

Study: IntermodalTIR

Intermodal transport in the BSEC region using TIR as an example of best practice

This study analyses intermodal transport between Serbia and Azerbaijan, comparing the cost and time benefits of TIR to the use of national guarantees, with the conclusion that TIR saves time and money, even with respect to waived duties and taxes for transit through both Azerbaijan and Georgia.

The IRU/ZLC study highlights the benefits of the TIR system for intermodal transport in the BSEC region, which lies between Asia and Europe, and is currently the focus of significant trade growth – especially with respect to China's Belt and Road initiative.

Offering a four-day time saving and a EUR160 cost reduction per container, the advantages of using the TIR system in the intermodal context, in terms of efficiency, visibility on time and greater security, are conclusive.

Moving forward, the study recommends further collaboration among BSEC countries to supplement the available quantitative data on customs control processing, increased customs revenues and border clearance times. This would give more visibility on delivery dates, in-transit costs and improved container utilisation, which would enable more competitive pricing and reinforce the case for using the TIR system to improve logistics performance at intermodal terminals and borders.



- Belgrade (Serbia) to Istanbul (Turkey) via Bulgaria by road
- Istanbul to Poti (Georgia) by ferry
- Poti to Baku (Azerbaijan) by road

The transports involved a single container with one change of tractor: the first tractor travelled between Serbia and Turkey, the container then travelled without a tractor by ferry, and a second tractor transported it from Poti to Baku.

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<u>iru.org</u>
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Benefits for carriers

- Reduction in actual transport time is approximately 92 hours (four days) for transporting goods under TIR in an intermodal corridor between Serbia and Azerbaijan.
- Slack times are also approximately four days lower with TIR. Transport operators could therefore promise a due date four days earlier, which would offer a competitive edge.
- Due to lower total transport time, utilisation of containers can be increased by 33%. So the same container can be used to transport goods more times in a given year.
- As the border waiting times are reduced, even though the unit price per TIR carnet might be higher than alternatives, TIR can save up to EUR 160 per container when transported in the suggested intermodal scenario.
- Customs authorities are legally bound to physically inspect containers only if there are indicators of irregularities, and such irregularities are less frequent because of the seals required for TIR usage. This leads to a reduction of total time spent at borders.
- The benefits of financial guarantees offered by TIR are dependent on the total duties and other charges as well as the transiting time. So TIR is recommended in case of highly taxed cargo as well as for goods travelling long transit times. TIR is beneficial for the transport of containers with an average value of EUR 42,000 and above.
- TIR is more reliable. On-time delivery is especially more challenging in intermodal transport, therefore the value of TIR is significantly increased for professional transport operators leading the sector.

Advantages for governments, ports and customs authorities

- TIR can support the promotion of intermodal transport in BSEC countries.
- Reduced border crossing times will in turn lead to a reduction in congestion at intermodal terminals and border crossings. As a result, regional trade volumes would increase.
- TIR also offers operational benefits such as improved security, less damage, and reduced risk of fraud. This protects both the interests of the transport sector and economies of the transit countries from potential losses. With TIR IT tools, administrative burdens are minimised and the border crossing processes are faster as a result of sharing in real time. There is also less room for error due to the single transit document for each transport.
- The TIR system has the potential to facilitate international trade, while protecting the national revenue interests of the signatory nationals and also improving customs revenues.

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