



CARECCPMM

Corridor Performance Measurement and Monitoring

CAREC SENIOR OFFICIALS' MEETING

27-28 June 2013 | Almaty, Kazakhstan

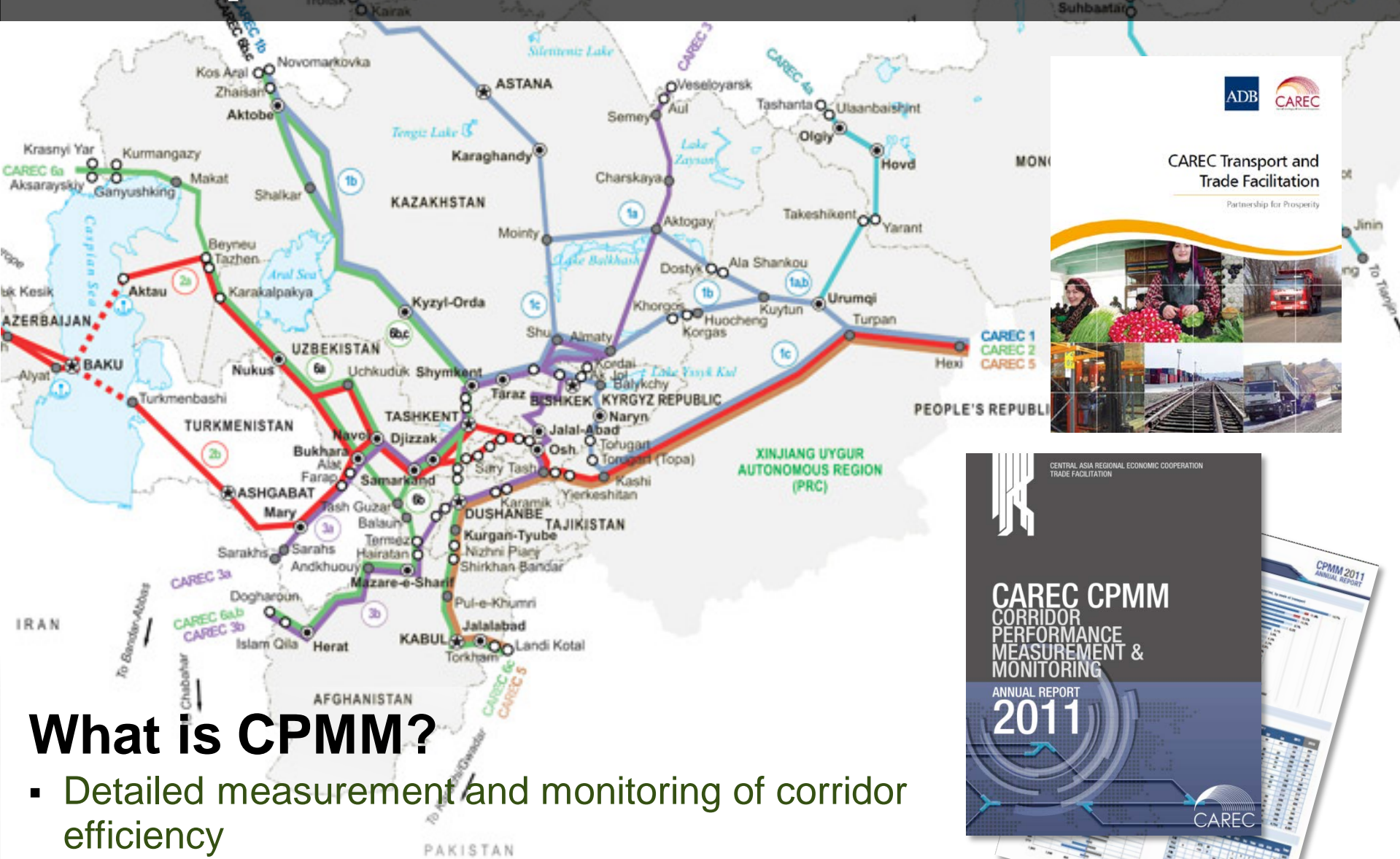
Mr. Ilya Segal

Executive Director

Kazakhstan Freight Forwarders Association (KFFA)

CAREC Corridor Performance Measurement and Monitoring

Transport Corridors and CPMM



CAREC Transport and Trade Facilitation
Partnership for Prosperity



What is CPMM?

- Detailed measurement and monitoring of corridor efficiency
- Identify bottlenecks, Improve predictability

Institutional Arrangements: CPMM Partners

CFCFA
CAREC Federation of Carrier and Forwarder Associations

Home About Us Associations CAREC Transport Corridors Corridor Performance Measurement & Monitoring (CPMM) Events Contact

Association of Afghanistan Freight Forwarding Companies (AAFFCO) AHBK KAZATO KAZAKHSTAN ASSOCIATION OF CARRIERS AND WAGON (CONTAINER) OPERATORS (KACWO) CFCFA

(Updated) CFCFA Business Networking Forum | Hohhot, Inner Mongolia, People's Republic of China | 4-5 June 2012

Are you part of the CFCFA Association? Subscribe to our mailing list and get the latest updates straight to your inbox.

SEARCH
Search this website ... SEARCH

NEW MATERIALS AVAILABLE FOR DOWNLOAD

New 2012 CPMM Quarterly Reports available for download
October 30, 2012

(4-5 June 2012) CFCFA 2nd Business Networking Forum; Hohhot, Inner Mongolia Autonomous Region, PRC
Added on June 20, 2012

(5 June 2012) CFCFA Working Groups Meeting; Hohhot, Inner Mongolia Autonomous Region, PRC
Added on June 20, 2012

(Update) 4-5 June 2012, CFCFA Business Networking Forum
Added on April 29, 2012

CAREC FEDERATION OF CARRIER AND FORWARDER ASSOCIATIONS (CFCFA)

In 2009 at the initiative of national carrier, freight forwarder and logistics associations and with the CAREC support, a non-government and non-profit organization – CAREC Federation of Carrier and Forwarder Associations (CFCFA) – was established.

CFCFA is:

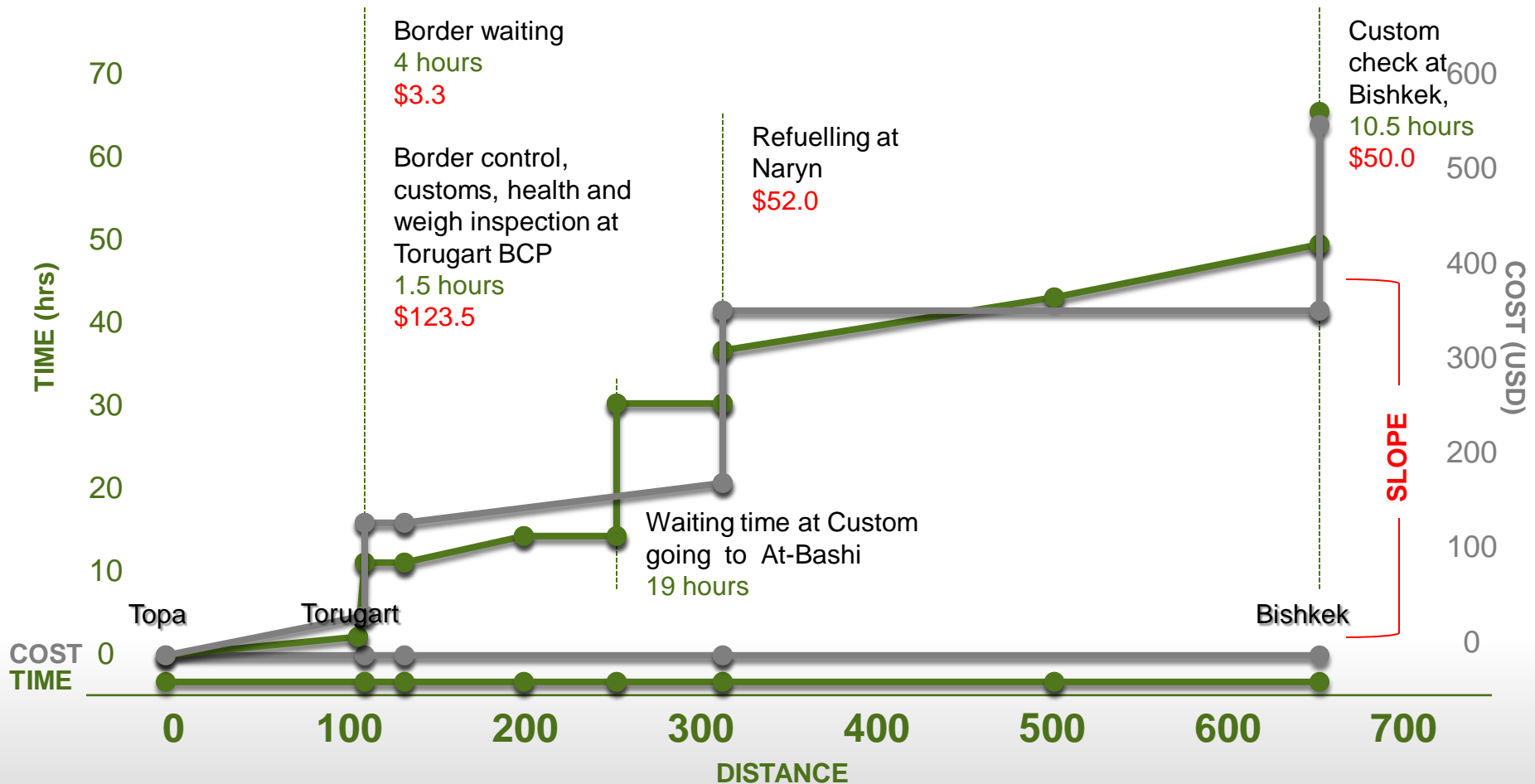
- an instrument of public private partnership expansion for developing transport and logistics in the region;
- a cooperation mechanism for CAREC region's national associations to solve topical issues;
- a possibility of active participation in implementing and initiating new projects for CAREC financing

Country	Associations
Afghanistan	AAFFCO
Azerbaijan	ABADA
Kazakhstan	KFFFA KAZATO
Kyrgyz Republic	KGZ FOA ASMAM / AIA
Mongolia	MNCCI / NTTFC NARTAM
Pakistan	PIFFA
PRC	IMLA XULA
Tajikistan	ABBAT
Uzbekistan	ADBL AIRCUIZ

For more information, visit
<http://cfcfa.net/>

Time/Cost-Distance (TCD) Methodology

Sample TCD from Topa (PRC) – Bishkek (KGZ) in 2010



These TCD observations are collected on a monthly basis from selected CFCFA member associations since 2009

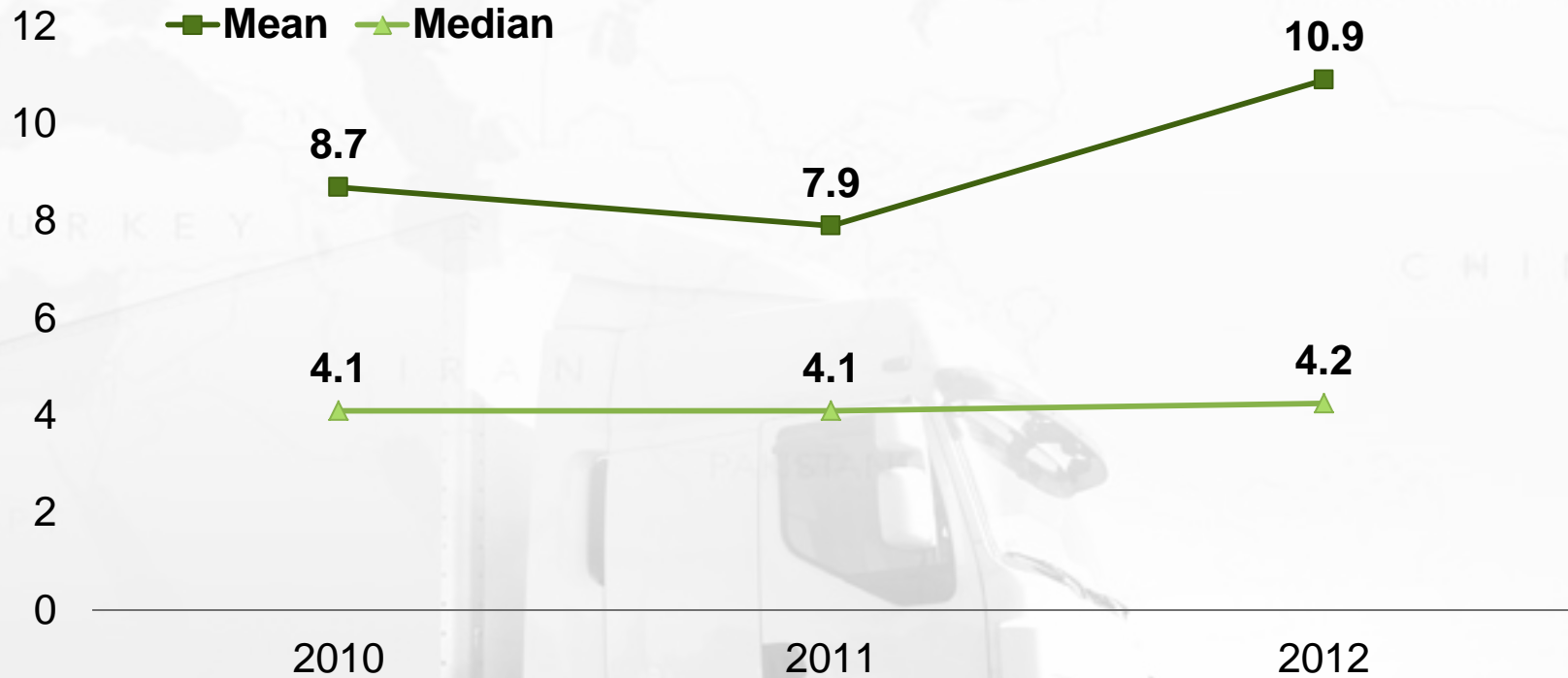
Trade Facilitation Indicators (TFIs)

		2011			2012		
Indicator		Mean	Median	Margin*	Mean	Median	Margin*
TFI1	Time to Clear a Border Crossing Point, in hours	7.9	4.1	± 0.5	10.9↑	4.2--	± 0.7
TFI2	Cost Incurred at Border Crossing Clearance, in US\$	156	90	± 4	157--	76↓	± 6
TFI3	Cost Incurred to Travel a Corridor Section, in US\$, per 500km per 20 ton	959	637	± 27	999↑	621--	± 43
TFI4	Speed to Travel on CAREC Corridors, in kph (SWD)	21.9	20.2	± 1.6	22.9↑	25.0↑	± 0.4
SWOD	Speed without Delay, in kph	38.0	39.9	± 2.1	37.8--	35.5↓	± 0.6

*Note: "Margin" refers to absolute margin of error, at 95% level of confidence, in the mean estimates.

TFI Trends

Time to Clear a BCP 2010-2012 in hours



TFI1

Time to Clear a BCP

TFI Highlights

While some of the indicators sustained their momentum from the previous year, TFI1 showed serious deterioration in 2012.

Serious delays at the border were observed in BCPs along **Corridors 1, 2, and 4**, where border clearance took an average of more than **10 hours**.

Corridor 1 suffered the most delays specifically at **Dostyk-Alashankou (KAZ-PRC)** and **Khorgos-Khorgos (KAZ-PRC)** due to the negative effect of Customs Union to non-member countries.

Corridor 4 suffered from serious delays in **rail transport at Erenhot-Zamyn Uud (PRC-MON)** due to **change in railway gauge** when entering the opposite side of the border.

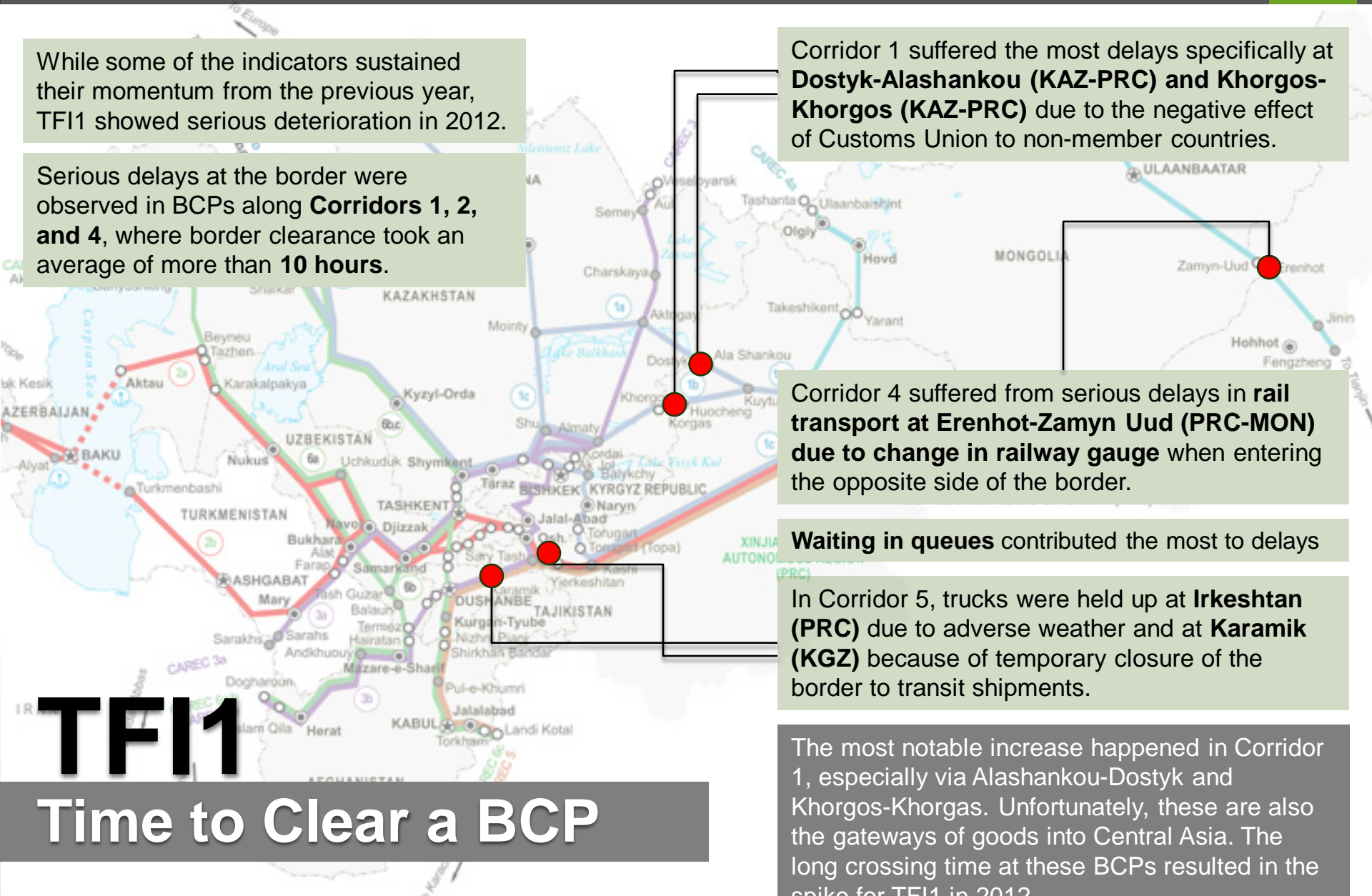
Waiting in queues contributed the most to delays

In Corridor 5, trucks were held up at **Irkeshtan (PRC)** due to adverse weather and at **Karamik (KGZ)** because of temporary closure of the border to transit shipments.

The most notable increase happened in Corridor 1, especially via Alashankou-Dostyk and Khorgos-Khorgos. Unfortunately, these are also the gateways of goods into Central Asia. The long crossing time at these BCPs resulted in the spike for TFI1 in 2012.

TFI1

Time to Clear a BCP



TFI Trends

Cost Incurred at BCPs 2010-2012
in \$



TFI2

Cost Incurred at BCPs

TFI Highlights

The trend of average cost incurred at border crossing clearance (TFI2) remained **relatively constant** in 2012.

Dostyk-Ala Shankou (KAZ-PRC), along Corridor 1, remained the most expensive BCPs to cross per crossing when entering the opposite side of the border.

Samples show that **customs clearance fees at Dostyk** are expensive in comparison with other BCPs. Other samples indicate **high costs in change of railways gauge**.

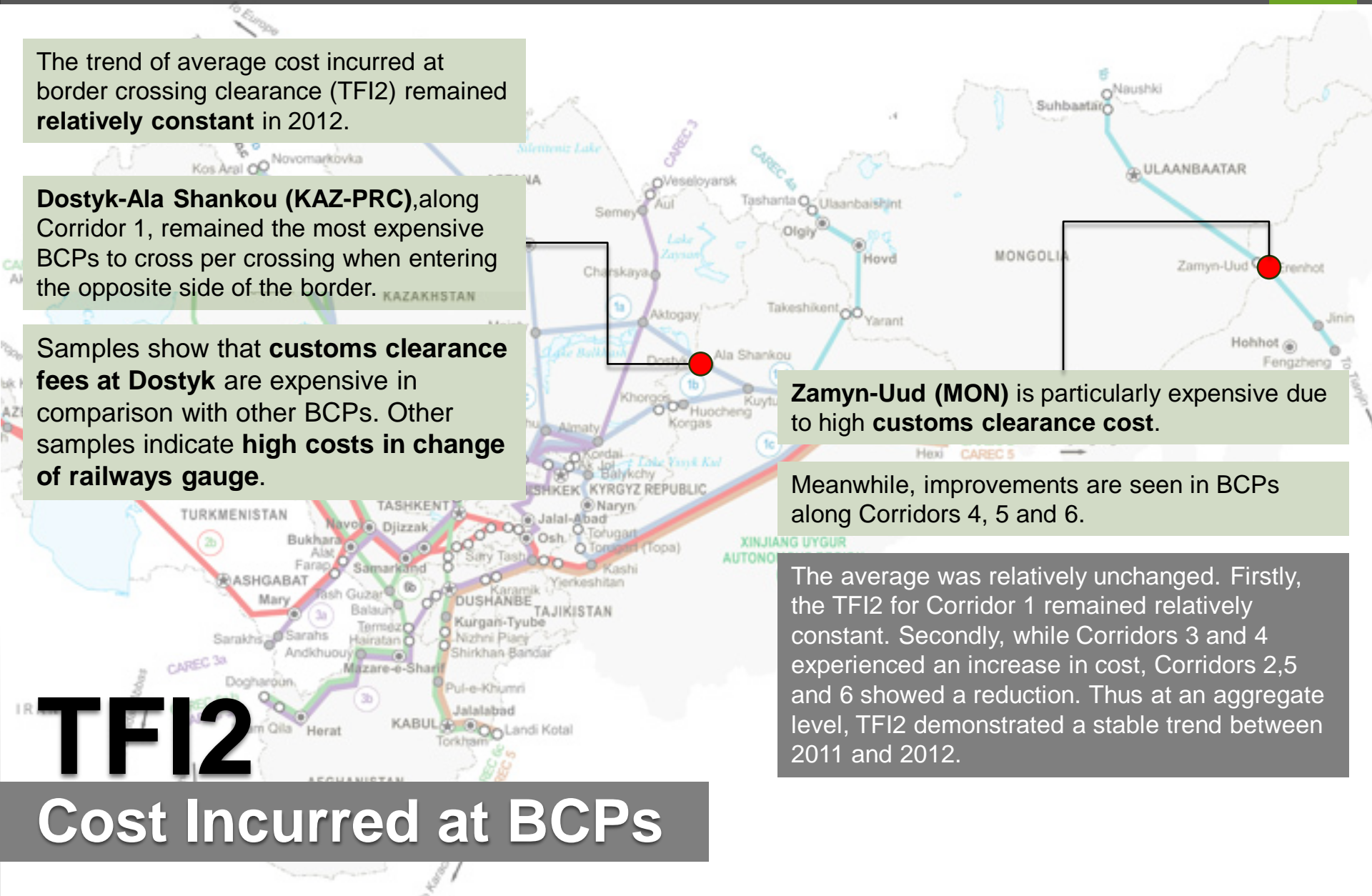
Zamyn-Uud (MON) is particularly expensive due to high **customs clearance cost**.

Meanwhile, improvements are seen in BCPs along Corridors 4, 5 and 6.

The average was relatively unchanged. Firstly, the TFI2 for Corridor 1 remained relatively constant. Secondly, while Corridors 3 and 4 experienced an increase in cost, Corridors 2, 5 and 6 showed a reduction. Thus at an aggregate level, TFI2 demonstrated a stable trend between 2011 and 2012.

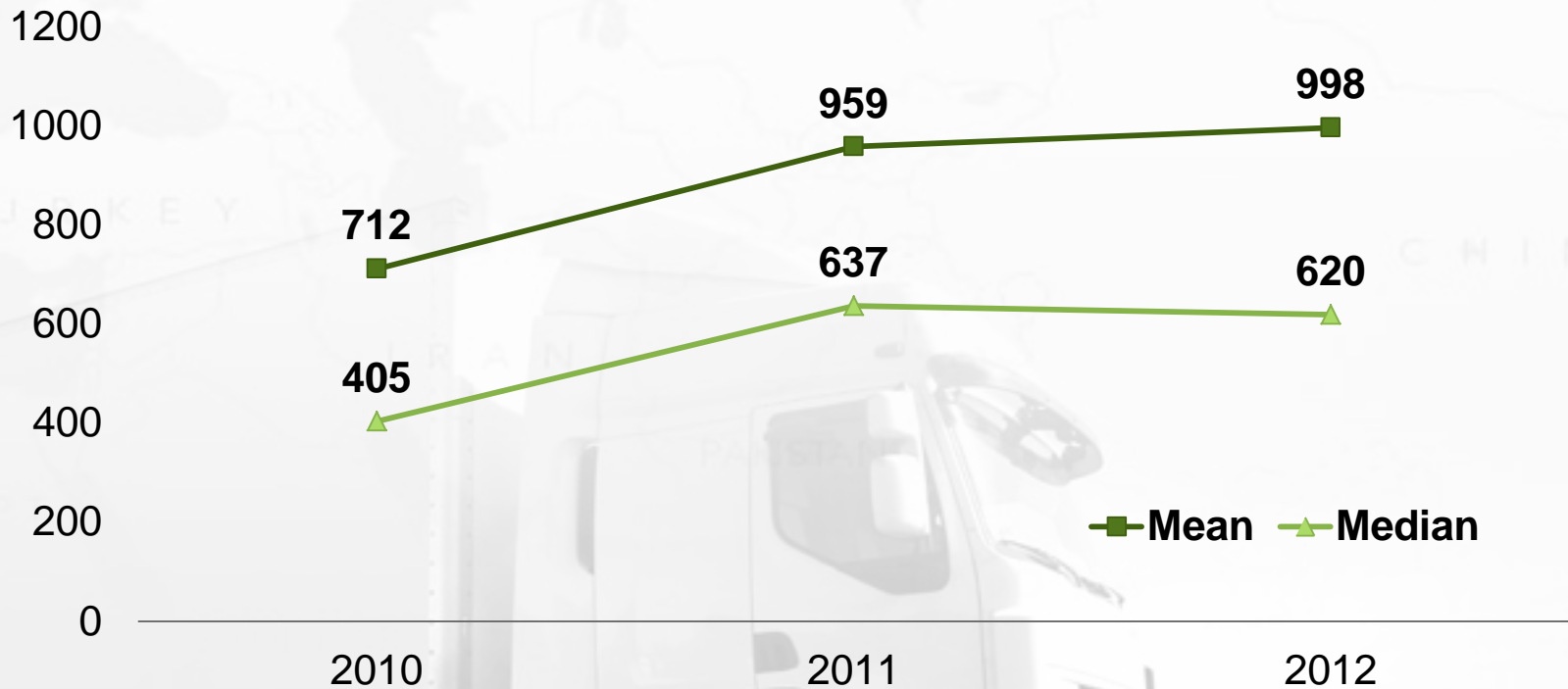
TFI2

Cost Incurred at BCPs



TFI Trends

Cost Incurred to Travel a Corridor Section 2010-2012
in \$, per 500-km, per 20-ton



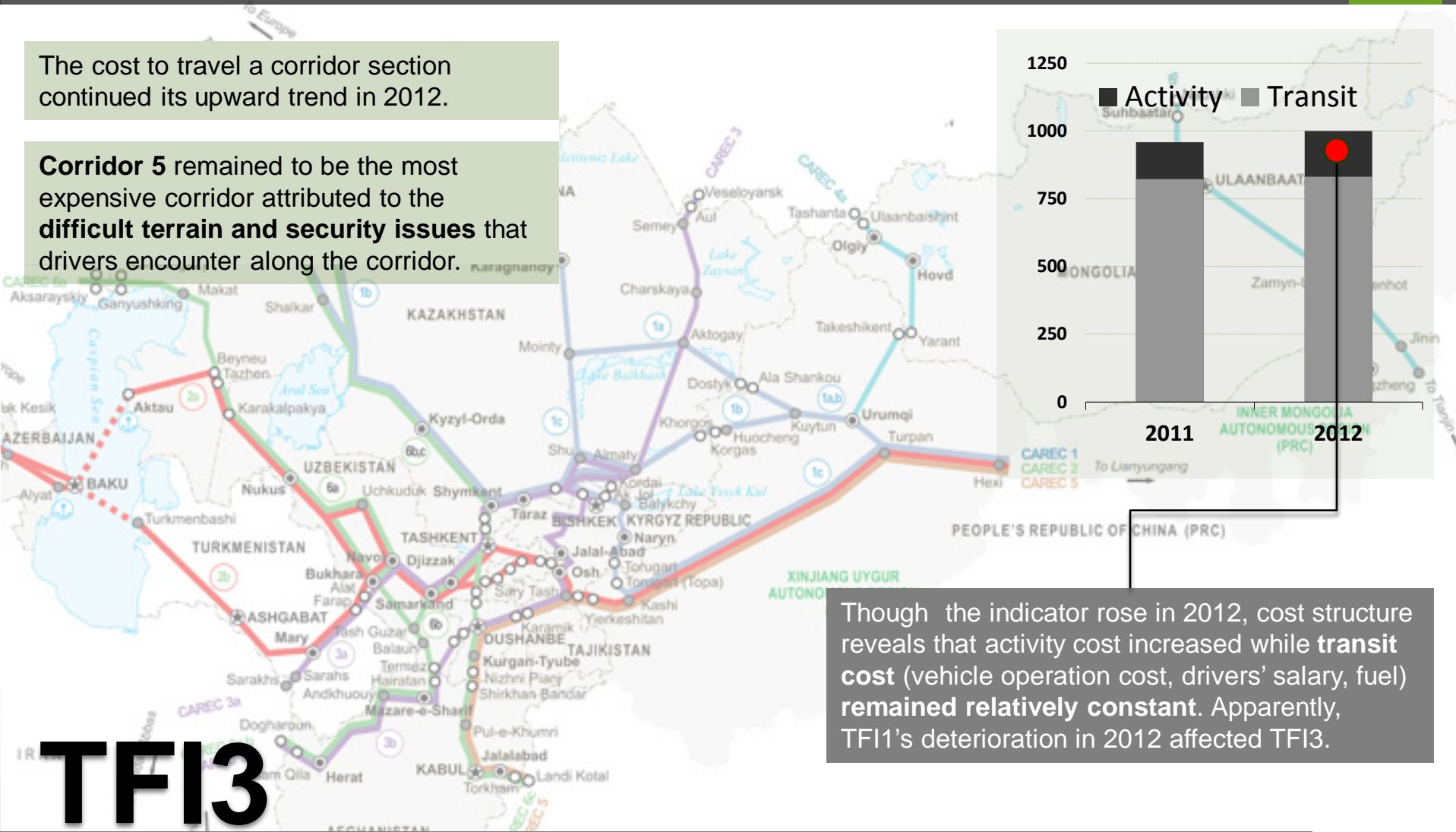
TFI3

Cost Incurred to Travel a Corridor Section

TFI Highlights

The cost to travel a corridor section continued its upward trend in 2012.

Corridor 5 remained to be the most expensive corridor attributed to the **difficult terrain and security issues** that drivers encounter along the corridor.



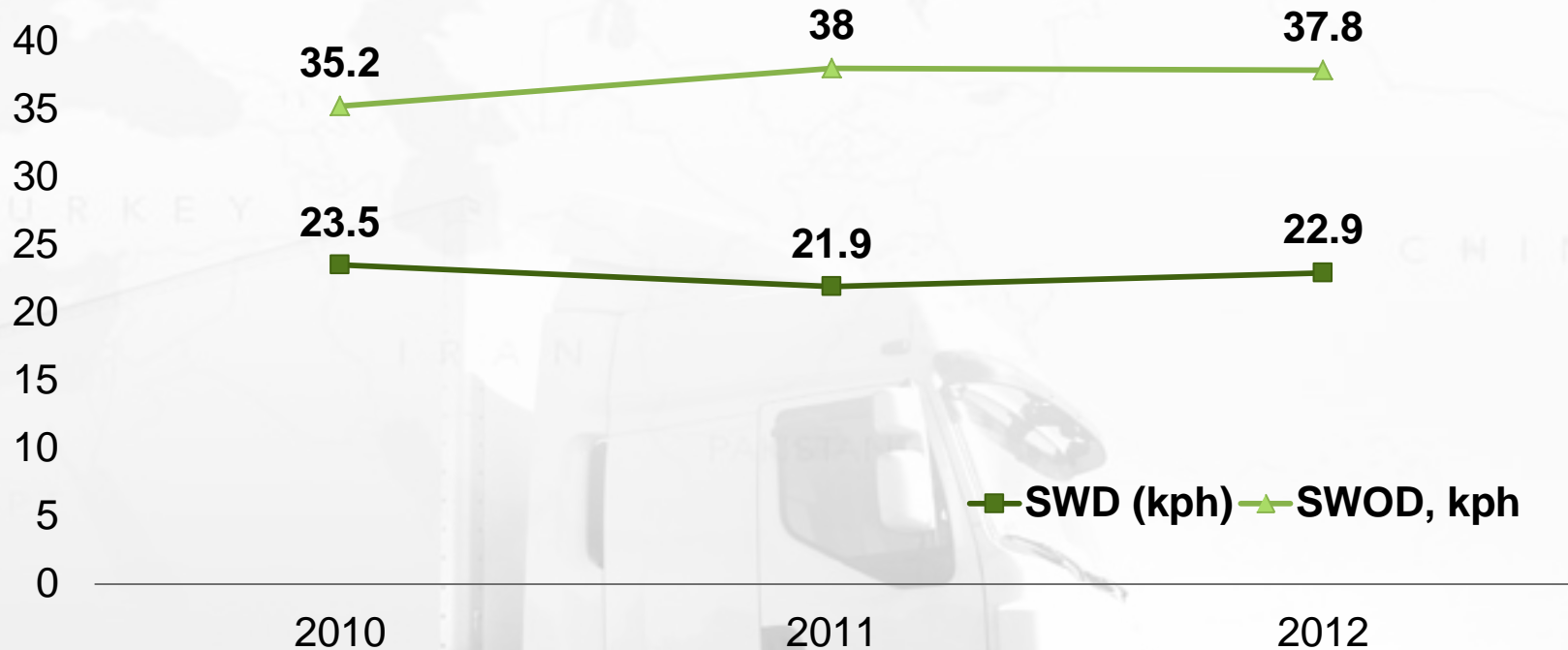
Though the indicator rose in 2012, cost structure reveals that activity cost increased while **transit cost** (vehicle operation cost, drivers' salary, fuel) remained relatively constant. Apparently, TFI1's deterioration in 2012 affected TFI3.

TFI3

Cost Incurred to Travel a Corridor Section

TFI Trends

Speed to Travel on CAREC Corridors 2010-2012 in kph



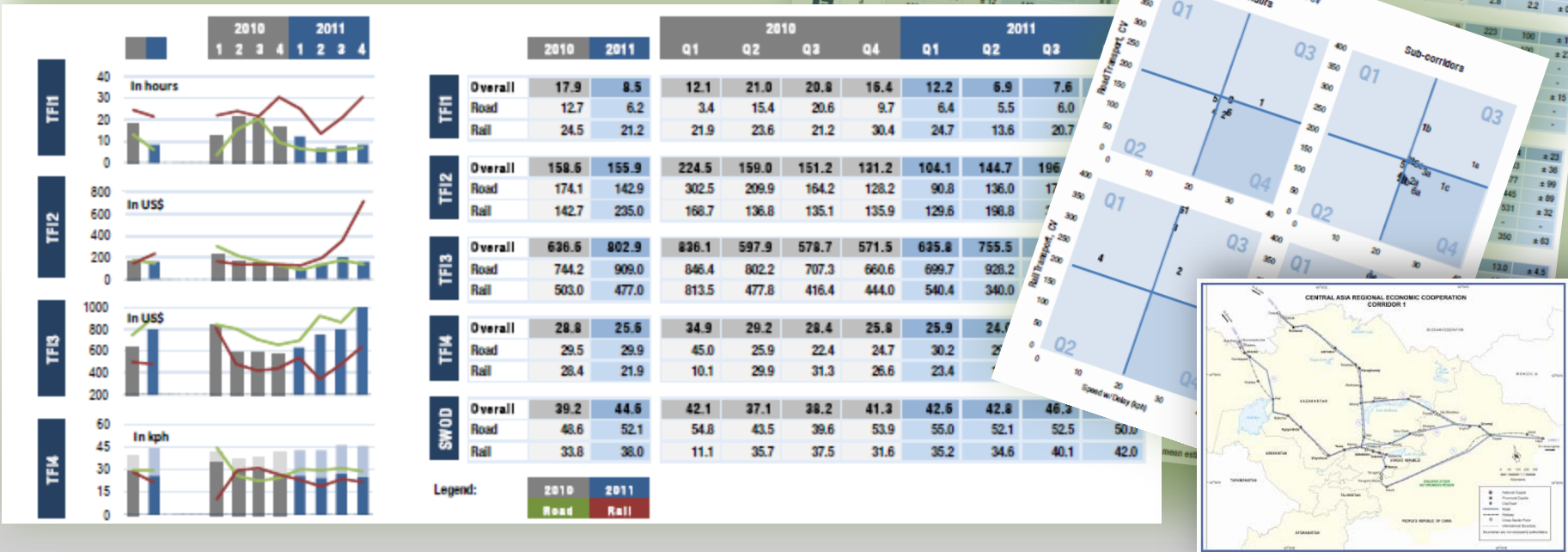
TFI4

Speed to Travel on CAREC Corridors

Detailed Corridor Data

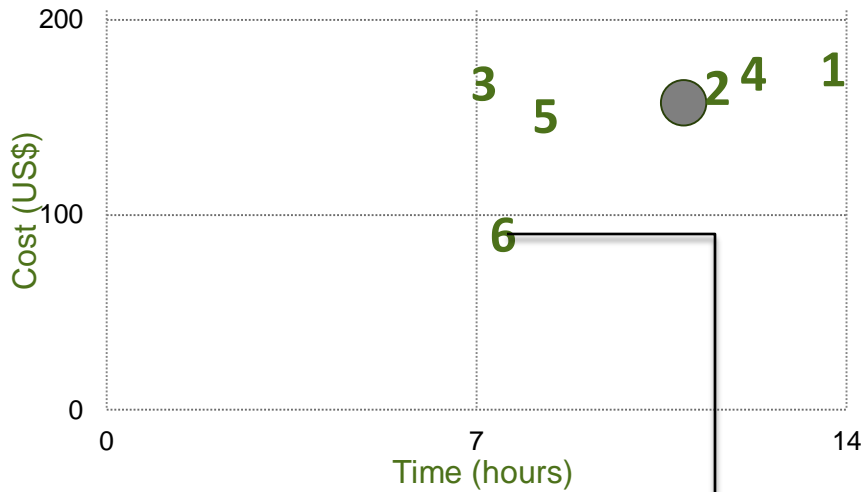
CPMM also measures and provides

- statistics, data trends, trade facilitation indicators
- for corridors, sub-corridors and key BCPs
- for road and rail transport

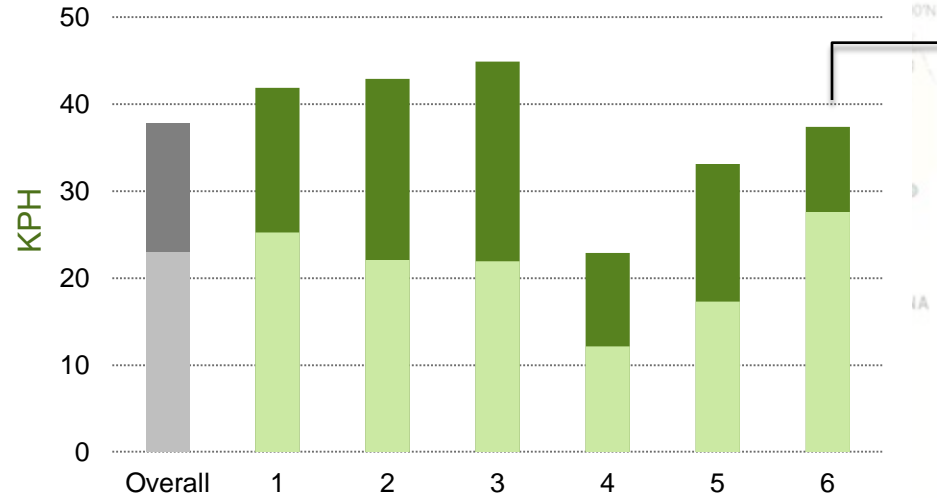


Corridor Comparison

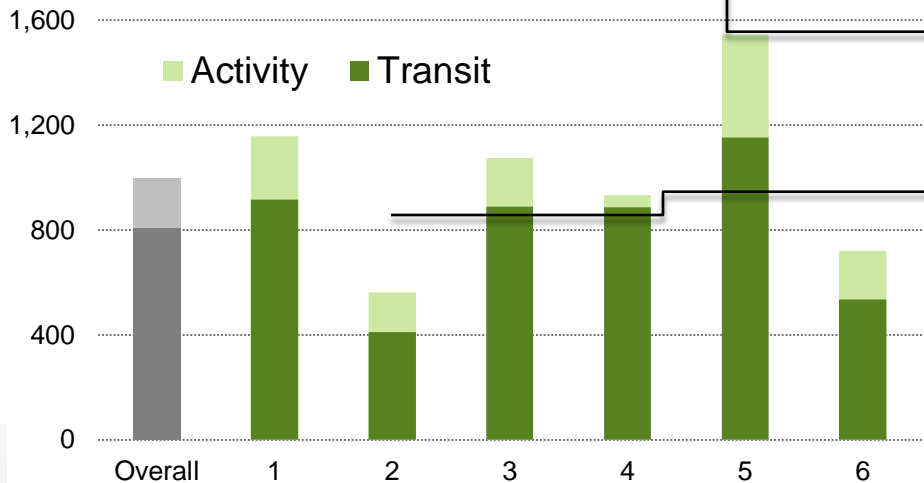
Time (TFI1) and Cost (TFI2) spent at border crossing, 2012



Speed Indicators (TFI4), 2012



TFI3 Cost Incurred to travel a corridor section, per 500km

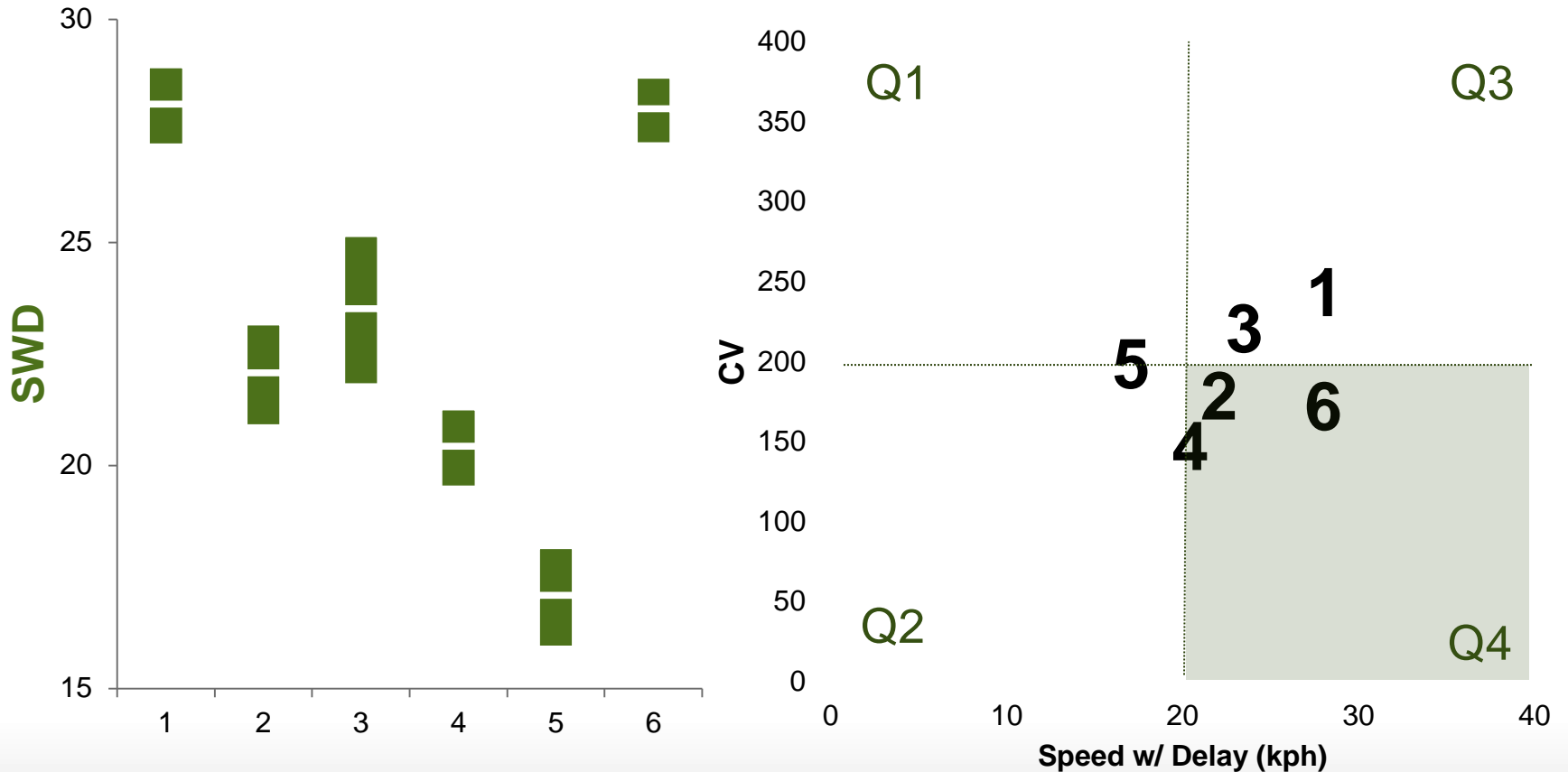


Compared to other corridors, Corridor 6 averaged the least cost to cross a border. Others have similar values with varying average time to cross a border.

However, data suggest that it is cheaper to travel along Corridor 2, while activities are less costly in Corridor 4.

In terms of speed, Corridors 1, 2, 3, and 6 SWOD estimates are above average. However, Corridor 6 reveal efficient border crossing with a narrow SWOD-SWD gap.

Variation in Sample

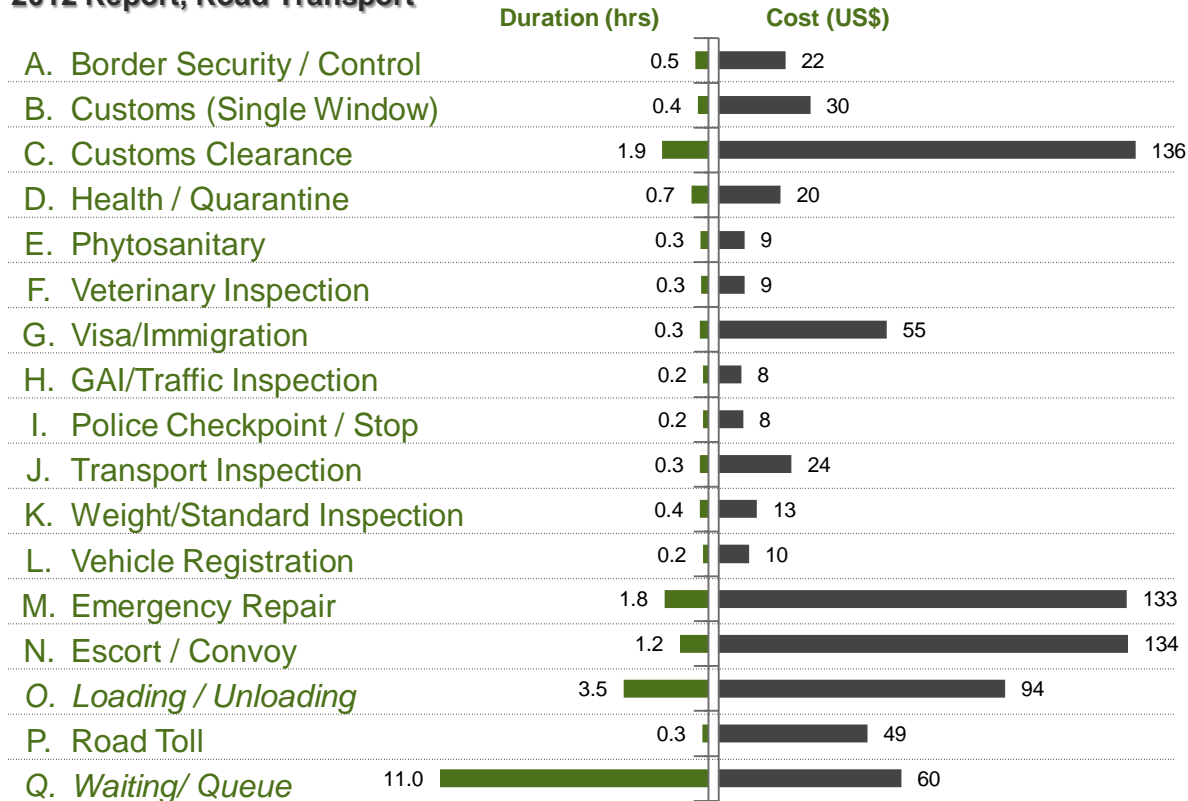


The Coefficient of Variation (CV) measures the uncertainty in the speed estimates, and lower values are preferred which means delivery time is consistent.

The quadrants provide the relative efficiency of corridors in terms of SWD.

Border Crossing Delays and Cost

Average Duration and Cost spent at BCPs 2012 Report, Road Transport



Among all activities, *waiting in queues* and *loading/unloading* are very time-consuming, and are frequently experienced during shipments, specifically in these BCPs, when entering neighboring countries

- (1) Alashankou (PRC) / Dostyk (KAZ)
- (2) Torugart (PRC)
- (3) Khorgos (PRC)
- (4) Tazhen (KAZ)
- (5) Karamik (KGZ)
- (6) Irkeshtan (PRC)
- (7) Ayraton (UZB)

Among activities with high costs, only *customs clearance* fees are regularly encountered during border crossing. Costs for *emergency repairs* are rarely encountered, while *escort/convoy* services fees depends on the area of shipment.

Policy Implications

Statistical analyses of CPMM data provide a wide array of informative insights on the trends and comparison of trade dynamics within the region.

These data also inform project development and design:

- RIBS
- SPS
- Economic corridor development

CPMM Database

Statistical Analysis

Trade-related policies

Policy Implications

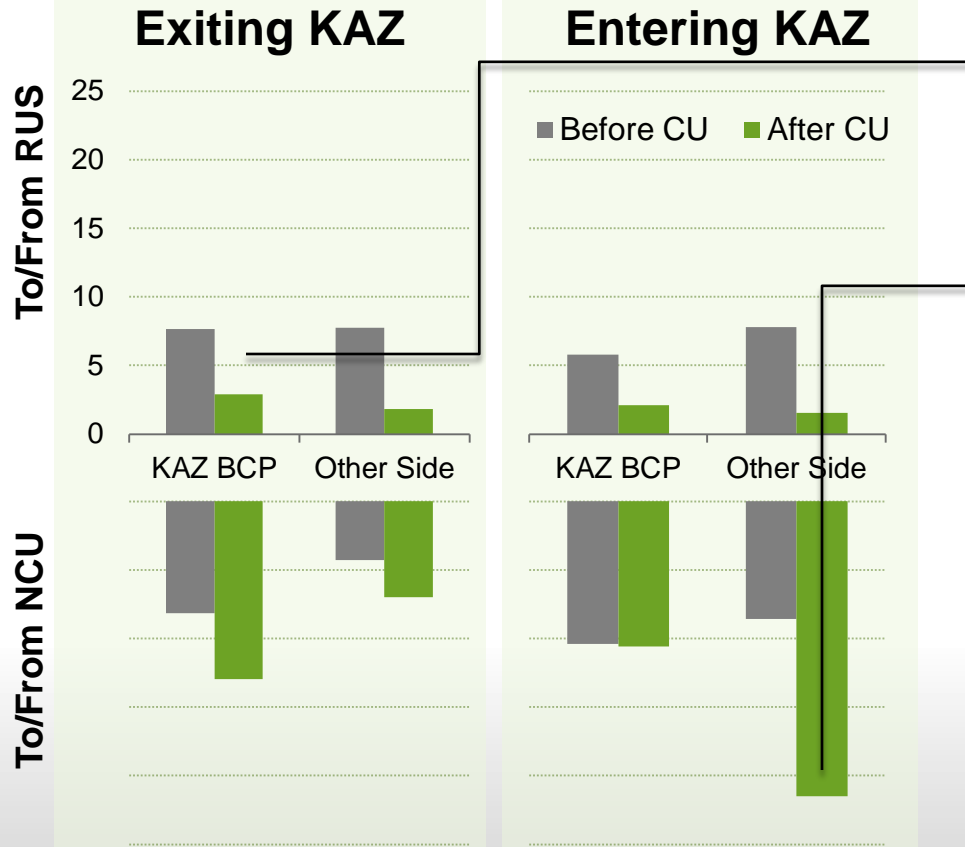
CPMM has developed an extensive database on CAREC trade along CAREC corridors and key routes

CPMM data have supported analysis of:

- Impact of Customs Union
- Significance of TIR
- Comparison of border crossing delays between perishable and non-perishable commodities

Customs Union

Average Duration at BCPs
2012 Report, Road Transport, in hours



According to CPMM data, total border clearance duration in KAZ-RUS BCPs clearly dropped, in either direction, after the implementation of Customs Union.

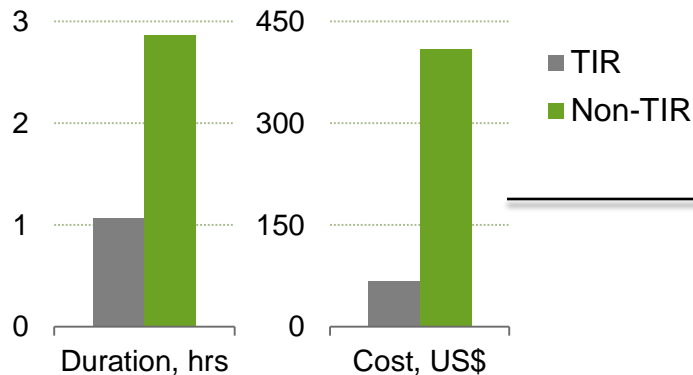
However, significant increase in border-crossing duration was also observed when entering KAZ from a non-CU member country (NCU) from **9 to 22 hours**.

This overall increase is mainly due to increase in the following activities:

- waiting in queues
- customs clearance
- health/quarantine
- transport inspection

Use of TIR Carnets

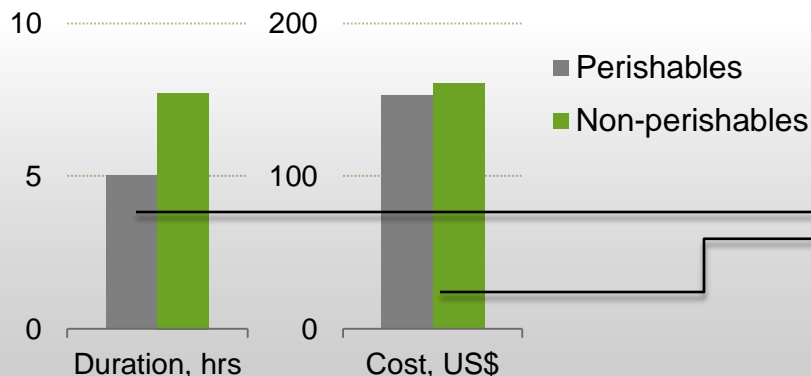
Average Duration and Cost of Customs Clearance at BCPs
2012 Report



In 2012, the use of TIR carnets proved advantageous when shipments undergo custom related procedures, in terms of cost and time. Data suggest significant overall difference when compared to non-TIR cargoes.

Perishable Goods

Average Duration at BCPs
2012 Report, Road Transport, in hours



CPMM data also reveal that perishable goods spend significantly less time at BCPs during border crossing in road transport. However, evidence suggest that BCP clearance duration is not statistically significant for rail transport.

Cost data, on the other hand, reveal no significant difference between perishable and non-perishable goods.

- CPMM Manual
- Improvement of data collection on **rail transport**
- **Training of CPMM coordinators** to improve their skills and do their own analysis, and
- Enhancement of the **CFCFA/CPMM website** to be more user-friendly



Thank You!



**Mr. Ilya Segal
Executive Director
Kazakhstan Freight Forwarders Association (KFFA)**

CAREC Corridor Performance Measurement and Monitoring