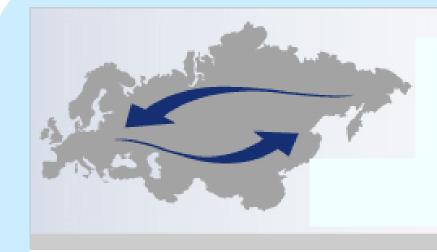


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SWOT Analysis for EATL Inland Transport Connections

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Slide 1

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Introduction of SWOT Analysis

- SWOT stands for: Strengths, Weaknesses, Opportunities, and Threats
- A quick and simple tool to understand the overall big picture
- Analyzing strengths, minimize threats, take advantage of opportunities
- Can be used for decision-making enabling proactive thinking
- Starting point of strategic planning
- It may be subjective therefore see it as guide and not a prescription

<u>Strengths and weaknesses look internally</u>. Help identify what a project can do <u>Threats and opportunities are external</u>. Help see beyond the project walls

Strengths: In relation to "competitors" and from" customers' perspective"
Weaknesses: Any existing limitation
Opportunities: Influence by external environment
Threats new products; price competition; economic pressure

Threats can become opportunities or vice versa



Strengths

- 1. Shorter distance than maritime
- 2. Important transport option for LLDCs in the region
- 3. Main priority routes and projects have been identified
- 4. Unutilized capacities in some road and railway routes
- 5. New transport infrastructure being constructed
- 6. Some inland routes most preferable and most economic
- 7. Integral part & physical extension of important networks
- 8. High political commitment for EATL
- 9. Partnerships are being developed among key players



Weaknesses (1)

- 1. Transport costs too high compared with maritime
- 2. Quality of services low compared with maritime
- 3. Inadequate multimodal transport integrated in main supply chains
- 4. Imbalance of trade flows poses more problems than to maritime
- 5. Many physical and non-physical barriers render transport operations difficult, costly, time consuming and uncertain
- 6. Absence of harmonized road customs transit regime in all countries
- 7. High transit tariffs, fees and fiscal charges
- 8. Transport restrictions, rules and procedures changed without notice
- 9. Wide spread of corruption
- 10. Safety concerns and lack of security to international operators



Weaknesses (2)

- 11. Some border posts poorly equipped and some closed
- 12. Road permit quotas reducing competition- visas
- 13. Not competitive rail rates
- 14. Transport monopolies still in place
- 15. Heterogeneous transport and transit rules and regulations
- 16. Limited institutional and human resource capacities
- 17. Inaction, non coordination or insufficient action in addressing non physical obstacles
- 18. Non devotion necessary investment in developing priority transport infrastructure
- 19. Weak part in one country render a whole route economically unviable



Opportunities

- 1. Globalization increase transport of goods (Europe and Asia) Further rapid growth of China & India offer new opportunities
- 2. EU Asian Pacific regions expected to resume growth
- 3. Time sensitive transit can be redirected through inland routes
- 4. Go West: The Xinjang Uigur Autonomous Region (XUAR) development programme, designed to use inland routes
- 5. Congestion of main ports and hinterland routes offer new openings
- 6. Customs Union (Russia, Belarus and Kazakhstan) and the expected removal of the internal borders
- 7. Accession of Russia and Kazakhstan in TWO
- 8. Expanding the CIM/SMGS consignment note along EATL routes
- 9. Container shipment via Suez Canal reaching its maximum capacity alternative maritime route increase ships costs and transit time
- 10. Increased security concerns along existing maritime routes
- 11. Important tool for socio-economic development of EATL countries
- 12. Increased progress in regional co-operation and integration



<u>Threats</u>

- 1. Continued offer of competitive transport costs by maritime
- 2. Call for more efficient transport systems due to recent economic crisis
- 3. The expected opening of the Arctic North-West passage for container traffic
- 4. Cost-reducing innovation in the air transport sector
- 5. Increasing economic nationalism, conflicts and political instability



Conclusions

- ✓ Identified strong and weak EATL points, existing potential and threats
- ✓ Confirmed that the recommendations of the EATL Study are still valid
- ✓ Stressed the need for cooperation/coordination in developing priority infrastructure and joint efforts for transport and transit facilitation
- ✓ Highlighted the importance of EATL EG
- ✓ **EATL development potential lies upon:**
 - their capacity to become parts of the main supply chains,
 - functioning complementary among various transport modes,
 - focusing on the end-to-end transport cost-and-time efficiency and reliability, and
 - on urgent facilitation and cost/time-reducing transportation measures and reforms in EATL transition economies



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