



United Nations Economic Commission for Europe



Group of Experts on
Euro-Asian Transport Links



EATL - Phase III

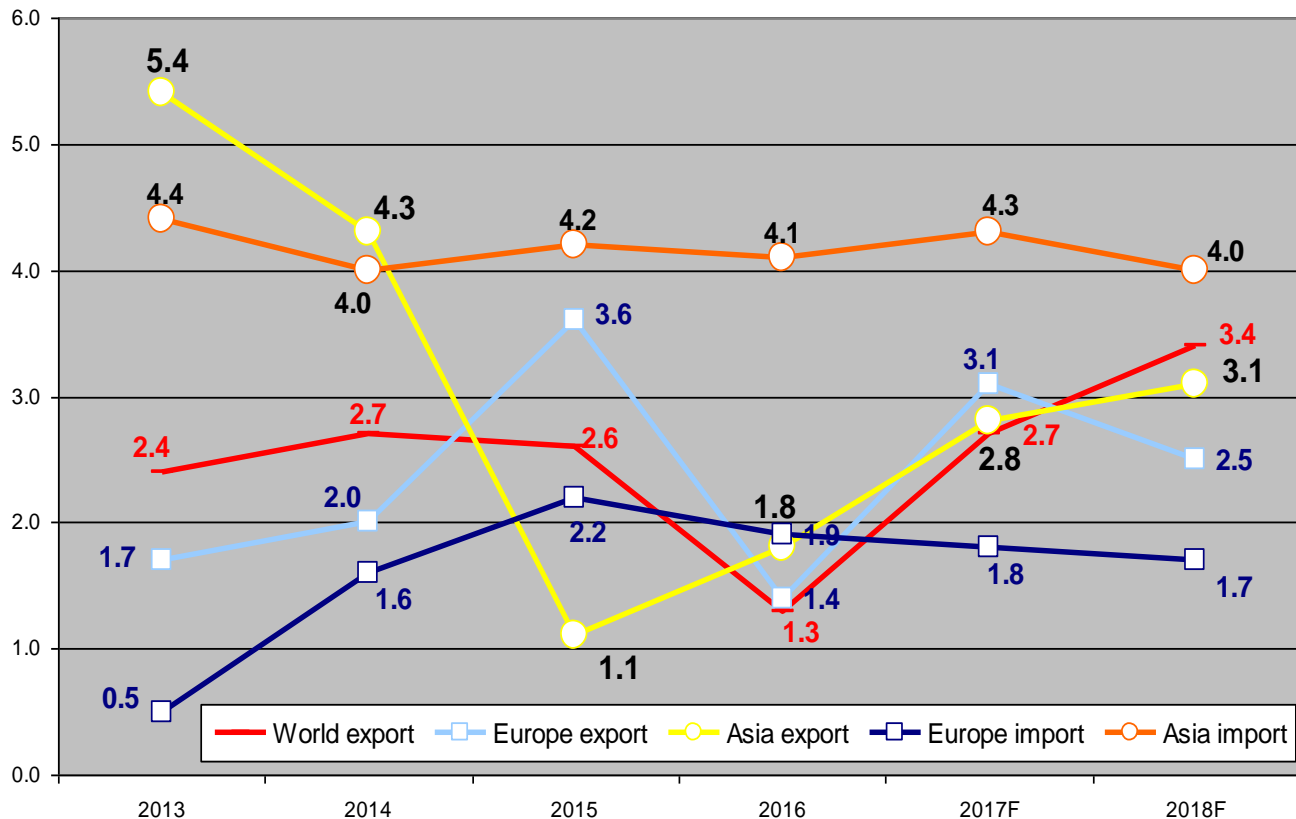
Progress on Euro-Asian Transport Links work

30th session of the Working Party on Transport Trends and Economics

Geneva, 4-6 September 2017

Alexander Zabojev, Consultant

Merchandise trade in Europe and Asia: trends



Source: WTO (2017)

Global economic growth rates are significantly below the average annual rate of 7.2 per cent recorded during the 2003–2007 pre-crisis period

Lower commodity prices and their impact to economic growth, trade and transport in the EATL region

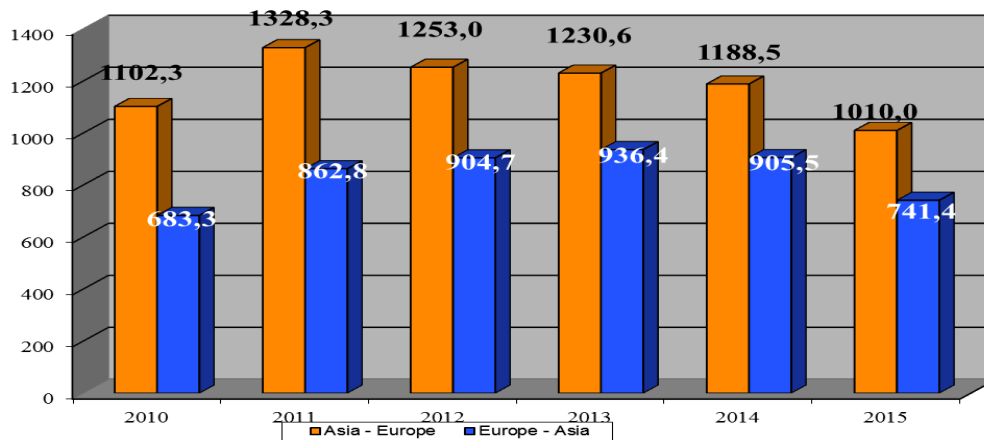
Slowdown in China

New economic cooperation initiatives, likes OBOR

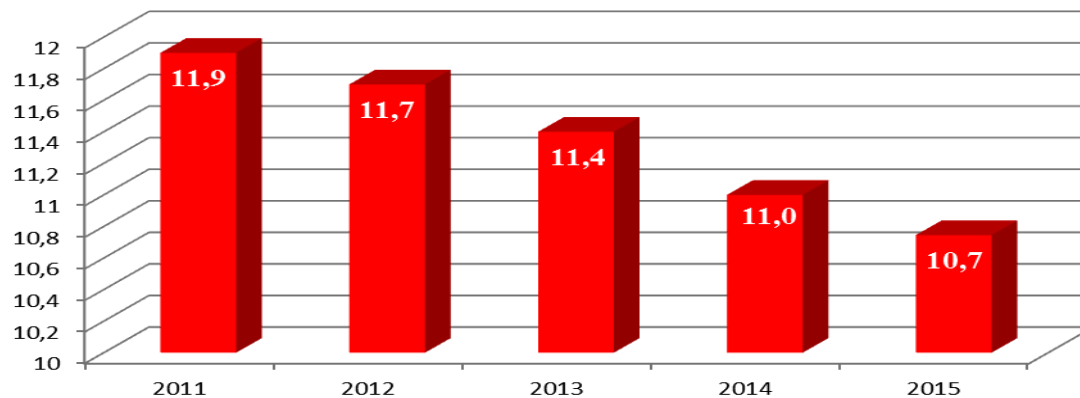


Euro-Asian trade flows

Volume of trade in goods between selected European and Asian countries in 2010-2015, billion US Dollars

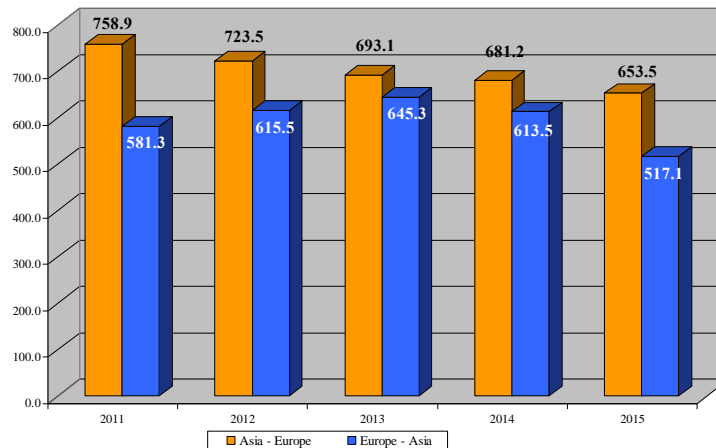


Share of Euro-Asian trade in the world merchandise trade in 2011-2015, %

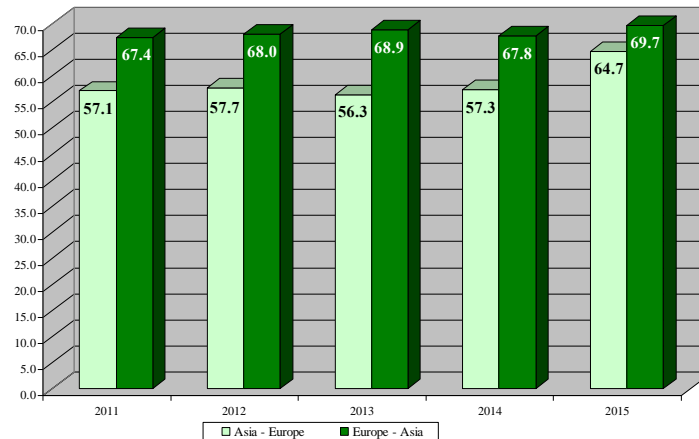


Euro-Asian “non-commodity” trade

Dynamics of trade in containerizable goods between selected European and Asian countries in 2011-2015, billion US Dollars



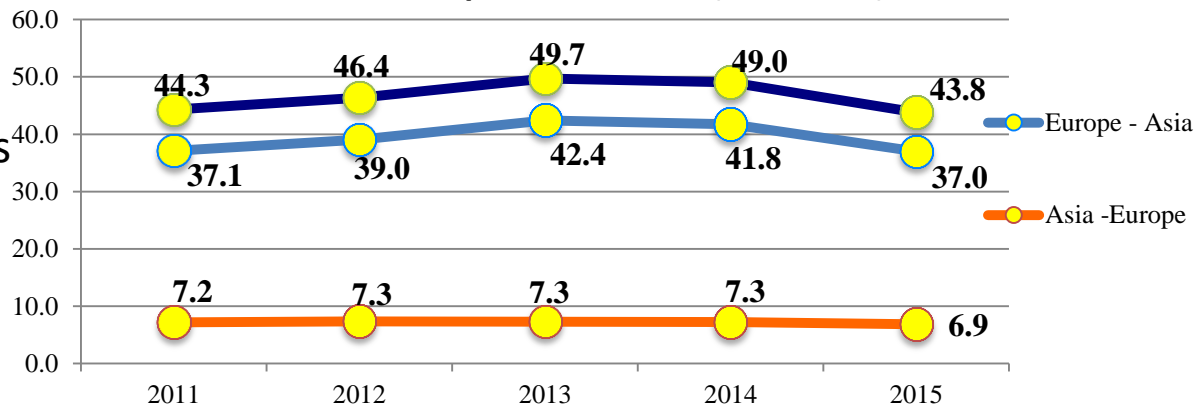
The share of “containerizable” goods in total volume of trade between selected European and Asian countries in 2011-2015, per cent



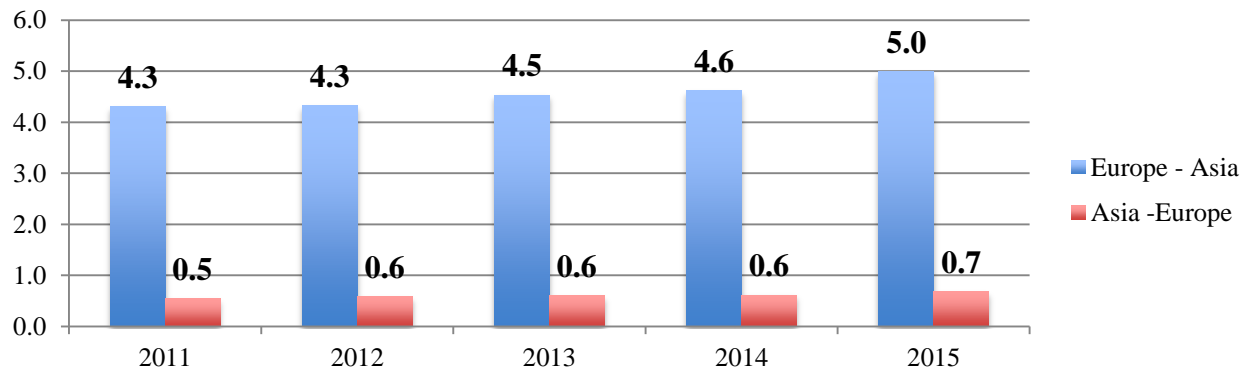


Trends in trade flows between Europe and Asia. Pharmaceutical products (HS 30)

Volume of trade 2011-2015, Billions US Dollars

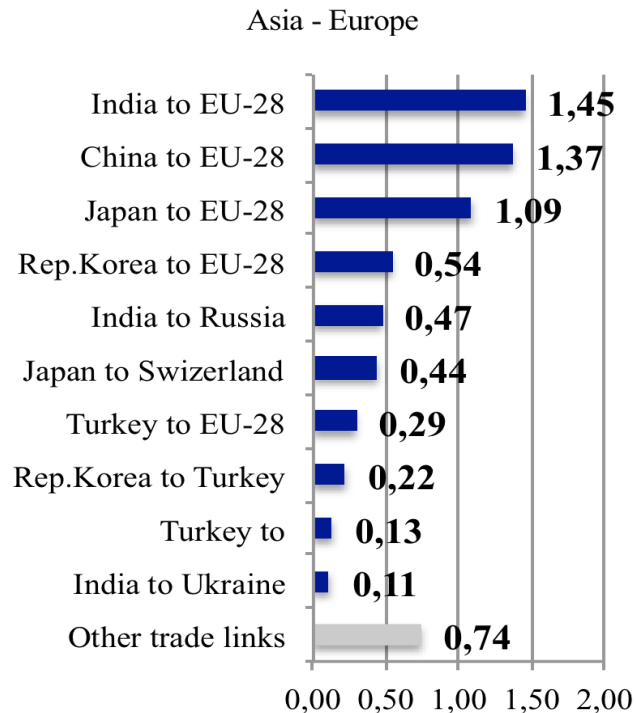
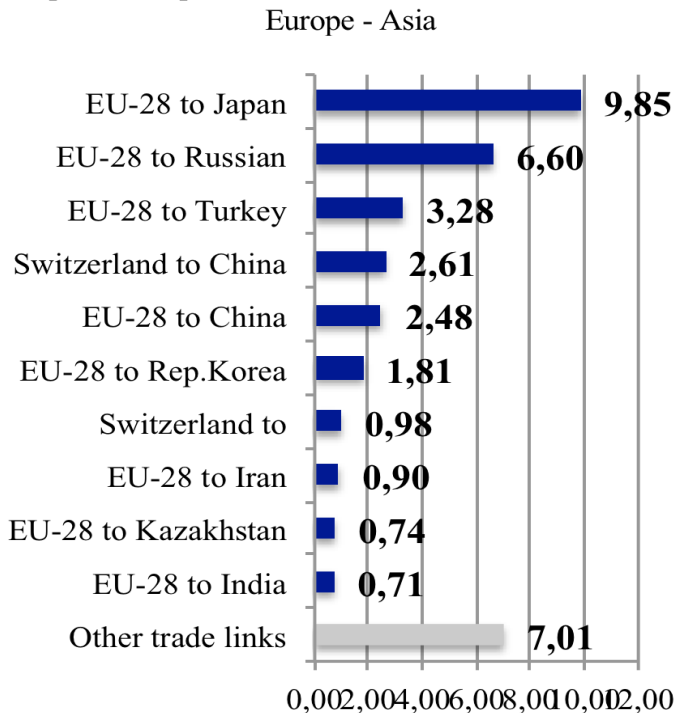


The share of this commodity group in total volume of trade between Europe and Asia, 2011-2015, %



Trends in trade flows between Europe and Asia. Pharmaceutical products (HS 30)

3. Top 10 trade partners in 2015, Billions US Dollars





Types of commodities in Euro-Asian trade



Non-containerized goods (mainly raw materials) transported between Europe and Asia by maritime, pipeline or rail transport



Containerized goods for mixed inland and maritime transport between Europe and Asia



High-value containerized goods for mixed inland and air transport between Europe and Asia



Commodities suitable for inland transport



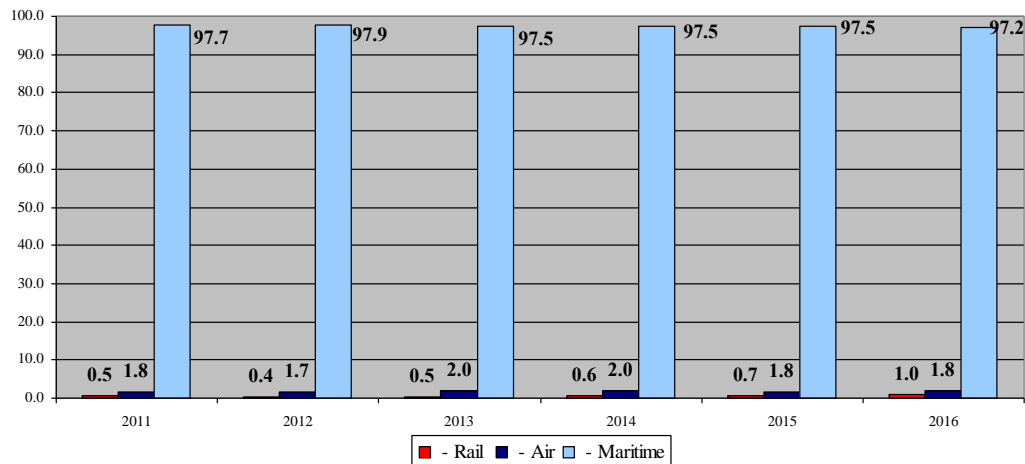
- pharmaceuticals
- electronic products
- IT products
- fashion products
- footwear
- automotive components
- tires
- specific construction materials
- timber and wood
- chemicals
- fertilizers
- white goods
- pipes
- particular agricultural products
- machinery

Cargo flows by modes of transport

Volume of goods transported between the European Union and China by modes of transport in 2011-2016, million tonnes

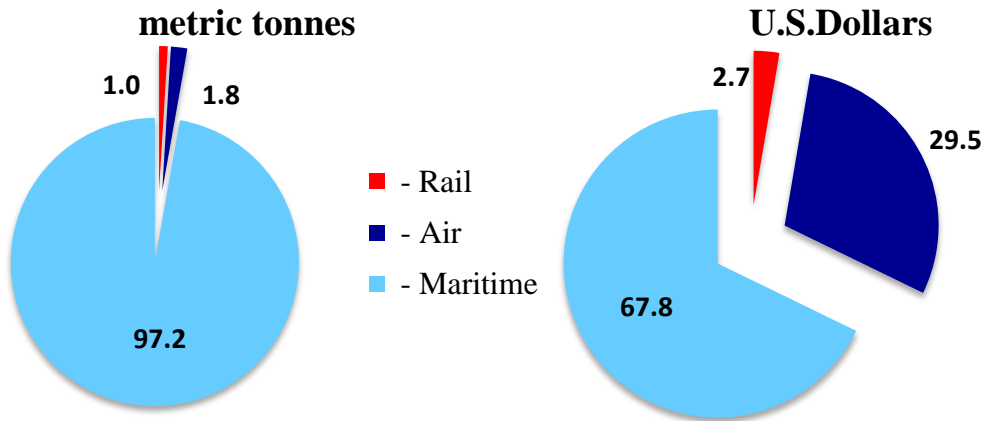
Modes of transport	2011	2012	2013	2014	2015	2016	2016/2011, %
From China to European Union							
- Maritime	50.1	43.5	47.7	52.7	53.8	54.4	108.6
- Air	1.0	0.9	1.1	1.3	1.1	1.2	116.4
- Rail	0.4	0.3	0.3	0.4	0.5	0.6	170.6
Total	51.5	44.7	49.1	54.4	55.4	56.2	109.2
From European Union to China							
- Maritime	38.0	39.5	41.0	41.8	44.5	47.7	125.3
- Air	0.6	0.5	0.7	0.6	0.7	0.8	124.0
- Rail	0.1	0.1	0.1	0.2	0.2	0.4	326.5
Total	38.8	40.1	41.8	42.6	45.4	48.8	125.9
TOTAL between EU-28 and China	90.2	84.7	90.9	96.9	100.8	105.0	116.4

Market share by modes of transport in cargo flows (in tonnes) between European Union and China in 2011-2016

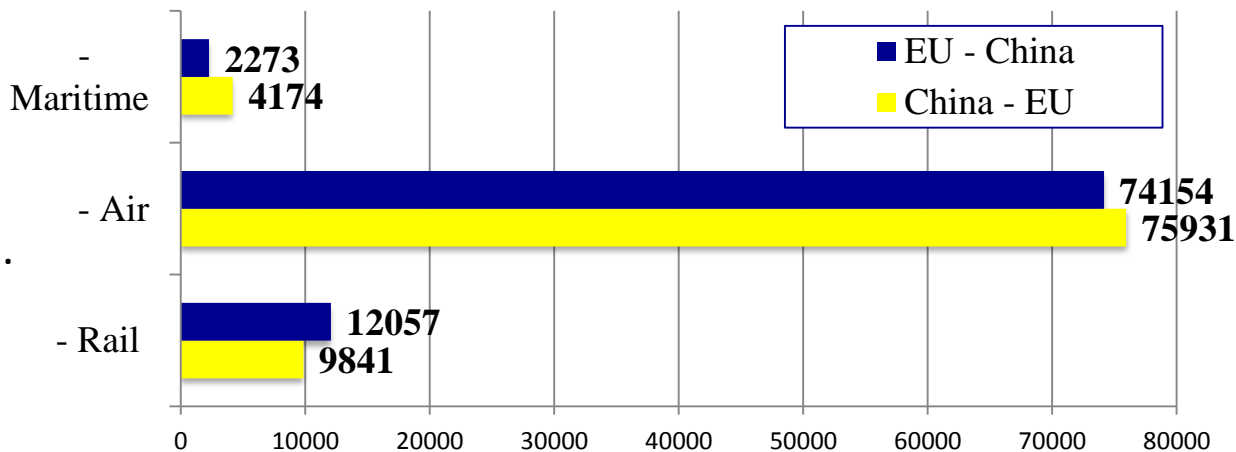


Cargo flows by modes of transport

Market share by modes of transport in cargo flows (in tonnes and U.S. Dollars) between European Union and China in 2016



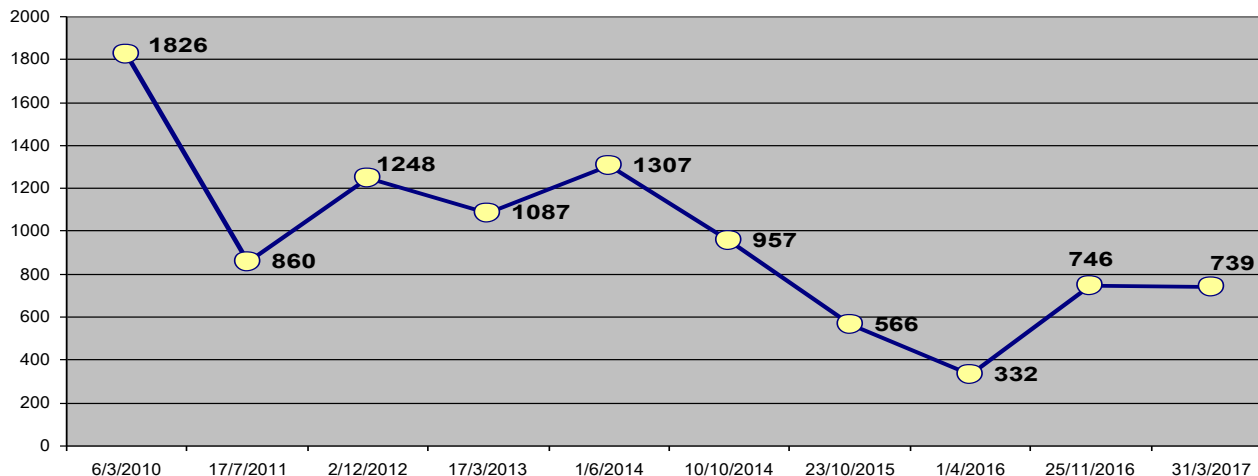
Average cost of one tonne transported between the European Union and China by modes of transport in 2016, U.S. Dollars





Maritime transport

China forwarders freight index, China-Europe shipping lines (U.S. Dollars per TEU), 2010-2017



Port-to-port freight index list on trade routes China – Europe shipping lines (U.S. Dollars per TEU) on April 6, 2017

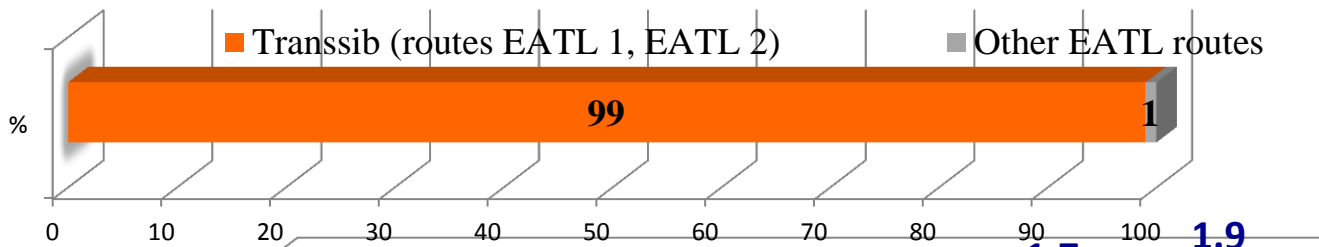
Port of arrival in China	Port of destination in Europe						
	Antwerp	Bremen	Felixstowe	Hamburg	Le Havre	Rotterdam	Zeebrugge
Guangzhou	1850	300	2070	350	230	590	230
Shenzhen	700	900	845	700	842	700	850
Xiamen	1350	800	383	367	418	365	409
Ningbo	725	875	725	725	725	725	750
Shanghai	691	700	500	691	691	691	500
Qingdao	720	580	486	720	720	720	738
Tianjin	-	1080	750	850	725	700	800

Source: <http://en.shippingchina.com>

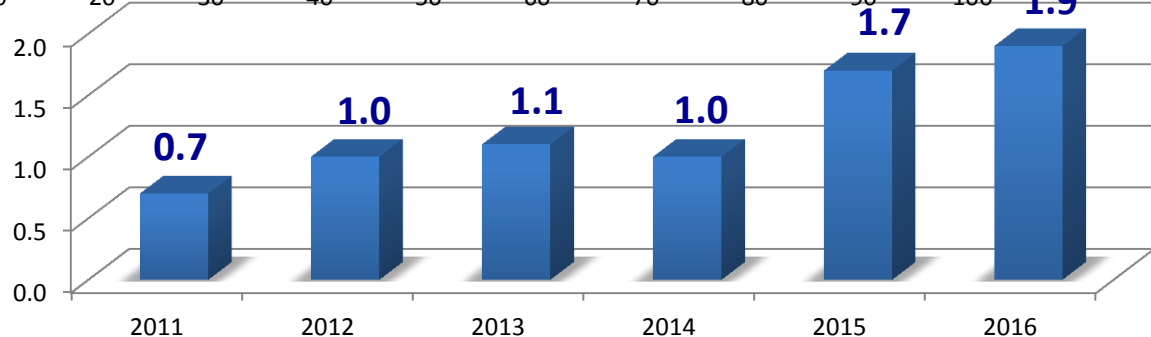


Rail transport

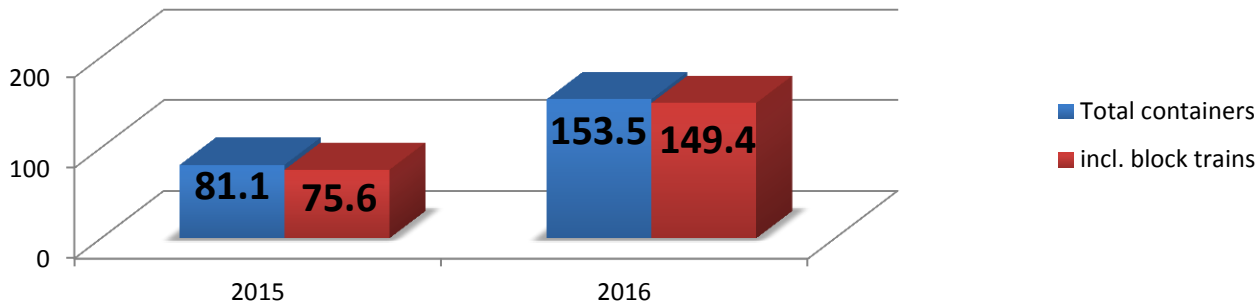
Distribution of container flows in 2016, %



Transit by rail between Europe and Asia via Transsib rail corridor (EATL 1, EATL 2 rail routes) in 2011-2016, million tonnes



Container transit by rail between Europe and Asia via Transsib (EATL 1 Rail Route) in 2015-2016, thousands TEUs



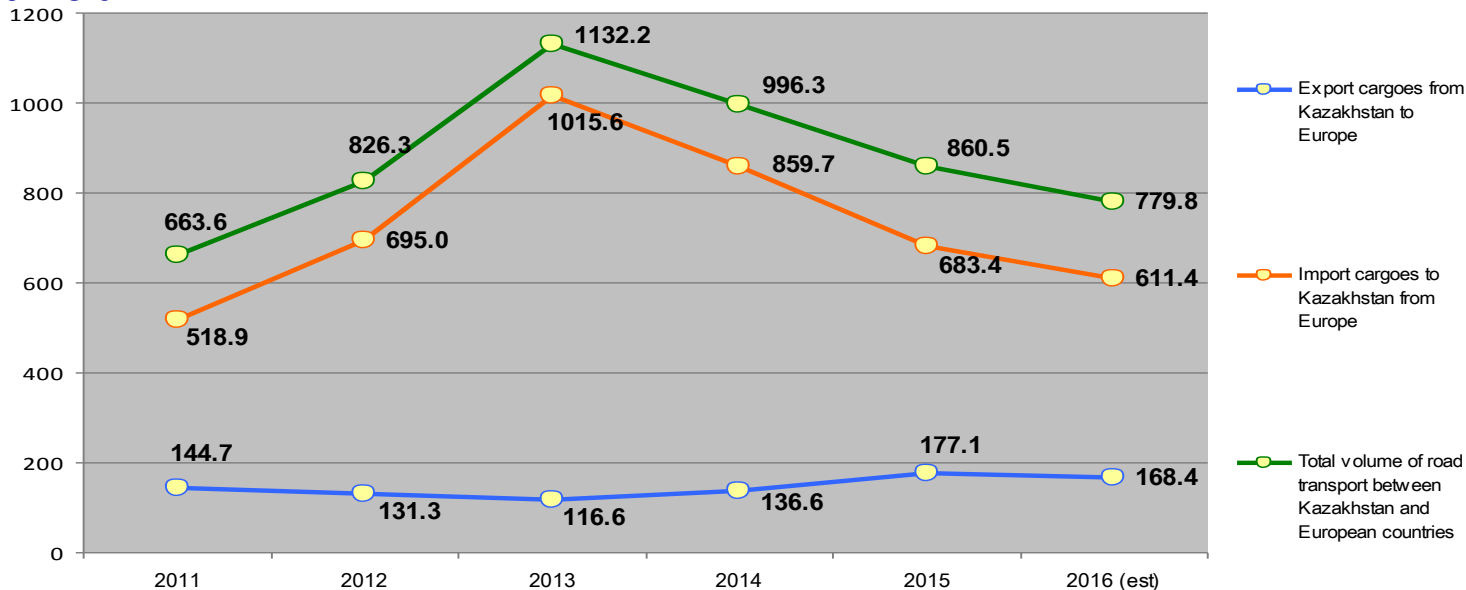


Road transport

- International road transport market between Europe and Asia is estimated at 1.2 million tons in 2016 (excluding Russia - EU-28 and Turkey – EU-28).

- Kazakhstan – Europe is a largest segment of long-haul international road transport between Europe and Asia

Volume of international road transport between Kazakhstan and European countries in 2011-2016, thousands tonnes





Road transport

Existing (possible) cargo flows by road transport between Europe and Asia in accordance with concluded bilateral/multilateral agreements on international road transport

- Legend:
- + Existing cargo flows
 - + Road transport operations under ECMT multilateral quota
 - +/- Concluded agreements and road transport operations with some EU member states
 - No agreements, no road transport operations (bilateral, transit, to/from third countries)

Countries of Asia	Countries of Europe										
	Belarus	Bosnia and Herzegovina	Georgia	EU-28	FYR Macedonia	Moldova	Russian Federation	Serbia	Switzerland	Turkey	Ukraine
Afghanistan	-	-	+	+/-	-	-	-	-	-	+	-
Armenia	+	+	+	+/-	+	+	+	+	+	-	+
Azerbaijan	+	+	+	+/-	+	+	+	+	+	+	+
China	-	-	-	-	-	-	+	-	-	-	-
Iran	+	-	+	-	-	-	+	-	-	+	+
Kazakhstan	+	-	+	+/-	-	+	+	-	+	+	+
Kyrgyzstan	+	-	+	+/-	-	+	+	-	-	+	+
Mongolia	+	-	-	-	-	-	+	-	-	-	+
Pakistan	-	-	-	-	-	-	-	-	-	+	-
Russian Federation	+	+	+	+/-	+	+		+	+	+	+
Tajikistan	+	-	-	+/-	-	-	+	-	-	+	+
Turkey	+	+	+	+/-	+	+	+	+	+		+
Turkmenistan	+	-	+	+/-	-	-	+	-	-	+	+
Uzbekistan	+	-	+	+/-	-	+	+	-	+	+	+
India *)	-	-	-	-	-	-	-	-	-	-	-
Japan *)	-	-	-	-	-	-	-	-	-	-	-
Republic of Korea*)	-	-	-	-	-	-	-	-	-	-	-

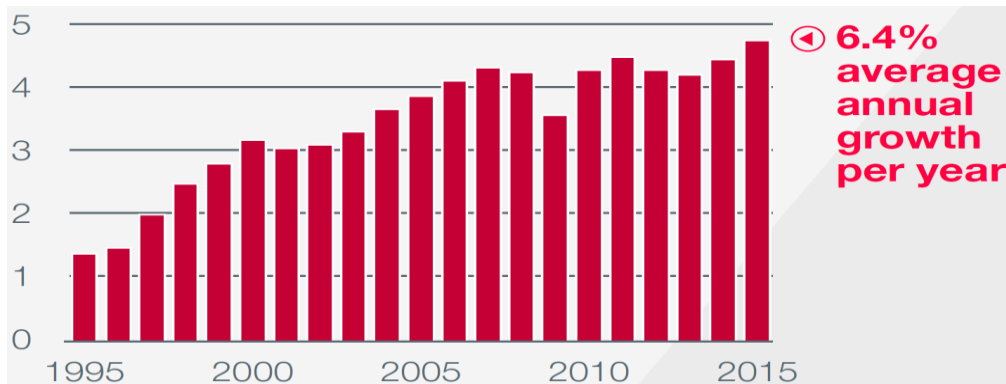
Source: IRU, World Bank

*) India, Japan and Republic of Korea are non EATL Project countries

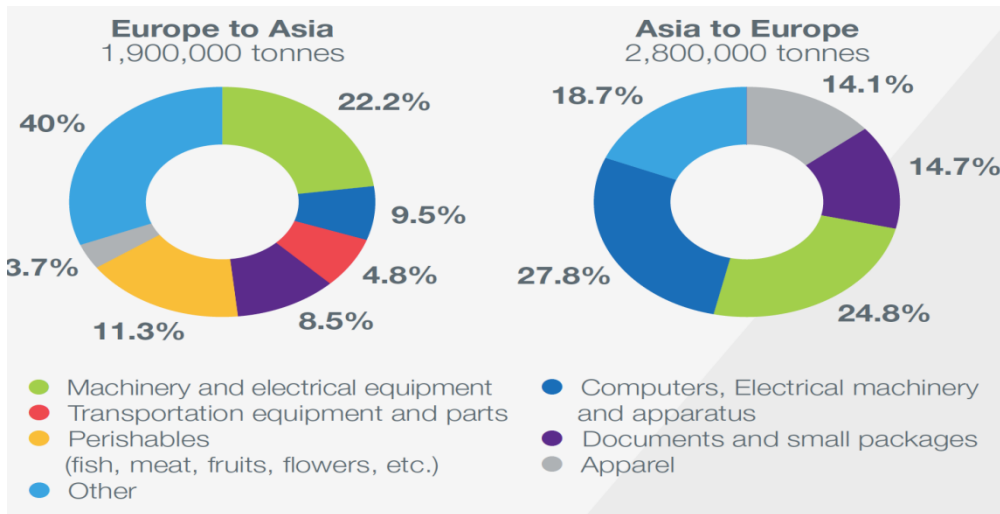


Air transport

Volume of Europe – Asia air cargo traffic in 1995-2015, millions tonnes



Air cargo structure by main commodity groups on the routes Asia – Europe and Europe – Asia in 2015, %



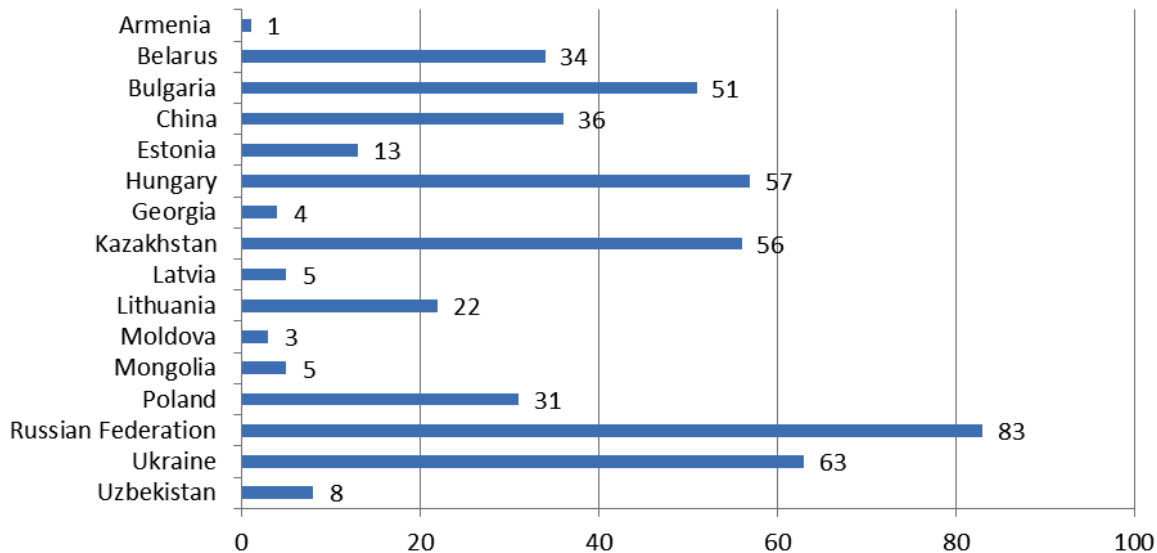


Block trains: key instrument for inland EATL development

Number of block trains
scheduled routes in OSJD
member states in 2016

Source: OSJD (2017)

Competitive advantages of
Block trains:



Relatively low rates for a long-distance transport (per the 'price - delivery period' criteria)

Absence of real alternatives for some routes (for example for routes from/to landlocked regions)

High delivery speed, especially in transit

Quality of service

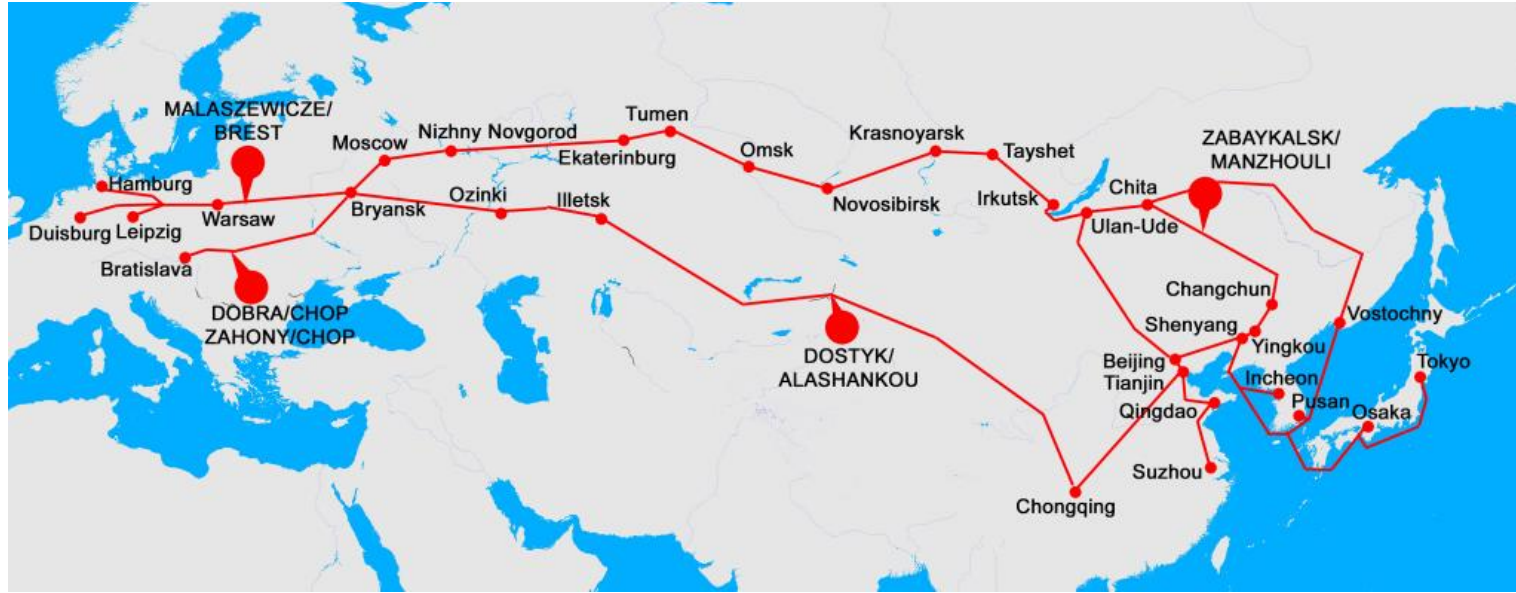
Cargo safety

Regular service and stable transit time



Example of block train service

Asia – Europe
regular
container
services by
RZDL and Far
East Land
Bridge (FELB)



Source: CCTT (2016)

Average transit time of transportation is 14 - 16 days. Other advantages of the service include an option of ordering 'door-to-door' delivery and less-than-car load freight transportation



EATL Infrastructure development since 2013

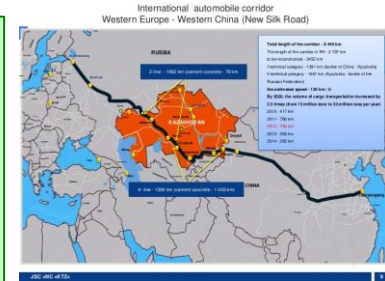
New projects of rail infrastructure development implemented:

EATL 1,
EATL 2,
EATL 3,
EATL 5,
EATL 8



New projects of road infrastructure development implemented:

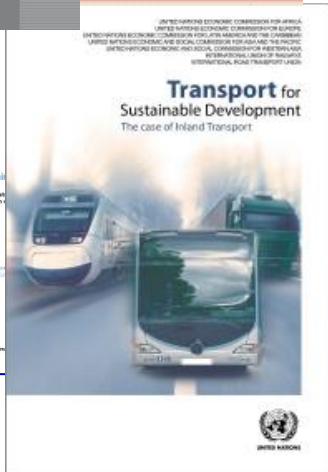
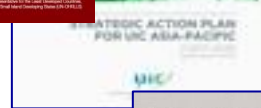
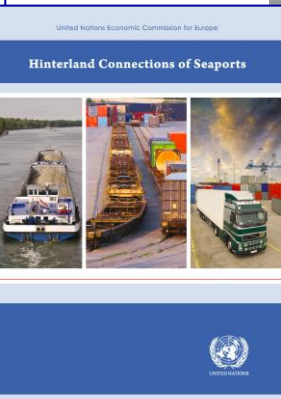
EATL 1,
EATL 2,
EATL 3,
EATL 4,
EATL 5,
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EATL 8,
EATL 9



The existing infrastructure of Euro-Asian rail and road routes as well as ports facilities provided good potential opportunities for further development of inland transport of goods between Europe and Asia

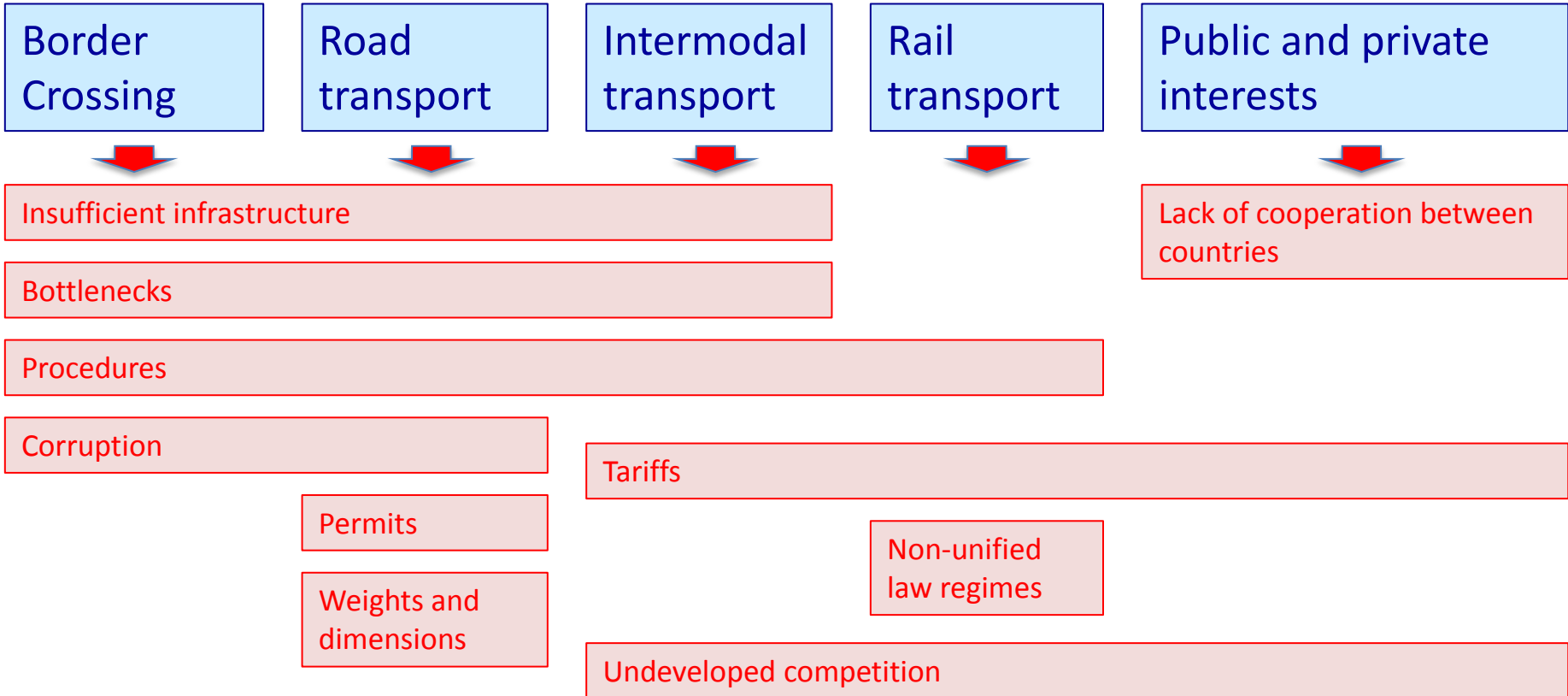


Role of international organizations and multilateral initiatives in the EATL development





Main obstacles hampering the Euro-Asian transport linkages development





Recommendations

Groups of recommendations



- governments and IGOs

- transport businesses and NGOs



Transport policy

Establishing of transport policies based on good practice available internationally and developing bilateral and international forms of cooperation should be a priority to help further operationalize the EATL inland routes

**Facilitation,
procedures and
institutions**

Institutional reforms and trade, transport and transit facilitation should be a priority for operationalization of EATL routes

Infrastructure

coordination, standardization of infrastructure parameters and implementation of the most effective “point-focused” projects