



DRAFT REPORT

**TRANSPORTATION
COMMITTEE MEETING**

ECO CHAMBER of COMMERCE and INDUSTRY

**March 3, 2018
Tehran, Islamic Republic of Iran**



**Draft Report of the
Eleventh Meeting of Transportation Committee of
ECO Chamber of Commerce and Industry (ECO CCI)**

March 3, 2018 Tehran, Islamic Republic of Iran

The Eleventh meeting of the Transportation Committee of ECO Chamber of Commerce and Industry hosted by Iran Chamber of Commerce, Industry, Mines and Agriculture (ICCIMA) was held on March 3, 2018 in Tehran, Islamic Republic of Iran. The representatives of member Chambers as well as representative(s) from the ECO Secretariat and ECO TDB participated in the meeting.

Agenda Item No - 1: Inauguration of the Meeting

The Chairman of the Transportation Committee welcomed the participants of the meeting.

Agenda Item No - 2: Adoption of the Agenda

The draft agenda of the meeting already circulated to Member States and given below was adopted.

1. Inauguration of the Meeting
2. Adoption of the Agenda
3. Appointment of the Drafting Committee
4. Statement by the Chairman of Transportation Committee
5. Activity Report by ECO CCI
6. Remarks by heads of delegations
7. To review and discuss the progress on organizing training sessions on TIR Convention for transporters by TOBB
8. To review and discuss the progress on ITI (Islamabad-Tehran-Istanbul) and KTAI (Kyrgyz-Tajikistan-Afghanistan-Iran) container train and update thereon by ECO Secretariat
9. To review and discuss on the implementation of ECO Transit Trade Framework Agreement (TTFA) and update thereon by ECO Secretariat
10. Any Other Business
11. Date and Venue of the next Meeting
12. Adoption of the Report
13. Vote of Thanks

Agenda Item No - 3: Appointment of the Drafting Committee

A Drafting Committee consisting of the following members was appointed to prepare the draft Report of the Meeting:

1. Dr. Reza Kerbasi (Iran)
2. Ms. Shahla Ali Hasan (Turkey)
3. Ms Amber Fatima (Pakistan)

Agenda Item No - 4: Statement by the Chairman of Transportation Committee

The Turkish Chairman stated his statement by stating the clear results of China`s and Pakistan`s accession in the TIR system. He briefed the house regarding the training seminar organized by TOBB for the Pakistani delegation on February 26 - March 1. He emphasized on the importance in the computerization of the TIR Carnets through the eTIR pilot project between Turkey and Iran. The Turkish delegation expressed their desire to turn the eTIR into an ECO project which will definitely boost the facilitation of trade.

The Turkish Chairman stated that they are in favour of the ECO White Card Scheme. He concluded by stating that the logistical perspective needs more emphasis at the establishment of strong road/rail/sea networks and should not only be taken into account within the region itself but also interconnections to other regions such as Black Sea, Europe, Arab World and Africa.

Agenda Item No – 5: Activity Report by ECO CCI

The Secretary General ECO CCI delivered the activity report of the Specialized Committee on Transportation. (Annexed 2)

Agenda Item No -6: Remarks by heads of delegations

The Iranian delegate emphasized on the operationalization of the ITI and KTAI road corridors which approved to be established by the transport ministers of ECO. The Iranian delegate also stated the field visit to the related countries have been done by the international consultant appointed by the ECO Secretariat and the draft field studies report prepared by the international consultant by the end of April 2018.

Iranian delegate gave a presentation on the railway of Islamic Republic of Iran and activities and cooperation Iranian railways in ECO framework especially on the issue of international corridors crossing ECO region and ECO corridor. The delegate also reported the house about the latest status of ITI corridors and other ECO corridors. (presentation enclosed).

Statement of Pakistan.....

Afghanistan delegates stated that whereas Afghanistan is an apex body of TIR Convention, all goods which cross afghan borders should get in through TIR system. He added that in order to make TIR usage compulsory we will need to arrange a scheduled mechanism and cover the path for smooth functioning of TIR. The Afghani delegation stated that due to computerization of the TIR custom authorities is getting we will have to sign the Lapiz lazuli agreement which will connect us to the countries in the region and Europe. He concluded by stating that to further the improvement we will have to overcome the challenges which are Lack of bilateral or multilateral transportation agreement with TIR Contracting Parties Difficulties for obtaining Road Pass Difficulties for Visa Issuance.

The delegation from Uzbekistan stated that railways and highways are of great importance and the presence of road connection from Tajikistan to Uzbekistan for the transportation of goods. He further added the good relations with the CIS countries with regards to the one road and one belt project which will enhance the connectivity between the countries. He also informed the house that they have commenced the transportation of goods from Russia via road transportation and the government is undertaking necessary measures for the implementation of the transport convention.

The Kyrgyz republic underlined the importance of the joint corridors for the transportation of goods as 80% of the goods were being transported by trucks. They also stated their desire to link the neighbouring countries and enhance the intra- ECO linkage of transportation. The

delegate concluded by stating that the importance of connectivity between Bishkek and Mashad and Bishkek and Tehran.

Agenda Item No-7: To review and discuss the progress on organizing training sessions on TIR Convention for transporters by TOBB

As mentioned within the remarks the Chairman repeated the training aspect in agenda item no 4.

Agenda Item No 8: To review and discuss the progress on ITI (Islamabad-Tehran-Istanbul) and KTAI (Kyrgyz-Tajikistan-Afghanistan-Iran) container train and update thereon by ECO Secretariat

The ECO representative briefed the Committee that 9th Meeting of the High Level Working Group (HLWG) on ITI Train was held in July 2017 in Islamabad and discussed all issues related to timetable, tariff, infrastructure, insurance, marketing, etc and observed some progress. He also shared that 13th Meeting of the Heads of the Railway Authorities was held in April 2017 in Baku which discussed KTAI Railway Project. Regarding update on KTAI project, he added that pre-feasibility and feasibility studies of some sections /sub-sections of the en-route countries of the project have been completed and in some it is progressing. He concluded that ECO Secretariat is making efforts to organize meetings in time and expedite implementation of decisions of relevant Committees/fora for the realization of these important projects.

Agenda Item No 9: To review and discuss on the implementation of ECO Transit Trade Framework Agreement (TTFA) and update thereon by ECO Secretariat

The ECO Secretariat apprised the committee that 28th Meeting of the Regional Planning Council (RPC) held in December 2017 requested Turkmenistan and the Republic of Uzbekistan to expedite process of acceding to TTFA.

The Iranian delegate stated that the railways were the cheapest mode of transport and the benefits of the ITI and KTAI were well known by the members. He added by stating that that these corridors were not being able to be utilized and latest information should be disseminated by the ECO CCI through national chambers about the implementation of the TIR convention. He also stressed the importance of marketing and commercializing the ITI and KTAI rail routes. He concluded by stating that ECO CCI is responsible for establishing a marketing company to utilize and commercialize the aforementioned routes.

Agenda Item No 10: Any Other Business

There was no issue to discuss.

Agenda Item No-11: Date and Venue of the next Meeting

The house proposed to leave the date of holding of next Meeting of Transportation Committee of ECO CCI on the approval of the 24th Executive Committee and 16th General Assembly Meetings.

Agenda Item No - 12: Adoption of the Report

The Meeting adopted the Draft Report of the eleventh Transportation Committee Meeting of ECO CCI and decided to present to 24th Executive Committee and 16th General Assembly of ECO-CCI for approval.

Agenda Item No - 13: Vote of Thanks

The participating Heads of delegations/members offered their thanks to the Iran Chamber of Commerce, industry, Mines and Agriculture (ICCIMA) for the excellent arrangements made to hold this important meeting and for the warm hospitality extended to the participants during their stay in Tehran, Iran. The participants also appreciated the contribution of the ECO-CCI Secretariat for providing the necessary assistance and support.

**Activity Report by Secretary General of ECO-CCI on
Transportation Committee in meeting held
on March 3, 2018 at Tehran, Iran**

Transport and communication network is particularly important because seven out of ten member states are land-locked. The location of these countries could be exploited by facilitating transit traffic links. So far the potential of the Central Asian Countries has not been realized primarily due to the significant “economic distance” from the market endured by transporters throughout the region. The economic distance can be significantly reduced not only by improving physical infrastructure but also by simplifying transit and clearance procedures, providing information to stakeholders and eliminating corruption.

Afghanistan is the most important country for all Central Asian countries because it has a potential to serve as a transit corridor through which oil and natural gas flows into Pakistan. Pakistan, for example, has a 30 percent electricity deficit, while Tajikistan has significant potential to export surplus summer power, and Uzbekistan has almost six hundred million barrels of proven oil reserves. Central Asian Market access easily gain access to Indian Ocean (through Arabian sea) and diversify trade partners if Afghanistan attain stability and infrastructure develop between Gwader port (Pakistan China Corridor) and Afghanistan. This corridor can play a strategic role in elevation of projects such as modern day silk road and modern day spice road. The New Silk Road vision will increase trade and economic integration in South and Central Asia.

This region is becoming more connected through infrastructure—which includes roads, bridges, electrical transmission grids, railways and pipelines – to connect energy, goods, services, and people. We can see the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline, as a similar boon for South and Central Asia.

Kyrgyzstan, Tajikistan, and Afghanistan have also formalized a Cross-Border Transport Agreement. Afghanistan and Pakistan are also working to implement a transit trade agreement which will reduce trade costs and transport delays, and now Turkmenistan, too, is considering entering into a Cross-Border Transport Agreement with Afghanistan. The implementation of all these agreements is still awaited because of instability and insecurity

in some parts of ECO region. There are a lot of trade and economic potential in ECO region.

Without an effective modern transportation and communication network, the expansion of trade and economic integration cannot be realized. That is why the Transport and Communication should be the main area for cooperation among members of different trade blocs. Istanbul–Tehran–Islamabad Train Service (ECO Train or Gul Train) was started in 2009 in with a view to provide fast, reliable and low-cost logistics alternative that has a potential to boost the regional integration. At the moment of the launching, trade between the three countries amounted to US\$ 1 billion and the officials of all three countries the railways estimate a significant growth in trade with the solution of all problems related to regulations and facility of integrated traffic. By virtue of the successful operation at the container train Pakistan Railways joined the international club of Railways through Iran and Turkey acquiring international status for freight and passenger carriage by rail. The train connects Pakistan-Iran - Turkey and in future can cater for transit cargo, for instance, Europe to Afghanistan, China, CARS and South Asia.

The Transit Transport Framework Agreement (TTFA) is the ECO's basic document as it is a comprehensive document and the primary driver of all activities related to the removal of non-physical barriers, harmonization of regulations, and the accession of the member states to international transport and trade facilitation conventions and standards. The facilitation of transit transport in the ECO region is highly important since seven out of ten ECO member states are landlocked countries.

In the Ninth High-Level Working Group Meeting of ECO Container Train recently held in Pakistan, the Iran has decided to reduce transshipment cost for the container train at Zahedan station for Pakistan for loaded and empty containers is €30 and €10. The meeting further decided that the total travel time of the container train from Hayadarpas in Iran to Istanbul will be 15.5 days. By altering the route, the travel period in Pakistan will be reduced from 8.5 to 6 days. The train operation has been suspended since December 2011, due to up-gradation of track between Ankara-Istanbul. The track has been completed now and now all three countries want resumption of ECO Train.

There is a dire need to develop transport sector for regional cooperation. The development of transport system in ECO region will lower the transportation costs. An efficient transport system may help in shaping the

economies. The existing projects like ITI (Islamabad, Tehran, Istanbul) cargo train project, KTAI (Kyrgyzstan, Tajikistan, Afghanistan and Iran) Rail project and KTI (Kazakhstan, Turkmenistan, Iran) Rail project should be speedily finalized and started. I would appreciate if the representatives of ECO Secretariat update us about further development on these projects.