

Road Transport

Developing a Trade and Road
Transport Facilitation Strategy for
the Arab World



FACILITATING ROAD TRANSPORT
FOR MORE GROWTH AND PROSPERITY
IN THE ARAB WORLD

partners

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.

Islamic Development Bank:



Arab Union of Land Transport:



International Road Transport Union:



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Developing a Trade and Road Transport Facilitation Strategy for the Arab World

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Road Transport



Facilitation



Road Safety



CPC Manager



ADR Training

1 Introduction

In today's globalised economy, commercial road transport is no longer merely a mode of transport but has become a vital production and distribution tool, driving economic and social progress throughout the world.

Any penalty imposed on road transport is an even bigger penalty on trade and the economy as a whole.



The current global economic crisis has hindered general economic development and international economic cooperation except in regions where road transport has been promoted and further facilitated to expedite economic recovery, recognising efficient international road transport as a pre-requisite for economic growth everywhere.

The Arab countries could integrate their economies within the region and with neighboring regions by promoting, developing and facilitating international road transport.

2 Scope

The main objective of the study is to contribute to the preparation of a strategy and action plan for trade and road transport facilitation in League of Arab States (LAS) countries.

The study is based on two clusters of assessments:

- a. An inventory of the status of adherence to the most relevant UN trade and road transport facilitation Conventions and Agreements by LAS Member States, as adherence to and implementation of these legal instruments would facilitate international road transport in the Arab world.
- b. Collection and analysis of international road transport data in LAS Member States, particularly along the main international trade and transport corridors. This data included information on a variety of physical and non-physical bottlenecks on international road transport corridors and relevant border crossings.

3 Methodology

Over a 6-month work period the consultancy work followed an implementation plan based on the following main steps:

- a. **Desk research** focused on the identification of main trade Agreements in the region, the existing legal framework for international road transport and statistical data on trade and logistics.
- b. **Study trips** were planned and realised in the following LAS Member States: Egypt, Lebanon, Oman and Qatar.
- c. **Data and information collection** on actual road transport conditions faced by professional truck drivers during commercial cargo deliveries. Special questionnaires were developed in line with World Bank directives and in conformity with the UNESCAP Time/Cost-Distance methodology for data analysis. International road transport companies were requested to participate and interested companies and their drivers were instructed on the use of the driver forms. The main countries involved in this survey were Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, Qatar, Saudi Arabia, Syria, UAE and Yemen, and 108 driver records were collected and analysed.
- d. **Interim and Final Reports** were prepared and submitted with conclusions and recommendations.



Special questionnaires were developed in line with World Bank directives and in conformity with the UNESCAP Time/Cost-Distance methodology for data analysis.

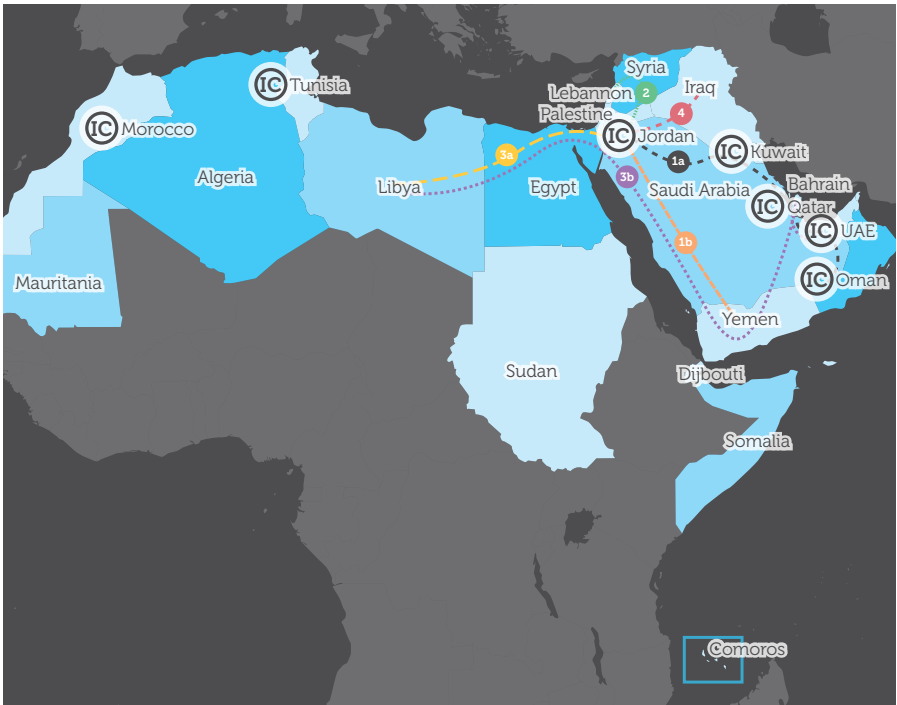
4 Results

Geography and shipment routes

A total of 108 drivers journals were collected between September 2012 and April 2013, for the following countries: Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, Qatar, Saudi Arabia, Syria, UAE and Yemen. The selection of shipment routes for the survey was based on the density of international freight transportation and advice received from road transport associations and road transport companies in the Arab world.



Number of trips	108
Time spent on route	855 days
Distance covered	242,164 km
Total cost (fuel included)	57,101 USD
Total cost (W/F)	38,711 USD
Sum of unjustified costs	2,582 USD
Cargo carried	1,866,000 kilograms
Waiting time in queue	411.46 days



(IC: Investigated Country).

Distance and speed by corridor

The average driving speed on corridor 1a, 1b and 4 of 63-64 km/h shows that the roads are in good condition and/or do not face major problems with traffic jams. The average speed on corridor 2 and 3 are 49-54 km/h and can be considered as reasonable.

Roads are in good condition and/or do not face major problems with traffic jams.

The average speed including stops on all corridors is 11.8 km/h which is very low. On corridor 1a and 1b the average speed including stops is 14 and 18 km/h. This is too low. Major problems are related with border crossing and waiting queues with very long waiting times. Corridor 2 has an average speed including stops of only 2.5 km/h; this is mainly caused by the unstable situation in Syria. Also the average speed including stops on corridor 3a, 3b and 4 is low varying between 7.0 km/h and 9.7 km/h and is facing serious challenges.

Itinerary	Distance (km)	Days on route (days)	Average driving speed (km/h)	Average speed including stops (km/h)
Corridor 1a Jordan-Saudi Arabia-Kuwait/Qatar/UAE/Oman				
54 trips	113,063	329.52		14.3
Average per trip	2,094	6.1	62.6	
Corridor 1b Jordan-Saudi Arabia-Yemen				
18 trips	47,779	107.52		18.5
Average per trip	2,654	6.0	63.3	
Corridor 2 Jordan-Syria-Lebanon				
5 trips	1,760	29.47		2.5
Average per trip	352	5.89	49.0	
Corridor 3a Jordan-Egypt-Libya				
11 trips	26,774	159.38		7.0
Average per trip	2,434	14.49	51.5	
Corridor 3b UAE/Qatar/Yemen-KSA-Egypt-Libya				
17 trips	50,001	213.96		9.7
Average per trip	2,941	12.59	54.2	
Corridor 4 Jordan-Iraq				
3 trips	2,787	15.15		7.7
Average per trip	929	5.05	63.0	
GRAND TOTAL (108 trips)	242,164	855		11.8
GRAND TOTAL Average trip	2,242	7.92	59.6	

Major problems are related with border crossing and waiting queues with very long waiting times.

Waiting times by corridor

Itinerary	Distance (km)	Days on route (hours)	Waiting time in queue (hours)	Duration border control (hours)
Corridor 1a Jordan-Saudi Arabia-Kuwait/Qatar/UAE/Oman				
54 trips	113,063	329.52	2,886.2	1,029.6
Average per trip	2,094	6.1	53.4	19.1
Corridor 1b Jordan-Saudi Arabia-Yemen				
18 trips	47,779	107.52	991.3	181.9
Average per trip	2,654	6.0	55.1	10.1
Corridor 2 Jordan-Syria-Lebanon				
5 trips	1,760	29.47	234.5	252.5
Average per trip	352	5.89	46.9	50.5
Corridor 3a Jordan-Egypt-Libya				
11 trips	26,774	159.38	2,410.3	96
Average per trip	2,434	14.49	219.1	8.7
Corridor 3b UAE/Qatar/Yemen-KSA-Egypt-Libya				
17 trips	50,001	213.96	3,349.3	132.3
Average per trip	2,941	12.59	197.0	7.8
Corridor 4 Jordan-Iraq				
3 trips	2,787	15.15	23.5	186.0
Average per trip	929	5.05	7.8	62.0
GRAND TOTAL (108 trips)	242,164	855	9,875.1	1,878.3
GRAND TOTAL Average trip	2,242	7.92	91.4	17.4

The waiting time in queue and the duration of border control of the trips in the survey consists of more than 57% of the total time on route. For corridor 1a and corridor 1b this is 50% and 46%, respectively. Corridors 2, 3a and 3b are facing specific problems, which causes a higher percentage of waiting time in queue and time for border control of 69, 66 and 68% of the total time on route, respectively.

The average waiting time in queue at the border and for border control was 108.8 hours per trip. The Consultant estimates the truck operational costs in the LAS region at 19.5 USD per hour. The total costs including business opportunity costs is estimated at 32.5 USD per truck hour. This implies that an average trip would mean an economic loss of 3,536 USD (108.8 x 32.5 USD). The total economic loss of the 108 surveyed trips due to waiting times at borders already amounts 381,888 USD.

Costs by corridor

Itinerary	Distance (km)	Days on route (days)	Unofficial costs (USD)	Total costs (USD)
Corridor 1a Jordan-Saudi Arabia-Kuwait/Qatar/UAE/Oman				
54 trips	113,063	329.52	808	17,390
Average per trip	2,094	6.1	15	322
Corridor 1b Jordan-Saudi-Arabia-Yemen				
18 trips	47,779	107.52	347	6,415
Average per trip	2,654	6.0	19	356
Corridor 2 Jordan-Syria-Lebanon				
5 trips	1,760	29.47	45	260
Average per trip	352	5.89	9	52
Corridor 3a Jordan-Egypt-Libya				
11 trips	26,774	159.38	600	13,350
Average per trip	2,434	14.49	55	1,214
Corridor 3b UAE/Qatar/Yemen-KSA-Egypt-Libya				
17 trips	50,001	213.96	753	19,385
Average per trip	2,941	12.59	44	1,140
Corridor 4 Jordan-Iraq				
3 trips	2,787	15.15	29	301
Average per trip	929	5.05	10	100
GRAND TOTAL (108 trips)	242,164	855	2,582	57,101
GRAND TOTAL Average trip	2,242	7.92	24	529

The costs on route are relatively low, when compared internationally with other corridors in Asia and Africa with an average of 529 USD per trip. Only corridor 3a and 3b are more expensive with an average of 1,214 USD and 1,140 USD, respectively.

Unofficial costs are very low, when also compared internationally with other corridors in Asia and Africa, with an average of only 24 USD per trip.

The costs on route are relatively low, when compared internationally with other corridors in Asia and Africa.

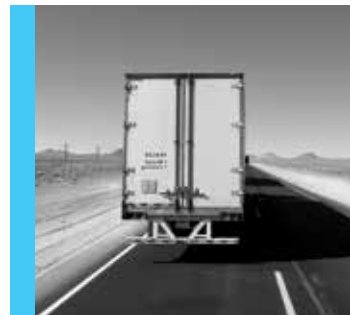
5 Conclusions and Recommendations

Intra-regional trade in the Arab world is only 14% of the total trade. One of the factors contributing to this low figure is the fact that international road transport in the Arab world is still facing barriers. These barriers are mainly related to cross border operations.

The survey has shown that waiting time at borders in queue and for control and inspection is taking most of the time on route along the surveyed international road transport corridors in the Arab world – more than 57% of the time of the entire trip. Road transport facilitation would benefit from adherence to and implementation of the main UN Conventions related to international road transport in the Arab world.

Over 57% of transport time is lost at borders. International road transport would be considerably facilitated through the implementation of the key UN trade and transport facilitation instruments.

Therefore, it is also important to focus the strategy for transport and trade facilitation on making border procedures more efficient and create adequate infrastructure at border crossings. Also, ancillary infrastructure facilities along international road transport corridors in the Arab world should be created for truck and bus drivers, particularly near border crossings. This can be in the form of safe and secure parking places for trucks and buses with all necessary facilities for drivers, vehicles and cargo.



Recommendations:

a. Adherence to and implementation of the main UN Agreements and Conventions on Road Transport:

- » International Convention on Road Traffic, 1968;
- » International Convention on Road Signs and Signals, 1968;
- » Agreement on the Adoption of Uniform Technical Regulations for Wheeled Vehicles, Equipment and Parts which can be fitted and /or be used on Wheeled Vehicles and the Conditions for Reciprocal Recognition of Approvals Granted on the Basis of these Prescriptions, 1958;
- » TIR Convention, 1975;
- » Convention on the Contract for the International Carriage of Goods by Road (CMR), 1956;
- » Customs Convention on Containers, 1972;
- » International Convention on Harmonization of Frontier Controls of Goods, 1982 and its Annex 8 on Road Transport;
- » Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment to be Used for such Carriage, 1970;
- » International Convention on Simplification and Harmonization of Customs Procedures (Revised Kyoto Convention), 1999.



b. Border crossing facilitation:

- » Simplifying requirements: Red tape stemming from excessive documentation and duplication of documentation is obviously an obstacle to the expansion of trade;
- » Harmonising Customs procedures: Adoption of modern control techniques, harmonisation of Customs-related legislation, and effective Customs cooperation across countries;
- » Harmonising inspection procedures at border crossings: phyto-sanitary inspection, health inspection, transport and traffic regulations (vehicle, load, driver), import and export procedures;
- » Facilitating visa issuance for professional drivers: a multilateral system based on exchange of national lists of professional drivers could be set up by the LAS Secretariat, and finally a LAS visa sticker could be applied on the driver's passport allowing free movement within the Arab world;
- » Standardising trade procedures: standardised trade documents, codes, and information and communications applications;
- » Introducing Single Window processes at border crossings: in a growing number of countries Single Window solutions have been established. The implementation of Single Windows is taking place on all five continents. The WTO negotiations on trade facilitation are also considering wording that would suggest Single Windows to be implemented in Member countries;
- » Undertaking feasibility studies for coordinated border management and joint border controls introducing the concept of Single Windows and providing appropriate infrastructure.
- » Introducing and using the new IRU TIR Electronic Pre-Declaration (TIR-EPD) Green Lanes concept.





c. Training:

- » Transport operators and professional drivers;
- » Freight forwarders;
- » Customs clearance agents;
- » Governmental inspection and enforcement officials.

d. Addressing bottlenecks:

- » Impediments at logistics level: infrastructure, transport, support services to international trade;
- » Lack of information on international markets and business opportunities;
- » Complexity of national and international administrative procedures related to foreign trade, such as those of customs clearing, banking, ports, etc.;
- » Lack of managerial staff and technicians specialised in international trade, logistics and transport.

e. Developing ancillary infrastructure network, safe and secure parking areas, particularly near border crossings and along main national and international corridors:

- » The survey has found that over 57% of the total transport time along international road transport corridors in the Arab world were spent waiting in queues at border crossings and for border controls.
- » It is strongly believed that implementing the fundamental principles underlying the “Model Highway Initiative” (MHI) will contribute to alleviate the problems faced by the road transport companies, resulting in turn in an increase in trade and freight transport between and through LAS Member States.
- » In this regard, it is recommended to carry out a study for the development of an ancillary infrastructure network along main international road arteries in the Arab world, work which could have 2 main components:
 - Prefeasibility study for planning and construction of a network of safe and secure parking facilities for trucks along main international road transport corridors in the Arab world and the modernisation of border crossing points by equipping them with modern inspection technologies.
 - Full feasibility study for two identified international road transport corridors in the Arab world; e.g. Jordan-Saudi Arabia-UAE-Oman and Lebanon-Syria-Jordan-Egypt-Libya.
- » The implementation of the “Model Highway Initiative” will also result in:
 - development of small and medium-sized companies in areas currently deprived of economic activity;
 - thousands of new jobs throughout the Arab world;
 - development of national economies along the Model Highway;
 - fight against corruption, especially at borders and roadside checks;
 - increased safety and security along road transport corridors;
 - faster, hence cheaper freight deliveries.

Road Transport

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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