

Minutes of the First Meeting of the Expert Group (2) constituted by the International "North-South" Transport Corridor Co-ordination Council on "Documentation, Customs and Related Issues"

17th – 18th December 2002

The first meeting of the Expert Group on "Documentation, Customs and Related Issues" constituted by the International "North-South" Transport Corridor Co-ordination Council was held in The Shipping Corporation of India Ltd., Shipping House, Madame Cama Road, Nariman Point, Mumbai on 17th – 18th December, 2002.

The Meeting was attended by the following Members:

Delegation of Iran

Mr.Morteza Hanzekian, Director General, Transit Supervision Division, Head of Group (2)

Mr.Gholamreza Dereikvand Deputy, First CIS & Caucasus Divn., Ministry of Foreign Affairs

Mr.Homayoun Asadi, Representative, Iranian Association of Intl. Transportation Companies

Mr. Mirae, Expert, Iranian Counsulata

Delegation of Russian Federation

Mr.V.V.Kvitko, Head of the Dept., Ministry of Railways, Head of Group (2)

Mr.G.E.Kazyulin, Leading Expert, Dept. for Cargo and Commercial Matters, Ministry of Railways.

Delegation of India

Mr.S.K.Sinha, Director, Central Board of Excise and Customs, Ministry of Finance, Head of Group (2)

Mr. Shantanu Bhadkamkar, Hon. Secretary, Federation of Freight Forwarders' Association of India.

The Expert Group took note of Article 3.2 of the Statute of International "North-South Transport Corridor Co-ordination Council" which lays down the areas which Expert Groups appointed by the Council should study, review and analyse in order to achieve the objectives of the Council stated in Article 2 of the said Statute. The Council in its first meeting held on May 2002 in St. Petersburg had decided to constitute two groups for the purpose. One of the two groups is the Expert Group on "Documentation, Customs and Related Issues" which was given the following tasks:

“Documentation, Customs matters and related issues (harmonizing, documentation and information sharing systems, relaxing of customs supervision and inspection by avoiding breaking of seals while containers are in transit)”

The Expert Group began the deliberations by making an estimate of the facilities available for transit of cargo through Iran and the broad reasons, which have hampered the growth of the transit corridor. In the discussions, the Group was informed about the factors that have deterred the growth of the transit corridor, which were as follows:

- a) The popularity of this route in relation to Indo-Russian trade was restricted only to a very few items. The flow of goods in Containers from Russia to India through this corridor was far less than the flow of goods from India to Russia through the Corridor as a result of which many containers had to be returned as empties or were left in Russia for considerably long periods of time.
- b) There were limitations on the types of commodities that could be carried through the road mode in the “North-South” corridor due to load bearing limitations inherent in roadways mode of transport. There was not enough volume of transit cargo to permit movement of goods through rail in Iran even though railway mode of transport does not suffer from load bearing restrictions.
- c) The Indian trade was affected by the uncertainty of the delivery schedules of goods exported through the corridor from India to Russia and vice versa. The Indian trade maintained that the option of using the corridor was largely with the Russian trade and this corridor was not popular with the Russian trade.
- d) The freight structure indicated that due to non-return of containers in a timely manner and non-availability of back-haul cargo, the Shipping Lines had to increase their freight for cargo moving to Russia through this corridor.


The Expert Group made the following recommendations to the Council:

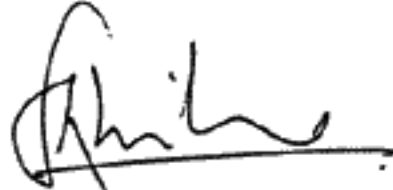
1. The Islamic Republic Of Iran Custom Administration (IRICA) requires the filing of an “Insurance” by traders seeking transit through the corridor by road. This insurance is meant to cover the customs duty element on the goods, so that the Insurance companies can pay IRICA the amount of customs duty involved in case the goods under transit are not re-exported. As a measure of trade facilitation, IRICA may like to explore whether arrangements can be made with Insurance Companies provided the contents are approved by an authorised Iranian insurance company so that the exporters / shippers using the corridor can take an insurance policy in their own countries.
2. The Expert Group felt that the Customs procedures for transit could be further liberalised and IRICA may like to explore whether an Export Document of the Customs Administration of the country of exportation or that of the Shipping Lines can be accepted by them as a valid Customs Document to permit the transit of goods through Iran. For this purpose, the Russian and Indian delegation agreed to supply formats of the relevant documents to the Iranian delegation. IRICA may then study the matter and make a proposal for a harmonised transit document that will be accepted by all the parties to the Agreement on North-South corridor for permitting transit of goods through their respective territories.

3. The Iranian delegation requested the other two delegations to ensure that a copy of the ships' Manifest carrying transit goods into their ports are sent in advance in electronic form to the customs and port authorities at the port of discharge.
4. The Iranian delegation suggested that the working hours of the three Customs Administrations should be harmonised. It was observed that there was a time gap of two (2) hours between Iran and India, which will make such harmonisation difficult. It was also noted that the present volumes of trade did not merit the change in the working hours of the Customs Administrations. This issue, however, could be considered later after the volume of trade grows substantially.
5. The Iranian delegation suggested that the latest changes in rules and regulations of customs and port including port charges and fees might be notified to the other parties. The Expert Group felt that the concerned Websites of the Customs and Port authorities of the three parties should be updated with all information relevant for users of the North South Corridor. The three parties should notify the addresses of the concerned Websites to the other parties so as to popularise the use of the Websites among all concerned persons. The three parties should hyperlink the Websites of the other parties in their own Websites.
6. The Iranian delegation informed that they have established a special Problem-Shooting Office at IRICA at 98-911-2326842 and 98-911-2307027 and 98-21-8808692. The Expert Group recognised the usefulness of such an office and would like to advice all the three parties to appoint a nodal officer for all matters relating to the movement of goods on the North-South corridor and intimate the name and address of this officer to the other parties.

The Expert Group decided to make the above recommendations to the Council.


 (Iranian Delegation)
 Mr. Morteza Hanzekian,
 Director General,
 Transit Supervision Division


 (Russian Delegation)
 Mr. V.V. Kvitko,
 Head of the Dept.,
 Ministry of Railways


 (Indian Delegation)
 Mr. S.K. Sinha, Director,
 Central Board of Excise & Customs,
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