## Cutting costs and time, and improving predictability Applying global best practices to African trade corridors

13th Intermodal Africa, Lusaka, Zambia. 29-30 October 2015

William Petty, IRU @ Booth 28/29

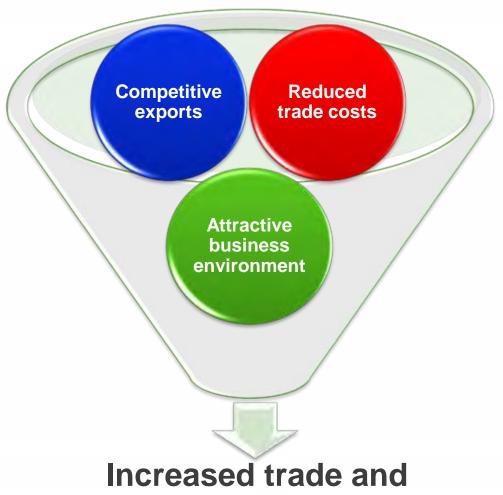


# THE IMPORTANCE OF EFFICIENT ROAD TRANSPORT





#### Efficient Transport = Economic Growth



economic growth

Colombia Colombia (Colombia)

#### RU Bananas!



#### Polish Firm Seeks Banana Imports

28 May 2015



Citronex, is seeking to import bananas from the country

#### Kenneth Matimaire

POLISH company, Citronex, is seeking to import bananas from the country, with talks already underway with the country's major producer Matanuska.

Citronex is one of the largest distributor and importer of bananas in eastern Europe. It currently imports the bulk of its bananas from Ecuador in South America where it spends US\$200 million per annum.

The firm has cast its eyes on Africa where it intends to spend US\$50 million annually on imports.

Zimbabwe's top banana producer, Matanuska has since been approached by the Polish firm over a possible deal. Citronex purchasing manager, Jacek Konarzewski, confirmed the development.

Konarzewski said their focus on Africa had been a result of changes in their European markets.

"Due to changes in the market, we are currently looking for reliable trading partners in Africa. Our company spends US\$200 million on bananas from South America per year. This year we have planned to purchase from Africa bananas for about US\$50 million," he said.

Citronex has a hypermarket network in Poland, Czech Republic, Lithuania and Germany.

It has vast banana greenhouses measuring about 50 hectares, which they intend to double by next year.

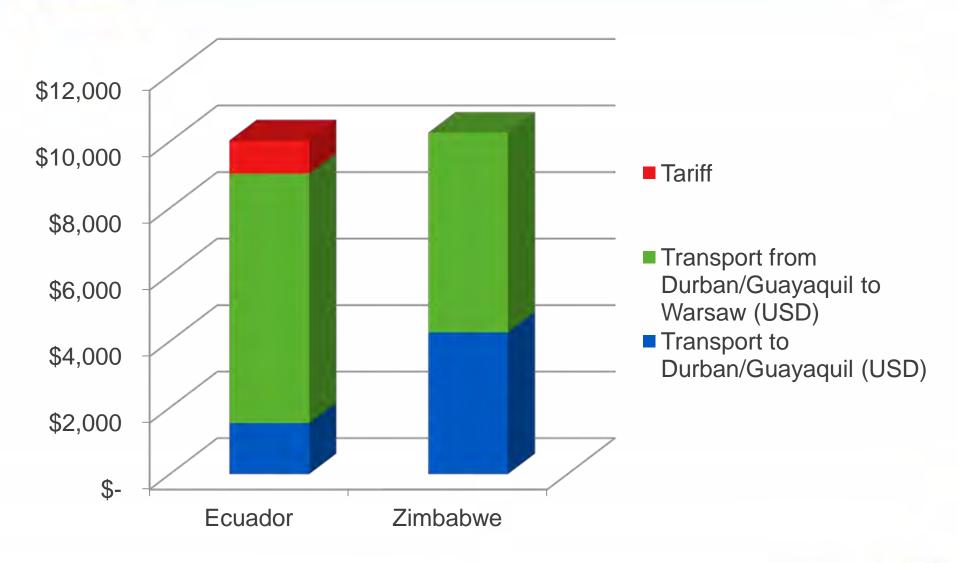
Matanuska finance director, Richard Chiwandire, said they were currently working on the logistics for the exports.

Chiwandire hinted that they were likely to rope in their trading subsidiary in Mozambique to satisfy the Polish market.

Source: www.financialgazette.co.zw

Colombia Colombia (Chicago Chicago Chi

#### **IRU** Exporting bananas to Poland



Colombia Colombia (Temport Union P.J. 171)

## FACILITATING BORDER CROSSINGS AND TRANSIT



#### What is trade facilitation?

Reduced controls on traders, based on a risk management approach

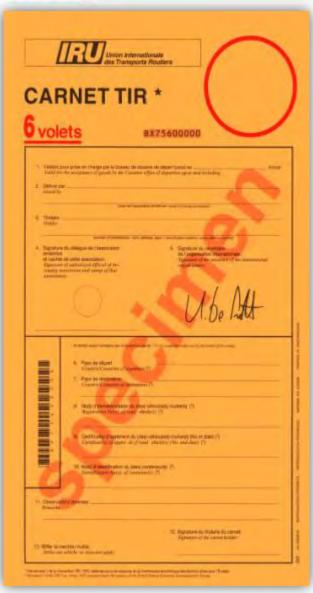
But any facilitation means an increased risk for Customs

But if Customs could pass the risk to a third party.....?

#### The TIR System



#### The TIR System



- A carnet-based transit system
- Risk held by a global guarantee chain
- Customs minimise procedures at border crossings



#### The TIR System





**ü69** contracting parties

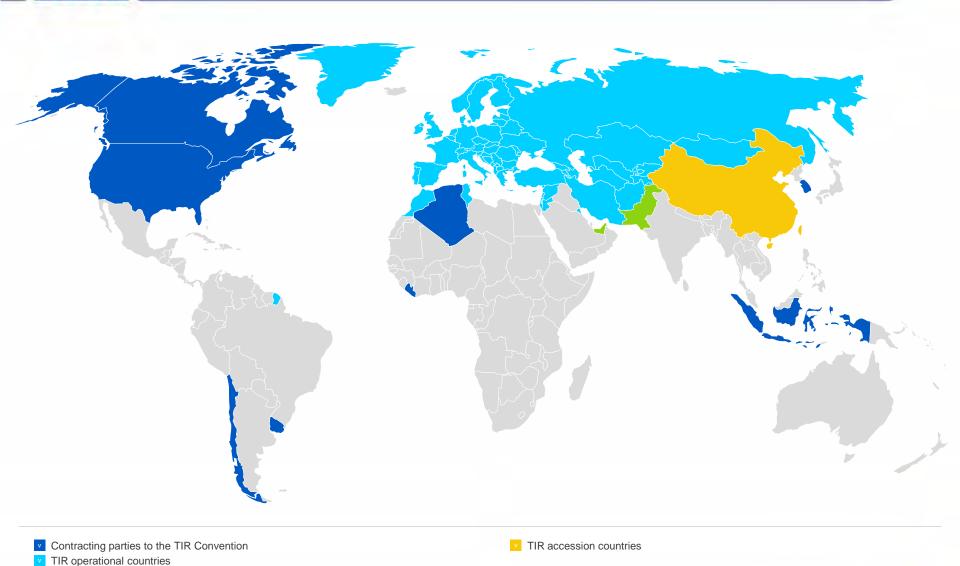
**ü58** operational TIR countries

**ü**Up to **3 million** carnets issued per year

**ü**Over **35,000 operators** worldwide authorised to operate under TIR

**ü1 billion USD** in Customs guarantees... every day...

### TIR – A Global Instrument





Colonia Carlo Colonia (Colonia Carlo)

### Key Benefits of UN TIR Convention

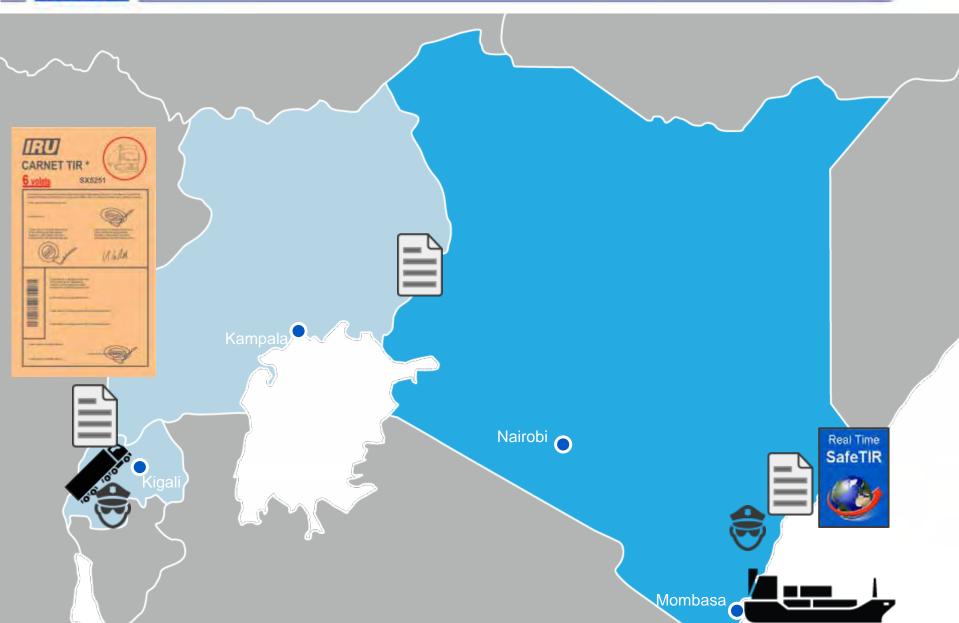




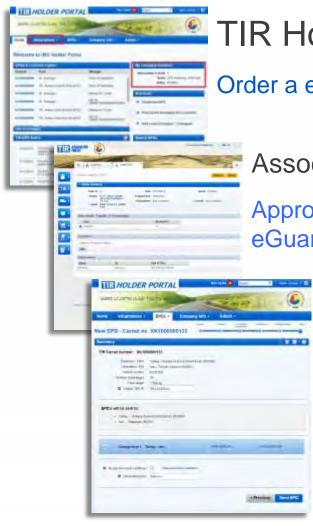
For Customs	For Traders
ü Risk sits with guarantee chain	ü Cost effective
ü Authorised operators only	ü Single guarantee for entire movement
ü Secured load compartments	ü No bond deposited
ü Highly secure, fraud-proof carnet	ü No need to apply customs valuation and negotiate bond value
ü 0.001% claims rate	ü Global – not bi-lateral or regional – with mutual recognition
ü PPP structure – national entities issue carnets in partnership with national Customs administration	ü Traders can submit advance data electronically to Customs
ü Customs can use their own systems to process TIR movements	üHelp with unclogging ports

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## How does TIR work?







#### TIR Holder:

Order a eGuarantee online

Association:

Approve and issue the eGuarantee

TIR Holder:

Pre-declare the transport and GO!



Colombia Colombia (Chicago Chicago Chi

#### Towards TIR implementation

Pre-requisite to implementation: government accession to the UN TIR Convention

Sensitisation phase with governments and private sector:

"Can TIR work for you?"

Come and speak to us at Booth 28/29



Join the IRU Community! @the IRU







