



Economic Cooperation Organization (ECO)

**121st Session of the UNECE Working Party on Customs
Questions Affecting Transport**

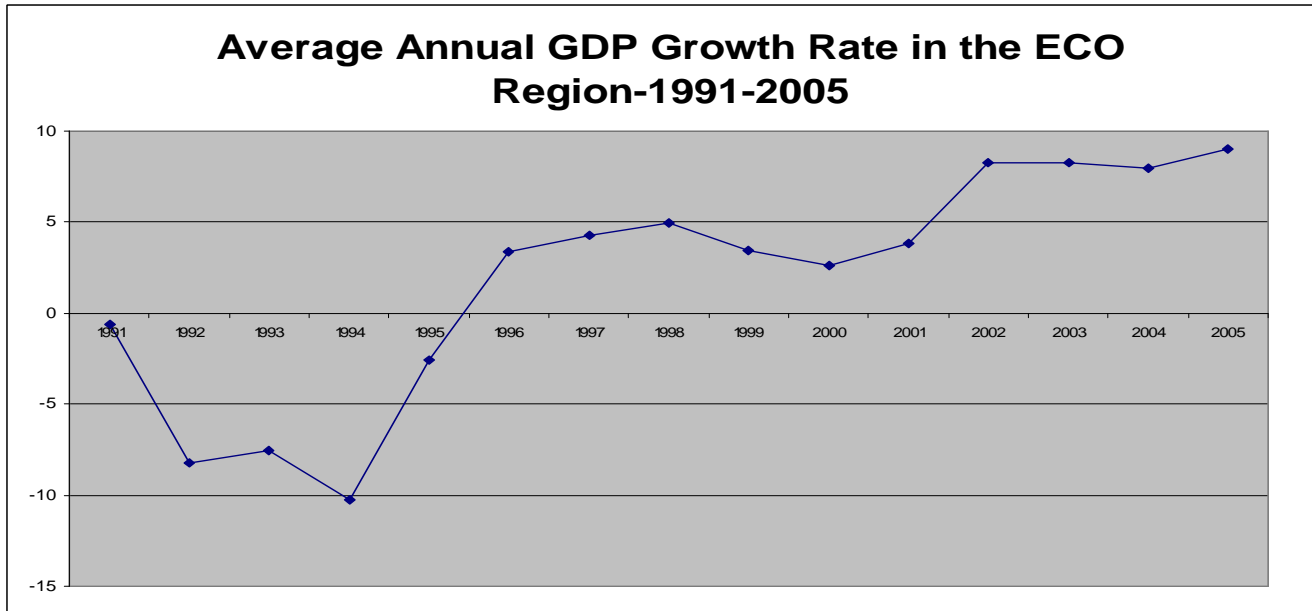
(March 2-6, 2009- Geneva)

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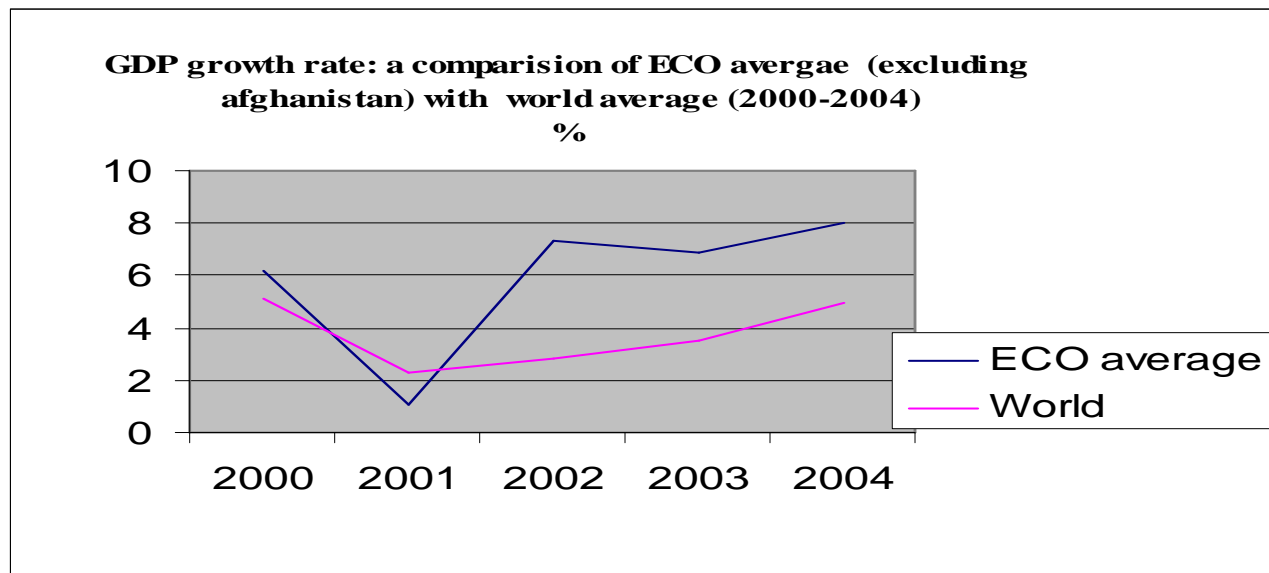


ECO Main Areas of Activity

- Trade and Investment
- *Transport and Communications*
- Energy, Minerals and Environment
- Agriculture, Industry and Tourism
- Human resource and sustainable development
- Project and Economic Research and statistics



- Increasingly growing in term of international stature and weight.
- The GDP rate in ECO region has grown at a rate well above the world average. In 2005 the GDP in ECO region was 9%, which was much higher than the world average.



ECO Trade (Billion US \$)

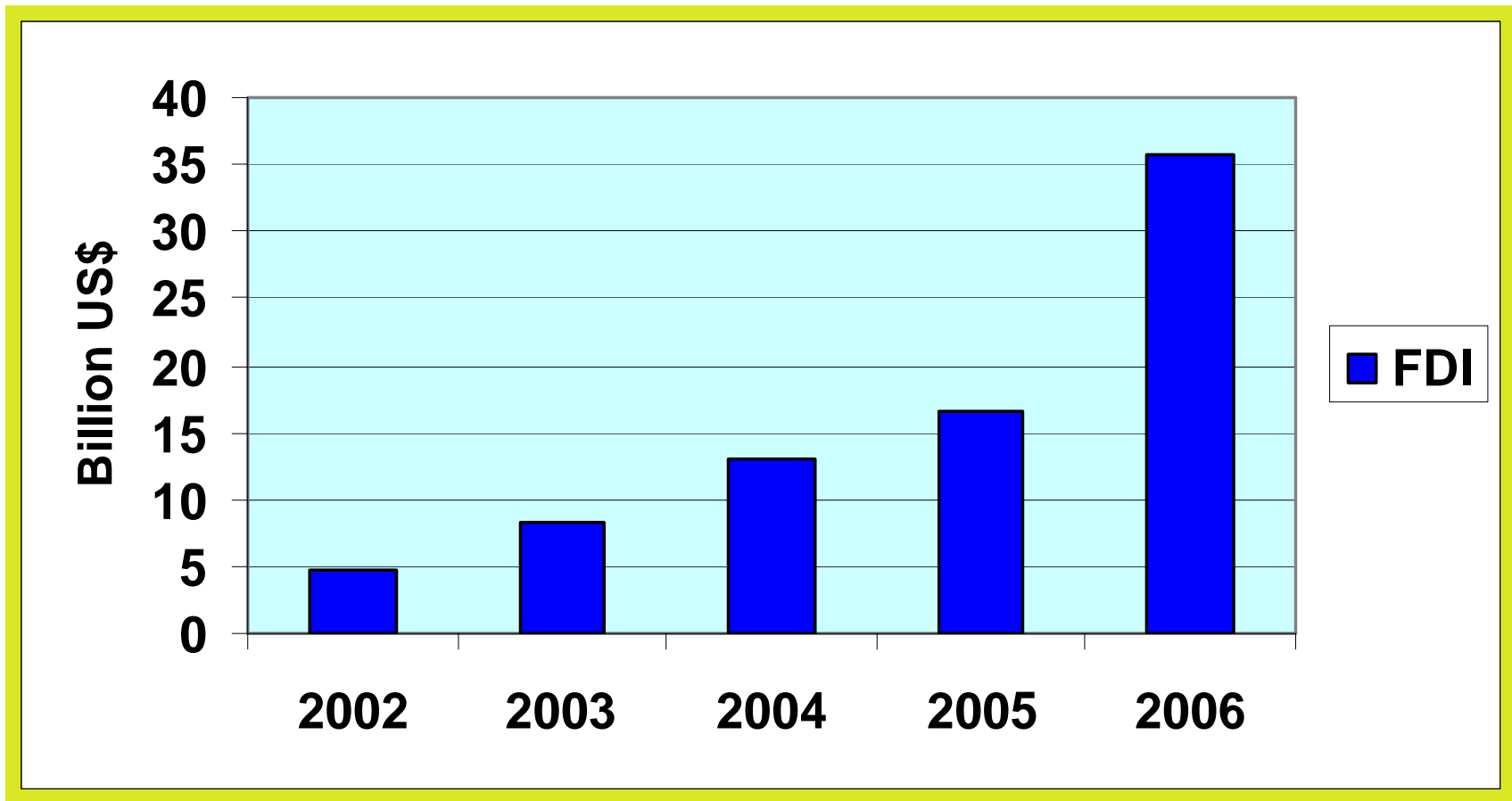
	2002	2003	2004	2005	2006
Exports	94.7	120	157.9	198.9	228.1
Imports	103.8	134.7	184.5	222.3	255.4
Total Trade	198.5	254.7	342.4	421.2	483.5
Exports (Annual % change)	14.9	26.7	31.6	26.0	14.7
Imports (Annual % change)	17.6	29.8	37.0	20.5	14.9

- Intra regional Trade Volume: (from **10 billion US\$** in 2002 to **29 billion US\$** in 2005)
- Intra Export Ratio of the ECO Region (from **6.0%** in 2004 to **7.1%** in 2005)

Projected Trade Figures for 2010 (Billion US \$)

Projection	Imports	Exports	Total Trade
2010	628.28	549.721	1177.91

FDI trends in ECO Region



Trade and Investment:

I. ECO-TRADE AGREEMENT (ECOTA)

1. Tariff liberalization: Tariffs for 80% of tradable commodities will be reduced to less than 15% within 8 years
2. Removal of Non-Tariff Barriers with two years

II. The ECO Trade and Development Bank (ECO-TDB) established in Istanbul

II. Promotion of Intra regional trade (Buyers-Sellers meetings, trade fairs, business forums)

III. Assistance to member states in WTO accession

IV. Regional cooperation in the field of customs through the CHCA

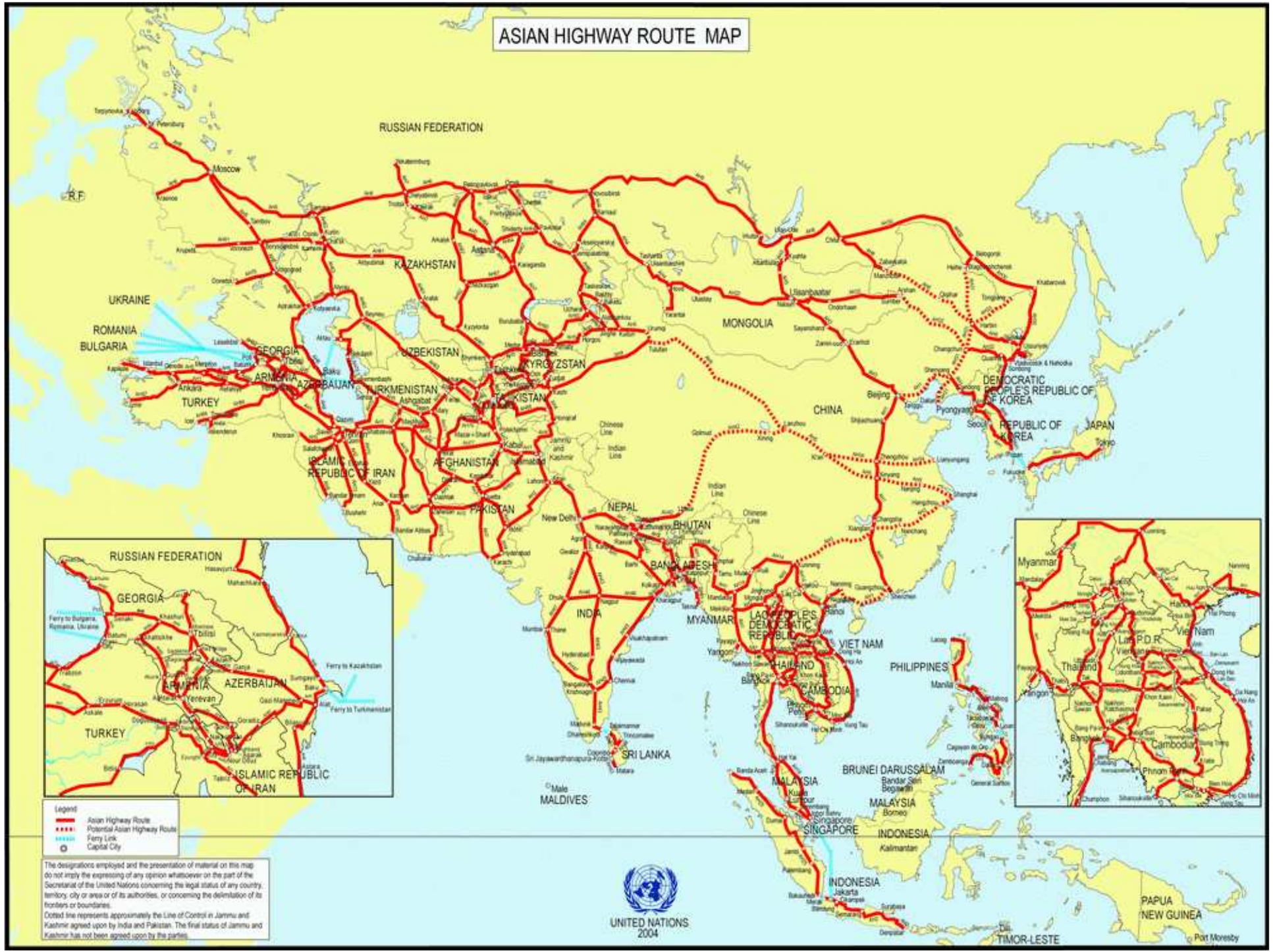
- 1- The ECO Agreement on Mutual Administrative Assistance in Customs Matters
- 2- Agreement on establishment of ECO Smuggling and Customs Offences Data Bank
- 3- TTFA

International and Regional Corridors Passing through ECO Region

ECO Region is the cross road of main international north-south and east-west corridors and important road and rail projects



ASIAN HIGHWAY ROUTE MAP



TRANS-ASIAN RAILWAY NETWORK



Track Gauges

- 1,676 mm
- 1,520 mm
- 1,435 mm
- 1,067 mm
- 1,000 mm
- 1,000/1,435 mm
- - - - - TAR LINK - PLANNED/UNDER CONSTRUCTION
- POTENTIAL TAR LINK
- POTENTIAL TAR LINK TO BE CONSIDERED
- BREAK-OF-GAUGE
- FERRY CROSSING



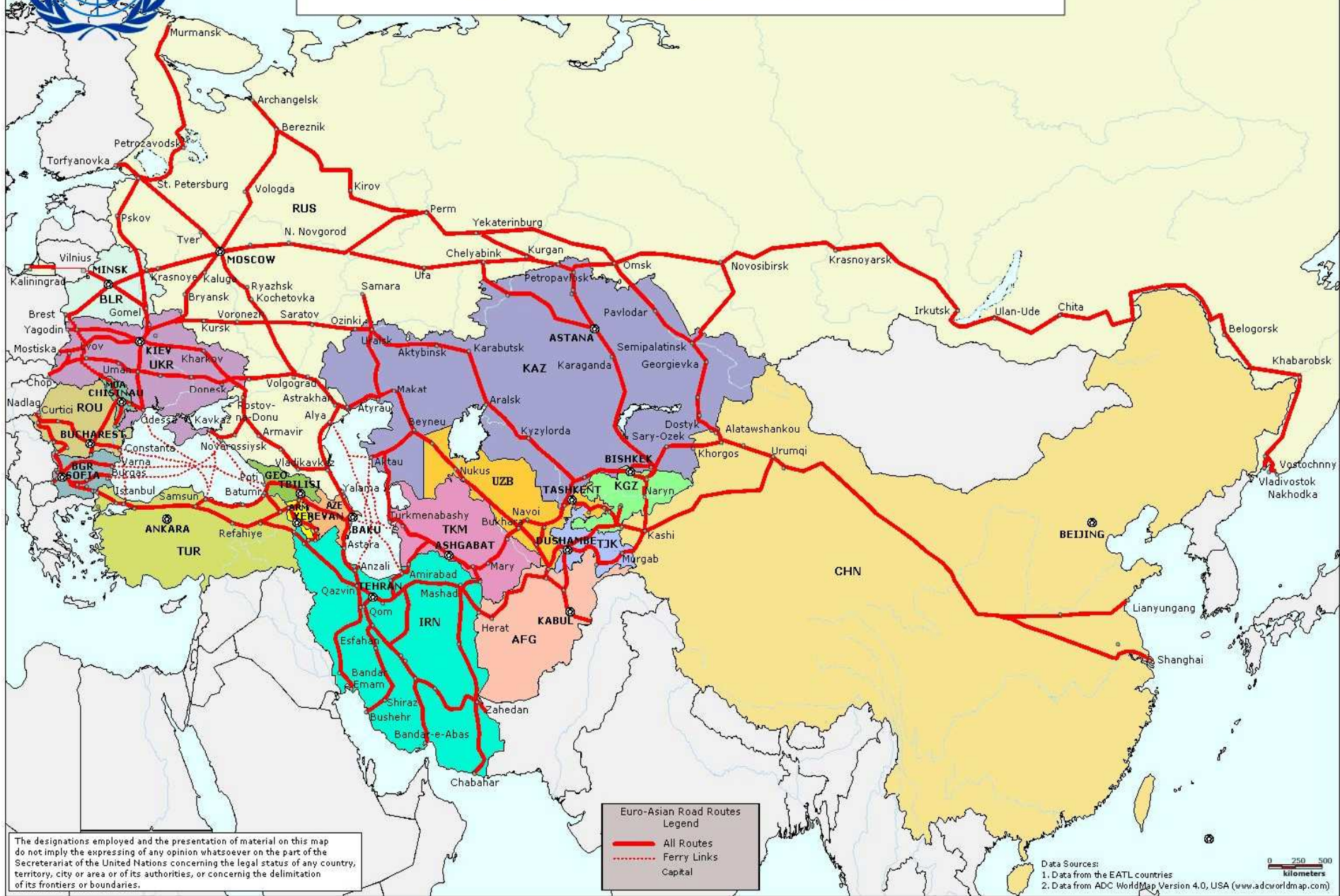
UNITED NATIONS
November
2006

The designations employed and the presentation of material on this map do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Dotted line represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Jammu and Kashmir has not been agreed upon by the parties.



UNECE-UNESCAP Euro-Asian Links Project DRAFT ROAD ROUTES



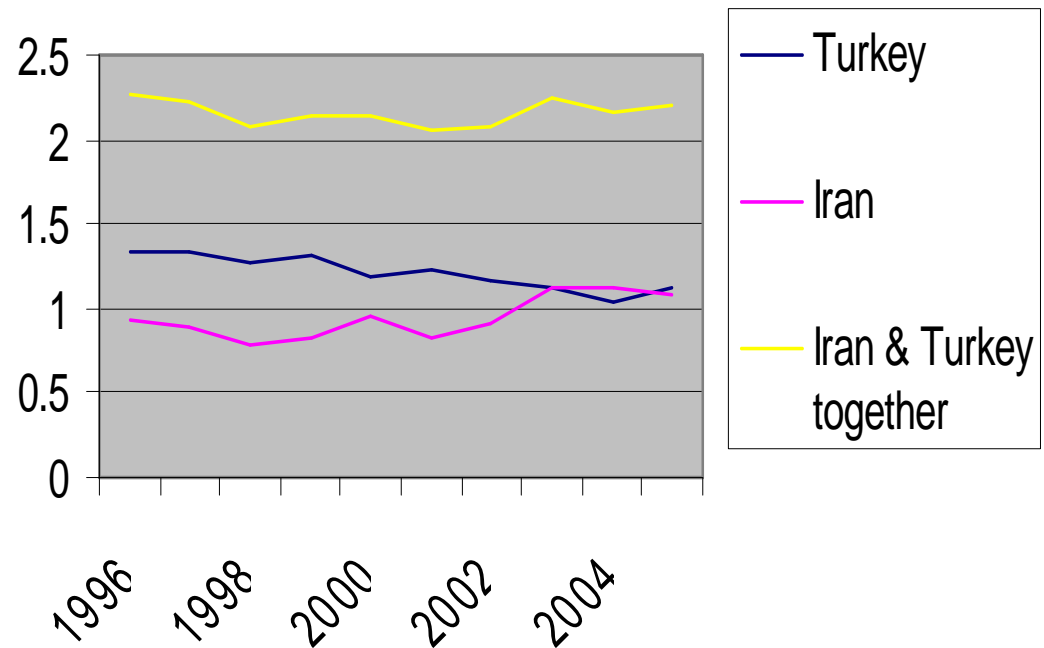
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A more detailed look at the status of Iran and Turkey in the world merchant fleets.

These two ECO Member States are among the top 20 most important maritime countries in the world. In the period Turkey has ranked between 17-20th and Iran between 18-23rd in the world. Overall, their status has got even stronger since 2002. The share of Iran in the world dwt tonnage increased from 0.93% in 1996 to 1.08% in 2006, but that of Turkey decreased from 1.34% to 1.11%. Together they held 2.19% of the world total tonnage in 2005.

Rank in 35 most important maritime countries in the world		
	Iran	Turkey
1996	21	19
1997	21	19
1998	23	18
1999	22	18
2000	20	18
2001	23	17
2002	19	17
2003	18	19
2004	19	20
2005	20	19

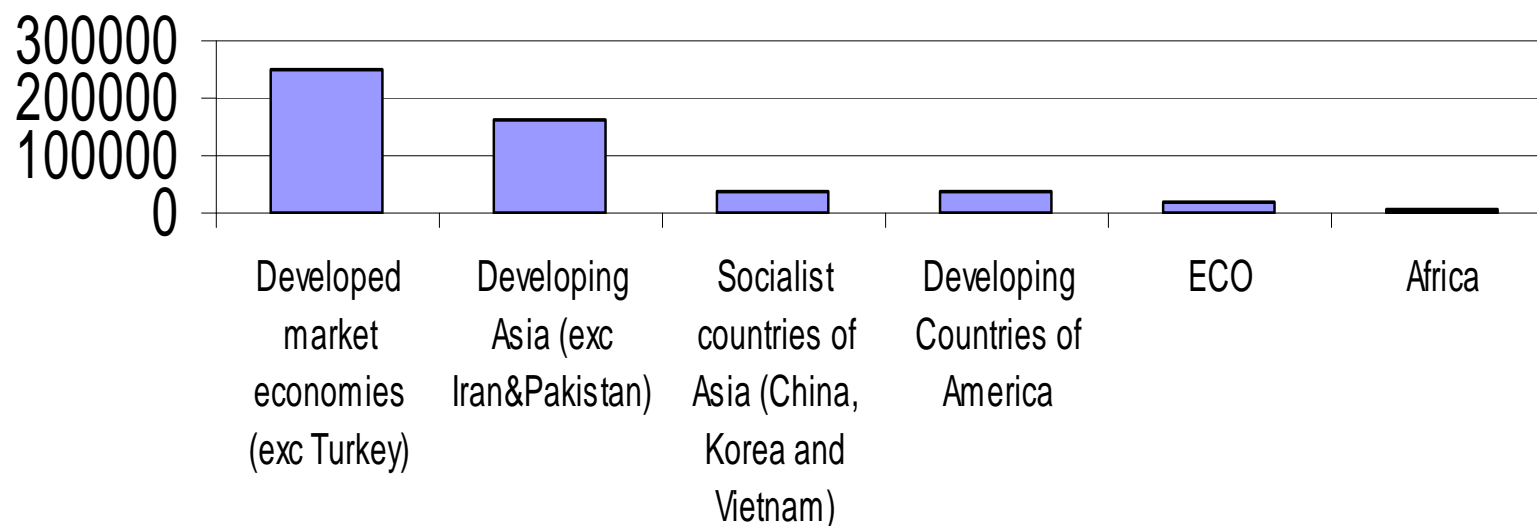
Deadweight tonnage of Iran and Turkey as a percentage of world total



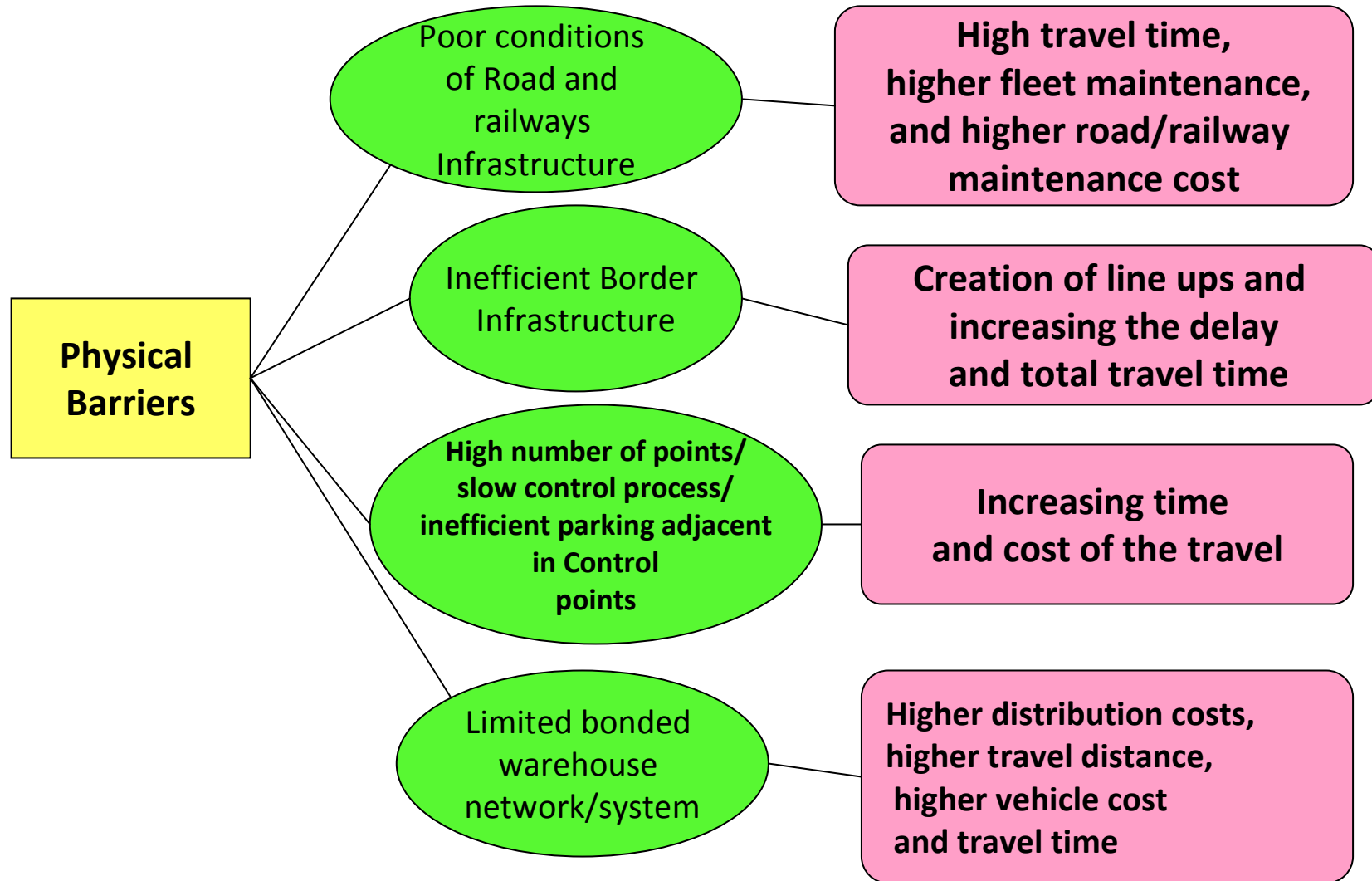
ECO Region has a weight in merchant fleets among country groups

The size of merchant fleets of ECO region is about three times bigger than that of the whole African countries, 50% of developing countries of America, 50% of Socialist Asian countries (China, North Korea and Vietnam), 10% of developing Asian countries and about 7% of developed market economy countries.

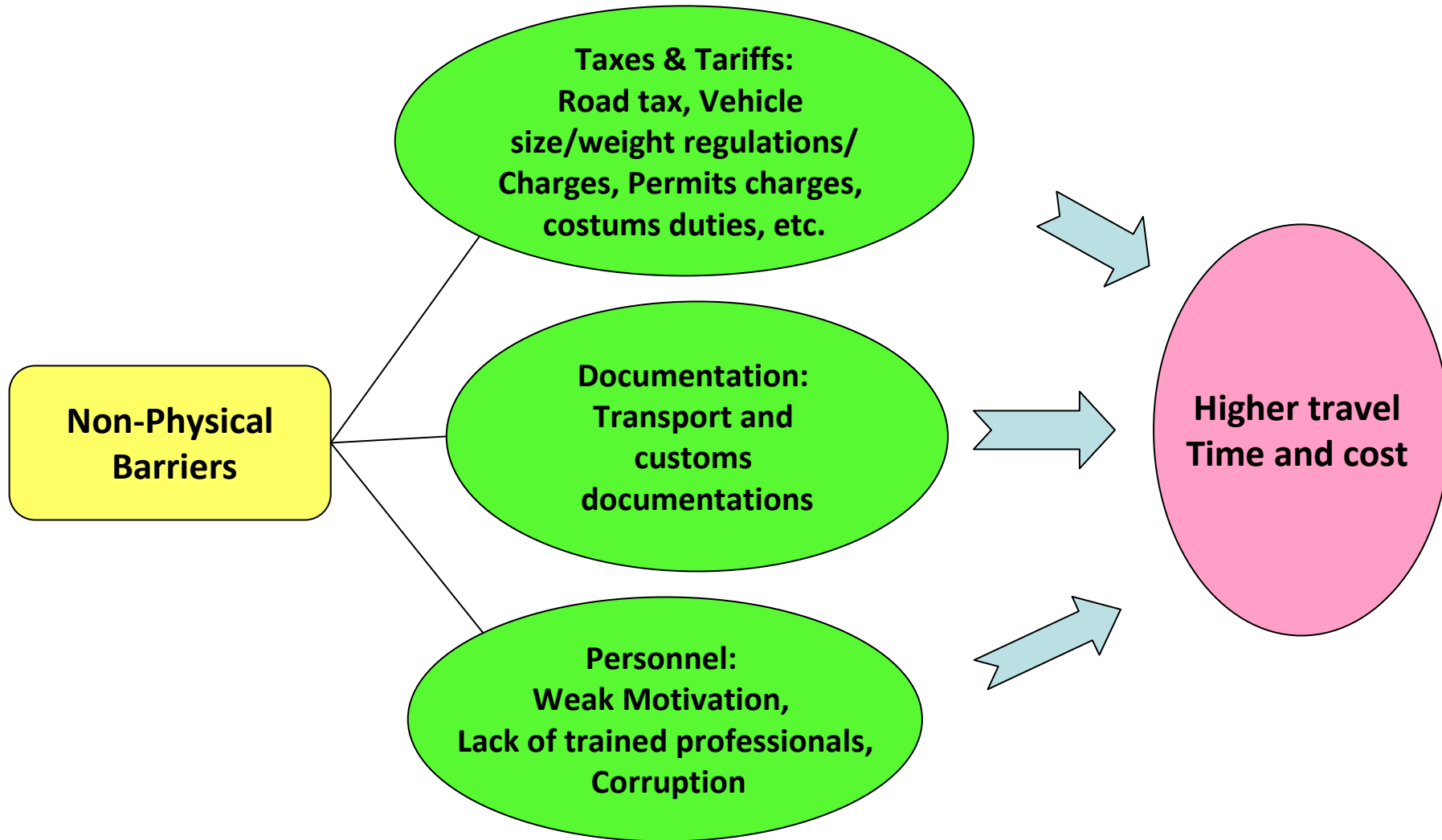
A comparison of the size of ECO merchant fleets to selected regions, continents (in thousands of dwt), 2005



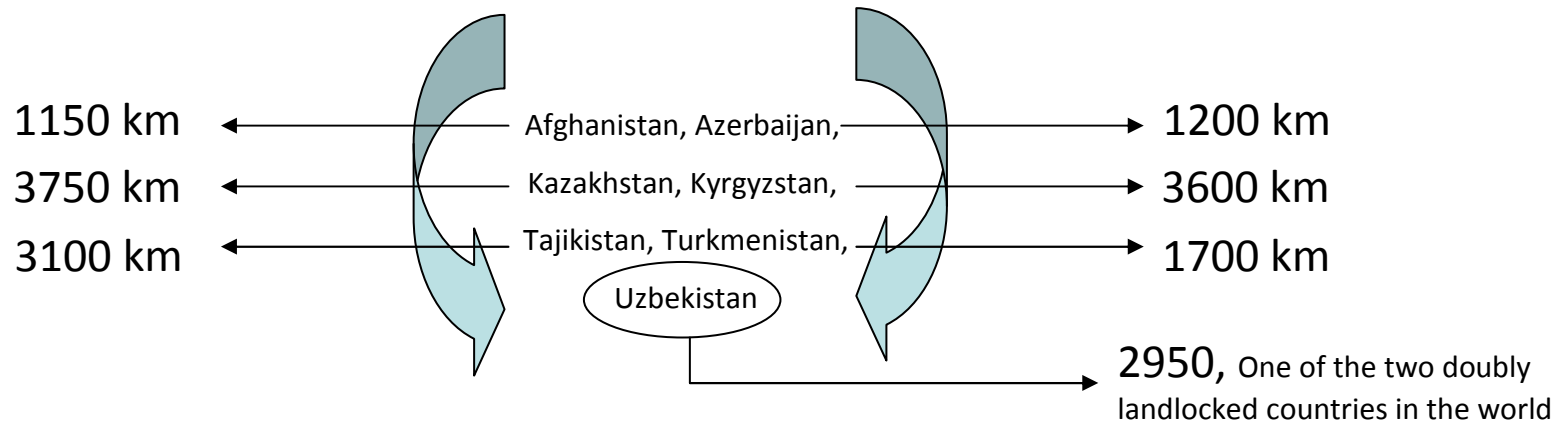
Transport Challenges and bottlenecks in ECO Region



Bottlenecks (continued...)



2. Seven ECO Member States are land-locked



Lack of territorial access to the sea:

- It imposes serious constraints on the overall **socio-economic development** of landlocked developing countries.

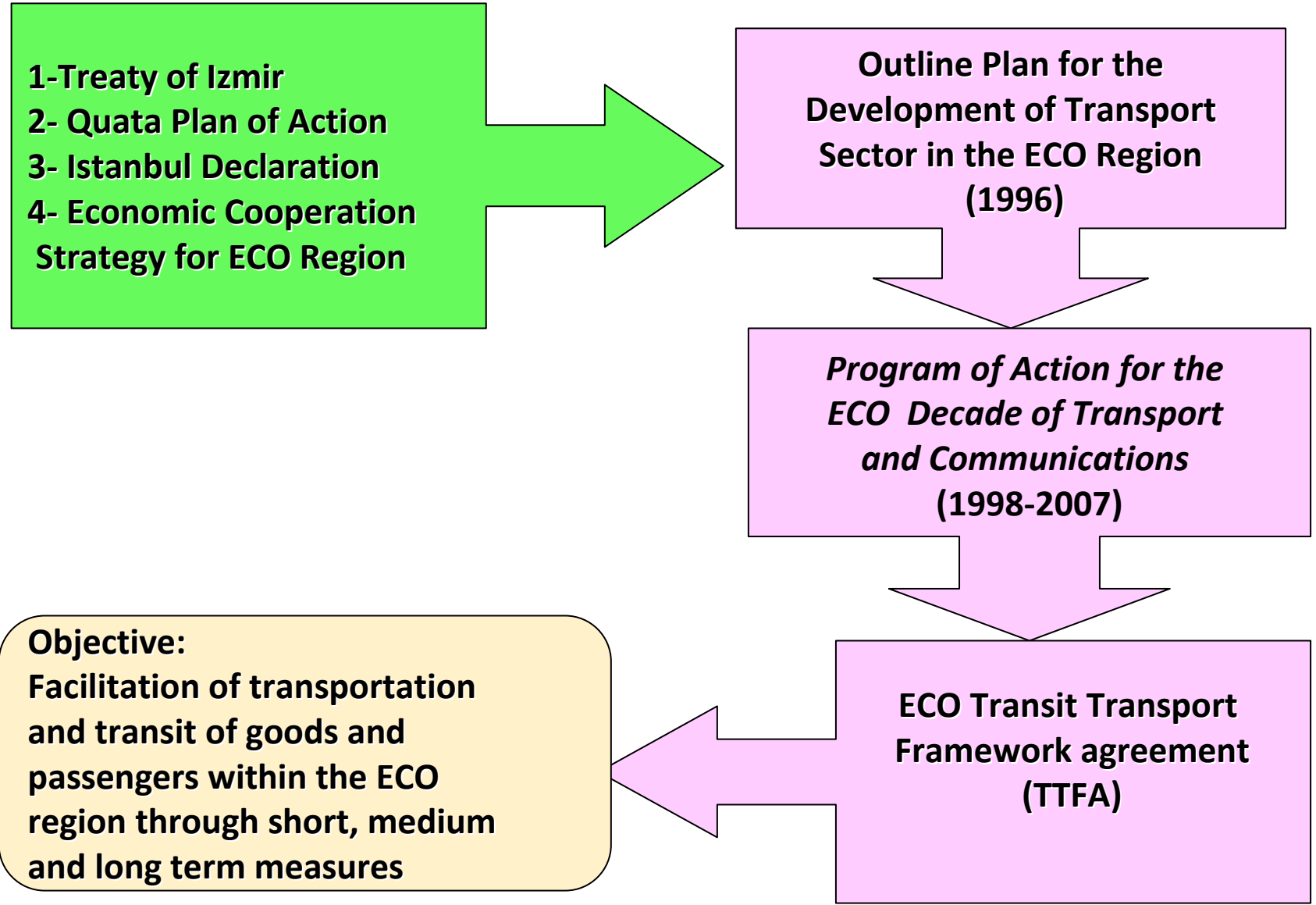
It bears serious impacts on the **economic performance** of landlocked developing countries, which are typically heavily dependent on a very limited number of commodities for their export earnings.

- **The remoteness** from major world markets is the principal reason why many landlocked developing countries have not been very successful in mitigating the consequences of being land locked.

- **The distances** involved in most cases of landlocked developing countries are excessive. Kazakhstan has the longest distance from the sea (3,750 km) in the world.

- There is a clear correlation between **distance** and the **transport costs**. High transport costs erode the competitive edge of landlocked developing countries and trade volume. High transport costs for them have become a far more trade restrictive barrier than tariffs.

ECO Basic Documents and policy Guidelines For Transportation and Communications :



Program of Action for the ECO Decade of Transport and Communications

(1998-2007)

- 1- Elimination of Non-Physical Barriers on Main Transit-Transport Routes of the ECO Region.
- 2- Development of Physical Infrastructure of “East-West” and “North-South” Transport Corridors.
- 3- Development of Telecommunications and Postal Links in the ECO Region.

The Transit Transport Framework Agreement (TTFA) is the main vehicle to enhance cooperation in the field of transit transport in the region.

Signed: May 1998

Scope: Signed by all Member States, except Uzbekistan, ratified by all signatories, except Turkey and Turkmenistan.

Objectives:

Facilitate movement of goods, luggage & passengers

Ensure safety of goods, luggage & passengers

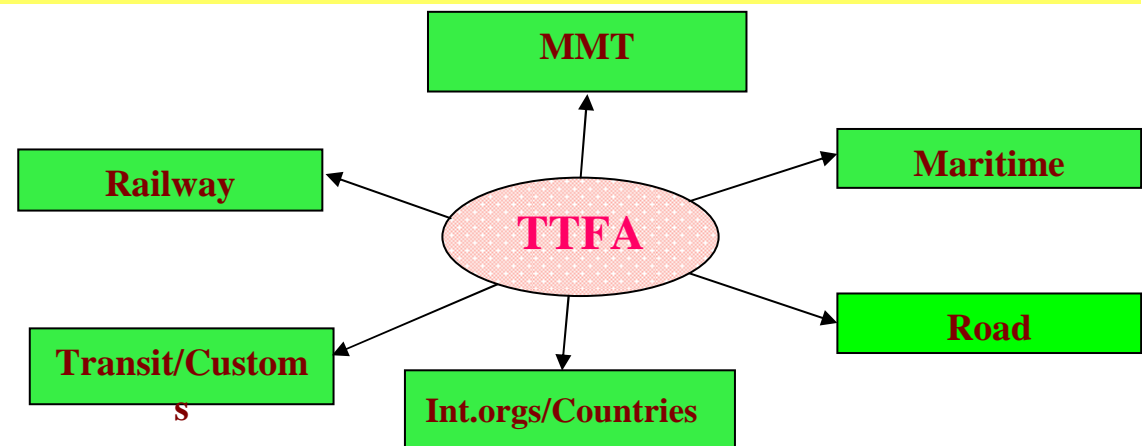
Avoid incidence of customs fraud & tax evasion

Structure:

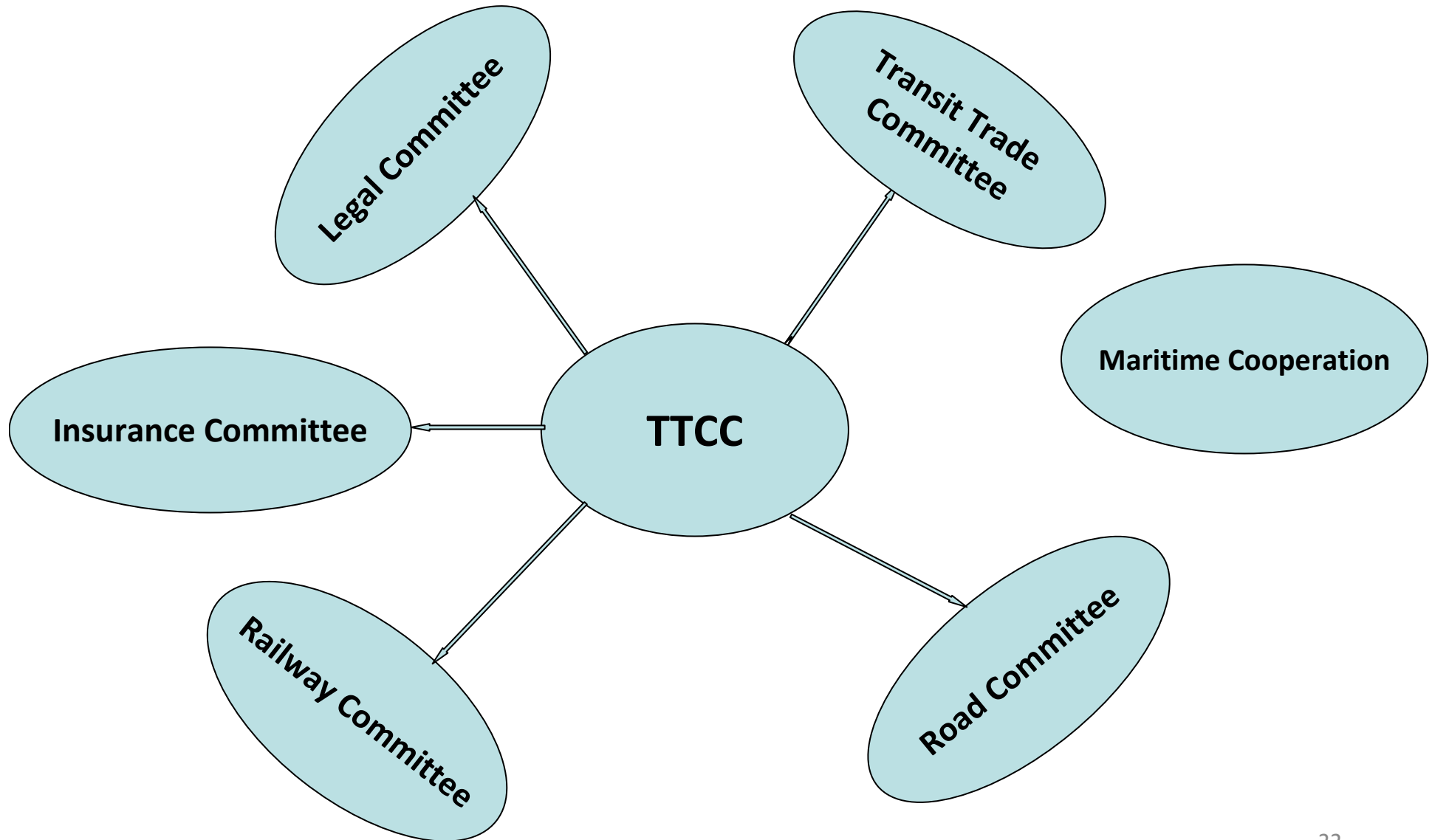
10 Parts

45 Articles

8 Annexes



Transit Transport Coordination Council (TTCC)

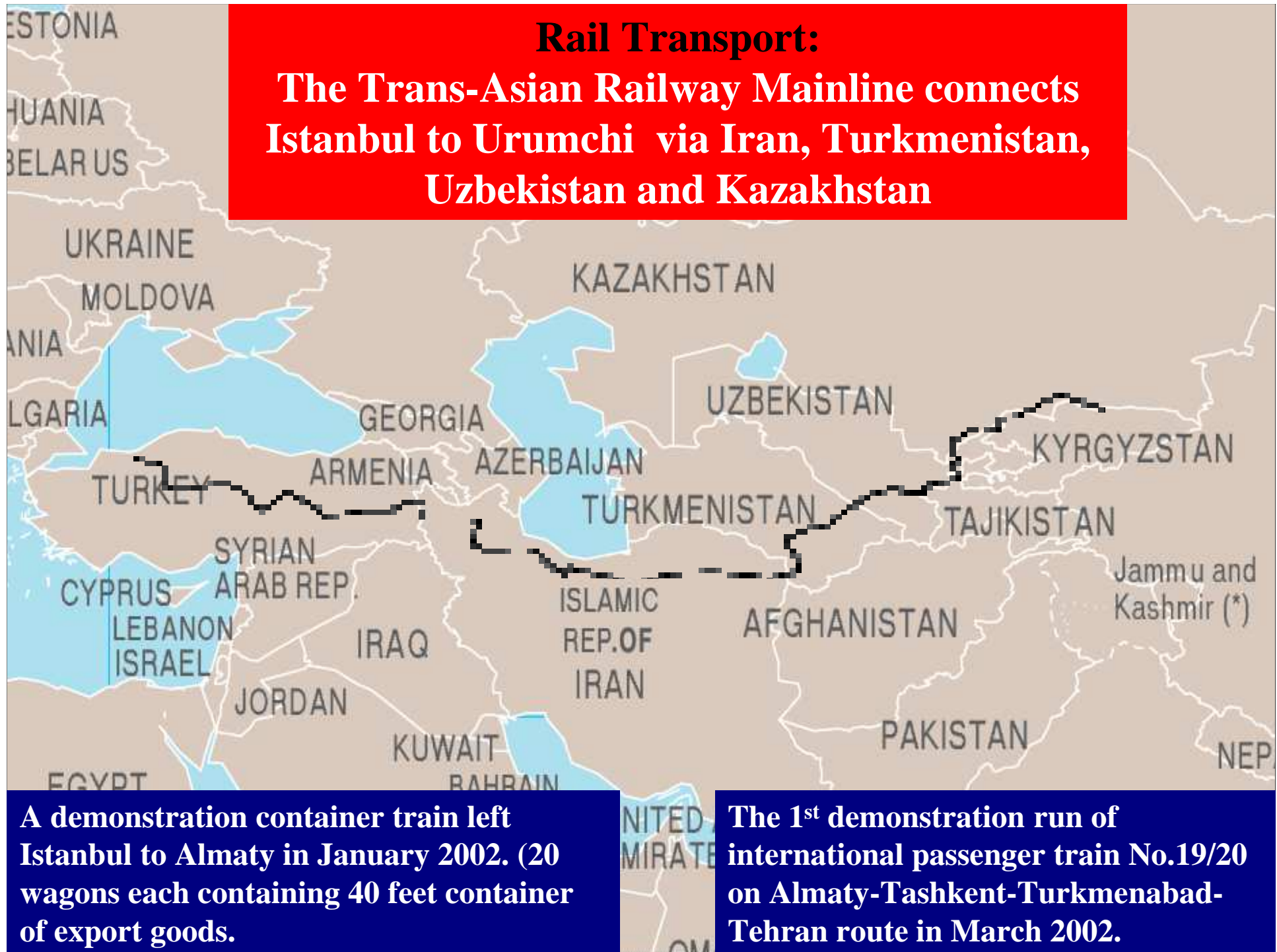


ECO projects and programs in the field of Transport

- Railway Transport
- Road Transport
- Maritime Transport
- MMT
- Air Transport
- ECO Logistics Provider Associations' Federation (ECOLPAF): Private Sector



Rail Transport:
The Trans-Asian Railway Mainline connects Istanbul to Urumchi via Iran, Turkmenistan, Uzbekistan and Kazakhstan



A demonstration container train left Istanbul to Almaty in January 2002. (20 wagons each containing 40 feet container of export goods.)

The 1st demonstration run of international passenger train No.19/20 on Almaty-Tashkent-Turkmenabad-Tehran route in March 2002.



Tehran Istanbul
Passenger Train

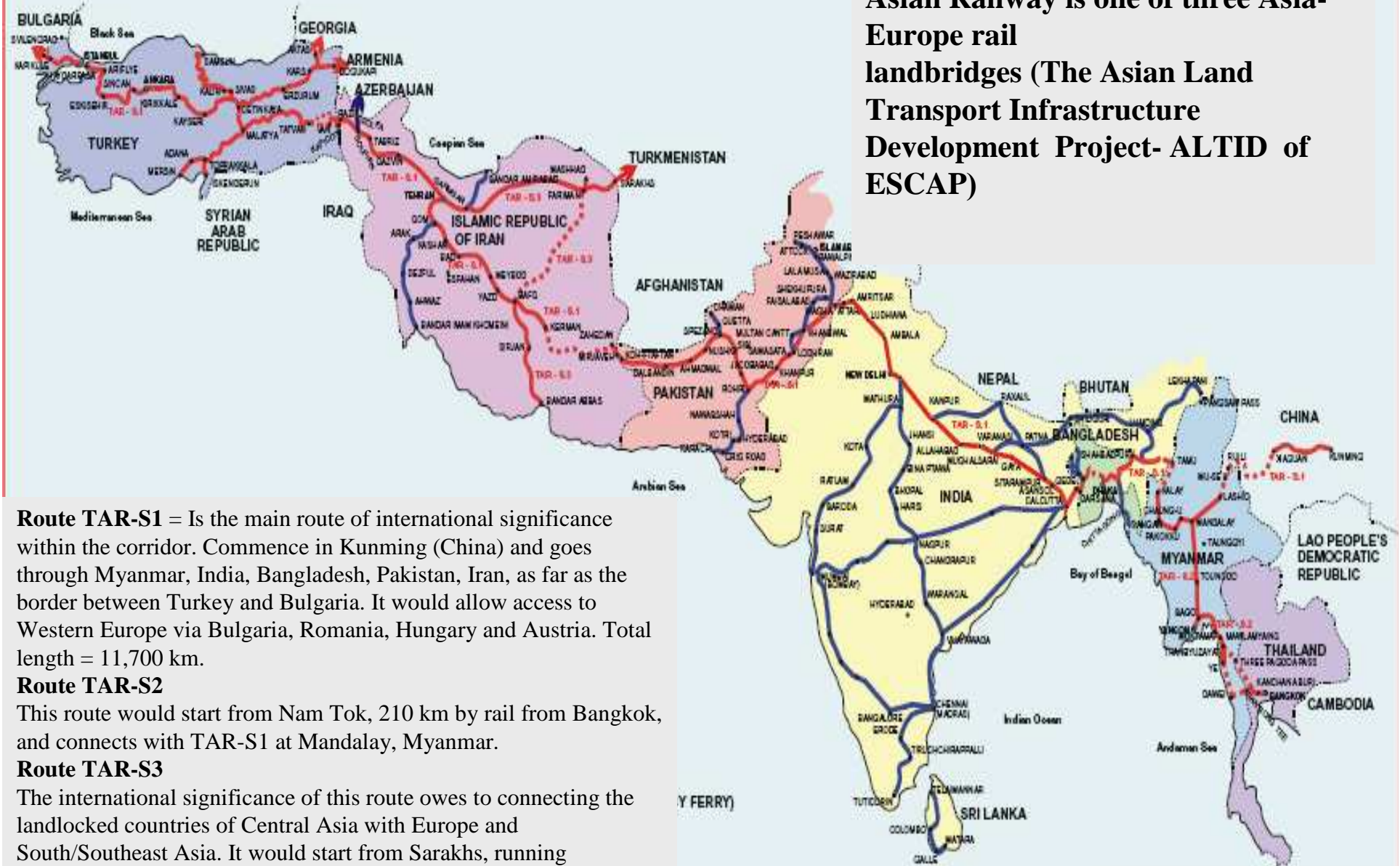


Tehran Istanbul
Passenger Train-
inside



Tehran Istanbul Passenger Train-
boarding ferry on Van Lake

The southern corridor of the Trans-Asian Railway is one of three Asia-Europe rail landbridges (The Asian Land Transport Infrastructure Development Project- ALTID of ESCAP)



Route TAR-S1 = Is the main route of international significance within the corridor. Commence in Kunming (China) and goes through Myanmar, India, Bangladesh, Pakistan, Iran, as far as the border between Turkey and Bulgaria. It would allow access to Western Europe via Bulgaria, Romania, Hungary and Austria. Total length = 11,700 km.

Route TAR-S2
This route would start from Nam Tok, 210 km by rail from Bangkok, and connects with TAR-S1 at Mandalay, Myanmar.

Route TAR-S3
The international significance of this route owes to connecting the landlocked countries of Central Asia with Europe and South/Southeast Asia. It would start from Sarakhs, running southwest to Fariman, linking Sarakhs with the border between the Islamic Republic of Iran and Turkey at Razi, and Bafq-Bandar Abbas. The total length = 1,589 km.

The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

Road Transport

- Transit facilitation through efficient implementation of the TTFA
 - Identification of road transit route
 - Issuance of transit/Multiple Entry Visa in 72 hrs
 - Issuance of Transport Permits without any limitation and quota
 - Removal of levies and charges on vehicles in transit
 - Simplification of customs procedures and documents
 - Development of MMT
 - Insurance (ECO White Card)
 - Harmonization of national policies, rules and regulations
- Launching Demonstration Caravans
- Establishment of ECO Logistics provider Associations' Federation (ECOLPAF)
- Enforcement of international Conventions
- Silk road project

Maritime Transport: Facilities for Land-Locked Countries

The Four Meetings of HRMO decided on provision of LLCs with the Followings:

- Port infrastructure, land, equipment, office space, storage facilities, container depots, communication facilities, etc.
- Fiscal and customs measures, in particular reduction in duties, minimization of custom inspections, and simplification of custom formalities for goods in transit.
- Special treatment in terms of fees and tariffs.
- Administrative facilities and permits.
- Provisions of special services and facilities to the landlocked member states in free economic zones created at the ports or the nearest locations to ports.
- Creation of investment opportunities for the landlocked countries in the ports of the transit countries.
- Study Tours to the ports of the Transit countries

Multimodal Transport

The growing trend of containerization in the ECO region:

The example of container ships: In the last 10 years, both dwt capacity and share of container ships in total commercial fleets of the ECO member states have grown rapidly.

**Multimodal Transport and Trade Facilitation in the ECO Region:
A joint ECO/UNCTAD/IDB Project started since 2002.
1st and 2nd Phases completed. 3rd Phase underway**

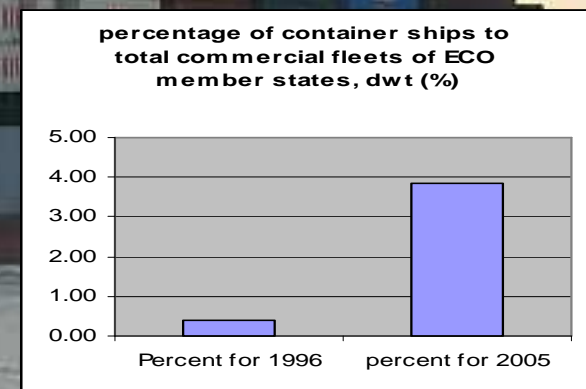
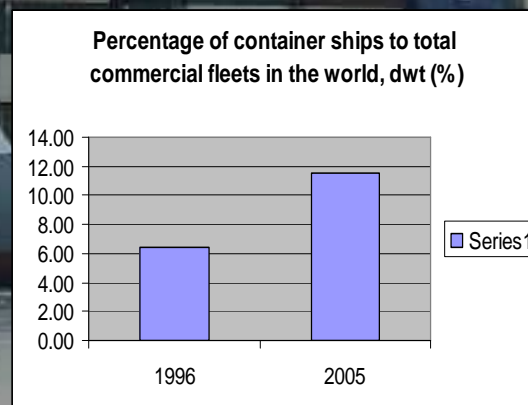
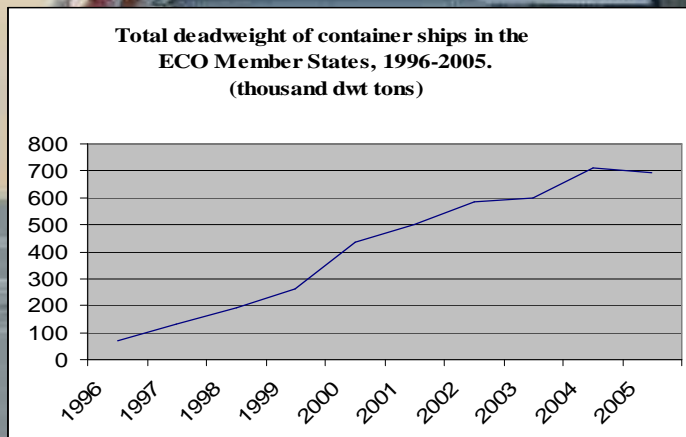


Table 1: Status of accession by ECO countries to the UNECE legal instruments listed in UNESCAP Commission resolution 48/11 of 1992, as of 18 January 2008

	Country or area Convention on Road Traffic (1968)	Convention on Road Signs and Signals (1968)	Customs Convention on the International Transport of Goods under Cover of TIR Carnets (1975)	Customs Convention on the Temporary Importation of Commercial Road Vehicles (1956)	Customs Convention on Containers (1972)	International Convention on the Harmonization of Frontier Controls of Goods (1982)	Convention on the Contract for the International Carriage of Goods by Road (CMR) (1956)
Afghanistan			X	X			
Azerbaijan	X		X	X	X	X	X
Iran	X	X	X				X
Kazakhstan	X	X	X		X	X	X
Kyrgyz Republic	X	X	X	X	X	X	x
Pakistan							
Tajikistan	X	X	X				X
Turkey			X	X	X	X	X
Turkmenistan	X	X	X				X
Uzbekistan	X	X	X	X	X	X	X

Source: United Nations Economic Commission for Europe, www.unece.org/trans/conventn/legalinst.html;

Application of TIR system has been growing exponentially in the ECO region in recent years

Countries	2000	2001	2002	2003	2004	2005	2006	2007	Change 2007/2003
Azerbaijan	4000	3600	1300	1900	3950	5000	5500	9000	474%
Iran	30000	15000	20000	33000	33000	33000	48000	52000	158%
Kazakhstan	10400	9100	6400	17400	17000	19600	32650	39050	224%
Kyrgyzstan	100	550	1,250	2700	4900	6250	11450	18100	670%
Tajikistan	0	0	0	0	0	50	300	500	1000%
Turkey	336000	327200	412000	419000	544000	589000	689000	788500	188%
Turkmenistan	0	150	0	150	200	400	1000	1000	667%
Uzbekistan	900	600	500	900	2400	1800	4500	7000	777%
Total	381400	356200	441450	475050	605450	655100	792400	915150	240%

TIR CARNETS USED BY ECO TRANSPORT OPERATORS IN 2007

825,000 TIR Carnet were used by ECO transport operators in 2007 which represents 26% of the Carnets used in the world:

- 50% (406 000) WERE USED FOR TRANSPORT BETWEEN ECO MSs**
- 38% (320 000) USED FOR TRANSPORT TO EUROPE AND EFTA COUNTRIES**
- 3% (30 000) WERE USED FOR TRANSPORT TO THE MIDDLE EAST AND CAUCASIAN REGIONS**
- 9% (70 000) WERE USED FOR TRANSPORT TO RUSSIA, BELARUS AND UKRAINE**

TIR CARNETS USED FOR TRANSPORT TO ECO COUNTRIES IN 2007

- **506'000** TIR CARNETS HAVE BEEN USED FOR TRANSPORT TO ECO COUNTRIES, INCLUDING THOSE USED BY ECO TRANSPORT OPERATORS WHICH REPRESENTS **16 %** OF ALL CARNETS ISSUED IN 2007

100 000 TIR CARNETS WERE USED FOR TRANSPORT TO ECO COUNTRIES BY FOREIGN TRANSPORT OPERATORS WHICH REPRESENTS 3% OF TOTAL CARNETS USED IN 2007

- **75 % (75 000)** WERE USED BY TRANSPORT OPERATORS FROM EU AND EFTA COUNTRIES IN 2007

- **4% (4 000)** WERE USED BY TRANSPORT OPERATORS FROM THE MIDDLE EAST AND CAUCASIAN REGIONS IN 2007.

- **21% (21 000)** WERE USED BY TRANSPORT OPERATORS FROM RUSSIA, BELARUS AND UKRAINE IN 2007.

ECO's Contribution to enforcement/implementation of International conventions/Agreements particularly the TIR Convention

- **National/regional Capacity Building projects/programs**
 - **National workshops on TIR system in Afghanistan and Pakistan in 2009**
 - **Joint ECO/IRU/UNECER Regional Seminar on UNECE conventions in the ECO Sectt. in Tehran (April 27-29, 2009)**
 - **Establishment of national inter-ministerial Committees**
 - **Establishment of ECO Units in the Transport Ministries of MSs Exchange of views through virtual meetings**
- **Regional Studies and surveys**
- **Political level decisions (Summit, COM, MMOTC, etc)**

Thank YOU

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