APPENDIX 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 (Trade Map, Market Access Map, Investment Map, Trade Competitiveness Map, and Product Map) designed to facilitate strategic market research and to monitor national and sectoral trade performance. Among those tools, the Trade Competitiveness Map and the Market Access Map present trade and market access profiles for most countries based on statistics that benchmark national trade performance. ITC undertook primary data collection and verification, but also used other sources such as the World Trade Organization and U.N. 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 that 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.

Between 1997 and the mid-2000s, the *International Monetary Fund (IMF)* also computed a Trade Restrictiveness Index annually; this is a composite of tariff and nontariff restrictiveness indexes from information collected during Article IV staff visits. This indicator has been only utilized in bilateral policy review discussions by the IMF 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 comparisons 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 *Economic Report 2004* on Africa, the *United Nations Economic Commission for Africa (ECA)* conducted a benchmarking exercise and constructed the Trade Competitiveness Index (TCI) for 30 African countries and 8 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 (for example, 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 Web site and in two publications (*Trade Profiles 2007* and *Tariff Profiles 2006*) that provide a good deal of information on (i) a country's structural trade flows through 2005; (ii) basic and sectoral MFN tariffs imposed on imports and faced abroad by its exporters through 2006; and (iii) a 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, the *United Nations Conference on Trade and Development (UNCTAD)* produced and at end-2007 updated a composite Trade and Development Index (TDI) for 123 countries, applying principal component analysis 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." The TDI 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 (EIU)* has extensive trade and commerce-related values and analyses, including country summaries 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 as 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 country policy makers 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 trade and tariff 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 TDI, which is very broad and assesses overall development policies.

The *WTI indicators* are based mostly on UNCTAD's TRAINS database (for tariffs), ITC's trade and market access databases, the U.N.'s COMTRADE (for disaggregated trade flows), and various World Bank sources (WDI database, Ease of Doing Business rankings, Worldwide Governance Indicators, and the World Bank's Development Economics Prospects Group (DECPG) estimates for the most recent year's aggregate trade flows). Indicators from external organizations (non-Bank generated or at least verified) that are included in this dataset are the WTO's indicators related to regional agreements, binding coverage, disputes, and contingency protection measures; an ITU indicator of the maximum allowed foreign participation in telecom services; UNCTAD's Liner Shipping Connectivity index; the 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);[1] the USITC indicators for total freight charges and for air cargo freight rates; and DHL's air freight costs from the United States.

In early 2008, further consultations have been conducted 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.