

# FACTSHEET

## Logistics Performance Index (LPI)

<b>Created by:</b>	World Bank	<b>Publication Frequency:</b>	Every 2 years <sup>1</sup>
<b>Meaning:</b>	The LPI is based on a survey of operators on the ground (global freight forwarders and express carriers), providing feedback on the logistics.	<b>Last year reported:</b>	2023

<b>Objective:</b>	<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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<b>Data collected:</b>	Number of countries surveyed (2023):	139
	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"> <li>1. Customs</li> <li>2. Infrastructure</li> <li>3. International shipments</li> <li>4. Logistics competence and equality</li> <li>5. Timeliness</li> <li>6. Tracking and tracing</li> </ol>	

<b>Methodology:</b>	<b>Selection of countries to be surveyed</b>
	The markets are selected according to the export and import markets of the respondent and by random selection. For countries without access to the sea, the neighboring countries that connect them to the international market are considered.
	<b>Principal Components Analysis</b>
	The scores of the six variables are averaged and aggregated to a single value using principal component analysis (PCA) <ul style="list-style-type: none"> <li>• The initial values for the PCA are the averaged country scores.</li> <li>• Scores are normalized by subtracting the sample mean and dividing by the standard deviation before conducting the analysis.</li> <li>• The output of the analysis is a single indicator, the LPI, which is a weighted average of the scores.</li> </ul>
Unlike previous editions, the 2023 survey did not contain questions on logistics quality in the country from which the professionals operate (assessment of domestic performance).	

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

<sup>1</sup> The team faced difficulties in conducting the survey in 2020/21 due to the COVID-19 pandemic, eventually postponing the survey to 2022.