



**Organization for Security and Co-operation in Europe  
Secretariat**

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**Conference Services**

**Sixteenth OSCE Economic and Environmental Forum - Part 1:  
“Maritime and inland waterways co-operation in the OSCE area: Increasing security  
and protecting the environment”  
Vienna, 28- 29 January 2008**

**Introductory Session  
International frameworks - An anchor for security and environmental protection**

Please find attached the presentation by Ms. Eva Molnar, Director, Transport Division,  
United Nations Economic Commission for Europe (UNECE).



## Maritime and inland waterways co-operation in the OSCE area: increasing security and protecting the environment

International Frameworks – an anchor for  
security and environmental protection

Eva Molnar, Director of Transport, UNECE

### **Two over-arching themes**

1. Security – Trade facilitation
2. Future role of maritime and inland  
waterway transport – focus on IWT

## **Security** is one of the mega trends affecting transport

1. Globalization
2. Liberalization + Facilitation
- 3. Security challenge**
4. Fast changing technology
5. Dependence on other sectors' performance
6. The impact of decreasing public funds
7. Stronger interest groups also in transport
8. Regional integrations
9. New roles for governments
10. Increasing awareness of environmental issues

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## Many faces of the security challenge....

- Fear from terrorism
  - New procedures
  - New investments
- Smuggling and attacks on transport staff (drivers)
  - New requirements in infrastructure planning

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## Supply chain security (1): Terrorism

- Impact of 11 September
- The customs dilemma: The balance between facilitation and control
- WCO conclusions to this dilemma:
  1. Supply Chain Security = Personnel + Physical+ Information
  2. Strengthen controls at origin = export
  3. G2G and B2G partnerships are key for supply chain security and trade facilitation

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Source: "Supply Chain Security and Trade Facilitation", by Dietmar Jost World Customs Organization in 2002

## Supply chain security (2): Container Safety Initiative

- The Container Security Initiative (CSI): is an initiative that was developed by the U.S. Customs in the aftermath of the terrorist attacks of September 11th.
- CSI was launched in January 2002
- Customs and Border Protection: a division within the Department of Homeland Security is responsible for the implementation of CSI
- CSI consists of four core elements:
  - Using intelligence and automated information to identify and target high-risk containers;
  - Pre-screening those containers identified as high-risk, at the port of departure, before they arrive at U.S. ports;
  - Using detection technology to quickly pre-screen high-risk containers; and
  - Using smarter, tamper proof containers.

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<http://www.useu.be/Categories/Justice%20and%20Home%20Affairs/Mar1203CSIFactSheet.html>

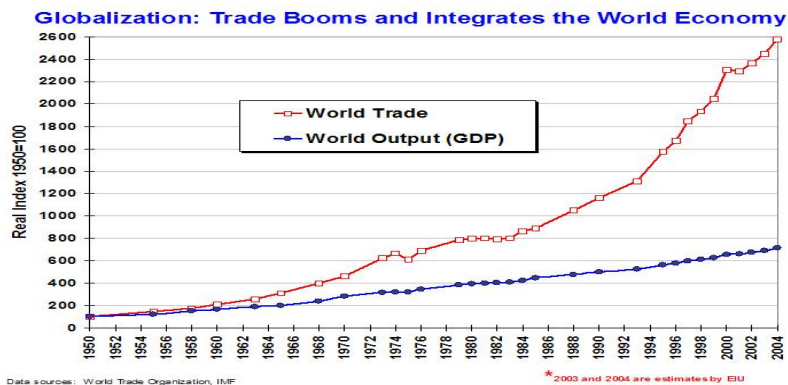
## Supply chain security (3): C-TPAT

- C-TPAT = Customs - trade partnership against terrorism
- Aim is to heighten the security of trade channels from acts of terrorism
- Advantages of C-TPAT
  - Visibility
  - Single customs point of contact (POC)
  - Access to other C-TPAT certified companies without extra control

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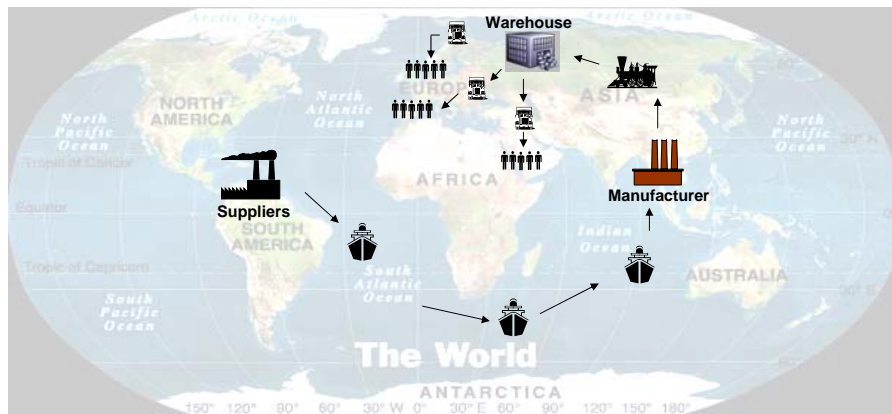
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The double face: Security and TTF, since trade matters most for development, but barriers to trade are still awesome



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GSCM raises the profile of transport:  
value for money in transport to counter-  
balance security costs, however ....



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... total logistics costs may be high  
and can undermine competitiveness,

Table IIB.2  
Transport cost as a source of comparative advantage  
(Trade-weighted freight rates in per cent of imports, 1994)

	United States	New Zealand	Argentina	Brazil	Chile	Paraguay	Uruguay
<b>All products</b>	3.8	8.3	7.5	7.3	8.8	13.3	4.6
Food and live animals	8.2	14.5	9.9	10.4	12.7	12.0	3.6
Beverages & tobacco	6.9	9.4	11.3	9.0	8.4	10.4	4.8
Crude materials	8.2	16.3	15.2	7.7	12.0	10.2	3.7
Mineral fuels, lubricants	6.6	9.9	14.7	10.7	11.8	20.9	4.7
Animal and veg. oils, fat	7.1	10.6	10.8	5.4	9.3	12.5	2.6
Chemicals & rel. prod.	4.5	9.0	7.6	6.8	10.2	10.4	3.0
Manufactures (by material)	5.3	10.0	9.4	8.5	10.9	11.2	4.7
Machinery & transport equip.	2.0	6.3	5.6	5.1	6.3	13.8	4.1
Misc manufactures	4.7	6.6	9.3	8.1	9.1	15.2	5.8
All other goods	1.0	0.6	4.5	0.8	7.6	6.8	2.5

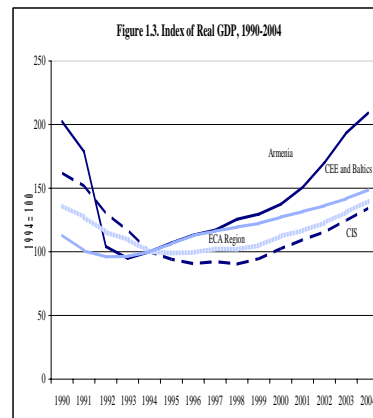
Note: Given the limited availability of data, transport costs are reported for 1994 to allow a comparison across countries.  
Source: Hummels (1999a) based on US Census, Statistics New Zealand and ALADI Secretariat.

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... gap between problem recognition at large and problem solving at hands – convincing indicators are needed

**Improved methods to measure competitiveness in terms of trade and transport**

- Traditional analyses macro-economics should be accompanied by models focusing on logistics
- Complex measures, like investment climate surveys, participation in regional integrations, TTF audit
- Less complex, but still powerful indicators, like time spent in customs clearance, distance from markets



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## Security + TTF: Three major issues

- IWT – growing part of global trade
- Improved security framework for land transport – incl. IWT
- Logistics Indicators that are
  - Comparable
  - Position transport according to its weight in trade

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## The human side of maritime and IW transport

- Maritime population
  - Mediterranean basin: 430 million people
- IWT Population
  - Rhein basin: ? Million people
  - Danube basin: 81 million people
  - Dniepre basin: 33 million people
  - Volga basin: 57 million people

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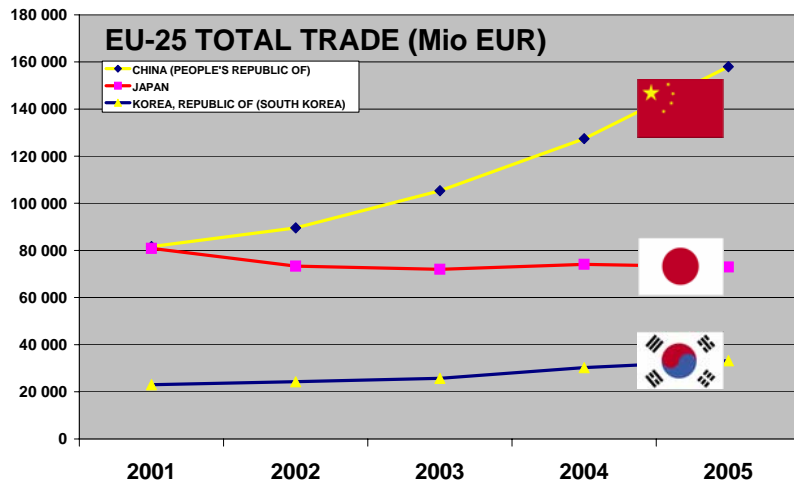
## Traffic dimension

- IWT today (7%)
- The impact of the Euro-Asian trade and transport on maritime and IW transport demand

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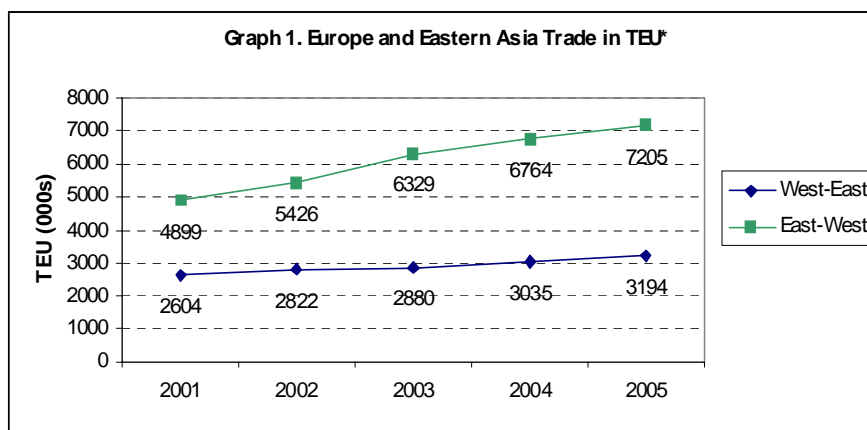


## The Europe- Asia trade



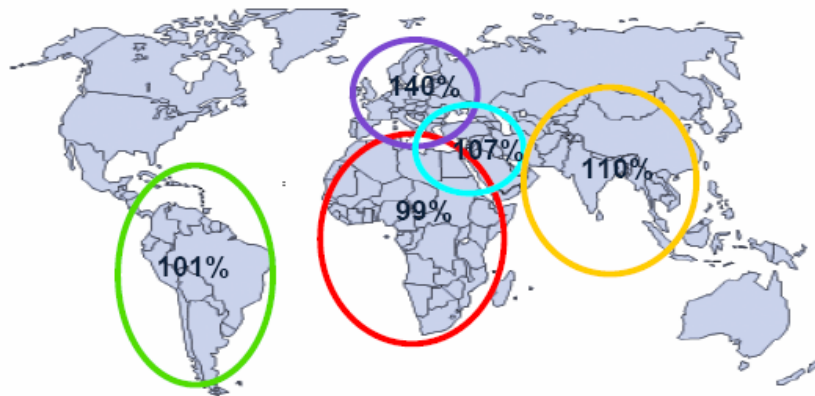
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## Europe- Asia TEU traffic



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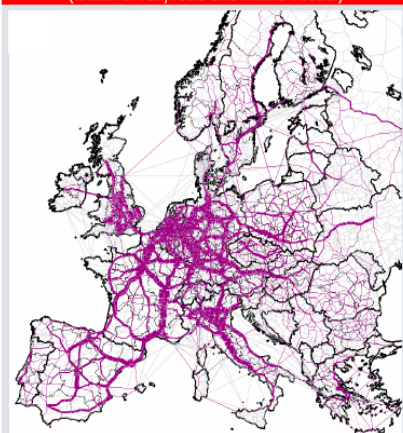
## Expected Utilization Rates by 2011



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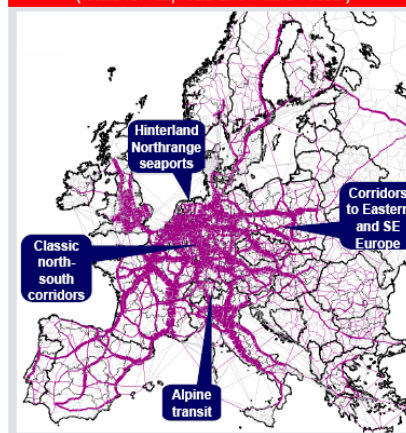
## Expected bottlenecks in European transport flows

**European transport flows 2004**  
(totals for rail, road and inland vessel)



Source: ROMP, Factor 40 million t / mm, interzonal transport >50 km

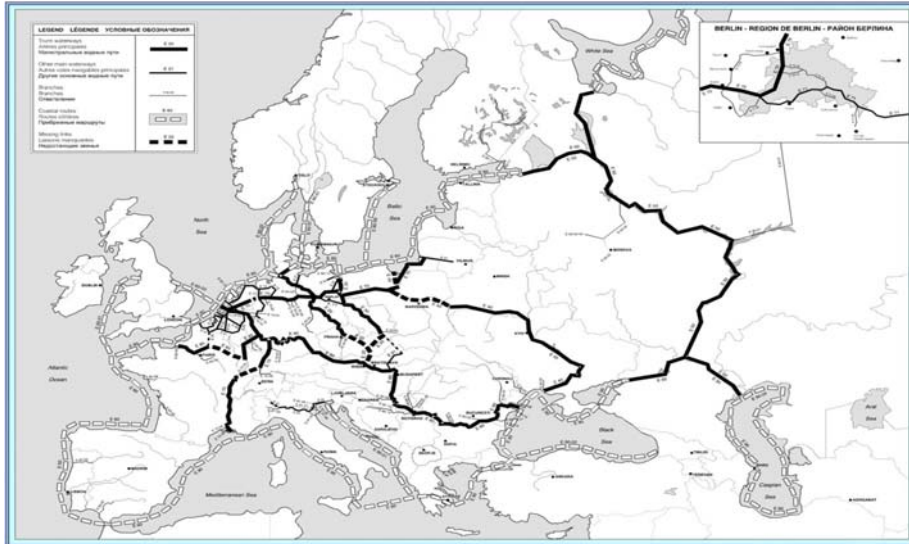
**European transport flows 2015**  
(totals for rail, road and inland vessel)



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## To be more utilised network potentials



## The institutional dimension: Milestones in promoting IWT

- The Budapest Declaration of 1991
- The Rotterdam Declaration of 2001
- UN ECE Group of Volunteers' Report
- The EFIN Group Report
  - From Netherlands, Germany, France, Belgium, Switzerland
  - Institutional framework
- The Bucharest Declaration of 2006

## **... Europe needs a strong framework to promote inland navigation!**

- To strengthen its uniformity
- To respect its pan-European dimensions
- To increase its influence on political level
- To secure more resources
- To improve its efficiency (incl. Inter-modal links)
- To improve its service capacity

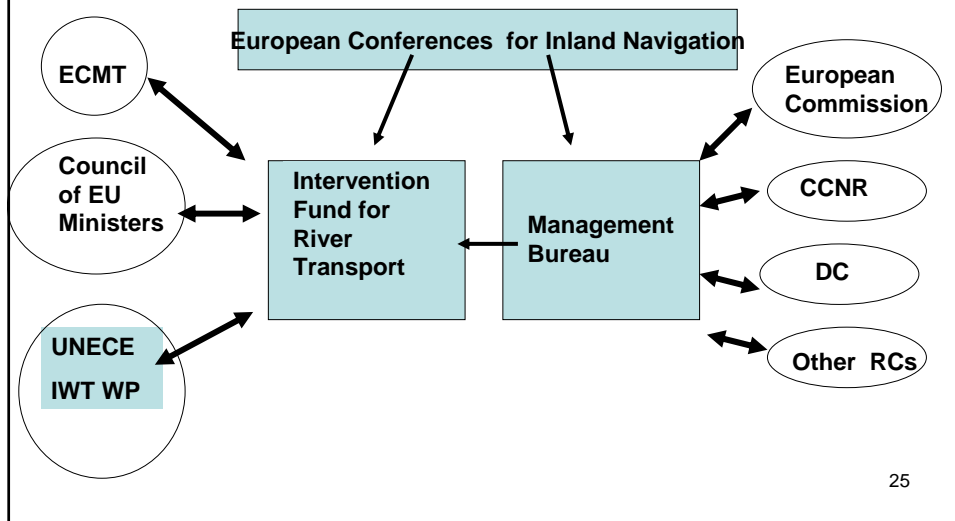
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## **Because there is still a need for**

- Redistribution of tasks among RCs – Reduction of overlaps
- European integration of markets and rules of the game at a pan-European level
- More focused cooperation among international organisations

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# Institutional players in Inland Navigation



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## Conclusions

**Fast changes + fast adjustments in trade and transport = improved competitiveness**

- 1. Facilitation and Security serve common goals**
- 2. Multilateral framework**
  1. for new logistics indicators
  2. for improved security of inland transport
- 3. Maritime and IW transport as part of GSCM**
  1. Can offset cost increases due to security measures
  2. Can offer solutions in the Euro-Asian trade
- 4. IWT is pan-European – UN ECE WP to be strengthened to respond to institutional challenges**
- 5. Room for multi-agency cooperation**

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