



Economic and Social Council

Distr.: General
24 July 2014

Original: English

Economic Commission for Europe

Inland Transport Committee

Working Party on Transport Trends and Economics

Group of Experts on Euro-Asian Transport Links

Tenth session

Geneva, 27–28 May 2014

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

Contents

	<i>Paragraphs</i>	<i>Page</i>
I. Attendance	1–5	2
II. Adoption of the agenda (agenda item 1)	6–7	2
III. Identification of cargo flows that could be transported along the Euro-Asian transport links (agenda item 2).....	8–13	2
IV. Facilitation of coordination of integrated time schedules and tariffs along the Euro-Asian transport links (agenda item 3).....	14–23	3
V. Identification of needs and requirements by producers, shippers, traders and freight forwarders in transport and trade along the EATL routes (agenda item 4).....	24–27	5
VI. Information from participants on recent developments regarding transport infrastructure priority projects along the EATL routes (agenda item 5) ..	28–32	6
VII. Information updating the Geographical Information System (agenda item 6).....	33–34	7
VIII. Other business (agenda item 7).....	35–36	7
IX. Date of next meeting(s) (agenda item 8).....	37	7
X. Summary of decisions (agenda item 9).....	38–39	8

GE.14-09463



* 1 4 0 9 4 6 3 *

Please recycle 



I. Attendance

1. The Group of Experts on Euro-Asia Transport Links (EATL) held its tenth session on 27–28 May 2014 in Geneva. Representatives of the following Member States of the United Nations participated: Afghanistan, Belgium, Germany, Iran (Islamic Republic of), Kazakhstan, Latvia, Mongolia, Russian Federation, Turkey and Ukraine.
2. Representative of the following United Nations departments and specialized agency attended the meeting: Trans-European Railway (TER) Projects was present.
3. The following intergovernmental organization was represented: Intergovernmental Organisation for International Carriage by Rail (OTIF).
4. The following non-governmental organizations were represented: International Union of Railways (UIC) and International Federation of Freight Forwarders Associations (FIATA).
5. At the invitation of the secretariat, the Port of Rotterdam Authority and the Lithuanian Railways also attended the meeting.

II. Adoption of the agenda (agenda item 1)

Documentation: ECE/TRANS/WP.5/GE.2/19

6. The Group of Experts adopted the agenda (ECE/TRANS/WP.5/GE.2/19).
7. Due to the absence of both the Chair and the Vice Chair of the EATL Group of Experts, Mr. Andrey Timochkin (Russian Federation) and Mr. Kostiantyn Savchenko (Ukraine) respectively, the Group elected Mr. Sergei Egorshv (Russian Federation) as Chair and Mr. Andris Maldrups (Latvia) as the Vice-Chair for the tenth EATL Expert Group session.

III. Identification of cargo flows that could be transported along the Euro-Asian transport links (agenda item 2)

8. 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 will be realized by inviting representatives from main European and Asian ports as well as from producers, traders and freight forwarders.
9. The Group of Experts had a substantive exchange of views about the importance of ports as starting/ending points of EATL rail and road routes between Asia and Europe. The Group pointed out that more than 20 very important ports feed into the prioritized nine EATL rail routes with cargo. In addition, it was noticed that more and more shipping companies invest in ports hinterland connections by establishing rail operators as to provide door to door services to their clients. The experts clarified that the main objective of this agenda item is neither to compete with ports nor to attract cargo from ports but to create an integrated land transport network that efficiently delivers goods along Euro-Asian corridors with ports as feeding mechanisms.
10. The representative from the Port of Rotterdam, Mrs. Sarah Olierook **informed** the Group about port's throughput and data regarding the hinterland connections of the port. The throughput of 442 million tons in 2013 makes Rotterdam port number 1 in Europe and number 5 in the world. During that year 33,000 sea vessels docked in the port in which

140,000 employees work. The central geographical location of the Port of Rotterdam brings it a great natural advantage. 54 per cent of cargo that passes through the port is transported by road, 35 per cent by inland waterways and 11 per cent by rail. As a priority, the Port intends to increase the share of the rail transport. In addition and in order to be environmentally friendly, the Port offers discount in port dues to 'clean vessels'. The port serves the diameter of 500km which reaches to northern Italy. The attractiveness of Rotterdam is that its draft of 24m is suitable for the largest vessels and that it has a superb cluster of various transport and trade related supporting services. The Port of Rotterdam intends to establish a business link with the Port of Constanta (Romania).

11. Port of Rotterdam has developed an online application called InlandLinks (www.inlandlinks.eu) which provides information (distance in kilometres, hours, CO₂ emissions, etc.) of hinterland connections from the port to any destination in Europe. This tool is similar with the tool that the Group should develop under objective (d) of its work plan "promotion of Euro-Asian inland transport routes and development of an integrated Marketing strategy". The experts agreed that they should cooperate with the port of Rotterdam while preparing the above-mentioned tool as to build on the existing knowledge and minimize costs.

12. The secretariat **informed** the Group about recent studies on cargo flow analysis along the Euro-Asian transport links routes which were useful for the Group work. Cargo flows were so far predominant from Asia to Europe. However, the new and growing trend is to have containers with cargo going the other way to China in order to satisfy demand by a growing middle class (approximately as large as the entire population of the European Union (EU)) in this country. Emerging markets in Central and East Asia are increasing their economic importance; hence, there is a demand for an improvement in overland links. In addition, a new global trend in commerce, which is changing the established patterns, is that increasingly consumers order goods through Internet.

13. As there are at least 20 ports with hinterland connections covered by the EATL project, the Group **asked** the secretariat to invite representatives of those ports to the Group's meetings in the future. The experts considered the participation of ports significant for the accomplishment of cargo flows analysis, and **requested** the secretariat to prepare a questionnaire for approval at the next session of the Group, then send to the main ports connected with the EATL routes.

IV. Facilitation of coordination of integrated time schedules and tariffs along the Euro-Asian transport links (agenda item 3)

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

15. The representative of UIC, Mr. R. Rebets informed the Group about specific projects such as the ICOMODE and the eRailFreight that the organization has initiated which lead to the development of intercontinental rail links. According to the analysis of UIC, the goods that are and will be transported are those with relatively high value - vehicle parts, electric equipment (computers and their parts), chemicals and garments. Different technical and legal barriers slow down trade and increase costs of transport and trade. The experts agreed that the analysis provided in project ICOMODE of UIC on time and tariffs along the Euro-Asian corridors should be taken into consideration while preparing the integrated

times schedules and tariffs in the framework of the EATL project. For this reason the experts asked UIC to provide the results of the full report of the ICOMODE project to the secretariat

16. Mr. A.Azizi Panah **informed** the Group on behalf of the Economic Cooperation Organization (ECO) secretariat about the development of Rail Transport Network of ECO, the establishment of integrated tariffs and time schedules along this network and about ECO efforts to facilitate rail operations.

17. ECO secretariat had developed the Transit Transport Framework Agreement which entered into force in 2006. Its main objective is facilitation of border crossings, while ensuring safety of goods and passengers, and avoiding unnecessary delays during the transit traffic as well as the harmonization of all necessary administrative affairs dealing with transit traffic.

18. Furthermore the ECO secretariat had developed a rail transport network in which all 10 member States are participating with the following rail services (cargo trains):

- (a) Cargo trains;
 - (i) The ECO Container Train on Islamabad – Tehran-Istanbul (ITI) Route;
 - (ii) The ECO Container Train on Istanbul – Almaty Route;
 - (iii) The ECO Container Train on Bandar Abbas – Almaty Route;
- (b) Railway projects;
 - (i) Construction of Railway between Kazakhstan, Turkmenistan, and Iran (Islamic Republic of) (Uzen – Barakat – Gorgan);
 - (ii) Qazvin – Rasht – Astara (Iran (Islamic Republic of)) – Astara (Azerbaijan) Railway Project;
 - (iii) Railway connecting China and Europe via Kyrgyz-Tajikistan-Afghanistan-Iran – Turkey.

19. For the above-mentioned routes ECO secretariat has provided facilitation services on the development of integrated time schedules and tariffs with the cooperation of all relevant rail authorities. The aforementioned time schedules and tariffs which were fully revised and updated in 2014 were presented to the Group. Further information and new data will be provided to the Group to facilitate the accomplishment of its task.

20. The Group of experts **appreciated** inputs and efforts by the ECO secretariat in the field of rail transport and noted that the ECO rail network is to a large extent a part of EATL network. Therefore, the latest information on time schedules and tariffs data on the ECO Container trains would be of a great value to the Group's work.

21. The representative from the Lithuanian Railways, Mr. M. Matulaitis **briefed** the Group about the 'Viking Train'. This train started operations in 1999. It connects Klaipeda through Minsk with Iljichyevsk (Odessa). The service is stable, reliable and the tariffs are fixed and available on the web. This eco-friendly train is widely used in Belarus, Lithuania and Ukraine. Expansion of transport services is being planned. The representative of Lithuanian railways mentioned that the time schedules and the tariffs of the Viking Train are at the disposition of the secretariat for fulfilling the tasks for this agenda item.

22. The representative of Russian Railways Mr. R. Rebets **briefed** the Group about the transit issues through the Russian Federation. The container transport is mainly linked to exports from China to Europe. Japan and the Republic of Korea are also using the Trans-Siberian rail line for their exports. However, there is a growing transport from the EU towards China. One of the problems is linked with the administrative matters. A

simplification in the documentation that supports trade and transport is necessary, especially in the light of strong interest of the Russian Federation to increase Euro-Asian trade and transport, which is expected to increase by 45 per cent in the period 2012–2020. The Group of Experts **requested** the representative of Russian Railways to provide information on tariffs and time schedules about the itineraries starting from China, South Korea and Eastern part of Russian Federation through trans-Siberia to Moscow and then to Europe. Such information would facilitate the Group's work on the development of integrated time schedules and tariffs along the EATL routes. The representative of Russian Railways promised that this information to the Group.

23. The Group thanked the representatives from UIC, the ECO secretariat, the Lithuanian railways and the Russian Railways for their kind contribution regarding provision of updated time schedules and tariffs along the EATL routes. The Group noted that in such a case data only from China and Eastern Europe will be missing as to accomplish the task under this agenda item. The Group **requested** the secretariat to prepare for the next meeting a template for time schedules and tariffs for all countries involved in the EATL routes for approval by the Group. This template will be sent to the above-mentioned organizations for collection of all relevant data. The Group **requested** the TER deputy project manager Mr. Zimmer to involve TER in this exercise and distribute the template to all relevant TER member States as to ensure collection of data from Eastern Europe. Mr. Zimmer stressed that TER project fully supports the EATL initiatives and member States will provide all relevant data.

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

24. 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.

25. The Director General of FIATA, Mr. M. Sorgetti, **presented** freight forwarders' participation and requirements along EATL routes. FIATA expects a growing trade and transport between Europe and Asia in the future, especially for manufactured and semi-manufactures goods suitable for rail transport. The FIATA representative considers that there could be changes in the continental trade flows in future. This could result from the combination of two elements: unfavourable demographics in Europe, where population numbers are stagnating at best, and Asian numbers growing faster; in particular in this continent the numbers of a growing middle class will expand high-end consumers' numbers. This could create a trend in bilateral trade that is expected to influence the existing trade flows, which had been previously dominated by exports from Asia to Europe. The trade flows should gradually tend to re-balance, also taking advantage of new additional technical solutions (e.g. foldable containers). In focusing on rail transport it was noted that it could represent an efficient and viable supplement to maritime transport in terms of transit time (rail deliveries from China to the EU may take 14 days which represents half of the time required to carry cargo between China and Antwerp/Rotterdam/Hamburg by sea).

26. After providing advice on commodities and trade flows that could make better use of rail on such continental corridors, the representative of FIATA illustrated, inter alia, the

following issues as obstacles that freight forwarders are facing while transporting along the EATL routes. More specifically:

- (a) Extremely long waiting times at border points between Iran (Islamic republic of) and Turkmenistan with the situation worsening due to discrepancies between Uzbekistan and Tajikistan border points. Average waiting times range from 2 – 3 days up to 6 – 7 days;
- (b) Insufficient road infrastructure in the east and northern part of Turkmenistan and also in Tajikistan and Kyrgyzstan;
- (c) Security issues in Afghanistan and in Iraq. It is recommended to utilize escort services;
- (d) Non-availability of parking places which are secure as per international standards;
- (e) Transit fees taking the form of “Tolls” which are extremely high in the case of high value of transported cargo.

27. The Group noted that these obstacles should be taken into account by the secretariat while preparing the final report of the Group and in the implementation of UNECE tools and agreements such as e-CMR, Annex 9 of the harmonization convention and the Unified Railway Law.

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

28. Under this agenda item the Group of Experts was informed about recent developments and EATL related problems.

29. The representative from Russian Federation, Mr. S. Egorshv **informed** the Group about the draft of the Euro-Asian Transit Intergovernmental Agreement. The objective of this document is to provide new form of seamless transport between the two continents. Container block trains ought to be covered by unified customs procedures in order to ease and support just-in-time deliveries of cargo. Finland, Latvia, Lithuania, Poland, Russian Federation, Slovakia and Ukraine are preparing and implementing this new Euro-Asian transport project.

30. The representative of Turkey, Mrs. E. Bulut, **informed** the Group about Turkey’s advantageous location for a smooth overland transport and its place as the logistics hub between Europe and Asia. In spite of the customs union between Turkey and the EU; EU’s share in Turkish export fell. Another inconvenience reported by the Turkish representative is the crisis in Syria. This problem significantly blocked trade with the Middle East. Turkey is seeking and investing in alternative routes since the new axes have been aroused and the production shifted from west to east while identifying and endeavouring to eliminate bottlenecks in EATL routes. Problems that need to be attended to along the EATL (and other) routes include transit quotas, discriminatory permits, prices of fuel and various charges (such as transit fees).

31. In addition Turkey **informed** the Group about investments made in the national ports. In spite of the 2008 crisis, Turkish investments in ports and transport infrastructure were to the tune of \$70 billion in the period 2002–2014. Turkey considers transport services as an important engine of economic growth and invests accordingly.

32. The Group of Expert **decided** to request Governments and other stakeholders to provide the secretariat with new data and studies relating to the EATL project. It further **requested** the secretariat to disseminate such information to the EATL Group, as well as other interested parties.

VII. Information updating the Geographical Information System (agenda item 6)

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

33. The Group **recalled** that one of its tasks was the updating and upgrading of the Geographical Information System (GIS). The Group also recalled that at the last session the secretariat informed the Group about the technical, organizational and financial options for the development, extension and updating of the EATL GIS application. As this is a formidable task, the Group of Experts decided to request the secretariat to inform the Governments about the new options for the EATL GIS and ask for their guidance. The Group also **requested** members to submit 'work-in-progress' reports on the GIS status in their countries.

34. The secretariat **informed** the Group that so far no information about the work in progress on GIS has been received. The Group acknowledged that such information requested by the secretariat is very technical and specific and therefore guidance should be provided to EATL focal points as to deliver this task.

VIII. Other business (agenda item 7)

35. The representative of Latvia, Mr. A. Maldrups **informed** the Group of Experts about the preparations for the Latvian EU presidency during the first half of 2015. Transport will be one of the main topics during this presidency. Latvia intends to increase the EATL profile in the EU and plans to organise a high-level meeting on Euro-Asian transport links at the end of April 2015 in Riga. The Group of Experts took note of the information provided and expressed its gratitude to the representative and the Government of Latvia for their recognition of the importance of the EATL project. The group underlined the importance of the operational connection of EATL routes with the European networks and **requested** the representative of Latvia to brief the Group about the developments concerning preparations for the high-level meeting at the next session of the Group.

36. The secretariat **informed** the Group about the letter received from the Government of the Russian Federation of 27 March 2014 with the information about the donation for the support of participants from the Commonwealth of Independent States to participate in the EATL-related meetings. The Group of Experts **welcomed** the donation and thanked the Government of Russian Federation for its support to the project and its kind offer. The Group **invited** other Governments and potential donors to provide support, in particular financial, to the EATL activities and project proposals as described and analysed in the work plan of the Group.

IX. Date of next meeting(s) (agenda item 8)

37. The Group of Experts' eleventh session is tentatively scheduled to take place in Geneva from 30 to 31 October 2014.

- (a) Eleventh session, 30–31 October 2014, Geneva;

- (b) Twelfth session, 3–4 February 2015, Geneva;
- (c) Thirteenth session, 28–29 May 2015, Geneva;
- (d) Fourteenth session, 1–2 October 2015, Geneva.

X. Summary of decisions (agenda item 9)

38. The Group **noted** that this type of exchange of information and views is constructive and needs to be continued in the future.

39. 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.
