Increasing Russia's Transit Potential

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Global GDP growth rate and GDP (on average) of individual countries in Asia, %

According to IMF

Increasing Russia's Transit Potential
East – West Routes of Freight Traffic

Legend:

- **Option 1**: Trans-Siberian, Far East
- **Option 2**: Trans-Siberian, Zabaikalsk
- **Option 3**: Trans-Siberian, Naushki
- **Option 4**: Kazakhstan, Russia

Deep Sea Route
- **Option 2**: 11,439 km, 29 days
- **Option 3**: 11,570 km, 29 days
- **Option 4**: 10,270 km, 22 days
- **Deep Sea Route**: 20,743 km, 44 days

Note: TEU – twenty-foot equivalent unit

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What RZD do to increase transit traffic

- Railway infrastructure modernization of selected transport corridors
- Consistent logistics and service upgrade for transit and foreign trade traffic
- Unification of information technologies and electronic document management
- Competitive tariff proposal for all transit traffic
- Coordination of all transport market players to provide high quality transport service
- Information support of transportation process
Setting unified tariffs for containers transported in container trains along the Trans-Siberian line, differentiated only by East-West and West-East directions (discounted down to 69%)

**Improved Tariff Policy in CIS-countries:**
- Unified rules for calculation of transit traffic tariffs;
- 0.7 multiplier instead of 0.85 is applied for container cars and 1.15 for container shipment in general fleet of cars

**Tariffs reduced by 50%** for container shipment in container trains and by 30% for groups of containers from Grodekovo - Far East Russian ports
**Tariffs reduced by 64%** for container shipment by container trains from China through Kazakhstan's Dostyk border crossing to Europe

**Rates reduced down to 64%** of the rate for the transportation of containerized cargo in container trains from Finland to China through Kazakhstan's Dostyk border crossing to Europe
The New Eurasian Railway Corridor Project – ERC Project

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The New Eurasian Railway Corridor Project – ERC Project

Results of the extended feasibility study of the project will be finalised by end of 2016.

Russian Railways and railway administrations and authorities of Austria, Slovakia and Ukraine are jointly executing the works of the project on the basis of signed memoranda, bilateral agreements, protocols of intergovernmental commissions on trade, and agreements on economic, scientific and technical cooperation.
The New Eurasian Railway Corridor Project – ERC Project

- Route length (depending on the route selection): **390km-430km**
- Capital investment required: up to 6.36 billion euros (in 2010 prices)
- Main type of freight carried along the route: **container freight**

- Volume of freight flow by 2050: preliminary estimate of **20–30 million tons per year**.

- The twin-city region of Vienna and Bratislava occupies a central position in Europe and has rail **access to the largest Northern and Southern European ports.**
The New Eurasian Railway Corridor Project – ERC Project: Conclusions

• ERC Project will create an integrated transport corridor between Europe and Asia, maximising efficiency and boosting global business in general.

• Implementation of the project will support integration and cooperation between the 1520mm and 1435mm gauge railway systems.

• Construction and operation of the new infrastructure will have major macro-economic effects: increased industrial activity and creation of new jobs.

• Transport cooperation will strengthen economic relations between the countries of the European Union and Commonwealth of Independent States, and between Europe and Asia in general.

• Integrated railways will allow European goods to be delivered more quickly and easily to the growing markets of Russia, Ukraine, Kazakhstan and Asia.

• The completion of the project will lead to the creation of a Eurasian land bridge with an integrated, approximately 11,000 km connection offering a 15-day (or less) sustainable rail freight connection between Europe and Asia; compared to 35 days by deep-sea transport today.
Thank you for your attention