



FACILITATION OF REGIONAL TRANSIT TRADE IN CAREC TA 8586

Final Workshop
7–8 Dec 2016, Baku

OUTLINE

1. Significance of TA 8586
2. Issues surrounding regional transit
3. Objectives of TA 8586
4. Activities under TA 8586
5. Next Steps

SIGNIFICANCE OF THE TA

- ❑ The TA was included in Implementing CAREC 2020 Strategic Framework: Wuhan Action Plan.
- ❑ Trade facilitation, one of the 4 priority sectors in CAREC.
- ❑ Regional transit development, one of the 5 priority areas of the Customs Cooperation Committee.

SIGNIFICANCE OF THE TA

'CONT'D.

- ❑ CAREC countries' international trade involves external customs transit.
 - Landlocked geography.
 - Most trade with noncontiguous countries.

- ❑ Even some domestic trade involve customs transit through another CAREC country.
 - Transport networks inherited from the former Soviet Union crisscross the national borders.

ISSUES: REGIONAL TRANSIT

- ❑ Poorly designed and implemented customs transit regimes.
- ❑ Multilateral agreements articulate only broad goals as policy directions for developing regional transit systems.
- ❑ Bilateral agreements do not give sufficient consideration to other parties' interests.
- ❑ Existing agreements are not always in accordance with the WCO's general principles of customs transit.

ISSUES: REGIONAL TRANSIT

CONT'D.

- National transit regimes are limited to national territory.
 - No chain guarantee linking adjacent countries.
 - Separate transit documents in several countries.
 - Separate guarantees in several countries, costly.
 - Convoying, high fee and time consuming.

- TIR is not cost-effective for short-distance movements within CAREC
 - Its fixed costs are too high for most transport operators from Central Asia.

ISSUES: REGIONAL TRANSIT

CONT'D.

- ❑ Lack of regional cooperation inhibits transit movements.
 - Lack of mutual recognition of customs control procedures, and customs seals and stamps.
 - Inadequate regional guarantee systems.
 - Construction of new roads to avoid transit through a neighboring country.

OBJECTIVE OF TA 8586

- ❑ To identify options for the establishment of an effective and affordable corridor-based customs transit regime for CAREC.
- ❑ To determine the feasibility of implementing a pilot customs transit regime along a priority corridor involving 2 or more countries.

STATUS OF ACTIVITIES UNDER THE TA

ACTIVITIES/REPORTS	STATUS
1 Transit Flows	Presented at the 14 th CCC Meeting (Aug 2015)
2 Proposed Regional Transit Guarantee Mechanism	Presented at the Mid-Term Workshop (Jul 2016)
3 Legal and Regulatory Framework	Presented at the Mid-Term Workshop (Jul 2016)
4 IT System for Transit Regime	ADB internal review
5 Final Report	Draft report submitted

NEXT STEPS

- ❑ Approval to pilot in 2 countries – Azerbaijan and Kazakhstan, along Corridor 2, Sub-Corridor 2a.
- ❑ Pilot Project included in proposed new technical assistance project



Cristina Lozano Astray

Regional Cooperation Specialist

Public Management, Financial Sector

and Regional Cooperation Division

East Asia Department

THANK YOU.