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Key challenges in Transit transport for Central Asia

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Outline

Challenges and emerging opportunities in transit transport

- Increasing role of railway transit
- Use of automatic customs transit transport
- Use of electronic tracking technologies

Implication for Customs in facilitating transit transport





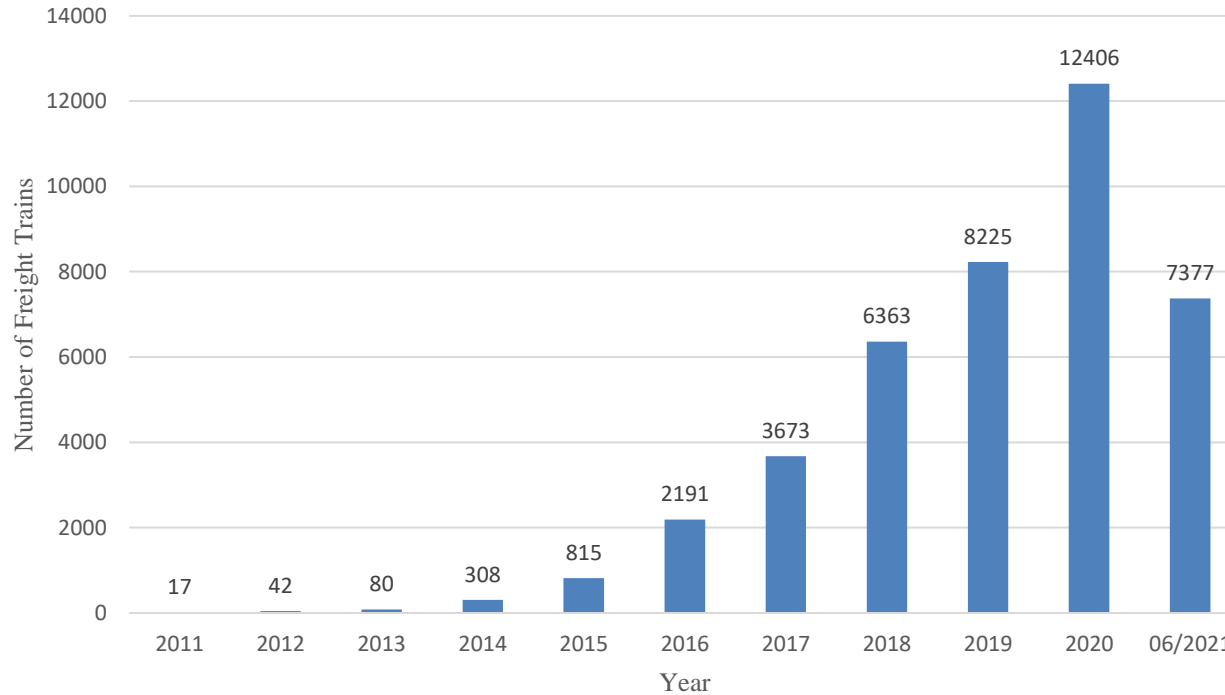
Increasing railway transit transport

- ✓ Railway freight is rising rapidly along China- Europe routes. From just 11 freight trains in 2011 to 12,406 in 2020
- ✓ Many countries are investing in rail infrastructure such as railway terminals to manage international railway traffic
- ✓ Launch of many new railway services such as mail express trains, perishable goods, and sanctioned goods
- ✓ New railway routes coming into existence – with involvement of many countries and therefore more border crossings

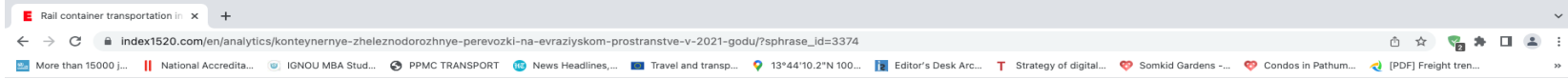


China- Europe Freight trains growth

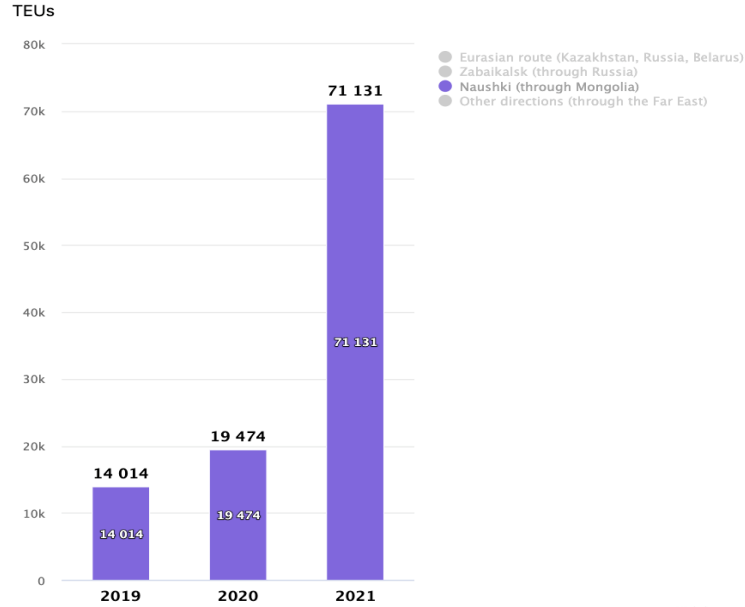
Fig1: China-Europe freight trains-exponential growth



Rising rail freight transit from Mongolia



Share of major China–Europe–China rail container transit routes



Highcharts.com

Digital Railway Border Crossing

D1 - Electronic Information/Data Exchange

D2 - New Technologies for Efficient and Secure
Border Crossing (Electronic seals)

D3 - Railway Consignment Note as a Customs
Document

D4 - Efficient Break of Gauge Operations

D5 - Joint Border Controls

D6- Railway - Customs electronic interface



II. Increasing use of automatic transit transport systems

- ✚ **Article V of GATT 1947** recognized freedom of transit. However, transit countries reserve the right to be compensated for irregularities in transit through guarantee/security for goods in transit
- ✚ **TIR convention 1975** - first international legal instrument providing for a robust guarantee system
- ✚ Increasing level of integration/ rising volume of transit transport / transit frauds coupled with emergence of ICTs led countries of European Union to develop a computerized transit system





Why automatic transit transport systems?

- ✚ Success of NCTS provided inspiration to ASEAN countries and countries in Latin America

- ✚ **Vienna Programme Action for LLDCs**
 - Para 37 (c) modernize transit and transport facilities including Customs and border facilities by fully utilizing the ICT
 - Para 52 (b) encourages landlocked countries to promote use of modern Customs practices including electronic transactions and exchange of information

- ✚ **WTO Agreement on Trade Facilitation-** many provisions of Article 11 on transit can be complied efficiently with automated transit system
 - Pre-arrival filing and processing of transit declaration (11.9)
 - Prompt termination of transit operation if the transit requirements are met (11.10)
 - Prompt discharge of guarantees (11.11.2)





Benefits of automated transit transport system

For Customs

- *Improved security of transit operations* through more reliable and real time exchange of information
- *Reduced time for processing transit documents and accelerated transit formalities* through improved communication such as electronic exchange of messages
- *Improved capacity to deal with various types of fraud* by (a) better risk management to address security threats and revenue losses and (b) automatic validation processes and reduced manual interventions

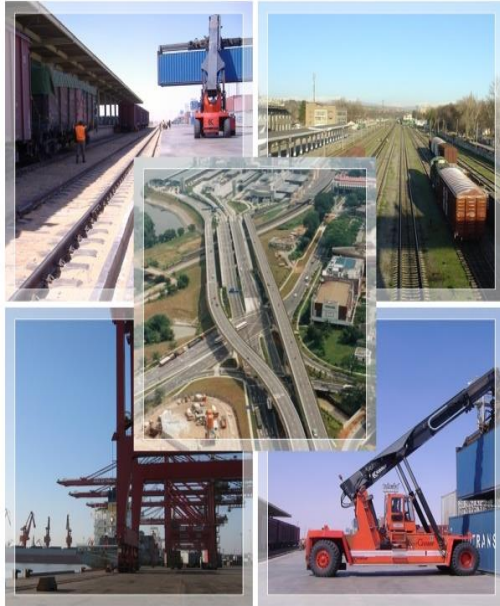
For Private Sector

- Flexible/reduced guarantees and their faster release reduce cost of transit transport
- Reduction of repeated data entry and consistency of transit data
- Accelerated customs transit formalities





What is ESCAP doing to promote automatic transit transport systems?



Study on paperless transit under the project found that the only operational paperless systems was the New Computerized Transit System (NCTS) used for common and community transit in Europe

Guide on paperless transit systems to expand the knowledge of stakeholders in designing and implementing such systems

<https://www.unescap.org/resources/monograph-series-transport-facilitation-and-logistics-development-asia-and-pacific-study>)

Guide on establishing an automated customs transit transport system have been finalized detailing technical design of the system

<https://www.unescap.org/resources/guide-establishing-automated-customs-transit-transport-system>)



3. Application of electronic tracking systems using new technologies

- ✦ Increase accessibility of new technologies- electronic seals, mobile communication
- ✦ Already in use in many countries China, Jordan, Hong Kong , China, Russian Federation and many countries in Africa
- ✦ Private companies have taken lead in offering electronic tracking solutions
- ✦ Disconnected ECTS is not able to provide appropriate transit facilitation- tracking system at regional level is one possibility





3. Electronic tracking of vehicles part of transit transport facilitation agreements

- ✚ ESCAP developed secure cross border transport model in 2012 and pilot (<https://www.unescap.org/resources/secure-cross-border-transport-model>)
- ✚ Electronic tracking by making real time enforcement possible can reduce or even eliminate guarantee requirement
- ✚ Many transport agreement provide for electronic tracking
Afghanistan-Pakistan Transit Transport Agreement 2010 – Article 13 of the Protocol I on international carriage by road of goods and baggage in transit
- ✚ Need to standardize key components of tracking systems for them to contribute to transit transport facilitation through use of transit facilitation agreements





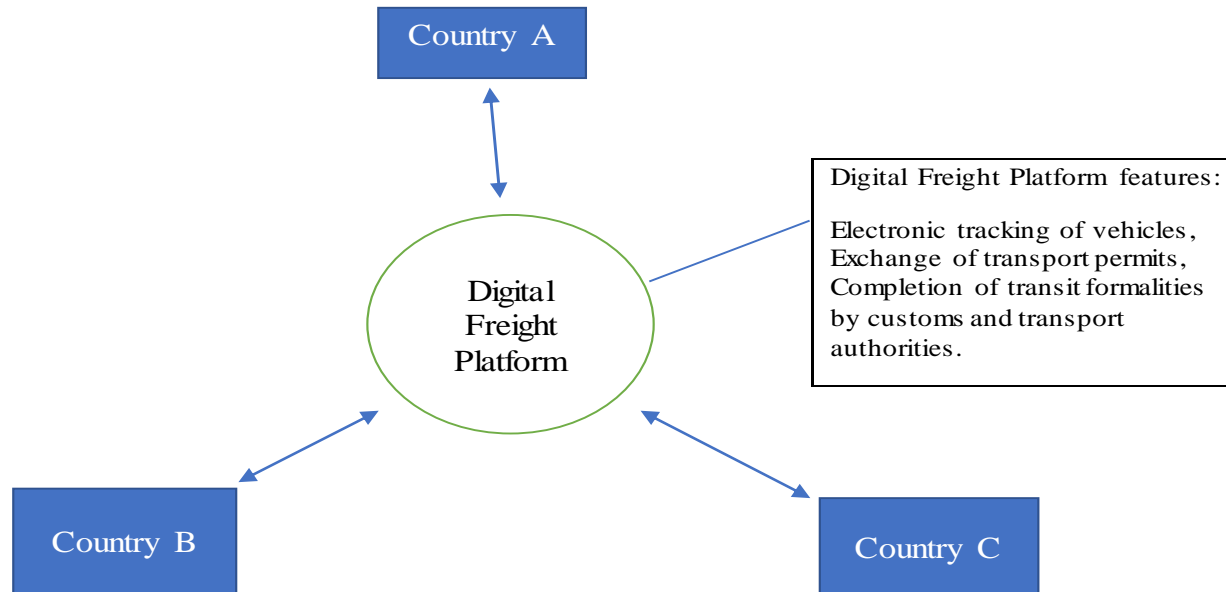
Facilitating transport using automatic transit transport system (Regulatory formalities in international road transport)

S.No	Formality to be completed	Authority responsible
1.	Issue and checking of road permits	Transport
2.	Driver/crew identification document	Immigration
3.	Transit issues	Customs/transport/local police
4.	Temporary admission documentation	Customs
5.	Cargo and vehicle manifest	Customs
6.	Vehicle entry/exit endorsement	Customs



Digital Freight Platform to meet regulatory requirements

Fig: Concept for a Digital Freight Platform to meet regulatory formalities in international road transport





Way Forward- Implications for Customs in facilitating transit transport

- ✦ **Enhanced cooperation of customs with other border agencies** sharing of electronic information – digital freight platform and implementing coordinated controls
- ✦ **Re-engineering of customs processes** to support electronic information exchange- changes in legislation and related executive instruction
- ✦ **Developing capacity** of customs officials to use new technologies to discharge their duties
- ✦ **Streamlined, simplified and harmonized custom formalities** for railway transit and intermodal exchanges
- ✦ **Proactive private sector involvement**



Thank you
for
your attention

<http://www.unescap.org/our-work/transport>

