

DRAFT PRESS RELEASE

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Regional Seminar on the TIR Customs Transit System **Riga (3-4 October 2002)**

On 3 and 4 October 2002 an international Seminar on the application of the TIR Customs transit system will be held in Riga for the Baltic States. The Seminar is organized by the TIR Executive Board (TIRExB), in cooperation with the National Customs Board of Latvia, the United Nations Economic Commission for Europe (UNECE) in Geneva and the United Nations Development Programme in Latvia.

The objective of the Seminar is to discuss the application of the TIR Customs transit system in Estonia, Latvia and Lithuania with a view to ensuring efficient international transport to and from the Baltic States and its neighbouring countries. The Seminar will bring together high-ranking experts from Customs authorities and the transport industry of the three Baltic States as well as experts from the European Commission, the United Nations Economic Commission for Europe (UNECE) and the International Road Transport Union (IRU) responsible for the administration of the TIR Convention and its underlying TIR Customs transit system.

This regional TIR Seminar, organized for the first time in the Baltic region, will allow for an open discussion of the present problems in the application of the TIR system in the Baltic region and will identify concrete measures to resolve these problems. The international community, the Governments and the road transport industry of the Baltic States are determined to ensure the continued and efficient functioning of the TIR Customs transit system in the region. At the same time it must be ensured that State revenues stemming from duties and taxes of goods in transit are not jeopardized by the activities of organized crime and that all honest road transport companies and traders operating in and from the Baltic States are not penalized by unscrupulous elements misusing the confidence and the Customs facilities offered to the industry by the State and indirectly by each and every honest tax payer in these countries.

The efficient functioning of the TIR Customs transit system is of importance for the economies of the Baltic States. Most cargo movements by ferry and road to, from and through the Baltic States depend on the Customs facilities of the TIR system which allows for fast, reliable and cost-effective transportation to and from the neighbouring States, particularly Belarus, the Russian Federation and the countries of the European Community. Today more than 32,000 road transport companies are authorized world-wide to carry goods under the TIR system, 330 of them are Estonian companies, 880 are registered in Latvia and 1,400 in Lithuania. Most international activities of these companies are dependent on the efficient functioning of the TIR system. In 2001, Estonian road carriers used 97,000 TIR Carnets, i.e. undertook 97,000 international TIR transport operations, Latvian companies made more than 110,000 and Lithuanian truckers made nearly 266,000 such international transports.

Unfortunately, considerable difficulties in the proper application of the TIR system have arisen recently, particularly in Belarus and the Russian Federation. This has prompted those Governments as well as the Customs authorities in the Baltic States to take sometimes drastic measures to restore order, such as exclusion of transport companies from the TIR system, imposition of escort services, etc. These measures have been taken to protect Government tax revenues and to avoid that organized crime can misuse the facilities of this Customs transit system. A collapse of the TIR system would have dramatic consequences for international transport and trade not only in the Baltic region, but also for the economies of all European States.

The TIR Seminar in Riga will demonstrate the full support of the international community to all efforts - already undertaken and still to be undertaken - by the Governments of Estonia, Latvia and Lithuania and by the transport and trading industry in these countries to fight against criminal activities and the misuse of the TIR Customs transit system. It is obvious that such actions require considerable cooperative efforts by all Governments concerned as well as by the international community and the private sector. Only through cooperation, recognizing the rights and responsibilities of each individual party, as stipulated and carefully balanced in the TIR Convention, will it be possible to safeguard the TIR Customs transit system in the present difficult economic, legal and social environment of Europe as a whole. And only then will the application of the TIR Convention contribute, as intended, to the economic well being of all participating countries.

Detailed information on the Regional TIR Seminar in Riga and on the TIR Customs transit system in general is available on the TIR web site of the United Nations Economic Commission for Europe (UNECE) (<http://tir.unece.org>).

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Background information on the TIR Customs transit system:

The TIR Customs transit system is based on the United Nations TIR Convention, which is presently used by more than 32.000 transport companies in more than 50 countries in Europe, Central Asia and the Middle East. It allows road transport operators to cross borders in international and transit traffic without major Customs procedures and costs involved. The TIR system can be used for transport from Norway to Iran (North-South direction) and from Kazakhstan to Portugal (East-West direction). Thousands of lorries in Europe carry the familiar blue and white TIR plate which indicates that they are using the TIR Customs transit procedure (see picture 1 attached). At present more than 2.5 Million TIR operations are carried out per year.

Traditionally when goods are in transit or are transported from one country to another, Customs authorities apply national controls and procedures to cover duties and taxes at risk, i.e. to avoid that the goods are sold on the black market without payment of Customs duties, sales taxes and/or value-added tax upon their importation or transit. These measures vary from country to country, but usually involve at each border crossing the opening of the load compartment of the lorry, inspection of the cargo, imposition of security (financial guarantee, bond, etc.), the filling-in and processing of national Customs and transport documents, etc.

The application of the TIR Convention provides for an internationally recognized and accepted Customs transit system with a internationally standardized and secured Customs document (TIR Carnet), an international guarantee cover in case of irregularities as well as harmonized Customs procedures limited, in most cases, to a standard visual external control of the sealed load compartment of the lorry and processing of the TIR Carnet (see picture 2 attached). Thus, Customs authorities can reduce their manpower to a few administrative controls while transport operators and traders can make use of inexpensive, fast and secure border crossing procedures, often with special channels reserved for TIR transport operations only.

The TIR Convention is administered by the United Nations Economic Commission for Europe (UNECE) with headquarters in Geneva (Switzerland). The operation of the TIR system is supervised by an inter-governmental organ, the TIR Executive Board (TIRExB) established and controlled by the 63 Contracting States to the TIR Convention. The TIR Executive Board (TIRExB) and the TIR secretariat, executing its decisions, are located in the UNECE headquarters in Geneva. They also ensure regular exchange of information and intelligence among participating Customs authorities to avoid misuse of the TIR system by smugglers and organized crime. All of the more than 32.000 transport companies authorized at present by national Customs authorities to use the TIR system are centrally registered by the TIRExB in Geneva in the International TIR Data Bank (ITDB).

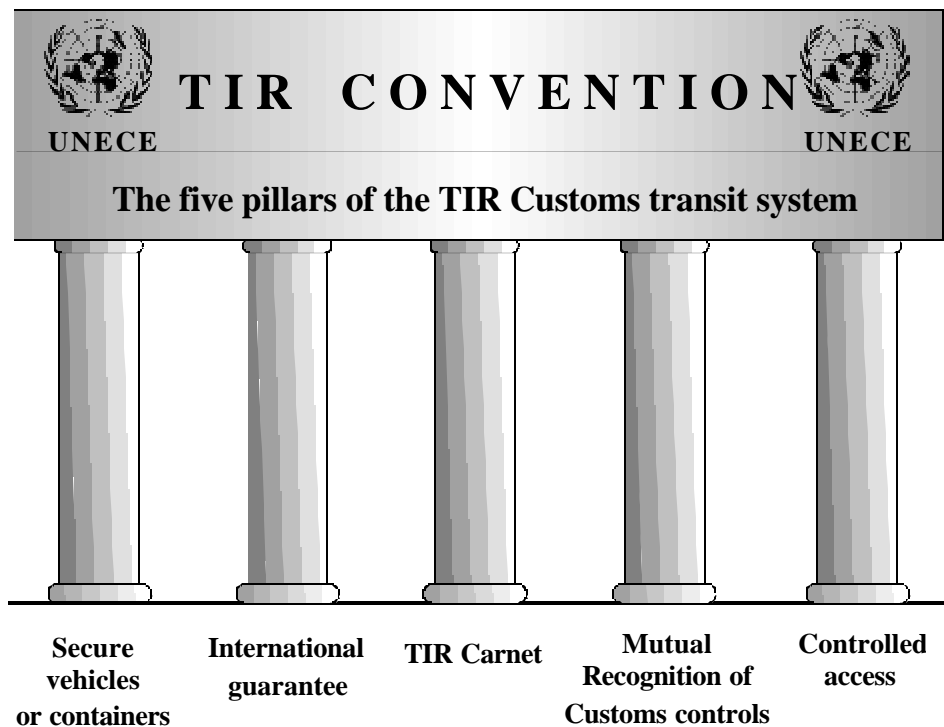
The only non-governmental international organization authorized at present by the 63 Contracting States to print and distribute TIR Carnets as well as to organize the international TIR guarantee system is the International Road Transport Union (IRU) in Geneva. National road transport associations or Chambers of Commerce affiliated or members of the IRU sell these TIR Carnets to authorized transport companies in more than 50 countries.

Picture 1



Truck carrying the familiar blue and white TIR plate indicating that the load compartment of the vehicle has been approved for the international transport of goods under the TIR Customs transit system.

Picture 2



The five pillars of the TIR Convention represent the basic requirements for the functioning of the TIR Customs transit system.

Picture 3



The well-known TIR plate that has to be affixed to all lorries with Customs approved load compartments carrying out TIR transport operations.