Measurement of the Business Environment for Customs

Permanent Technical Committee
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Aim of the document

• part of a global reflection on what determines the performance of Customs administrations

• particularly the impact of business sector « performance » on Customs « performance »
Customs « performance » is measured by the private sector

<table>
<thead>
<tr>
<th>Organization</th>
<th>Indexes/Data</th>
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| World Bank   | Doing Business (specific « Trading across borders » index)  
|              | Logistic Performance Index  
|              | Entreprise Surveys  
|              | World Trade Indicators  
|              | World Governance Indicators  
|              | CATT (Customs Assessment Trade Toolkit)  
| UNCTAD       | Liner shipping connectivity index  
|             | Transshipment connectivity index  
|             | Trade Indicators  
|             | Trade Structure Indicators  
|             | Trade Trends  
| OECD         | Trade Facilitation Indicators  
| World Economic Forum | Enabling Trade Index  
| WTO-OECD     | Value Added Initiative  
| ITC (UNCTAD & WTO) | ITC Trade Performance Index  
| IMD          | World Competitiveness Yearbook  
| IMF          | RA-FIT Revenue Administration – Fiscal Information Tool (exclusively governmental comparisons)  
| Various indexes/data that are used for indicators related to benchmarking | UN COMTRADE (all trade flows by countries reported)  
|              | UNCTAD Container Port Throughput  
|              | Transparency International  
|              | International Telecommunication Union  

Customs « performance » is measured by the private sector

2 points in common:
- mainly rely on private sector data and perceptions
- lead to rankings

Consequences:
- political impact (country’s image, relationship between government and Customs authorities)
- economic impact (potential impact on decisions taken by the multinational companies)
- methodological issue: criteria of performance cannot be local but « internationally consensual » (i.e. usually related to interests that are common to multinational companies)
Can Customs « measure » the business sector?

• Why?

– to take into account the private sector contribution to collective objectives (trade, development, wealth...)

– to reduce information asymmetry and organize the dialogue between stakeholders to improve the border crossing and the Customs controls

– to put Customs performances into a local perspective (specificity of institutional objectives at the national level, differences of economic structures among countries,...).

=> To help Customs to develop and strengthen their own narrative on Customs reform and efficiency, underpinning their case with figure based statements
Can Customs « measure » the business sector?

• How?

  – indicators to describe the business structure (diversity, concentration of markets for activities related to import/export, ...), its capacity (celerity, ...) and its degree of compliance.

  – using the Customs IT systems (data mining) - already developed with some Members.

  – a core principle: indicators as descriptive as possible and not measuring a gap between reality and “norms”.