UNESCWA Perspective on Global Challenges to the Future Development of Seaports as Interface with Inland Transport and Emerging Policy Recommendations

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Global Maritime Challenges

- **Domination of Developed Countries**
  - 35 Countries control 94% of Total DWT
  - 17 of 35 are Developed Countries: control 63% of DWT
  - 2 out of 35 are Arab Countries: control 2% of DWT

- **Domination of Major Carriers**
  - 20 Major Carriers control 60% of DWT
  - 25 Major Carriers control 60% of TEUs

- **Major Liners Conferences and Consortia**
- **Major Liners operation and management of Ports**
- **Port State Control**
- **Open registration of ships**
- **Cargo space allocation**
- **Subsidies**
- **Security controls**
- **Transfer of Labor**
Major Maritime and Inland Transport Challenges in the ESCWA Region

• **Infrastructure**
  - Limited Railways Network (60% non-existing; narrow gauge)
  - Lack of Road maintenance and harmonization

• **Operations and procedures**
  - Intraregional trade is approximately 10%
  - Border crossing formalities are cumbersome and time consuming
  - Imports take on average 40 steps and 20 signatures
  - Inefficient seaport operations and procedures

• **Legislative and Institutional frameworks**
  - No multimodal transport laws and operators
  - Inactive public-private mechanisms for transport and trade facilitation
  - No harmonized institutional and legislative frameworks
## Import Procedures (Steps and Signatures)

<table>
<thead>
<tr>
<th>Ports</th>
<th>Steps</th>
<th>Beirut Lebanon</th>
<th>Aqaba Jordan</th>
<th>Lattakia Syria</th>
<th>Alexandria Egypt</th>
<th>Dubai Emirates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agent &amp; Customs</td>
<td>7</td>
<td>5</td>
<td>8</td>
<td>7</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Agent &amp; Others</td>
<td>7</td>
<td>6</td>
<td>6</td>
<td>8</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Customs</td>
<td>10</td>
<td>10</td>
<td>13</td>
<td>13</td>
<td>4</td>
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<tr>
<td>Port</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>6</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Shipping agent</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Control authority</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Carrier</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td><strong>Total Steps</strong></td>
<td><strong>39</strong></td>
<td><strong>36</strong></td>
<td><strong>43</strong></td>
<td><strong>45</strong></td>
<td><strong>18</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total Signatures</strong></td>
<td><strong>18</strong></td>
<td><strong>16</strong></td>
<td><strong>24</strong></td>
<td><strong>24</strong></td>
<td><strong>4</strong></td>
<td></td>
</tr>
</tbody>
</table>
# Imports Procedures (Clearance Time)

<table>
<thead>
<tr>
<th>Port Country</th>
<th>Beirut Lebanon</th>
<th>Aqaba Jordan</th>
<th>Lattakia Syria</th>
<th>Alexandria Egypt</th>
<th>Dubai Emirates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clearance Time</td>
<td>5-7 days red line</td>
<td>4-6 days red line</td>
<td>5-6 days</td>
<td>3-10 days</td>
<td>4-6 hours</td>
</tr>
</tbody>
</table>
Goods Clearance Time

Days

Beirut: Minimum = 5, Maximum = 7
Aqaba: Minimum = 4, Maximum = 6
Lattakia: Minimum = 5, Maximum = 6
Alexandria: Minimum = 3, Maximum = 10
Dubai: Minimum = 0.2, Maximum = 0.3
## Cargo Control Systems

<table>
<thead>
<tr>
<th>Port Country</th>
<th>Beirut Lebanon</th>
<th>Aqaba Jordan</th>
<th>Lattakia Syria</th>
<th>Alexandria Egypt</th>
<th>Dubai Emirates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Container handling</td>
<td>Traditional</td>
<td>Traditional</td>
<td>Traditional</td>
<td>Traditional</td>
<td>High Tech</td>
</tr>
<tr>
<td>Tariff System</td>
<td>HS</td>
<td>HS</td>
<td>Invoice and Customs Price list</td>
<td>HS</td>
<td>HS</td>
</tr>
</tbody>
</table>
ESCWA Strategy

• Development of a regional integrated transport system (ITSAM)
• Improvements of infrastructures
• Improvements of trade flow operations, logistics and procedures throughout the supply chain, including ICT applications
• Legal and administrative reforms
Development of ITSAM: Methodological Framework

- **Major Systems:**
  - Integrated Transport System
  - Technical Control Systems
  - Socioeconomic Activity Systems

- **Major Prediction Models:**
  - Transport Performance Models
  - Transport Demand/Activity Models
  - Network Equilibrium Models
  - Socioeconomic Impact Models
Development of ITSAM: UN Conventions

- Agreement on International Roads in the Arab Mashreq (2001)
- Agreement on International Railways in the Arab Mashreq (2003)
- MOU on Maritime Cooperation in the Arab Mashreq (2005)
Development of ITSAM: Transport and Trade Facilitation (TTF)

- 10 Major TTF Recommendations endorsed by Member States and Arab Regional Transport Unions

- 9 National TTF Committees Established in Member Countries

- Major Challenges: Simplification and Automation of Procedures
ITSAM: Transport and Trade Facilitation

Recommendations

1. Simplification of procedures
2. Transparency
3. Integrity of practices
4. Automation and ICT
5. Institutional reform
6. Regulatory reform
7. Valuation and classification of commodities
8. Improved performance at border crossing points
9. Adoption of multimodal transport convention
10. Accession to existing international conventions and formulation of new regional ones as deemed necessary

• Considered 7 scenarios of improvements in seaports, customs, border crossing, and land transport procedures

• Expected economic benefits in five years estimated at US $1 Billion
Expected Economic benefits of the 7 suggested scenarios in the 3 countries in 2007

Million US Dollars

- Lebanon
- Syria
- Jordan
Connecting Africa, Asia and Europe

• UNDA Project on Developing Interregional Land and Land-Sea Transport Linkages (2002-2007; USD 1.25 M)

• Partners: ECA, ECE, ESCAP, ESCWA and ECLAC

• Project Coordinator: ESCWA

• Major Joint Accomplishment: Identification of Interregional Land and Land-Sea Transport Linkages connecting Africa, Asia and Europe 07
Policy Recommendations

1. Develop and Implement an Integrated Transport System
2. Develop policies that protect developing countries
3. Implement Transport and Trade Facilitation policies along the entire supply chain
4. Reform institutions and regulations
5. Adopt a multimodal transport convention
6. Accede to major existing international conventions and formulate new ones as deemed necessary
7. Develop port communities
8. Develop logistics centers
Thank you