestic transportation costs	..	..	2.5
Timeliness of Shipment	..	..	4.2
Other Trade Facilitation indicators			
Ease of Doing Business- Trading Across Borders Rank (out of 175) #			23
No. of documents required for exports	..	5	5
No. of days process required for exports	..	11	10
Cost to export (\$ per container)	..	..	890
No. of documents required for imports	..	6	5
No. of days process required for imports	..	13	11
Cost to import (\$ per container)	..	..	987
UNCTAD liner shipping connectivity index (0 to 100, better)	..	..	39.0
Telephones and mobiles per 1000 people	765	1318	1487
Average costs of 3-minute call to US (\$)	2.2	1.5	1.0
Internet users per 1000 people	121.8	406.0	541.7
Secondary school enrollment (%)	89.6	90.1	91.7



TRADE OUTCOME (TO) ##	1996-99 average	2000-04 average	2005-06 average
Real growth in trade of goods and services (in %)	7.8	6.1	8.8
Real growth in exports of goods and services (in %)	7.6	4.9	5.9
Real growth in imports of goods and services (in %)	8.2	5.2	7.2
Other trade outcome indicators			
Trade(g+s) share in GDP (in %)	74.8	83.7	89.3
Export(g+s) share in GDP (in %)	38.6	43.3	45.5
Import(g+s) share in GDP (in %)	36.2	40.4	43.7
FDI inflow as % of GDP (in %)	3.3	19.5	17.2
Market share growth in total trade (in %)	0.8	0.0	-2.2
Market share growth in exports (in %)	0.7	0.0	-3.0
Market share growth in imports (in %)	1.0	0.0	-1.4
Merchandise share in total exports(g+s) (%)	75.0	72.7	72.0
Agriculture share in total exports (%)	12.8	10.9	10.1
Manufacture share in total exports (%)	53.4	51.9	49.9
Mining & fuel share in total exports (%)	7.0	8.1	9.5
Service share in total exports(g+s) (%)	25.0	27.3	28.0
of which tourism share in total exports (%)	9.7	8.9	8.6
Export concentration index (0 to 100)	13.3	14.4	14.4
Top 5 products in merchandise export share (in %)	25.4	28.2	29.9
List of top 5 products exported *	..	..	..



Indicators for Doing Business (2007), Governance (2007), and LPI(2007) are based on surveys in 2006. For more info, please see User's Guide at <http://www.worldbank.org/wti/2007>

The recently released Doing Business 2008 rankings (covering the year 2007) will be reflected in the 2008 WTI database and TAAGs, together with other trade-related indicators through 2007.

** Trade Outcome data is from DECPG, with 2006 data from its provisional estimates; for sectors with *, the source is WDI, UNCTAD or COMTRADE, available up to 2005.