



Transit Facilitation for CAREC Regional Economic Integration

**Regional Transit Flows and Data Capture
Mechanism in CAREC**

1 September 2022



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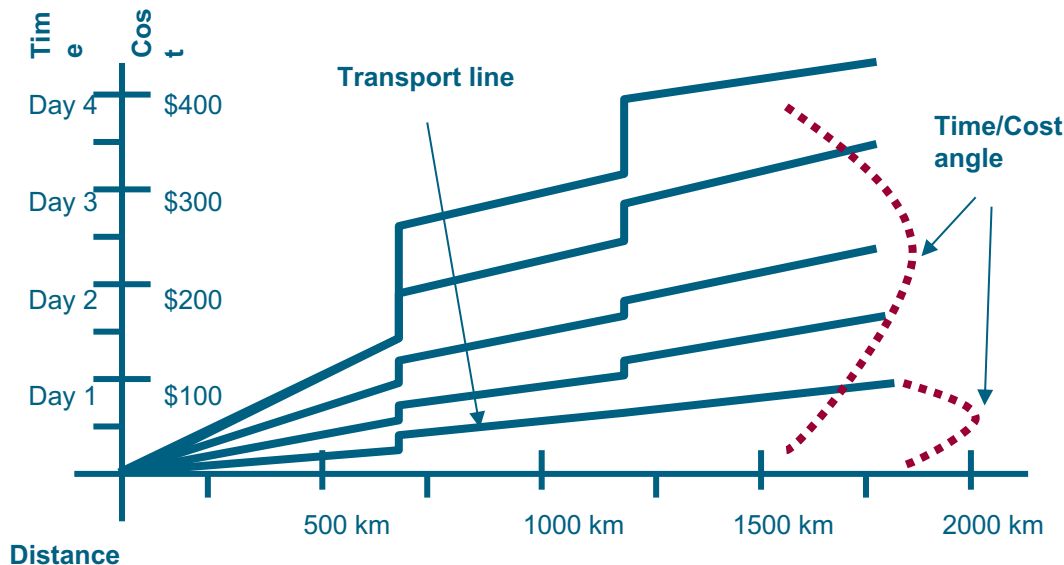
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Corridor Performance Measurement and Monitoring (CPMM)

Part 1

What is CPMM?

- ✓ **A monitoring and evaluation tool**
- ✓ **Developed in-house by ADB in 2009**
- ✓ **Focuses on CAREC, particularly land border-crossing points as well as road and rail sectors**
- ✓ **Uses actual commercial shipments to collect time and cost data**
- ✓ **Covers the six CAREC corridors and subcorridors**



Background

- **Central Asia Regional Economic Cooperation (CAREC) formed in 1997**
- **Trade Facilitation Strategy (TFS) endorsed at the 6th CAREC Ministerial Conference in Dushanbe, Tajikistan in November 2007**
- **Corridor Performance Measurement and Monitoring (CPMM) was conceptualized in 2008**
- **Trial started in 2009 and baseline year 2010**
- **Pakistan joined CPMM in 2014 and Georgia in 2017**
- **ADB and CAREC Institute cooperated and developed a road-map in 2020 to develop and promote CPMM**

Transit Regimes

Part 2

Transit Regimes



TIR

Based on TIR Convention 1975 with an important recent upgradation on the Annex 11 which recognizes electronic documents



Transit Guarantees

For non-TIR Carnet holders, a customs guarantee can be deposited for the duration of the transit.

Shipping Documents

1. Commercial Invoice
2. CMR Consignment Note
3. TIR Carnet
4. Road Permit
5. Country of Origin
6. SPS Certificate
7. Visa
8. Special Permit (e.g. Dangerous Goods, Oversized Cargoes)

Key Issues

Part 3

Standards and Procedures are yet to be fully harmonized

Factors

- Vehicle Specifications
- Visa
- Road Permit
- Axle load
- SPS

Regions

Central Asia / Caucasus
Vs
East Asia / South Asia

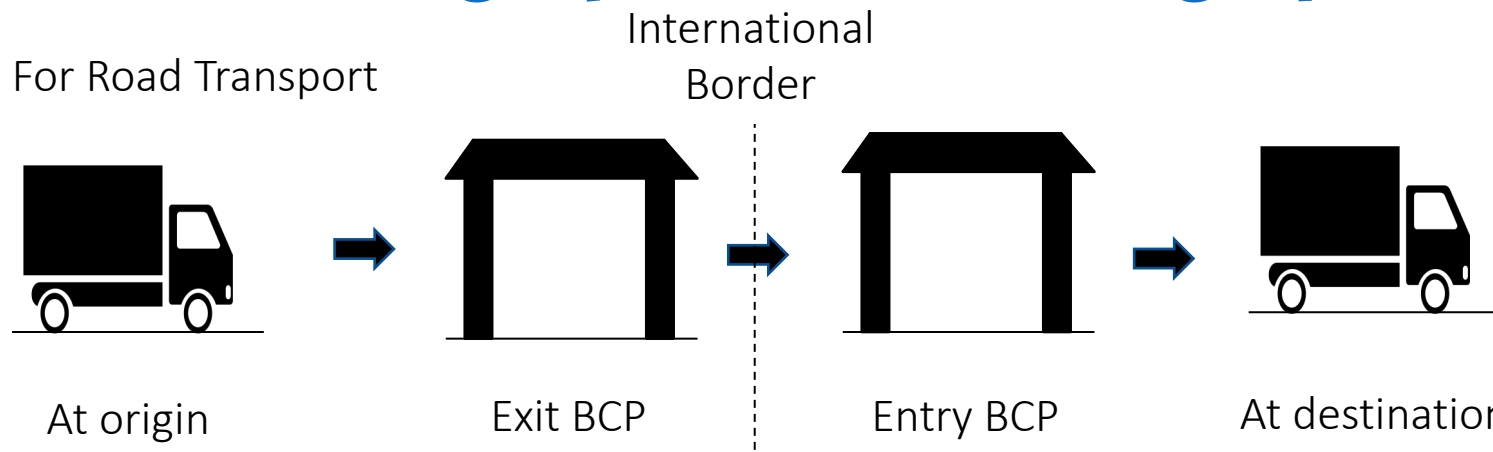
Factors

- Weight Certificates
- Special Certificates
- EAEU

Regions

Within Central Asia and
Caucasus, differences remain

Border-Crossing Operations are lengthy



Average border-crossing time by countries

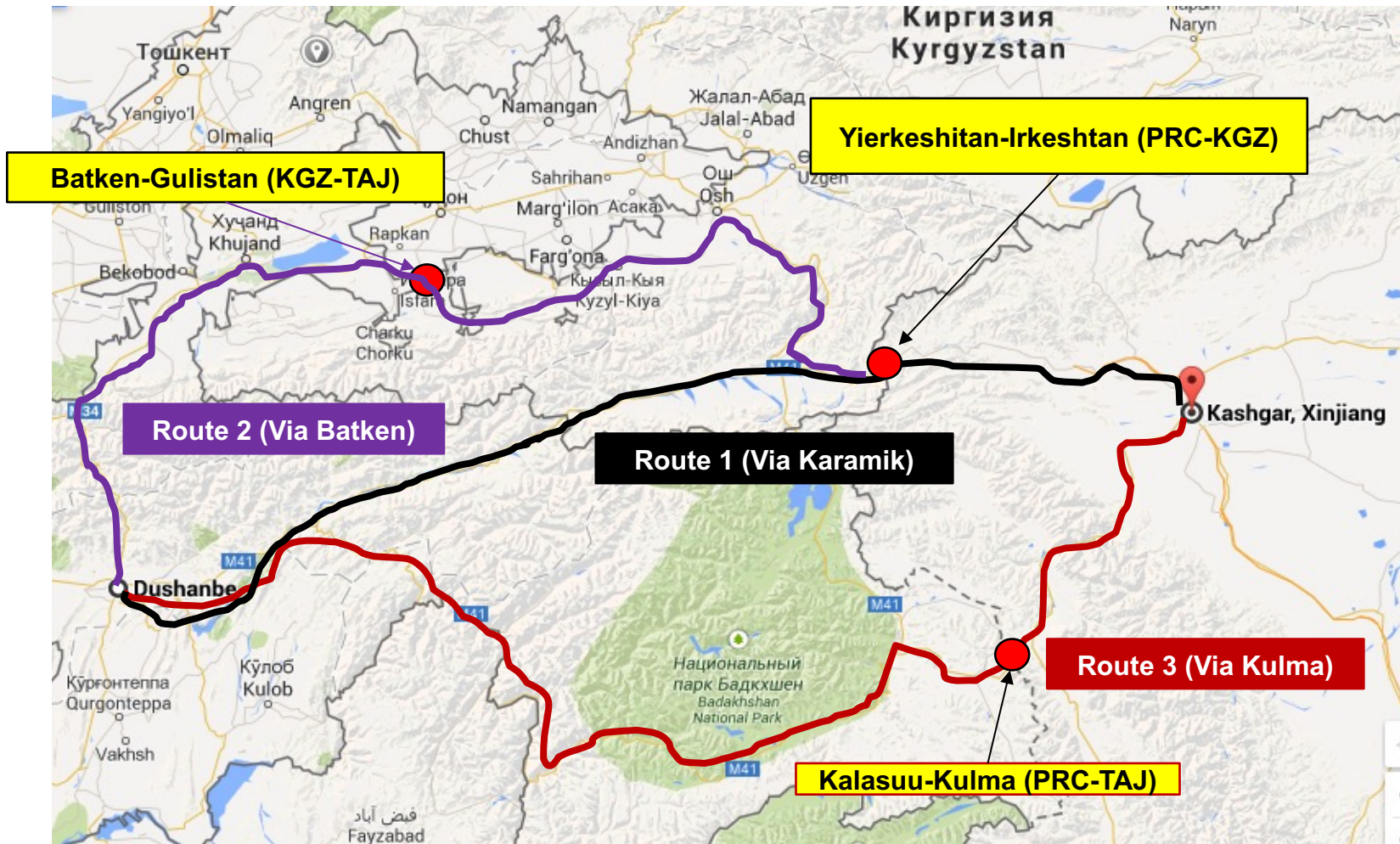
No	Countries	2019	2020	2021
1	Afghanistan	19.9	19.5	17.5
2	Azerbaijan	2.7	6.3	5.8
3	Georgia	10.6	13.0	3.6
4	Kazakhstan	9.2	8.7	8.2
5	Kyrgyz Republic	1.6	2.1	3.7
6	Mongolia	3.7	4.8	6.3
7	Pakistan	38.2	55.7	35.3
8	PRC	4.3	7.1	23.3
9	Tajikistan	4.3	4.4	4.7
10	Turkmenistan	9.0	7.3	6.9
11	Uzbekistan	7.7	10.1	7.6

Average border-crossing time by BCPs

BCP (inbound)	Country	Average
Khorgos	PRC	77.5
Alashankou	PRC	61.7
Kuryk	KAZ	61.6
Chaman	PAK	57.5
Peshawar	PAK	31.6

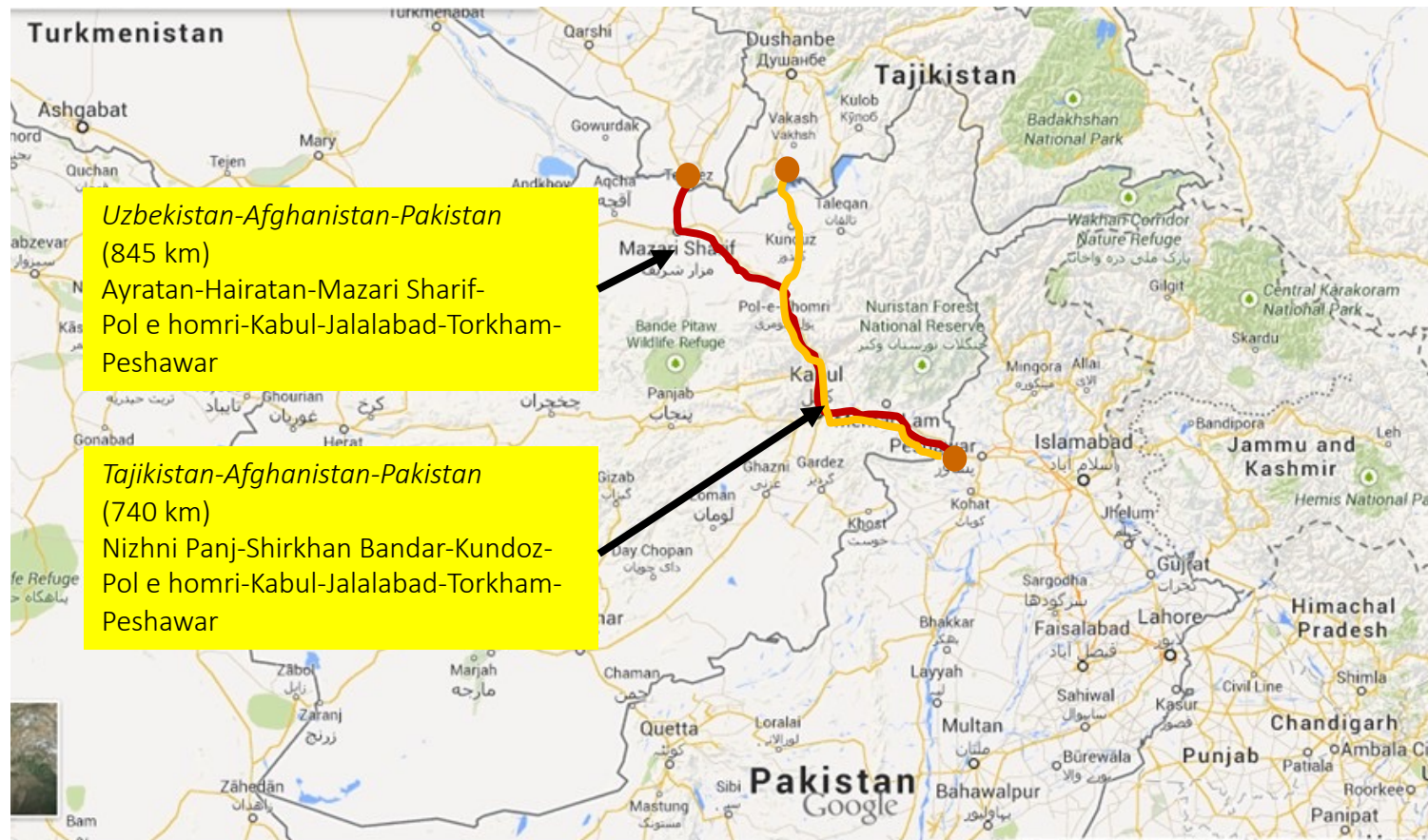
BCP (outbound)	Country	Average
Peshawar	PAK	120.0
Dostyk	KAZ	46.8
Yarant	MON	25.9
Torkham	AFG	22.2
Nur Zholy	KAZ	19.6

Case 1: PRC-KGZ-TAJ transit



Karamik is the shortest route for shipments from PERC to Tajikistan but this is not open to international transit, thus using the alternative through Batken results in an additional 250 km of travel.

Case 2: PAK-AFG-TAJ/UZB transit



Shipments from Pakistan to Central Asia required two trans-loading operations between vehicles due to the transit impediments. Vehicles stopped at Torkham and Shirkhan Bandar or Hairatan. This added inefficiency in the transit. Note: In March 2022, the resumption of Afghanistan-Pakistan Transit Trade Agreement avoided the trans-loading of vehicles at Torkham in principle.

Case 3: Caspian Crossings

Requirement for Road Transit Permits in Kazakhstan

COUNTRIES	INTO KAZAKHSTAN	TRANSITING TO ANOTHER COUNTRY
AZERBAIJAN	YES	YES
GEORGIA	YES	YES
KYRGYZ REPUBLIC	NO	YES
TURKEY	YES	YES
UZBEKISTAN	NO	YES

Source: KazLogistics

Due to the conflict in Ukraine, shippers are looking for alternative routes. The Caspian Sea recently attracted much attention as an alternative corridor for shipments between Asia and Europe.

Based on a system of road transit agreements, there is a need for transport operators to apply for permits. Demand is excessively high but supply is limited, adding to transit difficulties on top of other existing constraints.

Data Capture and Analysis

Part 4

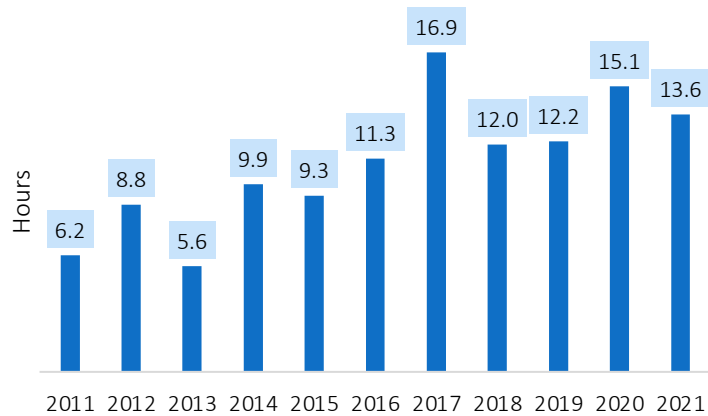
Data Collection

1	Participating Countries	CPMM Partners
1	Afghanistan	Association of Afghanistan Freight Forwarding Companies
2	The People's Republic of China	Chongqing International Freight Forwarders Association
3		Inner Mongolia Autonomous Region Logistics Association
4		Xinjiang Uygur Autonomous Region Logistics Association
5	Georgia	Georgia International Road Carriers Association
6	Kazakhstan	Association of National Freight Forwarders of the Republic of Kazakhstan
7	Kyrgyz Republic	Freight Operators Association
8	Mongolia	Mongolia Chamber of Commerce and Industry
9		National Road Transport Association of Mongolia
10	Pakistan	Pakistan International Freight Forwarders Association
11	Tajikistan	Association of Road Transport Operators of Republic of Tajikistan
12	Uzbekistan	Association for Development of Business Logistics
13		Association of International Road Carriers of Uzbekistan

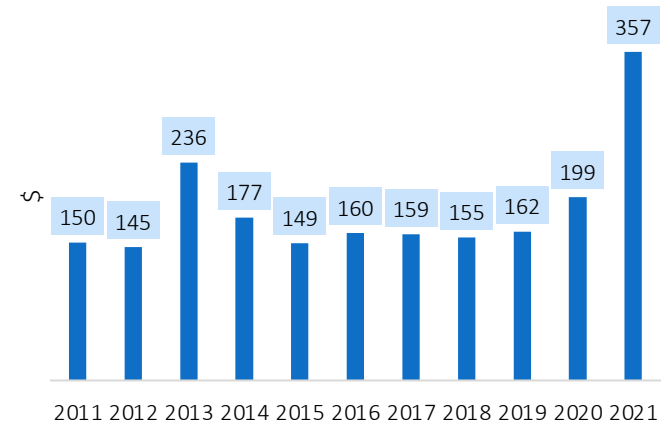
Every year, more than 2,000 actual commercial shipments are collected as samples from the six CAREC Corridors across the 11 CAREC Countries.

Dashboard

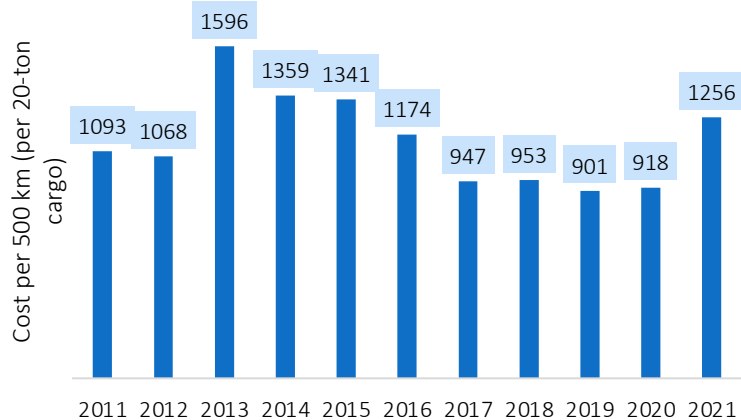
Average border-crossing time



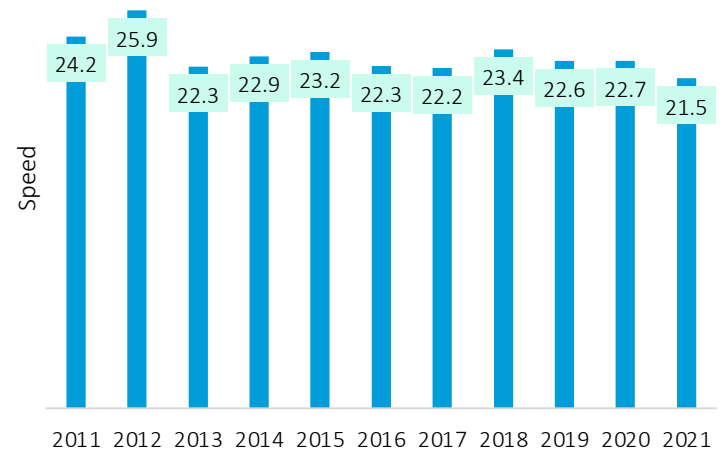
Average border-crossing cost



Total shipment cost



Net Speed



Transit Facilitation

Part 5

Initiatives and Actions

Legislation and Regulation

1. Institute Authorized Economic Operators
2. Review of Mutual Recognition of Certificates
3. Harmonize Weight-Bridge Certificates
4. Explore Joint Customs Cooperation/Control
5. Explore Trans-Boundary Cooperation Center
6. Recognize the legal status of electronic documents
7. Harmonize SPS documents and practices

Process Improvement

1. Adopt One-Stop-Shop
2. Adopt electronic data interchange (EDI)
3. Support eTIR implements
4. Implement Pre-Arrival Declaration
5. Implement 24/7 operation at high traffic nodes
6. Harmonize operating hours at adjacent BCPs
7. Adopt risk-based management
8. Implement parallel processing to replace serial activities
9. Use smart technologies (e.g. smart seals for track and trace in the case of a bonded shipment that needs customs escort)

A Final Note....

- ❖ **Actual import, export and transit flows across BCPs will be very helpful for CAREC research studies and activities**
- ❖ **Such information is usually not easily available to public and could be disseminated in platforms such as Customs Cooperation Committee**
- ❖ **Greater digitalization and data exchange between countries can help promote more effective transit to transition from land-locked to land-linked for CAREC region.**

Questions and Answers

Part 6

Thank You

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