

Transit in operation

5th Meeting of Trade
Ministers of LLDCs

23-24 June 2016
WTO, Geneva

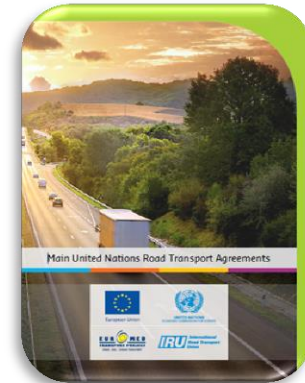


Efficient international road transport

1. Good infrastructure



2. Harmonised legislative frameworks



3. Service excellence



Legal frameworks: establishing the basic *right* to transit



- New York Convention on Transit Trade of Landlocked Countries (1965)

“ 1. In order to enjoy the freedom of the seas on equal terms with coastal States, States having no sea-coast should have free access to the sea.

- United Nations Convention on the Law of the Sea (1982)

1. Land-locked States shall have the right of access to and from the sea for the purpose of exercising the rights provided for in this Convention

Legal frameworks, guidelines & best practices: *how* to manage transit



- WTO Trade Facilitation Agreement – Article 11 “Freedom of Transit”



- WCO Revised Kyoto Convention – legal framework for simplified, harmonised customs procedures

- [Specific Annex E: standards & guidelines on Transit](#)



- WCO Transit Handbook – guidelines and best practices



Legal frameworks: going beyond pure transit, going beyond goods & Customs

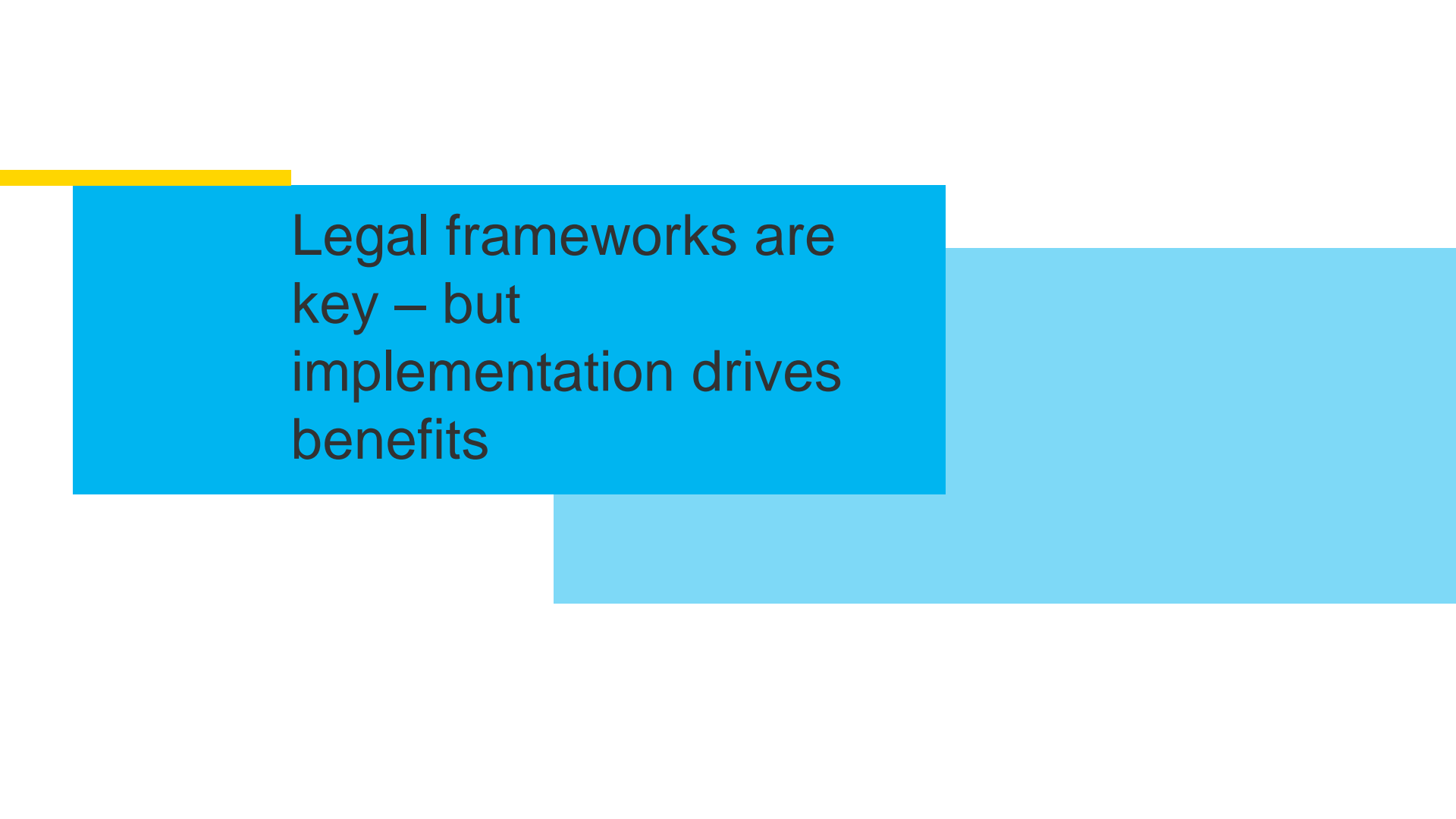


Facilitating trade only works if the means of transport can also move internationally:


- **UN Harmonisation Convention** – harmonisation of all agency controls, including visas and vehicle checks. International Technical Inspection Certificate, International Vehicle Weight Certificate
- UN **ADR, ATP Conventions**
- Regional-level harmonised regulations for drivers, operators and vehicles



UNECE



Legal frameworks are
key – but
implementation drives
benefits



Legal, procedural & operational framework: UN TIR Convention



The only global, multi-lateral transit agreement

On the shelf, ready to go:

- Legal framework
- Single customs document
- Procedures & training for Customs & private sector
- IT systems
- Mutual recognition of customs controls and authorised operators
- Mutual recognition of transit guarantee



UNECE



TIR implementation in LLDCs



| Country | Number of TIR Operators (19/05/2015) | Number of TIR Carnets (2013) |
|--------------|--------------------------------------|------------------------------|
| Afghanistan | - | 50 |
| Armenia | 59 | 2,200 |
| Azerbaijan | 48 | 10,300 |
| Kazakhstan | 338 | 25,000 |
| Kyrgyzstan | 121 | 22,200 |
| Macedonia | 1,949 | 29,300 |
| Moldova | 733 | 77,450 |
| Mongolia | - | 100 |
| Tajikistan | - | 3,500 |
| Turkmenistan | 22 | 7,500 |
| Uzbekistan | 223 | 7,500 |

How TIR facilitates trade in ECO region



ECO region: 7 LLDCs

Uses 30% of all TIR carnets globally

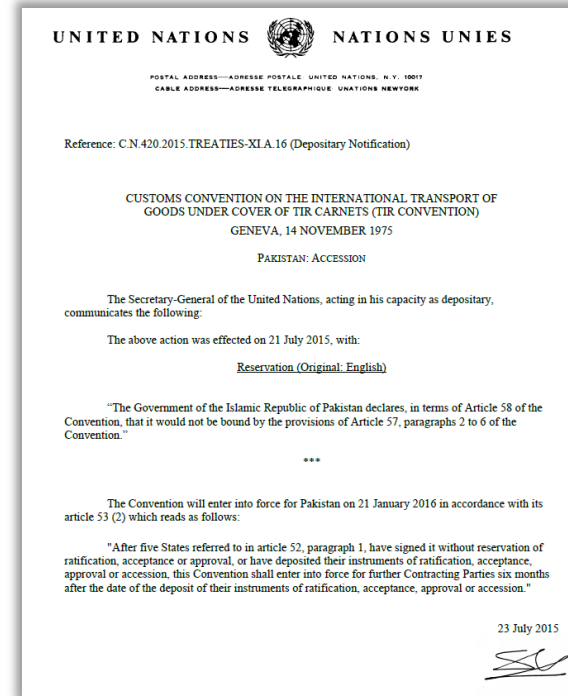
2013-2015: 65% of TIR carnets issued to holders in ECO region were used for transport between ECO countries



Pakistan is implementing TIR



- Pakistan acceded to TIR on 21 July 2015,
- by Pakistan joining TIR, Landlocked Central Asian countries have access to open seas





Cutting the cost of trade



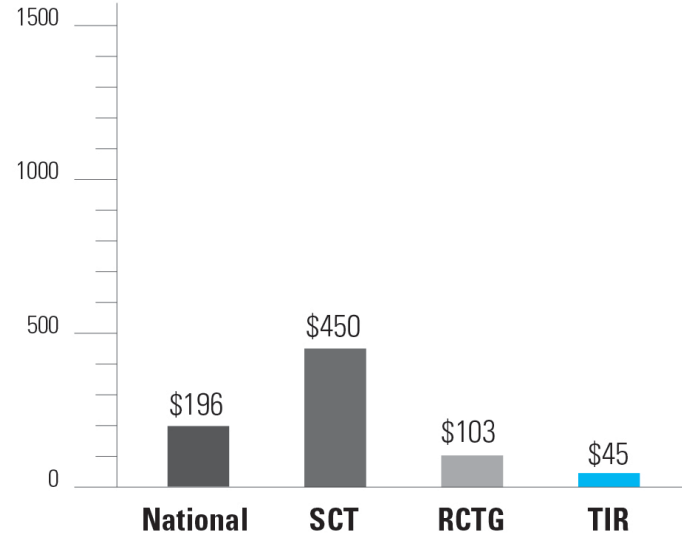
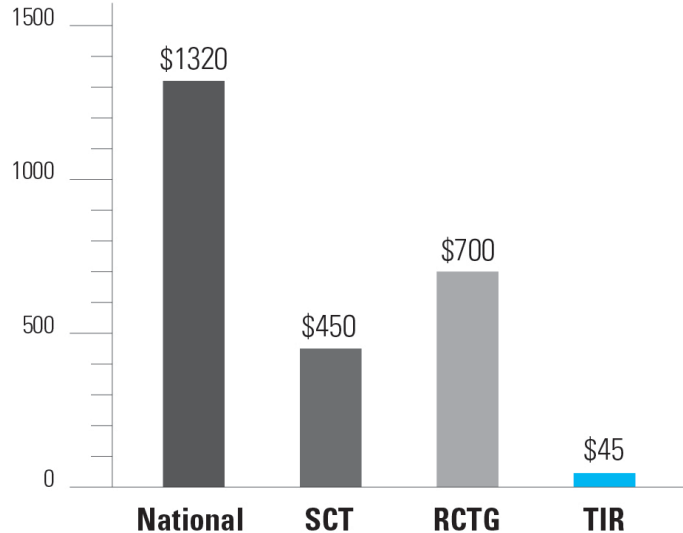
Potential impact of TIR in east Africa



COST OF TRANSIT GUARANTEE

CORRIDOR: **NORTHERN CORRIDOR (Mombasa to Kigali)**
COMMODITY: **TRUCK TYRES (HS code: 4011.20.00)**
CARGO VALUE: **USD \$100,000**

CORRIDOR: **NORTHERN CORRIDOR (Mombasa to Kigali)**
COMMODITY: **DIESEL FUEL (HS code: 2709.00.00)**
CARGO VALUE: **USD \$30,000**



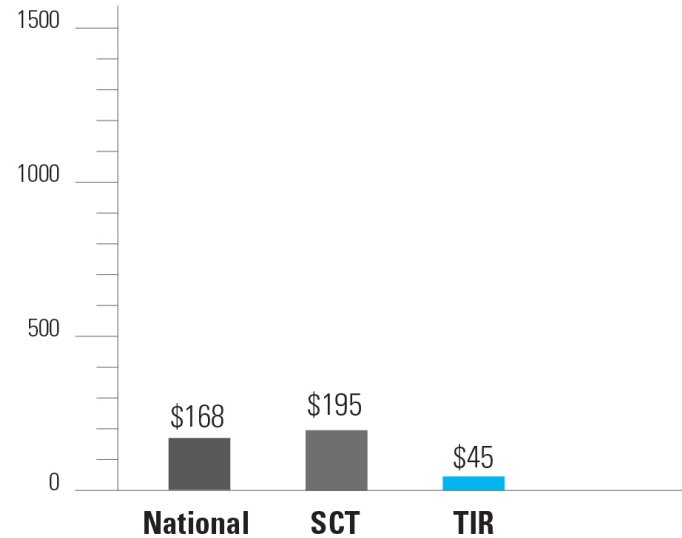
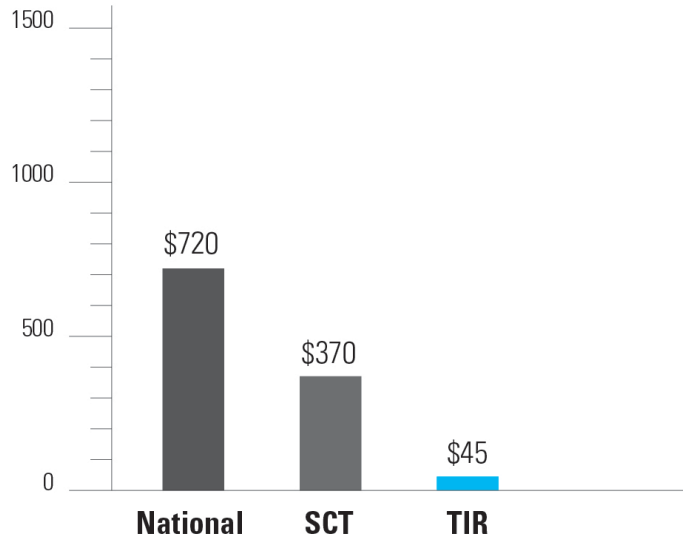
Potential impact of TIR in southern Africa



COST OF TRANSIT GUARANTEE

CORRIDOR: **TRANS CAPRIVI CORRIDOR (Walvis Bay to Lubumbashi)**
COMMODITY: **TRUCK TYRES (HS code: 4011.20.00)**
CARGO VALUE: **USD \$100,000**

CORRIDOR: **TRANS CAPRIVI CORRIDOR (Walvis Bay to Lubumbashi)**
COMMODITY: **DIESEL FUEL (HS code: 2709.00.00)**
CARGO VALUE: **USD \$30,000**

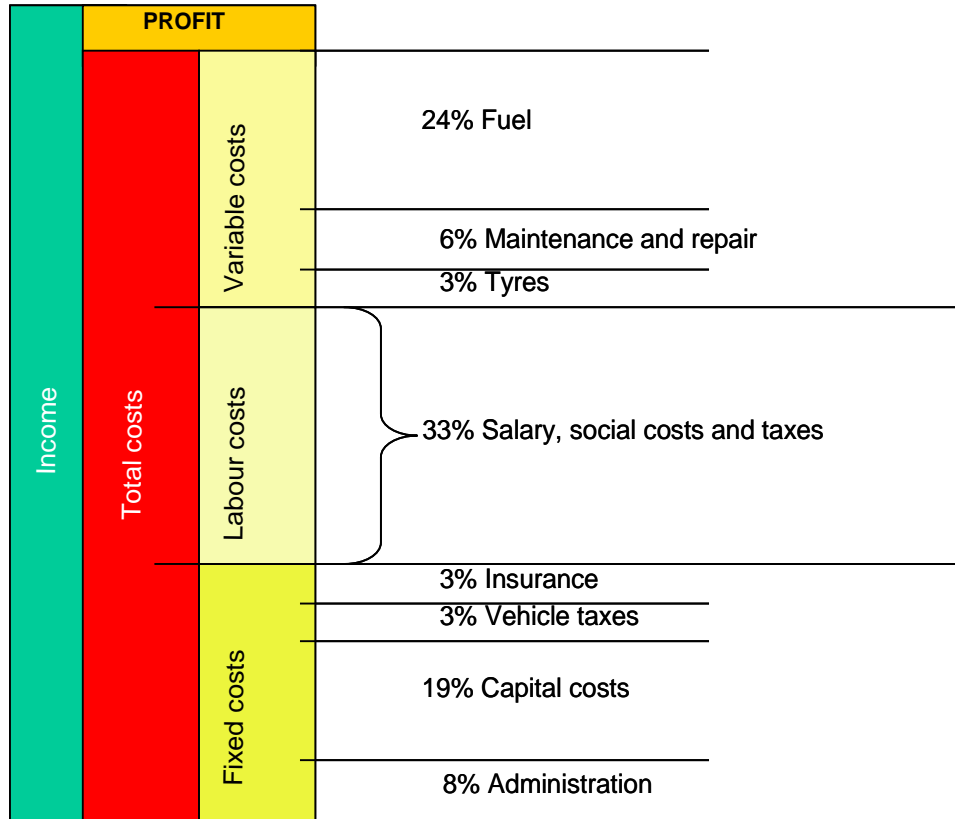




Role of the private sector



Transport costs in international trade



Source: Volvo

Reducing transport costs



Professionalism – driver training can improve fuel efficiency **5%-20%**

5% improvement could equal **\$1200 per year per truck**

Rwanda: 500 international trucks = **\$600,000** per year

10,000 international trucks = **\$12,000,000** per year

