



**UNITED NATIONS
ECONOMIC COMMISSION FOR EUROPE**

**STATEMENT BY MR. MICHALIS ADAMANTIADIS,
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AT THE FIFTH EURO-ASIAN TRANSPORT LINKS EXPERT
GROUP MEETING
(Tashkent, Uzbekistan, 1-2 November 2010)**

Deputy Minister, Director General of UIC, Ms. Milow, Distinguished delegates, Ladies and Gentlemen,

It is a great honour and pleasure for me, on behalf of Mr. Jan Kubis, UNECE Executive Secretary and Ms. Eva Molnar, Director of Transport Division and the UNECE delegation, to welcome you all to the Fifth Meeting of the Group of Experts on Euro-Asian Transport Links.

The meeting is organized in partnership with the Ministry of Foreign Economic Relations, Investments and Trade of the Republic of Uzbekistan and the Office of the OSCE Project Coordinator based in Tashkent.

I would like to express my sincere gratitude to Mr. Tulyaganov, Deputy Minister of Foreign Economic Relations, Investments and Trade in Uzbekistan and to the Government of Uzbekistan for hosting this event in Tashkent.

I would also like to thank the Office of the OSCE Project Coordinator – in particular H.E. Ambassador Istvan Venczel and Ms. Caroline Milow - for providing the necessary support to make this meeting a success.

My thanks are also addressed to you all, for your participation and for your active involvement and contribution to the project.

The 5th EGM, is part of the Euro-Asian Transport Linkages Project Phase II. The UNECE Group of Experts has been established to continue selected activities of the EATL Project, which between 2002 and 2007 had produced impressive and tangible results.

The EATL Phase II is funded by the Government of Russia. Without this funding, it would have been impossible to achieve any progress in following up the results and recommendations of the Phase I. I should like to express, on behalf of the UNECE, our appreciation and sincere gratitude to the Government of Russia for doing so.

In the previous Expert Group meetings held in Geneva and Istanbul in the course of the last 3 years as well as in the workshops organized in Tehran in April 2009 together with the Economic Cooperation Organization and in Istanbul in November 2009 together with the Turkish Government and the Black Sea Economic Cooperation Organization, 27 national

focal points of countries involved have created the basis for the development of the EATL Phase II.

You, the National Focal Points have agreed on the specific tasks and expected accomplishments; discussed the strengths, weaknesses, opportunities and threats to the Euro-Asian Inland transport routes; have agreed on the basic data that need to be collected and processed in this project phase and on the basic methodological aspects of the work.

You have also agreed on the studies to be elaborated with the support of external consultants and country inputs, related to the transport flows and statistics, the comparison of inland transport options with those of existing maritime and on the analysis of non-physical obstacles to international transport along the EATL routes.

At the most recent EATL EG meeting in Geneva on 6 September, the first project results were presented based on your inputs, and thanks to the good work done by our external consultants and the secretariat staff.

At that meeting you have considered the first draft of the extensions of EATL road and rail routes to include all the countries participating in the current project Phase and you have been informed on the first results of the projects' prioritization exercise. Noting that timely submission of relevant data by all involved countries was critical in ensuring the success of the work, you have invited countries that had not done so to submit the requested data by 10 October 2010.

Since that meeting, the work on the update and extension of EATL priority routes and projects and on other agreed studies has progressed very well. More country inputs, in many cases of huge volumes, reached the secretariat enabling us and our consultants to almost complete this part of the work, so that the focus may be now turned to the non-physical obstacles along the selected routes.

At the present meeting, we will discuss the recent developments in the area of transport infrastructure and facilitation. We will review the related national experiences along the Euro-Asian Links and will deal with issues of implementation of various tasks under the projects both on infrastructure and facilitation.

I am pleased to highlight some the most important findings and conclusions of our work so far:

The Strengths–Weaknesses–Opportunities-Threats (SWOT) Analysis provided useful information in identifying the strong and weak points of the EATL inland transport connection, their existing potential for further development and their potential threats. It has confirmed the need for enhanced coordination and cooperation among all countries aimed at a coordinated development of priority transport infrastructure, as well as on intensive efforts for transport and transit facilitation.

The SWOT analysis made it clear to all of us that the real development potential of EATL inland transport connections lies upon their capacity:

- to become parts of the main EATL supply chains,
 - to function complementary among various transport modes,
 - to focus on the end-to-end transportation cost-and-time efficiency and reliability
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on urgent facilitation and cost/time-reducing transportation measures and reforms that need to be undertaken in the EATL transitions economies involved.

The study on transport statistics, flows and trends, showed that trade growth between Europe and Asia has accelerated rapidly in recent years, partly as a result of the development of Eastern Asian countries, mainly China, but also due to the emergence of the economies of Russia and Central Asian countries. Apart from the trade along the Europe-Asia corridors, trade amongst Asian countries themselves is also beginning to develop rapidly.

With regard to maritime transport, being the dominant transport mode for Euro-Asian trade flows to date, trade growth is increasingly concentrated on a certain number of maritime hubs in both Europe and Asia, with considerable implications for port operations and associated hinterland transport, such as congestion, safety and security issues. This study also showed that an additional challenge for international transportation operators is the trade imbalance, which is particularly evident in Asia.

These needs, call for the diversification of existing routes and the opening up of new inland routes between Europe and Asia or, in some cases, the revitalization of old trade routes, such as the Silk Road and further strengthening of Trans-Siberian route. Moreover, efficient rail services are becoming the best guarantee of port hinterland extensions, while the potential value of road transport should not be neglected. The development of Euro-Asian inland transport routes would provide additional Euro-Asian transport solutions to the existing maritime and at the same time become a development tool for many countries along the Euro-Asian region, including the landlocked countries.

The Euro-Asian priority routes identified in Phase I, among 18 countries for development and cooperation, are now extended to 27 countries in Euro-Asian region. I hope we will be able to complete this work in the in the course of the current meeting. The prioritization exercise is in its final stage. It is needless to stress the importance of prioritization. All countries have huge investment needs and are competing for scarce resources. Under these circumstances, the identification of priority routes and projects is crucial.

The review carried out with the scope to assess the current status of implementation of priority infrastructure projects identified under EATL Phase I, yielded that 54% of projects have been completed according to schedule, and that 23% of projects, that had longer implementation time-frame, are now part of EATL Phase II. With regard to the EATL Phase II, 292 **priority infrastructure projects** have been identified to date from data available for 19 of the 27 participating countries. Out of these, 150 are road projects, 101 rail projects, 30 maritime port (and intermodal terminal) projects, and 11 are inland waterway projects.

The total cost for 200 projects, for which we have investment related data, amounts to 161 billion USD. Initial prioritisation results indicated that almost 40% of these projects are classified as Category I, and have ensured funding (representing approximately 36 billion USD), whilst 48% are classified as Category IV with not secured funding or not so high maturity or not sufficient data (representing approximately 111 billion USD). And there are still 90 project for which we seek receiving more data from countries.

Approaching the transport issues for the perspective of a logistics manager of a company, striving to shrink supply chains costs, **the comparison study of existing Euro-Asian**

maritime routes with selected rail routes identified in the EATL project, provided extremely interesting results. In five out of the nine scenarios considered, rail transport is best than maritime for both cost and time. In all nine scenarios, rail transport performs better than maritime concerning the travelling time. Therefore, successful and competitive rail services along the Euro-Asian transport links is not a myth or a long distant future option to that of maritime transport. The study showed that competitive Euro-Asian rail transport, and its combination with that of maritime and road transport is feasible.

The collection and processing of a huge volume of GIS data and maps is being finalized and a set of important new GIS maps will become available soon. Our consultant studied various technical options for presenting EATL transport data and maps in the internet using Geographic Information System (GIS) technology and already presented to us an impressive demonstration of such an application. We will soon be in the position to see the final proposals of the targeted on-line EATL application that would be offered for free-access to all internet users.

Distinguished delegates, Ladies and Gentlemen, dear colleagues

I am confident that I am not the only one in this room that is of the opinion that the project is making good progress and produces tangible and useful results. We, at the UNECE secretariat, feel proud for it and at the same time, we are grateful to you for your active participation and contribution, as national focal points, to this joint effort. Your support and that of your governments has been and will continue to be essential for the success of this endeavour. We are also grateful to our consultants for their high quality work and contribution.

However, we should bear in mind that developing Euro Asian transport links is not an easy task. It is a long-term undertaking that requires a great deal of effort and perseverance and enhanced coordination and cooperation among all countries along the EATL. It also requires some financial support in order to ensure the continuation of work carried out, thus far. Let me stress that, for this to happen, the financing of the project beyond 2010 is indispensable and regretfully, this has not been ensured so far.

The road is long. The short term challenges are daunting. But the benefits would be of long-term and strategic importance, and indeed very positive. I am persuaded that with your cooperation, support and commitment, we will achieve our objective to create an enabling environment for developing efficient, safe and secure Euro-Asian inland transport routes, for the benefit, not only of the EATL countries involved, but of all European and Asian countries.

Holding this event in partnership with the Government of Uzbekistan and the OSCE Office in Tashkent has given us the opportunity to explore further interaction and synergy with the work being developed in Central Asian - a region that is the centre of the Euro-Asian transport routes.

We look forward to the presentations and discussions of today and tomorrow and to visiting the important Euro-Asian Transport Hub, Logistic Centre and Economic Zone of Navoi, on Wednesday, and to returning again to Uzbekistan and to Central Asia at another occasion in the near future.

I wish every success to this meeting and project and thank you for your attention.