


United Nations Economic Commission for Europe 

**Transport and border crossing operations:
Selected governance and economic issues**

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18th OSCE Economic and Environmental Forum
1-2 February 2010, Vienna, Austria

United Nations Economic Commission for Europe

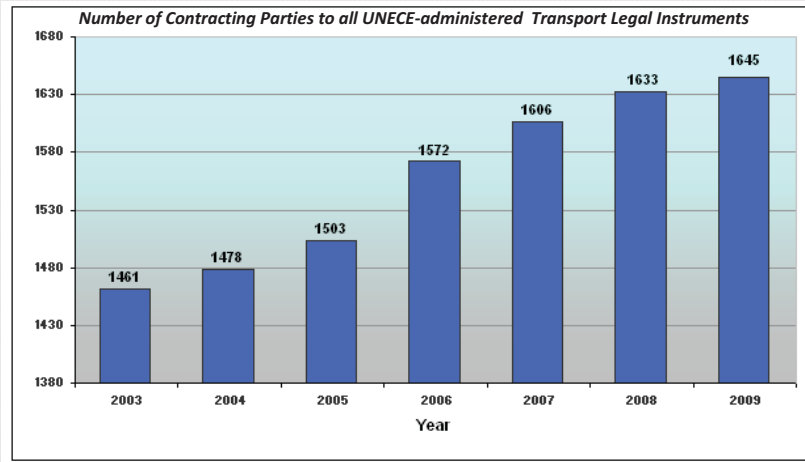
Transport Division: a global centre for international legal instruments



- Administrator of 57 international conventions and agreements
- Road, rail, inland waterways and combined transport
- 33 trade facilitation recommendations

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Legal instruments administered by UNECE



- Over 1,600 Contracting Parties, growing demand, global in scope
- A solid foundation for any transport system – regional or global

3

International legal instruments: key issues

Investment in accession and effective implementation leads to closer economic **integration**

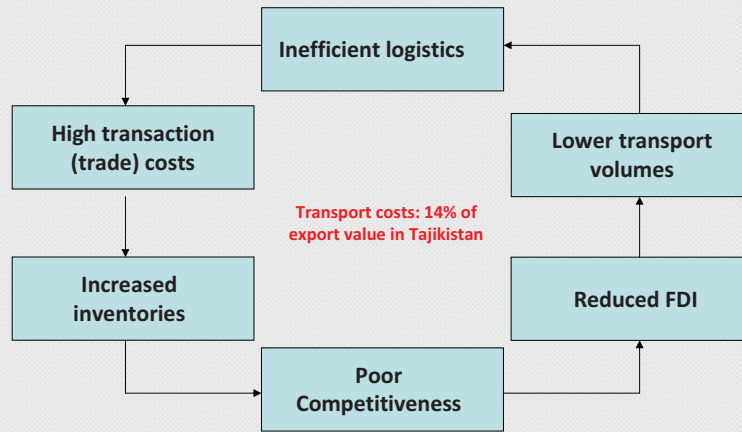
Integration: better cross-border relations, cheaper trade, higher investment, economic growth and greater economic stability

Many countries either **do not accede** or do not effectively implement **transport** conventions

Explain the costs and benefits of accession and assist in effective implementation

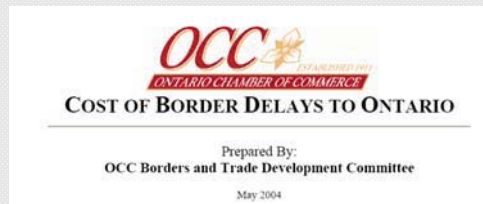
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Costly and unpredictable transport/customs discourage trade/investment and make firms/national economies less competitive



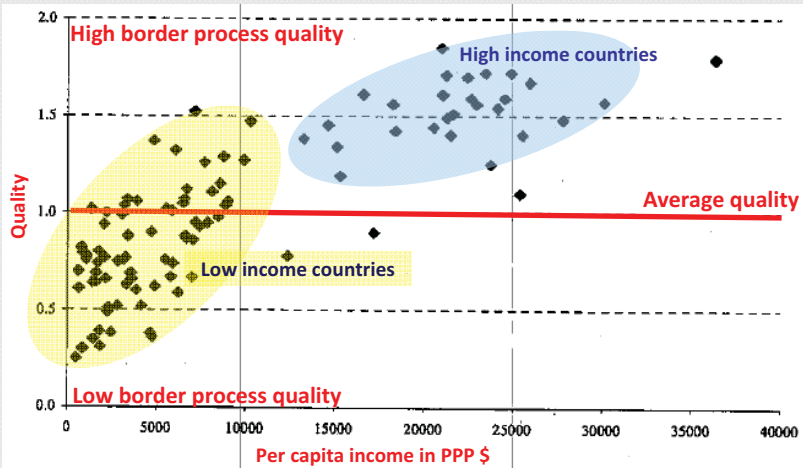
Source: Based on T. Naula and K. Rasulov, Simplification of export and import procedures in the Republic of Tajikistan, June 2007.

The time spent waiting at borders is costly to businesses and national economies



- About \$600 million in trade crosses the Ontario-US borders everyday
- Delays cost Ontario's economy \$5.25 billion a year in lost production, revenue, investment and tourism
- In the automotive industry: a delay of 1hr results in \$100,000 in lost revenue
- Just-in-time logistics: increase inventories at a cost of \$1 million for every additional hour of stock

A country does not need to be rich to have a high quality border process



Source: Overcoming Border Bottlenecks, OECD Trade Policy Studies, 2009, p. 25.

Efficiency of customs operations varies widely across countries

Customs clearance and technical control, FSU regional averages, 2007 (2009)

	EXP	ORTS	IMP	ORTS
	Days	Cost (\$)	Days	Cost (\$)
Central Asia	8 (8)	180(188)	11(11)	193(225)
Caucasian Countries	4(3)	120(163)	4(4)	58(192)
European Countries	3(3)	200(203)	5(5)	205(195)
Baltic States	1(1)	68(70)	2(2)	68(70)

Source: World Bank, www.doingbusiness.org, Turkmenistan not included.

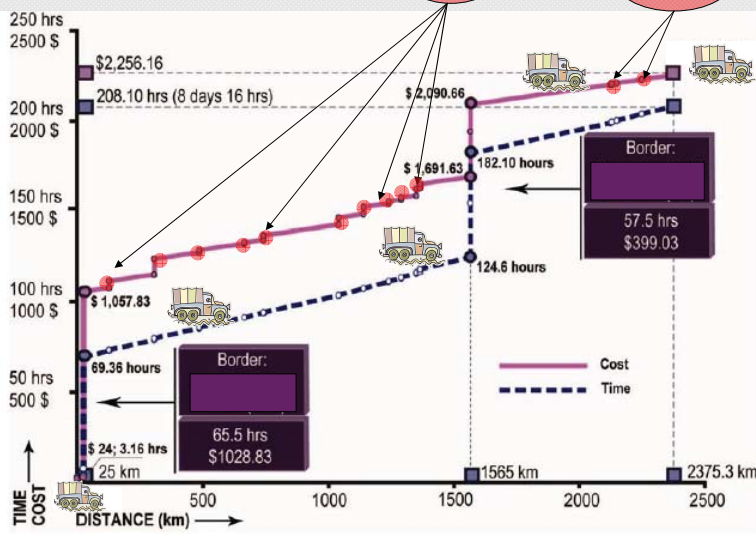
The unpredictability at borders (or waiting for goods to be released/cleared) is costly to businesses and national economies



Border waiting times

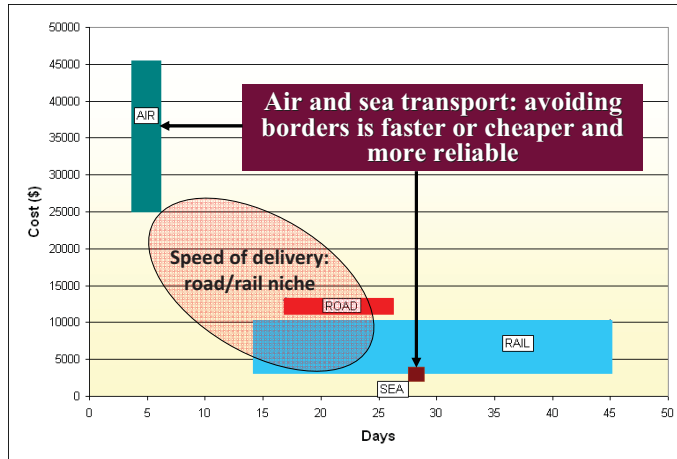


In some countries, numerous controls also occur en route



Source: UNECE/UNESCAP Joint Study on Developing Euro-Asian Transport Linkages, 2008, p. 131.

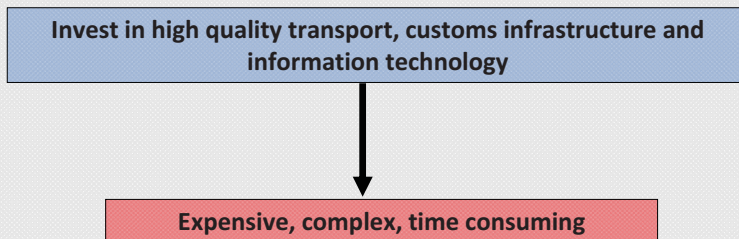
China-Europe trade: 99 per cent maritime-based (by weight)



Freight costs and scheduled transit times, China to Western Europe, (40 foot container or equivalent)

Source: Land Transport Options between Europe and Asia: Commercial Feasibility Study, US Chamber of Commerce, July 2006.

How to reduce "the economic distance"?



How to reduce "the economic distance": construct new roads

Distance Bishkek - Warsaw	4,480km	
Cost of new road, 2 lanes	\$6.25 million/km	
Total cost		\$28 billion
Average speed	32km/h	96km/h
Time travelled - no customs	5.8 days	1.9 days
Reduction due to construction		3.9 days
Max. time spent at borders		4.5 days
Min. time spent at borders		0.4 days
Reduction due to faster customs		4.1 days

Expensive, complex, time consuming

Note: construction of transport infrastructure can of course be beneficial

How to reduce "the economic distance": focus on borders

Globally, 75% of delays happen at borders and are not due to transport infrastructure

Improve customs and other border agencies performance through better domestic inter-agency co-ordination and cross-border international co-operation

Cheap, simple, immediate results

Investment in border crossing facilitation is cheap (sometimes costless)

The UNECE International Convention on the Harmonization of Frontier Controls of Goods

Goal

Reduce number and duration of border controls

Cheap

Implementation does not require large financial outlays, but mainly administrative/organizational measures

Examples

Joint controls of goods and documents through the provision of shared facilities

Same opening hours and same types of services at the same border

Promotion of the one-stop-shop principle for border controls

Single border controls usually are well performed, but ineffectively co-ordinated across all border services

Stage of the border crossing process	Average time (h:m:s)
side	
1. Time between stop of the car at the end of the waiting line and entry to the area of BCP	06:50:11
2. Time between entry into the BCP area and first control	02:25:54
3. Weighing	00:09:34
4. Passport control	00:04:57
5. Veterinary control (where applicable)	00:07:00
6. Phytosanitary control (where applicable)	00:18:09
7. Customs control	00:08:02
8. Total time for control by all services (3+4+5+6+7)	00:47:38
9. Time between completion of clearance by border services and exit from the BCP area	02:11:26
10. Total time at the side (1+2+3+4+5+6+7+9)	12:15:07
11. "Black" waiting time ((1+2+9)	11:27:31
side	
12. Passport control	00:02:04
13. Sanitary control	00:08:31
14. Road inspection control	00:03:47
15. Customs agents	00:09:58
16. Registration of cargo by border services	00:04:39
17. Veterinary control	00:21:17
18. Phytosanitary control	00:09:00
19. Customs control	00:16:14
20. Total time spent on the side	01:17:09
21. Total time spent at the border (side)	13:32:19

92% waiting

Sequential controls instead of simultaneous

Source: Measurement of border crossing time, Laufzettel project, EST/FIN/PL/RUS, Baltic Sea Customs Conference, Warsaw, 2004