



Economic and Social Council

Distr.: General
30 November 2010

Original: English

Economic Commission for Europe

Inland Transport Committee

Working Party on Transport Trends and Economics

Group of Experts on Euro-Asian Transport Links

Fifth session

Tashkent, 1–3 November 2010

Draft Report of the Group of Experts on Euro-Asian Transport Links

Contents

| | <i>Paragraphs</i> | <i>Page</i> |
|--|-------------------|-------------|
| I. Attendance..... | 1 | 2 |
| II. Adoption of the agenda (agenda item 1) | 2 | 2 |
| III. Adoption of the report (agenda item 2) | 3 | 2 |
| IV. Recent developments related to the Euro-Asian Transport Links Phase II initiative (agenda item 3)..... | 4–6 | 2 |
| V. Transport infrastructure: identification of priority routes and investment (agenda item 4)..... | 7–8 | 3 |
| VI. Euro-Asian Transport Links Phase II: Studies to identify and analyse inland transport options, examine non-physical obstacles to transport and collection of data on transport flows (agenda item 5) | 9–15 | 3 |
| VII. Other business (agenda item 6) | 16–17 | 4 |
| VIII. Date and place of next meeting (agenda item 7) | 18 | 5 |

I. Attendance

1. The Group of Experts on the Euro-Asian Transport Links (EATL EG) held its fifth session from 1 to 3 November 2010. The session was held under the chairmanship of Ms. E. Glukhova (Russian Federation). Representatives of the following United Nations Economic Commission for Europe (UNECE) member States participated: Armenia, Azerbaijan, Kyrgyzstan, Russian Federation, Turkey and Uzbekistan. Representatives of Indonesia and Iran (Islamic Republic of) also attended under Article 11 of the Terms of Reference of the UNECE. The following intergovernmental and non-governmental organizations participated: Association of International Freight Forwarders, the International Rail Transport Committee (CIT), Eurasian Economic Community (EURASEC), European Investment Bank, Forum of Entrepreneurs of Kazakhstan, Intergovernmental Organization for International Carriage by Rail (OTIF), International Road Federation (IRF), International Road Transport Union (IRU), International Union of Railways (UIC), Islamic Development Bank (IDB), Marketing Research Foundation, Organization for Security and Co-operation in Europe (OSCE), "Plaske" JSC, Research Institute for Transport and Communications, Transport Corridor Europe Caucasus Asia (TRACECA) and World Bank.

II. Adoption of the agenda (agenda item 1)

2. The provisional agenda (ECE/TRANS/WP.5/GE.2/9) was adopted.

III. Adoption of the report (agenda item 2)

3. The Expert Group adopted the report of its fourth session that took place on 6 September 2010 (ECE/TRANS/WP.5/GE.2/8).

IV. Recent developments related to the Euro-Asian Transport Links Phase II initiative (agenda item 3)

4. The Expert Group was informed about recent developments related to the Euro-Asian Transport Links (EATL) Phase II. The government of the Russian Federation presented an overview of the Russian Federation's transport sector performance through the first half of 2010. It identified the East-West (via Kazakhstan) and North-South corridors as priority routes for further development. It also noted the need to use modern technologies and to develop logistical centres and other auxiliary services such as fuel stations and hotels to support inland transport. Kyrgyzstan provided recent statistical data on the performance of the transport sector in that country. Mr. T. Pearce provided a commercial analysis of investment in five intermodal logistics centres in Central Asia stressing that some locations appear capable of generating solid returns. Mr. J. Tomczyk delivered a presentation about common border crossing challenges and possible solutions. CIT reviewed recent developments related to the use and application of the common CIM/SMGS consignment note. IRU presented an overview of its recent "Model Highway" initiative.

5. The government of Iran (Islamic Republic of) reviewed operations of Iranian Railways along the major routes and noted its interest in organizing the demonstration block train along the North-South route from Mumbai (India) via Bandar Abbas (Islamic Republic of Iran) to St. Petersburg (Russian Federation). Using the example of the Almaty–Istanbul rail route, it provided evidence that demonstration block trains may trigger

commercial interest that ultimately may result in the provision of regular train services. UIC presented information about its engagement and interest in promoting the North-South rail corridor. UIC is fully supportive of this project and wishes to be involved, should the project proceed. The secretariat delivered a presentation describing the main features and results of the EATL Phase I project and provided up-to-date information about the North-South demonstration block train proposal, in particular about the expected support and interest of the Government of India. Azerbaijan and Turkey indicated interest in being involved in the North-South project.

6. The EATL EG requested the secretariat to write official invitation letters to governments of India, Iran (Islamic Republic of) and Russian Federation inviting them to participate in the North-South demonstration project and to contribute to financing of its implementation. It also requested the secretariat to continue promoting the work leading to the financing and development of a demonstration block train run along the North-South route as part of the EATL EG deliverables.

V. Transport infrastructure: identification of priority routes and investment (agenda item 4)

7. The EATL EG was informed about the progress of work identifying, reviewing and updating priority routes (Informal document No. 1) and infrastructure investment projects. The EATL EG reviewed the proposed extensions of the EATL routes covering 27 EATL countries involved in Phase II, agreed with the proposed extensions and requested the secretariat to proceed with finalizing of the respective maps and database. The deadline for any other comments was agreed to be 1 December 2010.

8. The EATL EG also reviewed the status of implementation of priority infrastructure projects under EATL Phase I, and noted that 54 per cent of projects have been completed according to schedule and 23 per cent are now part of the EATL Phase II. During the EATL EG proceedings, emphasis was placed on discussions on how to collect, review and update national information on EATL routes and priority transport infrastructure projects for Phase II. To date, 292 priority infrastructure projects have been identified from data made 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 inland waterway projects. The total cost of 200 projects for which there is investment data amounts to US\$161 billion. Initial prioritization results indicate that almost 40 per cent of these projects are classified as Category I (have ensured funding of about US\$36 billion) while 48 per cent are classified as Category IV (no secured funding, low maturity or insufficient data (about US\$111 billion). There are still 90 projects for which more data is required. The deadline for submission of investment data was agreed to be 1 December 2010.

VI. Euro-Asian Transport Links Phase II: Studies to identify and analyse inland transport options, examine non-physical obstacles to transport and collection of data on transport flows (agenda item 5)

9. The secretariat presented an update of studies being undertaken under the Euro-Asian Transport Links Phase II.

10. A draft study was presented on the analysis of EATL inland transport options and comparison with the existing maritime routes, (Informal document No. 2). The preliminary results indicate that in five out of the nine scenarios considered, rail transport bests

maritime transport for both cost and time. In all nine scenarios, rail transport performs better than maritime concerning the travelling time. Overall, the study has shown that competitive (relative to maritime) Euro-Asian rail transport is feasible.

11. The EATL EG appreciated the work done and suggested the following extensions of the study, under a new Phase III of the project in future, should the resources be available to expand it:

- (a) include road transport as an alternative transport option;
- (b) take into account transshipping delays at ports;
- (c) take into account border crossing delays;

(d) undertake identical analysis on different/modified EATL routes. Moreover, the EG requested the secretariat to try to translate the draft into Russian to facilitate report distribution in the CIS region.

12. With respect to the point (d) above, the EATL EG invited the IRU to contribute to the study by providing its own analysis of moving cargo along the EATL routes compared by the study. The EATL EG agreed to set the deadline for comments on this draft report to be 1 March 2011.

13. The project to identify non-physical obstacles to international transport is making gradual progress. The secretariat received no comments about the questionnaires by the deadline of 10 October 2010 as agreed at the fourth session of the EATL EG in Geneva. Turkey expressed reservations about the distribution of border crossing facilitation questionnaires in Turkey. Given this, it will communicate its position at a later date directly to the secretariat. As planned, a study to identify non-physical obstacles to international transport will begin when the questionnaires are translated into Russian by the secretariat. Upon the completion of translation, they will be distributed to the relevant stakeholders (likely to take place by the end of November 2010).

14. Finally, the update of the finalized study on transport statistics, flows and trends was presented. It shows that trade growth between Europe and Asia has accelerated rapidly in recent years, partly as a result of the development of East Asian countries, mainly China, but also due to the emergence of the economies of the Russian Federation and Central Asian countries. Apart from the trade along the Europe-Asia corridors, trade amongst Asian countries themselves is also beginning to emerge rapidly.

15. The secretariat informed the EATL EG about the collection and processing of data for creating GIS maps. This activity is being finalized with an EATL consultant studying various technical options for presenting EATL transport data. Final proposals for the on-line EATL GIS application – to be offered for free-access on the internet – will be made soon to the EATL EG.

VII. Other business (agenda item 6)

16. On 3 November 2010, as part of the meeting, a field trip to the International Intermodal Logistics Centre and Free Industrial Economic Zone at Navoi (Uzbekistan) was organized. The Navoi Centre is strategically positioned between China and Europe and is competing to become an important Central Asia transit hub. The Navoi airport already services Bangkok, Mumbai, Dubai, New Delhi, Milan, Moscow and Seoul flights and it lies along the shortest road and railroad connection between Europe and Beijing. At the Navoi's Free Industrial Economic Zone many companies are busy setting up operations or constructing facilities. Participants visited warehouses with perishables where they could observe fresh Uzbek fruits being readied for exports. Uzbekistan's strategic location, its

rapidly growing infrastructure, the wealth of natural resources and qualified labour force make it a suitable transit location.

17. The Group of Experts requested the Government of Russian Federation to continue financing EATL Phase II and the EG work beyond 2010.

VIII. Date and place of next meeting (agenda item 7)

18. The Expert Group did not decide on the date and venue for its next meeting due to lack of financial resources beyond 31 December 2010.
