

EURASIAN TRANSPORTATION LINKS: CHALLENGES & PROSPECTS

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HOW MUCH DOES IT COST TO SHIP A 20' CONTAINER FROM CHINA TO

	Delivery Time	Shipping Cost
	Less than 1 day	€22,000
 + 	10-12 days	€11,000
	15-19 days	€3,500- €5,500
	32-35 days	€1,500 - €1,850

EUROPE-ASIA TRANSPORTATION COST

Source: Railway Market, CEE Review.

Transport Corridor Europe-Caucasus-Asia (TRACECA)



TRACECA (40 ft)	Shipping Price (USD)
Poti-Baku (truck)	\$1,800-1,900
Poti-Baku (rail)	\$1,500-1,700
Poti-Turkmenbashi (rail+ferry)	\$1,900-2,100
Mersin-Baku (truck)	\$3,500-4,000

Trans-Kazakhstan



Trans-Kazakhstan Route (40 ft)	Shipping Price (USD)*
Shanghai-Dostyk	\$3,150 / \$6,150
Shanghai-Moscow (via Dostyk)	\$6,050 /\$9,050
Shanghai-Riga (via Dostyk)	\$6,550 /\$9,550

Trans-Siberian Railways (TSR) + Trans-Eurasian Express (TEE)

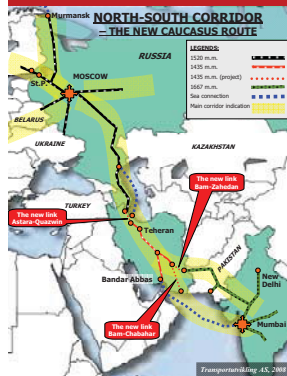


Trans-Siberian Route (40 ft)	Shipping Price (USD)
Shanghai-Moscow	\$5,600-5,800
Busan-Polish-German Border	\$5,200-6,000

Facts

- The delivery time on Trans-Siberian Railways has improved significantly, but direct cargo shipments between China and Europe are still problematic. Yet, TSR is on the right track;
- Trans-Kazakhstan route is still expensive and has not yet developed fully to become an alternative bridge between Europe and Asia;
- TRACECA's westward going cargo is dominated by oil while its eastward going freight is not much and it faces unpredictable schedule, mostly related to the way railway system is set up in the region and due to issues associated with the Caspian ferry services.

The Western Branch of NS Rail Corridor



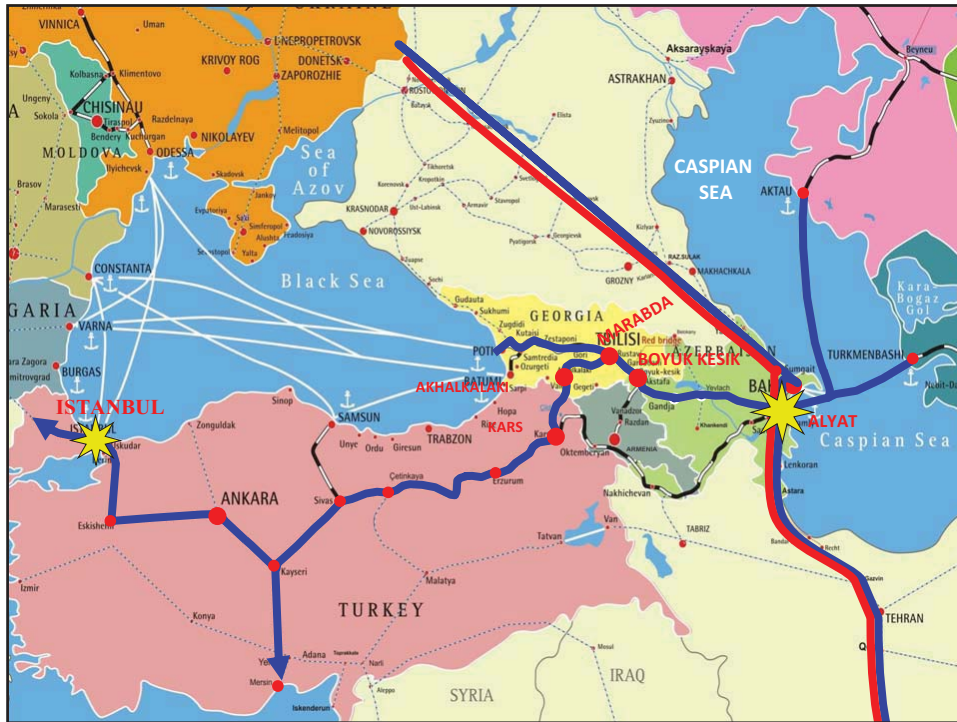
The Eastern Branch of NS Rail Corridor



Distance and transit times by rail from Delhi, India to Helsinki, Finland using NS Rail Corridor via Azerbaijan

Rail Sections by Country	Time	Share(%)	Distance (Km)	Share(%)
Finish Section	0d 05h	1%	266	3%
Russian Section	3d 08h	17%	3,233	34%
Azerbaijan Section	0d 21h	4%	528	6%
Iranian Section	2d 14h	13%	1,865	20%
Indian Section	2d 02h	11%	1,510	16%
Railway Carriage (Total)	9d 03h	46%	7,402	79%
Terminal and Border Crossings	7d 18h	39%	0	0%
Sea Transport	2d 22h	15%	1,987	21%
TOTAL	19d 20h	100%	9,389	100%

* The table assumes that the Qazvin-Rasht-Astara rail link between Azerbaijan and Iran is in place. Source: Transportutvikling AS



Trucking on TRACECA: From Western Europe to the South Caucasus



The Northern Route (estimated transit time 8-10 days)

Rotterdam → Germany → Poland → Belarus → Russia → Baku, Azerbaijan (Option 1) – 4,900 km
 ↘ Ukraine → Russia → Baku, Azerbaijan (Option 2) – 4,400 km

The Central Route (about 5,600 km: estimated transit time of 8-9 days)

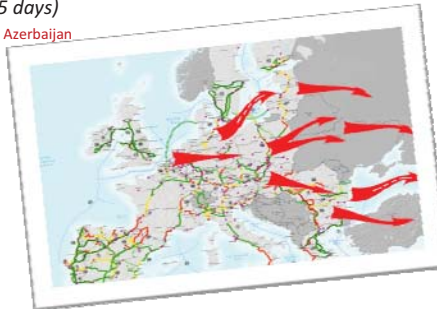
Rotterdam → Germany → Austria → Hungary → Bulgaria → (ferry to) - Georgia → Baku, Azerbaijan
 → Only once a week

The Southern Route (5,600 km: estimated transit time of 9-11 days)

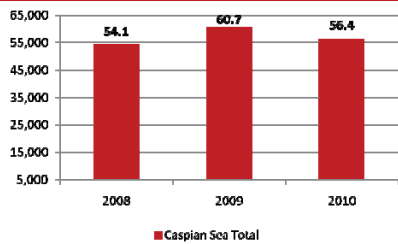
Rotterdam → Germany → Austria → Hungary → Bulgaria → Turkey → Georgia → Baku, Azerbaijan (Option 1)
 ↘ Turkey → Iran → Baku, Azerbaijan (Option 2)

The Fastest Route (estimated transit time 6-6.5 days)

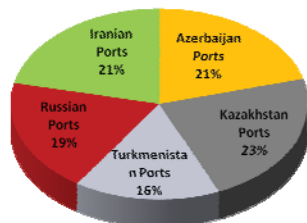
Rotterdam → Germany → (ferry to) Latvia → Russia → Baku, Azerbaijan



Caspian Ports Total Cargo Throughput



Cargo Handling By Country



Facts

- More than 55% of cargo turnover (2010) at Caspian Ports was oil and petroleum products
- Without Iranian ports, this share exceeds 65 %
- Most of oil trade is from West to East
- Lack of port Capacity for Ro-Ro traffic (i.e. Truck transport)
- The ferry fleet of Caspian countries for non-oil cargo transportation needs an upgrade

Future Plans



Construction of the New Baku International Sea Port at Alyat

- It will be built over an area of 400 ha in three phases. One fourth of the port (100 ha) will be allocated to a state-of-the-art international logistics center. Once Phase 3 is completed, the new port would be able to handle up to 25 million tons of cargo and 1 million TEUs.



Expansion of the Port of Aktau – The “North Port”

- The new extension of the Aktau port, the “North Port”, will have additional seven berths (4 for oil and 3 for dry cargo) over an area of 35 ha, which will double the port’s capacity for handling both oil and non-oil freight and transit cargo.



Expansion of the Port of Turkmenbashi

- With the expansion of the port of Turkmenbashi, it will become a relay hub in the Caspian region and a gateway to Central Asia, Afghanistan and China. The port is better positioned for transshipment of non-oil cargo by rail and trucks.



China’s Plans for Xinjiang

- China’s plans to develop Xinjiang’s economy and extend its massive and rapidly growing rail networks to Central Asia will offer new opportunities for Euro-Asian trade.

Recommendations

Encourage the member states in the region to develop a common vision

Continue to organize conferences and workshop aimed at shaping up this vision

Support port expansion plans and related projects of regional member states

Encourage Public-Private arrangements in the rail and maritime transport

Assist integration of transport links between the Black Sea countries with that of Caspian Sea region

Encourage the use of pre-booking and other innovative technologies in transportation of goods by rail, road and ferries