

# TIR CRISIS IN RUSSIA: THE REAL COSTS

A summary of results from independent studies using different methods to assess the economic costs due to TIR restrictions on Russian territory

## 4 SCIENTIFIC STUDIES



Copenhagen  
Economics



Russian  
Higher School  
of Economics



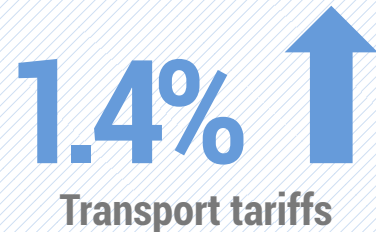
NII TK  
(Kazakhstan)



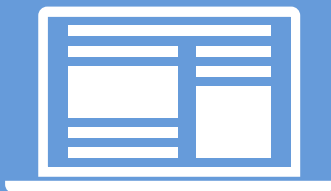
BelNIIT  
TRANSTECHNIKA  
(Belarus)

## DIRECT COSTS

Transport costs reach up to **\$2.2 bn** per year



Operators asked to buy additional mandatory services from Customs brokers



Electronic Preliminary Information

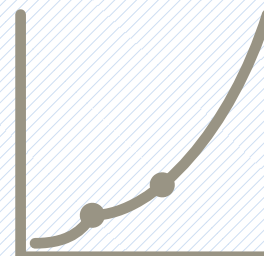


Convoys



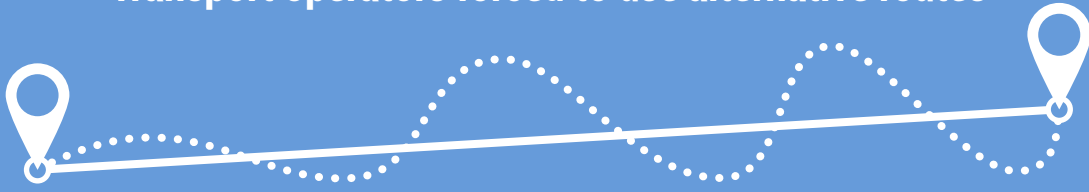
Special Broker Services

**Overall costs to Russian economy**  
**could increase exponentially**



# INDIRECT COSTS

Transport operators forced to use alternative routes



Additional Fuel



Driver Salaries



Up to 15% extra transport time



Additional waiting at borders



INCREASE IN FINANCIAL BURDEN

## ADMINISTRATIVE BURDEN



Transport operators spending up to 25% more time on administrative work

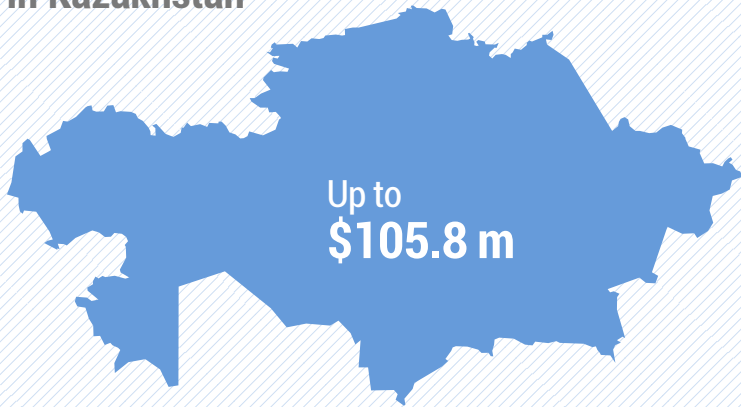
Russian system not strictly a guaranteeing system

- » Liability wholly on transport operators
- » Significant advance pre-payments often requested
- » Transporters must develop and block additional financial reserves

# EFFECTS ON THE CUSTOMS UNION

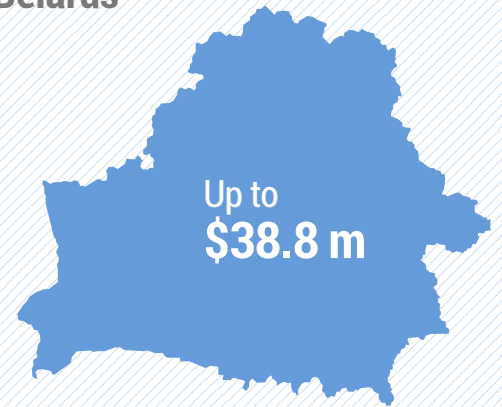
## NATIONAL LOSSES PER YEAR

Transport operators  
in Kazakhstan



**=82%** of the international road freight sector's  
annual turnover in the country

Transport operators  
in Belarus



## ADDITIONAL OBSERVATIONS

- Small and medium-sized businesses struggle most due to additional costs

- System is not transparent
- System lacks security features
- No reliable price structure

- Customs brokers sometimes choose not to provide guarantee services at all

- No solid guarantee chain

- FCS RF will have difficulty recovering taxes from foreign transport companies

- Potential number of irregularities

Under TIR | 0.002%

Without TIR | 5%

- Potential loss for Russia

