

OECD Trade Facilitation Indicators – Korea

To help governments improve their border procedures, reduce trade costs, boost trade flows and reap greater benefits from international trade, OECD has developed a set of **trade facilitation indicators** that identify areas for action and enable the potential impact of reforms to be assessed.

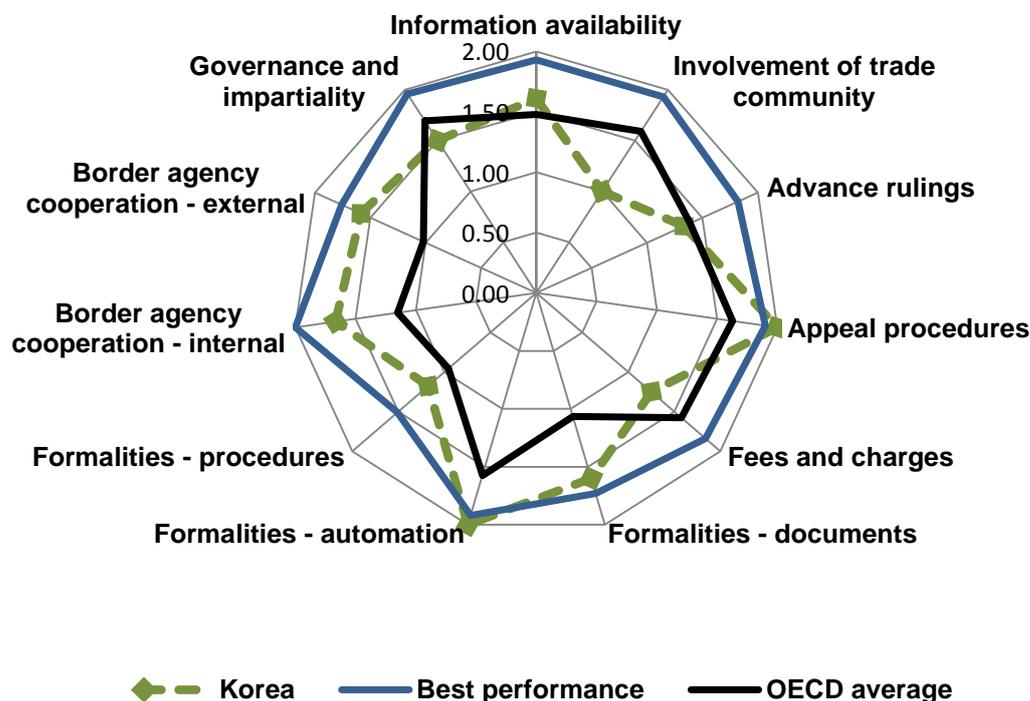
Estimates based on the indicators provide a basis for governments to prioritise trade facilitation actions and mobilise technical assistance and capacity-building efforts for developing countries in a more targeted way.

OECD analysis shows that trade facilitation measures can benefit all countries in their role as exporters as well as importers, allowing better access to inputs for production and greater participation in the international trading system.

Korea's trade facilitation performance

- Korea performs significantly better than the OECD average in the areas of **appeal procedures, simplification and harmonisation of documents, automation, border agency cooperation (internal and external)** and relatively on par with the OECD average for **information availability, advance rulings, streamlining of procedures** and **governance and impartiality**, according to OECD trade facilitation indicators.
- Korea's performance for the **involvement of trade community** and **fees and charges** is below the OECD average.

Korea's trade facilitation performance: OECD indicators
Latest available data, where 2 = best performance



OECD average includes the indicators' values for 25 OECD countries: Australia, Belgium, Canada, Czech Republic, Denmark, France, Germany, Greece, Hungary, Italy, Japan, Korea, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Spain, Sweden, Switzerland, Turkey, United Kingdom, and the United States. The analysis is based on country replies received by June 2010 and the set of indicators as constructed for OECD countries in "Trade Facilitation Indicators: The Impact on Trade Costs" (OECD Trade Policy Paper No. 118, 2011). "Best performance" denotes the average of the top quartile for each of the trade facilitation areas covered, across all countries within the database.

Areas for action in trade facilitation

OECD quantitative analysis for the group of developed countries, which includes Korea, shows that the areas with the greatest impact on increasing bilateral trade flows and reducing trade costs are: **information availability, advance rulings, fees and charges, automation and streamlining of procedures**. Taking into account the trade flow increase and costs reduction potential of the policy areas highlighted by the quantitative analysis, Korea would benefit from continued improvements in the following areas:

Information availability:

- Increase the period of time between the publication of regulations and their entry into force.
- Publish user manuals on the Customs website.
- Increase the quality and user friendliness of the research/help function of the Customs website.

Advance rulings:

- Publish advance rulings of general interest on the Customs website.

Fees and charges:

- Display information on fees and charges on a dedicated page on the Customs website.
- Increase fees transparency.

Formalities – Procedures:

- Increase the percentage of import/export documents (out of the total) submitted to Customs that benefit from pre-arrival processing.
- Reduce the percentage of physical inspections which is high when compared to the OECD sample average.
- Further develop the Post-Clearance Audits program.
- Increase the number of Authorised Operators relative to the total number of traders.
- Continue overall simplification of procedures in terms of both time and costs.

OECD Trade Facilitation Indicators

OECD has developed the following indicators to assess trade facilitation policies.

- *Information Availability*: Publication of trade information, including on internet; enquiry points.
- *Involvement of the Trade Community*: Consultations with traders.
- *Advance Rulings*: Prior statements by the administration to requesting traders concerning the classification, origin, valuation method, etc., applied to specific goods at the time of importation; the rules and process applied to such statements.
- *Appeal Procedures*: The possibility and modalities to appeal administrative decisions by border agencies.
- *Fees and Charges*: Disciplines on the fees and charges imposed on imports and exports.
- *Formalities-Documents*: Simplification of trade documents; harmonisation in accordance with international standards; acceptance of copies.
- *Formalities-Automation*: Electronic exchange of data; automated border procedures; use of risk management.
- *Formalities-Procedures*: Streamlining of border controls; single submission points for all required documentation (single windows); post-clearance audits; authorised economic operators.
- *Internal Co-operation*: Co-operation between various border agencies of the country; control delegation to Customs authorities.
- *External Co-operation*: Co-operation with neighbouring and third countries.
- *Governance and Impartiality*: Customs structures and functions; accountability; ethics policy.

Further reading

Read about the methodology, sources and findings from the OECD trade facilitation indicators in these two papers, available on our website: oecd.org/trade/facilitation

- **Trade Facilitation Indicators: The Potential Impact of Trade Facilitation on Developing Countries' Trade** (OECD Trade Policy Paper No. 144, 2013)
- **Trade Facilitation Indicators: The Impact on Trade Costs** – covering OECD member countries (OECD Trade Policy Paper No. 118, 2011)