

# EU-Asia transit: all involved, few win

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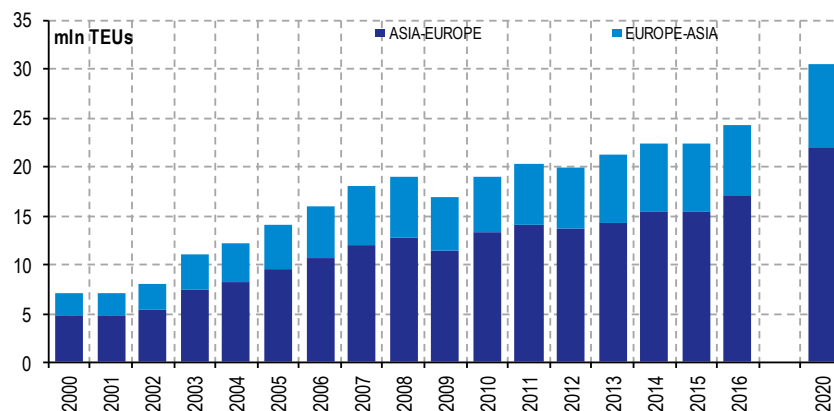
# EU-Asia land transit: becoming visible

## Main trends

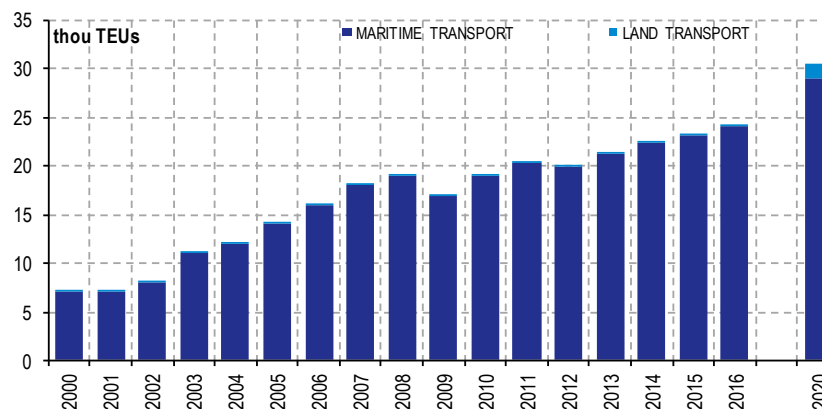
- **In 2000-2015 containerized cargo flows on EU-Asia trade route tripled and exceeded 23 mln TEUs**, outpaced North America-Asia trade direction (22,5 mln TEUs in 2015);
- **Maritime transport provides more than 99% of total freight transportation in EU-Asia trade**, but the situation may change in coming years;
- If RZD and its CIS/Balkan rivals' forecasts come true, **in 2020 Railways** (and somewhere trucks and ferry) **will transport more than 2 mln TEUs** (5% of total cargoes).

*But do they?*

## Containerized cargo flows EU-Asia, 2000-2015



## Containerized cargo flows by transport mode, 2000-2015



# EU-Asia land transit: too many ways

## Main trends

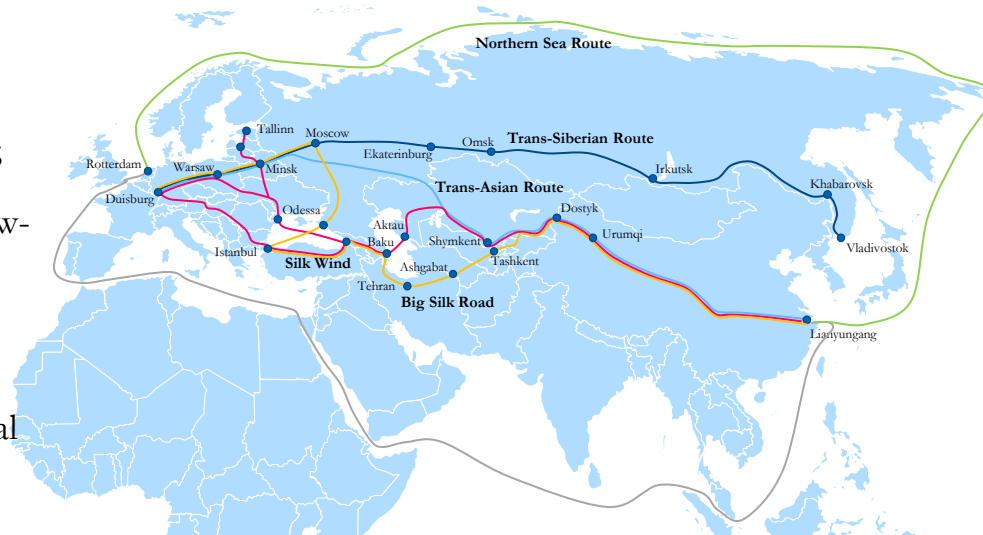
■ *Few initiatives for development of EU-Asia land transit routes were announced in past years:*

- *Eurasian initiative* to promote Trans-Siberian Route;
- *Trans-Asian route* (Shanghai-Dostyk-Ural'sk-Moscow-Minsk-EU) developed by RZD, KTZ and BZD (through UTLC);
- *Silk Wind* – China-led consortium to developed Chinese goods transport to the EU through Central Asian Countries;
- *Silk Road* – includes almost all Asian and European countries.

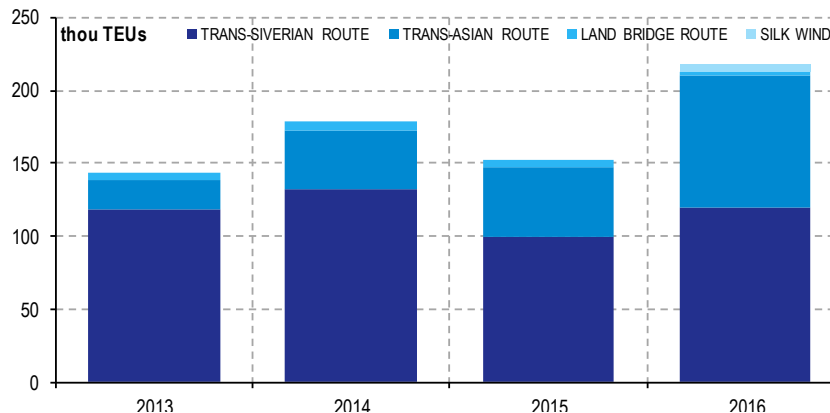
■ **In 2016 more than 200 thou TEUs (96%) will be transported via Northern Routes.**

*Will it changed?*

## Main EU-Asia transport corridors



## Cargo flows via different land transit routes, 2013-2016



# EU-Asia land transit: too many ways, too many unions

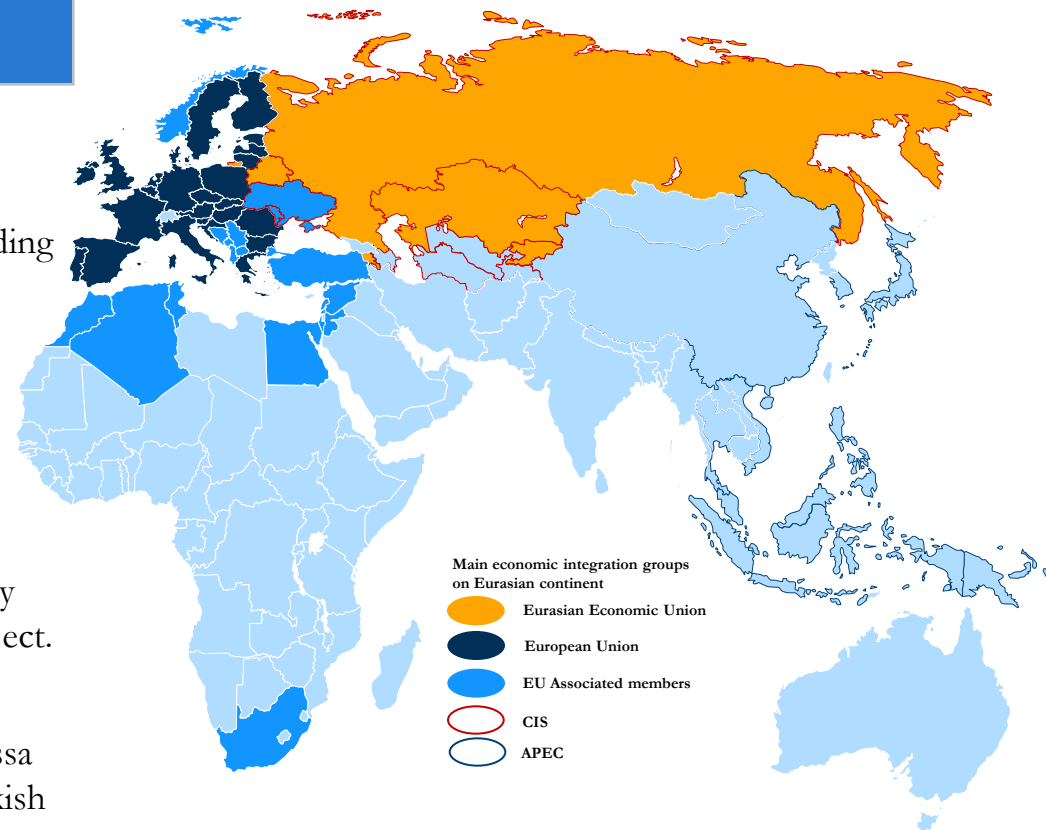
## Main trends

### ■ *Economic integration in East Asia speed up:*

- *Eurasian Economic Union* (2015) – creation of common market of 6 post-Soviet countries, including Russia;
- *One belt, one road* (2014) – Chinese initiative unites about 60 countries in Europe and Asia for Infrastructure Development;
- *EU's Eastern partnership* and Strategy for CACs.

■ *These unions plays by different rules*, so too many borders could ruined Silk Wind, or turn it to local project.

■ *Another problem is double change of transport mode* – a ferry from Aktau to Baku and Batumi-Odessa (Ukrainian Route) and outdated infrastructure of Turkish Railways (Balkan Route).



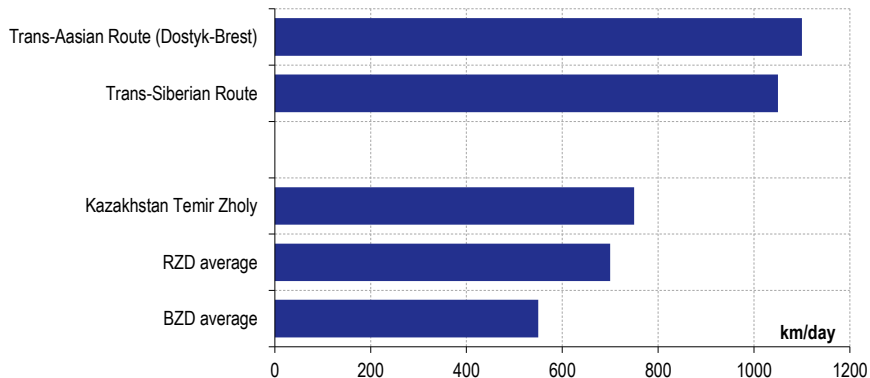
*And what about money?*

# New Routes: a problem with

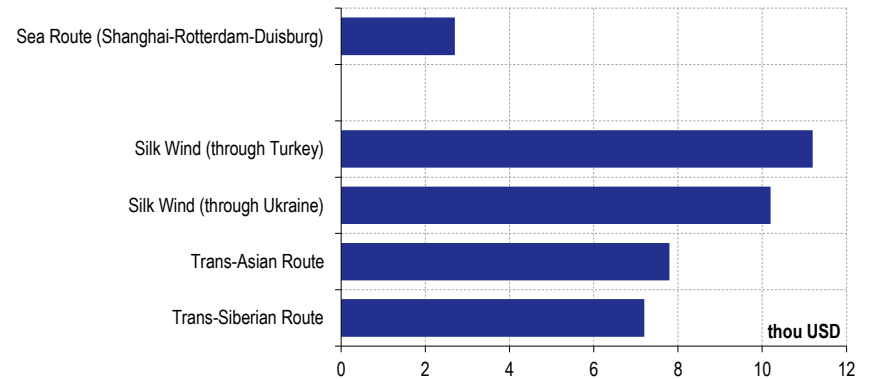
## Main trends

- *Transit via land transport may reduced delivery time by 15-20 days*, but it costs 3-4 times more than sea route;
- This will remain the main obstacle for land transit growth in coming years: probably *total land transit till will not exceed 0,6-0,7 mln TEU in 2020*.

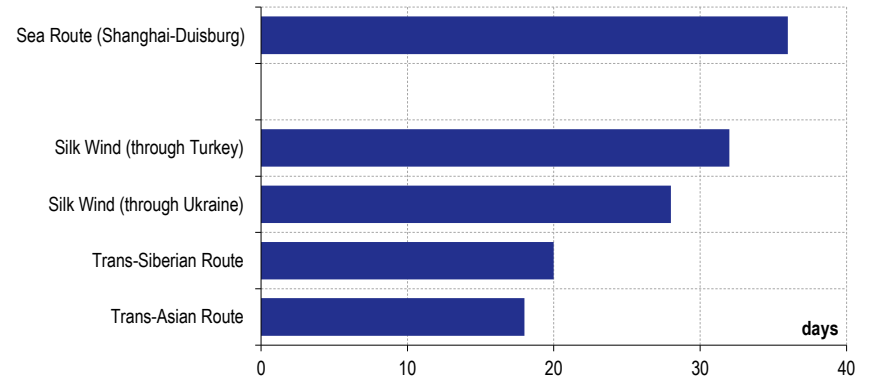
## Average speed of containerized trains, km/day, 2015



## Cost of transportation, thou USD/TEU, 2015



## Delivery time, days, 2015



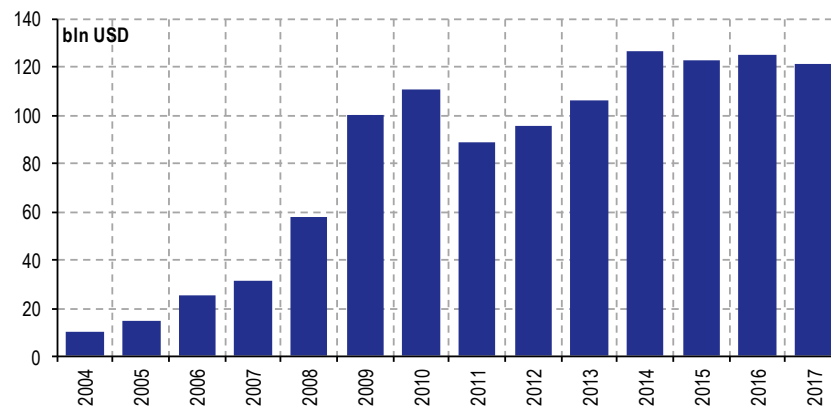
# EU-Asia land transit: Anyone can become a transit country

## Main trends

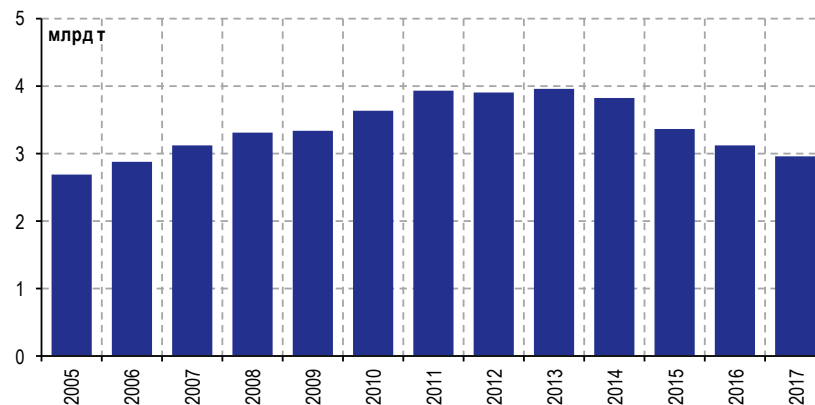
- **China is ready to invest in infrastructure projects across the Eurasia**, even if it is not vital for Chinese exporters/importers. Because of:
  - It could help to increase trade with such countries: *Chinese companies are trying to increase its market share in Central Asia, Middle Eastern Countries, and Balkan region;*
  - *China has great spare capacities in infrastructure construction and Chinese state banks love to give tied loans;*

So even if you are far away from Silk Roads, ***you can build something new using Chinese money and technologies.*** But its subject to return, of course)

## Capital investments of Chinese Railways, bln USD, 2010-2016



## Chinese Railways' freight traffic, bln t, 2010-2016



**Thank for your attention!**

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