A Review of Regional and Sub-regional Agreements on Land Transport Routes: Issues and Alternative Frameworks
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I. Introduction:

1.1 The strategic role of land transport in international trade and commerce has been undergoing major changes in recent years. In the past, the world production structure and the patterns and directions of trade derived from it, made maritime shipping the dominant mode of international transport. In this pattern of international trade and commerce, the role of the domestic land transport system was mostly limited to providing to the economic hinterland an access to the sea port(s). The ongoing process of globalization in general, and the increasing social, cultural and economic interactions among economies within a region or sub-region in particular, have created a renewed interest in the possibilities of land transport as a critical logistics and service support sector.

1.2 The land transport needs arising out of bilateral trade have been traditionally met through related provisions in the bilateral agreements regulating trade between countries, rather than through general transport or transit agreements. The tendency to avoid independent transport agreements has often reflected an apprehension that general transport or transit agreements would make it difficult to regulate inter-country trade. However, as the trade between countries is being increasingly driven by international market forces, overall significance of formal inter-state trade agreements is declining, and the need for comprehensive transport agreements is becoming evident.

1.3 In the open and competitive global economy, any saving on account of transport cost can give significant competitive edge to the producers. Therefore cost consideration will increasingly influence the choice of a transport mode in providing a specific transport service. Since the relative efficiency of a transport mode depends on the nature of goods carried, expected delivery time between origin and destination as well as level of services provided, cost efficient international transport would increasingly require a more coordinated use of various transport modes. Such coordinated use of transport modes is also indicated by the present or anticipated capacity constraints in specific transport modes as well as by the increasing recognition of environmental implications of transport activities. In the coordinated transport system that is emerging, international land transport routes are likely to play an increasing role. The present review seeks to examine various issues which are relevant to the development of international land transport routes, with a view to identifying various elements of an international land transport agreement that can provide an effective framework for such development.

1.4 As compared with sea or air transportation, international transportation by land in general requires coordination and harmonization of a wider range of potentially conflicting issues. International land transport, with respect to both bilateral transport and overland transit, is entirely subject to the national sovereignty of each country and can therefore exist only within the limits that each country is prepared to accept.

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1As different transport modes have different consequences for the environment, environment is now looked upon as a major consideration in determining the modal mix in both domestic and international transport. Within land transport, environment has figured as an important issue in the debate over the relative use of road and rail transports.
International land transport involves movement into and/or across sovereign countries with different laws, rules and procedures relating to customs, immigration and transportation, which are often developed and applied at various levels of the government. International land transport may require significant adjustments or changes in these national or local laws, rules, procedures and standards, based on an appropriate balance between the interests of the countries traversed and their population in terms of land transport safety, environment, health, customs and fiscal interests etc., on the one hand, and the rights of the users of international transport routes, on the other. Furthermore, a lack of standardization with respect to the technical and operational aspects of transport infrastructure, vehicle and related equipments and installations can add further complications. All these factors underscore the need for, as well as the intrinsic difficulty in, developing international land transport agreements. Small wonder that such agreements have often required protracted and painstaking efforts.

Most countries give high priority to development of the transport sector. However, as transport traffic is largely national and local, the national transport priorities are primarily driven by domestic economic, commercial, social and, last but not the least, political imperatives, rather than by international transport considerations. The full potential of an efficient international transport system can be fully realized only when national governments agree, within an international framework of cooperation and coordination, to create an environment for increased international trade and investment flows, and to provide the necessary international transport links to make such trade and investment possible. An international land transport agreement can provide the framework for promoting and coordinating efforts towards achieving this objective.

When it comes to land transport, most countries tend to view its importance largely in the context of their respective transport interface with their immediate neighbours. This probably explains why international transport operations tend to be covered mostly by bilateral agreements. While such bilateral agreements may be adequate in the context of transport between physically contiguous countries, they are hardly adequate in the context of international land transport that requires transit through third countries. Certain issues such as road signs and signals, contracts of carriage and insurance, and customs, taxation and work-related problems can be effectively controlled only by multilateral means. It may be emphasized however that accession to multilateral agreements and conventions does not preclude the need for bilateral agreements to deal with specific details of transport operations; for examples, to regulate the volume of transit traffic permitted.

The case for a more harmonized development of international land routes in Asia is already well recognized. The ongoing Asian Highway (AH) and Trans-Asian Railways (TAR) projects, which are being sponsored by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), symbolize the strong commitment of ESCAP Member Countries to the promotion of integrated Asian land transport networks as a means to accelerate national, sub-regional and regional development. To further build on it, efforts need to be made to create a greater awareness among all stakeholders in international land transport of the hitherto unexplored possibilities of such international land routes. Dissemination of information on what is being done in various regions and sub-regions to promote
international land transport can facilitate this process of awareness creation, and assist the ESCAP Member Countries in shaping their respective responses to the challenge of developing and utilizing AH and TAR networks to their full potential. The present review is intended to be a contribution towards achieving this goal.