

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)

 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





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

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Reference: C.N.420.2015.TREATIES-XI.A.16 (Depositary Notification)

CUSTOMS CONVENTION ON THE INTERNATIONAL TRANSPORT OF GOODS UNDER COVER OF TIR CARNETS (TIR CONVENTION) GENEVA. 14 NOVEMBER 1975

PAKISTAN: ACCESSION

The Secretary-General of the United Nations, acting in his capacity as depositary, communicates the following:

The above action was effected on 21 July 2015, with:

Reservation (Original: English)

"The Government of the Islamic Republic of Pakistan declares, in terms of Article 58 of the Convention, that it would not be bound by the provisions of Article 57, paragraphs 2 to 6 of the Convention"

The Convention will enter into force for Pakistan on 21 January 2016 in accordance with its article 53 (2) which reads as follows:

"After five States referred to in article 52, paragraph 1, have signed it without reservation of ratification, acceptance or approval, or have deposited their instruments of ratification, acceptance, approval or accession, this Convention shall enter into force for further Contracting Parties six months after the date of the deposit of their instruments of ratification, acceptance, approval or accession."

23 July 2015



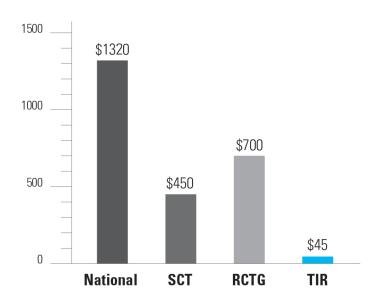
Cutting the cost of trade

Potential impact of TIR in east Africa



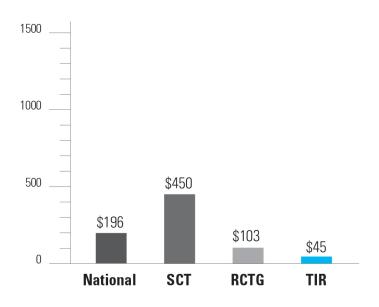
COST OF TRANSIT GUARANTEE

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



CORRIDOR: COMMODITY: CARGO VALUE:

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



Potential impact of TIR in southern Africa

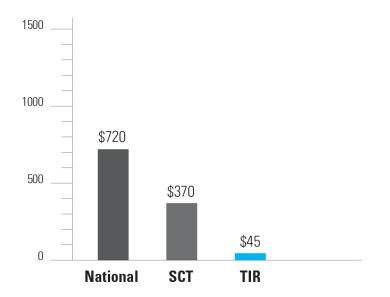


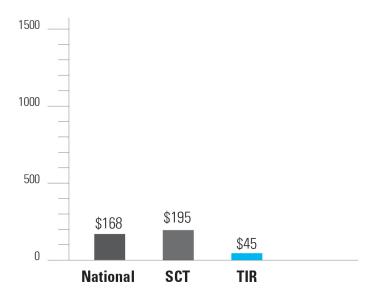
COST OF TRANSIT GUARANTEE

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



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

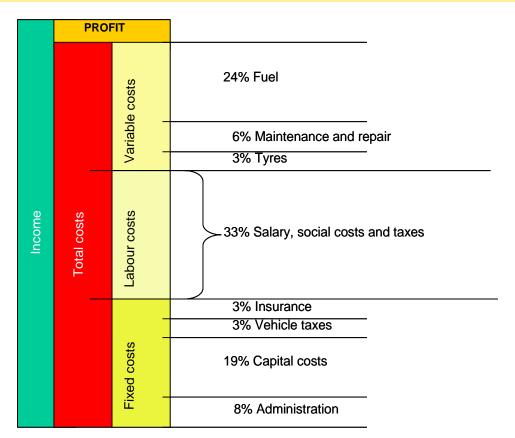




Role of the private sector

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



