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## NOTE

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## Editorial

Dear readers:

Welcome to the first 2008 issue of the UNCTAD Transport Newsletter. The present edition covers the last quarter of 2007 as well as the first quarter of 2008. Our apologies to the numerous readers who already asked us about the fourth quarter 2007 issue – its production was delayed mostly due to the heavy workload in relation to the preparation of UNCTAD XII in April in Ghana (see also page 4).

Six articles in this issue look at transport and trade logistics, including the globalization of port logistics (page 5), global value chains (page 7), transit corridors (page 6) and freedom of transit (page 8), maritime freights and commodity prices (page 16), as well as the modal split of international trade, where we discuss if it is actually true that “shipping moves 90 per cent of global trade” (decide for yourself: page 14).

We then report on some of our activities in the area of trade facilitation, including our support to the negotiations on trade facilitation at the World Trade Organization (WTO) (pages 11 and 12) and a new UNCTAD project in Pakistan (page 20). Another article presents an update on UNCTAD’s Port Training Programme (page 21)

A number of shorter articles inform about events, publications and other activities related to international trade and its transport: (a) the introduction of an electronic certificate of origin in Sri Lanka, (b) the Economic Commission for Latin America and the Caribbean’s (ECLAC’s) maritime profile, (c) a meeting of Latin American container terminals, (d) a maritime education and training conference and a new master of science (MSc) in Transport and Logistics in Scotland, (e) meetings on “green ports” and on climate change, (f) one recent and one upcoming Economic Commission for Europe (ECE)/Economic and Social Commission for Asia and the Pacific (ESCAP) workshop on trade facilitation, (g) the European Free Trade Association’s (EFTA’s) revised Trade Facilitation Manual, (h) the recent annual Transportation Research Board (TRB) meeting, and (i) a viewpoint of the Boksburg Group on the multilateral trade negotiations. For feedback, comments and suggestions for our next UNCTAD Transport Newsletter (No. 39), please contact Jan Hoffmann at [jan.hoffmann@unctad.org](mailto:jan.hoffmann@unctad.org) before June 2008.

*The Trade Logistics Branch Team, Geneva, March 2008*

## Contents

UNCTAD XII.....	4
Globalization of port logistics: opportunities and challenges for developing countries.....	5
Transit corridors.....	6
Trade logistics and global value chains.....	7
Technical note “Freedom of transit, regional transit agreements and customs transit”.....	8
Electronic certificate of origin in Sri Lanka.....	10
UNCTAD support to developing countries during the negotiations on trade facilitation at WTO.....	11
Joint declaration of annex D organizations made at the WTO Negotiating Group on Trade Facilitation.....	12
The modal split of international goods transport.....	14
The world freight market and commodities trade: the interplay of two parallel booms.....	16
World Bank financed UNCTAD Transport and Trade Facilitation Project-2 in Pakistan.....	20
UNCTAD’s TrainForTrade port training programme.....	21
Sustainable policy and practice in ports, cities and the logistics chain.....	23
Post-Bali: a dialogue on trade, climate change and development.....	24
Latin American container terminals.....	25
Maritime education and training conference.....	26
ESCAP/ECE seminar on single window and data harmonization in Central Asia.....	26
MSc Transport and Logistics.....	26
ECLAC Maritime Profile.....	26
EFTA Trade Facilitation Manual.....	26
2008 Transportation Research Board annual meeting.....	27
ECE/UESCAP Workshop on United Nations eDocs for Single Window facilities in Asia and the Pacific.....	27
Boksburg Group.....	28
Trade facilitation beyond the multilateral trade negotiations.....	28
New contracting party to international conventions adopted under the auspices of UNCTAD.....	28

## UNCTAD XII

Accra, Ghana, hosted the twelfth session of the United Nations Conference on Trade and Development (UNCTAD XII) from 20 to 25 April 2008. The Conference, the largest ever organized by Ghana, brought together heads of Government, ministers and about 4,000 participants from UNCTAD's 193 member countries to focus on the global economy and its impact on development. Delegates considered how to spread the benefits of globalization more equitably so that no countries or peoples are left behind. This reflects the conference theme chosen by our member States: "Addressing the opportunities and challenges of globalization for development".

The background note for interactive round table No. 4 on the "emergence of a new South and South–South trade as a vehicle for regional and interregional integration for development" highlights that the "dynamic increase in South–South trade would not have been possible without global shipping networks, port reforms and investment in transport infrastructure. South–South trade has benefited from the establishment of global shipping networks, which connect North–South and East–West shipping routes via trans-shipment ports. Improved connectivity has created for many countries the environment necessary to improve international competitiveness of their industries and traders. The indirect benefit of trans-shipment services for intraregional trade can be illustrated by the recent reorganization in the shipping network pattern between Central and South America and other continents. While the region's countries now count on fewer direct services with the North, they gain higher frequencies of interregional as well as intraregional services, and more options and choices among competing carriers by connection to regional hub ports. Changing transport practices and patterns, together with developments in world trade, has been at the source of spectacular growth in demand for port logistics services. The emergence of practices such as the hub and spoke system of port connectivity – with its resulting need for trans-shipment operations, multimodal transport and door-to-door operations – has changed the role of sea ports, transforming them into critical nodal points linking national and international transport systems. Efficient ports have thus become an indispensable part of any country's physical and administrative infrastructure. Increasing investment opportunities and high growth prospects have also encouraged global terminal operators to base their operations in developing countries."

In its discussion on the role of UNCTAD, the document further highlights that "South–South trade requires that traders have access to the appropriate transport services. Trade volumes on many South–South routes are still low, which in turn leads to more costly and less frequent transport services. The challenge for policymakers is to initiate a virtuous cycle, where growing trade helps to achieve economies of scale in transport, which in turn encourages further South–South trade. UNCTAD can help analyse and identify opportunities of intraregional and interregional South–South cooperation in the area of transport. Trade and transport facilitation measures can reduce transactional costs through simplified procedures, the promotion of uniform laws and regulations, and the use of modern technologies. As regards customs issues, there exists a need for speedy and transparent import, export and transit procedures. Automated systems such as UNCTAD's ASYCUDA Programme are an important tool to this end."

*For the complete background note, see [http://www.unctad.org/en/docs/td425\\_en.pdf](http://www.unctad.org/en/docs/td425_en.pdf). For further information on Round Table 4, contact Victor Ognivtsev, DITC, UNCTAD ([victor.ognivtsev@unctad.org](mailto:victor.ognivtsev@unctad.org)) or Jan Hoffmann, Trade Logistics Branch, DTL, UNCTAD ([jan.hoffmann@unctad.org](mailto:jan.hoffmann@unctad.org)). For further information on UNCTAD XII, please visit <http://www.unctadxii.org/en/>.*

## **Globalization of port logistics: opportunities and challenges for developing countries**

*Report of the UNCTAD XII pre-Conference event on globalization of port logistics, Geneva, 12 December 2007*

The purpose of this meeting was to ascertain the opportunities and challenges facing developing countries, and in this regard it was good to see 76 participants present from over 42 countries representing Governments, international organizations, academia and industry.

The event was chaired by H.E. Mr. Norman Harris, Ambassador and Permanent Representative of the Permanent Mission of Panama to WTO. Presentations were made by a port operator, a shipping line, a logistics company, two international terminal operators, two logistics consultants and the UNCTAD and WTO secretariats.

The current negotiation on logistics services under the General Agreement on Trade in Services at WTO has seen that most requests are made by developed countries and that offers made are not ambitious enough and do not allow for meaningful commitments or liberalization. It was reported that, at present, negotiations on logistics services are facing a stalemate together with other negotiations on services, non-agricultural market access and agriculture, and that all countries, including developing countries, would gain from greater liberalization in activities falling under the heading logistics services, in particular in services auxiliary to all modes.



A number of industry practices which were seen as harmful to transport efficiency were discussed. Firstly, the practice of offering free storage for twenty-foot equivalent units (TEUs) at ports was seen to contribute to port congestion by filling up valuable space at the port. Secondly, the unstripping of containers in ports were causing congestion and increased risk of goods deteriorating. Thirdly, cabotage rules in certain countries were seen as a hindrance to utilizing empty containers in domestic traffic.

Port development in developed countries was driven by space constraints caused by growing ship sizes, which in turn required upgraded infrastructure (e.g. longer berth lengths, wider ship turning circle and deeper waters in access channels and alongside berths). In developing countries, in addition to the sea interface, the landside of port activity is very important to terminal operators. Other factors important to terminal operators include the ability to add capacity at the right time and location. The long lead times necessary to develop container terminals are exacerbated by their complexity to include environmental concerns, increasing safety and security requirements, the quality of landside connections and the lack of deepwater sites. Challenges specific to developing regions include backlogs in terms of maintenance and upgrading work, the state of port services, the privatization process, capacity-building requirements and governance. While transit countries are struggling with port infrastructure problems, for their neighbouring landlocked developing countries (LLDCs), the situation is compounded.

The meeting noted three types of port investors, namely independent terminal operators, shipping lines and financial and private equity interests. The attractions of developing countries to port investors include strong growth that characterizes many countries, the lower cost bases, the satisfactory returns on investment and the use of privatization waves as a way to gain access to these markets. Important factors for terminal operators to consider when deciding whether to enter a new market are (a) whether a proper concession process is in place, (b) whether prerequisites for such a process include defining a clear role for the port authority, (c) plans for labour cuts, (d) establishing a port regulator and (e) plans for tariff reform. Other key factors providing an incentive for entering a market include investor-friendly financial structures.

In summary, the meeting advised that Governments needed (a) coherent policies whereby transport and port development were seen as part of industrial development policies, which created employment and value added services and promoted trade; (b) private sector involvement through public-private partnerships (PPPs) or other mechanisms; (c) appropriate regulatory framework and know-how; and (d) appropriate facilitation measures.

*Vincent Valentine ([vincent.valentine@unctad.org](mailto:vincent.valentine@unctad.org)), Trade Logistics Branch, DTL, UNCTAD. Further information can be found at <http://r0.unctad.org/ttl/ttl-ppt-2007-12-12.htm>.*

## **Transit corridors**

In December 2007, UNCTAD concluded a challenging project on capacity-building for LLDCs and transit countries to facilitate trade and transport along three pilot corridors located in Asia (Vientiane-Bangkok), Africa (Lusaka-Walvis Bay or the Trans-Caprivi corridor) and South America (Asunción-Montevideo).

The project incorporated an innovative approach in creating and operating facilitation clusters along transit corridors considered as single supply chains to produce transit service. In the three pilot cases, the participants, directly involved in the operation of their respective corridors, showed sound capacity to analyse and solve daily obstacles and also plan for medium- and long-term actions. To support cluster activities, the project included the development of information systems to monitor improvements as a result of the actions decided by the clusters.

The project was fully successful in that recipient trading and transport communities not only adhered to the project approach but also agreed to carry on their cluster activities beyond the project completion. Some clusters have already secured financing, both internal and external, to support this next autonomous stage. The project execution has been externally audited and the resulting report will soon be made available. Some interesting outcomes of the project include the fact that “corridor level” operators in transit countries appear to actually drive and take the lead for the improvement in the transit corridor operation. This was observed in all three pilot cases. Such an observation challenges the common knowledge that transit countries appear little interested in making landlocked countries’ trade life easier. Actually, at the “higher central or macro level” in transit countries, such a “reality” usually stems from the low volumes generated to and from LLDCs, which make their trade of lesser relative importance. Another remarkable hypothesis confirmed during the course of the project execution is that informal structures such as the created clusters may find operational solutions and achieve significant improvements without having to call for bilateral official formal negotiations or agreements.

The three pilot corridors and their respective clusters have developed tailored arrangements which will probably be of interest to counterparts in other regions of the world. The cases will be documented and disseminated in the course of 2008. A larger project meant to enable adapted replications of the cluster corridor approach in interested countries may also follow, depending on available resources.

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## Trade logistics and global value chains

The twelfth session of UNCTAD's Commission on Enterprise, Business Facilitation and Development took place 4–5 February 2008. It focused on trade logistics and global value chains (GVCs) and their impact on small and medium-sized enterprises (SMEs) in developing countries. Renowned experts from the public and private sector presented and discussed the topic with the more than 150 participants. The background paper, which had been produced jointly by two UNCTAD divisions, shed light on the need for enhanced private sector participation to improve infrastructure, service and productive capacities, on promoting SME development through business linkages and skill upgrading programmes, and on adopting multilateral, regional and subregional approaches in trade and transport facilitation.

By reviewing the role and impact of trade logistics, as well as transport and trade infrastructure in global value chains, the paper highlights how a coherent, holistic policy approach to trade logistics and infrastructure development has the potential to link and integrate SMEs into international production systems. As a country's infrastructure and the efficiency of its trade and transport-related services play a crucial role in improving its



international competitiveness, these elements have also become critical for attracting foreign direct investment. Therefore, an enabling environment, targeted policies and incentives to develop public–private partnerships to build the much-needed infrastructure and increase service levels can help diminish the challenges encountered by SMEs and global value chains alike. At the policy level, the paper considers national, regional and multilateral measures to increase supply capacity and facilitate integration into GVCs.

The panel discussions which took place at the commission meeting further outlined how SMEs and their linkages with GVCs could strengthen and enhance South–South trade substantiated by an interesting study on trade in the agro-food sector between South–East Asia and Western Africa. It was also repeatedly stressed that within global production and logistics patterns, optimizing output at the lowest transport and administrative costs involved tackling various technological, operational, political, legal and institutional challenges affecting developing countries and creating a viable enabling environment.



Panellists observed that, in developing countries, providing the basic skills and mentoring services to entrepreneurs played a vital role in enabling SMEs or start-ups to access critical business support services, such as finance, and to develop adequate business practices and standards. Today's global supply chains are complex and it will require many different steps to improve them and make them accessible to a larger number of partners in developing countries. The use of emerging

technologies and PPPs in infrastructure development and logistics services are some possible ways, always keeping in mind the need to strike a balance between measures to facilitate trade and those to safeguard revenues and security. It is therefore not surprising that the key challenges and opportunities which were noted as requiring UNCTAD's continuing attention and due

consideration included infrastructure, investment, efficiency of trade and transport-related services, the overall enabling environment and incentives to develop PPPs and linkages.

Many bottlenecks that hinder the participation of SMEs in GVCs in both developed and developing countries were identified, and it was brought to the attention of the participants that the issues of the informal economy, long-term support and reforms in property rights, credit and networking as well as the special situation of women entrepreneurs needed to be addressed urgently. In the area of transit transport, particular attention was drawn to the importance of multilateral, regional, bilateral and local solutions to transit transport challenges, mainly through harmonized legal frameworks and better transit transport operations.

*For the complete background note and report of the meeting, please visit*

<http://www.unctad.org/Templates/meeting.asp?intItemID=1942&lang=1&m=14641&info=doc>.

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## **Technical note “Freedom of transit, regional transit agreements and customs transit”**

UNCTAD has recently updated and expanded its technical note on transit.<sup>1</sup> The eight-page note explains the concept of transit in the context of article V of the General Agreement on Tariffs and Trade (GATT) as well as the related proposals made at the WTO Negotiating Group on Trade Facilitation (NGTF). The note further discusses implementation issues, and it provides a list of references and links for further information.

### *Negotiations on trade facilitation at WTO*

Several proposals raised at the NGTF focus on (a) the strengthening of article V’s non-discrimination measures; (b) the inclusion of the notion of legitimate policy objectives with a special attention to security; (c) the publication of and the necessity to review and reassess transit charges and fees as well as formalities and document requirements; and (d) the simplification of transit traffic by special transit facilities at borders, to ensure adequate transit release times and unhampered traffic throughout the transit territory. These measures should avoid quantitative restrictions and unnecessary controls, and make maximum use of available information prior to the arrival of a transit consignment. International standards should be used as much as possible and currently applied transit formalities and documentation requirements should be further harmonized.

Furthermore, some proposals ask for common customs documentation and procedures, and the accession of the members to already-existing international instruments (reference is being made to the revised Kyoto Convention, the United Nations Transport International Routier (TIR) Convention, the Agreement on Temporary Admission of Goods (ATA) Convention and the United Nations Layout Key (UNLK)). In addition, proposals call for (a) an expedited and simplified treatment of certain goods in transit; (b) the limitation of physical inspections of transit goods; (c) monitoring measures to ensure the effective implementation of transit measures; (d) provisions of bonded transport regimes; and (e) a better coordination between all

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<sup>1</sup> The technical notes have been produced by technical experts contracted by UNCTAD within the Trust Fund project “Capacity-building in developing countries and least developed countries to support their effective participation in the WTO negotiations process on trade facilitation”, financed by the Governments of Sweden and Spain. Their purpose is to assist Geneva- and capital-based negotiators to better understand the scope and implications of the various trade facilitation measures being proposed in the context of multilateral negotiations on trade facilitation.

concerned authorities as well as between the latter and the private sector. A further proposal deals with the actual scope of article V that is the definition of traffic in transit, freedom of traffic and transit formalities and documentation requirements. The WTO reference document for this topic is TN/TF/W/43 (see latest revisions), chapter M.

### *The concept of transit*

In order to understand the full scope and the implications of transit, it is important to note that the term “transit” refers to two related concepts with, however, rather distinct features:

- (a) In the WTO trade facilitation context, transit traffic refers to the procedure whereby goods are actually moved through a territory with the beginning and the end of the transit operation being outside this territory, i.e. “through transit” or “international transit”:
- (b) In the context of customs procedures, i.e. “customs transit”, transit is the procedure under which goods, under temporary suspension for the payment of taxes and duties, are transported under customs control from one customs office to another, including outbound transit, through transit, inbound transit and even inland transit.

### *Transit systems, and bilateral and regional transit agreements*

Transit issues are complex with many facets ranging from administrative to infrastructure, information and communication technology (ICT), and certain customs and investment aspects. These aspects are mostly dealt with in bilateral or regional agreements. Countries are often not only parties to one agreement but to more than one at the same time. Therefore, the underlying risk of both regional and bilateral agreements is their lack of enforcement owing to their proliferation, overlap and multiple memberships. A complementary approach to transit which has evolved during recent years is transit corridor and cluster arrangements. Although limited to a certain geographical area, they tend to be inclusive and across-the-board approaches which allow for the development of a good physical infrastructure and harmonized and simple procedures along a transit corridor between several countries and several stakeholders, public and private.

### *Implementation issues*

A clear, transparent and predictable transit framework and partnership agreements, combined with the pooling of resources and cooperation on the international and regional levels, can address some of the currently encountered difficulties in transit operations. The adherence to a transit regime and a coherent legal framework can safeguard the uniform application of rules and procedures, the guarantee regime for duties and taxes at risk, and approved means of transport. Further issues which would need attention are:

- (a) Simplification and harmonization of procedures and documents, including alignment with existing international standards such as the Revised Kyoto Convention or the UNLK;
- (b) Introduction of risk-management techniques, including authorized trader programmes, to provide efficient transit facilitation without compromising revenue protection;



- (c) ICT, including data and message exchange, security and cargo tracking, Single Window facilities, the implementation of computerized customs management systems – e.g. the Automated System for Customs Data (Asycuda) – especially in transit corridor development or regional transit agreements;
- (d) Coordination with other agencies involved in cross-border traffic, for example, those responsible for security, immigration or plant and animal health in line with the recommendation of the Kyoto Convention and the International Convention on Harmonization of Frontier Controls of Goods (“Harmonization Convention”);
- (e) Development of partnerships between government agencies and business;
- (f) Non-discriminatory treatment of traders and modes of transport;
- (g) Addressing the issue of charges for services rendered, license and documentation requirements by customs and other agencies involved, their timely notification and publication as well as their periodic review to create a more predictable and transparent trading environment;
- (h) Cooperation and information sharing between the different customs services involved (including the mutual recognition of customs controls) and related agencies;
- (i) Effective partnership and cooperation among government agencies, business and trade operators to facilitate transit trade; and
- (j) Other barriers to free transit transport – such as visas for drivers, vehicle or vessel standards, and special rules for dangerous and special goods – and security issues.

The complete technical note #8 as well as other technical notes are available via <http://r0.unctad.org/ttl/technical-notes.htm>. For further information, contact Birgit Viohl ([birgit.viohl@unctad.org](mailto:birgit.viohl@unctad.org)), Jan Hoffmann ([jan.hoffmann@unctad.org](mailto:jan.hoffmann@unctad.org)) or Poul Hansen ([poul.hansen@unctad.org](mailto:poul.hansen@unctad.org)), Trade Logistics Branch, DTL, UNCTAD.

## Electronic certificate of origin in Sri Lanka

The Ceylon Chamber of Commerce launched an online Electronic Certificate of Origin (e-CO) in July 2007. This service allows over 300 exporters to apply for a CO via the Internet using a PC, laptop or any such device. Already, about 80 e-COs are issued each day using this system, one-third of the total. Besides saving time and costs associated with obtaining the COs, it also eliminates human error. The e-CO of the Ceylon Chamber of Commerce was created using Adobe Livecycle software and the United Nations Toolkit developed by United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT)/ECE for development of United Nations eDocs. The new e-COs system has been introduced in two phases.

When the system is fully operational, the exporters will not only be able to apply for a CO online, but the chamber will be able to process nearly 90 per cent of the COs received automatically, and return the approved CO to the exporters online. Further developments are envisaged for an approved CO to be forwarded online to the banks or to the importing country’s customs point of clearance. Another alternative would be for the importing country’s customs to have online access to the chamber website and check the origin of a particular shipment where necessary.

The screenshot shows a web browser window displaying the 'Certificate of Origin' form from The Ceylon Chamber of Commerce. The form is titled 'Certificate of Origin' and includes the following fields and information:

- 1. Consigner / Exporter:** (Empty field)
- 2. Ref. No.:** (Empty field)
- 3. Consignee:** (Empty field)
- 4. Ref. No. (if any applicable only):** (Empty field)
- 5. Country of Origin:** A dropdown menu with 'SRI LANKA' selected.
- 6. Part of Loading and any other comments:** (Empty field)
- 7. FOR OFFICIAL USE:** (Empty field)
- 8. Item No.:** (Empty field)
- 9. Shipping Marks:** (Empty field)
- 10. Package Type / Quantity:** (Empty field)
- 11. Summary Description:** (Empty field)
- 12. Commodity Code:** (Empty field)
- 13. Quantity & Type:** (Empty field)

The form also includes contact information for The Ceylon Chamber of Commerce: 65, Navan Naveetha, Colombo 02, Sri Lanka. Tel: (0094) 11-2433146, 2431748-9; Fax: (0094) 11-2437477, 2440362; 2381012; Email: [eco@chamber.lk](mailto:eco@chamber.lk). There is an 'Add Remarks' button at the bottom right of the form.

Introduction of the e-CO also provided an opportunity to simplify the CO format and the procedure that was used hitherto. When designing the e-CO, it was ensured that the e-CO was fully conforming to the UNLK (the international standard for trade and transport documents). The column names/tags were chosen from the Trade Data Elements Directory (TDED) 2005, making the data interoperable with ebXML/UN-EDIFACT. Hence, when an e-CO is received in any computer application, processing of data can be automated without the need for further changes in the system. Therefore, the e-COs can be generated in paper, XML, PDF and EDI format, and be seen using a standard Internet browser or implemented in standard office software that supports electronic signatures.

*Shanta De Silva ([shantades@sltnet.lk](mailto:shantades@sltnet.lk)), trade facilitation consultant, Colombo, Sri Lanka.*

## **UNCTAD support to developing countries during the negotiations on trade facilitation at WTO**

Since the beginning of 2005, UNCTAD has provided extensive assistance to Geneva-based delegates and capital-based experts from developing countries and least developed countries (LDCs) during the ongoing negotiations on trade facilitation at WTO. The assistance is mostly provided in the framework of our Trust Fund project “Capacity-building in developing countries and least developed countries to support their effective participation in the WTO negotiations process on trade facilitation”, presently financed by the Governments of Sweden and Spain. The support has included the organization of numerous regional round tables and training activities as well as the production of technical material such as technical notes on trade facilitation measures.

Since 2007, our project activities have increasingly focused on tailor-made country-specific assistance to prepare WTO members for their national WTO self-assessment workshops.

### *WTO self-assessment of trade facilitation needs and priorities*

WTO has embarked on an extensive programme of national self-assessment workshops. According to WTO, the purpose of the programme is to “contribute to more effective participation of members and observers in the WTO trade facilitation negotiations. A needs assessment will provide detailed information on technical assistance requirements of recipient countries and will provide a valuable basis for the eventual implementation of any results of the negotiations.”<sup>2</sup> To date, more than 70 WTO members have requested national needs assessment workshops, and by March 2008, about 15 such one-week workshops have been successfully accomplished.



Together with the other annex D organizations,<sup>3</sup> UNCTAD is actively participating in the revision and updating of the self-assessment guide, the document used during the self-assessment workshops.<sup>4</sup> UNCTAD is also providing facilitators during the actual workshops.

<sup>2</sup> See [http://www.wto.org/english/tratop\\_e/tradfa\\_e/tf\\_assess\\_proposal\\_e.doc](http://www.wto.org/english/tratop_e/tradfa_e/tf_assess_proposal_e.doc) for a description of the WTO project.

<sup>3</sup> The “annex D organizations” are defined by the WTO 2004 “July package”. They are the International Monetary Fund (IMF), Organization for Economic Cooperation and Development (OECD), UNCTAD, World Customs Organization (WCO) and the World Bank ([www.wto.org/english/tratop\\_e/dda\\_e/draft\\_text\\_gc\\_dg\\_31july04\\_e.htm](http://www.wto.org/english/tratop_e/dda_e/draft_text_gc_dg_31july04_e.htm)).

<sup>4</sup> The guide was initially developed by the World Bank in cooperation with IMF and WCO. Its revised versions are the result of joint work of all annex D organizations. See “WTO Negotiations on Trade Facilitation Self Assessment Guide” (TN/TF/W/143) via [www.wto.org/english/tratop\\_e/tradfa\\_e/ta\\_capac\\_build\\_negoti\\_e.htm#3](http://www.wto.org/english/tratop_e/tradfa_e/ta_capac_build_negoti_e.htm#3)

### *Preparation for the self-assessment workshops*

Experience with the first self-assessment workshops, as well as delays in some planned workshops, confirm the need for a thorough preparation for the workshops at the national level. It does not seem to be sufficient to receive two or three facilitators from international organizations at an ad hoc multi-stakeholder meeting to ensure a success of the needs assessment. The success can be enhanced through adequate preparation well ahead of time, prior to the one-week exercise.

In fact, before WTO accepts a request to organize the facilitated self-assessment workshop, the country has to formally notify<sup>5</sup> WTO that it has identified a group of stakeholders.<sup>6</sup> Experience has shown that such a functional working group is essential not only for the needs assessment, but for countries' participation in the negotiations in general. Countries therefore may take the opportunity of the needs assessment to constitute a formal or informal working group to conduct the assessment and to further support the delegation in Geneva in the negotiations. The creation and day-to-day work of a "support group" require detailed information and regular communication with the Geneva-based negotiator. The support group may also benefit from the participation of capital-based experts in meetings of the NGTF in Geneva, and it may consider the organization of preparatory seminars, where international experts and Geneva-based delegates explain the issues under negotiation and the functioning of the NGTF.

### *UNCTAD's collaboration with national support groups*

Within its mandate and available resources, UNCTAD is supporting individual countries in this endeavour. The support may include (a) substantive collaboration with Geneva-based delegates as regards the setting up and the communication with a capital based support group, (b) financial support to allow capital-based experts to participate in the NGTF, and (c) a technical mission to the capital in order to undertake a preparatory seminar with and for the national "support group". To date, UNCTAD's recent and ongoing assistance includes collaboration with Antigua and Barbuda, Ecuador, Guatemala, Honduras, Nicaragua, Paraguay, Mali and Mozambique.



*For further information on UNCTAD's Trust Fund project "Capacity-building in developing countries and least developed countries to support their effective participation in the WTO negotiations process on trade facilitation", please contact Birgit Viohl ([birgit.viohl@unctad.org](mailto:birgit.viohl@unctad.org)), Jan Hoffmann ([jan.hoffmann@unctad.org](mailto:jan.hoffmann@unctad.org)) or Tom Butterly ([tom.butterly@unctad.org](mailto:tom.butterly@unctad.org)), Trade Logistics Branch, DTL, UNCTAD.*

## **Joint declaration of annex D organizations made at the WTO Negotiating Group on Trade Facilitation**

The following statement was made at the 14 December 2007 meeting of the NGTF at WTO:

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<sup>5</sup> The notification form is available via [http://www.wto.org/english/tratop\\_e/tradfa\\_e/tf\\_notif\\_form\\_e.doc](http://www.wto.org/english/tratop_e/tradfa_e/tf_notif_form_e.doc).

<sup>6</sup> These multi-stakeholder groups may be existing trade facilitation committees or pro-committees, or they may be a especially created "support group", an "inter-institutional trade facilitation committee", a "national trade facilitation task force" or other groups that serve the specific purpose of bringing together all key stakeholders, from the public and the private sector, to jointly analyse the country's trade facilitation needs and priorities in the context of the ongoing negotiations at WTO.

“This statement is made on behalf of the IMF, the OECD, UNCTAD, the World Bank, and the WCO, or as we are known here, the annex D organizations.<sup>7</sup> During the last three years we have established a very close and open working relationship based on a shared view that the current round of trade facilitation negotiations provides an opportunity for change and development in an area of critical importance to developing countries. Since the negotiations commenced three years ago, the annex D organizations have produced extensive technical material and studies covering numerous areas of relevance for the ongoing negotiations on trade facilitation, such as costs and benefits of trade facilitation measures, existing international instruments in the area of customs and trade facilitation, technical aspects of specific trade facilitation measures, trade facilitation committees, the analysis of needs and priorities, and issues concerning transit and landlocked countries. We have also prepared some self guided tools and provided support to capital based officials so that they are better prepared to assist Geneva-based negotiators. Many of the documents have been presented as WTO documents to the NGTF. Others are available directly from the annex D organizations. All documents are also available via our joint information “single window”, which is the website of the GFP (“Global Facilitation Partnership for Transportation and Trade” [www.gfptt.org](http://www.gfptt.org)).

“As regards the GFP, we would like to encourage members to use this tool as a first step when seeking information on the trade facilitation issues under negotiation. The GFP is administered by one annex D organization and maintained by a group of core partners, including several annex D organizations, as well as other international players involved in trade facilitation. During the last three years, we have collectively and independently also organized numerous global, regional and national conferences, seminars and workshops, which aimed at assisting WTO developing country members to become better acquainted with technical and institutional aspects of trade facilitation. Several round tables further aimed at providing forums for the exchange of national experiences and of points of views regarding the important issue of special and differential treatment.

“In addition, annex D organizations have actively participated in all 21 regional WTO seminars on trade facilitation that have taken place over the past three years. Many of the regional seminars were effectively co-sponsored through the financing not only of annex D speakers, but also of participants through trust funds managed by annex D organizations. Similarly, annex D organizations supported several national WTO seminars. The support that the annex D organizations have provided to the WTO negotiating process during the last three years was often made possible through the generous support of numerous donors who have contributed to different projects and trust funds. At the same time, all annex D organizations have also assigned budget and regular staff time to these activities, within our respective mandates and available resources. Since 2007, we are closely cooperating with the WTO in the planning and execution of the national self assessment workshops. As a key input to this process annex D organizations have developed a comprehensive self assessment guide which is being used as the basis for the WTO needs assessment program. It is presently being revised and updated jointly by the WTO and all annex D organizations. We are also committed to providing specialist facilitators to assist the WTO in conducting its ambitious program of needs assessment workshops, within our available resources. We look forward to continuing our cooperation in 2008.”

*For further information on UNCTAD’s cooperation with the other annex D organizations, please contact Birgit Viohl ([birgit.viohl@unctad.org](mailto:birgit.viohl@unctad.org)), Jan Hoffmann ([jan.hoffmann@unctad.org](mailto:jan.hoffmann@unctad.org)) or Tom Butterly ([tom.butterly@unctad.org](mailto:tom.butterly@unctad.org)), Trade Logistics Branch, DTL, UNCTAD.*

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<sup>7</sup> See [http://www.wto.org/english/tratop\\_e/dda\\_e/draft\\_text\\_gc\\_dg\\_31july04\\_e.htm#annexd](http://www.wto.org/english/tratop_e/dda_e/draft_text_gc_dg_31july04_e.htm#annexd) for the text of the Annex D of the text of the WTO General Council’s decision on the Doha Agenda work programme (the “July package”), agreed on 1 August 2004.

## The modal split of international goods transport

### *The share of the maritime mode of transport*

Is it really true that “shipping moves 90 per cent of global trade”?<sup>8</sup> Based on data provided by GlobalInsight,<sup>9</sup> and not including intra-European Union trade, in 2006 seaborne trade accounted for 89.6 per cent of global trade in terms of volume (tons) and 70.1 per cent in terms of value (in United States dollars, see figures 1 and 2). During the same year, airborne cargo had a share of just 0.27 per cent of trade volume and 14.1 per cent of trade value, whilst overland and other modes (including pipelines) accounted for the remaining 10.2 per cent of trade volume and 15.8 per cent of trade value.

(Note: The mode of transport reported in these figures records the mode at which the imports arrive at the country’s border, seaport or airport. In practice, the majority of international trade transactions does of course involve more than one mode of transport, such as road transport up to the exporting country’s seaport, an international long journey by sea and, upon arrival, perhaps railroad onward transport into the hinterland of the importing country. Imports of landlocked countries will usually be reported as “overland”, although the main part of the journey might have been by sea and the cargo is just in transit after unloading in the port of a neighbouring coastal country. Nevertheless, the above-reported statistics represent an approximately valid picture of the real situation, as mostly the mode of transport with which a shipment arrives at a country is also the mode that has been used for the main part of the journey.)



Total world seaborne trade, including intra-European Union trade, amounts to about 7.4 billion tons.<sup>10</sup> Lloyd’s MIU recently reported that about 77 per cent of this total is seaborne, albeit including intra-European Union trade flows, most of which are overland. The authors of the Lloyd’s MIU study commented that their figures called into question the generally held view that seaborne trade accounts for 90 per cent of world trade by volume.<sup>11</sup>

In fact, the 90 per cent estimate can only be maintained if we do not include intra-European Union trade flows. If we were to measure the actual production of transport services, i.e. the ton-miles produced by the different modes, then the maritime and air transport would probably gain an even higher share, possibly above 90 per cent, as seaborne and airborne trade is more often used for longer distances as compared to overland transport.



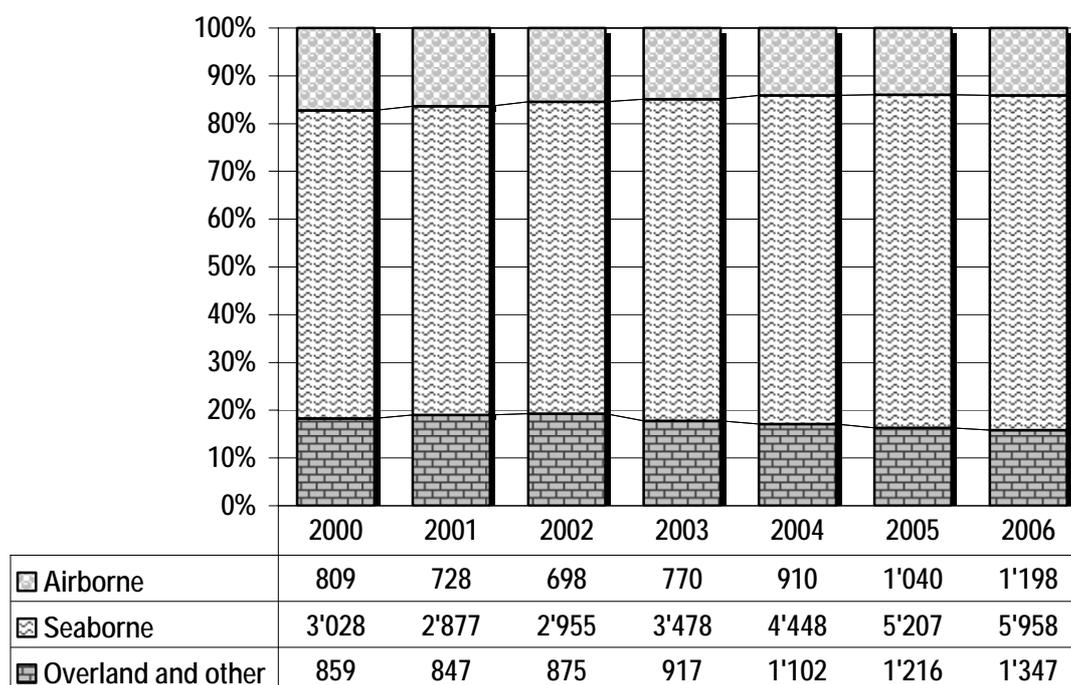
<sup>8</sup> Such and similar quotes can be found in numerous publications on international organizations’ websites.

<sup>9</sup> Mr. Robert West, [robert.west@globalinsight.com](mailto:robert.west@globalinsight.com), [www.globalinsight.com](http://www.globalinsight.com)

<sup>10</sup> UNCTAD, *Review of Maritime Transport 2007*, Geneva. Data is for 2006.

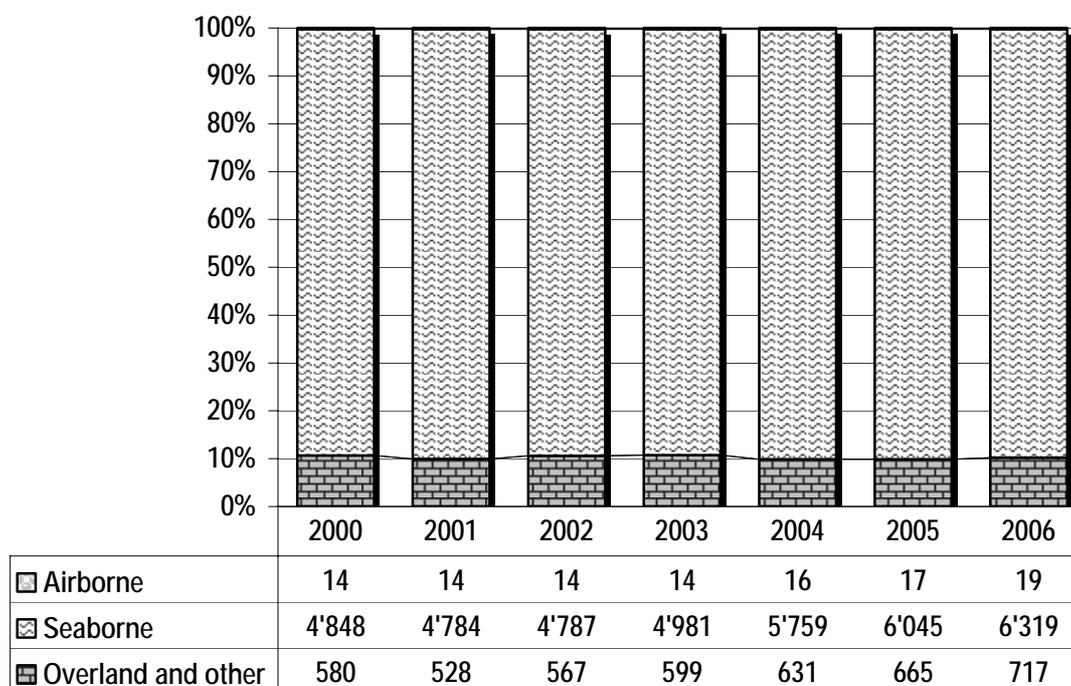
<sup>11</sup> Lloyds MIU, 5 December 2007, <http://www.lloydsmiu.com/lmiu/article/20017485999/index.htm>.

**Figure 1. Modal split of international trade in goods, \$ billion and %  
2000–2006 (not including intra-European U trade)**



Source: GlobalInsight. Not including intra-European Union trade.

**Figure 2. Modal split of international trade in goods, million metric tons and %  
2000–2006 (not including intra-European Union trade)**



Source: GlobalInsight. Not including intra-European Union trade.

### *Fluctuations in the modal split*

Comparing data since 2000, the shares of the different modes have remained quite stable in terms of volume, whilst fluctuating much more when analysing the trade value. During the last seven years, the share of seaborne trade volume has fluctuated only between 89.04 and 89.82 per cent (a range of 0.78 per cent), whilst its share in trade value fluctuated seven times more – between 64.48 and 70.07 per cent (a range of 5.59 per cent). During the same period, the airborne share fluctuated by only 0.02 per cent in terms of volume and by 3.29 per cent in terms of value.

The main reason for those differences lies in the fact that the share in trade value is strongly influenced by the prices of the traded commodities. In particular, the rising price of oil, but also that of other commodities, has contributed to the rise in the share of sea-borne trade – albeit only its *value* and not its *volume*.<sup>12</sup> Another trend that leads to an increase in the share of maritime trade *value* is the changing composition of global maritime trade, which includes increasingly manufactured and intermediate goods.

Between 2000 and 2006, the *volume* of airborne trade has grown by 32.7 per cent, seaborne trade by 30.4 per cent, and the trade moved by other modes by 23.7 per cent.

**Table 1. Average value per ton of cargo, international trade, 2000–2006**

Average value per ton of cargo (\$)	2000	2001	2002	2003	2004	2005	2006
Airborne	56,624	51,241	50,445	54,415	55,503	59,710	63,184
Seaborne	625	601	617	698	772	861	943
Overland and other	1482	1606	1542	1531	1746	1827	1878
All modes	863	836	843	923	1008	1109	1205

*Source:* UNCTAD calculations, based on data from GlobalInsight, not including intra-European Union trade.

### *Unit values by transport mode*

In 2006, the average value per ton of cargo of seaborne trade was \$943, versus \$63,184 per ton of airborne trade and \$1,878 per ton of trade transported overland or by other modes, such as pipelines (table 1). In other words, in 2006 airborne cargo was on average 67 times more valuable (per ton) than seaborne cargo. This proportion has been declining over recent years; in 2000, airborne trade was 91 times more valuable per ton of cargo than seaborne trade.

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## **The world freight market and commodities trade: the interplay of two parallel booms**

The simultaneous occurrence of two booms, one for commodities and one for ocean-going freight, has attracted a great deal of attention recently. High freight rates have contributed to the price increases for food products experienced by consumers. This is a concern particularly for developing countries that are net food importers, where transport costs contribute to the precarious food security situation. The high cost of shipping has also had other negative consequences for developing countries. While many countries have benefited from higher

<sup>12</sup> See also the article “The world freight market and commodities trade: the interplay of two parallel booms” below.

commodity prices, the high freight rates constitute a wedge between sellers and buyers, reducing the revenue from commodity exports in relation to what it could otherwise have been.

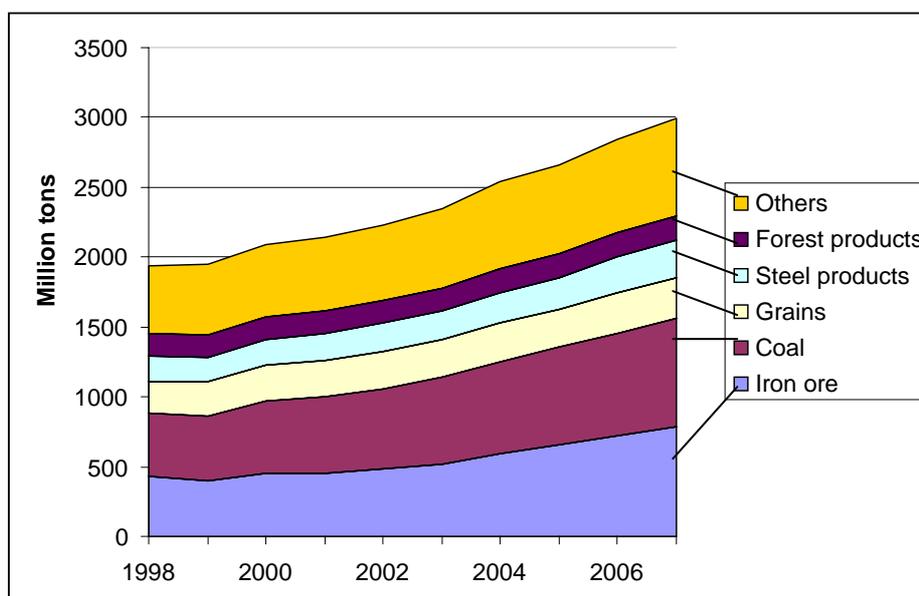
Over the past few years, prices of most commodities have increased substantially. While price increases have been most dramatic for fuels and for minerals and metals, many agricultural commodities are also experiencing price peaks. The main reason for the price increases is massive growth in Asian demand, particularly from China, but also from other developing countries. The rise in demand has led to a reorientation of international commodity trade as seen from table 2.

**Table 2. Shares in world commodity imports, %**

Regions	All commodities		Fuels		Ores & metals		Agricultural raw materials		All food		Forestry		Fishery	
	1995–1997	2003–2005	1995–1997	2003–2005	1995–1997	2003–2005	1995–1997	2003–2005	1995–1997	2003–2005	1995–1997	2003–2005	1995–1997	2003–2005
Developed countries	69	67	68	67	69	60	68	62	70	69	77	70	84	80
Developing countries of which:	28	30	28	30	28	37	31	36	27	27	22	29	15	18
Asia of which:	20	23	21	24	24	32	24	29	17	17	17	25	12	14
China	2	6	2	4	3	13	5	13	2	3	2	12	1	3
India	1	2	2	3	1	2	1	2	0	1	1	2	0	0
Transitional economies	4	3	4	3	2	3	1	2	4	4	1	1	1	2
Memo items:														
World imports (\$ billions)	1,236	2,189	437	1,087	182	302	141	160	476	639	68	78	53	71

Source: UNCTAD secretariat.

**Figure 3. Dry bulk shipments, 1998–2007**



Source: Clarkson Research Services, Dry Bulk Trade Outlook, February 2008.

Commodities are shipped in many types of ships and under different types of arrangements. The most interesting part of the market is that of dry bulk shipping, which is used for commodities that are (a) traded in large volumes and (b) do not require very special

arrangements in order to prevent deterioration (unlike, for instance, bananas, which are shipped in special ships with refrigerated holds). Total dry bulk shipments were close to 3 billion tons in 2007, while other dry cargo, including containerized cargo, was a little less than 2 billion tons. Figure 3 shows the composition of world dry bulk shipping volumes in recent years. The “Others” category includes, in order of importance, cement, scrap, fertilizer, bauxite/alumina, sugar, phosphate rock, coke and pig iron. Very recently, as of 2007, iron ore has overtaken coal as the most important dry bulk product.

Dry bulk cargoes are shipped in vessels of varying sizes, usually divided into Handysize (10,000–40,000 dwt (deadweight, that is, the total weight of a fully loaded ship minus the weight of the ship itself), Handymax (40,000–60,000 dwt), Panamax (60,000–100,000 dwt) and Capesize (over 100,000 dwt). Capesize ships are the fastest-growing fleet element and account for more than a third of the total.

At present, freight rates are high, historically speaking. In the case of quite a few commodities and shipping routes, ocean freight accounts for more than half of the delivered cost. Figure 4 shows one example, which is the rising trend of iron ore freight rates in Capesize ships from Brazil to China and Japan. In the past few months, freight rates have risen dramatically and peaked in November 2007. They then fell even more dramatically in December, only to bounce back in February 2008. Congestion is serious and there is a shortage of



ships, as seen from second-hand vessel prices. A second-hand five-year-old 150,000 dwt ship cost \$126 million at the end of 2007, while a new 170,000 dwt ship ready for delivery in five years was only \$97 million.

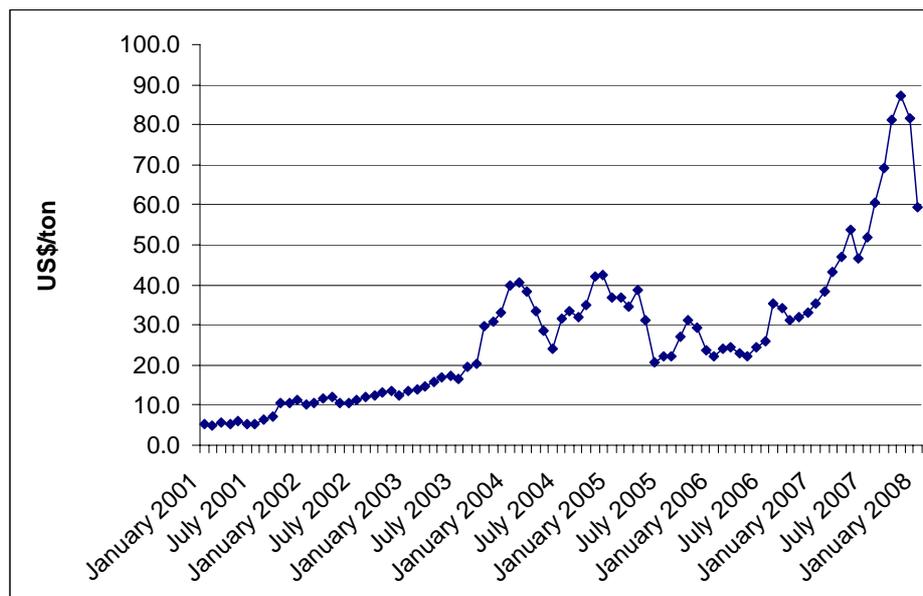
In addition to the rapid growth in total trade volume – on average more than 6 per cent per year since 2003 – it is also necessary to take into account the reorientation of trade just mentioned, which has resulted in longer journeys and therefore a larger quantity of total transport work. For instance, while Australia used to account for the vast majority of Chinese iron ore imports, the share from Brazil has increased in later years. Since the distance from Brazil to China is much larger than that from Australia to China, the total transportation work carried out had to increase even more than would be implied by the already considerable increase in Chinese iron ore imports (from 111 million tons in 2002 to 326 million tons in 2006). In 2007, lower-than-normal wheat harvests in Australia and Europe led to their exports to – respectively – South Asia and North Africa being replaced by wheat from North America, which had to travel much farther. Accordingly, since the dry bulk fleet has also grown at just over 6 per cent per year since 2002, the reserve capacity has been gradually eliminated.

Moreover, since the increase in trade is not evenly distributed across the world, some ports – for instance, Australian coal export ports, Brazilian ports handling exports of iron ore and import ports along the Chinese coast – have experienced a much faster growth in activity than others. At times, port capacity has not kept pace with trade growth and ships have had to wait to be loaded and unloaded. Such port congestion can reduce effective freight capacity dramatically and lead

to sharp increases in freight rates. If 70 Capesize ships are queuing (as they did in Brazilian iron ore ports in December 2007), waiting to load or unload, capacity corresponding to 10 per cent of all Capesize ships is immobilized and two years' fleet growth is undone.

In the short term, during 2008, most observers believe that freight rates will remain high, although they are expected to decline gradually. The dry bulk fleet is expected to grow by about 30 million dwt or 7.5 per cent this year. While shipments of almost all commodities are likely to rise, it is not certain that iron ore shipments, which have been the main dynamic element over the past several years, will continue increasing at the very high rate of the recent past. Forecasts for Chinese gross domestic product (GDP) growth have been revised downwards by a couple of percentage points, which will result in a lower trend rate of growth in steel demand, reducing the need for rising iron ore imports. This is so particularly since the high price increases for iron ore negotiated in February (plus 65 per cent) will favour deliveries from domestic iron ore mines. Moreover, a new factor, the effects of which are largely unknown, is the conversion of large tankers to ore carriers. Between 20 and 40 of these very large ships (upward of 200,000 dwt) are currently being converted in shipyards in China and the Republic of Korea. When they start trading later this year, they are likely to take a lot of pressure off the market. A factor working in the opposite direction is the expected increase in grains trade. A large portion of the needed additional supply is expected to come from South America, where ports are working at close to full capacity. Therefore, congestion might eat up a significant part of the additions to the fleet.

**Figure 4. Iron ore freight rates, January 2002–January 2008, Brazil–China/Japan**



Source: UNCTAD Iron Ore Trust Fund.

For the longer term, indications are clear that freight rates will decline. At present, ships on order, which will be delivered over the next five years, correspond to 56 per cent of the existing fleet. Although several old ships will be scrapped, it is evident that there will be excess capacity and that freight rates will come down, possibly quite dramatically.

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## World Bank financed UNCTAD Transport and Trade Facilitation Project-2 in Pakistan

In Pakistan, UNCTAD's recent trade facilitation activities started in August 2001 with the initiation of the Trade and Transport Facilitation (TTF-1) Project. Funded by the World Bank and implemented by Ministry of Commerce, with technical assistance from UNCTAD, the objective of TTF-1 was to modernize Pakistan's traditional transport and trade facilitation (TF) practices and procedures. One of the outputs of the project was the establishment of the National Trade and Transport Facilitation Committee (NTTFC), a PPP, which is today very active in promoting TF, facilitating dialogue between stakeholders, both public and private, and in providing technical support and substantive research in this area.

After five years of implementation, Pakistan has made significant progress in the area of trade facilitation and shall pursue its efforts through a new wide-ranging World Bank-funded programme, the National Trade Corridor Improvement Programme (NTCIP). The NTCIP targets constraints in the transport and logistics sector in Pakistan, and aims at improving the National Trade Corridor that links Pakistan's major ports in the South with the country's major cities and trade corridor in the North.

Under the NTCIP, UNCTAD will execute one of its components with the Ministry of Commerce, the Trade and Transport Facilitation Project 2 (TTF-2), as a follow-up to the TTF-1. The new project will build on the results achieved under the first project and will further continue the facilitation, simplification and modernization of Pakistan's international trade procedures and practices. It will particularly focus on the following objectives:

- (a) National Trade Facilitation (TF) strategy and WTO: develop a national trade facilitation strategy, taking into account the ongoing WTO TF negotiations;
- (b) Cooperation mechanisms: strengthen cooperation mechanisms for international trade facilitation;
- (c) Trade procedures analysis and corresponding capacity-building: analyze the trade procedures and new facilitation instruments for trade, transport and transit, with particular reference to negotiations at the WTO;
- (d) Trade operations analysis and corresponding capacity-building: analyze transit trade operations, including support to the development of logistics infrastructure (e.g. inland clearance facilities), and to improvement in servicing express and perishable cargo;
- (e) Trade information, education and communication;
- (f) Pilot projects: conduct pilot projects on an electronic platform and on cargo transit tracking systems; and
- (g) Benchmarking performance: evaluate performance of key sectors against benchmarks in the international trade transaction chain to measure improvements over time.

An original implementation design has been set up to boost ownership in which operational support will be provided by the Trade and Transport Facilitation Unit set up in the Ministry of Commerce and international technical assistance will be handled by UNCTAD.

The signing ceremony between the Government of Pakistan, represented by Mr. Ashraf M Hayat, Additional Secretary, Ministry of Commerce, and UNCTAD took place on 18 January 2008. Activities are scheduled to start in 2008.

*For further information on this project, please contact Aurelie Legrand ([aurelie.legrand@unctad.org](mailto:aurelie.legrand@unctad.org)), Jan Hoffmann ([jan.hoffmann@unctad.org](mailto:jan.hoffmann@unctad.org)) or Tom Butterly ([tom.butterly@unctad.org](mailto:tom.butterly@unctad.org)), Trade Logistics Branch, DTL, UNCTAD.*

## UNCTAD's TrainForTrade port training programme

### *French-speaking network*

The French-speaking network of UNCTAD's TrainForTrade port training programme is keeping active after 10 years of existence. A new session of training of trainers was organized in the Port Autonome de Marseille with the collaboration of the Région Provence-Alpes-Côte d'Azur (France) from 18 February to 7 March 2008. A total of 20 participants were trained by recognized experts from port partners of Marseille and Dunkirk (France), Oporto (Portugal) Valencia and Gijon (Spain) on the last four modules of the "Modern Port Management" course. The five current members of the French-speaking network (Benin, Cameroon, Guinea, Togo and Senegal) are sharing their experience with new participants from the ports of Nouakchott (Mauritania), Toamasina (Madagascar) and Alger (Algeria). These 20 senior managers of Africa will be part of the training and capacity-building process in their own port communities.



### *Portuguese-speaking network*

The Portuguese-speaking network of UNCTAD TrainForTrade Port Training Programme was officially established in 2002 during an international coordination meeting organized in Oporto (Portugal). One of the purposes was to integrate the Portuguese-speaking African (PALOP) countries, all LDCs at that time (Cape Verde, Angola, Mozambique, Guinea-Bissau and São Tome and Principe) in the Port Training Programme to reinforce their capacity-building in the maritime sector.

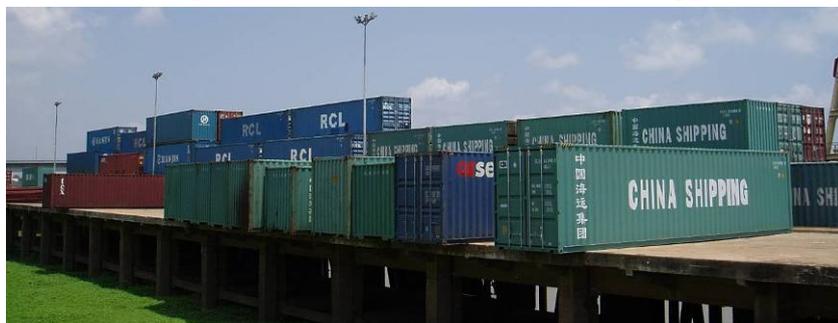


In 2005, 37 participants from PALOP countries obtained the Port Certificate. In 2006, the first part of the Modern Port Management Course on the "Context and the Framework of Port Activities" was organized in Oporto for PALOP countries and Timor-Leste. By mid-2008, in the framework of the UNCTAD TrainForTrade Project for Angola, the second part of the Port Management Course related to "The Management and Development of Port" will take place in Luanda. The 20 participants invited are from the Port of Luanda and other Angolan ports, as well as from port communities of PALOP countries.

Under the TrainForTrade Project for Angola, transports were established as a top priority: not only will the Port Management Course be organized in 2008, in addition a training and capacity-building activity on logistics will take place in 2009. In a meeting with UNCTAD representatives, the Ministry of Transports of Angola underlined the need for Angola to reinforce capacity-building in the field of trade facilitation and transports, in particular on international maritime conventions.

### *English-speaking network*

From 26 to 28 June 2007, 60 representatives of eight African countries (Benin, Cape Verde, Gambia, Ghana, Namibia, Nigeria, Sierra Leone and the United Republic of Tanzania), five Asian countries (Cambodia, India, Indonesia, Malaysia and Sri Lanka), and four European countries (France, Ireland, Portugal and Spain) attended the “International Coordination Meeting of UNCTAD’s Port Training Programme for English-speaking Port Communities in Developing Countries”, organized in Dublin, Ireland with the support of the Dublin Port Company.



The main objective of the conference was to examine all aspects of the establishment of future cooperation among these ports in the framework of the UNCTAD TrainForTrade Port Training Programme. During the three-day working sessions, the

results and achievements of the UNCTAD Port Training Programme in the French and Portuguese-speaking networks were assessed. Delegates also looked at the training and capacity-building needs of beneficiary ports in English-speaking countries in Africa and Asia. Finally, the steps to be taken to implement the programme in targeted port communities in Asia and Africa were identified with a view to applying the lessons learnt and maximizing the programme’s impact.

The delegates adopted the Dublin Declaration (28 June 2007), recommending the implementation of the UNCTAD TrainForTrade Port Training Programme in the English-speaking port communities in African and Asian developing countries.

During the second semester of 2008 the first training of trainers session on the “Modern Port Management” course on modules 1 to 4 will be organized in Dublin, Ireland. Fact-finding missions are being organized during the first semester of 2008 in Asian and African ports to determine action plans for future port communities of the English-speaking network.

### *Spanish-speaking network*

The TrainForTrade’s Port Training Programme just launched a network of Spanish-speaking port communities of developing countries which aim at strengthening the capacities of the staff involved with strategic decision-making processes.

The network was launched at the International Coordination Conference of UNCTAD/TrainForTrade for Port Communities of Spanish-speaking Developing Countries that was held from 26 to 28 March 2008 in Valencia, Spain.

The programme is now composed of French, English and Portuguese-Speaking port communities networks in Africa and Asia. The Spanish-speaking network will now start the capacity-building process to meet with the beneficiary ports’ challenges and needs. The creation of this new network is particularly significant at a time when globalization requires suitable tools and methods to reach better development levels.



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## Sustainable policy and practice in ports, cities and the logistics chain

On 27 and 28 February 2008, the annual GreenPort conference was organized jointly with EcoPorts. GreenPort is an international conference launched in 2006 providing a forum to discuss environmental policy, legislation and regulations that impact on port development and expansion. The EcoPorts Foundation is a non-profit organization established in 1999 by the European ports. It provides a network of ports and related stakeholders which share their respective environmental-related experiences.

The purpose was to combine the regulatory and legislative focus of GreenPort with the operational and technical perspective of EcoPorts. The main theme of the 2008 conference was “Sustainable Policy and Practice in Ports, Cities and the Logistics Chain”. Participants included representatives from ports, shipping, regulators as well as environmental consultants and non-governmental organizations.

The conference was opened by the Secretary of State, Ministry of Transport of the Netherlands who delivered a keynote address on sustainable ports in the Netherlands. She highlighted the importance of thinking globally and acting locally, nationally and at the European level. Professor F.J. Radermacher, a world-renowned expert in the fields of globalization and sustainable development, talked about the bigger picture when dealing with environmental concerns and the importance of making the global economy sustainable by promoting a fair distribution of the responsibility for environmental degradation. Mr. Herman Journée, Chair of EcoPorts, underscored the importance of exchanging good practice between ports.

In addition to the plenary sessions, the two-day conference included six parallel workshops that dealt with issues ranging from air quality in port areas (shipland and landside), sustainable logistics, industry collaboration, dredging and sediments, habitat management, soil and water contamination, to instruments necessary for environmental management. Specific topics tackled included environmental indexing of ships, operational measures such as vessel speed reduction, as well as ports’ role in addressing air quality degradation and climate change. Special mention was made of some European Union initiatives for the protection of the marine environment, including various legislative instruments as well as guidance, such as the European Union’s Environmental Guidelines for Ports.



The message that emerged from the conference is one that advocates sustainable transportation and logistics through responsible, green and sustainable policies and actions. The role of port authorities in this respect is considered important, as illustrated, for example, by the successful collaboration between the United States Environmental Protection Agency (EPA) and the American Association of Port Authorities (AAPA). Another key element highlighted in relation to port and transport sustainability was that of “being a good neighbour”. This concept involves, among others, taking into account the views and interests of stakeholders such as ports’ neighbouring cities and communities.

*For additional information about the conference, please see [www.green-port.net](http://www.green-port.net).*

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## **Post-Bali: a dialogue on trade, climate change and development**

*United Nations Environment Programme, Geneva, February 2008*

The United Nations negotiations on climate change held in December 2007 in Bali included, for the first time, a trade ministers' dialogue which aimed to explore the potential linkages between international trade and climate change. Discussion among the trade ministers emphasized the importance of multilateral efforts in addressing the challenge of climate change and the need to foster synergies between environment and global trade objectives.

Against this background, the United Nations Environment Programme (UNEP) organized, on 11 February, a symposium entitled, "Post-Bali: a dialogue on trade, climate change and development". The event offered a forum to identify and discuss the main issues at the interface of trade and climate change and their potential impact on development. It was well-attended by participants from national Governments, including ambassadors representing a number of permanent missions to the United Nations and (WTO), international organizations, research institutes, academia and civil society members.

The symposium included six sessions which covered the following issues: (a) the outcomes of the 2007 Bali United Nations Framework Convention on Climate Change (UNFCCC) negotiations and Informal Trade Ministers Dialogue on Climate Change; (b) linkages between trade, climate change and development; and (c) environmental goods and services and access to climate-friendly technologies, national measures, trade and competitiveness, and WTO rules. One session focused on transportation and climate change mitigation.

### *Transport and climate change mitigation*

As a significant contributor to global greenhouse gas (GHG) emissions, the future of transportation sector and its relevance for climate change policies were discussed. The OECD's International Transport Forum presented an overview of GHG emissions in the transport sector, examined some existing abatement policies and identified some policy implications of climate mitigation for transportation. The International Air Transport Association (IATA) and UNCTAD served as discussants.

UNCTAD commented on the position of shipping within the climate change debate, including the exclusion of international shipping and aviation from the UNFCCC and Kyoto Protocol. Transparency in the assumptions used when modelling fuel consumption and carbon dioxide emissions and consistency when measuring the contribution of different sectors to GHG emissions have been identified as areas for potential improvement. Furthermore, the current knowledge gap with respect to the effects of climate change on transportation infrastructure and services would need to be bridged. UNCTAD also highlighted some of the added complexities arising from the distinct international dimension of shipping, especially when considering potential regulatory measures. Finally, given the developmental implications of climate change effects, mitigation and adaptation measures to address this challenge should take into account, among others, differing degrees of vulnerability and adaptive capacities among countries and regions, as well as modal specificities, and be consistent with other strategic policy objectives such as energy security and sustainable development.

*Additional information related to the symposium, including a list of participants and a summary of proceedings, is available at [www.unep.ch/etb/events/2008TradeClimateChangeMtg11Feb.php](http://www.unep.ch/etb/events/2008TradeClimateChangeMtg11Feb.php).*

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## Latin American container terminals

The first Latin American meeting of container terminals took place in Montevideo, Uruguay, on 27 November 2007. This meeting was called by ECLAC and a group of owners and operators of the major ports of the region. During the meeting, a forum was convened in which the following subjects on regional trade development were analysed:

- (a) Sustainable economic growth of the region during the last five years;
- (b) The trade dynamism in subregions;
- (c) The development of Latin America, and the positioning of global operators;
- (d) The importance of the port sector and its outstanding role in the facilitation of trade, and the interrelationship between the public and private sectors;
- (e) The enlargement of the Panama Canal and other phenomena of global scope and their impact on the Latin American trade and port infrastructure environment;
- (f) The adoption of new technologies;
- (g) Security standards and environment protection in accordance with global requirements; and
- (h) Multimodal transport.

In order to continue the joint effort at the institutional level, the creation of a Latin American organization on container terminals has been proposed. Its main objectives would focus on:

- (a) Collaborating with the public sector both as technical and consultative body with regional and global experience;
- (b) Providing technical advice to its members as well as to the requests from other institutions or Governments;
- (c) Carrying out technical analysis on subjects with an impact on regional port activities, such as accessibility, port congestion, port security and multimodal transport;
- (d) Organizing meetings, symposia and other activities of interest to operators of container terminals that may facilitate the exchange of information; and
- (e) The analysis and development of possible corridors towards facilitating the logistics chain and the integration of different subregions to global trade.

The continuation of this initiative will be developed during this year, so as to actively integrate the different local, international and global operators – with the technical cooperation from ECLAC and from an important group of advisors with great experience in the region – as a dynamic association and focused mainly on regional integration, on the facilitation of trade based on best practices and on sharing successful experience from different regions of the world.



The next meeting was held in São Paulo on 17 April 2008.

For more details, please contact Marielle Gonzalez, ECLAC ([marielle.gonzalez@eclac.org](mailto:marielle.gonzalez@eclac.org)) or Aldo Moroz, BACTSSA ([Aldo\\_Moroz@bactssa.com.ar](mailto:Aldo_Moroz@bactssa.com.ar)).

## Maritime education and training conference

Kirkwall, Orkney Islands, Scotland, United Kingdom,  
30 May 2008

The European Maritime Education and Training conference is organized by partners involved in two European Commission-funded maritime education/training projects, namely the European Commission's Interreg IVB North Sea Programme Northern Maritime University (NMU); and the European Commission Leonardo da Vinci Programme International Marine Environment Certificate (IMEC).

The aim of the conference is to bring together experts from industry, academia and government bodies to present and discuss key issues relating to European maritime education and training developments and initiatives. Such factors are considered vitally important in an era of rapid change, to take account of legislative requirements and help overcome a worldwide shortage of seafarers amidst rising demand for sea transportation. Speakers include senior European policymakers, industry experts and leading researchers and teachers from throughout the maritime industry and education/training sectors.

For further information visit <http://www.tri-napier.org/events> or contact Alf Baird, Head of the Maritime Research Group at Napier University's Transport Research Institute (TRI), ([a.baird@napier.ac.uk](mailto:a.baird@napier.ac.uk)).

## ESCAP/ECE seminar on single window and data harmonization in Central Asia

5-7 May 2008, Baku, Azerbaijan

The Seminar on Single Window and Data Harmonization in Central Asia is organized under the United Nations Development Account project (Fifth Tranche), entitled "Capacity-Building in Support of Trade Integration with Emphasis on Integrated Trade Information Flow Management and Trade Facilitation in Central Asia". The seminar aims to enhance the knowledge and skills of trade and customs experts from Central Asian countries to use international standards, best practices and tools for trade data exchange in order to implement a single window facility in their countries.

For further information visit <http://www.unescap.org/tid/projects/da5.asp>, or contact Maria Misovicova, Trade and Investment Division, Trade Efficiency and Facilitation Section, ESCAP ([misovicova@un.org](mailto:misovicova@un.org)).

## MSc Transport and Logistics

Edinburgh, starting September 2008

This new course is a specialized version of a current logistics course which combines the core principles and techniques of logistics and supply chain management with more specific aspects of maritime transport. The course is being run in partnership with the Transport Research Institute at Napier University and Heriot Watt University Edinburgh.

According to its website, the course "aims to provide an academically challenging and industry-relevant programme of study at the master's level within the field of maritime transport and logistics. It will equip students with the knowledge and skills required to pursue a successful career in shipping and logistics."

## ECLAC Maritime Profile

We are pleased to announce the re-launch of the Maritime Profile, the ECLAC virtual publication in which can be found information on port and maritime issues, focused on the region in the global context. In addition to the traditional chapters, this new version includes a chapter highlighting some relevant indicators of the maritime activity. The New Maritime Profile is now available on-line.

Visit [www.cepal.org/transporte/perfil](http://www.cepal.org/transporte/perfil).

Ricardo Sanchez ([ricardo.sanchez@cepal.org](mailto:ricardo.sanchez@cepal.org)), ECLAC, Chile.

## EFTA Trade Facilitation Manual

The EFTA Group of Experts on Efficient Trade Procedures has issued a new 2007 edition of the Volume 1 of its *Trade Facilitation Manual: Trade Basics*. The manual describes international trade and different aspects of trade procedures and outlines how trade regulations are organized and simplified through trade facilitation. It also deals with the kind of information required and processed in international trade transactions, both paper and paperless.

<http://secretariat.efta.int/Web/Publications/tradersabc/BusinessCentre/TraderABC.pdf>.

## 2008 Transportation Research Board annual meeting

Selected presentations given at the TRB 87<sup>th</sup> Annual Meeting, which took place 13–17 January 2008, in Washington, D.C., United States, are available online. Topics covered by the meeting's "e-Sessions" include aviation; construction; design; energy and environment; freight systems; geology and earth materials; international activities; management and leadership; marine transportation; pavement management; public transportation and ferries; research and education; safety; security; structures; systems planning, policy, and process; taxation and finance; transportation policy; and trucking. Sessions under the meeting's spotlight theme of "Partnerships for Progress in Transportation" are also included.

<http://www.trb.org/conferences/e-session/2008am.htm>.

## ECE/UESCAP Workshop on United Nations eDocs for Single Window facilities in Asia and the Pacific

*Bangkok, Thailand, 10–14 December 2007*

Experience shows that standardized trade documents and data exchanged electronically through electronic one-stop facilities, better known as Single Window, can tremendously contribute to enhanced trade efficiency and export competitiveness of developing and transition economies, and accelerate their integration into the global economy. The majority of the coastal developing countries in the Asia–Pacific region already operate electronic Single Window logistics or paperless trade systems at the ports. Increasingly, such systems are being introduced in other countries in the region, especially in landlocked countries. Taking this into account, ESCAP and ECE organized the "Workshop on United Nations eDocs for Single Window Facilities in Asia and the Pacific". The workshop emphasized that further work and continued dialogue was needed to support synchronizing and implementing trade facilitation policies and measures through existing international instruments and practical tools, including those developed by the United Nations. To this end, the workshop concluded with the following outcomes:

- (a) Importance and desirability of adapting global trade facilitation recommendations, practices and tools to the needs of individual countries, subregions and regions;
- (b) Strong interest and commitment of countries in the Asia-Pacific region in implementing Single Window solutions for electronic exchange and processing of trade documents and data. In particular, the Association of South-East Asian Nations (ASEAN) Single Window approach attracted great attention from the countries in other subregions;
- (c) A number of countries (including Malaysia, Pakistan, Sri Lanka, Thailand, the Islamic Republic of Iran and India) and subregional organizations (such as ASEAN and the Asia-Pacific Economic Cooperation (APEC)) considered or had already selected UNeDocs as their future platform for moving from paper to electronic documents.

Participants agreed that achieving enhanced trade efficiency through Single Window and paperless trade initiatives required skilled human resources. In this context, the new initiative of establishing a joint ESCAP–ECE Regional Network of Experts for Paperless Trade, operating under the Asia–Pacific Forum for Efficient Trade, was strongly welcomed and supported. The network of experts could help to build a critical mass of expertise for moving to paperless trade in Asia and the Pacific. It could provide a peer-to-peer support for the less-advanced countries in the region and develop tools and training materials to support the implementation of regional trade facilitation policies. This network will be made operational in 2008 under the new project between ESCAP and ECE (United Nations Development Account Sixth Tranche), which is dedicated to enhancing trade efficiency through the establishment of single window facilities and data harmonization.

The workshop included a three-day technical training that provided the customs experts with a skill to use the international standards and tools, such as the UNLK, United Nations eDocs and United Nations Forms Toolkit Repository to develop their own aligned sets of standardized electronic trade documents.

*Maria Misovicova, Trade and Investment Division, ESCAP ([misovicova@un.org](mailto:misovicova@un.org)) and Markus Pikart, Trade and Timber Division, ECE ([markus.pikart@unece.org](mailto:markus.pikart@unece.org)).*

## **Boksburg Group**

The Boksburg Group was established in 2003 to assist developing countries understand trade facilitation in the context of a WTO agreement and has met in a range of developing countries and regions. Participants in the group represent key stakeholders in the border management process, including senior customs representatives, trade policy specialists and businesses involved in international trade.

The Boksburg Group recently published “Guiding Principles for technical assistance, capacity-building and special and differential treatment in the implementation of a WTO trade facilitation agreement”. Some of the 10 guiding principles look at Commitments, Special and Differential Treatment, Technical Assistance and Capacity-Building, Monitoring, and Dispute Settlement.

[www.boksburggroup.org/papers/guidingprinciples.pdf](http://www.boksburggroup.org/papers/guidingprinciples.pdf).

## **Trade facilitation beyond the multilateral trade negotiations**

The book “Trade facilitation beyond the multilateral trade negotiations: regional practices, customs valuation and other emerging issues” features the main research outputs of ARTNeT between April 2006 and January 2007 on trade facilitation (TF).

Issues covered include TF in preferential trade agreements, rules of origins, customs valuation, comparative TF needs and priorities in selected countries, TF and liberalization of logistics services, and the effect of trade costs on trade flows. Overall, the book suggests that policymakers should look beyond the narrow agenda of the multilateral trade negotiations on TF to develop comprehensive TF strategies that best meet their needs.

<http://www.unescap.org/tid/artnet>  
<http://www.artnetontrade.org>

## **New contracting party to international conventions adopted under the auspices of UNCTAD**

### **International Convention on Maritime Liens and Mortgages, 06 May 1993**

Entry into force: 05 September 2004;  
Contracting States: 13.

Lithuania – 08 February 2008 (a).

*For more information on the latest status of this and other Conventions, please visit [www.unctad.org/ttl/legal](http://www.unctad.org/ttl/legal)*