LOGISTICS SERVICES AND GVCs: THE SERVICES TRADE RESTRICTIVENESS INDEX (STRI)

WTO Workshop on Promoting Connectivity – Exploring the Services Dimension

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Drivers of demand for logistics services

International integration of economic activity

• Advanced manufacturing requiring complex international production networks
• “Just-in-time” production and distribution management
• Shortening product life spans
• Technological advances

Increasing outsourcing of logistics services

• Second-party logistics (2PL), 3PL and 4PL
• Reverse logistics
Logistics activities and the STRI

CORE LOGISTICS
- Transport management
  - Cargo handling
  - Storage and warehouse
  - Freight transport
  - Agency services
  - Customs brokerage

RELATED SERVICES
- Transport services
  - Air
  - Maritime
  - Road
  - Rail

NON-CORE LOGISTICS
- Rental and repair
- Commission agents’ services
- Wholesale and retail
- Computer and related management consulting
- Technical testing and analysis
- Courier
What is the STRI?

A regulatory database
- Standardised set of measures, with links to sources
- Online and updated every year

Composite indices
- A snapshot of trade restrictiveness, 22 sectors, 42 countries
  - Costa Rica, Lithuania and Malaysia
- 2 years for seven sectors
  - By end of 2016 3 years for 22 sectors
Identifying bottlenecks: the STRI framework

Restrictions on foreign entry
Restrictions to movement of people
Other discriminatory measures
Barriers to competition
Regulatory transparency
STRI cargo-handling

Restrictions on foreign entry
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Average
Key restrictions

Restrictions on foreign entry
- Foreign equity limits
- Service provision reserved for statutory monopoly or granted on an exclusive basis

Barriers to competition
- Lack of measures to avoid cross-subsidisation
- Self-handling not allowed
- Service provision to third parties not allowed
- Individual licensing imposed for the provision of different services

Regulatory transparency
- Customs procedures and trade facilitation
STRI and performance, time to export or import

![Bar chart showing time to export or import for different types of logistics, including maritime, logistics cargo handling, logistics storage, and road. The chart compares high STRI and low STRI scenarios.](image-url)
Reform at national and international levels

An opportunity to improve connectivity

• Traditional market access and national treatment measures
• Additional domestic pro-competitive and administratively efficient regulations
  – Competitiveness in logistics to fully reap the benefits of the Trade Facilitation Agreement’s implementation
• Comprehensive sectoral approach to allow for integrated, door-to-door services

STRI next steps

• Update to 2016
• Extension of country and sector coverage
• Analytical work – impact analysis
THANK YOU

Visit TAD/STRI website: [http://oe.cd/stri](http://oe.cd/stri)

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The STRI Policy Simulator

• The Policy Simulator is a tool that provides the full detail of the STRI information by country and by sector

• It can be used
  – To understand how the STRI indices are calculated
  – To analyse the contribution of each policy measure to the index
  – To simulate the impact of a policy change on the index value
STRI freight transport agency

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STRI customs brokerage