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Economic and Social Commission for Western Asia

The Costs to Trade Platform

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8 March 2023

Introduction

- Structure of the presentation:
 - the interface of the Costs to Trade platform
 - the way forward and what ESCWA can offer above and beyond the current tool
- the premise of undertaking work on trade costs at ESCWA: trade costs remain sizable, constituting a major impediment to greater trade flows and economic integration
- the same pattern in the Arab region. Intra-regional trade volumes in the Arab region have not increased
- this platform is a first step to address the gap in the assessment of various trade costs

The Interface of the platform

- The portal presents the data on time and monetary costs associated with the overall process of exporting or importing a shipment of goods
 - in an interactive manner for a user specified exporting country and its selected partner(s)
 - based on four World Bank's Doing Business indicators in each trade-flow direction
 - two additional indicators generated for each trade-flow direction to further summarize time and monetary costs separately
 - the global rank of the exporter or importer also featured
 - allows simulation in any one of the indicators by sliding the indicator values in the range

The way forward

- This portal represents a first step
 - somewhat blunt tool in its current form: does not allow an assessment of trade costs at the partner-product level
- How can we build on the portal further?
 - possible to infer trade costs from readily available trade flows data at the importer-exporter and, product level.
 - expressed as a share of the total value of the imported products (ad valorem tariff equivalents)
 - and they allow us to compare the impact of different policies on trade costs with import duties.

The way forward

(continued)

- A major constraint on this type of analysis is lack of product-specific trade barrier measures. Non-tariff measures are relevant policy indicators to focus.
 - NTMs are policy measures other than customs tariffs that can potentially have an economic effect on trade
 - Example: Sanitary and phytosanitary non-tariff measures. A sample test on imported oranges to check for the residue level of pesticides

The way forward

(continued)

- An example of trade cost estimates associated with relevant NTMs.

Importer	Exporter	product_description	productcode	NTM_AVE	NTM_A_AVE	NTM_B_AVE	NTM_F_AVE	NTM_I_AVE
JOR	EGY	Meat: of bovine animals, cuts with bone in (excluding carcasses and half-carcasses), fresh or chilled	20120	8.4%		8.4%		0.0%
JOR	EGY	Animal products: feathers and down used for stuffing, not further worked than cleaned, disinfected or treated for preservation	50510	15.8%	8.9%		6.4%	

Conclusion

- Once we have such data you can benefit from much richer evidence-based policymaking this line of approach could offer
- Data for the Arab region is porous, though some countries are doing better
- We count on you for producing such data in a timely manner and getting those data integrated in global databases

Thank you



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