World Bank Releases Logistics Performance Index 2023

Resilience and reliability are crucial in the performance of logistics

WASHINGTON, April 21, 2023—The World Bank today released its 2023 Logistics Performance Index report, a measure of countries’ ability to move goods across borders with speed and reliability.

The seventh edition of Connecting to Compete, the Logistics Performance Index (LPI) report comes after three years of unprecedented supply chain disruptions during the COVID-19 pandemic, when delivery times soared. The LPI, which covers 139 countries, measures the ease of establishing reliable supply chain connections and the structural factors that make it possible, such as the quality of logistics services, trade- and transport-related infrastructure, and border controls.

“Logistics are the lifeblood of international trade, and trade in turn is a powerful force for economic growth and poverty reduction,” said Mona Haddad, Global Director for Trade, Investment, and Competitiveness at the World Bank. “The Logistics Performance Index helps developing countries identify where improvements can be made to boost competitiveness.”

On average across all potential trade routes, 44 days elapse from the time a container enters the port of the exporting country until it leaves the destination port, with a standard deviation of 10.5 days. That span represents 60 percent of the time it takes to trade goods internationally.

According to LPI 2023, end-to-end supply chain digitalization, especially in emerging economies, is allowing countries to shorten port delays by up to 70% compared to those in developed countries. Moreover, demand for green logistics is rising, with 75 percent of shippers looking for environmentally friendly options when exporting to high income countries.

“While most time is spent in shipping, the biggest delays occur at seaports, airports, and multimodal facilities. Policies targeting these facilities can help improve reliability,” said Christina Wiederer, Senior Economist with the World Bank Group’s Macroeconomics, Trade & Investment Global Practice and the report’s co-author.

Such policies include improving clearance processes and investing in infrastructure, adopting digital technologies, and incentivizing environmentally sustainable logistics by shifting to less carbon-intensive freight modes and more energy-efficient warehousing.

Download the report: https://lpi.worldbank.org/report (available at 9:30 am ET on April 21, 2023)

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