

CPMM 2018

CAREC Corridor Performance Measurement and Monitoring 2018

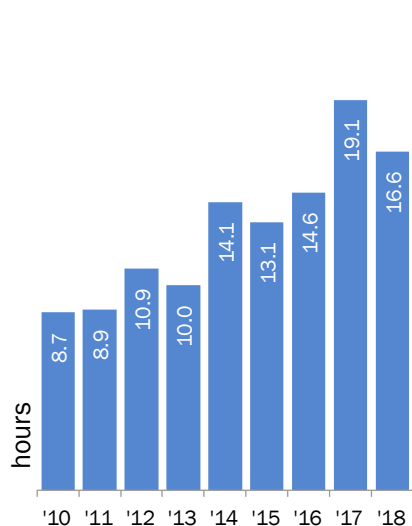
18th CAREC Customs Cooperation Committee Meeting
20-21 June 2019: Tashkent, Uzbekistan



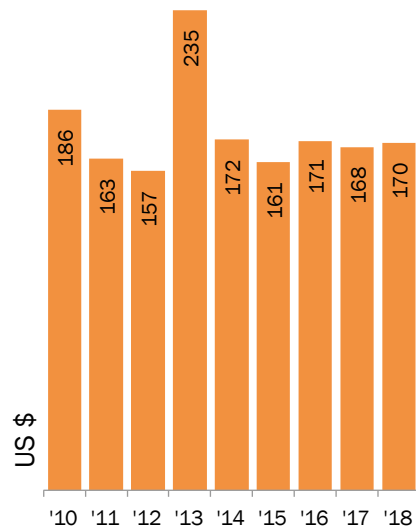
CPMM is a tool to assess the efficiency of CAREC transport corridors:

- i. identify causes of delays and unnecessary costs along the links and nodes of each CAREC corridor, including BCPs and intermediate stops
- ii. help authorities determine how to address identified bottlenecks
- iii. assess the impact of regional cooperation initiatives

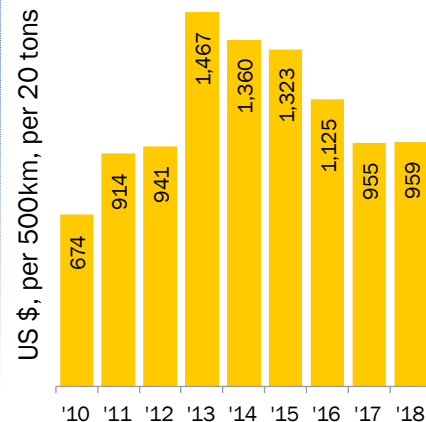
TFI Trends 2010-2018



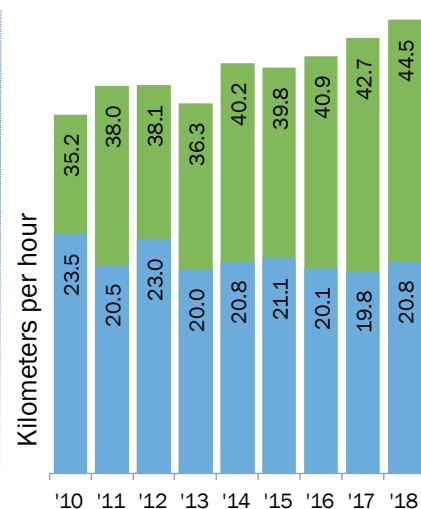
TFI1
Time taken to
clear a BCP



TFI2
Cost incurred
at BCP

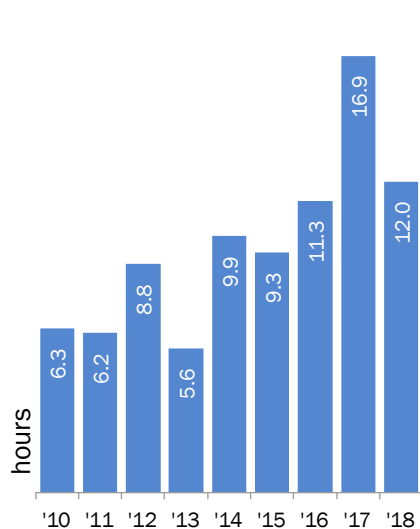


TFI3
Cost incurred to
travel a corridor
section

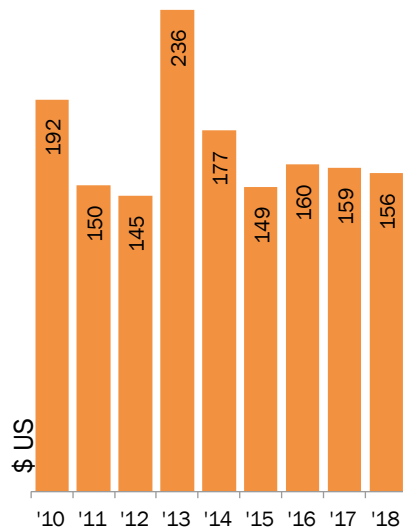


TFI4
Speed to travel on
CAREC corridors

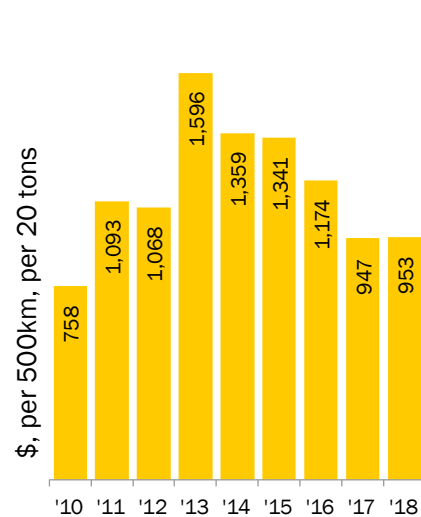
ROAD TFI Trends 2010-2018



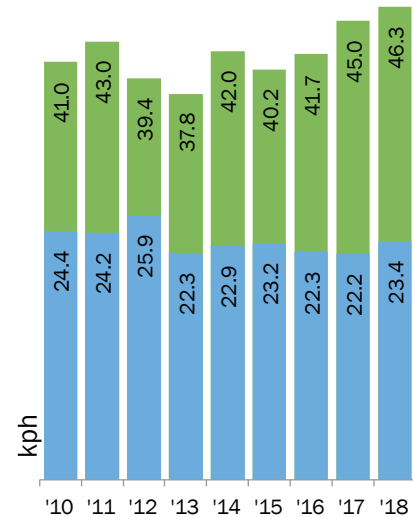
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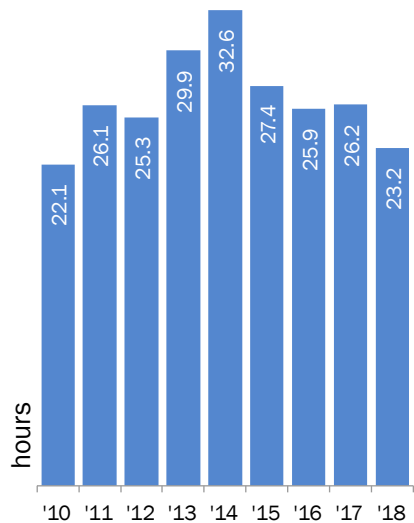


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Cost incurred to
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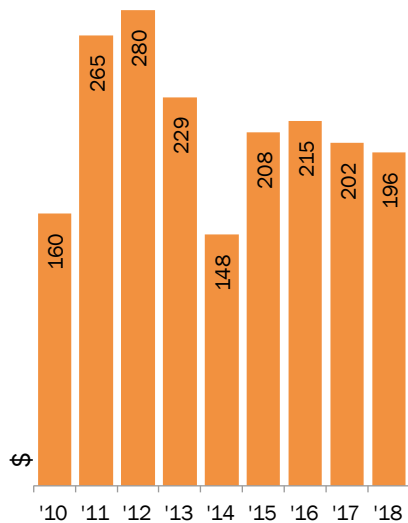


TFI4
Speed to travel on
CAREC corridors

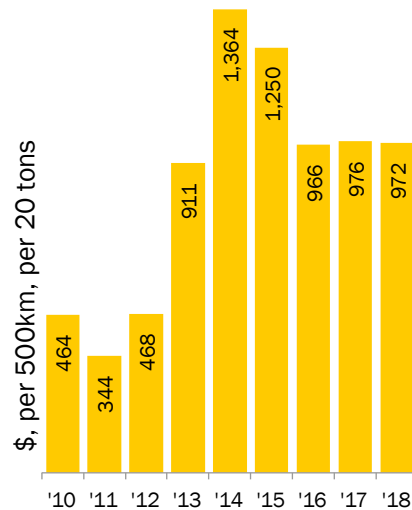
RAIL TFI Trends 2010-2018



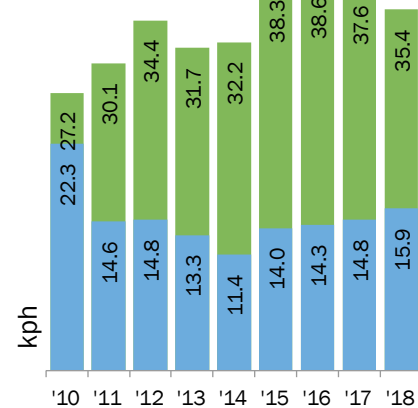
TFI1
Time taken to
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TFI2
Cost incurred
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TFI3
Cost incurred to
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section



TFI4
Speed to travel on
CAREC corridors

2018 TFI Results Overview

TFI1

Time taken to clear a BCP

- Road border-crossing duration **declined by 22%**, while rail **declined by 20%**.
- Significant decline in border-crossing delays, particularly at PAK-AFG road BCPs along corridor 5.
- Delays due to **waiting in queue** and **customs clearance** remain high, but shorter than in 2017 for road border crossing.
- **Waiting to enter rail BCPs** remains substantial contributor to delay.

TFI2

Cost incurred at BCP

- Road (0%) and rail (-3%) border-crossing costs – **relatively unchanged**.
- Unofficial payments likely encountered (50%) during **vehicle registration at BCPs** with minimal cost (\$5).
- **Fees incurred** during health quarantine (31%), phytosanitary (31%), transport inspection (27%), and customs controls (24%) often involve unofficial payments.

TFI3

Cost incurred to travel a corridor section

- Average total transport costs exhibited **constant trend for road (+1%) and rail (0%)**.
- Significant improvement in transport cost of road shipments along corridor 5 (-53%) **were offset by cost increases of transport along corridors 1 (50%) and 4 (55%)**.

TFI4

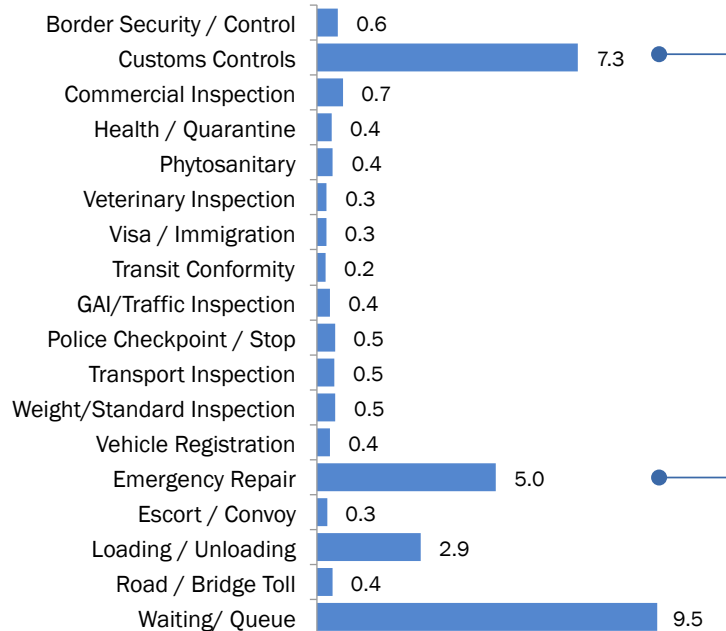
Speed to travel on CAREC corridors

- Road and rail transport improved in **SWOD (3% and 9%, respectively)** and **SWD (5% and 18%, respectively)**.
- Both trucks and trains encountered shorter delays at the border.

2018 TFI1 Results

Time taken to clear a BCP, in hours

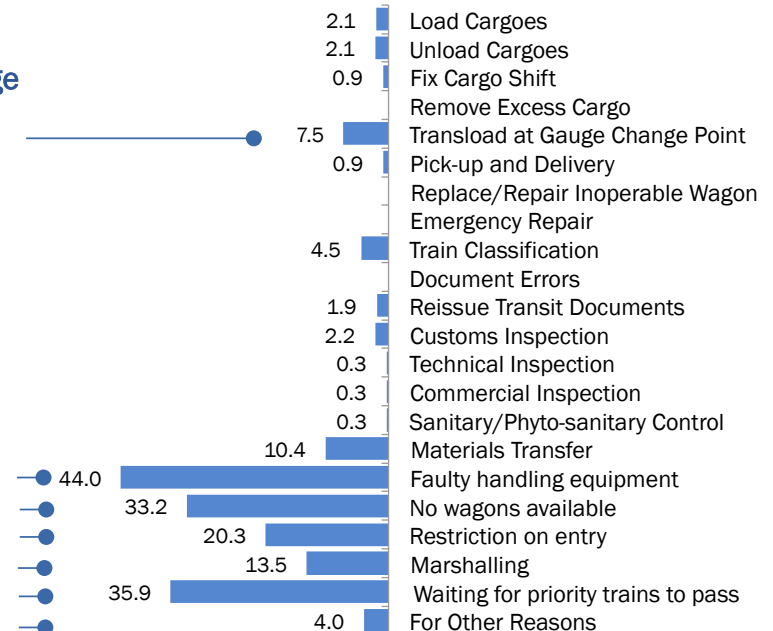
Average duration of delays
at ROAD BCPs, in hours



Customs clearance (road) and transloading at gauge change points (rail) significantly contribute to delays

Waiting in queues, both at road and rail BCPs, are very time-consuming, and are frequently experienced during shipments

Average duration of delays
at RAIL BCPs, in hours



2018 TFI1 Results

Time taken to clear a BCP, in hours

Average border-crossing time at ROAD BCPs, in hours

Outbound Traffic	Country	Duration	Inbound Traffic	Country	Duration
Aktau*	KAZ	72.1	Torkham	AFG	27.2
Chaman	PAK	65.2	Spin Buldak	AFG	25.7
Peshawar	PAK	33.5	Khorgos	PRC	20.4
Towraghondi	AFG	31.5	Aktau	KAZ	15.6
Krasnyi Most	GEO	17.9	Konysbayeva	KAZ	12.0
Dautota	UZB	12.7	Shirkhan Bandar	AFG	12.0
Tazhen	KAZ	12.6	Tazhen	KAZ	11.4
Shirkhan Bandar	AFG	11.9	Sarasiya	UZB	10.0
Dusti	TAJ	11.0	Alat	UZB	9.8
Khorgos	PRC	10.2	Farap	TKM	9.8

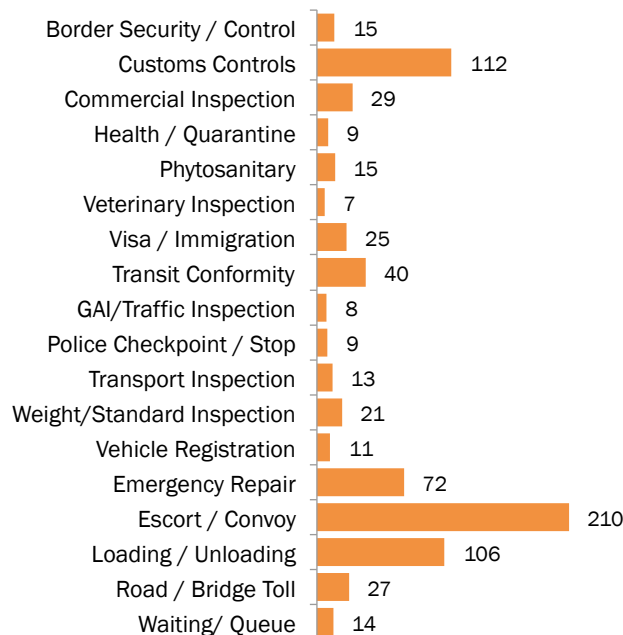
Average border-crossing time at RAIL BCPs, in hours

Outbound Traffic	Country	Duration	Inbound Traffic	Country	Duration
Ala Shankou	PRC	21.9	Dostyk	KAZ	61.0
Khodzhadavlet	UZB	15.1	Erenhot	PRC	55.7
Erenhot	PRC	11.9	Altynkol	KAZ	39.6
Zamyn Uud	MON	11.8	Zamyn Uud	MON	22.9
Khorgos	PRC	10.9	Ayraton	UZB	8.3

2018 TFI2 Results

Cost incurred at BCPs, in \$

Average cost of activities at ROAD BCPs, in \$



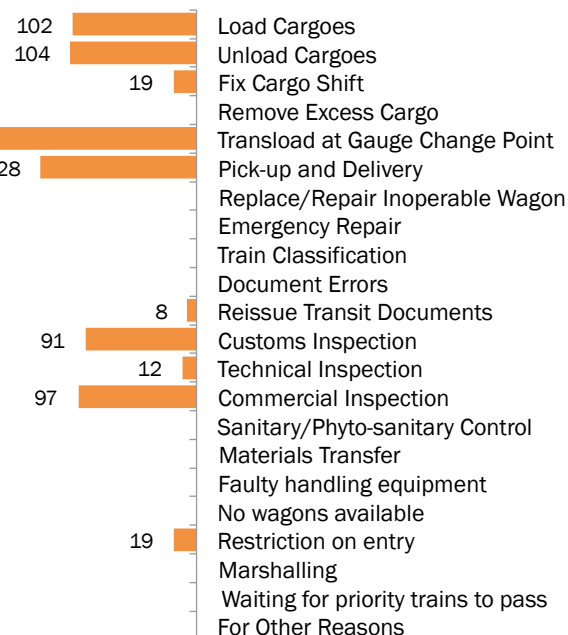
Customs clearance cost remain high, particularly at BCPs along corridors 1 and 5

Fees incurred to transload at gauge change points significantly contribute to cost at BCPs along corridors 1, 3, and 4

Escort/convoy will incur high costs when (seldomly) needed in transit

Shipments often undergo **loading/unloading** at high costs

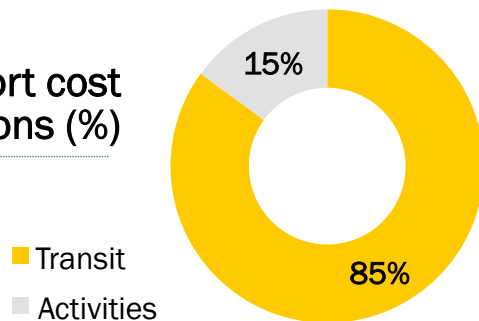
Average cost of activities at RAIL BCPs, in \$



2018 TFI3 Results

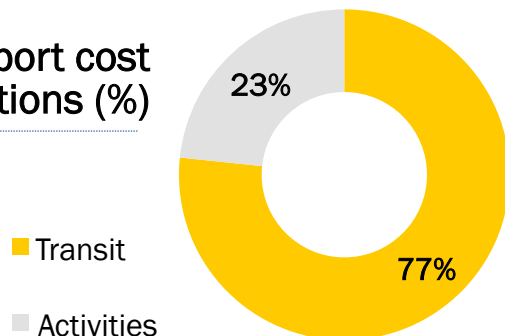
Cost incurred to travel a corridor section, in \$

Average transport cost along ROAD corridor sections (%)



15% the total transport cost (per 500-km corridor section) is spent on activities at borders and intermediate stops.

Average transport cost along RAIL corridor sections (%)



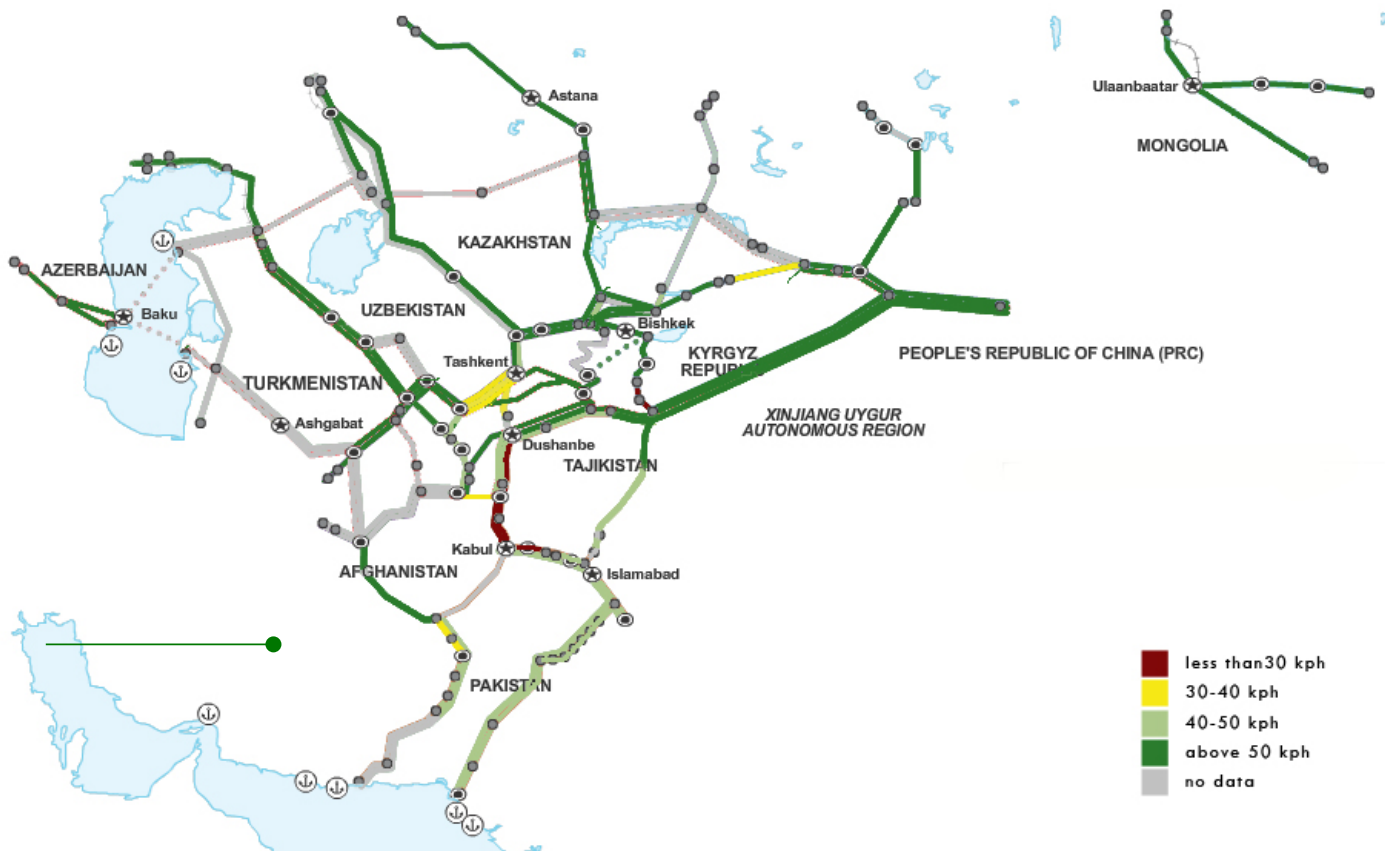
The remaining 85% corresponds to other costs including vehicle operating cost.

2018 TFI4 Results

Speed to travel on CAREC corridors, in kph

Speed Without Delay (SWOD)
estimates, Road transport in
km/h

Speeds registered by
trucks along **corridor 5**
lag behind others



Country Updates

Afghanistan

- AFG faces the most severe restrictions in cross-border trade
- Long border-crossing times:
 - Torkham (27.2 hours)
 - Spin Buldak (25.7 hours)
 - Shirkhan Bandar (12.0 hours)
- Recommendations:
 - address external restrictions and internal constraints
 - Afghanistan-Pakistan Transit Trade Agreement (APTTA)

Azerbaijan

- Limited trade with CAREC; gateway to trans-Caspian trade
- Limited ferries and adverse weather lead to unpredictable delays
- Recommendations:
 - Expand Baku's capacity
 - Develop Free Trade Zones (FTZs) to boost the industrial base of the country

People's Republic of China

- Major trading partner
- Shortage of wagons in neighboring countries; coupled with gauge change operations result in long delays
- Recommendations:
 - Evaluate current border-crossing procedures; leverage on the TIR Convention to pilot test other routes

Georgia

- Efficient border-crossing
- Potential of joint customs cooperation with AZE
- Recommendation:
 - setting a single rail freight rate to increase route competitiveness

Country Updates *cont.*

Kazakhstan

- Benefits from rapid infrastructure modernization (Nurly Zhol national program)
- Cumbersome trans-loading operations
- Long delays:
 - Tazhen, Konysbaeva (11 hours)
 - Dostyk (61 hours)
 - Altynkol (40 hours)
- Recommendations:
 - Address rolling stock issues due to privatization

Kyrgyz Republic

- Customs control and related inspections are removed upon accession to EAEU
- Additional temporary inspection in place to detect smuggling; this encouraged unofficial payments to expedite border crossing

Mongolia

- Transport rate highest across all corridors
- Recommendations:
 - Manage competitive rail transport
 - Address wagon shortage

Pakistan

- Developed National Transport Policy (ADB TA)
- Long dwell time at Karachi seaport; long delays at border crossing
- Recommendation:
 - Explore truck renewal modernization program
 - Improve dwell time at seaport

Country Updates *cont.*

Tajikistan

- High freight rates due to terrain and weather
- Generally smooth border crossing except Dusti-Saryasia (TAJ-UZB)
- Recommendations:
 - Mountainous terrain require infrastructure investment to ensure the safety and functionality of the corridor

Turkmenistan

- High-volume BCPs, Alat and Farap, averaged 10 hours to cross the border
- Recommendations:
 - evaluate the existing immigration and transit policies
 - layout and design of BCPs could possibly improve performance

Uzbekistan

- Delays affect border crossing at Dautota, Yallama, Alat, Saryasia and Oibek (up to 12 hours).
- Recommendations:
 - ongoing interest in 'green corridors' poses an effective solution

Challenges and Lessons Learned

Challenges:

- **Infrastructure and Layout** -- Poor access roads; lack of proper parking space; equipment malfunction; non-segregation of passenger and cargo traffic.
- **Regulations and Procedures** -- Slow throughput due to over-reliance on signatures and manual process; high examination rate; low digitalization; unharmonized truck standards leading to the need to change trucks at BCPs.

Lessons Learnt:

- **Government coordination and commitment** are vital to successful reform.
- **Emerging best practice observed** in CAREC countries -- good case studies.
- **Need more focus on transit** between Central Asian countries with East Asia, South Asia, and Caucasus to counter delays.

Going Forward

CPMM implementation expansion

- **Stock-take and analysis of ten years of CPMM data analysis.**
- **Analyze performance of behind-the-border and trade logistics services through private sector-led studies (refine pilot studies for roll-out in 2019).**
- **CPMM model packaged for replication in subregions outside CAREC.**
- **Encourage evidence-based policy formulation and project targeting.**
- **Encourage broader, more intensive use of CPMM data.**

Reduce Delays at BCPs

- **Invite proposals for new RIBS projects.**
- **Replicate best practice (JCC, express rail experience).**

For Discussion

How can the CPMM be improved or expanded to better serve the CAREC customs administrations?

Thank you!
Спасибо!

Rose McKenzie

Senior Regional Cooperation Specialist
Public Management, Financial Sector and Regional Cooperation Division
East Asia Department, Asian Development Bank