



The relevance of the AGTC Agreement and the increasing importance of Logistics

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The European Agreement on Important International Combined Transport Lines and Related Installations, of 1991 (AGTC)

- 26 States Parties, including Ukraine
- Legal framework for coherent development of infrastructure and performance standards
- Minimum infrastructure and operational/performance standards for:
 - railway lines;
 - combined transport terminals;
 - border crossing points;
 - gauge interchange stations; and
 - ferry links/ports
- Being extended to Caucasus, Central Asia



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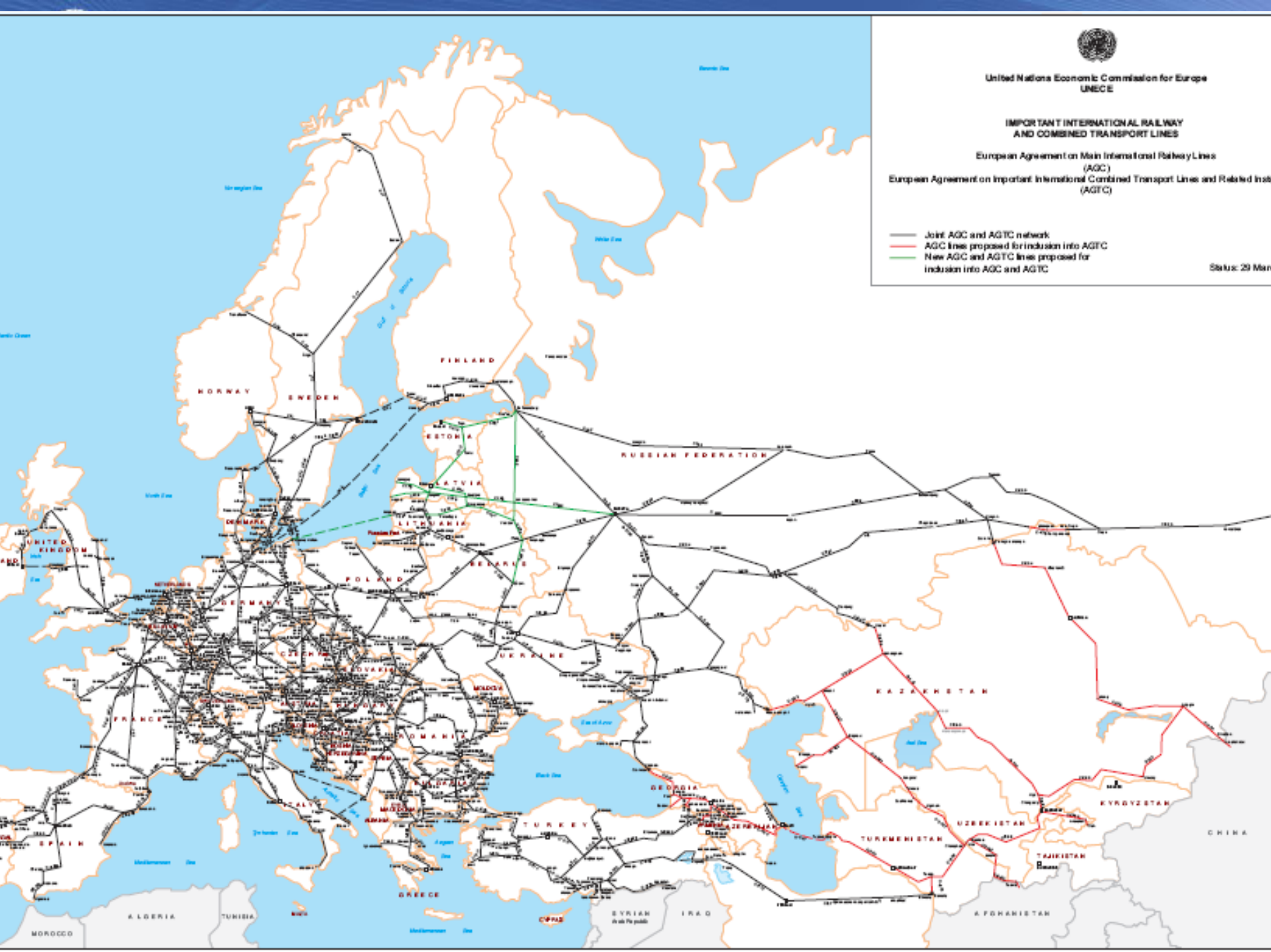
IMPORTANT INTERNATIONAL RAILWAY
AND COMBINED TRANSPORT LINES

European Agreement on Main International Railway Lines
(AGC)

European Agreement on Important International Combined Transport Lines and Related Lines
(AGTC)

- Joint AGC and AGTC network
- AGC lines proposed for inclusion into AGTC
- New AGC and AGTC lines proposed for inclusion into AGC and AGTC

Status: 29 Mar 2007





Working Party on Intermodal Transport and Logistics (WP.24)

WP.24 promotes combined and intermodal transport and logistics through:

- consideration of related legal, administrative documentary, technical, economic and environmental aspects;
- development of specific measures; and
- maximization the of use of equipment, infrastructure and terminals

Issues considered include.....



Inreasing importance of logistics

- Liberalization of international trade and economic activities
- Competition
- Reduce Cost (Labour, production, distribution) – Sustain or Increase Quality (Value for Money)
- Relocation of production sites and restructure of Internal processes
- Production often far from consumption thus increase importance and need reliable transport
- Globalization of Logistics

Many Risks

Globalization

Nowadays, markets are not the same. Products and brands are not critical competitive advantages.

Flexible & Efficient Supply Chains and Production Lines constitute the key to success!

The Global competition is tough ...

**Sharks all over
You better stay
one step ahead!**





Golubtsi

Delicious stuffed cabbage rolls.

500g minced beef

meat stock

3/4 cup rice

2 lrg onions - chopped

1 lrg cabbage

2 tbsp tomato paste

2 tbsp butter

3 or 4 cloves of garlic - crushed

salt

black pepper

parsley - chopped

Make the stuffing by mixing the mince, raw rice, tomato paste, onions, garlic and parsley. Season with salt and pepper. Saut 頭 cabbage leaves until tender. Wrap the stuffing in the cabbage leaves. Stew in the meat stock. Garnish with chopped herbs.



Procurement

Transportation

Warehouse

Production

Transportation

Consumption



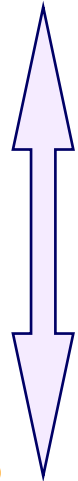
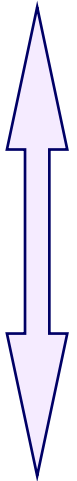
Supply Chain Management

Synergies





Global Supply Chain





The global 2 tbsp tomato paste

Production in Greece

Transported by Italian trucker

Production in Germany
(Packaging, Labeling, Warehouse)

Transportation:

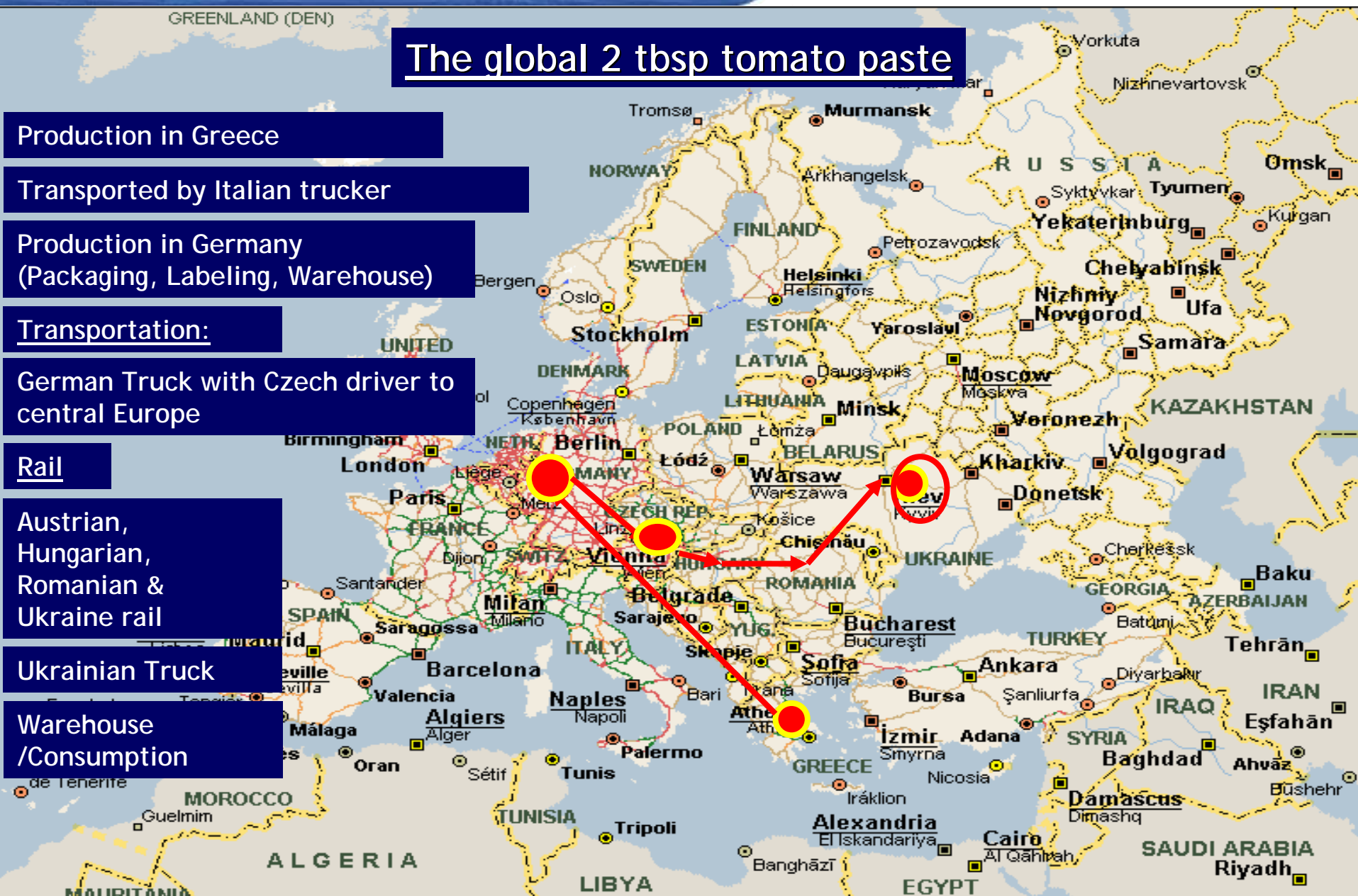
German Truck with Czech driver to
central Europe

Rail

Austrian,
Hungarian,
Romanian &
Ukraine rail

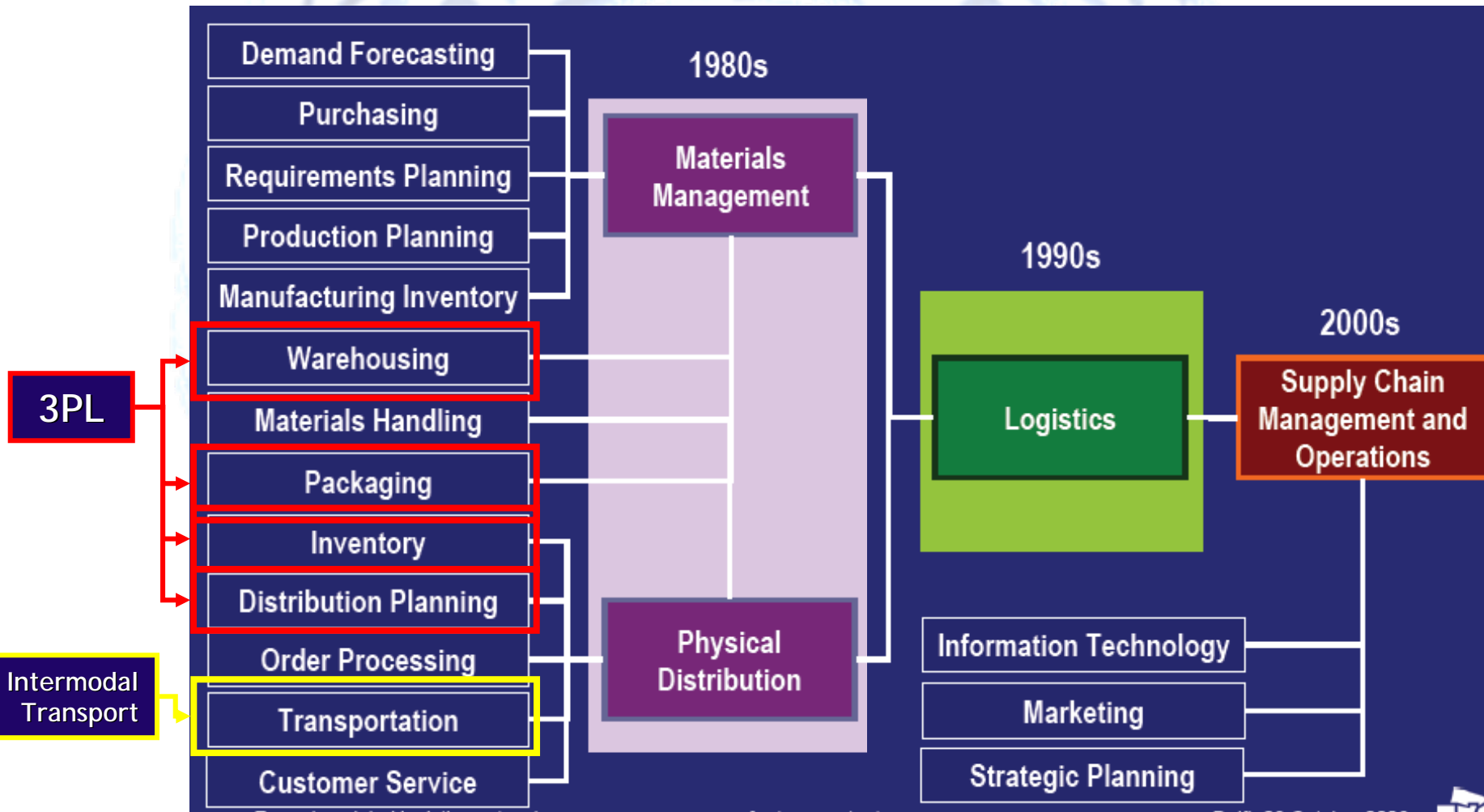
Ukrainian Truck

Warehouse
/Consumption





Supply Chain Management





Netherlands – a successful Logistics story

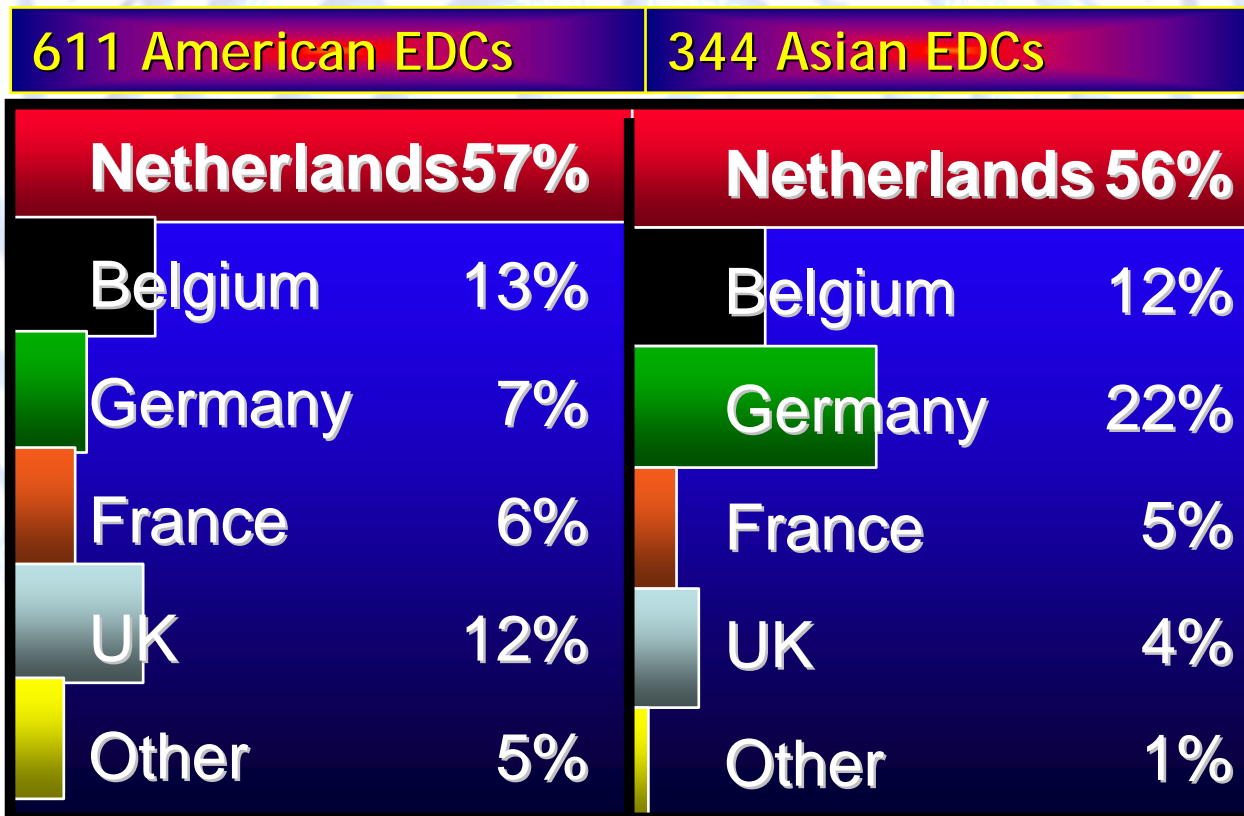
Netherlands – Two Mainports & Inland terminals / nodes





Elements for success

The Netherlands is market leader!



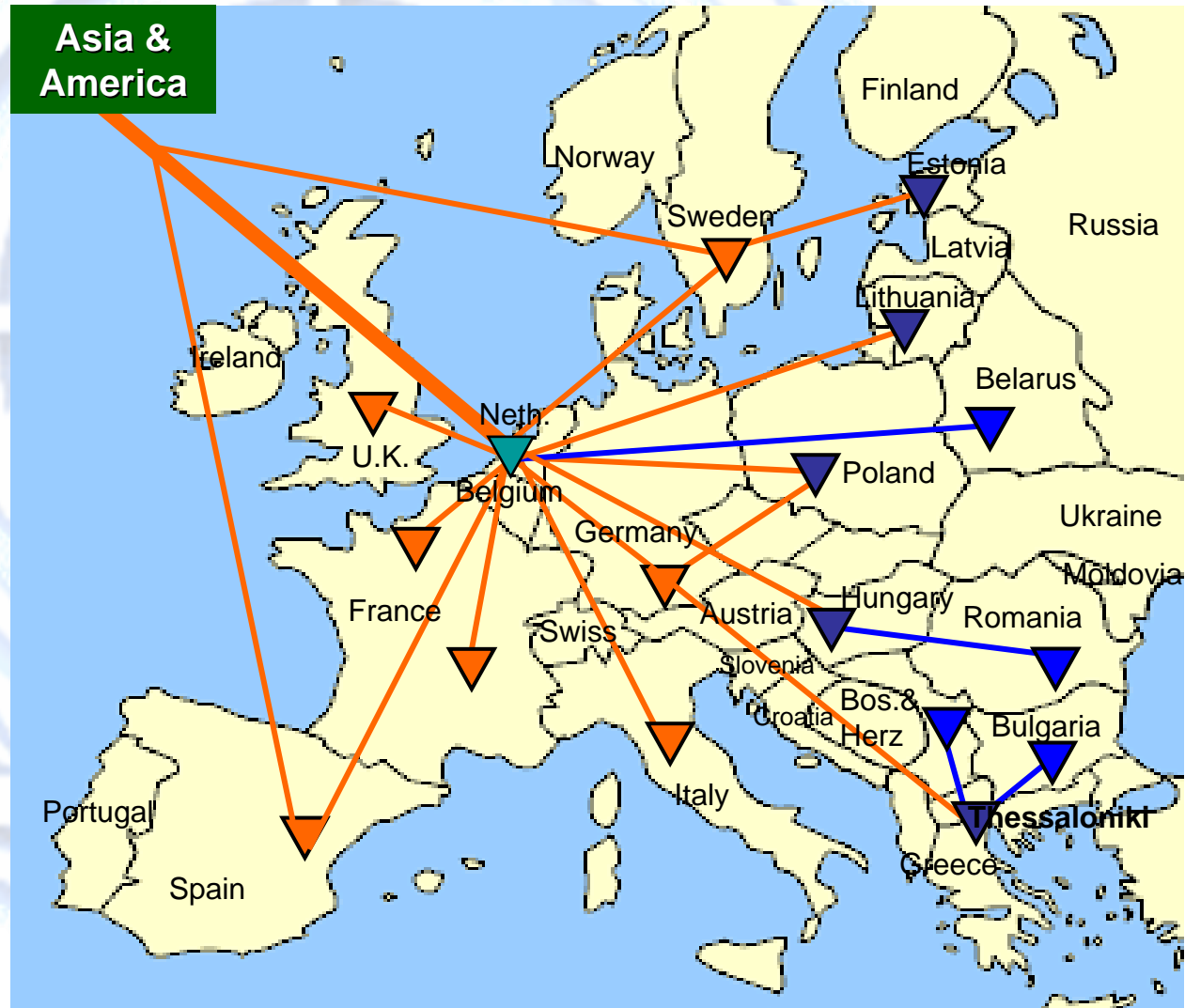


Netherlands Supply Chain services structure

Driver -> customer demands

Network centrally managed

- ▼ = EDC
- ▼ = satellite EU
- ▼ = satellite expanded EU
- ▼ = satellite Eastern-Europe





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Logistics challenges in the Black Sea region



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**Can Netherlands case be repeated in
Black Sea region?**



What exists.....

- Rapid development of Euro Asian cargo flows
- Existing Intermodal Infrastructure
- Growing economic significance in countries around the Black Sea
- Expected economic growth in countries neighboring to those in the Black Sea
- Landlocked countries seeking access to the sea
- Natural hub of Euro Asian transport links



What is needed....

- **vision:** interest not only about imports – exports but also about transit, and indeed transit could be served in addition
- **strategy:** interest about supply chains- development of national strategic logistics plans including ports (sea, air), rail, logistics centers, customs efficiency, cross borders operations, tax policies, investments' incentives, training and transport friendly legal regimes
- **synergies** : participation in teams promoting synergies, providing solutions, exchanging knowledge, networking
- **good investment planning:** (infrastructure fabric attracting foreign investments promoting PPPs as part of an integrated, robust and long-term National Logistics Strategy)
- **Marketing strategy** at National level and promotion of integrated services offers (to global carriers, contract shippers, forwarders and service Logistics providers)
- **Continuous consideration / development** of new integrated Logistics services.



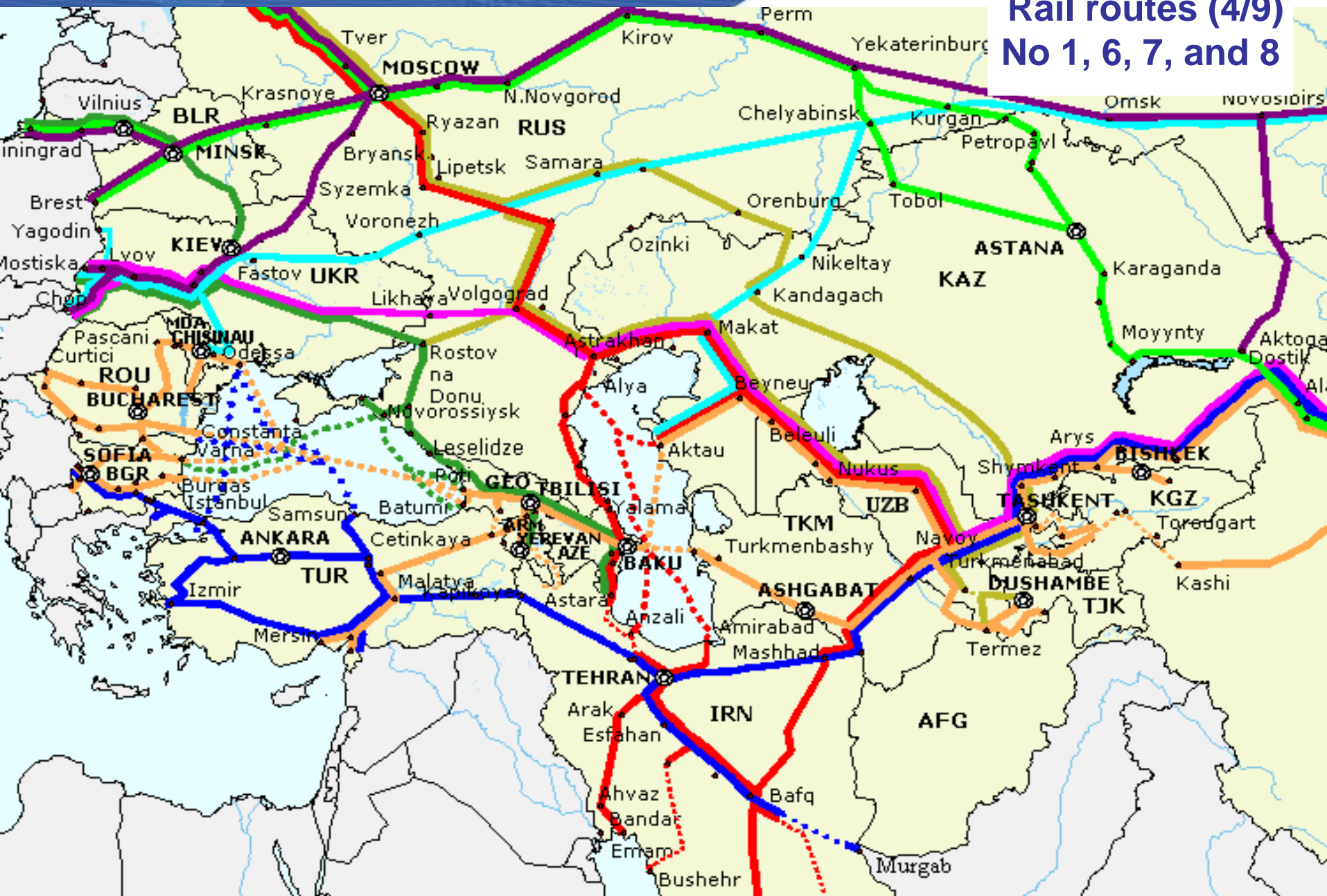
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Can Ukraine be Black Sea's Logistics Hub?



Rail routes (4/9) No 1, 6, 7, and 8





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Thank you