

FACTSHEET

Logistics Performance Index (LPI)

Created by:	World Bank	Publication Frequency:	Every 2 years
Meaning:	The LPI is based on a survey of operators on the ground (global freight forwarders and express carriers), providing feedback on the logistics.	Last year reported:	2018

Objective:	<p>It allows making comparisons between countries, and identifies macro areas of improvement opportunities.</p> <p>The LPI creates awareness in the countries to promote connectivity and logistics policies.</p> <p>It is not considered a diagnostic tool, but rather a general metric about the efficiency of supply chains.</p>
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Data collected:	Number of countries surveyed (2018):	160
	Respondents qualify their country and 8 other countries	
	6 dimensions are rated on a scale of 1 to 5: <ol style="list-style-type: none"> 1. Customs 2. Infrastructure 3. Services quality 4. Timeliness 5. International shipments 6. Tracking and tracing 	

Methodology:	Selection of countries to be surveyed
	<p>The markets are selected according to the export and import markets of the respondent and by random selection.</p> <p>For countries without access to the sea, the neighboring countries that connect them to the international market are considered.</p>
	<p>Principal Components Analysis</p> <p>The scores of the six variables are averaged and aggregated to a single value using principal component analysis (PCA)</p> <ul style="list-style-type: none"> • The initial values for the PCA are the averaged country scores. • Scores are normalized by subtracting the sample mean and dividing by the standard deviation before conducting the analysis. • The output of the analysis is a single indicator, the LPI, which is a weighted average of the scores.

Input and outcome LPI indicators:	Inputs (Areas for policy regulation)	Outcomes (Services delivery performance)
	Customs Infrastructure Services quality	Timeliness International shipments Tracking and tracing