

# TRANSPORT & TRADE FACILITATION NEWSLETTER

TRADE LOGISTICS BRANCH, DIVISION ON TECHNOLOGY AND LOGISTICS

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# UNCTAD MARITIME COUNTRY PROFILES ACCESSIBLE ONLINE

## Different countries participate in different maritime businesses

Throughout most of history, “maritime nations” had their own national fleets, which were built, owned, operated, and manned by nationals of the same country whose flag the ship flew. Today, different countries mostly participate in different maritime businesses.

Policy makers have an interest to identify those maritime sectors where their countries participate at present, or might participate in future. To assist policy makers in depicting their country’s market shares and trends in its maritime sectors, UNCTAD in March 2016 launched a novel set of Maritime Country Profiles.

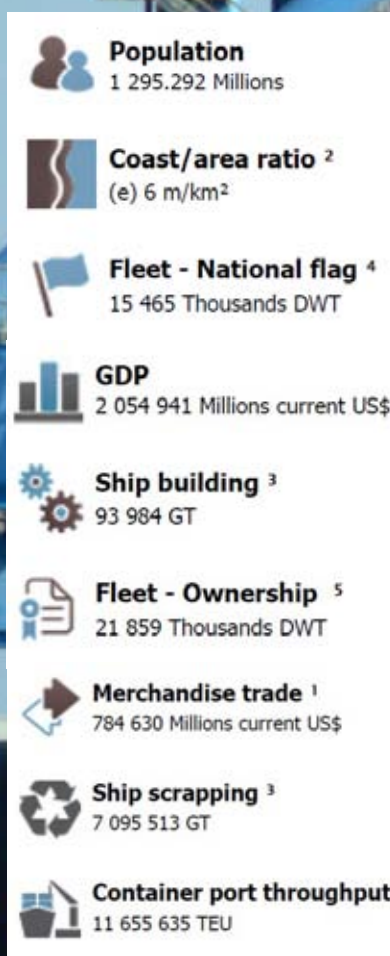
## Market shares

A key component of the UNCTAD Maritime Country Profile is each country’s market share in some core maritime sectors. See e.g. the below market shares for **Chile**.

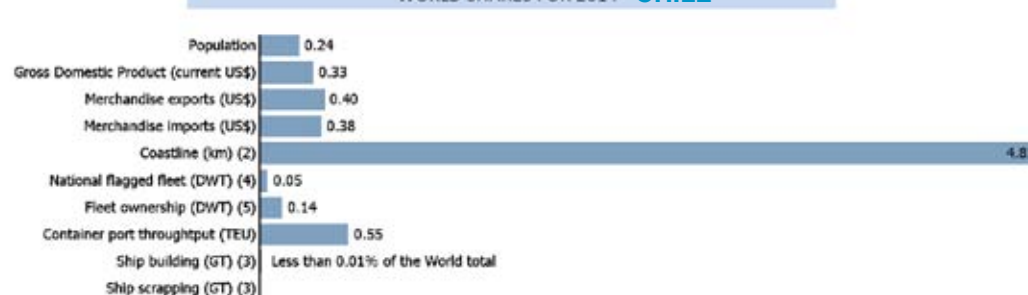
What can we see from these market shares? Chile has a higher share of the world’s GDP than of the world’s population, which shows that it has an above-average income per capita. The country’s share in merchandise trade is even higher, reflecting the fact that Chile has an open economy, whose economy depends more on foreign trade than the average country. Chile’s trade is mostly seaborne, resulting in a share in containerized port traffic that is even higher than its share in merchandise trade. The seaborne trade of Chile is mostly carried on ships that are not owned by Chilean companies, as can be seen by the lower share in ship ownership. The Chilean-owned tonnage is mostly registered abroad, i.e. it is using a foreign flag, as can be seen by the even lower market share in “National flagged fleet”. **Chile** has some minor ship building activity, i.e. the ships it owns and the ships that carry its foreign trade are mostly from foreign ship yards.

## Data

Each UNCTAD Maritime Country Profile provides some basic data on each country’s economy and maritime sector. See e.g. below the information published for **India**. Above each box are direct links to specific tables of the underlying statistical tables from UNCTAD-stat.



WORLD SHARES FOR 2014 **CHILE**



INTERNATIONAL MERCHANDISE TRADE **MALAYSIA**

**Total merchandise trade**

(millions of US\$)	2005	2010	2013	2014
Merchandise exports	141 626	198 612	228 331	234 139
Merchandise imports	114 324	164 622	205 897	208 864
Merchandise trade balance	27 301	33 990	22 434	25 275

**+2.5 %**

Merchandise exports growth rate in 2014

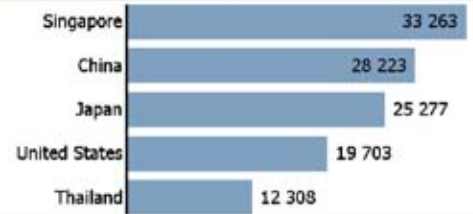
**Export structure by product group in 2014**

(as % of total exports)



**Top 5 partners in 2014**

(exports, millions of US\$)



**Merchandise trade – the demand side**

Each country profile also provides a snapshot of what commodities are traded (all modes of transport), what is the trade balance, and who are the main trading partners? See e.g. the example of **Malaysia**, whose main trading partners are Singapore, China and Japan.

**Trade in Transport Services**

Another component of each country profile is a table on basic trade in services data. **China**, for example, has a trade deficit as regards trade in transport services. It's exports of transport services grew by 1.6% in 2014.

INTERNATIONAL TRADE IN TRANSPORT SERVICES **CHINA**

**Services exports by main category <sup>7</sup>**

(as % of total services)	2005	2010	2013	2014
Transport	17.3	19.9	(c) 18.1	(c) 16.4
Travel	32.9	26.7	(c) 24.8	(c) 24.4
Other services	29.5	42.6	(c) 45.4	(c) 49.4

**+1.6 %**

Transport services exports growth rate in 2014

**Total trade in transport services <sup>7</sup>**

(millions of US\$)	2005	2010	2013	2014
Transport services exports	15 427	34 211	(c) 37 646	(c) 38 243
Transport services imports	28 454	63 257	(c) 94 324	(c) 96 158
Transport services trade balance	-13 027	-29 046	(c) -56 678	(c) -57 915

**Liner Shipping Connectivity**

The Maritime Country Profiles also illustrate each country's position within the global liner shipping network. **Panama** (see example below) has the highest LSCI of Latin America; it is best connected with the United States, China and Republic of Korea.

LINER SHIPPING CONNECTIVITY INDEX **PANAMA**

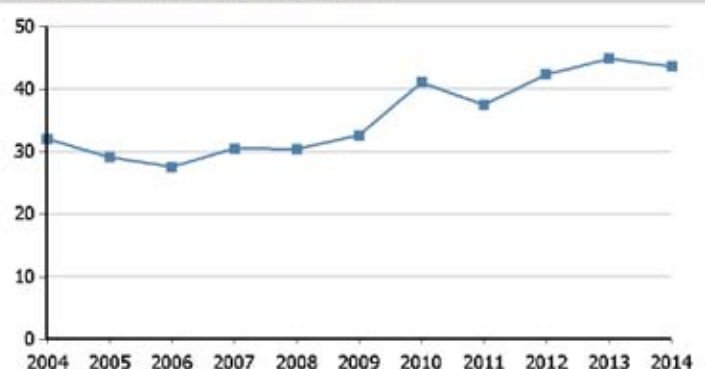
**Bilateral connectivity index - Top 10 partners in 2014 <sup>8</sup>**

Can only take values between 0 (minimum) and 1 (maximum)



**National connectivity index <sup>8</sup>**

Index (Maximum 2004=100) for China



## The nationally flagged fleet

Most of the world's cargo carrying ships fly a different flag from the nationality of its owner. The **Marshall Islands** (see example below) are one of the fastest growing open registries. A large share of its fleet are oil tankers and dry bulk carriers.

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### NATIONAL FLEET MARSHALL ISLANDS

#### Carrying capacity by type of ship <sup>4</sup>

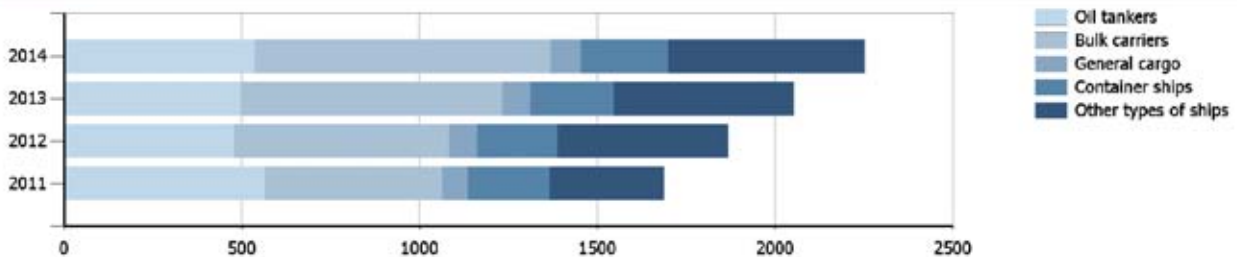
(Thousands DWT)	2005	2010	2013	2014
Total fleet	42 105.5	77 827.4	138 861.9	152 355.4
Oil tankers	27 483.3	39 960.5	57 557.8	59 486.8
Bulk carriers	8 352.9	23 604.9	55 962.2	65 275.0
General cargo	1 125.8	1 567.3	1 242.1	1 474.1
Container ships	3 748.2	5 314.4	8 672.0	9 292.4
Other types of ships	1 395.3	7 380.3	15 427.8	16 827.1

**+9.7 %**

Fleet growth rate in 2014

#### Fleet by type of ship <sup>4</sup>

(Number of ships)



#### Information on-line

- Maritime Country Profiles in English: <http://unctadstat.unctad.org/CountryProfile/en-GB/index.html>
- Maritime Country Profiles in French: <http://unctadstat.unctad.org/CountryProfile/fr-FR/index.html>
- Underlying maritime statistical data: <http://stats.unctad.org/Maritime>
- UNCTAD Review of Maritime Transport: <http://unctad.org/RMT>

# IS THERE OVER-INVESTMENT IN ULTRA LARGE CONTAINER SHIPS?

Containerships have never been bigger than today, container freight rates have never been lower, and never has so much container carrying capacity been idle. In March 2016, the idle container ship fleet stands at 1.6 million TEU, and a shipper may pay less than 200 US\$ to have his twenty foot container shipped from Shanghai to South America. A related trend is that in recent months there have been new mergers and acquisitions among liner companies.

The oversupply of tonnage is the result of past investment decisions against slower than expected demand growth. Individual carriers typically react to this situation by a) trying to reduce their costs, and b) growing their market share. From an individual company's perspective, this often means a) investing in modern large containerships to save fuel and achieve economies of scale, and b) seeking mergers to better control the market, which is necessary to fill the new large ships. This makes sense from the individual company's perspective, but it doesn't if we look at the big picture, and here are three reasons why/ not:

1. When replacing old ships with new ones, the old ones don't exit the market. The overcapacity usually stays on, unless scrapped. And most of the containership fleet is simply too young to be demolished. In the end all carriers are confronted with the historically low freight rates. The overinvestment is not in the interest of the liner business.

2. The larger ships may cut unit costs for the carriers, but the total system costs are not reduced; in fact, they may actually go up. The costs of the megaships to the logistics system may out-way the benefits. The ports, the hinterland connections, and the network structure (more transshipments with fewer direct services) will lead to more costs as the vessel size goes up. This not only applies to those ports and routes which have to accommodate the largest ships, but due to the cascading effect it is also relevant in many smaller and developing countries markets. The overinvestment is not in the interest of the carriers' logistics partners.<sup>1</sup>

3. As ships get bigger faster than trade grows, there is space for fewer carriers in individual markets. We observe a continued process of concentration. While lower freight rates may be good news for the shipper in the short term, in the longer term, there is a danger of more markets with oligopolistic market structures. Overinvestment is not in the long term interest of

shippers, at least in smaller markets.<sup>2</sup>

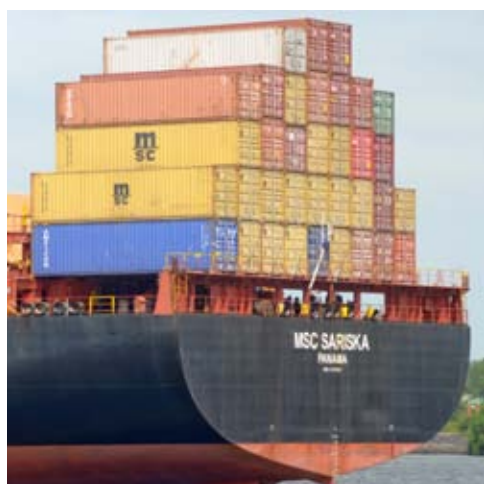
The above mentioned three reasons for not investing in more and larger container ships may not be relevant for the individual carrier. As a commercial entity, it has to look at its own returns, and will not accept staying behind competitors.

In the longer term, there is still scope for further consolidation. Globally, the industry is not very concentrated. Maersk has a share of 14.6% of the TEU carrying capacity, followed by MSC with 12.9%, CMA CGM group (8.7%) and COSCO group (7.5%) (20 March 2016; source: Alphaliner). The logistics partners (ports, intermodal connections) will do their best to adapt to growing vessel sizes, and in the long term, perhaps, the "optimal" vessel size will be larger than today. In the meantime, the pressure on the maritime freight rates will continue, and the resulting low trade costs should help the global economy recover. Thank you to containerization and the maritime business.

<sup>1</sup> For a further discussion on this issue see e.g. Drewry Shipping Consultants 2016 (<http://www.drewry.co.uk/news.php?id=457>), Hercules Haralambides 2016 (<http://www.haralambides-mel.blogspot.ch/2016/01/containership-sizes-and-port-planning.html>), Olaf Merk 2015 (<http://oecdinsights.org/2015/06/22/the-impact-of-mega-ships/>), and Jean-Paul Rodrigue 2015 (<https://www.linkedin.com/pulse/disadvantages-scale-maritime-shipping-jean-paul-rodrigue>).

<sup>2</sup> For a further discussion of trends in liner shipping connectivity and fleet deployment, see e.g. UNCTAD Review of Maritime Transport 2015 (<http://unctad.org/RMT>).

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# UNCTAD EMPOWERMENT PROGRAM

## for National Trade Facilitation Committees

UNCTAD provides an intensive professional program for the Secretariat and 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). Successful committees and its members will be granted a completion certificate.



### BENEFITS

- Establishing an NTFC, if needed
- Improving teamwork dynamics within NTFCs
- Launching a National Roadmap for mainstreaming trade facilitation in development policy
- Ensuring impact sustainability by transferring knowledge with a Training-of-Trainers approach
- Providing a sign of quality for donors & international agencies

### KEY ASPECTS



- Courses developed by international experts and in collaboration with other UN & international organisations
- Content tailor-made to country specific needs
- e-learning & face-to-face trainings
- Interactive methodology: "learning by doing"
- Technical visits in the field & Training-of-Trainers module included



### FLEXIBLE MODULES

- A total of 6 modules of 30 hours
- Modules length from 3 to 5 days
- Possibility to choose sequence of modules depending on current & future needs
- Optional Module 0 on establishing NTFCs

### TARGET AUDIENCE & LANGUAGE



- Course conceived for current & future members of NTFC, including its Secretariat & a high variety of public & private sector members.
- Available in English, French and Spanish.
- Other languages can be available upon request



### CERTIFICATION

After successful completion of the Empowerment Program, members of the National Trade Facilitation Committee will be granted an UNCTAD certification of completion.

The empowered NTFCs will be featured in UNCTAD's online repository on NTFCs: [unctad.org/tfc](http://unctad.org/tfc)

# MODULES AT A GLANCE



## KICK-OFF

Raising awareness about trade facilitation, ensuring buy-in of high level authorities and launch of Certification Program building on UNCTAD Trade Facilitation Training package

MODULE

1

## UNDERSTANDING INTERNATIONAL STANDARDS & RECOMMENDATIONS

Standards and international legal framework for trade facilitation

Legal interpretation of the WTO TFA

Trade facilitation and global supply chain management and the promotion of exports

Implementation of TFA measures

MODULE

3

## STRENGTHENING NTFC & ESTABLISHING A TRADE FACILITATION ROADMAP

Guidelines and best practices to strengthening NTFCs

How to improve consultations / with focus on negotiation skills

How to establish a 3-5 year trade facilitation roadmap with key performance indicators



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<http://unctad.org/tf>

MODULE

0

## ESTABLISHING AN NTFC

General concepts on trade facilitation

Drafting of terms of reference (ToRs) applying best practices

Adoption process of ToRs and formalization of the NTFC

Presentation of drafted documents to main political stakeholders to ensure buy-in

MODULE

2

## MEASURING & IMPLEMENTING TRADE FACILITATION

How to analyse trade data

Techniques to identify bottlenecks and analyse results

Introduction to the use of information and communication technologies in trade facilitation

Introduction to complex measures such as single window

MODULE

4

## TRAINING-OF-TRAINERS

Training-Of-Trainers techniques

Training-Of-Trainers presentations of topics identified during the previous modules

Establishing a procedure for training new members of the NTFC

Identifying training needs for the NTFC for the next year

# UNCTAD EMPOWERMENT PROGRAMME FOR NTFC: SUDANESE WOMEN SHINE AT MODULE 1

**During a full week of technical training on trade facilitation, Sudanese women have been particularly committed and successful in completing Module 1 of UNCTAD Empowerment Programme for NTFCs.**

From 7 to 11 March 2016, UNCTAD delivered Module 1 of its Empowerment Programme in Khartoum, Sudan. On that occasion, members of Sudan National Working Group on Trade Facilitation and other trade facilitation stakeholders improved their knowledge on "International Standards and Recommendations for Trade Facilitation." The training covered a wide range of topics, including linkages between trade facilitation and development, the impact of global supply chains, key principles of trade facilitation and the legal aspects of the WTO Trade Facilitation Agreement (TFA).

With the invaluable contributions of invited experts Lance Thompson, Chairman of UN/CEFACT, and Charansingh Dabeasing, WCO certified expert from Mauritius Customs, participants could also get more in-depth technical information on both UNECE and WCO legal instruments and recommendations on trade facilitation. Guest experts gave practical examples of international standards making processes and national implementation of trade facilitation reforms in a Sub-Saharan African country such as Mauritius.

But the Empowerment Programme has some particularities. One is its real-life application focus with the inclusion of a technical visit to the Dal Group. This family business, which has become a large corporation, operates

in a wide range of industries, including food production, construction, logistic services, and machinery and equipment. All participants were invited to meet with Dal Group staff members who kindly accepted to talk about their work and challenges faced in import/export transactions at their main office located in North Khartoum. This visit was a good opportunity for them to ask questions and to identify bottlenecks that can be addressed through trade facilitation reforms implementation.

Another particularity of UNCTAD Empowerment Programme is that each module provides a certifying training for NTFC members to strengthen their capacities to implement the WTO TFA. For this reason, each participant must go through a series of examinations - written exams and a group assignment; even class attendance and participation are graded.

The outcome of Module 1 in Khartoum was highly positive. There was a broad participation of trade facilitation stakeholders with 13 public and private institutions represented around the table. A total of 31 participants actively attended the workshop with a very high women participation rate (61%). In addition, the Sudan National Working Group on Trade Facilitation chose to adopt an inclusive attitude by inviting a

large number of non-members (43%) to take part in the workshop. This approach allows raising awareness on trade facilitation standards of a larger number of stakeholders and contributes to ensure sustainability of the NTFC by certifying potential future members.

Overall, participants reached a high success rate of 90%. Sudanese women have been particularly shining at Module 1 workshop: TOP 4 performers with the best grades were all female participants. Also about two thirds of participants who got 80%+ and may potentially get invited to participate in Module 4 on Training of Trainers are women. These excellent results of Sudanese women suggest that many of them are to become certified Trainers with recognized expertise and skills. UNCTAD Empowerment Programme may contribute to create new opportunities for these successful women and contribute to reducing the gender gap in the country.

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## MEET RASHA, SUDANESE MOTHER OF FOUR & TRADE FACILITATION CHAMPION

Rasha is a member of Sudan National Trade Facilitation Committee (NTFC). She got the best grades of the entire group of Sudanese officials who recently participated in Module 1 of UNCTAD's Empowerment Programme for NTFCs.



Rasha was born and raised in Khartoum, Capital city of Sudan. When Rasha mentioned her year of birth, we could hardly disguise our surprise. She looks much younger than she actually is. She smiles at our astonishment. Rasha has one of these smiles that transmit confidence and trust.

We just finished a very intensive learning week, full of presentations, group exercises and exams. Rasha got the highest grades among all participants at Module 1 of UNCTAD's Empowerment Programme for NTFCs and we want to know what the secret of her success is.

Education is a value that has been transmitted from generation to generation in Rasha's family. Back in the day, Rasha's parents did not get the opportunity to graduate from university but they wished their seven children would. Despite the loss of her father at young age, Rasha's mother insisted to send all sons and daughters to school and get diplomas. "My brothers and sister all had the opportunity to do graduate studies," she says, before enumerating all the prestigious diplomas earned by each of her siblings. "My brother is completing a PhD in English language while another one is already a doctor in Saudi Arabia. My sister is also a doctor." Her other brothers became engineer,

chemist, and the last handy one repairs cars and almost anything else.

Rasha learned the importance of education from her parents and, in her turn, she has taught it to her four children. Two of them are already university students. "My oldest daughter will soon be graduating from Khartoum University Faculty of Medicine. She is brilliant, the best one of the faculty," she affirms proudly. "My son Mohammed has also begun studying at the faculty of Medicine earlier this year."

Rasha got her first child at the age of 17, but this did not stop her from going to university. After graduating in Economics she pursued an MBA, in addition to many other courses. Rasha has quickly become a highly successful woman with a brilliant career. Member of Sudan National Working Group on Trade Facilitation, she represents the Sudan National Agency for Insurance and Finance of Exports. She is very active and committed to the work of the National trade Facilitation Committee. "My role is to collect information on procedures of all agencies and to conduct needs assessments," Rasha explains. She is convinced that the NTFC is greatly beneficial to the economic development of the country. "I think that the committee is helping Sudan a lot since its establishment!"

Although humble in nature, one can see that she feels proud of having received the highest grade in Module 1 of UNCTAD Empowerment Program for National Trade Facilitation Committees: "Even for the participants that are not members of the NTFC, this training is relevant as they get a better understanding of what trade facilitation is all about. This Module is sufficient, very satisfying, clear and well done."

She concludes with a piece of advice to future Empowerment Programme participants: "You better pay attention and listen to UNCTAD facilitators," she says laughing, "and do not forget to take notes and to revise them before the exams."

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# BUILDING THE CAPACITY OF TWO TRANSPORT AND TRANSIT CORRIDORS IN EAST AFRICAN DEVELOPING COUNTRIES TO SHIFT TOWARDS SUSTAINABLE FREIGHT TRANSPORT

UNCTAD's Nairobi Workshop on «Sustainable Freight Transport and Finance», 14-18 March 2016



UNCTAD, in cooperation with the Northern Corridor Transit and Transport Coordination Authority (NCTTCA) and the Central Corridor Transit Transport Facilitation Agency (CCTTFA) organized a training and capacity-building workshop on 14-18 March 2016, Nairobi, Kenya. The training benefited over 80 participants from countries that are members of the Northern and Central transit and transport corridors. These included participants from Burundi, the Democratic Republic of the Congo, Kenya, Tanzania, Rwanda, South Sudan and Uganda. A number of relevant organizations, including UNEP and UNECA as well as regional economic communities, namely COMESA and EAC were also represented.

The workshop was carried out under the framework of the UNCTAD technical assistance project entitled “Building Capacities of Developing Countries to Shift Towards Sustainable Freight Transport”. The project aims to strengthen the capacity of policy makers (in transport, infrastructure and finance), transport operators (in rail, road, internal waterways and ports), and key financial institutions, in sub-Saharan Africa, in particular East Africa and in the small island developing States of the Caribbean (SIDS), to promote and finance sustainable freight transport systems through sound transport policy measures and adequate financing actions and mechanisms.

Sustainable freight transport entails, in particular, sustainable transport policies, planning strategies, and investment

decisions that effectively balance the economic, environmental and social objectives. This is particularly crucial for developing countries, including in East Africa as they have the opportunity – given their developmental stage and current focus on infrastructure development process – to consider integrating at early stages of infrastructure investment and planning, relevant sustainability principles and criteria. Relevant criteria including being greener (i.e. environmentally-friendly, low-carbon, climate resilient, etc.), economically efficient and viable (i.e. energy efficient, less energy intensive, cleaner energy use, cost-effective, reliable, smooth operations, etc.), and socially inclusive (i.e. affordable, accessible, supports rural areas and agricultural development, reduces poverty, social disparities).

The main features that characterize sustainable freight transport systems include among others, being energy efficient; having adequate, quality, well-maintained and resilient transport infrastructure; having greater connectivity between nodes and links as well as between modes of transport; and, benefiting from optimized operations. Combined, these features can help reduce transport costs, limit environmental damage, alleviate climate change impacts, and provide an opportunity to redirect the resources required to tackle persistent challenges, such as lack of efficient and reliable transport infrastructure and logistics services. However, for most of developing countries, bringing about this paradigm shift may be challenging

given, in particular, the recognized need for well-articulated supporting measures and requisite resources and finance.

Against this background and taking into account feedback received from participants, the Workshop was successful in achieving the following intended objectives:

- Raise awareness and build the capacity of local and regional stakeholders, including policy makers, transport operators, infrastructure managers and financing institutions in the field of sustainable freight transport
- Improve understanding of the environmental sustainability dimension (green) of freight transport, including to better understand related implication for the economic and social sustainability imperatives
- Enhance understanding of the strategic implications of the sustainable freight transport imperative, including in the context of ongoing international policy dialogue and negotiating processes, including the Sustainable Development Agenda 2030 and the Paris Climate Agreement (COP21)
- Identify relevant needs and challenges, including with respect to the regulatory and institutional framework, technical capacity, financial requirements, and technological gaps
- Seek input from corridor, local and regional experts to ensure that the final outcome of the training, capacity-building as well as related recommendation and conclusions for the way forward be tailored to reflect the local conditions and requirements
- Identify priority action areas and key stakeholders that need to be involved to help ensure effective design, articulation and implementation of a sustainable freight transport strategy across the Northern and Central Corridors.

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# HELPING TRADERS AND GOVERNMENTS REMOVE MARKET ACCESS BARRIERS THROUGH TRADE FACILITATION

**UNCTAD, the International Trade Centre (ITC) and the German Cooperation (GIZ) are assisting, since early 2015, six Central European Free Trade Agreement (CEFTA) parties: Serbia, Montenegro, Bosnia and Herzegovina, Albania, Kosovo and FYR of Macedonia with the implementation of an innovative pilot project. The objective of this project is to address daily concerns that businesses face when importing or exporting goods in selected value chains in the region.**

The project is organized in three phases. First, GIZ and CEFTA Secretariat identified the two sectors with most potential to form regional value chains and strengthen regional integration: beverages (wine and beer) and automotive industry (auto-parts). During the second phase of the project, ITC and GIZ consulted representatives from importers, exporters, distributors, producers, freight forwarders, businesses associations and chambers of commerce and identified their concerns. Finally, the ongoing phase of the project implemented by UNCTAD and GIZ includes an in depth analysis and discussion of business concerns and the identification of policy and regulatory recommendations that potentially could contribute to overcome market access barriers.

In consultation with competent public and private sector representatives of all six CEFTA parties involved, UNCTAD prepared six national studies which were presented, clarified and validated in January and February 2016. The regional report will be finalized and discussed in a regional meeting to be held in May this year.

The reports focus on issues related to imports

and exports and on different stages of the value chain. For example, concerns related to inputs (e.g. lack of storage facilities for grapes, burdensome procedures for determining the origin of spare parts of machinery), the product itself (labeling requirements for imported beer, delays on clearance of wine in bulk, plastic components, etc.) and on the commercial transaction side (quotas, short time to adapt in changes on excise duties, among others).

**“Generally paperwork is a major obstacle (...) authorities at the border want all documents be processed before going into inspection or release of goods”**  
**Example of an issue reported by an importer of the auto-parts industry.**

While UNCTAD is currently still in the process of consolidating findings to produce a regional report, the results of national studies provide already interesting information on non-tariff-measures (NTMs) and trade

facilitation (TF). For example, issues faced by traders are not purely ‘NTM’ related (e.g. labeling requirements) and ‘Trade Facilitation’ (e.g. delays in release and clearance of goods). Concerns often are a ‘mix’ between TF and NTM (e.g. delays in clearance of goods due to the non-mutual recognition of quality and safety certificates). Therefore, proposed solutions often combine the NTM-TF perspective: introducing risk management system in the Food and Plant directorates would contribute to eliminate unnecessary request of SPS or quality certificates; making publicly available information related to excise duties, thresholds or determination of rules of origin would prevent any arbitrary and discriminatory practices at the border.

Upcoming regional report will be published by UNCTAD and GIZ in order to capitalize knowledge gathered in this pilot project. Trade Facilitation helps eliminating market access barriers to trade and as such UNCTAD will continue combining NTM and TF perspectives in future work.

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# TRADE FACILITATION AND REGIONAL INTEGRATION IN AFRICA

**On 21 July 2016, UNCTAD and Trade Mark East Africa (TMEA) will host a joint side event at UNCTAD 14. The panel will discuss linkages between trade facilitation reforms and regional integration, with a special focus on the East African Community (EAC). The following article aims at providing some initial considerations for this discussion.**

This article discusses two linkages between regional integration and Trade Facilitation in Africa:

First, Trade Facilitation is increasingly important for regional integration, competitiveness and development. Intra-regional trade is far lower in Africa than in most other regions and Trade Facilitation should be among the priority areas for policy action and international support.

Secondly, this article also discusses Trade Facilitation measures in view of their regional dimension. For several specific Trade Facilitation reforms, collaboration and cooperation among regional partners is helpful or even necessary. Such collaboration and cooperation itself can provide an additional impetus to further African integration.

The African continent and its Regional Economic Communities (RECs) record less intra-regional trade than most other regions of the world. According to UNCTAD data, intra-African trade amounts to only about 13.8% as compared to intra-regional trade among Latin America countries (22%), Asian countries (52%) and Europe (about 70% for the EU). One of the major factors behind this low level of trade integration is the low level of Trade Facilitation implementation. Africa has a roughly comparable size in terms of population and output as India, yet African countries are separated by 104 international borders between them. Facilitating cross-border trade is key for any further economic integration.

Trade facilitation implementation is also necessary for over-seas trade. It is particularly relevant for the participation of African countries in global value chains and trade in manufactured goods. Especially small and medium-sized enterprises (SMEs) and perishable, time sensitive and intermediate goods sectors in least developed and landlocked developing countries benefit from reduced transaction costs and times. Many Trade Facilitation reforms are in themselves positive steps towards human, enterprise and institutional development. They help small traders- often women- to enter the formal sector, make economic activities more transparent and accountable, promote good governance, generate better quality employment, strengthen IT capabilities, and generally help modernize societies by bringing benefits in terms of administrative efficiency.

Many Trade Facilitation solutions also have a regional dimension in their implementation. By requiring collaboration and cooperation among partner countries, their implementation itself can be a positive step towards further regional integration. It is thus recommended that ambitious Trade Facilitation measures are incorporated into regional integration schemes, including arrangements such as the Continental Free Trade Area for Africa (CFTA) and African Regional Economic Communities (RECs).

## **Facilitating regional integration and development in Africa**

Most African countries are part of regional integration schemes. From the perspective of Trade Facilitation, having more Regional Trade Agreements (RTAs) can lead to a "spaghetti bowl", requiring more certificates of origin and possibly other documents so as to benefit from preferential tariffs. Obtaining and submitting these documents, in turn, requires more paperwork and potential waiting times. To counter this potentially negative impact of RTAs it is crucial that African countries engage in ambitious Trade Facilitation reforms that contravene the possible additional paperwork.

The Action Plan for Boosting Intra-Africa Trade of the African Union specifically aims at deepening Africa's market integration and significantly increasing intra-African Trade. To achieve this, the plan is composed of seven clusters, of which Trade Facilitation is one. Other examples of regional programmes that cover Trade Facilitation are the Common Market for Eastern and Southern Africa (COMESA) strategic medium plan, the West African Economic and Monetary Union (UEMOA) Trade Facilitation programme, and the regional indicative strategic development plan of Southern African Development Community (SADC). The Africa Trade Fund by the African Development Bank (AfDB) also specifically targets Trade Facilitation programmes in Africa's regional organisations.

Compared to other regions, Africa records among the least favourable trade and transport facilitation indicators. The World Bank's Doing Business 2016, for example, reports the highest documentary compliance time to export (108 hours) and to import

(123 hours) for Sub-Saharan Africa. The World Bank's Logistics Performance Index reports the lowest regional average for Sub-Saharan Africa. And research by UNCTAD shows that African countries have the lowest level of implementation of Trade Facilitation measures as recorded by the World Trade Organization's category A notifications under the TFA.

The relationship between Trade Facilitation and development is dynamic. African countries with more capacities, higher trade volumes and financial resources, are in a better position to invest in reforms that make trade faster, easier and more transparent. At the same time, if Africa invests in programs that modernize Customs administrations and trade procedures, it will reap the benefits of more trade, revenue collection and institutional development. African countries that trade more will find it easier to attract financial resources to invest in Trade Facilitation as larger trade volumes help to achieve a higher rate of return on trade related investments. And those African countries that invest in Trade Facilitation will help their trade to grow further.

The regional cross-border movement of goods also requires the facilitation of its transport. This includes the border crossing of vehicles, their drivers, and containers. Transshipment of cargo at the border is costly, as is an empty return voyage if market restrictions do not allow transport companies to pick up cargo in both directions. Efficient transit requires functioning Customs guarantee schemes. Transport infrastructure needs to be planned regionally to take into account cross-border trade flows, vehicle standards, and axle loads. There needs to be mutual recognition of permits, insurances and drivers' licences. All of the above requires regional collaboration and coordination.

### Box 1: TFA Articles with a potential regional dimension

The implementation of several Articles of the WTO Trade Facilitation Agreement (TFA) may have a regional dimension. They may allow for collaboration, or they may require or benefit from working with neighbouring countries or trading partners.

**Article 1 (Publication)** can be implemented jointly to provide traders with a common platform. Article 1.3 (Enquiry Points) specifically, allows members to “establish or maintain common enquiry points at the regional level”.

**Article 5.1 (Notifications for enhanced controls or inspections)** could also help traders in neighbouring countries if implemented regionally. Under Article 5.3 (Test Procedures), a “Member may, upon request, grant an opportunity for a second test”; this second test could be undertaken in a third country, possibly under a scheme of mutual recognition of test results.

A number of Customs related measures included in **Articles 7 and 10** require regional coordination if the country is member of a Customs union. Pre-arrival Processing as per Article 7.1 can benefit from regional cooperation, especially when involving land-transport. The EAC Revenue Authorities Data Exchange (RADEX), for example, provides advance information to allow Customs to process data before the goods arrive at the land-border. Article 7.6 on the Establishment and Publication of Average Release Times becomes more relevant and interesting if comparable standards and benchmarks are established on a regional level. Article 7.7 (Measures for Authorized Operators) can involve mutual recognition of authorized operators within a region. Article 10.3 encourages the use of international standards. Data models, codes, and document lay-outs should all be harmonized globally. At times, a first step can be harmonization on the regional level.

**Article 8.2 (Border Agency Cooperation)**, specifically requests WTO Members to coordinate procedures at border crossings to facilitate cross border trade. This may include aspects such as working hours, aligned procedures and formalities, common facilities, joint controls and the establishment of one stop border post controls.

**Article 11 (Freedom of Transit)**, as well as several other articles that make reference to transit, aim at facilitating transit trade. Their implementation would ideally take place within broader regional transit or corridor programmes that may also involve infrastructure investments, regional transport markets, or the mutual recognition of licences and certificates.

**Article 12 (Customs Cooperation)** provides for a wide range of possibilities for cooperation, including through technical assistance, capacity building and information exchange.

### Choosing the right Trade Facilitation measures for regional collaboration

It will be critical that African countries use their existing REC mechanisms to identify which Trade Facilitation measures could benefit from regional coordination or collaboration. The following six criteria are proposed for consideration in the identification process:

1. The measure itself requires or benefits from bilateral cooperation, as is the case for example for border agency cooperation (see Box 1).

2. There are similar needs for technical assistance. For example, large number of countries in the REC may have the same TFA measure notified as category C.

3. A small or weak member of a regional grouping can benefit from the experience and strength of more advanced fellow-members possibly through intra-regional technical assistance and support. Experiences gained in a regional “pilot” country can be passed on to the next country within the region.

4. Implementation could benefit from regional standards and mutual recognition. Examples here can include Customs automation and other technological solutions, as well as AEO schemes.

5. There already exist regional agreements such as common Customs codes. It can also be beneficial to pool resources for updating such regional codes.

6. On-going regional programmes exist to support broader transport and Trade Facilitation integration. Examples here may include trade hubs, TMEA, corridor programmes et al.

In order to support regional aspects of TF implementation, a regional coordinating mechanisms, such as a regional TR Committee should be considered. Hosted within an appropriate regional inter-governmental structure, the Regional Trade Facilitation Committee (RTFC) could be assigned, inter alia, the following mandates.

- To support, coordinate and monitor the establishment of national Trade Facilitation committees (NTFCs) with the region.
- To provide a regional platform for the exchange of experiences and expertise
- To develop and compare KPIs to benchmark and benchmark successful TF implementation.
- To serve as a regional platform for UNCTAD's NTFC empowerment programme and other technical assistance projects.

### Conclusions and the way forward

The special and differential treatment (SDT) provisions included in Section II of the WTO TFA provide a unique opportunity to take Africa's development into consideration when planning for Trade Facilitation implementation. Developing countries have the opportunity to notify specific Trade Facilitation measures as category B (to be implemented later) and C (requiring financial or technical assistance), and there is a commitment by the international community to provide financial and technical assistance towards TFA implementation.

Given the importance of Trade Facilitation for regional integration, trade competitiveness and development, Trade facilitation should be among the priority areas for policy action and support by the international community.

In addition, there is also a regional dimension in the implementation phase of Trade Facilitation reforms. For several specific Trade Facilitation measures, collaboration and cooperation among regional partners is helpful or even necessary. Such collaboration and cooperation itself can provide an additional impetus to further African integration.

*For further information contact Jan Hoffmann ([jan.hoffmann@unctad.org](mailto:jan.hoffmann@unctad.org)), Trade Logistics Branch. Updates on the UNCTAD 14 side event will soon be posted under <http://unctad14.org>*

# ELECTRONIC APPROACHES TO CONTROLLING THE TRANSBOUNDARY MOVEMENT OF WASTES

The United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) has developed technical specifications for data exchange on transboundary movement of wastes (TMW).

Hazardous wastes contain chemicals, heavy metals, dangerous pathogens, or other substances of concern that make them, inter alia, explosive, flammable, infectious or toxic. The movement of such wastes poses serious risks of adverse effects to human health and the environment.

The Basel Convention<sup>1</sup> on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal (Basel Convention), adopted in 1989, is an international treaty aimed at reducing hazardous waste generation and restricting the movements of such waste across borders, particularly from developed to less developed countries. It also puts in place a regulatory system for permissible transboundary movements of hazardous wastes (Article 6).

The Implementation and Compliance Committee (ICC)<sup>2</sup> of the Basel Convention has been mandated to improve the implementation of and compliance with Article 6 of the Convention. As part of this work, the ICC is exploring electronic data approaches for the notification and movement documents used to control transboundary movements of hazardous and other wastes.

In parallel, the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) has developed technical specifications and templates for data exchange on transboundary movement of wastes (TMW). This standard is expected to facilitate information exchanges between competent authorities, exporters and importers of waste, and recovery or disposal facilities. The TMW project has developed artefacts to enable information to be exchanged between parties according to Article 6 of the Basel Convention, including:

- Notification of planned/proposed transboundary movements of waste;
- Competent authorities' request for additional information;
- Competent authorities' response to notifications, such as consent or objections;
- Movement document;
- Confirmation of the receipt of waste; and
- Confirmation of the disposal or recovery of waste.

The following deliverables have been developed under the TMW project:

- Business Requirements Specification (BRS) to standardize business process and information entity in the area of tracking of waste movements as required by the Basel Convention<sup>3</sup>;
- Requirements Specification Mapping to describe the mapping of business requirements, as specified in the BRS document, to UN/CEFACT compliant data structures and data formats;
- A syntax-independent specification of the structure, semantics and naming of data and data elements; and
- A XML Schema Definition (XSD) based on the syntax-independent specification.

The deliverables of the UN/CEFACT project are already in use as the basis for actual electronic data interchange (EDI) implementation/prototypes, including the European Data Interchange for Waste Notification Systems (EUDIN) in Austria, Belgium, Luxembourg, Slovenia, Switzerland, etc.; e-TFS in Lower Saxony (Germany) and the Netherlands; and Nordic TFS Sweden, Finland, etc.

The group of experts working on the TMW project will meet on 26 – 27 April 2016 on the occasion of the 27th UN/CEFACT Forum in Geneva, Switzerland. The tentative agenda of this meeting is:

- Discussing stakeholders' additional requirements, and liaising with the UN/CEFACT Transport and Logistics Domain;
- Keeping up with the "electronic approaches" initiative of the ICC of the Basel Convention and the European Commission; and
- Evaluating the current implementation status, ongoing implementation efforts and potential calls for action.

For more information on the Forum and to register to participate, please visit:

<http://www.unece.org/index.php?id=40406>

## Ensuring interoperability

In all its work, UN/CEFACT emphasises harmonisation in processes in order to ensure cross-country and cross-sector interoperability. All the semantic building blocks are collected and administered in one library, the Core Components Library (CCL), and structures, semantics and naming are reused as much as possible across its different projects. For example, the structure of "address" or other party-related information rarely need to be reinvented, and therefore can be the same or very similar for data from different countries, sectors or other contexts.

<sup>1</sup> Basel Convention, Annex I and Annex III

<sup>2</sup> To assist the ICC with its work, Parties to the Convention and other stakeholders were invited to provide information about their experiences with such approaches by responding to a questionnaire. The information collected will be used to develop recommendations to the Conference of the Parties on ways to improve the implementation of Article 6 of the Convention. More information is available at: <http://bit.ly/1oulzHU>

<sup>3</sup> Available at: <http://bit.ly/1RzGRk3>

<sup>4</sup> Available at: <http://bit.ly/225tBFv>

For further information contact Yuri Saito ([yuri.saito@unece.org](mailto:yuri.saito@unece.org)), Trade Facilitation Section, UNECE



## FLUX: UN/CEFACT'S CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOAL 14

The United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) is working closely with the Directorate-General for Maritime Affairs and Fisheries (DG MARE) of the European Commission to develop the Fisheries Language for Universal eXchange (FLUX). This standard allows the electronic exchange of fishery messages to support the sustainable management of fisheries and thus contributes to Sustainable Development Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

World fish stocks are being depleted by overfishing and illegal, unreported and unregulated fishing. As of 2011, 28.8% of fish stocks assessed by the Food and Agriculture Organization (FAO) were estimated as fished at a biologically unsustainable level. This threatens not only the fish, but also the coastal communities that rely on fisheries for economic survival and a dependable food source. According to the Marine Stewardship Council (MSC), "about 1 billion people largely in developing countries rely on fish as their primary animal protein source. In 2010, fish provided more than 2.9 billion people with almost 20% of their intake of animal protein, and 4.3 billion people with about 15% of such protein".

In order to counter further depletion of this resource, global fish resources are managed by Fishery Management Organizations (FMOs). Vessels fishing within the realm of an FMO must obtain a permission (linked to a quota) from the FMO, so that fish stocks can be effectively managed. Through their flag States, vessels have to report catches which are then provided to the FMO.

An essential step for an effective management of fish resources through the FMO is the timely acquisition of information on stocks and catches and the exchange of such information between stakeholders. The management of fisheries to date has been largely based upon the collection and exchange of large sets of data between various fishery institutions. The very diverse data sets have created a patchwork of data management solutions which hinders data exchange and the quality of data, and greatly increases data management costs.

Up until now, for fishery management purposes, fishing vessels have been recording and reporting their activities using hand-written logbooks based on data exchanged using paper documents. Paper-based logbooks have significant drawbacks, as paper documents are (a) easy to forge or sanitise, (b) error-prone and at times illegible, (c) lacking in quality control, and (d) subject to different bilateral agreements and format standards. United Nations member countries

realized that the development of a system of standardised electronic messages is a crucial precondition for establishing reliable data on catch and for the sustainable management of the world's fish stocks.

The FLUX standard provides a harmonized message standard that allows FMOs to automatically access the electronic data from fishing vessels needed for stock management, such as vessel and trip identification, fishing operations (daily catch or haul-by-haul) or fishing data (catch area, species and quantity, date and time, and gear used). With this standard, FMOs around the world will have for the first time access to an open and global standard to automate the collection and dissemination of the fishery catch data needed for sustainable fishery management and in order to have an efficient tool for detecting and combatting illegal, unreported and unregulated fishing. In addition, the development of a reliable and up-to-date database on fish catch will improve research on science-based fishery management.

FLUX is now implemented by the European Union as the FMO message standard to manage fisheries in the North Atlantic. It is also being adopted by FMOs in other regions in the world.

### Next steps

The FLUX standard is open for Public Review until 18 April 2016. For more information, please see:

<https://www2.unece.org/cefact/display/uncfactpublicreview/Electronic+Interchange+of+fisheries+catch+data+Public+Review>

A meeting on FLUX will take place during the 27th UN/CEFACT Forum on Wednesday, 27 April 2016. The venue of the meeting is Palais des Nations, Geneva, Switzerland.

[www.unece.org/index.php?id=42321#](http://www.unece.org/index.php?id=42321#)

To attend this meeting, please contact [Forum.Registration@unece.org](mailto:Forum.Registration@unece.org)

### Sustainable Development Goal 14

The Sustainable Development Goals were adopted unanimously by the United Nations General Assembly in September 2015 (A/RES/70/1). The United Nations recognised the critical role of the ocean and its resources by dedicating SDG 14 (Conserve and sustainably use the oceans, seas and marine resources) to it. Of the targets for this Goal, 4 out of 6 targets relate to the conservation of fish stocks, including:

14.4 By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics

14.7 By 2030, increase the economic benefits to small island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism

14.a Increase scientific knowledge, develop research capacity and transfer marine technology, taking into account the Intergovernmental Oceanographic Commission Criteria and Guidelines on the Transfer of Marine Technology, in order to improve ocean health and to enhance the contribution of marine biodiversity to the development of developing countries, in particular small island developing States and least developed countries

For further information contact Maria Ceccarelli ([maria.ceccarelli@unece.org](mailto:maria.ceccarelli@unece.org)), Trade Facilitation Section, UNECE



## NEW E-LEARNING COURSE ON BUSINESS PROCESS ANALYSIS FOR TRADE FACILITATION LAUNCHED IN COOPERATION WITH UNNEXT

The United Nations ESCAP has launched an online course on Business Process Analysis (BPA) for Trade Facilitation. This e-learning series is based on the UNNEXT Business Process Analysis Guide to Simplify Trade Procedures developed by ESCAP jointly with UNECE. In seven modules, the course explains how a BPA can be conducted to study existing trade processes and develop new and improved ways to trade across borders. The course caters to both policymakers and other stakeholders involved in trade facilitation and development of trade regulations and procedures. By the end of the course, participants are expected to be able to start designing a BPA project and/

or to participate in its implementation and management.

BPA is considered the first necessary step to simplifying trade procedures. Moving goods across borders and along an international supply chain requires meeting a vast number of commercial, transport, regulatory and payment procedures. Few people have a clear understanding of all these procedures and how they relate to each other.

The course includes around 1 hour and 45 minutes of video lectures divided in seven modules and supported by reading material, for a total estimated learning time of about 5

hours. The material can be used for self-study, as well as incorporated in existing courses and programmes related to international trade, supply chain management, and regulations. You can access the e-learning series and related study guide via:

<http://www.unescap.org/our-work/trade-investment/trade-facilitation/bpa-course>

*For more information, testing material and certification please contact: [escap-tid@un.org](mailto:escap-tid@un.org)*



## ESCAP-ADB WORKSHOP FOR THE IMPLEMENTATION OF TTFMM BASELINE STUDIES IN BANGLADESH, BHUTAN AND NEPAL

**United Nations Conference Center, Bangkok, Thailand, 13-15 January 2016**

The ESCAP-ADB Workshop for the implementation of Trade and Transport Facilitation Monitoring Mechanism (TTFMM) baseline studies in Bangladesh, Bhutan and Nepal was organized in Bangkok on 13-15 January 2016. The workshop finalized all technical details on implementation of TTFMM baseline studies and firmed up the implementation plan. It concluded that

the studies would enable the participating countries including Bangladesh, Bhutan and Nepal to take the first concrete step towards establishment of sustainable trade and transport facilitation monitoring mechanism and greatly contribute to the effective implementation of the recently agreed Bangladesh, Bhutan, India and Nepal (BBIN) Motor Vehicle Agreement. All baseline studies are expected to be completed by the end of September 2016. Nearly 30 participants

attended the workshop. More information on the workshop is available on:

<http://www.unescap.org/events/workshop-ttfmm-baseline-studies-bangladesh-bhutan-and-nepal>

*For more information, please contact Yann Duval ([yann.duval@un.org](mailto:yann.duval@un.org)), and Tengfei Wang ([wangt@un.org](mailto:wangt@un.org)), Trade Facilitation Unit, UNESCAP*

# ASYCUDA SINGLE WINDOW FOR THE RWANDA REVENUE AUTHORITY - A CASE STUDY

## Background

The Rwanda Development Board initiated efforts in 2005 toward the creation of the ReSW culminating in a feasibility study by the World Bank 2007.

After initial plans to invite a private service provider to implement the system, Rwanda Government took the decision to implement the project through the Rwanda Revenue Authority (RRA). The United Nations Conference on Trade and Development (UNCTAD) was contracted in 2011 as solution provider using ASYCUDA World as the central platform for the ReSW.

Following extensive training for all stakeholders, who included RRA, Rwanda Development Board (RDB), Rwanda Standards Board (RSB), the Magasins Generaux du Rwanda (MAGERWA) freight forwarders and clearing agents, the ReSW was piloted in February 2012, before eventual rollout in January 2013.

## Benefits From Reductions In Cargo Release Times

With connection of all relevant authorities to the central ReSW, clearances for cargo have been more swiftly processed resulting in major time-savings. For example, the average time required to clear goods through customs for import purposes was reduced from over 2 days 19 hours and 40 minutes to 1 day 10 hours and 55 minutes in 2014 (equivalent to a 46 percent reduction). The time elapsed

between registration and payment fell by 26 per cent; while export release time was reduced from about 2 days 19 hours to one day 10 hours (64 percent reduction). The electronic application and approvals of exemptions has expedited clearance of tax-exempt goods from 4 days to 0.5 hours.

With the swifter clearance of cargo, RSB has achieved an increase in the amount of inspected cargo from 14 per cent in 2012 to 42 percent in 2014.

Indeed, the most critical benefits from the introduction of the ReSW can be said to be those derived primarily from the achievements in the reduction in cargo release time, which can be linked to adjustments in the direct and indirect costs associated with customs clearance as illustrated below:

## 1. More Productive Assets

For transporters, the shortened turnaround time potentially implies more intense use of vehicles. With 27,060 trucks having entered Rwanda with imports in 2014, and using the average cost of a truck per day of \$225, the total savings transporters made could have reached \$6 million in that year alone. Cargo handlers at the Inland Cargo Depot in Kigali also anecdotally reported they had registered increased volumes of cargo handled in a shorter period of time though could not provide actual figures.

## 2. Export diversification

Following extensive training for all stakeholders, who included RRA, Rwanda Development Board (RDB), Rwanda Standards Board (RSB), the Magasins Generaux du Rwanda (MAGERWA) freight forwarders and clearing agents, the ReSW was piloted in February 2012, before eventual rollout in January 2013.

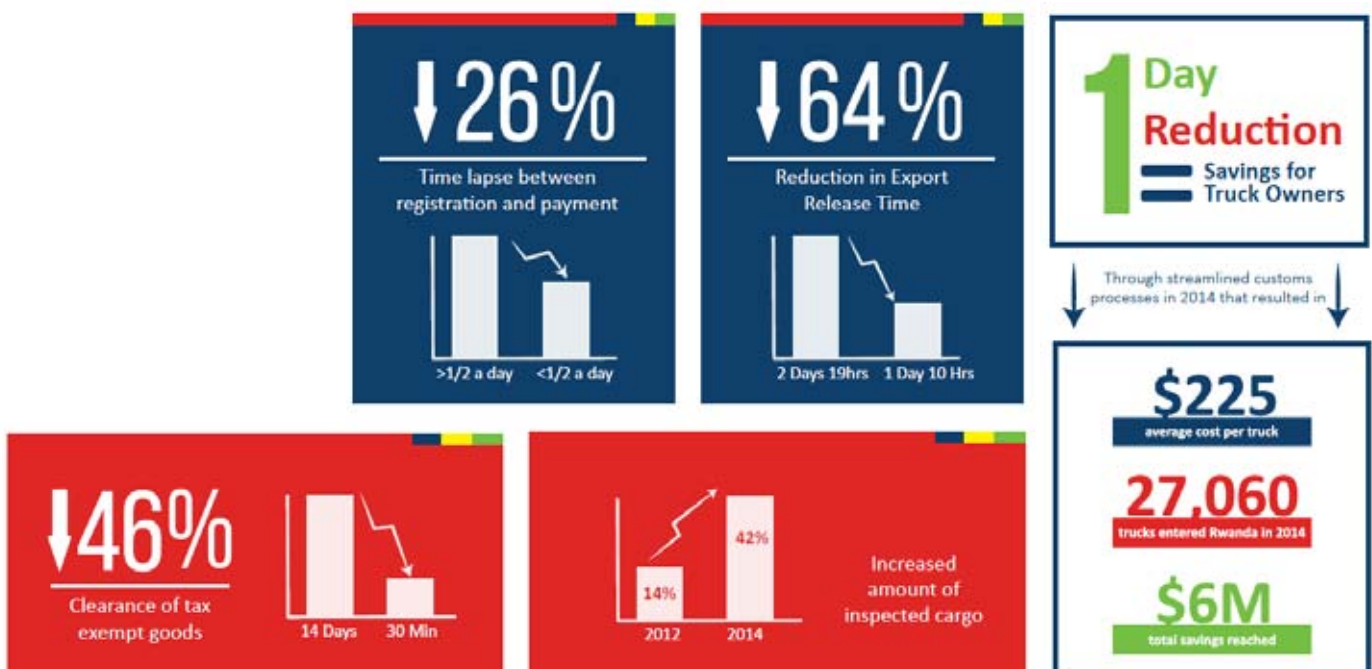
## 3. Export expansion

A study that analyzed trade facilitation indices of 126 countries and the impact of the clearance times on export trends found that a delay of one day reduces trade by at least one per cent. Applied to the ReSW's reduction of release time for exports by one day and 10 hours and with Rwandan exports amounting to \$620 million in 2013, this would work out to an export growth potential of \$8.7 million for Rwanda, a conservative estimate given the future potential of an increased share of perishable goods among its exports.

## 4. Reduction in release time of imports

Following extensive training for all stakeholders, who included RRA, Rwanda Development Board (RDB), Rwanda Standards Board (RSB), the Magasins Generaux du Rwanda (MAGERWA) freight forwarders and clearing agents, the ReSW was piloted in February 2012, before eventual rollout in January 2013.

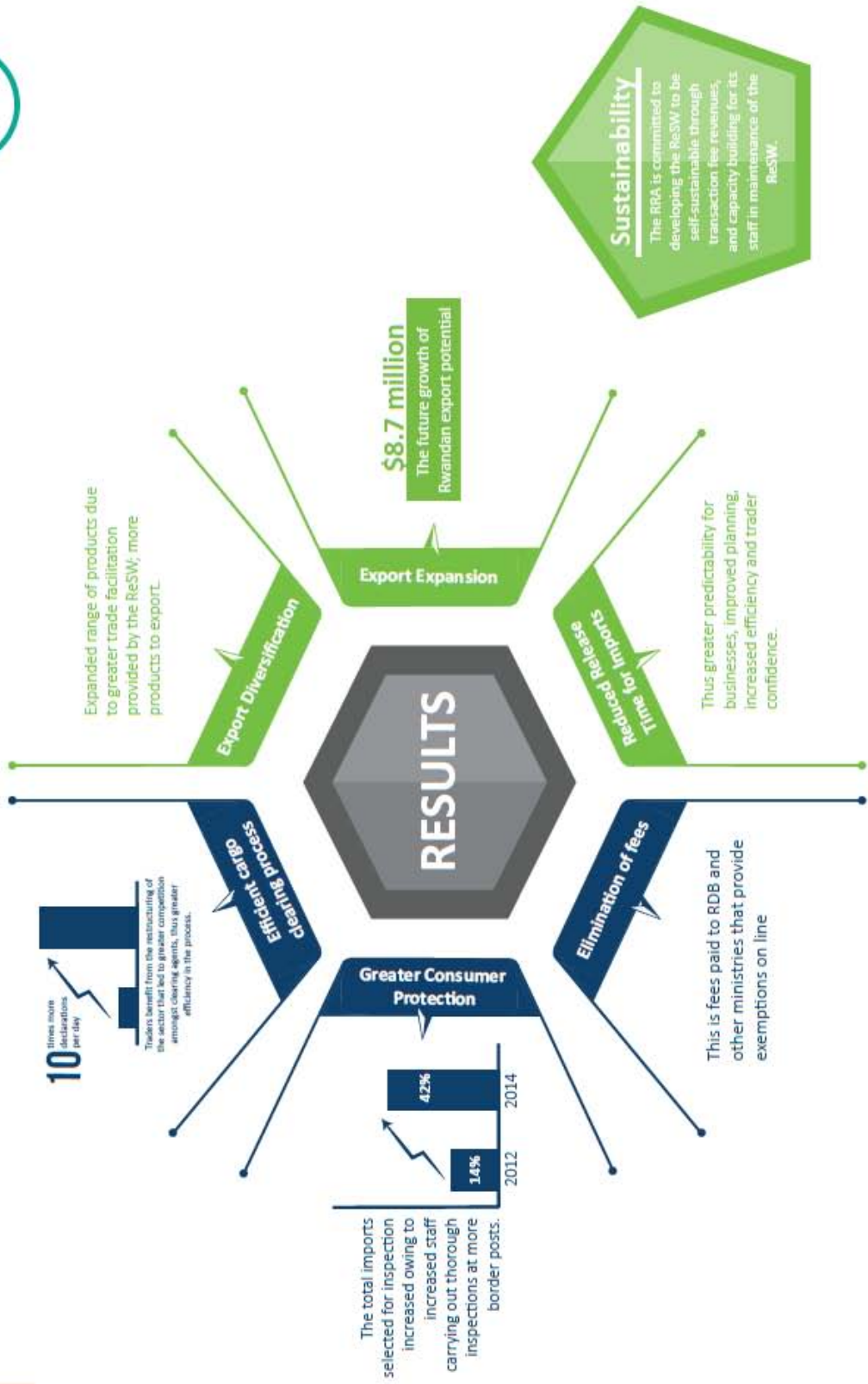
For more information, visit:  
<http://results.trademarka.com/resw/>  
<http://asycuda.org>



# Results

## Improved inter-agency cooperation

Through information sharing facilitated by the use of ASYCUDA World. This in turn streamlined work and reduced the need for multiple verifications of the same consignment.



**1 Day Reduction** = ↑ volume of cargo handled  
**\$6 million savings** in 2014

Overall annual savings to the economy

## Sustainability

The RRA is committed to developing the ReSW to be self-sustainable through transaction fee revenues, and capacity building for its staff in maintenance of the ReSW.

# TRADE COSTS AND POTENTIAL: REMOVING BARRIERS TO GROWTH IN PAKISTAN

Reducing trade costs and barriers remains an important means of accelerating the economic growth of a country. Today's blog illustrates the concept of trade costs and compares Pakistan's trade cost indicators with those of its regional neighbours.



Article by Salamat Ali

International trade is costly. Exporters bear a plethora of fixed and variable costs, such as documentation, transportation, border delays, tariffs, and non-tariffs. In the last two decades, multilateral negotiations under the auspices of World Trade Organization (WTO) have driven down tariffs to historical lows. Improvements in shipping connectivity and the IT revolution have drastically reduced transportation and communication costs. Reduced costs have, in most countries, influenced the nature, direction and composition of trade flows.

## Better connectivity and trade agreements could unlock the benefits of trade for Pakistan

To date, Pakistan's trade regime has been mainly MFN (Most Favoured Nation) in nature. It is still not party to most of the ongoing negotiations on regional integration or the constitution of mega trading blocks. If the emerging international trade architecture reduces trade costs and diverts existing trade flows, it could have a negative impact on comparative advantage of Pakistan's exporting sectors.

Pakistan is believed to have enormous potential for increasing its international trade. At present, this potential remains untapped due to high trade costs. A recent study conducted at the Commonwealth Secretariat, London shows that in 2013, Pakistan under-traded with the former British colonies to the tune of 400%: its exports to these countries amounted to \$4 billion, against a potential of around \$20 billion. Another similar investigation by the Global Trade Analysis Project (GTAP) predicts that a reduction in trade costs in Pakistan to the level of those of Singapore

could increase Pakistan's GDP by \$10 billion, create 2.2 million jobs and reduce poverty by 5%. The best time to harness this unexploited potential was 'yesterday', and the second best time is 'now'. However, to do so requires an innovative policy response in line with the current developments in the domain of trade facilitation.

## Measuring the costs of trade

Trade costs include all the factors that drive a wedge between the producers' price in the country of origin and the consumers' price in the country of destination. Most trade costs are difficult to observe and measure directly; most studies therefore, compute them indirectly. The burgeoning scholarly and technical literature on trade policy analysis uses geographical distance between trading partners as a proxy for these costs.

"Global Trade Analysis Project (GTAP) predicts that a reduction in trade costs in Pakistan to the level of those of Singapore could increase Pakistan's GDP by \$10 billion, create 2.2 million jobs and reduce poverty by 5%."

Multilateral institutions, however, have developed various indices to compare these costs across countries. For example, the World Bank uses a logistic performance index (LPI), which is based on a survey of business enterprises. Similarly, the United Nations Conference on Trade and Development (UNCTAD) employs the liner shipping connectivity index (LSCI), which is computed using various com-

ponents of maritime connectivity.

## Trade costs: How Pakistan ranks

Table 1 presents some of the indicators reflecting different aspects of the costs of trading. It compares the relative rankings of Pakistan with that of regional economies, India and Bangladesh. Despite performing well on costs of exporting, and 'ease of doing business', Pakistan still has much ground to cover on improving its shipping connectivity and logistic performance.

These indices are informative to a certain extent. A fuller picture, however, emerges from the World Bank's recently released bilateral trade-cost dataset, spanning 178 countries. The dataset measures the trade-depressing effects of national borders, relative to the costs of domestic trade. Exploration of this dataset indicates that Pakistan's bilateral trade costs are relatively higher than those of most developing economies. Moreover, costs vary widely between trading partners, as do Pakistan's export shares to various markets (Figure 1).

It appears that the costs of exporting are lower for trading with the economies of North America, Europe and with Australia and New Zealand. This can be explained by the relatively higher shipping line connectivity of these countries. By contrast, trade costs are highest for the countries located in Middle Africa (most likely due to the landlocked nature of these economies).

Parameter	Pakistan	Bangladesh	India	China	Singapore
Cost of Exporting a 20ft Container	765	1,281	1,332	823	460
Cost of Importing a 20ft Container	1,005	1,515	1,462	800	440
Number of Export Documents	8	6	7	8	3
Number of Import Documents	8	9	10	5	3
Doing Business Index	128	173	142	90	1
Liner Shipping Connectivity	27.5	8.39	45.61	165	113
Logistic Performance Index	2.83	2.56	3.08	3.53	4

Source: Constructed using datasets of the World Bank and United Nations

Table 1: Commonly used trade cost indicators

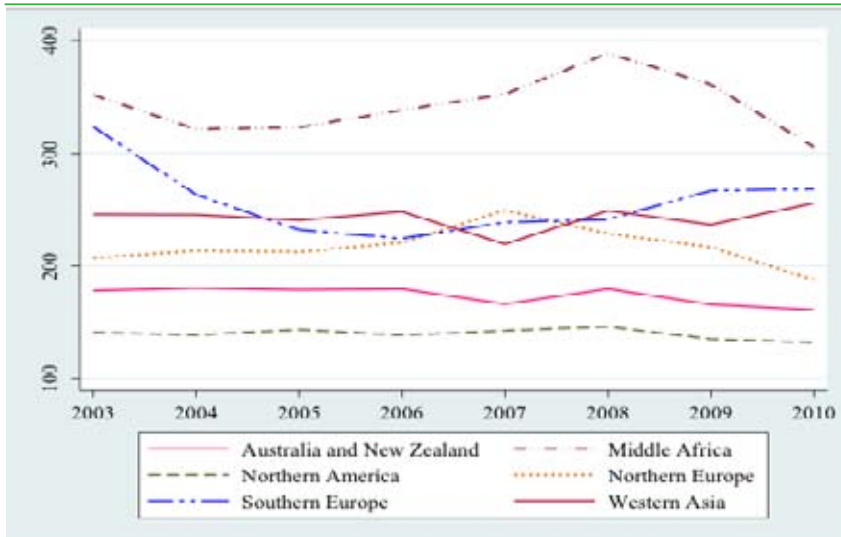


Figure 1: Evolution of Pakistan's trade costs between different regions over time  
Source: Author's work using bilateral trade cost dataset of the World Bank

Although Pakistan's trade costs decline over time, the decline is uneven across countries. Overall, Pakistan's trade costs have almost been stagnant. By contrast in India and China, costs are continuously falling; the drop is much more pronounced for China than India. Export volumes vary inversely with the trade costs. As a result, Pakistan's exports are concentrated in regions with lower trade costs (Figure 2 and Figure 3).

**Greater connectivity has the potential to reduce costs, incentivise higher trade volumes and expand product mixes**

A key insight from this data is that some of the trade cost indicators in Pakistan are much more promising than those of its neighbours. For example, Pakistan ranks relatively higher on the World Bank's 'Doing Business Index'. The cost of exporting or importing a 20-foot container is around 35% lower in Pakistan than in India or Bangladesh. Moreover, Paki-

stan's border-clearance procedures ranked among the most efficient in the developing world. However, bilateral trade costs are relatively higher in Pakistan and vary enormously across its trading partners, as does Pakistan's export share to various markets.

Pakistan still has the potential to reduce trade costs significantly by improving shipping connectivity and enhancing its logistics performance. Considerable investment in infrastructure to link major seaports and international airports to the hinterland could reduce domestic trade costs. Similarly, policy incentives to attract more shipping lines to navigate Pakistan's ports could drastically reduce international trade costs. This reduction in domestic and international trade costs will incentivise more firms to export and encourage existing exporters to expand their volumes and widen their product mix.

Currently, various efforts are being made at national, regional, and multilateral forums to

facilitate trade flows. Pakistan needs to actively engage in these initiatives to benefit from the changing patterns of world trade. Two recent initiatives are the WTO's trade facilitation agreement (TFA), and the US-led mega trading blocks in Asia and Europe (TPP, TTIP, and REC). Active involvement in these programmes could improve the comparative advantage of Pakistan's export-oriented firms.

"Pakistan still has the potential to reduce trade costs significantly by improving shipping connectivity and enhancing its logistics performance."

Accession to the WTO's trade facilitation agreement (TFA) may not generate many trade gains, as Pakistan has already implemented most of the provisions of the agreement unilaterally. Additionally, most trade costs faced by Pakistan's exporters are induced by non-tariff measures, namely infrastructure, and connectivity challenges. These issues are not addressed in the TFA, which focuses on streamlining border clearance procedures.

**Conclusion**

Any meaningful trade facilitation warrants active policy responses at the domestic and bilateral levels. This will mean signing trade deals with the countries of high-trade-cost regions. Otherwise, Pakistan's trade will continue to grind forward with the handbrake on.

Article published by the International Growth Centre:  
<http://www.theigc.org/blog/trade-costs-and-trade-potential-in-pakistan/>

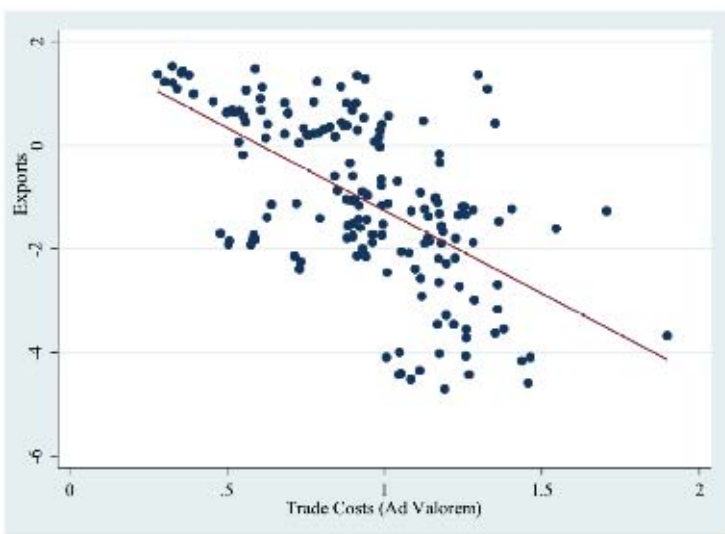


Figure 2: Trade volume varies inversely with trade costs

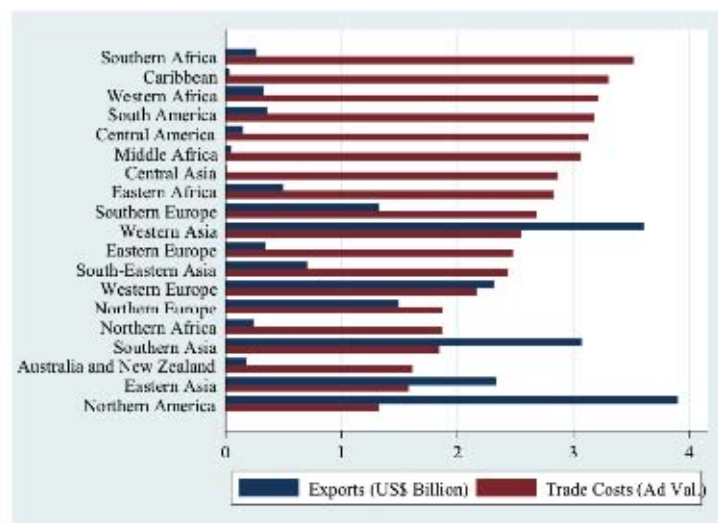


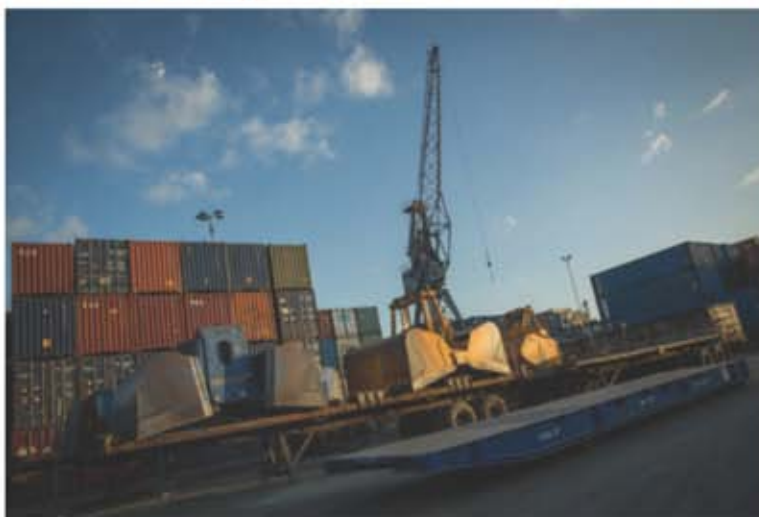
Figure 3: Concentration of exports to low trade cost regions

Source: Calculations using bilateral trade cost dataset, the UN-ESCAP and Trade flows from WITS

# ARE YOU IMPLEMENTING REFORMS TO ALIGN WITH THE WTO TRADE FACILITATION AGREEMENT?

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## Special Competition on WTO Trade Facilitation Agreement Implementation



Sponsored by the WBG Trade and Competitiveness Global Practice and the WTO Trade Facilitation Agreement Facility

We welcome narratives which showcase lessons learned (both successes and failures) which focus on but are not limited to the following:

- Simplification, streamlining and harmonization of trade procedures and documents
- Implementation of a Coordinated Border Management (CBM) approach to border clearance
- Integration of risk-based border management systems into border inspections and clearance processes
- Revision and drafting of trade-related laws to align them with the TFA
- Inter-agency coordination and design of institutional capacity building plans
- Introduction of regional solutions to facilitate trade in support of regional integration
- Improvement of transparency and accountability measures
- Engaging in meaningful public private dialogue

Submissions will be accepted until **May 31, 2016**.

We strongly encourage you to contact the SmartLessons team at [smartlessons@ifc.org](mailto:smartlessons@ifc.org) before beginning to write. For technical content, please write to Arsala Deane, [adeane@worldbank.org](mailto:adeane@worldbank.org)

For more information, please visit <http://smartlessons.ifc.org>. For additional guidance please review the [concept note](#).

SmartLessons is a World Bank Group program that enables development practitioners to share lessons learned in development operations.



SmartLessons is brought to you by the Global Knowledge & Learning Office (GKLO).

# TANZANIA DOING WELL IN REGIONAL TRADE

**In a bid to improve trade with other members in the East African Community, Tanzania has issued 3,222 simplified certificates of origin (CoO) as of June last year compared to 2,355 certificates issued in 2014.**

This was revealed in Dar es Salaam in March by Prime Minister Kassim Majaliwa in his address to the East African Legislative Assembly (Eala) currently holding a plenary session there.

**A CoO is a document used in international trade in printed form or as an electronic document. It is completed by an exporter and certified by a recognised issuing body, attesting that a ship consignment has been produced, manufactured or processed in a particular country.**

The origin of a product does not refer to the country, where the goods were shipped from, but to the country, where they were made.

If it happens that the products were manufactured in two or more countries, origin is obtained in the country, where the last substantial economically justified working or processing is carried out.

A common practice is that if more than 50 per cent of the cost of producing the goods originates from one country, the local content is more than 50 per cent, then that country is regarded as the country of origin. In case of trading blocs, such as the East African Community (EAC), CoO may be allowed to state the trading bloc rather than a specific country.

Determining the origin of a product is extremely important because origin is key information for applying tariffs, embargo and other trade policies. However, not all exporters need a CoO for depends on the destination of goods, their nature and it can also depend on the financial institution involved in export process.

CoO became a contentious issue in early years of enforcement of the EAC Customs Union Protocol, specifically through the application of Common External Tariffs (CET), which were removed on goods produced outside the bloc. The problem came, when such goods were on transit from one member state to another in the bloc.

Mr Majaliwa told the Eala that issuance of CoO was one of the measures taken by partner states to consolidate economic integration and that it reflected the pace with which trade barriers were being eliminated in the region.

He cited Kenya, where a significant number of non-tariff barriers (NTBs) had been eliminated through an innovative SMS-based NTBs reporting system

Rwanda has done away with all trade restrictions and has gone further to harmonise demographic and social statistics for undertaking agricultural surveys and census.

“All initiatives are geared towards enhancing the Common Market Protocol,” he said in an address he delivered on behalf of President John Magufuli, adding, however, that issuance of electronic CoO had been delayed and, therefore, had yet to be adopted.

He said in Uganda, the value of goods from the EAC partner states that had been accorded zero-tariffs grew by nine per cent, while 360 EAC standards on traded goods had been adopted and applied.

No trade figures were given for the strife-torn Burundi, but the tiny country is reported to have started recognising academic qualifications, experiences obtained, licences and certifications obtained for workers from other EAC member countries.

“We all admit that we have done well in eliminating tariff-related barriers. We must resolve to do away with the remaining ones,” he said, remarking that the bloc had also seen the removal of many road blocks in recent years.

The PM disclosed in a speech, whose copy was availed to The Citizen on Sunday in Arusha, that out of the 15 one-stop border posts (OSBPs) being constructed in key borders areas across the region, seven had been completed, of which four were fully operational.

Those already working include the Holili/Taveta OSBP on the Tanzania/Kenya, which was opened a few weeks ago. TradeMark East Africa granted some \$ 12 million for its construction.

Other posts completed within the borders of Tanzania are Rusumo (Tanzania/Rwanda), Sirari/Isebania (Tanzania/Kenya), Horohoro/Lunga Lungu (Tanzania/Kenya), Kagitumba/Mirama Hills (Rwanda/Uganda), Gasenyi/Nemba (Burundi/Rwanda) and Ruhwa Border Post on the border of Burundi and Tanzania.

OSBPs have been adopted for use in the region as a trade facilitation to minimise delays at borders and in major trade corridors in the region.

The Eala was also told about a phenomenal increase in intra-EAC trade, which, according to the EAC Secretariat, was now at 23 per cent over and above the intra-African trade figure of 12 per cent. Intra-regional trade within the bloc has been on a 300-per cent increase from \$2 billion in 2005 to \$6 billion in 2014.

However, Eala Speaker Daniel Kidega said the legislators were still concerned about the tenets of the EAC Common Market Protocol, which had not been fully met in the last five years since the arrangement was enforced after two years of negotiations.

“A sticking area concerns that of free movement of persons and the rights of residence,” he said, noting that the East African Trade Union Confederation (EATUC) and the East African Employers’ Organisation (EAEO) did petition the Eala on the matter, which was debated and passed.

He commended Tanzania, often blamed for being slow in the integration process, for its commitment to harmonising work and resident permits as well as necessary fees in line with providing preferential treatment to citizens of the EAC partner states.

According to him, Rwanda, Kenya and Uganda had already abolished work permit fees and have introduced inter-state passes. The move encourages workers to move freely in search for opportunities.

Mr Kidega added that the launch of the EAC International E-passport would further facilitate movement of the people in the region.

Speaker of Tanzania’s National Assembly Job Ndugai said the region looked forward to including new legislators from the Republic of South Sudan and that would widen the bloc. He thus urged the Eala to be bold in playing its role in the integration process.

The Eala was further informed about consolidated gains of the Single Customs Territory, which commenced in 2014 on a pilot basis along the Northern and Central corridors. This is implemented through the finalisation of key operational instruments entailing revision of business manuals, development of an M&E tool framework, staff deployment and revision of an enforcement framework.

Article published by  
TradeMark East Africa in:  
<http://bit.ly/1SM7X6N>

## EAST AFRICAN COUNTRIES SET-UP OF CARGO CONTROL UNIT

**Four East African countries agreed to fast-track implementation of a common customs and transit cargo control framework to enhance regional trade.**

Commissioners-general from the Kenyan, Ugandan, Rwandan and Tanzanian revenue authorities said adoption of an excise goods management system would curb illicit trade in goods that attract excise duty across borders.

They said creation of a single regional bond for goods in transit would ease movement of cargo, with taxation being done at the first customs port of entry.

The meeting held in Nairobi supported formation of the Single Customs Territory, terming it a useful measure that will ease clearance of goods and reduce protectionist tendencies, thereby boosting business.

Implementation of the territory is being handled in three phases; the first will address bulk cargo such as fuel, wheat grain and clinker used in cement manufacturing.

Phase two will handle containerised cargo and motor vehicles, while the third will deal with intra-regional trade among countries implementing the arrangement.

The treaty for establishment of the East African Community provides that a customs union shall be the first stage in the process of economic integration.

Kenya Revenue Authority (KRA) commissioner-general John Njiraini said the recently introduced customs and border control regu-

lations were designed to enhance revenue collection and beef up security at the entry points.

“At KRA, we have commenced the implementation of a number of revenue enhancement programmes particularly on the customs and border control front that will address security and revenue collection at all border points while enhancing swift movement of goods,” he said.

To address cargo diversion cases, the regional revenue authorities resolved that a joint programme be rolled out to reform transit goods clearance and monitoring processes.



*Article published in the blog of Mr Mike Poverello:*

<http://mpoverello.com/2016/02/10/east-african-countries-set-up-of-cargo-control-unit/>



# EAST & SOUTHERN AFRICA (WORLDWIDE) CONTAINER TRADES

Dynamar has recently issued its latest report in the Container Markets and Trades series with the title “East & Southern Africa (worldwide) Container Trades”. Salient details and some of the interesting findings of the study are discussed in this review.

- East & Southern Africa container volumes grown by 9% CAGR since 2010
- China's exports to East Africa to increase by 91% until 2020
- Strong growth, rising incomes, falling poverty, economic diversification
- Transit cargo from Mombasa growing 7% average; current share 30%
- Inland-transportation costs reaching 77% of export value
- Sub Saharan Africa's largest port is Durban (South Africa)
- Somali-attributed pirate attacks back from 2010's 220 to ten (too many) in 2014



## A Sub-Saharan container trade specialist

In terms of container trade, three main African regions are concerned, comprising 23 countries:

East Africa: coastal Somalia, Kenya and Tanzania, plus seven landlocked countries

Indian Ocean: Madagascar, Mauritius, La Réunion (France) and three more island states

Southern Africa: littoral Mozambique, South Africa and Namibia, plus four non-coastal nations

Trade-wise not part of East Africa is rich-in-minerals Djibouti with its eponymous port. Nine out of the ten container services coming to Djibouti do so as part of a larger Red Sea/Middle East rotation. Only one, a Messina-operated Container/RoRo service, connects with East & Southern Africa ports. Nonetheless, a separate write-up discusses the position of Djibouti as a gateway to Ethiopia, together with an overview of services calling there.

## Not insignificant

In the mind of many, this study's part of Africa forms an altogether insignificant trade. That may be true if comparing it with a high volume area such as the Far East. Yet, this region's combined port throughput is approaching 8 million TEU, which is technically more than the whole of the Australian continent. And then, there is so much scope for growth of these 23 different African countries with their 437 million inhabitants.

Imagine that the East and Southern Africa container trades would catch up, relatively and in one year's time, with that of the USA with its population of 323 million. In that case, the relevant African TEU volume would grow to 42 million TEU, up 1,200% from the 3.2 million TEU of 2014... A period of 25 years may be more realistic. This would then translate into a compound annual growth rate (CAGR) of nearly 11%!

Exaggerated? A bit perhaps, but combined, East and Southern Africa including the Indian Ocean Islands have seen full container volumes growing by a CAGR of over 9% since 2010. This backed up by the value of their merchandise trade expanding by more than 26% to USD 385 billion over the same period.

## Littorals and megalomaniac terminal projects

Although three carriers, CMA CGM, MSC and Simatech are nowadays serving Mogadishu, Somalia including Somaliland and Puntland is still largely defunct. Hence, East Africa currently counts just two active littoral countries: Kenya and Tanzania. These serve a more than seven-country hinterland, comprising a population of well over 200 million souls, more than double their own. Altogether, an indication of the increasing pressure on their ports to serve such an extensive and economically growing inland area via often physically inadequate connections larded with numerous checkpoints, if not roadblocks.

Mombasa (Kenya), expecting its current 1.0 million TEU throughput to double by 2020, is building a new 1.2 million TEU container terminal, after recently having expanded its existing one. Contender for various inland destinations Dar-es-Salaam (Tanzania) has longstanding plans and a long shortlist of no less than ten companies to build a new, 600,000 TEU box facility, doubling present capacity. In addition, some multipurpose berths will be strengthened to handle containers.

In addition to their main ports, both countries are ushering their smaller secondary outlets. The main ones are Lamu in Kenya and Bagamoyo and Mwambani in Tanzania. These have in common to become the oceanic starting points of transport corridors of sometimes megalomaniac, multi-billion dimensions as they are to include port facilities, roads, railways, pipelines and warehouses.

Bagamoyo, opposite Zanzibar and 75-kilometre north of Dar-es-Salaam, was the capital of former German East Africa. China Merchants (Holding) International and Oman have jointly funded the USD 11 billion(!) to build a 20 million(!) TEU capacity container port there. However, it is still not excluded that preference will be given to the southern port of Mtwara, near the border with Mozambique.

*Published by Dynamar. To learn more about this publication, visit:*

[www.dynamar.com/publications/150](http://www.dynamar.com/publications/150)

# REEFER ANALYSIS - MARKET STRUCTURE

## CONVENTIONAL-CONTAINERS

It will not signal its revival, but 2015 was actually a good year for the conventional reefer sector. Due to the low fuel price, despite many of them being old and fuel hungry, conventional reefer ships all of a sudden became competitive against the container box. So competitive that Ecuadorian Line, the shipping division of Naboia, decided to put its own reefer ships back into service as an alternative for its arrangement with MSC.

The positive situation is reflected by the high Time Charter Equivalent (defined as income minus variable costs) earned by carriers, which in the first half of 2015 for the smallest categories were even higher than in the same period of record year 2008. Albeit a bit lower than in 2008, also for the biggest sizes, TCE compared quite well.

For this reason, last year few carriers decided to sell their ships for scrap. In the first eleven months of 2015, only four units were recorded as being disposed of for demolition, with a combined capacity of just over 1.5 million cu.ft. Their average age was almost 32 years, indicating that they were probably at the end of their technical life cycle. If this trend con-

tinues, the decline of the fleet will go much slower than previously expected.

Moreover, for the first time since 2010, there was a significant new building order. The world's biggest conventional operator Seatrade contracted four 300,000 cu.ft dedicated reefer units to be used for the fish and meat trade, a segment in which conventional vessels are still strong. More orders from the same company are understood to be in the pipeline. Betting on two horses, Seatrade is also planning to penetrate the container segment, with orders for relatively small full-reefer capacity container ships.

It is not all gold that glitters though. Whereas reefer ship owners still see a future for their vessels, many fruit traders think differently. In 2015, both Dole (Dole Ocean Cargo Express) and Chiquita (Great White Fleet) reduced their conventional fleets in favour of box tonnage. Early next year, Fyffes will take a similar step, when its transport division Fyffes Atlantic Shipping will end its Central America -North Europe reefer link and charter slots from Maersk Line instead. Nevertheless, its 50% subsidiary Geest Line, has just renewed the

charter of four units from Seatrade and is likely to continue its Caribbean-North Europe service for several more years.

What will happen? Time will tell...

*Published by Dynamar. To learn more about this publication, visit:*

[www.dynamar.com/publications/153](http://www.dynamar.com/publications/153)





## FEATURED PUBLICATION

# LINER SHIPPING: IS THERE A WAY FOR MORE COMPETITION?

UNCTAD Discussion Paper No. 224

With around 80 per cent of global trade by volume and over 70 per cent of global trade by value carried by sea, and with these shares being even higher in the case of most developing countries, maritime transport, including liner shipping, remains highly important for international trade and the global economy.

To ensure stability in the sector, in various jurisdictions around the world, liner shipping conferences (Arrangements among ocean carriers allowing for freight rate fixing) have been exempted from the application of competition laws over the years.

Many of these jurisdictions confer exemptions, under similar conditions also to consortia and strategic alliances - arrangements among ocean carriers that do not involve freight rate fixing.

The paper aims to provide an overview of recent and potential developments related to competition and cooperation in liner shipping.

A number of reviews and studies conducted over the last decades by organizations and individual countries have suggested that liner shipping may not be unique, as its

cost structure does not differ substantially from that of other industries, or at least not sufficiently to justify that it needs to be protected from competition, by being exempted from competition laws.

As a result, such exceptions have gradually come under review and have narrowed in scope, giving more space to pro-competition, non-ratemaking agreements.

Therefore countries are encouraged to establish appropriate and harmonized regulatory systems to support and monitor such agreements.

Carriers may continue to collaborate to achieve operational improvements, while the competition authorities ensure that the competition in the market is sufficient and shippers benefit from eventual cost savings. At the same time, enhancing cooperation between national competition agencies, sharing of information among them, and other relevant measures shall be encouraged.

<http://bit.ly/23aC50t>

## INFORMATION AND COMMUNICATION TECHNOLOGIES (ICT) FOR TRADE AND TRANSPORT FACILITATION

Published by UNESCAP

This paper studies the linkage between trade and transport facilitation and ICT. It looks into the business needs of trade and transport facilitation (TTF) and how ICT can respond to these needs. The paper argues, new policy and regulatory directions for trade and transport facilitation and new operational requirements have emerged in recent years. Thus the design of ICT architecture and its organizational underpinnings has to change to respond to these new requirements.

The paper will first present current trade and transport facilitation trends and the impact they have regarding ICT support. It will then present an architectural model for the integration and modernization of trade and transport facilitation systems and describe some of its features. A discussion of organizational and legal requirements supplements this discussion and completes the frame work for Trade and Transport Facilitation ICT systems described in this

paper. Some information on the state of preparedness of selected least and landlocked developing countries (Nepal, Kyrgyzstan, Mongolia and Myanmar) towards the implementation of a National Single Window for paperless trade is provided in annex for reference.

<http://bit.ly/1MS8Zio>

## PUBLICATIONS

### 2015 Global Trade Management Survey

Thomson Reuters and KPMG International

When it comes to global trade, companies are leaving their people without the necessary scalable technology tools equipped to handle today's enormous volumes and complexities. Routine trade activities not requiring highly technical skills are still being processed manually when technology is better equipped to facilitate.

This is one primary finding of an extensive, multinational survey on global trade practices conducted by Thomson Reuters and KPMG International. We surveyed 446 global trade professionals at companies that import and export. The respondents come from 11 countries across Asia, Latin America, and the United States.

They investigated these aspects of global trade:

- Trade operations activity
- Global trade management systems
- Free Trade Agreements
- Tariff classification
- Systems integration
- Centralization
- Transfer pricing

At the time this research was conducted, the two largest and most ambitious trade agreements ever — the Trans-Pacific Partnership and the Trans-Atlantic Trade and Investment Partnership — were being negotiated, making clear, timely information about global trade operations uniquely important to every global business.

The data, and the reasons and logic underneath it, comprise our inaugural Global Trade Management Survey, which will annually track the challenges and opportunities in global trade management.

<http://bit.ly/2352sIE>

### Maritime Policy & Management

Volume 43, Issue 3, 2016

This issue includes articles on biofuel supply chains, opportunities for increased profit and reduced costs and emissions, greener shipping, subjective measurement of seafarers' fatigue levels and mental symptoms, among others.

<http://mpm.iamc.info>

### Maritime Economics & Logistics

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.iamc.info>

### Canal de Suez: stratégies maritimes & perspectives logistiques

Yann Alix

A quelques années d'intervalle, les deux plus importants passages transisthmiques de Suez et de Panama auront changé de calibre avec l'ambition de toujours mieux servir les artères dominantes du commerce international. Gigantisme naval, transbordement tactique, orchestration logistique : Suez reste au cœur de stratégies opérationnelles et prospectives; le tout dans un marché mondial atone.

<https://www.linkedin.com/pulse/canal-de-suez-strat%C3%A9gies-maritimes-perspectives-logistiques-yann-alix>

### De Mombasa à Walvis Bay: quelle(s) compétition(s) portuaire et logistique?

Yann Alix

Du sud de la Corne d'Afrique au désert de Namibie, une vingtaine d'établissements portuaires se partagent l'immense marché conteneurisé de l'est et du sud du continent, incluant les systèmes insulaires de l'Océan indien. Depuis 2000, les manutentions totales ont déjà doublé pour approcher les 8 millions de boîtes. Sur ces immenses territoires, croissances démographiques et économiques se conjuguent avec de relatives stabilités politiques et sociales pour que la barre symbolique des 10 millions de conteneurs soit atteinte dès 2020. Panorama des concurrences actuelles... et à venir.

<https://www.linkedin.com/pulse/de-mombasa-%C3%A0-walvis-bay-quelles-comp%C3%A9titions-portuaires-yann-alix>

### Establishing Mexico's Regulatory Agency for Rail Transport

OECD

Mexico's highly efficient freight railways are operated by privately owned concessions. The system adopted for the concessions by the 1995 Railway Law provides exclusive rights to manage vertically integrated track and train companies over specified sections of the network and was designed to create competition between the companies in key markets. Competition is provided for in several ways; through parallel tracks, through alternate routes and through rights to use each other's tracks on specific sections of the network.

Overall the system has worked well but a deficit in regulatory capacity in government has proved an obstacle to settling disputes over the use of trackage rights and, in some markets, disputes over the access conditions for certain shippers. The Railway Law was amended in January 2015 to address this shortcoming through measures that include establishment of a new Agency for the Regulation of Rail Transport (ARTF). In this report, preparations for the establishment of the new rail regulatory agency are reviewed and compared to comparable regulatory arrangements in other OECD countries to ensure effective implementation of the new institutional arrangements.

The key to the success of the new agency will be its capacity, in terms of economic expertise, to make judgements on issues of access to rail services. To be robust to legal challenge, the decisions of the agency will need to be well-argued in economic terms and effectively communicated to provide all parties concerned, including the courts, with the confidence that judgements are sound. The agency will need resourcing sufficient for this task.

<http://bit.ly/1N4Una1>

## Abidjan- Ouagadougou Corridor Performance Indicator

Bright Senam Gowonu

This article sets out to explain non-tariff barriers observed on the Abidjan-Ouagadougou (1,263 km) corridor, both directions, from January 20-30, 2016. It examines delays, informal costs and the implementation of UEMOA/ECOWAS protocols concerning trade and transport facilitation by national governments of Burkina Faso and Côte d'Ivoire. The methodology used included first-hand observations on board transit trucks from Abidjan to Ouagadougou and from Ouagadougou to Abidjan, interviews with truck drivers in Cote d'Ivoire and Burkina Faso and along the corridor, border control officials and other stakeholders.

<http://bit.ly/1UPBBvz>



## FEATURED EVENT

### Joint UNCTAD-Commonwealth Secretariat-International Ocean Institute Seminar on Oceans Economy and Trade: Sustainable Fisheries, Transport and Tourism

10-12 May 2016 - Geneva, Switzerland

The UNCTAD Secretariat, the Commonwealth Secretariat and the International Oceans Institute (IOI) are jointly organizing an International Seminar on Oceans Economy and Trade: Sustainable Fisheries, Transport and Tourism. The seminar will be held from 10 to 12 of May 2016 in Room VIII of the Palais des Nations, Geneva. It will start at 10 a.m. on Tuesday, 10 of May 2016.

#### Purpose

The International Seminar aims to (i) increase the understanding of the concept of the oceans economy and its close links with trade, (ii) examine how international trade in goods and services, as mediated by interna-

tionally agreed rules, regulations and trade policy, can better support the advancement of the Sustainable Development Goal 14 (SDG 14) and other related goals, and, (iii) underscore the strong inter-sectoral interdependencies of ocean-based sectors (trade, fisheries, coastal tourism and maritime transport and cluster) and related implications for strategically coordinated policies.

#### Audience

The event will bring together abroad-based audience with varied backgrounds, including in particular leading global experts on trade, sustainable fisheries and transport, representatives from the Permanent Missions in Geneva, representatives from International Governmental Organisations, stakeholders

from the transport, fisheries and tourism sectors, academia, research institutions, and civil society to raise awareness and share information on key issues at the interface of the Oceans economy and SDG14 as well as discuss and identify relevant trade and oceans economy-related policy issues that intersect with fisheries, maritime transport and coastal tourism.

#### Participation

Experts and organisations wishing to participate can register online no later than 5 May 2016.

Registration online:

<https://reg.unog.ch/event/5282/registration/signin?>

For more information about the Seminar:

<http://unctad.org/en/pages/MeetingDetails.aspx?meetingid=1082>



# PROCEEDINGS OF EVENTS

## Trade Facilitation Implementation Support Seminar

04 March 2016 - Geneva, Switzerland

The WTO Trade Facilitation Agreement Facility held a seminar for WTO Members on the assistance available for the implementation of the Trade Facilitation Agreement on 4 March at the WTO in Geneva.

Donor Members, Annex D+ international organizations (including UNCTAD) and representatives of the private sector met with WTO Members to outline what support they have made available to help governments implement trade facilitation reforms and to report on their experiences to date in providing assistance.

The seminar also included a "trade fair" where participants picked up brochures and asked questions to the various donors and organizations.

The presentations are included here:

<http://www.tfafacility.org/trade-facilitation-implementation-support>

## UPCOMING EVENTS

### UNCTAD E-Commerce Week 2016

18-22 April 2016 - Geneva, Switzerland

Join the multi-stakeholder discussions on emerging e-commerce topics and trends in sessions organized by UNCTAD and Partners.

- E-Commerce in the Global Economy
- Ad Hoc Expert Meeting on Data Protection and Privacy: Implications for Trade and Development
- Aid for eTrade Consultation
- Measuring eCommerce

<http://bit.ly/1UPBBvz>

### WTO Workshop on establishing and maintaining a National Trade Facilitation Committee

June 2016

Article 23.2 of the Trade Facilitation Agreement (TFA) requires each Member to establish and/or maintain a National Committee on Trade Facilitation or designate an existing mechanism to facilitate both domestic coordination and implementation of the TFA provisions. Several Members are in the process of creating or devising ways of maintaining such Committees.

To assist in these discussions, the WTO will hold a Workshop on establishing and maintaining a National Committee on Trade Facilitation in June this year, back to back with the next meeting of the WTO Preparatory Committee on Trade Facilitation (PCTF).

UNCTAD will be among the Annex D organisation invited to coach members of the national trade facilitation committees.

Final date and a draft programme will be announced in the coming weeks.

<http://www.tfafacility.org/workshop-establishing-and-maintaining-national-tf-committee>

### 6th International Conference on Logistics and Maritime Systems

21-23 June 2016, Sydney, Australia

The objective of this conference is to provide a forum for participants from universities and related industries to exchange ideas on the latest technical, operational, economic and sustainability developments in container and bulk logistics and their related maritime systems. Logistical developments continue to drive the growth of international trade, leading to more complex global supply networks typically involving maritime, inland waterway, road and rail transportation systems.

<http://logms2016.org/>

### International Meeting on Logistics Research RIRL 2016

07-09 September 2016 - Lausanne, Switzerland

From 7 to 9 September 2016, the Ecole Polytechnique Fédérale de Lausanne (EPFL) will have the honour and the pleasure

of hosting the 2016 RIRL (International Meeting on Logistics Research) conference. EPFL is one of two institutes of technology in Switzerland. The institute hosts some 15,000 people - nearly 10,000 students and 5,000 professors, skilled professionals and scientific, technical and administrative associates. Located in a particularly picturesque corner of Lausanne, near the lake and the mountains, this school boasts 5 schools and two colleges. The Meeting will be organised by the College of Management of Technology (CDM) and by the International Institute for the Management of Logistics (IML), co-founded in 1990 by the EPFL and the Ecole des Ponts ParisTech with the support of international businesses.

In 2016, the RIRL session will combine scientific presentations of an academic nature with input from professionals. What is truly unique about RIRL 2016 is that it will bring together current industrial problems and works of theoretical research. This approach should also allow for collaborations that are as necessary to the academic world as they are to the industrial world.

<http://riri2016.epfl.ch/>

### 2nd Colombo International Maritime Conference

21- 23 September 2016, - Colombo Sri Lanka

The importance of Sri Lanka's ports in international trade as well as linking the east-west shipping route has created much interest among global industry & academia. The significance of Sri Lanka's maritime location and as a gateway destination to Asia is seen by many major industry players and are now focusing on relocating logistic & shipping to the Indian Ocean island where great opportunities are available to speedily connect many continents and consumers. Sri Lanka is considered as the best location in South Asia with modern infrastructure, customs and human capital availability at low cost.

The first ever CIMC was considered as one of the best in Asia by the 500 delegates who came to Colombo in 2015. Given the great opportunity in the Indian subcontinent for cost effective shipping & logistics industry the CIMC 2016 will be held during "Sri Lanka Maritime Week". The event is spearheaded by private/public partnership under the leadership of the Minister of Ports and Shipping, a maritime exhibition too will be part of the 2016 event.

[www.cimc2015.com](http://www.cimc2015.com)



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