

# UNCTAD

Trade Logistics Branch, Division on Technology and Logistics

## Transport Newsletter

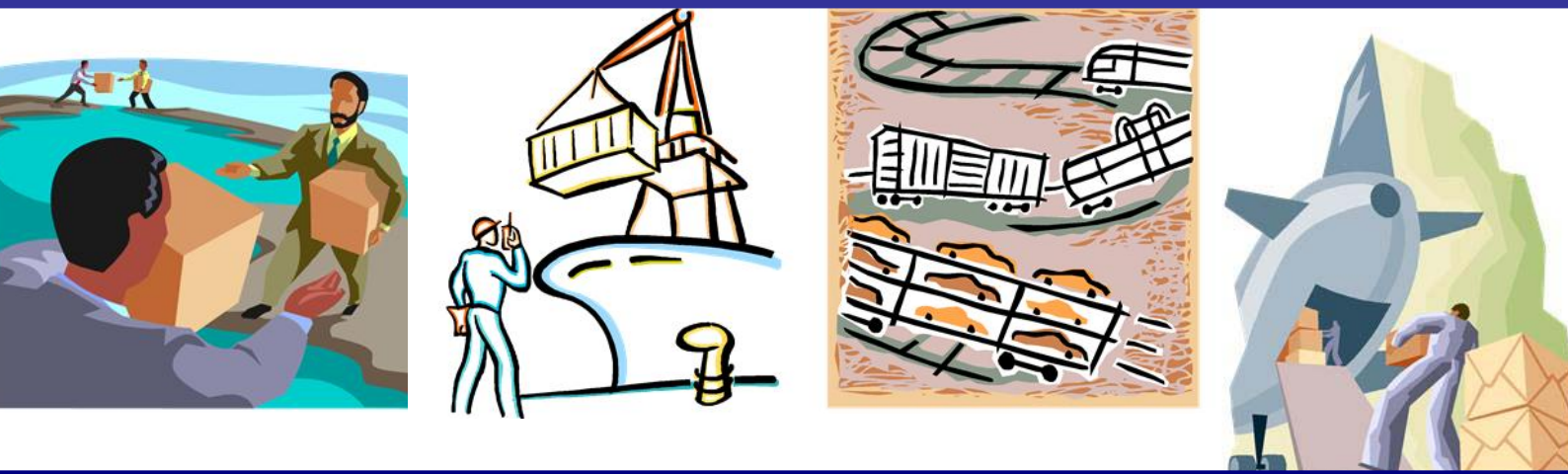


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## Editorial

Dear Readers,

This past quarter, the Trade Logistics Branch of the UNCTAD Division on Technology and Logistics has continued its work under UNCTAD's three pillars: intergovernmental support, research and analysis, and technical assistance. The 51<sup>st</sup> issue of the UNCTAD Transport Newsletter highlights some of this work.

The outcomes of the UNCTAD Ad Hoc Expert Meeting on Climate Change Impacts and Adaptation, and agenda of the upcoming Multi-year Expert Meeting on Transport and Trade Facilitation are presented on page 5. New UNCTAD data is used to show trends in liner shipping connectivity (page 8) and as input into a new tool for analysing, simulating and visualising country connectivity by container line shipping (page 10). The Newsletter also welcomes contributions on the Global Shippers' Forum (page 10) and an analysis of containerised trade between West Africa and European and Asian economies (page 12). Some of the issues inhibiting transport efficiency and trade in Asia, and a UNESCAP proposed regional strategic framework for the facilitation of international road transport are explored (page 15).

The Newsletter introduces two new UNCTAD technical assistance projects: "Strengthening capacities of developing countries in Africa and Asia to support their effective participation in negotiating bilateral, regional and multilateral trade facilitation arrangements" (page 7) and "Capacity building of the Palestinian Shippers' Council, and training" (page 11). Finally, the results of UNCTAD capacity building in Honduras to support their effective participation in the WTO negotiation process on trade facilitation are presented (page 19).

As always, the UNCTAD Transport Newsletter provides a space for UNCTAD and its partners, including international organisations, NGOs and academics, to share information on recent and upcoming events, and publications on international transport and trade facilitation. News briefs are gathered on pages 23-27.

Feedback, as well as comments and suggestions for our next Transport Newsletter, are welcome until December 2011. Please contact Jan Hoffmann, [jan.hoffmann@unctad.org](mailto:jan.hoffmann@unctad.org), or Nishta Jogoo, [nishta.jogoo@unctad.org](mailto:nishta.jogoo@unctad.org).

*The Trade Logistics Branch Team, Geneva, October 2011*

(size of word corresponds to its frequency in the newsletter)



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## UNCTAD Multi-Year Expert Meeting on Transport and Trade Facilitation: Challenges and policy options for Transport and Trade Facilitation, 7-9 December 2011, Geneva, Switzerland

This fourth and last session of the Trade Logistics Branch's Multi-Year Expert Meeting will address the following topics:

- Measures and actions to optimise the contribution of investment in trade facilitation (particularly private-sector investment), with focus on its impact on international transport networks and on the efficiency of transport services and subsequent trade facilitation. Also, the use of ICT in logistics, trade facilitation and supply chain security.
- Support to the implementation of the Almaty Programme of Action, including the analysis of bottlenecks between landlocked and transit developing countries, and possible solutions and best practices in the development and use of transport infrastructure and the adoption of common standards across landlocked and transit developing countries.

To improve trade performance and competitiveness, a holistic approach to formulating policy actions and measures is needed, targeting access to cost-effective transport services, energy efficiency and sustainability of transport systems, impacts of climate change on transport operations, and trade facilitation and customs automation. The meeting seeks to look at the road ahead in terms of challenges and policy options in these areas, and consider the potential role of UNCTAD and partners in helping developing countries with follow-up and implementation of policy actions.

Further details will be posted at <http://www.unctad.org/Templates/Page.asp?intItemID=4714&lang=1>

## UNCTAD Ad Hoc Expert Meeting on "Climate Change Impacts and Adaptation: A Challenge for Global Ports", 29-30 September 2011

In view of the strategic importance of global ports as gateways to international trade, and the potentially wide-ranging impacts of climate change on ports infrastructure and services, the meeting had been convened to help (i) advance the understanding of vulnerabilities and risks, as well as associated adaptation requirements; (ii) identify existing best practices, information and data sources, issues requiring further study, as well as partners and mechanisms for effective collaboration.

The Expert Meeting follows earlier related activities of the UNCTAD secretariat, including the first session of the Multi-year Expert Meeting on Transport and Trade Facilitation, held on 16-18 February 2009, which focused on "[Maritime Transport and the Climate Change Challenge](#)", and a Joint UNECE-UNCTAD Workshop on "[Climate Change Impacts on International Transport Networks](#)", which was held on 8 September 2010.

The two-day meeting, which was opened by the Deputy Secretary-General of UNCTAD, Petko Draganov, provided a platform for fruitful discussion, as well as an opportunity to share information, experiences and practices amongst a wide range of interested parties from the public and private sectors. Participants included policy makers and planning authorities, port and shipping industry representatives, relevant intergovernmental and non-governmental organisations, scientists and engineers.

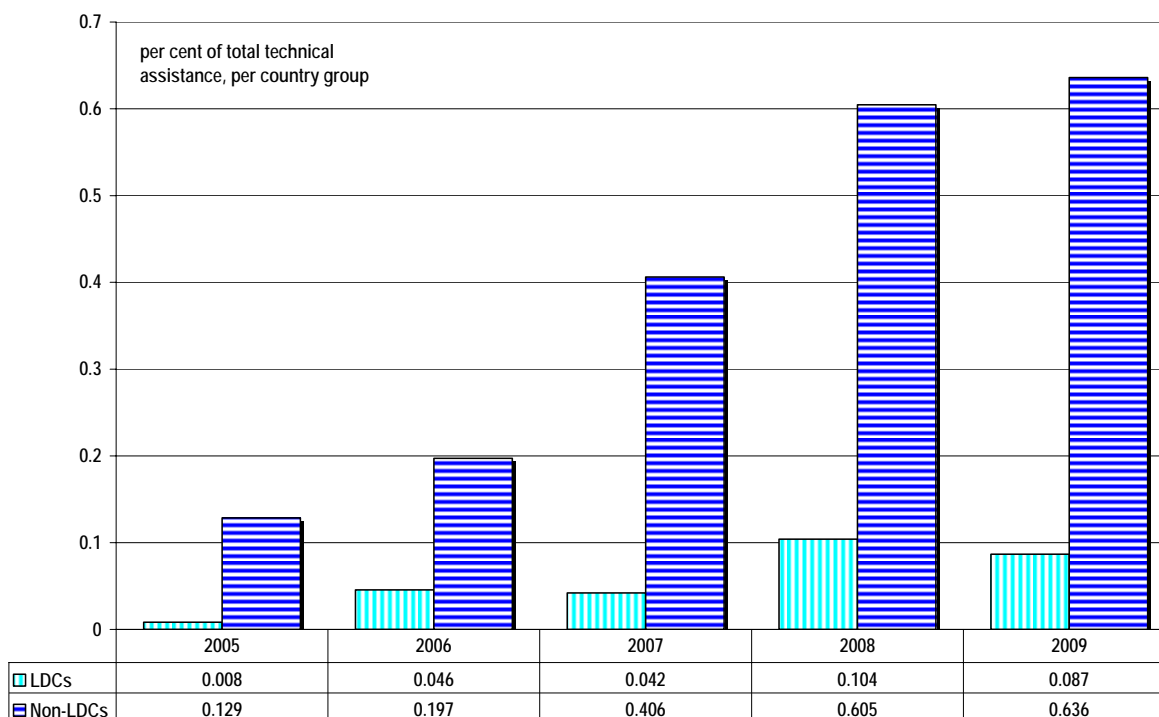
A summary of the discussions will be made available in due course on the [Ad Hoc Expert Meeting website](#), where all related documentation and material is available, including a full set of presentations.

For further information, please contact Regina Asariotis, [regina.asariotis@unctad.org](mailto:regina.asariotis@unctad.org), or Hassiba Benamara, [hassiba.benamara@unctad.org](mailto:hassiba.benamara@unctad.org).

## Technical cooperation for trade facilitation: How much goes to LDC and non-LDC developing countries?

This note by UNCTAD looks at the proportion of development assistance for technical cooperation that goes to trade facilitation, in particular to least-developed countries (LDCs). It uses the Query Wizard for International Development Statistics (QWIDS) database from the OECD, which contains data on various types of Official Development Assistance (ODA), including technical cooperation.<sup>1</sup>

**Figure 1: Proportion of technical cooperation assistance allocated to trade facilitation in LDCs vs. non-LDC developing countries**



Source: UNCTAD (based on data from the OECD)

Looking separately at the data for LDCs and non-LDC developing countries, the three main findings of the analysis were that:

### **1) Aid for trade facilitation has increased**

From 2005 to 2009, the proportion of technical cooperation ODA allocated to trade facilitation increased significantly, both in LDCs and non-LDCs (see Figure 1), reaching a total of \$24 million in 2009. In LDCs, for example, it increased tenfold from 0.008% of total technical cooperation ODA to LDCs in 2005 to 0.087% in 2009.

### **2) Aid for trade facilitation (as a share of total technical cooperation aid) remains low**

Despite the observed increase, technical cooperation ODA to trade facilitation still accounts for less than 1% of total technical cooperation ODA, i.e. other areas of development receive more than 99% of the technical cooperation ODA. This is valid for both groups: LDCs and non-LDCs.

<sup>1</sup> For the purpose of the analysis, trade facilitation was taken to encompass the following OECD classifications: simplification and harmonisation of international import and export procedures (such as customs valuation, licensing procedures, transport formalities, payments and insurance), support to customs departments, and tariff reforms.

### 3) Aid for trade facilitation is lower in LDCs

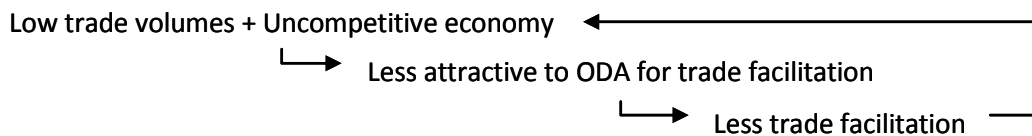
The proportion of technical cooperation ODA allocated to trade facilitation is more than seven times higher for non-LDCs than for LDCs (Figure 1). Non-LDCs also receive more technical cooperation aid for trade facilitation than LDCs in absolute terms (or \$ per capita).

#### Conclusion

There could be several reasons for these observations. Non-LDC (middle income) developing countries often have larger trade flows to build upon and can achieve a higher rate of return on investments in trade facilitation, and thus find it easier to mobilise the required financial assistance. In the same vein, non-LDC developing countries can usually build upon stronger institutional, technological and human capacities.

Trade facilitation reforms in LDCs are likely to be more costly in terms of the required financing and time, and LDCs often have less capacity to assess their needs, formulate requests and effectively absorb technical cooperation assistance. Moreover, in most LDCs, basic needs with regard to education, health or infrastructure compete with trade facilitation for attention and resources.

These reasons could explain why it was less likely for LDCs to request - and receive - ODA to support trade facilitation reforms in recent years than non-LDC developing countries. The international community, including UNCTAD, should therefore be pro-actively supporting trade facilitation reforms in these vulnerable LDCs in order to avoid the vicious cycle:



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## New UNCTAD project to strengthen capacities for trade facilitation in East Africa and South Asia

Approved by the UN Secretariat in August 2011 under the 7<sup>th</sup> Tranche of the UN Development Account<sup>2</sup>, the UNCTAD project "Strengthening capacities of developing countries in Africa and Asia to support their effective participation in negotiating bilateral, regional and multilateral trade facilitation arrangements" is now under way. It will run over 32 months and will initially focus in greater depth on six countries: **Tanzania, Uganda and Rwanda** in East Africa, and **Bangladesh, Nepal and Bhutan** in South Asia, i.e. one transit and two landlocked countries in each region. In addition, **Burundi and Kenya** in East Africa, and **India** in South Asia, will be included in regional and inter-regional activities.

The main activities and objectives of the project can be summarised as follows:

	Project activities and deliverables	Objective
At national level,	<ul style="list-style-type: none"> <li>Establish new or strengthen existing national trade facilitation working groups</li> <li>Assess capacity building needs, and develop and deliver specific training to national trade facilitation stakeholders on technical, project management and negotiation skills</li> <li>Develop 'implementation plans'</li> </ul>	<ul style="list-style-type: none"> <li>Promote and institutionalise public-private dialogue on trade facilitation</li> <li>Strengthen the capacity of policy makers to ensure consistency and alignment with national policies when negotiating bilateral, regional and multilateral trade facilitation commitments</li> <li>Map out the status of implementation of various trade facilitation commitments, and determine (to the extent possible) actions required for compliance, implementation costs and technical assistance needs</li> </ul>
At regional level,	<ul style="list-style-type: none"> <li>Create two regional collaboration clusters, one in South Asia and one in East Africa</li> </ul>	<ul style="list-style-type: none"> <li>Emphasise the importance of regional coordination and cooperation for regional solutions to the implementation of trade facilitation, particularly with regard to transit and landlocked countries</li> </ul>
At inter-regional level,	<ul style="list-style-type: none"> <li>Bring together the two regional clusters and Geneva delegates for an inter-regional forum</li> <li>Develop an online best practice sharing tool</li> </ul>	<ul style="list-style-type: none"> <li>Facilitate the exchange of best practices and lessons learned</li> </ul>

At the national level, UNCTAD will work closely with a local consultant and a government focal point in each country. The project will also be supported by an international consultant who, together with UNCTAD, will develop and deliver some of the required training.

For more information, contact Nishta Jogoo, [nishta.jogoo@unctad.org](mailto:nishta.jogoo@unctad.org), Trade Logistics Branch, DTL, UNCTAD

## Trends in liner shipping connectivity

Now in its 8<sup>th</sup> year, UNCTAD's Liner Shipping Connectivity Index (LSCI) is currently available for 2011 on the UNCTAD-stat website.<sup>3</sup>

Between July 2010 and July 2011, the LSCI increased for 91 countries, decreased for 65 countries and did not change for 6 countries in the database. The longer term trend for the majority of countries is positive, meaning that most countries have become increasingly connected to each other. Since 2004, when UNCTAD first generated the LSCI for 162 coastal countries, the index has

<sup>2</sup> The Development Account is a capacity development programme funded from the UN Secretariat's regular budget. It has a biannual budget of \$19 million funding around 40 projects. To find out more, go to: <http://www.un.org/esa/devaccount/>

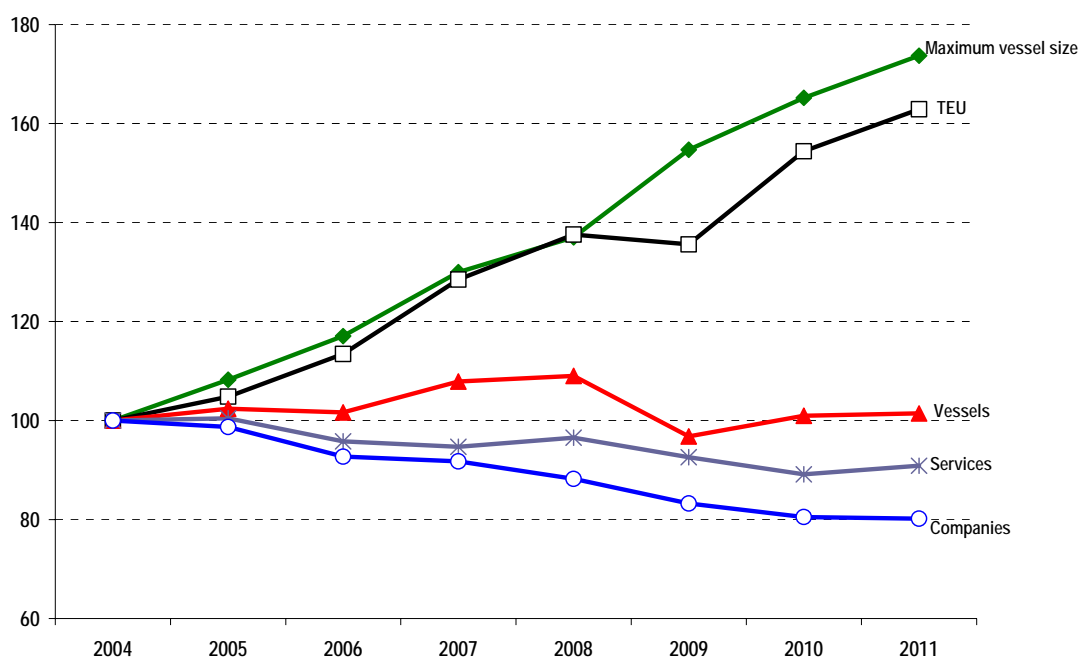
<sup>3</sup> <http://unctadstat.unctad.org/TableViewer/tableView.aspx?ReportId=92>. The link also includes an explanatory note on the sources and the calculation of the LSCI.



gone up in 122 countries, declined in 39 countries and remained constant in one country. In the 7 year period since 2004, the countries with the largest gains in terms of the LSCI include Morocco (+487% increase in the LSCI), Vietnam (+287%), Lebanon (+232%), Algeria and Djibouti (both +211%). Their surge in shipping connectivity benefited from a combination of growing demand from containerised trade, increased transshipment activities, and public and private sector investment in port infrastructure.

The majority of countries that saw their LSCI decline already started from a low base in 2004. This further worsening of their connectivity may lead to concerns about potentially increasing trade costs and a loss of trade competitiveness. Between 2004 and 2011, the LSCI fell by more than 50% in Maldives and St. Kitts and Nevis, and by more than 10% in several other relatively small developing countries, including Aruba, Costa Rica, Guyana, Samoa, Suriname, Tunisia and the Republic of Yemen.

**Figure 2: Trends in the five components of the LSCI**



Source: UNCTAD Secretariat, based on data provided by Containerization International, [www.ci-online.co.uk](http://www.ci-online.co.uk).

Looking at the five components from which the LSCI is generated (Figure 2), it can be seen that the average number of ships per country deployed to provide regular shipping services to and from countries' ports has remained stable since 2004. What has increased is the size of those ships. The average of the largest ships deployed per country ("Maximum vessel size" in Figure 2) went up by 74%. During the same period, the average number of companies per country went down by more than 20%. In July 2011, there were 35 coastal countries served by only three or fewer liner companies. This represents a 46% increase on the 2004 figure, when there were just 24 countries with such low levels of competition.

Such trends, if sustained, could have significant negative consequences over time for the trade competitiveness of economies confronted with decreasing competition in liner shipping services. While increasing vessel size would usually allow for economies of scale, the extent to which cost savings will translate into lower freights, and thus lower trade transaction costs in favour of importers and exporters, depends on the level of competition among carriers. A situation of decreasing competition could therefore imply a double penalty, of particular concern for many low-volume market economies, as countries face the challenge of accommodating larger ships (possibly requiring large investments in ports) while served by fewer regular shipping services.

Jan Hoffmann, [jan.hoffmann@unctad.org](mailto:jan.hoffmann@unctad.org), Trade Logistics Branch, DTL, UNCTAD

## Country connectivity by container line shipping: A tool for analysing, simulating and visualising connectivity

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A challenge in understanding container ship connectivity is the difficulty of analysing or visualising the large amount of data or information available. The application of information and communication technologies can help with analysis, simulation and visualisation. Recently Lawrence Henesey and a group of students (Phillip Alipour, Mahwish Anwar and Davood Zall) from the Blekinge Institute of Technology in Karlshamn, Sweden, volunteered to develop an intelligent decision support system that incorporates a number of web-services and databases, including UNCTAD's LSCI and related data, to calculate trade paths. This comprehensive tool provides trade analysis and visualisation that can be viewed with Google EarthTM.

For planning and optimisation, the software can be used to visualise the best path between two or more nations based on real-time environmental, economic and technical factors. It can also calculate various sea paths, allowing users to integrate the impact of financial crises, environmental hazards, investment and trade. The tool can evaluate historical data with real-time data to identify alternative connectivity paths when traditional paths are affected by such factors as earthquakes, flooding, hurricanes, theft, piracy, radiation and strong winds. Therefore, with regard to the analysis of liner shipping connectivity between nations, a substantial amount of collected data can be processed in combination with real-time data.

*An introduction to this tool can be found at [http://www.youtube.com/watch?v=dZ4FI\\_KXm0Q](http://www.youtube.com/watch?v=dZ4FI_KXm0Q). For more information, contact Lawrence Henesey, [lhe@bth.se](mailto:lhe@bth.se), Assistant Professor, School of Computer Science, Blekinge Institute of Technology, Karlshamn, Sweden*

## Global Shippers' Forum (GSF) to give shippers a global voice

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The recent incorporation in the UK of the GSF as an NGO gives shippers from the world's trading blocs a single voice on key transport, logistics and trade issues for the first time. The GSF represents shippers' organisations in over 50 countries, including in Africa, Asia, Europe and North America.

It aims to strengthen the influence of shippers with inter-governmental organisations across a broad range of practical and policy issues affecting shippers. It has made an immediate impact; the GSF was involved in an important review of IMO/ILO/UNECE Guidelines for the Packing of Cargo Transport Units, parallel work by the IMO on the weighing of containers prior to shipment, and the joint establishment of a Global Air Cargo Advisory Group with IATA, TIACA and FIATA to make joint representations to ICAO and the WCO on such matters as border controls, international trade procedures and aviation security. Moreover, there is growing recognition that shippers, as buyers of international freight transport services, will have an increasingly important role in the climate change debate, particularly in taking steps in decarbonising the transport and logistics supply chain.

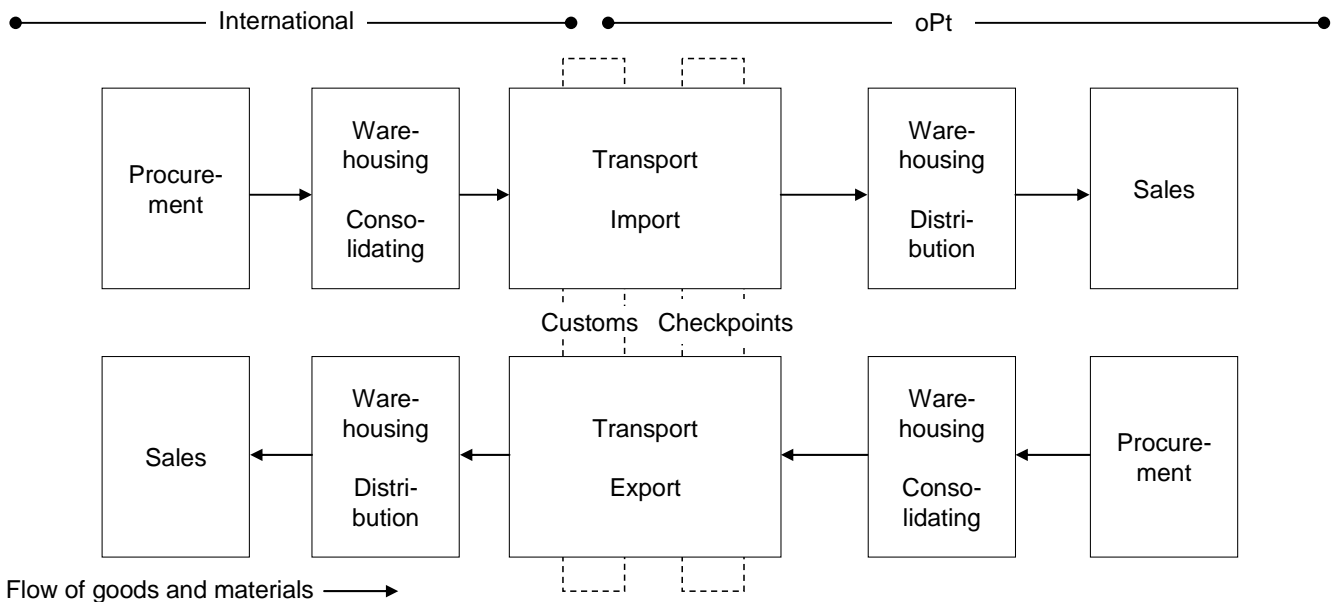
While the GSF should play an important role in global transport and logistics policy development, a key reason for establishing the GSF was to facilitate capability-building for regional and national shippers' organisations that lack the resources and expertise to deal with global, regional or subregional transport issues and problems, particularly in developing economies. One aim of the GSF is therefore to assist these shippers' organisations through the dissemination of knowledge, know-how and transport policy competencies and, in doing so, work in partnership with UNCTAD and other agencies such as the World Bank, to identify appropriate training and assistance programmes. The GSF plans to support in this way the Union of African Shippers' Council (UASC) and to work with shippers' organisations in Asia and the Indian sub-continent to build shippers' academies and promote educational qualifications and training in transport and international trade.

*For more information, contact the GSF secretariat, Chris Welsh, [cwelsh@globalshippersforum.com](mailto:cwelsh@globalshippersforum.com), or visit GSF's website at <http://globalshippersforum.com/>*

## UNCTAD launches a new project in cooperation with the Palestinian Shippers' Council to facilitate Palestinian trade

Several factors affect the competitiveness of shippers in the occupied Palestinian territories (oPt). For example, processing time can be lengthy and certain goods are prohibited from crossing the green line (such as milk products). Logistics bottlenecks exist, for example, at the King Hussein Bridge which links Jordan to Israel. They limit the amount of goods transferred from and to the oPt. The whole supply chain of shippers from the oPt is dependant on many factors and is thus unpredictable (see Figure 3). Procurement processes cannot be planned accurately, stocks have to be built up so that traders are ready to deliver at any time, transport costs have to be recalculated and the portfolio of traded goods has to adjust to existing restrictions.

**Figure 3: Supply Chain Process from and to the oPt**



Source: UNCTAD Secretariat

In addition, neither Israeli institutions nor the oPt authorities sufficiently consider at present the needs of Palestinian shippers' when developing customs processes and trade laws. At the same time, there is high demand within the shippers' community for knowledge sharing, training, standard development and legal advice. Customs procedures for example are often not known and/or lack transparency. Hence, there is a need for information to be disseminated through a centralised institution.

The Palestinian Shippers' Council was established in 2006, with technical support from UNCTAD. It is the only independent, non-governmental entity registered with the Palestinian National Authority that represents and promotes the interests of Palestinian shippers (importers and exporters). More than 380 shippers from the West Bank and Gaza strip have already joined the PSC; a success considering the size of the Palestinian economy and the geography of its territory. However, the PSC still lacks resources to fully deliver the services which are urgently needed by its members.

Therefore, a three year project to strengthen the Palestinian Shippers' Council (PSC) was launched in May 2011 by UNCTAD and the PSC. The project is funded by the Canadian International Development Agency (CIDA).

The project aims to strengthen the capacity of the PSC to serve as focal point for the promotion of shippers' interests and facilitation of their trade related activities. One output of the project is a client-orientated service portfolio for the PSC, developed with input from the shipping community.

Interviews, workshops and questionnaire-based needs assessments have been carried out by the project team to identify the most critical services required by Palestinian shippers (see results in Figure 4).

**Figure 4: PSC Service and Product Portfolio**

<b>Palestinian Shippers' Council</b>			
	Research capacity	Policy advocacy	Quality training
	Networking and strategic partnership	Legal advise	misc.
<b>Service and Product Portfolio</b>			

Source: UNCTAD Secretariat

The team will subsequently focus on building the PSC's capacity to deliver in these areas. For example, the team will collaborate closely with Birzeit University to build up a training department which offers shippers qualifications in technical areas of trade and transport. This will lead to higher standards adopted by Palestinian shippers, better dissemination of relevant information to PSC members, better legal support, as well as a stronger representation of Palestinian shippers in political processes.

For more information, or to apply for (legal and strategic development) positions with the PSC, contact Manal Ziadeh, [manal.ziadeh@psc.ps](mailto:manal.ziadeh@psc.ps), or Hannes Finkenbrink, [hannes.finkenbrink@unctad.org](mailto:hannes.finkenbrink@unctad.org), UNCTAD

## Growing containerised trade between West Africa and European and Asian economies

According to the main economic, financial and banking indicators, the growth of West African trade and investment with the rest of the world appears increasingly favourable. The new, emerging African middle class is saving and consuming more, public sector reforms to support SMEs are underway, and international investors are rehabilitating transport networks and supporting the deployment of manufacturing and industrial activities. Urbanisation and modernisation of agricultural practices is happening fast. The favourable demography suggests potential for greater production, processing and consumption.

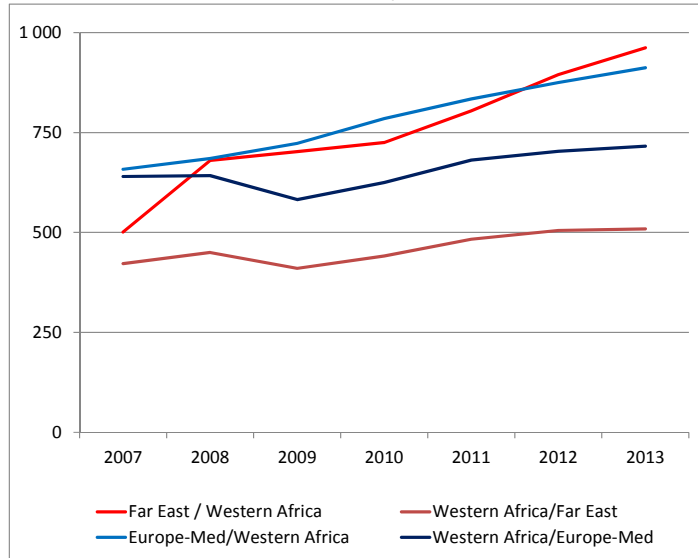
A concrete and visible example of these positive movements is the momentum gained over the past decade in containerised maritime trade on routes linking Africa to Europe and to Asia. Since the mid-2000's, the trade volume on the Asia/West Africa route has been comparable with historical trade between the former East European countries and the ports of West and Central Africa. Container trade grew by 5.5% between 2000 and 2008 and is forecasted to increase another 6% by 2013, implying that between 2.9 to 3.2 millions containers will be transiting between Africa/Asia and Africa/Mediterranean-European markets (see Figure 5).

The growth in container traffic encourages the renewal/re-positioning of capacities, leading to an increase in the number of 'AfricaMax' ships, able to handle 2,500 - 4,500 twenty-foot equivalent units (TEUs). A unique case of massification is now underway in the African market which consists of:

- Direct loops to main West African gateways such as the ports of Abidjan and Lagos;
- Sub-regional calling and feeder services that collect freight from smaller, more limited (for example, in terms of draft or length of quays) port cities, and
- Connections through transcontinental hubs between African markets and East-West markets.

**Figure 5: Estimated & forecasted import/export container trade between West Africa and Europe-Med and Far East**

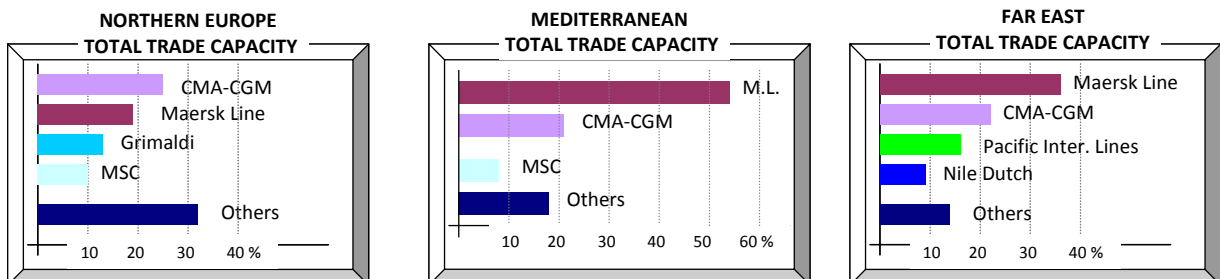
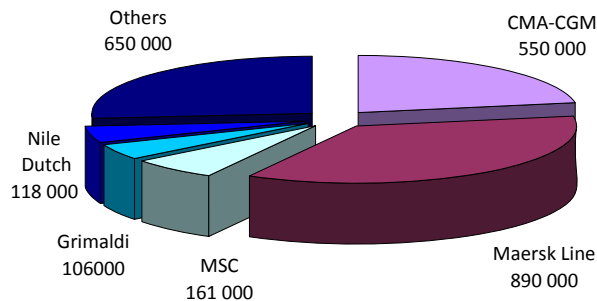
(2007-2010 & Forecast 2011-2013, in thousands of containers)



Source: Yann ALIX – 2011 from MDS-Transmodal, Dynamar & Drewry Consultants database

Liner business with Africa remains under the control of top European Shipping Lines (see Figure 6). Maersk Line and CMA-CGM, for example, have close to 60% of the market share. MSC follows, with solutions that include feeder from Las Palmas and Valencia in Spain, but with a much smaller share of the market due to its late arrival on the scene.

**Figure 6: Annual fleet capacity of the major players connecting West African Markets with Europe, Med and Asia (as of 1st January 2011)**



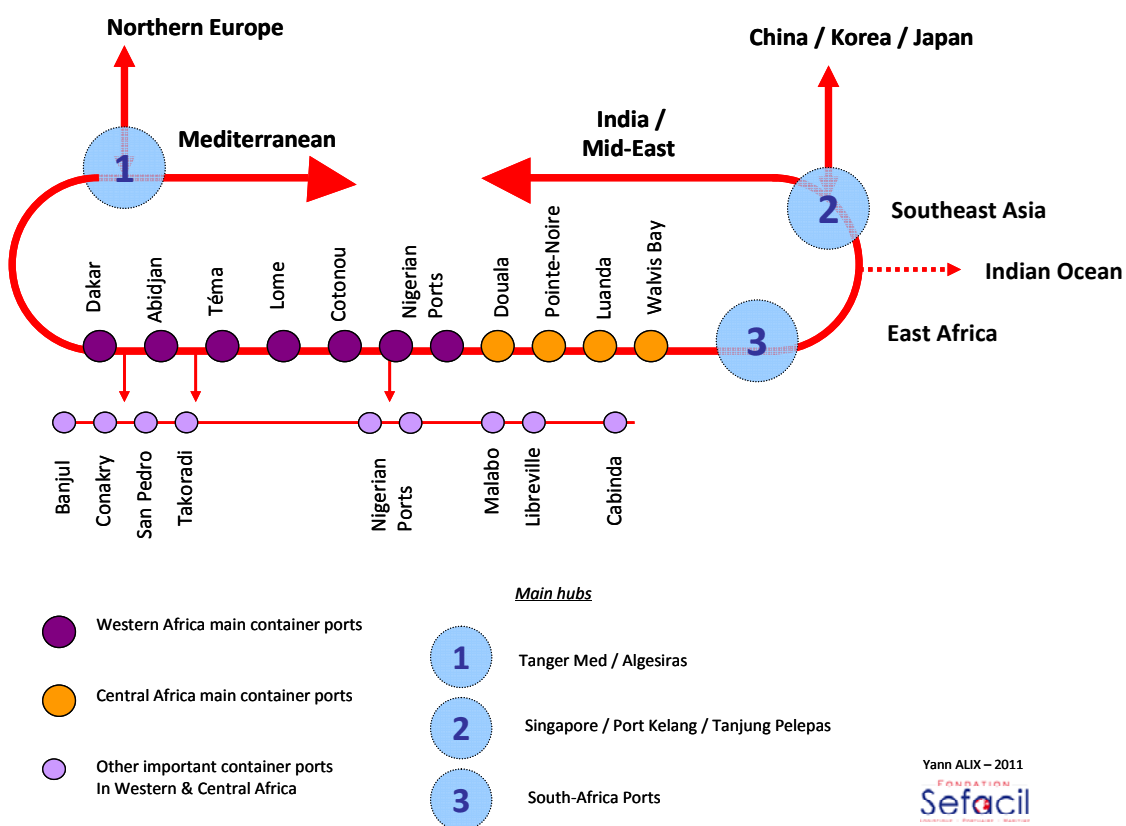
Source: Yann ALIX – 2011

The African shipping market has been shaped by the process of mergers and acquisitions since the early 2000's (CMB-T first for Maersk Line, followed by Safmarine in 1999 and Delmas and Otal for CMA-CGM in 2005). This allowed market leaders to cover African trades with ships designed to the ports' conditions. Fierce competition with smaller niche shipping lines focusing on African markets

ensued. For example, Nile Dutch succeeded to combine its long-standing expertise with Japanese NYK to ensure direct links with Asia since 2009. Pacific International Line Ltd also continues to provide extensive coverage of West and Central African ports with three weekly services (using Singapore as hub). China Shipping, active since 2001, continues to strengthen its position in partnership with the European Hapag-Lloyd and more recently with the Japanese K Line. There is also the very special case of family-run Grimaldi, which continues to roll out combined solutions with large Ro-Ro vessels across the Americas, Africa & Europe.

In this way, the shipping market to and from West and Central Africa is still unique. Nationally oriented markets limit the concentration of flows to subregional port gateways. A lack of productivity and reliability, together with huge constraints in seamless inland transportation solutions, cause shipping lines to use transhipments hubs in order to structure “African and Global” flows (Figure 7).

**Figure 7: Liner Services from/to West and Central Africa: Combination of direct call, transhipments and feeding**



Source: Yann ALIX – 2011

Maersk Line uses Tanjung Pelepas and Tangier Med / Algeiras to cover all container terminals in West and Central Africa. CMA CGM combines Tangier Med and Port Kelang in Asia to provide optimised coverage and frequency of services. Transhipments in South Africa complete shipping relationships between West and East African markets (including the Indian Ocean). Only Abidjan, Dakar and more modestly Pointe-Noire have some feeding services in order to assume the links with small markets and/or countries where ports facilities are still insufficient.

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## UNESCAP Regional Meeting on Cooperation for Facilitation of International Road Transport

This meeting organised by UNESCAP, which took place between 30 May and 1 June 2011 in Beijing, People's Republic of China, brought together delegates from members of the Asian Highway Network<sup>4</sup> as well as international and regional organisations. The objective was to consider persistent issues inhibiting transport efficiency and trade, together with the UNESCAP proposed regional strategic framework for the facilitation of international road transport, with a view to speed up and sustain the pace of progress in facilitating road transport movements across the region.

Many countries in Asia, especially in coastal areas, have benefitted from rapidly expanding maritime trade with international markets and as a result also enjoyed greater job creation and stronger economic development. However, the twelve Asian landlocked countries and large populations located far from the coast have not been able to reap similar benefits. Therefore the opportunity exists for trade to further develop amongst countries of the region.

At the moment, much of the network of international roads linking Asian countries<sup>5</sup> is in place. Substantial funds have been deployed to upgrade routes, expand capacity and meet international standards. However, while concentrations of domestic traffic are being carried out on these roads, the anticipated level of international traffic has yet to materialise. Despite the efforts of Asian countries and their development partners, particularly in addressing border crossing issues, international road transport constraints and high costs persist in many parts of the region. In addition, the sometimes isolated approaches have led to fragmented results that lack continuity and harmonisation.



<sup>4</sup> In 2004, UNESCAP Member Countries made a commitment and adopted the Intergovernmental Agreement on the Asian Highway Network "as a coordinated plan for the development of highway routes of international importance which they intend to undertake within the framework of their national programmes". For more information, go to <http://www.unescap.org/ttdw/index.asp?menuname=asianhighway>

<sup>5</sup> as defined by the Intergovernmental Agreement on the Asian Highway Network.

Participants of the meeting identified a number of issues inhibiting transport efficiency and trade in the region, which they concluded to be pertinent. The main issues tackled in the debates are summarised in the table below:

Categories	Main issues
Need for harmonisation	<ul style="list-style-type: none"> <li>- limited participation in and implementation of international conventions</li> <li>- many different subregional agreements</li> <li>- inconsistent legislation, formalities and procedures for border-crossing and customs clearance</li> <li>- different technical standards e.g. weights and dimensions</li> </ul>
Need for simplification	<ul style="list-style-type: none"> <li>- large numbers of documents</li> <li>- repeated inspections by different authorities at various locations</li> <li>- high and numerous charges for entry or transit</li> <li>- complicated insurance arrangements for vehicles</li> </ul>
Need for flexible policies	<ul style="list-style-type: none"> <li>- restrictions on foreign carriers for the use of domestic routes and operations, including short validity period for transport permits</li> <li>- restrictive visa requirements for drivers and crew</li> <li>- restrictive requirements for temporary importation of transport vehicles</li> <li>- restrictive access to seaports for landlocked least-developed countries</li> <li>- escort or large cash (bond) deposit for transit of goods</li> </ul>
Need for investment	<ul style="list-style-type: none"> <li>- slow introduction of electronic systems, particularly at border-crossings</li> <li>- lack of transport support facilities at border-crossings and along the routes</li> <li>- poor conditions of infrastructure in the least developed countries</li> <li>- insufficient investment from the private sector in infrastructure</li> </ul>
Need for capacity building	<ul style="list-style-type: none"> <li>- shortage of skilled professional staff</li> <li>- incompatible working hours at borders</li> </ul>

Asian Highway Network Member Countries have already taken numerous steps to address these issues e.g. improving the infrastructure (with special attention to routes and border crossings in the Asian Highway Network); accessing to international conventions (especially those recommended by UNESCAP Resolution 48/11<sup>6</sup>); implementing bilateral and multilateral agreements; harmonising legislation, formalities and procedures; strengthening cooperation among countries under existing cooperation frameworks, and among national stakeholders; facilitating visa formalities for professional drivers through subregional arrangements; expediting and harmonising customs and other control procedures at border crossings (e.g. through the use of innovative electronic technologies); introducing public-private partnership for financing transport infrastructure and border crossing facilities; and developing professional training systems for managers and drivers.

Participants at the meeting requested that the UNESCAP Secretariat provide them with assistance in further dealing with these issues, particularly with respect to policy for transport facilitation, with emphasis on specific subregional conditions, characteristics and requirements and intra-subregional connectivity requirements; technical aspects of accessing to international conventions and formulating bilateral and multilateral agreements; preparing transit manuals and model agreements; promoting cooperation among countries (including through workshops and seminars), harmonising relevant legislation, procedures and documents; introducing innovative new technologies in road transport-related controls; recommending new approaches for financing infrastructure; and building the capacity of policy makers, drivers and managers engaged in transport facilitation.

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<sup>6</sup> Recommendation listing seven international conventions in the field of international land transportation facilitation that countries in the region consider acceding to as a cost-effective prerequisite step towards enhancing road and rail transport routes throughout the region.



**Table 1: Initial focus of the proposed Regional Strategic Framework**

Issue	Description	Target	Process
Road transport permits and traffic rights	Across the region international movement by road is confined to border areas and a limited number of roads. Most transport permits are issued for only a single trip along a designated route, by a specified individual vehicle.	A multiple-entry transport permit valid for one year regionally on multiple routes or road networks that is issued to a carrier for any compliant vehicle in its fleet.	To be considered as member countries formulate or renew their bilateral and multilateral agreements on international road transport or consult on the implementation of the agreements.
Visas for professional drivers and crew	There is still no specific visa category for vehicle drivers and in nearly all countries in the region they are considered as normal visitors or foreign labour for the purpose of visa issuance.	Multiple-entry visas for professional drivers and crew of road vehicles valid for one year as a minimum target. A uniform set of documents and basic procedures in medium term.	National authorities for international road transport can act as an intermediary to facilitate visa issuance e.g. by exchanging lists of professional drivers or providing certifying letters and guarantees.
Temporary importation of road vehicles	The use of unified subregional agreements and subregional guarantee systems replace cash or bond deposits and charges at each border. However, charges for the use of the documents and guarantees issued under this system can be a major concern if they are higher than the one-time charge of a fixed amount at border crossings. The system then loses its advantages.	Application of international conventions on temporary importation as a regional minimum standard.	Accession to and implementation of international conventions on temporary importation – UNECE Customs Convention on the Temporary Importation of Commercial Road Vehicles; WCO Convention on Temporary Admission (Istanbul Convention)
Insurance of vehicles	Purchase of insurance at each border crossing causes delays and requires drivers to obtain individual receipts for cash payments. Subregional insurance schemes have been planned for many years but there is still some way to go to operationalise the systems.	Third-party insurance as a regional minimum standard for vehicles undertaking international road transport (either by using the 'Green Card' system or a parallel regional system).	Member countries should join the Green Card system (overall goal), or develop subregional motor vehicle third-party insurance schemes compatible with the Green Card system.
Vehicle weights and dimensions	Damage to roads and bridges caused by overweight vehicles is caused partly by varied technical standards on permissible weights and dimensions between countries, and partly by carriers striving for higher profit through heavier loads and less runs. Yet repeated weighing and inspections at border crossings and inland weigh stations are not efficient.	Permissible weights and dimensions of vehicles should be unified at bilateral and trilateral, quadrilateral and subregional levels.	Through bilateral and multilateral arrangements. Countries could also consider a control system e.g. fines, warning notices and suspension of transport permits.
Vehicle registration and inspection certificates	The use of characters of national languages in registration certificates and number plates causes difficulties for traffic police and field officers at border crossings to clear documentation and procedures. This problem will be exacerbated under electronic clearance systems.	Adoption of the standards on vehicle registration certificates and number plates as well as country distinguishing signs contained in the Convention on Road Traffic 1968.	Accession to the UNECE Convention on Road Traffic 1968, or (in short term) adopting standards contained in the convention and avoiding the use of different ones in bilateral and multilateral agreements.

### **Research carried out by UNESCAP Transport Division**

At the meeting, UNESCAP presented its analysis of the main issues inhibiting transport efficiency and trade, and some of the initiatives that have been taken to address them at the national, bilateral, subregional and regional levels. This analysis will soon be published as a 'Monograph Series on Facilitation of International Road Transport in Asia and the Pacific'. The study describes the elements necessary for the smooth and efficient flow of international road transport movements, and maps the current status of these elements in bilateral and various regional agreements. It examines some of the measures and tools currently available to facilitate international road transport, including relevant international conventions. Moreover, it sets the stage for the adoption of a regional strategic framework which will "provide general direction to member countries as well as their development partners when formulating facilitation agreements and related measures".

A regional strategic framework would also help promote common approaches to road transport facilitation, and thus reduce the complexity of the present system and lead to less fragmented results. Table 1 above summarises the six critical facilitation issues which would be addressed by the proposed regional strategic framework, and the process through which identified targets could be achieved. The regional strategic framework also provides guiding principles on key modalities for the facilitation of international road transport.

Participants of the meeting agreed that the UNESCAP proposed regional strategic framework should specifically take into account:

- a permissible vehicle axle load;
- the priority clearances for perishable goods;
- the promotion of dry ports and logistic centres;
- a wider application of new technologies, such as building modern border crossings and international road transport equipped with new technologies and electronic declaration systems;
- training for all stakeholders, including policy makers;
- the promotion of cooperation among countries;
- the exploration and facilitation of dual registration of joint venture trucking companies;
- the promotion of freedom of transit; and
- the accession to the International Convention on the Harmonization of Frontier Controls of Goods.

A revised regional strategic framework will be presented for further consideration and adoption by Member States in November 2011 at the Ministerial Conference on Transport being convened at UNESCAP headquarters in Bangkok. An implementation plan for the regional strategic framework will be developed subsequent to its adoption by Member States.

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## Capacity building in Developing countries and Least Developed countries to support their effective participation in the WTO negotiation process on Trade Facilitation - Honduras Case Study

This Aid for Trade case study describes the results of support provided by UNCTAD to the national task force on trade facilitation in Honduras<sup>7</sup>. The project was financed through the UNCTAD Trust Fund “Capacity building in developing countries and least developed countries to support their effective participation in the WTO negotiations process on trade facilitation”, aimed at providing developing countries, particularly LDCs, with on-going support with respect to the multilateral negotiation process on trade facilitation and the implementation of resulting commitments. Activities under the Trust fund began in early 2005. Specific objectives have included strengthening the understanding of relevant trade facilitation issues, exploring the range of measures that need to be considered, and identifying developing countries’ interests concerning trade facilitation. Through its activities, the Trust Fund also contributes to consensus building.

The Trust Fund is designed to be flexible and allows UNCTAD to respond to a wide range of demands for support from its member countries during the WTO negotiations on trade facilitation. Initially, the Trust Fund focused mostly on global and regional awareness-raising through seminars and publications. In more recent years, emphasis has been placed on demand-driven and needs-based national and regional activities. All activities are managed in close collaboration with the WTO, other Annex D organisations and member representatives in Geneva. During the six years since its inception, the Trust Fund has received contributions from Norway, Spain, Sweden and Switzerland, totalling over 2 million USD.

The activities implemented under the Trust Fund include the following:

- Research and publications, such as web based Technical Notes, databases, topical studies and articles in UNCTAD’s Transport Newsletter.
- Training and awareness-raising, e.g. through the organisation of regional seminars and workshops to facilitate private sector participation and self assessments of national trade facilitation needs and priorities.
- Advisory services for Geneva-based delegates, expert groups at the national level and bodies of regional economic communities.

UNCTAD generally adjusts its planned activities, in coordination with the WTO secretariat and other Annex D organisations, in light of on-going negotiations on trade facilitation at the WTO and evolving requirements pertaining to these.

### **Activities and objective**

Within the framework of the Trust Fund, Honduras requested specific support for creating and strengthening its national trade facilitation task force. Such national task forces are necessary to ensure that all relevant stakeholders are consulted during the process of negotiating a trade facilitation agreement and, afterwards, implementing the resulting commitments.

The overall objective of the project was to create and strengthen the national trade facilitation task force, thereby leading to improved institutional capacity and increased dialogue among stakeholders. In this respect, UNCTAD provided advisory services and technical assistance to the national task force in the conduct of its duties. The latter were initially focused on the development of the country’s negotiating position concerning the trade facilitation measures that were tabled at the WTO. However, duties of the task force were later amended to include also the preparation,

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<sup>7</sup> It is part of an OECD compilation of such case studies, "OECD/WTO (2011) Aid For Trade at a Glance 2011: Showing Results" (<http://browse.oecdbookshop.org/oecd/pdfs/free/4311141e.pdf>). See p.165 for UNCTAD Honduras Case Study.

conduct and updating of the national self assessment of the country's trade facilitation needs and priorities.

Under the project, Honduras benefited directly from assistance from UNCTAD following specific requests from the national trade facilitation task force. UNCTAD experts undertook three missions to the country's capital, Tegucigalpa, contributing to a WTO national seminar (2005), providing tailored support to the country's national trade facilitation group (2006) and organising a national seminar to update the results of the trade facilitation self assessment (2010). The Trust Fund also financed the participation of capital-based delegates in two meetings of the WTO Trade Facilitation Negotiating Group (2010 and 2011).<sup>8</sup>

Honduras was invited to, and participated in, various UNCTAD regional or global trade facilitation activities (not directly financed by this project). For example,

- Delegates from Honduras participated in several UNCTAD round tables in Geneva, some of which were specifically organised for Latin American and Caribbean countries. Honduras also benefitted from UNCTAD's Technical Notes and other publications produced under the Trust Fund.
- At the regional level, the Geneva-based Honduras delegate actively participated in three regional seminars that were organised or co-sponsored by UNCTAD (Guatemala 2005, Panama 2006 and Guatemala 2010).

**Photo: Regional UNCTAD - SIECA workshop on trade facilitation held in Guatemala**



### **Results Achieved**

Overall, the Trust Fund has made clear contributions to increasing developing countries' understanding of trade facilitation issues being negotiated at the WTO. Developing countries are now in a better position to explore the measures under negotiation and identify their trade facilitation needs and priorities. The Trust Fund also contributed to consensus building and more effective participation of developing and least developed countries in the negotiations on trade facilitation at the WTO. There is evidence, for example, of improved capacity on the part of developing and least developed countries to respond to tabled proposals, and to develop and sponsor their own proposals at the WTO. Working both with Capital- and Geneva-based delegates under the Trust Fund has strengthened linkages between Ministries and Permanent Missions of developing countries. The work with the support group for several Latin American countries has created a sustained institutional setting that is working systematically on the negotiations. Finally, the Technical Notes have been rated as highly relevant reference material.

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<sup>8</sup> Note: The political crisis in Honduras in June 2009 affected the day-to-day operation of the national administrations. As a consequence, some of UNCTAD's tailored activities in Honduras had to be postponed for several months.

In the case of Honduras, UNCTAD's national activities (together with the regional and global events, and Trust Fund publications) contributed to the following results:

- The national trade facilitation group was created (2006). It has remained active in its analysis of the trade facilitation measures tabled at the WTO.
- The national trade facilitation group successfully undertook the WTO self assessment (2008).
- During an UNCTAD national seminar (2010), the group updated the WTO self assessment.
- Honduras actively took part in a regional workshop that helped participating countries align their regional trade facilitation commitments with the forthcoming WTO agreement.
- At the WTO, Honduras actively participated in working groups on Special and Differential Treatment and co-sponsored several initial proposals on this issue. These early proposals were supported by round-tables organised by UNCTAD in Geneva (in particular documents TN/TF/W/41, TN/TF/W/81, TN/TF/W/137 and TN/TF/W/172).
- Honduras co-sponsored the proposal on national trade facilitation committees at the WTO, which drew on UNCTAD's Technical Note on the issue (TN/TF/W/157 and TN/TF/W/158).

However, it is not possible to establish a direct causality between UNCTAD's activities and most of the above-mentioned results, e.g. Honduras' successful institutional reforms, the national self assessment workshop or the country's active participation in the WTO negotiations. In fact, any causality would most likely go both ways, i.e. trade facilitation negotiations are considered of high priority by Honduras, so the country requested UNCTAD's support and worked actively to promote results in the area. At the same time, UNCTAD's support helped Honduras to strengthen national capacities and raise awareness further.

### **Lessons Learned**

The factors of success/failure for the case of Honduras are similar to many of the countries where UNCTAD implemented technical assistance activities under the Trust Fund.

For example, factors for success included:

- A good and professional working relationship between the Geneva-based delegate and the Customs expert and other counterparts based in the country.
- A nucleus of motivated and knowledgeable members of the Support Group.
- Relatively consistent participation of key stakeholders in spite of possible political instabilities, allowing for the maintenance of institutional memory.
- High priority attached to the issue of trade facilitation, as reflected by the country's on-going national trade facilitation programmes and participation in regional initiatives.

Obstacles encountered in Honduras included:

- High turn-over of civil servants in key ministries and Customs.
- The level or seniority of stakeholders within the Support Group was not always as high as it should be to allow for decision making power.
- Some group members were often not available for Support Group meetings as participation constituted an additional workload.
- The Support Group would have benefitted from a formal administrative recognition similar to the existing "Comisión Especial Inter-Ministerial para el Mejoramiento del Sistema Aduanero (CEIMSA)".<sup>9</sup>

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<sup>9</sup> CEIMSA was established to solve Customs-related operational issues, while the Support Group is mandated to provide input to the delegate of Honduras at the WTO. The major trade stakeholder institutions are represented in both CEIMSA and the Support Group.

Moreover, experiences under the Trust Fund suggest that UNCTAD should proactively assist LDCs as they are the ones who typically require most technical assistance during the WTO negotiations on trade facilitation. As shown by OECD-DAC statistics, financial and technical assistance for trade facilitation has increased significantly during the last decade. However, the proportion of technical cooperation aid that goes to trade facilitation remains higher for low and middle-income developing countries such as Honduras. Honduras is a typical example of a country that a) attaches a high priority to trade facilitation, and b) has the absorption capacity to receive and benefit from related technical assistance. Many LDCs, on the other hand, have competing priorities or may not have the necessary capacity to even receive and benefit from the type of assistance that UNCTAD can provide within the limited resources of the Trust Fund.

For example, the Honduras experience could not be replicated in countries that require more fundamental and costly support to broad capacity building programmes, or a dedicated (team of) senior technical advisor(s). The Honduras case is, however, a positive example where the UNCTAD multi-donor Trust Fund has proven to be a very flexible and cost-effective financial instrument that can provide demand-driven assistance in an important area of the Aid for Trade initiative.

### **Conclusion**

Since 2005 the UNCTAD trade facilitation Trust Fund has financed numerous capacity building and technical assistance activities aimed at supporting countries in the WTO trade facilitation negotiation process. Honduras is one of several countries that have benefitted from both global and regional Trust Fund activities as well as from tailored assistance to their national trade facilitation group.

In general, UNCTAD and other Annex D organisations have contributed to positive and constructive negotiations on trade facilitation within the Doha Development Round at the WTO. Evaluations undertaken by the WTO Secretariat of the 2007-2010 WTO national self assessments found that these were considered a success. UNCTAD's contribution to this success is acknowledged by the WTO, donors and, most importantly, the developing countries which benefited from UNCTAD Trust Fund activities.

Beyond the one-off national self assessment workshops, the strengthened institutional capacity and dialogue among stakeholders achieved by the Trust Fund is a sustainable result that will allow developing countries to better negotiate trade facilitation agreements and implement subsequent commitments. Honduras is an interesting case where this objective was met with assistance from the UNCTAD multi-donor Trust Fund.

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## UNCTAD's 2010 Review of Maritime Transport available in all UN official languages



The annual publication of the Trade Logistics Branch of the Division on Technology and Logistics of UNCTAD, the Review of Maritime Transport (RMT), is published in all UN languages: English, French, Spanish, Russian, Arabic and Mandarin. The 2010

RMT is now available from the UNCTAD website in English, French, Spanish, Russian and Mandarin, and the Arabic version will be online shortly. UNCTAD will be publishing the 2011 RMT this December.

<http://www.unctad.org/Templates/webflyer.asp?docid=14218&intItemID=5746&lang=1&mode=downloads>

## Reflections on a Future WTO Trade Facilitation Agreement

This study by UNCTAD looks at selected provisions of WTO agreements as they relate to trade facilitation and Special and Differential Treatment (S&DT), monitoring mechanisms for implementation of the agreements, and the role of the supervisory bodies of the agreements. It shows that, for current provisions, the link between operational and legal aspects and technical assistance is weak. Other shortcomings surface in the application of commitments and reporting, and the notification and review requirements of member states. On-going discussions at the WTO underline the benefits and importance of strengthening transparency and reporting mechanisms for more effective application of S&DT provisions. The study concludes that the implementation of WTO obligations should link S&DT flexibilities to technical assistance commitments and an effective transparency mechanism, and proposes a comprehensive framework for this.

[http://www.unctad.org/en/docs/dtl/tlb20102\\_en.pdf](http://www.unctad.org/en/docs/dtl/tlb20102_en.pdf)

## New OECD publications on transport and trade facilitation

The report 'Impact of Trade Facilitation on Trade Costs' presents the results of an assessment of the economic and trade impact of specific trade facilitation measures in OECD countries. Twelve trade facilitation indicators (TFIs), corresponding to the main policy areas under negotiation at the WTO, were constructed by the OECD to measure the impact of trade facilitation measures on trade costs. For OECD countries, the policy areas that seem to

have the greatest impact on trade volumes and trade costs are advance rulings, information availability, formalities and procedures, and inter-agency cooperation. If all TFIs are added, their cost reduction potential would reach almost 10% of trade costs, which is an estimate consistent with existing literature. TFIs should enable countries to better assess which trade facilitation dimensions deserve priority. The OECD TFI project has now been expanded to cover countries outside the OECD area.

The paper 'Clarifying Transport Costs in Maritime Transport' looks into the maritime transport sector and some of the determinants of shipping costs, and outlines the methodology, data and some of the limitations of a new database on maritime transport rates. It contributes to the attempt to obtain a fuller picture of the impact of maritime transport costs on trade flows, and tries to shed light on some of the methodology used in gravity models to simulate the effects of policy phenomena on trade.

The OECD also tries to answer 'To What Extent Are High-Quality Logistics Services Trade Facilitating'. The paper examines the role that trade logistics play in the volume and value of international trade and whether poor quality logistics constitute a barrier to trade. It finds that higher quality trade logistics are significantly associated with higher bilateral merchandise trade, and that the impact of improved trade logistics is greater for goods that are transported by air than by sea. It also finds that improvements in port (particularly air) infrastructure benefit middle more than lower income countries. Finally, it discusses some policy implications of these findings.

[http://www.oecd-ilibrary.org/TradeCosts\\_TFimpact](http://www.oecd-ilibrary.org/TradeCosts_TFimpact)

<http://www.oecd.org/CLARIFYINGTRADECOSTS>

[http://www.oecd-ilibrary.org/HighQualityLogistics\\_TF](http://www.oecd-ilibrary.org/HighQualityLogistics_TF)

## New trends in Asian trade patterns

"Trade Patterns and Global Value Chains in East Asia: from trade in goods to trade in tasks" is a co-publication by the WTO and the Japan External Trade Organisation. It describes, with particular focus on "Factory Asia", how a changing economic environment (e.g. infrastructure services, tariffs, foreign direct investment, cheaper technology and lower transportation costs) has affected the trading environment and the international exchange of goods, fostering increased market access, cross-border links between companies, and trade in intermediate goods. The effect of these factors on international production networks is considered. The publication is part of a wider project which will also produce a pilot database on trade in value added, and a set of statistical and factual indicators on the important role played by regional networks in the expansion of global supply chains.

[http://www.wto.org/TradePatterns\\_GlobalValueChains\\_EastAsia](http://www.wto.org/TradePatterns_GlobalValueChains_EastAsia)

## WCO News - Special Dossier on Trade facilitation

The June 2011 issue of WCO news, a magazine published by the World Customs Organization three times a year, features a special dossier on Trade



Facilitation - Instruments, approaches, trends, initiatives and more. It includes a series of articles about: instruments, tools and resources which show trade facilitation in practice; regional and national programmes and initiatives that promote a transparent, consistent and predictable environment for cross-border trade; and upcoming events for the year.

[http://www.wcoomd.org/ebrochures/WCO\\_News/](http://www.wcoomd.org/ebrochures/WCO_News/)

## Cargo dwell time in Durban: lessons for Sub-Saharan African ports

This report by the World Bank uses both quantitative and qualitative data to identify reasons why cargo dwell time in Durban port dramatically fell in the past decade to the current average of 3-4 days. A major customs reform, changes in port storage tariffs coupled with strict enforcement, massive investments in infrastructure and equipment, and changing customer behaviour all played a major role. It concludes that the main lesson for Sub-Saharan Africa is that cargo dwell time depends on private sector characteristics. However, it is the responsibility of public sector players, such as customs and the port authority, to put pressure on the private sector to more efficiently use the port and reduce cargo dwell time.

<http://www-wds.worldbank.org/WP55794.pdf>

## The air connectivity index: measuring integration in the global air transport network

This World Bank paper builds a new measure of connectivity in the global air transport network, covering 211 countries and territories in 2007. It uses network analysis methods and a gravity-like model from international trade and regional science literatures. It aims at a global measure of connectivity by including the full range of interactions among network nodes, even when there is no direct flight connection between them. It finds that the best connected countries are the United States, Canada, and Germany (the United States' score is more than two-thirds higher than the next placed country's) and that connectivity overall follows a power law distribution that is fully consistent with the hub-and-spoke nature of the global air transport network. The measure is closely correlated with important economic variables, such

as the degree of liberalisation of air transport markets and extent of participation in international production networks.

<http://www-wds.worldbank.org/PDF/WP55722.pdf>

## Is faster trade more trade? Evidence from EU enlargement

This piece of research looks into time barriers to trade and presents evidence to show how the elimination of border controls and customs procedures within the EU has contributed to faster trade, lower trade costs, and larger cross-country trade. According to the paper, each additional hour of waiting time adds 0.8% to trade costs in proportion to the traded value in time-sensitive industries, in general the more technologically advanced industries. In terms of trade creation, it amounts to about 5% more foreign trade for an hour reduction in waiting time. At the same time, the decline in border waiting time has practically no effect in industries that are not sensitive to time.

<http://www.voxeu.com/index.php?q=node/6733>

## Maritime Economics & Logistics Journal, Volume 14

This issue of Maritime Economics & Logistics contains articles on the determinants of demand for international maritime transport (applied to Spain); port evolution and performance in changing logistics environments; liner shipping cycle cost modelling; fleet deployment optimisation and what-if analysis; the influence of oil prices on the maritime routing of containerised imports from China; the value of container terminal investment to ocean carrier strategy; and a European perspective on public service obligations for island transport services.

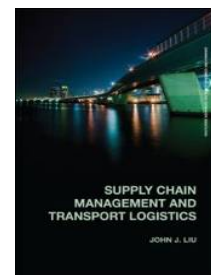
<http://www.palgrave-journals.com/mel/index.html>

## Supply Chain Management and Transport Logistics

*Book by John Liu*

This book aims to go beyond the enterprise focused approach taken to explain recent developments in the real world, especially the typical case of a 'factory' as a virtual logistics network of multiple international manufacturing firms. It proposes a unified methodological framework underlining the interrelationship between supply chain management and logistics. It also offers coverage of integrated logistics for navigation, aviation and transportation. The book highlights the importance of studying supply chain management together with transport logistics, and explains the difference between supply chain logistics and manufacturing logistics.

<http://www.routledge.com/books/details/9780415618960/>

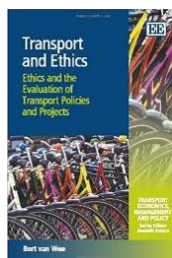




## Transport and Ethics

### Book by Bert van Wee

This book looks into the use of Cost-Benefit Analysis (CBA) for transport policy options from an ethical perspective. It deals with issues such as the use and ethics of CBA in transport, social exclusion, the environment and long term sustainability, safety, and research and transport modelling. It summarises ethics-based criticisms on CBA and discusses their relevance for accessibility, the environment and safety. It also explores ethical dilemmas of doing CBAs and related research in the context of transport. It concludes with possibilities for further exploring the links between transport and ethics. The book is aimed at researchers in the area of CBA for transport, students in transport economics, transport policy, transport planning and transport geography, and transport policy makers.



<http://www.e-elqar.co.uk/TransportandEthics>

### The rise of emerging markets and the WTO

This article argues that the WTO should adapt its role and tools if it is to stay relevant and help facilitate meaningful reform on trade in the future. The authors envision that the rise of emerging markets (with very different political institutions, social values and income levels from those countries that have dominated the global economy until now) will have serious implications for international economic cooperation, the environment, political relationships, etc. and result in huge shifts in global trade. As emerging markets become the largest global economies, they will remain significantly poorer than advanced countries and are likely to have different perspectives on key global issues, such as sacrifices to prevent climate change, or the appropriate level of labour, environmental, and product standards. Such different perspectives will make reaching trade agreements more difficult.

According to the article, the WTO approach of consensus and 'single undertaking' agreements is ill-suited for this evolving world. Fewer major countries would be likely to push hard for the completion of Doha or a new trade round. Advanced countries, dealing with severe debt and macroeconomic problems from the financial crisis are unlikely to take the lead in forging a new multilateral trade deal, and developing countries will focus on development and poverty reduction. However, even without a new approach to multilateral trade negotiations, the authors predict that global trade will continue to grow rapidly and some progress in trade reform will be made through autonomous liberalisation.

<http://carnegieendowment.org/2011/09/22/rise-of-emerging-markets-requires-new-wto/57p9>

## Attractiveness of African trades to Asian companies

According to Lloyd's List, current trade between China and Africa is one of the world's bright spots. Hanjin Shipping, South Korea's largest container line, opened a dedicated terminal for African trades last year. Hyundai Merchant Marine will also have more ships of 4,000 TEU and under available for trips to Africa. Trades between China and Africa, and North Europe and the US and Africa, are promising. Maersk Line, the world's biggest container shipping line, is also positive about the potential of African trades and plans a fleet of twenty-two 4,500 West Africa-max vessels for March 2012. "It's a route that gets a lot of attention internally at Maersk, and it's one of the fastest-growing," a Maersk executive in South Africa said. With crowding on Asia-Europe and transpacific routes, the container line world is desperately looking for an alternative to the mainstay trade lanes, but the capacity woes that are afflicting Asia-Europe will eventually reach Africa. Building sufficient capacity will take time.

<http://www.lloydslist.com/ll/sector/containers/article380019.ec>

## Global Facilitation Partnership for Transportation and Trade (GFPTT)

The GFPTT website provides a collaborative tool for practitioners and policy makers involved in trade and transport facilitation. The website is designed as a 'single window' for worldwide trade facilitation information and resources, and offers a wide range of topics and sub-topics with recommendations, standards, legal frameworks, discussion groups, reference documents, activities, training opportunities, and so on. Registered partners can also contribute to the content of the website by applying for core membership.

<http://www.gfott.org>

## Dynamar's new website

Dynamar B.V., based in the Netherlands provides credit and marketing reports for the maritime sector. Their research covers bunker traders, financial institutions, lessors, logistic service providers, oil majors, port and terminal operators, shipowners, trading houses, vessel operators, amongst others. The new website offers better options for searching, ordering and downloading 'Credit Reports' and other publications. It also gives information on liner shipping and Dynamar's services in the fields of 'Marine Investigation and Vessel Tracking', and consultancy services on 'Liner Shipping, Port and Terminals' and other shipping issues.

<http://www.dynamar.com/>

## **18th UN/CEFACT forum, 19-23 September**

During 19-23 September 2011, experts from around the world gathered in Geneva at the 18th UN/CEFACT forum to continue their work on trade facilitation recommendations and electronic business standards. The meeting was organised under a new project-oriented structure, the objective being to have outputs in the form of recommendations and standards, focused on stakeholder needs. Discussions at the meeting were organised under five UN/CEFACT cross-sectoral Programme Development Areas (PDAs): Trade and Transport Facilitation, Supply Chain, Regulatory, Sectoral, and Methodology and Technology. The 'Trade and Transport Facilitation' PDA was further broken down into international trade procedures, customs and transport domains. The Forum reviewed 60 current projects and aligned them under these PDAs. Progress was made on the draft Recommendation 36 on Single Window Interoperability and a new Recommendation to highlight the work being done on hazardous substance handling such as the Safety Data Sheet; Global Harmonized System and Registration; and the Evaluation, Authorization and Restriction of Chemical substances, including the completed work to support the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal. Future work will include the development of a reference implementation showing how UN/CEFACT standards can be used together with others to implement an end-to-end international supply chain and incorporate a Single Window environment. Also under consideration are new projects in the areas of insurance, healthcare and the environment, as well as opportunities for improving the methodologies used for the development and publication of standards.

For more information about UN/CEFACT, go to <http://live.unece.org/cefact/index.html>, or contact Mika Vepsäläinen, [mika.vepsalainen@unece.org](mailto:mika.vepsalainen@unece.org) or Pier Alberto Cucin, [pa.cucino@ice.it](mailto:pa.cucino@ice.it). The final outcomes of the meeting are summarised at [www.unece.org/2011/ClosingPresentation.ppt](http://www.unece.org/2011/ClosingPresentation.ppt).

## **Emissions from shipping and aviation**

Proceedings from the conference 'Reducing the impact of emissions from shipping and aviation', held at Edinburgh City Chambers on 9th September 2011, are now available on-line. The meeting was jointly organised by the Transport Research Institute of Edinburgh Napier University and the Scottish Centre of the Royal Meteorological Society. The Northern Maritime University (NMU) was the main sponsor of the event.

<http://www.conference.tri-napier.org>

## **Worldwide Alliance for Global Paperless Trade (WAGPT)**

Various countries have now established Single Window facilities as a way of standardising and harmonising protocols, and therefore simplifying procedures and associated trade information flows among key institutions and trading partners. Paperless trade tends to be the key mode of operation for the Single Window, but its development has been slow due, for example, to the lack of integration of the B2B and G2G logics in international trade transactions, the lack of harmonisation in the implementation of paperless-related recommendations, and problems with the legal recognition of digital signatures and trade-related documents at the international level.

Ibrahima Diagne and Jean-Marc Dufour presented a proposal at the 18th UN/CEFACT forum for a 'Worldwide Alliance for Global Paperless Trade' that would pool Single Windows around the world and establish a platform for practical solutions to challenges in the development of paperless trading globally.

For more information, contact Jean-Marc Dufour, [jean-marc.dufour@france-eci.net](mailto:jean-marc.dufour@france-eci.net), or Ibrahima Diagne, [idiaqne@gainde2000.sn](mailto:idiaqne@gainde2000.sn)

## **International Association of Maritime Economists Conference 2012**

The 2012 annual conference of the International Association of Maritime Economists (IAME) will take place from 6-8 September in the city of Taipei. The conference theme is 'Clustering Logistics with Ports and Shipping Services in the time of Free Trade Era'.

<http://www.iame2012.org/>

## **Global Trade Facilitation Conference WTO Symposium on the Cost of implementing Trade Facilitation measures, 9 November 2011, Geneva, Switzerland**

In order to gather more information on the cost of implementing trade facilitation measures currently being negotiated at the WTO, the WTO Secretariat is holding a symposium in early November where Member Countries will present case studies of their overall customs or trade facilitation reforms, or of specific measures (such as the introduction of a risk management system, post clearance audit, internet publication, etc.) and the implementation process and costs of these measures. UNCTAD and other Annex D partners will also be sharing their experiences. The main objectives are to enable a better understanding of the costs, benefits, challenges and best practices of implementing trade facilitation measures.

For more information contact Sheri Rosenow, [sheri.rosenow@wto.org](mailto:sheri.rosenow@wto.org), WTO Secretariat

**United Nations Global Trade Facilitation Conference, 'Connecting International Trade: Single Window and Supply Chains in the Next Decade', 12-13 December 2011, Geneva, Switzerland**

The five UN Regional Commissions (ECE, ECA, ESCAP, ECLAC and ESCWA) are jointly organising this Conference on 12 and 13 December in Geneva, Switzerland. The objectives of the Global Trade Facilitation Conference are to:

- Look at the latest trends, opportunities and technologies for Single Window and information exchange in global trade
- Identify efficient strategies, business models and policy approaches
- Develop strategic priorities for more efficient and secure cross-border trade, in line with the ongoing WTO negotiations in the Doha round
- Share experience and lessons learned on Global Supply Chains and Single Window implementations around the world
- Network and exchange views with key stakeholders and experts

It provides an opportunity for governments and traders from around the world to come together and review the progress made on the global trade facilitation agenda. One of the main outputs of the conference will be the development of a joint vision and framework to guide the future of Single Windows and the way they support global supply chains. Another main output will be the formulation of recommendations to governments, and regional and international organisations.

For more information and to register online, go to <http://www.unece.org/index.php?id=23647&type=111>

**ESCAP Ministerial Conference on Transport (second session), 14-18 November 2011, Bangkok, Thailand**

The Ministerial Conference on Transport will be convened by the ESCAP secretariat in Bangkok, Thailand from 14-18 November 2011, to assess and evaluate the implementation of the Regional Action Programme for Transport Development in Asia and the Pacific, phase I (2007-2011) and the Bangkok Declaration, and to consider a regional action programme for phase II (2012-2016). It will comprise two segments: a senior officials segment (14-16 November 2011) and a ministerial segment (17-18 November 2011). The objective is to have a substantive interactive dialogue on emerging issues in transport, and to formulate concrete recommendations on policy actions and initiatives for enhancing regional cooperation and integration in transport, and inclusive and sustainable development in the Asia-Pacific region.

For more information and to register online, go to <http://www.unescap.org/ttdw/MCT2011/MCT2011.asp>

