

COMMUNICATION FROM TURKEY AND GEORGIA

The following communication, dated 25 June 2007, is being circulated at the request of the Delegations of Turkey and Georgia.

PROPOSAL ON QUOTA-FREE TRANSIT REGIME IN ROAD TRANSPORTATION

I. EXPLANATION OF THE PROPOSAL

1. The objective of Article V is to allow freedom of transit through the territory of each Member for transport to or from the territory of other Members. To this end, the Article refers to charges, regulations and formalities in connection with transit.
2. According to paragraph 3 of Article V, unless there is a failure to comply with relevant customs laws, traffic in transit shall not be subject to unnecessary delays or restrictions. The Article also states that transit traffic charges should be commensurate with administrative expenses entailed with transit or cost of services rendered and such traffic shall be exempt from customs duties and all transit duties or charges imposed.
3. Road transport, which is the principal mode of freight transport as far as transit is concerned, is widely subject to quotas and permits, which often generate limitations in transit traffic.
4. Problems about transit traffic quotas and permits are often addressed through bilateral agreements. However bilateral arrangements do not bring an effective solution to the problem since most transit movements involve several countries and require series of agreements. Therefore, in line with the spirit of the Article V, for transit transport issues to be addressed effectively a multilateral approach is required.
5. Together with the above, discriminatory road and transit charges constitute a barrier to trade and to fair competition. There are unjustifiable differences between the charges applied by Members. This gives rise to concern over the fairness of transit charges with regard to administrative expenses and the cost of the services rendered. Here, in a possible agreement on trade facilitation, the non-discrimination principle of the WTO should be underlined, which means that domestic and foreign transit transporters should be charged equally and foreign transporters should be charged equally irrespective of country of origin or destination.

TEXTUAL PROPOSAL

Transit Transport of Goods

2. With a view to facilitating trade, Members shall eliminate barriers to transit transport of goods.
 3. Members shall establish a quota-free transit regime in road transportation.
 4. Charges for transit transport shall be commensurate with the cost of the services rendered and be equally applied for national and foreign transit transporters.
 5. Foreign transporters should be charged equally irrespective of country of origin or destination.
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