



# Feedback on CPMM Survey

Andy Sze / Max Ee



Almaty

Date : October 2017



# Table of Contents

1 **CPMM Evolution**

2 Reasons for Change

3 Survey Findings

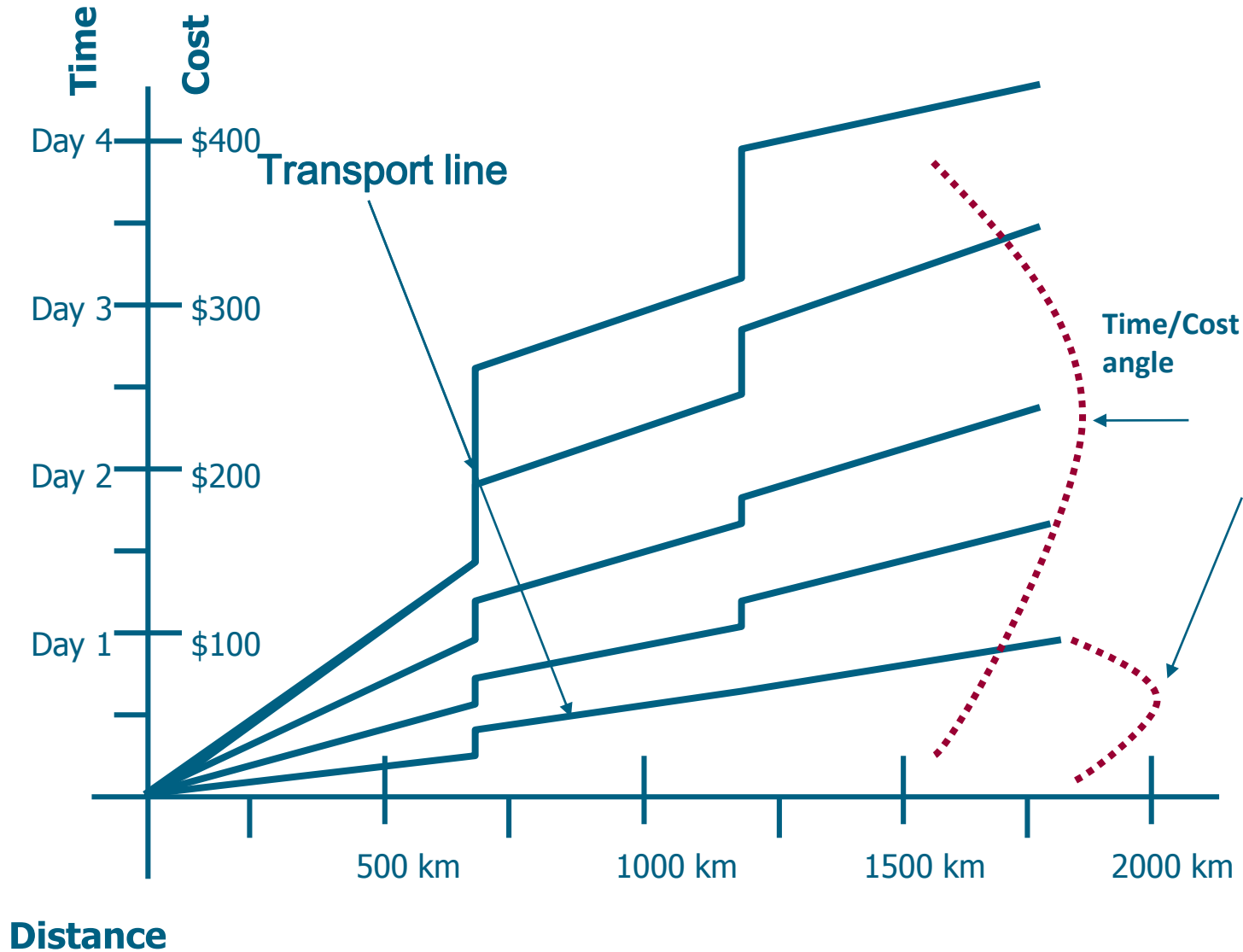
4 Question and Answer



- Mandated by the CAREC **Transport and Trade Facilitation Strategy (TTFS)**
- It is a region-wide study in Central Asia that focuses on
  - Infrastructure
  - Border Crossing Efficiency
- Empirical data on shipments are collected
  - Time
  - Cost
- Adopts the UNESCAP Time-Cost-Distance (TCD) method

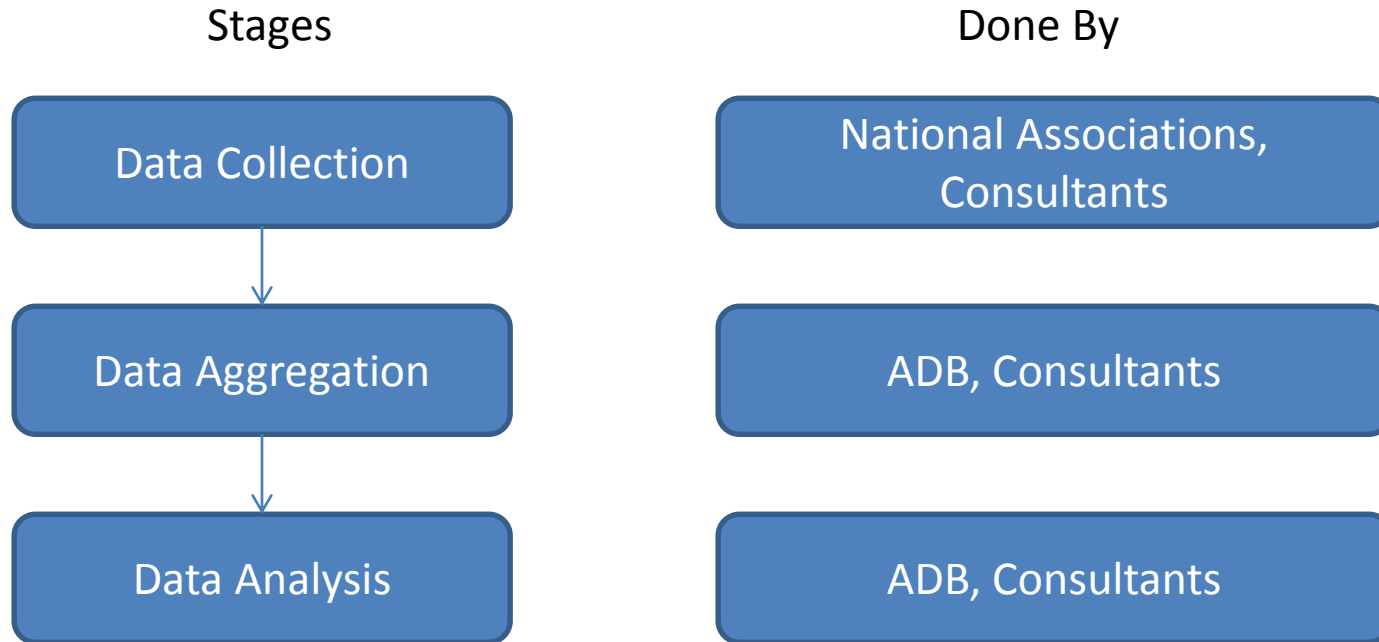


# To Evaluate Time and Cost of Transport





# The CPMM Flowchart



Due to the extensive nature of CPMM, the right partner is important for CPMM to be successful. In some countries, there are a few national associations that fit the description, so they are interviewed and only the most qualified ones were chosen in the end as partners in CPMM.



# CPMM Evolution (2010-2017)

## CPMM 1.0

- Used a modified UNESCAP TCD form for data entry
- Reasons for delays are not standardized
- Results are analyzed but not published

## CPMM 2.0

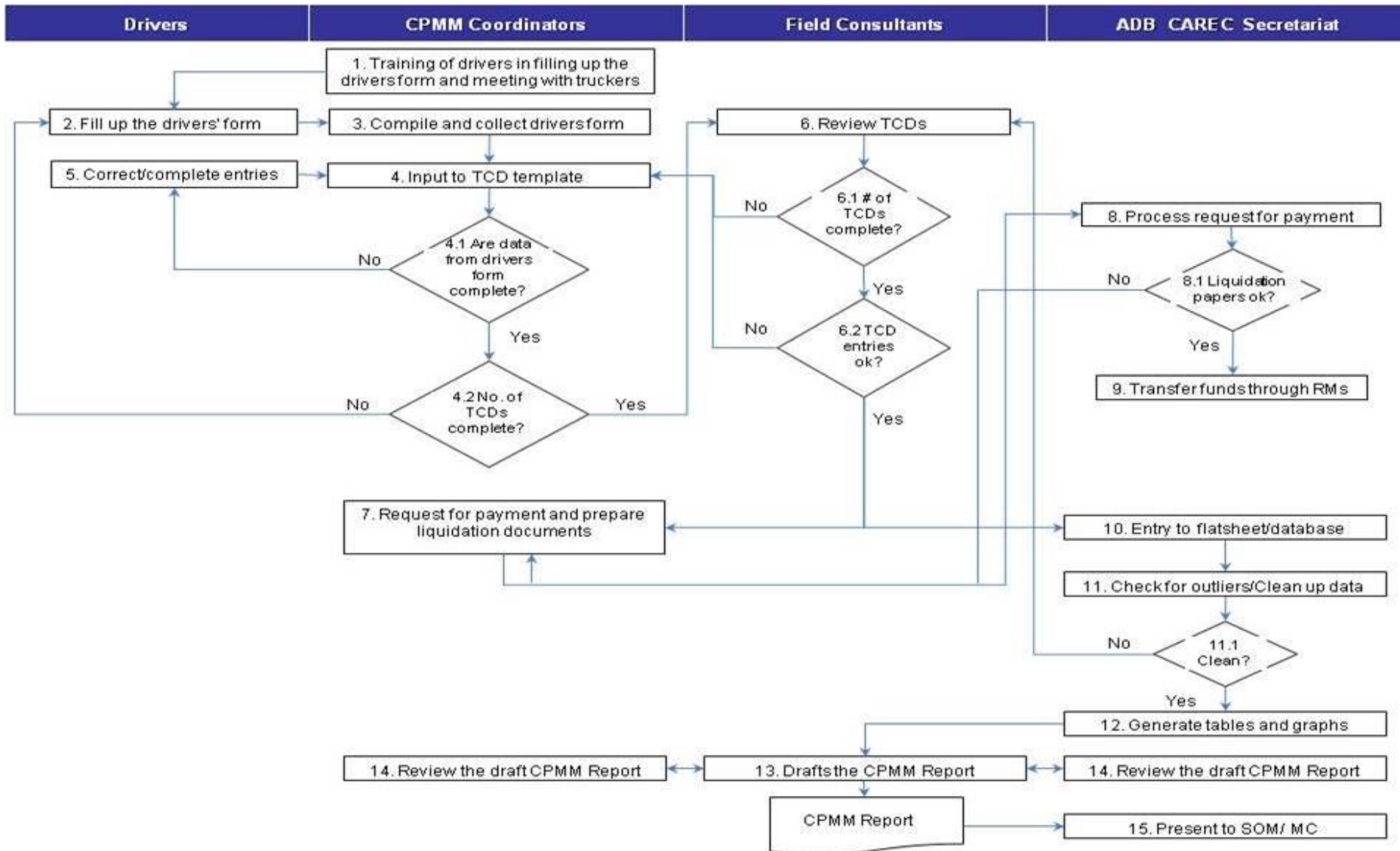
- Used a re-designed data collection template
- Includes a standardized reasons for delays
- Results are published quarterly and annually

## CPMM 3.0

- Introduced a more powerful template that consolidates samples and displays a dashboard, based on MS Excel worksheets
- Separates delays in road and rail transport
- Adopted a more professional format for CPMM Reports



# The CPMM Flowchart





# Table of Contents

1 CPMM Evolution

2 Reasons for Change

3 Survey Findings

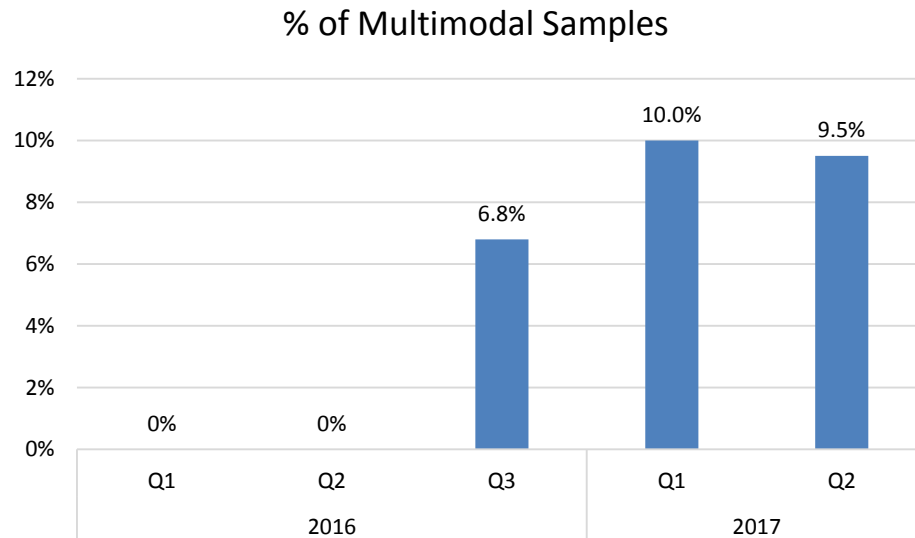
4 Question and Answer





# What Has Changed Now?

## Increase in Multi-modal Samples



Since Q3 2016, the % samples that use a combination of road-rail modes has increased.

### Afghanistan

Transit shipments from Quetta (Pakistan) to Ashgabat (Turkmenistan) through Afghanistan. Border crossing time due to materials transfer from one transport mode to the other showed significant delays.

### Mongolia

Shipments from Erenhot to Zamyn Uud is carried on trucks, and then sent on trains to Ulaan Bataar.

Given that the Choyr-Zamyn Uud road section is operational since 2013, it is also possible to send goods on trucks from Zamyn Uud to Ulaan Baatar.

The problem is if a sample has road and rail modes, the data on the existing template is not suitable because border crossing activities are only displayed for one particular mode.



# What Has Changed Now?

## Trade Facilitation

CPMM is opined to be too '**transport dominant**'. This is reflected in the data and the four Trade Facilitation Indicators (TFIs). While it is excellent in reporting problems '**at the border**', it is less effective in understanding the delays that can happen '**behind the border**'.

For instance, what is the lead time to apply for a Certificate of Origin? How much improvement did a country enjoy after implementing electronic single window?

Question : Can CPMM expand its scope to cover more trade related analysis?

- Documentation
- Application for license, permits, approvals
- Identification of other stakeholders in the trade procedure
- Problems in cargo clearance and collection



# Table of Contents

1 CPMM Evolution

2 Reasons for Change

3 Survey Findings

4 Question and Answer



## Survey Findings

- ❖ Greater use of **I.T.** to capture data.
- ❖ Most associations can collect additional trade data, but may need to **partner with other professional bodies**, as well as agencies (Customs, Statistics office).
- ❖ CPMM identifies the problem, and more can be studied to understand the underlying root causes. **Business Process Analysis** can be one such tool.
- ❖ **CPMM seminars** remain the best way for awareness promotion and capacity building.



## Survey Findings

- ❖ Impact of **PRC Trade & Transport Process Improvements** (e.g. Single Window, eFiling, Free Trade Zones, rail speed acceleration and SME trade finance)
- ❖ Impact of **post TIR accession**
- ❖ China Pakistan Economic Corridor (**CPEC**)
- ❖ Trilateral Agreement **MON-PRC-RUS**
- ❖ EAEU Customs Code



## Trade Data

- Yes, may need to work with AFG Chamber of Commerce and Industries for such data collection (e.g. Certificate of Origin issuance).
- Can also work with Customs Brokers and Industry Associations/Unions to expand collection.

## CPMM Reports

- Send to members for review

## Applications

- Send reports and recommendations to government



## Trade Data

- GIRCA can collect trade related info within Georgia, but not in other countries.
- Can refer to IRU website.
- Now eCMR shows a lot of innovation.
- In Georgia, public websites are available to download data (e.g. National Statistics Office)

## Applications

- Send Reports to public and private sectors.
- Conduct CPMM workshops.
- Rally political support and resources.

*\*GIRCA is the Georgia International Road Carriers Association, a new CPMM partner based in Tbilisi. They joined CPMM in April 2017.*



## Data Collection

- CPMM is effective but collecting the rail transport data is challenging, due to the sensitivity of the data.
- CPMM shows there are problems, but does not disclose the underlying causes.
- Advisable to supplement with other methodologies such as Business Process Analysis (BPA).

## Trade Data

- Possible but at a later stage
- Consider BPA methodology
- Need to rethink the objective, depth and frequency of research and the other parameters.

## New Info

- Eurasian Economic Union (EAEU) will launch new Customs Code in 2018. Electronic declaration is being introduced.
- [www.railcommerce.com](http://www.railcommerce.com) can track wagons.





# MON FMFF



## Data Collection

- Work with seven independent bodies to collect data.
- Human data entry is one common contributing reasons for errors.
- Automate the Excel worksheets further to validate entries

## Trade Data

- Possible but at a later stage
- Can include ocean freight too (for instance, from other seaports to Tianjin)
- Can work with Customs Brokers Association

## Applications

- Send reports and recommendations to government

*\*FMFF is the Federation of Mongolian Freight Forwarders, a new CPMM partner based in Ulaan Baatar. They joined CPMM in January 2017.*



# MON NARTAM



## Data Collection

- Use of modern technology to collect data.

## Trade Data

- Available to capture more data but may need to work with Mongolian Customs General Authority and other professional organizations.
- Parties such as Customs Brokers and Freight Forwarders may be useful, but some data are submitted directly to Customs, so the latter remains the most authoritative source.

## Applications

- Send Analysis and Recommendations to government

## New Info

- China's accession to TIR can result in decreased customs controls
- Trilateral agreement between MON-PRC-RUS can result in increased traffic volume.



# PAK PIFFA



## Data Collection

- Consider to study the
  - Impact of National Single Window
  - Impact of replacing outdated trucks with Euro models
  - Deployment of railways for transit shipments
  - Logistics facilities

## Trade Data

- Import/Export license not required
- PIFFA can collect data related to the trade documentary procedures

## Applications

- Send Reports to Trade Associations
- Send Reports to Government

## New Info

- Measure the impact of TIR accession
- China Pakistan Economic Corridor (CPEC)



# PRC CQIFA



## Data Collection

- Consider to study the
  - Impact of National Single Window and efile
  - Impact of expansion of trade areas (ASEAN-PRC-EU)
  - Impact of rail speed enhancement and cost reduction
  - Benefits of Free Trade Zones

## Trade Data

- CQIFA can collect data related to ordinary trade as well

## Applications

- Send Reports to Trade Associations, Operators
- Send Reports to Government

## New Info

- Multiple Chongqing Free Trade Zones



# PRC XULA



## Data Collection

- Understand how users will utilize CPMM Data and apply that in analysis
- Need to determine the most important trade data to collect and analyze

## Trade Data

- XULA can collect trade data. May need to work with new partners.

## Applications

- Send Reports to Trade Associations, Operators and Partners
- Send Reports to Government

## New Info

- BRI traffic needs more Alashankou/Dostyk and Khorgos/Altynkol throughput capacity



# PRC IMLA



## Data Collection

- Provide latest info on CAREC government policy and regulatory changes
- Study the Root causes of trade and transport process inefficiencies

## Trade Data

- Need assistance from entities with trade data

## Applications

- Send Reports to Trade Associations
- Send Reports to Government

## New Info

- Increase in MON coal export to PRC



## Data Collection

- Use of GPS / digital tachographs
- Collect statistics on automobile accidents during transport

## Trade Data

- Can collect additional information on permits
- Can collect shipment data for Dangerous Goods transport

## CPMM Reports

- Send to members for review

## Applications

- Send reports and recommendations to government

## Payments

- Tax structure results in 35% loss, so suggest to use personal account instead of corporate.



## Data Collection

- Round trip data collection provides insights
- Capability to collect rail data in future

## Trade Data

- Can collect trade data, including time to obtain various permits (export/import, SPS, TIR)

## CPMM Reports

- To important government reform stakeholders for review

## Applications

- Send reports and recommendations to government
- Share CPMM output at trade & logistics conferences

## Suggestion

- Include more parts of logistics system, e.g. warehouses





# Table of Contents

1 CPMM Evolution

2 Reasons for Change

3 Survey Findings

4 Question and Answer



## Question and Answer

1. Can the CPMM extend to cover trade related performance?
2. Are new partners necessary? (Chamber, Customs Brokers, Shippers)
3. Is the Excel template the best way to collect such data?



## THANK YOU!

**Andy Sze**

*CPMM Consultant*

[ahfsze@outlook.com](mailto:ahfsze@outlook.com)



**Max Ee**

*Transport Consultant and CPMM Lead*

[max.ee@scmigroup.com](mailto:max.ee@scmigroup.com)

