TRANSPORT AND TRADE FACILITATION AMONG OIC MEMBER STATES:

Current Status and Prospects

by Mamoudou Bocar SALL-ICDT

Workshop on the Impact of Transportation Networks on Trade and Tourism, Izmir/Turkey, 7-9 June 2011

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OUTLINE

1. **Importance of World and OIC Member States' Transport**
2. **Impediments to transport Development in OIC Member States**
3. **Some strategies to develop transport in OIC Member States: Regional approaches on Trade Facilitation**
4. **Conclusion and recommendations**

SWOT ANALYSIS

Part I: Importance of World and OIC Member States' Transport in Economic Development

1. Importance of Trade in Services
2. Importance of transport in Economic Development and in OIC Member States
3. OIC Member States Performance in Transport and Logistics

Importance of World and OIC Member States' Transport in Economic Development

- Infrastructure plays a key role in economic development and poverty reduction. Indeed, infrastructure services are well developed and maintained either in electricity, transport; ICT, water and sanitation contribute to reducing barriers to economic growth and their transaction costs and contribute greatly to improving the lives of the poor by facilitating their access to public and social services.

Importance of World and OIC Member States' Transport in Economic Development

- The emergence of air transport and the global management of integrated multimodal traffic networks through new information technologies and communications have expanded the scope of tradable goods between countries and contributed to the growth of world trade especially that of manufactured products.

1.TRADE IN SERVICES

Evolution of OIC Global Trade and Trade in Services in Billion US$ (2005-2010)

	2005	2006	2007	2008	2009	2010*	Evolution 2009/2010
OIC Member States World Trade (1)	1,776.11	2,139.32	2,560.29	3,380.74	2,569.21	2,392.81	-6.87%
Intra-OIC Trade(2)	271.45	333.36	420.60	551.03	426.76	456.00	6.85%
World Trade in services(3)	4,868.40	5,489	6,579.10	7,462.70	6,597.80	7,166.60	8.62%
OIC Trade in Services (4)	300.74	337.95	397.84	484.30	440.65	476.76	8.19%
OIC Trade in Transport Services (5)	99.00	110.33	130.65	162.94	137.07	160.49	17.09%
OIC Tourism receipts (6)	79.49	86.50	105.87	121.04	109.67	117.35	7.00%
Share (4/1)	16.9%	15.8%	15.5%	14.3%	17.2%	19.9%	16.17%
Share (4/3)	6.18%	6.16%	6.05%	6.49%	6.68%	6.65%	-0.39%
Share (5/4)	32.92%	32.65%	32.84%	33.64%	31.11%	33.66%	8.22%
Share (5/1)	5.57%	5.16%	5.10%	4.82%	5.34%	6.71%	25.72%
Share(5/3)	36.47%	33.10%	31.06%	29.57%	32.12%	35.20%	9.58%
Share (6/4)	26.43%	25.60%	26.61%	24.99%	24.89%	24.61%	-1.10%

Source: WITS, WTO, ICDT,SESRIC, 2011

- Trade in services represented 23.7% of World Trade in 2010
- OIC Trade in services accounted for 20% in OIC Trade in 2010

TRADE IN SERVICES

Main OIC Actors in trade in services in 2010

Main Exporters	Main Importers
Turkey, Malaysia, Egypt, Lebanon, Indonesia, Morocco, Kuwait, Iran, Tunisia and Jordan, they account for 80% OIC World Exports in Services	Indonesia, Malaysia, Saudi Arabia, Turkey, Uganda, Egypt, Nigeria, Iran, Kuwait and Pakistan totallising 71.2% of OIC Member States imports in Services

2.Importance of Transport in OIC Member States

	2005	2006	2007	2008	2009	2010*	Growth rate 2009/2010
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* estimations

Importance of Transport in OIC Member States

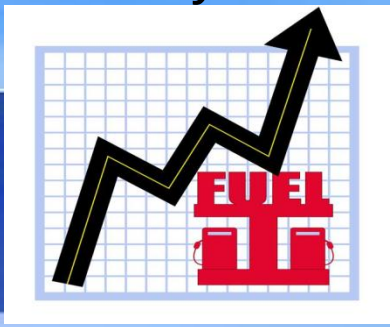
- Global trade in transportation reached in 2010 a value of U.S. $ 871.3 billion against U.S. $ 768 billion in 2009 representing a growth by 12% while that of the OIC countries in 2010 totalled $ 80.2 billion against U.S. $ 68.5 billion in 2009 representing an increase by 14.6%. Transport trade of the OIC Member States represents approximately 9.2% of the world trade in transportation. The increase in the value of trade in transport services is due to the soaring logistics costs in the international arena that are correlated with the price of fuel exports.

Importance of Transport in Economic Development

- Logistical costs currently represent about 10% of global GDP. It is difficult to assess the costs of transport in international business transactions because it is not the only barrier to international trade.
- According to various studies by UNCTAD, the doubling of the distance travelled by sea is reflected by an increase in freight costs by 15% to 20%. The freight rate increases with the number of transhipments, but it may decline with competition, the frequency rate of the route, the state of connectivity (direct) and volume of transactions up 12%. Some studies suggest that doubling transport costs reduces trade volume of a country by 80% and if a country reduces its transportation costs by 50%, the trade volume may increase fivefold (Nuno and Venables, 2001) depending on the ability of the country.

Importance of Transport in Economic Development

- Customs modernization and transparent border management are critical: 1 day delay in moving goods can reduce trade volume by 1%;
- 10% increase in bunker fuel prices will increase freight rates by between 1 and 10% depending on the vessel types and routes;
- Transport prices for the delivery of a port to the capital of most African landlocked countries, range from 15 to 20% of import costs, this is due to the large distance between a port and a capital of the landlocked country, which is about 1000 km with the existence of road problems and the low productivity of the transport industry in a large part of Africa



Importance of Transport in Economic Development

- impact of transport cost on trade rely on comparisons of trade flows in space and time using the gravity model. Fuel prices played an important role in the transport costs of goods.

- OECD studies underlined that the more the trade between any given two countries, the lower the maritime transport costs (negative correlation). Indeed doubling of imports would reduce maritime transport costs by up to 10% overall, other things remaining equal. This is partly due to greater economies of scale on shipping routes. The potential decrease was higher for containerized trade (9%) than for shipping in bulk (4%) for a doubling of imports

Importance of Transport in Economic Development

- These cost vary depending on the mode of transport (land, air, sea, rail), the distance (route: infrastructure quality, timeliness and frequency of passage and opportunity of a return road to transport goods, congestion), characteristics of goods (weight, fragility, value, durability, liquid, solid, ...), the quantity transported, load (full or partial, consolidation), the market power of the carrier, the speed, security and transportation security. Air transport is still the fastest but most expensive, while marine transportation is the most common (80%).

Main actors of Transport in OIC Member States in 2010

Major exporters of Transport services	Majors importers of Transport services
Turkey, Egypt, Malaysia, Kuwait, Iran, Indonesia, Kazakhstan, Morocco, Saudi Arabia and Tunisia accounting for 81.2% of OIC Member States exports of transport services	Indonesia, Malaysia, Saudi Arabia, Turkey, Uganda, Egypt, Nigeria, Iran, Kuwait and Pakistan, which have provided 71.2% of imports of transportation services
Countries experienced trade surplus of transport services are: **Egypt, Kazakhstan, Azerbaijan and Djibouti**	Countries experienced trade deficit of transport services : **Indonesia, Saudi Arabia, Uganda, Malaysia, Nigeria, Iraq, Bangladesh and Pakistan** with a deficit for each country of more than U.S. $ 2 billion

Importance of transport modes

Maritime transport: According to UNCTAD data in 20l0, the Member States in the most affluent marine fleet are: Indonesia, Malaysia, Turkey, Kuwait, Saudi Arabia, Egypt, UAE, Libya, Qatar and Iran indicating that most of the trade of these countries goes through the seaway.

Thus, the Marine Fleet OIC countries in 2010 reached a tonnage of 51 million dwt, i.e. 4% of the world fleet against 45.7 million dwt in 2008, an increase by12%.

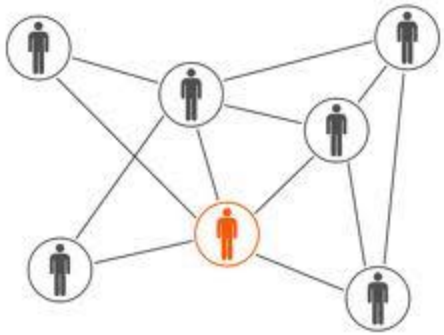
Importance of transport modes

Air transportation: The air cargo services undoubtedly play a major role in the facilitation and expansion of world trade. However, the multilateral trade liberalization in this sector is very slow and has an impact on the cost of air freight.

According to World Airlines Reports, the major airlines that have more passengers in the OIC Member States: Emirates Airlines, which recorded 27.5 million passengers in 2009 representing an increase by 21% compared to 2008 followed by: Turkish Airlines (25.1 million passengers, 11% growth), Saudi Arabian Airlines (18.3 million, 3.6%), Malaysian Airlines (12 million, a decrease by 5.4%) and Garuda Indonesia (11.2 million, 7.4%) increase compared to 2008.

Importance of transport modes

- It should be noted that with the effect of the triple crisis and competition in air transport, some companies have shown significant declines between 2008 and 2009, these include: Nigerian Eagle Airlines (-28.4%), Merpati Nusantara (Indonesia) (-21.3%), Tajik Air (-11.1%) and Uzbekistan Airways (-11%).
- At this level, it is worth reflecting on cooperation between the airlines of Member States to resolve the bottlenecks through the expertise of successful companies cited above by training courses in aircraft fleets management to improve planes operations but also enhance cost-sharing flights between companies covering common areas.



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3. PERFORMANCE OFTHE OIC MEMBER STATES' TRANSPORT AND LOGISTICS

1. Logistics Performance Index (LPI) (World Bank)

2. Index of the World Economic Forum (Enabling Trade Index (ETI) 2010)

3. Connectivity rate of the OIC Member States (UNCTAD)

LOGISTICS PERFORMANCE INDEX IN OIC MEMBER STATES

The overall rating of the Logistics Performance Index (LPI) of the World Bank reflects the perceptions of the logistics of a country based on:

- the effectiveness of the clearance process by customs and other border authorities;
- Quality of transport infrastructure and information technology for logistics;
- the ability to organize international expeditions at an affordable cost;
- the competence of the local logistics industry;
- the ability to track and locate international cargo;
- logistics costs at the national level (transport) and on-time delivery;
- competence in the provision of services related to inputs needed by the logistics staff;
- Extent of practices that may affect logistics performance and trends.

LOGISTICS PERFORMANCE INDEX IN OIC MEMBER STATES

Taking into account all these criteria, we note that some Member States are among the highest ranked, we can mention among others, during the period 2004 to 2010: United Arab Emirates, Malaysia, Bahrain, Lebanon, Kuwait, Saudi Arabia, Turkey, Qatar, Oman and Senegal with an index above 2.8 considered efficient. On the other hand, those countries , which showed a delay in the development of logistics services; and whose LPI is below 2.5 are the following: Somalia, Sierra Leone, Guinea Bissau, Iraq, Sudan, Burkina Faso and Afghanistan whose infrastructure should be renovated and maintained mostly interconnected with neighbouring networks. It should be noted that 23 OIC countries exceed the average of 2.62.

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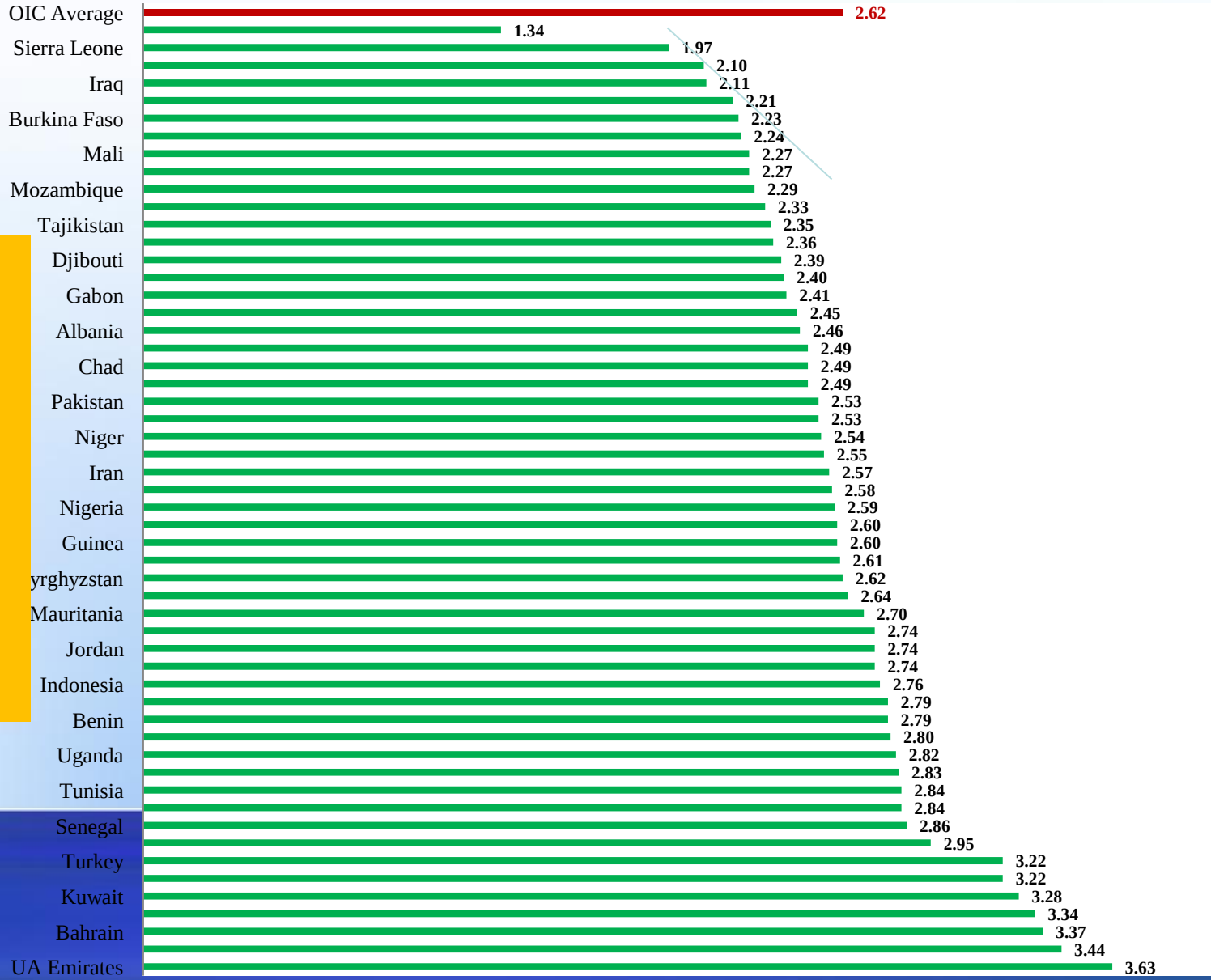
RANKING OF OIC MEMBER STATES LPI in 2010

UAE 3.63
Malaysia 3.44
Bahrain 3.37
Lebanon 3.34
Kuwait 3.28
S. Arabia 3.22
Turkey 3.22
Qatar 2.95
Senegal 2.86
Oman 2.84



Infrastructure Potential

OIC Member States have relatively a high potential in terms of road and airport infrastructure. According to several international sources (IMF, World Bank, UN Statistics, OECD, February 2011), these facilities are as follows:

- ✓ Rail lines, the richest countries are: Kazakhstan, Turkey, Indonesia, Iran, Pakistan, Sudan, Egypt, Mozambique, Algeria and Nigeria hold 70% of these lines,
- ✓ Roads, the following countries account for the largest share: Turkey, Indonesia, Pakistan, Bangladesh, Saudi Arabia, Nigeria, Iran, Algeria, Libya and Malaysia 60% of available roads, each exceeding more than 100.000 km,
- ✓ Dynamic ports and terminals, we include countries like Turkey, Indonesia, Algeria, Malaysia, Libya, Egypt, Tunisia, United Arab Emirates, Kazakhstan and Morocco which drain several containers per year...

Index of the World Economic Forum (Enabling Trade Index (ETI) 2010)

The performance index of transport infrastructure and communication is calculated on the basis of a survey of the sector professionals on a scale from 1 (low) to 7 (high). It takes account of:

- The availability and quality of transport infrastructure which measures the status and quality of transport infrastructure such as the density of airports, the percentage of paved roads, their congestion, …
- The availability and quality of transport services which takes into account the services available for shipments to reach their destinations, the overall efficiency of the posts, the competence of the logistics sector (e.g. transport operators, customs brokers), the degree of use of ICT in shipping management and the role of these technologies to facilitate clearance.

This survey is based on 125 countries which includes 35 OIC Member States

Index of the World Economic Forum (Enabling Trade Index (ETI) 2010)

- ✓ Transport and Communications Infrastructure: countries which have the most invested and whose index is higher than 4 in this sector are: the UAE (5.08), Malaysia (4.95), Bahrain (4.65), Kazakhstan (4.13), Saudi Arabia (4.10), Qatar (4.08) and Oman (4.04) and the less affluent are Chad, Burkina Faso, Mali, Uganda, Cameroon and Bangladesh most of which are landlocked countries.
- ✓ Availability and quality of transport infrastructure in the following Member States: the United Arab Emirates, Malaysia, Bahrain, Qatar, Kazakhstan, Tunisia, Oman, Saudi Arabia, Jordan, Morocco, Egypt, Algeria, Turkey and Kuwait with an index higher than 4.
- ✓ Availability and quality of transport services whose the index is more than 3.75, these are Malaysia, UAE, Oman, Kazakhstan, Saudi Arabia, Azerbaijan, Jordan, Bahrain, Turkey, Egypt, Senegal and Benin, whose airport and trucking services have been modernized.

ETI on Quality of infrastructures

Quality of air transport infrastructure: the OIC Member States, which are ranked by this index higher than 5/7 are considered excellent are: UAE, Qatar, Bahrain, Malaysia, Tunisia, Jordan, Egypt Azerbaijan, Oman, Saudi Arabia and Turkey have comparative advantages in comparison with other Member Countries through investment allocated to this sector;

Quality of rail infrastructure: the quality is still less efficient than air transport, but some countries have made efforts to have a quality index higher than 3/7, these are: Malaysia, Tunisia, Azerbaijan, Kazakhstan, Morocco, UAE , Egypt, Tajikistan, Pakistan and Saudi Arabia;

ETI on Quality of infrastructures

Quality of roads: road quality exceeds than of the rails in the OIC countries, the best ranked countries with respect to roads quality and whose index exceeds 4/7 are: UA Emirates, Oman, Bahrain, Malaysia, Tunisia, Saudi Arabia, Kuwait, Jordan, Qatar, Turkey and The Gambia;
Quality of ports: the quality of the ports is similar to that of roads, the index of the following countries is higher than 4/7: UAE, Bahrain, Malaysia, Oman, Qatar, Côte d'Ivoire, Tunisia, Saudi Arabia, The Gambia, Jordan, Senegal, Egypt, Azerbaijan, Morocco, Kuwait and Pakistan;

ETI on other procedures

Easy loading: it is linked to effective coordination of shipments of various ships that dock in a country with eight other partner countries in relation to the LPI. The index varies between 1 and 5. Therefore, the Member States whose index is higher than 3/5 are considered efficient, in other words those provided with modern handling equipment, these are: United Arab Emirates, Malaysia, Tunisia, Kazakhstan, Turkey, Kyrgyzstan, Bahrain, Jordan, Azerbaijan, Kuwait, Uganda and Bangladesh;

Effectiveness of Customs: Customs play a key role in facilitating cross-border commercial transactions; the more transactions are efficient, the less costs rise because it lowers the costs of detention of ships and trucks or goods stored in airports or ports.

ETI on other procedures

The main countries with an index higher than 4/7, and even with efficient customs services, which are in general highly automated are the following: United Arab Emirates, Bahrain, Saudi Arabia, Azerbaijan, Morocco, Malaysia, Albania, Jordan, Oman, Tunisia, Pakistan and Indonesia;

Effectiveness of export-import procedures: This composite index reflects the effects of the effectiveness of the reporting process at border posts, the period for importing goods from order taking to final destination, the number of import-export document (customs declaration, port and banking documents, import licenses), import costs and export container (cargo handling during loading and unloading and inspection of ships), the time for export (days, loading).

The countries most successful in terms of import-export procedures and whose index exceeds 4/7 are: United Arab Emirates, Saudi Arabia, Malaysia, Bahrain, Egypt, Tunisia, Indonesia, Qatar, Turkey, Senegal, Jordan, Albania, Morocco, The Gambia, Guyana, Pakistan, Kuwait, Bangladesh, Oman, Syria, Algeria and Benin.

Connectivity rate of the OIC Member States (UNCTAD)

UNCTAD calculates the connectivity index of regular shipping lines which aims to determine the level of integration in a country's existing global network of shipping. It takes account of six basic elements: the effectiveness of the clearance process, the quality of infrastructure related to transport and trade facility to determine competitive prices for shipping, the quality of logistics services, monitoring and batch traceability, the frequency of shipments and on time delivery. It also takes into account the number of (20TEU) vessels national or international available in a country.

According to this index, which varies between 1 and 100, the main countries of the OIC with improved maritime connectivity (> 30) with their trading partners in 2010 are: Malaysia, UAE, Saudi Arabia, Morocco, Oman, Egypt, Turkey, Algeria, Iran and Lebanon.

CONCLUSION

- All indexes indicate that some OIC Member States are endowed with significant performance in logistics and transport; major projects are underway at national and regional levels to strengthen the sector, whether within the OIC, or the African Union, ASEAN, GCC, ECO and other regional groupings. It is worth noting that some countries like the UAE, Malaysia, Bahrain, Lebanon, Kuwait, Saudi Arabia, Turkey and Iran can serve as a model of logistics development for the OIC Member States to provide assistance and expertise to other countries through financial assistance from the IDB Group, AfDB and the Asian Development Bank (AsDB) in collaboration with national and regional banks of the concerned countries.
- Regional dialogue is imperative because some projects focus on the same sections (road stretches etc…) whether in Central Asia, Africa or the Middle East, which should focus on the ways and means to implement them together and minimize operating costs.

PART II: IMPEDIMENTS TO TRANSPORTATION DEVELOPMENT IN THE OIC MEMBER STATES

➢Logistics is an indispensable resource for national development from raw material to delivery of product to the customer (Supply chain Management) but in OIC Member Countries many obstacles are still hampering trade development.

➢ Indeed, the infrastructure of some OIC Countries is dilapidated, transit operations are inefficient and checkpoints before reaching their destination are numerous, especially in landlocked countries resulting in high transport costs and making a significant obstacle to the expansion of trade and development.

➢Lack of uniform international regulations for all modes of international transport, particularly with regard to official documents, technical regulations and the reporting requirements at the borders and visas granting contribute to raise inefficiency of trade promotion.

BARRIERS TO TRANSPORTATION DEVELOPMENT IN THE OIC MEMBER STATES

Documentation requirements:

In addition to the conditions imposed by official regulations, an unlimited number of documents are required for import and often for goods export. About 60 documents are used on average for every international business transaction. Although these documents are often required for various reasons, about 80% of the information they contain is similar.

Often, documentation requirements are poorly defined and traders ignore how to comply with them, and are led to make more mistakes. The lack of transparency of procedures has created an environment conducive to irregularities and malpractice.

It is estimated that the time lost because of administrative delays is equivalent to 20% of transport time and 25% of total transport costs.

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BARRIERS TO TRANSPORTATION DEVELOPMENT IN THE OIC MEMBER STATES

Nb of documents to export or to imports of OIC Member States in 2010 **Source: Doing Business 2011**

Country	Nb. of Documents to export	Country	Nb. of Documents to import
Afghanistan	**12**	**Azerbaijan**	**14**
Cameroon	**11**	**Kazakhstan**	**12**
Mauritanie	**11**	**Cameroon**	**12**
Kazakhstan	**10**	**Afghanistan**	**11**
Tajikistan	**10**	**Mauritania**	**11**
Bahrain	**5**	**Palestine**	**6**
Qatar	**5**	**Djibouti**	**5**
Liban	**5**	**Senegal**	**5**
U A Emirates	**4**	**Saudi Arabia**	**5**
Tunisia	**4**	**U A Emirates**	**5**
OIC Average	7.3	**OIC Average**	8.3

BARRIERS TO TRANSPORTATION DEVELOPMENT IN THE OIC MEMBER STATES: Afghanistan Case

Nb of documents to export or to imports of OIC Member States in 2010 **Source: Doing Business 2011**

Export documents	Import documents
Bill of lading	Bill of lading
Certificate of origin	Cargo release order
Clean inspection report of findings	Commercial invoice
Commercial invoice	Customs import declaration
Customs export declaration	Import license
Customs transit document	Insurance certificate
Duties exemption form	Packing list
Insurance certificate	Tax certificate
Packing list	Technical standard/health certificate
Tax certificate	Terminal handling receipts
Terminal handling receipts	NOC/Transit permit
NOC/Transit permit	

BARRIERS TO TRANSPORTATION DEVELOPMENT IN THE OIC MEMBER STATES

Business transactions are quite costly for landlocked Member States in particular: **Afghanistan, Azerbaijan, Burkina Faso, Chad, Kazakhstan, Kyrgyzstan, Mali, Niger, Tajikistan, Turkmenistan, Uganda and Uzbekistan,**

Country	Duration of export operations	Country	Cost of container for exports (US$)	Country	Duration of import operations	Country	Cost of container for imports (US$)
Tajikistan	82	Chad	5902	Chad	101	Tchad	6150
Kazakhstan	81	Afghanistan	3865	Uzbékistan	92	Uzbekistan	4650
Ira	80	Iraq	3550	Tajikistan	83	Ta0jikistan	4550
Chad	75	Niger	3545	Iraq	83	Burkina Faso	4030
Afghanistan	74	Tajikistan	3350	Afghanistan	77	Afghanistan	3830
Tunisia	13	Egypt	613	Turkey	15	Pakistan	680
Egypt	12	Pakistan	611	Malaisia	14	Indonesia	660
Senéeal	11	Saudi Arabia	580	Senegal	14	Qatar	657
Bahrain	11	U A Emirates	521	Egypt	12	U A Emirates	542
U A Emirates	7	Malaisie	450	U A Emirates	7	Malaysia	450
OIC Average	**29,9**	**OIC Average**	**1527 ,4**	**OIC Average**	**33,5**	**OIC Average**	**1817,5**

BARRIERS TO TRANSPORTATION DEVELOPMENT IN THE OIC MEMBER STATES

Business transactions are quite costly for landlocked Member States: Chad Case

Nature of Export Procedures	Duration (days)	US$ Ton Cost
Documents preparation	39	800
Customs clearance and technical control	3	330
Ports and terminal handling	3	367
Inland transportation and handling	30	4,405
Total	**75**	**5,902**
Nature of Import Procedures	**Duration (days)**	**US$ Ton Cost**
Documents preparation	47	1,500
Customs clearance and technical control	7	330
Ports and terminal handling	5	320
Inland transportation and handling	42	6,000
Total	**101**	**8,150**

Source: Doing Business 2011

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Other obstacles to OIC Trade

✓**Problem of port location** is an obstacle to long-term viability owing to the fact that most ports are located in the downtown which contributes to traffic congestion of land transport and penalizes multimodal transport (land, rail, sea and air);

✓**Low capacity of ports** in relation to the poor maintenance of equipment and dredging where terminals lack material handling equipment (lift), such as cranes / or gantries are wholly obsolete excepting of some countries said before.

✓**Lack of information and transparency of rules on transportation:**
Very often, rules are implemented with a retroactive implementation deadline. They are differently applied in the various regions of the same State of the same State Union, hardly any or no information are conveyed to the authorities of the other States and even less to enterprises

✓**Restrictions and Transit Quota System:**
The freedom of transit provided for in Article V of the GATT prohibits its total or partial taking out. Transit prohibitions, quantitative restrictions, prohibitive taxation and user's charges are contrary to the notion of freedom provided for by the GATT. Likewise, regulations imposing for example, the transfer or deviation of the road traffic, are not reasonable in the sense of paragraph 4 of Article V of the GATT, because they prevent traffic via the easiest roads for international transit (paragraph 2 of article 5 of the GATT).

Other obstacles to OIC Trade

✓**Controls and procedures:**

The efforts made by national and international authorities to simplify procedures and increase the level of training and motivation of all the involved actors and to improve the physical capacity of flows on boarders have so far been insufficient, particularly in the main corridors of international transport.

✓**Unavailability of equipment and trained personnel:**

Some trade structures appear in border posts or in the neighbourhood. Very often, they propose no useful service to carriers and are only parasites, taking advantage of drivers. These are for example, parking areas (well organised from a business point of view), with useless charges, so called obligation to subscribe to a complementary insurance and even compulsory convoying.

✓**Waiting times on borders:**

Not only carriers keep on wasting time and resources on borders, but also, industries, economies and consumers of the different countries. The economic losses resulting from delays on borders are substantial.

Other obstacles to OIC Trade

✓**Visas for professional drivers:**

The difficulties encountered by professional drivers to obtain visas have been for a long time among the main major obstacles to the development of international road haulage. Recognizing the rights of States to introduce visa systems, the IRU has always taken a stand in favour of the simplification and facilitation of the delivery procedures of visas to professional drivers. Other international relevant authorities have also adopted specific resolutions for this purpose.

✓**Traffic Prohibitions:**

There are a lot of traffic prohibitions of heavy weight trucks in several countries. The latter are bound by established rules concerning dates, time and day, infrastructures, kind of vehicles, weather conditions, transported goods, etc…

✓**Imposition of customs escorts:**

In spite of the payment of the caution that should compensate the Customs in the event of a fraudulent dumping of goods on markets, customs escorts are imposed on carriers. Consequently, time limits are extended, since escorts are not organised every day and they would not go without reaching a fixed a minimum number of trucks. This phenomenon is frequent in West Africa.

✓**Impediments faced by landlocked Countries:**

Given their geographical handicap, some OIC countries face particular difficulties when trying to integrate into the global trading system, mainly because the goods coming out of landlocked countries or entering are subject to additional trade barriers such as lengthy procedures for border crossings. Twelve countries are concerned, namely: Afghanistan, Azerbaijan, Burkina Faso, Chad, Kazakhstan, Kyrgyzstan, Mali, Niger, Tajikistan, Turkmenistan, Uganda and Uzbekistan. These countries face the following difficulties: weak legal and institutional arrangements, poor infrastructure, lack of information technology, underdeveloped logistics sector and lack of cooperation with neighboring transit countries. Finally, remoteness from markets compared to countries with direct access to seaports.

CONCLUSION

- Given these obstacles and proposed action plan, it is fitting to improve the relationship between the landlocked and neighbouring countries endowed with coastline to help them move their goods with less problems during the trip to destination, also passing through the cooperation of development partners.
- These can give them technical assistance in construction of dry ports, such is currently the case in Bobo Dioulasso in Burkina Faso, Mali, Niger and Chad in order to contribute to lower logistics costs.
- Thus, the OIC landlocked countries should move towards the construction of railways with neighboring countries that have ports to expand their foreign trade in collaboration with governments and the private sector. These dry ports will ensure the grouping and distribution of goods, with functions corresponding to those of a seaport, and including customs clearance and allow shippers to engage in distribution activities and to perform export or import procedures in facilities located inland, close to factories and farms.
- Moreover, an action plan of creation of dry ports in Asian countries will be initiated by the United Nations by 2013 to operate the trans-Asian railway of Asia and Pacific countries.
- Finally, training sessions in the supply chain management are required to contribute to the control of transport operations in the country with the help of the OIC organs in charge of economic and trade issues.

PART 3: DEVELOPMENT STRATEGIES OF THE TRANSPORT SECTOR IN THE OIC MEMBER STATES

- Trade facilitation is complex and carries potential benefits for companies and for governments at national, regional and international levels. It involves economic, commercial, administrative, technological and financial challenges. Through reforms to facilitate trade, governments seek to establish a transparent and predictable framework for cross-border transactions, based on procedures, practices, documentation requirements, and simplified and standardized operations.

- Any strategy must focus on investment in transport corridors through the extension of maritime and road transport, modernization of customs services by using new information technologies and communication in order to make the sector more competitive and expand intra-OIC trade.

- Thus, the geography of the OIC Countries and its fragmented markets make regional integration an imperative for development and a key prerequisite for its trade and to increase its competitiveness and move towards the objective of the Islamic Common Market.

PART 3: DEVELOPMENT STRATEGIES OF THE TRANSPORT SECTOR IN THE OIC MEMBER STATES

Trade facilitation aims at improving efficiency and reducing the different costs of trade transactions, this processes consists of a series of activities, such as:

- The signing of a sale contract between buyer an seller;
- The processing of the agreed trade documents;
- Conformity with regulations, and standards in the fields of health, security, etc.
- The preparation of documents required by the customs and other services and the execution of procedures required by these same services when passing through the Customs;
- The transfer of goods in fine conditions from the premises of the seller to those of the buyer;
- Conformity Check of goods with the buyer's requirements;
- Goods payment;
- Evacuation of the good and the final product.

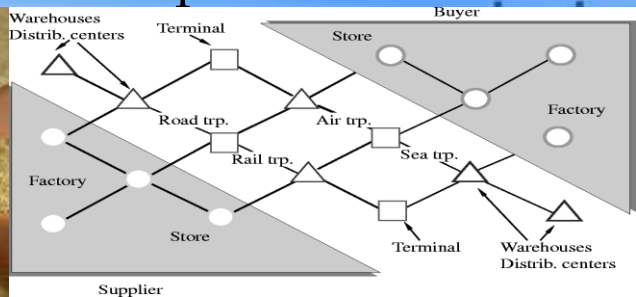
PART 3: DEVELOPMENT STRATEGIES OF THE TRANSPORT SECTOR IN THE OIC MEMBER STATES

Developing Single window of all procedures at national level in order to enhance intra-OIC trade

PART 3:DEVELOPMENT STRATEGIES OF THE TRANSPORT SECTOR IN THE OIC MEMBER STATES

To further strengthen trade facilitation strategies in the OIC countries, several regional organizations have adopted a regional approach to achieve gigantic infrastructure projects and harmonization of national legislation to develop intra-regional, these include ASEAN, GCC, WEAMU, ECOWAS, ECO, AMU, COMESA, SADC, CEMAC, Middle East, African Union and OIC in collaboration with international and regional financial companies, like (AfDB, IDB, WB, AsDB, BADEA...) and Arab Funds with the involvement of the private sector.

Some case study: Central Asia, ASEAN , North Africa, West Africa, Central Africa, Southern Africa, Gulf Countries have identified some useful regional multimodal transport and logistics projects in road, rail, maritime and air networks in order to enhance economic development of Member Countries,



PART3: *TRANSPORT INFRASTRUCTURE PROJECTS IN OIC MEMBER STATES*

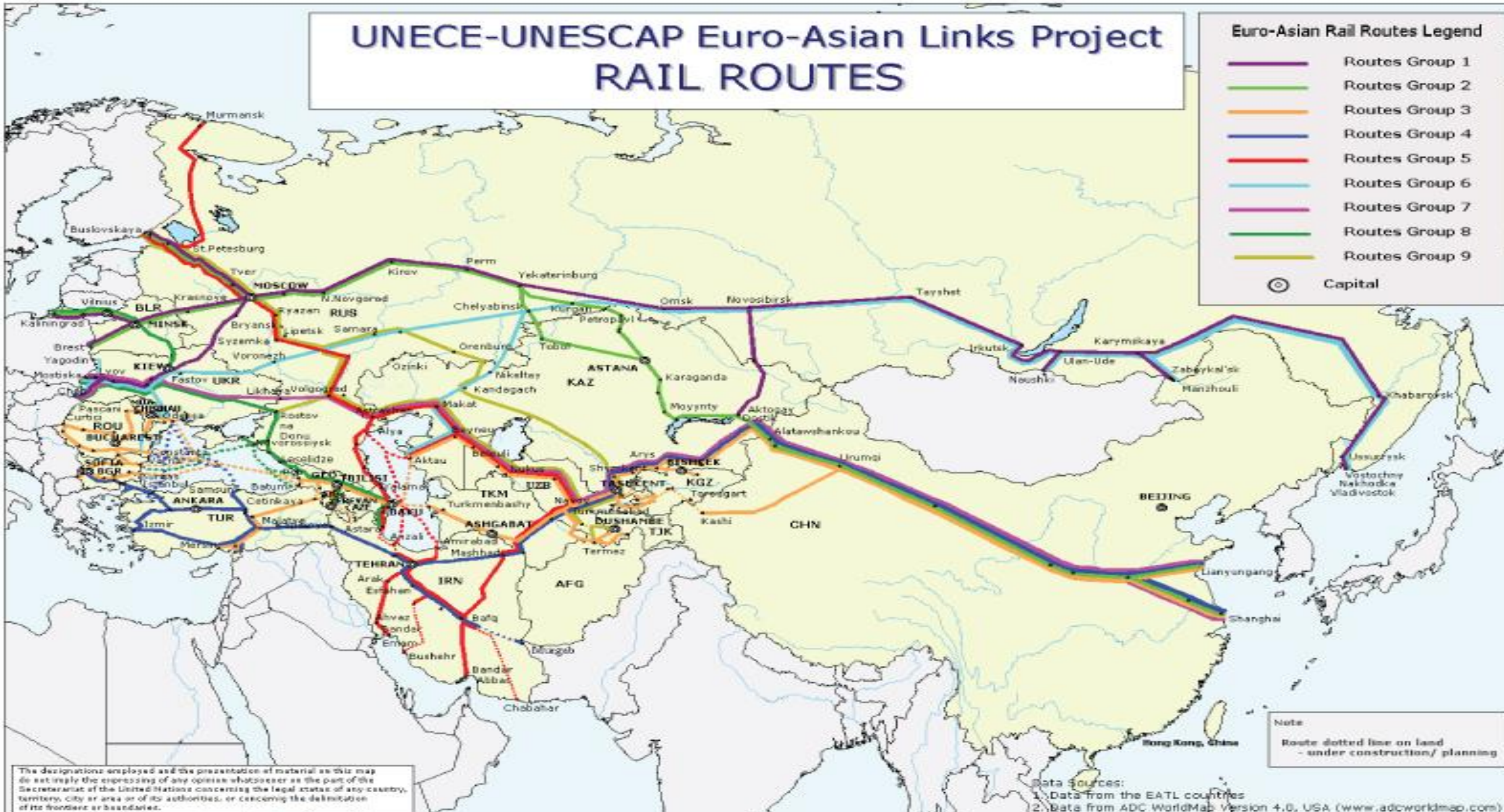
Central Asia:

❖ The countries of Central Asia are seeking to develop inter-rail cooperation: Kazakhstan-Turkmenistan-Iran, Dushanbe-Mazari Sharif-Heart, China-Kyrgyzstan-Uzbekistan, Almaty-Bandar Abbas, ECO-IRU Silk Road between Europe and Asia (EATL for 230 projects involving a cost of US $ 43 billion of which 114 projects are intended for the OIC countries of the region for total of US $ 27 billion) to boost their economic and commercial relations.

❖There is also the development of dry ports to contribute to the exploitation of intermodal transport all along the Trans-Asian Railway Network in the SPECA zone between 2009 and 2012 for a cost of 270,000 US dollars.
Between 2010 and 2011, training sessions was scheduled in the field of transport and transit cooperation for landlocked countries of Central Asia (200,000 US dollars).

SPECA : funding from ITFC, UNDP, ITC, UNECE, UNIDO and Afghanistan Govt.

TRANSPORT INFRASTRUCTURE PROJECTS IN OIC MEMBER STATES : CENTRAL ASIA



Linking ECO Countries to GCC by bridge via Emirates or Kuwait (GCC rail project after linking GCC by Egypt to African Countries throught OIC Port Sudan-Dakar railway projet

OIC RAILWAY LINE PROJECT

Dakar Sudan Port Railway Line:15 OIC Countries

- The railway line between Dakar and Sudan Port was launched in March 2008 crossing: Sudan, Chad, Niger, Nigeria, Uganda, Mali, Burkina Faso, Senegal, Djibouti, Guinea, Cameroon, The Gambia, Mauritania, Morocco and Algeria. The aim of this project is to open to the outside world the region and promote trade and tourism among the OIC Countries by linking the capitals to the intermodal network, the agricultural, mining and industrial production zones. This will enable the integration of the economies of West African, Middle East and Asian Countries.

- The Railway line is 10,000 Km long of which 6.000 remain to be constructed, i.e. a cost of 180 million Euros. The line will link Dakar-Bamako-Ouagadougou-Niamey-Kano-N'Djamena-Nyala Khartoum-Sudan Port with a connection to Banjul-Conakry-Douala-Kampala-Tripoli and Djibouti and possibly with ramifications for Algeria, Morocco and Mauritania.
- Here we can focus on missing links between Dakar-Port Sudan

In order to ovoid the duplication of work with of other organisations Like NEPA projects, AfDB, WB… need to coordinate with them,

OIC RAILWAY LINE PROJECT

CARTE DES ITINERAIRES DE L'ETUDE DE FAISABILITE DU PROJET DE CHEMIN DE FER « DAKAR-PORT SOUDAN »

- Réseau existant dans la zone du Projet
- Chainons manquants du Projet de l'OCI
- Chainons manquants de la CEDEAO
- Chainons manquants du NEPAD (UA)

Need to achieve missing links with projets of OIC, ECOWAS and African Union and WB

Arab League and NEPAD RAILWAY LINE PROJECTS

- **Railway Line between the Arab League Countries:**

There is also the agreement on the establishment of a railway network between the Arab League States covering 19,528 Km, which was endorsed by Arab Countries at the Economic and Social Summit of the Arab League held in Kuwait in January 2009.

- **Dakar-Djibouti-, Djibouti-Libreville Railway Network, the Maghreb Road, Africa Railway Line of the NEPAD:**

This Dakar-Djibouti Railway Line initiated by **the NEPAD** considered by the African Development Bank and goes through Dakar-Bamako-N'Djamena-Djibouti totalling a length of 8,715 Km whose feasibility study cost 499,947 US dollars. The link Djibouti- Libreville is 15,200 Km long ensuring the East-West junction of the African continent whose feasibility study amounts to 999,900 US dollars. It is of prime importance to invest on the lacking stretches of two corridors so as to link them to bordering countries in order to contribute to decreasing the land-locking of countries without a littoral of the area. It should be noted that transport costs for African Inland countries can reach 77% of the value of their exports according to Consortium for Infrastructures in Africa (CIA).

Most of transport projects of the African Union and of the NEPAD are carried out jointly by: CEN SAD, COMESA, EAC,CEEAC,ECOWAS, IGAD),SADC, AMU, and other development partners such as AfDB, BADEA, IDB, the European Union between 2010 and 2015.

HIGHWAY PROJECTS IN WEST AFRICAN

- **Highway projects in West Africa: Trans-sahelian, Dakar-Niamey and coastal highway, Lagos-Abidjan:**

- *The Trans-Sahelian highway:* Dakar-Niamey going trough Bamako and Ouagadougou and the coastal highway Lagos-Abidjan that would contribute to the interconnection with Abidjan, Tema, Lome, Cotonou ports to Bamako, Ouagadougou and Niamey.
- *Africa Rail:* The Africa Rail Project whose cost can amount to 1.5 billion US dollars aims at modernizing and constructing a new line of 2,000 Km to link Niger, Burkina Faso, Côte d'Ivoire, Togo and Benin and in a second stage Mali, Nigeria and Ghana with the help of the ECOWAS.

- **Aid of the World Bank for the development of West Africa trade (2.4 billion US dollars):**

- Road transport and transit facilitation: Ghana-Burkina Faso-Mali (190 million US dollars) to facilitate the access of Burkina Faso and Mali to Ghanaian ports on the corridor Tema-Ouagadougou-Bamako;
- Road transport and transit facilitation, Côte d'Ivoire-Ghana-Togo-Benin-Nigeria (236 million US dollars) in order to reduce trade and transport barriers on the corridor of the Coastal highway Abidjan-Lagos and ensure a better connection the Lome and Cotonou, Lagos ports and to increase their efficiency.

HIGHWAY PROJECTS IN WEST AFRICAN

Trans-African highway:

There is also the Maghreb highway Project linking Mediterranean Costs and Sub Saharan Africa going through Libya for an amount of 2 billion US dollars. In this respect, it worth noting the existence of roads Egypt-Sudan, Algeria-Mali and Morocco-Mauritania. In the Asian zone, there is also a highway of 141,000 Km long linking 32 countries.

OTHER REGIONAL ROAD PROJECTS

- **The Maghreb Road:**

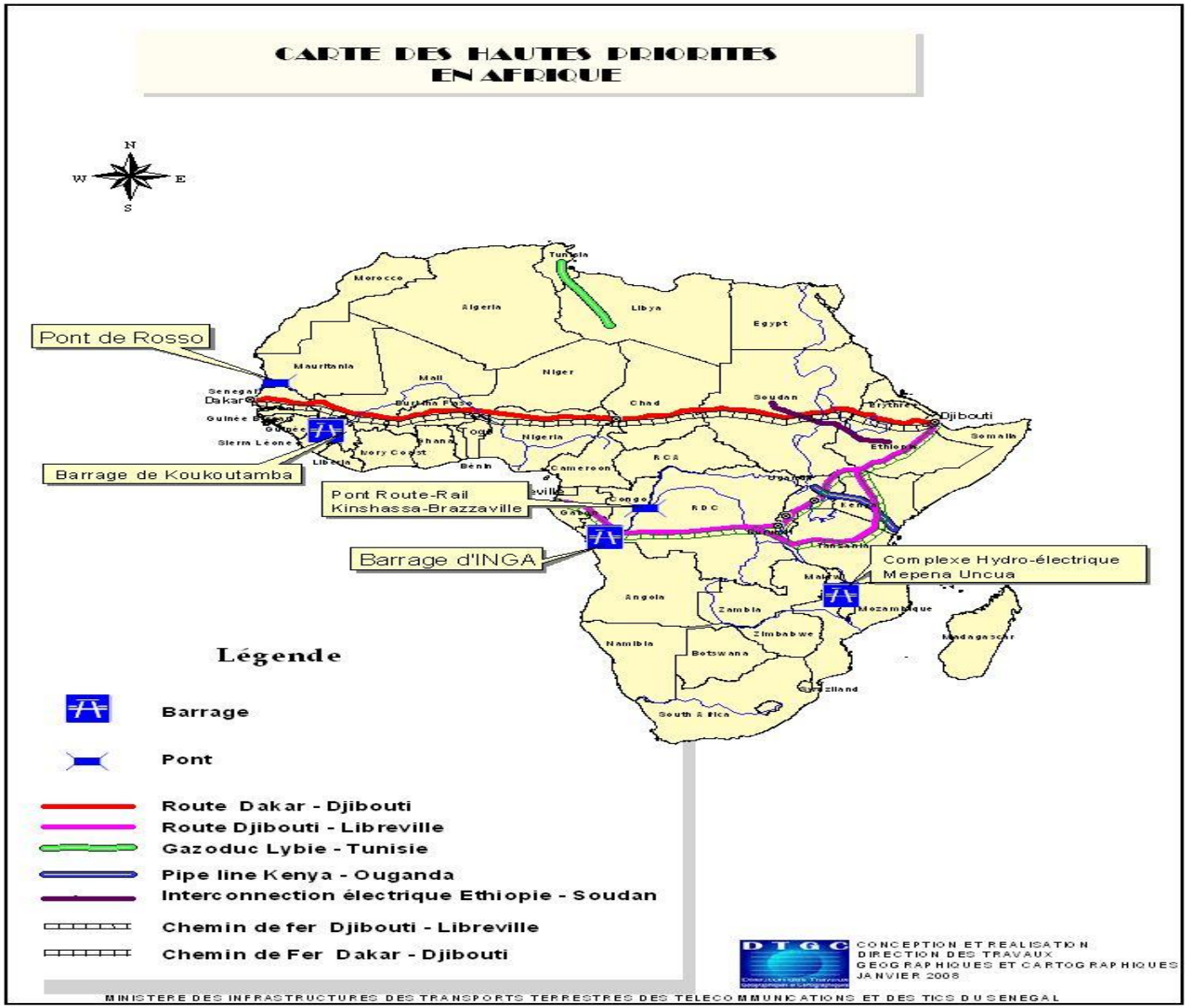
The Maghreb Route project covers the major road stretches in Mauritania, Nouadibou-Zouerate-Nouakchott-Rosso for amount of 153 million US dollars. This project covers the modernization of the lacking road stretches between Nouakchott-Nouadibou, Nouakchott-Zouerate and Nouakchott-Rosso Bridge (Senegalese frontier). These road stretches are part of the Cairo-Dakar Road (8,636 Km) long linking the Maghreb and the Mashreq passing through four- ways road between Tripoli and Casablanca (3,400 Km) in order to promote trade between both regions.

- **COMESA-EAC-SADC Infrastructure Project:**

The aim of these projects is to connect the North-East and South-East of Africa under the Tripartite Agreement COMESA-EAC-SADC. A Donors Conference was organized and collected 2.7 billion US dollars in April 2009. Roads were constructed, namely Isiolo Merile River Road, which is segment of the highway Cairo-Le Cap, the Gulu-Juba Road linking Sudan to the northern corridor, the highway Mombasa-Kigali and Zimba Linvingstone in Zambia were finalized in 2009.

NEPAD PROJECTS

Joint efforts between OIC and African Union projets on Dakar-Port Sudan railway and Dakar Djibouti Railway respectively



MASTER PLAN OF ASEAN CONNECTIVITY

This Master Plan of ASEAN connectivity was decided at the 15th Summit of the ASEAN held in Cha-ama Hua Hin in Thailand on 4th October 2009 and adopted at the 16th Summit of the ASEAN held in Vietnam in April 2010. Its aim is to promote and develop the socio-economic and commercial relations among the ASEAN Member States and finalise their physical connections between 2011 and 2015 (road, railway, waterways, port (including dry ports), telecom and energy) and logistic equipment (logistic platform) and harmonise their transport and logistics policies and even of telecommunications.

This Plan has selected the following priority projects:

- Finalisation of the ASEAN Highway Network (AHN) by constructing the missing links in 2012 of Transit Transport Routes (TTRs), numbering 23 roads for 38,400 Km of which 21,206 Km are TTRs;
- Completion of missing links of Singapore-Kunming Rail Link (SKRL) in 2013 linking Singapore-Malaysia-Thailand-Cambodge-Vietnam-China (Kunming) and a line Thailand-Myanmar-Thailand-Laos. The missing links total 4,096 Km;
- Establishment of an ASEAN Broadband Corridor (ABC);
- Interconnection of Melaka-Pekan-Baru in Indonesia (IMT-GT);
- Study on the RORO network and short-sea shipping totaling 47 selected ports;
- Operation of National Single Windows (NSWs) by 2012;
- Enforcement of the Framework Agreement on transport facilitation;
- Facilitation of visa delivery for the ASEAN nationals;

MASTER PLAN OF ASEAN CONNECTIVITY

Railway between Singapore qnd Kunming(China) with missing links

Malaysia-Brunei by waterway is better via Singapore port

GCC TRANSPORT PROJECTS

Aware of the importance of the role played by transport infrastructures in the socio-economic and commercial development, the Members of the Ministerial Transport Committee of the GCC Countries have developed a strategy in order to strengthen their regional cooperation.

- **Railway line of the GCC Countries:**

At the 24th Session of the Supreme Council, Member States held a meeting in Kuwait in December 2003. Participants entrusted the Ministerial Transport Committee to prepare a feasibility study of this railway line with a view to promoting and developing economic and commercial cooperation among the GCC Countries; this study was finalized.

At the 30th Session of the Supreme Council held in Kuwait in December 2009, it was decided to work out comprehensive studies of the project (technical design) and to create a specialized organ in railway lines to supervise the implementation of this project with recipient countries in collaboration with the research Consultancy and the World Bank. This line will be operational in 2017 linking Kuwait to Muscat, 2,177 Km long.

GCC TRANSPORT RAILWAY PROJECT

GCC TRANSPORT PROJECTS

- **GCC/Yemen Railway Line:**

At the 28th Session of the Supreme Council held in Doha in December 2007, the Council endorsed the request of the Republic of Yemen to adhere to the economic feasibility study for the construction of a railway line of the GCC Countries. The study was finalized and the General Secretariat of the GCC in collaboration with Member States and Yemen are currently ensuring the implementation of this project.

- **Air Transport:**

Air transport cooperation between the GCC Countries has reached an advanced stage:

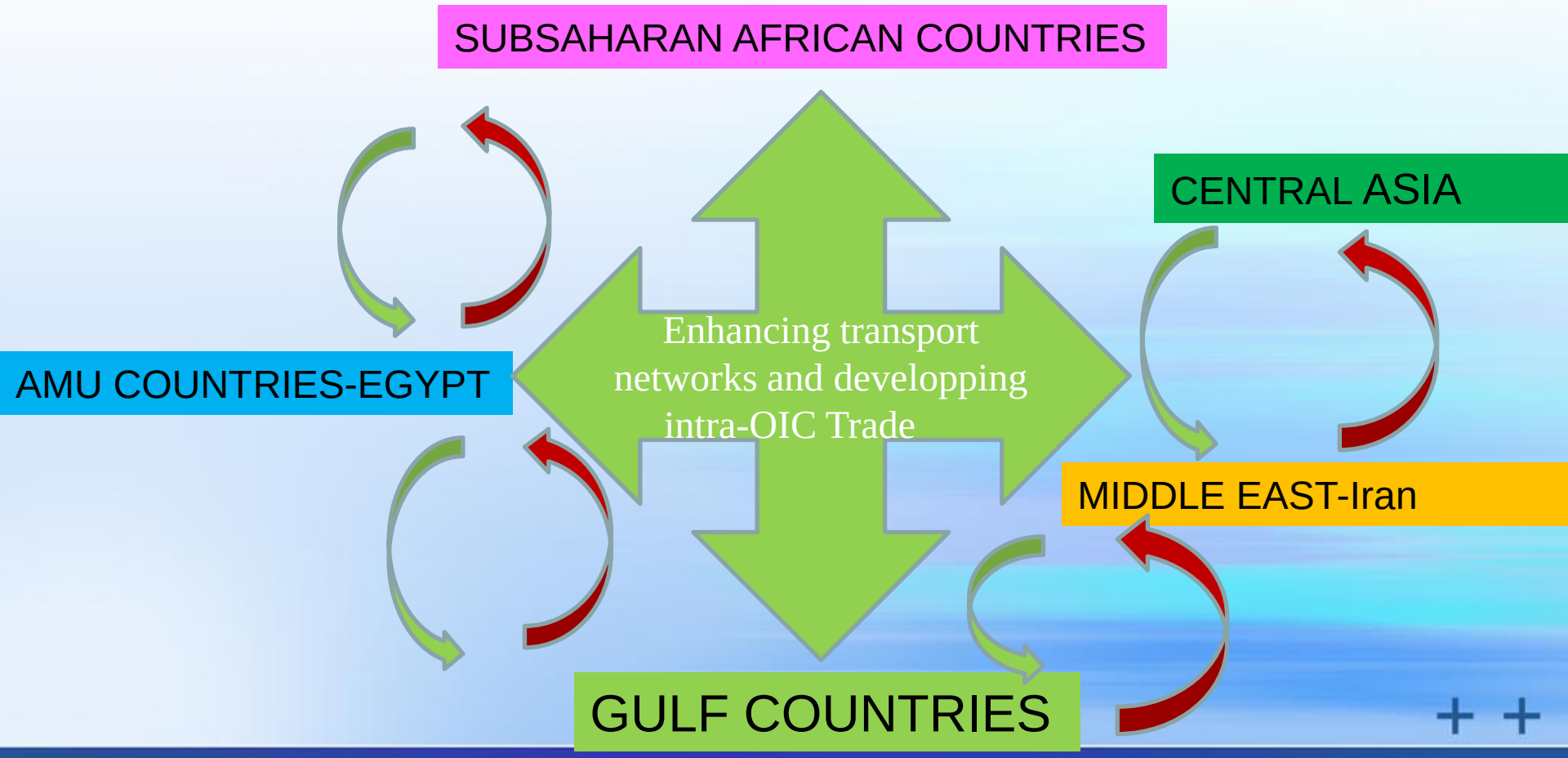
- Intensification of air flights between the major countries of the GCC;
- Establishment of subcontracting on the ground in all the airports of the GCC Countries;
- Direct sale of air tickets of airlines without the mediation of agencies and domestic representatives.

- **Maritime Transport:**

Maritime transport has experienced an important development in the GCC Countries:

- Signing of an MOU between Member States on the inspection of a ship in the GCC ports (Riyadh 2004), Creation of secretariat office and of an information Center in Muscat and launching of the implementation of this MOU;
- Publication of the rules and instructions governing the functioning of ports in the GCC Countries (June 2007);

TRANSPORT CONNECTIONS



Achieving to connect missing road and railway links and establishing dry ports in some landlocked countries in order to promote regional integration in different OIC Zones

OIC MEMBER STATES TRANSPORT NETWORKS INTEGRATION

CONNECTING TO OTHER AFRICAN COUNTRIES WITH NEPAD COOPERATION

Central Asia

Middle East-GCC

African Countries

WRAP-UP

HARMONIZATION

TRANSPARENCY

TRADE FACILITATION PRINCIPLES

SIMPLIFICATION

STANDARDIZATION

Close coordination all entities dealing with foreign trade at national, regional and international levels to boost intra-OIC Trade

PART4: RECOMMENDATIONS

All these projects try to facilitate goods and passengers transport between the Member States of regional groupings in order to boost and promote inter-regional trade and tourism. These projects go often through juxtaposed cross-border posts, which require bilateral or regional agreements to facilitate regional transport i.e (Syria, Jordan, Lebanon, Turkey) with the help of the EU or also in the WAEMU and ECO Zones.

In order to better promote and develop the sector of transports and logistics, some measures should be encouraged:

- **General Recommendations**
- To set up an OIC Expert Group on transport that will meet at least one per year to discuss regional integrated policies and strategies on the development of the logistics and transport sector (multimodal) in OIC Member States;
- To set up an observatory on transport for the OIC Countries subdivided in sub observatories: Africa, Asia and the middle East in order to follow the evolution of the sector at regional scale and to target the local strategies of transport development; particularly with respect to road and maritime security;
- To encourage the participation of the private sector in the new installations and new equipment, in technical Know-how transfer and in a more efficient management of terminals;
- To create professional associations of carriers and forwarding agents at national and regional levels or to strengthen the existing ones; such as the Federation of Islamic Associations of Road Transportation and the Federation of Islamic Associations of air Transportation.

RECOMMENDATIONS

- **Specific Recommendations**

❑ **Recommendations relating to the Customs Administrations:**

- To encourage initiatives relating to electronic commerce and the exchange of computerised data, which are closely linked to the harmonisation and simplification of procedures;
- To rationalise the circulation of documents among parties intervening in the authorisation process of goods on border points and the Customs house;
- To adapt customs procedures to modern trade practices and to speed up the exchange of computerized data (Electronic Data Interchange-EDI).In this regard, the introduction of a common information system to all the actors of a port platform may prove to be useful.

RECOMMENDATIONS

❑ Recommendations relating to infrastructures:

- To strengthen and improve infrastructures as well the equipment intended for port and airport handling operations, transfer and storage;
- To renovate and adapt port infrastructure and equipment and strengthen their capacity to develop their short distance traffic and to take hold of long distance traffic;
- To improve inter-modality for transit in ports both for goods as well as for passengers;
- To carry on the construction of missing links of the strategic axes of the different corridors (railway lines and road networks) for Central Asia, the Maghreb and Sub Saharan Africa;
- To conclude an intergovernmental Agreement of the OIC Countries for the implantation of dry ports for the benefit of landlocked countries all along the railway line axis Dakar-Port Sudan in order to develop intra-OIC trade with the help of development partners under the auspices of the OIC while describing the itineraries, the standards, the signalisations, the technical characteristics and the running condition of the dry ports while abiding by the UN standards. It would be useful to create an OIC task Force on dry ports;
- To strengthen cross-border cooperation between agencies and services to be governed by a common strong legal framework to 2 countries, notably, through juxtaposed check-points, exploited by neighbouring countries (Mozambique with South Africa, Burkina Faso-Ghana, Burkina-Faso-Mali, Mali-Senegal).

RECOMMENDATIONS

- **Recommendations relating to capacity building:**
  - To develop training, technical assistance technology transfer and partnership programmes;
  - To strengthen training activities for the operational personnel and for the whole port and logistic communities, with a view to reducing the transit time of goods;
  - To urge the Islamic Development Bank Group and the other regional banks to continue and enhance project financing actions in the field of technical assistance while favouring the modernisation of transport infrastructures and Customs reforms in the OIC Member States.

- **Recommendations relating to Maritime Transport:**
  - To facilitate the procedures and controls in ports, notably, the procedures with an impact on rotation times and down time as well as the costs of handling, otherwise the attraction of ports would remain considerably limited;
  - To improve the access to ports in order to promote multimodal transport. The surroundings of ports being in general engorged, investing in road and railway infrastructure to improve the access to ports, consequently, to have a positive impact on the economic activity of the cities and increase ports efficiency;
  - To facilitate the transport in the main exchange corridors between ports and landlocked countries.

THANK YOU FOR YOUR KIND ATTENTION

⇩ **Phone:** +212 5 22 31 49 74

⇩ **Fax:** +212 5 22 31 01 10

⇩ **Email:** icdt@icdt-oic.org /mahmoud@icdt-oic.org

⇩**Web Site :** www.icdt-oic.org