Regional Meeting on Harmonization of Rules and Regulations for Facilitation of International Railway Transport

UNESCAP, Astana, 20-21 December 2017

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CIT Documentation and Procedures for International Railway Transport

→ 130 railway undertakings and maritime companies as full members
→ 6 associated members
→ Association under Swiss law with legal personality

Objectives:

1. Implementation of the COTIF and European law that has an impact upon transport law
2. Standardisation of the contractual relationship between carriers and between carriers and their customers for passenger and freight traffic
3. Representation of its members’ interests with the authorities and other organisations
New global market developments for the transport sector

➢ In 2016 the rate of growth in demand exceeded rate of growth of supply
➢ Current conditions are leading to a stronger pricing environment since 2010
➢ Better capacity utilization of infrastructure is positive for rail freight delivery
➢ The global model split between the transport modes are as follows:
  ▪ Sea 94%
  ▪ Air 4%
  ▪ Rail 1%
➢ E-commerce will account for an increasing share of retail sales
➢ Clearly this is the “mega-trend” also for rail freight delivery
New developments of E-commerce in China

Transaction Scale of China E-commerce Market from 2008 to 2015

- 2008: 2.9 trillion yuan
- 2009: 3.6 trillion yuan
- 2010: 4.8 trillion yuan
- 2011e: 7.0 trillion yuan
- 2012e: 9.8 trillion yuan
- 2013e: 14.4 trillion yuan
- 2014e: 19.7 trillion yuan
- 2015e: 26.5 trillion yuan

- % growth rate: 23.0% in 2008, 32.4% in 2009, 46.4% in 2010, 39.0% in 2011, 47.1% in 2012, 37.3% in 2013, and 34.5% in 2014.
Global trade thanks to the e-commerce: Air versus Rail

Air Freight - Current Market Conditions

- International airfreight supply and demand

- e-commerce penetration, as a percent of global retail sales


Source: Forrester, Statista, eMarketer, * is forecast
China one belt one road project also supportive for rail freight
Challenges for the railways on the land bridge between Asia and Europe

Length of the Route: 10’214 km

Transit countries: 4 (Kazakhstan, Russia, Belarus and Poland)

Custom zones: 3 (China, RBK, EU)

Duration: 12 days (30 days faster than sea)

Costs: 80% cheaper than by air
   489 USD cheaper than by road

Trade China-EU:
➢ China – 2nd trade partner for EU;
➢ EU – 1st trade partner for China;
➢ Volume: 1 bln USD/day (goods and services)
Legal and administrative hurdles for Asia – Europe rail freight:
Situation on 1 December 2017

CIM+CMR

SMGS+CMR

CIM ONLY

CMR ONLY

CIM+CMR+SMGS

SMGS ONLY

Note: No state where only CIM and SMGS together are applicable

* CIM-Application only on part of the railway infrastructure (specific lines)

** CIM applicability is suspended
Accession of China to the GLV-CIM/SMGS

China’s border points with Russian Federation, Kazakhstan, Mongolia are open for import and export traffic using CIM/SMGS Consignment Note from 1 May 2017
CIT Solutions: Common consignment note
CIM/SMGS: a common project of the CIT and OSJD

- Implements both contracts of carriage
- Recognised as a customs and bank document
- Does not undermine the CIM/SMGS liability conditions
- The “sum” of the CIM and SMGS consignment notes
- Based on:
  - Article 6 § 8 CIM + Article 13 and Annex 6 SMGS
  - Layout based on the United Nations Layout
  - Key for trade documents
GLV-CIM/SMGS - Content

A. General provisions
B. Common Provisions for paper and electronic consignment notes
C. Paper consignment note
D. Electronic consignment note
E. Final provisions

Appendices
1. List of members applying the manual
2. Explanatory notes on the content of the CIM/SMGS consignment note
3. List of reconsignment points
4. List of the addresses of departments to which applications for authorisation are to be sent
5. Specimen of the CIM/SMGS consignment note
6. Packaging requirements
7. CIM/SMGS wagon/container list
8. CIM/SMGS formal report
9. List of addresses of the departments competent for the handling of claims
Electronic Consignment Note
CIM/SMGS

Functional specifications:
updated based on the revision of SMGS (1 January 2016)

Legal specifications:
updated in 2016

Technical specifications:
finalized on expert level October 2017

Coming into force:
1 of January 2019
Common CIM/SMGS consignment note: Practical Use

➢ for east west rail freight traffic
➢ on the Eurasian land bridge
➢ 85% Container transportation
➢ 18% Single wagon load
➢ .30 Min pro Wagon
➢ further facilitations (wagon and container list, formal report and formal procedure, etc.)
➢ further legal harmonisation
Solutions to increase railway competitiveness: GTC Eurasia as instrument on contractual level

General Terms and Conditions for EurAsia Rail Transport Contracts of the CIT (GTC EurAsia)

➢ **Point 3 -** of the UNECE Political Declaration
➢ **Framework contract** - for participating railways (on different corridors)
➢ **Applicable law** - mandatory provisions of the national law shall apply
➢ **Precondition** – **opting-in** through the participating railways (for example DB, PKP Cargo, BC, RZD and CCTT or GETO)
➢ **Legal basis** - international private law (IPR)
Practical use of the CIM/SMGS Consignment note

MoU CIT and OSJD to promote CIM/SMGS

Increased use CIM/SMGS in 2016:
- RZD by 41%
- UZ by 12%

Accession of China to the GLV-CIM/SMGS
1 May 2017

Central Asia: Accession
Tajikistan, Turkmenistan,
Uzbekistan, Afghanistan
CIT GTC Rail-Sea traffic – a new CIT document

➢ **Validity**: introduced on 1 January 2015 (opting-in)

➢ **Model** of successive carriers: maritime carriers can appear as successive carriers within multimodal carriage

➢ **Application** of the CIM consignment note for multimodal carriage

➢ **Structure:**
   I. General conditions of carriage for multimodal rail-sea traffic
   II. Appendix 1: CIM list of maritime and inland waterway services
   III. Appendix 2: Provisions for carriage of dangerous goods

Cooperation between various types of transport carriers is indispensable for common success
CIT Boilerplate contract for Rail-Sea traffic - a new CIT document

➢ **Validity**: introduced on 1 July 2016 (opting-in)

➢ **Model** of successive carriers: maritime carriers can appear as successive carriers

➢ **Structure**:
  - Objective of the contract
  - Obligations
  - Procedures related to carriage
  - Compensation
  - Applicable law, jurisdiction, other general provisions

*Appendix 1*: Description and planning
*Appendix 2*: GTC Rail-Sea Traffic
*Appendix 3*: Payment
*Appendix 4*: Compensation
CIT/IRU Guideline comparing the legal regimes CMR - COTIF/CIM - SMGS

Content:

- An introduction
- A synthesis of the key principles
- A map with the scope of application of all three Conventions
- A matrix in which the most important topics are examined in detail

→ Published in a brochure in 2017
Next steps in 2017 for Rail – Road traffic

Drafting a Checklist for road-rail combined traffic

➢ The Multimodality Committee mandated the GS CIT to develop a Checklist for road-rail combined traffic based on practical case examples from CIT and IRU members.
➢ Main components in the form of model clauses:
   a) Standard provisions for truck to rail transhipment operations
   b) Standard provisions for loading transport units onto a rolling road
   c) Standard clauses for road-rail network liability in the case of transhipment and loading operations.
➢ The provisions will be examined in depth by the CIT members and discussed with the IRU
Summary: point of success for the Asia – Europe rail freight

→ Good Quality of infrastructure

→ Technical interoperability (vehicle authorisation and safety certification)

→ Level playing field with other transport modes

→ Competitive and transparent charges for use of infrastructure

→ Less administrative burdens: New regulatory requirements when customers benefit

→ Stable and fair legal framework
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