Group of Experts on Euro-Asian Transport Links, 4th session

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“ Updating the EATL priority transport infrastructure projects and developing an international investment plan under EATL Project Phase II”:

Existing Statistics, Flows and Trends on EATL Routes

Prepared by
The External Consultant
Panayota Moraiti
Department of Transportation Planning and Engineering
National Technical University of Athens, Greece

Introduction

- Task: *Conduct desk review, collection and consolidation of existing statistics, flows and trends on EATL routes, both maritime and inland transport*
  - Sources used
  - Asian trade flows and trends
  - Europe-Asia trade flows and trends
  - EATL II participating countries
  - Container transport flows and trends
  - Current issues
  - Conclusions and recommendations for completion of study

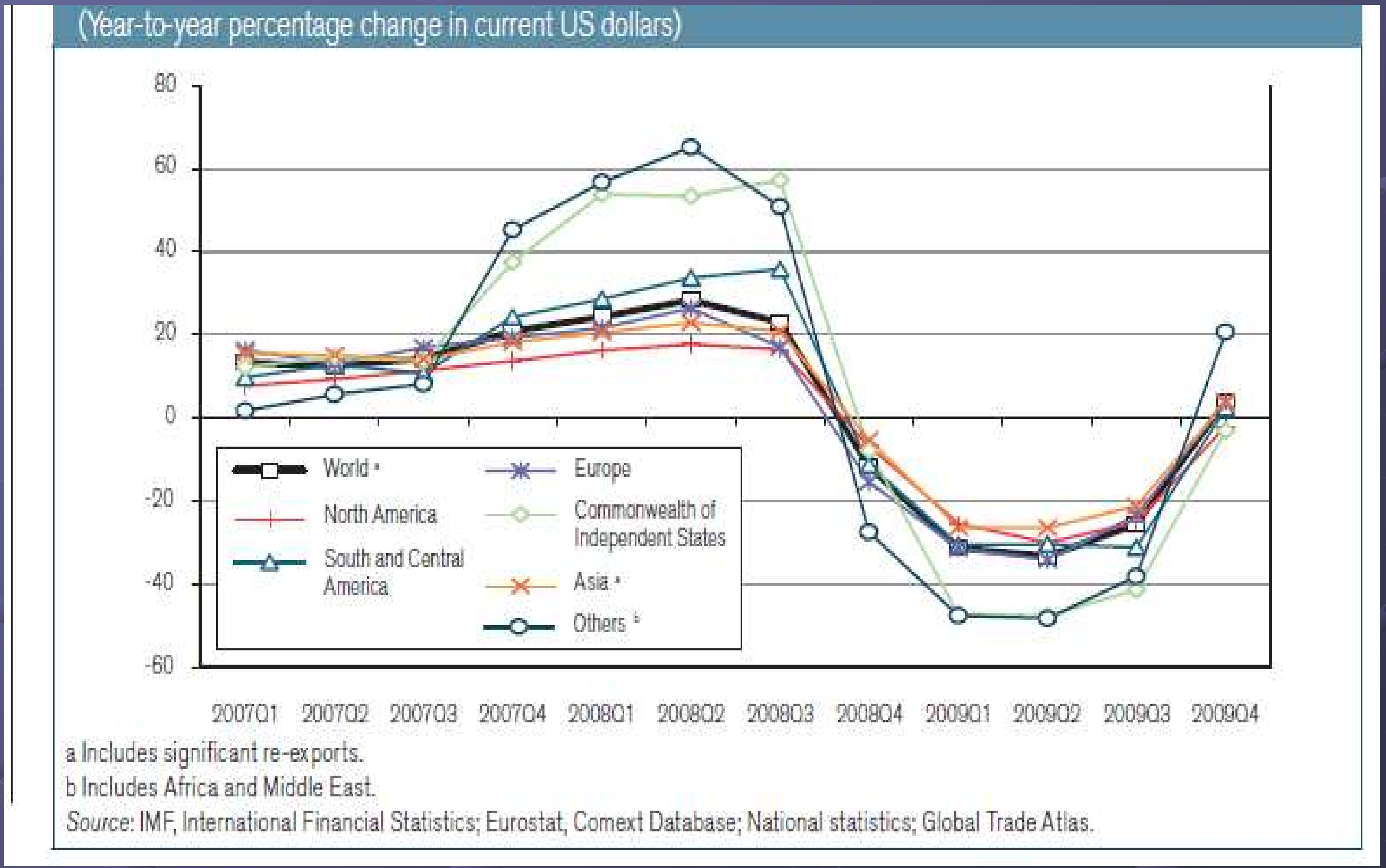
Main Sources of Data Collection

- World Trade Organization (WTO Report 2010)
- Euro stat (2009)
- Asian Development Bank Institute (2009)
- CAREC-Central Asia Regional Economic Cooperation (2008)
- EUCAM-EU Central Asia Monitoring (2010)
- ASEM-Asia-Europe Meeting 2008(Bi-annual informal dialogue process initiated in 1996 among European and Asian governments)
- UNCTAD-Review of Maritime Transport 2009
- UNECE report -Hinterland Connections of Seaports (2010)

Asian Trade Flows

- Trade volume in Asia has been rising fast since the early 1970s.
- Asia today contributes one fourth of world trade in goods, after Europe.
- According to World Trade Organization (WTO), 50% of Asia's exports are conducted within the region.
- Asia's inter-regional trade growth, with Europe and North America the two largest destinations of Asia's exports
- Despite the steep fall in global trade due to the recent economic crisis, Asia outperformed the rest of the world in 2009.
  - Asia's exports were down 18 per cent in 2009, the smallest nominal decline of any region.
  - Asia's imports also fell less than the world average (21%)
- China overtook Germany as the world's leading exporter in 2009 in world trade (9.6% share).

World Merchandise Exports by Region (2007-2009)



Source: WTO

World Merchandise Trade by Region and Selected Country (2009)

	Exports					Imports				
	Value	Annual percentage change				Value	Annual percentage change			
	2009	2005-09	2007	2008	2009	2009	2005-09	2007	2008	2009
World	12147	4	16	15	-23	12385	4	15	16	-24
North America	1602	2	11	11	-21	2177	-1	6	8	-25
United States	1057	4	12	12	-18	1604	-2	5	7	-26
Canada	316	-3	8	9	-31	330	1	9	7	-21
Mexico	230	2	9	7	-21	242	1	10	10	-24
South and Central America [a]	461	6	14	21	-24	444	10	25	30	-25
Brazil	153	7	17	23	-23	134	15	32	44	-27
Other South and Central America [a]	308	6	13	20	-24	311	9	23	25	-25
Europe	4995	3	16	11	-23	5142	3	16	12	-25
European Union (27)	4567	3	16	11	-23	4714	3	16	12	-25
Germany	1121	4	19	9	-22	931	5	16	12	-21
France	475	1	11	9	-21	551	2	14	14	-22
Netherlands	499	5	19	16	-22	446	5	18	18	-23
United Kingdom [b]	351	-2	-2	5	-24	480	-2	4	2	-24
Italy	405	2	20	8	-25	410	2	16	8	-26
Commonwealth of Independent States (CIS)	452	7	21	35	-36	332	11	35	32	-33
Russian Federation [c]	304	6	17	33	-36	192	11	36	31	-34
Africa	379	5	18	28	-32	400	12	23	27	-16
South Africa	63	5	20	16	-22	72	4	12	12	-28
Africa less South Africa	317	5	17	31	-33	328	14	27	32	-13
Oil exporters [d]	204	3	17	34	-40	129	16	29	39	-11
Non oil exporters	113	9	16	23	-17	199	13	27	28	-14
Middle East	691	6	16	33	-33	493	10	25	28	-18
Asia	3566	6	16	15	-18	3397	6	15	21	-21
China	1202	12	26	17	-16	1006	11	21	18	-11
Japan	581	-1	10	9	-26	551	2	7	23	-28
India	155	12	23	30	-20	244	14	29	40	-24
Newly industrialized economies (4) [e]	853	4	11	10	-17	834	4	11	17	-24
Memorandum items:										
Developing economies	4697	7	17	19	-22	4432	8	19	22	-20
MERCOSUR [f]	217	7	18	24	-22	186	13	31	41	-28
ASEAN [g]	814	6	12	14	-18	724	5	13	21	-23
EU (27) extra-trade	1525	4	17	13	-21	1672	3	16	17	-27
Least Developed Countries (LDCs)	125	11	25	32	-27	144	13	24	29	-11

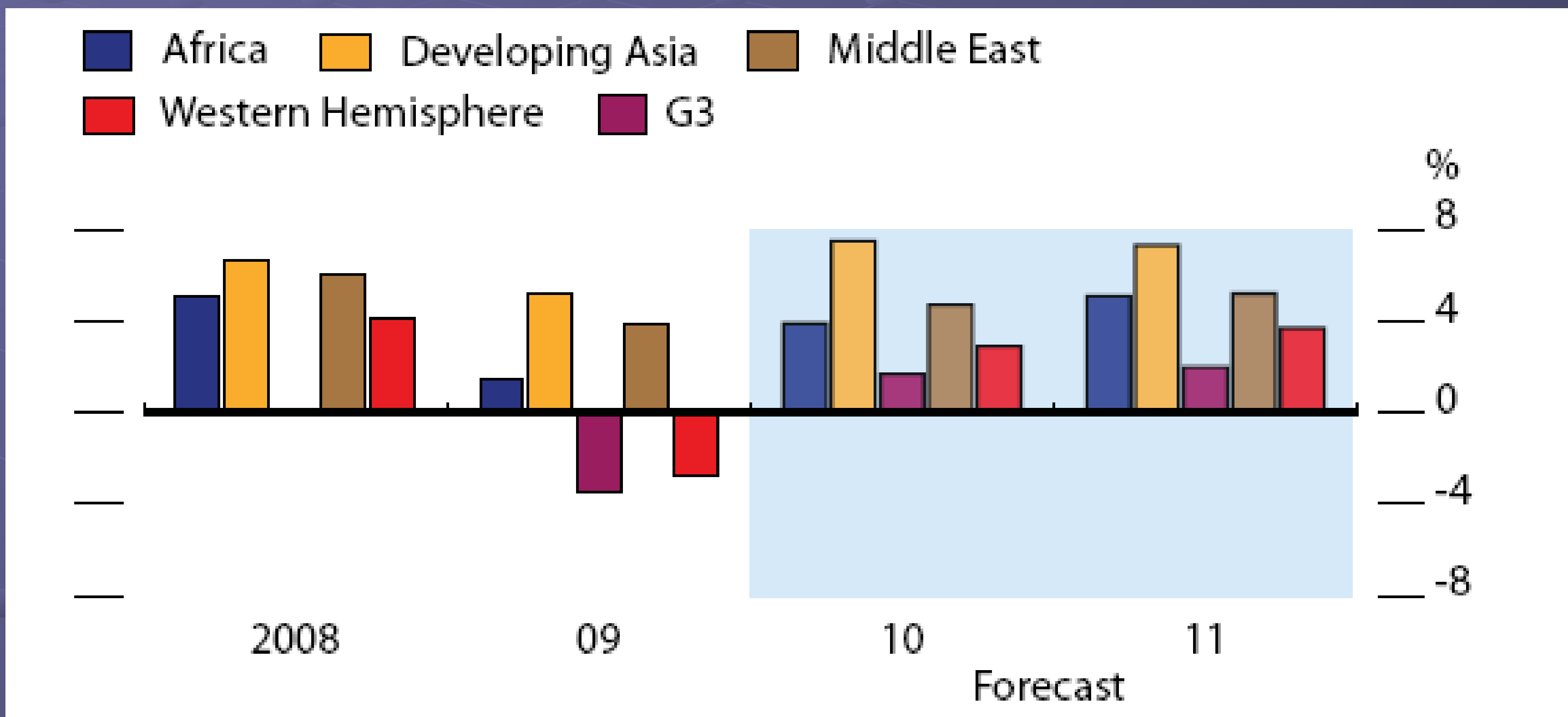
Source: WTO

Merchandise Trade: Leading exporters and Importers (2009)

Rank	Exporters	Value	Share	Annual per cent change	Rank	Importers	Value	Share	Annual per cent change
1	China	1202	9.6	-16	1	United States	1604	12.7	-26
2	Germany	1121	9.0	-22	2	China	1006	8.0	-11
3	United States	1057	8.5	-18	3	Germany	931	7.4	-21
4	Japan	581	4.7	-26	4	France	551	4.4	-22
5	Netherlands	499	4.0	-22	5	Japan	551	4.4	-28
6	France	475	3.8	-21	6	United Kingdom	480	3.8	-24
7	Italy	405	3.2	-25	7	Netherlands	446	3.5	-23
8	Belgium	370	3.0	-22	8	Italy	410	3.2	-26
9	Korea, Republic of	364	2.9	-14	9	Hong Kong, China	353	2.8	-10
						- retained imports [a]	91	0.7	-8
10	United Kingdom	351	2.8	-24	10	Belgium	351	2.8	-25
11	Hong Kong, China	330	2.6	-11	11	Canada	330	2.6	-21
	- domestic exports [a]	15	0.1	-9					
	- re-exports [a]	314	2.5	-11					
12	Canada	316	2.5	-31	12	Korea, Republic of	323	2.6	-26
13	Russian Federation	304	2.4	-36	13	Spain	290	2.3	-31
14	Singapore	270	2.2	-20	14	Singapore	246	1.9	-23
	- domestic exports	138	1.1	-21		- retained imports [b]	114	0.9	-28
	- re-exports	132	1.1	-19					
15	Mexico	230	1.8	-21	15	India	244	1.9	-24
16	Spain	218	1.7	-23	16	Mexico	242	1.9	-24
17	Taipei, Chinese	204	1.6	-20	17	Russian Federation [c]	192	1.5	-34
18	Saudi Arabia [a]	189	1.5	-40	18	Taipei, Chinese	175	1.4	-27
19	United Arab Emirates [a]	175	1.4	-27	19	Australia	165	1.3	-17
20	Switzerland	173	1.4	-14	20	Switzerland	156	1.2	-15
21	Malaysia	157	1.3	-21	21	Poland	147	1.2	-30
22	India	155	1.2	-20	22	Austria	144	1.1	-22
23	Australia	154	1.2	-18	23	Turkey	141	1.1	-30
24	Brazil	153	1.2	-23	24	United Arab Emirates [a]	140	1.1	-21
25	Thailand	152	1.2	-14	25	Thailand	134	1.1	-25
26	Austria	137	1.1	-24	26	Brazil	134	1.1	-27
27	Poland	134	1.1	-21	27	Malaysia	124	1.0	-21
28	Sweden	131	1.0	-29	28	Sweden	119	0.9	-29
29	Norway	121	1.0	-30	29	Czech Republic	105	0.8	-26
30	Indonesia	120	1.0	-14	30	Saudi Arabia [a]	92	0.7	-20
	Total of above [d]	10244	82.2	-		Total of above [d]	10323	81.6	-
	World [d]	12461	100.0	-23		World [d]	12647	100.0	-23

Source: WTO

World GDP Growth (2008-2011)

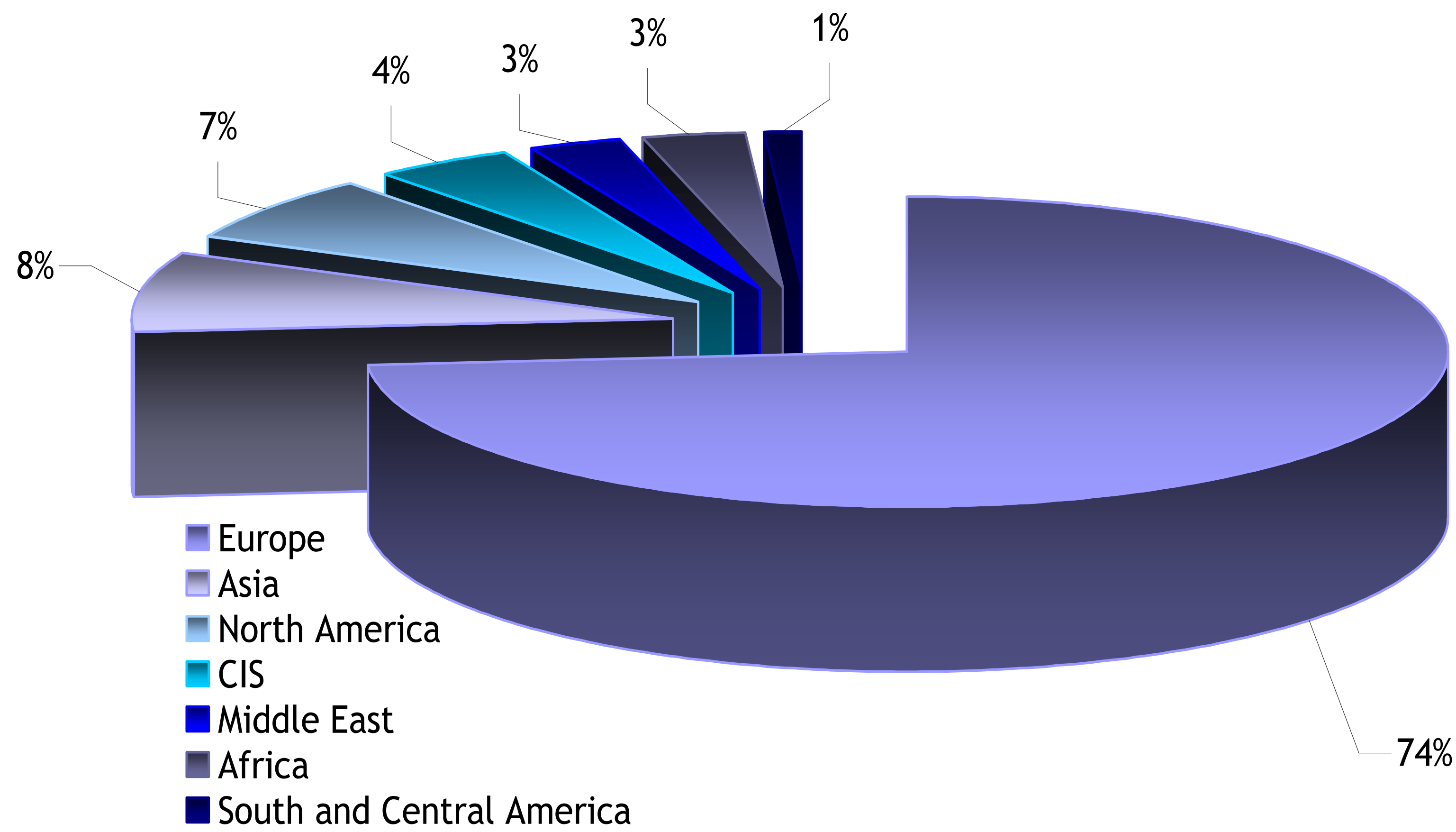


Source: Asian Development Bank, Outlook 2010

Europe-Asia :Trade Flows

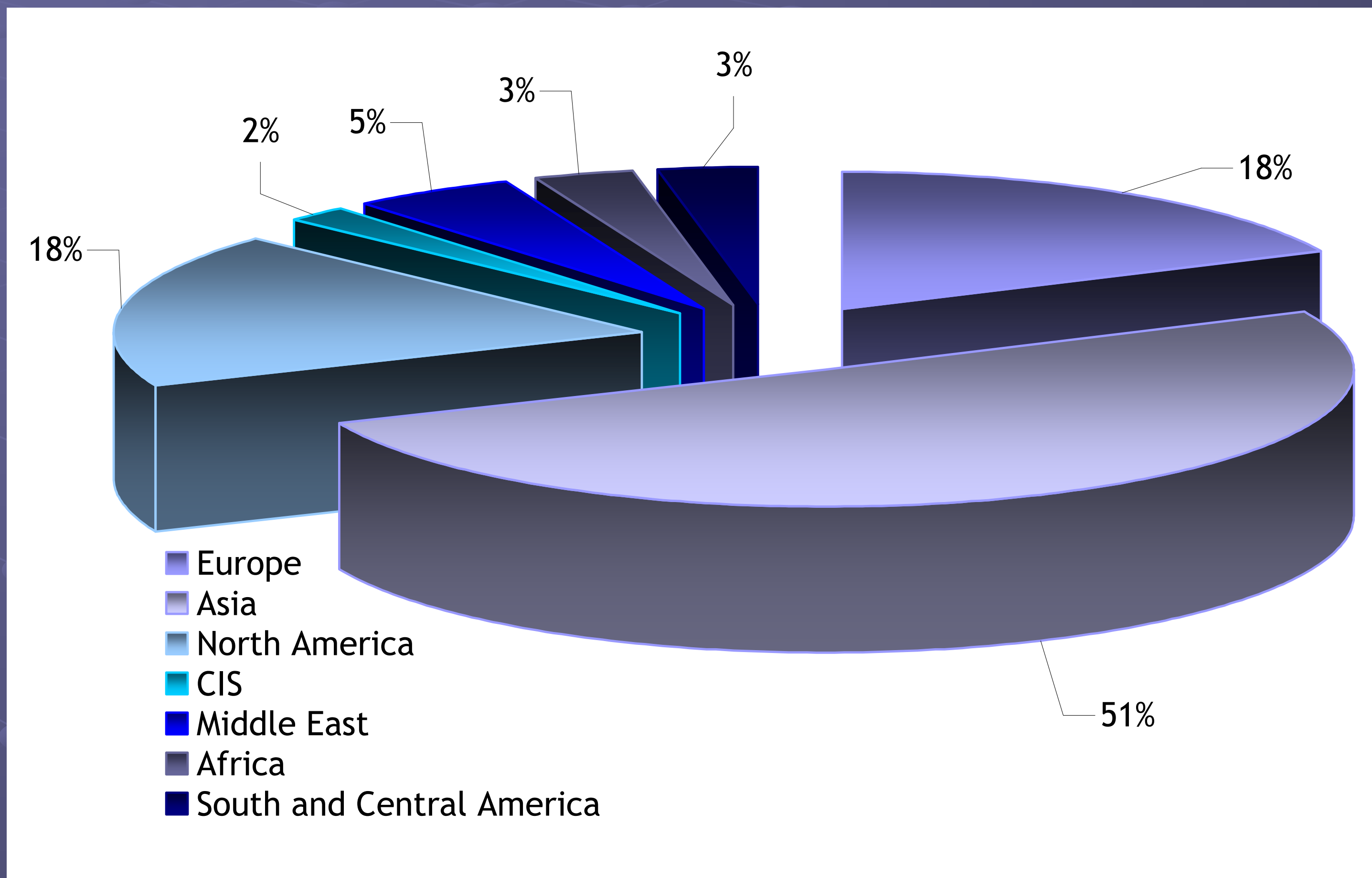
- According to World Trade Organization, 74% of Europe's exports go to European countries, 8% to Asia, 7% to North America and only 4% to CIS countries.
- On the other hand, 51% of Asian countries' exports go to Asia, 18% go to Europe, 18% to North America and only 2% go to CIS countries.
- The 60 countries involved in Europe – Asia trade represent:
  - more than half of the world's GDP
  - more than 60% of the world's population
  - 70% of global trade.

Exports of Europe (2008)



Source: WTO

Exports of Asia (2008)

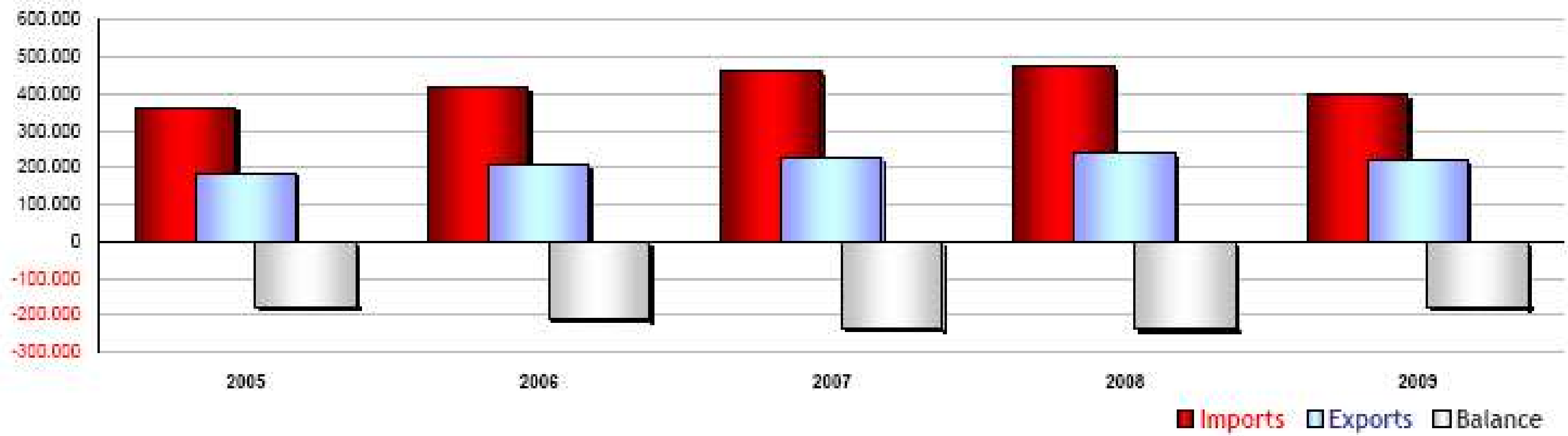


Source: WTO

European Union, Trade with Asian ASEM Countries

millions of euro, %

Period	Imports	Variation (%, y-o-y)	Share of total EU Imports (%)	Exports	Variation (%, y-o-y)	Share of total EU Exports (%)	Balance	Trade
2005	362.754	12,2	30,8	186.423	7,7	17,7	-176.331	549.176
2006	418.069	15,2	30,9	208.975	12,1	18,0	-209.093	627.044
2007	463.266	10,8	32,3	228.397	9,3	18,4	-234.870	691.663
2008	475.446	2,6	30,4	237.681	4,1	18,1	-237.765	713.127
2009	399.186	-16,0	33,3	220.607	-7,2	20,1	-178.578	619.793
2009Q1	102.100	-	33,6	48.491	-	19,0	-53.609	150.592
2009Q2	93.330	-	32,5	54.114	-	20,2	-39.215	147.444
2009Q3	99.849	-	33,5	56.312	-	20,6	-43.537	156.160
2009Q4	103.907	-	33,4	61.690	-	20,7	-42.217	165.597
2010Q1	111.121	8,8	33,5	63.872	31,7	21,7	-47.248	174.993
2010Q2	-	-	-	-	-	-	-	-
2010Q3	-	-	-	-	-	-	-	-
2010Q4	-	-	-	-	-	-	-	-
Average annual growth (2005-2009)		2,4			4,3			3,1

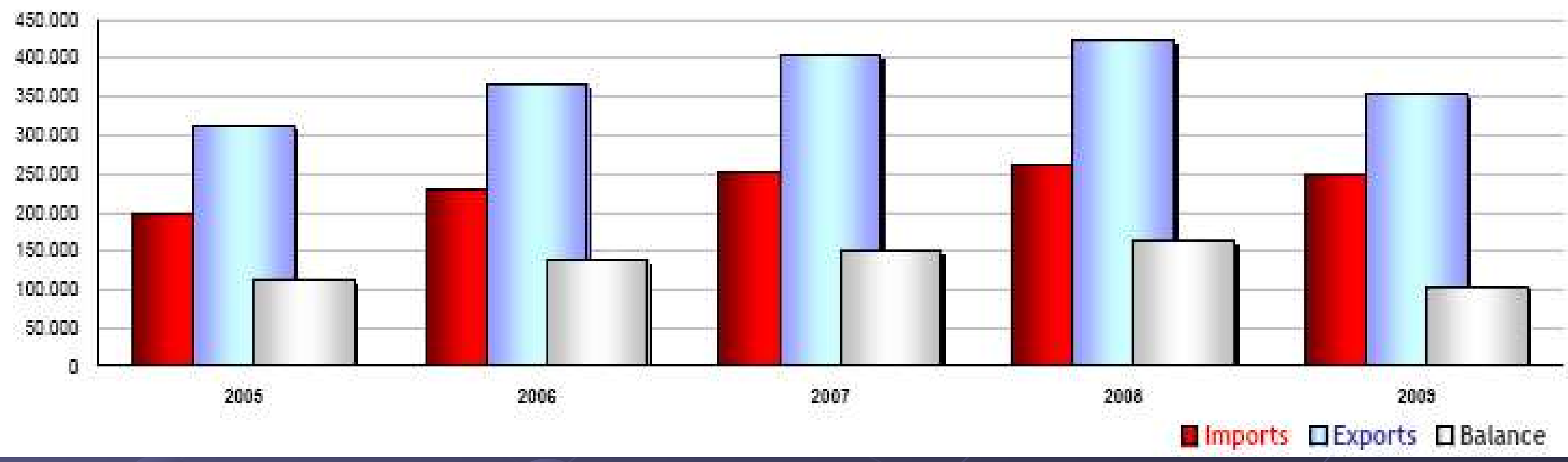


Source: Asia-Europe Meeting (ASEM), Report, A European Commission foundation

ASIAN ASEM COUNTRIES, Trade with the European Union

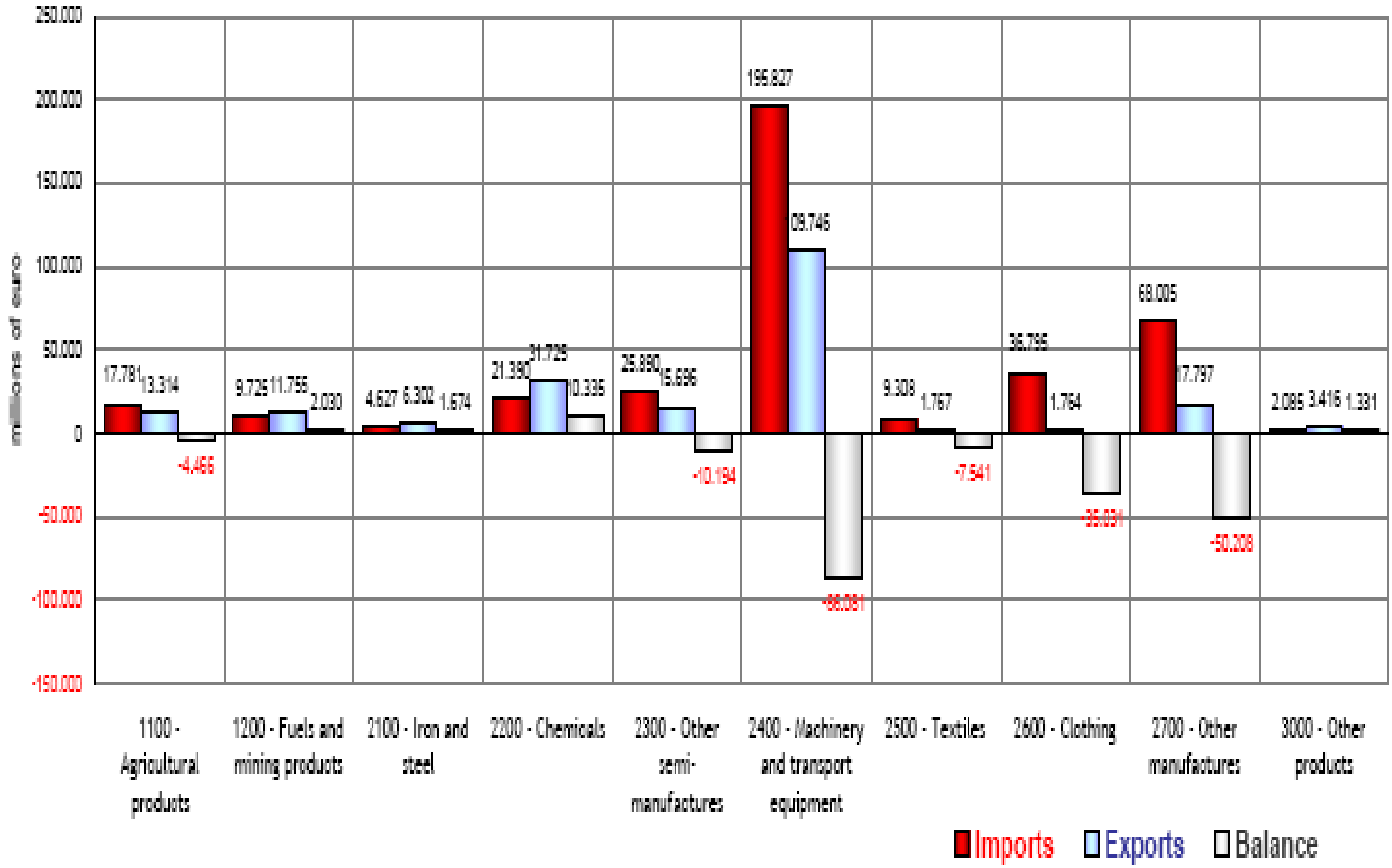
millions of euro, %

Period	Imports	Variation (%, y-o-y)	EU Share of total Imports (%)	Exports	Variation (%, y-o-y)	EU Share of total Exports (%)	Balance	Trade
2005	199.187	8,5	12,1	311.588	16,1	16,7	112.401	510.775
2006	229.279	15,1	11,9	367.020	17,8	16,8	137.742	596.299
2007	252.251	10,0	12,3	403.190	9,9	17,1	150.939	655.441
2008	261.409	3,6	11,2	423.347	5,0	16,8	161.938	684.756
2009	248.864	-4,8	12,1	353.316	-16,5	16,0	104.451	602.180
2009Q1	56.224	-	12,6	81.967	-	16,6	25.743	138.191
2009Q2	61.800	-	12,4	81.346	-	15,5	19.546	143.146
2009Q3	62.612	-	11,1	92.567	-	15,5	29.956	155.179
2009Q4	68.228	-	12,7	97.436	-	16,6	29.207	165.664
2010Q1	-	-	-	-	-	-	-	-
2010Q2	-	-	-	-	-	-	-	-
2010Q3	-	-	-	-	-	-	-	-
2010Q4	-	-	-	-	-	-	-	-
Average annual growth (2005-2009)		5,7			3,2			-1,8



Source: Asia-Europe Meeting (ASEM), Report, A European Commission foundation

EU Trade with... Asian ASEM Countries



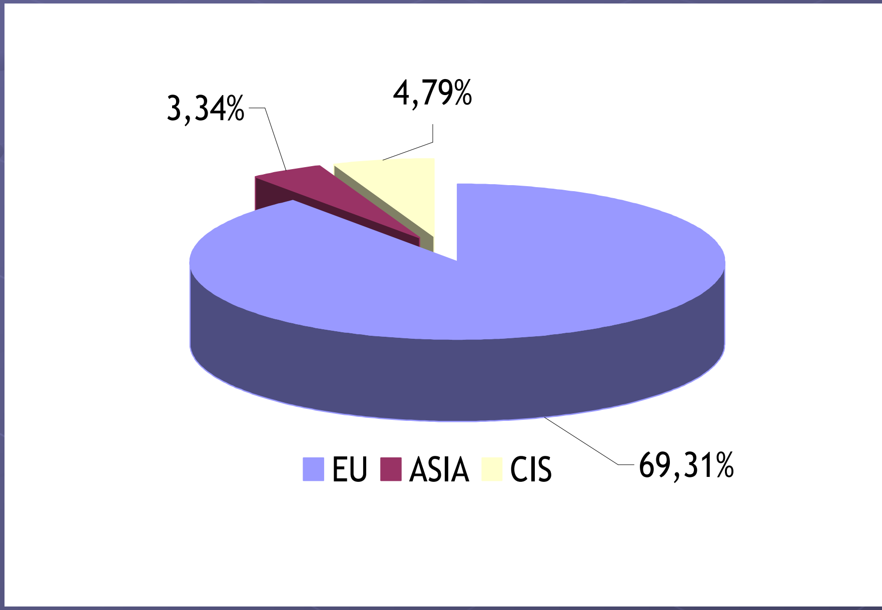
Source: Asia-Europe Meeting (ASEM), Report, A European Commission foundation

EATL Countries

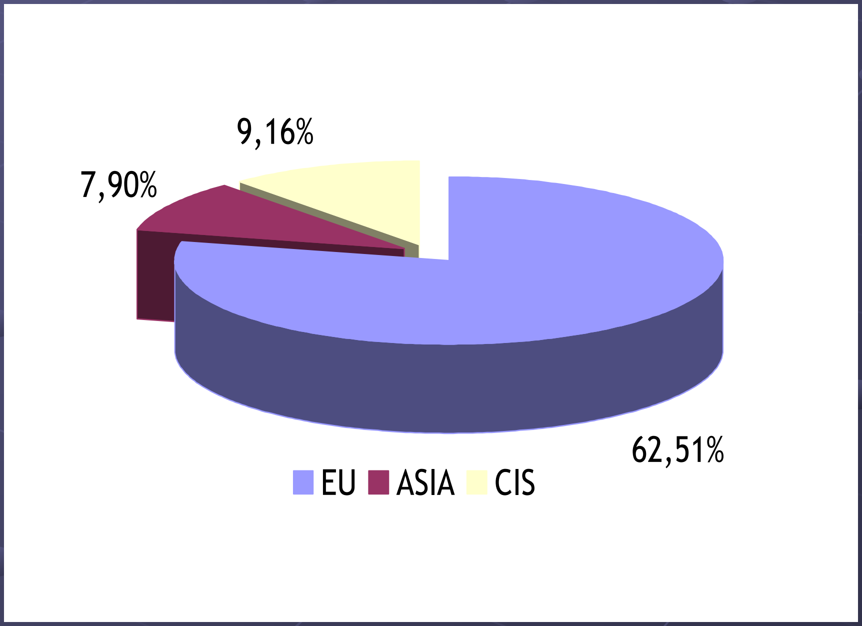
- The seven European countries in the project export between them an average of 69,31% of goods to other European countries, 3,34% to Asian countries and 4,79% to CIS countries.
- The average import of goods is 62,51% from other European countries, 7,09% from Asian countries and 9,16% from CIS countries.
- The Asian countries export between them an average of 31,21% of goods to European countries, 16,74% to Asian countries and 18,09% to CIS countries.
- The average import of goods is 21,46% from European countries, 17,91 % from Asian countries and 24,38% from CIS countries.

European Countries of the EATL Project (2008)

Exports to:



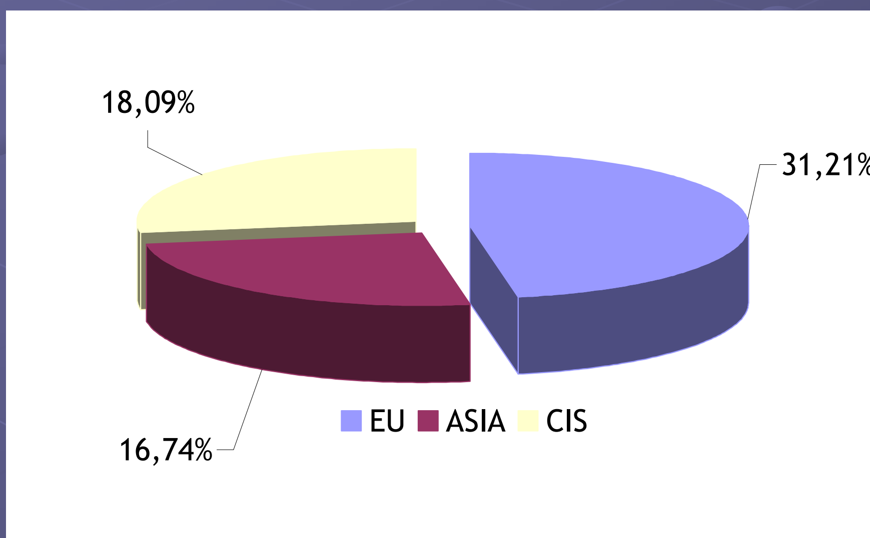
Imports from:



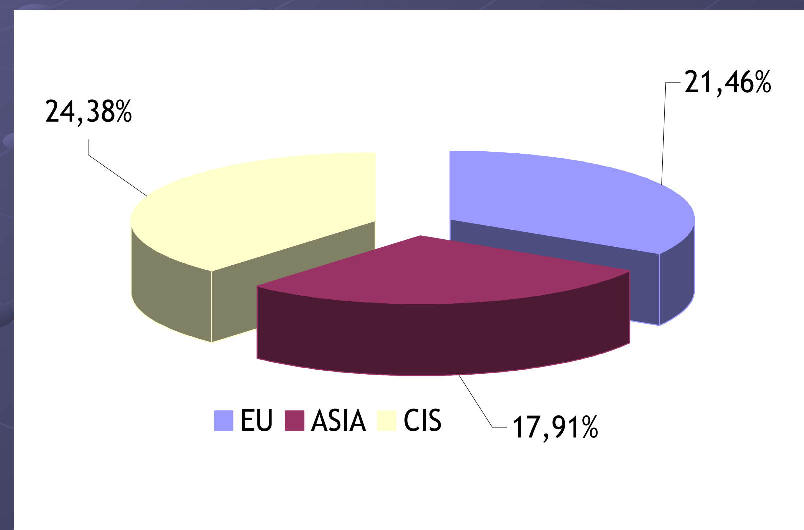
Source: WTO

Asian Countries of the EATL Project (2008)

Exports to:



Imports from:



Source: WTO

EU Trade with Selective Asian countries by Transport Mode CHINA and RUSSIAN FEDERATION*

EU 27 with China	Oct. 2009	Nov. 2009	Dec. 2009	Jan.-Dec. 2009	Jan. 2010	Feb. 2010	Mar. 2010	Apr. 2010	May. 2010	Jun. 2010
SEA	11610	9957	10015	126925	11916	11348	12993	11268	12797	15266
RAIL	116	107	88	1239	109	79	124	128	135	147
AIR	3872	4871	3846	43638	3926	3656	4575	4109	4864	4708

Russian Federation	2001	2002	2003	2004	2005	Average growth 2001-2005 (%)
Imports	62.98	62.00	67.78	80.72	106.74	+14.8
Exports	22.51	31.38	34.28	37.07	45.83	+20.1
Balance	-17.63	-38.41	-31.60	-27.72	-30.71	x

*Official statistics with regards to EU trade with Asia are given for China and Russian Federation.

Source: Eurostat

Repercussions on transport between Europe and Asia

- The repercussions of the economic growth on international transport between Europe and Asia are fundamental.
- Intra-regional trade rapid development reinforces the necessity to improve the corridors as a source of development for the countries concerned.
  - <u>Maritime transport's virtual monopoly for Asian countries that have sea access</u>
  - Land transport is positioned as a link in the chain of maritime transport as a means of access to ports, and also as the primary mode of transport over long distances across Russia and Central Asia to China.

Landlocked Countries Of Asia

- Afghanistan, Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan, Turkmenistan and Uzbekistan
  - Dependence on a limited number of commodities for their export earnings
  - Lack of territorial access to the sea, rely heavily on transportation by land through the territories of neighboring countries for international trade.
  - Remoteness from world markets.
- Need for regional cooperation in transport and customs transit aimed at reducing trade costs.
- Urgent need for reliable and efficient rail services.

Container Freight Transport

- Steep growth of in containerized trade from Asia on the corridor to Europe (and vice-versa).
- Overall 150% increase in containerized volume between 2000-2007.
- Increase in overall ship capacity in the Asia-Europe Trade .
- Emergence of major hubs in the Mediterranean, northern Europe and Asia.

Container Trade – Full Moves

WORLD WIDE FLOWS		
YEAR	TEUS	GROWTH
2006	127,8 million	10,00%
200	142,6 million	11,58%
2008	149,7 million	4,98%
2009 (forecast)	134,3 million	-10,29%

Source: WTO/ECSA

TRADE ESTIMATES				
	2007		2008	
	TEUS	TRADE %	TEUS	TRADE %
Total East-West v.v.	61,6 million	43,2%	62,9 million	42,0%
Total North - South v.v.	25 million	17,5%	27 million	18,0%
Total Intra regional	56 million	39,3%	59,8 million	39,9%

Source: WTO/ECSA

NORTH EUROPE - FAR EAST				
	EASTBOUND		WESTBOUND	
YEAR	TEUS	GROWTH	TEUS	GROWTH
2006	4,0 million	4,3%	7,8 million	13,9%
2007	4,2 million	5,4%	9,1 million	16,6%
2008	4,1 million	-2,8%	9,1 million	-0,3%
2009 (forecast)	3,7 million	-10,0%	7,5 million	-17,4%

Source: WTO/ECSA

Top Container Terminals (throughput 2006-2008)

(TEUs and percentage change)

Port name	2006	2007	2008	Percentage change 2007–2006	Percentage change 2008–2007
Singapore[a]	24 792 400	27 935 500	29 918 200	12.68	7.10
Shanghai	21 710 000	26 150 000	27 980 000	20.45	7.00
Hong Kong, China	23 538 580	23 998 449	24 248 000	1.95	1.04
Shenzhen	18 468 900	21 099 169	21 413 888	14.24	1.49
Busan	12 039 000	13 261 000	13 425 000	10.15	1.24
Dubai	8 923 465	10 653 026	11 827 299	19.38	11.02
Ningbo	7 068 000	9 360 000	11 226 000	32.43	19.94
Guangzhou	6 600 000	9 200 000	11 001 300	39.39	19.58
Rotterdam	9 654 508	10 790 604	10 800 000	11.77	0.09
Qingdao	7 702 000	9 462 000	10 320 000	22.85	9.07
Hamburg	8 861 545	9 900 000	9 700 000	11.72	-2.02
Kaohsiung	9 774 670	10 256 829	9 676 554	4.93	-5.66
Antwerp	7 018 911	8 175 952	8 663 736	16.48	5.97
Tianjin	5 950 000	7 103 000	8 500 000	19.38	19.67
Port Klang	6 326 294	7 118 714	7 970 000	12.53	11.96
Los Angeles	8 469 853	8 355 039	7 849 985	-1.36	-6.04
Long Beach	7 290 365	7 312 465	6 487 816	0.30	-11.28
Tanjung Pelepas	4 770 000	5 500 000	5 600 000	15.30	1.82
Bremen/Bremerhaven	4 428 203	4 892 239	5 500 709	10.48	12.44
New York/New Jersey	5 092 806	5 299 105	5 265 053	4.05	-0.64
Total top 20	208 479 500	235 823 091	247 373 540	13.12	4.90

Source: UNCTAD secretariat and *Containerisation International Online*, June 2009.

Current Issues

- Considerable implications for port operations and hinterland transport activity.
  - increasing problems in land access to sea ports
  - push for productivity gains tends to reduce the number of such ports
  - safety and security issues from concentrate shipping traffic along obligatory points of passage between maritime hubs
- Major challenge for international transportation operators is imbalance, which is more evident in Asia (*large number of empty containers being transported due to the imbalance of trade: exports-imports*).

⇒ Diversification of routes and opening up of new land routes between Europe and Asia.

Revival of old trade routes such as the Silk Road and the Trans-Siberian route.

New Inland Routes

- Efficient rail service is becoming the best guarantee of port hinterland extensions.
- Efficient operation of East-West rail lines would make available a significant additional capacity (of several million TEUs) at costs that could be competitive for many services between regions in Europe and Asia.
- Potential value of road transport should not be ruled out, including long distances, as demonstrated by Turkish freight services to Central Asia. This might be of value for intra-regional/cross-border trade.
- Regarding prices, it is still difficult to make projections; given the extremely competitive rates of current maritime channels, land prices would probably be higher.

Conclusions

- Trade between Europe and Asia has accelerated sharply in recent years:
  - development of East Asian countries, China in particular.
  - emergence of the economies of Russian Federation and the countries of Central Asia
- Wider geographical dispersal of trade flows, crucially important for defining the main routes for international trade between Asia and Europe.
- High, diversified and sophisticated demand for international transport, with heavy logistical constraints.
- The identification and establishment of Euro-Asia’s transportation networks (cross-border or otherwise) have become increasingly important.
- These developments call for revision of the EU’s priority corridors to its East to meet Asia’s full potential.

Further Steps for Completion of Study

- Continue data collection with a focus on EATL countries.
- export/import data as traffic volumes (in tonnes) per mode of transport/ per country.
- In the case that EATL participating countries have such data, we would be grateful if these could be provided.

Thank you for your attention!