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

WTO Workshop on Promoting Connectivity – Exploring the Services Dimension

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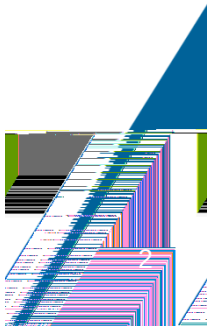
Drivers of demand for logistics services

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



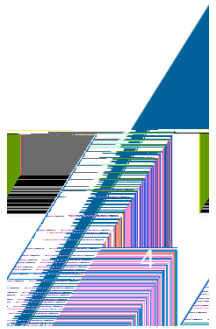
What is the STRI?

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

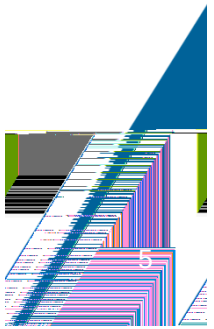
Restrictions on foreign entry

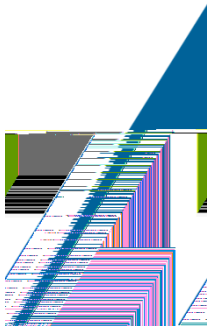
Restrictions to movement of people

Other discriminatory measures

Barriers to competition

Regulatory transparency





Key restrictions

Restrictions on foreign entry

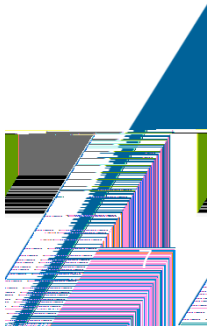
- Foreign equity limits
- Service provision reserved for statutory monopoly or granted on an exclusive basis

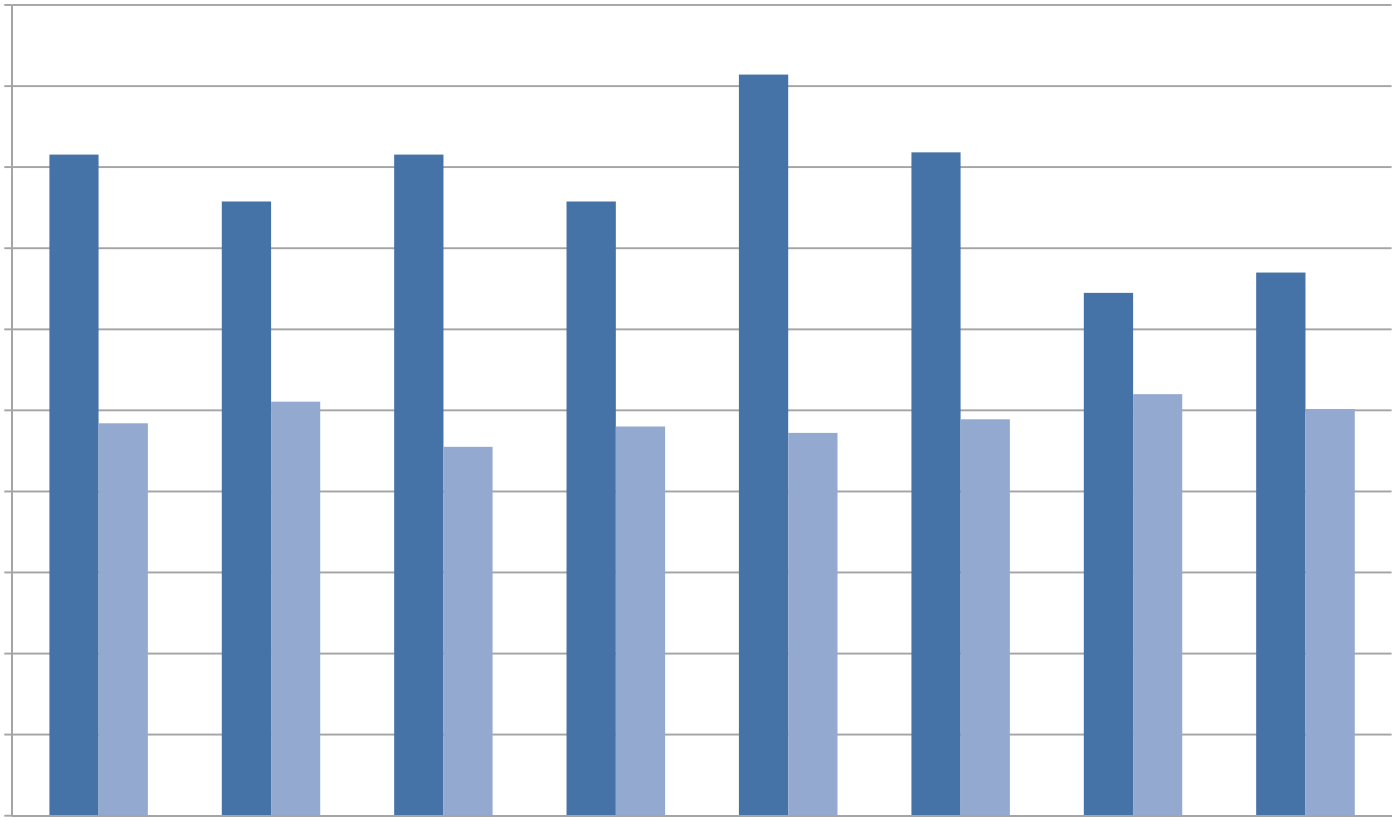
Barriers to competition

- 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





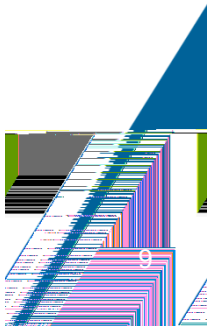
Reform at national and international levels

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

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