

*Sharing of Experiences on Transport
Facilitation Arrangements in Other
Regions*

**ROAD TRANSPORT IN SOUTH
AMERICA**

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Roundtable Seminar on Ways Forward for Corridor-Based
Transport Facilitation Agreements in the CAREC Region
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Introduction

Transport plays a key role in the construction and development of regional integration processes through:

- § efficient transport corridors
- § agile movement of goods and people accross borders
- § development of dynamic and safe transport with adequate infrastructure systems

South America is an area with actors that share much history but simultaneously are different from each other.

Evolution and History

Land transport in Latin America's Southern Cone:

§ Present trucking transport in South America is the result of long processes to reach agreements between parties.

1950s – 1960s:

§ Standards of trade facilitation were improved, and a system of legal transit of vehicles beyond borders was developed.

§ Transit between Argentina and Brazil was followed by the development of road transport in all of Latin America's Southern Cone (Arg, Bra, Chi, Par, Uru).

§ International transit from Brazil to Uruguay in 1963 and to Argentina in 1964 was made possible.

Evolution and History

1950s–1960s:

- § 1965: II National Congress of Land Transport in São Paulo (Brazil).
- § 1966: Convention on International Land Transport between Argentina, Brazil and Uruguay.

1970s–1980s:

- § 1977: (Mar del Plata, Argentina), Convention of International Land Transport.
- § 1989: The International Land Transport Agreement was signed between Argentina, Bolivia, Brazil, Chile, Paraguay, Peru, Uruguay.

Evolution and History

Highlights:

§ During the 1950s–1970s, international trade increased by 130%.

§ An institutional framework aligned to the regional situation was essential.

§ International trade was deepened in the 1990s with Brazil's most important regional trade initiative - the Common Market of the South.

Latin America - South Cone



Brief description of the coverage of facilitation measures

Instrument: Agreement of International Land Transport (ATIT)

§ Signed in Santiago, Chile, in September 1989.

§ “International transport” means land transportation with:

- 1) bilateral traffic across border; the traffic between 2 neighbouring signatory countries
- 2) bilateral traffic, with transit through third countries, and
- 3) traffic in transit to non-signatory countries

ATIT

Reciprocity is the central aspect of the ATIT

§ Prohibits cabotage (local transport) among the signatory countries.

§ Consists of 3 annexes, besides the main “body”, 1) "Customs matters"; 2) "Immigration matters" and 3) "Aspect of Insurance," and with a "Regime of Infringements and Sanctions", called "Annex 4."

§ The transport of dangerous goods has its own regime, in a separate Agreement reached among the MERCOSUR countries, based on the rules of the United Nations in this respect.

§ Article 16 establishes the possibility of reforming or updating the Agreement, at the request of either party.

ATIT

§Implementing Agencies : In Argentina is the Undersecretariat of Road Transport, and in all other countries, it is the Ministry of Transport.

q **Basic aspects established by the Agreement:**

§Taxes established in every country must be respected
(art. 9)

1) The documents which authorize to drive vehicles issued by a signatory country to drivers involved in traffic governed by this Agreement, have to be recognized as valid by the other signatory countries, without any restriction.

ATIT

§(art.18) A signatory country must inform the other national bodies' authorities before it takes and enforces measures that will affect international land transport.

Fundamental definitions that establishes the ATIT

§Permits:

- 1) Original Permits
- 2) Additional Permits

§Articles 22–24

§Bilingual Suitability Document

§Legal representative

§The truck company should hold an international insurance

ATIT

- Transit Permit : The company has to present the Original Permit to the Applicable National Agency of the country where the vehicles are going to transit.

§Force : (art. 25)

§180-day deadline to grant permits; provisional permits may be granted in case of delays.

§Each country's transport authority decides on permits, harmonization is not yet achieved.

§Required documentation such as Letter from International Carriage.

§Complaints, sanctions, penalties: (art. 34).

§Procedure for granting Occasional Permits for cargo transported by road

MERCOSUR

- § Road Transport in the Common Market of the South: (MERCOSUR): Argentina, Brazil, Paraguay, Uruguay.
- § The main negotiation basis adopted among the countries of the MERCOSUR is the ATIT.
- § Harmonization of transport in MERCOSUR is the main objective.
- The Subgroup Nr. 5 “Transport” depends on the structure (as other Subgroups) of the MERCOSUR common market Group (GMC), and on the Summit of Presidents of the Council of the Common Market.

MERCOSUR

§Discussion of issues on several topics are held by the Subgroup Nr. 5.

§Weights and dimensions of vehicles – height of vehicles for international transport was raised.

§Conditions for access to the professional activity – requirement of 80 tons of dynamic capacity of transportation.

§A *permanent agenda* of the subgroup analysis is "facilitation or national borders speeding up".

Lessons - Advice to CAREC

- 1) “Spirit of the Law” of the Agreements is frequently broken down and agreements may fail because of this.
- 2) Allow flexible transit throughout pending infrastructure works.
- 3) Simplify the rules.
- 4) Streamline computer systems and on-line facilities.
- 5) Learn from the modern system called Authorized Economic Operator.(WCO)
- 6) Apply risk management techniques, designed to ensure targeted intervention.

Lessons - Advice to CAREC

- 7) Be guided by the *Safe Framework* defined by collaboration between Customs administrations and partnership between Customs and the private sector.
- 8) Coordinated Border Management and the “single window concept” as models. (WCO)
- 9) Study the TIR system which could help with long delays and solve problem of warrants in case of theft. (E.U)
- 10) Solve the problem on the lack of statistics or unreliable statistical data.
- 11) Build institutional capacities.
- 12) Grant in-transit status rather than tourist-status to drivers.

Lessons - Advice to CAREC

- 13) Involve the private sector.
- 14) Follow-up decisions reached in consensus.
- 15) Think of intermodal transport systems.
- 16) Optimize funding of projects to borders-crossing.
- 17) Plan how to address incidences of theft and cases of smuggling.
- 18) Prioritize road safety.

Conclusions

- § Transport plays a key role in the construction and development of regional integration
- § Facilitation instruments are necessary, but it is a long and evolutionary process
- § Latin America has grown over the past years at very high rates and also intra-regional trade. Without the ATIT this would not have been possible.
- § Long-term development policies, through provision of adequate infrastructure and efficient transport services, are crucial to improve productivity and competitiveness.

Border Crossings Photos

INTERNATIONAL GOODS
TRANSPORT BY ROAD – SOUTH
CONE



PASO DE LOS LIBRES (AR) – URUGUAYANA (BR)















5.000
7.000

50000 10000











PASO INTERNACIONAL CRISTO REDENTOR (AR) – LOS LIBERTADORES (CH)



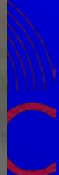




































↑	GUARDIA VIEJA		47
↑	LOS ANDES		77
↑	SANTIAGO		167











Precaución
Contracurva Ce
A 200 m