The way to Efficient Transit

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World Customs Organization
What is the World Customs Organization?

180 Members divided into 6 regions, responsible for processing 98% of international trade.
What is the World Customs Organization?

3 Main Strengths of WCO

- Capability and responsibility for global standard setting for Customs
- Network of accredited experts from Customs Administrations
- Cooperation with other international organizations and other agencies
- Capacity Building / Technical Assistance delivery
Importance of efficient transit regimes
Complexity

Customs of departure
- Lodgement of Customs transit declaration
- Examination of goods

Customs of entry
- Lodgement of Customs transit declaration
- Furnishing guarantee
- Examination of goods
- Affixing Customs seals
- Notification to the Customs office of exit

Customs of exit
- Examination of goods
- Discharge of guarantee

Customs of destination
- Lodgement of Customs declaration
- Examination of goods
- Collection of import duties, taxes and charges

LLDC

Transit country

Destination country

market
### Landlocked Developing Countries

<table>
<thead>
<tr>
<th>WCO Region</th>
<th>No.</th>
<th>LLDCs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>9</td>
<td>Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, The Former Yugoslav Republic of Macedonia, Turkmenistan, Uzbekistan</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>5</td>
<td>Afghanistan, Bhutan, Lao People’s Democratic Republic, Mongolia, Nepal</td>
</tr>
<tr>
<td>East and Southern Africa</td>
<td>10</td>
<td>Botswana, Burundi, Ethiopia, Lesotho, Malawi, Rwanda, Swaziland, Uganda, Zambia, Zimbabwe</td>
</tr>
<tr>
<td>North of Africa, Near and Middle East</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>West and Central Africa</td>
<td>5</td>
<td>Burkina Faso, Central African Republic, Chad*, Mali, Niger</td>
</tr>
<tr>
<td>South America, North America, Central America and the Caribbean</td>
<td>2</td>
<td>Bolivia, Paraguay</td>
</tr>
</tbody>
</table>
Challenges for LLDCs

- Trade costs – 45% higher than in coastal economies (UNOHRLLS)
- Trade costs – at over 219 ad valorem tariff equivalent: for each dollar it costs to manufacture a product another 2.19 USD will be paid (WTO)
- Overall development costs – 22% on average (UNOHRLLS)

BUT! Implementation of TFA will reduce trade costs in LLDCs by 16.3%!
Vienna LLDC Conference
3-5 November 2014
WCO Transit Handbook (2014)

8 approaches:
(1) Effective information sharing
(2) Guarantee system
(3) Simplification of Customs formalities
(4) Risk Management
(5) Customs seals and other security measures
(6) Border infrastructure
(7) Coordinated Border Management
(8) Performance measurement

The WCO Transit Handbook (2014) provides valuable information on: the Revised Kyoto Convention; relevant WCO tools, the best practices of WCO Members in relation to efficient transit
Main International Agreements

GATT Article V
Principle of Freedom of Transit

WTO Trade Facilitation Agreement
- Strengthened Principle of Freedom of Transit
- New transit measures

WCO Revised Kyoto Convention
- Facilitative measures of transit
- Operational standards
The WCO is currently developing Transit Guidelines that will be released at GLOBAL TRANSIT CONFERENCE, 10-11 July 2017, Brussels. (Please reserve the date!)
Transit Guidelines

Clear guiding principles on 14 aspects of Transit:

1. Effective information sharing
2. Guarantee system
3. Fees and Charges
4. Simplification of formalities
5. Risk Management
6. AEO
7. Customs seals and other security measures
8. E-tracking
9. Coordinated Border Management
10. Infrastructure
11. Cargo Security Means
12. Transparency and anti-corruption
13. Partnership with Business
14. Performance Measurement

Reference for implementation of:
- ✓ VPoA
- ✓ WTO TFA
- ✓ WCO RKC
Since the adoption of the Vienna Programme of Action (VPoA) in November 2014, the WCO has developed new tools and refined existing ones, with the aim of supporting the economic growth of LLDCs. The following are new WCO tools for implementing the VPoA in general and ensuring freedom of transit in particular:

MORE INFORMATION

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