

Enabling trade paves the way to recovery from global economic crisis

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- Singapore and Hong Kong SAR are the most open economies to international trade in 2010
- Vietnam gains 18 positions among 125 countries in The Global Enabling Trade Report 2010
- Turkey, India and Russia drop in the rankings
- Q&A with the co-editor of the report on 19 May at 18.00 CEST <http://tr.im/WEFLive>

Geneva, Switzerland, 19 May 2010 – East Asian economies – Singapore and Hong Kong SAR – continue to occupy the top two positions in the Enabling Trade Index ranking, followed by Denmark, Sweden and Switzerland, according to The Global Enabling Trade Report 2010, released today by the World Economic Forum. New Zealand moves by five ranks to 5th place. Norway, Canada, Luxembourg and the Netherlands complete the top-10 list. Iceland enters the ranking for the first time at 11th position, and Finland drops out of the top 10 to 12th place.

Among the large economies, Germany is the best performer at 13th, ahead of the United States, which drops by three places to 19th. China (48th) and Brazil (87th) remain stable, while Turkey (62nd), India (84th) and Russia (114th) drop in the ranking.

The results mirror the resilience against the threat of protectionism during the economic crisis. International agreements such as the WTO framework and pledges by the G20 have contributed to limiting the effect of protectionist pressures on trade barriers. Despite fears of rising protectionism, the report confirms that a large majority of countries did not raise trade barriers.

“ Vietnam realized one of the biggest improvements in the ranking this year, climbing by 18 places to the 71st position. The country ’ s accession to the WTO in 2007 supported this move, as tariffs were lowered and the country ’ s exporters gained better access to markets of other members. Countries such as Ukraine and Mauritius have lowered tariffs, while Russia ’ s markets are the most protected among the countries assessed, ” said Margareta Drzeniek Hanouz, Senior Economist of the Global Competitiveness Network and co-editor of the report. “ By ranking countries according to barriers to trade countries have in place as well as factors that enable it, the report provides information on a set of measures that countries can take to facilitate recovery. ”

The Global Enabling Trade Report 2010 is launched at a time when trade volumes recover from the deepest post-war slump. By identifying the obstacles to and enablers of trade across countries, the report can contribute to strengthening the recovery. As countries enable trade, they also provide benefits to their trade partners, thereby supporting economic growth.

“ Just as trade was a key force spreading the growth slowdown internationally, so can trade be an important driver in diffusing the benefits of recovery across the globe. When individual countries enable trade, they provide benefits not only to themselves but also to other nations with which they trade. Improved market access, more efficient customs, and better infrastructure and business environments offer enhanced opportunities for both importers and exporters. Thus, granting Aid for Trade to help nations implement such measures reflects enlightened self-interest, because it enhances welfare in recipient countries and their trading partners, ” said Robert Z. Lawrence, Albert L. Williams Professor of Trade and Investment at the John F. Kennedy School of Government at Harvard University, USA. Professor Lawrence is also academic adviser and co-editor of the report.

Published for the third year in a row and covering 125 economies worldwide, the report presents a resource for dialogue and provides a yardstick of the extent to which economies have in place the necessary attributes for enabling trade and where improvements are most needed.

The Enabling Trade Index measures institutions, policies and services facilitating the free flow of goods over borders and to destination. It breaks the enablers into four issue areas: market access, border administration, transport and communications infrastructure, and business environment.

The Index uses a combination of data from publicly available sources, as well as the results of the Executive Opinion Survey, a comprehensive annual survey conducted by the World Economic Forum with its network of partner institutes (leading research institutes and business organizations) in the countries included in the report. The survey provides unique data on many qualitative institutional and business environment issues, as well as some indicators related to international trade.

The Enabling Trade Index was developed within the context of the Forum ' s Industry Partnership Programme for the Logistics and Transport sector, in close collaboration with the project ' s data partners: Global Express Association (GEA), International Air Transport Association (IATA), International Trade Centre (ITC), World Customs Organization (WCO), United Nations Conference on Trade and Development (UNCTAD), The World Bank and the World Trade Organization (WTO). The Forum also received important input from its Industry Partners: Agility, Brightstar Corp., Deutsche Post DHL, FedEx, GeoPost, Stena, TNT, Transnet, UPS and Volkswagen.

Margareta Drzeniek Hanouz, co-editor of the report, will be available for questions in real time on Wednesday 19 May 2009 at 18.00 CEST at <http://livestream.com/WorldEconomicForum>.

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