

6. MAJOR CONCLUSIONS AND RECOMMENDATIONS

General

Central Asian Republics Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan (which are since 1992 also new members of ESCAP), are focusing increasing attention to the development of international trade and tourism. However, being land-locked countries with land transport routes developed mainly to the North, they lack necessary land transport connections to sea ports in neighbouring countries in the South and in the East.

Keeping in view that the Outline Plan for the Development of the Transport Sector of the ECO Region (1993) stipulates, inter alia, the interconnection of the rail and road networks in the region and the introduction of proper land transport facilitation measures as well as the fact that railway systems of Central Asia and China have been recently interconnected, the study has been carried out to assist Central Asian Republics in general and Kazakhstan, Turkmenistan and Uzbekistan in particular in identifying land transport routes to the sea ports in the South and in the East, as well as in the improvement of related land transport facilitation. Major conclusions and recommendations of the study are therefore presented below in three parts namely: land transport routes to the sea ports in the South; land transport routes to the East; and facilitation measures.

There has been however an important problem area identified which is lack of complete and regularly updated road and rail transport database in the countries. Lack of data and information, particularly on cargo flows by commodities (present and projected) as well as on related costs of operations, was a serious problem which affected the analytical process of comparing and evaluating land transport options.

It is recommended therefore that a study on international trade development of Central Asian Republics including identification of potential traffic flows, etc. could be carried out and steps could be taken at national and ECO regional level to develop a format and establish an adequate database with necessary provisions for its regular maintaining and updating. Such database could also facilitate the implementation of the Outline Plan for the Development of the Transport Sector of the ECO region.

Routes to the South

As far as land transport routes from Central Asia to sea ports in the South are concerned major conclusions and recommendations are:

(a) At present only road or rail-cum-road routes are available. However, long distances along the routes strongly indicate the advantage of future railway routes. As the development of such railway routes is envisaged in the ECO region, it is important to properly forecast traffic flows along the rail, and also road routes.

It could be recommended therefore that a rail/road modal split study along the main rail and road transport routes is carried out for any new rail connection planned from Central Asia to sea ports in the South.

(b) The key element of new railway infrastructure appear to be a link between Tedjen (Turkmenistan) and Meshad (Islamic Republic of Iran) which is planned to be completed by the end of 1996.

The importance of this line stems from the fact that it would connect the railway networks of Central Asia and of the Islamic Republic of Iran thus providing a possibility of uninterrupted railway transportation from Central Asia to sea ports in the Islamic Republic of Iran and Turkey, as well as via Turkey to Europe. In addition, a direct long distance rail route between China and the Islamic Republic of Iran via Central Asia becomes also possible.

Another important element is on-going construction of railway connection in the Islamic Republic of Iran to the modern port of Bandar Abbas which is identified by the Iranian authorities as the main port in the country to serve the transit needs of Central Asian Republics.

It is felt therefore that the construction of the line Tedjen-Meshad as well as of the line to the port of Bandar Abbas should be given priority within the Outline Plan for the Development of Transport Sector of the ECO Region (1993) to have these two lines constructed in time as planned.

However, the completion of railway route Central Asia-Meshad-Tehran-Bafq-Bandar Abbas would require developing and introduction of proper (efficient) operational schemes and management systems.

It is apparently important therefore to undertake in 1995 a special study on operational and management aspects of the line Central Asia-Meshad-Tehran-Bafq-Bandar Abbas with particular reference to transportation of ISO and non-ISO containers and to border-crossing operations at the Iranian/Turkmenistan border.

(c) With regard to the two new proposed railway lines: Meshad-Bafq (in the Islamic Republic of Iran) and Kushka-Herat-Kandagar-Chaman (in Afghanistan), it could be noted that both lines are planned to provide competing railway routes to the sea ports in the South.

A comparative analysis of the railway routes Central Asia-Meshad-Bafq-Bandar Abbas and Central Asia - Herat - Kandahar - Chaman - Karachi could be recommended with the aim to identify a step-by-step approach (as traffic grows) for the development of the routes as integral parts of the ECO railway network.

(d) The construction of the Kerman-Zahedan line in the Islamic Republic of Iran could be also noted in terms of connection of the railway system of the country with that of Pakistan, thus providing Central Asian Republics with access to sea ports of Pakistan via railway system of the Islamic Republic of Iran, which however would depend on the development of traffic.

The construction of the Kerman-Zahedan railway link could be also considered subject to results of cost/benefit analysis and apparently after the completion of both railway lines Tedjen-Meshad and Bafq-Bandar Abbas. Rich experience of the Islamic Republic of Iran in railway construction after the completion of construction of the railway line linking Turkmenistan and the Islamic Republic of Iran, as

well as of the line to the port of Bandar Abbas, could be an important contributing factor to the success of such undertaking.

(e) As far as roads and road transport are concerned their important role in border trade would apparently remained unchanged, particularly between Kazakhstan and China (corridor east). It is however possible that road transport would continue providing services within smaller range along the new improved routes, once they are available.

A study on role of road routes from Central Asia to sea ports in the South via: (i) the Islamic Republic of Iran; (ii) Afghanistan; (iii) Pakistan (via Karakoram highway) could be recommended.

Routes to the East

As far as land transport routes from Central Asia to sea ports in the East are concerned major conclusions and recommendations are:

(a) There is only one railway route that connects Central Asia with sea ports in China which is the recently completed railway link between Kazakhstan and China, at the border-crossing points of Druzba and Alatan Shankow, and extends itself through central China (Urumqi and Lanzhou to the sea ports of Tianjing, Qindao, Shanghai and Lianyungang).

Strengthening the technical capacities of the railway line including facilities at the border as well as improving conditions for container handling are under way. Long distance railway container block train operations are considered promising.

As the railway systems of China and Kazakhstan have been interconnected in 1992 but cross-border traffic is still at the initial stage, it could be recommended that:

(i) **Action plan including rationalization of tariff structure is developed to promote cross-border railway traffic (bilateral and transit) to follow up the agreement reached between the railways of China and Kazakhstan on 4 June 1994.**

(ii) **Analysis of major problems encountered in the development of cross-border traffic since the interconnection of the railway networks is carried out, the major results of which could be important in making fully operational any new railway connections from Central Asia in general and the railway line Central Asia-Meshad-Tehran-Bafq-Bandar Abbas in particular.**

In view of the fact that the railway route China-Kazakhstan-Turkmenistan-Islamic Republic of Iran-Turkey-Europe constitutes an important route of the Trans-Asian Railway (TAR), and since TAR is a part of the ESCAP land transport infrastructure development (ALTID) project - the priority project for Phase II (1992-1996) of the Transport and Communications Decade for Asia and the Pacific - **the development of this route needs to be coordinated with the development of the other TAR routes studied by ESCAP.**

(b) Road connections exist between Kazakhstan, Kyrgyzstan and China, all leading to Urumqi, the capital of western province of China. Road transport is mainly used for border trade and provides "feeder" services to railways. In view of the distances

involved in the transportation of freight (and passengers) from Central Asia to the sea ports in China, it is expected that railway transport would remain the main transport mode.

(a) Border-crossing facilitation

(i) **Accession to the related International Conventions by the Central Asian Republics and their adjacent countries could be considered on priority basis particularly those recommended vide the ESCAP Resolution 48/11 on road and rail transport modes in relation to facilitation measures, namely:**

- The Convention on Road Traffic of 1968
- The Convention on Road Signs and Signals of 1968
- Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention) of 1975
- The Customs Convention on the Temporary Importation of Commercial Road Vehicles of 1956
- Customs Convention on Containers of 1972
- The International Convention on the Harmonization of Frontier Controls of Goods of 1982
- The Convention on the Contract for the International Carriage of Goods by Road (CMR) of 1956 as well as the Barcelona and New York Transit Conventions. As Customs services in Central Asia are in the process of being organized, the Kyoto Convention could be also included in the list.

(ii) **Conclusion of bilateral agreements between the countries, where not done already, is also recommended.** Provisions relating to protection to domestic transport may be avoided to the extent possible. Experience in Europe shows that such protectionist clauses cause delays and prove counter productive.

(iii) **Improvement at border-crossing points by way of:**

- separate check posts for passengers and cargo traffic;
- minimizing the number of check posts by combining all operations at one place; and
- creation of suitable amenities in the form of rest houses, repair shops, gasoline stations, warehouses, weigh-bridges, sign borders, etc. at border-crossings points;

(iv) **Familiarization (training) of officers and ground staff with transit rules and regulations for facilitation of traffic is very valuable especially in respect of the Central Asian Republics where Customs and Administrative services are still at their formative stage.**

(b) Multimodalism

Facilitation in movement, cost effectiveness and other benefits can be achieved by encouraging containerization and multimodalism. In addition, to accession to Conventions like Customs Convention on Containers (1972), suitable legal framework both at international and national level is necessary.

The steps to be taken should include:

- adoption of international procedures and documentation;
- streamlining of national customs and administrative procedures relating to movement, stuffing/destuffing of containers;
- encouraging the institution of multimodal transport operators and freight forwarders;
- setting up inland container depots/container freight stations with the involvement of private sector and so forth.

It is recommended to complete one full dress corridor (from the port of Bandar Abbas to CAR study to identify, and assess the relative severity of, non-physical impediments to the progress of inter-modal transport, focussing on procedures, documentation, tariff structures, international agreements for transit and other institutional and commercial bottlenecks.

(c) Use of electronic data interchange (EDI)

As EDI is becoming indispensable in international trade and transit EDI can be introduced in phased manner, Central Asia and adjacent countries may consider using computers in departments of Customs and Transport, and keep their procedures and forms simple. Improvement of related telecommunication services would be also required.

(d) Country-wise plan of action

In addition to the points already mentioned for action by Central Asia and adjacent countries, the following action points are proposed for consideration of the Central Asian countries of Kazakhstan, Turkmenistan and Uzbekistan:

- (i) Entering into transit treaty with coastline countries of the Islamic Republic of Iran, Turkey, China and Pakistan for transit cargo;
- (ii) Encouraging setting up of joint ventures of public and private sector to act as multimodal transport operators and freight forwarders;
- (iii) Formulate guidelines including customs procedures for setting up container freight stations by public and private sector organizations; also provide for single window clearance of proposals for CFSs;

Keep procedures and forms simple and upgrade quality of telecommunication to introduce EDI at appropriate stage;

- (v) Consider the setting up of National Transit Facilitation Authority to look after all transport and transit related issues and serve as focal point for relations with other governments and international bodies;

Evolve a programme for development and training of personnel engaged in transport infrastructure, multimodalism, freight forwarding, etc.

(e) Regional framework transit treaty

A comprehensive regional framework transit treaty can help in reducing several administrative, customs and liability procedures and facilitate movement within the ECO region. However, the feasibility aspect of the Treaty would need a careful consideration because of differences in: (i) transport and other systems; (ii) level of economic growth of the countries of ECO region.

A detailed study in the matter could be recommended.