Modernization of the transit process – opportunities offered by TIR

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Konstantinos Alexopoulos
TIR Secretary
Chief Transport Facilitation and Economics
Sustainable Transport Division
UNECE
UNECE Sustainable Transport Division

Goal: a universally harmonized inland transport system

59 conventions, 1754 Contracting Parties

Number of agreements

<table>
<thead>
<tr>
<th>Number of agreements</th>
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<tr>
<td>0</td>
</tr>
<tr>
<td>1-10</td>
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<tr>
<td>11-100</td>
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<tr>
<td>&gt; 100</td>
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76 CONTRACTING PARTIES, 62 OPERATIONAL COUNTRIES, 1,000,000 TIR CARNETS, 33,500 HOLDERS

19 landlocked countries and 11 of 32 LLDCs are Contracting Parties to TIR Convention
The specific goals and objectives are:

(a) To promote unfettered, efficient and cost-effective access to and from the sea by all means of transport, on the basis of the freedom of transit, and other related measures, in accordance with applicable rules of international law;

(b) To reduce trade transaction costs and transport costs and improve international trade services through simplification and standardization of rules and regulations, so as to increase the competitiveness of exports of landlocked developing countries and reduce the costs of imports, thereby contributing to the promotion of rapid and inclusive economic development;

(d) To effectively implement bilateral, regional and international legal instruments and strengthen regional integration;
What is TIR Convention about...

**Secure Vehicles or Containers**
Goods shall be carried in containers or road vehicles the load compartments of which are constructed in such a way that there shall be no access to the interior when secured by a customs seal and that any tampering will be clearly visible.

**International Guarantee**
The international guarantee system was designed to ensure that customs duties and taxes at risk during transit operations are covered, at any moment, by a national guaranteeing association, in the event that such payment cannot be obtained from the directly liable person(s).

**TIR Carnet**
The TIR Carnet is an international customs document and constitutes the administrative backbone of the TIR system. It also provides proof of the existence of an international guarantee.

**Mutual Recognition of Customs Controls**
Goods carried under the TIR procedure in sealed load compartments of road vehicles or in containers will not, as a general rule, be examined at customs offices en route, and that is where the main advantages of the TIR system for the transport operator come into play.

**Controlled Access**
The conditions and requirements for the authorization, by national competent authorities (usually customs authorities), of national associations to issue TIR Carnets and to act as guarantor are stipulated under Annex 9 of the Convention.
How it works
Association and Int. Org.: Article 6

Para. 2bis An international organization shall be authorized by the Administrative Committee to take on responsibility for the **effective organization and functioning of an international guarantee system**. The authorization shall be granted as long as the organization fulfils the conditions and requirements laid down in Annex 9, Part III. The Administrative Committee may revoke the authorization if these conditions and requirements are no longer fulfilled.

Exp. Note to 2bis ...The agreement shall also apply to the responsibilities of the international organization set out in Annex 8, Article 10 (b), in case the **centralized printing and distribution of TIR Carnets** is performed by the above-mentioned international organization...
Association and Int. Org.: Article 6

Para. 1. Each Contracting Party may authorize associations to issue TIR Carnets, either directly or through corresponding associations, and to act as guarantors, as long as the minimum conditions and requirements, as laid down in Annex 9, Part I, are complied with. The authorization shall be revoked if the minimum conditions and requirements contained in Annex 9, Part I are no longer fulfilled.

Para. 2. An association shall not be approved in any country unless its guarantee also covers the liabilities incurred in that country in connection with operations under cover of TIR Carnets issued by foreign associations affiliated to the same international organization as that to which it is itself affiliated.
Intermodal: Article 2 and the Comment thereto

• This Convention shall apply to the transport of goods...provided that some portion of the journey between the beginning and the end of the TIR transport is made by road.

• During a non-road leg, the holder of a TIR Carnet may either:
  • ask the Customs authorities to suspend the TIR transport in accordance with the provisions of Article 26, paragraph 2 of the Convention...the TIR transport could be easily resumed at the Customs office situated at the end of the non-road leg in another Contracting Party; or
  • use the TIR procedure.
Full computerization of the TIR procedure to become an international paperless transit system by replacing entirely the use of paper TIR carnets

TIR Carnets will be replaced by exchanges of electronic messages via a central data exchange platform, the so-called eTIR international system

Underlying guarantees offered by the TIR Carnets will be replaced by e-guarantees

All stakeholders should be interconnected with the eTIR international system
In black: messages going from the stakeholder to the eTIR international system
In blue: messages going from the eTIR international system to the stakeholder
ITDB’s role in:

**Country of Departure**
- New Holder
  - Ensure data access and control to all Contracting Parties
  - Foster information exchange between the TIR stakeholders
  - Master Data custodians
- New TIR transport
  - National Association
  - Customs

**Country en route**
- Holder
  - Check Holder statuses and exclusions in Real-time / Manage their own country holders
  - Approve holder change proposals coming from National Associations / Update their Stamps and Seals info / Update their Customs Offices info / Update their contact info
- Customs

**Country of Destination**
- Holder
  - Maintain Holder info and statuses
  - Submit Holder information changes to the corresponding Customs authorities for approvals
- Customs
  - National Association
  - Holder

**eTIR**
- Check Holder statuses and exclusions in Real-time / Manage their own country holders
- Approve holder change proposals coming from National Associations / Update their Stamps and Seals info / Update their Customs Offices info / Update their contact info

**UNECE**
- Consult TIR Customs Offices info to establish itinerary
- Uses National Associations and Customs Offices contact info
Benefits

- **Improve efficiency and security** in cross border trade and transport procedures by providing systematic availability of advanced information.

- **Reduce the risk of fraud** by securing all information exchanged between actors.

- **Boost trade through transport facilitation** by reducing the time spent at borders for customs processes.

- **Increase the effectiveness of Risk Assessment** processes by providing accurate and advanced information on cargo.
Status

eTIR Pilots

UKR - GEO - AZE - KAZ
Intermodal corridor

AZE-IRN
eTIR pilot project

GEO-TUR
eTIR pilot project

IRN-TUR
eTIR pilot project (extension to all bilateral transports)
Average Customs clearance times for imports through trade facilitation (hours)

<table>
<thead>
<tr>
<th>Economy</th>
<th>Before trade facilitation</th>
<th>After trade facilitation</th>
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<tbody>
<tr>
<td>New Zealand</td>
<td>240</td>
<td>0.2</td>
</tr>
<tr>
<td>Singapore</td>
<td>48.96</td>
<td>0.25</td>
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<tr>
<td>Greece</td>
<td>5-6</td>
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<tr>
<td>Republic of Korea</td>
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<td>0.75</td>
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<td>Costa Rica</td>
<td>144</td>
<td>02-1.9</td>
</tr>
<tr>
<td>Peru</td>
<td>360-720</td>
<td>2-24</td>
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Source: UNECE/OSCE Handbook

TIR EPD Green Lanes in Kapikule Turkey

up to 40% saved in transport time and costs with the TIR-EPD Green lanes
Status

WTO TRADE FACILITATION AGREEMENT

Art. 1: Publication and availability of information
Art. 5: Other measures to enhance impartiality, non-discrimination and transparency
Art. 7: Clearance of goods
Art. 8: Border agency cooperation
Art. 9: Movement of goods intended for import under customs control
Art. 10: Formalities connected with importation, exportation and transit
Art. 11: Freedom of transit
Art. 12: Customs cooperation

Number of TIR Carnets vs. Global GDP growth rate

UN Transport Conventions & International supply chains
- Cargo is transported across borders in a faster and more secured manner.
- Transit documents and guarantees are recognized internationally.
- Border controls are fewer and more coordinated.
- Transits are safer and reliable.

Progress in the ratification of the TIR/Harmonization Conventions by landlocked countries

Very slow progress
Thank you!

More information on eTIR here: