

Developments related to TIR and transit facilitation in CAREC

**19 May 2017** Tbilisi

iru.org





- Status of TIR implementation in Pakistan
- Status of TIR implementation in PRC
- Status of TIR in CAREC
- IRU-WB Cooperation on Road Freight Transport Services Reform Guidelines

Status of TIR implementation in Pakistan

# **TIR** implementation status



## **Guarantee agreement** between Customs and Association (PNC-ICC)

• Signed in January, 2017

### TIR IT tools (Real-Time SafeTIR and TIR-EPD)

 TIR IT tools has been implemented and tested between Customs and IRU

#### Procedure for vehicle approval

- Established
- The role is entrusted to PNC-ICC by the Ministry of Communications

## PNC-ICC has established TIR-related **procedures** and documents

- PNC-ICC is ready for TIR admission audit
- PNC-ICC staff continues TIR training and preparing the training programme for TIR Holders

### TIR Rules (part of the national legislation)

• To be endorsed by national authorities

### List of customs offices open for TIR

 To be officially communicated by Customs to PNC-ICC and IRU

#### TIR admission audit

• To be conducted immediately after the above 2 steps

## **TIR** pilot operations

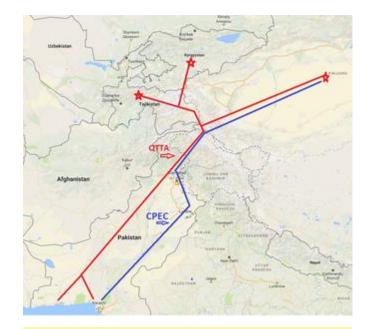
- Between Pakistan and Iran by TIR Holders from both countries
- 1<sup>st</sup> applicants are passing the provisional admission procedure

# **Opportunities from TIR in Pakistan**

PRC - the biggest trade partner of Pakistan; **CPEC** 

## **QTTA** + access to the sea for Central Asian countries

- USD 11 bln of import from PRC per year
- CPEC: high investments into KKH, a much faster connection between West PRC and the ports of Karachi and Gwadar
- Access to the sea for the landlocked countries of Central Asia
- Access to Central Asia for Pakistan
- The customs guarantee element is missing in QTTA, and TIR will fill in this part.



**H** 

Exchange between Central Asia and Pakistan is very low, but there is a good potential for all partners under favourable conditions

# **Opportunities from TIR in Pakistan**



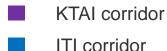
The greatest part of bilateral trade by road is currently with **Afghanistan; APTICA** 

## ITI corridor (**Pakistan – Iran – Turkey**)

- Access to the sea for Afghanistan
- Access to the sea for the countries of Central Asia
- Access to Central Asia for Pakistani products
- Only annual export of Pakistan to Afghanistan is approx. USD 2 bln / 6 mln tons
- Afghanistan is to start getting benefits from transit

- TIR will be started with pilot operations between Iran and Pakistan
- ITI corridor to be explored under TIR
- Access to Turkey and EU for Pakistan, and vice versa





# Status of TIR implementation in PRC

# Transport between PRC and other CAREC countries with TIR

- PRC acceded to the UN TIR Convention on 5 July 2016
- PRC has concluded road transport agreements with 6 other CAREC countries.
- Agreement on customs cooperation between PRC and Afghanistan
- Goods moved by road between PRC and the other CAREC countries account for around 70% of goods moved by road between PRC and all its neighboring countries.



Estimated maximum reduced time for customs clearance after TIR operational in PRC

RJ

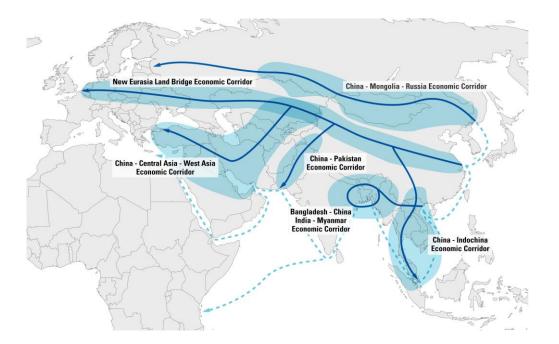
Transport operations	Maximum reduced time for customs clearance
Between PRC and Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, Turkmenistan, Uzbekistan	6 days
Between PRC and Afghanistan, Georgia, Azerbaijan, Pakistan	3 days

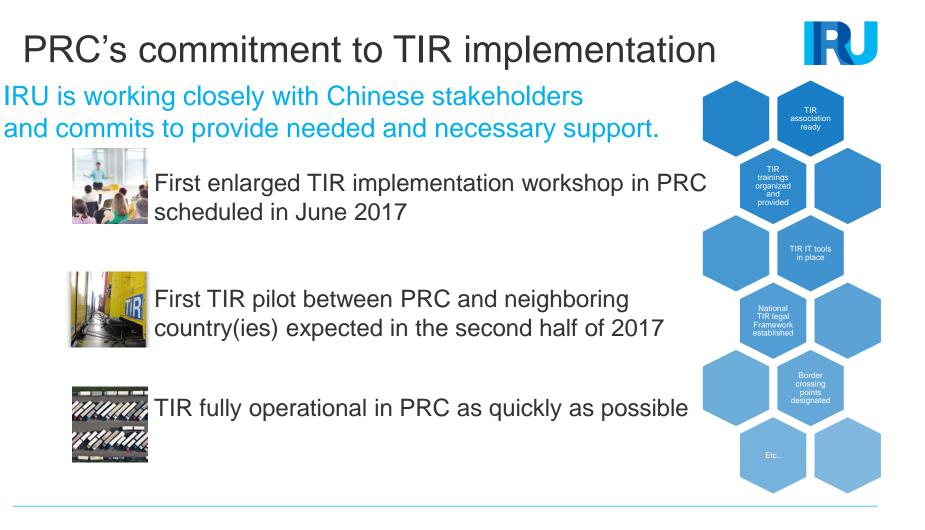
Source: a joint report by IRU and UIBE, May 2017

# The Belt and Road Initiative with TIR



- TIR joins PRC with 42 other Contracting Parties along the OBOR routes
- TIR implementation in PRC will contribute to the boost of international transport and trade in the framework of OBOR.
- It is estimated that after TIR operational in PRC, total trade volume between PRC and "the Belt and Road" countries may increase by up to USD 13.583 billion per year.





# Potential challenges on the way of benefitting from TIR in PRC





Adequate international road transport arrangement Establishment of bilateral and multilateral transport agreements and effective implementation



Improvement of infrastractural facilities

Roads, BCPs, TIR green lanes etc.



## Others

Vehicle technical standards, effective cooperation between BCPs of neighboring countries etc.

# IRU joins forces with PRC ministries at Belt & Road Forum



IRU has entered into two agreements, setting out an action plan for unleashing the potential of the international road transport industry in China,

RJ

 TIR to boost the total volume of trade among China and other countries along the Belt & Road.

# Status of TIR in CAREC

# TIR for effective transit in LLDC





Transit Handbook

To Establish Effective Transit Schemes for LLDCs

World Customs Organization

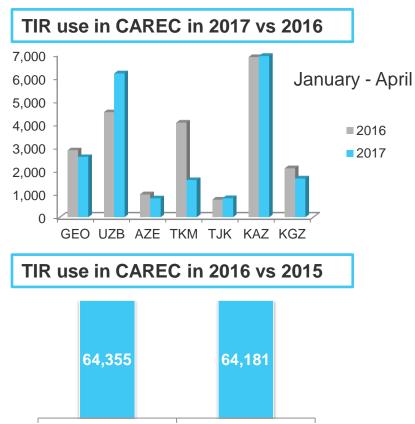
#### 2. International Customs documents - TIR Carnet and ATA Carnet

International Customs documents such as the TIR Carnet and ATA Carnet are widely used for transit declarations in lieu of national declaration forms. Under the TIR and ATA systems, transit operators may enjoy the benefits of the simplification of Customs formalities. These Carnets are issued by national associations which are involved in the international valid guarantee chain.

Using international Customs documents means that transit operators need not concern themselves with minor differences in the documentary requirements of transit countries. Therefore, for a transit operation involving several border crossings, the use of an international Customs document is a considerable benefit to them. In addition, the presentation of a TIR or ATA Carnet means that the international guarantee chain should cover the transit transaction, and the procedures surrounding national guarantees can be dispensed with.

# Use of TIR in CAREC





2016

2015

## **Priority steps:**

- TIR to be implemented in Pakistan and PRC
- TIR to be reactivated in Afghanistan and Mongolia

Mongolia: Series of TIR events in March 2017 supported by the Government

Afghanistan: Visit of a high-level delegation to IRU in Jan 2017 to discuss TIR and transit issues

# Moving from paper to electronic TIR



## TIR IT tools:

- Connect TIR actors
- Enhance TIR security
- Mandatory for all new TIR countries





# TIR computerisation workshop in Batumi



## TIR computerisation regional workshop in Batumi, 11-12 June 2017 hosted by Georgia Revenue Service, GIRCA and IRU

### **Participated:**

- Customs from Georgia, Azerbaijan, Kazakhstan, Turkey, Ukraine
- National associations
- UNECE and IRU

#### **Outcomes:**

- Importance of a computerised TIR corridor Ukraine
  Georgia Azerbaijan Kazakhstan for the regional trade
- Expressed interest in a TIR computerisation project with a fully electronic TIR procedure on this intermodal corridor



# Response to the region's needs



- Vouchers of additional guarantee TIR+ are accepted in Kazakhstan from national and foreign TIR Holders (+ EUR 100,000)
- TIR-EPD priority handling in Aktau, Kazakhstan (based on the used of TIR-EPD tool for sending advance info to customs) for the transport arriving by ferry from Baku (control time reduced from 3 h 38 min to 1 h 46 min (minimum time 45 min)
- iCarnet for transport under customs control on the territory of one country



Likewise, IRU is ready to work with national authorities, business and international partners for:

- assessing the regional needs
- developing regional transit solutions based on existing TIR mechanisms and taking into account economic corridors

# IRU-WB cooperation on road freight transport services reform guidelines





IRU and the World Bank Group publish the first ever guide to improve road transport quality and competition, based on practical examples of regulatory reform in other countries.

It is aimed at governments and policy-makers in emerging and developing economies – where mobility of cargo is almost entirely dependent on the road transport sector.

#### **Key Areas of Reform**



Tackling current inefficiencies in road transport services can yield significant development benefits. The road transport sector requires frameworks to improve productivity, safety, competition, sustainability, transparency and overall professionalisation.

Efficient trucking is around a notific and many states

Accessible on-line:

https://www.iru.org/resources/newsroom/efficient-trucking-growth-enabler-new-iruworld-bank-guide-reform



#### iru.org