

Keynote Presentation: Main Challenges and Critical Success Factors for the Transnational Transport Corridors in the OIC Region



Photo: Iranian Ports & Maritime Organization

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1. Critical Success Factors
2. Challenges for OIC Corridor Development
3. Overall Conclusions of the Study
4. Recommendations and Next Steps

1. Critical Success Factors

Corridor Evaluation Criteria

1. Political and institutional factors
2. Economic factors
3. Trade facilitation
4. Social factors
5. Safety, security and the legal liability
6. Technical and operational factors
7. Environmental and energy factors
8. Corridor performance monitoring

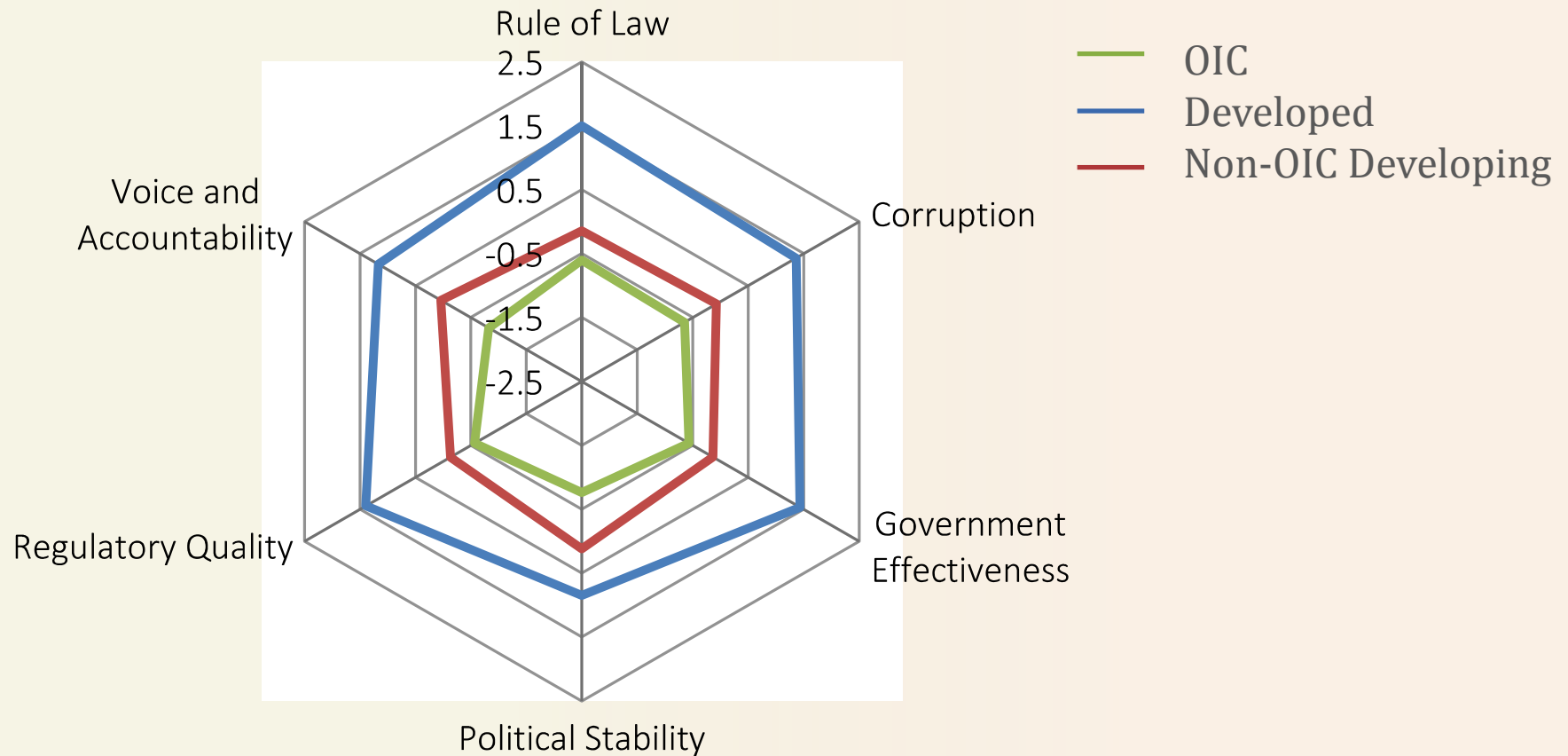
1. Critical Success Factors

1. Political and institutional factors

- Most important factors for OIC members
- Reducing tensions / conflict in some OIC member states.
- Enhancing the low level of political integration.
- Noting that 50+ OIC countries only 20+ formal transport corridors.
- Improving governance of the OIC transport corridors
- Building up secretariats that have low institutional capacity
- Align national plans to regional and corridor plans

MCA	Level of Importance	OIC Average Score	Mean Score
	19%	35%	56%

1. Critical Success Factors



1. Critical Success Factors

2. Economic factors

- Raise Levels of Ease of Doing Business Generally
EoDB OIC Ranking = 127 Not so different to sample mean = 121
BUT within the sample of 6 case studies
- EoDB Ranking with secretariats = 90
EoDB Ranking without secretariats = 130
- Also note there are high transport costs
- Build on the openness in some OIC countries from oil trade and imports

MCA	Level of Importance	OIC Average Score	Mean Score
	16%	26%	39%

1. Critical Success Factors

2. Make Doing Business Easier



1. Critical Success Factors

3. Trade facilitation

- Opens trade for land locked countries, interregional trade-regionalization
- Reduces Non Tariff Barriers, lowers cost of trade,
- Logistics Performance Index LPI = 2.8 world average

OIC Very Low Levels of Intraregional / corridor trade...

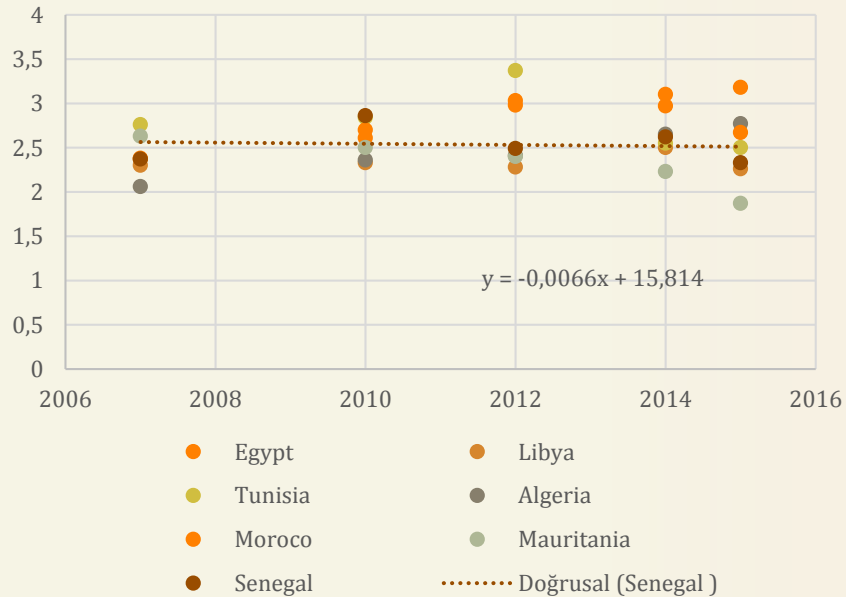
- With Secretariats = 8.4%
- Without Secretariats = 4.4%
- With Oil = 3.9%
- Without Oil = 13.2%

MCA	Level of Importance	OIC Average Score	Mean Score
	14%	35%	46%

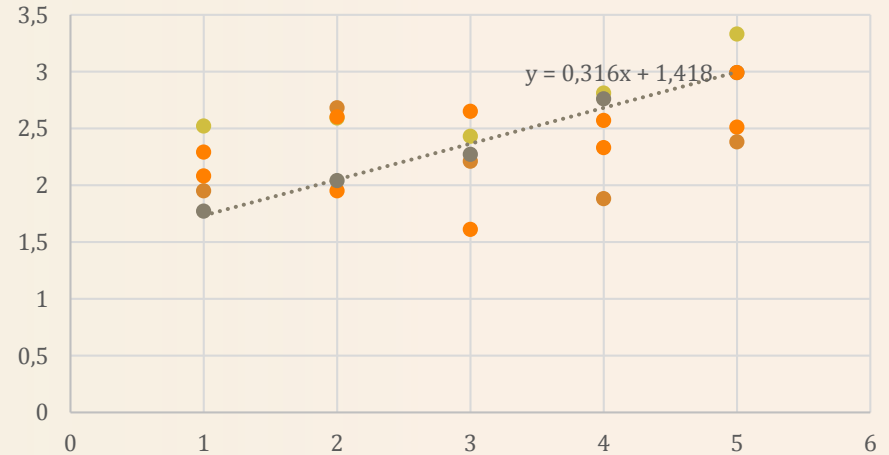
1. Critical Success Factors

3. Trade facilitation

LPI Trend Line TAH1

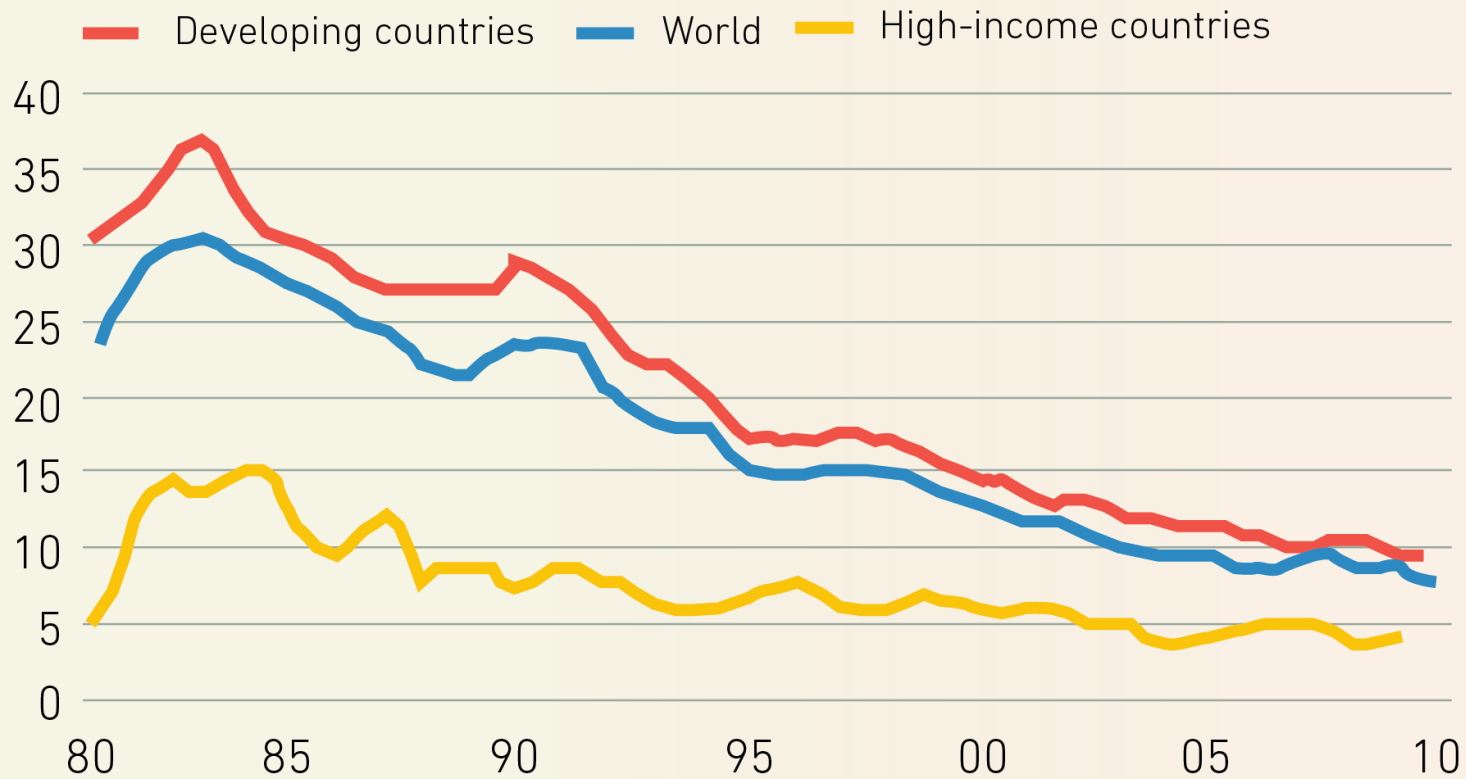


LPI Trend line NTTC



1. Critical Success Factors

Trends in tariff rates (%)



1. Critical Success Factors

4. Social factors

A transport corridor does not only mobilize trade, affects quality of life.

- Monitor and lower high poverty Head Count Ratio HCRs
- Improves labour mobility -Issue of migration
- Reduce unemployment, encourages free movement
- Stimulates repatriation of incomes
- Increase the Human Development index HDI

Scores not so high for all 30 countries

MCA	Level of Importance	OIC Average Score	Mean Score
	8%	23%	34%

1. Critical Success Factors

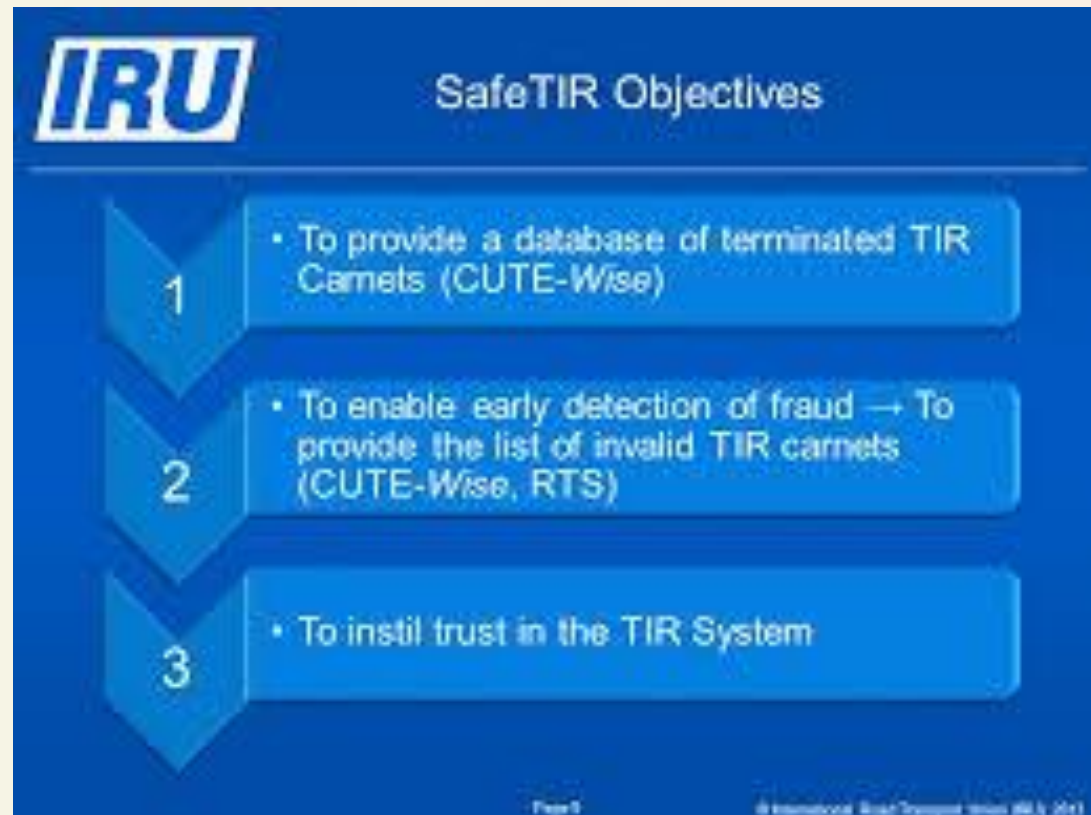
5. Safety, security and the legal liability

- Reduces road accident rates / loss and damage to goods
- Lowers cost of insurance of equipment and goods
- Controls spread of communicable diseases
- Enforces stricter phytosanitary controls
- Controls international crime
- Shares risk management information
- Harmonizes legal documents and processes.

MCA	Level of Importance	OIC Average Score	Mean Score
	13%	38%	46%

1. Critical Success Factors

5. ... legal liability – Few OIC members of TIR convention



1. Critical Success Factors

6. Technical and operational factors

- Non-Interoperable infrastructure – especially railways
- Common Road traffic control and enforcement
- Underutilization mostly of rail
- Slow total times due to stoppages and waiting
- High transport costs
- Empty running and unidirectional flows of trade
- Standardizing customs procedures
- Internet coverage for tracking and control
- Overloading trucks
- Poor or non-existent rest areas

MCA	Level of Importance	OIC Average Score	Mean Score
	22%	48%	52%

1. Critical Success Factors

Overloading:
Dangerous and
damaging to roads
bridges

Self regulation -
National Freight
Transport
Associations



1. Critical Success Factors

7. Environmental and energy factors

- OIC members are signatories to COP21 and Agenda 2030 (SDGs)
- Recognizes the need to control emissions of GHGs
- But little evidence yet of planned inter-modality
- Should take up green lorry standards
- Phase out older more polluting vehicles
- More stringent control of driver behavior

MCA	Level of Importance	OIC Average Score	Mean Score
	8%	7%	13%

1. Critical Success Factors

Reducing Global Warming
Better Health
External costs

Green Trucking
Electric Vehicles



2. Challenges for OIC Corridor Development

Overcoming challenges, finding common ground and advancing similar goals will be well worth the effort

- Promoting Dialogue and conflict reduction
- Mutual understanding of the objectives for corridor development
- Embedding corridor development into national planning
- Supporting cross border investment
- Reducing protectionism opening borders and markets
- Exchanging information
- Embracing new technologies

3. Overall conclusions of the study

The study provided compelling evidence to the advance the cause of transport corridors in OIC countries...

- Established secretariats backed by treaty / funding - worked well
- Simplification of business procedures improved trade and investment
- Reducing non-tariff barriers to trade lowered costs and boosts economy
- Harmonising transport regulations reduced risks and improves efficiency
- Improved labour mobility - HDI goes up and poverty reduces
- Shared intelligence / risk management information / reduced crime
- Improved safety and interoperability - better service quality
- Using green technology equipment and energy improves sustainability
- Monitor performance to improve corridor performance

4. Recommendations and Next Steps

1. Political and Institutional

- Transforming transport routes to transport corridors with a corridor secretariat
- Develop a corridor treaty template for members to use or benchmark with.
- Corridor secretariat to disseminate the positive impacts of successful corridors in order to promote political integration

4. Recommendations and Next Steps

2. Economics and Trade Facilitation

- Simplify business processes among member states
- Reviewing the existing trade agreements
- Remove non-physical barriers to trade
- Stimulate intra-trade along corridors
- Increasing the efficiency of customs - improving risk management techniques, green channeling, encouraging an advance manifest, etc.
- Developing an efficient trade statistics collection system
- Promoting electronic single window facilities

4. Recommendations and Next Steps

3. Safety, Security and Legal Liability

- Facilitating common passport
- Developing a data collection system related to fatalities along the corridors
- Harmonizing legislation and regulation
- Sharing Information

4. Recommendations and Next Steps

4. Environmental and Energy Factors

- Adopting common technical standards
- Improving road conditions
- Improving rail interoperability
- Promoting intermodal transport
- Improving logistics organization, coordination, and corridor route planning
- Collection and dissemination of monitoring information

4. Recommendations and Next Steps

- Set up Transport Corridor Development Task Force
- Working Groups corresponding to each criteria
- Prepare Strategic Plan
- Dialogue



Thank you for listening

Any Questions?