



PILOT INITIATIVE TO EXPAND PALESTINIAN TRADE AT THE BORDER WITH JORDAN

Shipping goods in containers – saving time, money and boosting trade

INTRODUCTION

On 16 December 2021, the European Union, Palestinian and the Israeli authorities announced **a new pilot initiative to introduce containers' shipping at the Allenby / King Hussein Bridge / Al Karameh border crossing**. The initiative comes as a joint measure to help expand Palestinian trade, contribute to job and welfare creation in the Palestinian economy and improve the overall economic conditions for the Palestinians.

Currently containers' shipping is not possible at the crossing and all goods undergo a back-to-back transfer on pallets. The **new pilot initiative will allow Palestinian companies to ship their goods in containers**.

KEY FEATURES

- The pilot will **commence on the 9th of January 2022**, it will last for an initial period of three months, after which it will be evaluated and further steps assessed.
- The pilot will be **open to any interested business**. Containers shipping will be possible for Palestinian **imports and exports** traded via Jordan.
- The pilot will allow traders to **ship goods in 20-foot containers**, the total weight of which should not exceed 30 gross tons.
- Under the pilot, goods arriving in containers will **undergo standard security and customs clearance processes**, including prior coordination and workday procedures.
- The pilot will allow that **containers will be inspected by scanning**. Containers will be opened in cases of security, fraud risk, as part of standard inspection.
- In order to avoid any damage of the goods or extra-financial costs due to the inspection, **goods in containers must be palletised during the pilot period**. The maximum weight of each loaded pallet should not exceed 2.3 tons.
- Under the pilot, containers will be directly moved between Palestinian and Jordanian trucks using a **back-to-back container lifting and loading** method.

EXPECTED IMPACT

Introduction of containers' shipping will have significant positive effects on Palestinian trade, **improving competitiveness** of Palestinian businesses, contributing to **expansion of trade volumes and re-directing some the global trade flows** with Palestinian goods. It will help bring Palestinian consumers and industries their goods **faster**, in **better quality** and at **lower prices**, while also **improving Palestinian exports'** standing on international markets.

- Expense **payments** are estimated **to drop by some 150-300 USD per container** load of goods, considering reduced damages from manipulation, weather exposure, transportation, storage and administration costs.
- **Procedures and scanning time** will be **reduced significantly, currently 60 minutes** are required for a truck loaded with pallets, new process should allow to divide it by 5 to 10 times.
- Containerisation may open a **new cheaper trade route with East and South-East Asian markets** through the port of Aqaba and the Jordanian border crossing, as compared to the route via the Suez Canal and the Israeli Mediterranean ports.

Overall the measure is expected to have a positive impact on the total volumes of trade going through the Allenby / King Hussein Bridge/ Al Karameh. It is estimated that containerisation can **increase the total volume of trade at the crossing by some 20-30%**, and increase the range of goods traded as well as markets helping diversify Palestinian trade.

PROCESSES NEEDED

Most import and export procedures, including prior-coordination and clearance, will remain unchanged as compared with those currently applicable for shipment of goods on pallets.

1) Shipping and labelling:

- Containers for import need to be labelled on the waybill with **destination 'Palestinian Territories', transit 'Jordan'** and the code of the Allenby / King Hussein Bridge crossing
- Containers should be **loaded with pallets** to ease goods manipulation in cases where unloading of goods might be needed as per standard risk-based inspection method.

2) Preliminary coordination¹:

- Preparation of **customs documentation at least 24 hours prior to arrival** of shipments, ensuring compliance with the applicable import and customs regulations.
- Payment of **customs duties at least 24 hours prior to arrival** of shipments.
- **Notification** of goods shipment that require **clearance on the applicable standards compliance** is needed at **least 72 hours prior to arrival** of shipments.

3) Workday coordination:

- Submission of a **detailed list of goods and carriers** to be delivered on **the day before arrival**.

4) Main procedure on arrival:

- Registration and **matching of cargo and carrier data** with details submitted in prior coordination.
- Cargo **security check** and examination of **compliance with customs requirements** as well as **check of standards compliance** where applicable against fee payments.
- **Back-to-back transfer of containers** between Palestinian and Jordanian trucks is carried out by authorized contractors against handling tariffs

TECHNICAL SPECIFICATIONS

Containers must have **entries for lifting** by forklift. Containers must be attached by special **'twist locker' device** in such way that the rear container is in one line with the edge of the truck surface. Where one truck carries two containers **doors must face the back** of the truck.

LIMITATIONS TO CONSIDER

- Shipping of **40-foot containers is not part of the pilot initiative** for the time being, due to limitations in available manipulation machinery.
- Transportation of **empty containers in import direction not allowed**. Shipment of empty containers is possible in export direction.
- **Unloading of goods may be required** by security or customs instruction, as per random inspection method.
- **Only containers** for which security inspection was completed **can be stored at the crossing over-night**. Empty containers cannot be stored at the crossing.
- Crossing will operate under standard opening hours Sunday to Thursday from 8:00 to 20:00. **Last truck** carrying **containers** will be accepted for processing **up to 15:00**.

CONCLUSION

Containerised trade at the Allenby / King Hussein Bridge / Al Karameh border crossing offers multiple advantages for Palestinian traders. The pilot initiative is launched to examine private sector demand and operational needs. **Subject to satisfactory demand and performance**, further **procedural changes and investments** into the border crossing may be considered.

CONTACTS

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¹ Prior coordination is done through eligible customs brokers, list of possible customs brokers with contact details can be made available upon request