Technical Notes and Sources

The data in this *Report* represent the best available estimates from various national authorities, international agencies, and private sources at the time the *Report* was prepared. It is possible that some data will have been revised or updated by the sources after publication. The following notes provide sources for all the indicators listed in the Country/Economy Profiles. Throughout the *Report,* "n/a" denotes that the value is not available, or that the available data are unreasonably outdated or do not come from a reliable source. For each indicator, the title of the indicator appears on the first line, preceded by its number to allow for quick reference. The numbering is the same as the one used in Appendix A of Chapter 1.1.

Below is a description of each indicator or, in the case of Executive Opinion Survey data, the full question and associated answers. If necessary, additional information is provided underneath.

Pillar 1: Domestic and foreign market access

1.01 Tariff rate

Trade-weighted average tariff rate | 2011, 2010 or most recent year available

This indicator is calculated as a weighted average of all the applied tariff rates, including preferential rates that a country applies to the rest of the world. The weights are the trade patterns of the importing country's reference group (2010 data). An *applied tariff* is a customs duty that is levied on imports of merchandise goods.

Source: International Trade Centre

1.02 Non-tariff measures (included yet not part of the Index)

Index of non-tariff measures (NTMs) | 2011 or most recent year available

This index is constructed as the average of two NTM-related variables. NTMs may take the form of quotas, charges, discriminatory labeling, or health standards and other restrictive conditions. The variables included are the percentage of trade affected by NTMs and the average number of notifications for products affected by NTMs, for products with imports larger than 0. A *notification* is a transparency obligation requiring member governments to report trade measures to the relevant World Trade Organization (WTO) body if the measures might have an effect on other members. NTMs that apply to all products are excluded from the calculations because they do not represent discrimination on particular goods. Also, politically motivated NTMs, such as embargos, have been excluded.

Source: Authors' calculations based on International Trade Centre data

1.03 Complexity of tariffs

Index of the complexity of tariffs | 2011 or most recent year available

This variable is calculated as the average of the following indicators: tariff dispersion (1.03a), tariff peaks (1.03b), specific tariffs (1.03c), and number of distinct tariffs (1.03d). See below for the description of the single underlying indicators.

1.03a Tariff dispersion

Standard deviation of tariff rates | 2011 or most recent year available

This indicator reflects differences in tariffs across product categories in a country's tariff structure. The variance is calculated across all the tariffs on imported merchandise goods, at the 6-digit level of the Harmonized Schedule.

Source: International Trade Centre

1.03b Tariff peaks

Share of tariff lines with domestic peaks (percentage) | 2011 or most recent year available

This indicator is the ratio of the number of tariff lines exceeding three times the average domestic tariff (across all products) to the most favored nation (MFN) tariff schedule. The tariff schedule is equal to the total number of tariff lines for each country. These tariffs are revised on a yearly basis.

Source: International Trade Centre

1.03c Specific tariffs

Share of tariff lines with specific tariffs (percentage) | 2011 or most recent year available

This indicator is the ratio of the number of Harmonized System (HS) tariff lines with at least one specific tariff to the total number of HS tariff lines. A *specific tariff* is a tariff rate charged on a fixed amount per quantity (as opposed to ad valorem taxes, which are based on the assessed value of the property).

Source: International Trade Centre

1.03d Number of distinct tariffs

Number of distinct tariffs for all sectors | 2011 or most recent year available

This indicator reflects the number of distinct tariff rates applied by a country on its imports across all sectors.

Source: International Trade Centre

1.04 Share of duty-free imports

Duty-free imports as a share of total imports | 2011, 2010 or most recent year available

Share of trade, excluding petroleum, that is imported free of tariff duties, taking into account most-favored nation tariffs and preferential agreements. Tariff data are from 2011 or most recent year available and imports data are from 2010.

Source: International Trade Centre

1.05 Tariffs faced

Trade-weighted average tariff faced in destination markets | 2011, 2010 or most recent year available

This indicator is calculated as the average of the applied tariff rates, including preferential rates that the rest of the world applies to each country.

Source: International Trade Centre

1.06 Margin of preference in destination markets

Index of margin of preference in destination markets | 2010

This indicator measures the percentage by which particular imports from one country are subject to lower tariffs than the most-favored nation (MFN) rate. It is calculated as the average of two components: (1) the trade-weighted average difference between the MFN tariff and the most advantageous preferential duty (advantage score), and (2) the trade-weighted average of the ratios of the advantageous score to the tariff level. This allows the indicator to capture both the absolute and the relative margin of preference.

Source: International Trade Centre

Pillar 2: Efficiency of customs administration

2.01 Burden of customs procedures

How would you rate the level of efficiency of customs procedures (related to the entry and exit of merchandise) in your country? [1 = extremely inefficient; 7 = extremely efficient] | 2010, 2011

Source: World Economic Forum, Executive Opinion Survey 2010, 2011

2.02 Customs services index

Extent of services provided by customs authorities and related agencies | 2009 or most recent year

This variable is based on 15 Global Express Association customs barriers survey questions capturing different aspects of the services offered by customs and related agencies. The services included are the following: clearance of shipments via electronic data interchange; separation of physical release of goods from the fiscal control; full-time (24 hours / 7 days a week) automated processing; customs working hours adapted to commercial needs; fee for services in normal service hours; inspection and release of goods arriving by air by the operator's facility; automated risk assessment as primary basis for physical examination of shipments; multiple inspections (inspections by agencies other than customs), and the promptness of those inspections; exemptions from full customs formalities for shipments of minimal value; exemptions from a duties and taxes for shipments of minimal value; clearance of shipments by a third party; appeal of customs decisions to a higher level or an independent tribunal; and use of reference prices or arbitrary uplifts to invoice values. The maximum score an economy can obtain is 12.

Source: Global Express Association

Pillar 3: Efficiency of import-export procedures

3.01 Efficiency of the clearance process

Efficiency of the clearance process by customs and border control agencies (1 = very low; 5 = very high) | 2012

This variable assesses the effectiveness and efficiency of the clearance process by customs and other border control agencies in the eight major trading partners of each country. Respondents to the Logistics Performance Index (LPI) survey were asked to evaluate the effectiveness and efficiency of clearance in the country in which they work, based on their experience in international logistics, on a 1-to-5 scale compared with generally accepted industry standards or practices.

Source: The World Bank, Logistics Performance Index 2012

3.02 Time to import

Number of days necessary to comply with all procedures required to import goods | 2011

The time calculation for a procedure starts from the moment it is initiated and runs until it is completed. If a procedure can be accelerated for an additional cost, the fastest legal procedure is chosen. It is assumed that neither the exporter nor the importer wastes time and that each commits to completing each remaining procedure without delay. Procedures that can be completed in parallel are measured as simultaneous. The waiting time between procedures—for example, during unloading of the cargo—is included in the measure.

Source: The World Bank, Doing Business 2012

3.03 Documents to import

Number of all documents required to import goods | 2011

This variable takes into account all documents required to import the goods that are recorded. It is assumed that the contract has already been agreed upon and signed by both parties. Documents include bank documents, customs declaration and clearance documents, port filing documents, import licenses, and other official documents exchanged between the concerned parties. Documents filed simultaneously are considered different documents but with the same time frame for completion.

Source: The World Bank, Doing Business 2012

3.04 Cost to import

Cost (US$ per container) associated with all the procedures required to import goods | 2011

This variable measures the fees levied on a 20-foot container in US dollars. All the fees associated with completing the procedures to export or import the goods are included. These include costs for documents, administrative fees for customs clearance and technical control, terminal handling charges, and inland transport. The cost measure does not include tariffs or trade taxes. Only official costs are recorded.

Source: The World Bank, Doing Business 2012

3.05 Time to export

Number of days necessary to comply with all procedures required to export goods | 2011

The time calculation for a procedure starts from the moment it is initiated and runs until it is completed. If a procedure can be accelerated for an additional cost, the fastest legal procedure is chosen. It is assumed that neither the exporter nor the importer wastes time and that each commits to completing each remaining procedure without delay. Procedures that can be completed in parallel are measured as simultaneous. The waiting time between procedures—for example, during unloading of the cargo—is included in the measure.

Source: The World Bank, Doing Business 2012

3.06 Documents to export

Number of documents required to export goods | 2011

This variable takes into account all documents required to export the goods that are recorded. It is assumed that the contract has already been agreed upon and signed by both parties. Documents include bank documents, customs declaration and clearance documents, port filing documents, import licenses, and other official documents exchanged between the concerned parties. Documents filed simultaneously are considered different documents but with the same time frame for completion.

Source: The World Bank, Doing Business 2012

3.07 Cost to export

Cost (US$ per container) associated with all the procedures required to export goods | 2011

This variable measures the fees levied on a 20-foot container in US dollars. All the fees associated with completing the procedures to export or import the goods are included. These include costs for documents, administrative fees for customs clearance and technical control, terminal handling charges, and inland transport. The cost measure does not include tariffs or trade taxes. Only official costs are recorded.

Source: The World Bank, Doing Business 2012

Pillar 4: Transparency of border administration

4.01 Irregular payments in exports and imports

In your country, how common is it for firms to make undocumented extra payments or bribes connected with imports and exports? (1 = common; 7 = never occurs) | 2010, 2011

Source: World Economic Forum, Executive Opinion Survey 2010, 2011

4.02 Corruption Perceptions Index

Index of the perceived level of public-sector corruption (0 = very high; 10 = very low) | 2011 (Note that the information used is based on survey data gathered between December 2009 and September 2011)

The Corruption Perceptions Index score relates to perceptions of the degree of public-sector corruption as seen by business people and country analysts and ranges between 0 (high) and 10 (low).

Source: Transparency International

Pillar 5: Availability and quality of transport infrastructure

5.01 Airport density

Number of airports per million population | 2010

Number of airports with at least one scheduled flight in 2010 per million population

Source: International Air Transport Association, SRS Analyser

5.02 Transshipment connectivity index

Type of transshipment connections available to shippers from each country/economy on bilateral routes (0 = low connectivity; 100 = high connectivity) | 2011

This index aims at reflecting the geographical aspects of the liner service supply. In the absence of direct liner shipping between two countries, the cargo will have to be transshipped in a port of a third or even fourth country in order to reach the destination country. The index score is the weighted sum of the four connection types: the number of first-order connections (connection without transshipment) multiplied by 1, the number of second-order connection (connection with one transshipment) multiplied by 0.5, the number of third-order connections (connections with two transshipments) multiplied by 0.33, and the number of fourth-order connections (connection with three transshipments) multiplied by 0.25. Weights represent the efficacy of the connection. Landlocked countries are excluded from the index calculation.

Source: United Nations Conference and Trade and Development

5.03 Paved roads

Paved roads as a percentage of total roads | 2008 or most recent year available

Paved roads are those surfaced with crushed stone (macadam) and hydrocarbon binder or bituminized agents, with concrete, or with cobblestones. This indicator shows paved roads as a percentage of all the country/economy's roads, measured in length.

Source: The World Bank, World Development Indicators Online (retrieved on December 23, 2011); national sources

5.04 Quality of air transport infrastructure

How would you assess passenger air transport infrastructure in your country? (1 = extremely underdeveloped; 7 = extensive and efficient by international standards) | 2010, 2011

Source: World Economic Forum, Executive Opinion Survey 2010, 2011

5.05 Quality of railroad infrastructure

How would you assess the railroad system in your country? (1 = extremely underdeveloped; 7 = extensive and efficient by international standards) | 2010, 2011

Source: World Economic Forum, Executive Opinion Survey 2010, 2011

5.06 Quality of roads

How would you assess roads in your country? (1 = extremely underdeveloped; 7 = extensive and efficient by international standards) | 2010, 2011

Source: World Economic Forum, Executive Opinion Survey 2010, 2011

5.07 Quality of port infrastructure

How would you assess port facilities in your country? (1 = extremely underdeveloped; 7 = well-developed and efficient by international standards). For landlocked countries, this measures the ease of access to port facilities and inland waterways | 2010, 2011

Source: World Economic Forum, Executive Opinion Survey 2010, 2011

Pillar 6: Availability and quality of transport services

6.01 Liner Shipping Connectivity Index

Quantity of services provided by liner companies (maximum value in 2004 = 100) | 2011 or most recent

This indicator captures how well countries are connected to global shipping networks. It is based on five components of the maritime transport sector: number of ships, their container-carrying capacity, maximum vessel size, number of services, and number of companies that deploy container ships in a country's ports. For each component, a country's value is divided by the maximum value of each component in 2004, the five components are averaged for each country, and the average is divided by the maximum average for 2004 and multiplied by 100. The index generates a value of 100 for the country, with the highest average index achieved in 2004.

Source: United Nations Conference and Trade and Development

6.02 Ease and affordability of shipment

Ease of arranging competitively priced international shipments (1 = very low; 5 = very high) | 2012

This variable assesses the ease and affordability associated with arranging international shipments. Respondents to the Logistics Performance Index (LPI) survey were asked to evaluate the ease and affordability associated with arranging international shipments to or from eight countries (major trading partners) with which they conduct business. Performance was evaluated using a 5-point scale (1 for the lowest score, 5 for the highest), based on their experience in international logistics and in accordance with generally accepted industry standards or practices.

Source: The World Bank, Logistics Performance Index 2012

6.03 Logistics competence

Competence and quality of logistics services (e.g., transport operators, customs brokers) (1 = very low; 5 = very high) | 2012

This variable evaluates the competence of the local logistics industry. Respondents to the Logistics Performance Index (LPI) survey were asked to evaluate the competence of the local logistics industry in the eight countries (major trading partners) with which they conduct business. Performance was evaluated using a 5-point scale (1 for the lowest score, 5 for the highest), based on their experience in international logistics and in accordance with generally accepted industry standards or practices.

Source: The World Bank, Logistics Performance Index 2012

6.04 Tracking and tracing ability

Ability to track and trace consignments (1 = very low; 5 = very high) | 2012

This variable assesses the ability to track and trace international shipments (consignments). Respondents to the Logistics Performance Index (LPI) survey were asked to evaluate the ability to track and trace international shipments (consignments) when shipping to or from eight countries (major trading partners) with which they conduct business. Performance was evaluated using a 5-point scale (1 for the lowest score, 5 for the highest), based on their experience in international logistics and in accordance with generally accepted industry standards or practices.

Source: The World Bank, Logistics Performance Index 2012

6.05 Timeliness of shipments in reaching destination

Frequency of shipments reaching the consignee within the scheduled delivery (1 = very low; 5 = very high) | 2012

This variable assesses how often shipments reach the consignee within the scheduled delivery time. Respondents to the Logistics Performance Index (LPI) survey were asked to evaluate the timeliness of shipments in reaching destination when arranging shipments to eight countries (major trading partners) with which they conduct business. Performance was evaluated using a 5-point scale (1 for the lowest score, 5 for the highest), based on their experience in international logistics and in accordance with generally accepted industry standards or practices.

Source: The World Bank, Logistics Performance Index 2012

6.06 Postal service efficiency

To what extent do you trust your country's postal system to have a friend mail a small package worth US$100 to you? (1 = do not trust at all; 7 = trust completely) | 2010, 2011

Source: World Economic Forum, Executive Opinion Survey 2010, 2011

6.07 GATS commitments in the transport sector

Index of commitments in the transport sector under the General Agreement on Trade in Services (GATS) | 2010 or most recent year available

This indicator measures the extent of commitments for trade-related services in the transportation sector under the General Agreement on Trade in Services (GATS). It covers the following sectors: air transport services, maritime transport services (only for non-landlocked countries), rail transport services, road transport services, and services auxiliary to all modes of transport. Passenger transport has been excluded across all sectors. Only subsectors where commitments to opening up completely have been taken into account, and the results have been weighted by 2010 global trade data.

Source: International Trade Centre and authors' calculations

Pillar 7: Availability and use of ICTs

7.01 Extent of business Internet use

To what extent do companies within your country use the Internet in their business activities (e.g., buying and selling goods, interacting with customers and suppliers)? (1 = not at all; 7 = extensively) | 2010, 2011

Source: World Economic Forum, Executive Opinion Survey 2010, 2011

7.02 Mobile telephone subscriptions

Mobile telephone subscriptions per 100 population | 2010 or most recent year available

According to the World Bank, mobile cellular telephone subscriptions are subscriptions to a public mobile telephone service using cellular technology, which provides access to switched telephone technology. Postpaid and prepaid subscriptions are included. This can also include analogue and digital cellular systems but should not include non-cellular systems. Subscribers to fixed wireless, public mobile data services, or radio paging services are not included.

Source: International Telecommunication Union, ITU World Telecommunication/ICT Indicators Database 2011 (December 2011 edition)

7.03 Broadband Internet subscribers

Total broadband Internet subscribers per 100 population | 2010 or most recent year available

The International Telecommunication Union considers broadband to be any dedicated connection to the Internet of 256 kilobits per second or faster, in both directions. *Broadband subscribers* refers to the sum of DSL, cable modem, and other broadband (for example, fiber optic, fixed wireless, apartment LANs, satellite connections) subscribers.

Source: International Telecommunication Union, ITU World Telecommunication/ICT Indicators Database 2011 (December 2011 edition)

7.04 Government Online Service Index

The Government Online Service Index assesses the quality of government's delivery of online services (0 = low; 1 = high) | 2012

This index captures a government's performance in delivering online services to the citizens. There are four stages of service delivery (Emerging, Enhanced, Transactional, and Connected). Online services are assigned to each stage according to their degree of sophistication, from the more basic to the more sophisticated. In each country, the performance of the government in each of the four stages is measured as the number of services provided as a percentage of the maximum services in the corresponding stage. Examples of services include online presence, deployment of multimedia content, governments' solicitation of citizen input, widespread data sharing, and use of social networking. For more details about the methodology employed and the assumptions made to compute this indicator, please consult the UN's Global E-Government Survey 2012's dedicated page at http://www2.unpan.org/egovkb/global_reports/12report.htm

Source: United Nations, UN E-Government Survey 2012: E-Government for the People

7.05 Internet users

Percentage of individuals using the Internet | 2010

Internet users are people with access to the worldwide network.

Source: International Telecommunication Union, ITU World Telecommunication/ICT Indicators Database 2011 (December 2011 edition)

Pillar 8: Regulatory environment

8.01 Property rights

Composite indicator capturing the degree of protection of property rights and intellectual property from the Global Competitiveness Index 2011–2012

This indicator is the average of two variables: *Property rights:* How would you rate the protection of property rights, including financial assets, in your country? (1 = very weak, 7 = very strong) and *Intellectual property protection:* How would you rate intellectual property protection, including anti-counterfeiting measures, in your country? (1 = very weak, 7 = very strong).This composite variable corresponds to composite indicator 1.A.1 from the Global Competitiveness Index 2011–2012.

Source: World Economic Forum, The Global Competitiveness Report 2011–2012

8.02 Ethics and corruption

Composite indicator assessing the level of ethical standards and corruption from the Global Competitiveness Index 2011–2012.

This indicator is the average of two variables: *Diversion of public funds:* In your country, how common is diversion of public funds to companies, individuals, or groups due to corruption? (1 = very common; 7 = never occurs) and *Public trust of politicians:* How would you rate the level of public trust in the ethical standards of politicians in your country? (1 = very low; 7 = very high). This composite variable corresponds to composite indicator 1.A.2 from the Global Competitiveness Index 2011–2012.

Source: World Economic Forum, The Global Competitiveness Report 2011–2012

8.03 Undue influence

Composite indicator capturing the degree of undue influence in the judicial system and among government officials from the Global Competitiveness Index 2011–2012.

This indicator is the average of two variables: *Judicial independence:* To what extent is the judiciary in your country independent from influences of members of government, citizens or firms? (1 = heavily influenced; 7 = entirely independent) and *Favoritism in decisions of government officials:* To what extent do government officials in your country show favoritism to well-connected firms and individuals when deciding upon policies and contracts? (1 = always show favoritism; 7 = never show favoritism). This composite variable corresponds to composite indicator 1.A.3 from the Global Competitiveness Index 2011–2012.

Source: World Economic Forum, The Global Competitiveness Report 2011–2012

8.04 Government efficiency

Composite indicator capturing the efficiency of the government from the Global Competitiveness Index 2011–2012.

This indicator is the average of five variables: *Wastefulness of government spending:* How would you rate the composition of public spending in your country? (1 = extremely wasteful; 7 = highly efficient in providing necessary goods and services); *Burden of government regulation:* How burdensome is it for businesses in your country to comply with governmental administrative requirements (e.g., permits, regulations, reporting)? (1 = extremely burdensome; 7 = not burdensome at all); *Efficiency of legal framework in setting disputes:* How efficient is the legal framework in your country for private businesses to settle disputes? (1 = extremely inefficient; 7 = highly efficient); *Efficiency of legal framework in challenging regulations:* How efficient is the legal framework in your country for private businesses to challenge the legality of government actions and/or regulations? 1 = extremely inefficient; 7 = highly efficient); and *Transparency of government policymaking:* How easy is it for businesses in your country to obtain information about changes in government policies and regulations affecting your industry? (1 = impossible; 7 = extremely easy). This composite variable corresponds to composite indicator 1.A.4 from the Global Competitiveness Index 2011–2012.

Source: World Economic Forum, The Global Competitiveness Report 2011–2012

8.05 **Domestic competition**

Composite indicator measuring the intensity of domestic competition and the quality of related policies from the Global Competitiveness Index 2011–2012.

This indicator is the average of eight variables: *Intensity of local competition:* How would you assess the intensity of competition in the local markets in your country? (1 = limited in most industries; 7 = intense in most industries); *Extent of market dominance:* How would you characterize corporate activity in your country? (1 = dominated by a few business groups; 7 = spread among many firms); *Effectiveness of anti-monopoly policy:* To what extent does anti-monopoly policy promote competition in your country? (1 = does not promote competition; 7 = effectively promotes competition); *Extent and effect of taxation:* What impact does the level of taxes in your country have on incentives to work or invest? (1 = significantly limits incentives to work or invest; 7 = has no impact on incentives to work or invest); *Total tax rate,* defined as a combination of profit tax (% of profits), labor tax and contribution (% of profits), and other taxes (% of profits); *Number of procedures to start a business; Time required to start a business,* defined as number of days required to start a business; and *Agricultural policy costs:* How would you assess the agricultural policy in your country? (1 = it is excessively burdensome for the economy; 7 = it balances the interests of taxpayers, consumers, and producers). This composite variable corresponds to indicator 6.A.1 from the Global Competitiveness Index 2011–2012.

Source: World Economic Forum, The Global Competitiveness Report 2011–2012

8.06 **Efficiency of the financial market**

Composite indicator measuring the efficiency of the domestic financial sector from the Global Competitiveness Index 2011–2012

This indicator is the average of five variables: *Financial market sophistication:* How would you assess the level of sophistication of financial markets in your country? (1 = poor by international standards; 7 = excellent by international standards); *Financing through local equity market:* How easy is it to raise money by issuing shares on the stock market in your country? (1 = very difficult; 7 = very easy); *Ease of access to loans:* How easy is it to obtain a bank loan in your country with only a good business plan and no collateral? (1 = very difficult; 7 = very easy); *Venture capital availability:* In your country, how easy is it for entrepreneurs with innovative but risky projects to find venture capital? (1 = very difficult; 7 = very easy); and *Strength of investor protection* index on a scale of 0–10 (best), defined as a combination of the extent of disclosure index (transparency of transactions), the extent of director liability index (liability for self-dealing), and the ease of shareholder suit index (shareholders' ability to sue officers and directors for misconduct). This composite variable corresponds to indicator 8.A from the Global Competitiveness Index 2011–2012.

Source: World Economic Forum, The Global Competitiveness Report 2011–2012

8.07 **Openness to foreign participation**

This variable is calculated as the average of four variables: Ease of hiring foreign labor, Prevalence of foreign ownership, Business impact of rules on FDI and Openness to multilateral trade rules.

8.07a **Ease of hiring foreign labor**

To what extent does labor regulation in your country limit the ability to hire foreign labor? (1 = very much limits hiring foreign labor; 7 = does not limit hiring foreign labor at all) | 2011, 2012.

Source: World Economic Forum, Executive Opinion Survey 2010, 2011

8.07b **Prevalence of foreign ownership**

How prevalent is foreign ownership of companies in your country? (1 = very rare; 7 = highly prevalent) | 2010, 2011

Source: World Economic Forum, Executive Opinion Survey 2010, 2011

8.07c **Business impact of rules on FDI**

To what extent do rules governing foreign direct investment (FDI) encourage or discourage it? (1 = strongly discourage FDI; 7 = strongly encourage FDI) | 2010, 2011

Source: World Economic Forum, Executive Opinion Survey 2010, 2011

8.07d **Openness to multilateral trade rules**

Openness to multilateral trade rules index (0 = lowest; 100 = highest) | 2011

This index evaluates the overall participation of countries in multilateral trade rules or instruments (MTRs). These rules are all internationally elaborated legal standards currently regulating trade in specific areas. MTRs are primarily comprised of conventions and treaties that countries ratify or accede to, and international model laws that are incorporated into national law. The index is based on ITC's Trade Treaties map–LegaCarta system, which analyzes the position of each country (in terms of accession/ nonaccession and incorporation/nonincorporation) regarding some 280 MTRs as well as 450 protocols or amendments overseen by 28 different international organizations. For the purposes of this index, 40 core MTRs were selected, and each was rated with a score depending on its importance and relevance to trade. The 40 core instruments belong to seven categories (contracts, customs, dispute resolution, governance, intellectual property, investment, and air transport). Each category is given an equal weight in the calculation of the index. Selection of the core instruments is based on their importance and relevance to trade and their universality. The importance and relevance to trade of an instrument is determined by taking into account several criteria including: the impact of its provisions on international trade (reduction of transactional costs, trade facilitation, harmonization, transparency, predictability, creation of a business-friendly business climate, support of private-sector activities, and encouragement of foreign direct investment), the opinion of international legal experts, and the views of the international bodies administering these instruments. *Universality* means that the selected MTRs can potentially be applied by all countries, notwithstanding their geographical position or economic level. For example, maritime transport conventions, however important, were not taken into account because of their weak relevance for landlocked countries; treaties dealing with securities and insider trading were not included because they do not represent a priority in countries that have not developed sophisticated financial markets. Accession to the World Trade Organization (WTO) Agreements is not taken into account in this index because WTO accession does not depend exclusively on the will of a non-member state to join the WTO.

Source: International Trade Centre, based on data from the Trade Treaties map–LegaCarta database

8.08 **Availability of trade finance**

In your country, how easy is it to obtain trade finance at affordable cost (trade credit insurance and trade credit such as letters of credit, bank acceptances, advanced payments, open account arrangements) (1 = common; 7 = never occurs) | 2010, 2011

Source: World Economic Forum, Executive Opinion Survey 2010, 2011

Pillar 9: Physical security

9.01   Reliability of police services

To what extent can police services be relied upon to enforce law and order in your country? (1 = cannot be relied upon at all; 7 = can always be relied upon) | 2010, 2011

Source: World Economic Forum, Executive Opinion Survey 2010, 2011

9.02   Business costs of crime and violence

Does the incidence of crime and violence impose costs on businesses in your country? (1 = significant costs; 7 = no costs) | 2010, 2011

Source: World Economic Forum, Executive Opinion Survey 2010, 2011

9.03   Business costs of terrorism

Does the threat of terrorism impose costs on businesses in your country? (1 = significant costs; 7 = no costs) | 2010, 2011

Source: World Economic Forum, Executive Opinion Survey 2010, 2011