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#### Working Party on Transport Trends and Economics

##### Group of Experts on Euro-Asian Transport Links

###### Twelfth session

Geneva, 3–4 February 2015

## Report of the Group of Experts on Euro-Asian Transport Links on its twelfth session

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## I. Attendance

1. The Group of Experts on Euro-Asia Transport Links (EATL) held its twelfth session on 3–4 February 2015 in Geneva. Representatives of the following member States of the United Nations Economic Commission for Europe participated: Afghanistan, Belgium, China, Latvia, Poland, Russian Federation, the former Yugoslav Republic of Macedonia, Tajikistan and Turkey.
2. The following intergovernmental organizations were represented: Organization for Security and Cooperation in Europe (OSCE) and Turkic Council.
3. The following non-governmental organizations were represented: International Union of Railways (UIC), Organization for Cooperation of Railways (OSJD), and Coordinating Council on Trans-Siberian Transportation (CCTT).
4. Representative of the following United Nations specialized agency attended the meeting: Trans-European Railway (TER) Project.
5. At the invitation of the secretariat the Hellenic Institute of Transport, Lithuanian Railways, Plasko and South Caucasus Railway (CJSC–SCR) also attended the meeting.

## II. Adoption of the agenda (agenda item 1)

*Documentation:* ECE/TRANS/WP.5/GE.2/23

6. The Group of Experts adopted the agenda.

## III. Identification of cargo flows on the Euro-Asian transport links (agenda item 2)

*Documentation:* Informal document No. 2

7. The Group of Experts recalled that, based on its work plan, it should identify cargo flows (quantities and types) that could be transported along the nine Euro-Asian rail and road transport links. Such analysis would be realized by inviting representatives from main European and Asian ports as well as from producers, traders and freight forwarders.
8. To this extent, OSCE provided the budget to cover the expenses of a consultant who would work on a short term basis with the main objective to identify main cargo flows along the Euro-Asian corridors and ports of interest. Mr. Alexey Stukalo (OSCE) presented the draft document “Euro Asia transport links: Transport flows and non-physical barriers”. The working document contains quantitative analysis of logistics and transport networks, basic facts about EATL routes and countries, trade and transport flows along EATL routes, as well as an overview of non-physical barriers. The Group of Experts **thanked** the OSCE for this very good first version of the working document, and **decided** to review the updated version at its next session. It requested the secretariat to collect updates and comments from EATL members and submit a consolidated version of the document for the thirteenth session for discussion.
9. The Group recalled that at its previous session, it had adopted the questionnaire on ports (Informal document WP.5/GE.2 (2014) No. 2), requested the secretariat to distribute it to the ports, and then draft a report based on the replies. The secretariat presented this report as Informal document No. 1 “Euro-Asian transport: Maritime ports – challenges and opportunities”. The Group of Experts **noted** this document and considered the list of goods

identified as potential cargo to be transported overland on the Euro-Asian routes, particularly by rail. The Group of Experts further **noted** that overland freight traffic transport (especially rail) is considerable and in both directions. For example, the Yiwu (China) – Madrid (Spain) block train left China in November 2014 to bring 82 containers of, predominantly, Christmas items to Spain in 21 days. The return voyage was not empty, but rather the train brought back Spanish goods (high quality foodstuff) in time for the Chinese New Year.

#### **IV. Facilitating the coordination of integrated time schedules and tariffs on the Euro-Asian transport links (agenda item 3)**

10. The experts recalled that under this agenda item, they should develop integrated time schedules and tariffs for rail services – cargo trains – along the EATL routes. The experts agreed that would be demanding and complex task, and should be prepared and completed in cooperation with different partners. Such an approach would minimize efforts and time, would avoid any duplication of work and would ensure the involvement of all initiatives in the region and, therefore, ensure project success.

11. TER Deputy Project Manager, Mr. Andreas Zimmer, informed the Group of Experts about cooperation with the European Commission and the work on integrated tariff and timetable schedules. The Group of Experts **invited** the TER Project Manager to submit a document on recent developments relevant to Euro-Asian transport to its next session.

12. The OSJD representative, Mrs. Zubaida Aspayeva, informed the Group of Experts about relevant activities of her organization. She asked about the involvement of the UNESCAP in EATL work. The secretariat informed the meeting that EATL Phase 1 was jointly done with ESCAP and also that ESCAP Transport Division was fully aware of all developments taking place under EATL project Phases II and III.

13. The Group **asked** OSJD to submit a document on trains operating with regular itineraries between Europe and Asia, their routes and frequency of operation, as well as other pertinent information. In addition, a presentation on the issue of facilitation of rail transport including software applications for the calculation of rail freight and OSJD experience with the applications by CTM and other companies in this and similar respects would be welcome at the thirteenth meeting. The Group of Experts **appreciated** offer of assistance and support in this matter from OSJD.

14. The Group of Experts **supported** proposal of OSJD to have regular and relatively frequent meetings of the relevant heads of the UIC, OSJD and TER in order to coordinate work, exchange information and avoid replication of work.

15. UIC representative, Mr. Roman Rebets noted the importance of involving European railway companies in the development of the Asia–Europe freight corridors. For example, in the Russian Federation the average speed of a container trains is above 1,050 km / day, in Kazakhstan, close to 1,000 km / day. Container trains need around ten days to complete the 10,000-kilometre or so route from China to the European border (Brest, Belarus) along the railways of Kazakhstan, Russian Federation and Belarus before being held up in Brest by up to three days in order to switch to 1,435mm gauge tracks. The onward journey to Hamburg then takes up to five days. There is an excessive load on major European railway lines, as well as the recent driver's strikes in Germany that affected the quality of freight and passenger traffic. There are also the infrastructural problems on PKP S.A. (Polish railways), which make increasing transit freight speed and train weight impossible. Such infrastructure constraints reduce the efficiency for transit trains (primarily in length, weight and speed).

16. At the moment, GTE (UIC Global Team of Experts of the Development of International Transport Corridors) has an interest in the development of specific projects, which contribute to the growth of the role of corridors. In this regard, one of the most important tasks is the marketing work to identify and consolidate the cargo base, for which it is possible to form a regular service block trains and to concentrate on the bottlenecks which could be solved in cooperation with UIC members and international organizations.

17. Director General of South Caucasus Railway CJSC, Mr. Victor Rebets, briefed the Group about recent developments in the South Caucasus rail system. He proposed first, an enhancement in the exchange of information including the creation of a single 'Bank of Information' which would essentially present a common platform where the stakeholders would share, distribute and sell information about technologies, practical advices and technological equipment that they use. Second, there is a possibility and necessity to build and develop a 'Rail Road Map' for the countries located at the intersection of European and Eurasian Unions. This Rail Road Map would be aimed at accelerating and easing the process of freight and passengers transportation. An example could be Armenia and Georgia: the latter is heading for closer association with the European Union (EU), whereas the former acceded to the Eurasian Union. Such a project may reduce time and other costs of transportation between the countries where different documents and technical standards are applied. Third, there is an opportunity for the South Caucasian region to contribute to the North-South transport corridor. This is relevant in light of the possible railway project between Armenia and Iran (Islamic Republic of). Hence, the inclusion of the project between Armenia and Iran (Islamic Republic of) in future documents which consider the North-South international transport corridor is relevant for the sake of having a complete coverage of regional transport developments.

18. Representative of Lithuanian Railways, Mr. Maius Matulaitis, supported the general work of the Group and reiterated the possibility and interest of Lithuania to be a platform (intermodal terminals in Vilnius and Kaunas) for the transit of goods between Europe and Asia, especially to and from the Russian Federation.

19. Mr. Azizullah Omar of Afghanistan informed the Group about the developments of railways in Afghanistan. He asked for assistance in the decision-making process regarding the rail gauges (European, Russian or the British system).

20. The representative of Plaske, Mr. Valerii Lugovets, presented Informal document No. 2. "Comparative analysis of the duration and expenses of railway and maritime transport between Europe and Asia on selected Euro-Asian routes". The Group of Experts **noted with gratitude** this document which confirmed that overland transport may be quite competitive compared to the maritime transport.

21. The Group of Experts **asked** the secretariat to prepare a revised version of this document for the thirteenth session based on input from Plaske. Revisions should include indirect costs of transport, as well as other relevant issues. Mr. Andrey Timochkin of the Russian Federation and Chair of the EATL Group of Experts, invited researchers from Plaske to the Moscow State Institute for Engineers of Transport and to cooperate with the staff there on the development and finalisation of this document. The Group **decided** to fully support this initiative.

## **V. Identification of needs and requirements by producers, shippers, traders and freight forwarders in transport and trade on the EATL routes (agenda item 4)**

22. The Group noted that for making Euro-Asian transport links operational the needs of stakeholders that control cargo such as producers, traders and freight forwarders should be taken into account, but also that the obstacles they are facing while transporting along the EATL corridors should be eliminated. Therefore, representatives from these groups should be invited to present their requirements and needs.

## **VI. Information from participants on recent developments in transport infrastructure priority projects on the EATL routes (agenda item 5)**

23. The representative of Turkic Council, Mr. Assan Mazhitov, informed the Group about the activities of his organization which was created in 2009. The objective of the Turkic Council is to develop cooperation among the Turkish speaking countries, as well as the countries in the region. Transport and customs-related issues are of great importance in those regards.

24. The representative of CCTT, Mr. Genady Bessonov, briefed the Group about recent developments in CCTT.

25. Representatives of the Chinese Government, Mr. Zhang Xiaojie and Mr. Sun Xiangui informed the Group about recent developments in their country. The Government of China has an interest in the development of EATL, especially because of the revived silk roads between the two continents. This is in spite of the fact that maritime transport, as the main mode of transport between Asia and Europe, involves over 65 per cent of the value of trade. China is interested in the construction of overland (especially rail) links with Europe. This is in spite of the fact that road transport is the main mode of transport between China and Central Asia. China accords high importance to the elimination of bottlenecks on the EATL routes (such as the one with Kyrgyzstan).

26. Mr. Marjan Kopevski, of the former Yugoslav Republic of Macedonia, briefed the Group about new developments in his country. While the Government accords a high importance to EATL routes, it also develops lateral links to EATL routes.

27. Mr. Andrey Timochkin, Russian Federation, informed the Group of Experts about the North-South links, especially around the Caspian Sea. A link between the port of Mumbai (India) over Bandar Abbas (Iran) and over or around the Caspian Sea is an important alternative if the Suez Canal is closed. As there are not enough container-related vessels, the rail ring around the Caspian Sea, especially the eastern flank, is of great interest for development. This North-South link is an eastern parallel to the western North-South link (the 'Viking train') which links the Baltics States over Ukraine with Turkey.

28. Mrs. Maria Vygnanova, Russian Railways, informed the Group about the single rail operator for Belarus, Kazakhstan and the Russian Federation. This company, registered in 2014, plans to transport one million containers between Europe and Asia in 2020. The price of 28 SwF centimes for the transport of containers per kilometre is an attractive element for transport decisions between Asia and Europe.

29. Mr. Erdem Direkler, Turkey, informed the Group of Experts about the Turkish investment in railways. The country invested 33 billion United States dollars in railways in the period 2003–2013. The result is a modern 25,000 km long rail network. High-speed

lines are the priority. Completed in 2013, the Marmara Project is the most important project for connections between Europe and Asia. Passengers need only four minutes to move from one continent to another. Freight transport occurs at nights. Among important future projects is the highway between Ankara and the border with Iraq.

30. Mrs. Maria Boile, Hellenic Institute of Transport, presented the NEAR<sup>2</sup> project which concerns Euro-Asian rail links. The Group **decided** to invite Mrs. Boile to prepare and present a document on the relevant EATL issues (including needs of shippers; bottlenecks; proposed solutions) for the thirteenth session.

31. Mr. Azizullah Omar, Afghanistan, informed the Group about the developments of railways in Afghanistan. He pointed out that Afghanistan faces a real challenge while abutting with three countries that have different gauges sizes (European, Russian or the British system) and preparing a plan of investments for construction of its rail network.

## VII. Geographical Information System (agenda item 6)

*Documentation:* ECE/TRANS/WP.5/GE.2/2014/1

32. The Group **recalled** the previous meetings and noted a lack of progress regarding the Geographical Information System (GIS), principally due to a lack of financial resources. None the less, the Group would explore ways to continue with this important tool. Commercial enterprises willing to be involved in GIS would be welcome.

33. The Group **decided** to keep this item on the agenda for its next session.

## VIII. Other business (agenda item 7)

34. The Group of Experts **welcomed** information from Mr. Andris Maldups, Latvia, who spoke about Latvia's Presidency of the EU Council and its priorities in the field of transport. The third ASEM Transport Ministers Meeting "Development of Euro-Asia Multimodal Transport Linkages – *Status Quo* and Blueprints for the Future" will take place in Riga on 29 and 30 April 2015. The President, Prime Minister and the Minister of Transport of Latvia shall be present. Other dignitaries include the EU Commissioner for Transport and the Chinese Minister of Transport. The United Nations shall be present at its highest possible level. The EATL Group of Experts has been also cordially invited to be present.

35. The secretariat informed the Group, on behalf of Mr. Oleg Dunaev of Chamber of Commerce and Industry of the Russian Federation, about the Euro-Asian Logistics Conference "Logistics in International Trade and Industry Cooperation" which will take place on 25 March 2015 in Moscow. UNECE would be coorganizer of the event. EATL project would be one of the central themes at the conference. The EATL Group of Experts has been cordially invited to come to the conference and to inform interested parties about the event.

36. The Group of Experts **noted** with interest the Vienna Programme of Action (VPoA) (2014) for Landlocked Developing Countries. The duration of this programme is ten years. Transport and border-crossing linkages are at the heart of VPoA and there is an obligation to introduce those matters in the Programme of Work. The Group **concluded** that all EATL activities are directly linked with the general focus of VPoA.

37. The Group of Experts expressed its concern about a lack of participation of National Focal Points from the capitals, but noted an increase in the participation of pertinent

international organizations and other stakeholders. The Group **decided** to increase its joint efforts to improve and enlarge participation in its current and future work.

## **IX. Date of next meeting (agenda item 8)**

38. Mr. Masud Khalifaev, Tajikistan, invited the Group of Experts to hold its thirteenth meeting in Dushanbe. Mr. Alexey Stukalo, OSCE, supported this invitation and offered assistance to the Government of Tajikistan in the organization of this meeting. The Group **accepted** this invitation and expressed gratitude to OSCE. The Group **kindly requested** the Government of Tajikistan to send to the secretariat a formal invitation letter which would be used for the administrative purposes (for instance, visa requests) by the National Focal Points and other delegates. The secretariat has been **requested** to forward this letter to the EATL Group of Experts.

39. The thirteenth session of the EATL Group of Experts will take place on 9 and 10 June 2015 in Dushanbe.

40. Mr. Assan Mazhitov, Turkic Council, invited on behalf of his organization, the Group of Experts to hold its fourteenth meeting in Istanbul, Turkey. The Group **accepted in principle** this invitation. The Group **kindly requested** the Turkic Council to send to the secretariat a formal invitation letter which would be discussed at the thirteenth session. The secretariat has been **requested** to forward this letter to the EATL Group of Experts. The scheduled date for the fourteenth session is 20–21 October 2015 in Istanbul.

41. The Group of Experts considered the volume of work and the expiration of the mandate of work of the Group (end of 2015). The Group **decided** to discuss this matter at the thirteenth session.

## **X. Summary of decisions (agenda item 9)**

42. In accordance with the established practice, the Group of Experts **adopted** a list of decisions and asked the secretariat to prepare a report on the outcome of the session.

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