

THE ROLE OF ESCWA IN PROMOTING TRADE AND TRANSPORT FACILITATION IN THE ESCWA REGION

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A. INTRODUCTION

One of the most important issues for regional cooperation and integration in Western Asia is the facilitation of transport and trade between ESCWA member countries. In 1999 the share of ESCWA member countries of their total exports did not exceed 5.5 per cent and their share of imports was 9.3 per cent. Among the main reasons for this weak interaction were the complexity of border formalities, procedures, documentation and tariffs between ESCWA members.

Facilitation of international transport and trade is a multifaceted approach that would involve improvements in the infrastructure as well as the operation of the international transport and trade systems. Below is a brief review of the role of ESCWA in promoting such facilitation in the region.

B. DEVELOPMENT OF AN INTEGRATED TRANSPORT SYSTEM

In May 1999 a statement was issued by ESCWA member countries in which they agreed on the start of the development of the Integrated Transport System in the Arab Mashreq (ITSAM), and the adoption of the regional transport network. On the basis of that statement, the first edition of the map of the regional network including the major roads, railways, seaports and airports of international importance in the region, and text of the statement, was issued in June 1999 and updated in May 2001.

Efforts to develop the ITSAM have proceeded in three major tracks, namely the regional transport network, the associated information system and the methodological framework for policy analysis. Such recent developments were presented to experts in the region who agreed that once completed they would contribute significantly to the ability to analyze policies and formulate action plans both at the national and the regional levels.

C. ADOPTING AN INTERNATIONAL ROAD NETWORK

Following extensive efforts over the last three years, the ESCWA member countries on 10 May 2001 adopted an Agreement on International Roads in the Arab Mashreq (the "Agreement"). As of end of May 2002 ten out of the thirteen ESCWA members signed the Agreement and one ratified it. This Agreement is the first UN treaty to be negotiated within ESCWA, and therefore, represents a significant landmark in the history of the Commission.

The Agreement is composed of five major elements. The first is a list of technical terms used in Arabic, French, and English; the second is the set of thirteen articles of the Agreement covering the adoption of the international road network; orientation of the routes; technical specifications; signs, signals and markings; signature, ratification, acceptance, approval and accession; entry into force; amendments; withdrawal; termination; dispute settlement; limits of application of the agreement; depositary; and annexes and list of technical terms. The third element is annex I describing the routes and links of the road network. The fourth is annex II including the unified technical specifications to be met on routes in the road network such as the classification of international roads; engineering design considerations; road installations and facilities; vehicle characteristics; environmental considerations and maintenance. The fifth element is Annex III covering the standard road signs, traffic signals and pavement markings on the routes of the road network.

D. PROMOTING TRADE AND TRANSPORT FACILITATION

Transport and trade processes across borders are generally complicated in most of the developing nations including the ESCWA members. Whether it being import, export, re-export or transit, several entities interfere in these processes for different purposes such as security, technical controls and statistics. The process generally involves the exchange of information through several documents and forms among the trading partners, government authorities, shipping agents, freight forwarders, custom agents, etc. The number of entities involved could exceed forty as well as the number of steps required to complete the transaction. The number of signatures could easily exceed twenty.

In the context of the present globalization environment, the need to significantly facilitate such transport and trade transactions and processes cannot be overlooked. The existing inefficiencies can only harm national and regional economies. Regional cooperation and integration could be greatly enhanced through such facilitation.

Regional efforts were exerted in this regard since the late seventies. More recently in the year 2000 a major study on the facilitation of international freight transport procedures in the region was completed. The six-volume study¹ included a detailed field review of trade and transport procedures in five member countries, namely Egypt, Jordan, Lebanon, the Syrian Arab Republic and United Arab Emirates. It also involved a comparative analysis among the selected countries, and the identification of obstacles and causes. The study arrived at a set of eleven major recommendations for trade and transport facilitation in the region, namely simplification of formalities, procedures and documentation; transparency; abolishing illegal practices; development of human resources; computerization and Information and Communications Technology (ICT) applications; institutional, legal and administrative reforms; unification of valuation and tariff classification; adoption of non-stop working hours; conclusion of new agreements and accession to existing ones; the implementation of multimodal transport; and the establishment of national trade and transport facilitation committees. These recommendations were endorsed by the twenty-first session of the Commission in May 2001.

Of particular interest is the computerization and the application of ICT. For this purpose two studies were conducted by ESCWA in 1999 and 2001. The first study involved a review of experiences of States outside ESCWA especially in Europe and East Asia, a review of the current status in the ESCWA region, a comparative analysis between both groups, and a discussion and the identification of reasons for the limited applications in the region. The study concluded with a set of recommendations to overcome the obstacles. The second study focused on e-business, internet and supply chain management applications using ICT. Among the major recommendations were the formulation of a legal framework to encourage the implementation of ICT by concerned parties; raising awareness about ICT benefits through alternative means such as conducting seminars and workshops; encourage member States to consider reducing the rates of telecommunications; gradual implementation of computerization and ICT in terms of the number of entities involved, the number of documents and forms to be computerized and exchanged electronically as well as the number of merchants involved; finance such initiatives by the public and the private sector with varying levels of participation as may be deemed appropriate; use the UN standards for electronic data interchange on

¹ Economic and Social Commission for Western Asia, "Facilitation of the international freight transport in the ESCWA region", volume I: summary, results and recommendations (E/ESCWA/TRANS/2000/4); volume II: description of international freight transport procedures in Lebanon (E/ESCWA/TRANS/2000/4/Add.1); volume III: description of international goods transport procedures in Jordan (E/ESCWA/TRANS/2000/4/Add.2); volume IV: description of international freight transport procedures in the Syrian Arab Republic (E/ESCWA/TRANS/2000/4/Add.3); volume V: description of international freight transport procedures in the United Arab Emirates (E/ESCWA/TRANS/2000/4/Add.4); volume VI: description of international freight transport procedures in Egypt (E/ESCWA/TRANS/2000/4/Add.5) (Arabic).

the internet (e.g., ebXML protocol) to save costs and increase efficiency; support efforts for the Arabization of the UN and internet standards; and monitor the continuous advancements in the field and the improved applications in the region, and benefit from the experiences of others.

E. CONCLUSIONS AND LOOKING AHEAD

The processes, formalities, procedures and documentation of international trade and transport in the region are generally complicated. However, they are expected to witness considerable improvements in the near future. Several countries in the region are in the process of enhancing their computerization and the application of electronic data interchange. New customs laws were recently adopted in Egypt (2000) and Lebanon (began implementation effective 23 April 2001). A limited number of countries in the region are expected to establish national facilitation committees in order to coordinate their national efforts. More countries are expected to accede to existing facilitation conventions. A regional agreement on transport and trade facilitation may be concluded in the near future. Efforts to develop the ITSAM would be continued and enhanced.

The above expected improvements in transport and trade systems analysis, infrastructure, operation, management and planning when implemented, would certainly contribute to an increase in competitiveness of products and services in the region, and hence an increase in exports and inter- and intra-regional transport of goods (trade) of ESCWA member countries. However, the risks in terms of increased worldwide and regional competition on the one hand, and the lack of vision, coordination, funding, public administrative reform and/or political will on the other hand, cannot be underestimated.

Last but not least, efforts to promote trade facilitation at the international level through the development of standards and worldwide recommendations should continue to be enhanced and coordinated. However, promoting the implementation of trade facilitation measures, standards, and recommendations must be done at the regional and sub-regional levels. In other words, the role of ESCWA in promoting trade and transport facilitation in the region, and for that matter the role of sister UN regional commissions in their respective regions, is vital and complementary to the efforts at the international as well as the national levels. Therefore, any future vision in this regard at the international and national levels, in order to be meaningful and successful must incorporate the role of the UN regional commissions at the regional and sub-regional levels.