



Economic Commission for Europe**Administrative Committee for the TIR Convention, 1975****Sixtieth session**

Geneva, 5 February 2015

Item 4 (a) (iii) of the provisional agenda

Activities and administration of the TIR Executive Board –**Activities of the TIR Executive Board:****Monitoring the prices of TIR Carnets****Analysis of TIR Carnet prices****Note by the secretariat****A. Background and mandate**

1. At its fifty-ninth session, the Committee, welcomed document ECE/TRAN/WP.30/AC.2/2014/10, transmitted by TIRExB on the pricing of each type of TIR Carnet issued by national associations. In the spirit of transparency, the Committee supported the publication of this information on the TIR website. Furthermore, the Committee was of the view that the function of TIRExB to monitor the price of TIR Carnets should go beyond the dissemination of these data. However, the Committee was not in a position to agree on the need for the publication of an analysis nor on any specific methodology allowing TIRExB to analyse the price information of TIR Carnets in detail. Consequently, the Committee requested Contracting Parties to send suggestions to the secretariat not later than by 15 November 2014. The secretariat was requested to prepare a document for consideration at its next session based on the suggestions received (see ECE/TRANS/WP.30/AC.2/121, para. 16).

2. Further to this request, the secretariat prepared this document, containing a preliminary assessment together with suggestions received from Contracting Parties on the need for an analysis or a specific methodology for TIRExB to analyse the price information of TIR Carnets in detail.



B. Preliminary assessment by the secretariat

1. Introduction

3. Since the entry into force, on 1 January 2012, of the amendments to Annex 9, Part I of the TIR Convention, 1975, one of the obligations of national associations is to provide the TIR Executive Board (TIRExB), annually, before 1 March, with the price of each type of TIR Carnet it issues. The Committee, at its fifty-seventh session, established, inter alia, that one of the tasks of TIRExB is to provide full transparency in applying the TIR Convention. As a consequence any data such as, but not limited to, the prices of TIR Carnets should, as a rule, be made publicly available, unless there were justified arguments for not doing so. Considering that the international organization and the national associations are required within the context of an international legal instrument to submit information to TIRExB or the TIR Administrative Committee, this information belongs to the public domain.

4. The TIR secretariat is following up on this matter and will propose user friendly ways to make the information of prices available on the TIR website.

5. In addition to that, the secretariat proposes undertaking a short pilot statistical analysis of the price information, with the aim to, at least partially, explain the large differences between prices. It is expected that, to a great extent, the prices will depend on a small number of factors (variables) that should be common to all countries. Would the pilot analysis be successful, and possibly after a few adjustments to the first pilot analysis, it could be undertaken annually and be published together with the prices information.

2. Methodology

6. Without going into the details of the methodology to follow, the secretariat proposes as a first step, to limit the analysis to a statistical regression. The analysis could first be based on the following simple linear model:

$$P = p + \alpha + \sum_i \beta_i \cdot x_i + \varepsilon,$$

where P is the issuing price, p is the IRU distribution price, α and β_i are coefficients, x_i are the explanatory variables influencing the issuing price and ε is the error term.

7. At first, the secretariat will verify the availability of data for all countries. Then, in order to identify adequate explanatory variables, it will assess their correlation with the prices and, if required, between themselves. The secretariat will investigate variables that have a relationship with the costs incurred by issuing associations, such as wages and the number of TIR Carnets issued.

C. Proposals from Contracting Parties

8. The secretariat received the following proposals from Contracting Parties.

1. Belarus

9. Further to the adopted decision at the fifty-ninth session of Administrative Committee for the TIR Convention, the State Customs Committee of the Republic of Belarus (hereinafter, GTK) reports the following information on the TIR Carnet prices monitoring issue.

10. In accordance with Annex 8, Article 10, paragraph (h) of the TIR Convention, one of the main functions of TIRExB is monitoring prices of TIR Carnets.

11. According to Annex 9, Part I of the TIR Convention, one of the duties of the national associations is to provide the TIR Executive Board, annually, as per 1 March, with data on the price of each type of TIR Carnets it issues. Therefore, this information can be regarded as accessible to the public.

12. On the basis of the above information, the GTK supports the decision to publish information on TIR carnet prices on the TIR website.

13. In order to receive objective information from different countries, we consider it advisable:

(a) To include taxes, other fees (for example, insurance fees) when indicating price of a TIR Carnet;

(b) To publish prices for every type of TIR carnets supplied by guaranteeing associations of Contracting Parties of the TIR Convention.

2. European Union

14. In the view of the EU, price monitoring should take place on different levels:

(a) General level so as to allow transparency and appropriateness in relation to market circumstances;

(b) Specific level in case doubts arise concerning the correct functioning of the system.

Although not in a position to suggest any concrete approach, the EU thinks that a methodology for analysing information on the prices of TIR Carnets would help TIRExB to assess and, possibly, draw conclusions on this issue.

3. Switzerland

15. The Swiss Customs administration does not oppose the publication of a list with the prices of TIR Carnets on the TIR website. At the same time, it would be preferable if IRU and its member associations would clearly express their views of the issue. In this context and for the sake of information, the Swiss Customs administration would like to note that the prices of Temporary Admission (ATA) Carnets (ATA and Istanbul Conventions) are fixed by the national Chambers of Commerce that issue them, that they vary from country to country and that they are not made available to the general public.

4. Turkey

16. The Turkish Customs Administration supports the publication of prices of TIR Carnets issued by national associations. This will serve the purpose of transparency. On the other hand, for the time being it does not see an urgent need to monitor further the prices determined by the national associations or the reasons that make prices divergent. Before agreeing on the methodology to allow TIRExB to further monitor the pricing, AC.2 should agree on the value of exploring this further.

D. Considerations by the Committee

17. The Committee may wish to take into account the assessment by the secretariat and the proposals received from Contracting Parties in order to clarify the function of TIRExB to monitor TIR Carnet prices.