

TRANSPORT & TRADE FACILITATION NEWSLETTER

TRADE LOGISTICS BRANCH, DIVISION ON TECHNOLOGY AND LOGISTICS

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LAUNCHING UNCTAD EMPOWERMENT PROGRAMME FOR NATIONAL TRADE FACILITATION COMMITTEES IN NIGERIA

Module 1: International Standards and Recommendations for Trade Facilitation, 04 - 07 October 2016, Abuja, Nigeria.

Taking place at the Bolton White Hotel in Abuja, on 4-7 October 2016, stakeholders of the Nigerian National Trade Facilitation Committee have successfully completed the first module of the UNCTAD Empowerment Programme for National Trade Facilitation Committees (NTFCs) organized within the framework of the "Transparent Trade Procedures in the region of the Economic Community of West African" project. The project is funded by the German Federal Ministry for Economic Cooperation and Development (BMZ), represented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

The delivery of the module is aimed at increasing Nigeria NTFC members' understanding on trade facilitation benefits and impact on development as well as its implications for global supply chain management. It also aimed at improving Nigeria NTFC members' knowledge on international trade facilitation standards and the legal framework, including UN/CEFACT Recommendations and other UNECE tools, and the World Trade Organization (WTO) Trade Facilitation Agreement.

There were more than 50 Nigerian stakeholders, both from public and private sectors, participating at workshop. All came to agree on the importance of the issues presented and discussed during the workshop. From the exchange of views generated during the workshop, delving through the module proved to be an encouraging experience for participants to embrace the idea that NTFC is the best platform for all stakeholders to periodically discuss and discover common constructive reform proposals for current and ongoing trade facilitation challenges faced by Nigeria.

On the standardization dimension of trade facilitation, participants expressed their interest in seeing Nigerian NTFC representatives become more involved in the process of the development of international standards related to transport and trade facilitation. As a case in point, participants would like to see the Nigerian NTFC with the support of UNECA to soon begin participating in the work of the UN/CEFACT in developing various international recommendations and electronic business standards that have



historically added value to both commercial and government business processes that can foster growth in international trade and related services.

Local team of UNCTAD Trade Portals had also the opportunity to meet with Nigeria NTFC for the first time and presented the prospect of an established Nigerian own trade portal as an assured way for Nigeria to comply with several measures found in articles 1.2, 2.1, and 3.1 of the WTO TFA. After the presentation, all came to understand that the work toward the realization of a well-established Nigerian trade portal would require an active multi-agency collaboration and participation. All ultimately welcome the idea that Nigerian NTFC could be the point of consultation for local UNCTAD Trade portals team in facilitating the activities of gathering key inputs from all stakeholders and in encouraging multi-agency effort in harmonizing and simplifying requirements and procedures posted on the portal whenever it become necessary.

Toward the end of the workshop, there was a growing concern about losing some current participants due to upcoming turnover in their respective agencies and companies. Seeing the importance of the program, some thus suggested that the next workshop should soon be organized, while others proposed a one-month-long workshop covering all the intended modules exclusively for the current participants. All agreed however that official commitments would arguably limit them from being away from their respective offices for long period of time. All nevertheless welcome the recommendation that the next workshop should be organized in a residential setting near the border for the opportunity to witness the daily operation of Nigerian border agencies.



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INTERNATIONAL TRADE FACILITATION RECOMMENDATIONS AND STANDARDS

UNCTAD EMPOWERMENT PROGRAMME FOR NATIONAL TRADE FACILITATION COMMITTEES - MODULE 1

28 August - 1 September 2016, Accra - Ghana



OBJECTIVES

- Learning key international trade facilitation standards and recommendations such as UNICEFACT recommendations, Revised Kyoto Convention, WCO Guidelines for NTFCs
- Learning how to draft project proposals to implement trade facilitation reforms.



TARGET AUDIENCE

- 37 participants representing 19 different agencies (including several members of the private sector).
- 38% of them were women.



WORTH MENTIONING

Next Module of UNCTAD's Empowerment Program for Ghana's NTFC will take place in Accra on 28 November to 1 December 2016.

FURTHER INFO



This module of UNCTAD Empowerment Programme was financed by UK Customs and organised in the context of HMRC-UNCTAD-WCO Capacity Building Program.

This is part of a long term support to Ghana Trade Facilitation Committee. Participants went through Module 1, which is the second module out of three to be delivered in 2016 (and a fourth module in 2017).

MAIN OUTCOMES



- Ghana prepared its trade facilitation profile (an important step in the realisation of the Roadmap)
- Members worked in logframes for eight project proposals.

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STAKEHOLDER ENGAGEMENT AND HOW TO DRAFT A NATIONAL TRADE FACILITATION ROADMAP

UNCTAD EMPOWERMENT PROGRAMME FOR NATIONAL TRADE FACILITATION COMMITTEES - MODULE 3

11-18 August 2016, Khartoum - Sudan



CONTENT

- WCO trained participants on how to undertake successful stakeholder engagement.
- UNCTAD walked the participants through the process of drafting a national trade facilitation implementation roadmap.

MAIN OUTCOMES

Substantial progress was made in the drafting of a Roadmap for Sudan. NTFC members agreed in one vision, six goals and around 30 actions to be implemented by the end of 2021.



QUOTE OF THE DAY

"I have learned so much with this programme. Now I think about trade facilitation in a different way. I understand better all the things that Sudan can do and how important it is to mainstream trade facilitation into our economic development policy."

Mohammed Ibrahim Adam,
reporteur of Sudan NTFC

TARGET AUDIENCE

- 33 participants representing 13 different agencies (including several members of the private sector).
- 66% of them were women.



FURTHER INFO

This module of UNCTAD Empowerment Programme was financed by UK Customs and organised in the context of HMRC-UNCTAD-WCO Capacity Building Program.



OPERATIONALIZATION OF THE LIBERIA NATIONAL TRADE FACILITATION COMMITTEE

UNCTAD EMPOWERMENT PROGRAMME FOR NATIONAL TRADE FACILITATION COMMITTEES - MODULE 0

26-27 September 2016, Monrovia - Liberia



CONTENT

- Inform and raise awareness about the UNCTAD's Empowerment Program for NTFC;
- Increase the understanding of NTFC members on trade facilitation advantages and key aspects;
- Share best practices on running a successful NTFC
- Assist in the elaboration of the Terms of Reference of the NTFC;
- Ensure coordination among development partners and trade facilitation stakeholders for future engagement in Liberia.



QUOTE OF THE DAY

"One of the most useful aspects of the workshop was the experience from other countries that was shared with us. Now, I will use this knowledge to help me in effectively working with the NTFC"

Member of the Liberia NTFC



MAIN OUTCOMES

- Identification of key elements to be included in the terms of reference and action plan
- Launch the elaboration of the legal documents to establish formally the NTFC



TARGET AUDIENCE

- 57 participants, including members and potential members of the Liberia NTFC.
- 13 different agencies, including several members of the private sector.



FURTHER INFO

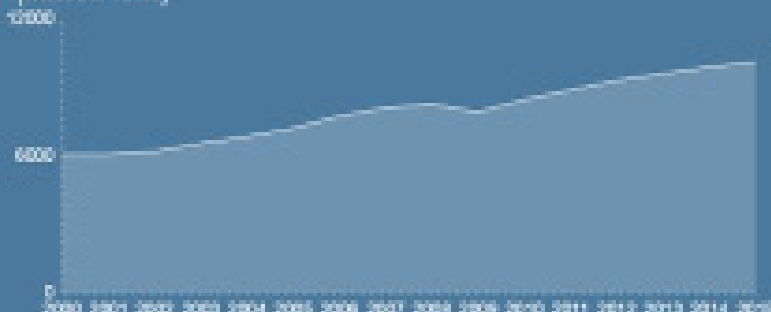
This module of UNCTAD Empowerment Programme was financed by UK Customs and organised in the context of HMRC-UNCTAD-WCO Capacity Building Program.

SEABORNE TRADE 2015



SEABORNE TRADE VOLUME

(million tons)



Estimates for 2015 indicate that, for the first time on UNCTAD's record, world seaborne trade volumes exceeded 10 billion tons.

However, shipments expanded by a modest 2.1%, a rate notably slower than the historical average.

2015 KEY FIGURES



DEVELOPING COUNTRIES
60% of goods loaded



SEABORNE TRADE VOLUME
10.05 billion tons



SHIPMENTS GROWTH RATE
+2.1%

PARTICIPATION OF DEVELOPING COUNTRIES

(Percentage share in tonnage)



Developing countries accounted for the lion's share of goods loaded (60%) and unloaded (62%) at seaports worldwide.



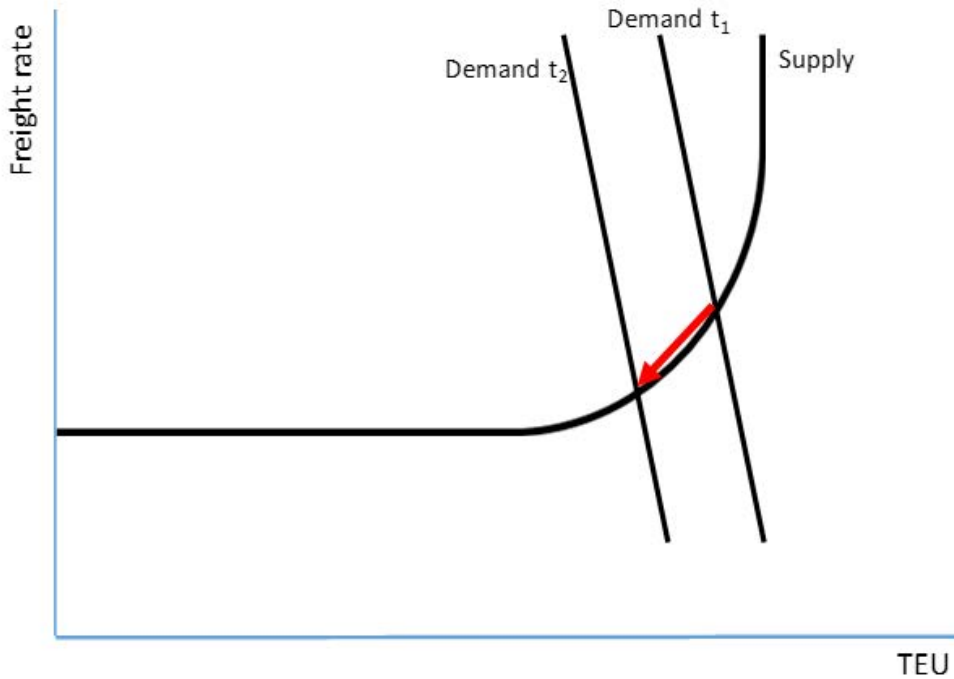
<http://stats.unctad.org/seabornetrade>

UNCTAD STAT
<http://unctadstat.unctad.org>

UNDERLYING CAUSES FOR THE DEMISE OF HANJIN SHIPPING

The insolvency of Hanjin Shipping reflects a new low in the troubled waters of container shipping. It is part of longer story, with complex impacts. In this note we present three interrelated possible explanations for this situation, looking at the demand and supply curves in liner shipping.

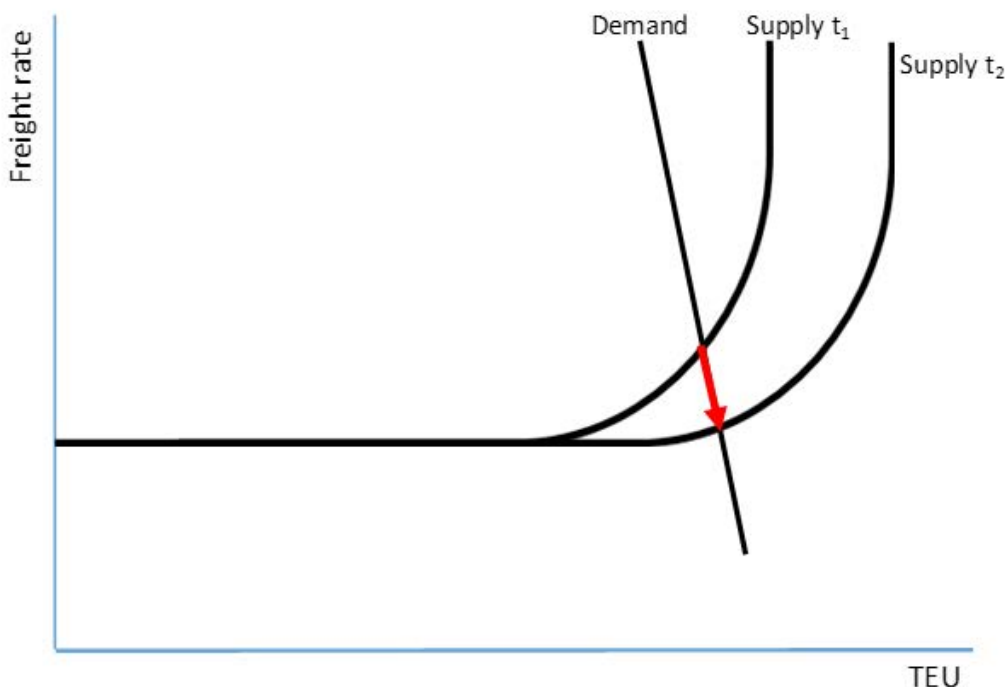
Lower than expected demand



#1: Less demand than expected

It takes time to plan, order and build ships. When today's container ship fleet was on the drawing tables, everybody expected global trade to grow faster than it effectively did. As a result, the demand curve is more to the left than what ship owners thought when they constructed today's capacity for the short term supply curve, thus reducing freight rates unexpectedly.

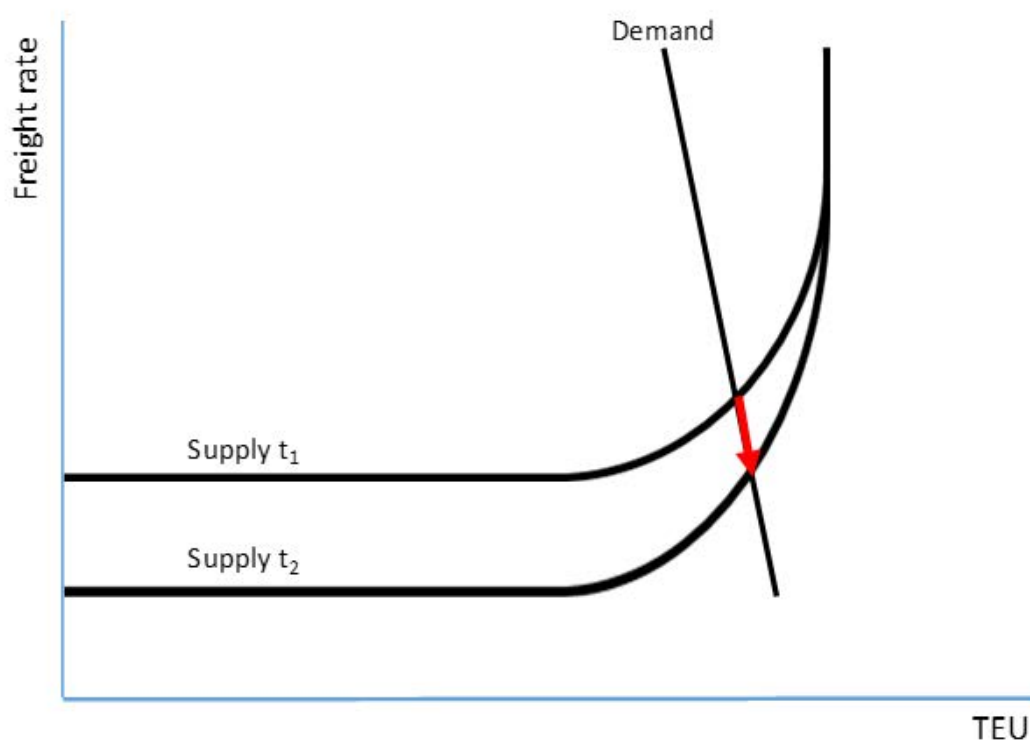
Expanding supply



#2: Expanding supply

In order to reduce their own company's unit costs, ship owners invest in new, bigger and more fuel efficient ships. The problem is that the older capacity is not scrapped. It stays on the market, leading to an expanded capacity limit. The short term supply curve moves to the right, yet further reducing rates.

Technological change



#3: Technological change

Last but not least, probably the most important development is technological change. With higher fixed costs (today's mega container ships cost about \$150 million), against lower variable costs (less fuel, communication and crewing costs per container), the short term supply curve becomes steeper. The same change in demand leads to a higher change in the freight rate. Freight rates become more volatile. As long as a carrier can cover his variable costs, he will – in the short term – offer his services below his long term average costs.

1, 2 and 3: The short term has been with us for too long

The typical shipping cycle over the last two centuries lasted between 3.5 and 7 years. For more than a decade now, however, container ships have kept growing in size, which has encouraged ship owners to continue their investments in ever bigger new ships for too long. The ever steeper short term supply curve has led to unsustainable low and volatile freight rates. Until we have reached a plateau in vessel sizes, we may see more cases

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CUTTING-EDGE UN TREATY TO FACILITATE CROSS-BORDER PAPERLESS TRADE IN ASIA AND THE PACIFIC

The new UN treaty entitled Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific is expected to both build upon and support existing initiatives, also providing a new tool and “digital” complement for better implementation of the WTO Agreement on Trade Facilitation and facilitate cross-border e-commerce.

Developed and developing countries are increasingly using technological innovations to facilitate the exchange of information between traders and regulatory authorities domestically, investing in single window and other paperless trade systems. The lack of appropriate legal and technical frameworks enabling the recognition of trade-related electronic data and documents across borders often means, however, that international transactions cannot be completed without time and resource-intensive paper documents. Since 2012, ESCAP members have set out to work together on developing cross-border paperless trade solutions and concluded negotiation of a cutting-edge intergovernmental agreement dedicated to this issue earlier this year.

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implementation of the WTO Agreement on Trade Facilitation and facilitate cross-border e-commerce. Implementation of cross-border paperless trade measures can potentially increase Asia-Pacific exports annually by US\$ 36 billion up to US\$ 257 billion. In tandem, the time required to export would fall between 24% and 44%, and the direct costs between 17% and 31%, depending on the reform scenario considered. Furthermore, the total direct cost savings across all trade in the Asia-Pacific region would be approximately US\$ 1 billion annually for partial reform, and US\$ 7 billion annually for full implementation. Some work has already been done bilaterally as well as in several Asian subregions (e.g., the ASEAN Single Window).

The new Framework Agreement, opened for signature by all interested ESCAP Members on 1 October 2016, will enter into force after 5 member states have ratified it. The regional treaty is expected to provide parties with, inter alia:

(a) A common set of general principles, based on which paperless trade systems could be implemented;

(b) A dedicated intergovernmental platform to exchange best practices, and to facilitate capacity-building and technical assistance;

(c) The opportunity to multilaterally develop, adopt and implement more specific and detailed technical and/or legal protocols needed to achieve safe and secure cross-border paperless trade (e.g., the exchange and legal recognition of e-Certificates of Origin or other relevant documents).

More information about the Framework Agreement is available at:

<http://bit.ly/2eiDqDs>

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THE SINGLE WINDOW: A TRADE FACILITATION INSTRUMENT AND AN ESSENTIAL MODERNIZATION STRATEGY

UNECE and the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) supporting trade facilitation and Single Window development in Africa at the 5th International Single Window Conference in Marrakech, Morocco

The Moroccan PORTNET project and the African Alliance for Electronic Commerce joined forces to organize the 5th International Single Window Conference and Exhibition, under the auspices of the Moroccan ministries of transport and foreign trade. In addition, the organizers collaborated with the UN Centre for Trade Facilitation and Electronic Commerce (UN/CEFACT), the International Port Communities Systems Association (IPCSA), and the Women's International Shipping and Trade Association (WISTA) of Morocco to organize a series of side events.

PORTNET, which is a maritime Single Window, is a public company, launched in 2011 by the Moroccan National Agency of Ports. The PORTNET project was established in order to bolster the competitiveness of Moroccan ports at a time of impressive growth in container trade. The project is part of the implementation of the National plan for the simplification of procedures and the expansion to all trade-related operators of the use of Electronic Data Interchange (EDI), including the use of UN/EDIFACT – the only global standard for EDI. It is one of 15 strategic projects under the e-government plan of Morocco. The objectives of PORTNET include: streamlined trade procedures; advance submission of information, the use of controls in early stages of the supply chain; the single submission of data; the establishment of networks of partners in the port community systems; and the practical use of international standards for trade facilitation and trade data exchange.

All of these objectives support the modernization of procedures and infrastructure for Moroccan trade, which is primarily carried out by sea. This is of key importance for the country's modernization strategy which is based on building new industries and enhancing the country's export potential, in order to raise living standards. Linking this work to global best practices, as presented by UNECE and UN/CEFACT experts, as well as others, at the International Conference, was one of the event's success factors. Morocco recently became a co-sponsor of a project under UN/CEFACT to develop a "Recommendation on core principles for the operation of Single Windows". Mr Jalal Benhayoun, Lead Editor of this project and General Manager of

PORTNET, presented the project's main ideas at the Marrakech Conference.

UNECE also has strong links to the African Alliance for Electronic Commerce (AAEC), one of the Conference co-organizers, which was established as an international framework for the exchange of information and best practices on trade facilitation and e-commerce. Notably, it aims to support African countries in developing Single Window systems in compliance with international recommendations, notably the UN/CEFACT Single Window recommendations. One of the moving forces behind the Conference was Mr Ibrahima Diagne from Senegal, the Chairperson of the African Alliance for Electronic Commerce, the General manager of Gainde 2000 (the Senegalese Single Window operator), and the African Rapporteur at UN/CEFACT. In these roles he has contributed significantly to the use of international standards and best practice recommendations in Africa and notably those of UNECE and UN/CEFACT.

At the opening of the Conference, Ms. Virginia Cram-Martos, Director of the UNECE Economic Cooperation and Trade Division, stressed the importance of cooperation among the many stakeholders who participate in trade transactions from the public and private sectors as well as speaking on the new trade facilitation accelerators, and at a side event on women in trade facilitation. She also talked about the importance of trade facilitation for south-south trade (watch her interview at <http://bit.ly/2e8YfP1>).

At a parallel UN/CEFACT Mini-Conference, Mr Mario Apostolov, UNECE Regional Adviser for trade facilitation, presented the UN/CEFACT Single Window Recommendations and related data harmonization standards. Mr Ibrahima Diagne focused on the implications of implementing UNCEFACT's recommendations in Africa and the value added the African Alliance for Electronic Commerce could bring by "customizing" the use of international standards for data harmonization, on the regional level. Ms. Andrea Hampton, a UN/CEFACT domain coordinator, presented several UN/CEFACT projects, notably the latest version of draft Recommendation 36 on



Single Window interoperability, which has practical implications for African Single Window systems. In addition, Mr Somnuk Keretho, Thailand, and Sang Won Lim of UNESCAP, presented the draft UN/CEFACT recommendation on Trade and Transport Facilitation Monitoring Mechanisms (TTFMM).

During the week there was also a special event dedicated to Electronic Data Interchange, at which PORTNET experts noted that 95% of trade information exchange through the port of Casablanca takes place using EDIFACT. The advantages of using EDIFACT and the UN/CEFACT Core Components as standards for global trade facilitation were at the centre of the discussion.

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CERTIFICATE ON BUSINESS PROCESS ANALYSIS FOR TRADE FACILITATION LAUNCHED

The fact that the Business Process Analysis for Trade Facilitation Guide of the United Nations Network of Experts for Paperless Trade in Asia and the Pacific (UNNEXT) (<http://bit.ly/2eMPNpC>) has been applied in nearly 20 countries in Asia and the Pacific, Europe and Africa is probably a good indication of how useful the tool is to analyze trade processes, identify bottlenecks and provide recommendations to simplify and streamline trade procedures. In light of the continuing strong demand from individual experts and government officials to learn how Business Process Analysis (BPA) can be used to facilitate trade, UNESCAP and UNNEXT have developed a self-paced online training course (<http://bit.ly/2erXxM>) open to all those interested.

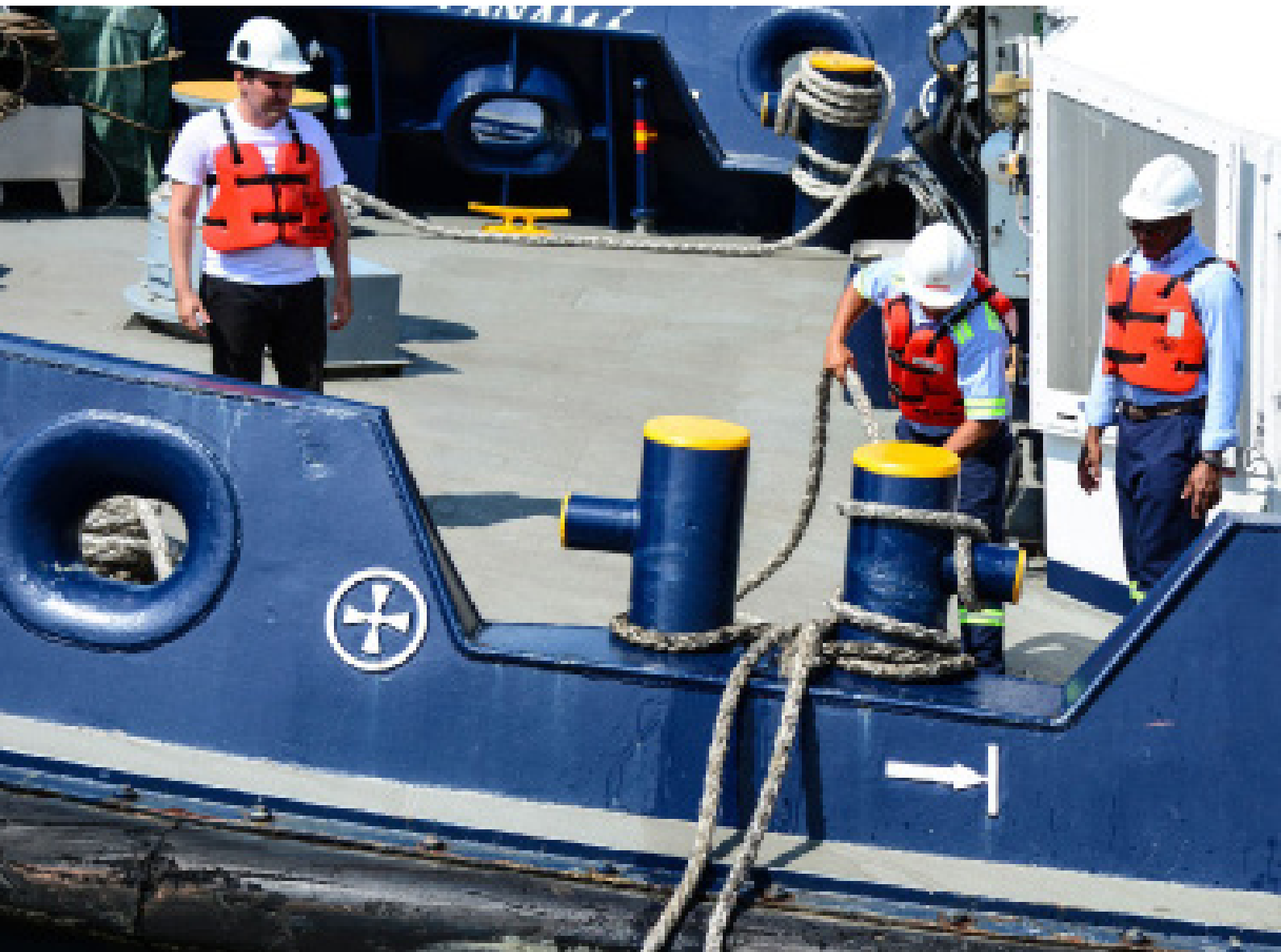
As of 15 September 2016, the e-learning course on BPA for TF includes an online testing facility; any individual who successfully

passes the online test (<http://bit.ly/2feAnvs>) will be awarded a course certificate. It is envisaged that such certificate should be treated as a prerequisite for any individual expert to be recommended for conducting a BPA project in the future. It is also desirable for any government officials to obtain such certificate to more effectively manage a BPA project, carry out analysis on trade procedures and further build capacity for policy making.

UNESCAP trade facilitation team is keen to work with other partners and national institutes to maximize the outreach of the BPA training courses. As part of mainstreaming trade facilitation and business process analysis techniques in academic programmes, university professors are most welcome to integrate the material in their existing courses and to encourage their students to obtain

the UNESCAP certificate, possibly as a special course assignment.

For any further discussion, please contact Yann Duval (duvaly@un.org) or Tengfei Wang (wangt@un.org) from Trade Facilitation Unit, Trade, Investment and Innovation Division, UNESCAP



REFLEXIONES PRIMER ENCUENTRO REGIONAL DE COMUNIDADES LOGÍSTICAS PORTUARIAS

Entre el 14 al 16 de julio de 2016 se llevó a cabo en la Ciudad de Panamá el PRIMER ENCUENTRO REGIONAL LATINOAMERICANO Y CARIBEÑO DE COMUNIDADES LOGÍSTICAS PORTUARIAS, y donde participaron representantes de 36 instituciones públicas (ministerios, autoridades portuarias nacionales y locales y autoridades sectoriales), privadas (comunidades portuarias constituidas, asociaciones gremiales, empresas tecnológicas, consultoras y fundaciones), organismos multilaterales y Academia, bajo el auspicio del Sistema Económico Latinoamericano y del Caribe y el CAF-Banco de Desarrollo América Latina, y los auspicios de la Autoridad del Canal de Panamá, Crimsonlogic y Soget. El encuentro fue el resultado de 2 años de trabajo del programa "Red de Puertos digitales y colaborativos" que adelanta el SELA en conjunto con 9 países y 15 sistemas portuarios de la región.

Los temas centrales del Encuentro fueron abordados en un foro temático y en reunión de pares. El foro temático permitió compartir experiencias de gobernanza logística a nivel nacional y local, lecciones aprendidas en proyectos de desmaterialización documental en los procesos de la cadena logística portuaria, todo bajo un marco de análisis en mesas de debate multidisciplinarias. La reunión de pares permitió debatir la estructura organizacional transitoria de la RED que permitirá coordinar el trabajo colaborativo para los próximos dos años. Finalmente se presentó un MEMORANDO DE ENTENDIMIENTO para la etapa de Transición, el cual deberá ser ratificado por los representantes legales de las instituciones que se adscribirán a la RED.

A continuación se exponen las visiones y conceptos del equipo organizador con el apoyo de dos expertos internacionales que estuvieron presentes en este Encuentro: La Srta. Sabah Zrari de la empresa consultora Observatorio y Prospectiva; y el Sr. Yann Alix de la Fundación SEFACIL de Francia.

El rompecabezas de la(s) Ventanilla(s) Única(s) Digital (es)

Existe consenso respecto que aún se hace complicado delinear de manera precisa los límites de cada una de las ventanillas en desarrollo en los distintos países de la región, las cuales algunas veces se superponen o se complementan, e incluso en ocasiones se generan redundancias.

Ya sea en los casos más avanzados de Perú, Chile o México, la situación no es diferente: Al parecer muchos años de experiencia no fueron suficientes para delinear los perímetros operaciones entre dichas iniciativas: VUCE (Comercio Exterior), VUM (Marítima), VUA (Aduanera), VUP (Portuaria) y las incipientes Ventanillas para corredores de comercio y logística integrados como la iniciativa de interoperabilidad de la Alianza del Pacífico.

Para avanzar eficientemente en proyectos de desmaterialización documental en corredores logísticos, la experiencia internacional y propia plantea la necesidad de conjugar varios procesos individuales e interrelacionados: los procesos políticos, estratégicos y legales al más alto nivel, los procesos de trabajo comunitarios y de acuerdos y reglas sobre el funcionamiento operativo local, y finalmente los procesos de innovación, tecnología y gestión del cambio.

Finalmente se insta a incorporar en todo proyecto de Ventanilla Única la mirada de interoperabilidad con otros sistemas portuarios inter-conectados vía el comercio exterior. Se pone como ejemplo lo que se ha comenzado a trabajar en la organización de países-islas del Este caribeño que involucra a 9 países, y que frente a los graves problemas de falta de eficiencia y excesivos costos logísticos para el intercambio de bienes, se han puesto como objetivos de consolidación regional de los siguientes aspectos estructurales:

- La creación de un espacio con aduana unitaria a través de la revisión de las especificidades y las limitaciones de cada uno de los marcos nacionales;
- Una política portuaria estandarizada, que incluye una política arancelaria armonizada
- Y, por último, la orquestación de una solución de ventanilla única común y de colaboración para el tráfico marítimo, facilitando la no interrupción de los flujos físicos y de información.

El artículo completo del Sr. Yann Alix lo puede encontrar en <http://bit.ly/2f4WwMf>.

La asociatividad portuaria como herramienta de competitividad y sustentabilidad Independiente de la legislación portuaria vigente en cada país, la incorporación de inversión privada en nueva infraestructura

y equipamiento portuario, logró sortear las necesidades de mayor productividad en la interfaz marítima en casi todos los países de la región. Los nuevos desafíos de gigantismo de las naves y alta rotación de cargas en nuestras fronteras marítimas han impuesto nuevos ritmos operativos y de fiscalización que lamentablemente han acarreado un sinnúmero de problemas de congestión de cargas y transportes en la interfaz terrestre de los puertos, las cuales no se han modernizado al ritmo de su símil marítimo.

A mediados de la década del 2000 comenzaron a emerger las primeras plataformas de trabajo asociativo en torno a los problemas comunes de una comunidad de operadores, reguladores y usuarios logísticos de un puerto complejo. Las comunidades logísticas constituyen una gobernanza, es decir, una coordinación de actores con lógicas y recursos diversos en torno a una meta y unos objetivos definidos colectivamente (Lascoumes, Le Galès, 2004¹). Por ejemplo en 2005, el puerto de Valparaíso enfrentaba un cambio radical en su modelo de operación logística que ameritó un consenso sobre nuevas infraestructuras, procesos de fiscalización, servicios tecnológicos y coordinación terrestre. Nació así el Foro Logístico Valparaíso (FOLOVAP), exitoso emprendimiento comunitario que sigue vigente hasta el día de hoy. Otras iniciativas como las Marcas de Calidad en México también son ejemplos de acuerdos alcanzados en el seno de comités técnicos impulsados por las APIs (Autoridades portuarias locales) y la SCT (Autoridad Nacional del Transporte).

Los casos recientes en el puerto de Buenaventura en Colombia, cuyo promotor es la Fundación GIDS para el desarrollo de la ciudad puerto, es otro enfoque emergente que da cuenta de la necesidad de impulsar proyectos basados en mejores prácticas que combinan modelos de gobernanza, plan estratégico, mecanismos de gestión colaborativa y sustentabilidad entre puerto y su entorno económico y social. Queda un largo camino por recorrer aún en entornos portuarios complejos como el Panameño, Peruano, Ecuatoriano, Costarricense, Trinitario y Uruguayo en torno a una mayor formalización de sus comunidades logísticas portuarias. Por último, y marcando el camino que a futuro podrían tomar las nacientes y consolidadas asociatividades lo expone la Comunidad Logística del Puerto San Antonio



en Chile (COLSA), que en 2013 y luego de dos años de operación se constituyó como una asociación privada sin fines de lucro, conformando a sus miembros en socios del desarrollo y promoción de este puerto chileno.

La importancia de la definición de políticas públicas claras y con visión de futuro

En Chile, país con el mayor número de comunidades logísticas portuarias formalmente funcionando nacen de un proyecto liderado por las autoridades portuarias locales. Son ellas, con sus recursos, quien movilizó a los actores, haciendo ver la necesidad de una acción colectiva para resolver problemas que afectan al conjunto de la cadena y se reflejan en sus costos logísticos, pero también en la convivencia armónica con la ciudad. La autoridad nacional, la Subsecretaría de Transportes de Chile, en cambio no ha emitido hasta ahora directrices generales aplicadas a los diez puertos públicos, para fomentar la creación de comunidades logísticas o bien para homogeneizar metodologías, dejando por lo tanto al criterio de cada puerto la decisión de liderar o no una acción colectiva en torno a una comunidad logística. Sin embargo, la experiencia empírica validada por investigaciones académicas (véanse en particular los trabajos de Peter de Langen de la Universidad de Erasmus, para los clústeres marítimos de los Países Bajos²) muestra una correlación entre la competitividad de los puertos y la calidad de su gobernanza.

Pero no solamente la competitividad de la cadena logística se beneficia de una acción colectiva; las relaciones puerto-ciudad también implican una reflexión y medidas propias de la acción colectiva y por ende a las políticas públicas. De allí la importancia de que las autoridades nacionales competentes en materia portuaria, así como en infraestructura, planificación, urbanismo, medio ambiente, etc. sean capaces de coordinarse para definir lineamientos de políticas públicas que faciliten la eficiencia de los puertos y su aceptación social.

No es tarea fácil, dada la sectorialización de las competencias y la ausencia de mecanismos que obligan a la coordinación interministerial, pero no imposible. La experiencia de Panamá con el Gabinete Logístico Presidencial parece ser un ejemplo interesante a seguir, o la de Chile con la Comisión Presidencial Estrategia 2030 de Puertos y su Logística. En este último caso, actores públicos y privados se reunieron durante varios meses para definir una visión compartida de futuro, la que queda reflejada en un documento presentado a la Presidenta de la República en Enero de 2016. Existen también otros ejemplos dignos de mencionar, esta vez a nivel local: los Port Vision, ejercicio que combina análisis prospectivo con participación de los actores de la industria y de la sociedad civil para construir una visión común de futuro y un programa de acción (y de inversiones) coherente con la visión definida colectivamente. Los puertos de Rotterdam, Ámsterdam, Vancouver entre otros cuentan con un Port Vision a un horizonte de diez a cuarenta años.

Existen por lo tanto en América Latina, como afuera de ella, experiencias valiosas que pueden servir de referencia y de las cuales se pueden sacar lecciones que ayudarán a acompañar los cambios que se quieren generar. Para ello, es fundamental crear instancias regionales que facilitan la transmisión de conocimiento.

La RED como una caja de herramientas para la gestión del cambio

Las principales conclusiones del PRIMER ENCUENTRO REGIONAL, avalado por el diagnóstico presentado por CAF y que da cuenta de los problemas estructurales de la mayoría de nuestros sistemas portuarios y que se miden por el Logistic Performance Index (LPI), apuntan a abordar los desafíos digitales (ventanillas únicas) y colaborativos (comunidades logísticas portuarias) considerando 5 aspectos debatidos a lo largo del Encuentro:

- a) Políticas Públicas en sintonía con la facilitación del comercio y el transporte, con especial énfasis en minimizar las externalidades negativas de las operaciones de fiscalización que afectan la fluidez de las cargas y el transporte en puertos.
- b) Cambiar el concepto de proyectos tecnológicos por proyectos de gestión del cambio
- c) Elevar el debate en cada comunidad portuaria, comenzando con una definición

estratégica de mediano y largo plazo, y creando equipos de tarea multidisciplinarios según las prioridades locales de competitividad y sustentabilidad.

d) Incorporar decididamente a la academia en los procesos de análisis, estudios técnicos, formación y capacitación en cada clúster portuario.

La RED DE PUERTOS DIGITALES Y COLABORATIVOS ha definido que para su etapa de transición, contará con el trabajo colaborativo de tres comités técnicos: investigación & innovación; gobernanza y competitividad portuaria; y Políticas Públicas Portuarias. A su vez, la secretaria técnica será ejercida por SELA con el apoyo técnico y financiero de CAF, y también se contará con un directorio asesor constituido por delegados de los diferentes comités técnicos elegidos por sus pares.

Cada puerto será un nodo de desarrollo competitivo y sustentable basado en el fortalecimiento de su comunidad logística portuaria y sus redes locales de apoyo académico y de las políticas públicas.

La RED proveerá los apoyos de cooperación técnica según el ciclo de vida de dicha comunidad. En definitiva la RED debe ser vista como una verdadera "Caja de Herramientas" donde de manera colaborativa se utilizarán las mejores prácticas con el apoyo de todos sus miembros.

Las presentaciones del Encuentro se encontrarán próximamente disponibles en el siguiente link:

<http://bit.ly/2e8A68g>

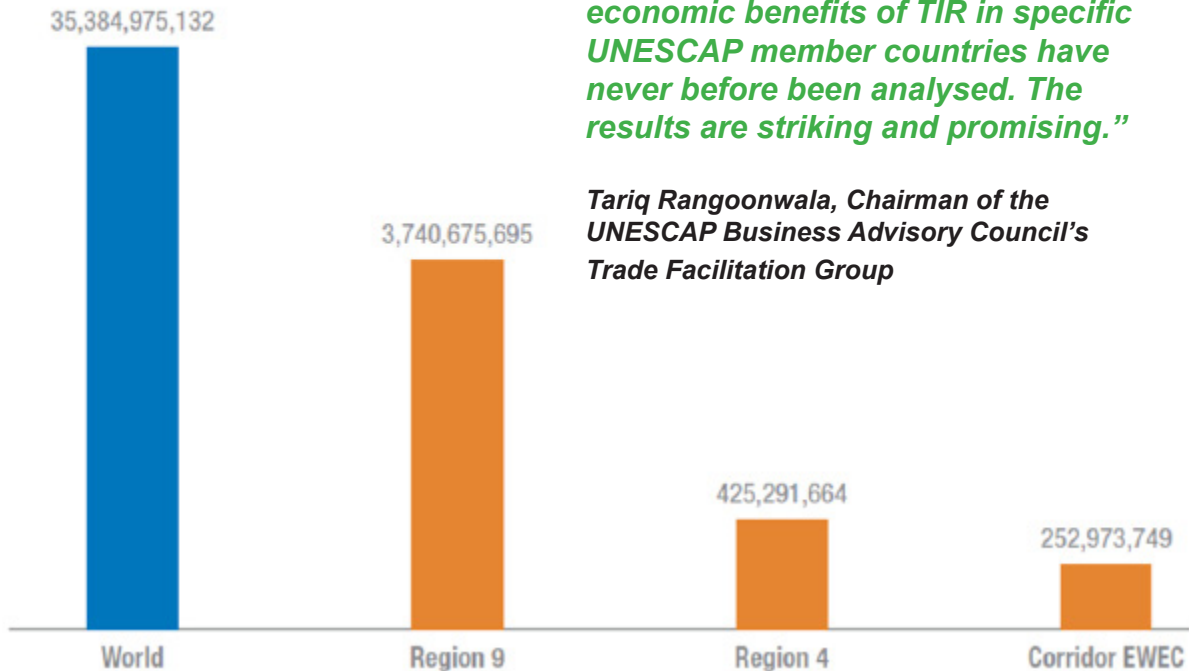
1 LASCOURMES P. LE GALÈS P. 2007. Sociologie de l'action publique, Paris. Armand Colin.

2 DE LANGEN P. 2001. Analysing the Performance of (Seaport) Clusters, Contribución presentada a la conferencia de la World Conference of Transport Research (WCTR) en Seoul, Corea.

NEW STUDY SHOWS SOUTH-EAST ASIA CAN SAVE \$35 BILLION THROUGH TIR

A new scientific study has demonstrated that \$35 billion can be saved by implementing the UN TIR Convention in South-East Asia.

5-Y forecasted potential saving (\$) of 9 countries thanks to TIR, 2014-18



“This study is the first of its kind. The economic benefits of TIR in specific UNESCAP member countries have never before been analysed. The results are striking and promising.”

Tariq Rangoonwala, Chairman of the UNESCAP Business Advisory Council's Trade Facilitation Group

The UN Economic and Social Commission for Asia and the Pacific (UNESCAP)'s Business Advisory Council, unveiled the findings during a business forum held in the Thai capital in November 2015.

The study, entitled “Economic Benefits of TIR – UNESCAP Focus”, shows that the TIR System can save UNESCAP countries more than \$35 billion in transit costs over a five-year period. It further highlights that the economic benefit of implementing TIR represents between 0.14 to 1.31% of national gross domestic product (GDP).

The study highlights TIR's benefits as a tried and tested customs system that helps goods move across international borders in a seamless, rapid and efficient way. As such, it is the best system to facilitate transport, trade and progress both in UNESCAP countries and beyond.

After taking note of the study's results, and bearing in mind Pakistan's and China's accession to the TIR convention, the UNESCAP Business Advisory Council is now calling on GMS countries to urgently implement TIR.

TIR benefits at a glance

- Helps goods move across international borders in a seamless, rapid and efficient way
- Increases security in the supply chain
- Guarantees payment of customs duties and taxes in the case of irregularities
- Is not restricted in terms of the mode of transport used
- Is modern, computerised and has extensive IT support

Download the study

<http://bit.ly/2fa61Gw>

Good to know

The UNECE TIR Secretariat, in collaboration with UNESCAP and IRU, prepared the publication ‘eTIR: towards Paperless Cross-Border Trade’. In addition, the TIR secretariat contributed to the September 2016 issue of ‘The Asian Journal for Transport and Infrastructure’ with the following two articles: ‘The TIR Convention and Benefits of Seamless movement of Vehicles in the Bangladesh,

Bhutan, India and Nepal (BBIN) Subregion’ and ‘Cross-Border Facilitation in the context of the United Nations General Assembly Resolution 70/197: Prospects for the TIR and Harmonization Conventions’.

Did you know? On 5 July 2016, the Government of the People's Republic of China has deposited its instruments of accession to the TIR Convention, 1975. In accordance with its Article 53, paragraph 2, the Convention will enter into force for China on 5 January 2017. With the accession of China, the TIR Convention will have seventy Contracting Parties.

About IRU

IRU is the world's road transport organisation, bringing together bus, coach, taxi and truck operators to promote economic growth and prosperity through the sustainable mobility of people and goods. Founded in 1948, IRU has members and activities in more than 100 countries. IRU manages TIR under the auspices of the UN TIR Convention.

www.iru.org

For more information, please contact Jens Hügel (jens.huegel@iru.org), IRU

NEW IRU STUDY SHOWS HOW TIR CAN RADICALLY REDUCE TRADE COSTS IN AFRICA

The IRU report, “Transit costs in East and Southern Africa” clearly demonstrates how African countries implementing the TIR Convention can reduce the costs of trade in southern and eastern Africa by hundreds of dollars per container, thus saving billions of dollars and increasing GDP in African countries.



The report unequivocally concludes that the TIR system is the most cost effective transit bond method and could be deployed on all trade corridors in Africa.

Umberto de Pretto, IRU Secretary General said

“The results show that TIR is up to 16 times less expensive than the national bond system on the Walvis Bay-Ndola-Lubumbashi Corridor, and is also substantially more cost efficient on the three other African trade corridors in the study.”

He continued

“Some of the world’s highest trade costs can be found in Africa and the world’s road transport organisation, IRU, is working to support governments and the private sector to reduce these costs.”

TIR, the world’s only universal customs transit system and one of the most successful international transport conventions, has a big role to play in reducing the costs of trade. TIR makes border crossings faster, more secure and more efficient, reducing transport costs, and boosting trade and development.

The TIR Convention is gaining momentum with government authorities and businesses on African’s trade corridors. IRU is working closely with stakeholders in Kenya, Uganda, Tanzania, Zambia and Namibia to analyse the potential benefits of TIR and to work towards accession and implementation.

Clive Smith from Walvis Bay Corridor Group said

“Implementing TIR along the Walvis Bay Corridor could have a huge impact on reducing the cost of moving goods between the port and the hinterland. It makes total sense to be looking at implementing a trade facilitation solution that is already proven and successful.”

“TIR fits with Namibia’s vision to become a logistics hub for Southern Africa and we are really keen to see concrete steps taken towards implementation in the region” he added.

The IRU report provides detailed cost comparisons between the three different methods of acquiring guarantees for goods in transit to meet the requirements of the different revenue authorities. TIR is the most harmonised

system that reduces transit costs and time, reduces documentation and simplifies the clearing process.

The report analyses the comparative costs of using a national bond, the Common Market for East and Southern Africa (COMESA) Regional Customs Transit Guarantee (RCTG) Carnet, and the IRU TIR Carnet, for two types of cargo (containerised load and tanker transporting liquid bulk).

The comparisons are along four major transit corridor routes; namely North South Corridor (Durban to Lubumbashi), Walvis Bay-Ndola-Lubumbashi Corridor, Dar Corridor (Dar es Salaam to Lubumbashi) and the Northern Corridor (Mombasa to Kigali).

<http://bit.ly/2cTmJZd>

For more information, please contact William Petty (William.Petty@iru.org), IRU

NEW COMMITTEE TO FACILITATE TRADE IN RWANDA

A new committee meant to advise and support government in undertaking interventions that enhance business competitiveness and further ease of doing business in the country has been inaugurated in Kigali.

The National Trade Facilitation Committee (NTFC), to be headed by the Ministry of Trade and Industry, was announced at a meeting in Kigali.

The committee was constituted in line with laws establishing the World Trade Organisation (WTO) meant to enable least developed countries reduce costs of global trade.

It will oversee implementation of initiatives on trade facilitation, in part to reduce challenges faced by exporters and importers in the country.

According to its terms, the committee will ensure that institutions and all stakeholders responsible for controls and procedures related to importation, exportation and transit of goods work together to better coordinate trade related activities.

The committee brings together the private sector, civil society and public sector representatives as well as trade-related service suppliers to discuss issues of trade and trade related policies and agree on better approaches to reform and improve.

The committee will be deputised by the Rwanda Revenue Authority as a key implementing agency.

The NTFC is hoped to play a leading role in developing Rwanda's roadmap for the implementation of the trade facilitation agenda and will be instrumental in synergising the various trade facilitation perspectives across the country, including outreach programme to sensitise stakeholders, according to officials.

The Minister for Trade and Industry, François Kanimba, who presided over the inauguration event, said the Government is committed to resolving challenges faced by exporters and importers in the country, especially by addressing burdensome procedures, time consuming processes in export and import, delays at the borders and any transparency trade-related constraints.

"The newly-formed committee will lead us in alleviating these issues by fast tracking and advising on interventions that will create fast, reliable and cost effective trade environment for all," Kanimba said.

'Serious on trade reforms'

Rwanda has arguably been a champion of trade reforms. With partners like TradeMark East Africa (TMEA), the Government has already implemented a number of trade facilitation interventions.

These include the Rwanda Electronic Single Window, which speeds up the process of clearing imports and exports in addition to improving efficiency, transparency and accountability in revenue collection.

These interventions have been cited by the annual World Bank Doing Business Report as key contributors to improving Rwanda's ranking in ease of doing business index.

In 2015, the country was ranked third easiest country to do business in Africa.

The World Bank Doing Business Report 2015 also ranked Rwanda 46th out of 189 countries from 143th place in 2008, signalling a significant improvement in the trade regulatory environment in the country that is conducive to start and operate a business.

The United Nations Conference on Trade and Development (UNCTAD) representative, Céline Bacrot, said trade facilitation can boost a country's competitiveness by harnessing trade opportunities to increase its position in the global value chain.

Bacrot pledged UNCTAD's support in providing technical assistance to the committee whenever needed.

Patience Mutesi, the country representative of TMEA, said they would continue to support Rwanda and its East African Community partner states in improving business environment by responding to the needs of government and the private sector.

"A key area that we are looking to, for example, is the development of trade information portals that will enable availability of information to the public and any potential investor in Rwanda," Mutesi said.

The National Trade Facilitation Committee was inaugurated following a three-day training and awareness workshop of the members held in Kigali that sought to build its capacity to ensure all members are well equipped to deal with the assigned responsibilities and deliver on the expected results.

The World Trade Organisation requires each member state to establish and maintain a national committee on trade facilitation.

The trade facilitation is geared at speeding up customs procedures; making trade easier, faster and cheaper; providing information on all trade laws and regulations in a transparent manner; reducing bureaucracy and corruption, and using technological advances and enhancing port efficiencies.

The overall objective is to boost global trade by expediting the movement, release and clearance of goods.



Minister Kanimba (R) and Trade and Industry ministry permanent secretary Emmanuel Hategeka share a light moment during the launch of the National Trade Committee in Kigali yesterday

Article published by New Times:
<http://bit.ly/2dE57lp>

WE'RE BUILDING TOO MANY PORTS IN INDIA

By Jose Paul

The shipping ministry has reportedly decided to establish an International Container Transshipment Port at Colachel in Tamil Nadu at an estimated cost of about Rs. 27,000 crore. There is already a container transshipment terminal at Vallarpadam in Cochin. About 105 nautical miles south of Vallarpadam, in Vizhinjam, another container transshipment port is under construction.

Colachel will be the third container transshipment terminal to come up about 22 nautical miles from Vizhinjam. In other words, all the three container transshipment terminals will come up within a radius of about 130 nautical miles from Vallarpadam.

Can all the three terminals survive in a highly competitive global container transshipment market? To understand that, one needs to examine the global scenario of container shipping and the container transshipment business.

Excess capacity

According to Containerisation International, the world cellular container fleet by April 2016 consists of 5,163 ships of 19.6 million TEU (twenty foot equivalent units) out of which 331 vessels are of 10,000 TEU capacity and above. According to Maritime Strategies International, analysts container shipping would need only about 180 extra ships with a capacity of 10,000 TEU or more between 2016 and 2019 to carry projected incremental trade growth when, in reality, there are nearly 400 ships which are due to hit waters during this period.

While the trade growth in 2015 has been only 2.4 per cent, the world fleet of container ships expanded by about 8 per cent resulting in a situation where too many lines with too much capacity are chasing too little cargo.

Ports are generally categorised as gateway ports and transshipment ports based on the nature of cargo handled. A transshipment

port is defined as one where transfer of cargo takes place from a mother ship to a daughter ship. A gateway port is one which depends largely on its export/import cargo base originating from or destined to its primary/secondary/tertiary hinterland. The current market environment in the transshipment business is so depressing that even established transshipment ports are losing traffic volumes.

Singapore-second largest container port in the world and the world's largest transshipment port could handle only 30.9 million TEUs in 2015 – 8.9 per cent or 2.91 million TEUs less than what it handled in 2014 recording its first decline in throughput since 2009. Ninety five per cent of Singapore's throughput is transshipment cargo. Hong Kong, the world's second largest transshipment port, also lost heavily in 2015 as it could handle only 20.1 million TEUs — 2.2 million TEUs less than what it handled in 2014. Singapore attributes the decline in transshipment business to sustained overcapacity, changes in liner alliances, weak trade growth and prolonged lower oil prices.

Major container lines seem to have realised that their strategy of ordering mega container ships to take advantage of the economies of scale without assessing the future demand growth has not met with success. A new strategy unveiled by Maersk Line is to order vessels of 14,000 TEUs so that they could be deployed anywhere in the world, reducing the possibility of visiting transshipment ports on major trade routes.

This will have a detrimental effect on ports which are dependent on transshipment cargo. Mega container lines are now demanding improved port infrastructure facilities and extracting maximum concessions from competing transshipment ports. The lines are also focusing on the lowest cost factor without giving any guarantee for continued patronage. These developments would make survival of transshipment ports a difficult proposition.

Sustainability and survival

Vallarpadam was commissioned as a container transshipment terminal in February 2011. It has been able to handle only 0.42 million TEUs in 2015-16, far less than its installed capacity of one million TEU. But there been significant improvement in container handling in the first six months of 2016, which recorded a 29 per cent increase in throughput. Vallarpadam has an advantage in the sense that 90 per cent of its throughput is gateway cargo and the transshipment cargo is only 10 per cent. Moreover, it is already accommodating container ships of 14.5m draught and has a projected capacity of 3 million TEUs in the final stage.

The transshipment port of Dubai in UAE (9th largest port) which has handled 15.2 million TEUs has a 50-50 proportion of transshipment and gateway cargo. Another one, Port Klang in Malaysia (12th largest port), which has handled 11.9 million TEUs has 60 per cent gateway cargo and 40 per cent transshipment cargo. Such ports have been able to improve their throughput despite a decline in transshipment volumes. With the passing of GST bill the flow of gateway cargo to Cochin is likely to improve. The current stable industrial relations in the port with the strong support from the State government could make Vallarpadam perform better in the future.

Let's get practical

When Vizhinjam becomes operational in 2019 it will have to depend almost entirely on transshipment cargo. The real competitor to Vizhinjam will be Colombo and not Vallarpadam. Vallarpadam has limitations of draught and will not be able to accommodate mega ships of more than 8,000 TEU capacity.

With the availability of 20 m depth of water Vizhinjam will come in for direct competition with Colombo-just 202 nautical miles away. As for proximity from the international shipping route Colombo is only 20 nautical miles while Vizhinjam is about 25 nautical miles away. Colombo has now become the 27th largest container port in the world having handled 5.2 million TEUs — a 6 per cent in-

crease in annual throughput, higher than the 4.5 million TEU throughput of JN Port, Mumbai in 2015.

By 2019, Colombo on the strength of a strategic co-operation agreement on container logistics development with China's Zhanjiang Port Group will have a deep water container terminal, consolidating its position as a major transshipment hub in South Asia.

Colachel is sandwiched between Vizhinjam and Colombo, 22 nautical miles from Vizhinjam and 180 nautical miles from Colombo. Assuming Colachel becomes operational by 2020, Vizhinjam will have already developed as a transshipment port and Colombo will have made much headway in the transshipment business. Both, Vizhinjam and Colombo, being rivals in transshipment business, will have made conceivably the best port infrastructure facilities, making the entry

of a third competitor difficult. Investment in transshipment terminals is a risky business. The strategy of the Centre should be to not build a third container transshipment port at Colachel as that would weaken all the three transshipment ports in India.

These ports will not be able to compete against Colombo. India's interest would be better served if the Centre utilises its resources to develop Vizhinjam and Vallarpadam where it has made large investments, to be able to function as competitors to Colombo.

Jose Paul is a former Acting Chairman of J N Port, Mumbai, and a former Chairman of Mormugao Port Trust This article was published in the Business Line print edition dated August 26, 2016



THE WORLD BANK'S 2016 LOGISTICS PERFORMANCE INDEX

Reflections on the latest edition

What is the LPI and what does the 2016 edition entail?

On June 28th this year, the World Bank Group released the 5th edition of the biannual Logistics Performance Index (LPI) and the Connecting to Compete report. The LPI is an interactive benchmarking tool created to help countries identify the challenges and opportunities they face in their performance on trade logistics and what they can do to improve their performance. The LPI 2016 allows for comparisons across 160 countries.

The index is based on a worldwide survey of around 1,100 operators on the ground (global freight forwarders and express carriers), providing feedback on the logistics "friendliness" of the countries in which they operate and those with which they trade. It measures performance along the logistics supply chain within a country and offers two different perspectives: international and domestic. The International LPI provides qualitative evaluations of a country in six areas by its trading partners – logistics professionals working outside the country. The Domestic LPI provides both qualitative and quantitative assessments of a country by logistics professionals working inside it. It includes detailed information on the logistics environment, core logistics processes, institutions, and performance time and cost data. The LPI is one of several indicators that measure connectivity. Others include UNCTAD's Liner Shipping Connectivity Index or the joint UNESCAP-World

Bank dataset on bilateral trade costs.

Logistics connects firms to markets via a network of supply chains. Although logistics activities and services are ultimately executed by private operators, the efficiency of supply chains depends on a range of policies: trade, infrastructure, services regulations, fiscal provisions, spatial planning etc. Many countries, advanced and developing, have been addressing logistics as a cross-cutting policy concern. The LPI aims at informing these efforts. The 2016 edition analyzes trends in macro-logistics and the policies that matter. A new feature this year deals with logistics skills and competences. This is an important topic, as worldwide logistics tend to experience skills shortages. An in-depth publication will be published in October 2016.

Key findings of the 2016 Logistics Performance Index

Logistics performance both in international trade and domestically is central to countries' economic growth and competitiveness, and the logistics sector is now recognized as one of the core pillars of economic development. Policymakers not only in the best performing countries, but also in emerging economies, increasingly see the need to implement coherent and consistent policies to foster seamless and sustainable supply chain operations as an engine of growth.

Efficient logistics connects firms to domestic and international markets through reliable

supply chain networks. Conversely, countries of low logistics performance face high costs, not just because of transportation costs but also because of unreliable supply chains, a major handicap when competing in and integrating into global value chains. Supply chains are complex objects, but their performance is largely dependent on country characteristics, or the soft and hard infrastructures and institutions that logistics need to operate, such as infrastructure, regulations, procedures and behaviors.

Logistics performance converges at the top, but the gap spreads between the lowest and highest performers

The results of the Connecting to Compete Report 2016 point to Germany as the best performing country with an LPI score of 4.23, and Syria as the lowest with 1.60 (equaling 19 percent of Germany's score on a scale from 1 to 5). The converging trend between the top and bottom performers that appeared in the previous LPI surveys in 2007, 2010, 2012 and 2014 seems to have slightly reversed. When looking at the average scores of each quintile, the gap between the two top quintiles and the lower performing countries is widening again (Figure 1).

The modest convergence since 2007 was explained in the 2014 LPI report by a perceived improvement in trade-supporting infrastructure in low and middle-income countries, and, to a lesser extent, in their logistics ser-

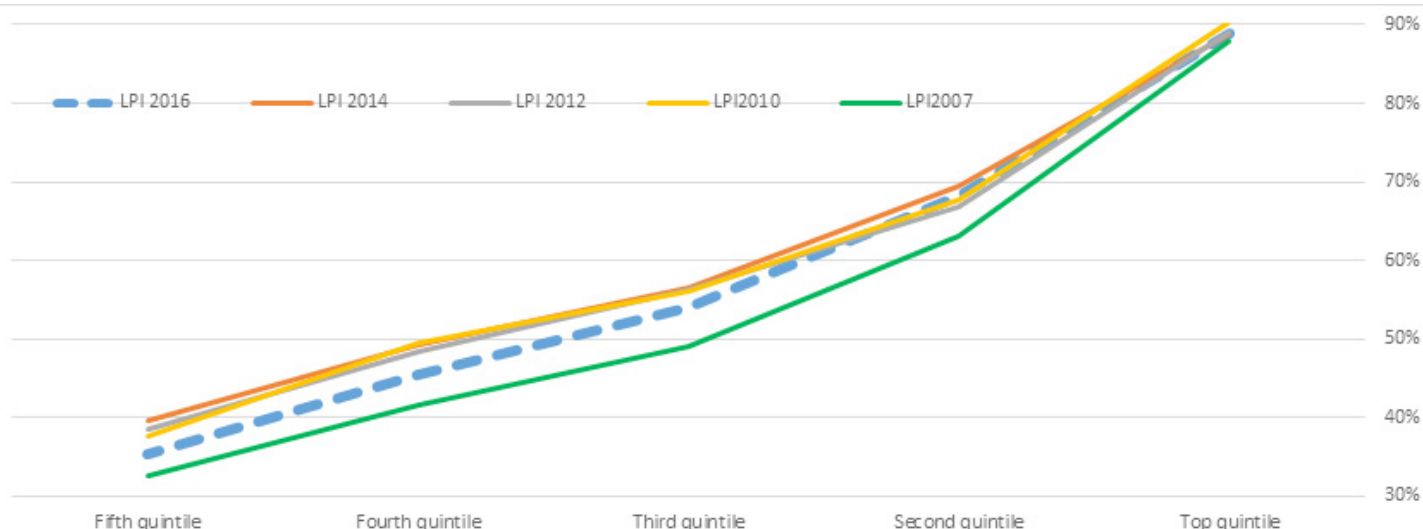


Figure 1. LPI score as percentage of highest LPI score by LPI quintile averages, 2007, 2010, 2012, 2014 and 2016

Source: Logistics Performance Index 2007, 2010, 2012, 2014 and 2016.

vices and their customs and border management. This explanation may still be largely valid for the majority of countries ranked. In 2016 however, the widening of the gap between the top and the bottom was amplified by the highest scores ever for the top countries (4.13 in 2016), and the lowest scores for countries at the bottom since 2007 (1.84 in 2007; 1.91 in 2016).

The differing pace of progress is also visible in the ratings of domestic trade and transport infrastructure. In the so-called Domestic section of the LPI questionnaire, respondents are asked to assess to what extent these have improved since 2014. While about 60 per cent of respondents in the two top quintiles rated the situation in 2016 as “improved” or “much improved”, only about one third in the bottom quintile and fewer than half of those in the third and fourth quintiles shared that view.

Supply chain reliability and quality of services are key across all performance groups

Supply chain reliability continues to be a major concern for traders and logistics providers. Consignees require a high degree of certainty as to when and how deliveries will take place. This is more important than how fast the delivery will be. Predictability carries a premium, which many shippers are willing to pay. In other words, supply chain predictability is not just a matter of time and cost, but also of shipment quality. In the top LPI quintile, just 13 percent of shipments fail to meet company quality criteria – the same proportion as in 2014. By comparison, nearly three times as many shipments in the bottom quintile fail to meet company quality criteria.

Infrastructure development continues to play a significant role in assuring basic connectivity and access to gateways for most developing countries. The perceived quality of certain types of infrastructure follows a similar pattern across all LPI editions. ICT infrastructure quality is rated highest across all respondents, and here the gap between lowest and highest performers is narrowing the most. By contrast, satisfaction with rail infrastructure remains low. The widest gap in satisfaction is with warehousing and trans-loading infrastructure: while 65 per cent of the respondents in the top LPI quintile regarded the quality of these as “high” or “very high”, only 13 per cent in the bottom quintile had the same view.

Trade logistics services are provided under different environments globally. As in 2014 we see that the quality of services provided by logistics firms is often perceived as better than the quality of the corresponding infrastructure they operate. This may partly be explained by the respondent base, i.e. freight forwarders and logistics firms rating their own services.

On the other hand, the pattern that emerges from responses across LPI editions is rather uniform: The more “international” operations, such as air and maritime transport and services related to these, tend to receive high scores even when infrastructure bottlenecks exist. Railroads, on the other hand, continue to have low ratings almost everywhere.

Service quality differs substantially at similar levels of perceived infrastructure quality. This indicates that even a high-quality ‘hard’ infrastructure cannot replace operational excellence, which is based on professional skills of services providers, well-functioning ‘soft’ infrastructures as well as smooth business and administrative processes.

Trade and transport facilitation efforts remain critical to lower performers

Efficient clearance procedures at the border are critical to eliminate avoidable delays and to improve supply chain predictability. To achieve this, governments need to facilitate trade while safeguarding the public against harmful activities ranging from health hazards to crime and terrorism. Mitigating these two objectives is a challenge for policymakers and authorities especially in countries with a low performance record, where delays and unexpected costs are more common.

Implementation of trade and transport facilitation lags behind in logistically constrained countries that are most in need of attention from the international community. Moreover, their neighbors are those with serious governance challenges (e.g. conflict-ridden, post-conflict and fragile states). Many landlocked developing countries and small island states also fall into this category, as their connectivity to global markets may be severely challenged by their economic size or geography.

Relatively rapid improvements can be achieved regionally when countries have a strong political will and align their efforts in administrative reforms. This is the case with the Northern Corridor that links Uganda, Rwanda and Burundi with the Kenyan port of Mombasa, and also serves eastern parts of the Democratic Republic of Congo, South Sudan and Tanzania. Some of the “soft” trade and transport facilitation reforms with a significant impact were implemented even before “hard” infrastructure projects were completed. Here, “soft” reforms provided a higher and quicker “return on investment” than “hard” infrastructure.

Countries face complexity, new policy concerns, and competitive pressure

The LPI results since 2007 have shown that the quality of services is driving logistics per-

formance in emerging and richer economies. Yet the development of services like third or fourth party logistics is a rather complex policy agenda, not least because the provision of these more advanced services cannot be created from scratch or developed purely domestically. In logistics friendly countries, manufacturers and traders outsource much of their basic transport and logistics operations to third party providers, and focus on their core business. The more such advanced services are available at reasonable prices, the more shippers will outsource their logistics.

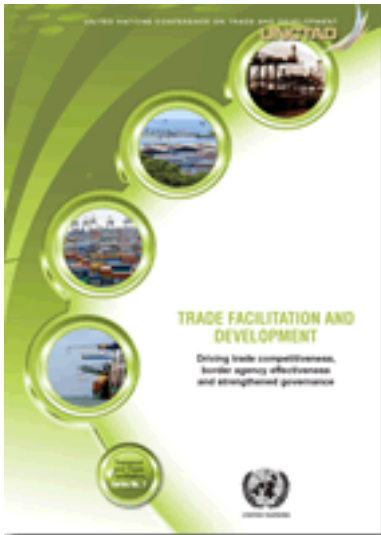
There is a growing need for consistent strategies that cut across numerous policy dimensions. Policy makers in large emerging or developed economies have to deal not so much with border issues like in low performance countries, but with the internal performance of domestic supply chains – a reality not well captured in the main LPI index.

A growing number of countries follow this route, which is rarely easy. Reforms involving many stakeholders can be slow to implement: Except in low performing countries, short-term high impact interventions are likely to have been implemented already. Countries successful in introducing far-reaching changes were those that combined regulatory reform with investment planning, interagency coordination, and incentives for operators. Finally, detailed and accurate data for policymaking and monitoring is needed. The growing availability of large logistics-related datasets is a new opportunity that so far is seized only by very few countries, namely South Africa or Canada.

Global supply chains are becoming more complex, and regulatory requirements on traders and operators become ever more demanding, be they motivated by safety, social, environmental, or other reasons. Efficient management and information technology solutions both in the private and public sector are vital to high-quality logistics. The ability to manage logistics processes in today's global business environment is a critical asset of national competitiveness

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FEATURED PUBLICATION: TRADE FACILITATION AND DEVELOPMENT



Trade facilitation reforms improve a country's trade competitiveness and the effectiveness of border agencies. In addition, they can directly help advance development goals such as strengthening governance and formalizing the informal sector.

The present study identifies policies to help reap the full development-related benefits from trade facilitation reforms. UNCTAD research and experience with technical assistance programmes has shown that such reforms should be comprehensive and ambitious and advance the trade and development objectives of countries. Trade facilitation should be linked to investments in transport infrastructure, information and communications technologies and broader trade-supporting services. Since many trade facilitation

challenges and solutions are regional, their implementation should be included in regional integration schemes.

Given the linkages between trade facilitation reforms and implementation capacities, development partners need to ensure that their support does not leave out the most vulnerable economies, and should make full use of the promises and possibilities for technical and financial assistance provided for by the Agreement on Trade Facilitation of the World Trade Organization (WTO), reached in Bali, Indonesia in 2013.

Published by UNCTAD
<http://bit.ly/2eYQX2o>

For further information contact Jan Hoffmann (jan.hoffmann@unctad.org), Trade Logistics Branch



PUBLICATIONS

Trade and Development Report 2016

UNCTAD

The Trade and Development Report (TDR) 2016: Structural transformation for inclusive and sustained growth reviews recent trends in the global economy and focuses on the policies needed to foster structural transformation.

It observes that global economic growth remains weak, growing at a rate below 2.5 per cent, and global trade slowed down dramatically to around 1.5 per cent in 2015 and 2016, compared to 7 per cent before the crisis.

The loss of dynamism in the advanced economies, combined with low commodity prices and global financial instability, is having knock-on effects on most developing countries. Developing economies will grow on average less than 4 percent this year, but with considerable variation across countries and regions: while Latin America is in recession and growth in Africa and West Asia is slowing down to around 2 per cent, East, South-East and South Asia is still growing at a rate close to 5 per cent.

Considered in a long-term perspective, most developing countries outside some Asian sub-regions have failed to significantly reduce the income gap with developed economies. The big investment push in developing regions remains one of the unfulfilled promises of the more open global economy set in place in the 1980s and 1990s; and after general growth accelerations at the beginning of the century, convergence is now losing steam with a more challenging international environment. To attain sustained and inclusive growth, countries need to adjust their policy strategies in order to advance structural transformation.

To that end, proactive industrial policies are needed to encourage the shifting of employment and resources from low-productivity agriculture to higher productivity industrial and modern services sectors. Manufacturing activities play a key role in such processes, as they create formal employment, incomes and demand, and accelerate productivity growth; this in turn further boosts incomes and demand. However, many developing countries have not been able to develop sufficiently their manufacturing sector (experiencing a “stalled industrialization”) or have even endured a “premature de-industrialization” since the 1980s owing to a policy strategy centred on unilateral trade opening, financial deregulation and the retreat of the developmental State.

As important as expanding the share of manufacturing in total employment and value added is to strengthen its production and knowledge linkages to the rest of the economy, particularly the primary sector and modern services. Similarly, expanding exports of manufactures can support industrialization provided that exporting sectors have strong production and learning linkages with

the rest of the economy, as it was the case in successful Asian catching-up experiences. However, export-led growth is today more difficult, due to the fallacy of composition, weaker demand in developed countries and weak productive linkages in enclave-type export-oriented activities. Therefore, countries need to combine production for global, regional and domestic markets.

Structural transformation needs high levels of investment, but the profit-investment nexus has weakened in recent times. With the ‘shareholder primacy’ in corporates’ strategies and their increasing focus in short-term profits, corporations (especially in developed countries) have been increasingly using profits to pay dividends and to repurchase shares instead of reinvesting them in new plant and equipment, research and skill acquisition. Also in large developing economies the investment-to-profits ratio in leading firms has declined, as profits are increasingly reoriented to financial investment or repatriated by transnational corporations.

<http://bit.ly/2cqe8Nd>

World Customs Journal Vol.10 No.1 – Now Publicly Available

INCU

In this edition, there are several academic contributions. Hans-Michael Wolfgang and Kerstin Harden have provided a succinct overview of ‘The new European customs law’ in their article. Also in this edition, Frank Altemöller examines a fundamental application of interconnectivity in the context of supply chain security – that of information exchange between states, and provides some interesting insights into a number of emerging issues.

Welcome contributions to the body of knowledge in the current edition also include Rob Preece’s analysis of automobile excise tax reform in the ASEAN region, and the findings of an Indonesian case study undertaken by Ade Hidayat and Nasruddin Djoko Surjon. The practitioner contributions in this issue focused on the topics of ethics and transparency in customs administration, strengthening customs cooperation through people-oriented capacity building and also an article on utilisation levy.

This issue also includes a special report co-authored by Mikhail Kashubsky, Olena Pavlenko and Victor Chentsov on the recent development and future plans regarding the Customs Scientific Journal.

To access and download this issue or individual articles please visit:

<http://bit.ly/2exqh9u>

Maritime Policy & Management

Volume 43, Issue 7, 2016

This issue includes articles on local government on port investment, dynamic model for marginal cost pricing of port infrastructures, among others.

<http://mpm.iame.info>

Maritime Economics & Logistics

Volume 18, Issue 3, 2016

Maritime Economics & Logistics is a quarterly scientific journal committed to the rigorous methodological analysis of global supply chains; that is, ocean transportation, ports, marine terminals and maritime logistics.

<http://mel.iame.info>

Implementing the Trade Facilitation Agreement: From Vision to Reality

Nora Neufeld, WTO

The paper chronicles the path from the conclusion of the talks at the 2013 Bali Ministerial Conference to the present day as we prepare for the Agreement to take effect. It reviews the state of the ratification process, analyses implementation schedules and outlines work still to be done.

The study shows that the emerging application of the TFA, like its negotiation, has once again confounded the sceptics – who first doubted that a TF Agreement would see the light of day and then questioned if it would ever be put into practice. While plenty remains to be done to implement the TFA across the full WTO membership, its entry into force is set to happen – a valedictory moment.

<http://bit.ly/2dL7S43>

Green supply chain management practices and firm performance: evidence from Finland

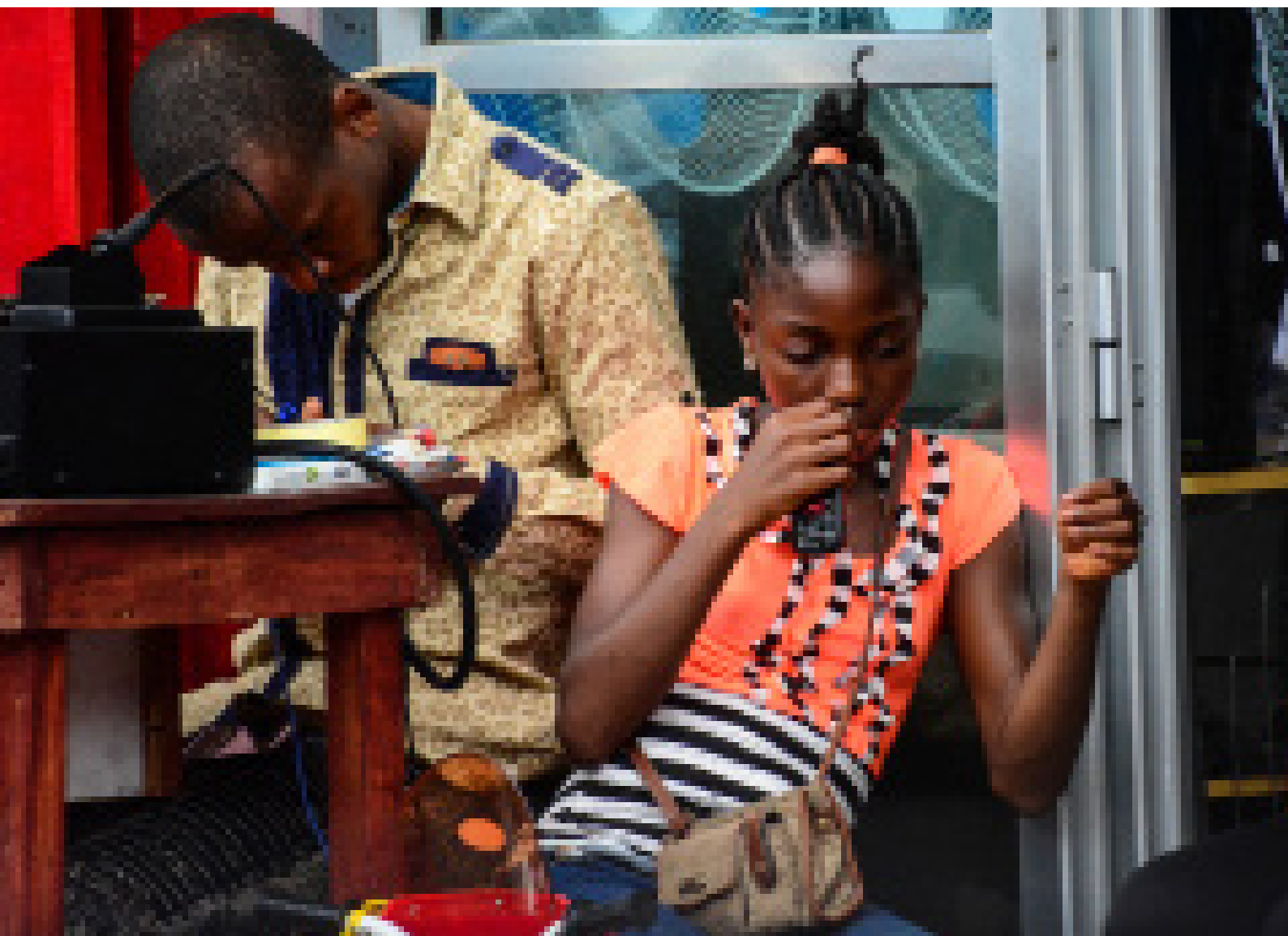
Sini Laari

The empirical results suggest that while internal GSCM practices have the strongest effect on environmental performance, environmental collaboration with customers seems to be the most effective way to improve financial performance. In terms of operational performance, the findings were more mixed, suggesting that the operational performance of firms is more likely to be affected by firm characteristics than by the choices they make regarding their environmental collaboration. This thesis is also one of the first attempts to empirically analyse the relationship between GSCM practices and performance among logistics service providers.

The findings also have managerial relevance. Management, especially in manufacturing

and logistics industries, may benefit by gaining knowledge about which types of GSCM practice could provide the largest benefits in terms of different performance dimensions. This thesis also has implications for policy-makers and regulators regarding how to promote environmentally friendly activities among 1) manufacturing; 2) trading; and 3) logistics firms.

<https://www.doria.fi/handle/10024/124787>



EVENTS

UNITAR Free Online Course on Trade Facilitation for trade officials and policymakers from West Africa

24 October - 25 November 2016 (English version) | Link: <http://ecowas.unitar.org>

31 October - 2 December 2016 (French version) | Link: <http://ecowas.unitar.org/fr>

7 November - 9 December 2016 (Portuguese version) | Link: <http://ecowas.unitar.org/pt>

UNITAR and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH are pleased to announce a series of EU-German Federal Ministry for Economic Cooperation and Development (BMZ) funded online courses on "WTO Trade Facilitation Agreement & Regional Trade Facilitation Rules and Regulations" for trade officials and practitioners from the ECOWAS region.

The courses will be offered free of charge in English, French and Portuguese and are part of the project on Promoting West Africa Trade Integration (WATIP) that is implemented by GIZ.

The courses aim to boost intra-African trade and competitiveness in West Africa by enhancing the trade officials and policymakers' understanding of the risks and opportunities of trade facilitation and translating their knowledge into sound policy reforms.

Government officials, policy makers and custom authorities from ECOWAS member-states are eligible to apply. The ECOWAS member states include Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo.

5-week courses cover several modules

Module I – Introduction to the Concept of 'Trade Facilitation'

Module II – WTO Trade Facilitation Agreement and its Implementation

Module III – Trade Facilitation and Regional Economic Integration: The Case of ECOWAS

Module IV – Trade Facilitation: Support and

Needs Self-Assessment

Module V – Case Studies and Implementation-related Reports

Registration is on-going until the course slots are full. Qualified trade officials from the ECOWAS region are encouraged to take this opportunity to learn and network with other trade officials in the region. Participants will also have access to international and regional experts who will mentor each course.

Considering the expected large demand, the Trade Directorate of the ECOWAS Commission will review the course applications to ensure adequate representation across the ECOWAS-member states in terms of geographical, institutional, and gender distribution.

For more information and to register online, please visit ecowas.unitar.org or email us at pft-training@unitar.org

WTO advanced course for Chairs of National Trade Facilitation Committees (in English)

28 November to 9 December 2016

Due to the high demand for the Advanced Course for Chairs of National Trade Facilitation Committees that was conducted at the WTO in June 2016, the WTO Secretariat will conduct a similar course from 28 November to 9 December 2016 in English. The same course will be offered in French (30 January to 10 February 2017) and in Spanish (dates to be announced soon).

The Trade Facilitation Agreement requires all Members to have a national committee to oversee its implementation. These committees must be operational by the time the Agreement enters into force.

This course will aim to build the capacity of committee chairs, help develop a network of contacts among chairs of national trade facilitation committees of different Members and create a good working relationship with the organizations that will provide technical assistance to support their respective national committees.

<http://bit.ly/2ehwlcw>

Annual conference of the International Association of Maritime Economists (IAME)

27–30 June 2017 - Kyoto, Japan

The main event of the Association is its Annual Conference, which is held in various places and brings together researchers and professionals from all over the world. The IAME Annual Conference is an opportunity for the world scientific community to meet and discuss current research topics and contribute to the development of maritime economics and management as a well-established academic discipline.

This conference marks the 25th anniversary of the establishment of the association.

<http://bit.ly/2dVnWBY>

PROCEEDINGS OF EVENTS

International Maritime Statistics Forum

09 - 11 May 2016 - Athens, Greece

Access to the presentations and proceedings of this event and learn more about shipping markets, trade and commodity demand - imports, exports, trade, voyage distances, among others. Proceedings are published here:

<http://www.imsf.info/athens-2016/>



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