



Trade and Transport Facilitation

*Building a Secure and Efficient
Environment for Trade*



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∴ **World Economic Forum**

Global Competitiveness Report

2003-2004

1. Finland
2. United States
3. Sweden
4. Denmark
5. Taiwan



What do competitive countries have in common?

- efficient macroeconomic management
- high quality public institutions
- stable, transparent governments
- low crime rates
- minimal inflation
- quality educational systems
- strong work ethic



Export Competitiveness

Production capacity, combined with the ability to bring goods to foreign markets at the lowest possible cost through the use of high quality transportation networks.



The Bottom of the List

95. Paraguay

96. Madagascar

97. Zimbabwe

98. Bangladesh

99. Mali

100. Angola

101. Chad

102. Haiti



What do these countries have in common?

- low-quality, inefficient transport infrastructure
- political instability
- poor seaport and airport logistics
- weak regulatory frameworks
- customs inefficiency
- burdensome bureaucracy
- high corruption levels



• How do these problems hinder a country's global competitiveness?

- Zambia: landlocked, with 80% of roads unpaved
- Zambia: floriculture industry not adding value
- Bangladesh: exports slowed at every step
- Egypt: imports take weeks to clear customs and other regulatory agencies
- Paraguay: political instability hurts foreign investment
- Pakistan: Afghanistan-bound transit cargo sits for months in Karachi, strangled by bureaucracy



Dubai: A Facilitation Success Story

“The role of government is to manufacture opportunities for business.”

His Highness General Sheikh Mohammed bin Rashid al Maktoum, Crown Prince of Dubai and U.A.E. Minister of Defence



In the United Arab Emirates...

- 15 seaports serving over 200 shipping lines
- 6 international airports
- 4 national airlines



In Dubai...

- 13 free zones, home to around 5,000 companies
- Jebel Ali Free Zone: 3,000 companies have invested US\$2 billion
- Dubai International Airport: total freight movement of 939,966 tonnes in 2003
- Dubai ports: 13th in the world, having handled 4.19 million TEUs in 2002



Dubai's Diversification

- major industrial projects, infrastructure development, and new construction projects that involve foreign investment
- under construction: Dubai Commodities Center, free zone for humanitarian aid distribution, Dubai Flower Centre, the world's tallest tower, and the world's largest man-made islands
- an atmosphere that develops tourism while encouraging business and investment



Government Facilitation: Two Examples

- Administration of Jebel Ali Free Zone is flexible and attentive to the needs of foreign companies, such as financing above-ground assets
- Dubai Flower Centre: a guaranteed cool chain in 45° centigrade that incorporates Dubai in the world's US\$7.3 billion floriculture market



Benefits to the Freight Industry

- extensive foreign investment
- increased employment opportunities
- high-quality physical infrastructure
- increased volume
- decreased costs
- paperless customs processes



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• **What factors have made Dubai a contender in the international arena?**

- supremacy in transportation
- right policies
- imposing infrastructure
- streamlined processes
- no red tape
- foreign investment
- diversified economy
- regional logistics hub



Essentials for a Competitive Economy

- minimal red tape and bureaucracy
- advanced information and communication technology
- defined tax system and government support of free zones
foreign investment to revitalize transportation infrastructure
- confronting nepotism
- accountability for all workers
- Africa: an efficient rail network and a relaxation of intra-African trade barriers
- openness to foreign visitors through relaxed visa procedures
- complete transparency in political and economic processes
all over the world



• **FIATA: The International Federation of Freight Forwarding Associations**

- based in Zurich
- founded in 1926
- represents 40,000 forwarding firms in 150 countries
- largest NGO in the world
- consultative status with UNCTAD, ECOSOC, UNECE, and UNESCAP



- **FIATA is the voice of the freight forwarding community**

- facilitates and accelerates industry growth
- policy formulation and recommendations
- encourages uniform industry standards
- training
- promotes industry evolution and value addition by freight forwarders
- helps forwarders navigate changing security regulations



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“A thought which does not result in an action is nothing much, and an action which does not proceed from a thought is nothing at all.”

George Bernard Shaw

