FIRST REGIONAL WORKSHOP OF THE EATL PHASE II: FACILITATION OF EURO-ASIAN TRANSPORT IN THE ECO REGION

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History is repeating itself

Unemployment queue 1929

Unemployment queue 2009
Falling rates, a squeeze on credit and escalating costs

• Rates are down by up to 40% in the first quarter of 2009.

• Financial institutions are closing credit lines to road transport companies.

• Compared to 2008 costs are expected to rise by 3-4% in 2009, largely driven by new road user charges.

• Unstable oil prices could exacerbate the situation.
Jobs and businesses in road transport facing the axe

- New vehicle registrations down by 39% in February.
- Bankruptcies in the sector have doubled.
- Globally there has been an average 5% decrease in employment.
- 140,000 jobs already lost only in European road freight transport.
Governments aid banks, yet road transport more vital to trade!
In today’s globalised economy professional road transport is a vital production tool, interconnecting every business to all world markets.
Center?
Barriers to Road Transport Impede Development

- Each day of delay = reduces trade by at least 1%
- Each day of delay = 85 km of distancing from trade partners
- Poor trade facilitation affects the composition of trade
  - prevents countries to export time-sensitive goods
  - a day’s delay reduces a country’s relative exports of time-sensitive goods on average by 7%

Source: Economic and Policy Research Institute, TEPAV, Turkey. 2007
Physical distance to major markets:
  • Higher transport costs
  • Longer travel times

Predictability: key factor in transport
  • Changes in production processes
  • Just-in-time production
    - Reduced stocks: cost saving

Border waiting times
  • UN legal instruments and multilateral agreements

Trade barriers encourage red tape and illegal trade
Unnecessary export time caused by bureaucratic procedures

Days per container, 2008

- Kazakhstan: 80
- Uzbekistan: 80
- Kyrgyzstan: 70
- Russia: 55
- Ukraine: 30
- Iran: 20
- Bulgaria: 20
- Turkey: 10
- Georgia: 10

Source: UNECE 2009
Unnecessary export costs caused by bureaucratic procedures

Source: UNECE 2009
Globalisation of Trade and China


Source: WTO, 2008

Volume of FDI in China in 2000-2006

Source: WTO, 2007

USA and EU share in Chinese exports, %

Source: WTO, 2007
Evolution of sea containers in ports

Globale Container Overslag
1971
Interconnecting all the businesses along the reopened Silk Road
It worked for Marco Polo

If the Silk Road worked for Marco Polo then, why shouldn’t it work for trade and transport today?
Road transport tonnage distances in modern economies

- Less than 150 km: 84.9%
- 150-500 km: 11.9%
- 500-1000 km: 2.4%
- More than 1000 km: 0.9%
Interconnecting all the businesses along the reopened Silk Road

Key:
- Sea transport
- Land transport
China prepares to use historic Silk Road after 700 years again...

Are you ready for the re-opened Silk Road?
UN CONVENTIONS: Key to facilitation in the world
Contracting Parties to 56 UN Conventions – status at 6 June 2007
Contracting Parties in the Region as of 14 April 2008
Working together for a better future

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