Role of private sector in facilitating cross-border transport in CAREC

Ulaanbaatar, 27 April 2015





Introduction of IRU. Overview of the TIR Convention and its benefits.

Ulaanbaatar, 27 April 2015

Youlian Guenkov Head TIR Admissions & Audit



This is the IRU



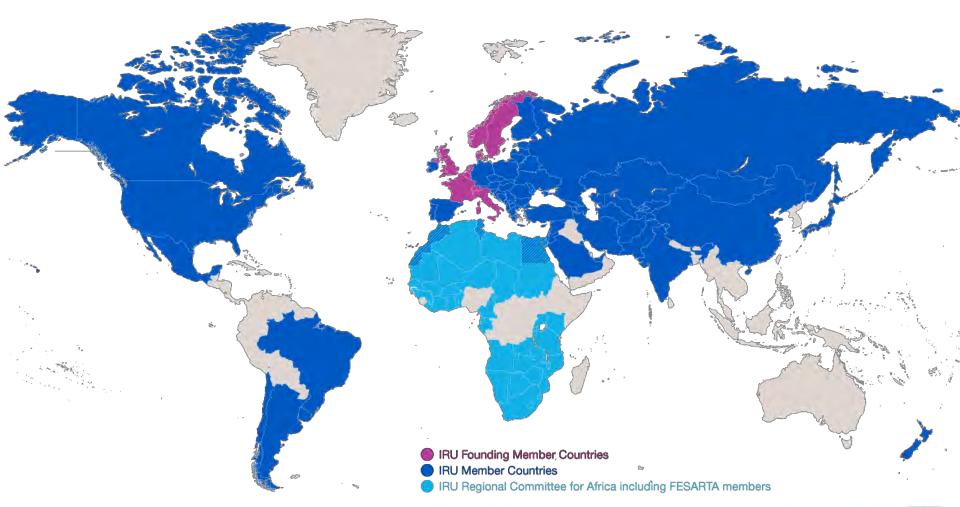


Itt MITERTRANSPOR

Evolution of IRU Membership

1948: 8 Founding Member Countries

2015: present in over 100 countries





IRU International Commissions

& Working Parties

Commissions

Social Affairs

tap#

Economic Affairs



Customs Affairs



Legal Affairs



Technical Affairs



Road Safety



Services to
 Transport Operators



Working Parties

Dangerous Goods



Intermodal Transport& Logistics



 Taxis and hire cars with driver







Global partners

UN, UNCTAD, UNDP, UNEP, UNMAS, UN-OHRLLS, UNWTO, UNGC, ILO, IMO, ITF, WCO, WHO, WTO

International Financial Institutions

Asian Development Bank (ADB), African Development Bank (AFDB), Islamic Development Bank (IDB), World Bank

Regional partners

AU, AULT, BSEC, CAREC, CEMAC, CIS, CTC, Customs Union, ECO, EEC, EU Institutions, EurAsEC, FESARTA, GUAM, ICDT, LAS, OAS, OSCE, SCO, TRACECA, UNECA, UNECE, UNECLAC, UNESCAP, UNESCWA, UfM





IRU Academy: Worldwide Excellence in Road Transport Training





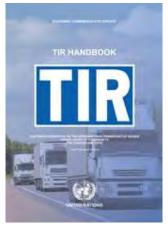






Implement key UN facilitation instruments to allow transport to drive trade!



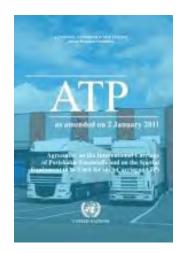


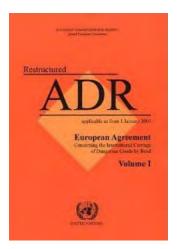


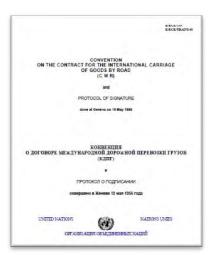
















Securing and facilitating trade and international road transport



What is the TIR System?

A tried and tested, affordable facilitation instrument for international transport and trade

- Multilateral
- Multimodal (road-rail, road-maritime, road-air)
- Global

Based on TIR Convention of 1975, signed by 68 contracting parties

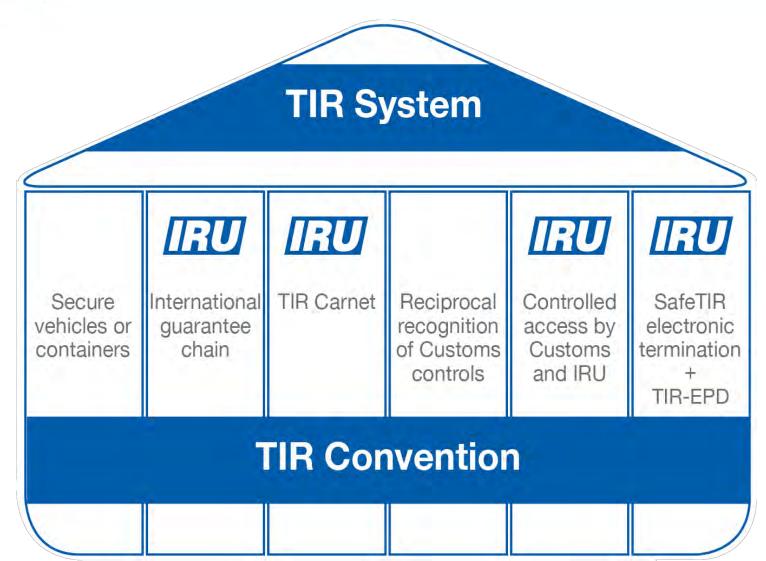
Gives access to 58 TIR operational countries





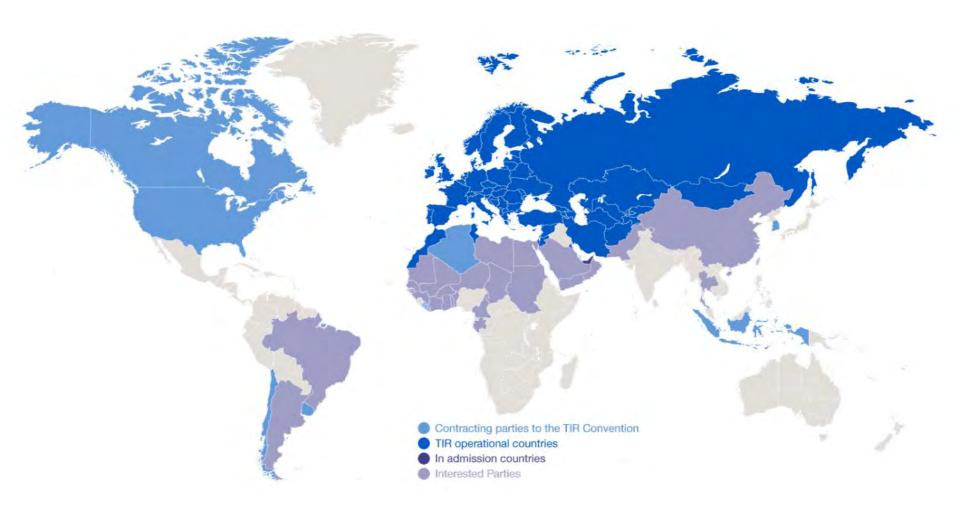


The six pillars of the TIR System





Geographical scope of the TIR Convention





Electronic data exchange via risk management tools

54 countries: IRU receives data on termination of TIR operations from

Customs authorities; Real-Time Safe TIR is implemented in 19

countries

31 countries: connected to TIR-EPD

Real-Time SafeTIR

TIR-EPD





New TIR products – new opportunities











TIR gives your supply chain a competitive edge.

Saves time and money





How TIR works

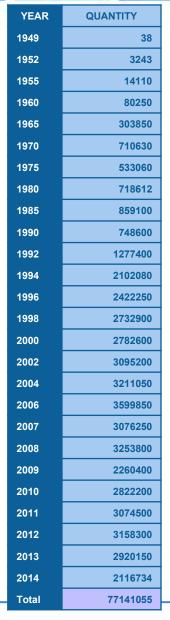
TIR System in the CAREC member countries: achievements and challenges

Ulaanbaatar, 27 April 2015

Ksenia Kasko, Head Legal and Customs Affairs Qu, Pengcheng, Senior Advisor, PRC and South East Asia



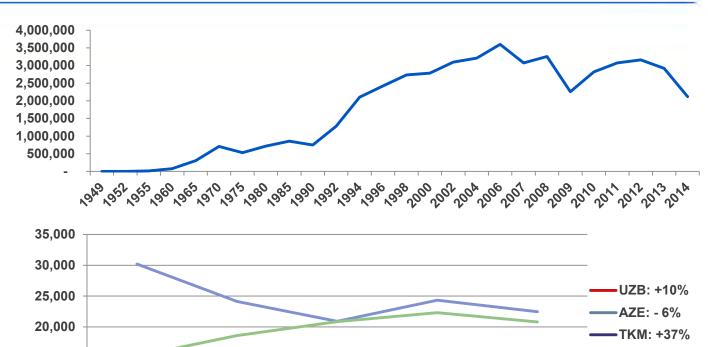
Use of TIR: global and CAREC



15.000

10,000

5,000



2010 2011 2012 2014 2013

(Mongolia started issuing TIR Carnets in 2013: about 100/year)

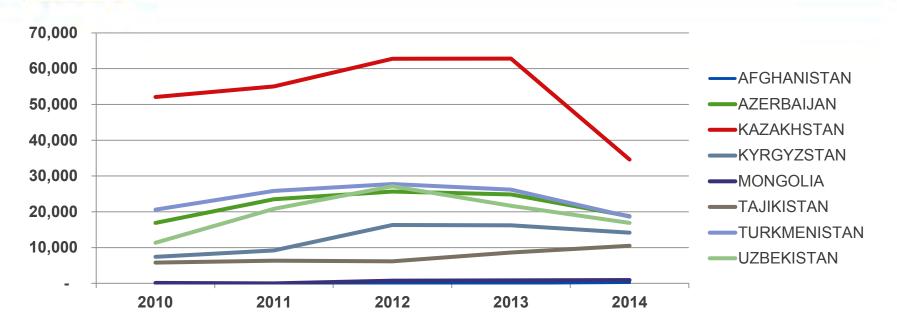
Total of <u>360,964</u> TIR Carnets issued in CAREC (2010 – 2014)

TJK: + 55%

KAZ: - 6%

KGZ: + 9%

TIR terminations in CAREC countries



Who is leading in TIR terminations in CAREC

Total of <u>697,301</u> TIR Carnets terminated in **CAREC** (2010 - 2014)

CAREC country of TIR termination	From where are the Holders leading by terminations
AFGHANISTAN	KAZ
AZERBAIJAN	TUR
KAZAKHSTAN	KAZ
KYRGYZSTAN	KGZ
MONGOLIA	POL
TAJIKISTAN	TUR
TURKMENISTAN	TUR
UZBEKISTAN	TUR



Achievements of CAREC countries in the context of TIR



TIR-EPD Green Window set up in Kyrgyzstan





TIR: global and flexible – new products



A **fully-computerised** solution providing a **higher-level guarantee** for the TIR Carnet:

- Guarantee limit increased to USD 150,000 or EUR 160,000 per TIR Carnet (depending on the initial guarantee limit set for the TIR Carnet in each country)
- Activated with a valid TIR Carnet
- Global TIR insurers guarantee, for increased financial security
- Already operational in Kazakhstan, Kyrgyzstan, Iran







A new competitive Carnet allowing the secure transport of goods between two Customs offices in the same country:

- Uses well-known TIR procedures
- Fast implementation upon Customs' approval (required legal framework already available)
- Competitive business opportunities for TIR Carnet Holders operating at national level only
- Full support of international insurers



New products gain their scope in CAREC







Kyrgyzstan



✓ More countries are preparing to deploy the new products

✓The use of new products is open for transport operators from all countries, e.g. Uzbek transport operators can buy TIR+ vouchers from association to use them on the territory of Kazakhstan



Simplicity: process similar to the regular TIR procedure - no new investment required



Security: transport under Customs seals in TIR authorised vehicles



Financial guarantee: duties and taxes secured by an international guarantee chain, backed by major international and national insurers



Controlled access: used only by authorised TIR users



Advanced risk assessment and traceability through IRU IT applications: TIR-EPD & Real-Time SafeTIR

TIR in Afghanistan

- ✓ Afghanistan Chamber of Commerce & Industries (ACCI) established in 1931
- ✓ Member of IRU since 1983
- ✓ TIR re-activated on 4 September 2013 (TIR Audit and training conducted)
- Over 300 TIR operations conducted to Afghanistan by foreign TIR Holders (from Iran, Kazakhstan, Turkey, Lithuania)
- ✓ First TIR Carnets issued to Afghan Holders
- ✓ TIR-EPD implemented as an IT TIR risk management tool



Objective: to understand current constraints and facilitate the implementation of TIR system in Afghanistan



TIR expansion: Pakistan



Latest developments:

- In principle approval granted by competent Ministries at end 2014
- > TIR legislation approval is on the agenda of the Council of Ministers
- Positive study on TIR benefits for Pakistan prepared by Pakistani National Institute of Management for the Government
- > The progress in PRC should influence Pakistan











PRC speeds up TIR accession process to reach 2015 objective



Latest developments

- 13 February 2015: PRC's Customs officially approved TIR accession file which was sent for final review to 4 Ministries
- 16 February 2015: Ministry of Foreign affairs gave 15 March deadline to Hong Kong to also consider joining
- 27 February 2015: Chinese Ministry of Transport: **APPROVED**
- 03 March 2015: Administration of Quality Inspection and Quarantine: APPROVED
- 06 March 2015: Ministry of Public Security: **APPROVED**
- 16 April 2015: Ministry of Foreign Affairs: **APPROVED**
- **Next step:** Chinese State Council to submit official application to the UN







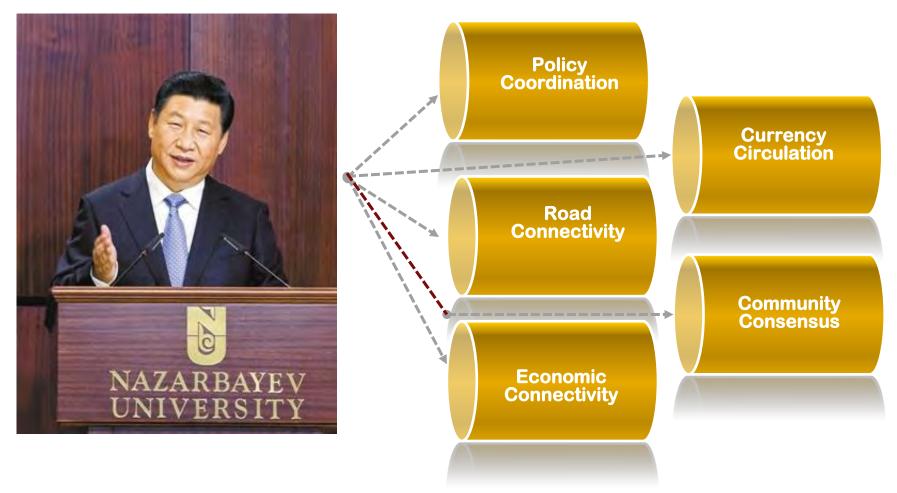
What's next once PRC joins TIR? One Belt One Road – with TIR





The 5 Pillars of the Initiative

Proposed by Chinese President Xi Jinping in 2013



The Geographical Coverage



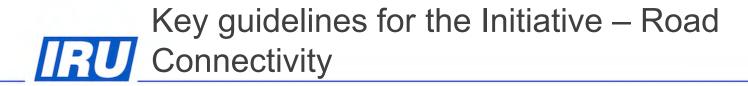
65 countries: CIS, Mogolia, Eastern Europe, Middle East,

ASEAN, South Asia, part of Africa

4.4 billion population (63% of the world total)

\$21 trillion economic output (29% of the world total)

\$ 1 trillion of PRC's foreign trade (25% of PRC's total)



Road Connectivity

- □ Build and improve land transport routes, both road and railways to connect Central Asia, South Asia countries and beyond
- □ Develop and secure maritime transport routes to connect ASEAN countries, South Asian countries, Middle East countries, east and north African countries
- □Support key infrastructure constructions along the routes

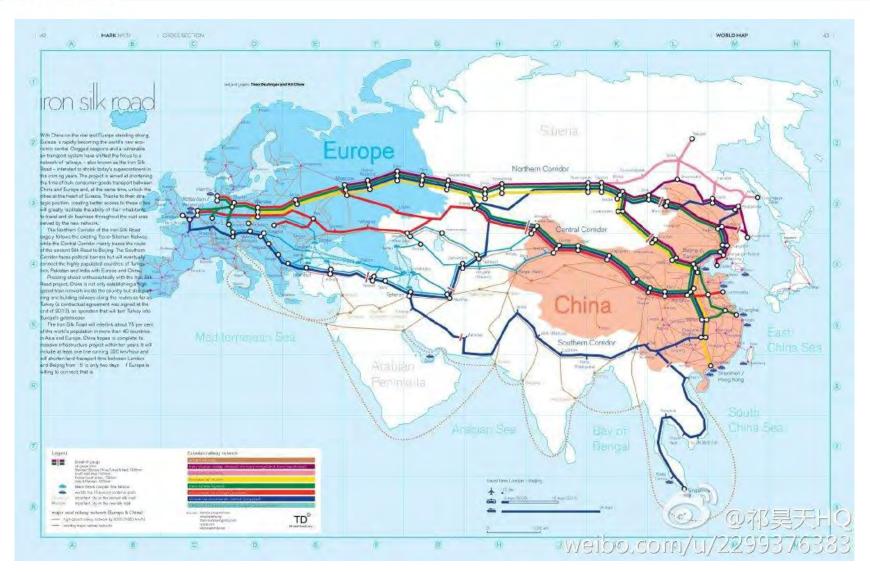
Key guidelines for the Initiative – Economic Connectivity

>Economic Connectivity

- □ Explore the economic potential of countries involved
- ☐ Facilitate trade by removing non-physical barriers
 - ✓ Integrated regional customs clearance
 - □ Comprehensive integrated clearance target for 2020
 - □ International cooperation in trade facilitation
- □ Create favorable conditions for mutual investment
- □Create the largest economic corridor of the world
 - □PRC-Mongolia-Russia
 - □PRC-Pakistan
 - □PRC-Bangladesh-Myanmar-India
 - □PRC-central Asia-western Asia
 - □PRC-ASEAN



Railway Transport



Glance of PRC's International Road Transport



14 bordering countries 6 TIR operating countries

35 million tons transported by road at value of \$40 billion (1% of total)

Permit system 360,000 C permits in 2013

11 countries 70 crossing points

287 routes 136 for passengers 151 goods transport

1.400 international transport operators with 26.800 trucks (0.002% of total trucks)

What will happen after PRC joins TIR

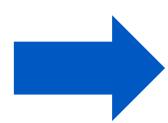
Reduced cost

Reduced waiting time

Progress in regional transport facilitation

Progress in regional economic cooperation

Other factors



Increased freight transport by road

New economic opportunities

More countries in TIR

Impact on new regional transit systems

Competition in the road transport market



Euro-Asian Pilot Caravans

Beijing – Brussels, 2005













Beijing

Brussels





 Black Sea Ring Highway Truck Caravan 2007

• IRU New Eurasian Land Transport Initiative 2008 – 2013: over 200,000 border crossings monitored











Caravans: problems revealed

Problems	Recommendations
Visa: 1. Long waiting time and high costs for obtaining visas. 2. Bureaucratic procedures at visa and passport checking point at the border crossings.	 Looking for the ways of abolishing visa requirements (e.g. for ECO member states) Easing up visa requirements for TIR drivers Developing "Unified ECO Visa Sticker"
Permit	Extension of the permit-free arrangements(e.g. between ECO member states)Easing up permit issuance
Fuel: - cost - fuel price differences - availability	Modernising the truck fleetModernising road infrastructureTIR Safe parking and MHI

Caravans: problems revealed

Problems	Recommendations
Insurance Motor Vehicle Third Party Liability insurance was reported as mandatory in the surveyed countries except the Kyrgyz Republic (15% of cost of transit)	 Joining International Green Card System Providing other selling points (not at the border)
Waiting in queues Queues + customs controls take 30% of total travel time	 TIR and TIR-EPD Green Lanes/Windows Advance risk assessment and advance control decision Modernising of border crossing infrastructure TIR Safe parking, MHI
Low driving speed	Modernising road infrastructureImproving road safety
Unofficial payments Up to 28% of all payments	 Streamlined procedures for TIR transport Automation of border crossing procedures Role of national associations for defending the rights of transport operators and working with Customs Professional training for drivers



Multilateral Regional Instruments to Facilitate Trade and Road Transport



Multilateral Permits System in BSEC Region



Multilateral Permits System in ECO Region



SCO Multilateral agreement on road transport

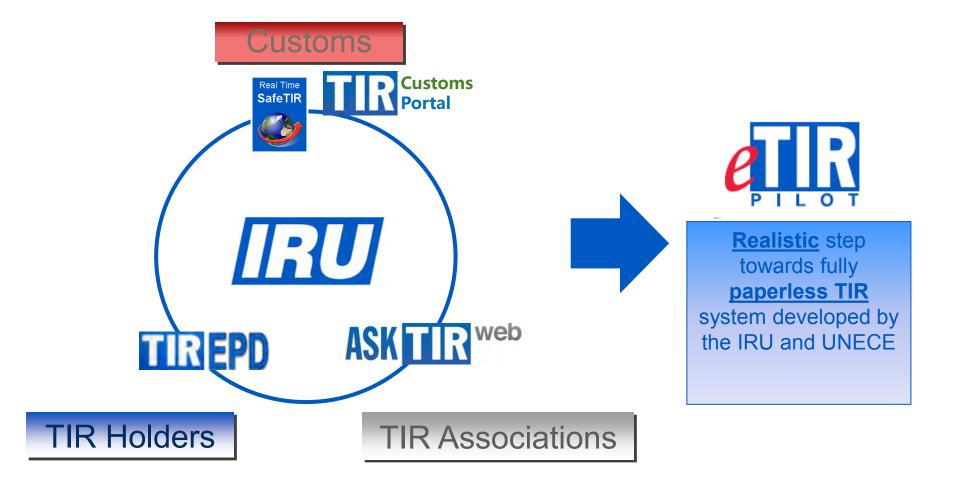
New technologies towards fully computerised TIR

Ulaanbaatar, 27 April 2015

Ksenia Kasko, Head Legal and Customs Affairs



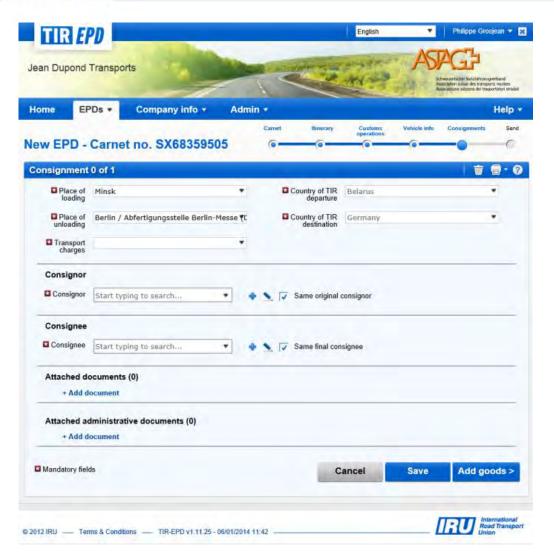
TIR: global and computerised



TIR Holder Portal TIR EPD

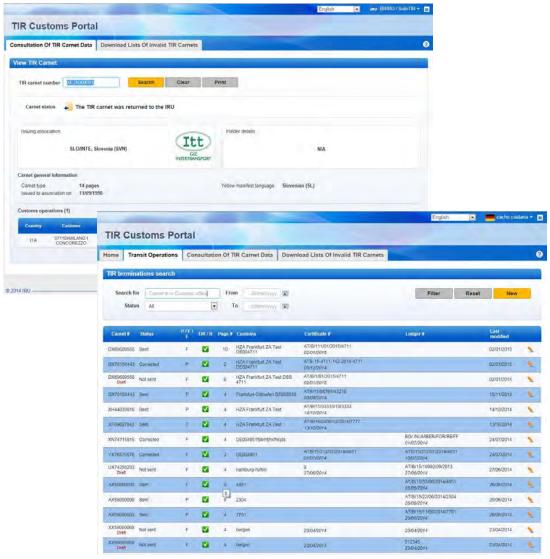


FIR-EPD Key Features & Benefits



- Fully secure (inc. central DB check)
- Free of charge
- Data import
- Commercial data kept confidential
- EPD sent simultaneously to all countries
- Multilingual user interface
- Accessible via the internet from anywhere in the world
- 31 connected countries

TIR Customs Portal



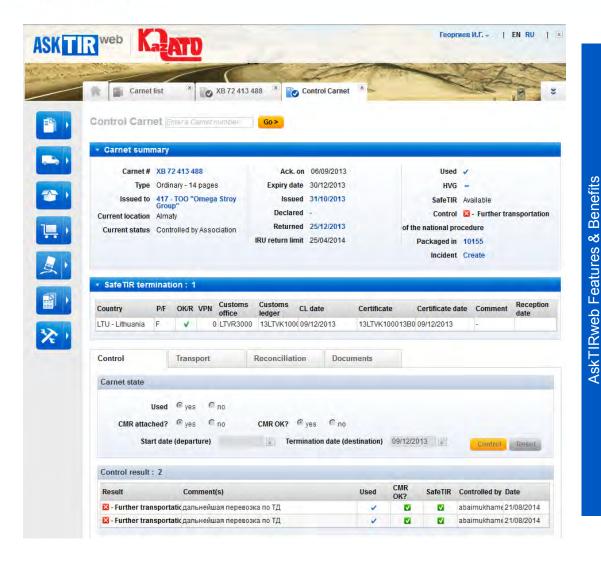
- Accessible by all customs officers via the internet from anywhere in the world
- Fallback solution to Real-Time SafeTIR
- Up-to-date guarantee status
- Consultation of TIR guarantee information
- Submission of SafeTIR data

Benefits

Portal Key Features &

Customs

TIR Association Portal ASK TIR web



- TIR Holder admission process
- TIR Carnet issuance and return
- Risk management
- Available in national languages
- Web service interface and management of electronic guarantees under development
- 25 associations in operation



eTIR pilot: work in progress







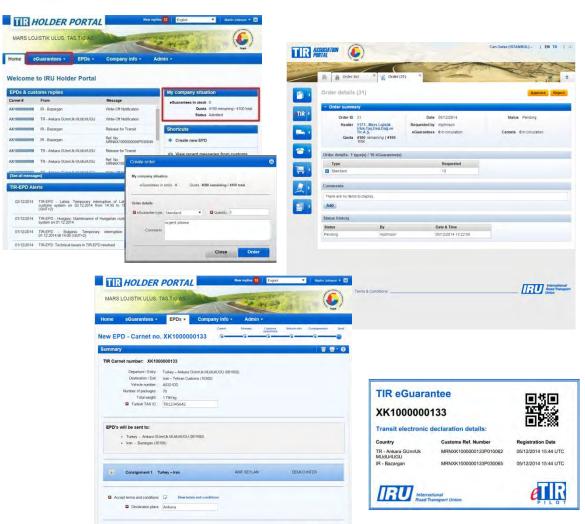








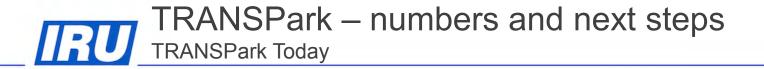
Ready to go live @IRU



< Previous Send EPD







Numbers

- More than 4300 parking areas
- Parking areas in more than 40 countries
- TRANSPark available in 9 languages
- ~2'000 downloads since launch date (April 2014)

Next steps

- Urban Access Regulation layer will be integrated in TRANSPark (low emission zones, urban road charging, major access regulation schemes) - http://www.urbanaccessregulations.eu/
- New layer will be added in TRANSPark to display fuel stations
- Enhance promotions done for TRANSpark
- Gather more parking areas







Map view



Itinerary



Parking area detail



Community



Custom-tailored solutions and further flexibility

Electronic advance information for simplified procedure through TIR-**EPD** (when TIR starts at Authorised Consignor's premises) – realised in Poland



Electronic advance information for Ro-Ro transport through TIR-EPD



More flexibility in rules for national associations as from 1 March 2015







Custom-tailored solutions, flexibility and adaptability: under analysis

- Flexible levels of TIR guarantee: lower and higher than USD 50,000/EUR 60,000
- > TIR guarantee for specific types of goods
- GPS tracking for TIR trucks



IRU is open for new ideas and potential solutions provided they can bring benefits to transport sector and countries' economies



