

**Sustainable Roads 2006**

***Trade and Transport  
Facilitation between  
Europe and Asia***

**by**

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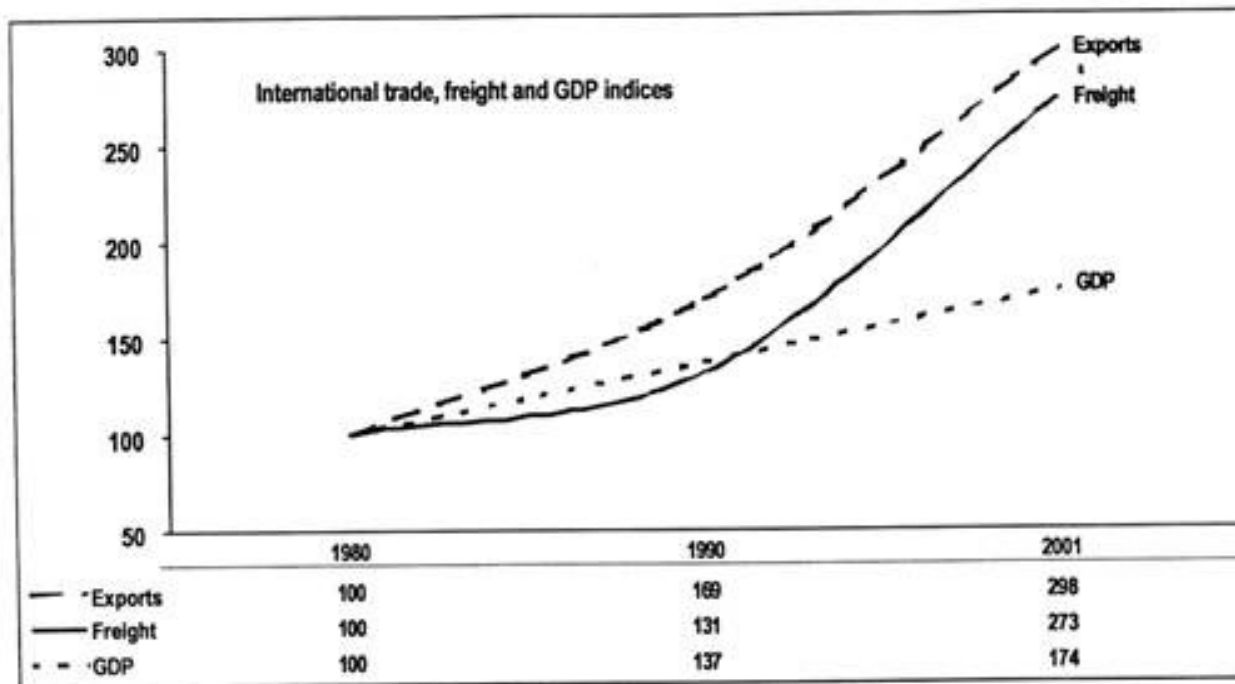
# **Presentation outline**

- International Trade**
- Trade Between Europe & Asia**
- Logistic & Transportation Cost**
- Europe- Asia Transport Corridors**
- Transportation Networks & Initiatives**
- Transport Facilitation( Infrastructure & Software)**
- Conclusions & Recommendations**

# International Trade

-World merchandise reached up to \$18 trillion (WTO 2004)

## Trend of International trade



# TRADE BETWEEN EUROPE AND ASIA

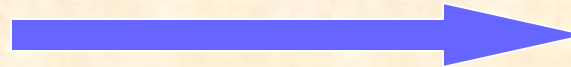


# TRADE BETWEEN EUROPE AND ASIA

**2001-2003**

**Merchandise Trade**

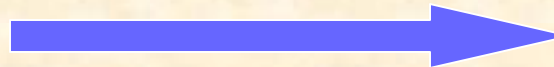
**W. EUROPE**



**ASIA**

**26,5 % increase**

**ASIA**



**W.EUROPE**

**27,1 % increase**

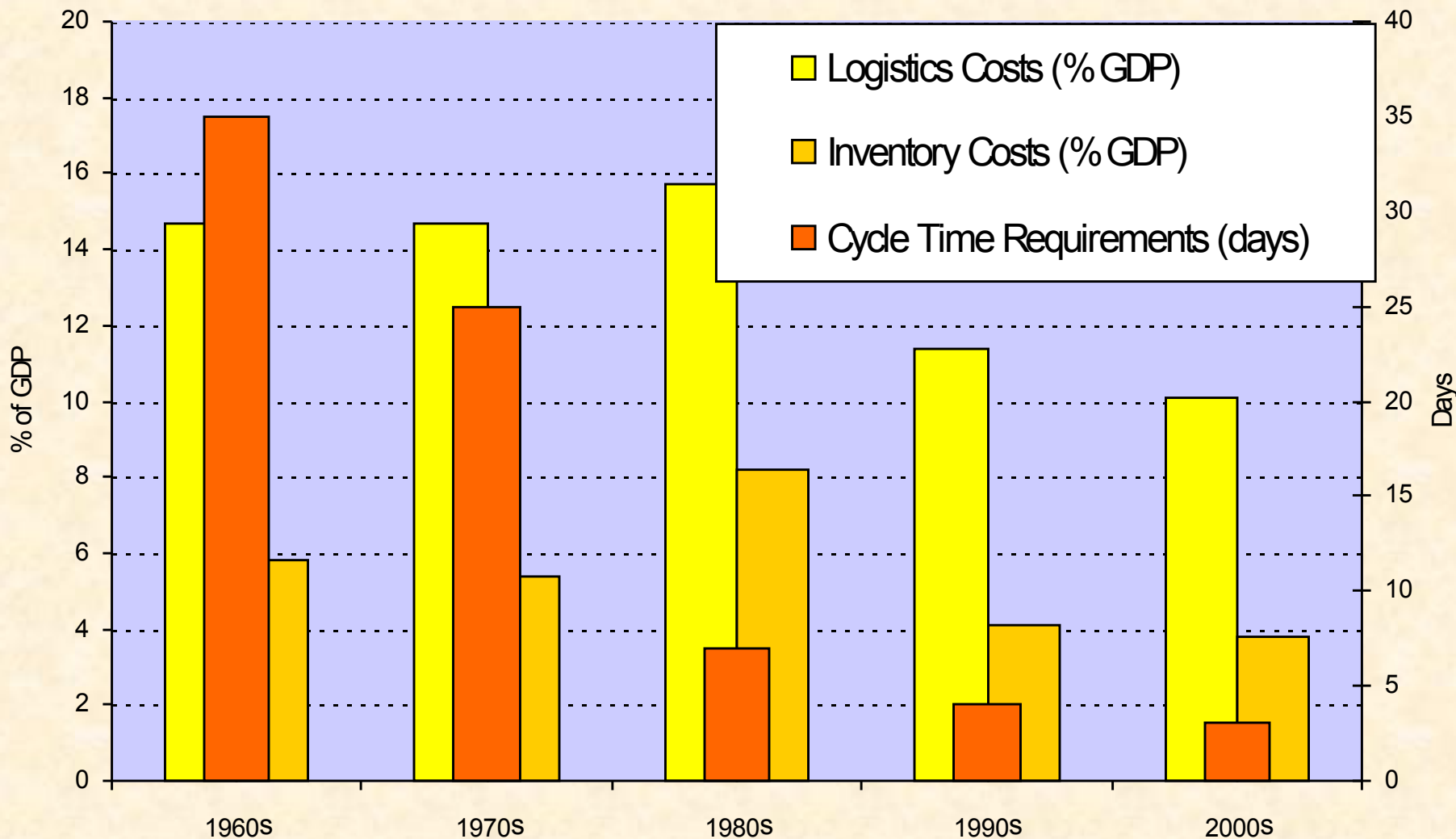
**Rapid increase continues...**

# **Logistic and Transportation Cost**

## **Logistic Costs Include:**

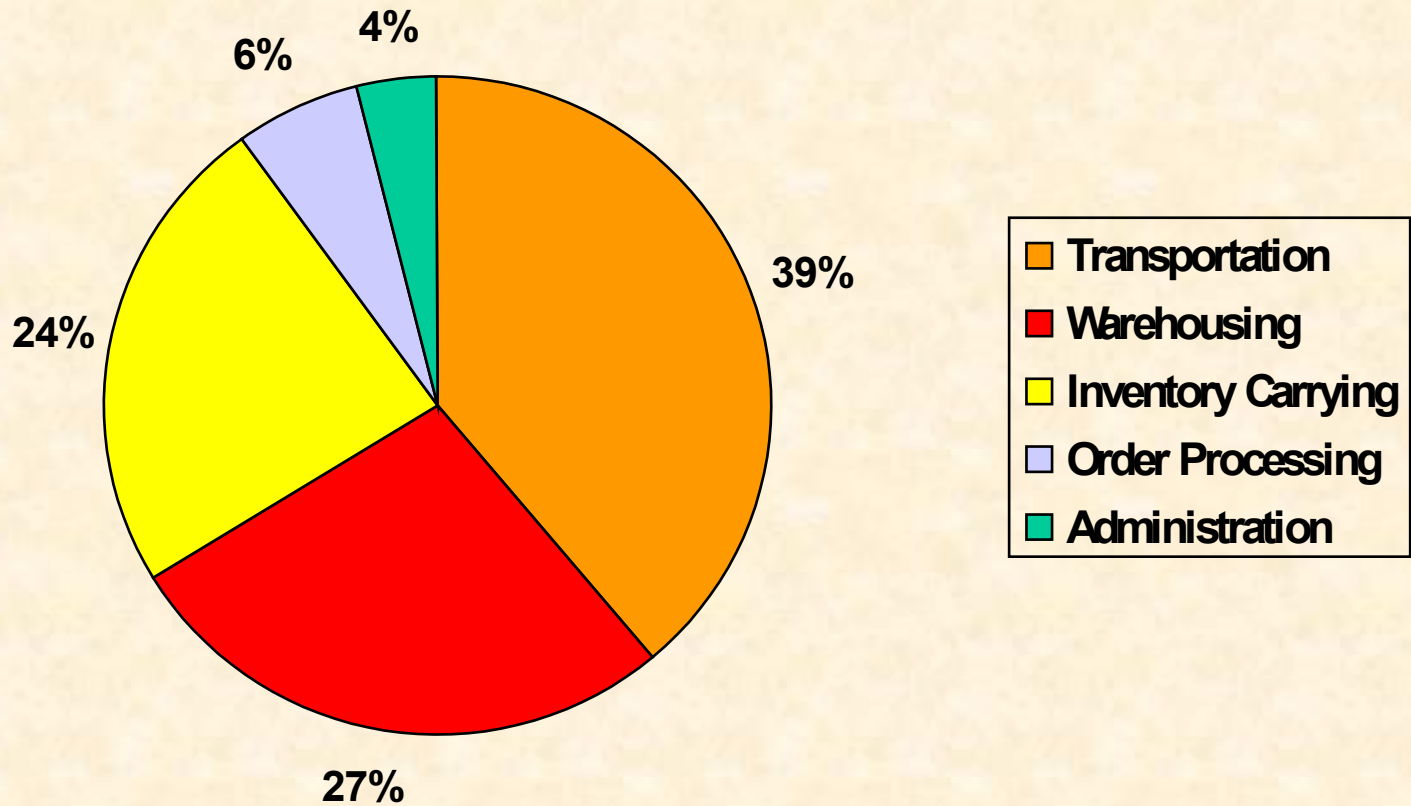
- **Transportation Costs**
- **Warehousing Costs**
- **Inventory Carrying Costs**
- **Order Processing Costs**
- **Administration Costs**
- **Share of Logistic from GDP**
- **Share of Transportation from Logistic Cost**

# Logistical improvements, manufacturing sector, 1960-2000





# Worldwide Logistics Cost (2002)





# Road Transportation Cost

## Some Facts:

- In the CIS 7 transport costs are at least three times higher than that in the developed countries
- Asian countries typically have to pay up to US\$ 1,500-2,000 in unofficial payments or for semi-compulsory guard services
- Total transportation costs (official and informal) in some Asian countries may amount up to 50 percent of the value of the goods

## **Some facts( con...)**

- **The currently under-developed logistics services are barrier to international transport as the physical infrastructure impediments**
- **Direct transport related costs in CAR estimated at 11.5% of export value, 8.0% for imports; equivalent to direct costs of US\$2.4bn for exports, and US\$1.3 bn for imports**
- **Estimated costs of other trade barriers for land-locked counties would add 7-10%, thus CAR spends US\$5.8-6.7 bn on transport costs**
- **TTF interventions can produce savings between 2-3% of the total trade value**

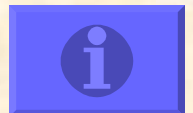
# Europe-Asia Transportation Corridors

Routes with high volume of cargo and passengers.

- **The Ancient Silk Road**
- **The Pan Asian Rail Link**
- **The Trans Asian Railway (E-W Corridor )**
- **The TRACECA (Extension of TEN, No 10)**
- **The NOSTRAC (Extension of TEN, No 9)**

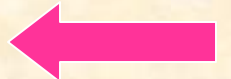
# The Trans Asian Railway (East-West Corridor)

- 1) Silk Road
- 2) PARL
- 3) TAR
- 4) TRACECA
- 5) NOSTRAC





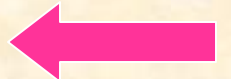
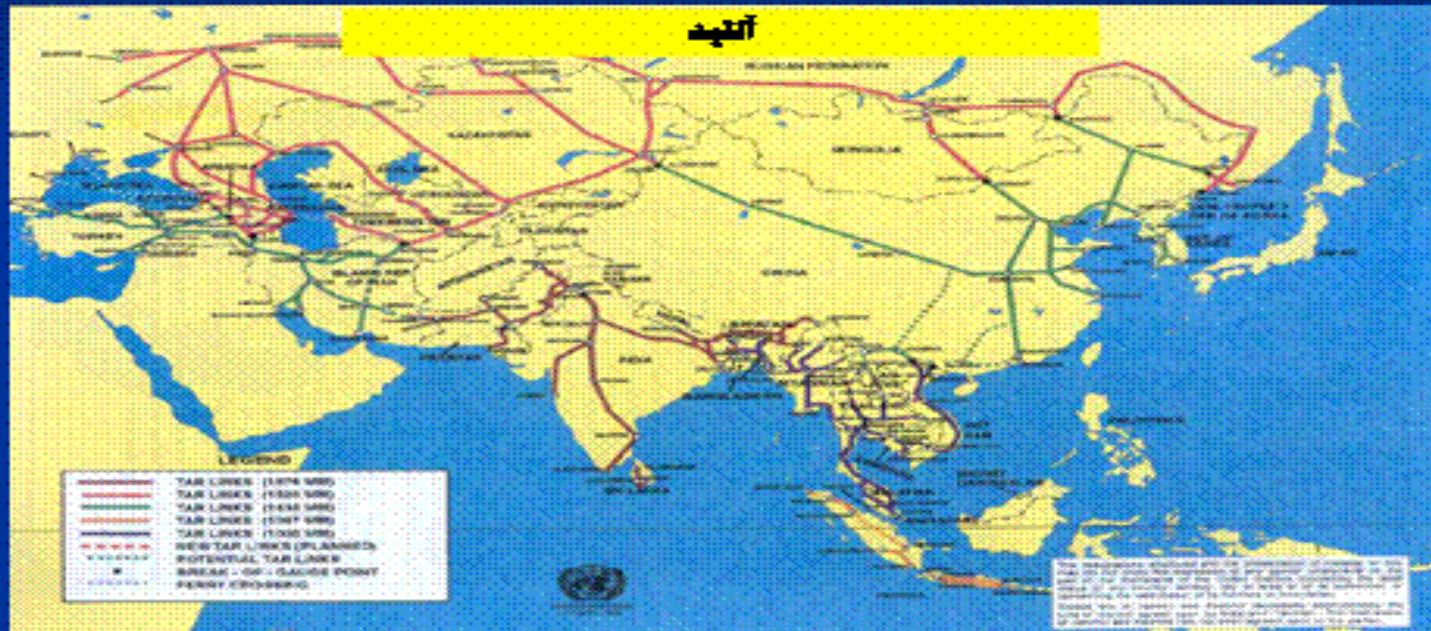
# Silk Road



# PARL

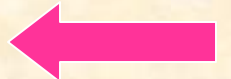
## گریدور حمل و نقلی آلتید

### ASIAN LAND TRANSPORTATION INFRASTRUCTURE DEVELOPMENT



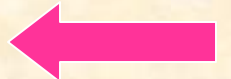
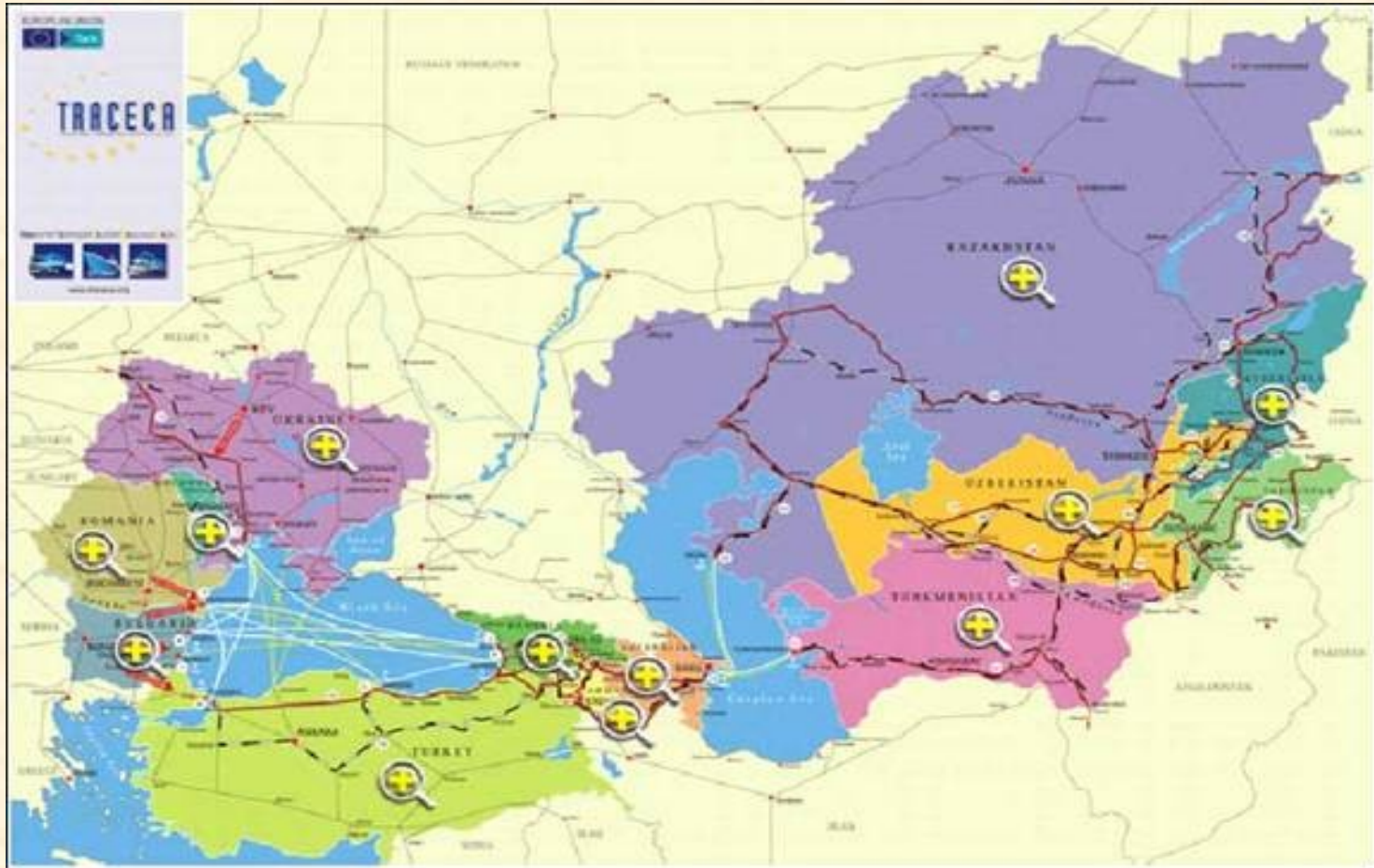


# TAR

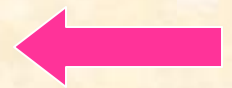
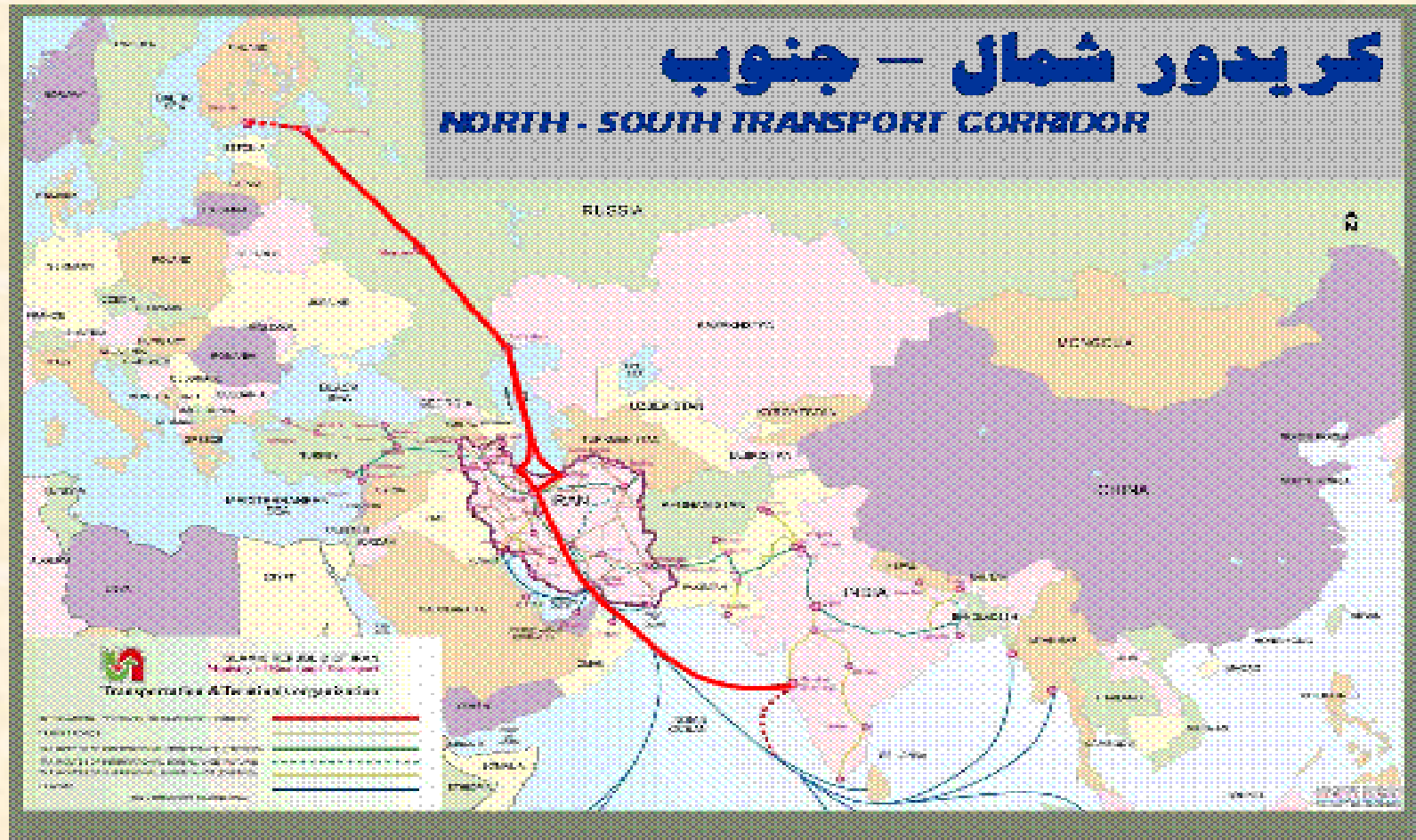




# Traceca



# Nostrac



# **INTERNATIONAL TRANSPORT NETWORKS AND INITIATIVES LINKING ASIA AND EUROPE**

- A) International Transport Networks  
Supported by the United Nations System**
- **Eu-Roads network (AGR)**
  - **Eu-Rail network (AGC)**
  - **Eu-Combined Transport network (AGTC)**
  - **European Inland Waterways (AGN)**

# **INTERNATIONAL TRANSPORT NETWORKS AND INITIATIVES LINKING ASIA AND EUROPE (continued).**

- **UNESCAP Asian Highway (AH)**
- **UNESCAP Trans Asian Railway (TAR)**
- **UNECE Trans-European Motorway (TEM) Network**
- **UNECE Trans-European Railway (TER) Network**

# **INTERNATIONAL TRANSPORT NETWORKS AND INITIATIVES LINKING ASIA AND EUROPE (continued).**

## **B) Other Related Transport Initiatives**

- **UNDP Silk Road Area Development Project (SRADP)**



# **INTERNATIONAL TRANSPORT NETWORKS AND INITIATIVES LINKING ASIA AND EUROPE (continued).**

- **Economic Cooperation Organization (ECO)**
- **Special Programme for the Economies of Central Asia (SPECA)**
- **International Union of Railways (UIC)**
- **Organisation for Railway Cooperation (OSJD)**
- **International Road Transport Union (IRU)**
- **Coordinating Transport Meeting of CIS countries**
- **Others**

# Trade and Transport Facilitation

- **Aims** : developing a globally accepted, consistent, transparent and predictable environment for international trade transactions
- Trade Facilitation could result in savings of up to \$75 billion per year (An UNCTAD study)
- \* **Main Task** : Removal of Infrastructural & Software Barriers



## **a) Infrastructure**

*Transport infrastructure* refers to “*hardware*”, including roads, railways, bridges, tunnels, ports airports and etc.

- **Need for improved institutional capacity and sustainable financing for infrastructure and maintenance**
- **Need to restructure Roads & railways to improve operational efficiency and focus on core business**

# Trade Facilitation Including Transit and the WTO

- To launch negotiation on trade facilitation, aiming at the establishment of an agreement to further expedite the movement, release and clearance of goods, including goods in transit by clarifying and improving relevant aspects of GATT Articles V, VIII & X.
- To ensure technical assistance and support for capacity building

# **Article 5, Freedom of Transit:**

- **Simplify transit rules and procedures**
- **Simplify customs procedures and documentation requirements**
- **Use of international standards**
- **Minimize burden on transit operation**
- **Secure non-discriminatory treatment**
- **Revisit fees, charges and securities**
- **Support creation of regional systems and corridors**
- **Foster cooperation among administrations**

# **Article 8, Fees and Formalities**

- **Reduce, legitimize fees and charges**
- **Introduce simplified customs release and clearance**
- **Establish risk assessment and authorized traders**
- **Customs Automation (ASYCUDA, ACIS)**
- **Coordinate official controls**
- **Foster integrity**

# **Article 10, Publication of Trade Regulations**

- **Complete transparency of all relevant laws and procedures**
- **Establish mechanisms towards publication and availability of information**
- **Consultation and periodic review**
- **Establish consultative/feedback mechanisms and minimum time periods before entry into force**
- **Customs appeal procedures**
- **Establish review and appeal procedures and due process**



# Conclusions & Recommendations

- Increasing the level of infrastructure to facilitate transit
- Streamlining of national procedures, rules and regulations using international instruments, standards and recommendations
- Improve private sector provision of logistics services particularly for SMEs
- Create logistics centers offering efficient clearing, forwarding, and multi-modal services
- Integrate domestic transport networks with international trade corridors
- Modernize and harmonize regulatory institutional and managerial systems (ASYCUDA & CIS)

- **Close cooperation with the neighboring countries**
- **Observance of international agreements and regulations on TTF (e.g. WTO, TIR)**
- **Monitor corridor performance through transparent measures**
- **Increasing financial support at regional and sub-regional level for transit promotion**
- **Improve customs clearance, border agency inspections, and border crossing facilities**
- **Reduce illicit trade and eliminate unofficial payments (especially for road transport)**



- **Construct , maintain and improve transport storage and other transit-related facilities**
- **Using of the internet to enable shippers to plan most of their processes online**

**Thanks**