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Joint Trade and Transport Conference

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What is next week's Joint Conference about?

Trade and transport being areas that are critical for economic growth, the UNECE Committee on Inland Transport and Committee on Trade decided to organize, during their annual sessions, a Joint Conference to discuss the challenges presented by the impact of globalization on transport, logistics and trade.

The Conference will provide an overview of the changes in global trade and transport trends affecting UNECE countries, followed by discussions on how to deal with current challenges, particularly in a time of economic crisis. Among the key solutions to be presented are how supply chain competitiveness can help countries tap into global markets and how employing trade and transport facilitation tools can remove bottlenecks in these supply chains and, particularly, at borders. An outcome paper and a background analysis will be published after the event.

Why are these issues important?

Although the development of global trade and transport has brought great prosperity to some, many countries have yet to benefit from these global integration processes. Countries that lack reliable trading environments with predictability, transparent transport and border crossing regulations and procedures, as well as affordable access to transport solutions, are at a clear disadvantage. They risk being marginalized both economically and eventually politically. The reasons why countries lack positive trade and transport environments can be many:

- Unfavourable geographic location
- Inadequate infrastructure and equipment
- Inefficient processes and procedures
- Scarce human resources and skills
- Limited private sector involvement
- Limited financing capacity to modernize systems
- Insufficient volume and diversification of trade
- Unfinished reforms and incomplete transitions to a market economy, etc.

UNECE Facilitation agreements help:

- Society – by improving transport competitiveness, safety, energy efficiency and security, as well as environmental protection and the effective contribution of transport to sustainable development
- Transport companies – by allowing them to operate more efficiently in an internationally harmonized transport environment, and avoid cumbersome and time consuming border crossing procedures
- Producers – by minimizing the costs of placing products on international markets and ensuring the establishment of effective global supply chains
- Consumers – by guaranteeing the quality of products at a reasonable cost



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Trade and transport facilitation needs a holistic approach, where the perspective of global and regional trading partners is also considered. Businesses need both physical and virtual interconnectivity to ensure the smooth flow of cargo, documents, information and payments. This also requires a regulatory environment which can make it easier for all stakeholders to trade and do business in a global environment. Agreed conventions, standards, norms and rules can help establish transparency and increase security and enforcement even beyond national borders in such diverse areas as transport services contracts and related liability regimes, data exchange, consumer protection and competition rules. Well functioning customs transit systems, like the TIR, are also crucial for efficient international transactions.

How can UNECE help?

UNECE has an integrated set of trade and transport facilitation tools that cover the entire transaction process, from the initial order to the final delivery of products to the customer, and receipt of payment thereof, and which cover all aspects of international mobility (cargo, vehicle, driver, infrastructure and border crossing conditions). These tools include legally binding conventions, standards, recommendations and projects, both in the field of trade and transport. Thus, in the area of transport UNECE has established 57 transport agreements and conventions which are negotiated by government representatives and become legally binding for countries which ratify or accede to them. These agreements and conventions create international safety, security and environmental standards for the transport of persons and goods and harmonized national regulations, making border crossings less complicated. They provide for the development of coherent infrastructure networks for road, rail, inland waterways and combined transport, as well as for the construction of vehicles and for safe carriage of dangerous goods and perishable foodstuffs.

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UNECE Harmonization tools

The following are just some examples of the tools UNECE has developed to facilitate both trade and international transport.

Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention) of 1975

The TIR Convention (1975) facilitates the international carriage of goods by road vehicles or containers. TIR stands for Transports Internationaux Routiers (International Road Transport). With 68 Contracting Parties, TIR is the only global transit system that makes it possible to avoid physical inspections of goods in transit, payments of taxes and duties for the goods en route, use of a national transit guarantee system, and national Customs documents and controls. In doing so, the TIR Convention reduces time spent at borders and lowers transport costs.

The blue plates with TIR in white letters are a familiar sight on all major roads in Europe and far beyond.

International Convention on the Harmonization of Frontier Controls of Goods of 1982

The “Harmonization Convention”, with 53 Contracting Parties, facilitates border crossing in the international transport of goods. By harmonizing various types of border controls and by laying down guidelines for both national and international border procedures, the Convention reduces their number and duration. In general, the Convention provides best practices for efficient controls of goods at border crossings — its effective implementation reduces time spent at a border, lowers transport costs and public expenditures. Thanks to the provisions of this Convention, more and more neighbouring countries now operate joint border posts, where cumbersome and often duplicating procedures have been replaced by a set of single, effective controls, thus saving time and resources for transport, trade and governments.

Recommendations and standards for international trade which reflect best practices in trade procedures as well as data and documentary requirements.

These tools are used worldwide to *simplify and harmonize international trade procedures and information flows* and the International Organization for Standardization (ISO) has adopted many of them as international standards.



Layout Key for Trade Documents

is now the international standard for

international trade documents. It is the basis for many key trade documents such as the European Union’s Single Administrative Document (SAD), the Freight Forwarding Instruction by FIATA (International Federation of Freight Forwarders’ Associations), UNECE’s Dangerous Goods Declaration and the Goods Declaration for Export (revised Kyoto Convention) by the World Customs Organization.

Another example, *Recommendation 25* (ISO 9735), the *UN/EDIFACT Standard*, is the international standard for Electronic Data Interchange (EDI). It is used throughout the commercial and administrative world and has led to substantial saving, for example in Chile where the introduction of EDI systems in customs led to savings of over US\$1 million per month, for a system cost of US\$5 million. (Source: World Trade Organization, 2000, “Trade Facilitation: Chile’s Experience with the Modernization of Customs Administration based on the Use of Information Technology.” (G/C/W/239))

Complementing these standards are a variety of recommendations on *codes for use in international trade* which ensure uniform applications and codification. Examples include the Code for *Trade and Transport Locations* (Recommendation 16), Codes for Modes of Transport (Recommendation 19), or the Code for *Representation of Names of Countries* (Recommendation 3).

Single Window (UN/CEFACT Recommendation 33). A Single window is a facility that allows parties involved in trade and transport to fulfil all import, export and transit-related regulatory requirements at a single point using standardized information. As a result, traders can submit all the information required by Customs and other government agencies, such as agriculture, health, transport, police, etc., only once through a single entry point — as opposed to the traditional approach of submitting information to each agency individually.

This results in enormous benefits for both traders and governments, in terms of time, costs saved and a massive increase in transparency. Further, this coordinated approach can greatly enhance security through the pooling of information for risk assessment and can increase government revenue through more consistent and streamlined processes. Recommendation 33 is the basis for many Single Window developments worldwide.

FACTS AND FIGURES

Required export document and required days to comply with export procedures in selected landlocked countries

<i>Required documents - export</i>			
Fewest		Most	
Austria	4	Burkina Faso	11
Switzerland	4	Kazakhstan	11
Czech Republic	4	Malawi	12
Luxembourg	5	Afghanistan	12
Hungary	5	Kyrgyzstan	13
<i>Required days - export</i>			
Fastest		Slowest	
Luxembourg	6	Afghanistan	74
Austria	7	Chad	78
Switzerland	8	Uzbekistan	80
Serbia	12	Tajikistan	82
Czech Republic	17	Kazakhstan	89

Source: World Bank, *Doing Business in Landlocked Economies 2009*

For more information see <http://www.unece.org/trans/main/itc/jointconference2009.htm>

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