

*Asia-Pacific Regional Forum on
Connecting to Global Supply Chains
through Inter-Regional Land
Corridors and Maritime Routes
22-23 June 2022*



*Study Project on
Commercialization of
KTI Railway Corridor*

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Outline

- Background of KTI railway corridor
- Activities under the Study project
- Finalization of MOU and main features





— KTI railway corridor; — ECO Rail route 4; — CAREC DRC 603

Defining KTI corridor

Kazakhstan:

(Uzen - Bolashak/TRK border) (140 km)

Turkmenistan:

(KAZ border/Serkhetyaka - Godurolum/ IRN border) (700 km)

Islamic Republic of Iran:

(TKM border / Incheh Borun - Gorgan) (90 km)

Total: 930 km

Constructed at the cost of USD 1.4 billion and completed in 2014 in which ISDB contributed USD 370 million

Study project on commercialization of KTI transport corridor



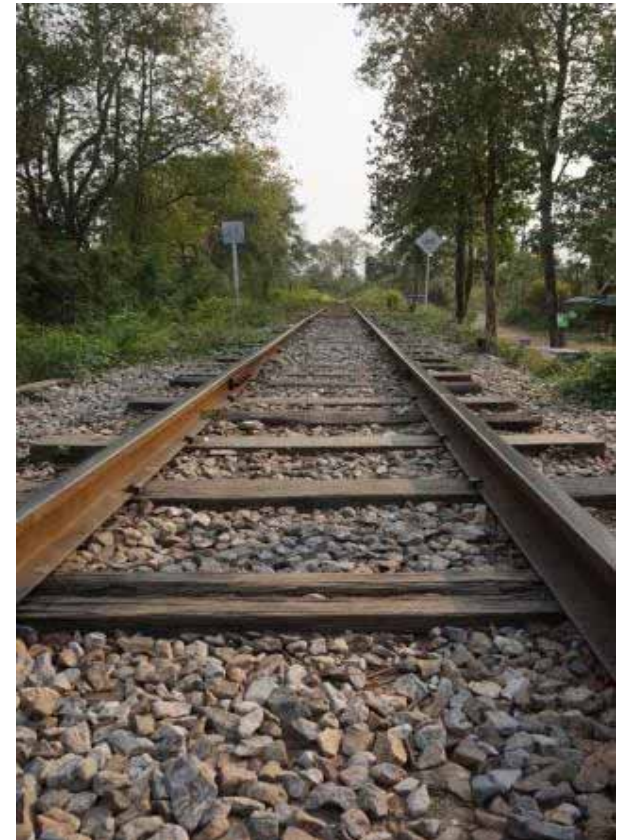
- ✓ **Project objective:** To improve capacity of railway and border officials along the KTI corridor to commercialize the corridor to foster sustainable transport
- ✓ **Expected outcome:** Government officials and policy makers in transport ministries, railway companies and border agencies establish operational measures to commercialize the corridor
- ✓ **Expected outputs:** Increase awareness, knowledge and understanding of railway and border officials to commercialize the corridor





ESCAP work under the study project

- ✓ Study to address physical and non-physical barriers along KTI corridor
- ✓ Study on enhancing freight flows along KTI corridor
- ✓ Study on options for corridor management mechanism to support commercialization
- ✓ A study to develop a marketing strategy for the KTI rail corridor



Study project on commercialization of KTI railway corridor- Challenges



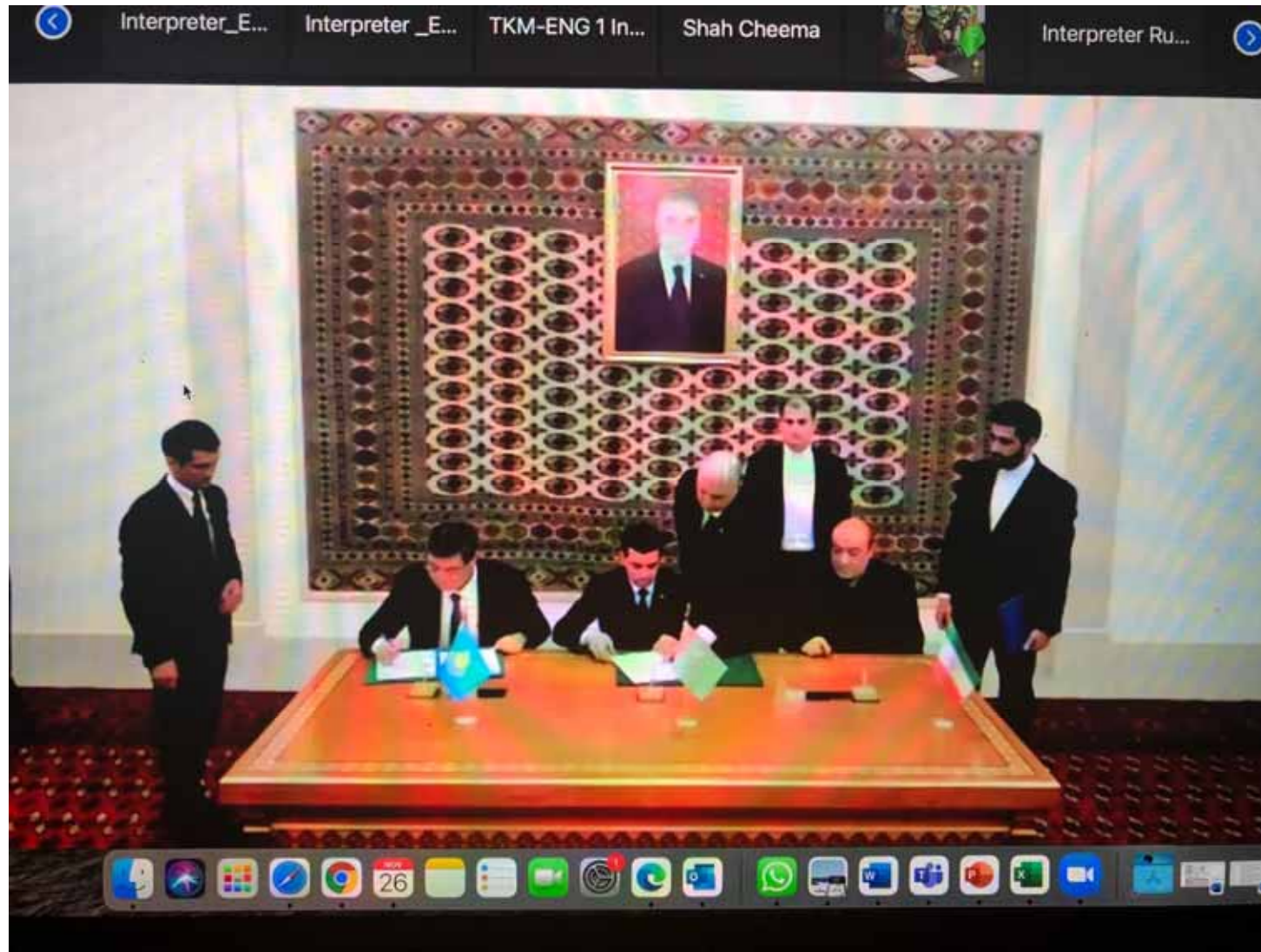
- ✓ The traffic along the KTI corridor though increased from around 0.53 MT in 2015 to 1.44 MT in 2018 but below potential (2.2 MT)
- ✓ Cargo flows along KTI corridor are unevenly distributed and unbalanced
- ✓ Linkages with other corridors not explored
- ✓ Commercialization of railway transport is particularly important for landlocked developing countries

Main recommendations of the study

- ✓ Dealing effectively with the break of gauge including 1520 mm connectivity between Iran and Turkmenistan
- ✓ Development and terminal/dry port at Incheh boron in Iran and Bereket in Turkmenistan
- ✓ Efficient management of wagons (including issue use of Iranian wagons on 1520 area)
- ✓ Expediting border crossing formalities through electronic information exchange
- ✓ Adopting flexible tariff policies



Signing ceremony on the MOU on the implementation of KTI railway freight corridor
Turkmenistan 26 November 2021





MOU on implementation of KTI freight corridor- key features



- ✓ Focus on enhancing rail interoperability along the corridor (technical, legal and operational)
- ✓ Expediting border crossing formalities including through use of electronic exchange of information
- ✓ Attract freight on KTI corridor through exploring links with other corridors and other modes of transport
- ✓ Promoting the corridor with appropriate marketing strategy

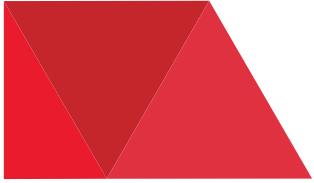


Establishment of Permanent Working Group



- ✓ The permanent working group on KTI railway corridor shall consist of heads of railways or their representatives from the three countries
- ✓ Shall be *chaired* by the head of railway or his designated representative in alphabetical order
- ✓ Shall *meet annually* for setting priorities for the Corridor and finalize annual action plan delineating activities to be undertaken

MOU on Implementation of KTI railway rail freight corridor



- ✓ May invite representatives from other the organizations/countries as deem necessary to realize the goals of the Corridor
- ✓ The two organizations ESCAP, ECO would provide technical, and secretarial requested by the PWG-KTI
- ✓ All decisions by consensus

President of Kazakshtan and President of Islamic Republic of Iran issuing joint press statement after welcoming the freight train that arrived from Kazakhstan along KTI corridor on 19 June 2022



Thank you
for
your attention

<http://www.unescap.org/our-work/transport>

