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#### Working Party on Transport Trends and Economics

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

##### Eleventh session

Geneva, 30–31 October 2014

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

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## I. Attendance

1. The Group of Experts on Euro-Asia Transport Links (EATL) held its eleventh session on 30–31 October 2014 in Geneva. Representatives of the following member States of the United Nations participated: Azerbaijan, Kyrgyzstan, Iran (Islamic republic), Latvia, Poland, Republic of Moldova, Russian Federation, Ukraine and Uzbekistan.
2. A representative of the following United Nations departments and specialized agency attended the meeting: Trans-European Railway (TER) Project was present.
3. The following intergovernmental organizations were represented: Organisation for Security and Cooperation in Europe (OSCE) and Turkic Council.
4. The following non-governmental organizations were represented: International Union of Railways (UIC).
5. At the invitation of the secretariat the Lithuanian Railways, Centre for Transport, trade and Financial Studies – City University of Hong Kong and Plaske also attended the meeting.

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

*Documentation:* ECE/TRANS/WP.5/GE.2/21

6. The Group of Experts adopted the agenda (ECE/TRANS/WP.5/GE.2/21).

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

*Documentation:* Informal document WP.5/GE.2 (2014) No. 2

7. Mr. John Liu (Centre for Transport, Trade and Financial Studies - City University of Hong Kong) informed the Group of Experts that there has been a serious overcapacity in the maritime shipping industry since the global economic crises of 2008. Maritime transport of containers was on a decline, while there is an increase in the rail transport of containers. Ships are becoming larger, with more capacity, but there are fewer containers to be transported. There is a shift of transport from the sea and air towards railways. Highly specialised machinery (where there are only two or three cargo items) may be easily transported by rail which also offers time-delivery advantages. The Group of Experts **welcomed** a study of transport flows between Asia and Europe and related issues which Mr. Liu promised to prepare for the next session of the Group of Experts in February 2015.
8. Mr. Genady Besonov (TER Project Manager) recalled that the goods that cannot be transported by sea include perishable goods, those that are of seasonal character (clothes) and goods that due to technical specifications may not be exposed to the humid environment. In addition, tariffs between the maritime and rail transport may not be reasonably compared. To establish a rail transport network infrastructure, one must invest enormous amounts of funds. Such investments do not exist for the maritime transport. A discussion on competition between the maritime and rail transport ought to be altered to focus on a rational cooperation and distribution of transport between the two modes. A rail transport advertisement campaign in western China may be necessary to familiarise enterprises about advantages and potentials of rail transport alternatives and benefits.

9. Mr. Jerzy Kleniewski (Poland) stated that Poland was interested in the development of transport along the EATL routes. Of special importance is the facilitation of legal basis for this trans-continental cargo transport. Perishable foodstuffs and seasonal goods are of particular importance for the rail transport. He also gave a full support to the reduction and elimination of legal obstacles in international transport.

10. Mr. Ramiz Abdrakhimov (Uzbekistan) mentioned that rail transport was of crucial importance for his country and informed about activities in Uzbekistan to increase exports of goods in particular fruit and vegetables to Europe.

11. Mr. Marius Matulaitis (Lithuanian Railways) said that Lithuanian Railways are present in China, and illustrated the “Sun Train Project” (China-EU) which concentrates on the transport of high value cargo (machinery, computers).

12. Mrs. Eva Molnar (United Nations Economic Commission for Europe) stated that the world economic map was being reshaped (before trade was predominantly Trans-Atlantic, now it is increasingly EU–Asia), hence transit countries play an important role between Europe and Asia. For this reason, a new legal framework in the form of unified railway law is very important. A new United Nations General Assembly Resolution on connectivity (sponsored by Turkmenistan) was being negotiated which, inter alia, support the efforts of the relevant organizations of the United Nations system and international organizations, within their respective mandates to develop and operationalize international transport and transit corridors and, furthermore, calls for efforts to promote regional economic integration and cooperation, including improving cross-border transport infrastructure, regional connectivity, and facilitating regional trade and investment.

13. Ms. Elena Nalobina (Kyrgyzstan) informed the Group of Experts about the participation of Kyrgyz Republic in the Almaty Programme of Action for landlocked countries. The Programme is not only to promote cooperation between the landlocked countries, but also in the area of transit transport infrastructure development and maintenance, international trade, but most importantly, it gave the international community the opportunity to get acquainted with the problems faced by the developing landlocked countries. The United Nations was to recognise the needs of such countries. In addition, the experts were informed about specific issues of national carriers of the Kyrgyz Republic, including visa problems.

14. The Group of Experts **adopted** the questionnaire on ports (Informal document WP.5/GE.2 (2014) No. 2) and **requested** the secretariat to send it out to the ports and draft a report based on replies for the next session. It also **requested** the National Focal Points to distribute the questionnaire to the major ports in their countries.

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

*Documentation:* Informal document WP.5/GE.2 (2014) No. 1

15. Bearing in mind that it might be too complicated, demanding, and highly uncertain to obtain a complete set of data on integrated time schedules and tariffs on the Euro-Asian transport links, in particular based on Informal document WP.5/GE.2 (2014) No. 1, the Group of Experts **decided** to postpone the discussion of this item, until a time when the required data could be obtained from alternative sources (railway companies, freight forwarders, etc.).

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

16. Mr. John Liu informed that the pricing was a complicated issue in transport. It depends on location, region, type of cargo and time. It may be interesting to study the determinants of price such as energy, infrastructure, cartels, etc.

17. The Group of Experts **decided** to invite and welcome a “technical paper” from the company Plaske on the cost and time of transport along select EATL routes and compare it with maritime alternatives. Plaske has a long-term and respected experience in transport between Europe and Asia. This document would serve as a background material for discussions at the next session of the Group of Experts and possible further analysis.

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

18. Ms. Elena Nalobina informed the Group about the current length of railways in Kyrgyzstan which has about 420 km, and the two disparate branches. One on the north, and the other on the south of the country. The country is considering several railway projects. Objectives of these projects are:

(a) The connections North-South;

(b) Transportation by railway of goods (formerly transported by road) in the direction of Osh and Jalal-Abad – Bishkek, is more than 3 million tons per year. Mr. Nicolai Mindra (Republic of Moldova) informed about the project on repairing roads that started on a larger scale in 2008 and is expected to be finished in 2017.

19. Mr. Andrey Timochkin (Russian Federation) informed the Group of Experts about the East-West and North-South transport infrastructure projects in his country. Roads in the European part of the country go through Moscow which creates a congestion problem. A 150km long ring road around Moscow is supposed to ease that problem. In addition, a priority is to link the Baltic and Black seas through Russia. Another project is to link the Caspian Sea with Poland. There is also a rail project to link Russia with Vienna without reloading containers. Finally, there is an intention and goal to reduce the transport time of containers between China and Vienna to ten days.

20. Ms. Kateryna Deminska (Ukraine) informed the Group about the intention of Ukraine to gain from a favourable geographical location and continue to develop infrastructure along the EATL routes in order to benefit from transit transport. A ring road around Kiev is almost finished which would further facilitate East-West transport.

21. Mr. Ramiz Abdrakhimov informed about a 4 billion United States dollars investment in the Uzbek infrastructure. Major expansion of road and air transport is envisaged.

22. Mr. Teymur Abbasov (Azerbaijan) informed the Group about recent developments in transport infrastructure of Azerbaijan, especially construction of two additional lanes on Ganja Ring Road (39 km), inauguration of Ferry Terminal as part of the Project New International Sea Port in Alyat, as well as superstructure developments in railways. In general, approximately \$10.5 billion (February 2014) has been spent in road-transport complex in the framework of the “State Program on socio-economic development of regions of the Republic of Azerbaijan for 2009–2013 years”.

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

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

23. The Group **recalled** that in the previous meetings it agreed that it is not competent for the financing of the Geographical Information System (GIS). None the less, the Russian Federation informed that it will continue to explore possibilities to find resources to finance this important and useful project. Another possibility would be to identify a commercial enterprise that would be willing to get involved in this project.

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

## VIII. Other business (agenda item 7)

25. Referring to the tenth session of the Group of Experts, the representative of the Ministry of Transport of the Republic of Latvia Mr. Andris Maldups spoke about Latvia's forthcoming Presidency of the EU Council and its priorities in the field of transport. The development of Eurasian overland connections is at the top of the list. Mr. Maldups reiterated Latvia's commitment to host a major high-level event in the Framework of Latvian Presidency of the Council of the EU on 29–30 April 2015. The high-level meeting will gather both politicians and business representatives, encouraging a cross-national high-level discussion on transport linkages and perspectives of their development. It will also share the experience of the business sector and international organizations while developing integrated Eurasian supply chains. The agenda of the high-level meeting will cover such topical issues as infrastructure development over the Eurasian continent, global trends, perspectives of the market development, supply chain technologies and estimated cargo flows, interoperability of different railway systems in Euro Asian countries and possibilities for harmonisation. Mr. Maldups informed that a detailed agenda for the meeting was under development and should follow in the near future. The Group of Experts **welcomed** the intention and recognised the topicality of the event, noting that the issues were in line with the work of the EATL.

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

26. The Group of Experts' twelfth session is scheduled to take place in Geneva on 3–4 February 2015.

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

27. 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.