

# TRANSPORT & TRADE FACILITATION NEWSLETTER

TRADE LOGISTICS BRANCH, DIVISION ON TECHNOLOGY AND LOGISTICS

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# WTO TRADE FACILITATION AGREEMENT ENTRY INTO FORCE – WHAT NEXT?

The entry into force of the Trade Facilitation Agreement is imminent. Only four more ratifications are needed. For developing countries that have ratified or will ratify the Agreement the entry into force results in important obligations.



## Trade Facilitation Agreement at a glance

The Trade Facilitation Agreement (TFA) of the World Trade Organization (WTO) sets forth measures to expediting the movement, release and clearance of goods across borders, as well as reducing the related costs.

## Obligations on Entry into Force

As of 13 January 2017, 106 WTO members have deposited their instruments of acceptance with the WTO Secretariat. Only four additional ratifications are needed to bring the Trade Facilitation Agreement into imminent effect.

Upon the entry into force of the Agreement, WTO Members that have ratified it, whether developed, developing countries or least developed countries, are supposed to have in place a national trade facilitation committee responsible for the coordination and implementation of the Trade Facilitation Agreement.

With the entry into force of the Trade Facilitation Agreement, developing countries that have ratified the Agreement are under obligation to undertake the following steps:

- Immediate notification of provisions designated under Category A
- Implementation of the measures designated under Category A
- Immediate notification of the provisions under Category B and C and their corresponding indicative dates for implementation

## Impact of UNCTAD Trade Facilitation Assistance

UNCTAD has long-standing expertise and experience in trade facilitation and provides technical assistance and capacity-building support to its Members, including in the establishment of national trade and transport facilitation committees, gap analysis needs assessments, trade facilitation roadmaps, transit agreements and customs automation through its UNCTAD Automated System for Customs Data (ASYCUDA) programme, as well as Trade Portals.

In 2016, UNCTAD launched the Empowerment Programme for National Trade Facilitation Committees, which provides an intensive professional training for the Secretariat and the members of national trade facilitation committees. The main objective is to help

them implement, in a coordinated manner, trade facilitation reforms, including the provisions of the WTO Trade Facilitation Agreement. Fifteen developing countries and least developed countries are currently conducting the Empowerment Programme.

UNCTAD has to date assisted more than 45 developing countries and least developed countries to conduct gap analysis and to elaborate more than 135 project proposals for the implementation of specific Trade Facilitation Agreement's measures. In addition, UNCTAD has supported the successful establishment of over 15 national trade facilitation committees in the East African Community, Latin America, Western Africa and Asia. In particular, the programme for the five member countries and secretariat of the East African Community is a good example of sustainable technical assistance and capacity building.

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Trade Logistics Branch

## Implementation obligations on entry into force

Upon the entry into force of the WTO TFA, countries that have ratified the Agreement shall undertake the following steps:

### All WTO Members

To have in place a National Trade Facilitation Committee

### Developing countries

1. To notify Category A provisions
2. To implement Category A provisions
3. To notify Category B and C and their indicative dates for implementation

### Least developed countries

To start the countdown for the notification of Categories A, B and C

## UNCTAD Trade Facilitation assistance

40 years of experience



### Needs assessments, gap analysis and implementation plans

- 45 implementation plans
- 145 project proposals

### Trade portals

- 28 countries
- 129 systems implementation
- 1936 procedures documented online

[tradeportal.eregulations.org](http://tradeportal.eregulations.org)



### Empowerment Programme for National Trade Facilitation Committees (NTFCs)

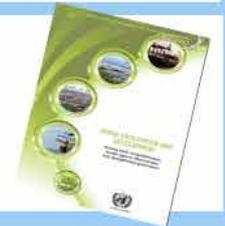
Ongoing in 15 developing and least-developed countries

[unctad.org/eptf](http://unctad.org/eptf)

### Publications and Studies

New publication: Driving trade competitiveness, border agency effectiveness and strengthened governance

[unctad.org/tf](http://unctad.org/tf)



### UN Repository for NTFCs around the world

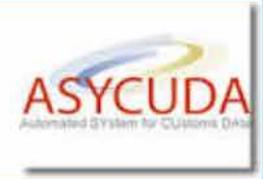
Information of over 130 NTFCs

[unctad.org/tfc](http://unctad.org/tfc)

### Customs Automation

- Operating in 90 countries
- Customs Administrations in 111 countries have benefited from capacity building

[asycuda.org](http://asycuda.org)



## East African Community case story

UNCTAD supported EAC and its five members to reach the following achievements:

- Notification of Category A provisions
- Establishment on the Regional Sub-committee on Trade Facilitation
- Establishment of five NTFCs
- Design of the strategic planning on trade facilitation
- Elaboration of 15 project proposals
- Completion of gap analysis and need assessments
- EAC Secretariat assistance

## Impact of the WTO TFA full implementation

18%

Reduction of trade costs of manufactured goods

10%

Reduction of trade costs of agricultural goods

\$1tn

Annual gains

# TRADE WITH SUDAN MADE CHEAPER AND QUICKER AS 'TRADE ROADMAP' IS ADOPTED

The plan, which comes as Sudan became the first country to complete UNCTAD's Empowerment Programme for National Trade Facilitation Committees, aims to both boost GDP and improve the country's standing in international logistics rankings: Sudan placed 184 out of 189 countries in the World Bank's Trading Across Borders index in 2016.

Seeking ways to boost its economy, the East African nation of Sudan aims to remove unnecessary costs and reduce the time to trade across its borders by 40%, boosting exports by at least 25% by the end of 2021, according to a new plan launched by the Sudan Working Group on Trade Facilitation in December 2016.

The plan includes making it easier for Sudan to trade 10 key products representing almost half of Sudan's exports: cotton, gum Arabic, sesame, groundnuts, Hibiscus flowers, senna pods, livestock, meat, fruit and vegetables, and hides and skins.

The value of these exports was worth more than \$1.5 billion in 2015.

The 31 actions included in the National Trade Facilitation Roadmap 2017–2021 were drafted with the assistance of UNCTAD.

Although not a member of the World Trade Organization (WTO), Sudan intends to use the roadmap as a way of implementing at least 70% of the measures included in the WTO's Trade Facilitation Agreement which aims to streamline cross-border trade around the world.

"I have this image of 2011," the chairman of the Sudan Working Group on Trade Facilitation, Brigadier Ali Giddo Adam, said.

"As a group, we could not even understand all the implications of the different measures being negotiated within the WTO... but now, much has changed, and thanks to the Empowerment Programme, we have even a set of national experts that can support mainstreaming trade facilitation into Sudan's policies," he said.

UNCTAD support for Sudan takes place in cooperation with the World Customs Organization (WCO) and is financed by Her Majesty's Revenue and Customs (HMRC) of the United Kingdom as part of the HMRC-WCO-UNCTAD Capacity Building programme.

UNCTAD's Empowerment Programme for National Trade Facilitation Committees is being implemented in more than 10 African countries.

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## UNCTAD EMPOWERMENT PROGRAMME for National Trade Facilitation Committees

# SUDAN: A SUCCESS STORY

Sudan is the first country to complete UNCTAD Empowerment Programme for National Trade Facilitation Committees. It is an intensive professional programme for the Secretariat and the members of National Trade Facilitation Committees (NTFCs). The main objective is to help them implement, in a coordinated manner, trade facilitation reforms, including the provisions of the WTO Trade Facilitation Agreement (TFA).



## 01 TIMELINE



Kick-off  
December  
2015

International  
Standards and  
Recommendations  
March 2016

Measuring and  
implementing trade  
facilitation  
May 2016

Stakeholder engagement  
and Drafting a Trade  
Facilitation Roadmap  
August 2016

Training of  
Trainers  
December 2016

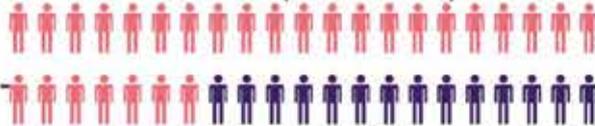


## 02 QUALITATIVE RESULTS

- Categorisation exercise on different measures of the WTO Trade Facilitation Agreement
- Drafting and publication of Sudan Trade Facilitation Roadmap for 2017-2021
- Drafting and adoption of a Knowledge Transfer Strategy to support the sustainability of Sudan's National Working Group on Trade Facilitation

## 03 QUANTITATIVE RESULTS

42 stakeholders trained (67% women)



training events



hours of lectures, group exercises, discussions, online presentation of documents, written examinations



topics included in the training



different international experts delivered the training

## 04 TESTIMONIES OF BENEFICIARIES



**Mohammed Ibrahim Adam, Rapporteur of Sudan Working Group on Trade Facilitation**

"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 in Sudan's development policy"



**Nabawia Mohamed Mahgoub, Member of Sudan Working Group on Trade Facilitation**

"It is incredible to see how participants are improving their presentation and training skills in just one day"



**Mohamed El-Mustafa Fadul, beneficiary of the Programme**

"When I started this Programme in 2016, I was only concerned by the topics related to Customs laboratories: now, I am convinced that we can have better possibilities to improve trade facilitation if we join efforts with other border agencies"

# THE ILO REVISED CODE OF PRACTICE ON SAFETY AND HEALTH IN PORTS

**A Meeting of Experts to Adopt a Revised Code of Practice on Safety and Health in Ports was held at the International Labour Organization (ILO) in Geneva on 21-30 November 2016.**

The meeting was attended by experts that were nominated as follows: eight by the Employers' group, eight by the Workers' group, and eight by Governments. The meeting was also open to governments interested to attend as observers.

In addition, relevant international organizations and international NGOs, including UNCTAD, were invited to attend as observers. The purpose of the meeting was to revise and update the text of the ILO Code of Practice on Safety and Health in Ports, adopted in 2003.

The revision had become necessary mainly due to advancements in technology, the need to align the provisions of the Code with those of conventions and instruments adopted later, as well as the need to better address and provide further guidance on various technical issues. Discussions were based on a draft revised version of the Code (MESHP/2016), prepared by the ILO Secretariat.

The text of the Code is very detailed and long (300 pages), its provisions are highly technical, and the volume of the issues that had to be considered during the meeting was quite large. Revisions and updates were made to many provisions throughout the Code, including those related to: design of occupational safety and health (OSH) management systems adapted to the nature of port work; hazard identification and risk assessments; safety and health committees and representatives; reporting and investigation of incidents; selection and training of port workers; port infrastructure, plant and equipment;

safe use of lifting appliances and loose gear; operations on shore and afloat; dangerous goods, and notification of port authority before such goods are brought into the port area; and general requirements to protect port workers from health hazards that may arise from their work activities.

New provisions were introduced related to women working in ports, particularly the need to develop gender-sensitive occupational safety and health policies and programmes, as well as on communicable diseases, including HIV and AIDS, aimed at eliminating prejudice and discrimination, and providing support in confidence for any port workers living with HIV. Amendments were also made regarding the need to provide clean, dry and smoke free personnel welfare facilities available at all times to port workers at or near the area in which they work, as well as personal protective equipment that provide supplementary protection against exposure to hazardous conditions.

In addition, revisions were made to arrangements for many types of emergencies that may arise in port areas, on shore and on ships, including emergency arrangements for injuries and ill health, rescue, property damage, fire, cargo spillage, falls into water, failure of services such as electricity or communications, severe weather and other natural hazards, as well as detailed emergency planning and equipment.

Environmental protection policies in port activities, based on the need for port authorities to promote sustainable development and to exercise control over their activities, were also

addressed. Environmental aspects of port operations include emissions to air, marine pollution, land contamination, nuisance and other community issues like noise, dust, odours, and waste and its management. A new provision in the Code provides that for environmental protection, effective public relations should be established between the port authority, the port employers, the port workers and the local community, in order to ensure that the community is aware of issues affecting it, and the port authority and/or employers and port workers or their representatives take account of community concerns.

The revised Code, which was adopted by consensus on 30 November 2016, introduces significant enhancements to the existing set of rules in the 2003 version. It is considered a complete manual that will help many countries around the world to establish or improve standards for safety and health in ports, thus avoiding serious events and incidents from occurring and creating a safer workplace and environment. Although non-binding in nature, its provisions are expected to help in interpreting related national laws, rules and regulations, as well as serve as a guide for the formulation and adoption of new ones, as well as for the development of national policies and programmes. All these will ultimately contribute to ensuring decent working conditions for port workers around the world, as part of the core mandate of the ILO. According to one speaker, the revised Code would serve as a useful guide as the countries developed the infrastructure of new ports. Another speaker suggested that given the technical nature and complexity of the

Code, ILO should consider the possibility of developing an implementation plan, which could include international conferences and/or training programmes, to ensure that the Code was implemented effectively worldwide. The ILO secretariat took the opportunity to briefly introduce its ongoing Port Worker Development Programme, aimed at helping governments, port authorities, private port operators and training institutes to establish effective port worker training schemes, designed to improve cargo-handling performance, working conditions and practices, safety, and the status

and welfare of port workers, and invited all interested participants to request further information about it. ILO conventions, codes of practice, and other relevant instruments play an important role for the global maritime sector and regulatory regime, as well as for ensuring decent working and living conditions for seafarers and port workers around the world, particularly in developing countries. UNCTAD has been following consultations and other activities related to reviews and updates of such instruments, and reports on these as part of its annual Review of Maritime Transport.

*For documentation relating to the meeting, please visit:*

*[http://www.ilo.org/sector/activities/sectoral-meetings/WCMS\\_490115/lang--en/index.htm](http://www.ilo.org/sector/activities/sectoral-meetings/WCMS_490115/lang--en/index.htm)*

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# NEW MULTILINGUAL ONLINE REPOSITORY FOR NATIONAL TRADE FACILITATION COMMITTEES LAUNCHED

With the imminent entry into force of the WTO's Trade Facilitation Agreement, UNCTAD, in collaboration with ITC and UNECE, launches the new multilingual version of the UN Online Repository for National Trade Facilitation bodies.



## An exciting time to trade

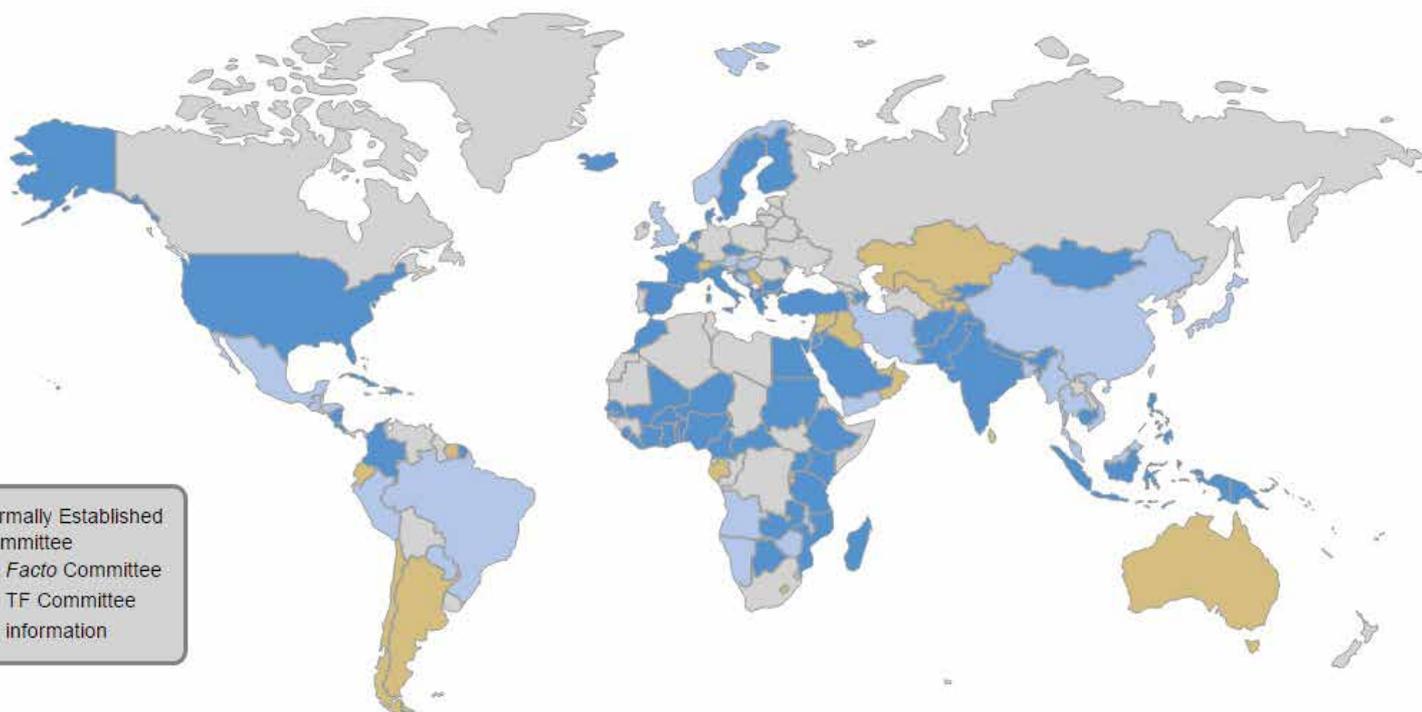
The Trade Facilitation Agreement (TFA), which was incidentally the first WTO multilateral trade agreement to be concluded since the organization's creation, was first proposed in December 2013 as part of the Bali negotiations, and subsequently revised and signed by all WTO members in November 2014. It will enter into force as soon as two-thirds its signatories have submitted their ratification instrument to the WTO.

This is a very exciting time for all stakeholders in international trade as the agreement will standardize

and expedite global supply chains. It is expected to reduce trade costs by 14.5% and expand global trade by one to three trillion dollars annually, with two thirds of gains made by developing countries. Included in the Agreement is Article 23.2, where signing members committed to the creation of a National Trade Facilitation Committee (NTFC) which would be responsible for facilitating both domestic coordination and implementation of the provisions of the agreement.

This article was specifically created to enhance private-public dialogue and ensure that trade facilitation reforms are adopted in a holistic and inclusive

way. However, experience shows that establishing and maintaining a National Trade Facilitation Committee is not as easy as it sounds. Challenges such as a lack of awareness on the part of participants, a rotation of stakeholders or a lack of funds, are just the tip of the iceberg. Thus, there is an increasing need for policy makers to know more about the experiences of other National Trade Facilitation Committees. Learning about others is crucial to achieving their full potential, but in a complex and multilingual international trading environment, communication itself can be a challenge. This is where the role of international organizations goes beyond the negotiating table.



## The UN Online Repository for National Trade Facilitation Committees

In an effort to enhance transparency and the free flow of information, UNCTAD, in collaboration with ITC and UNECE, has created an Online Repository for National Trade Facilitation Bodies (<http://unctad.org/tfc>); an online platform promulgating information on National Trade Facilitation Committees. The underlining objective is to compile data from NTFCs around the globe into a single standardized repertoire to expedite research and comparisons. Although UNCTAD has been gathering NTFCs country cases since 2008, it was only in 2013 when an interactive repository was launched.

In an exciting next step, the partners recently launched a new multilingual version (i.e. in English, French, and Spanish) of its repository, with over 130 country cases. An interactive map shows users which NTFCs have already been formally established and the legal instruments they used such as decrees, ministerial decisions, and terms of references, among others.

The repository also covers a wide range of topics including the scope of the organization, motivations for its establishment, frequency of meetings, membership, lessons learned, etc. Most significantly, the repository also provides contact information for individual committees, allowing all interested parties to go further and acquire additional information straight from the source. Users can also retrieve particular national cases to allow comparison of their NTFCs with those in other countries.

The website has been expanded to include additional trade facilitation resources such as technical notes, recommendations and guidelines for developing National Trade Facilitation Committees. This library of resources for NTFCs includes not just UNCTAD tools, but also useful documents from the UN Economic Commission for Europe and the International Trade Center. These two organizations cooperate with UNCTAD in the maintenance of the repository as well as in the delivery of the Empowerment Programme for National Trade Facilitation Committees.

UNCTAD's Empowerment Programme

for National Trade Facilitation Committees, also described in the UN Repository, is an intensive professional programme for the Secretariat and NTFCs members, which assists with the implementation and coordination of trade facilitation reforms including the WTO Trade Facilitation Agreement.

This programme is based on UNCTAD's 40 years of expertise in supporting the establishment of trade facilitation bodies in developing countries.

Finally, the website's newest upgrade includes translation into French and Spanish, with over 40 country translations already available. This latest effort parallels UNCTAD's dedication to the diffusion of information by enabling a greater number of traders, investors and government officials to benefit from the United Nations' resources.

*Article written by Bruna Gaspar. For further information contact Arantazu Sanchez ([arantazu.sanchez@unctad.org](mailto:arantazu.sanchez@unctad.org)), Trade Logistics Branch*

# SHIPPING NEEDS TO BE MORE EFFICIENT

Q&A with Dirk Vande Velde (7 November 2016)

Mediterranean Shipping Company's Chief Sustainable Development Officer



Following the launch of the Review of Maritime Transport 2016 on 7 November 2016, we sat down with Dirk Vande Velde, chief sustainable development officer for Mediterranean Shipping Company, to discuss strategies for overcoming the challenges highlighted in the Review and for making shipping more sustainable.

Q: What has MSC's strategy been to overcome the challenges facing the shipping industry, such as overcapacity and low freight rates?

A: Many analysts are saying that larger ships have led to too much carrying capacity in the industry, and that this is driving down industry earnings.

Q: But we see the challenge more from an efficiency perspective. How can we optimize our ships and trading routes?

A: One way is through vessel slot charter agreements between companies, to optimize available space on ships. We're also limiting port calls

so that we're emptying and filling our ships as much as possible at each stop.

Q: What do these strategies mean for developing countries?

A: Optimizing our shipping lines on routes in Africa, Asia and Latin America means ports in these regions will have to improve performance, and this requires training and human skills development, but also bigger and more efficient terminals.

For some, like the Port of Lomé in Togo, this means new MSC investments in the container terminal, which will create jobs in the port and in activities connected to the port, like land transport and logistics. And the investments can boost the port's attractiveness to industries looking to set up activities in Africa.

Optimized routes will cut overall transport costs, leading to lower prices on imports and exports for the benefit of consumers and producers. Take the cocoa trade for example -- the cocoa season started last month in West Africa. Small farmers produce over 90% of the cocoa we carry. Lower transport costs for West African cocoa would make these small farmers' crops more competitive on international markets.

Q: The COP22 meeting this week in November 2016 in Marrakesh has put the focus back on shipping emissions, since the sector is not regulated by the Paris Agreement on climate change. What is MSC doing to make shipping more sustainable?

A: Our efforts to reduce greenhouse emissions have focused on the key elements we control - the ships and the cargo.

Our newer vessels are built with G95 engines, for example, compliant with industry standards for fuel consumption that won't come into effect until 2020-2025.

We've also fit 133 vessels with the necessary equipment to connect to onshore power networks, allowing them to shut down their diesel engines and generators when docked, cutting emissions to zero in the port.

For cargo, we've developed an automated stowage system to eliminate human error when stowing dangerous cargo, and to allow us to act immediately in case of an emergency. Our emergency response management system is fast and flexible and can reduce the impact on people and the environment.

This year we picked up the top award for greenest ship of the year at the International Green Shipping Awards in Rotterdam.

Q: How does MSC's sustainability work benefit developing countries?

A: Our search for alternative energy supplies will benefit developing countries, many of which have great potential as producers of renewable energy like solar, wind and geothermal.

MSC offices around the world provide financial support and staff time to develop programmes in local communities, like sports programmes for under-privileged children in Brazil and early childhood development programmes in South Africa, for example.

And we have an apprenticeship programme for young people from

under-privileged communities, which offer job opportunities after a three-year training period.

In the last two years we've developed over 115 training courses, made available to all employees, including those in our hundreds of offices in developing countries.

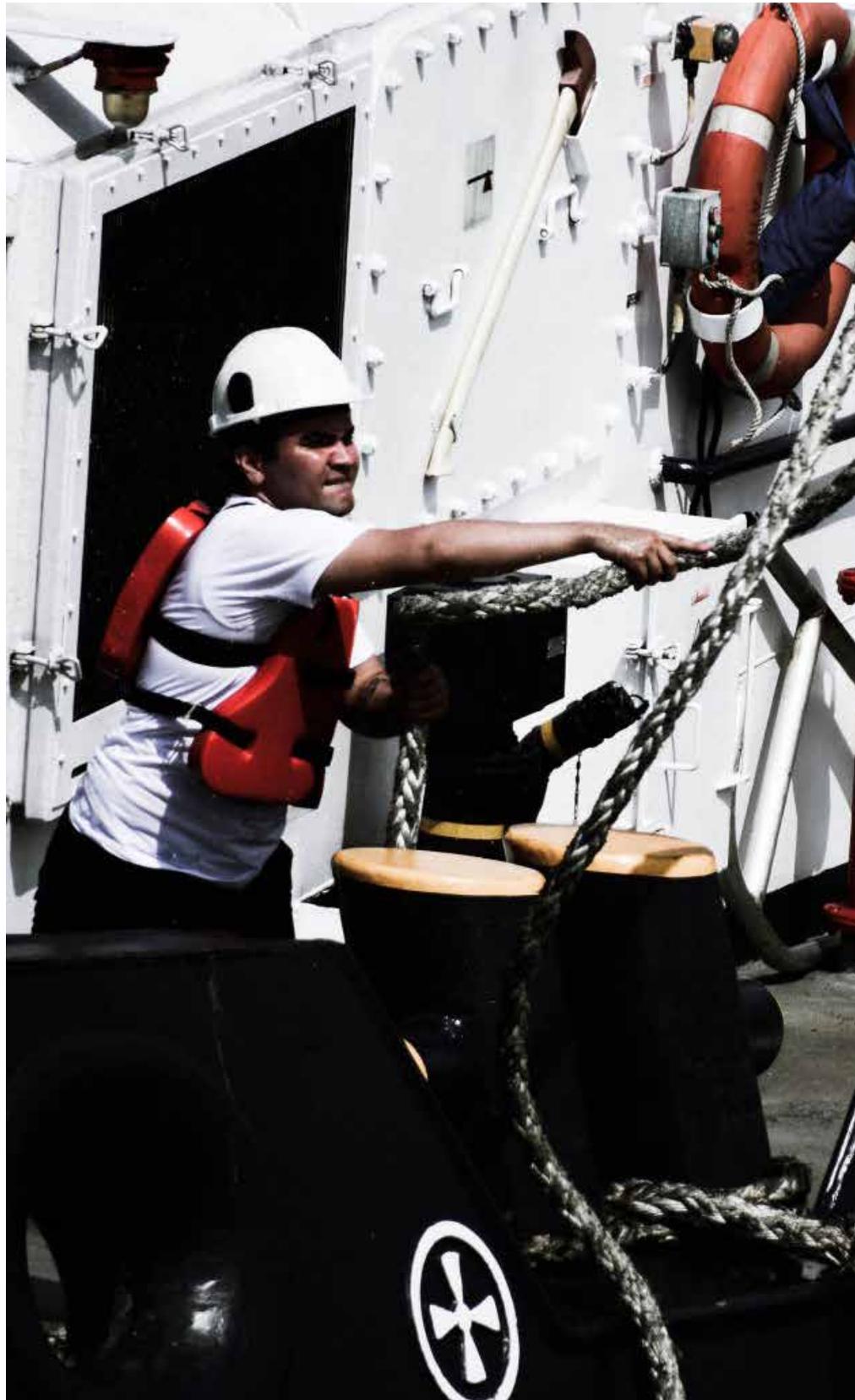
Q: What role do you see the United Nations playing in efforts to cut down shipping emissions?

A: We need reliable and independent data, and specialized UN agencies have an important role to play.

Right now hundreds of organizations are working on sustainability indicators for shipping, each with their own methodology, which at times can be incompatible. The UN could help standardize such indicators, to make sure we're comparing apples to apples.

And organizations such as UNCTAD could use their meetings and publications to highlight practices that are having concrete results, and give them more visibility. For instance, the industry has, in our view, not given enough attention to the potential of shore power supply even though it can help cut ship emissions to zero within the port area. As I said, 133 of our ships are equipped, but many of the ports at which they call are not.

<http://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=1375>



# DO TRADE FACILITATION PROVISIONS IN REGIONAL TRADE AGREEMENTS MATTER?

Yann Duval, Nora Neufeld and Chorthip Utoktham

The scope and depth of bilateral and regional preferential trade agreements (RTAs) negotiated over the past 15 years has expanded beyond traditional market access and preferential tariffs to include provisions on a wide range of issues, including trade facilitation. In this new ARTNeT working paper, the authors make a first attempt at measuring the extent to which RTA provisions related to those featured in the WTO Trade Facilitation Agreement (TFA) contribute to reducing trade costs.

TFA-related provisions in RTAs have a statistically significant impact on bilateral trade costs among RTA members, although inclusion of such provisions in RTAs does not systematically result in their implementation. Aid for Trade Facilitation measures and Freedom of Transit provisions are found to be relatively more effective at reducing trade costs between members than other types of trade

facilitation measures. Importantly, the discriminatory (preferential) effect of trade facilitation provisions in RTAs is accompanied by a non-discriminatory reduction in trade costs with all trade partners. Multilateral spillovers from trade facilitation measures in RTAs on trade costs are found to exceed any discriminatory effects within three years of an RTA's entry into force, highlighting the complementarity between regional and global trade facilitation initiatives. With the WTO TFA likely to enter into force early in 2017, trade policy makers and negotiators will need to become more ambitious in the type of trade facilitation provisions and measures they will include in RTAs, in order for RTAs to provide members with continuous leadership in streamlining trade procedures. Given that Governments are in many cases already implementing trade facilitation measures unilaterally, particular attention may be given in future RTAs to trade facilitation measures that require

close cooperation between members to be implemented, such as one-stop border crossings or cross-border electronic exchange of trade data and documents. The various initiatives taking place in the Asia-Pacific region, including the ASEAN Single Window and the Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific, are particularly promising in this regard.

For details, see ARTNeT Working Paper No. 164/2016 at:

[http://www.unescap.org/sites/default/files/AWP\\_No.164F.pdf](http://www.unescap.org/sites/default/files/AWP_No.164F.pdf)

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# UPDATE OF UN GLOBAL SURVEY ON TRADE FACILITATION AND PAPERLESS TRADE IMPLEMENTATION LAUNCHED

**The Second Global Survey on Trade Facilitation and Paperless Trade Implementation commences in January 2017**

It will build upon the success of First Global Survey jointly conducted by five United Nations Regional Commissions in collaboration with a large group of partners including UNCTAD, OECD, International Trade Centre (ITC), Oceania Customs Organization (OCO) and El Sistema Económico Latino Americano y del Caribe (SELA) in 2015. Further information on the First Global Survey is available at <https://unnex.unescap.org/content/global-survey-trade-facilitation-and-paperless-trade-implementation-2015>.

The Survey will support implementation of the WTO Trade Facilitation Agreement as well as emerging regional and global initiatives on paperless trade and

e-trade, such as the new Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific. The scope of the Survey will remain broadly the same as in 2015, with increased focus on measures of particular importance to SMEs and the agricultural sector. Results are expected to provide useful information for policy makers to harness trade as a key means of implementation of the 2030 Agenda for Sustainable Development.

Data collection will take place between end of January 2017 to March 2017. Partnership was the key to success for the First Global Survey, and will be further strengthened in the

Second Global Survey. In this regard, interested international organizations including regional and subregional organizations, industry associations, academia, research institutes and other stakeholders are very welcome to join this initiative.

*To do so and for any further information, please contact Yann Duval, Chief ([duval@un.org](mailto:duval@un.org)), and/or Tengfei Wang, Economic Affairs Officer ([wangt@un.org](mailto:wangt@un.org)); both from the Trade Facilitation Unit, Trade, Investment and Innovation Division, UNESCAP. UNCTAD focal point: [Bismark.Sitorus@unctad.org](mailto:Bismark.Sitorus@unctad.org)*



# Maritime and Logistics Profile of Latin America and the Caribbean

The Maritime and Logistics Profile is an interactive data tool for Latin America and the Caribbean, offering information on port activity, modal split in international transport and selected data on transport infrastructure endowment and performance.

<http://perfil.cepal.org>



# REFLECTIONS ON THE FUTURE OF PORTS

## What are the future innovations necessary in order to face the changes coming to the port industry?

The authors participated to the 25th Latin American congress of Ports in Merida, Mexico. They had the opportunity to develop better this article thanks to the information collected from public and private sector. The original paper is available in Spanish at <http://bit.ly/2hlmLi2>

### Innovation is a key element in long-term development and a valuable and competitive resource.

It is necessary to give special importance to innovation and to manage it within companies, ports, terminals, and within the infrastructure services authorities in which the ports and the rest of the logistics chain are located. In a highly competitive, changing and uncertain world, willingness to change and implement innovation strategies is key to adaptation, sustainable development and success in markets and in meeting the common objectives of the Society and the State.

Change fosters innovation and vice versa. Both should be done through different areas. In this set, some elements correspond to objects of innovation, while others are exogenous changes. Those reflections will be developed around 6 main areas of change and innovation as per following:

- Cultural
- Environmental and climate
- Governmental
- Geographical and territorial
- Commercial
- Technological

### Without cultural change there will be no innovation

Cultural change may be one of the most important barriers to innovation. Cultural changes are essential factors when considering innovation and adaptation processes in order to face increasing environmental, social and labor challenges as well as increasing volatility. At the social level, innovation, allows the reinforcement of technological knowledge and a successful performance in terms of labor and social relations such as productivity, competitiveness and efficiency.

In order to face innovation challenges, it is important to keep in mind the potential and the current limits of the training of the port manager, workers and authorities. It is required to keep its abilities updated and to prepare him to face the coming challenges of the industry.

### The importance of environmental and climate considerations in ports will increase

In the coming years, as the Agenda 2030 and the Sustainable Development Objectives are strengthened, environmental care and the fight against climate change will be of increasing substantive importance in the agenda of ports of the future. By their location on the coastal edge, their interface sea-land and economic and social role, ports have a responsibility and task to protect and prepare themselves to face the effects of climate change.

In order to reduce their carbon footprint, in which technological change will play a central role, ports should move towards climate resilience such as the Rotterdam carbon neutral program by 2050, for example. Ports must revolutionize operations towards sustainable activities. This includes energy efficiency strategies, reducing carbon footprint, local pollutants and other emissions, reducing water footprint and managing waste.

Along the whole supply chain, an adequate internalization of external costs should be taken as a general objective. Since within the region a majority of ports operate in the vicinity of cities and by agglomerations of population, negative external effects (emissions, noise, and congestion) have direct and immediate repercussions on the population.

### Governance and public-private, social and labour relations

As innovation in social capital will be a significant element, innovation and cooperation should be extended within the port community, by the authorities, taking into account workers and economic and social factors. The public and private sectors need tools to promote and develop technological knowledge and the innovative, productive and organizational performance of workers, companies and authorities. This aims a more competitive global position thanks good reactivity to face regulation changes. While labor relations must adapt to the new environment, it is essential to prepare workers for change and innovation in the way of exposing the framework of the transformations and their own roles within it. In the new context, this includes training actions, reviewed ex ante.

A change in port governance is already necessary, for the future, in the context of

a new governance of infrastructure services, including integrated and sustainable policies. Moreover, a new governance is necessary for the integration of the logistics chain under a comprehensive and sustainable public policy, based on an integrated and systemic vision, possibly requiring the design of new policy instruments.

It will be very important to update and align the institutional framework with the challenges of the future and to design a well-defined institutional framework which details the scope of action of the state and the private sector. This framework must be stable and adequate to face changes and propose new norms and legislation to foster port business activity. It must have an "integrated and systemic approach, including integration with the hinterland, logistics, production, and other modes of transport". It will foster performance, efficiency, productivity and competitiveness.

The improvement of bureaucratic and tax procedures should occur in the benefit of commercial operations. Automation and interconnectivity will allow for rationalization and acceleration of administrative procedures, due to the standardization and use of common practices. Through this refinement, less paper is used and the adoption of a single window will be part of a new bureaucratic vision of the port operation. In terms of taxes, fiscal policies need to promote investments in expansion and innovation and the simplify tax procedures, which often lead to high transaction costs.

Moreover, there will be better opportunities to combine competition with cooperation, with the objective of sharing transparent data and information, common strategies for maintenance and purchase of inputs, promotion services, etc., without detriment to the natural vocation of competition between ports.

A greater cooperation will be required between ports and knowledge centers in order to promote innovation and thereby contribute to the expansion of port productivity and efficiency. Meanwhile, innovation must also reach the city-port relationship. To achieve this, there must be a permanent dialogue, a unique strategic framework and planning which consolidates and strengthens the port-city relationship and opportunities.

### Geographical and territorial changes

The world is moving towards the consolidation of a new port hierarchy. Looking ahead, some

major ports will be served from hubs and will no longer have direct services. However, the port community should consider it as an opportunity to rethink the national and regional port system, in which secondary ports may acquire greater importance and look for diversification activities.

There is a need to improve logistics and territory integration through foreland and hinterland. The hinterland is the economic attraction zone of a port that represents a physical and functional link between logistics, transport and distribution networks. Such integration requires continuous investment in port facilities and connections. It also presents challenges such as coordination and management of market players. In this case it is not considered “growth” but rather “structural transformation”.

The relocation of ports is a current trend that will consolidate in the future. The relocation of the old ports allows the port life cycle to be regenerated. It occurs when the limits on rationalization, investment or access are reached. Moreover, it appears when too many externalities are generated in the environment as congested roads, railways and infrastructure. It also comes with the difficulty to handle increasing volumes or demand for transport. This leads many ports to the so-called location splitting process, or relocation of port facilities.

A possible geostrategic radical change will affect the demand for maritime and port services which could imply a regional balance that is different from the current one. This uncertainty relates to the initiatives of One Belt, One Road, TPP and the expansion of major arteries (Panama Canal and Suez Canal), among others. Nonetheless, other opportunities could come out for emerging markets, in particular the notable expansion of consumer classes in relatively less developed countries.

### **Changes in the commercial area and the new context of port activity**

Some current trends and strategies of market players will deepen and new ones will appear. In the future, shipped commodities and final products may be affected by industrial, technological and geopolitical changes. Also, the form of distribution may change through, for instance, e-commerce. Likewise, new commercial and business strategies will be related to the expansion of the business within the logistics chain. The expansion of ports, while offering more and new job opportunities, will also create social

and ecological pressures. For these reasons, relations with workers, communities and nature should be reassessed.

Overcapacity in ports and the shipping industry is a factor that conditions current and future trade scenarios. As a result of the current situation of the port market along some trade routes, it is possible that there is an oversupply of port capacity in some areas, which will need to be solved in order to avoid competitive distortions.

The port business spectrum will continue to grow. Indeed it is not reduced to imports and exports, its activities are more extensive. Through regional and technological integration, more operational areas of the business will be explored and allow for a diversification of activities and sources of income.

The improvement of international competitiveness will no longer be the sole objective of the main ports. An integrated port, due to innovations in technology, would respond to changing rules and international dynamics more efficiently through port performance. Interaction between systems, growth of sustainability and more security are synonymous to better competitiveness and good commercial conditions.

Changes would promote a better development of the commercial and service conditions to all the clients of the logistics chain. The set of technological changes will develop a better knowledge of the needs of port clients. An optimized port activity leads to better planning, saves time, improves the tracking of containers and also offers a better level of service. Likewise, a sustainable activity.

### **Technological changes**

Technical progress will cultivate the environment of change and continuous improvement. Indeed, both in ports and in the entire supply chain, the adoption of innovative technologies and practices for organization and administration processes is a growing phenomenon. Economies of scale, scope and network, globalization and competitiveness among ports are the driving principles that require special attention to achieve technological and organizational efficiency and innovation in ports and networks with the hinterland and the foreland. Moreover, in ports, the internet of things and big data, will follow the tendencies of other industries to reach an ecosystem of intelligent and connected applications that raise information for the integration of different processes.

In the same way, automation and robotics have assured steps toward the future and allow increased autonomy in activities such as improved performance and safety. The growth of available information allows for a more efficient monitoring and also a better competitiveness. It generates cost savings and allows a better reactivity to face specific changes in the logistics chain.

More advanced changes will correspond to technical progress, and will generate new tectonic changes in the industry. These changes refer to the role of technology in manufacturing (autonomous vehicles, 3D printing, applied robotics and advanced e-commerce), and the technologies and innovation applied to production and consumption models, which can also have a broad impact on the supply chain.

In addition to greater automation, IoT and robotics, cyber security will be a necessity and a growing demand. The rapid evolution in use and reliance on information and communication technologies, as well as advances in automation and the possibility of integrating multiple electronic systems to support management functions and business applications, increase the importance of addressing the inherent vulnerabilities and prevent their possible effects.

As the future is uncertain, the industry must be prepared to face different scenarios. In order to withstand the change, development and innovation must be a priority. To observe an efficient development it is mandatory to consider and communicate with the workforce. Moreover, integration is also a factor of success within the scope of innovation.

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# TMEA PROJECT RESULTS IN UGANDA

Objectives of the project include reduced transport time and increased volumes, increased ease of trading across borders, enhanced business environment for trade, as well as improved export capability. More information here: <http://results.trademarkea.com/ugandaes/>

## GENERAL COUNTRY RESULTS

### CONTEXT AND CHALLENGE

As a land locked country, Uganda relies on the Northern Corridor as its lifeline to the Mombasa Port. Any delays along this corridor have a direct negative impact on the cost of trade, which in turn undermines both business competitiveness and consumer prices. Delays at both the Port, the border crossings at Malaba and Busia, and an array of non-tariff barriers along the corridor from Mombasa to Kampala result in cargo trucks spending a long time on the road. Others economic challenges including high trade deficit, high cost of doing business because of poor infrastructure and low value addition to agricultural produce including poor standards inhibit Uganda's economic progress.

### RESPONSE

TMEA collaborated with the government of Uganda to facilitate programmes that reduce time and cost of doing business. These include:

- Information and Communication Technology that increase efficiency of import and export processes and enhance revenue collection;
- Facilitate improvement in standards of goods produced in Uganda;
- Facilitate upgrading of key infrastructure like One Stop Border posts at Malaba, Busia, Mirama Hills and Mutukula in order to reduce time taken to exit borders.

### TIME TAKEN TO DELIVER RESULTS.

Interviewed stakeholders indicated that TMEAs involvement in the projects brought forward their completion schedules by 4 to 8 years.



**15%** TMEA target on reducing transit time across borders.

**2010**

The launch of TMEA Uganda

**US\$100 M**

TMEA Uganda budget from 2010 to 2016



**US\$ 97M**  
NEW TRADE 2014 TO 2016



**14%**  
RETURN ON INVESTMENT

New trade in Uganda resulting from reduced trade costs brought about by evaluated TMEA supported interventions.

Return on investment to date, from Electronic Cargo Tracking System, ASYCUDA World, Authorised Economic Operators and Standards.



# PROJECTS

## UGANDA REVENUE AUTHORITY CUSTOM MODERNISATION PROGRAMME

Project components include the Electronic Cargo Tracking System (ECTS), upgrade of the customs management system ASYCUDA WORLD, and the Authorised Economic Operator (AEO) initiative.

[Learn More](#) about the URA custom modernisation programme.



**↑48%**

Increase in revenue as of June 2015



**↓30%**

Reduction of customs processing time

**15,000**

Transit shipments tracked annually

**↓USD 36M**

Annual savings on shipments to Uganda

**75%**

Reduction in transit time from **8-2 DAYS**

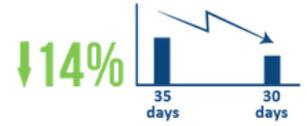
**US\$400 - 600**

Cost savings per truck daily

## NON-TARIFF BARRIERS TO TRADE

**USD 490M**

Estimated cost of NTBs' to the East Africa Community (EAC)



Uganda goods exported to the region faster



## UGANDA NATIONAL BUREAU OF STANDARDS (UNBS) - STANDARDS

Programme components include: Support the training of UNBS staff, modernising laboratories, review and adoption of standards policies, creation of quality and standards awareness amongst producers and consumers, advocacy for the adoption of National Standards and Quality Policy ensure sustainability.

[Learn More](#) about the UNBS project.

**↓58%**



Reduction on average testing time for cement, steel and maize FROM 19 TO 18 DAYS

**↓71%**



Reduction in testing costs

**↑75%**

Increase of farm gate price for 1 kg of graded maize. Farmers earning more



Increase number of buyers in supported Masindi and Nakaseke districts

**90** New products CERTIFIED

Attributed to the increasing demand for certification

## SOUTHERN AND EASTERN AFRICA TRADE INFORMATION AND NEGOTIATIONS INSTITUTE (SEATINI)

TMEA supported SEATINI to: advocate for implementation of EAC standards on maize, draft the sesame standards and lobby for adoption, create awareness to at least 10,000 farmers in Nakaseke and Masindi districts and train them on ways of improving maize standards. The awareness campaigns have so far reached at least 21,000 farmers.

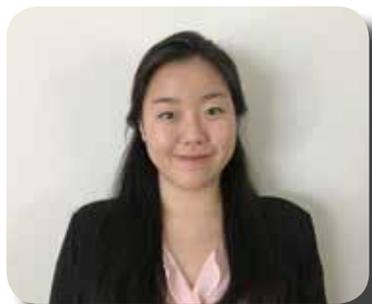
[Learn More](#) about the SEATINI project.



# TRILATERAL COOPERATION ON TRADE AND TRANSPORTATION IN EURASIA

## China, Mongolia and Russia boost cooperation to increase connectivity and maximize regional economic opportunities.

An article by Yeji Lee



Although perhaps overshadowed by more volatile dynamics of East Asian countries, China, Mongolia and Russia are quickly stepping up their trilateral cooperation on trade and transportation. These three countries make up around 12% of global trade, 20% of the world's total land area and over 20% of the global population.

I had the opportunity to travel across six transportation hubs in China, Mongolia and Russia as the South Korean representative in the 20th Asia-Europe Foundation Summer University (ASEFSU20) programme. Under the theme "Gateways of Asia and Europe: Connectivity by Land, Sea & Air", 47 participants from 45 countries travelled 8,000 km to explore the role and the challenges of trade and transportation in intercontinental connectivity. What I found particularly striking throughout the journey was the unparalleled enthusiasm all three countries had in accelerating their transport linkages.

Improving transportation to facilitate trade is a shared priority for them, not least because of their high economic interdependence. Roughly 24 trillion kilograms of freight were shipped among China, Mongolia and Russia in 2015. China was Russia's second largest export partner, and the destination of over 80% of Mongolian exports. In the same year, 63% of Mongolian imports came from China and Russia, and 20% of Russian imports came from China. China and Russia also have major oil and gas export agreements, which allow them to diversify away from having a single dominant source of demand (EU) and supply (the Middle East). While Mongolia accounts for a much smaller portion of global trade than its giant neighbors, it is a geographically critical intermediary to trade between China and Russia and between

East Asia and Europe. As a landlocked country, Mongolia also depends heavily on having access to Chinese ports to enter new markets.

The interdependence in the region is further spurred by unique political motivations. China plans to keep in check the US interests in the region by strengthening its own level of influence. Russia turns towards its southern neighbors increasingly given the recent tensions and economic sanctions from the West. Mongolia seeks to strengthen its relations with China and Russia to increase its own visibility within Asian and global diplomatic spheres, while simultaneously pursuing the "third neighbor" policy to balance these relations.

Clearly recognizing the opportunities that can arise from further cooperation, the three countries have been actively engaged in developing economic and infrastructural links across the region. A trilateral partnership agreement signed in June 2016 established an economic corridor among China, Mongolia and Russia. A milestone towards creating the conditions for increased trade and investment, the agreement consists of 32 proposed projects including infrastructure projects that would modernize and increase freight capacity of the Ulan Bator railway and build road freight transportation. The governments also signed an agreement on mutual recognition of customs inspection results for a set of goods to facilitate border procedures.

The corridor essentially integrates each partner's strategies for boosting transportation connectivity, namely, China-led One Belt One Road initiative, Russia-led trans-Eurasian rail and road systems, and Mongolia's Steppe Route programme. Implementation of the economic corridor has been swift so far. Construction of the China-Mongolia Cross-border Economic Cooperation Zone, a key part of the economic corridor, began in September 2016 and 50 enterprises are expected to operate in the zone by the end of 2016. They will enjoy zero tariffs for exporting products produced within the 18 square kilometer zone spanning from Erenhot in China's Inner Mongolia to Zamyn-Uud in Mongolia.

Most recently in December 2016, the neighbors also signed the Intergovernmental Agreement on International Road Transport along the Asian Highway Network to further

eliminate transit barriers. The agreement facilitates trade by providing new links between China and Russia through Mongolia and sea access to landlocked Mongolia. People in rural areas will be better connected and businesses will benefit from reduced delivery times and more trade opportunities.

Such advances in transportation and trade facilitation motivate and enable partnerships in other areas of the economy as well, for instance, tourism. China and Mongolia signed ten cross-border tourism cooperation agreements at the first China-Mongolia Expo in 2015. These projects would support construction of new hotels and resorts, train specialized personnel in the hospitality industry and increase connection of popular tour routes in both countries. Developing and promoting themed tours such as the Great Tea Road, which follows the historical route taken to carry tea and other commodities between Russia and China, and Red Tourism, which explores sites with historical significance for communism, are hot in the regional tourism discussions.

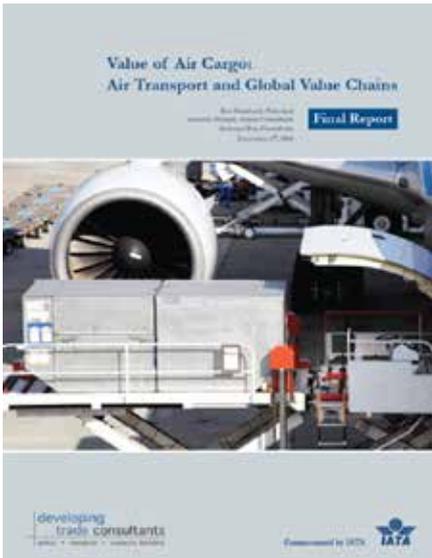
There are also a wide set of challenges that can be expected to rise with increased transport connectivity. How can we improve the safety of trains and underground transportation systems while keeping them fast, accessible and affordable? How will we combat the environmental damage near transportation routes such as Lake Baikal from increased tourism? What can we do to ensure safety, and respect cultural differences, of passengers and employees in transportation hubs in case of a pandemic outbreak? These are some of the problems for which ASEFSU20 participants developed real-scenario solutions. The governments, businesses, NGOs, academia and local communities should continue to address these issues in order to promote healthy economic and social development in the region.

China, Mongolia, and Russia have ratified the Trade Facilitation Agreement. With just seven more ratifications needed for it to enter into force at the start of 2017, it will be interesting to see how much synergy is created from TFA and the evolving trilateral cooperation.

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# NEW STUDY: VALUE OF AIR CARGO: AIR TRANSPORT AND GLOBAL VALUE CHAINS

From an economic policy perspective, it is critical to better understand the factors that enable countries, particularly developing ones, to join Global Value Chains (GVCs), and move up to higher value added activities. As part of a research project, IATA commissioned Developing Trade Consultants to undertake this study that, for the first time, quantifies the relationship between air cargo connectivity and participation in global trade.



The study recommended the following policy level and practical implementation interventions that are needed to better position countries for participating into Global Value Chains:

**• Policy level priorities are the ratification and implementation of:**

- o 1999 Montreal Convention
- o Bali Trade Facilitation Agreement of the World Trade Organization
- o Revised Kyoto Convention.

**• Key practical air cargo specific interventions that are needed:**

- o Facilitation of electronic processing, through eAir Way Bill and eFreight
- o Implementation of “single window” processing – ultimately enabling submission of all regulatory documents for trade via one channel
- o Coordinated border agency procedures to reduce duplicative controls
- o Implementation of risk management controls at border to combat illicit activities and facilitate compliant traders

o Deployment of processes to approve release of shipments in advance of their actual arrival.

The findings in this report can serve as evidence in support of policy deliberations on improving the trade facilitation environment and helping countries integrate into Global Value Chains.

**Key findings include:**

- A 1% increase in air cargo connectivity is associated with a 6.3% increase in trade.
- The study developed measures of key quality parameters of customs services through two indexes - the Air Trade Facilitation Index (ATFI) and the eFreight Facilitation Index (EFFI).
- Countries that performed better on these indexes also were more integrated into GVCs.

See full report: <http://www.iata.org/publications/economic-briefings/value-of-air-cargo-2016-report.pdf>  
 For further information, please contact George Anjaparidze ([anjaparidg@iata.org](mailto:anjaparidg@iata.org)), IATA

**Air Trade Facilitation Index**

Rank	Country
1	Austria
2	Slovenia
3	Republic of Korea
4	Italy
5	Sweden
6	Netherlands
7	Finland
8	Japan
9	Canada
10	Denmark

**eFreight Friendliness Index**

Rank	Country
1	United Arab Emirates
2	Denmark
3	Hong Kong
4	Singapore
5	Sweden
6	Republic of Korea
7	Canada
8	Netherlands
9	South Africa
10	United States

# DIGITAL AND COLLABORATIVE NETWORK OF PORTS IN LATIN AMERICA AND THE CARIBBEAN: EXPERIENCES AND PERSPECTIVES

An article from Luis M. Ascencio (Latin America and Caribbean Economic System SELA) and Rosa G. González-Ramírez (Faculty of Engineering and Applied Sciences, Universidad de Los Andes Chile)

## 1. Background of the Digital and Collaborative Network in Latin America and the Caribbean (LAC) SELA/CAF.

The economies of Latin America and the Caribbean present structural problems that limit the competitiveness, logistics performance and productivity of their logistics activities, as it can be observed in the results of the different reports related to the Logistics Performance Index (LPI) or Doing Business (in the specific metrics related to trade across borders). Additionally, low inter-regional foreign trade volumes are observed as pointed out in Review of Maritime Transport 2014 (UNCTAD, 2014). One of the main characteristics of the countries with a good logistic performance is strong public and private institutions, as well as the use of collaborative information technologies.

Motivated by previous issues, the Program on Digital and Collaborative Network of ports in Latin America and the Caribbean<sup>1</sup> has been implemented by SELA (Latin America and Caribbean Economic System) and the Development Bank of Latin America CAF. The program initiated the first phase in 2014, with the participation of the ports and their communities of Manzanillo and Veracruz in Mexico; Buenaventura and Cartagena in Colombia; Callao in Peru; San Antonio and Valparaíso in Chile; and Balboa and Colon in Panama. At the end of 2015 the second phase of the program was initiated, incorporating the ports of Altamira in Mexico, Li-

1 [http://www.sela.org/media/268484/digital\\_ports\\_in\\_lat\\_in\\_america\\_and\\_the\\_caribbean.pdf](http://www.sela.org/media/268484/digital_ports_in_lat_in_america_and_the_caribbean.pdf)

mon-Moin in Costa Rica; Port of Spain in Trinidad and Tobago; Guayaquil in Ecuador; Paita in Peru and Montevideo in Uruguay; and finalizing in October 2016. A third phase of the program is considered to be implemented during 2017, which is currently under design and evaluation.

The objective of this program has been the establishment of a new collaborative and inter-institutional scheme to facilitate public policies actions at a national level (top down) and technical recommendations at a local level (bottom up) that may foster more competitiveness of the port logistic communities based on a best practice approach for the administration of the port logistic chain, an interinstitutional governance, service standards, port community systems and collaboration in national and international networks. This program is complementary to other initiatives of a regional scope such as CAF-LOGRA from the Development Bank of Latin America and the Network VUCE of National Single Windows from the Inter-American Development Bank (IDB). All of these initiatives are focused on the strengthening and institutional modernization of governments in foreign trade and international logistics matters.

The main strategy of the program is to form in each country, a network of collaborators, including:

- (i) Public Institutions (Ministry of Transport, Maritime Authorities; National Port Authorities and Local Port Authorities);
- (ii) Private Institutions (Lo-

gistic and Transport Associations, Technologic service providers companies; Consulting companies and Regional organizations; Port Terminal concessioners);

- (iii) Multilateral Institutions such as ECLAC, UNCTAD, World Bank, IDB, among others.
- (iv) Academic Institutions (Universities and Regional Research Centers).

The program aims to facilitate a permanent dialogue and develop technical cooperation activities according to the specific requirements. In addition, the program is currently defining a strategy for the sustainability and institutionalization of the network as a foundation that could be maintained over time.

A reference model for the competitiveness of the port logistics chain<sup>2</sup> has been proposed by the program, based on four pillars and 12 checkpoints that have been identified as key elements to increase the competitiveness of the ports in the region. Furthermore, Schulte et al., (2016) have proposed directions for sustainable ports, emphasizing the sustainability requirement of ports (based on the economic, social, environmental and institutional dimensions).

2 <http://www.sela.org/redpuertos/modelo-cadena-log-port/el-modelo/>

### **Pillar 1: Operational integration with the port supply chain**

-Anticipated authorization and clearance procedures of import cargo (prior to the arrival of the vessel to the port)

-Synchronization of the transport systems: ship-container-truck-trail

-Logistics and coordination of inspections and cargo control

### **Pillar 2: Governance and institutional**

-Governance at the local level: port logistics community as a private and public organizational scheme

-Governance at the subregional level: logistics corridors

-Governance at a national level: Council of port logistics

### **Pillar 3: Quality assurance, security and efficiency of port logistics services.**

-Quality service standards for the port supply chain

-Business and operational rules that include compensations schemes

-Key Performance Indicators for the operations at the different interfaces of the port supply chain that include time, costs, and emissions measures.

### **Pillar 4: Electronic data interchange and interoperability of the information systems**

-Port Community Systems (PCS) and National Single Windows (NSW) as a central platform to coordinate

-Digitalization of data and collaborative platforms for coordination of the port supply chain

-Interoperability of the different systems, with an special emphasis on the interoperability of the PCSs and the NSW.

## **2. Activities performed in the program**

At each port community different activities were performed as part of the technical cooperation during the first and second phase of the program, as summarized below:

- Strategic workshops. At each port, a workshop was performed with the aim to present the program but also to establish a dialogue with the stakeholders of the port community and ask them to evaluate the current situation of the port in terms of the four pillars and checkpoints established in the reference model, following a SWOT analysis. After performing several interviews with representative stakeholders of the port, this is the first group activity performed at each port.
- Research groups (GAM). Different research groups were conformed, which include researchers, professors and consultants that currently work in areas related to logistics, foreign trade and ports. The objective is to foster local and national research in these lines, and support the development of technical assistant and consulting to the port logistic communities. As an example, one important activity that has been derived from the program is the technical assistance from the research group of the port of Buenaventura in Colombia, to conform the Strategic Plan of the port logistics community of Buenaventura, with the sponsorship of the GIDS Foundation (a foundation that was developed by different associations such as the Commerce Chamber of Buenaventura). Currently, the program is collaborating with more than 30 universities in the region.
- Training for the industry. With the aim to provide and spread knowledge related to logistics, collaboration and the use of information sys-

tems and technologies among the stakeholders, several workshops were developed at each port community. The activities may include also technical visits to the facilities of the port so that the different stakeholders get more familiar with the port operations. In several of the cases, the universities collaborating in the program provided a diploma for the assistance to the participants.

- First Regional Meeting. The meeting considered the participation of delegates from more than 36 institutions that currently participate in the program attended in a three-day seminar that was held in Panama (14-16 July 2016). The agenda of the meeting included thematic blocks where some of the participants presented a lecture, followed by a discussion panel, in terms of the different elements of the reference model for competitiveness of the port logistic chain.

In addition to the previous activities, during the execution of the program, several studies were performed in order to derive a diagnose of the situation of the different port communities in the region and derive more specific guidelines and recommendations. In Schulte et al., (2016) we can observe the results of a study that aim to provide recommendations for a sustainable development of ports in the region. A comprehensive study has been also developed in order to measure the level of implementation of the different measures to foster competitiveness and sustainability of the port community at each port participating in the program. For this, an online survey was applied and results will be published in the final report of the program by SELA.



Group picture at the First Regional Meeting 2016- SELA/CAF held in Panama.

### 3. Discussion and guidelines for further activities of the program

The activities of the program provide insights to develop guidelines and further steps that need to be taken in the next stages of the program. It is evident the importance of having a national vision for the port development to integrate efforts at the national, regional and local level. Regrettably, several local initiatives do not have the strength and attention that is required due to the lack of a common vision on the topic. Some countries have initiated some efforts to mitigate this issue and have incorporated in their national strategic plans several concepts that are promoted by the program Network of Digital and Collaborative ports. As an illustration Chile worked during 2015 on the development of a national vision of ports and their logistics, which was published at the beginning of 2016.<sup>3</sup> For this, several workshops and group activities were developed in which the different stakeholders of ports and academics were consulted. SELA also participated through the main coordinator of the program providing technical guidance.

One key element that was identified for the successful implementation or strengthening the port logistic communities, is the identification of a local "Champion" or leader that may promote the collaborative actions of a public-private-academic work in each port system. In this regard, some

3 <http://www.innovacion.cl/wp-content/uploads/2016/01/ESTRATEGIA-2030-DE-PUERTOS-Y-SU-LOG%C3%8DSTICA.pdf>

countries have already achieved some progress by identifying who is going to assume this role, who could be the port authority at the local level (Port Authorities in Chile and Mexico), or at the national level (Port Authority of Peru and the Maritime and Logistics Cabinet in Panama), or from the private sector (The Commerce Chambers in Colombia and the Foundation GDIS).

There is also evidence that ports are concerned with the development of technological and logistics innovation projects, and there are some ports that have been more active in this regard than others. PCS projects in the region are still very incipient, and main efforts have been focused on the development of NSW projects. Further efforts are necessary to align the development of these type of projects among the multiple ministries and authorities involved, whom require a closer collaboration with the port community stakeholders.

In terms of research and innovation, there is still a significant gap in this matter, but the program has been promoting the topic of port logistics as a research line and several researchers and academics have manifested their interest to collaborate in this area. It is also necessary to foster a closer collaboration among the academy, the industry and the government. This is not an easy task as compared to other regions, human and financial resources are scarce. Finally, the availability of specialized training programs in these matters are still incipient and represent an opportunity area for the region.

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## PUBLICATIONS

### Improving Border Agency Cooperation Among OIC Member States for Facilitating Trade

COMCEC

The research findings strongly suggest that international Border Agency Cooperation has already had a substantial positive impact on trade facilitation worldwide. Thanks to the ongoing efforts, border control agencies are realising many benefits of inter-agency and international cooperation on border management matters. However, the research discovered several innovative activities that have not yet been exploited to their fullest potential, especially in the less developed parts of the world and the OIC community. .

<http://bit.ly/2iFm2ZM>

### Maritime Policy & Management

Volume 43, Issue 8, 2016

This issue includes articles on sustainable performance at ports and the Panama Canal expansion, among others.

<http://mpm.iame.info>

### Maritime Economics & Logistics

New articles published

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>

### Port Policy Review of Chile

International Transport Forum

This report assesses port policies in Chile. It reviews the performance of Chilean ports, analyses current policies and identifies the main bottlenecks to performance within those current policies. Based on this assessment, it offers a series of recommendations that also take into account good international practices relevant for Chile. The report draws on two study visits to Chile, a series of interviews with relevant stakeholders and data made available by these stakeholders.

<http://bit.ly/2k7o0bJ>

## EVENTS

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

30 January to 10 February 2017

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/2iMyBDb>

### Did you know?

#### Dynamar “Top 25 Container liner operators”

The top 25 container liner operators control a combined fleet of more than 3,750 vessels that can carry 18 million containers, equivalent to 87% of global capacity. For the first time, as a group, the top 25 carriers posted a combined net loss in 2015, this running into hundreds of millions of dollars. Even worse will come: for the first nine months of 2016, the combined net result (of those available) has dropped by more than USD 13 billion. “A deluge of large newbuildings combined with a faltering market resulting in severe overcapacity inducing a bitter rate war ensuing dramatic losses: it is the price of too many too big ships. Aware of the overcapacity damage done with their financials turning deep dark red, almost no carrier ordered any ultra large containership (ULCS) in 2016.”

Source: Dynamar “Top 25 Container Liner Operators”, <https://www.dynamar.com/publications/173>



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