TRANSSIB: Enhancing Transit Transportation Efficiency

CCTT Secretary General
Gennady Bessonov

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Harmonization of Rules and Regulations for Facilitation of International Railway Transport
Astana, Kazakhstan, 20 - 21 December 2017
Coordinating Council on Trans-Siberian Transportation

Railway Guard PSE
CTM
TNO, NEA
INTERCITY

The Association of Transport Higher Education Institutions of the RF
TRANS-SIBERIAN ROUTE IN THE NETWORK OF INTERNATIONAL TRANSPORT CORRIDORS
Main Trends in Freight Transport between China and EU for Decade

Over this 10-year period, trading has increased 9% by weight and 46% by value.

Rail transport has begun to occupy the middle competitive niche between aviation and shipping.

<table>
<thead>
<tr>
<th>Euro/kg (in 2016 prices)</th>
<th>2007</th>
<th>2016</th>
<th>2016/07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shipping</td>
<td>2,4</td>
<td>3,1</td>
<td>131%</td>
</tr>
<tr>
<td>Railroad</td>
<td>2,1</td>
<td>10,1</td>
<td>481%</td>
</tr>
<tr>
<td>Trucking</td>
<td>5,4</td>
<td>9,3</td>
<td>172%</td>
</tr>
<tr>
<td>Air transport</td>
<td>54,8</td>
<td>70,7</td>
<td>129%</td>
</tr>
</tbody>
</table>

Composition by weight
- Air: 1.5%, 1.8%
- Trucking: 5%, 3%
- Railway: 0.8%, 0.9%
- Sea: 92%, 94%

Composition by value
- Air: 24%, 28%
- Trucking: 9%, 6%
- Railway: 0.5%, 2.1%
- Sea: 66%, 64%

Source: Eurostat, analysis performed by CEI

By value of goods transported, shipping has no monopoly. This fact only further highlights the potential demand for high-speed freight transport by rail.

Source: Infrastructure Economics Centre
Geographic Composition of Trade between EU and China is Highly Centralised

**Partners and Regions**

**China’s Main Trade Partners in the EU**
- East Europe: 9%
- Spain: 5%
- France: 8%
- Italy: 8%
- Great Britain: 12%
- Benelux: 19%
- Germany: 29%
- Others: 10%

**The Share of the Macroregions of China in Trade with EU**
- East: 65%
- North: 12%
- West: 7%
- South: 6%
- Central: 4%
- Northeast: 6%

**Source:** Eurostat

**Summary**

- Currently, routes between Germany/Benelux and eastern China create the greatest demand for freight transport.
- A significant proportion of imports from the EU is concentrated in the provinces near Beijing.
- The largest center of online trading is concentrated in the provinces near Guangzhou.
- The central and western provinces show the largest growth rates of exports.

**Source:** Infrastructure Economics Centre
### Enhancing Competitiveness of Trans-Siberian Route

#### Railway Transportation along "East-West" Route

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>31.9</td>
<td>51.8</td>
<td>102.9</td>
</tr>
</tbody>
</table>

#### Volumes of China – Europe transit via Kazakhstan, thousand TEU

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>21.5</td>
<td>49.2</td>
<td>104.6</td>
<td></td>
</tr>
</tbody>
</table>

#### Source: TransContainer PJSC
Transportation via Far-East ports is carried out in the service with the Republic of Belarus.

Source: TransContainer PJSC
Trends of Transit Container Transportation via Border Points of Dostyk/Altynkol, Zabaikalsk and Zamyn-Uud in 10 Months of 2017

Source: TransContainer PJSC
### Major Transport Corridors between China and Europe

#### Transit Time

<table>
<thead>
<tr>
<th>Route</th>
<th>Delivery Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>China – Germany</td>
<td>13 – 17 days</td>
</tr>
<tr>
<td>China – Finland</td>
<td>13 – 16 days</td>
</tr>
<tr>
<td>China – Slovakia</td>
<td>13 – 15 days</td>
</tr>
<tr>
<td>China – Europe (via Far-East ports)</td>
<td>21 – 23 days</td>
</tr>
</tbody>
</table>

Source: TransContainer PJSC
Global Container Traffic

Шанхайский контейнерный индекс / Shanghai container index

Динамика ставок морского фрахта, дол. США за 1 СФЭ / Sea freight trends, $/FEU
Major Challenges in Organising Container Transportation Refer to Technology of Interaction between Infrastructure and Operator

Digitalisation of technology at interfaces is the key factor in Russian transit competitiveness growth

Source: TransContainer PJSC
Current Cross-Border Document Flow

Source: FESCO
Challenges in Trans-Eurasian Rail Network

- **Width of tracks**
- **Length of trains**
- **Accepted Loading gauge**
- **Lines capacity**
- **Requirement for efficient, polyvalent and flexible intermodal terminals**
- **Reduction of environmental impact**
- **Harmonization and simplification of administrative formalities and social legislation**
- **Lack of unified operation management and tracking (through ITS) system**
- **Rolling stock adaptation**
1. Infrastructure de-bottlenecking
2. Harmonisation of international transport law
3. Reducing the number of transport documents (customs procedure simplification)
4. Ensuring cargo safety
5. Enhancing return cargo load in Europe – China service
6. Speeding up transit container trains
7. Expanding the use of IT in transportation and service promotion
8. Improving and digitalizing technology at joints and interfaces
Digitalisation of Document Flow – FESCO Best Practice

Eliminating wastes is the LEAN method of improving any process

Current achievements

Share of containers delivered in 15-20 days, % (Shanghai–Moscow in 20 days)

Better timing due to waste elimination

Increase of cargo traffic due to development and adoption of a unified cross-border electronic document flow system

Source: FESCO
TransConainer PJSC Best Practice – Customs Formalisation of Cargo

Source: TransConainer PJSC
Implementation of new information systems
Electronic Seals
Scheme of information interaction of actors involved in international transport services
## Level Playing Field for Railway Transport

### ASIAN-PACIFIC B2C E-COMMERCE TURNOVER, 2011 - 2016

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td></td>
<td></td>
<td></td>
<td>$575,014mn</td>
<td>44.6%</td>
<td>$766,493mn</td>
<td>33.3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td></td>
<td>$92,848mn</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$114,402mn</td>
<td>7.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Korea</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$64,767mn</td>
<td>11.0%</td>
<td>$71,250mn</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>$2,859mn</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$25,455mn</td>
<td>129.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$22,225mn</td>
<td>15.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>$1,238mn</td>
<td></td>
<td>20.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$4,954mn</td>
<td>66.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,056,495mn</td>
<td>28.4%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Business Nab, iResearch, eMarketer, Meti, Statista and Ecommerce Foundation, 2016

**28.4%**

Growth of Asia-Pacific’s B2C e-commerce in 2015
Thank you for your attention

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