TIR and Trade Facilitation in Africa

Ethiopia, 03 April 2016

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1. IRU BACKGROUND & MISSION
IRU Members

IRU WORKING TOGETHER FOR A BETTER FUTURE since 1948

IRU

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IRU Background

Founded in 1948 in Geneva, 1 year after the UN Economic Commission for Europe

The objective was to support the reconstruction of war-torn Europe by facilitating international trade via road transport

Our mission today:

“...ensure economic growth and prosperity via the sustainable mobility of people and goods by road worldwide”
2. IRU’s Role
How IRU can help – capacity building

**Competence**

**CPC CERTIFICATE**

John Doe
Born in Italy, registered on 12 August 1979, certifying possession of the Certificate of Professional Competence (CPC) for Driver

**ADR CERTIFICATE**

John Doe
Born in Italy, registered on 12 August 1979, certifying possession of the Certificate of Professional Competence in Dangerous Goods by Road (ADR)

**TACHO CERTIFICATE**

Jane Doe
Born in Italy, registered on 12 August 1979, certifying possession of the Certificate in the Use of Analogue and Digital Tachographs and Driving and Rest Time Rules Compliance

**Safety**

**ECO-DRIVING CERTIFICATE**

Damir TVRDICA
Born in Croatia, registered on 12 February 1979, certifying possession of the ECO-Driving - ECO-Driving Training Programme

**Recognition**

**CPC DIPLOMA**

John Doe
Born in Italy, registered on 12 August 1979, certifying possession of the Certificate of Professional Competence (CPC) for the Road Transport Manager – National and International Road Haulage and Passenger Transport

**Awareness**

**CERTIFICATE**

John Doe
Born in Italy, registered on 12 August 1979, certifying possession of the Safe Loading and Cargo Securing

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How IRU can help – tools for transporters

Available:
- In 50 countries
- In 9 languages

Featuring:
- Safe parking locations
- Driver community
- News flash
- Coming soon:
  - Low emission zones
  - Fuel stations
  - and more…
How IRU can help – advocacy & technical assistance
2. TRANSPORT & ECONOMIC GROWTH
Integrating Africa into global value chains

Source: Levis’s website
Efficient transport = economic growth

- Competitive exports
- Attractive business environment
- Reduced trade costs

Increased trade and economic growth
Ethiopia’s Trade Partners

List of supplying markets for a product imported by Ethiopia in 2014
Product: TOTAL All products

Source: www.trademap.org
Private sector perspective of Trade barriers

Source OECD, www.aid4trade.org
4. **What is TIR?**
The TIR System

Managed by the IRU since 1949
The TIR System is based on the TIR Convention

Created in 1959 under the auspices of the United Nations’ Economic Commission for Europe UNECE

Current TIR Convention came into force in 1975
What is TIR?

A carnet-based transit system
Backed up by a global guarantee chain
Minimises all customs procedures between points of departure and destination

Photo: IRU
Trade without a Transit System

- CUSTOMS DECLARATION
- CURRENCY EXCHANGE
- NATIONAL GUARANTEE
- INSPECTION OF GOODS AND VEHICLES
- SECURITY CHECKS
- Etc.
Trade without a Transit System

Border crossing

Country A

Export

Temporary import

National guarantee

Export

Country B

Temporary import

National guarantee

Export

Country C

Export
Trade with the TIR System

- Customs Declaration
- Currency Exchange
- National Guarantee
- Inspection of Goods and Vehicles
- Security Checks
- Etc.
Transport under TIR

Border crossing

Country A

Temporary import

CARNET TIR *

Export

Country C

National guarantee

Export
What is TIR?

- 69 contracting parties
- 58 operational TIR countries
- Up to 3 million carnets issued per year
- Over 35,000 operators worldwide authorised to operate under TIR
- USD1 billion in Customs guarantees... every day....
TIR – global trade facilitation instrument

- Contracting Parties: 69
- TIR Operational Countries: 58
- Contracting Parties in admission process: 1
The six pillars of the TIR System

- Secure vehicles or containers
- International guarantee chain
- TIR Carnet
- Reciprocal recognition of Customs controls
- Controlled access by Customs and IRU
- SafeTIR electronic termination + TIR-EPD

TIR System

TIR Convention
Carnet Dematerialisation Underway

✔ First pilot corridor Iran – Turkey agreed
✔ Technical amendments to IRU IT systems
✔ Based on existing message exchanges (e.g. NCTS) to minimize impact on Customs systems
✔ First pilot transport operations in 2015
✔ Other countries also interested: IRU ready to consider additional pilot projects to show that paperless operations are already possible today
Key benefits of UN TIR Convention

- Cost effective
- Single guarantee for entire movement
- No bond required
- No need to apply customs valuation and negotiate bond value
- Authorised operators only
- Secured load compartments
- Highly secure, fraud-proof carnet

- 0.001% claim rate
- PPP structure – national entities issue carnets in partnership with national Customs administration
- Global – not bi-lateral or regional – with mutual recognition
- Traders can submit advance data electronically to Customs
- Customs can use their own systems to process TIR movements and to check validity and status