

ADB-UNESCAP Workshop on Efficient Cross-border Transport

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UNESCAP Efficient Cross-border Transport Model

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Cross-border Transport in Southeast & South Asia and between China & Myanmar



Why to develop different ways for cross-border transport ?

- ➔ **Common problems faced by cross-border transport in Asia**
 - ➔ Many countries spent large amount of time to negotiate multilateral and bilateral agreements on road transport to address issues of traffic rights and facilitation, in particular multilateral agreements, such as GMS, ASEAN, SCO and ECO agreements
 - ➔ Most agreements provide only limited number of transport routes, which constrains the advantage of road transport in flexibility
 - ➔ Many agreements adopt permit regime, but number of permits may not be sufficient or causes conflicts between countries
 - ➔ Most agreements have difficulties in the implementation of facilitation measures, such as management of cross-border vehicles, visa for drivers, vehicle insurance, vehicle standards and charges
 - ➔ Interest and cultural conflicts, discrimination and political/economical impact occur time to time in the countries permitting cross-border transport
 - ➔ Many countries have no agreements on road transport to formally permit cross-border transport
- ➔ **Different ways for cross-border transport**
 - ➔ Trailer swap, container swap, manual trans-loading or no trans-loading
- ➔ **Purpose to develop different ways for cross-border transport**
 - ➔ Provide more flexible, safe, efficient and reliable options for cross-border transport

❑ **Long-term target is to remove non-physical barriers**

- At the same time to meet the short- and medium-term needs in cross-border transport
- Transport companies may take actions under constrained environment

❑ **Multiple solutions with different competitiveness, benefits to meet different challenges**

- Trailer swap, container swap, manual trans-loading or no trans-loading
- Easier, lower cost, efficient and reliable

❑ **Tool for systematic assessment of specific operating environment** (Totally more than 20 evaluation items for reference)

- Technical aspect
- Operational requirements (including equipment, facilities and commercial)
- Institutional requirements



Evaluation Method

1. Identification of issue

2. Evaluation of solution(s)

3. Comparison of cumulative barriers

Issues	Trailer swap	Container swap	Manual transloading	No transloading	Solution/Arrangement	Difficulty	Cost
Transport permit for motor vehicle				x	Multilateral agreement	5	5
					Bilateral agreement	3	3
Temporary importation							
Of prime mover				x	Accession to international convention	4	4
					Bilateral agreement	4	3
					Double registration	1	3
Of trailer	x			x	Accession to international convention	4	4
					Bilateral agreement	3	3
					Double registration	1	3
Of container	x	x		x	Accession to international convention	3	3
					Bilateral agreement	3	3
▪	▪	▪	▪	▪	▪	▪	▪
▪	▪	▪	▪	▪	▪	▪	▪
▪	▪	▪	▪	▪	▪	▪	▪
Total number of issues	8	7.5		2.5			19
Total difficulty points (min)	14	16		6			46
Total cost points (min)	20	18.5		7			54

Factor	Trailer Swap	Container swap	Manual transloading	No transloading
Difficulty	2	2.25	1.25	4.5
Cost	2.5	2.5	1.5	5
Efficiency	1	3	5	1
Reliability	1	2	3	1
Total	6.5	9.75	10.75	11.5

□ Result:

- **Understanding and comparison of OVERALL benefit and challenge**

- **Understanding factors underlying current practice**

□ Weighting can be adjusted to reflect situation of a corridor or a group of countries

Various arrangements for cross-border transport in the Model

➔ Freight cross-border transport by road

➔ Topic of the present workshop

➔ Passenger cross-border transport by bus

➔ Freight cross-border transport by railway

➔ Passenger cross-border transport by railway

Possibility of trailer swap between China and Kazakhstan

➔ Existing conditions

➔ Treaty basis:

- ➔ "... If a truck or prime mover has registration marks and identification marks in China or Kazakhstan, under this condition, trailers and semi-trailers can have different registration marks and identification marks of other countries." - Article 4, Protocol to Motor Transport Agreement between China and Kazakhstan
- ➔ "... 'China-Kazakhstan International Road Transport Permit', one permit per vehicle (including prime mover and trailer), ..." - Article 3, Agreement on the Establishment of both Parties' International Road Transport Permit system
- ➔ "... relevant details may be directly coordinated by organizations and enterprises of the Contracting Parties." - Article 13, Motor Transport Agreement between China and Kazakhstan
- ➔ "Mechanical failure may be fixed and paid by vehicle registration party with assistance of other party" Article 10, Implementation Rules, Motor Transport Agreement between China and Kazakhstan

➔ Arrangements at border crossings: Khorgos

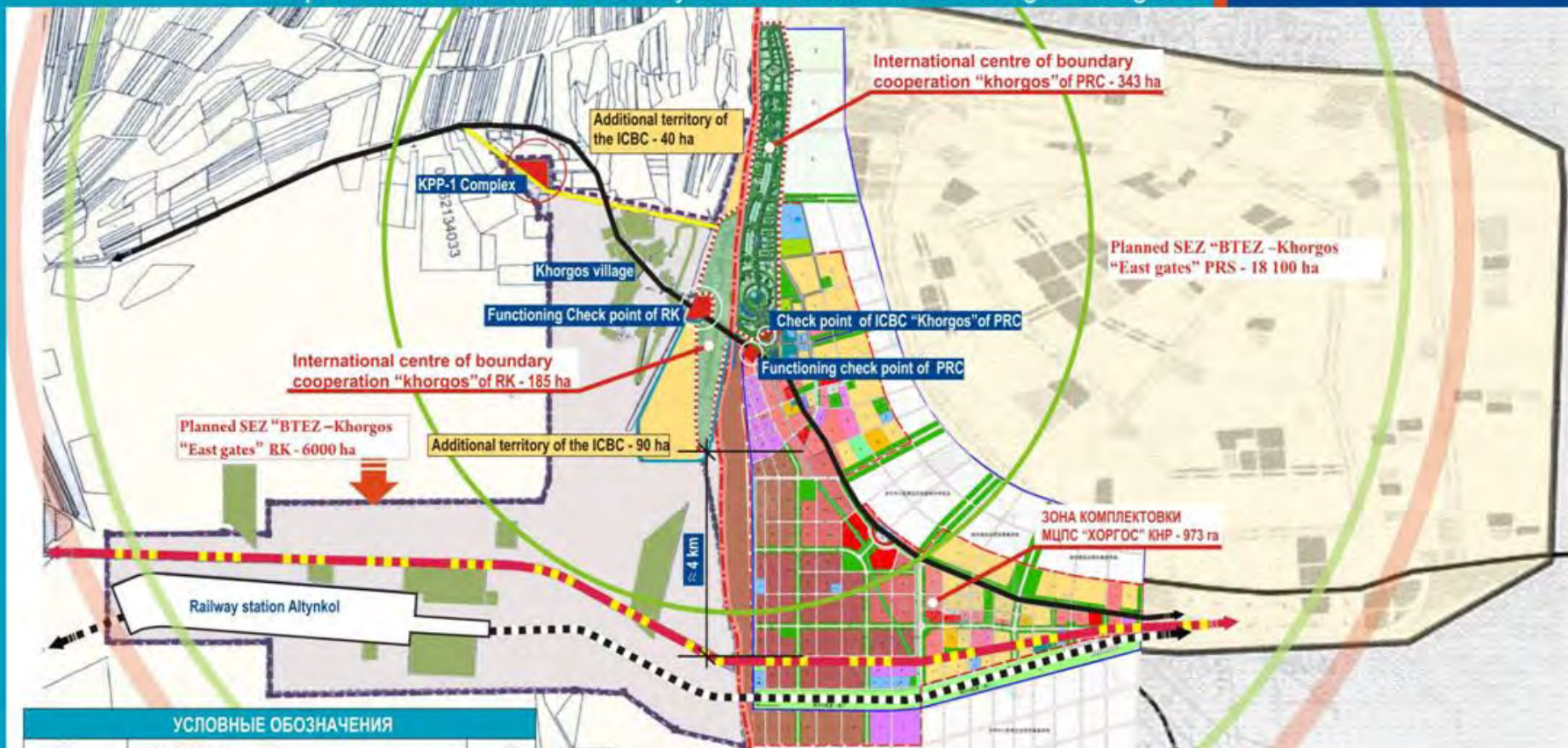
- ➔ Stay **30 days without visa** for Chinese & Kazak citizens
- ➔ Applicable to **special regulations** (No need for prime movers to have additional insurance & guarantee)
- ➔ **Trans-loading areas** planned (12 stations in south zone, temporary storage, constant temperature warehouse, processing, inspection labs), suitable for trailer swap

➔ Vehicles

- ➔ **China, largely ready**
- ➔ **Kazakhstan, partly ready**

- INTERNATIONAL CENTRE OF BOUNDARY COOPERATION "KHORGOS"
- Special Economic Zone "Boundary trade-economic zone "Khorgos-East gates"

Situational scheme



УСЛОВНЫЕ ОБОЗНАЧЕНИЯ

	- State boundary	
	- Kazakhstan-Chinese international centre of boundary cooperation "Khorgos"	528 ha
	- SEZ RK "BTEZ "Khorgos-East gates"	6 000 ha
	- SEZ "Khorgos PRC"	18 100 ha
	- International transit corridor West Europe-West China	
	- Railway branch Zhetysen - Khorgos	
	- Functioning highway	
	- Highway from KPP-1 to ICBC "Khorgos" RK	
	- Functioning by-pass high way	





Suggestions on cross-border trailer swap

➔ **Cooperation between large transport companies**

- ➔ Sign commercial agreement directly
- ➔ Each party in charge of arrangements in its own country, included in the agreement
- ➔ Owner of trailer in charge of trailer maintenance and associated costs

➔ **Cooperation among SMEs**

- ➔ Trailer pool through intermediate service enterprise (logistics centre, joint venture)
- ➔ Individual commercial agreements between intermediate service enterprise and participating SMEs
- ➔ Arrangements for formalities in the two countries by intermediate service enterprise
- ➔ Transport by participating SMEs in their own countries, included in transport contracts
- ➔ Owner of trailer in charge of trailer maintenance and associated costs

➔ **Government support (ideal option)**

- ➔ Clarify and complete relevant agreement provisions
- ➔ Provide policy support and facilitate trailer swap operation
- ➔ Promote trailer swap in cross-border transport

Further steps for developing trailer swap between China and Kazakhstan

- ➔ **Specific study on trailer swap between China and Kazakhstan (including policy, legal, technical, economic issues and implementation plan)**
- ➔ **Inter-governmental consultation**
 - ➔ **Clarify and complete relevant articles of bilateral agreement on road transport ?**
 - ➔ **Relax designated routes for trailers or not ?**
 - ➔ **Relax requirements for temporary admission of trailers or not ?**
 - ➔ **Separate insurance for trailer with prime mover**
 - ➔ **Vehicle weight and dimensions ?**
- ➔ **Promotion and assistance for implementation**
 - ➔ **Relevant Government agencies**
 - ➔ **Large transport companies**
 - ➔ **SMEs and intermediate service enterprise**
- ➔ **Study, consultation and implementation be done by China and Kazakhstan or with assistance of international organization/institution**

Future of trailer swap in cross-border transport

- ➔ Trailer swap at or near border crossings to overcome the existing difficulties in cross-border transport by road**
- ➔ Also trailer swap at inland places in the future even if cross-border transport can reach inland places to increase transport efficiency and flexibility**

Thank you!