Current TIR expansion efforts in China and beyond

Dushanbe, 22 May 2015
Geographical scope of the TIR Convention

Based on TIR Convention of 1975
TIR geographical scope has been changing over the years and continues to do so.

<table>
<thead>
<tr>
<th>TOP ISSUING COUNTRIES</th>
<th>1994</th>
<th>2004</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>HUNGARY</td>
<td>TURKEY</td>
<td>TURKEY</td>
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<tr>
<td>2</td>
<td>CZECH REPUBLIC</td>
<td>ROMANIA</td>
<td>RUSSIA</td>
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<tr>
<td>3</td>
<td>BULGARIA</td>
<td>LITHUANIA</td>
<td>POLAND</td>
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<td>4</td>
<td>TURKEY</td>
<td>RUSSIA</td>
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<td>POLAND</td>
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<td>BELARUS</td>
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<td>7</td>
<td>GERMANY</td>
<td>BELARUS</td>
<td>BULGARIA</td>
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<tr>
<td>8</td>
<td>ROMANIA</td>
<td>UKRAINE</td>
<td>IRAN</td>
</tr>
<tr>
<td>9</td>
<td>NETHERLANDS</td>
<td>HUNGARY</td>
<td>MOLDOVA</td>
</tr>
<tr>
<td>10</td>
<td>AUSTRIA</td>
<td>ESTONIA</td>
<td>LATVIA</td>
</tr>
</tbody>
</table>
Last country to (re)start TIR: Afghanistan

- TIR re-activated on 4 September 2013 (TIR Audit and training conducted)
- Over 300 TIR operations conducted to Afghanistan by foreign TIR Holders (from Iran, Kazakhstan, Turkey, Lithuania)
- First TIR Carnets issued to Afghan Holders
- TIR-EPD implemented as an IT TIR risk management tool
April 2014
UAE Customs sign guarantee agreement

April 2014
Pakistan officially confirms forthcoming accession to TIR

January 2015
China officially starts TIR accession process

Other countries have expressed interest in TIR

Argentina        Brazil        Iraq        Saudi Arabia        Kenya
Latest developments:

- In principle approval granted by competent Ministries at end 2014
- TIR legislation approval is on the agenda of the Council of Ministers
- Positive study on TIR benefits for Pakistan prepared by Pakistani National Institute of Management for the Government
- The progress in PRC should influence Pakistan
PRC speeds up TIR accession process to reach 2015 objective

Latest developments

- 13 February 2015: PRC’s Customs officially approved TIR accession file which was sent for final review to 4 Ministries
- 16 February 2015: Ministry of Foreign affairs gave 15 March deadline to Hong Kong to also consider joining
- 27 February 2015: Chinese Ministry of Transport: APPROVED
- 03 March 2015: Administration of Quality Inspection and Quarantine: APPROVED
- 06 March 2015: Ministry of Public Security: APPROVED
- 16 April 2015: Ministry of Foreign Affairs: APPROVED
- Next step: Chinese State Council to submit official application to the UN
What’s next once PRC joins TIR?
One Belt One Road – with TIR
Glance of PRC’s International Road Transport

- 14 bordering countries
- 6 TIR operating countries

- 35 million tons transported by road at value of $40 billion (1% of total)

- Permit system
  - 360,000 C permits in 2013

- 287 routes
  - 136 for passengers
  - 151 goods transport

- 11 countries
- 70 crossing points

- 1,400 international transport operators
  - with 26,800 trucks
  - (0.002% of total trucks)
What will happen after PRC joins TIR

Reduced cost
Reduced waiting time
Progress in regional transport facilitation
Progress in regional economic cooperation

Increased freight transport by road
New economic opportunities
More countries in TIR
Impact on new regional transit systems
Competition in the road transport market
Study "Accession to TIR Convention: Value for Pakistan's Trade & Transit Vision" by Customs official Mr Amer Rashid Sheikh, National Institute of Management, Government of Pakistan National School of Public Policy.

The study has been conveyed by the National Institute of Management to all relevant ministries of the Government of Pakistan and will serve to expedite the accession process.
Pakistan will evolve into regional transit hub for land-locked countries

In view of coming accession of China, TIR will be the key success factor for the China-Pak Economic Corridor project

Pakistan is the only non-TIR country in ECO. 63% of ECO trade is intraregional.

Reduces time for Customs formalities

Reduced costs for business

TIR can serve as basis for single-window transit processing

Safety and security of transit

Improved Customs controls

All the factors above will result in the growth of trade

Benefits from increased transit movements (at present transit is 0.7%)
Importance of Pakistan for international trade

- 3 warm water round-the-year ports
- Gawadar – 3rd deepest port in the world
- Shortest route to CAR
- All routes between South Asia and Central Asia pass through Pakistan
- Country with a population of 186 million is emerging economy of the region.
Benefits for the region

Corridors 6c (north-south) and 5 (China – Pakistan)

Simplification and harmonisation of customs procedures at the regional level

Increase volume of trade and economic benefits for all countries of the region

Better risk management and data exchange at the regional level (risk management tools are compulsory for all new TIR countries)