

TRANSPORT NEWSLETTER

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT



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EDITORIAL

Dear readers,

The fifth session of UNCTAD's Trade and Development Commission took place on 17-21 June in Geneva. The session focused mainly on two topics: the impact of trade on employment and poverty reduction, and key trends in international transport and implications for development. This was a great opportunity to show Member States the added value of our daily work. The Trade and Logistics Branch presented the key findings of the current research initiatives undertaken by the team in the field of international transport. On its agreed conclusions, the Commission requested UNCTAD to continue on "monitoring, analysing and assessing the evolution of international transport systems and trade facilitation and to assist developing countries in better understanding and addressing the emerging challenges and opportunities of trade logistics in order to gain from the global trading system".

The spotlight was on UNCTAD's flagship publication Review of Maritime Transport, with the latest data and analysis following the report's structure: Demand, supply, markets, ports and the legal and regulatory framework, with a special focus on sustainable freight transport.

The Liner Shipping Connectivity Index celebrates its 10th Anniversary and has become a reknown instrument to describe trends in container shipping. The LSCI aims at providing an indicator of a country's access to global liner shipping services. It is largely a reflection of a country's containerised sea-borne trade, as fleet deployment follows country demand for containerised trade. That containerisation has drastically changed international logistics is a fact that no one denies any longer. But it seems that the boxes themselves have done much more. A recent study by Zouheir El-Sahli, of Lund University, and Daniel Bernhofen and Richard Kneller, of the University of Nottingham concludes that the containerisation of maritime transport has had a bigger impact in the economy of developed countries than the elimination of tariffs in the past decades. "Thinking inside the box" has transformed global trade for good.

The LSCI is available online and is openly and freely accessible to everyone. As summer hits Geneva, where UNCTAD is headquartered, and temperature raises, we invite you to use this tool and dive with us in the refreshing world of maritime transport.

Enjoy the reading!

The Trade Logistics Branch Team



Workers at the Port of Owendo, Gabon

TEN YEARS OF LINER SHIPPING CONNECTIVITY INDEX... ...AT A CLICK OF YOUR MOUSE

UNCTAD is celebrating ten years of the Liner Shipping Connectivity Index (LSCI). The data are stored online and accessible to everyone. We bring you some examples on how to use this statistical tool.

The Liner Shipping Connectivity Index (LSCI) for 2013 has just been published and is now on <http://unctad.org/lsci> for immediate browsing.

Users can now access data for the past ten years of LSCI for 159 countries with sea ports

When you get to the site, the first thing that you will be able to see is full table of LSCI as shown in Figure 1.

The table can be printed out or downloaded (See red box in figure 1). Alternatively, this table can also be exported into three different formats -20/20 table format (*.ivt), Microsoft Excel format (*.xls), and Comma-delimited ASCII format (*.csv) - for further independent analysis in a thorough way (See blue box in Figure 1).

But you do not need to download the data in order to analyse it. A basic statistical analysis

can also be performed online. Here, we give you some hints on how to use the tool.

For instance, by clicking the "Chart" tab (see brown arrow in Figure 1), the graphic representation of LSCI of all countries for all years will be displayed. By default, it is in "Column" graphic type. This can be modified by clicking the "Chart type" button situated directly below the tab (see Figure 2). Select each of the other 12 types to see the various ways LSCI can be graphically presented on this site. To enlarge it, simply click on the chart.

This site is also equipped to evaluate the LSCI trend of a country. To show this, simply set the chart to "Line" chart type. Then, click on the "Select items to view" button and choose "Economy" (See circle in Figure 3) to see all listed economies that are currently included in the analysis by default).

Use the button displaying a cross to clear all checked boxes and then select the country you are interested in (see Figure 4). Press the "Show chart" button to view the trend.

To view the trend of a particular group of countries, simply repeat the process and select several economies instead. In the next page, you can see two examples. Figure 5 shows a "Column" chart type for three countries, namely Malaysia, Philippines and Singapore. Figure 6 shows a "Pyramide" chart for four countries. The "Pyramide" chart allows you to compare results from two different years and for several countries.

These are just some examples of what can be done with the online LSCI database. We invite you to explore its various possibilities!



Figure 1 - Ten years of LSCI, <http://unctad.org/lsci>

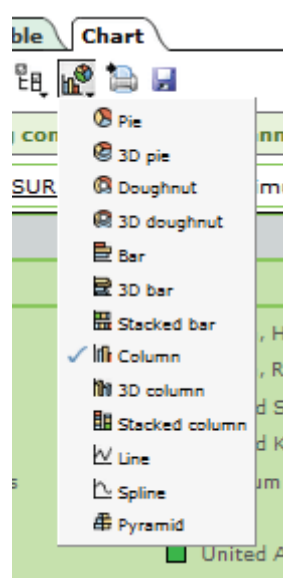


Figure 2 - Types of Charts

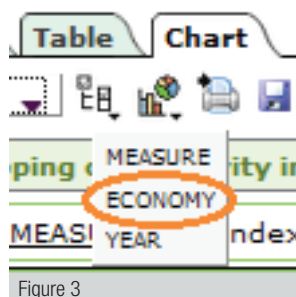


Figure 3

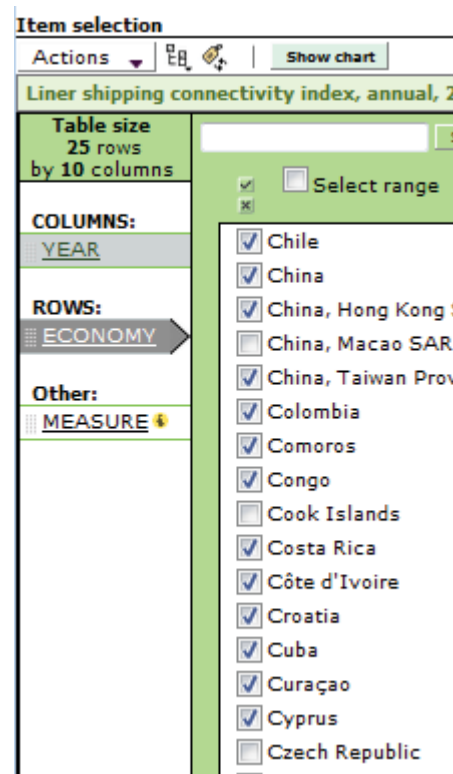


Figure 4 - Select or unselect countries

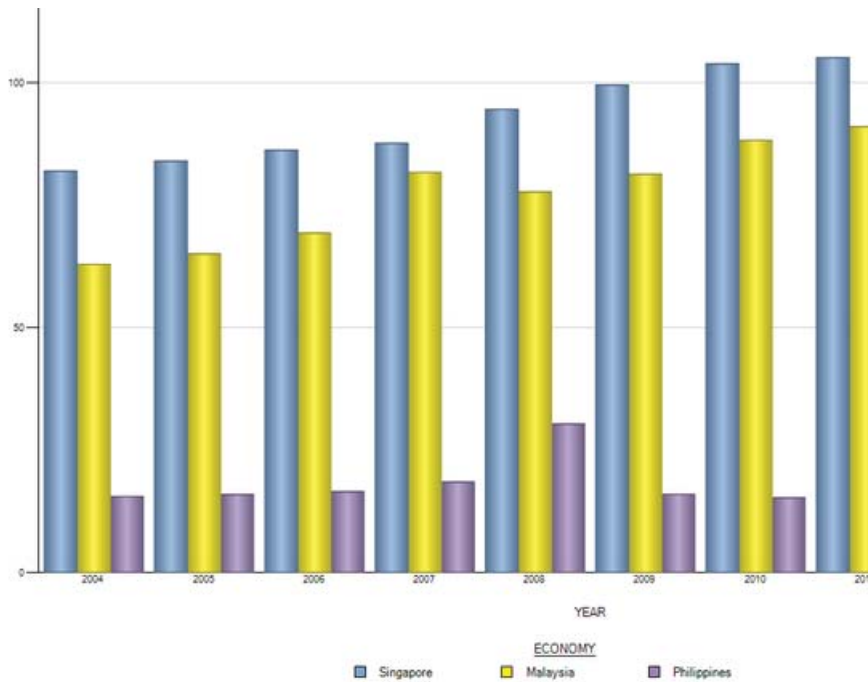


Figure 5 – Column chart of three LSCIs

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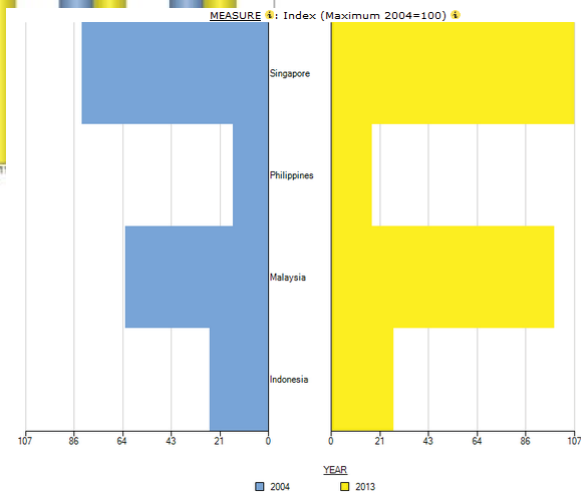


Figure 6– Pyramid chart

UNCTAD WILL CONTINUE ASSISTING DEVELOPING COUNTRIES IN TRADE FACILITATION IMPLEMENTATION PLANS, WITH SUPPORT FROM SWEDEN

With the financial support from Sweden, announced at the Special Session on Technical Assistance, held during one of the last meeting of the WTO Negotiating Group on Trade Facilitation (21 May 2013, Geneva), three more countries will join the UNCTAD project on the national TF implementation plans, bringing the total number of the participating countries close to thirty.

As reported in the previous editions of the Transport Newsletter (Numbers 53-57), this project, carried out between 2011 and 2013 and funded by the European Union, Norway and the UN Development Account, helps de-

veloping countries elaborate national implementation plans for the TF measures proposed within the WTO TF negotiations.

While the national plans remain the property of the Governments, the consolidated results of this work will be published by UNCTAD in a forthcoming analytical report. It will offers insights on the level of implementation of TF in the developing countries, the implementation priorities and time and financial requirements and the expressed needs for special and differential treatment.

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WORKSHOP ON TRADE FACILITATION FOR FRENCH-SPEAKING AFRICAN COUNTRIES

Special focus on Authorised Economic Operators, Risk Management, Enquiry Points, Single Window and Disciplines on Fees and Charges for Importation and Exportation

On 15-19 April, UNCTAD held a workshop for five French-speaking African countries on Trade Facilitation (TF) Implementation Proposals in Cotonou. Co-organised by the Ministry of Commerce of Benin and funded by the European Union, the five-day event aimed at analysing and developing implementation proposals for several reforms, currently considered in the WTO TF negotiations.

In his opening, His Excellency the Minister of Commerce of Benin highlighted the importance of trade facilitation for the host country.

Charges for Importation and Exportation. Participants, who had previously worked on the preparation of specific project proposals, reviewed their planned activities addressing key elements for the successful implementation of the reforms such as the context of the reforms, problem analysis, stakeholders' examination, intervention strategy, risks analysis and quality factors. These aspects were recapitulated in a logical framework (log frame) for implementing planned activities.

sions. In addition, the workshop provided an opportunity to raise broader issues related to the technical assistance and capacity building (TACB) projects in the TF area.

The national experiences and knowledge shared during five days of work highlighted the importance of planning, and mobilising the necessary resources to carry out comprehensive trade facilitation reforms. From their side, the participating donors confirmed their commitment to assisting countries in the implementation of TF projects and emphasised that, for them, it is imperative that trade facilitation efforts are aligned with national priorities and regional programmes. Last but not the least, all participants agreed on the crucial role of the national TF committees, through which all relevant governmental bodies and representatives of the private sector actors could be actively engaged.

The Cotonou workshop is the first of a series of workshops to be carried out in the months to come under the framework of the UNCTAD initiative on "Project development for national trade facilitation implementation plans", funded by the European Union.



Participants to the workshop

Experts from UNCTAD and the World Customs Organisation (WCO) facilitated the discussions. Two major donors in the region, USAID and the European Union, also contributed to the meeting. Each participating country was represented by a delegation comprising of a representative of the Ministry in charge of foreign trade, Customs and the national focal point for the Integrated Economic Framework.

Five countries, five measures, five days of work

The five participating countries - Angola, Benin, Burkina Faso, Burundi and Gabon - had previously benefited from UNCTAD's project on national implementation plans for trade facilitation. Building on their national assessment, the countries held a detailed exchange on five specific trade facilitation reforms that require technical assistance and capacity building to be implemented. The measures covered were: Authorised Operators, Risk Management, Enquiry Points, Single Window, and Disciplines on Fees and

Outcomes and recommendations

Supporting participating countries in the preparation of advanced project proposals on the selected TF reforms was the main goal of the meeting. Shortly after the workshop sessions, countries were able to finalise their respective national project proposal based on the results of the technical and policy discus-

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Participants visiting the port of Cotonou, Benin

REGIONAL APPROACHES TO TRADE FACILITATION IN EAST AFRICA AND SOUTH ASIA

In the framework of the regional phase of UNCTAD's project "Strengthening capacities in developing countries in Africa and Asia to support their effective participation in negotiating bilateral, regional and multilateral trade facilitation arrangements", four regional events take place in 2013. Until now, two have already being organised. The first UNCTAD regional forum on trade facilitation for the East African Community (EAC) was organised in cooperation with the United Nations Commission for Europe (UNECE) on 22-26 April in Kigali, Rwanda. The second event, targeting the countries of the South Asian Subregional Economic Cooperation (SASEC) Program, took place on 28-30 May in New Delhi, India. Public officials from the respective national Trade and Customs Departments participated in the forums.

UNCTAD EAST AFRICAN FORUM ON TRADE FACILITATION

Familiar faces greet each other in the conference room. Trade facilitation (TF) is a recurrent topic in the region and national experts on this field usually participate in bilateral and multilateral events and projects. This trust among participants is going to have a positive impact in the event. It is the first day of an entire week dedicated to deepen their knowledge on trade facilitation measures. The national plans for trade facilitation undertaken with UNCTAD's support and the ongoing negotiations in the WTO turn to be favorite small talk themes among the audience. They are waiting for Mr Richard Tusabe, Commissioner of Rwanda's Revenue Authority, who has agreed to open the forum.

Mr Tusabe speaks proudly of the progress made in Rwanda and the EAC in the last years. The improvement of the interconnectivity of Customs systems, the harmonisation and standardisation of Customs procedures for Integrated Border Management or the regional Time Release Study recently conducted under the auspices of the EAC Secretariat are some examples of effective TF programs that have been recently developed. Each of these initiatives has contributed to reduce the

cost of doing business in the region. However, Mr Tusabe acknowledges that there is still much to do if the EAC aims at genuinely encouraging cross-border trade.

One of the objectives of this event is to give the opportunity to share results of the trade facilitation implementation plans or needs assessment exercises conducted in the region. One after the other, participants present the results of their evaluations to the rest of the group. This exercise is reinforced by an analytical comparison made by Mr Maxence Orthlieb, UNCTAD's international consultant working on this project. Now everyone has an impression of the overall level of compliance in the East African Community. The floor is opened to discussion and a question is raised: "Should the EAC Secretariat be the leading organisation regarding the implementation of TF measures in the region?" As an answer, one of the participants quotes the EAC protocol: the role of the EAC Secretariat is to coordinate the community activities, undertake the strategic planning and management and monitor and evaluate projects and programs for the development of the region as a whole. In the field of TF, national experts

agree that the EAC Secretariat will spearhead such developments without necessarily taking ownership or enforcing implementation. The later remains entirely the responsibility of Partner States. Even if participants recognise the high level of involvement of donors in the region, concerns are expressed regarding the vast need for capacity building and technical assistance for the implementation of the more than 40 TF measures currently being negotiated within the WTO.

UNCTAD technical assistance is demand driven. While completing the national TF plans during the second half of 2012, participating countries expressed their interest in learning more on how to get the necessary support for the implementation of the TF priorities pointed out in the completed plans.

The forum focuses on single window and border agency cooperation, as EAC Partner States are currently eagerly looking for support regarding these two TF measures.



Delegates from Burundi, Ethiopia, Kenya, Lesotho, Mozambique, Namibia, South Africa, Sudan, Rwanda, Tanzania, Uganda and Zambia, as well as representatives from the EAC Secretariat and TradeMark participated in the event

Border Agency Cooperation: a national and cross-border requisite

In the last years, the EAC has seen the number of One Stop Border Posts (OSBP) significantly increased. This development will continue as several OSBP are being planned or already in construction. The East African Legislative Assembly has even passed a One Stop Border Posts Bill paving way for becoming Community Law if assented to by the EAC Heads of State.

Participants of the UNCTAD EAC Forum on Trade Facilitation listen carefully to Rwanda's explanation on their national border agency cooperation system. The rest of EAC representatives noted with surprise that, in Rwanda, the Immigration Department has been given the leadership to ensure coordination among border agencies. It might seem unconventional but it works. Participants praise Rwanda's border management framework, wishing there will be such a clear structure in their own countries, even though they claim that Customs would be the natural agency to assume the leadership at their borders.

Is the single window the chicken or the egg of trade facilitation?

The title of the next section of the program strikes one's eye "Is the single window the chicken or the egg of trade facilitation?" Ms Sánchez, UNCTAD's Associate Economic Officer and conductor of the forum, explains to the audience why this title: "Last year, while working on the national implementation plans for trade facilitation, we realised that the single window (SW) was often seen as this miraculous solution to all challenges related to the facilitation of import, export and transit procedures. However, one could also argue that addressing some of those issues in forehand is necessary in order to ensure the successful and smoothly implementation of any SW project. By the time I was redacting the program, it seemed to me that this amusing title was able to express the important challenge of sequencing trade facilitation reforms".

Rwanda is the only EAC country that currently has a working single window. The project was recently developed with the support of UNCTAD's ASYCUDA program. Mr Alioune Ciss, UNCTAD's ASYCUDA specialist and Mr Christian Nizeyimana from the Rwanda Revenue Authority present the challenges and opportunities of implementing the single window. What is most impressive of the Rwandese case is that they managed to launch the SW in a relatively short period of time. Work is still to be done in order to improve the system and ensure the connection to other agencies.

However, benefits are already tangible: accurate operation efficiency in document processing, cost savings and effective deployment of resources, enhanced transparency in government services, reliability of information provided via emails and SMS to update importers on the status of their consignment clearance as well as a prompter collection of revenues for the government.

"The single window system has drastically reduced the total release time from three to one day and cost savings are estimated to be between 8 and 17 million USD annually",

concludes Mr Nizeyimana with a big smile on his face.

After these presentations, it seems understandable that participants tend to conclude that "to get the chicken you must start with the egg". All participants wish a single window for their countries as well, as stakeholders will benefit from simple, transparent and effective trade processes. In fact, Kenya, Tanzania and Uganda are working on it nowadays. After listening to the Rwandan experience, participants seem to agree that for its effective implementation, specific legislation for single window should be approved in forehand. They argue that this will help dealing with those agencies which are reluctant to participate in the process of implementation despite the signed memorandum of understandings between administrations.



The group exercises during the workshop contribute to create a collaborative and relaxed environment, which is positive for the training. Networking is enhanced and participants learn from each other and not only from the trainers.

UNECE's Trade Facilitation Implementation Guide

On the third day, EAC representatives are joined by delegates from Ethiopia, Lesotho, Mozambique, Namibia, South Africa, Zambia and Sudan, as well as representatives from the EAC Secretariat and TradeMark. They have been also invited to participate in the two days training on UNECE's Trade Facilitation Implementation Guide. The methodology used for the training is vastly based on practical exercises. Participants mingle with TF experts of other countries in different constellations for each group exercise. It constitutes a unique networking opportunity: "It is great to hear about the experiences of other countries. The contacts I made during this week here are going to be very useful for my work", states Rosine Uwamaliya, from the Rwanda Revenue Authority.

Experiencing the OSBP in Nemba/Gasenyi

The week is coming to an end and the group of African TF experts jumps into a bus that is going to bring them to the recently inaugurated One Stop Border Post at the border of Burundi and Rwanda. In terms of trade volume, Nemba/Gasenyi is a small border. However, it shows an OSBP designed in a unique style not the common juxtaposed OSBP found elsewhere. Here, a joint building was established in the centre of the common control zone and it is being shared equally by border services of both countries. The infrastructure and control procedures developed at this border permit commuting passengers and vehicles to stop only once to complete the entry and exit formalities at a single clearance point. There is a parking yard provided for heavy vehicles, trucks and coaches where inspections of Customs, immigration and

other operating regulatory agencies of both countries are jointly accomplished. Financed by the African Development Bank, this project resides in the signed bilateral agreement between the two countries that has been translated into the agreed operational procedures in place. Even though passengers are still required to fill entry and exit immigration forms on both sides of the border, the process is made quicker as immigration officers sit near each other in the same office. Officials at the border try to answer all the questions of the enthusiastic audience. They explain that work is still to be done. For instance, the immigration software on the Burundi side is being rolled out and will be interfaced with the Rwandan one to further expedite passenger clearance. Shortly after the inauguration, up to 50 Customs declarations are dealt with daily at the border. It might not seem significant, but it is compared to the fact that prior to the OSBP less than five declarations per day were presented. Customs officials believe that the number of transactions will keep on growing as traders and transporters get to know the existence of the new facilities.

The discussions held early this week come to the mind of participants who want to know how border agency cooperation materialises in Nemba/Gasenyi. Border management and coordination is in the hands of the immigration departments of Burundi and Rwanda and the seat of the chairperson rotates accordingly.

The next UNCTAD EAC forum on Trade facilitation

In the same spirit of strengthening capacities of developing countries in Africa and Asia to support their effective participation in negotiating bilateral, regional and multilateral trade facilitation arrangements, a second EAC forum on trade facilitation is scheduled for July 2013 in Arusha, Tanzania. The event will be organised in cooperation with the EAC Secretariat. Publication, information available on the Internet, enquiry points as well as import and rapid alerts are some of the TF measures that will be addressed during the workshop.

For further information please contact Arántzazu Sánchez Belastegui (arantzazu.sanchez@unctad.org), Trade Facilitation Section, UNCTAD



During the technical visit, a participant shows his EAC Passport to the Immigration Officials at the border



Participants during one of the group exercises organised during the training

UNCTAD SOUTH ASIAN FORUM ON TRADE FACILITATION

Co-organised by the Center for WTO Studies, the UNCTAD South Asia Forum on Trade Facilitation took place on 28-30 May in New Delhi.

The thermometer shows 45 degrees Celsius or 110 degrees Fahrenheit. This scorching heat sets the pace of the entire city of New Delhi. Men in their suits look specially relieved as they enter the cooled conference room that the Center for World Trade Organisation (WTO) Studies has provided for the forum. Over a decade ago, the Center for WTO Studies was set up by the Indian Government to be a permanent repository of WTO negotiations-related knowledge and documentation.

Mr Das opens the three-day forum explaining a little bit more of the organisation he heads: "Situated in the Indian Institute of Foreign Trade, the Center for WTO Studies has been regularly called upon by the Government of India to undertake research and provide independent analytical inputs to help it develop positions in its various trade negotiations at the WTO but also in other forums". The Center focuses on three pillars: the continuous research on trade-related topics, the conduction of trade capacity building projects together with the WTO - such as the WTO Regional Trade Policy course - as well as the provision of a platform for stakeholders on various trade issues.

Listening to him: delegates from Bangla-

desh, Bhutan and Nepal, among others. Back home, they are national experts on Trade Facilitation (TF). Under the framework of one of the UNCTAD's project, they have been involved in the drafting of their national Trade Facilitation implementation plans. The exchange of experiences in the region is, in fact, one of the objectives of the forum.

Their curiosity is soon addressed by Mr Bhatnagar. The Joint Secretary at the Central Board of Excise and Customs starts giving his own definition of Trade Facilitation. For him, "TF is addressed to compliant traders. It seeks to reduce trade delays and secure a seamless flow of goods across borders but, in doing so, it must embrace the concept of supply chain management". In his opinion, people tend to forget that TF developments must take into account infrastructure and that Customs is just one of the players among other governmental agencies involved. According to Mr Bhatnagar, India has implemented most of the measures included in the draft text currently being negotiated in the WTO. For instance, they have started to work in a Single Window but it is an endeavor that will take time to be completed. The biggest challenge, he continues, is to fight against the hesitation on sharing information among administrations. Before leaving, he

stresses the fact that TF is about business: establishing and maintaining a partnership with stakeholders based on consultations is essential.

The forum takes place with the support of the Economic and Social Commission for Asia and the Pacific (ESCAP). Mr Silva, Deputy Director of ESCAP Subregional Office for South and South-West Asia, and Mr Tengfei, Economic Affairs Officer at the Trade and Investment Division of ESCAP in Bangkok, explain the work that the organisation is currently undertaking. They focus on the project on Business Process Analysis for Agricultural Trade Facilitation in South and Southeast Asia (see Transport Newsletter N°57, page 8).

Later comes the turn of national delegates to present the results of their national TF implementation plans. Mr Orthlieb, UNCTAD's international consultant for this project, complements the national presentations with a comparison of results. National experts are very interested to know more about the level of TF implementation in the other countries of the region. It helps them to assess their own performance in comparative terms.



Participants at the forum after the closing ceremony

Increasing knowledge on TF measures such as publication, availability of information on the Internet and enquiry points, risk management, expedited shipment, perishable goods and electronic payment

The forum not only encourages participants to share experiences in the implementation of trade facilitation in South Asia, it also aims at increasing their knowledge on certain TF measures as well as providing training on how to draft TF project proposals.

The programme includes seven of the 41 measures currently being negotiated in the WTO, namely: publication, availability of information on the Internet and enquiry points, risk management, expedited shipment, perishable goods and electronic payment. The measures were selected based on the technical assistance and capacity building needs expressed by national stakeholders during the drafting of their respective TF plans.

After getting an in-depth explanation on each of the measures, delegates take part in the diverse group exercises organised. Among others, participants reflect about the possible creation of a regional online portal for promoting trade in South Asia, the establishment of a regional trade enquiry point as well as the identification of regional risk criteria to improve national risk management systems.



Group exercises were part of the methodology used during the forum

Major Improvements in Trade Facilitation at the Dry Port of Tughlakabad in New Delhi

It is almost two p.m. and participants are a little bit reluctant to leave the air-conditioned room to jump in the bus that will bring them to New Delhi's dry port of Tughlakabad. However, what is waiting for them at Tughlakabad - a refreshing Customs hospitality coupled with interesting presentations and a guided tour through the port - makes them quickly forget about the heat.

Established in 1993, the Inland Container Depot (ICD) of Tughlakabad is the biggest dry Port in Asia. It handles more than 400,000 TEUs per annum even when its handling capacity is only of 250,000. This is possible thanks to some of the TF measures that have been implemented over the past years. Traders in India can apply for the Accredited Client Programme (for those who have a sound record of compliance towards the Customs administration) or the Authorised Economic Operators programme (if they can ensure the security of their supply chain). Electronic payment is not only possible but it is even mandatory under certain circumstances. The average time taken for processing of documents has been reduced in all the steps of the import and export processing.

Trade facilitation has shown a big impact in terms of revenue. Net revenue has increased 22% in 2012-13 compared to the same period in 2011-12. Customs officials at the port agree that there is still room for improvement, room for further facilitating trade, but they are proud of the recent achievements that have led to a major transformation for the port.



A physical inspection takes place at the Dry Port of Tughlakabad under the watchful eye of the participants of the forum

National delegates of Bhutan and Nepal are especially thrilled about the visit. As their Governments are considering the construction of new dry ports, they are grateful for the opportunity to see how Indians manage to be so performing despite the limited space and lack of resources.

See you in Kathmandu!

Participants highlight the following as the key benefits from the event: learning more on the developments in trade facilitation in the region, diving into complex TF measures such as expedited shipments as well as getting trained on how to write project proposals in such a systematic way. Delegates have now the opportunity to apply what they learned during the workshop into their daily work.

Building upon the results of the event, a second UNCTAD South Asia Forum on Trade Facilitation will be organised in September in Kathmandu, Nepal. The event will focus on other challenging TF measures, i.e. border agency cooperation, authorized economic operators or single window, among others.

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THE ROLE OF NATIONAL TRADE FACILITATION COMMITTEES AND THE PRIVATE SECTOR IN THE IMPLEMENTATION OF TRADE FACILITATION REFORMS

Time is money. This famous sentence is attributed to Benjamin Franklin. He wrote it in 1748 in a book entitled "Advice to a Young Tradesman, written by an old one". More than two hundred years later, this basic principle of trade was conceptualised as the practice of trade facilitation. Trade facilitation can be defined as a process of streamlining trade procedures in order to save time, and thus money, to trade stakeholders from both public and private sectors. It is usually applied to import, export and transit procedures.

Trade facilitation is not an option anymore. Trade facilitation is a must.

Trade facilitation has seen its relevance increase over the years in the agenda of public and business sectors. There are several economic trends that are responsible for that. Among the main ones, worth recalling are the globalisation of production, the progress of technology and the continuous reduction in tariff barriers.

Two decades ago, only 20 percent of globally manufactured goods were exported from developing countries. Today, it is up to 80 percent. An increasing number of developing countries are now fully integrated in global trade and take part in global supply chains. Thus, excessive times spent at border crossings have become even more crucial than before. Developing countries that facilitate trade create a competitive advantage that could result, for instance, in an increase of foreign investment in export oriented production sectors.

The use of new technologies has opened windows of opportunity for trade facilitation: Customs automation has helped eliminating cumbersome manual procedures. For instance, thanks to specific software such as UNCTAD's Customs system ASYCUDA and modern equipment, new management approaches such as risk management have been improved. Government agencies are indeed in a better position to address security concerns without hindering trade.

In the last decades, many tariffs have decreased. Transactions costs, including logistics and procedural ones, and non tariff barriers are now in many cases more determinant than Customs duties and taxes. Thus facilitating import, export and transit procedures appear nowadays as a genuinely effective way to ease integration into global trade.

By the end of last century, the international community felt the weight of these trends and, in 1996, trade facilitation entered the agenda of World Trade Organ-

isation (WTO) to later be included in the Doha Round in 2001. By 2004, it was formally part of the negotiations within the WTO.

Trade facilitation is a state of mind.

Trade facilitation consists of a cross-cutting, continuously process improving and fine tuning approach. As import, export and transit formalities are determined by many different public and private actors, the design and implementation of reforms streamlining these procedures need to be inclusive. This is where and why trade facilitation committees can play a decisive role.

In 1974 first, UNECE WP4 and then in 2001, the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) recommended governments to create national trade facilitation committees including representatives from both public and private sectors. According to



Modjo Dry Port, Ethiopia

the text of the recommendation, the group should work on: “identifying issues affecting the cost and efficiency of their country’s international trade; developing measures to reduce the cost and improve the efficiency of international trade; assisting in the implementation of those measures; providing a national focal point for the collection and dissemination of information on best practices, in international trade facilitation; and participating in international efforts to improve trade facilitation and efficiency.”

When it comes to trade facilitation reforms, these committees become essential, as they help to ensure coordination and the exchange of information among all actors involved.

The picture therefore looks simple: established trends in global trade make trade facilitation a must and trade facilitation committees are suitable instruments to implement national trade facilitation reforms. Hence, one could assume that every country has a working trade facilitation committee. Well, experience shows that this is not always the case.

Well-functioning committees are an exception in developing and developed countries

For the past five years, UNCTAD has been collecting national experiences on trade facilitation committees. After analysing more than 20 cases of developing countries from all over the world, it seems that trade facilitation reforms are often like a ship without captain: uncoordinated and with half of the crew ignoring what the other half is doing. This is indeed a dangerous situation that might even end in a wreck.

Imagine Customs introducing automated risk management without integrating the risk parameters of other government organisations such as the Ministry of Health or Agriculture. Maybe, physical inspections of shipments for the purpose of valuation and classification might have sig-

nificantly diminished after the reform. But overall the situation would not have improved much if the majority of goods inevitably need to be checked by other national border agencies. Thus, the impact of the Customs reform would have remained limited.

Data suggests that while in some countries, there is no trade facilitation committee at all, in other cases, existing ones do not function properly.

What challenges do they face, in general?

Analysis shows that national trade facilitation committees, when they fail, do so for three main reasons: (1) lack of a clear mandate, work programme and/or proper budget; (2) inappropriate composition or (3) lack of leadership.

Lack of clear mandate and work programme

According to the guidelines of the UN/CEFACT recommendation, trade facilitation committees should be a permanent structure meeting regularly. As pointed out before, trade facilitation should be seen as a continuing process which will have to address new aspects to improve, procedures to streamline and formalities to be simplified. However, many of the existing national committees are created to address a specific existing problem or undertake a particular reform. Once this is done, they breathe their last.

One could believe that this issue of creating and operating facilitation committees will be solved when the trade facilitation agreement currently negotiated at WTO is signed. The negotiating consolidated text indeed states that “each Member shall establish and/or maintain a national committee on trade facilitation or designate an existing mechanism to facilitate both domestic coordination and

implementation of provisions of this Agreement.” Also, several countries have already created trade facilitation groups to support Geneva-based negotiators regarding the provisions included in the agreement. Hence, the negotiating text has already had a positive impact on national trade facilitation committees. However most of the national committees created to respond to the needs raised by the negotiations at WTO have confined their work to deal with the content of the WTO text. They do not address trade facilitation reforms or other existing trade hindering procedural issues.

Inappropriate composition of the committee

The dysfunction of the committee is sometimes caused by an inadequate composition. Committees excluding key border agencies or not sufficiently involving private sectors are many. Also, very often, while business sectors are invited to participate to the work of the committee, they barely attend. This is especially the case where the private sector experiences high opportunity costs - investing time in attending the Committee’s meetings instead of on their own businesses, at a low “return on investment” for their invested time.

Trade Facilitation Bodies should be as all-encompassing as possible. But, they should be efficient as well. They have to ensure actual benefits for all participants, both in private and business sectors.

How can the right composition be achieved?

The first step consists in mapping all relevant trade facilitation stakeholders at national level. Once this is done, the group could distinguish between core and ad hoc members. While core members should be present at every meeting (i.e. Customs or traders as-



Port of Owendo, Gabon

sociations), ad hoc members could be invited to contribute whenever their specific expertise is required.

Some trade facilitation solutions may easily turn highly technical in terms of process reform management, substantive expertise or technology requirements. Therefore, choosing the right specialist from each institution is indeed crucial. For instance, processes can be unnecessarily slow down if some organisations are only represented by inexperienced or not sufficiently knowledgeable staff.

Finally, the practical outcomes, in terms of results and actual impact, of the work of the committee should be tangible and constant. Otherwise participants will lose interest in attending meetings, or contributing to the analysis and design of reforms. This is where leadership becomes essential.

Leadership: who is the captain of the ship?

When committees with a clear mandate and an inclusive composition die out is often because of a lack of a clear driving leadership. The person or institution assuming the role of leader of the committee (usually Customs or the Ministry of Trade) has to keep participants motivation and commitment at the highest levels. This is not an easy task. Simple but sure steps taken towards commonly agreed achievable objectives reaching tangible results will help develop trust and a sense

of actual progress and confidence in the process among experts that may already have many commitments and little time to waste.

The leader of the committee should be aware of the importance of this function and act consequently. A pro-active attitude will be necessary to call meetings, propose topics for discussion, distribute relevant information, assign priorities and tasks and monitor the impact of the work done. Before calling a meeting, the leader should assess the scope of the agenda and send invitations accordingly, including to ad hoc members as necessary. Some issues could be discussed in smaller groups of experts. Participants to a technical gathering with no opportunity to contribute in any way to the discussion might feel discourage and may not come back.

The importance of the private sector or why even the most experienced captain can not sail without an engaged crew.

It is the role of the leader of the committee to monitor the impact of the work of the group and make every minute spent by its members count. However, the private sector has also a key role to play: to help the captain steering the boat.

Thus, their engagement has to be constant and their attitude proactive. Despite the existing opportunity costs, the committee represents for them a forum to

submit complaints and raise concerns in a collaborative way, presenting possible solutions or alternatives to an existing problem. Their participation is essential for identifying needs and priorities of the reforms, helping designing solutions and new procedures to overcome inefficiencies and assist the government agencies in the implementation of administrative reforms.

Even if it seems obvious, the private sector is the first beneficiary of trade facilitation. Trade Facilitation means a more effective administration that, with less interference and more effective controls, will be able to better fulfill its duties to protect society in the interest of the greater number. Trade facilitation means also more competitive private trading communities which should be able to access international markets through efficient transport and trade support services, on equal footing with their competitors. For this to happen for the benefit of both, traders and governments, their constant cooperation in collaborative platforms such as trade facilitation committees remains, to date, the best way to follow Benjamin Franklin's advice to save

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FUNDING TRANSPORT: A CHALLENGING ENDEAVOR

UNCTAD participated in the 2013 Summit of the International Transport Forum that took place Leipzig, Germany from 23 to 25 May. The Forum addressed the challenging issue of funding transport projects.

The International Transport Forum's Annual Summit is a global platform on transport policy development. Ministers, business people, researchers, civil society groups and other experts from around the globe meet to discuss transport policy and its effects on economic growth, the environment, and the society. This year's theme "Funding Transport" focused on the challenges arising from current and future transportation needs and how best to raise money for transport infrastructure projects. Several development banks also participated at the event including: Asia Development Bank, African Development Bank, CAF, Inter-America Development Bank, European Bank for Reconstruction and Development (EBRD), Islamic Development Bank, among others.

"Container handling in ports is expected to quadruple by 2030 and the construction or extension of existing aviation hubs, ports and rail tracks would cost about \$11 trillion over the next 17 years"

The summit was attended by more than 1,000 participants and discussed several key aspects of funding transport such as investing for growth, taking stock of public-private partnerships, innovative transport funding, attracting private finance and ensuring predictable funding, defining spending priorities, financing climate change mitigation in transport, and financing sustainable maritime transport. It was agreed that huge resources need to be invested to meet future transportation demands. According to OECD figures, container handling in ports is expected to

quadruple by 2030 and the construction or extension of existing aviation hubs, ports and rail tracks would cost about \$11 trillion over the next 17 years. Current gateway and inland transport infrastructure capacity could accommodate only a 50% increase in demand (OECD figures).

In general, participants discussed and agreed that, with public budgets constrained in view of the global financial and economic crisis, funding transport infrastructure has become a major issue facing most governments around the world. The global crisis has been putting a major strain on public budgets, forcing banks to tighten their lending and making private investors a lot more cautious and risk averse. Much discussion has revolved around private investment and public-private partnerships (PPPs) as alternative to resolve the massive funding problem. However, lack of regulations and appropriate institutions may complicate PPPs development in certain countries, in particular, for risky projects. Other important highlights of the discussions were:

- Funding transport should not only be about new investments and new projects, but about also about maintenance of existing ones.

- The structure of financial systems should differ from country to country as each one determines the funding mechanism that best works for their respective economies.

- New challenges must be also addressed such as green and clean transport despite financing restrictions.

At the end of the summit a joint Declaration from Ministers on Transport was released. Highlights of the Declaration include the statement that "a reliable, intermodally integrated transport system is essential to

economic prosperity and equitable access to goods and services; the system needs to be financially sustainable, safe and secure and meet high standards of environmental protection."

The Declaration recognised "that sufficient infrastructure investment and maintenance is required to ensure a robust, high quality, sustainable transport system" and acknowledged that:

- "sustainable, inclusive growth requires productive investment and innovative funding solutions, not least to limit transport costs for industry and trade;

- investments in transport - including for renewal and maintenance - improve productivity in the long run and stimulate construction activity and employment in the short term;

- budgetary constraints and fiscal austerity stimulate innovation in funding solutions and present opportunities to explore transport finance reform." (sic)

For more information, please contact Frida Youssef (frida.youssef@unctad.org) or visit the website of the Forum: <http://2013.internationaltransportforum.org/>



IMPROVING TRADE FACILITATION - THE USE OF INSURANCE BASED CUSTOMS GUARANTEES: THE EXPERIENCE IN JORDAN

Customs financial guarantees, sometimes called “security”, “surety”, “collateral” or “customs bonds”, are financial guarantees provided to Customs by the trader or his representative to assure that duties, taxes and penalties assessed against traders will be paid. These guarantees are important to trade facilitation because, when coupled with modern customs procedures such as risk management, post-entry audits, single window processing, and special treatment for authorized traders, they permit Customs and other border agencies to immediately release goods for importation, exportation or transit upon receipt of a summary declaration. Verification procedures and payment of any duties and taxes owed may then be delayed to a later time.

Guarantees may be either “first party” guarantees - cash deposits on other collateral given to Customs by the trader himself - or “third party” guarantees provided to Customs by a guarantor, typically such as a financial institution, a bank, insurance firm, or other surety on behalf of the trader.

“First party” cash guarantees have the disadvantage of tying up traders’ working capital and involving Customs in managing cash deposits or other collateral.

“Third party” guarantees provided by banks may also tie up traders’ working capital when the bank requires collateral to make the guarantee which is often the case when guarantees are provided for small and medium size traders (SMEs). Moreover, the bank acting as guarantor frequently charges a substantial fee for issuing such guarantees.

Insurance based “third party” guarantees, in contrast, have proved to be an economical Customs guarantee option, particularly for SMEs. Insurance based Customs guarantees are the primary form of Customs guarantees in North America and parts of Western Europe.

Examples of internationally recognized Customs guarantee schemes are ATA Carnets and Carnet de Passage for temporary impor-

The TIR System

Transports Internationaux Routiers (TIR) is an international customs transit system that permits goods to transit by specially designed and identified trucks through multiple countries in sealed cargo compartments. A special Customs document, the TIR Carnet is used as evidence of an international guarantee of the payment of duties and taxes and as the customs transit document. A TIR Carnet has multiple vouchers. One set of vouchers is used for each country transited. TIR Carnets are issued by national issuing and guaranteeing associations (usually a local chamber of commerce or automobile or truckers association). Reinsurance is obtained through an international chain of guarantee from international reinsurance firms. The TIR system is based on the UN TIR Convention

tation of goods and vehicles respectively as well as the TIR system for transit goods, that currently operates in 57 countries in Europe, Central Asia, the Middle East and North Africa.

The fees charged to traders for insurance based Customs guarantees are based upon insurance underwriting criteria, i.e., an assessment of overall risk and the individual risk presented by the specific trader as well as historical risk data. Collateral is not normally required by Customs authorities, but can be required by the guarantor. Losses experienced by guarantor or insurance firms offering this product have generally been low due to strict access and management criteria, resulting in low premiums charged and good profitability for the guarantor.

The United States Agency for International Development (USAID) has provided technical assistance to several developing countries interested in introducing insurance based Customs guarantees to improve trade facilitation and free up SME working capital.

Comparison of Cost of Insurance Guarantees and Bank Guarantees, Afghanistan-Pakistan Transit Trade Agreement

Terms and Conditions	Insurance Guarantee	Bank Guarantee
Fee (gross)	0.8%-1.25% (depending on the nature of the goods in transit) of the value of duties and taxes being guaranteed	4% of the value of duties and taxes being guaranteed
Cash collateral	10% of the value of duties and taxes being guaranteed	110% of the duties and taxes being guaranteed

Source: Success Story, USAID Project, “Pakistan Insurance Companies Issue Insurance Bonds to Protect Pakistan Customs Revenue Under Afghan Pakistan Transit Trade” (2011).

The case of Jordan

As in many developing countries, Customs guarantees in Jordan consisted either of direct cash deposits by traders to the Government or third party guarantees provided by banks. First person and bank guarantees given to Jordanian Customs tied up an estimated 250 million JDs (about 353 million US dollars) in business capital in 2003.

Jordan is a member of the TIR system which uses insurance backed Customs guarantees for transit operations. However, legal impediments in both Customs law and insurance regulations prevented the use of Customs bonds as a form of security for import transactions and Customs penalties. USAID experts worked with Jordanian Customs, the insurance industry, traders and other stakeholders to explain the benefits of a Customs bond program, help change Jordanian law to permit insurance backed guarantees, develop a bond form and procedures manual, and conduct public awareness programs. However, the banking sector in Jordan resisted the initiative and the effort to amend legislation to introduce Customs bonds stalled in Jordan's Parliament. Resistance by banks in developing countries to competition from insurance based Customs guarantees is not unusual. In addition, Customs and Finance Ministries must be assured that insurance based Customs guarantees will be as reliable as direct cash deposits by traders and bank guarantees.

Fortunately, the failure to change legislation to authorise insurance based Customs guarantees was not the end of the story in Jordan. Recently private insurers in Jordan developed a Customs bond program for several Jordanian banks which permitted those banks to release most of the collateral they required from traders and charge a lower fee for Customs guarantees.

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Messrs. Creskoff and Kielbas have been consultants for USAID regarding the introduction of insurance based customs guarantees in Jordan and other developing countries.

More information on Customs bonds can be found in UNCTAD's Technical Notes on Trade Facilitation:
http://unctad.org/en/Docs/dt11b20101_en.pdf

DID YOU KNOW...

ASYCUDA has already adapted to handling guarantee systems. The combination of automated Customs systems together with Customs guarantees are providing optimal efficiency for both Customs authorities and traders.



Trucks in Guatemala

NIGER ELIMINATES CHECKPOINTS AND STAKEHOLDERS' PERSISTENT LOBBYING EFFORTS PAY OFF

The Government of Niger has eliminated seven checkpoints, winning the gratitude of truck drivers and the praise of the Borderless Alliance.

"The situation has improved significantly in Niger," said Soumana Moumouni, a driver who often hauls goods from Ghana to Niger. "We are only stopped once between Kantchari (on the Burkina – Niger border) and Niamey."

"We applaud the decision by the Government of Niger," said Ziad Hamoui, president of the Borderless Alliance. "Every barrier to trade - no matter how seemingly small - is a menace to economic development - and impedes the ability of companies to expand and create jobs."

Checkpoints across West Africa are directly correlated with bribes and delays that slow trade, increase costs and discourage investment. Armed with data from the USAID Trade Hub and the West African Economic and Monetary Union (UEMOA) road governance initiative, stakeholders in Niger pushed for changes to improve road transport across the region.

The government's decision came just weeks after the second annual conference of the Borderless Alliance, the USAID Trade Hub-supported private sector coalition to increase

trade, and about a month after a Borderless Alliance membership drive in the country.

"Increasingly, stakeholders across the region are recognizing the need for change," said Yaya Yedan of the Burkina Shippers' Council, a partner to the Borderless Alliance. "And that is to a good degree thanks to the USAID Trade Hub's evidence-based advocacy approach."

Niger joined the USAID Trade Hub-UEMOA road governance initiative in 2012. A preliminary review of data collected in the last quarter of 2012 showed that Niger had the highest level of delays per 100 km in the region, the second highest level of checkpoints and the third highest level of bribes. Before the data were published, however, the government acted, eliminating all checkpoints on its national highways except for the first checkpoint manned by the gendarmerie after a border crossing.

"We will see more clearly the impact of the government's decision later this year," said Noel Kossonou, transport governance specialist at the USAID Trade Hub. "If the decision holds, we should see significant declines

in delays and bribes."

Kossonou said he was optimistic.

"More than a year ago, authorities in Togo eliminated all of the police and gendarme checkpoints along the country's national highway and that decision has held up," he said. "So, if Togo can do it, why not Niger?"

Indeed, truck drivers and traders are hoping other countries follow Niger's lead.

"The bottlenecks are now in Burkina Faso and Ghana," Moumouni said. "I hope Ministers in Burkina Faso and Ghana will follow the example of Niger and also eliminate their checkpoints."

Source: West Africa Trade Hub, Craig Duncan



Accra, Ghana

REGION'S FIFTH BORDER INFORMATION CENTER OPENS AT CÔTE D'IVOIRE-GHANA BORDER

West Africa's fifth Border Information Center has opened on the Noe-Elubo border between Ghana and Côte d'Ivoire. Like the other Border Information Centers in the region, the center aims to increase cross-border trade by providing information and assistance to cross-border traders, and by advocating for improvements in transit procedures.

"Delays at borders and the costs incurred prevent businesses from expanding – and as a result, businesses are unable to create jobs that reduce poverty," said US Ambassador Phillip Carter III. "When business flourishes – which it will when costs and delays are reduced – companies create more jobs. Further, jobs give people dignity and lay the foundation necessary for stability and progress in every society."

Initiated as a pilot in 2011 at the Ghana-Togo border by the USAID Trade Hub and the Ghana Shippers' Authority, Border Information Centers have proven to reduce congestion and harassment.

The first center quickly led to a reduction in cargo clearance times of two days. This level of success has been replicated in further centers, such as the Seme-Krake center on the border of Nigeria and Benin which opened last December. The center there successfully persuaded authorities on the Benin side to remove seven unofficial checkpoints.

"Removing trade barriers will lower costs

and hence reduce prices, which benefits both consumers of final products, and firms that need to use materials and other inputs from abroad," said Paul Brenton, the World Bank's Trade Practice Manager for Africa at the 2013 Borderless Alliance conference in February. The BICs are directly aimed at identifying and removing barriers at the border. "The impacts of (removing trade barriers) are likely to be huge," Brenton said.

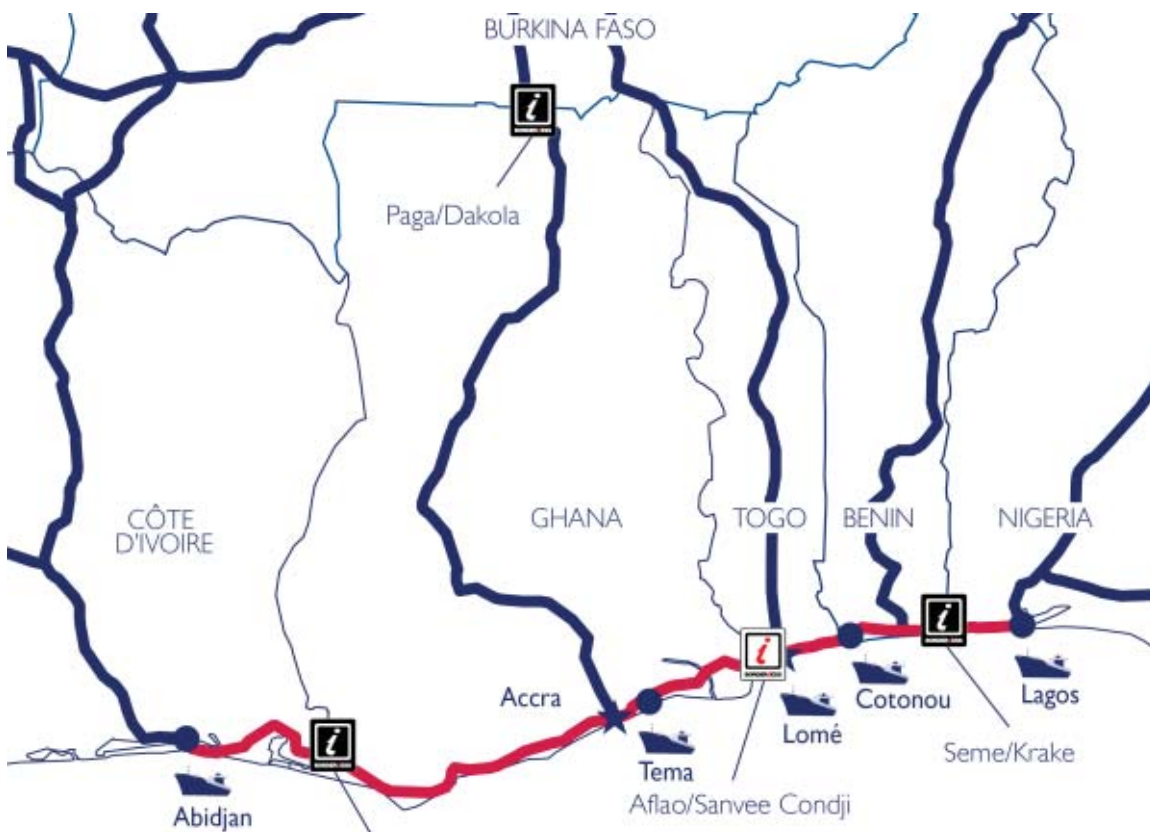
The Noe-Elubo center is supported by USAID Business Environments for Agile Markets, in close partnership with the Ghana Shippers' Authority and l'Office Ivoirien des Chargeurs, USAID West Africa Trade Hub, and the multi-stakeholder advocacy group, Borderless Alliance. The opening ceremony on May 23 was attended by dignitaries including representatives of the Ghanaian and Ivoirian Ministries of Transport and the US Ambassadors to both countries.

"The Ghana Shippers' Authority calls upon the governments of both Ghana and Côte d'Ivoire to further improve border crossings

by implementing joint border posts," said Dr. Kofi Mbiah, chief executive of the Ghana Shippers' Authority, which is implementing the center. "The Border Information Center represents constructive work in this direction."

The Noe-Elubo Border Information Center now welcomes inquiries and requests from traders seeking assistance in crossing the Ghana-Côte d'Ivoire border. Traders in West Africa can find similar assistance at the centers on the main border crossings between Ghana and Togo, Burkina Faso and Ghana, and Benin and Nigeria, as well as at the Port of Dakar in Senegal.

Source: West Africa Trade Hub, Craig Duncan



Five Border Information Centers now provide information and assistance to traders across West Africa - including at the Port of Dakar, not visible here.

Source: West Africa Trade Hub

EAST AFRICA COMMUNITY (EAC) TRADE SET TO INCREASE THROUGH PROFESSIONALISATION OF FREIGHT INDUSTRY PRACTITIONERS AND ELECTRONIC SINGLE WINDOW PORTAL

An innovative training program for clearing agents in East Africa is growing a new breed of professionals in the Freight Forwarding Industry. The East Africa Customs and Freight Forwarding Practicing program is run by the region's apex body; the Federation of East African Freight Forwarders Associations (FEAFFA). The program is quickly churning out a fresh generation of professionally trained freight forwarders who are in turn quickly expanding the ever-growing potential for trade within the East African Community.

With TradeMark East Africa's support, FEAFFA aims at transforming the job of freight clearing and forwarding into a recognised profession and to standardise and regulate this key position in efforts to streamline the process of doing business in the EAC. The curriculum has been developed to provide this vital training to the many clearing and forwarding agents who operate in East Africa and do affect the level of trade in the region. FEAFFA has been working to implement the program in the EAC through revenue authorities and the national associations. At the beginning of this year, FEAFFA undertook a regional sensitisation program to raise awareness on the program and its milestones, as well as a looming December 2013 deadline to be implemented through the revenue authorities. The deadline will require each clearing and forwarding company to have a minimum of two trained members of staff in order to acquire licensing to practice.

"With more than 40% of the business costs accruing to transport and logistics, there is increasing appreciation of the importance of the sector in international trade. I am pleased that this program will raise the professional standard within the industry with a view to increasing trade and prosperity to the region," said the Federation's Executive Director Mr. John Mathenge.

Trade in East Africa is increasing. Volumes of cargo destined for Rwanda, Burundi and Uganda have increased over the past eight years since the EAC Customs Union came into place. With faster clearing by the agents, it is estimated that the cargo will increase in up to eight trucks per day by June 2013.

"Clearing and forwarding agents is a vital cog in the trade process. Faster clearance of goods is expected which will increase trade and greater prosperity for the 140 million East Africans," explained Silas Kanamugire the Director, Trade Facilitation/Transport at TradeMark East Africa.

The efficient flow of international trade relies on a range of skilled service providers working together effectively, including shipping lines, port terminal operators, Customs officials, operators of off-dock container yards, land transport agents, and clearing and forwarding (C&F) agents.

According to Mr. Solomon Kasa, Tanzania Freight Forwarders Association, "The training is important in relation to the cost of logistics; trade requires fast tracking of systems to ensure goods arrive at the right time and that you minimise the cost. It entails knowledge and skills in handling goods and documents. The freight forwarder is the link between stakeholders in the supply chain."

In addition to the training program, FEAFFA, in collaboration with TradeMark East Africa, has developed an electronic system containing information about the existing rules, procedures and documentations required for trading within the EAC. The Single window portal (<http://www.trademarka.com/our-projects/economic-corridors/>) aims to bring together all the necessary information and documentation to move cargo within the region as a way to save time spent logging in documents.

As stated by Edward Ichungwa, Director Single Window at TradeMark East Africa, "this automated system is useful for application of various trading licenses and submission of trade documents to the various government agencies by the clearing and forwarding

agents". According to TMEA, the current database will continue to be populated and constantly updated with the relevant information to adequately serve the interests of traders.

"It will play an important role in reducing time wastage in searching for trade documents as traders can access whatever information they require at the click of a mouse or on their mobile phones, making them more efficient" said John Mathenge, the FEAFFA Executive Director.

The reform of international trade logistics in the region and, in particular, the quality of services offered by the various market actors will yield important economic gains throughout the region.

"The feedback is that there are now higher levels of compliance, clearing and forwarding agents are less prone to engaging in corruption since they command a much higher level of trust from the revenue authority. The revenue authorities and clearing and forwarding agents have become partners and engage freely. This has ensured that we have built a platform for competitiveness in East Africa," said Mr. Kanamugire.

Silas Kanamugire (silas.kanamugire@trademarka.com) from TMEA and John Mathenge (mathenge@feaffa.com) from FEAFFA



Clearing and forwarding agents at their graduation ceremony held at the Kampala Golf Course Hotel in April 2013. The graduation ceremony was presided over by the Uganda Revenue Authority Commissioner Customs, Mr Richard Kamajugo and FEAFFA President, Mr Mathieu Bizmana. A total of 100 clearing and agents graduated and were awarded practicing certificates. Source: TMEA

EAC ONE STOP BORDER POSTS BILL 2012 INCHES A STEP CLOSER TO LAW

The East African Legislative Assembly (EALA) passed in April 2013 the One Stop Border Posts Bill, 2012, paving way for it to become Community Law if assented to by the Heads of State of the East African Community.

The object of the Bill, initiated by the East African Community (EAC) Council of Ministers, is to provide for the establishment of One Stop Border Posts (OSBP) in the Community in order to facilitate trade through the efficient movement of goods and people within the Community. Under the arrangement, Partner States shall implement one stop border processing arrangements by establishing and designating control zones at the respective border posts.

The Bill in addition seeks to extend Partner States' national laws relating to border control officers of adjoining Partner States permitting their free movement within the controlled zone(s) in the performance of their duties, without producing passports, but by simply producing their appropriate identity.

The Bill makes provision for the application of border control laws and provides for institutional arrangements in the co-ordination and monitoring of the one stop border posts. In so doing however, the Bill does not affect the rights of any adjoining Partner State(s) to take temporary measures in the interest of defence, security, public safety and public order.

Common Border posts designated in the EAC as One Stop Border Posts include the Taveta-Holili border and the Namanga border (Kenya-United Republic of Tanzania), Busia and Malaba borders (Kenya – Uganda) and the Kanyaru-Akanyaru border (Burundi-Rwanda). Others are the Mutukula border (United Republic of Tanzania-Uganda), Gasenyi-Nemba border (Burundi, Rwanda) and Lungalunga-Horohoro border (Kenya – United Republic of Tanzania).

Debate on the Bill was preceded by the tabling of a Report of the Committee on Communications, Trade and Investment presented by the Chairperson, Hon Dan Kidega. The report underscores the need for Partner States to develop, upgrade and modernise the required infrastructural facilities and to enhance technological advancement to enable efficient and effective implementation of the Bill.

The report was filed as a result of public hearings held in the Partner States on March 6-12, 2013 and April 11, 2013 to collate views from different stakeholders. The Committee at that point received views from Customs officials, clearing and forwarding agents and members of the business community among others.

The report urges the Council of Ministers to conduct sensitisation programs on the OSBP to the populace and to fast-track the process of processing the needed regulations. 'It is true the OSBP has been operating on some border points on bilateral arrangements within the Partner States; therefore the law is critical because it provides a regional legal framework', the Report said in part.

At debate time, Hon Shy-Rose S. Bhanji commended the Council of Ministers for initiating the Bill noting that it would reduce the unnecessary bureaucracies at the border posts.

'This is a major achievement and we want the capacities of the personnel at the borders to be built so as to enhance service delivery', the legislator remarked.

Hon Mike K. Sebalu noted that it was necessary for the OSBP initiative to be rolled out to all borders when finances permit so as to demystify free movement. 'Integration is people centred and we must make the processes easy to implement the Common Market Protocol', he noted.

Hon Joseph Kiangoi said the Bill would enable the region to open up for trade terming the region 'a major economic bloc' in the continent and bloc. Hon Frederic Ngenzebuhoro said the implementation of the Bill would reduce corruption and significantly eliminate bribes. Hon Mukasa Mbidde and Hon Abubakar Zein also rose in support of the Bill.

The Chair of the EAC Council of Ministers, Hon Shem Bageine, remarked that the spirit of working together (EALA and the Council of Ministers) would be the hallmark towards ensuring integration. He reiterated the Council's pledge to put in place regulations to support the Act when implemented.

"It is our desire and aspiration for example that during the implementation of the Act, the terms and conditions of staff working together to facilitate the OSBP are harmonised to retain staff of high calibre", the Minister stated.

The Bill successfully passed through the second reading with amendments during the Committee Stage before it was passed for its third reading.

Source: East African Community Secretariat



On the top: the Chair of the CTI, Hon Dan Kidega, deliberates on the floor of the House

On the left: The Chair of the Council of Ministers, Hon Shem Bageine.
Source: East African Community Secretariat

THE AMMAN DECLARATION 7TH EURO-ASIAN ROAD TRANSPORT CONFERENCE

The 7th Euro-Asian Road Transport Conference, ministerial meeting and co-ordination meeting of international organisations and financial institutions, entitled *Road Transport - Driving Regional and International Trade* took place in Amman in June 2013. As a result, an “Amman Declaration” was issued.



“ We, the Ministers of Transport and the Ministers in charge of Transport as well as their representatives from Europe, Asia, Africa and the Middle East, gathering in Amman on 12 June 2013 in the framework of the 7th IRU Euro-Asian Road Transport Conference on the theme “Road Transport, Driving Regional and Intercontinental Trade”,

Reaffirming the vital need for strengthening inter-regional trade and transport linkages between the above regions in order to develop mutually beneficial intercontinental and regional trade and tourism, which are equally indispensable for the economic growth and social stability of our nations,

Recognizing the important role that road transport can play in effectively reaching these objectives as the main mode of transport which can provide high quality door-to-door services and is accessible to anyone, anywhere and anytime,

Mindful of our global agenda and commitments to implement the UN Millennium Development Goals, the UN Almaty Program of Action, as well as the UN Decade of Action for Road Safety,

Taking into account the results of previous similar Ministerial Conferences, the last of which was held in Tbilisi, Georgia, on 16-17 June 2011 that adopted the “Tbilisi Ministerial Declaration”, in the framework of the 6th IRU Euro-Asian Road Transport Conference and Ministerial Meeting,

Bearing in mind our parallel regional agendas and commitments to promote and facilitate trade and tourism and develop inter-regional road transport linkages with, but not limited to the UN regional commissions for Europe (UNECE), for Asia and the Pacific (UNESCAP), for Western Asia (UN ESCWA) and for Africa (UN ECA), as well as the Organization for Security and Cooperation in Europe (OSCE), the European Union (EU), the League of Arab States (LAS), the Organization of the Black

Sea Economic Cooperation (BSEC), the Economic Cooperation Organization (ECO),

Appreciating the significant contributions of the International Financial Institutions and international organisations including, but not limited to, the World Bank, the European Bank for Reconstruction (EBRD) and the Asian Development Bank (ADB), the Islamic Development Bank (IDB), the European Investment Bank (EIB), the Black Sea Trade and Development Bank (BSTDB), as well as the International Road Transport Union (IRU) and the Arab Union of Land Transport (AULT), to the development, promotion and facilitation of trade and tourism, hence of road transport and the improvement of all required infrastructure in our countries at national, regional and global levels by providing their direct and vital support to specific projects such as the Technical Assistance Grant to the AULT for developing trade, tourism and road transport in the Arab world,

Stressing the imperative need to be even

more effective in bringing greater tangible results for our citizens by better coordinating our efforts together with those of the International Organizations and Financial Institutions in developing further the inter-regional trade, tourism and transport linkages by realizing, in a coordinated manner, the necessary institutional and administrative reforms to effectively facilitate and harmonize the frontier controls of goods, passengers and vehicles to significantly reduce border waiting times to by acceding to and strictly implementing the key UN multilateral trade and transport facilitation instruments, such as the Harmonization and TIR Conventions,

Have agreed to:

Undertake joint bilateral and multilateral actions in partnership with regional inter-governmental organizations, international financial institutions and international organizations to realize the trade, tourism and transit potential of our countries along the New Silk Road Routes of our modern times bridging Europe, Asia, Africa and the Middle East;

Emphasize at national and regional levels, the urgent need to reduce, as a priority, non-physical barriers to trade, tourism and road transport through the elimination of long border waiting times, simplification of visa procedures for professional drivers, harmonization of frontier controls, implementation of single window and joint borders, ensuring integrity and building administrative and human resources capacity of the public and private sectors; Study the possibility to take necessary actions for acceding to and strictly implementing the key UN multilateral trade and transport facilitation instruments, such as the 1982 Harmonization Convention and the 1975 TIR Convention, including its current electronic risk management tools to increase trade security;

Support and take an active part in sub-regional projects and activities together with our development partners and the IRU aimed at the integrated development and upgrading of our existing road transport infrastructure including the border crossing facilities as well as the ancillary infrastructures required to support international road transport of passengers and goods along main inter-regional trade itineraries including but not limited with the regional networks such as the Trans-European Motorway, Black Sea Ring Highway, Asian Highway and the Arab Mashreq Road Networks;

Welcome the provision, as an effective complement to the above, of special support to specific regional inter-governmental efforts and public-private projects such as: introduction of the UNECE International Vehicle Weight Certificate in the BSEC region, Study the possibility of the implementation of TIR-Electronic Pre-Declaration (EPD) Green Lanes at the borders along main trade itineraries, development of seamless road transport main routes, notably along Islamabad-Tehran-Istanbul (ITI) and Kyrgyzstan-Tajikistan-Afghanistan-Iran (KTAI) linkages in the ECO region, promotion of internationally recognized professional training of managers and professional drivers as provided by the IRU Academy, improvement of road safety by identifying and addressing the main cause of accidents involving commercial vehicles;

Support international activities and specific pilot or permanent projects aimed at further development and facilitation of ro-ro transport services between major ports in the Black Sea, Caspian Sea, Mediterranean, Red Sea and gulfs regions by making use of the main multilateral facilitation instruments, notably the multi-modal TIR System;

Invite the concerned regional organizations, to which our countries are affiliated, to effec-

tively reinforce their inter-agency cooperation in partnership with international financial institutions and specialized international organizations such as the IRU and priorities their activities and projects aimed at trade, tourism and road transport facilitation on areas of multi-regional interest with a view to realizing tangible results for our citizens with optimum usage of our scarce resources and in the shortest possible time;

Benefit more efficiently from experiences, knowledge and expertise of the international organizations, in order to introduce, reform or improve in compliance with key multilateral trade and transport facilitation instruments, the national or regional regulations and legislative framework as well as develop more favorable fiscal policies with a view to allowing efficient and competitive services of the road transport industry for more economic growth and trade in our countries;

Have called upon:

All actors to mobilize resources to facilitate tourism, trade and road transport to meet the goals of this Declaration; Participants of this Ministerial Meeting to submit this Declaration to their competent Governmental colleagues and hold a follow-up meeting in the framework of the 8th IRU Euro-Asian Road Transport Conference and Ministerial Meeting to be held in Saint Petersburg, Russian Federation in 2015. ”

Source: Jordan News Agency



UN PUBLICATIONS AND CONTRIBUTIONS

Latest Annual Activity Report of UNCTAD's Division on Technology and Logistics

UNCTAD is the focal point of the United Nations for the integrated treatment of trade and development and the interrelated issues in the areas of finance, technology, investment and sustainable development.

Through policy research and capacity building, the Division on Technology and Logistics supports the economic development and competitiveness of developing countries and economies in transition in a knowledge-driven and globalised world economy. Its activities seek to increase access to knowledge and technology – including ICTs – and to foster innovation, by helping countries design and implement technology and innovation policies for economic growth and sustainable development. The Division also carries out a large research and technical assistance work programme aimed at developing efficient trade logistics services in transport, trade facilitation and Customs.

Learn more about the activities carried out in 2012:
http://unctad.org/en/PublicationsLibrary/dtl2013d1_en.pdf

ASYCUDA project in Trinidad and Tobago

This video explains the migration project of ASYCUDA in Trinidad and Tobago.

<http://www.youtube.com/watch?v=vrelb8ReVeA>

Recent developments and trends in international maritime transport affecting trade of developing countries

Note by the UNCTAD Secretariat

A number of trends are currently reshaping international maritime transport and trade. By altering costs, prices, logistics structures, supply chains and comparative advantages, these trends are also defining countries' trade competitiveness and level of integra-

Information Note on the Islamabad - Tehran - Istanbul (ITI) Road Transport Corridor

Informal document of the Economic Commission for Europe

The 2nd Meeting on Islamabad - Tehran - Istanbul Road Transport Corridor was held in Tehran on 4 - 5 February 2013. The Meeting was attended by the delegations of the Islamic Republic of Iran, the Islamic Republic of Pakistan, and the Republic of Turkey, as well as delegations from the ECO Secretariat, the ECO - CCI, and IRU.

Learn more on the agreements and recommendations adopted here:

<http://www.unece.org/fileadmin/DAM/trans/bcf/wp30/documents/id13-06e.pdf>

New maritime transport indicator added to UNCTADstat

A new maritime transport indicator for world seaborne trade by types of cargo and country groups has been added to UNCTADstat statistical portfolio.

The indicator provides information on total world seaborne trade by volume (metric tons) as well as a breakdown of this total by 1) Cargo type, namely, crude oil, petroleum products and gas, dry cargo, including containerised trade and 2) Country groups and regions.

tion into the global transport and trading networks.

Two overarching trends are arising as particularly important, especially for developing countries. First, developing countries have, over recent years, been increasingly fuelling global economic growth, merchandise trade and demand for maritime transport services. Second, increased specialization in the supply of maritime transport services has gathered traction as developing countries continue to gain greater market share in maritime business.

Reflecting these trends and growing demand and supply as well as the expansion

of trade in manufactured goods, parts and components, liner shipping connectivity is characterized by increasing container ship sizes and a reduction in the number of carriers per country. While this pattern could benefit shippers and translate into lower freight costs, it could also squeeze out smaller players and result in an oligopolistic market structure which may drive up costs. Another potentially game-changing trend relates to rising sustainability imperatives and climate change concerns moving to the centre stage of global policy agenda.

Dating back to 1970, the data series are published annually in the UNCTAD Review of Maritime Transport, one of UNCTAD's flagship reports published since 1968 in support of informed maritime transport policy-making and decisions.

<http://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=474Resources/EP108.pdf>

Promoting African intra-regional trade through trade facilitation negotiations

African development is hampered by trade and transport facilitation issues more than any other region. With a population size similar to India's or China's, its 54 countries are separated by 104 bi-lateral borders. The negative impact of these borders on trade — in particular on intra-regional trade — has been subject of numerous studies. Most African countries have, in recent years, considered trade facilitation as a priority issue, and, accordingly, increasingly used financial assistance to modernise customs and promote other reforms.

An article in Bridges Africa suggests that "[b]y adopting a common voice in the negotiation on trade facilitation, African members, as a group, could make future WTO rules primarily benefit intraregional African trade."

<http://ictsd.org/i/news/bridges-africa->

Read full note here: http://unctad.org/meetings/en/SessionalDocuments/cid30_en.pdf

The way to the ocean Transit corridors servicing the trade of landlocked developing countries

The present paper looks at selected East African transit corridors which provide access to seaports as gateways to link landlocked developing countries (LLDCs) with overseas trading partners.

The report suggests three complementary courses of action to improve transit transport efficiency and sustainability:

Building institutional capacity through corridor management arrangements, including formal agreements, where and as appropriate;

Improving the reliability and predictability of transit operations by trust-building measures between public regulators and private operators, such as risk-management customs systems, which allow for fewer en route checks, shorter delays and smaller convoys;

Developing and operating transport nodes, or freight hubs, with a particular focus on the consolidation of small flows, to create critical masses required to achieve economies of scale, higher return on investment on both infrastructure and transport services, and lead to the development of effective intermodal transit operations.

These actions are to be viewed as precursors to an economically viable and environmentally sustainable operation of the transit corridor. They will bring on a "change of culture" that encourages the confidence of shippers and carriers, operating in a setting that rewards compliant behaviour, builds trust and attracts investment, promotes larger-scale trade operations, improves transport service quality and reliability, and enables strong cooperation among stakeholders along transit corridors, including ports, serving transit trade to and from landlocked countries.

This report may be, in this context, considered as an early contribution to the analysis of the recent progress in the field of transit transport for the trade of LLDCs, in the context of the preparation for the Almaty Programme of Action review process taking place in 2013.

<http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=591>

Towards integrated and sustainable trade facilitation performance monitoring systems: BPA+

Publication and project by UNESCAP

Despite the efforts made by many developing countries to facilitate trade, few have effective mechanisms in place to monitor the actual effectiveness of their trade facilitation reforms and identify the trade process and procedures that should be prioritised for simplification or streamlining. In addition, while trade facilitation assessments of various scopes are often conducted in Least Developed Countries or Landlocked Least Developed Countries, these assessments are typically ad-hoc in nature, with little coordination among development partners and limited buy-in by the governmental agencies concerned.

Therefore, there is a pressing need for regularly and systematically monitoring progress and impact of trade facilitation reforms. Measuring performance is essential to ensure that not only progress is achieved, but also further improvement can be made.

In this context, the ESCAP secretariat team has developed a concept of a national integrated and sustainable

trade facilitation performance monitoring and improvement system building upon the UNNEXT Business Process Analysis (BPA) methodology and other relevant tools and recommendations such as Time Release study (TRS). A draft note highlights the need for the System to be as 'integrated' and 'sustainable' as possible and provides a description of the steps involved in establishing and operating the System. Your reviews, comments and suggestions on the document will be very much appreciated.

For any further information or clarification, please contact Yann Duval (duvaly@un.org) or Tengfei Wang (wangt@un.org), Trade Facilitation Unit, Trade and Investment Division, ESCAP

<http://www.unescap.org/tid/unnext/tools/bpa+.pdf>

Volume 40 Issue 3 of Maritime Policy & Management

This new volume of the Maritime Policy & Management includes an article on Maritime Transport and International Seaborne Trade by Vincent F. Valentine, Hassiba Benamara

and Jan Hoffmann from UNCTAD.

Drawing upon over four decades of the UNCTAD's Review of Maritime Transport, this article considers selected key trends that have shaped the maritime transportation of today. Over the review period, a fundamental shift in the geography of trade has been observed, with developing countries increasingly driving growth in the world economy and seaborne trade, and becoming important players in global value chains. The specialisation of countries, including in developing regions, in the provision of the maritime goods and services for which they have established a comparative advantage constitutes another major trend, a move away from previous patterns where developing countries were typically users of maritime transport services. The article also observes that bilateral freight sharing agreements between countries which were prominent in 1970s have largely lost their practical relevance, leading to a further liberalization of markets and resulting in overall relatively lower freight costs.

<http://mpm.iame.info>

OTHER PUBLICATIONS

Are There Myths on Road Impact and Transport in Sub-Saharan Africa?

Monica Beuran, Marie Castaing Gachassin, Gaël Raballand

As planned large investments in road infrastructure continue to be high on the agenda of many African countries, only few of these countries have actually amended their investments strategy. In many cases, there seems to be a preference for a status quo that can easily be explained by political economy factors driving the policies in the sector. This paper first presents data on the state of roads in Sub-Saharan Africa (length, density, condition) as well as on investments in the sector over the last decades. It then demonstrates how most countries' strategies are based on some misperceptions and recommends some changes to improve the developmental impact of roads investments. Better prioritization of investments, better procurement and contract management, better projects implementation and better monitoring are still needed, in spite of the efforts observed in the last 10 years.

<http://mse.univ-paris1.fr/pub/mse/CES2013/13049.pdf>

World Customs Journal - Volume 7 Number 1

This issue of the eJournal includes articles on the following topics: Informal Funds Transfer systems as a target of Customs enforcement, Completeness, correctness and reliability of customs control, Quantifying the effect that aid for trade facilitation has on Customs clearance in Sub-Saharan Africa in terms of time and cost, among others.

<http://www.worldcustomsjournal.org/index.php?resource=29>

Opening the Gates: How the Port of Dar es Salaam Can Transform Tanzania

Tanzania and its East African neighbors could boost their annual Gross Domestic Product (GDP) by up to US\$1.8 billion and US\$ 830 million respectively by taking measures to improve the efficiency of the Port of Dar es Salaam, according to the latest Tanzania Economic Update published by the World Bank.

So far, Tanzania and six neighboring countries have missed this opportunity, notes the new report titled, 'Opening the Gates: How the Port of Dar es Salaam

Can Transform Tanzania,' authored by Jacques Morisset, the Bank's lead economist for Tanzania, Uganda and Burundi.

Access the whole report here: <http://www.worldbank.org/en/country/tanzania/publication/opening-the-gates-how-the-port-of-dar-es-salaam-can-transform-tanzania>

Modern Piracy: Legal Challenges and Responses

Douglas Guilfoyle

Modern Piracy is the first book to survey the law of maritime piracy from both public law and commercial law perspectives, as well as providing a contextual overview of piracy in major hotspots.

Topics covered include issues of international law, law-enforcement cooperation, private armed security, ransoms, insurance and carriage of goods by sea. It provides a comprehensive introduction to the range of legal issues presented by the modern piracy menace and will be of interest to scholars and practitioners alike.

<http://lnkd.in/CbhYis>

Volume 15, Issue 2 of Maritime Economics & Logistics

This new volume of Maritime Economics & Logistics brings interesting articles on "Slow steaming impacts on ocean carriers and shippers", "Integrated hedging and network planning for container shipping's bunker fuel management", among others.

<http://mel.iame.info>



Container Throughput & Terminal Capacity in the Mediterranean

What is the status of actual, planned and intended container terminal capacity in the Mediterranean? How are container volumes estimated to grow over the next 10 years? How is box handling supply expected to develop in the same period? Where might space run tight; where will it remain ample?

Dynamar's latest report "CONTAINER THROUGHPUT & TERMINAL CAPACITY in the MEDITERRANEAN" analyses the present and future container terminal capacity in all Mediterranean ports called by Mediterranean-Far East (31) and North America (17) container services, making up for 43% of relevant Med port handlings.

Terminal capacity (existing and all projected new) data are compared with historic and forecast port throughput, analysing resulting occupancy at both 100% and 75% capacity. Results are tabled per port, per country, per sub-region: West (Europe) Mediterranean, Adriatic, Black Sea, Greece-Turkey, Levant and North Africa.

<https://www.dynamar.com/publications/89>

BREKBUK III - Operators, Fleets, Markets

Once, when the container was on its way to conquer the world, the perception of breakbulk shipping was that of an overdue maritime activity of over-aged, weary vessels operated by obscure companies, carrying dirty and dusty cargoes.

Those times definitely belong to the past. Of the nearly 800 ships deployed by the 25 largest Breakbulk operators, less than 100 are older than 25 years, of which only nine are built in the 1970s. With over 500 units built in this millennium, the vast majority of their fleet consists of modern, highly productive multi-employable ships that carry a wide range of cargoes, from bags to high-value, high-tech, high-and-heavy project cargoes, in summary all referred to as breakbulk.

Dynamar's 3rd and latest report on the Breakbulk trades is on the major non-containerised cargo operators, the capabilities of their vessel fleets, and the markets they serve.

<https://www.dynamar.com/publications/105>

Border Crossing Monitoring along the Northern Corridor

Mike Fitzmaurice and Olivier Hartmann

This publication of the Africa Transport Policy Program (SSATP) illustrates how effective cooperation between border agencies results in a highly improved border crossing experience for truckers and increased efficiency for trucking companies. By bringing a new perspective on the relative importance of infrastructure versus inter-agency cooperation this study resonates beyond the Northern Corridor in the East African Community.

<http://www4.worldbank.org/afr/ssatp/Resources/SSATPWP96-border-crossing.pdf>

Quantitative Analysis of Road Transport Agreements - QuARTA

Road freight transport plays an indispensable role in international economic cooperation and foreign trade. For short and medium distances in particular, road freight transport constitutes a predominant share of overall traffic, but it also plays a significant role in long distance haulage, where time is more of an issue. Therefore, efforts should be made to minimize any physical or administrative barriers hampering international road freight transport, given the integral part it plays in the global trade logistics industry.

<http://issuu.com/world.bank.publications/docs/9780821398517>

BIMCO's shipping market reviews on-line

BIMCO's shipping market reviews are online. The latest report include: Tanker Shipping - crude oil tankers in the mixed zone; Container Shipping - strong demolition activity dampens growth; Macro Economics - under pressure to deliver stronger performance; Dry Bulk Shipping - full focus on spot business; A soft landing in the making for the shipyard industry or Tanker Shipping - tanker demand in the US is in focus.

https://www.bimco.org/Reports/Market_Analysis/2013.aspx

Logistical Improvements, Manufacturing Sector, 1960s to 2010s

A share of the improvements of manufacturing can be linked with productivity improvements such as for labor (e.g. outsourcing or offshoring) and capital (e.g. equipment). Another share is linked with improvement of the supply chains and the logistics supporting manufacturing. While cycle time requirements substantially decreased from the 1960s through the 1980s (from more than a month to one week), this came at the expense of growing logistics costs, notably inventory costs. From that point, the major achievements were related to productivity gains in distribution, accompanied by a reduction of cycle time requirements, but as importantly, of inventory costs. In some highly efficient facilities, the warehousing function went down as far as 15 minutes' worth of parts in inventory, but this is still more the exception than the rule. The retail sector was also experiencing a diffusion of logistical management where inventory in stores are kept at a minimum and re-supplied on a daily basis. Logistics remains a balancing act, which is supply chain specific, between the level of responsiveness of production (cycle time) and the level of responsiveness of distribution, notably inventory levels to be maintained to meet the customers' orders (lead time). High inventory levels enable to respond to orders quickly (low lead time), but at a higher cost.

<http://people.hofstra.edu/geotrans/eng/ch5en/conc5en/logisticalimprovements.html>

IMO News Magazine

Current and future trends affecting shipping are included in the Magazine of the International Maritime Organisation. In this issue, topics include: New passenger safety rules agreed, Energy efficiency regulations in force force and Inert gas systems amendments agreed, among others.

<http://www.imo.org/MediaCentre/NewsMagazine/Pages/Home.aspx>

DID YOU KNOW...

WCO guidelines and documents on trade facilitation are available on-line

<http://www.wcoomd.org/en/topics/facilitation/resources/resources.aspx>

PROCEEDINGS AND UPCOMING EVENTS

Networks and Connectivity Tools: Applying a New Understanding to International Economics

Organised by the International Trade Department at the World Bank and the Research Department at the International Monetary Fund, the full-day event took place on 21 May 2013 in Washington.

It intended to bring practitioners in international development and economics up to date on the latest understanding of networks and connectivity, and how it can be applied to practical fields such as trade, finance/banking, transportation (aviation and shipping), and urban connectivity. It showcased research and related projects, increased awareness, and applied the most current and state-of-the-art thinking on connectivity to real network operations and issues.

Conference video and proceedings can be accessed here:

<http://go.worldbank.org/92U9PJBEWO>

The International Chamber of Commerce supports an integrated approach to trade facilitation

A new Commission on Customs and Trade Facilitation in the International Chamber of Commerce held its first meeting in Paris in April 2013, establishing an agenda to expand the trade facilitation work undertaken by the former ICC Committee on Customs and Trade Regulations to include international multi-modal transport and logistics issues.

More information on the outcomes of the meeting can be found here:

<http://www.iccwbo.org/News/Articles/2013/ICC-activates-integrated-approach-to-trade-facilitation/>

11th Meeting of the Port Performance Research Network

The 11th meeting of the Port Performance Research Network (PPRN) will take place in Marseilles, France on 2 July 2013. In particular themes to be discussed include: measuring port performance, research on port authorities strategies, port governance, climate change impacts on ports, ports and regional development, support of unctad's port performance initiative, research on cruise ports.

<http://www.porteconomics.eu/news/notice-board/item/407-the-11th-pprn-meeting.html>

2013 Conference of the International Association of Maritime Economists

Jointly organised by Euromed Management, IFST-TAR, the University of Genoa, and the University of Naples Parthenope, the XIX annual IAME Conference took place on 3-5 July 2013 in Marseille, France.

The following topics were discussed: managing complexity in shipping and port markets, firms' business models, co-opetitive games and innovative public-private interactions.

<http://iame2013.org/>

OECD Port-Cities Programme

The OECD Port-Cities Programme aims to identify how ports can be assets for urban development. The programme therefore assesses the impact of ports on cities and regions. It also compares policies aimed at increasing positive regional impacts of ports and limiting negative effects.

The synthesis report will provide recommendations for policies to national, regional and local governments, as well as port authorities. This report will be presented at an OECD conference in Rotterdam (Netherlands), 9 September 2013.

www.oecd.org/regional/portcities

International Conference on marine Safety and Environment 2013

The Marine Technology Centre of Universiti Teknologi Malaysia (MTC-UTM) is organising this conference as a platform to discuss and exchange ideas on matters pertinent to the issues of safety and environment from the perspective of ships and its equipment. The conference will take place in Johor Bahru, Malaysia, on 12-13 November 2013.

<http://www.imse2013.com/>

Training Programme on Regional Ocean Governance for the Mediterranean, Black, Baltic and Caspian Seas 2013

Applications and Expressions of Interest are now being accepted.

Application Deadline 13 September 2013

The theme of the ninth annual course in Malta dedicated to regional ocean governance draws upon the conduct of maritime affairs in line with the Lisbon Strategy, targeting the Millennium Development Goals and building upon a holistic and integrated maritime policy following the principles enshrined in the United Nations Convention on the Law of the Sea. It focuses on the linkages between natural, social and economic sciences and the development of sustainable management, on the creation of policy and appropriate legislation and on the interface of research-management and the support of technology to enable the effective achievement of ocean governance and sustainable development. The programme is specifically designed to benefit mid-career professionals, government officials, educators, researchers and civil society participants, preferably with coastal/marine-related responsibilities. Preference will be given to candidates from developing countries around the regional seas and some support may be available to assist their participation.

<http://oceania.research.um.edu.mt/cms/oiocourse/>

Flash news: The new version www.performance-portuaire.org has been launched by the E-Maritime Observatory (EMO). (see pp. 4 of TN 57 for background info)

SPECIAL EVENTS

UNCTAD's Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation

Background

The Multi-Year Expert Meeting on Transport, Trade Logistics and Trade Facilitation will address some emerging and persistent issues that developing countries are facing and which need to be dealt with as a matter of priority. The successful pre-Doha multi-year expert meetings on Transport and Trade Facilitation revealed that some countries still need specific attention in the area of transport and trade facilitation and that multilateral negotiations processes, such as the WTO Doha Round and the Rio+20 Conference, may bring new opportunities for progress in achieving trade logistics efficiency. In accordance with the relevant paragraphs of the Doha Mandate, the multi-year expert meeting will address trade logistics issues in developing countries, including those with special needs, namely the least developed countries (LDCs), landlocked developing countries (LLDCs) and Small Island Developing States (SIDS) and some countries with economies in transition. Drawing from UNCTAD's three pillars of work, discussions will consider all relevant aspects, namely technical assistance and capacity-building, research and analytical work and consensus building.

Objective

The ultimate objective of the multi-year expert meeting is to help identify policies and strategies that promote efficient and sustainable freight transport systems in line with the efforts to achieve sustainable development. Sustainability in freight transport requires a balancing act between economic, social and environmental considerations, and rests on the ability to provide fuel efficient, cost-effective and safe and secure transport systems. This entails drawing from various sources of knowledge and expertise, including

from existing best-practices and know-how gained in the context of public-private partnership initiatives. The four sessions of this MYEM will offer an opportunity for experts to explore in greater depth four distinctive subject areas.

To build on synergies and promote a coherent discussion, each session of the multi-year expert meeting will involve interdivisional coordination and will call upon different units of UNCTAD to contribute their specific expertise and knowledge. Sessions will also be organized in close collaboration with other relevant UN bodies and international organizations and partners, including the Global Facilitation Partnership for Transportation and Trade GFPTT. To ensure greater relevance and to keep abreast of latest developments in the field, consultation with other stakeholders and the private sector will also be considered, as deemed appropriate

Transport and logistics innovation toward the review of the Almaty Programme of Action in 2014.

Land-locked developing countries usually pay the highest transport and transit costs, as recognized in the Doha Mandate and in the Almaty Programme of Action. Transit developing countries increasingly realize that transit traffic to and from LLDCs brings the economic advantage of having additional trade to better utilize existing transport capacity. LLDCs and transit countries have a common interest in identifying opportunities which can benefit from increased economies of scale and the improvement of land transport systems and seaports.

This session will look at how landlocked developing countries can identify transport and logistics

opportunities to create win-win solutions with neighbouring transit developing countries. Experts will also review and evaluate the implementation of the Almaty Programme of Action: Addressing the Special Needs for Landlocked and Transit Developing Countries, with emphasis in transit and logistics innovation. Lessons from regional, institutional and operational differences in transit corridor management and development will be examined. Challenges and best practices for the management and development of transit corridors will be highlighted.

As a result of technological advances, better regional collaboration and a higher priority attached to trade facilitation, improved transit trade solutions are found. As technological advances become more accessible for developing countries, experts will assess possibilities to further improve the use of technologies in areas such as Customs automation, port community systems, cargo tracking, or advance information processing.

Target participants

Experts to be invited to the multi-year expert meeting will include those from ministries and agencies dealing with trade, trade logistics, transport and auxiliary services, including Customs. Experts will also come from other IGO's, civil society and the private sector, including traders, industry, transport service providers, and international financial institutions.

<http://unctad.org/en/pages/MeetingDetails.aspx?meetingid=211>

Background

The Asia-Pacific Trade Facilitation Forum (APTFF) aims to promote trade facilitation as an important component of a comprehensive strategy for national and regional development. The overarching theme of APTFF 2013 is "Towards more efficient and inclusive supply chains: public and private sector perspectives". It is particularly focused on developing countries, landlocked developing countries and the least developed countries, although experiences of developed countries are also shared at the forum. APTFF 2013 includes the following thematic sessions:

Session 1: Enhancing international trade logistics performance for inclusive development

Session 2: Trade and supply chain financing
Session 3: Enabling integrated supply chains using paperless trade

Session 4: Evolving national single window for supply chain connectivity

The APTFF has been co-organized jointly by ESCAP and ADB and a growing number of partner organizations since 2009. Held in Thailand, Malaysia, the Republic of Korea and Sri Lanka in previous years, it will be organized in China in 2013. It now attracts two to three hundreds participants from 30 countries each year. As such, it has become the main annual open regional platform to exchange information, experiences and practices for trade facilitation in Asia-Pacific, identify priority areas for regional cooperation and integration, and learn about new tools and services which can increase the efficiency of cross-border transactions. The Forum also intends to strengthen regional cooperation and coordination of Aid for Trade and related technical assistance and capacity building in trade facilitation.

Participants

1 - Senior government officials involved in import, export, and transit policy, facilitation and control - to learn from the experience of some of the most successful countries

in the region, as well as gain insights from those of other countries that may face similar difficulties; To gain a unique understanding of the regional trade facilitation situation and to increase awareness of available tools and solutions to reduce red tape and improve competitiveness; To interact with experienced developer of electronic trade facilitation systems and donors for possible collaboration.

2 - International organizations and development agencies with an interest or on-going activities on trade facilitation in Asia-Pacific – to share information on their activities and initiatives they support in the area of trade facilitation; To learn what others are doing in this area and identify opportunities for cooperation and potential synergies.

3 - Trade facilitation service providers – to inform and network with participants from a unique set of emerging economies about services offered and potential impact on trade efficiency; To understand the problems faced by traders, regulators and development agencies and identify opportunities for the development of relevant services and solutions.

4 - Trade and development policy analysts and researchers from the region – to share findings with policy makers and other government officials influencing or implementing trade regulations; to understand the practical problems faced by traders, regulators and development agencies and identify relevant research questions accordingly.

Objectives

- Enable sharing of experiences and knowledge on trade facilitation between countries of the greater Asia and Pacific region including LDCs and LLDCs

- Foster increased understanding and exchange of views between public and private stakeholders, as well with trade facilitation standards developers and technical assistance providers.

- Learn about and draw lessons from on-going implementation of national and regional trade facilitation measures.

- Introduce relevant international tools, instruments, and facilities aimed at increasing the efficiency of regional and global cross-border trade, including latest tools by the United Nations Network of Experts for Paperless Trade in Asia and the Pacific.

Format of the event

- Plenary sessions: These sessions feature panels of experienced policy makers/analysts/presenters/experts to introduce selected issues of broad regional relevance and interest, followed by open discussion.

- Multimedia Exhibition: The exhibition is designed to enable trade facilitation service providers, researchers/analysts, development/donor agencies, international organizations and government agencies to showcase their work or presenting relevant case studies or findings in an interactive manner.

- Side events: these events are held to maximize learning and capacity building on trade facilitation of participants attending the Forum. While the nature and number of side events vary every year, they generally include a study tour organized by the host country, as well as technical workshops co-organized with the United Nations Network of Experts for Paperless Trade in Asia and the Pacific (JNNExT) and other members of the Global Facilitation Partnerships for Trade and Transport (GFP).

<http://www.unescap.org/tid/projects/tfforum13.asp>



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PAST ISSUES

at www.unctad.org/transportnews

FEEDBACK, COMMENTS, SUGGESTIONS AND CONTRIBUTIONS,

please contact jan.hoffmann@unctad.org and arantzazu.sanchez@unctad.org

NOTE

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UNITED NATIONS
UNCTAD

Published by the

United Nations Conference on Trade and Development (UNCTAD)

Trade Logistics Branch, Division on Technology and Logistics

Palais des Nations - Geneva

Photo credit

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