Measuring Costs and Times
Performance Indicators for Transport Corridors
We measure to manage...

- Logistics performance index, Doing Business and other indicators show a country’s logistics relative to others

- But we need more detailed costs and times of transit to know where action is needed

- Yet nothing available that is consistent across corridors
Our aim: common minimum indicators of corridor performance

- Adopt best-practice methods
- Produce indicators that are easy to understand and use
- Set benchmarks
- Apply them to many corridors and product types
- Be sure they’re easy to replicate over time.
What we will measure

- Type of product, direction of travel, overseas origin or destination
- Overall costs and times, by location and whether formal or informal
- Pre-transit, transit in landlocked country, border crossings, transit in coastal country, port, maritime, port for destination country
- Variation in each, with comparative statistics and benchmarks
Where the data come from

- Freight forwarders, transport operators, and traders, both importer and exporters
- Structured interviews, but no fixed questionnaire
- Number interviewed depends on volume of trade
- At least 3 for each group, accounting for at least half the trade in a product
- So, more interviewed for corridors with more trade
What corridors we are looking at

Seven pilot corridors the be sure that definitions of cost and variability are usable and useful

- Almaty to Europe
- Asuncion to US east coast
- Bamako to Europe
- Kigali to Europe
- La Pas to US west coast
- Ulanbaataar to US west coast
- Vientiane to US west coast
- All should be completed by August 2008
How this is relevant to landlocked developing countries

- High dependence on coastal neighbors for access to world markets
- Framework for understanding where costs and delays occur in corridors
- How much corridors need to improve to make exports competitive in world markets
### What we are finding

<table>
<thead>
<tr>
<th></th>
<th>Kigali/Europe</th>
<th>Ulanbaatar/West Coast</th>
<th>Benchmark value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Logistics cost per teu</td>
<td>U$ 5,185</td>
<td>U$4,395</td>
<td>U$3,750</td>
</tr>
<tr>
<td>Logistics time (Origin to destination)</td>
<td>59 days</td>
<td>45 days</td>
<td>30 days</td>
</tr>
<tr>
<td>Cost as % of value of products</td>
<td>26%</td>
<td>18%</td>
<td>12%</td>
</tr>
<tr>
<td>Cost increase compared with benchmark</td>
<td>+ 34%</td>
<td>+ 28%</td>
<td>0%</td>
</tr>
<tr>
<td>Time increase compared with benchmark</td>
<td>+ 96%</td>
<td>+ 50%</td>
<td>0%</td>
</tr>
</tbody>
</table>
### What we are finding

<table>
<thead>
<tr>
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<th>Ulanbaataar/ West Coast</th>
<th>Benchmark value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variation in cost as % of minimum</td>
<td>13%</td>
<td>24%</td>
<td>10%</td>
</tr>
<tr>
<td>Variation in time as % of minimum</td>
<td>37%</td>
<td>51%</td>
<td>10%</td>
</tr>
<tr>
<td>Land share of total cost</td>
<td>44%</td>
<td>43%</td>
<td>20%</td>
</tr>
<tr>
<td>Land share of total time</td>
<td>24%</td>
<td>23%</td>
<td>12%</td>
</tr>
<tr>
<td>Informal share of land (inc. port) cost</td>
<td>8%</td>
<td>8%</td>
<td>0%</td>
</tr>
<tr>
<td>Informal share of land time (inc.port) cost</td>
<td>31%</td>
<td>23%</td>
<td>0%</td>
</tr>
</tbody>
</table>
What’s next

- Consult with other agencies working on corridor indicators
- Adjust methods as necessary
- Analyze more corridors (12 landlocked and 6 coastal by end-2008)
- Maintain a web-based easily accessible database of corridor indicators