

Facilitation

Facilitation of border crossing
procedures in the Arab World



FACILITATING ROAD TRANSPORT
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The IDB-AULT-IRU project aims to improve efficiency of road transport services in the pan-Arab region, by facilitating trade, enhancing road safety and increasing professionalism in road transport operations.

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Facilitation of border crossing procedures in the Arab World

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Road Transport



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1 Introduction

Echoing the Council of Arab Transport Ministers calls of October 2009, 2010 and 2011 on Arab States to join the key UN trade and transport facilitation Conventions and, in particular, the Customs convention on the International Transport of Goods under cover of TIR carnets (TIR convention), a road transport facilitation strategy is being implemented, with a road transport facilitation component, and a TIR and Customs transit element.

This road transport facilitation study aims at illustrating the benefits for Arab countries to access and implement the key United Nations Conventions related to road transport and facilitation of border crossings, in order to encourage and facilitate their implementation in the Arab world.



The road transport facilitation study undertaken in the framework of the IDB technical assistance grant to the Arab Union of Land Transport (AULT), aims at encouraging and facilitating the implementation of these decisions by illustrating the benefits for Arab countries to access and implement the key United Nations Conventions related to road transport and facilitation of border crossings, such as the TIR Convention 1975, and the 1982 Convention on Harmonization of Frontier Controls of Goods.

The Study makes an inventory of available trade and transport facilitation tools in the LAS countries. By doing so, it highlights their insufficient and often non-harmonised implementation, and evidences the benefits of the TIR System for the LAS countries, their economic integration and their better connection to the world markets. The Study also recommends practical steps and actions to be undertaken by LAS countries to join and implement the TIR Convention.

2 Scope and methodology:

To achieve the overall objective of the Study, the following scope and methodology have been implemented:

- a. Analysis of the status of key UN transport conventions in the LAS countries;
- b. Collection of data from the competent national authorities of the LAS countries about the actual conditions of Customs transit, with a view to identify their strengths and weaknesses, thus allowing better comparison with the TIR System;
- c. Identification of the benefits of the TIR system for trade facilitation in the LAS countries and its economic integration with the world markets;
- d. Formulation of a TIR Action Plan for the LAS countries to facilitate accession and step by step implementation of the TIR Convention to the LAS countries to improve their economic integration with the world markets.



3 Key United Nations International Agreements and Conventions – Implementation status in the Arab world

The Study firstly identifies the key United Nations International Agreements and Conventions aiming at facilitating international trade and road transport, and the status (signature and implementation) of each LAS Member State versus these International Agreements and Conventions.



It should be noted that despite the potentially global coverage of these UN trade and road transport facilitation instruments, and their successful contribution to developing trade for many decades in other regions of the world (Europe, Central Asia, Caucasus), most Arab countries are unaware of the existence and benefits of these global Conventions and have therefore showed a low interest to ratifying and implementing them.

4 Bilateral and multilateral transport Agreements in the LAS countries

The Study secondly identifies the most important bilateral and multilateral transport Agreements in the LAS countries. There are many bilateral road transport Agreements between LAS Member States, often leading to confusion and conflict. Furthermore, this confusion is increased by the existence of some multilateral regional initiatives, aiming at the regulation and harmonisation of road freight transport between countries e.g. the Arab Transit Agreement promoted by the Arab League, the United Nations ESCWA Agreement on the International Roads in the Arab Mashreq, the Agreement between Jordan, Syria, Lebanon, Saudi Arabia and Yemen on the Standard Vehicle Circulation Booklet, and the Road Transport Agreement of the Arab Maghreb Union (AMU).



The limited geographical scope of the Arab Transit Agreement to only a few LAS countries, and its non-harmonised implementation has undermined its contribution to facilitate inter-Arab trade and transport.

It should be highlighted that to date, priority has been given to regional Agreements, such as the Arab Transit Agreement. However, its limited geographical scope to only a few of the LAS countries, and its non-harmonised implementation has undermined its contribution to facilitate inter-Arab trade and transport. As a consequence, Arab countries have not benefited from the advantages brought by the implementation of the global UN Conventions, nor in their pan-inter-Arab transport, nor in their trade and transport relations with Europe, CIS and Central Asia.

5 Customs Transit Regime in LAS countries

The Study thirdly focuses on the functioning of Customs Transit Regime in the LAS countries. It highlights that the applied regional guarantee systems are not flexible enough to really facilitate transport at pan-regional level. Indeed, guarantors providing this service are not all recognised in all Arab Contracting states. Furthermore, despite the existence of guarantee cards, additional Customs guarantees are to be organised in some countries.

The regional mechanisms focus mainly on certain aspects of transport (e.g. transit) and largely neglect other fundamental aspects, such as the standards relating to the training of drivers, vehicle conditions, social rules, etc...

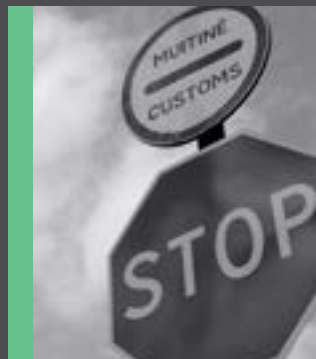


It should be noted that while national transit Customs procedures are well defined and efficient, the disparity of the national procedures between Arab countries and the lack of mutual recognition oblige transport operators to handle these national procedures at the Customs office of entry and of exit of each Arab country. This takes time and requires the involvement of local intermediaries. This situation creates additional costs for bilateral or inter-Arab trade and transport.

As far as the use of the TIR procedures is concerned in the LAS countries, it should be noted that except for Syria where the issuance of TIR Carnets has been constantly increasing since Syria became TIR operational thanks to an active promotion of the TIR System by both Authorities and the national Association SNC-ICC, in all the other LAS countries which are implementing the TIR System, the benefits of the international transit mechanism are dramatically underused.

The disparity of the national procedures between Arab countries and the lack of mutual recognition oblige transport operators to handle these national procedures at the Customs office of entry and of exit of each Arab country.

However, it should also be noted that the TIR System is widely used by foreign transport operators to deliver goods in the Arab countries contracting parties to the TIR Convention. This demonstrates the competitive advantages brought by the use of the TIR procedures for transport operators benefiting from the facilitations offered by TIR. Therefore, efforts should be undertaken by both public Authorities and local Associations to promote within the economic and transport circles the increased use of the TIR procedures by Arab transport operators, in order to allow them to compete on equal terms with foreign road transport operators.



The TIR System is widely used by foreign transport operators to deliver goods in the Arab countries contracting parties to the TIR Convention.

The Study, comparing the Arab Transit Agreement and the TIR Convention and System, demonstrates the usefulness for Arab countries to join and implement the TIR Convention. Indeed, through simple comparisons of different transport operations on various itineraries under TIR, or under Arab Transit systems, it appears clearly that the use of the TIR procedures is less costly by at least 30% to 80% than Arab Transit and in addition does not require important amounts of financial guarantees to be deposited in the transited countries. Furthermore, these comparisons also demonstrate that in average, the transit time on these itineraries can also be reduced by 30%. Therefore, TIR makes transport services more cost- and time-effective.

6 Main recommendations and conclusion

From the inventory of the existing situation within the LAS countries, as far as Customs Transit procedures are concerned, it appears that road transport has become an efficient and irreplaceable production tool. As such, any penalty imposed on road transport is an even bigger penalty on trade and the economy as a whole.

Thanks to its flexibility and the quality of service offered, commercial road transport, which is accessible to everyone everywhere, remains the best placed to take on the challenges of sustainable development, while at the same time contributing to regional and global economic development and peace. The globalisation of trade has made it urgent to facilitate trade by international road transport to enable Arab economies to better participate in the globalised economy.



Arab countries in Western Asia and North Africa can and should integrate their economies within the region and to the global economy by further facilitating international road transport.

Transport stakeholders in the Arab region must develop and increase cooperation in the road transport of goods and passengers through Public-Private Partnership (PPP).

Global UN trade and road transport facilitation Agreements and Conventions, and in particular the TIR Convention, should be considered by LAS countries as a primary means to eliminate the non-physical barriers and reduce transportation costs across the Arab countries.

To conclude, the Study recommends the implementation of a TIR Activation Action Plan, summarising the main steps to be undertaken at country level to:

- a. Facilitate the accession procedure to the TIR Convention,
- b. Ensure its implementation through a list of actions to be undertaken in Public-Private Partnership (PPP) by national authorities, national associations and the IRU, with the support of the LAS Secretariat.



Furthermore, the Study highlights the possible positive role the IDB could play in facilitating the accession to and implementation of the TIR Convention in the LAS countries through the definition of a technical and financial assistance package that could be made available to Arab countries. Such a package could be decisive in speeding up the adherence of the LAS countries to the TIR Convention.

Facilitation

The facilitation of road transport aims to increase national and international trade and tourism by removing administrative, fiscal and physical barriers impeding road transport from driving economic development, social stability and prosperity. Due to its unique, door-to-door high quality transport services, commercial road transport has become an irreplaceable production and distribution tool. As such, any penalty imposed on road transport is an even bigger penalty on trade and the economy as a whole.

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