Appendix B: Technical Notes and Sources

The data in this *Report* represents 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. The title of each indicator appears on the first line, preceded by its number to allow for quick reference. The numbering is consistent with the one adopted in Appendix A.

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 market access

1.01 Tariff rate

Trade-weighted average applied tariff rate (%) | 2013 or most recent year available

This indicator is calculated as a trade-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 (2012 data). An applied tariff is a customs duty that is levied on imports of merchandise goods.

Source: International Trade Centre
Note: Higher value means worse outcome

1.02 Complexity of tariffs

Index of complexity of tariffs, 1–7 (least complex) scale | Various years

This indicator is calculated as the average of the following indicators: Tariff dispersion, Specific tariffs and Number of distinct tariffs. See description of each individual indicator for more details. Prior to averaging, values for each indicator were transformed to a 1–7 score, using the min-max method.

Source: International Trade Centre

1.02.a Tariff dispersion

Standard deviation of applied tariff rates | 2013 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
Note: Higher value means worse outcome

1.02.b Tariff peaks

Share of tariff lines with domestic peaks (%) | 2013 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 MFN (most-favoured nation) 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
Note: Higher value means worse outcome

1.02.c Specific tariffs

Share of tariff lines with specific tariffs (%) | 2013 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 fixed amount per quantity (as opposed to ad valorem).

Source: International Trade Centre
Note: Higher value means worse outcome

1.02.d Number of distinct tariffs

Number of distinct tariffs for all sectors | 2013 or most recent year available

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

Source: International Trade Centre
Note: Higher value means worse outcome

1.03 Share of duty-free imports

Duty-free imports as a share of total imports (%) | 2013 or most recent year available

Share of trade, excluding petroleum, that is imported free of tariff duties, taking into account MFN tariffs and preferential agreements. Tariff data is from 2013 or most recent year available and imports data is from 2012.

Source: International Trade Centre

Pillar 2: Foreign market access

2.01 Tariffs faced

Trade-weighted average tariff faced in destination markets (%) | 2013 or most recent year available

This indicator is calculated as the trade-weighted average of the applied tariff rates, including preferential rates that the rest of the world applies to each country. The weights are the trade patterns of the importing country's reference group (2012 data). A tariff is a customs duty that is levied by the destination country on imports of merchandise goods.

Source: International Trade Centre
Note: Higher value means worse outcome

2.02 Margin of preference in destination markets

Index of margin of preference in destination markets, 0–100 (best) | 2013

This indicator measures the percentage by which particular imports from one country are subject to lower tariffs than the 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 ratio of the advantage score to the trade-weighted average MFN tariff level. This allows capturing both the absolute and the relative margin of preference.

Source: World Economic Forum's calculations based on data from International Trade Centre

Pillar 3: Efficiency and transparency of border administration

3.01 Customs services index

Index of extent of quality and comprehensiveness of services provided by customs authorities and related agencies, 0–1 (best) | 2014 or most recent year

This indicator is based on 17 survey questions taken from the Global Express Association (GEA) Customs Capabilities Reports, which evaluate the quality and comprehensiveness of services offered by customs and related agencies. The services included: clearance of shipments via electronic data interchange; separation of physical release of goods from fiscal control; full-time (24 hours/7 days a week) automated processing; customs working hours adapted to commercial needs; fee for services conducted during 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 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 1.

Source: World Economic Forum's calculations based on data from the Global Express Association

3.02 Efficiency of the clearance process

Efficiency of the clearance process by customs and border control agencies (1 = very low, 5 = very high) | 2013

This indicator 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 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 1–5 scale compared with generally accepted industry standards or practices.

Source: The World Bank, *Logistics Performance Index 2014*

3.03 Time to import goods

Number of days necessary to comply with all procedures required to import goods | 2013

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 2014*
Note: Higher value means worse outcome

3.04 Documents to import goods

Number of all documents required to import goods | 2013

This indicator 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 2014*
Note: Higher value means worse outcome

3.05 Cost to import goods

Cost (US$ per container) associated with all the procedures required to import goods | 2013

This indicator measures the fees levied on a 20-foot container in U.S. dollars. All the fees associated with completing the procedures to 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 2014*
Note: Higher value means worse outcome

3.06 Time to export goods

Number of days necessary to comply with all procedures required to export goods | 2013

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 2014*
Note: Higher value means worse outcome

3.07 Documents to export goods

Number of documents required to export goods | 2013

This indicator 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 2014*
Note: Higher value means worse outcome

3.08 Cost to export goods

Cost (US$ per container) associated with all the procedures required to export goods | 2013

This indicator measures the fees levied on a 20-foot container in U.S. dollars. All the fees associated with completing the procedures to export 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 2014*
Note: Higher value means worse outcome

3.09 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) | 2012–2013 weighted average

Source: World Economic Forum, Executive Opinion Survey, 2012 and 2013 editions

3.10 Time predictability of import procedures

In your country, to what extent does the time necessary for border clearance fluctuate when importing goods? (1 = fluctuates significantly, 7 = is extremely stable) | 2012–2013 weighted average

Source: World Economic Forum, Executive Opinion Survey, 2013

3.11 Customs transparency index

Index of transparency of procedures and regulations related to customs clearance, 0–1 (best) | 2014 or most recent year

This indicator is based on 7 survey questions taken from the GEA Customs Capabilities Reports, evaluating the overall transparency of the procedures and regulations related to customs clearance. The maximum score an economy can obtain is 1.

Source: World Economic Forum's calculations based on data from the Global Express Association

Pillar 4: Availability and quality of transport infrastructure

4.01 Available airline seat kilometres

Scheduled available international airline seat kilometres per week originating in country (in millions) | January 2013–July 2013

This variable measures the total passenger-carrying capacity of all scheduled international flights originating in a country. It is computed by taking the number of seats available on each flight multiplied by the flight distance in kilometres, summing the result across all scheduled flights in a week during January (winter schedule) and July (summer schedule) 2013, and taking the average capacity of the two weeks.

Source: International Air Transport Association, SRS Analyser

4.02 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) | 2012–2013 weighted average

Source: World Economic Forum, Executive Opinion Survey, 2012 and 2013 editions

4.04 Liner Shipping Connectivity Index

Quantity of services provided by liner companies | 2013

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 then 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 in 2004.

Source: United Nations Conference on Trade and Development (UNCTAD), Transport Section, Trade Logistics Branch

4.05 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. | 2012–2013 weighted average

Source: World Economic Forum, Executive Opinion Survey, 2012 and 2013 editions

4.06 Paved roads

Paved roads as percentage of total roads | 2010 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's/economy's roads, measured in length.

Sources: The World Bank, *World Development Indicators Online* (retrieved on November 6, 2013); national sources

4.07 Quality of roads

How would you assess roads in your country? (1 = extremely underdeveloped, 7 = extensive and efficient by international standards) | 2012–2013 weighted average

Source: World Economic Forum, Executive Opinion Survey, 2012 and 2013 editions

Pillar 5: Availability and quality of transport services

5.01 Ease and affordability of shipment

Ease of arranging competitively priced international shipments (1 = very low, 5 = very high) | 2013

This indicator assesses the ease and affordability associated with arranging international shipments. Respondents to the 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 2014*

5.02 Logistics competence

Competence and quality of logistics services, e.g. transport operators and customs brokers (1 = very low, 5 = very high) | 2013

This indicator evaluates the competence of the local logistics industry. Respondents to the 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 2014*

5.03 Tracking and tracing ability

Ability to track and trace consignments (1 = very low, 5 = very high) | 2013

This indicator assesses the ability to track and trace international shipments (consignments). Respondents to the 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 2014*

5.04 Timeliness of shipments in reaching destination

Frequency of shipments reaching the consignee within the scheduled delivery (1 = very low, 5 = very high) | 2013

This indicator assesses how often shipments reach the consignee within the scheduled delivery time. Respondents to the LPI survey were asked to evaluate the timeliness of shipments in reaching their 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 2014*

5.05 Postal service efficiency

In your country, how efficient is the postal system? (1 = not efficient at all, 7 = extremely efficient) | 2013

Source: World Economic Forum, Executive Opinion Survey, 2013 edition

5.06 Efficiency of transport mode change

In your country, how efficient are changes between different modes of transport (e.g. from port to rail or airport to roads)? (1 = not efficient at all, 7 = extremely efficient) | 2012–2013 weighted average

Source: World Economic Forum, Executive Opinion Survey, 2012 and 2013 editions

Pillar 6: Availability and use of ICTs

6.01 Mobile telephone subscriptions

Mobile telephone subscriptions (post-paid and pre-paid) per 100 population | 2012

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 2013* (December 2013 edition)

6.02 Internet users

Percentage of individuals using the Internet | 2012

Internet users are people with access to the worldwide network.

Source: International Telecommunication Union, *ITU World Telecommunication/ICT Indicators Database 2013* (December 2013 edition)

6.03 Fixed broadband Internet subscriptions

Fixed broadband Internet subscriptions per 100 population | 2012

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 2013* (December 2013 edition)

6.04 Active mobile broadband subscriptions

Active mobile broadband Internet subscriptions per 100 population | 2012

The International Telecommunication Union considers active mobile broadband Internet subscriptions all Standard mobile-broadband subscriptions (via a mobile-cellular telephone) and Dedicated mobile-broadband subscriptions (via UBS dongle/modem) or as add-on data package to voice package. Other wireless-broadband subscriptions, such as Terrestrial fixed (wireless)-broadband subscriptions (e.g. WiMAX) and Satellite-broadband subscriptions, are excluded from this indicator.

Source: International Telecommunication Union, *ITU World Telecommunication/ICT Indicators Database 2013* (December 2013 edition)

6.05 ICT use for business-to-business transactions

In your country, to what extent do businesses use ICTs for transactions with other businesses? (1 = not at all, 7 = to a great extent) | 2012–2013 weighted average

Source: World Economic Forum, Executive Opinion Survey, 2012 and 2013 editions

6.06 Internet use for business-to-consumer transactions

In your country, to what extent do businesses use the Internet for selling their goods and services to consumers? (1 = not at all, 7 = to a great extent) | 2012–2013 weighted average

Source: World Economic Forum, Executive Opinion Survey, 2012 and 2013 editions

6.07 Government Online Service Index

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

The 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*

Pillar 7: Operating environment

7.01 Protection of property

Index of protection of property (1 = extremely weak, 7 = extremely strong) | 2012–2013 weighted average

This indicator is a combination of two indicators derived from the World Economic Forum's Executive Opinion Survey: Protection of property rights and Intellectual property protection. See description of each individual indicator for more details.

Source: World Economic Forum, Executive Opinion Survey, 2012 and 2013 editions

7.01.a Property rights

In your country, how strong is the protection of property rights, including financial assets? (1 = extremely weak, 7 = extremely strong) | 2012–2013 weighted average

Source: World Economic Forum, Executive Opinion Survey, 2012 and 2013 editions

7.01.b Intellectual property protection

In your country, how strong is the protection of intellectual property, including anti-counterfeiting measures? (1 = extremely weak, 7 = extremely strong) | 2012–2013 weighted average

Source: World Economic Forum, Executive Opinion Survey, 2012 and 2013 editions

7.02 Efficiency and accountability of public institutions

Index of efficiency and accountability of public institutions (1 = worst, 7 = best) | Various years

This indicator is a combination of six indicators derived from the World Economic Forum's Executive Opinion Survey: Judicial independence; Diversion of public funds, Favoritism in decision of government officials, Efficiency of the legal framework in settling disputes, Efficiency of the legal framework in challenging regulations and Burden of government regulation. See description of each individual indicator for more details.

Source: World Economic Forum, Executive Opinion Survey, 2012 and 2013 editions

7.02.a Judicial efficiency and impartiality in commercial disputes

Index of timeliness and impartiality of commercial disputes involving state, national and foreign stakeholders (0 = worst, 4 = best) | 2012

This indicator, produced by the Centre d'études prospectives et d'informations internationales (CEPII), is the average of the country's scores on timeliness of judicial decisions in commercial matters, impartiality of the justice system in commercial disputes involving the state, impartiality of the justice system in commercial disputes involving national stakeholders and impartiality of the justice system in commercial disputes involving nationals and foreigners. The scores are the result of a survey conducted by CEPII among the officers of the French Ministry for the Economy and Finance (MEF) stationed abroad and of the French Development Agency (AFD). Note that CEPII refers to this indicator as "Trade Justice" in its *Institutional Profiles Database 2012*.

Source: Centre d'études prospectives et d'informations internationales (CEPII), *Institutional Profiles Database 2012*

7.02.b Diversion of public funds

In your country, how common is diversion of public funds to companies, individuals or groups due to corruption? (1 = very commonly occurs, 7 = never occurs) | 2012–2013 weighted average

Source: World Economic Forum, Executive Opinion Survey, 2012 and 2013 editions

7.02.c Burden of government regulation

In your country, how burdensome is it for businesses to comply with governmental administrative requirements, e.g. permits, regulations, reporting? (1 = extremely burdensome, 7 = not burdensome at all) | 2012–2013 weighted average

Source: World Economic Forum, Executive Opinion Survey, 2012 and 2013 editions

7.03 Access to finance

Index of access to finance (1 = worst, 7 = best) | 2012–2013 weighted average

This indicator is a combination of four indicators derived from the World Economic Forum's Executive Opinion Survey: Affordability of financial services, Availability of financial services, Ease of access to loans and Availability of trade finance. See description of each individual indicator for more details.

Source: World Economic Forum, Executive Opinion Survey, 2012 and 2013 editions

7.03.a Affordability of financial services

In your country, to what extent are financial services affordable for businesses? (1 = not affordable at all, 7 = affordable) | 2012–2013 weighted average

Source: World Economic Forum, Executive Opinion Survey, 2012 and 2013 editions

7.03.b Availability of financial services

In your country, to what extent does the financial sector provide a wide range of financial products and services to businesses? (1 = not at all, 7 = provides a wide variety) | 2012–2013 weighted average

Source: World Economic Forum, Executive Opinion Survey, 2012 and 2013 editions

7.03.c Ease of access to loans

In your country, how easy is it to obtain a bank loan with only a good business plan and no collateral? (1 = extremely difficult, 7 = extremely easy) | 2012–2013 weighted average

Source: World Economic Forum, Executive Opinion Survey, 2012 and 2013 editions

7.03.d Availability of trade finance

In your country, how easy is it to obtain trade financing at affordable cost (trade credit insurance and trade credit such as letters of credit, bank acceptances, advanced payments and open account arrangements)? (1 = common, 7 = never occurs)? | 2012–2013 weighted average

Source: World Economic Forum, Executive Opinion Survey, 2012 and 2013 editions

7.04 Openness to foreign participation

Index of openness to foreign participation (1 = worst, 7 = best) | Various years

This indicator is a combination of the Ease of hiring foreign labour, Business impact of rules on FDI (both derived from the World Economic Forum's Executive Opinion Survey) and Openness to multilateral trade rules (International Trade Centre) indicators. See description of each individual indicator for more details.

Source: World Economic Forum's calculations based on data from World Economic Forum and International Trade Centre

7.04.a Ease of hiring foreign labour

To what extent does labour regulation in your country limit the ability to hire foreign labour? (1 = very much limits hiring foreign labour, 7 = does not limit hiring foreign labour at all) | 2012–2013 weighted average

Source: World Economic Forum, Executive Opinion Survey, 2012 and 2013 editions

7.04.b 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) | 2012–2013 weighted average

Source: World Economic Forum, Executive Opinion Survey, 2012 and 2013 editions

(Cont'd.)

7.04.c Openness to multilateral trade rules

Index of openness to multilateral trade rules (0 = lowest, 100 = highest) | Situation as of January 2014

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 (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 WTO Agreements is not taken into account in this index as 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

7.05 Physical security

Index of physical security (1 = lowest, 7 = highest) | Various years

This indicator is a combination of the Reliability of police services, Business costs of crime and violence (both indicators derived from the World Economic Forum's Executive Opinion Survey), Incidence of terrorism and Homicide rate indicators. See description of each individual indicator for more details.

Source: World Economic Forum's calculations based on data from World Economic Forum and United Nations Office on Drugs and Crime

7.05.a 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) | 2012–2013 weighted average

Source: World Economic Forum, Executive Opinion Survey, 2012 and 2013 editions

7.05.b Business costs of crime and violence

In your country, to what extent does the incidence of crime and violence impose costs on businesses? (1 = to a great extent, 7 = not at all) | 2012–2013 weighted average

Source: World Economic Forum, Executive Opinion Survey, 2012 and 2013 editions

7.05.c Business costs of terrorism

In your country, to what extent does the threat of terrorism impose costs on businesses? (1 = to a great extent, 7 = not at all) | 2012–2013 weighted average

Source: World Economic Forum, Executive Opinion Survey, 2012 and 2013 editions

7.05.d Homicide rate

Number of homicide cases per 100,000 population | 2011 or most recent year available

The United Nations Office on Drugs and Crime (UNODC) collects statistics on homicide occurrences worldwide, pooling information from national sources as well as other international institutions such as Interpol, Eurostat, the Organization of American States, UNICEF and the World Health Organization (WHO).

Source: United Nations Office on Drugs and Crime (UNODC)
Note: Higher value means worse outcome

7.05.e Terrorism incidence

Simple average of the number of terrorism-related casualties (injuries and fatalities) and the number of terrorist attacks, each normalized on a scale of 1 to 7 | 2010–2012 total

This index has been created on the basis of data contained in the START Database (National Consortium for the Study of Terrorism and Responses to Terrorism). It is the average of the total number of "terrorism attacks" during the 2010-2012 period and the total number of "terrorism casualties" (fatalities plus injured people) over the same period. Prior to aggregation, both totals were transformed on a scale ranging from 1 (most attacks/casualties) to 7 (no attack/casualty) using a min-max formula. On both measures, economies whose terrorism incidence is above the 95th percentile are assigned a transformed score of 1.

Source: World Economic Forum's calculations based on data from National Consortium for the Study of Terrorism and Responses to Terrorism (START), *Global Terrorism Database.* Retrieved from http://www.start.umd.edu/gtd on January 31, 2014.